Auditor's Report on Naturgy Energy Group, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Naturgy Energy Group, S.A. and subsidiaries for the year ended 31 December 2025)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Torre Cristal
Paseo de la Castellana, 259C
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Naturgy Energy Group, S.A.

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Naturgy Energy Group, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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

KPMG Auditores S.L., a limited liability Spanish company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
Paseo de la Castellana, 259C 28046 Madrid

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition: Unbilled energy supplied See notes 2.4.23, 2.4.25 and 10 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group's businesses that carry out energy supply activities must make estimates of unbilled supplies to end customers in the period between the last meter reading and the end of the reporting period. At 31 December 2025 the Group has recognised revenue from unbilled energy supplied in an amount of Euros 1,027 million. The amount of unbilled energy supplied is estimated based on internal and external information that is compared with the readings contained in the management systems used by the businesses. Revenue is calculated by multiplying the volume of estimated unbilled consumption, a process that is subject to a high degree of uncertainty, by the tariff agreed for each customer. Determining unbilled energy supplied requires the use of estimates by Group management with the application of criteria, judgements and assumptions in its calculations, so the recognition of revenue from unbilled energy supplied has been considered a key audit matter.	Our audit procedures included the following: • Analysing the design and implementation and the operating effectiveness of the key controls related to the process of estimating unbilled energy supplied. • Evaluating the reasonableness of the calculation model used by comparing the estimates made at the close of the previous period with actual billing data (retrospective analysis). • Assessing the reasonableness of the volume of unbilled energy through an analysis of historical information and other available internal and external data. • Evaluating a selected sample of the tariffs applied by comparing them with the data contained in the customer contract databases. • We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recoverability of intangible assets, property, plant and equipment and right-of-use assets considering the dynamics of energy transition and climate change

See notes 2.4.6, 2.4.25 and 4 to the consolidated annual accounts

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2025 the Group has recognised intangible assets including goodwill, property, plant and equipment, and right-of-use assets for amounts of Euros 5,963 million, Euros 19,323 million and Euros 1,097 million, respectively, allocated to the cash-generating units (CGUs) detailed in note 4 to the consolidated annual accounts. Under IFRS-EU, the recoverable amount of assets must be estimated when indications of impairment have been identified. Goodwill, intangible assets with indefinite useful lives and in-process intangible assets are not amortised, but are instead tested for impairment at least on an annual basis. The recoverable amount of the assets allocated to the CGUs is generally calculated using methodologies based on discounted cash flows, the estimation of which requires the use of a high degree of judgement by management and the use of assumptions and estimates, including those in relation to energy transition and the decarbonisation of the economy. For one of the CGUs, fair value less costs of disposal was calculated on the basis of third-party offers. At 31 December 2025 the Group has recognised in the consolidated income statement, impairment losses of Euros 79 million and reversals of impairment amounting to Euros 68 million. Due to the high level of judgement required, the uncertainty associated with these estimates and the significance of the amount of the intangible assets, property, plant and equipment and right-of-use assets, the recoverability thereof has been considered a key audit matter.	Our audit procedures included the following: • Evaluating the design and implementation of the key controls related to the process of estimating the recoverable amount. • Assessing the appropriateness of the composition of the CGUs based on our understanding of management of the business. • Analysing the reasonableness and consistency of the assumptions and cash flows included in the pricing models with those considered in the business plans approved by the governing bodies. • Evaluating the reasonableness of the methodology used to calculate value in use, fair value less costs of disposal and the main assumptions considered, with the involvement of our valuation and sustainability specialists. • In the Generación Renovables España CGU, checking the fair value less costs of disposal of certain assets against market comparables. • Comparing the cash flow forecasts estimated in prior years with the actual cash flows obtained. • Evaluating the sensitivity of the recoverable amount to changes in certain assumptions that can be considered reasonable. • We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Commitments to purchase natural gas and liquefied natural gas for own use See notes 2.4.8 and 36 to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2025 the Group has long-term contractual commitments to purchase natural gas and liquefied natural gas amounting to Euros 45,130 million. These contracts are signed and held to meet the Group's expected need for receiving or delivering gas in accordance with periodical purchase and sale forecasts. Consequently, the Group classifies these contracts as for "own use", adhering to the exception established by the standard enabling them to be recognised as executory contracts, and they are therefore excluded from the scope of IFRS 9 Financial Instruments. The assessment of long-term gas supply contracts to determine whether they should be classified as for "own use" requires management to exercise judgement as regards forecast supply and demand in the short, medium and long term, and the fulfilment of the contractual clauses. Consequently, this has been considered a key audit matter.	Our audit procedures included the following: • Evaluating the design and implementation of the key controls linked to the process of assessing the requirements for classifying these contracts as for "own use". • Reading and analysing a significant sample of natural gas and liquefied natural gas supply contracts signed by the Group. • Analysing whether these supply contracts meet the definition of "own use" stipulated in the applicable financial reporting framework based on an analysis of the conditions set out therein, the quantities acquired during the year, minimum contract quantities and the reasonableness of the Group's gas sales forecasts. • We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2025 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2025, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Control Committee's Responsibilities for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, 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.

The Parent's audit and control committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts 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 prevailing legislation regulating the audit of accounts 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 annual accounts.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

As part of an audit in accordance with prevailing legislation regulating the audit of accounts 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 annual accounts, 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 Parent's Directors' use 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 annual accounts 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 annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

- Plan and execute the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and control committee of the Parent 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.

We also provide the Parent’s Audit and Control Committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

From the matters communicated to the Audit and Control Committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Naturgy Energy Group, S.A. and its subsidiaries for 2025 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Parent, which will form part of the annual financial report.

The Directors of Naturgy Energy Group, S.A. are responsible for the presentation of the 2025 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation").

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Control Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit and control committee dated 18 February 2026.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 2 April 2024 for a period of two years, from the year ended 31 December 2024.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their ordinary general meeting, and have been auditing the annual accounts since the year ended 31 December 2021.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors ("ROAC") with No. S0702

This report corresponds to stamp number 01/26/00307 issued by the Spanish Institute of Registered Auditors (ICJCE)

(Signed on original in Spanish)

Eduardo González Fernández

On the Spanish Official Register of Auditors ("ROAC") with No. 20,435

18 February 2026

Annual Consolidated Financial Report **2025**

Naturgy

CONSOLIDATED ANNUAL ACCOUNTS

Consolidated Statement of Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Statement of Changes in Equity
Consolidated cash flow statement
Notes to the consolidated annual accounts

This 2025 Annual Report is a translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

Naturgy
Consolidated statement of financial position (million euro)

	Nota	31.12.2025	31.12.2024
Asset			
Intangible assets	5	5,963	5,980
Goodwill		2,894	2,948
Other intangible assets		3,069	3,032
Property, plant and equipment	6	19,323	19,467
Right-of-use assets	7	1,097	1,229
Investments recorded using the equity method	8	559	647
Non-current financial assets	9	408	419
Other non-current assets	10	471	340
Derivatives		197	59
Other assets		274	281
Deferred tax assets	21	1,858	2,009
NON-CURRENT ASSETS		**29,679**	**30,091**
Non-current assets held for sale	11	363	—
Inventories	12	1,003	807
Trade and other receivables	10	3,394	3,841
Trade receivables for sales and services		2,451	2,851
Other receivables		595	880
Derivatives		303	68
Current tax assets		45	42
Other current financial assets	9	305	471
Cash and cash equivalents	13	4,357	5,626
Current assets		**9,422**	**10,745**
TOTAL ASSETS		**39,101**	**40,836**
EQUITY AND LIABILITIES			
Capital		970	970
Share premium		3,808	3,808
Treasury shares		(1,132)	(206)
Reserves		6,248	5,980
Profit for the period attributed to the parent company		2,023	1,901
Interim dividend		(1,100)	(969)
Other equity items		(1,475)	(2,006)
Equity attributed to the parent company		**9,342**	**9,478**
Non-controlling interests		**2,031**	**2,175**
Equity	**14**	**11,373**	**11,653**
Deferred income	15	1,260	1,129
Non-current provisions	16	1,631	1,841
Non-current financial liabilities	17	13,992	15,095
Borrowings		12,874	13,716
Lease liabilities		1,118	1,379
Deferred tax liabilities	21	1,925	1,945
Other non-current liabilities	19	902	944
Derivatives		308	375
Other liabilities		594	569
NON-CURRENT LIABILITIES		**19,710**	**20,954**
Liabilities related to non-current assets held for sale	11	310	—
Current provisions	16	590	361
Current financial liabilities	17	2,771	2,927
Borrowings		2,606	2,733
Lease liabilities		160	183
Other financial liabilities		5	11
Trade and other payables	20	4,222	4,762
Trade payables		3,177	3,043
Other payables		685	691
Derivatives		182	817
Current tax liabilities		178	211
Other current liabilities	19	125	179
Current liabilities		**8,018**	**8,229**
Total equity and liabilities		**39,101**	**40,836**

The accompanying Notes 1 to 39 to the consolidated annual accounts and the Appendices are an integral part of the consolidated statement of financial position as at 31 December 2025 and 2024.

Naturgy
Consolidated Income Statement (million euro)

	Note	2025	2024
Net sales	22	19,455	19,267
Procurements	23	(11,849)	(11,565)
Other operating income	24	179	236
Personnel expenses	25	(632)	(643)
Other operating expenses	26	(1,879)	(2,001)
Gain/(loss) on disposals of fixed assets	27	—	10
Release of fixed asset grants to income and other	15	60	61
GROSS OPERATING PROFIT		**5,334**	**5,365**
Depreciation, amortisation and impairment losses	4, 5, 6, 7 & 28	(1,612)	(1,524)
Impairment due to credit losses	10	(139)	(90)
Other results	29	(3)	(202)
OPERATING RESULTS		**3,580**	**3,549**
Financial income		304	406
Financial expenses		(793)	(842)
Variations in fair value of financial instruments	9	(2)	12
Net exchange differences		(13)	(41)
FINANCIAL INCOME	30	**(504)**	**(465)**
Profit/(loss) of entities recorded by equity method	8	142	120
PROFIT/(LOSS) BEFORE TAX		**3,218**	**3,204**
Income tax	21	(833)	(835)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**2,385**	**2,369**
Profit for the year from discontinued operations, net of taxes	11	—	(22)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**2,385**	**2,347**
Attributable to:			
The parent company		2,023	1,901
From continuing operations		2,023	1,923
From discontinued operations		—	(22)
Non-controlling interests	14	362	446
Basic and diluted earnings per share in euro from continuing operations attributable to the equity holders of the parent company		2.17	2.00
Basic and diluted earnings per share in euro from discontinued operations attributable to the equity holders of the parent company		—	(0.02)
Basic and diluted earnings per share in euro attributable to the equity holders of the parent company		2.17	1.98

The accompanying Notes 1 to 39 to the annual accounts and Appendices are an integral part of the consolidated income statement for the years ended 31 December 2025 and 2024.

Naturgy
Consolidated statement of comprehensive income (million euro)

	Note	2025	2024
Consolidated profit/(loss) for the year		**2,385**	**2,347**
OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY			
ITEMS THAT WILL NOT BE TRANSFERRED TO PROFIT/(LOSS)		**(3)**	**19**
Actuarial gains and losses	16	6	25
Other income and expenses		(11)	—
Tax effect	21	2	(6)
ITEMS THAT WILL SUBSEQUENTLY BE TRANSFERRED TO PROFIT/(LOSS)		**452**	**(577)**
Cash flow hedges	18	606	(785)
Gains / (Losses) per valuation		*251*	*(1,218)*
Releases to income statement		*355*	*433*
Currency translation differences		40	39
Gains / (Losses) per valuation		*40*	*30*
Releases to income statement		—	*9*
Equity consolidated companies	8	(34)	16
Currency translation differences - Gains / (Losses) per valuation		*(36)*	*16*
Currency translation differences - Transfer to the income statement		*2*	—
Tax effect	21	(160)	153
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**449**	**(558)**
Total comprehensive income for the year		**2,834**	**1,789**
Attributable to:			
The parent company		2,550	1,382
From continuing operations		2,550	1,404
From discontinued operations		—	(22)
Non-controlling interests		284	407

The accompanying Notes 1 to 39 to the annual accounts and Appendices are an integral part of the consolidated statements of comprehensive income for the years ended 31 December 2025 and 2024.

Naturgy
Consolidated Statement of Changes in Equity (million euro)

	Equity attributed to the parent company (Nota 14)											
	Share capital	**Share premium**	**Treasury shares**	**Reserves and retained earnings**	**Profit/ (loss) for the year**	Currency translation differences	Cash flow hedges	Financial assets at fair value	**Other equity items**	**Subtotal**	**Non-controlling interests (Note 14)**	**Equity**
Statement of financial position at 01.01.2024	**970**	**3,808**	**(206)**	**4,363**	**1,986**	**(1,381)**	**270**	**(362)**	**(1,473)**	**9,448**	**2,481**	**11,929**
Total comprehensive income for the year	—	—	—	14	1,901	61	(594)	—	(533)	**1,382**	407	**1,789**
Operations with shareholders or owners	**—**	**—**	**—**	**631**	**(1,986)**	**—**	**—**	**—**	**—**	**(1,355)**	**(186)**	**(1,541)**
Dividend distribution	—	—	—	629	(1,986)	—	—	—	—	**(1,357)**	(186)	**(1,543)**
Share-based payments	—	—	—	2	—	—	—	—	—	**2**	—	**2**
Other changes in equity	**—**	**—**	**—**	**3**	**—**	**—**	**—**	**—**	**—**	**3**	**(527)**	**(524)**
Other changes	—	—	—	3	—	—	—	—	—	3	(527)	**(524)**
Statement of financial position as at 31.12.2024	**970**	**3,808**	**(206)**	**5,011**	**1,901**	**(1,320)**	**(324)**	**(362)**	**(2,006)**	**9,478**	**2,175**	**11,653**
Total comprehensive income for the year	—	—	—	(4)	2,023	94	437	—	531	**2,550**	284	**2,834**
Operations with shareholders or owners	**—**	**—**	**(926)**	**221**	**(1,901)**	**—**	**—**	**—**	**—**	**(2,606)**	**(230)**	**(2,836)**
Dividend distribution	—	—	—	219	(1,901)	—	—	—	—	**(1,682)**	(230)	**(1,912)**
Trading in treasury shares	—	—	(926)	—	—	—	—	—	—	**(926)**	—	**(926)**
Share-based payments	—	—	—	2	—	—	—	—	—	**2**	—	**2**
Other changes in equity	**—**	**—**	**—**	**(80)**	**—**	**—**	**—**	**—**	**—**	**(80)**	**(198)**	**(278)**
Other changes	—	—	—	(80)	—	—	—	—	—	(80)	(198)	**(278)**
Statement of financial position as at 31.12.2025	**970**	**3,808**	**(1,132)**	**5,148**	**2,023**	**(1,226)**	**113**	**(362)**	**(1,475)**	**9,342**	**2,031**	**11,373**

The accompanying Notes 1 to 39 to the consolidated annual accounts and the Appendices are an integral part of the statement of changes in equity for the years ended 31 December 2025 and 2024.

Naturgy
Consolidated cash flow statement (million euro)

	Note	2025	2024
Profit/(loss) before tax		**3,218**	**3,204**
Adjustments to income:	31	**1,800**	**1,793**
Depreciation, amortisation and impairment losses	4, 5, 6, 7 & 28	1,612	1,524
Other adjustments to net profit	31	188	269
Changes in working capital	31	**614**	**58**
Other cash flows from operating activities:	31	**(1,107)**	**(1,063)**
Interest paid		(681)	(703)
Interest collected		180	221
Dividends collected		168	82
Income tax paid		(774)	(663)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		**4,525**	**3,992**
Cash flows into investing activities:		**(2,168)**	**(2,254)**
Group companies, associates and business units	31	(3)	(15)
Property, plant and equipment and intangible assets		(2,149)	(2,197)
Other financial assets		(16)	(42)
Proceeds from divestitures:		**50**	**119**
Group companies, associates and business units	31	17	—
Property, plant and equipment and intangible assets		10	19
Other financial assets		23	100
Other cash flows from investing activities:		**249**	**314**
Other proceeds from investing activities	15 & 19	249	314
CASH FLOWS FROM INVESTING ACTIVITIES		**(1,869)**	**(1,821)**
Receipts/(payments) on equity instruments:		**(1,189)**	**(510)**
Disposal	31	1,391	—
Acquisition	31	(2,580)	(510)
Receipts and payments on financial liability instruments:		**(639)**	**1,859**
Issue	31	3,574	5,444
Repayment and amortisation	31	(4,213)	(3,585)
Dividends paid (and remuneration on other equity instruments)	14	**(1,920)**	**(1,571)**
Other cash flows from financing activities		**78**	**(17)**
CASH FLOW GENERATED FROM FINANCING ACTIVITIES		**(3,670)**	**(239)**
Other changes in cash and cash equivalents	11	**(16)**	**—**
Effect of fluctuations in exchange rates		**(239)**	**8**
VARIATION IN CASH AND CASH EQUIVALENTS		**(1,269)**	**1,940**
Cash and cash equivalents at beginning of the year	13	5,626	3,686
Cash and cash equivalents at year end	13	4,357	5,626

The accompanying Notes 1 to 39 to the consolidated notes to the annual accounts and the Appendices are an integral part of the consolidated cash flow statement for the years ended 31 December 2025 and 2024.

Contents of the notes to the consolidated annual accounts for 2025

1	General information	9
2	Basis of presentation and accounting policies	9
3	Operational segment financial information	50
4	Asset impairment losses	55
5	Intangible assets	66
6	Property, plant and equipment	69
7	Right-of-use assets	71
8	Investments in companies	72
9	Financial assets	75
10	Other non-current assets and trade and other receivables	78
11	Non-current assets and disposal groups of assets held for sale and discontinued operations	80
12	Inventories	83
13	Cash and cash equivalents	83
14	Equity	84
15	Deferred income	97
16	Provisions	97
17	Financial liabilities	104
18	Risk management and derivative financial instruments	111
19	Other current and non-current liabilities	124
20	Trade and other payables	124
21	Tax situation	125
22	Net sales	132
23	Procurements	134
24	Other operating income	134
25	Personnel expenses	135
26	Other operating expenses	136
27	Gain/(loss) on disposals of fixed assets	137
28	Depreciation and non-financial asset impairment losses	137
29	Other results	137
30	Net financial income/(expense)	138
31	Cash generated by operating activities and other cash-flow breakdowns	139
32	Business Combination	141
33	Service concession agreements	141
34	Information on transactions with related parties	141
35	Information on members of the Board of Directors and the Management Committee	144
36	Litigation, arbitration, guarantees and commitments	146
37	Auditors' fees	152
38	Environment	153
39	Events after the reporting date	155
Anexo I.	Naturgy companies	156
Anexo II.	Changes in consolidation scope	166
Anexo III.	Naturgy tax group companies	168
Anexo IV.	Regulatory framework	169

Notes to the consolidated annual accounts of Naturgy for 2025

Note 1. General information

Naturgy Energy Group, S.A. is a public limited company that was incorporated in 1843. Its registered office is located at Avenida de America 38, Madrid, Spain. On 27 June 2018, the shareholders, in general meeting, agreed to change the company's business name to Naturgy Energy Group, S.A., formerly Gas Natural SDG, S.A.

Naturgy Energy Group, S.A. and subsidiaries ("Naturgy") form a group that is engaged mainly in the business of gas (supply, liquefaction, regasification, transport, storage, distribution and supply), electricity (generation, transport, distribution and supply) and any other existing source of energy. It may also act as a holding company and, in this respect, may incorporate or hold shares in other entities, regardless of their corporate object or nature, by subscribing, acquiring or holding shares, participation units or any other securities deriving from the same.

Naturgy operates mainly in Spain and, outside Spain, in Latin America, Australia, the USA and the rest of Europe.

Note 3 contains financial disclosures by operating segment, and Appendix I lists Naturgy's investee companies at 2025 year-end.

The shares of Naturgy Energy Group, S.A. are listed on the four official Spanish stock exchanges, are traded on the continuous market and form part of the Ibex35

During 2025, Naturgy carried out significant operations within the framework of its 2025-2027 Strategic Plan, which aims to restore adequate levels of free float, promote the share's liquidity and strengthen its presence in international stock market indices. In this context, the Group made a voluntary tender offer to acquire 88 million own shares, which was executed in June 2025, followed by various orderly placements of treasury stock on the market. For full details of these transactions, see sections entitled "Tender offer" and "Placement of treasury shares" in Note 14.

Note 2. Basis of presentation and accounting policies

2.1. Basis of presentation

The consolidated annual accounts of Naturgy Energy Group, S.A. for 2024 were approved by the shareholders at a General Meeting on 25 March 2025.

The consolidated annual accounts for 2025, which were authorised and signed by the Board of Directors of Naturgy Energy Group, S.A. on 17 February 2026, will be submitted, like those of the investee companies, to the respective General Meetings for approval and they are expected to be adopted without any change.

The consolidated annual accounts of Naturgy for 2025 have been prepared on the basis of the accounting records of Naturgy Energy Group, S.A. and the other companies in the Group, in accordance with the provisions of International Financial Reporting Standards adopted by the European Union (hereinafter "IFRS-EU"), as per Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

In the preparation of these consolidated annual accounts the historical cost method has been used and, as appropriate, the criteria for the recognition at fair value of financial assets measured at fair value through profit or loss and through other comprehensive income, derivative financial instruments, business combinations, the application of inflation to the historical cost of assets in economies regarded as hyperinflationary, and defined benefit pension plans.

These consolidated annual accounts fairly present the consolidated equity and consolidated financial situation of Naturgy as at 31 December 2025, and the consolidated results of its operations, the changes in the consolidated statement of comprehensive income, changes in consolidated equity and the consolidated cash flows of Naturgy for the year then ended.

The figures set out in these consolidated annual accounts are stated in million euro, unless indicated otherwise.

2.2. New IFRS-EU and IFRIC interpretations

2.2.1. Standards that came into force on 1 January 2025

As a result of their approval, publication and entry into force on 1 January 2025, the following standards, interpretations and amendments adopted by the European Union have been applied:

Standards adopted by the European Union		Entry into force for annual periods commencing
IAS 21 (Amendment) "Lack of Exchangeability"	Determines whether one currency is convertible into another and, when it is not, determines the exchange rate to be used.	1 January 2025

2.2.2. Standards that will enter force on or after 1 January 2026:

Standards that will enter force on or after 1 January 2026		Entry into force for annual periods commencing
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	They clarify the date of recognition and derecognition of certain financial assets and liabilities and new disclosures for contractual terms that may modify cash flows and for equity instruments designated at fair value through other income.	1 January 2026
Annual improvements to IFRS - Volume 11	Provide clarifications and changes affecting IFRS 1 (hedge accounting by a first-time adopter), IFRS 7 (gain or loss on derecognition of financial assets, deferred difference between fair value and transaction price, credit risk disclosure), IFRS 10 (determination of a "de facto agent"), IAS 7 (cash flows from investments in associates and joint ventures), and IFRS 9 (receivables that do not contain a significant financing component, derecognition of lease liabilities).	1 January 2026
Amendments to IFRS 9 and IFRS 7 - Renewable electricity contracts.	Sets out the cases in which a purchaser of renewable electricity may apply the own-use exception and specifications for the application of hedge accounting in power purchase contracts settled by differences.	1 January 2026
IFRS 18, Presentation and Disclosures in Financial Statements	Standard on presentation and disclosures in financial statements that amends IAS 1.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures under other IFRS Accounting Standards.	Specifies reduced disclosure requirements for an eligible subsidiary that applies the requirements of other IFRS Accounting Standards	1 January 2027
Amendment to IAS 21, Translation to a Hyperinflationary Presentation Currency	Establishes the rules for translating financial statements from a non-hyperinflationary currency to a hyperinflationary currency.	1 January 2027

The consolidated annual accounts are presented in euro, which is the parent company's presentation currency. The items contained in the consolidated annual accounts of each of Naturgy's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency) and are translated into the group's presentation currency, as described in Note 2.4.2 "Transactions in foreign currency". Naturgy has no investments in entities with functional currencies that are not convertible into the presentation currency, i.e. the euro, and, therefore, the amendment to IAS 21 did not have any impact.

None of these standards, interpretations or amendments due to enter into force in future annual periods was applied early. At the date of authorisation of these consolidated annual accounts, the potential impacts are being analysed. Naturgy is assessing the impacts of the application on the financial information, basically4 the amendments to IFRS 18 in the classification of the items in the income statement to distinguish between operating, investment and financing activities, and the modifications in the application of hedge accounting in long-term electricity sales contracts, in which the facilities sell their output to the market and there is a subsequent financial settlement for the difference between the market price and the price agreed in the contract.

The changes in hedge accounting for long-term electricity sale contracts will make it possible to avoid the impact of inefficiencies generated by the difficulty of establishing highly probable sales at renewable generation facilities. Those amendments will be applied prospectively, which will make it possible, in turn, the discontinuation of an existing hedging relationship to facilitate the designation of a new hedging relationship, using the same hedging instrument for annual periods beginning on or after 1 January 2026, since Naturgy did not apply this amendment early.

Management is closely following developments related to the implementation of international tax reforms that introduce an additional global minimum tax (Pillar Two). During 2023, the International Accounting Standards Board issued amendments to IAS 12 that provide a mandatory temporary exception from deferred tax accounting for the top-up tax and require new disclosures in the annual accounts.

On 21 December 2024, Spain's Official State Gazette published Law 7/2024 of 20 December, which establishes a top-up tax to guarantee an overall minimum level for multinational enterprise groups and large-scale domestic groups, a tax on the net interest income and fees of certain financial institutions, and a tax on liquids for electronic cigarettes and other tobacco-related products, and modifies other tax regulations. Law 7/2024 is in force for annual periods beginning on or after 31 December 2023; accordingly, it was fully applicable to Naturgy in 2024.

In the case of Ireland, however, the national tax authorities have announced that, in compliance with Council Directive (EU) 2022/2523 of 15 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, the Finance Act 2024 introduces a top-up tax that enables the minimum tax rate to be raised to 15%, from the 12.5% nominal rate in force at the date of the amendment. At the end of December 2025, a top-up tax of Euros 5 million (Euros 1.4 million in 2024) was recognised in Ireland to reach the minimum rate of 15%.

Naturgy assessed the impact that the application of the Top-up Tax Law would have for the Group. The possible application of the safe harbours derived from the existing data in the Qualified Country-by-Country Report was analysed and, in the event that no safe harbour is applicable, the amount of Top-up Tax that would need to be recognised in Spain has been analysed. As a result of this analysis, it was determined at the end of 2024 that, with the exception of Puerto Rico, all jurisdictions in which the Group operates are covered by the safe harbours applicable in the first two years of application of the top-up tax or in the case of calculating a simplified effective tax rate (ETR). The analysis as at 31 December 2025 shows that this situation has not changed.

In 2025, it was not necessary to recognise any top-up tax in the case of Puerto Rico, as the effective rate of 15% was slightly exceeded (Euros 0.5 million in 2024). As the top-up tax in Ireland is treated as a covered tax for the purposes of the Spanish top-up tax, no additional impact needs to be reflected in these consolidated annual accounts.

Naturgy is also implementing the most appropriate technologies to comply with the new tax obligations imposed by Pillar 2 and, specifically, by Spanish Law 7/2024, of 20 December.

2.3. Comparability

The information contained in these notes to the consolidated annual accounts for the year 2025 includes the information relating to the year 2024 for comparative purposes. In 2025, no events occurred that influence the comparability of the information.

2.4. Accounting policies

The main accounting policies used in the preparation of these consolidated annual accounts have been as follows:

2.4.1. Consolidation

a. Subsidiaries

Subsidiaries are consolidated as from the date on which control is transferred to Naturgy and are de-consolidated as from the date on which control ceases.

Subsidiaries are companies controlled by Naturgy. Naturgy controls an entity when, as a result of its involvement, it is exposed or entitled to variable returns and has the capacity to influence those returns through the power exercised in the entity.

The profit or loss of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or until the effective date of disposal.

In the consolidation process, transactions and balances between Naturgy's subsidiaries and unrealised gains relating to non-Group third parties are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the equity and profit or loss of subsidiaries is disclosed under “Non-controlling interests” in the consolidated statement of financial position and “Profit attributable to non-controlling interests” in the consolidated income statement.

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of acquisition is the fair value of the assets delivered of the equity instruments issued and the liabilities incurred and borne on the date of the exchange, the fair value of any additional consideration that depends on future events (provided that they are likely to occur and can be reliably measured).

In business combinations with acquisition dates subsequent to 1 January 2020, Naturgy applies the definition of "Business" when assessing whether it acquired a business or a group of assets. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Naturgy also has the option of applying a "concentration test" that, if met, eliminates the need for further assessment, by determining whether or not an acquired set of activities or assets constitutes a business. The test is met if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar identifiable assets), in which case the assets acquired would not represent a business.

The intangible assets acquired through a business combination must be recognised separately from goodwill if they met the criteria for asset recognition, whether they are separable or they arise from legal or contractual rights and when their fair value can be reliably measured.

The identifiable assets acquired and the liabilities or contingent liabilities incurred or borne as a result of the transactions are initially stated at their fair value at the date of acquisition.

For each business combination, Naturgy may opt to recognise any non-controlling interest in the acquiree at fair value or as the non-controlling interest's proportional part of the recognised values of the acquiree's net identifiable assets.

Acquisition costs are expensed in the year when they are incurred.

The surplus cost of the acquisition in relation to the fair value of Naturgy’s shareholding in the net identifiable assets acquired is recorded as goodwill. If, after assessing the amount of the consideration given and the valuation of the net assets acquired, the acquisition cost is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

The measurement period for business combinations begins on the acquisition date and ends when Naturgy concludes that it cannot obtain further information on the events and circumstances that existed at the acquisition date. This period may not in any case exceed one year as from the acquisition date. During the measurement period, the business combination is deemed to be provisional and adjustments to the provisional amount will be recognised, if applicable, as if the business combination had been fully recognised on the acquisition date.

In a business combination achieved in stages, Naturgy values its prior interest in the target's equity at the fair value on the control date, recognising resulting gains or losses in the consolidated income statement.

In relation to the acquisitions of shareholders over which control is already held or sale of shareholdings without loss of control, the difference between the price paid or received and their net carrying value, or as the case may be, the result of their sale, is recorded as equity transactions and does not generate either goodwill or profits.

When an investment is deconsolidated due to a loss of control, any interest retained in the entity is re-measured at fair value and the change in the carrying amount is recognised in the consolidated income statement. This fair value then becomes the initial carrying amount for the purposes of the subsequent recognition of the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amount previously recognised in other comprehensive income in relation to the entity concerned is recorded as if the Group had disposed of the related assets or liabilities directly.

The sale options given to minority shareholders of subsidiary companies in relation to shareholdings in these companies are stated at the current value of the reimbursement, i.e., their exercise price and are carried under “Other liabilities”.

The subsidiaries’ accounting policies have been adapted to Naturgy's accounting policies for transactions and other events which, due to their similarities, have occurred in similar circumstances.

The subsidiaries’ annual accounts used in the consolidation process refer to the same reporting date and period as those of Naturgy.

b. Joint Arrangements

In a joint arrangement the parties are bound by a contractual agreement that grants two or more of those parties joint control over the arrangement. Joint control exists when the decisions about material activities require the unanimous consent of all the parties sharing control.

A joint arrangement is classed as a joint operation if the parties hold rights to its assets and have obligations in respect of its liabilities, or as a joint venture if the partners hold rights only to the investees' net assets.

1. Joint operations

Interests in joint operations are accounted for using the proportionate method such that the assets and liabilities assigned to joint operations are disclosed in the consolidated statement of financial position classified by their specific nature and Naturgy's percentage interest. Revenues and expenses from joint operations are reflected in the consolidated income statement in accordance with their nature and in proportion to Naturgy's percentage interest.

2. Jointly-controlled entities

Interests in joint ventures are accounted for using the equity method.

Under the equity method, interests in joint ventures are recognised initially at cost and are adjusted thereafter to reflect Naturgy's interest in post-acquisition gains and losses and movements in other comprehensive income.

At each reporting date, Naturgy determines whether there is objective evidence of the impairment of its investment in a joint venture. If impairment is identified, Naturgy calculates the amount of the impairment loss as the difference between the joint venture's recoverable amount and carrying amount, recognising it in the item “Profit/(loss) from equity-consolidated companies” in the consolidated income statement.

c. Associates

Associates are all entities over which Naturgy has significant influence, the capacity to participate in financial and operating decisions, but not control or joint control. This generally occurs when an interest of between 20% and 50% of voting rights is held.

Investments in associates are accounted for using the equity method described above.

d. Consolidation scope

Appendix I includes the investee companies directly and indirectly owned by Naturgy that have been included in the consolidation scope.

Appendix II lists the main consolidation scope changes in 2025 and 2024, the most significant being as follows.

2025

On 10 January 2026, through subsidiary Naturgy Vento, S.A., Naturgy acquired 9% of SET Veciana, S.L.

On 6 March 2025 and 23 July 2025, Global Power Generation, S.A. carried out capital increases by offsetting receivables from Global Power Generation Australia Pty, Ltd., which increased its stake in the capital of that company (and its subsidiaries) by 0.9%.

On 3 October 2025, Naturgy acquired, through subsidiary Naturgy Nuevas Energías, S.L.U., 75% of Pelecanus, S.L.

On 16 October 2025, Naturgy acquired, through subsidiary Naturgy Nuevas Energías, S.L.U., 75% of the companies Alnux Solar, S.L., Linurgus, S.L. and Atrotus, S.L.

On 4 November 2025, Naturgy acquired, through subsidiary Naturgy Nuevas Energías, S.L.U., 75% of Carpodacus, S.L.

On 27 November 2025, Naturgy acquired, through subsidiary Naturgy Nuevas Energías, S.L.U., 75% of the companies Artinita, S.L. and Hidenita, S.L.

On 11 December 2025, Naturgy sold, through subsidiary Naturgy Vento, S.A., 7% of SET Veciana, S.L.

On 26 December, Sociedade Galega do Medio Ambiente, S.A. increased capital; Naturgy did not subscribe, with the result that its stake in the share capital of this company was reduced by 3.8%.

On 31 December 2025, Naturgy sold, through its subsidiary Naturgy Aprovisionamientos, S.A., a 7.4% stake in Qalhat LNGS A.O.C.

For acquisitions of companies in 2025, Naturgy analysed each acquisition to determine, where applicable, whether a business or a group of assets was being acquired, and concluded that no business combinations took place in 2025.

2024

On 23 January 2024, Naturgy, through subsidiary Naturgy Renovables, S.L.U., acquired 14.8% of Evacuación Villanueva del Rey, S.L.

On 26 January 2024, Naturgy, through subsidiary Global Power Generation, S.A., acquired 15% of Sobral I Solar Energía SPE, Ltda. and 15% of Sertao I Solar Energía SPE, Ltda., as a result of which it now owns 100% of both companies.

On 19 April 2024, Naturgy, through subsidiary Fraser Coast Development Finco PTY, Ltd., acquired 100% of Fraser Coast Solar Development PTY, Ltd.

On 7 August 2024, Naturgy sold its 99.9% stake in Agua Fría Solar, LLC. through its subsidiary Naturgy Candela Devco, LLC, with a pre-tax gain of Euros 4 million.

On 11 November 2024, through its subsidiary Naturgy Nuevas Energías, S.L.U., Naturgy acquired 100% of the companies Bio Madridejos, S.L.U., Biobarrax Albacete, S.L.U., Bio Tarancón, S.L.U., Bio Caspe, S.L.U., GNR Andalucía, S.L.U., Biogas Mediana, S.L.U., Bio Carmona, S.L.U., Bio Criptana, S.L.U., Bio Membrilla, S.L.U., Bio Corral de Almaguer, S.L.U., Biogas Lucainena, S.L.U., Bio Loja, S.L.U., Bio Vilches, S.L.U. and Bio Tobarra, S.L.U.

On 20 November 2024, Empresa Chilena de Gas Natural, S.A. acquired from Metrogas, S.A. the remaining 50% of Centrogas, S.A., thus acquiring 100% of Centrogas, S.A., and the latter was merged into Empresa Chilena de Gas Natural, S.A. and dissolved. On the same date, Metrogas, S.A. acquired from an unrelated third party the remaining 0.10% interest in Financiamiento Doméstico, S.A., thus acquiring 100% of Financiamiento Doméstico, S.A., which was merged into Metrogas, S.A. and dissolved.

For acquisitions of companies in 2024, Naturgy carried out an analysis of each acquisition to determine, where applicable, whether a business or a group of assets was being acquired, and concluded that no business combinations took place in 2024.

2.4.2. Transactions in foreign currency

Items included in the annual accounts of each of Naturgy's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated annual accounts are presented in euro, which is the parent company's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

The results and financial position of all Naturgy entities that have a functional currency different from the presentational currency are translated into the presentational currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

- Income and expenses for each income statement are translated at monthly average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions.

- All the currency translation differences are recognised in the Consolidated Statement of Comprehensive Income, and the cumulate amount under the heading Cumulative translation adjustments in equity.

Before being converted to euro the annual accounts of Group companies with the functional currency of a hyperinflationary economy are adjusted for inflation following the procedure described below. Once restated, all items in the annual accounts are converted to euro applying the year-end exchange rate. The figures for previous periods, which are given for comparative purposes, are not altered.

To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment, as well fluctuations in inflation rates in the last three years. The annual accounts of companies whose functional currency is that of an economy considered to be highly inflationary, such as Argentina, are adjusted to reflect changes in the purchasing power of the local currency, such that all items on the statement of financial position that are not expressed in current terms (non-monetary items), are restated taking as reference the CPI published by INDEC (Instituto Nacional de Estadísticas y Censos) at year-end, and all revenues and expenses, gains and losses, are restated on a monthly basis applying appropriate corrective factors. The difference between the initial amounts and the adjusted figures is taken to profit and loss.

The adjustments to goodwill and to the fair value arising from the acquisition of a foreign company are treated as assets and liabilities of that company and are translated at the closing exchange rate.

With effect from 1 July 2018, applying the criteria established by IAS 29 "Reporting in Hyperinflationary Economies", the Argentinian economy has been treated as hyperinflationary with effects backdated to 1 January 2018.

The inflation rates used were the domestic wholesale price index (IPIM) until 31 December 2016 and the consumer price index (CPI) as from 1 January 2017.

With effects back-dated to 1 January 2018, an increase in equity was recognised as a result of applying the rise in inflation to the historic cost of non-monetary assets from the date of their acquisition or inclusion in the consolidated statement of financial position and recording the relevant deferred tax liability. This effect was reflected in currency translation differences at the beginning of 2018.

After 1 January 2018:

- An adjustment to revenue and expense items was made to apply the variation in inflation from the date they were recognised in the income statement, and to reflect the losses derived from the net monetary position.

- The translation into euro of the figures thus adjusted in the consolidated annual accounts is performed applying the year end peso/euro exchange rate.

The exchange rates against the euro (EUR) of the main currencies of Naturgy companies as at 31 December 2025 and 2024 were as follows:

	31.12.2025		31.12.2024	
	Closing Rate	Average accumulated Rate (1)	Closing Rate	Average accumulated Rate (1)
US Dollar (USD)	1.18	1.13	1.04	1.08
Argentinian Peso (ARS)	1,703.62	1,703.62	1,067.48	1,067.48
Brazilian Real (BRL)	6.44	6.31	6.43	5.83
Chilean Peso (CLP)	1,055.97	1,074.69	1,031.99	1,021.37
Mexican Peso (MXN)	21.12	21.67	21.55	19.82
Australian Dollar (AUD)	1.76	1.75	1.68	1.64

(1) In Argentina, the closing exchange rate was used because Argentina is classified as a hyperinflationary economy.

2.4.3. Intangible assets

a. Goodwill

Goodwill represents the amount by which the acquisition cost exceeds the acquisition date fair value of the share in the net identifiable assets of the acquired subsidiary, joint arrangement or associate. Goodwill on acquisitions of subsidiaries or joint arrangements is included in Intangible assets while goodwill related to acquisitions of associates is recorded under Investments using the equity method.

Goodwill is not amortised and it is tested for impairment annually. It is recognised in the consolidated statement of financial position at cost less cumulative impairment losses.

Impairment of goodwill cannot be reversed.

b. Concessions under IFRIC 12 and other similar concessions

This heading includes the cost of acquisition of concessions if they are acquired directly from a public entity or similar, the fair value attributed to the concession in the event of being acquired as part of a business combination or the cost of construction and improvements of infrastructures assigned to concessions, in accordance with IFRIC 12 “Service concession agreements”.

Assets affected by IFRIC 12, which are those in which the licensor controls the services that Naturgy (operator) must provide, and any material residual interest in the infrastructure at the end of the concession term are recognised as financial assets if the operator holds an unconditional right to receive cash from the licensor and as intangible assets if the operator does not hold such a right but is entitled to charge users for the service. Revenues and expenses on construction services or infrastructure improvements are recognised at their gross amount. Given that concession agreements do not specify the remuneration pertaining to these items, the value of the is estimated based on the expenses incurred.

The assets included under this heading are depreciated on a straight-line basis over the term of each concession.

The electricity distribution concessions in Spain and the gas distribution concessions in Chile, all acquired basically as part of a business combination, are not subject to any legal or other limit. Accordingly, as these are intangible assets with an indefinite life, they are not amortised, although they are tested for impairment annually, as described in Note 2.4.6.

c. Computer software

Costs associated directly with the production of computer software programs that are likely to generate economic benefits greater than the costs related to their production are recognised as intangible assets. Direct costs include the personnel costs of the employees involved in developing the programs.

Computer software development costs recognised as assets are amortised on a straight–line basis over a period of five years as from the time the assets are ready to be brought into use.

d. Research costs

Research activities are expensed in the consolidated income statement as incurred.

e. Customer acquisition costs

The incremental costs incurred directly to obtain customer contracts that reflect the commissions paid to obtain energy supply contracts with such customers and which are expected to be recovered over the expected duration of the contract are recorded as intangible assets.

Customer acquisition costs recognised as assets are amortised systematically in the consolidated income statement over the average expected useful life of the contracts with customers, which ranges from two to eight years.

f. Other intangible assets

Other intangible assets mainly include the following:

- The costs of licences for renewable generation facilities, mainly acquired as part of a business combination, which are amortised over their remaining useful lives.

- Gas supply contracts and other contractual rights purchased as part of a business combination, which are valuated at fair value and amortised over the contract term that does not differ significantly from the expected consumption pattern.

There are no intangible assets with an undefined useful life apart from goodwill and the aforementioned concessions for electricity distribution and concessions for gas distribution.

2.4.4. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment adjustments.

a. Cost

All property, plant and equipment are presented at acquisition or production cost, or the value attributed to the asset in the event that it was acquired as part of a business combination.

The cost of financing technical installations until the asset is ready to be brought into use forms part of property, plant and equipment.

Renewal, extension or improvement costs are capitalised as an increase in an asset's value only if they entail an increase in capacity, productivity or useful life. Major maintenance expenditures are capitalised and amortised over the estimated useful life of the asset (generally 2 to 6 years) while minor maintenance is expensed as incurred.

Own work capitalised under Property, plant and equipment relates to the direct cost of production.

Expenses arising from business actions designed to protect and improve the environment are expensed in the year they are incurred.

When such costs entail additions to property, plant and equipment the purpose of which is to minimise the environmental impact and to protect and improve the environment, they are accounted for as an increase in the value of property, plant and equipment.

Property, plant and equipment also include the investments necessary to contribute to decarbonisation, promote the circular economy and advance energy independence, particularly in renewable gases and above all in biomethane.

The future costs that Naturgy must meet in relation to the decommissioning and dismantling of certain facilities are included in the value of the assets at the restated value, including the respective provision (Note 2.4.19).

Revenues from the sale and the costs of items arising during the period over which the property, plant and equipment are brought into operation are recognised in consolidated profit or loss.

Gains and losses on disposals are determined by comparing the sale price with the carrying amount, and are recognised in the consolidated income statement.

b. Depreciation

Assets are depreciated using the straight-line method over their estimated useful lives, or over the duration of the concession agreement, if shorter. Estimated useful lives are as follows:

	Estimated useful life (years)
Buildings	33-50
Technical installations (gas transportation and distribution network)	20-40
Technical installations (hydroelectric plants)	14-65
Technical installations (combined cycle gas turbine: CCGT)	35-40
Technical installations (nuclear energy plants)	44-47
Technical installations (wind farms)	25-30
Technical installations (photovoltaic farms)	25-30
Electricity transmission network	30-40
Electricity distribution network	18-40
Computer hardware	4
Vehicles	6
Other	3-20

The hydroelectric plants are covered by temporary administrative concessions. Upon termination of the terms established for the administrative concessions, the plants revert to the Government in proper condition, which is achieved by stringent maintenance programs. The calculation of the depreciation charge for the hydro-electric plants differentiates between the different types of assets of which they are composed, distinguishing between investments in civil works (which are depreciated on the basis of the concession period), electro-mechanical equipment (40 years) and the other fixed assets (14 years), taking into account, in any event, the use of the plant and the maximum term of the concessions (expiring between 2026 and 2063).

Naturgy depreciates its nuclear power plants over a useful life of between 44 and 47 years, which corresponds to the life determined in the protocol signed in 2019 with Enresa and the other owners of such facilities. Operating licences for these plants usually have 10-year terms and renewal may not be requested until shortly before the expiration of each licence. Nonetheless, in view of the optimal performance of these facilities and related maintenance programmes, the permits are expected to be renewed at least until the useful life is completed.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, i.e., when the asset is no longer useful such as due to a rerouting of the distribution pipeline (Note 2.4.6.).

2.4.5. Right-of-use assets

Naturgy recognises a right-of-use asset on the lease inception date (Note 2.4.20.). The cost of the right-of-use asset includes the initial amount of the lease liability, any initial direct costs, lease payments made before or on the inception date, and an estimate of any decommissioning costs to be incurred relating to the asset. Subsequently, the right-of-use asset is recognised at cost less accumulated depreciation and any associated impairment adjustment (Note 2.4.6.), and is adjusted to reflect any subsequent re-estimation of the liability or change in the lease.

Naturgy applies the exemption for short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets. For such leases, Naturgy recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless there is another systematic basis which better represents the timeframe in which the economic benefits of the leased asset are consumed.

Right-of-use assets are amortised on a straight-line basis over the lease term or the underlying asset's useful life, whichever is shorter. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Naturgy expects to exercise a purchase option, the right-of-use asset is amortised over the life of the underlying asset. Depreciation commences on the inception date of the lease.

2.4.6. Non-financial asset impairment losses

Non-financial assets are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. Additionally, irrespective of the existence of any evidence of impairment, goodwill and intangible assets not in use or with indefinite useful lives are tested at least annually for impairment.

When the recoverable amount is lower than the asset's carrying amount, an impairment loss is recognised in the consolidated income statement for the difference. The recoverable amount is calculated at the higher of an asset's fair value less costs of sale and value in use calculated by applying the discounted cash flow method. In general, Naturgy considers value in use as the recoverable amount, except for certain CGUs (LPG and Renewable Generation Spain) where fair value less selling costs is considered to be a better estimate of the recoverable amount.

For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash flows. Assets, including assets with an undefined useful life, and goodwill are assigned to these cash-generating units (CGUs).

For those CGUs that required an impairment analysis, value in use is determined by the present value of cash flows generated by the CGE in its current condition, based on the best forward-looking information available for the coming years, extended as far as a ten-year period or by the remaining useful life for certain assets and concessions, on the basis of regulations and expected market evolution, drawing on available industry forecasts and past experience of price trends and production volumes.

The extension by the additional years to reach a period of ten years for the cash flow projections or by the remaining useful life of the assets and concessions is explained by the fact that in many cases long-term energy sale agreements have been concluded, long-term estimated price curves are available that are used in the Group's ordinary operations (for contracts, hedging, etc.), the electricity and gas supply business is influenced by long-term government policies and is based on stable customer relations, there are lengthy regulatory periods and, in the case of electricity and gas transport and distribution concessions, because the mechanism for calculating the new tariff that the relevant regulator will use at the beginning of the new regulatory period is foreseen.

Naturgy believes that its projections are reliable and that it can reliably predict additional cash flows beyond the initial projections.

The cash flows after the ten-year projection period are extrapolated using the growth rates estimated for each CGU, which in no case exceed the average long-term growth rate for the business and country in which they operate. In all cases, they are lower than the growth rates projected for the next ten years. In order to estimate future cash flows for the calculation of residual values, all maintenance investments are taken into account as well as any renovation investments needed to maintain CGU production capacity.

In the case of cash flow projections for the impairment tests that present terminal values, the latter are calculated on the basis of a long-term growth rate aligned with the demand trend quantified by Naturgy using its energy models, in line with current expectations with regard to the transition to a low-carbon economy and considering the physical and transition risks associated with climate change.

The parameters taken into account to determine the growth rates, which represent the long-term growth of each line of business, are in line with the long-term growth of the country, obtained from inflation estimates provided by several sources: analysts' consensus (Bloomberg), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), central banks and other government agencies, European Commission for the period 2025-2026, and Economist Intelligence Unit (EIU) for 2027 and thereafter.

The parameters taken into account for the composition of the discount rates before taxes are as follows:

- Risk-free rate: Based on the sovereign bond yield, bearing in mind country risk, currency and market of reference for the CGU, as well as surveys and other sources of information (Damodaran, EIU, etc.).
- Market risk premium: Premium based on surveys and other sources of information (Kroll, Damodaran, Pablo Fernández, etc.).
- Unlevered beta: based on estimated betas for each CGU using comparables (Bloomberg).
- Cost of interest-bearing debt: comprises the functional currency interest rate swap, with a term of 10 to 30 years, plus a spread for credit risk.
- Debt-equity ratio: based on industry comparables.

A CGU may contain a right-of-use asset and a lease liability. In the impairment test, the liability is recognised when determining the recoverable amount of the CGU if it is determined that, in the event the CGU were disposed of, the buyer would have to assume the lease liability. In this case, the treatment is as follows:

- If the recoverable amount is determined using the value in use, the value of the lease liability is considered in both the value of the tested assets and their value in use, without considering the cash outflows linked to the lease contracts in the test flows but directly reducing the value in use by the carrying amount of the lease liability.
- If the recoverable amount is determined using fair value less selling costs, the value of the lease liability is taken to be the value of the tested assets, and the recoverable amount is determined as the amount that would be realised on the disposal of the CGU's assets and the liabilities associated with the rights of use.

The liability is discounted using the implicit interest rate of the lease contract.

The impairment loss of an asset, individually considered, is recognised in the consolidated income statement, reducing the carrying value of the asset to its recoverable amount. The asset's depreciation charges are adjusted in future periods in order to apportion the revised carrying amount of the asset, less any residual value, systematically over its remaining useful life.

An impairment loss is recognised for a CGU if its recoverable amount is less than the carrying amount. This loss is allocated firstly, to the goodwill, and then to the other CGU assets in proportion to their respective carrying values. These reductions are treated as impairment losses on individual assets. The carrying amount of an asset is not reduced below the higher of its recoverable amount and zero, and this undistributed loss is allocated on a pro-rata basis among the other assets of the CGU.

Impairment adjustments to an asset, other than goodwill, that were recognised in previous periods may be reversed if and only if there was a change in the estimates used to determine the recoverable amount since the most recent impairment loss was recognised. The carrying amount of an asset other than goodwill that was increased due to reversal of impairment losses may not exceed the carrying amount that would have obtained (net of depreciation and amortisation) if no impairment had been recognised for that asset in previous years.

2.4.7. Financial assets and liabilities

a. Financial assets

Naturgy classifies its financial assets based on their valuation category, which is determined on the basis of the business model and the characteristics of the contractual cash flows, and reclassifies financial assets if and only if it changes its business model for managing such assets.

Purchases and sales of investments are recognised on the trade date, which is the date on which Naturgy commits to purchasing or selling the asset.

On initial recognition, they are classified in the following categories:

1. Financial assets at amortised cost

These are non-derivative financial instruments held to collect contractual cash flows when those cash flows consist only of principal and interest payments. They include current assets, except for those maturing after twelve months as from the consolidated statement of financial position date, which are classified as non-current assets.

They are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. Interest income from these financial assets is included in financial income. Any gain or loss that arises when they are derecognised is recognized directly in consolidated results and any impairment losses are recorded as a separate item in the consolidated income statement for the year.

2. Financial assets at fair value through profit or loss

These are assets acquired for short-term sale. Derivatives form part of this category unless they are designated as hedges. These financial assets are stated, both initially and in later valuations, at their fair value, and the changes in their value are taken to consolidated profit or loss.

Equity instruments classified in this category are recognised at fair value and any gain or loss arising from changes in fair value, or the proceeds of their sale, are included in the consolidated income statement.

The fair values of listed investments are based on their listed prices (Level 1). In the case of shareholdings in unlisted companies, fair value is determined using valuation techniques that include the use of recent transactions between willing knowledgeable parties, references to substantially similar instruments, and the analysis of discounted future cash flows (Levels 2 and 3). If recent available information is insufficient to determine fair value, or if there are a range of possible fair value measurements and the cost value is the best estimate within that range, the investments are recorded at their acquisition cost reduced by any impairment losses.

3. Equity instruments at fair value through other comprehensive income

These are equity instruments with respect to which Naturgy has made an irrevocable decision at the time of initial recognition to record them in this category. They are recognised at fair value and any increases or reductions arising from fair value fluctuations are recorded under other comprehensive income, except for dividends derived from these investments which are recognised under income for the year. Therefore no impairment losses are recognised in the income statement, and at the time of their sale, no gains or losses are reclassified to the consolidated income statement.

Fair value measurements recognised in these consolidated annual accounts are classified using a fair value hierarchy that reflects the relevance of the variables employed to perform the measurement. This hierarchy has three levels:

- Level 1: Valuations based on the listed price of identical instruments in an active market. Fair value is based on listed market prices at each year-end.

- Level 2: Valuations based on variables that are observable for the asset or liability. The fair value of financial assets in this category is determined using measurement techniques. These measurement techniques maximise the use of available observable market data inputs and rely as little as possible on entity-specific estimates made by Naturgy. If all significant inputs required to calculate the fair value are observable, the instrument is classified as Level 2. If one or more of the significant inputs are not based on observable market data, the instrument is classified as Level 3.

- Level 3: Valuations where any significant variable is not based on observable market data.

Financial assets are derecognised when the contractual rights to the asset's cash flows have expired or they have been transferred; in the latter case, the risks and rewards of ownership must have been substantially transferred. In asset assignments where the risks and rewards of ownership are retained, the financial assets are not derecognised and a liability is recognised in the same amount as the consideration received.

Receivables assignment agreements are treated as factoring without recourse provided that the risks and rewards inherent in ownership of the assigned financial assets are transferred.

The impairment of financial assets is based on an expected loss model. Naturgy accounts for the expected loss and the changes therein at each reporting date to reflect the changes in credit risk from the date of initial recognition, without waiting for an impairment event to occur.

Naturgy applies the general expected loss model for financial assets with the exception of Trade and other receivable without a significant financial component, for which the simplified expected loss model is used.

The general model requires the recognition of the expected loss resulting from a default event in the coming 12 months or over the duration of the contract, depending on the evolution of credit risk on the financial asset since initial recognition in the statement of financial position. In the simplified model, credit losses expected over the duration of the contract are recognised from the outset, taking into account available information on past events (such as customer payment behaviour), current conditions and forward-looking factors (macroeconomic factors such as GDP, inflation, interest rates, etc.) that might impact the credit risk of Naturgy's debtors.

b. Financial liabilities

On initial recognition, they are classified in the following categories:

1. Financial liabilities at amortised cost

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Any difference between the amount received and the repayment value is recognised in consolidated profit or loss during the period of repayment using the effective interest rate method.

In the event of contractual modifications of a liability at amortised cost that do not result in derecognition, the modified contractual flows of the refinanced debt are discounted at the original effective interest rate, and the resulting difference with respect to the original carrying amount is recognised in consolidated profit or loss on the date of the modification.

In a contractual modification of a liability, the terms are considered to be materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received from the lender, and using the original effective interest rate as the discount rate, differs by at least 10% from the discounted present value of the cash flows remaining on the original financial liability. In this case, the original financial liability is derecognised and the new financial liability is recognised.

The difference between the carrying amount of a derecognised financial liability and the consideration paid is recognised in profit or loss.

Borrowings are classified as current liabilities unless they mature in more than twelve months as from the consolidated statement of financial position date or include tacit renewal clauses at Naturgy's option.

In addition, trade and other current payables are financial liabilities that fall due in less than twelve months; they are initially recognised at fair value, do not accrue explicit interest, and are carried at their nominal value.

2. Financial liabilities at fair value through profit or loss

These are liabilities acquired for short-term sale. Derivatives form part of this category unless they are designated as hedges. These financial liabilities are stated both at inception and afterwards at their fair value, and the changes in this value are taken to consolidated profit or loss.

2.4.8. Derivatives and other financial instruments

Derivatives are initially recognised at fair value on the date the relevant contract is entered into and are subsequently carried at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedge, and in that event, the nature of the asset being hedged.

Naturgy aligns its accounting with its management of financial risk. Risk management objectives and the hedging strategy are reviewed periodically and a description is given of the risk management objective pursued.

In order for each hedging operation to be considered effective, Naturgy documents that the economic relationship between the hedging instrument and the hedged asset is aligned with its risk management objectives. When defining the hedging operation, the hedging ratio, understood as the amount of the hedged item divided by the amount of the hedging item, is calculated and any potential causes of ineffectiveness are determined, which are normally linked to changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged and decoupling with respect to the indices hedged in the purchase and sale transactions.

The market value of financial instruments is calculated using the following procedures:

- Derivatives listed on an official market are calculated on the basis of their year-end quotation (Level 1).
- Derivatives that are not traded on official markets are calculated on the basis of discounting cash flows based on year-end market conditions or, in the case of non-financial items, on the best estimate of the forward price curves of such items (Level 2 and 3).

The fair values are adjusted for the expected impact of observable counterparty credit risk in positive valuation scenarios and the impact of observable credit risk in negative valuation scenarios.

Derivatives embedded in other financial instruments or in other host contracts are recognised separately as derivatives only when their financial characteristics and inherent risks are not strictly related to the instruments in which they are embedded and the whole item is not being carried at fair value through consolidated profit or loss.

For accounting purposes, the transactions are classified as follows:

a. Derivatives eligible for hedge accounting

1. Fair value hedges

Fair value changes in designated derivatives that qualify as fair value hedges are recognised in consolidated profit or loss together with any fair value changes in the hedged item.

2. Cash flow hedges

The portion identified as an effective hedge of fair value changes in derivatives that are designated and qualify as cash flow hedges is recognised in equity under other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in consolidated profit or loss under the relevant heading based on the nature of the hedged item. An ineffective portion is considered to exist when the change in value of the hedging instrument, in absolute terms, is greater than the change in value of the hedged item.

When derivatives are arranged, the hedging ratio, understood as the amount of the hedged item divided by the amount of the hedging item, is calculated and any potential causes of ineffectiveness are determined, which are normally linked to changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged and decoupling with respect to the indices hedged in the purchase and sale transactions.

When options contracts are used to hedge forecast transactions, the Group only designates the intrinsic value of the options contract as the hedging instrument.

Amounts accumulated in equity are transferred to the consolidated income statement in the period in which the hedged item affects the gain or loss, as follows:

- The gain or loss relating to the effective portion of interest rate swaps is recognised in the financial expense at the same time as the interest expense in the hedged loans.

- When a hedging instrument covers a forecast transaction, the accumulated amounts remain in equity until the forecast transaction takes place. When the forecast transaction does not occur, the amount accumulated in equity is immediately reclassified to income for the period.

If the hedged item subsequently results in the recognition of an asset, the amount accumulated in equity will be recognised in the initial cost of the asset.

If this amount is a loss and it is not expected to be recovered, it will be reclassified immediately to consolidated profit or loss as a reclassification adjustment.

3. Hedges of net foreign investments

The accounting treatment is similar to cash flow hedges. The variations in value of the effective part of the hedging instrument are carried on the consolidated statement of financial position under “Translation differences”. The gain or loss from the non-effective part is recognised immediately under “Exchange differences” in the consolidated income statement. The accumulated amount of the valuation recorded under “Translation differences” is released to the consolidated income statement as the foreign investment that gave rise to it is sold.

b. Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Fair values changes to derivatives that do not qualify for hedge accounting are recognised immediately in consolidated profit or loss.

In addition, commodity derivatives not considered as hedges for accounting purposes are recorded in operating profit as they essentially constitute a hedge because of the match between the critical terms of the derivative and the hedged item.

c. Energy purchase and sale agreements

In the normal course of business, Naturgy enters into energy purchase and sale agreements which, in most cases, include “take or pay” clauses by virtue of which the buyer undertakes to pay the value of the energy contracted irrespective of whether the buyer receives it or not, except in cases of force majeure. These agreements are executed and maintained in order to meet the needs of receipt or physical delivery of energy projected by Naturgy in accordance with periodic energy purchase and sale estimates, which are monitored systematically and adjusted in all cases through physical delivery. Consequently, these are contracts for “own use” and therefore fall outside the scope of IFRS 9.

2.4.9. Non-current assets held for sale and discontinued operations

Naturgy classifies as assets held for sale all assets and related liabilities for which active measures have been initiated for their sale, which are available in their current conditions for sale, and which are very likely to be sold within the following twelve months.

These assets are stated at the lower of their carrying value and fair value minus the costs necessary for their sale and are not subject to depreciation from the date on which they are classified as non-current assets held for sale.

In the event of delays caused by events or circumstances beyond Naturgy's control and if there is sufficient evidence that the commitment to the plan to sell those classified as held for sale is maintained, the classification is maintained even though the period to complete the sale is extended beyond one year.

Non-current assets held for sale are presented in the consolidated statement of financial position as follows: assets under a single account called “Non-current assets held for sale” and the liabilities also under a single account called “Liabilities linked to non-current assets held for sale”.

Additionally, Naturgy considers as discontinued activities the components (cash generating units or groups of cash generating units) that make up a business line or geographic area of operations that are significant and can be considered separately from the rest, and have been sold or disposed of by other means or which meet the conditions to be classified as held-for-sale.

Entities acquired solely for resale are also classed as discontinued operations.

The profit or loss from discontinued activities is presented in a single line called “Profit for the year from discontinued operations net of taxes” in the consolidated income statement.

2.4.10. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using weighted average cost.

Costs of inventories include the cost of raw materials and those that are directly attributable to the acquisition and/or production, including the costs of transporting inventories to the current location.

The obligation to maintain minimum security stocks of natural gas in underground storage facilities as a measure to guarantee security of supply and stability of the gas system means that Naturgy's supply companies maintain both strategic and operational gas stocks, which are valued at the lower of the cost incurred in their acquisition and injection and the net realisable value at the time of extraction.

Nuclear fuel is measured on the basis of the costs actually incurred in its acquisition and preparation. The consumption of nuclear fuel is charged to the income statement on the basis of the energy capacity consumed.

Emission allowances held to cover emissions made are stated at the lower of weighted average acquisition price and net realisable value.

Emission allowances allocated free of charge are recognised initially at fair value and deferred revenue is recognised and transferred to profit or loss as the emission allowances allocated free of charge are consumed. Subsequently, inventories continue to be measured at the lower of allocation value or net realisable value.

When the allowances are delivered to offset the emissions produced, they are derecognised against the provision recognised when the CO_2 emissions took place (Note 2.4.19).

Guarantee of origin certificates for renewable energy sources are measured at fair value at the time of certification, as a grant received. When the original certificates generated through the Group's own activity are not sufficient, certificates are acquired from third parties, in which case they are measured at acquisition cost. Guarantee of origin certificates are consumed and collected by redeeming the guarantees of origin assigned directly by the supply company to the customer's consumption, identified using its metering point identification number, or through a green-labelled supply company which has a CNMC certificate as to the renewable origin of all the energy it sells.

Energy performance certificates (EPCs) acquired by the supply companies through agreements with companies that implemented energy efficiency actions are measured at the acquisition price after their registration in the National Register of EPCs and they are derecognised when they are delivered in order to comply with the obligations to contribute to the National Energy Efficiency Fund.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. For raw materials, the Group assesses whether or not the net realisable value of finished goods is greater than their production cost.

2.4.1.1. Share capital

Share capital is represented by ordinary shares.

Incremental costs directly attributable to the issue of new shares or options, net of tax, are deducted from equity as a deduction from reserves.
Dividends on ordinary shares are recognised as a deduction from equity in the year they are declared.

Acquisitions of own shares are recognised at acquisition cost, and are deducted from equity until disposal. Expenses of the acquisition of own shares are recognised directly as a deduction from equity as a reduction in reserves. Treasury shares are derecognised at the time of sale, when the risks and rewards associated with them are transferred. Gains and losses on the disposal of own shares are recognised under "Reserves" in the consolidated statement of financial position.

2.4.12. Share-based payments

Share-based payments settled in shares are measured on the basis of the grant-date fair value of the equity instruments granted. In addition, the effects of changes that increase the fair value of share-based payment arrangements will be recognised.

As employees deliver services during the incentive vesting period, they are measured and recognised under "Personnel expenses" in the consolidated income statement with a balancing entry in “Reserves” in the consolidated statement of financial position.

Trends in external market conditions do not trigger remeasurement of the amounts recognised in consolidated equity

2.4.13. Earnings per share

Basic earnings per share are calculated as a quotient between consolidated profit for the year attributable to equity holders of the company and the average number of ordinary shares outstanding during that period, excluding the average number of shares of the parent Company held by the Group.

Diluted earnings per share are calculated as a quotient between consolidated profit for the year attributable to the ordinary equity holders of the company adjusted by the effect attributable to the potential ordinary shares having a dilutive effect and the average number of ordinary shares in circulation during this period, adjusted by the average number of ordinary shares that would be issued if all the potential ordinary shares were converted into ordinary shares of the parent company. Accordingly, the conversion is considered to take place at the beginning of the period or at the time of issue of the potential ordinary shares, if these were placed in circulation during the period itself.

2.4.14. Borrowings and equity instruments

Borrowings and equity instruments issued by Naturgy are classified based on the nature of the issue.
Naturgy treats all contracts that represent a residual share in net assets as equity instruments.
Equity instrument issuance costs are presented as a deduction from equity.

2.4.15. Preference shares and subordinated perpetual debentures

Issues of preference shares and subordinated perpetual debentures are classified as equity instruments if and only if:

- They do not include a contractual obligation on the issuer to repurchase them, under conditions involving certain amounts and at certain dates or determinable amounts and at determinable dates, or the right of the holder to demand their redemption.
- The payment of interest is at the discretion of the issuer.
- The parent company controls the remuneration policy that determines cash outflows.

In the case of issues by a Group subsidiary that meet the above conditions, the amount received is classified in the consolidated statement of financial position under “Non-controlling interests”.

2.4.16. Deferred income

This heading mainly includes:

- Capital grants received, relating basically to agreements with regional governments for the gasification or electrification of municipalities and other investments in gas or electricity infrastructure, for which Naturgy has met all the conditions established and which are stated at the amount granted. The amounts allocated are recognised in profit or loss systematically over the useful life of the subsidised asset concerned, offsetting the depreciation expense.
- Revenue received for the construction of facilities for connecting to the gas or electricity distribution network (connections), which is recognised for the cash amount received, as well as such facilities received under assignment, recognised at fair value. The allocated amounts are recognised in profit or loss on a systematic basis over the useful life of the facilities.
- The amount received from the US government in the form of investment tax credit (ITC) for commissioning renewable installations. Amounts received are recognised in profit or loss over the useful life of the facility in line with depreciation.

2.4.17. Value of adjustments for deviations in market price, pursuant to Article 22 of Royal Decree 413/2014

On 22 October 2021, the CNMV issued a statement establishing the criteria for recognising the value of adjustments due to variances in market price in accordance with Article 22 of Royal Decree 413/2014 of 6 June regulating electricity production from renewable energy sources, cogeneration and waste (RD 413/2014).

The value of the adjustments for variances in market price includes the differences arising in each financial year between revenues from energy sales at the price estimated by the regulator at the beginning of each regulatory half-period and the lower of the actual average market price and the weighted average value of the basket of electricity market prices for the year. In addition, estimated targeting rates for each year are used to determine the upper and lower limits for the year.

Following the approach established by the CNMV in 2021, Naturgy generally recognises each market deviation arising under RD 413/2014, whether positive or negative, as an asset or liability in the consolidated statement of financial position.

However, if, over the residual regulatory life of the facilities according to Naturgy's best estimate of the future evolution of energy market prices, it is highly probable that market returns would be obtained in excess of those established in RD 413/2014 and, consequently, abandoning this remuneration regime would not have significantly more adverse economic consequences than remaining in it, it is considered that in this situation only the asset is recognised.

In the event that the facility is in the last half-period of its regulatory life or Naturgy has announced the early abandonment of the remuneration scheme established in RD 413/2014, an asset or liability will be recorded in each financial year for the net accumulated amount of the positive and negative variances generated in that half-period.

2.4.18. Provisions for employee obligations

a. Post-employment obligations and similar

1. Defined contribution plans

Naturgy Energy Group, S.A., together with other group companies, is the promoter of a joint occupational pension plan, which is a defined contribution plan for retirement and a defined benefit plan for the so-called risk contingencies, which are insured.

Additionally, there is a defined contribution plan for a group of executives, for which Naturgy undertakes to make certain contributions to an insurance policy, guaranteeing for this group a yield of 125% of the CPI on the contributions made to the insurance policy. All the risks have been transferred to the insurance company, since it even insures the guarantee referred to above.

The contributions made are recognised under Personnel expenses in the consolidated income statement.

Additionally, some employees voluntarily contribute part of their remuneration to an insurance policy, at no cost to Naturgy.

2. Defined benefit plans

For certain groups there are defined benefit commitments relating to the payment of retirement pension and death and disability supplements, in accordance with the benefits agreed by the entity and which have been externalised in Spain through single premium insurance policies under Royal Decree 1588/1999 of 15 October, which adopted the Regulations on the arrangement of company pension commitments.

The liability recognised for the defined benefit pensions plans is the present value of the liability at the consolidated statement of financial position date less the fair value of the plan-related assets. Defined-benefit liabilities are calculated annually by independent actuaries using the projected unit credit method. The present value of the liability is determined by discounting the estimated future cash flows at the yields on bonds denominated in the currency in which the benefits will be paid at maturities similar to those of the respective liabilities.

Actuarial losses and gains arising from changes in actuarial assumptions or from differences between assumptions and reality are recognised directly in equity under "Other comprehensive income", for the entire amount, in the period in which they arise.

Past-service costs due to amendment or reduction of a plan are recognised immediately in the consolidated income statement under “Personnel expenses”.

b. Other post-employment benefit obligations

Some of Naturgy’s companies provide post-employment benefits to their employers. Entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that used for defined-benefit pension plans. Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited, directly in equity, to Other comprehensive income.

c. Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Naturgy recognises these benefits when it has demonstrably undertaken to terminate the employment of current employees in accordance with a detailed formal plan without any possibility of withdrawal, or to provide them with termination benefits. In the event that mutual agreement is required, the provision is only recorded in those situations in which Naturgy has decided to give its consent to voluntary redundancies once they have been requested by the employees.

2.4.19. Provisions

Provisions are recognised when Naturgy has a legal or implicit present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount may be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the best estimate of the present value of the amount required to settle the obligation at the consolidated statement of financial position date.

When it is expected that part of the disbursement needed to settle the provision will be paid by a third party, the receipt is recognised as a separate asset, provided that its receipt is practically assured.

Naturgy must incur costs for dismantling its production facilities, including the cost of the work required to prepare the land on which they are located. In the case of nuclear power plants, all of which are located in Spain, it covers the costs incurred by the plant operator from the end of its useful life until the state-owned enterprise Empresa Nacional de Residuos Radiactivos, S.A. (ENRESA) takes over the decommissioning and waste management.

In the case of hydroelectric power plants, a provision for decommissioning is recognised only in cases where it is considered that maintaining the plant would be counter to the public interest or where it is not viable to continue operating it
upon expiration of the administrative concession.

For these purposes, the estimated present value of these costs is recognised as an increase in the value of the asset with a credit to "Provisions" at the beginning of the asset's life. This estimate is reviewed regularly to ensure that the provision reflects the present value of all estimated future costs. The value of the asset is adjusted only for variances from the initial estimate. For facilities that have reached the end of their useful lives and the decommissioning stage has commenced, the provision is recognised in the income statement for the period.

Naturgy applies a risk-free rate to discount the provision as the future cash flows estimated to meet the obligation reflect the specific risks of the related liability. The risk-free rate used pertains to yields on government bonds of sufficient depth and creditworthiness at the end of the reporting period, in the same currency and with a similar maturity to the obligation. The variation in the provision arising from discounting is recorded against “Financial expenses” in the consolidated income statement.

In contracts in which the obligations undertaken include unavoidable costs greater than the economic benefits expected to be received from them, the expenses and respective provisions are recognised for the amount of the present value of the existing difference. The unavoidable costs of the contract will reflect the lower net costs of terminating the contract, i.e. the lower of the cost of complying with the terms of the contract and the indemnity derived from non-compliance. Costs directly related to a contract comprise the incremental costs of contract performance and an allocation of other costs that are directly related to contract performance.

In order to cover the obligation concerning the delivery of CO_2 emission allowances for emissions made during the year, the CO_2 allowances to be delivered are recognised under Current provisions at acquisition cost, in the case of allowances purchased and recognised under Inventories, or at fair value for allowances pending purchase if not all necessary emission allowances are held.

2.4.20. Leases

At the commencement date of a contract, Naturgy assesses whether the contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

The lease term is the non-cancellable period considering the initial term of each contract unless Naturgy has a unilateral extension or termination option and there is reasonable certainty that this option will be exercised, in which case the corresponding extension term or early termination will be taken into account.

Naturgy re-evaluates whether a contract is, or contains, a lease only if the terms and conditions of the contract change.

In cases of total or partial termination of the lease, Naturgy writes down the carrying amount of the right-of-use asset to reflect this circumstance, and recognises the loss or gain arising from this termination in the consolidated income statement.

Lessee

In contracts where Naturgy is the lessee, it recognises an asset for the right of use and a financial liability for the lease (Notes 2.4.5. and 2.4.21.).

Lessor

Naturgy will classify each lease contract in which it is the lessor as either an operating lease or a finance lease.

A lease will be classified as a finance lease when Naturgy transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the customer. A lease will be classified as an operating lease if substantially all the risks and rewards incidental to the ownership of an underlying asset are not transferred.

- Operating leases: Operating lease payments will be recognised as revenue in the lessor's income statement on a straight-line basis over the lease term unless another allocation basis offers a better reflection of the distribution pattern of the benefit gained from the use of the underlying asset.

- Finance leases: Naturgy will recognise a receivable in the consolidated statement of financial position in an amount equal to the present value of the lease payments plus the unguaranteed residual value, discounted using the implicit interest rate of the lease contract.

  The lessor will subsequently recognise the financial income over the term of the lease in such a manner as to obtain a constant interest rate in each period on the net investment outstanding under the lease (the leased asset). It will apply the lease payments against the gross investment to reduce both the principal and the accrued financial income.

When a contract includes both lease and non-lease components, Naturgy applies IFRS 15 to allocate the consideration under the contract to each component.

2.4.21. Financial liabilities for leases

On the lease commencement date, Naturgy recognises the lease liability for the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if this cannot be readily determined, the incremental borrowing rate.

The incremental interest rate used by Naturgy is differentiated based on the portfolio of similar leases, country and contract term. The weighted average incremental interest rate for 2025 is 5.81% in Spain and 6.66% in Latin America.

The lease payments to be made will include fixed payments less any incentives, variables that depend on an index or a rate, and residual value guarantees expected to be incurred, the exercise price of a purchase option if that option is expected to be exercised, and penalty payments for terminating the lease if the lease term reflects that the lessee will exercise an option to terminate the lease.
Any other variable payments are excluded from the measurement of the lease liability and right-of-use asset.

Subsequently, the lease financial liability will be increased by the interest on the lease liability and reduced by the payments made. The liability will be remeasured if there are changes in the amounts payable and the term of the lease, and in cases of total or partial termination of the lease.

2.4.22. Income tax

Income tax expense includes the deferred tax expense and the current tax expense which is the amount payable (or refundable) on the tax profit for the year.
Naturgy includes the effect of uncertainty in tax treatment when determining taxable earnings, tax bases, unused tax losses, unused tax credits and tax rates.

Deferred taxes are recorded by applying to temporary differences that arise between the taxable income on assets and liabilities and their respective accounting figures in the consolidated annual accounts, the tax rates that are expected to be in force when the assets and liabilities are realised. No deferred taxes are recognised for profits not distributed by subsidiaries when Naturgy can control the reversal of the temporary differences and it is likely that they will not reverse in the foreseeable future.

Deferred taxes arising from direct charges or credits to equity accounts are also charged or credited to equity.

Deferred tax assets and tax credits are recognised only to the extent that it is probable that future taxable income will be available against which to offset the temporary differences and apply the tax credits.

If tax rates change, deferred tax assets and liabilities are re-measured. These amounts are charged or credited to the consolidated income statement or to the item “Other comprehensive income for the year” in the consolidated statement of comprehensive income, depending on the account to which the original amount was charged or credited.

Where uncertainty exists regarding income tax treatments, Naturgy assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that it is unlikely that the tax authority will accept an uncertain tax treatment, the effect of the uncertainty on taxable profit (loss), tax bases, unused loss carryforwards or unused tax credits is reflected. The effect of the uncertainty is recognised using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. In each case, Naturgy assesses whether to consider each uncertain tax treatment separately or in conjunction with one or more other uncertain tax treatments, depending on which approach is most likely to achieve the resolution of the uncertainty.

2.4.23. Recognition of income and expenses

a. General

Revenue derived from contracts with customers is recognised on the basis of fulfilment of the performance obligations with customers.

Revenue reflects the transfer of goods or services to customers at an amount that reflects the consideration to which Naturgy expects to be entitled in exchange for such goods or services.

Five steps are established for the recognition of revenue:

1. Identify the customer's contract(s).
2. Identify the performance obligations.
3. Determine the price of the transaction.
4. Allocate the transaction price to the performance obligations.
5. Recognise the revenue according to the fulfilment of each obligation.

Based on this recognition model, sales are recognised when products are delivered to the customer and have been accepted by the customer, even if they have not been invoiced, or if applicable, services are rendered, and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue for the year includes the estimate of the energy supplied that has not yet been invoiced.

Expenses are recognised on an accruals basis, immediately in the case of disbursements that are not going to generate future economic profits or when the requirements for recording them as assets are not met.

Sales are stated net of tax and discounts and transactions between Naturgy companies are eliminated.

b. Revenue from Gas transport and distribution network access

CNMC Circular 4/2020, of 31 March, established the methodology for determining the remuneration for natural gas distribution applicable from 1 January 2021.

The remuneration for the regulated gas distribution activity is set annually for each remuneration period and each distribution company based on the customers connected to them and the volume of gas supplied.

CNMC Circular 9/2019, of 12 December 2019 lays down the methodology for determining the remuneration of natural gas transportation facilities and liquefied natural gas plants as from 1 January 2021.

The annual remuneration for the regulated gas transportation activity is set annually for each remuneration period, taking into account the investment and operating costs of these facilities.

The regulatory framework of the natural gas sector in Spain (Appendix IV) provides a settlement procedure for redistributing, among the companies in the sector, the net revenues obtained by application of the tolls, so that each company receives the remuneration recognised for its regulated activities.

Royal Decree 1184/2020 of 29 December 2020, which lays down the methodologies for calculating gas system charges, regulated remuneration for basic underground storage facilities and the fees for their use, provides that, as from 1 October 2021, settlements will be made by gas year and by activity, differentiating between revenues from the application of tolls, fees and charges.

Subsequently, Order TED/1022/2021 of 27 September 2021 was published to further develop this Royal Decree, regulating the procedures for settling regulated activity remuneration, charges and quotas with specific destinations in the gas sector.

The entry into force on 1 October 2021 of the new Circular 6/2020 on tolls, Royal Decree 1184/2020, and Order TED/1022/2021 on settlements, changed the procedure for allocating and settling balances in the gas system. The new procedure lays down separate processes for the settlement of each of the toll items and charges defined in the above regulations. The final settlement of each procedure, whether positive or negative, will give rise to a receivable or payable for each party and these differences between the initially expected revenues and the actual revenues resulting from the application of the tolls relating to previous years will be settled as a single payment in the first available settlement of the following gas year. They will also be considered in the calculation of the costs to be included in each year's tolls.

CNMC Resolution of 30 May 2023 establishing the gas remuneration for 2024 (from 1 October 2023 to 30 September 2024) for companies carrying out regulated activities related to natural gas transportation and distribution.

CNMC Resolution of 23 May 2024, established the remuneration for the 2025 gas year (1 October 2024 to 30 September 2025) for companies carrying out regulated activities related to liquefied natural gas plants, and natural gas transportation and distribution.

CNMC Resolution of 27 May 2025 establishing the remuneration for the 2026 gas year for companies carrying out regulated activities related to liquefied natural gas plants, and natural gas transportation and distribution.

Those remunerations are financed by revenues from tolls and fees for network use. These tolls and charges are set annually, in accordance with CNMC Circular 6/2020, which establishes the methodology for calculating tolls for transportation, local networks and natural gas regasification, published in July 2020, and Royal Decree 1184/2020, of 29 December 2020, which establishes the methodologies for calculating gas system charges.

At the date of authorisation of these consolidated annual accounts, no final settlements from remuneration periods prior to the 2025 gas year are outstanding.

The 2024 gas system remuneration period ended in 2025 with a deficit in the local network activity according to the final settlement for that year approved on 31 July 2025 by the CNMC, which has been applied as an additional charge in the settlement of the 2025 remuneration period.

The provision of distribution facilities to locate gas at supply points is considered to be a single performance obligation and, therefore, the remuneration for the regulated gas transmission and distribution activity is recognised as revenue on a straight-line basis since the service provided is similar over time.

c. Revenue from gas sales

Revenue includes the amount of both last-resort gas sales and free market sales, since the last-resort supplier and the free-market supplier are deemed to be a principal agent and not a commission agent for the supply made.

Royal Decree-Law 17/2021, of 14 September, on urgent measures to mitigate the impact of the escalation of natural gas prices on retail gas and electricity markets, limits the increase in the gas cost to be charged in the natural gas last resort tariff applicable from 1 October 2021.

However, this exceptional limit has been extended by successive Royal Decree-Laws until 31 December 2023, also modifying, under Royal Decree-Law 18/2022 of 18 October, the mechanism for recovering the amounts owed to last resort supply companies in order for them to be covered by the National Budget.

Royal Decree-Law 8/2023 of 27 December which adopted measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, and to alleviate the effects of the drought, extended the limitation of 15% of the increase in raw material costs included in the tariff of last resort for natural gas until 1 April 2024. This limitation ceased to apply in subsequent quarterly revisions of the TUR after its extension expired.

Under the previous regulations, Naturgy recognised as revenue the raw material cost variances not included in the last resort tariff applied from 1 October 2021, while the measure was in force (Note 10).

Gas exchanges with other supply companies are considered to be collaboration contracts between companies in the sector and are not included in Revenue as they are not considered as contracts with customers.

The amount of gas sales is recorded as revenue at the time of delivery to customers, based on the quantities supplied and including the estimate of energy supplied but not yet read on customers' meters (Note 2.4.25.).

d. Revenue from electricity transmission and distribution network access

The remuneration for electricity distribution and transmission is set annually, applying the approved methodology which recognises remuneration for investment and remuneration for asset operation and maintenance. Until 2019, this responsibility fell to the Ministry for Ecological Transition, and since 2020 it has been set by the CNMC.

The provision of distribution facilities to locate power at supply points is considered to be a single performance obligation and therefore the remuneration for the regulated electricity transmission and distribution activity is recognised as income on a straight-line basis since the service provided is similar over time.

The regulatory framework of the electricity sector in Spain (Appendix IV) regulates a payment procedure for the redistribution amongst companies in the sector of the net turnover obtained, so that each company receives the remuneration recognised for its regulated activities.

In 2024, the CNMC published the Resolutions of 4 April 2024 and 31 July 2024 establishing the remuneration of companies owning electricity transmission facilities for 2021 and the remuneration of companies owning electricity distribution facilities for 2020.

For 2025, the CNMC published the Resolutions of 12 March 2025, 17 February 2025 and 6 November 2025, which establish the remuneration of companies that own electricity transmission facilities for 2022 and the remuneration of companies that own electricity distribution facilities for 2021 and 2022, respectively.

Future publications of pending resolutions will replace those that have been approved annually in January for the purposes of the provisional settlement on account of the final settlement.

On 22 January 2025, the CNMC published the Resolution of 10 January 2025, provisionally establishing the remuneration for electricity distribution companies for 2025, and the Resolution of 9 January 2025, provisionally establishing the remuneration for electricity transmission companies for 2025.

On 22 December 2025, the CNMC approved the following circulars, which come into force on 1 January 2026 and will apply to the 2026-2031 regulatory period:

- Circular 8/2025, establishing the methodology for calculating electricity distribution remuneration in Spain for the 2026-2031 regulatory period. The methodology incorporates measures aimed at increasing efficiency, improving quality, reducing losses and promoting electrification. Investment limits are aligned with those set by the government, remunerating audited investments up to 0.13% of GDP. The sustainability mechanism was also redefined, limiting it to investments aimed at meeting the demand set out in the Draft Royal Decree on investment plans for transmission and distribution networks.

- Circular 9/2025, amending the methodology established in Circular 2/2019 for calculating the financial remuneration rate for regulated electricity transmission and distribution activities, as well as the regasification, transportation and distribution of natural gas. It also set the financial remuneration rate applicable to electricity transmission, system operation and distribution activities for the period 2026-2031 at 6.58%, an increase of 100 basis points on the previous.

Additionally, CNMC Circular 7/2025, of 16 December, modifying the methodology established in Circular 5/2019 for calculating remuneration for electricity transmission activities, was published in December 2025. It also defines the technical and economic parameters applicable to the 2026-2031 regulatory period. The standard facilities and unit reference values for investment and operation and maintenance per fixed asset item, which will apply from 1 January 2026 to all transmission assets in operation and those that come into service thereafter, were approved.

Following the enactment of Electricity Sector Law 24/2013 of 26 December 2023, temporary mismatches between electricity system revenues and costs are funded by the companies subject to the settlement system, including Naturgy, generating the right to recover the relevant amount over the following five years, including interest at a market rate. Consequently, the financing of the electricity system revenue shortfall is recognised as a financial asset since, on the basis of this regulation, Naturgy is entitled to a reimbursement and there are no future contingent factors.

In 2023, there was a revenue surplus in the sector amounting to Euros 3,903 million. To cover charges in 2024, surpluses were carried forward in the amount of Euros 450 million from the 2022 surplus in accordance with Royal Decree 8/2023 and Euros 1,024 million from the 2023 surplus in application of Royal Decree Law 4/2024.

In 2024, there was a revenue surplus in the sector amounting to Euros 882 million. The amount of the 2023 surplus not applied in 2024, Euros 189 million, was carried forward to 2025 in accordance with Royal Decree-Law 4/2024.

e. Revenue from the sale of electricity

Revenue includes the amount of electricity sales in both the PVPC market and the free market, since the last-resort supplier and the free-market supplier are deemed to be a principal agent and not a commission agent for the supply made. Consequently, power purchases and sales are recognised for the total amount. Nonetheless, power purchases and sales from the pool made by the Group's generation and supply companies in the same time band are eliminated during the consolidation process.

The amount of electricity sales is recognised as revenue at the time of delivery to customers, based on the quantities supplied and including an estimate of energy supplied but not yet read on customers' meters (Note 2.4.25.).

In accordance with Royal Decree 413/2014 (RD 413/2014), renewable energy generation facilities in Spain qualify for certain incentives (specific remuneration scheme or RECORE). RD 413/2014 provides that certain remuneration parameters will be updated by ministerial order in each regulatory half-period.

That Royal Decree 413/2014 regulates the procedure to be followed in cases where a basket of prices in the electricity markets (spot and futures), applying various weighting coefficients and actual figures per technology to the half-periods of the regulatory useful life of the asset, proves to be lower (positive adjustments) or higher (negative adjustments) than the prices estimated by the regulator at the beginning of the regulatory half-period and which were used to determine the incentives to be received for the investments under the scope of the regulation.

Although RDL 6/2022 established that the adjustment mechanism for market deviations would not apply to energy generated from 2023 onwards in order to encourage forward contracting, RDL 10/2022 subsequently reintroduced the adjustment for market price deviations. As a result, for 2023 and subsequent years this mechanism includes references to forward market products in the annual average price of the daily and intraday market.

On 28 June 2023, Royal Decree-Law 5/2023 was approved, exceptionally adjusting the electricity market price benchmarks to be taken into account when updating the remuneration parameters of RECORE facilities for the 2023-2025 half-period.

Under this Royal Decree-Law, on 30 June Order TED/741/2023 was approved which updated the remuneration parameters for standard facilities applicable to certain facilities that generate electricity from renewable sources, cogeneration and waste, for the purposes of their application to the regulatory half-period commencing on 1 January 2023.

On 4 June 2024, the Official State Gazette published Order TED/526/2024 of 31 May 2024, which establishes the methodology for updating the operating remuneration of electricity generation facilities whose operating costs depend essentially on the price of fuel and updates their operating remuneration values, applicable as from 1 January 2024. With the new methodology, the remuneration for the operation of cogeneration and waste treatment facilities will now be updated every quarter instead of every six months; consequently, the remuneration values for the operation of standard electricity generation facilities whose operating costs depend essentially on the price of fuel are updated.

The accounting treatment for market price deviations applied by Naturgy conforms to "Criterio para contabilizar el "Valor de los ajustes por desviaciones en el precio del mercado" (Vadjm), de acuerdo con el artículo 22 del real decreto 413/2014" published by the CNMV on 22 October 2021 (Note 2.4.17.), whereby:

- As a general rule, each of the positive and negative market variances arising under RD 413/2014 is recognised in the consolidated statement of financial position with a balancing entry in revenue. The liabilities will be limited to the amount of the variances from the price that would have allowed the minimum yield guaranteed by the Royal Decree to be obtained and up to the limit of the Net Asset Value (NAV) of the facility.

- However, if, according to Naturgy's best estimates of the future evolution of energy market prices, it would be highly probable that market returns in excess of those established in RD 413/2014 would be obtained over the residual regulatory life of the facilities and, consequently, abandoning this remuneration regime would not have significantly more adverse economic consequences than remaining in it, the general approach is not followed and only the asset is recognised in the event of positive market deviations. The following facilities are included in this scenario:

  – Facilities which, at the date of these consolidated annual accounts, considering the estimated market prices for 2026 and subsequent years, are unaffected by being included in the premium scheme either because the NAV (as defined in RD 413/2014) has already been fully recovered or because it is estimated that, based on the observable prices, they will not collect the investment remuneration supplement (Rinv) after 2026. In both cases these facilities would have achieved the reasonable return provided by RD 413/2014 before the end of their regulatory lifetime.

  – These are facilities which, at the date of these consolidated annual accounts, will need to be supplemented by Rinv until the end of their regulatory useful lives but for which the abandonment of the remuneration system would not have significantly more adverse economic consequences than remaining in it. The threshold established by the Group to determine whether the economic consequences are not materially adverse has been calculated as the difference between the present value of the cash flows obtained by these facilities remaining in the specific remuneration scheme or leaving it, with this difference being equal to or less than 5%.

The Group regularly reviews the foreseeable evolution of market prices and other qualitative factors and determines whether leaving the remuneration scheme would not have significantly more adverse economic consequences than remaining in the regime and the installation remaining under the above-mentioned threshold. Otherwise, the general criterion would apply.

At the end of the asset's regulatory life, positive adjustments net of negative adjustments arising in the last regulatory half-year are recognised, based on the relevant balance, in asset or liability accounts with a balancing entry in net sales. At the reporting date of these consolidated annual accounts, there are facilities that are in the last half-period of their regulatory useful lives although no regulatory assets or liabilities have been recorded as the Net Present Value (NPV) of these facilities had previously been recovered.

Although for some facilities it is considered that leaving the remuneration scheme would not have significantly more adverse economic consequences than remaining in it, the scheme has not been abandoned and there is no intention to do so in the short term, basically because it does not generate significant additional obligations other than those inherent to efficiently managing the facilities and energy generation.
Naturgy has estimated market prices over the remaining regulatory useful lives of the facilities based on internal estimates used in Naturgy's normal budgeting operations, which are in line with the market consensus.

f. Long-term electricity sale contracts

Naturgy has contracts for the sale of electricity produced by renewable facilities that set the long-term conditions.

When the renewable facility is under control of the seller and there is a physical delivery of energy to the buyer in accordance with the entity's expected purchase, sale or usage requirements, this is regarded as a contract for “own use” and, therefore, revenue from the sale of electricity is recognised at the time of delivery to the buyer.

When the renewable facility is under control of the buyer to whom substantially all the risks and rewards of ownership of the facility are transferred, it qualifies as a finance lease and an account receivable is recognised initially, calculated as the fixed contract price receipts discounted at the implicit contract rate.

When the lease contract does not qualify as a finance lease because not all risks and rewards have been transferred, it qualifies as an operating lease. In this case, factors are considered such as limiting the buyer to a lease term that does not represent a substantial percentage of the asset's economic life, not receiving all the revenue from the facility, or the lack of a right to acquire the plant.

Contracts under which the facilities sell their production to the market and that provide a financial settlement for the difference between the market price and the price agreed in the contract are considered to be contracts for the sale of electricity settled by differences in which the underlying volume is the energy actually produced. These agreements are treated for accounting purposes as derivatives providing a cash flow hedge for the facilities' sales (Note 2.4.8).

g. Revenue from LNG sales

The amount of LNG sales is recognised as revenue at the time of delivery to the customer, the point at which the performance obligation is deemed to be met and control is transferred.

Long-term LNG sales contracts involve physical delivery to the buyer in accordance with the latter's expected purchase, sale or usage needs and are, therefore, "own-use" contracts as described in Note 2.4.8.

h. Other income

Naturgy has power generation capacity assignment contracts with the Federal Electricity Commission for its combined-cycle plants in Mexico (CFE), for a 25-year term as from the commencement of commercial operations. These contracts stipulate a pre-established collection schedule for the assignment of power supply capacity. As Naturgy has the capacity to operate and manage the plants and retains the rewards and risks of operations and can make material decisions that will affect future cash flows, these contracts represent the provision of services and are thus recognised on a percentage-of-completion basis.

Revenue from new subscriptions, which consist of the operation of coupling the gas reception facility to the network, as well as revenue from facility verifications, are recognised at the time these actions are carried out since it is at that time that the customer obtains the benefits of the service provided and there is no associated future obligation.

Revenue from the rental of meters and facilities is recorded as income over the period of the rental service that constitutes the performance obligation.

Revenues from contracts for the provision of service are recognised on a percentage-of-completion basis, i.e. when revenues may be reliably estimated, they are recorded over time based on the progress of contract execution at the year end, calculated in proportion to costs incurred to date in relation to estimated costs necessary to execute the contract.

If revenues from contracts cannot be estimated reliably, the revenues are only recognised for an amount equal to the costs incurred in the period to meet the commitment, provided that those costs are recoverable. The contract margin is not recorded until there is certainty of its materialisation, based on cost and income planning.

In accordance with Legislative Royal Decree 6/2022, two or more undertakings required to comply with the objective of reducing greenhouse gas emissions in transportation may choose to submit a joint report for the assessment of compliance with this objective. In its business of supplying natural gas and biomethane for vehicles, Naturgy generates savings in greenhouse gas emissions compared to the reference value. Therefore, it may enter into agreements with other liable parties to take advantage of these savings through joint reporting and communication. The consideration from the joint reporting agreement is recognised as revenue when the emissions savings have been achieved and receipt of the related accounts receivable is reasonably assured.

2.4.24. Cash flow statement

The consolidated cash flow statement has been prepared using the indirect method and contains the following terms, with their respective meanings:

- Operating activities: activities that provide the group's ordinary revenues, as well as other activities that cannot be classified as investing or financing.

- Investing activities: acquisition or disposal of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of the Company's equity and liabilities that are not operating activities.

2.4.25. Significant accounting estimates and assumptions, etc.

The preparation of the consolidated annual accounts requires the use of estimates and assumptions. The measurement standards that require the greatest number of estimates are set out below:

a. Intangible assets and property, plant and equipment (Notes 2.4.3. and 2.4.4.)

Determining the useful lives of intangible assets and property, plant and equipment requires estimates as to the level of utilisation of the assets, the expected technological developments and the existence of legal limits or any other restrictions on their use that might arise. The assumptions regarding the degree of use, technological framework and future development involve a significant degree of judgement, insofar as the timing and nature of future events are difficult to foresee.

b. Impairment of non-financial assets (Note 2.4.6.)

The estimated recoverable value of the CGU applied to the impairment tests has been determined using the discounted cash flows based on the projections approved by Naturgy, which have historically been substantially met.

However, in certain less frequent cases, fair value less selling costs is used as a reference to determine recoverable value, when this approach better reflects the amount that could be obtained under market conditions.

Note 4 details the main assumptions used to determine the recoverable value of non-financial assets.

c. Derivatives, other financial instruments and gas purchase and sale contracts (Note 2.4.8.)

The fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated statement of financial position date. The quoted market price used for financial assets is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. Naturgy uses a variety of methods and makes assumptions that are based on market conditions existing at each consolidated statement of financial position date.

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the consolidated statement of financial position date.
- The fair value of commodity derivatives is calculated by using forward quoted price curves at the consolidated statement of financial position date.

The Company enters into gas purchase and sale agreements in the ordinary course of its business. The analysis to determine their classification as "own use" contracts requires judgements by management in relation to gas supply and demand forecasts, which are monitored on a systematic basis.

For disclosure purposes, it is assumed that the carrying amount of trade and other receivables less expected impairment losses approximates their fair value. The fair value of other financial liabilities for reporting purposes is calculated by discounting the future contractual cash flows at the current market interest rate to which Naturgy has access for similar financial instruments.

d. Provisions for employee benefits (Note 2.4.18)

A number of assumptions must be used to calculate pension costs, other costs of post-retirement benefits and other post-retirement liabilities. Naturgy estimates at each year end the provision necessary to meet its pension liabilities and the like, in accordance with the advice from independent actuaries. The changes affecting such assumptions may result in the recording of different amounts and liabilities. The most significant assumptions for the measurement of pension or post-retirement benefit liabilities are energy consumption by beneficiaries during retirement, retirement age, inflation and the discount rate employed. Social security coverage assumptions are also essential to determine other post-retirement benefits. Future changes to these assumptions will have an impact on future pension costs and liabilities.

e. Provisions (Note 2.4.19)

Naturgy makes an estimate of the amounts to be settled in the future, including amounts relating to contractual obligations, business contracts derived from them, pending litigation, future dismantling and decommissioning of certain facilities, land restoration, and other liabilities. These estimates are subject to the interpretation of current events and circumstances, projections of future events and estimates of their financial effects, as well as the outcome of negotiations associated with gas supply contracts.

f. Corporate income tax (Note 2.4.22.)

The calculation of the income tax expense requires interpretations of tax legislation in the jurisdictions in which Naturgy operates. The decision as to whether the tax authority will accept a given uncertain tax treatment and the expected outcome of outstanding litigation requires material estimates and judgements to be made. Naturgy evaluates the recoverability of deferred tax assets based on estimates of future taxable income and the capacity to generate sufficient profits during the periods in which said deferred taxes are deductible. Deferred tax liabilities are recognised on the basis of estimates of the net assets that will not be tax deductible in the future and the timing differences that will give rise to taxation in future periods.

g. Revenue recognition (Note 2.4.23.)

Revenues from energy supply are recognised when the product has been delivered to the customer based on regular meter readings. Also included is an estimate of the energy supplied yet to be invoiced at the end of the reporting period as it has not been measured in the ordinary course of meter reading cycles.

The accrued energy yet to invoiced is estimated separately for each of the Group's business segments based on their specific features. The main variables involved in determining the revenue estimate are price and volumes consumed and purchased.

- Prices: determined as a function of the prices for different customer types based on the estimated consumption curves.
- Consumption: based on estimated daily consumption derived from seasonally-adjusted historical profiles for the various customer types and other measurable factors that affect consumption.
- Volume of energy purchased by the Group's supply companies to meet demand.

Naturgy has sufficient experience and sufficiently well developed information systems to guarantee the accuracy of the estimates recorded for this item under revenue in the consolidated profit and loss account, as well as compliance with the relevant accounting legislation. Historically, no material adjustments have been made relating to the amounts recorded as unbilled income and none are expected in the future.

Certain aggregates for the electricity and gas system, including those relating to other companies which allow for the estimate of the overall settlement of the electricity system that must materialise in the respective final payments, could affect the calculation of the shortfall in the settlements of electricity and gas regulated activities in Spain.

h. Determining lease terms (Note 2.4.20.)

In determining the lease term, Naturgy considers all relevant facts and circumstances that create a significant economic incentive for the lessee to exercise the renewal option or not to exercise the termination option. Renewal or termination options are only included in the determination of the lease term if it is reasonably certain that the lease will be extended or not terminated. If any significant event or significant change in circumstances arises that could affect the determination of the term, Naturgy reviews the valuations made when determining the lease term.

i. Estimated revenue from renewable energy generation facilities under the specific remuneration scheme

In accordance with Royal Decree 413/2014 (RD 413/2014), renewable energy generation facilities in Spain qualify for certain incentives (specific remuneration scheme). RD 413/2014 provides that certain remuneration parameters will be updated by ministerial order in each regulatory half-period.

That Royal Decree 413/2014 regulates the procedure to be followed in cases where a basket of prices in the electricity markets (spot and futures), applying various weighting coefficients and actual figures per technology to the half-periods of the regulatory useful life of the asset, proves to be lower (positive adjustments) or higher (negative adjustments) than the prices estimated by the regulator at the beginning of the regulatory half-period and which were used to determine the incentives to be received for the investments under the scope of the regulation.

To determine the accounting adjustment for deviations in the market price of renewable generation facilities subject to the specific remuneration regime, Naturgy, in accordance with its best estimate of future energy market prices, estimates the Net Present Value (NPV), as well as the return on investment to be obtained in each of the standard facilities (TI) in which the Group operates in Spain in the recalculation of remuneration parameters of the next regulatory half-period.

These estimates, together with an analysis of other qualitative factors, determine whether leaving the remuneration scheme would not have significantly more adverse economic consequences than remaining in the scheme and therefore the general accounting treatment is not applied and the asset is only recognised in the event of positive market deviations. The amount of negative deviations not recognised for this reason as at 31 December 2025 and 2024 is Euros 12 million and Euros 17 million, respectively.

The estimate of future market prices is based on the price path considered among the main assumptions described in Note 4.

j. Geopolitical risks and uncertainties

During 2025, the geopolitical environment continued to be a significant source of uncertainty, with potential impacts on global energy markets and the Group's activity. In particular, the following aspects stand out:

The armed conflict between Ukraine and Russia, which began in February 2022, continues with no clear signs of resolution in the short term, maintaining tension in international energy markets and volatility in commodity prices. However, gas prices have remained relatively stable in recent months, aided by high storage levels, diversification of supply sources and moderate demand.

On 23 October 2025, the Council of the European Union adopted the 19th package of sanctions against Russia, which includes a ban, effective from 1 January 2027, on the purchase, import or transfer, directly or indirectly, of LNG originating in or exported from Russia under contracts with a duration of more than one year signed before 17 June 2025 (short-term contracts are prohibited from April 2026); its validity was extended on 22 December until 31 July 2026.

At the same time, in December 2025, the Council of the European Union and the Parliament reached an agreement to approve a Regulation banning imports of Russian natural gas, both by pipeline and in the form of liquefied natural gas (LNG). This regulation provides for the prohibition on imports into the European Union to come into force from 1 January 2027 for long-term LNG contracts entered into before 17 June 2025 and not subsequently amended, and from 30 September 2027 for gas pipeline contracts, with a transitional regime for existing contracts and prior authorisation requirements to ensure compliance.

The European Commission has stated that this ban constitutes a case of force majeure for the companies that are party to such long-term contracts, meaning that breach of the commitment to take the gas will not generate liability for the buyer.

As part of its procurement portfolio, Naturgy has a long-term contract to procure LNG of Russian origin that was concluded in 2013 with Yamal LNG and includes take-or-pay clauses for 38 TWh per year through 2041. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In 2025, this contract accounted for 16% of Naturgy's overall procurements (16% in 2024).

Except as noted above, Naturgy does not have any other long-term contracts susceptible to being affected by the sanctions that have been approved, nor does it hold any interest in companies operating in Russia or Belarus or have investments in these countries, nor does it have cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions.

In addition, the global geopolitical context has been affected by growing trade tensions, which have led to persistent volatility in energy and commodity prices, as well as disruptions in supply chains and changes in international trade patterns. These factors may generate additional risks in terms of operating costs, the availability of equipment and materials, and project completion times. To mitigate these effects, the Group maintains diversified contracts with multiple suppliers and geographical areas, performs strategic inventory management and flexible project planning, uses contracts with contingency clauses, continuously assesses logistical risks, and works with operators to secure alternative routes, as well as having contingency plans to ensure business continuity.

Throughout 2025, tensions in the Middle East remained high as a result of the terrorist attack in October 2023 and the subsequent military escalation. In June 2025, the parties announced a ceasefire that allowed for the release of hostages and prisoners, as well as the partial opening of humanitarian corridors. However, as at 31 December 2025, the situation remains unstable: although the ceasefire agreement remains in force, isolated incidents of violence persist, as does a climate of tension that keeps the geopolitical risk premium high. Although current estimates indicate that this conflict will not have a significant impact on global energy supplies, the Group continues to monitor the situation closely.

On 31 August 2025, the contract for operation and maintenance services at the Ramat Gavriel and Alan Tavor combined cycle gas plants in Israel, which Naturgy had been providing since 2019 through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd., was terminated. As in 2024, this company reported a gross operating profit of less than Euros 1 million in 2025.

During the early days of January 2026, the United States launched a military intervention in Venezuela, which included bombing in the north of the country and the capture of the country's President. Although these events caused political turmoil and protests in the region, a preliminary analysis has not identified any significant risks or effects on Naturgy's activities, given that the Group does not operate any infrastructure or have any exposure in that country.

As this situation is constantly evolving and it is difficult to predict the extent or duration of the conflict, Naturgy constantly monitors the relevant macroeconomic and business variables in order to obtain the best estimate of potential impacts in real time, also taking into account recommendations by national and international supervisory bodies on the matter.

For further details on interest rate, commodity price, credit and liquidity risks, see Note 18.

k. Climate change and energy transition

Naturgy aims to remain a key player in the energy transition towards a circular economy model and progressive decarbonisation, by reducing its carbon footprint and negative environmental impacts and integrating biodiversity into its business strategy. To this end, it takes account of technological progress and international frameworks and agreements, as well as their implementation in energy policies and applicable environmental regulations in each of the geographical areas where it operates.

In line with this objective, Naturgy has a Climate Transition Plan (CTP) detailing the paths for reducing greenhouse gas (GHG) emissions and the intermediate targets required under applicable regulations, which provide an understanding of the mitigation efforts undertaken by the company.

Naturgy's GHG emission reduction targets for 2030 are as follows:

- Reduction of Scope 1 and 2 emissions by 36% with respect to 2022, in line with the 1.5ºC global warming reduction pathway.

- Reduction of Scope 3 emissions in Spain by 22% with respect to 2022. This target is aligned with the "Well Below 2 Degrees" (WB2D) reduction pathway. If emissions from the other countries are considered, the Scope 3 reduction is expected to be 8%, also with respect to 2022.

In 2025, the reduction with respect to 2022 was 12% for Scope 1 and 2 emissions and 15% for total Scope 3 emissions. Compared to 2024, the decrease was influenced by the increase in production by combined cycle gas plants as required to guarantee security of supply, especially in Spain as generation was stepped up as a result of the country-wide blackout on 28 April 2025.

To achieve the objectives set out in the CTP, Naturgy will continue to promote and lead a business model and investment plan fully aligned with the energy trilemma: security of supply, accessibility and affordability of energy, and mitigation of environmental impact.

Naturgy's Strategic Plan 2025-2027 envisages continuing to invest in the energy transition, principally in to renewable generation, electricity grids and renewable gases. It also plans to continue developing energy solutions that promote efficiency at a competitive cost for customers.

The CTP's main lines of action, as set out in the Strategic Plan 2025-2027, are based on an integrated electricity and gas business model that promotes the decarbonisation of energy through technological neutrality and at the lowest possible cost for consumers, specifically:

- Promoting renewable electricity generation using solar and wind together with the necessary growth of electricity grids and back-up capacity using natural gas combined cycle plants.

- Developing renewable gases as a lever for the decarbonisation of natural gas through biomethane produced from organic waste and, in the medium/long term, green hydrogen generated from surplus renewable electricity. This promotes decarbonisation at the lowest possible cost to the consumer and drives the circular economy through the use of waste or surplus.

- Offering eco-efficient, carbon-neutral products and services at competitive prices to our customers.

- Increasing electrification of final demand in applications where it is most efficient.

Naturgy's CTP will contribute to the future objective of transforming the energy mix contemplated in the National Energy and Climate Plan (NECP) 2023-2030, approved by the Spanish Cabinet on 24 September 2024, which is also aligned with the objective of climate neutrality in the EU by 2050. For the other countries where Naturgy operates, the published national plans and the GHG reduction pathways set out by the International Energy Agency in the "Net Zero Roadmap" scenario are taken into account.

Information on the CTP, the Group's decarbonisation strategy and the GHG emission reduction targets are set out in section "E-1 Climate change" of the Group's 2025 Non-Financial Disclosures and Sustainability Report, which is prepared in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which Naturgy has accepted and which it has been adopting progressively since they were published in 2017. At the end of 2023, the TCFD announced that it was disbanding as a working group, and the International Sustainability Standards Board (ISSB) has taken over the TCFD's oversight responsibilities as of 2024.

On 26 February 2025, the European Commission presented the Omnibus I package, aimed at simplifying the regulatory framework applicable to sustainability reporting. During the year, various regulations related to this package were approved, and they were taken into account in the preparation of this report, but they did not result in substantial changes. At present, the Corporate Sustainability Reporting Directive (CSRD), approved in 2022 and still pending transposition in Spain, as well as the European Sustainability Reporting Standards (ESRS) approved by Delegated Regulation (EU) 2023/2772, remain virtually unchanged in terms of content. In this context, Naturgy follows the CNMV recommendation issued on 19 November 2025, in coordination with the ICAC, and produces its sustainability report in accordance with the current ESRS and Law 11/2018 on non-financial reporting and diversity. This ensures that the information disclosed is comparable and consistent with that of other issuers in the European Union.

In addition, the requirements of Royal Decree 214/2025 of 18 March, which establishes a carbon footprint register and the obligation to calculate and publish greenhouse gas emission reduction plans for certain organisations in Spain, have been taken into account.

These consolidated annual accounts have been prepared taking into account the decarbonisation commitments undertaken by Naturgy, in addition to the risks and uncertainties related to climate change and the decarbonisation of the economy. In preparing these annual accounts, consideration was given to the IASB publication "Effects of Climate-Related Matters on Financial Statements" (July 2023 update) on the impact of climate change on the application of IFRS in financial reporting and to the guidelines in the "ESRS E1. Climate change" standard, which sets out the reporting framework on corporate sustainability defined by the CSRD in this area. The recommendations issued to date by the European Securities and Markets Authority (ESMA) were also taken into account.

The main accounting estimates and judgements relating to the expected effects of climate change and the energy transition that were made by Naturgy's management and directors when preparing the 2025 consolidated annual accounts are described below.

1. Recoverability of non-financial assets

As detailed in Note 2.4.6., non-financial assets are tested for impairment whenever an event or change in circumstances indicates that their carrying amount might not be recoverable. Additionally, irrespective of the existence of any evidence of impairment, goodwill and intangible assets not in use or with indefinite useful lives are tested at least annually for impairment. The cash-flow projections used in the non-financial asset impairment tests are based on the best available forward-looking information and reflect the investment plans in place in each CGU for maintaining the assets' operating capacity. Those projections are in line with Naturgy's strategy and consider the range of economic conditions that might exist in the foreseeable future in relation to climate change and the energy transition. The projections also take into account the expected impact on wholesale and retail electricity market prices resulting from the entry into operation of new renewable generation facilities and developments in gas, oil and emission allowance prices, as well as expected demand.

In Spain, Naturgy's thermal electricity generation facilities continue to be regulated by Directive 2003/87/EC, which establishes the European Union Emissions Trading Scheme (EU ETS). This Directive has undergone multiple revisions, including the reform approved in 2023 through Directives (EU) 2023/958 and 2023/959, to strengthen climate ambition within Phase IV (2021–2030). These amendments align the system with the objectives of the Fit for 55 package, in line with the Paris Agreement, setting a 62% reduction in emissions by 2030 compared to 2005 for sectors covered by the EU ETS, thus contributing to the EU's overall target of reducing net emissions by at least 55% compared to 1990 by the same date. Furthermore, as at 1 January 2024, the scope of the EU ETS has been extended to include emissions from maritime transport activities, applicable to ships whose port of loading and/or unloading is located in EU/EEA countries, which is being phased in until 2027 (see Annex IV, Regulatory Framework, section 2.3.3).

Naturgy carries out comprehensive portfolio management for the acquisition of emission allowances equivalent to the verified emissions of its combined cycle and cogeneration facilities and its maritime shipping activity. To this end, Naturgy actively participates in both the primary market, through auctions, and the secondary market. These emissions relate mainly to the combined cycle gas plants in Spain and, to a lesser extent, to LNG used by the ships, and represented 91.1% of Naturgy's direct (scope 1) emissions in Spain in 2025.

In Mexico, the impairment tests on the combined cycle plants assume the receipt of emission allowances equivalent to the tonnes of CO_2 emitted. Under the current trial emissions trading system, which runs until 2026, it is assumed that emission allowances granted free of charge will cover the emissions projected on the basis of production forecasts. Although the criteria for the allocation of allowances free of charge and the emissions reduction pathway that will be required have not yet been defined for 2027 and subsequent years, it is expected that the emissions generated will be covered by the free allocation and, when this is not sufficient or the free allocation is discontinued, that CO_2 costs will be passed through into selling prices as an additional operating cost, similar to the case in the European market.

As as at 31 December 2025, cogeneration facilities represent only a small proportion of Naturgy's generation portfolio, accounting for approximately 0.3% of installed capacity and a net carrying amount of Euros 22 million.

The CO_2 prices considered in the impairment test are detailed in Note 4. Other material information on emission allowance costs in 2025 and 2024 is disclosed in Note 16 Provisions.

In the case of cash flow projections for the impairment tests that present terminal values, the latter are calculated on the basis of a long-term growth rate aligned with the demand trend quantified by Naturgy using its energy models, in line with current expectations with regard to the transition to a low-carbon economy and considering the physical and transition risks associated with climate change.

Projections of hydroelectric, wind and photovoltaic solar electricity output from Naturgy's renewable assets are based on projected underlying weather conditions (temperature, precipitation, wind speed and insolation).

1Decommissioning costs for combined cycle and renewable generation plants are estimated in line with the long-term target.

As required by accounting standards, the cash flows estimated for the value in use of each CGU take into account assets' current status and, therefore, do not include future investments due to technological changes or any strategic investments envisaged in the energy transition for which no assets currently exist.

The rates used to discount cash flows take into account all relevant factors affecting the perception of risk, including those associated with the energy transition and physical risks due to climate change. The cost of capital considered in each of the rates used implicitly incorporates market expectations about access to and costs of funding, provided that these risks are material for the industry and the specific context of the asset.

As indicated in Note 4, the update of the impairment test for non-financial assets did not result in additional impairments being recognised in the year as a result of the recoverable amount of the CGUs being found to be less than the net carrying amount.

Naturgy will continue to update its operational plans and pricing outlook to take account of changes in the economic environment and the pace of the energy transition.

2. Main Group assets subject to climate change and energy transition risk:

Naturgy continuously reviews whether uncertainties arising from climate change require modifications to the structure of reported operating segments (see Note 3). Following this analysis, the structure remained unchanged from the previous financial year.

a. Coal-fired power plants

Following the closure of all Naturgy's coal-fired power plants in the first half of 2020, the group has not generated any electricity from coal. These facilities are fully depreciated/provisioned as at 31 December 2025. During the year, progress continued to be made in dismantling the plants; the decommissioning certificates for two plants are still pending and are expected to be issued in the first half of 2026.

b. Combined cycle gas turbine (CCGT) power plants

The Group's combined cycle gas turbine plants (in Spain and Mexico) represent the most eco-efficient generation technology available at present to provide the necessary back-up for renewable energies and enable their widespread implementation while also guaranteeing security of supply, both of which are key factors for the energy transition.

In Spain, it is important to note that all the installed capacity of these plants is included in the PNIEC approved recently for 2023-2030, which is aligned with the European objective of achieving climate neutrality by 2050. These facilities are a fundamental element in ensuring the growth of renewable energies in the national electricity system, as they are provide back-up to maintain the electricity supply in the event of a lack of wind, sun or water. Accordingly, in December 2024 the Ministry for Ecological Transition and the Demographic Challenge released for public consultation a Draft Order proposing the creation of a capacity market in the Spanish mainland electricity system. As at 31 December 2025, this project has still not been approved (see Annex IV. Regulatory framework. 2.2.4,1).

As at 31 December 2025, the carrying amount of these fixed assets is Euros 1,739 million, of which Euros 974 million relate to combined cycle plants in Spain. The carrying amount of the total combined cycle generation facilities in Spain is estimated for 2030, 2040 and 2050 at Euros 636 million, Euros 289 million and zero, respectively. The carrying amount, excluding goodwill (Note 5), of the combined cycle plants in Mexico is estimated at Euros 530 million in 2030, Euros 210 million in 2040 and zero in 2050.

A trend in electricity output below the assumptions used by Naturgy as set out in Note 4 could have an impact on the recoverability of the carrying amount of these assets that is recognised in the consolidated statement of financial position as at 31 December 2025. See the sensitivity analysis in Note 4 below.

c. Nuclear plants

In Spain, Naturgy is a joint owner of the Almaraz and Trillo nuclear power plants, alongside other electric utilities. As at 31 December 2025, the carrying amount of those assets was Euros 207 million.

Naturgy relies on the Decommissioning Protocol agreed in 2019 with Enresa, Spain's national radioactive waste company, which establishes a schedule for the progressive closure of all nuclear power plants, in line with the energy transition to renewable sources and the decarbonisation target for 2050. The part of this protocol covering up to 2030 is also part of the PNIEC. As at 31 December 2025, there has been no official decision by the Spanish government regarding a possible review or extension of the timetable for the closure of nuclear power plants. See section 2.2.4.1.2. of Appendix II. Regulatory Framework.

d. Hydroelectric power plants

At 31 December 2025, the carrying amount of these assets in Spain was Euros 879 million. The recoverable value of these assets could be affected in the event of a larger-than-expected future reduction in water availability due to climate change, particularly in run-of-river plants. The assumptions used in the hydroelectric power generation CGU impairment test include developments in water availability and their impact on river flows and, therefore, on production.

e. Renewable energy assets

As at 31 December 2025, the carrying amount of these fixed assets (excluding the hydroelectric power plants detailed in the previous section) is Euros 7,343 million, of which Euros 4,779 million relate to assets in Spain. The main perceived risk for these assets is a potential negative future trend in solar and wind resources, which are the key variables in the performance of this line of business. There may also be reductions in the remuneration arrangements for renewable energies and lower prices in marginal wholesale markets due to an increase in renewable production with low variable costs. The impairment tests for 2025 did not consider any changes in the operation of the wholesale market that have not yet been approved, but did consider forecasts for solar and wind resources.

f. Electricity and gas transportation and distribution assets

As at 31 December 2025, the carrying amount of these fixed assets was Euros 13,868 million. The total includes Euros 5,678 million for gas transport and distribution assets and Euros 8,190 million for electricity transmission and distribution. In Spain, Euros 2,422 million relate to the gas business and Euros 6,705 million to the electricity business; in Argentina, Euros 299 million relate mainly to the gas business; elsewhere in Latin America: Euros 609 million in Brazil, Euros 1,654 million in Chile and Euros 731 million in Mexico relate to the gas business, and Euros 1,448 million in Panama relate to the electricity business.

These regulated assets are essential to ensuring a reliable supply and enabling the transition to renewable generation sources, while demonstrating high resilience in the face of technical and climate challenges. Increases in temperature and a higher frequency of extreme weather events could lead to greater technical losses (for a discussion of these risks, see Section E1-9 of the Non-Financial Disclosures and Sustainability Report), a deterioration in service quality levels, higher operating and maintenance costs and higher annual capital expenditure, although the amounts should be covered by the multi-year tariff reviews for these regulated businesses. The investment and response plans already in place, accumulated experience and network design (meshing and undergrounding of lines) should mitigate these effects. A potential massive development of distributed generation would be partially offset by the increasing electrification of the economy (e.g. electric cars) and investments in smart grids.

Naturgy's planning for the coming years envisages the coexistence in Spain of natural gas demand with demand for biomethane, to be distributed through the group's current infrastructures. It is estimated that the adaptation of existing networks for biomethane transportation will not require significant investments. Hydrogen distribution is still being considered, and the level of investment is expected to depend on the percentage of blending, which, together with the relevant regulations, will determine the viability of using the current infrastructure. It is estimated that low percentages should not require significant investments to adapt the current network.

For gas transportation and distribution assets in Argentina, Brazil, Chile and Mexico, the same strategy as applied for Spain is envisaged although with slower implementation and always in line with each country's energy policies.

g. Supply

The Supply CGU has net operating assets, excluding goodwill, amounting to Euros 179 million as at 31 December 2025. The impact of climate change and the energy transition on the supply business is considered to be minor, as the lower demand for natural gas could be offset by expected higher growth resulting from the electrification of the economy and the supply of renewable gases.

The Group's current positioning, resulting from its investment focus on renewables and grids, puts it in a favourable position to address any transition risks. The Group considers that the opportunities arising from the decarbonisation of the global economy (growth in renewables, investment in integrating smart grids, electrification of demand, biomethane, and green hydrogen, among others) outweigh the risks.

3. Useful lives of non-financial assets

The energy transition and the pace at which it progresses may impact the remaining useful life of assets. Nevertheless, Naturgy reviews the useful life of its assets at least at the end of each annual period.

Determining the useful lives of non-financial assets requires estimates as to the level of utilisation of the assets, the expected technological developments and the existence of legal limits or any other restrictions on their use that might arise. Based on the assumptions used in relation to Naturgy's assets, in 2025 there were no potential direct or indirect impacts arising from climate change making it necessary to re-estimate the useful life of the assets, not even in the specific case of gas transport and distribution infrastructures, considering the expected use of renewable gases in the short and medium term.

The calculation of the useful lives (Note 2.4.4) of assets located in Spain takes into account the objectives of the PNIEC and the commitments made in the CTP, the protocol signed with Enresa in the specific case of nuclear plants, and the terms of administrative concessions in the case of hydroelectric power plants. For gas and electricity distribution network assets, the regulations of each country have been taken into account, as well as the terms of the concessions.

As indicated in the previous section, a very significant percentage of the carrying amount of the combined cycle gas plants as at 31 December 2025 is expected to have been depreciated by 2030 and that they will be fully depreciated by 2050.

4. Decommissioning provisions

The energy transition and the pace at which it progresses may also bring forward the decommissioning of combined cycle plants. Most of the combined cycle plants owned by Naturgy in Spain are expected to start decommissioning in the period 2042-2046, when they reach the end of their useful lives. In the case of Mexico, the useful lives of the plants conclude between 2041 and 2043, with the exception of the last facility commissioned, whose useful life expires in 2050, and it is assumed that they will be decommissioned at the end of their useful lives. However, to date, there is no national plan in Mexico for the closure of these facilities.

The hydroelectric plants are covered by temporary administrative concessions. Upon expiration of the administrative concessions, the plants revert to the State in good working order, which is achieved by maintenance programmes. Therefore, it is not necessary to recognise provisions for decommissioning except in cases where maintaining the plant upon expiration of the concession would be counter to the public interest or where it is not viable to continue operating it. Naturgy has recognised decommissioning provisions for these exceptional cases, which, in any case, represent a minor proportion of the total of this type of assets.

In addition to the decommissioning timeframe, Naturgy also uses a discount rate in line with the average remaining useful life of these assets.

Estimates of decommissioning costs are based on the regulatory and external environment that is known at the current date.

5. Gas procurement contracts

Naturgy has long-term natural gas procurement contracts that guarantee security of supply and price stability, which are essential aspects of the energy transition. These contracts were evaluated in the context of the Group's decarbonisation strategy, considering that natural gas continues to be a necessary backup technology for the massive integration of renewable energies into the electricity system. Naturgy also continuously analyses regulatory and market developments in all the geographies where it operates to ensure that these contracts are compatible with emission reduction targets and with the gradual incorporation of renewable gases, such as biomethane and green hydrogen, into its procurement portfolio.

6. Recoverability of deferred tax assets

Sufficient taxable profits are expected to be generated within the planning period to ensure the recovery of the deferred tax assets recognised for accounting purposes at 31 December 2025. The recoverability of these assets was estimated using the same judgements and assumptions as for calculating the recoverable amount of non-financial assets.

7. Regulation

The Paris Agreement has had a major impact on the development of new climate policies and the adoption of new regulations. Specifically, the EU has approved various regulations in this area, having adopted a binding target of climate neutrality by 2050 in the European Climate Law of 2021, under the umbrella of the European Green Deal of 2019, which constitutes the EU's new growth strategy. Spain has also issued regulations in this area, notably the Climate Change and Energy Transition Law 7/2021; consequently, the regulations in this area are constantly in flux and might have negative effects or offer opportunities for the Group's activities.

In relation to the other countries where Naturgy operates, the company complies with energy policy and regulations on climate change, although the EU regulation is by far the most advanced.

8. Dividend distribution

Climate change risks are not expected to affect the Company's capacity to pay dividends to shareholders because of its strong cash flow and existing reserves.

In the case of regulated lines of business, a scenario in which the conditions for maintaining the current rate of investment continue to exist is compatible with the levels of dividend payments observed to date. However, in the case of deregulated lines of business, their future capacity to pay dividends is difficult to foresee due to unknown risks and uncertainties that might cause actual results, performance or events to differ substantially from those envisaged in the Group's projections.

9. Physical risks

Naturgy recognises the need for constant analysis to provide an exhaustive assessment of the climate resilience of all its assets, while continuing to monitor this issue to ensure that its operations are safe and that the Group's facilities can continue to operate in extreme weather conditions. In this regard, Naturgy continuously assesses the physical risks for each asset (see the assessment of these risks in section E1-9 of the Non-Financial Disclosures and Sustainability Report).

The design and construction of Naturgy's assets serve to mitigate physical risks, whether or not related to climate change, and the associated costs are included in the initial recognition of these assets in the consolidated statement of financial position. In addition, the company adopts measures to adapt to the physical risks of climate change, in line with the European Taxonomy, to reduce vulnerability and strengthen the resilience of its existing facilities.

In recent years, there have been no weather events with significant repercussions on operations or major financial losses, apart from:

- In October 2024, a storm produced extreme rainfall and significant flooding in the Valencia region of Spain, particularly affecting gas distribution networks, which were the most exposed assets.

- During much of the summer of 2025, a record wave of forest fires ravaged areas of Galicia, León and Zamora where Naturgy has electricity networks and renewable generation facilities. This made it necessary to cut supplies on a preventive basis, isolate sections of the grid and reconfigure the grid in real time to main the supply. It was also necessary to de-energise facilities, sectorise assets and block key equipment, including hydroelectric power plants in Lugo and wind farms in León and Zamora, to ensure safety and prevent the fires from spreading.

In both cases, there were no significant consequences for operations and no physical damage to the Group's assets in those areas, which highlights the facilities' resilience and the effectiveness of the measures to mitigate and adapt to physical climate risks. As a result, these events did not lead to any reassessment of physical risks in the Group's asset impairment tests. Additionally, they did not result in changes in relation to climate change adaptation policy or the assessment of risks associated with extreme rainfall, flooding or fires.

In the long term, Naturgy's business portfolio is expected to evolve with the energy transition, considering at all times the energy trilemma: security of supply, accessibility and affordability of energy, and mitigation of environmental impact. Decision-making on the future business portfolio will be guided by the pace of the company's progress as it moves towards meeting the emission reduction targets. Setting the energy system on the path to net zero emissions will require unprecedented, coordinated action between energy suppliers, consumers and, above all, governments.

Note 3. Operational segment financial information

Naturgy's operating segment structure is aligned and coherent with the model for reporting to the Board of Directors, which is responsible for regularly reviewing the results of the segments within the company's operational decision-making process in order to decide on the resources to be allocated to each of them and assess their performance.

Operating segments are identified and aggregated by considering material factors, such as the similarity of economic characteristics, the nature of products and services, operating processes, types of customers, distribution methods, and the regulatory environment. On this basis, only those segments that have substantially similar material characteristics and a comparable long-term performance profile, such as to justify their presentation together, are aggregated.

During 2025, the Group reviewed the structure of its operating segments taking into account the prevailing geopolitical and climate conditions. This review did not disclose any need to modify the identification or aggregation criteria being applied.

As at 31 December 2025, the operating segments are grouped into two large blocks, Distribution Networks and Energy Markets:

- **Distribution Networks:** groups together the business segments devoted to managing regulated gas and electricity distribution and transport infrastructures. The definition of each operating segment within this group is based primarily on geography (country), type of activity, regulatory environment, type of customer and homogeneity of operating processes.

  - **Gas Spain**: regulated gas distribution business in Spain.
  - **Gas Mexico**: regulated gas distribution and supply in Mexico.
  - **Gas Brazil:** the regulated gas distribution and supply in Brazil.
  - **Gas Argentina**: regulated gas distribution and supply in Argentina.
  - **Gas Chile:** regulated gas distribution and supply in Chile.
  - **Electricity Spain:** regulated electricity distribution in Spain.
  - **Electricity Panama**: regulated electricity distribution and supply in Panama.
  - **Electricity Argentina:** regulated electricity distribution and supply in Argentina.

  This block also includes a holding company carrying out horizontal activities directly linked to this grouping's businesses.

- **Energy Markets:** includes the deregulated business segments as follows:

  - **Energy Management:** This segment groups together activities characterised by operating in deregulated markets:

    - liquefied natural gas trading and shipping;
    - procurement and other gas infrastructure management, and supply to energy-intensive consumers; and
    - management of the Medgaz gas pipeline (equity-accounted).

    The grouping reflects similarities in risks and returns associated with exposure to market prices, active contract management and a focus on large consumers and energy operators, as well as the integration of the gas value chain in a competitive environment.

  - **Thermal Generation:** these segments are mainly defined according to geographical area (Spain and Latin America), the technology used (conventional generation using fossil fuels, nuclear and combined cycles) and the specific regulatory environment in each country. Operational processes and centralised asset management in each geography are also taken into account, allowing for the risks, returns and specific characteristics of each market to be reflected appropriately.

  - **Spain**: includes management of the conventional thermal generation fleet (which uses fuel for heat generation and which is not covered by a special regime) in Spain (nuclear and combined cycle).
  - **Latin America**: includes management of the conventional thermal generation facilities in Mexico, the Dominican Republic and Puerto Rico, the latter being equity-accounted through EcoEléctrica LP.

- **Renewable Generation:** these segments are defined according to geography (Spain, United States, Latin America and Australia), technology (wind, solar, small hydraulic, cogeneration and hydraulic), the regulatory framework, and the degree of development of the projects in each region. This segmentation makes it possible to reflect the differences in the competitive environment, regulatory incentives, and growth opportunities in each market.

  - **Spain**: includes management of facilities and generation projects using wind energy, mini hydro, solar and cogeneration, as well as hydroelectric power generation located in Spain, and the development portfolio in other European countries.
  - **USA:** includes managing photovoltaic generation projects in operation and under development in the United States of America (USA).
  - **Latin America** includes the management of the facilities and renewable electricity generation projects located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).
  - **Australia**: includes management of the existing renewable power generation fleet and project pipeline in Australia.

- **Renewable Gases**: management of renewable gas projects, mainly biomethane and green hydrogen. The definition of the segment reflects the innovative nature of the activities, the specific regulatory framework and the strategic focus on developing new sustainable energy solutions.

- **Supply**: This segment is defined on the basis of the objective of the main activity, which consists of managing end customers of gas, electricity and services. Factors such as customer type (residential, industrial and commercial), product and service diversification, integration of new technologies and brand development in Spain are taken into account.

  A holding company carrying out cross-cutting activities directly linked to the grouping's businesses is also included.

- **Other:** basically includes the corporation's operating expenses and other lesser and residual activities.

Segment results and investments for the periods of reference are as follows:

Segment financial information – Statement of financial position

2025	Networks										Markets											Rest	Eli.	Total
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Thermal gen.		Renewable Generation				Renewable gases	Supply	Holding and Eli.	Total			
												Spain	LatAm	Spain	USA	LatAm	Australia							
Consolidated net sales	919	798	1,046	598	777	881	975	172	—	**6,166**	4,316	1,496	780	150	25	157	102	42	6,221	—	**13,289**	—	—	**19,455**
Net sales between segments	73	—	(1)	—	—	30	—	—	—	**102**	1,949	1,141	—	615	—	8	1	1	942	(3,902)	**755**	—	(857)	**—**
Net sales	992	798	1,045	598	777	911	975	172	—	**6,268**	6,265	2,637	780	765	25	165	103	43	7,163	(3,902)	**14,044**	—	(857)	**19,455**
Procurements	(94)	(495)	(668)	(320)	(399)	—	(704)	(98)		**(2,778)**	(5,369)	(1,606)	(444)	(56)	—	(42)	(1)	(29)	(6,278)	3,897	**(9,928)**	—	857	**(11,849)**
Personnel expenses, net	(51)	(24)	(22)	(38)	(29)	(55)	(10)	(12)	(13)	**(254)**	(44)	(67)	(22)	(53)	(6)	(16)	(6)	(11)	(87)	(19)	**(331)**	(47)	—	**(632)**
Other operating income/ expenses / grants / gains and losses on disposals of fixed assets	(91)	(34)	(67)	(93)	(45)	(115)	(51)	(18)	(12)	**(526)**	(37)	(401)	(40)	(234)	(8)	(25)	(25)	(7)	(263)	(23)	**(1,063)**	(51)	—	**(1,640)**
Gross operating profit	756	245	288	147	304	741	210	44	(25)	**2,710**	815	563	274	422	11	82	71	(4)	535	(47)	**2,722**	(98)	—	**5,334**
Depreciation, amortisation & impairment losses	(255)	(59)	(50)	18	(56)	(281)	(61)	(1)	—	**(745)**	(93)	(138)	(64)	(293)	(4)	(34)	(51)	(4)	(150)	—	**(831)**	(36)	—	**(1,612)**
Impairment due to credit losses	(2)	(9)	(15)	(7)	—	(2)	(8)	(2)	1	**(44)**	—	(9)	—	(1)	—	—	—	—	(86)	—	**(96)**	1	—	**(139)**
Other results	—	—	—	—	19	—	—	—	(9)	**10**	(16)	—	—	1	—	4	—	—	—	—	**(11)**	(2)	—	**(3)**
Operating results	499	177	223	158	267	458	141	41	(33)	**1,931**	706	416	210	129	7	52	20	(8)	299	(47)	**1,784**	(135)	—	**3,580**
Net financial income/(expense)	(114)	(44)	(13)	6	(15)	(153)	(71)	(10)	(34)	**(448)**	(19)	29	(10)	(74)	(12)	202	(59)	(1)	18	(239)	**(165)**	1,492	(1,383)	**(504)**
Results of equity-consolidated companies	—	7	—	—	33	2	—	—	—	**42**	26	—	72	2	—	—	—	—	—	—	**100**	—	**—**	**142**
Income tax	(105)	(44)	(63)	(47)	(77)	(78)	(24)	(9)	(17)	**(464)**	(117)	(110)	(61)	(10)	(17)	—	—	2	(74)	3	**(384)**	15	—	**(833)**

2024	Networks										Markets											Rest	Eli.	Total
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Thermal gen.		Renewable Generation				Renewable gases	Supply	Holding and Eli.	Total			
												Spain	LatAm	Spain	USA	LatAm	Australia							
Consolidated net sales	903	671	1,502	642	857	818	1,006	223	—	**6,622**	4,441	903	775	123	11	147	47	45	6,152	1	**12,645**	—	—	**19,267**
Net sales between segments	84	—	—	—	—	33	—	—	—	**117**	1,445	841	—	647	—	8	2	1	978	(2,433)	**1,489**	—	(1,606)	**—**
Net sales	987	671	1,502	642	857	851	1,006	223	—	**6,739**	5,886	1,744	775	770	11	155	49	46	7,130	(2,432)	**14,134**	—	(1,606)	**19,267**
Procurements	(54)	(346)	(1,116)	(346)	(335)	—	(705)	(108)	—	**(3,010)**	(4,875)	(1,103)	(390)	(50)	—	(23)	(1)	(36)	(6,112)	2,422	**(10,168)**	—	1,613	**(11,565)**
Personnel expenses, net	(80)	(21)	(19)	(51)	(27)	(55)	(10)	(23)	(17)	**(303)**	(31)	(65)	(20)	(44)	(5)	(15)	(5)	(9)	(83)	(17)	**(294)**	(46)	—	**(643)**
Other operating income/ expenses / grants / gains and losses on disposals of fixed assets	(90)	(30)	(69)	(109)	(47)	(126)	(53)	(29)	(1)	**(554)**	(228)	(297)	(42)	(231)	1	(29)	(7)	(8)	(287)	(2)	**(1,130)**	(3)	(7)	**(1,694)**
Gross operating profit	763	274	298	136	448	670	238	63	(18)	**2,872**	752	279	323	445	7	88	36	(7)	648	(29)	**2,542**	(49)	—	**5,365**
Depreciation, amortisation & impairment losses	(259)	(63)	(52)	23	(57)	(269)	(59)	(1)	—	**(737)**	(86)	(128)	(77)	(238)	(14)	(32)	(30)	(4)	(140)	—	**(749)**	(38)	—	**(1,524)**
Impairment due to credit losses	(2)	(10)	(15)	(7)	—	2	(13)	(2)	—	**(47)**	40	(18)	(1)	(3)	—	—	—	(1)	(77)	—	**(60)**	17	—	**(90)**
Other results	—	—	—	—	42	—	—	—	(9)	**33**	(235)	—	—	—	—	—	—	—	—	—	**(235)**	—	—	**(202)**
Operating results	502	201	231	152	433	403	166	60	(27)	**2,121**	471	133	245	204	(7)	56	6	(12)	431	(29)	**1,498**	(70)	**—**	**3,549**
Net financial income/(expense)	(94)	(53)	(2)	(21)	23	(158)	(79)	(19)	(28)	**(431)**	(74)	(17)	2	(65)	(3)	141	(38)	(2)	15	(182)	**(223)**	1,136	**(947)**	**(465)**
Results of equity-consolidated companies	—	2	—	—	23	1	—	—	—	**26**	33	—	64	(3)	—	—	—	—	—	—	**94**	—	**—**	**120**
Income tax	(110)	(50)	(71)	(29)	(118)	(61)	(29)	(19)	5	**(482)**	(104)	(33)	(77)	(17)	5	6	(16)	3	(132)	3	**(362)**	9	**—**	**(835)**

Segmental financial information – Assets, liabilities and investments

2025	Networks										Markets											Rest	Eli.	Total
												Thermal gen.		Renewable Generation										
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Spain	LatAm	Spain	USA	LatAm	Australia	Renewable gases	Supply	Holding and Eli.	Total			
Operating assets (a)	2,663	820	836	410	1,713	5,650	1,583	104	9	**13,788**	2,035	1,997	1,018	5,186	786	397	1,667	38	1,330	(621)	**13,833**	148	(208)	**27,561**
Investments under equity method	—	10	—	—	56	8	—	—	—	**74**	150	7	266	57	—	—	—	—	—	1	**481**	4	—	**559**
Operating liabilities (a)	683	99	333	127	90	1,238	295	39	134	**3,038**	1,412	1,204	172	669	241	35	44	10	1,138	(575)	**4,350**	328	(210)	**7,506**
Investment in intangible assets (b)	20	23	67	33	—	45	1	23	—	**212**	10	4	1	13	—	2	—	—	163	—	**193**	13	—	**418**
Invest. in property, plant & equipment (c)	108	60	—	5	52	399	163	—	—	**787**	—	143	26	464	147	16	129	2	2	—	**929**	5	—	**1,721**

2024	Networks										Markets											Rest	Eli.	Total
												Thermal gen.		Renewable Generation										
	Gas Spain	Gas Mexico	Gas Brazil	Gas Argentina	Gas Chile	Elec. Spain	Elec. Panama	Elec. Argentina	Holding and Eli.	Total	Energy Management	Spain	LatAm	Spain	USA	LatAm	Australia	Renewable gases	Supply	Holding and Eli.	Total			
Operating assets (a)	2,796	784	833	413	1,774	5,507	1,713	109	11	**13,940**	2,760	1,688	1,227	4,923	804	740	1,626	39	1,487	(754)	**14,540**	213	(263)	**28,430**
Investments under equity method	—	4	—	—	39	6	—	—	—	**49**	247	7	277	61	—	—	—	—	—	1	**593**	5	—	**647**
Operating liabilities (a)	689	88	345	127	171	1,287	298	49	141	**3,195**	1,313	1,022	167	562	144	61	88	13	1,293	(721)	**3,942**	378	(261)	**7,254**
Investment in intangible assets (b)	14	6	56	25	—	41	1	21	—	**164**	7	4	1	10	—	1	—	1	143	—	**167**	9	—	**340**
Invest. in property, plant & equipment (c)	107	59	—	4	51	400	134	—	—	**755**	1	126	45	434	240	7	305	2	3	—	**1,163**	7	—	**1,925**

(a) There follows a reconciliation of "Operating assets" and "Operating liabilities" with consolidated "Total assets" and "Total liabilities", respectively.
(b) Includes the investment in "Intangible assets" (Note 5), broken down by operating segment
(c) Includes the investment in "Property, plant and equipment" (Note 6), broken down by operating segment.

	2025	2024
Operating assets	**27,561**	**28,430**
Goodwill	2,894	2,948
Investments carried under the equity method	559	647
Non-current financial assets	408	419
Deferred tax assets	1,858	2,009
Non-current assets held for sale (Note 11)	363	—
Derivative financial instruments (Note 10)	500	127
Public administrations (Note 10)	251	117
Current tax assets	45	42
Other current financial assets	305	471
Cash and cash equivalents	4,357	5,626
TOTAL ASSETS	**39,101**	**40,836**

	2025	2024
Operating liabilities	**7,506**	**7,254**
Equity	11,373	11,653
Non-current financial liabilities	13,992	15,095
Deferred tax liabilities	1,925	1,945
Current financial liabilities	2,771	2,927
Liabilities related to non-current assets held for sale (Note 11)	310	—
Derivative financial instruments (Notes 19 and 20)	490	1,192
Dividends payable (Note 19)	19	19
Public administrations (Note 20)	537	540
Current tax liabilities (Note 20)	178	211
Total equity and liabilities	**39,101**	**40,836**

Reporting by geographic area

Naturgy's assets, which include operating assets in line with the criterion applied in the above breakdown and investments recorded using the equity method, are as follows based on their location:

	31.12.2025	31.12.2024
Spain	18,141	18,360
Latin America	7,213	7,913
Argentina	514	522
Brazil	929	931
Chile	1,838	2,214
Mexico	1,913	2,049
Panama	1,619	1,755
LatAm Rest	400	442
Rest of Europe	313	374
Other	2,453	2,430
Australia	1,667	1,626
USA	786	804
Total	**28,120**	**29,077**

Naturgy's investments in property, plant and equipment and other intangible assets, as described above, assigned according to the location of the assets, are as follows:

	31.12.2025	31.12.2024
Spain	1,393	1,310
Latin America	470	410
Panama	164	135
Mexico	124	116
Brazil	68	57
Chile	52	51
Argentina	61	50
LatAm Rest	1	1
Other	276	545
Australia	129	305
USA	147	240
Total	**2,139**	**2,265**

Revenue by geographical area is detailed in Note 22.

Note 4. Non-financial asset impairment losses

4.1 Definition of Cash Generating Units

As at 31 December 2025, the Cash Generating Units (CGUs) are the same as at 31 December 2024, as follows:

- **Networks**
  - **Gas networks Spain**: This is a single CGU as the development, operation and maintenance of the gas distribution network are managed jointly.
  - **Electricity networks Spain**: This makes up a single CGU since the network comprises a group of interrelated assets the development, operation and maintenance of which are managed jointly.
  - **Networks Latin America**: A CGU is understood to exist for each business and country in which there are operations since the businesses are subject to different regulatory frameworks. It includes the regulated gas distribution business in Argentina, Brazil, Chile and Mexico, and the regulated electricity distribution business in Argentina and Panama.
- **Markets**
  - **LNG and Markets and Procurement:** A single CGU is considered to exist as the sale of liquefied natural gas and maritime transport are both managed on a global scale, as are procurement and other gas infrastructures, and sales to large energy-intensive consumers.
  - **Gas pipelines:** Includes the CGU that manages the Medgaz pipeline.
  - **Thermal generation Spain:** A single CGU is considered to exist for thermal power generation in Spain (nuclear and combined cycle).
  - **Thermal generation Latin America:** A thermal power generation CGU is understood to exist in each country in which there are operations (Mexico, Dominican Republic and Puerto Rico) since the businesses are subject to different regulatory frameworks and are managed independently.
  - **Renewable Generation Spain:** One CGU is considered for renewable electricity generation (wind, mini-hydro, solar and cogeneration) and another CGU for hydroelectric power generation.
  - **Renewable Generation United States:** The assets in the country whose cash flows can be separately identified are considered to be CGUs.
  - **Renewable Generation Latin America:** A renewable power generation CGU is understood to exist in each country in which there are operations (Brazil, Costa Rica, Mexico, Panama and Chile) since the businesses are subject to different regulatory frameworks and are managed independently.
  - **Renewable Generation Australia:** The assets in the country whose cash flows can be separately identified are considered to be CGUs.
  - **Renewable Gases:** This is treated as a CGU that manages renewable gas projects.
  - **Supply:** Supply of natural gas, electricity and services is managed on a comprehensive basis, maximising the value of the portfolio by focusing on customers and with high potential for growth in services and solutions, for which there is a single CGU.

4.2 Information on impairment tests performed

The Group analyses the value of non-financial assets to determine any impairment losses when there are indications that their carrying amount may not be recoverable, and it performs annual impairment tests for goodwill and intangible assets with indefinite lives or that are not available for use.

Naturgy assessed the recoverable value of the CGUs based on the 2025-2027 Strategic Plan and the changes in the energy situation and the regulations since the Plan was approved by the Board of Directors on 18 February 2025; the Plan envisages continuing to invest in the energy transition, allocating the main investments to renewable generation, electricity grids and renewable gases.

The time-frame of the projections has been extended to 10 years or the remaining useful life for certain assets and concessions. When estimating cash flows, various potential future scenarios have also been considered if they provide more meaningful information for representing expected economic conditions.

Impairment tests focused particularly on identifying and assessing geopolitical risks and uncertainties, as well as risks arising from climate change and the energy transition, due to their potential impact on asset recoverability. Both aspects are discussed in detail in Notes 2.4.25.j (Geopolitical risks and uncertainties) and 2.4.25.k (Climate change and energy transition), which should be consulted for further information.

– Geopolitical risks and uncertainties:

Estimated cash flows consider the effects of developments in international energy markets, price volatility, regulation and trade restrictions, as well as the perception of country and sector risk, which particularly affect discount rates and growth assumptions. Moreover, trends in significant economic parameters, such as inflation and interest rates in each country where the Group operates, were taken into account.

– Climate change and energy transition risk:

The impairment tests reflect Naturgy's strategic positioning in the energy transition and decarbonisation, considering the objectives of the Climate Transition Plan and international commitments. Physical and transition risks, CO_2 price pathways, regulatory and technological developments, and potential effects on asset useful lives and recoverable values were taken into account.

It should be noted that the Consolidated Sustainability Report and Non-Financial Information Statement presents some theoretical temperature scenarios requested by the ESRS in relation to climate risks and their effects on long-term climate change in 2030, 2040 and 2050, with the sole aim of demonstrating the effects on the Group's performance in such circumstances and conditions in the years indicated. In any case, the scenario that coincides with the Group's vision is the one considered for the preparation of impairment tests, which includes all the issues detailed in note 2.4.25.k Climate change and energy transition.

In particular, the assumptions regarding the price trend used in the projections are in line with the energy transition, and the projected cash flows take into account greenhouse gas emission reduction targets as well as the impacts of climate change on the recoverability of non-financial assets.

Aspects of the projections used

The most sensitive aspects of the projections used are as follows:

- **Electricity networks Spain:**

– Remuneration. Amount and growth of remuneration. In relation to the regulatory framework, the future cash flows of these business lines were reviewed taking into account the publications by the regulator described in Appendix IV with regard to the remuneration methodology for the regulated electricity distribution activity.

  On 22 December 2025, the CNMC approved the following circulars, which come into force on 1 January 2026 and will apply to the 2026-2031 regulatory period:

- Circular 8/2025, establishing the methodology for calculating electricity distribution remuneration in Spain for the 2026-2031 regulatory period. The methodology incorporates measures aimed at increasing efficiency, improving quality, reducing losses and promoting electrification. Investment limits are aligned with those set by the government, remunerating audited investments up to 0.13% of GDP.

- Circular 9/2025, amending the methodology established in Circular 2/2019 for calculating the financial remuneration rate for regulated electricity transmission and distribution activities, as well as the regasification, transportation and distribution of natural gas. It also set the financial remuneration rate applicable to electricity transmission, system operation and distribution activities for the period 2026-2031 at 6.58%, an increase of 100 basis points on the previous.

– Operating and maintenance costs. Estimated on the basis of the historical cost of the managed network.

– Investments. Considering the investments required to keep the network in working order and guarantee supply quality, as well as the digitalisation of electricity networks and the estimated investment in line with industry requirements.

- **Networks Latin America:**

For the gas network CGUs in Brazil, Chile, Argentina and Mexico and electricity network CGUs in Argentina and Panama:

– Variations in tariffs. Valuation of tariffs in each country, based on existing regulatory conditions and both current and expected rate reviews, taking into account the experience gained from previous rate reviews in each country.

  The regulatory situation of the Group's gas and electricity distribution companies in Latin America is detailed in "Appendix IV. Regulatory Framework, section 3.1.4. The main considerations are described below:

  - Gas networks in Brazil. On 1 January 2025, the new tariffs for CEG and CEG RIO came into effect, with adjustments in line with the annual inflation index of IGP-M (+6.33%) in accordance with the deliberations of 23 December 2024. Following the agreement reached in connection with the 4th Integrated Tariff Review (RTI) in 2024, negotiations resumed for the 5th RTI (period 2023-2027), which is currently in the phase of analysing the remuneration rate and asset base. With regard to the San Paulo Sul concession, the five-year review scheduled for May 2025 was postponed by the regulator in April 2025 and had not been concluded as at 31 December 2025.

  - Gas Networks Argentina: As a continuation of the tariff review process for the period 2025-2029, which began in August 2024, ENARGAS published Resolutions 263/2025 and 264/2025 in April 2025, approving the Five-Year Tariff Review (2025-2029) and the tariff schedules for Naturgy BAN, S.A. and Naturgy NOA, S.A. These resolutions entail tariff increases of 14.92% for Naturgy BAN, S.A. and 2.57% for Naturgy NOA, S.A., applicable in 31 monthly instalments starting on 1 May 2025. Following the publication of resolutions determining monthly tariff adjustments in the first half of the year in accordance with the indices established by Enargas in the Five-Year Tariff Review (RQT), resolutions were approved on a monthly basis during the second half of the year to update the tariff tables in accordance with the formula defined in the RQT.

    In the case of the projections for Gas Distribution Argentina, despite the approval of the Tariff Review, different scenarios have been considered, basically involving monthly adjustments for inflation, given that the economic environment may influence these adjustments.

– Cost of raw materials and consumables. Estimated using predictive models developed on the basis of knowledge of the energy markets in each country, considering also the regulations for distributors detailed in Annex IV.

– Operating and maintenance costs. Estimated on the basis of the historical cost of the managed network.

– Investments. Taking into account the investments required to keep the network in working order and guarantee supply quality and security.

- **Thermal generation Spain:**

The assumptions and projections for this CGU consider the possible impacts of the energy transition and the increased use of renewable energy sources, although they contemplate the need for all the installed capacity of the combined cycle units within the horizon of the projections (2034), as envisaged in the PNIEC 2023-2030.

In the case of nuclear power plants, Naturgy considers the Decommissioning Protocol signed in 2019 with Enresa, Spain's national radioactive waste company, which establishes a schedule for the progressive closure of all nuclear power plants in line with the energy transition to renewable sources and the decarbonisation objective for 2050; their output up to the point of decommissioning is considered in the impairment test.

The assumptions taken into consideration are the following:

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Pool price €/MWh (*)	63.8	56.2	55.1	68.2	73.4	74.9	81.4	83.0	85.0	84.9
Brent (USD/bbl) (*)	69.2	61.9	62.2	69.0	70.0	70.0	89.4	90.5	91.6	93.6
Gas Henry Hub (USD/MMBtu) (*)	3.5	4.2	4.0	3.6	3.6	3.6	4.3	4.3	4.4	5.2
PVB (€/MWh) (*)	37.0	25.8	24.6	26.5	26.5	26.5	27.7	28.9	28.7	30.3
CO_2 €/t (*)	73.8	83.2	85.6	77.4	89.1	93.1	98.4	103.7	126.2	136.7

(*) Estimated amounts at the date of the test.

The most sensitive aspects that are included in the estimate of the recoverable amount determined according to the value in use and applying the methodology detailed in Note 2.4.6 are the following:

– Electricity generated. Demand trends were estimated based on analyst projections, considering also the existing contracts with Naturgy's supply companies. The share was estimated on the basis of Naturgy's market share in each technology and the expected trend in each technology's share of the total market, in line with the expected future evolution of the generation mix, maintaining the projected decline in thermal output, offset by the creation of a capacity market within the Spanish mainland electricity system that remunerates firm capacity (currently in the process of being established). In the short term, following the blackout in the Spanish mainland electricity system on 28 April 2025 ("apagón"), consideration has been given to the role that combined cycles are playing in ensuring security of supply.

– Electricity price. Market electricity prices were calculated using models that cross expected demand with supply forecasts, taking into account the foreseeable evolution of generation capacity in Spain, based on industry forecasts, trends in the energy scenario on the basis of futures curves, and analysts' forecasts. The estimates also include the impact of existing contracts with the Group's supply companies.

– Fuel costs. Estimated on the basis of market prices.

– Operating and maintenance costs. These costs were estimated on the basis of the historical costs of managed facilities and the business plans of the nuclear power plants.

– The following were also considered:

  - The Electricity Market Reform Regulation and Directive presented by the Commission on 14 March 2023, which envisages, among other matters, fostering forward contracts, PPAs and contracts for differences for new investments in generating capacity, making capacity mechanisms permanent, providing greater system flexibility using demand-side management and storage, as well as measures to be adopted by member states in the event of a crisis and greater protection for end consumers.

  - The extension of existing PPAs with the group's supply companies to cover nuclear generation facilities.

- The costs of the 7% tax on the value of electricity production and the unit values for financing the energy subsidy ("bono social").

- The approval of Royal Decree 589/2024 for nuclear generation facilities, which increases the amount payable to ENRESA as a consequence of the construction of decentralised temporary storage facilities (ATD).

  To date, Naturgy has elected not to perform temporary closures of the ten combined cycle plants that were authorised following the Supreme Court ruling in 2023 and, therefore, this was not considered in the 2025 impairment test update.

- **Thermal generation Latin America:**

For thermal electricity generation CGUs in Mexico and the Dominican Republic:

– Thermal generation in Mexico is carried out over most of the plants' useful lives under PPAs based on stable business models that are not at risk of fluctuation on the basis of market variables. In the Dominican Republic and Mexico, upon termination of the contracts, energy prices are set based on the market and are estimated on the basis of developments in the country's energy situation, including the foreseeable evolution of the generating fleet, taking account of expected supply and demand, and production costs.

– Operating and maintenance costs. Estimated from historical costs of the managed fleet.

– The update of the recoverable amount of the Mexican combined cycle plants considers several scenarios, including an increase in development permits for renewable energy facilities, which will affect the market price used in the projections at the end of the long-term PPAs with the Federal Electricity Commission (CFE).

– The delivery of emission allowances equivalent to the tonnes of CO_2 emitted. Until 2026, the allocation of allowances free of charge, as provided in the draft Emission Trading System Rules, is assumed to cover emissions projected on the basis of production projections.

  From 2027 onwards, although the criteria for the allocation of allowances free of charge and the necessary emissions reduction pathway have not yet been defined, it is expected that the emissions generated will be covered by the free allocation and, when this is not sufficient or the free allocation is discontinued, CO_2 costs are expected to be passed through into selling prices as an additional operating cost, similar to the case in the European market.

In the case of the Puerto Rico Generation CGU:

– The main estimates considered in the generated flows relate to the contract with Puerto Rico Electric Power Authority (PREPA), which will remain in force until the end of 2032.

- **Renewable Generation Spain:**

The assumptions and projections affecting the Renewable power generation and Hydroelectric power generation CGUs are based on the best forward-looking information available to date.

In the case of Renewable Electricity Generation Spain, fair value less selling costs is considered to be the best estimate of recoverable value. Therefore, its valuation includes the necessary flows that market participants would take into account when setting the value of the CGU using the present value technique and, for certain assets, comparable market values. Fair value was determined based on external sources of information and the company's estimate is, therefore, a level 3 estimate.

The assumptions regarding pool price trends in the Renewable Electricity Generation and Hydroelectric Electricity Generation CGUs are the same as those considered in the Thermal Generation Spain CGU.

The most sensitive matters included in the impairment test are as follows:

– Electricity generated.

  - For the renewable power generation CGU, projections of hours of operation of each park consistent with their historical output, and predictions based on historical records of similar parks have been used when there were no historical data. In addition, the increase in output due to plans to hybridise and repower existing facilities has been taken into account.

  - For the hydroelectric power generation CGU, trends in precipitation and their impact on river flows and, therefore, on production are taken into account.

– Electricity price. Market electricity prices were calculated using models that cross expected demand with supply forecasts, taking into account the foreseeable trend in generating capacity in Spain, based on industry forecasts, the trend in the energy situation on the basis of futures curves, and analysts' forecasts. The estimates also include the impact of existing contracts with the Group's supply companies.

– Remuneration.

  - For facilities in the renewable generation CGU that are entitled to specific remuneration, the remuneration has been estimated on the basis of the regulated revenue period. Specifically, Order TED/741/2023 was considered, which updated the remuneration parameters for standard facilities that are applicable to certain facilities that generate electricity from renewable sources, cogeneration and waste, for the purposes of their application to the 2023-2025 regulatory semi-period. The order updating the remuneration parameters applicable in the 2026-2031 regulatory period was published on 27 January 2026.

  - In the specific case of cogeneration facilities, the methodology for updating the remuneration for the operation of electricity generation facilities whose operating costs depend essentially on the price of fuel is considered.

– Operating and maintenance costs. These were estimated from historical costs of the managed fleet and existing contracts.

– Investments. The investments necessary to keep the facilities in working order are considered; in the case of Renewable Electricity Generation, they are included in the cash flows of new projects available for development, repowering, storage and hybridisations, as well as the value of the generation capacity of new renewable generation projects.

– The following factors are also considered:

  - The projected flows include an estimate of the costs of the 7% tax on the value of electricity production and the unit values for financing the energy subsidy ("bono social").

  - Existing sales contracts with the Group's supply companies.

  - The regulations governing water in hydroelectric reservoirs.

- **Renewable Generation United States:**

Since 2021, the company has been managing a portfolio of projects based on solar technology and storage systems that it acquired in that year and continues to hold.

At 2025 year-end, two solar farms are in operation: 7V Solar Ranch (302 MW) and Grimes (262 MW). The Mark Center (124.5 MW) plant is expected to become operational next year.

As indicated in “Annex IV. Regulatory Framework”, the arrival of the new administration in January 2025 led to significant legislative changes in the first part of the year, aimed at protecting local manufacturing industry and relaxing the country's commitments to fight climate change. In this context, the impact of these measures on projects under construction and in development was reviewed. No material impact is expected in the case of Mark Center, except for additional costs arising from components not purchased from local suppliers. To mitigate this effect, acquisitions have been planned according to the established tariff exemption windows.

At the same time, a programme has been approved for the sale of projects in the development pipeline. The regulatory environment continues to show a high level of uncertainty, shaped by the introduction of new tariffs and restrictions on non-local suppliers; these factors particularly affect projects in the development phase (Note 10).

As part of the management and divestment process, a comprehensive analysis of the portfolio in 2025 led to the recognition of impairment on certain assets due to difficulties in interconnecting projects and obtaining permits. At the same time, impairment that had been recognised in previous years was reversed due to improved price expectations.

- **Renewable Generation Latin America:**

Includes the Brazil, Costa Rica, Mexico, Panama and Chile electricity generation CGUs.

The most sensitive matters included in the impairment test are as follows:

– Electricity price: Renewable electricity generation in Latin America is managed under PPAs based on stable business models that are not at risk of fluctuation on the basis of market variables.

– Operating and maintenance costs. Estimated on the basis of historical costs and of best forecasts when no historical data are available.

– Since Renewables Chile returned to the short-term market based on authorisation by the National Electricity Coordinator in June 2023, the company has been operating normally in the market and fulfilling its PPAs with the distribution companies.

Nevertheless, limitations in the transmission networks and the different composition of the generation mix between the nodes where the Group injects energy and those where it has sales commitments with distributors continue to negatively impact the company's margins. This situation makes it difficult to meet its obligations to creditors, so steps have been taken to sell the Cabo Leones and San Pedro projects (Note 10).

In this situation, the assumptions made in the impairment test for 2024 are maintained and no scenarios are envisaged that could lead to a significant increase in the impairment already recognised for this company's assets.

- **Renewable Generation Australia:**

– Over most of the plants' useful life, electricity output is sold under PPAs based on stable business models that are not at risk of fluctuation on the basis of market variables. Upon termination of the contracts, energy prices are set based on the market and are estimated on the basis of developments in the country's energy situation, including the foreseeable evolution of the generating fleet and taking into account expected supply and demand, and production costs.

– Operating and maintenance costs. Estimated on the basis of historical costs and of best forecasts when no historical data are available.

- **Supply:**

– Supply margin. Forecasts concerning trends in customer numbers and demand were used, considering unit margins of the contracts in place and estimates of these figures in contract renewals.

– The projected flows include:

- The unit values for financing the energy subsidy ("bono social").
- The ban on cutting off gas and electricity supplies to vulnerable customers is maintained until 31 December 2026.

In the case of LPG distribution assets, a fair value estimate was used to determine the recoverable amount.

Discount rates and growth rates used

The pre-tax discount rates used in the impairment tests carried out in 2025 and 2024 are as follows:

Discount rate	2025	2024
Networks		
Electricity Networks Spain	6.8 %	6.8 %
Gas and Electricity Networks Latin America	10.9% - 22.1%	10.3% - 22.1%
Gas Networks Argentina	16.6 %	22.1 %
Markets		
Thermal Generation Spain	8.2 %	8.5 %
Thermal Generation Latin America	9.8% - 13.1%	9.5%-12.9%
Renewable Generation Spain	6.9%	7.0 %
Hydroelectric Generation Spain	7.2 %	7.3 %
Latin America Renewables	11.3% - 18.2%	10.9%-18.1%
Australia Renewables	9.2 %	9.1 %
USA Renewables	7.7 %	7.4 %
Renewable Gases	7,8 % - 8,6 %	8.4 %
Supply	7.1 %	7.6 %

(1) Rate determined in USD

Growth rates, determined as indicated in Note 2.4.6, in the impairment tests performed in 2025 and 2024 were as follows:

Growth rate	2025	2024
Networks		
Electricity Networks Spain	2.0 %	2.0 %
Gas and Electricity Networks Latin America	2% - 6.5%	1.6%-7.9%
Gas Networks Argentina	6.5 %	7.9 %
Markets		
Thermal Generation Spain	2.0 %	1.9 %
Thermal Generation Latin America	2.7 %	1.8 %
Renewable Generation Spain	2.0 %	1.9 %
Hydroelectric Generation Spain	2.0 %	1.9 %
Latin America Renewables	2.7%- 3.6%	1.8% - 2.9%
Australia Renewables	2.1 %	2.5 %
USA Renewables	2.7 %	1.8 %
Renewable Gases	2.0%	1.9 %
Supply	(0.04)%	(0.1)%

4.3 Results of the impairment tests

As a result of the impairment tests carried out in 2025 and 2024, the recoverable amounts, calculated according to the methodology described in Note 2.4.6, exceeded the carrying amounts recognised in these consolidated annual accounts except for:

2025

Net reversals of impairment were recognised in the amount of Euros 11 million under "Depreciation, amortisation and impairment losses" (Note 28) as follows:

— Gas distribution Argentina:

A net reversal of Euros 30 million was recognised in the Gas Distribution Argentina CGU. This amount reflects the effect of the improvement in cash flow projections resulting from tariff revisions, which have led to the partial recovery of the value of previously impaired assets. Consequently, impairment recognised in connection with intangible assets under "Impairment reversal/(losses)" was reversed (see Note 5). The value of the Gas Distribution Argentina CGU, determined according to its value in use based on the tariff revision scenarios considered, is Euros 275 million.

— Renewable generation Spain

The Renewable Generation Spain CGU recognised impairment losses on assets totalling Euros 56 million, of which Euros 6 million relate to intangible assets and Euros 50 million to property, plant and equipment, broken down as follows:

- Euros 21 million for suspension of the development of a wind farm after the discovery of archaeological remains made it unviable;
- Euros 16 million relating to wind and photovoltaic projects under development that were rejected due to being economically unviable;
- Euros 15 million for the assessment of the impact of a court ruling declaring a wind farm that had been operating since 2010 to be illegal (Note 36);
- Euros 3 million due to additional appeals regarding permits granted to wind farms in Galicia (Note 36); and
- Euros 1 million of impairment of projects in the portfolio in Europe, following the termination of prospecting (to search for new projects) and co-development agreements, and the French market's lack of interest in small projects, which significantly reduces the chances of sale.

– Renewable Generation United States:

The various projects in the pipeline were evaluated and impairment of Euros 23 million was recognised under "Impairment (losses)/reversal" of property, plant and equipment (Note 6), associated with acquired projects that are not expected to be executed, mainly due to difficulties with interconnection and permitting. In addition, impairment was reversed in the amount of Euros 38 million due to an improvement in cash flow projections, mainly as a result of price expectations for two plants being better than initially projected, which was recognised under "Impairment (losses)/Reversal" in the amount of Euros 25 million for intangible assets (Note 5) and Euros 13 million for property, plant and equipment (Note 6). The value of the Thermal Generation USA CGU, determined based on its value in use, is Euros 668 million.

2024

Impairments were reversed for a net amount of Euros 18 million under "Depreciation, amortisation and impairment losses" as follows:

— Gas distribution Argentina:

Euros 38 million of the impairment recognised for intangible assets in 2020 under "Impairment reversal/(losses)" (Note 5) was reversed, mainly due to the estimated impacts of the tariff revisions included in the cash flow projections. The value of the Gas Distribution Argentina CGU, determined according to its value in use based on the tariff revision scenarios considered, is Euros 221 million.

– Thermal Generation Spain

  Impairment in the amount of Euros 11 million was recognised for property, plant and equipment under "Depreciation, amortisation and impairment losses" (Note 6). This arose basically as a result of problems in the operation of a facility, which led to the recognition of impairment of assets at both the facility and CGU level; impairment was reversed due to the improvement in projected cash flows, basically caused by expectations of the creation of a capacity market in the Spanish mainland electricity system that will remunerate firm capacity (see Appendix IV Regulatory framework, item 2.2.4.1). The value of the Thermal Generation Spain CGU, determined based on its value in use, is Euros 1,036 million.

– Renewable generation Spain

  Impairment amounting to Euros 5 million was recognised in the Renewable Generation Spain CGU under "Impairment (losses)/reversal" for property, plant and equipment (Note 6) due to assessment of the impact if the appeals against the permits for several wind farms under construction are upheld.

– Renewable Generation United States:

  The various projects in the pipeline were evaluated and an impairment of Euros 4 million was recognised, of which Euros 1 million relates to intangible assets (Note 5) and Euros 3 million to property, plant and equipment (Note 6), associated with acquired projects that are not expected to be executed, mainly due to difficulties with interconnections and permitting.

4.4 Sensitivity analysis

A sensitivity analysis has been carried out for the results of the impairment tests described. The following variations in the key assumptions for each of them have been considered separately, with the following result:

2025

Thermal generation Spain: the result of the sensitivity analysis is as follows:

– a 50 basis point increase in the discount rate would entail impairment of Euros 27 million.
– a decrease in the growth rate of 50 basis points would not entail any impairment.
– a 5% decrease in electricity output would entail impairment of Euros 215 million.
– a € 1/MWh decrease in the average electricity price over the remaining life of the facility together with the related variation in the cost of gas and CO2 would entail impairment of Euros 24 million.

Hydroelectric generation Spain: the result of the sensitivity analysis is as follows:

– an increase in the discount rate of 50 basis points would not entail any impairment.
– a decrease in the growth rate of 50 basis points would not entail any impairment.
– a decrease in electricity output of 5% would not entail any impairment.
– a €1/MWh decrease in the average electricity price over the remaining life of the facility would entail a Euros 12 million reduction in the CGU's fair value but would not give rise to impairment.

Renewable Electricity Generation Spain: the result of the sensitivity analysis is as follows:

– an increase in the discount rate of 50 basis points would not entail any impairment.
– a decrease in electricity output of 5% would not entail any impairment.
– a €1/MWh decrease in the average electricity price over the remaining life of the facility would entail a Euros 61million reduction in the CGU's fair value but would not give rise to impairment.
– an increase in operating and maintenance costs of 5% would not entail impairment.
– an increase of 5% in the capital cost would not entail impairment.

Gas distribution networks Argentina: the result of the sensitivity analysis is as follows:

– a 50 basis point increase in the discount rate would entail impairment of Euros 5 million.
– a 50 basis point decrease in the growth rate would entail impairment of Euros 2 million.

- a 5% decrease in the tariff/remuneration trend would entail impairment of Euros 15 million.
- a 5% increase in operating and maintenance costs would entail impairment of Euros 4 million.
- a 5% increase in investments would entail impairment of Euros 5 million.

Thermal Generation Mexico: The result of the sensitivity analysis is as follows:

- an increase in the discount rate of 50 basis points would not entail any impairment.
- a decrease in the growth rate of 50 basis points would not entail any impairment.
- a decrease of 5% in the electricity sale price would not entail any impairment.

Renewable Generation United States: The result of the sensitivity analysis is as follows:

- an increase in the discount rate of 50 basis points would not entail any impairment.
- an increase of 5% in the construction cost would not entail impairment.
- a decrease of 5% in the electricity sale price would not entail any impairment.

Renewable Generation Brazil: The result of the sensitivity analysis is as follows:

- an increase in the discount rate of 50 basis points would not entail any impairment.

Renewable Generation Panama: The result of the sensitivity analysis is as follows:

- a 50 basis point increase in the discount rate would entail impairment of Euros 3 million.

Renewable Generation Costa Rica: The result of the sensitivity analysis is as follows:

- an increase in the discount rate of 50 basis points would not entail any impairment.

Other CGUs

For the remaining CGUs, Naturgy has carried out a sensitivity analysis of the unfavourable variations which, drawing on historical experience, may reasonably impact the aforementioned sensitive parameters on which the recoverable amounts have been determined. Specifically, the most significant sensitivity analyses performed were as follows:

	Increase	Decrease
Discount rate	50 basis points.	—
Growth rate	—	50 basis points.
Electricity generated	—	5 %
Electricity price	—	5 %
Fuel and procurement costs	5 %	—
Tariff/remuneration performance	—	5 %
Operating and maintenance costs	5 %	—
Investments	5 %	—

These sensitivity analyses performed independently for each basic scenario would not alter the conclusions reached regarding the recoverable amount being greater than the net carrying amount of each of these CGUs. In fact, based on the evolution of energy variables and remuneration models in line with historical experience, no variations entailing additional impairment have been identified.

Note 5. Intangible assets

The changes in intangible assets in 2025 and 2024 are as follows:

	IFRIC 12 concessions	Other concessions and similar	Computer software	Other intangible assets	Subtotal	Goodwill	Total
Gross cost	1,910	1,341	1,245	1,325	5,821	2,930	**8,751**
Accumulated depreciation	(947)	(23)	(924)	(697)	(2,591)	—	**(2,591)**
Impairment losses	(180)	—	—	(11)	(191)	—	**(191)**
Carrying value as at 31.12.2023	**783**	**1,318**	**321**	**617**	**3,039**	**2,930**	**5,969**
Investment (Note 3)	98	—	115	127	340	—	**340**
Amortisation charge (Note 28)	(51)	(1)	(112)	(162)	(326)	—	**(326)**
Impairment reversal/(losses) (Notes 4 & 28)	38	—	—	(1)	37	—	**37**
Currency translation differences (1)	(55)	(35)	(3)	1	(92)	18	**(74)**
Asset acquisitions (Note 2.4.1.d.)	—	—	—	12	12	—	**12**
Reclassifications and other	—	—	—	22	22	—	**22**
Carrying value as at 31.12.2024	**813**	**1,282**	**321**	**616**	**3,032**	**2,948**	**5,980**
Gross cost	2,165	1,306	1,350	1,503	6,324	2,948	**9,272**
Accumulated depreciation	(1,087)	(24)	(1,029)	(877)	(3,017)	—	**(3,017)**
Impairment losses	(265)	—	—	(10)	(275)	—	**(275)**
Carrying value as at 31.12.2024	**813**	**1,282**	**321**	**616**	**3,032**	**2,948**	**5,980**
Investment (Note 3)	115	—	162	141	418	—	**418**
Amortisation charge (Note 28)	(59)	(2)	(119)	(171)	(351)	—	**(351)**
Impairment reversal/(losses) (Notes 4 & 28)	30	—	—	19	49	—	**49**
Currency translation differences (1)	(62)	(24)	(2)	(3)	(91)	(54)	**(145)**
Asset acquisitions (Note 2.4.1.d.)	—	—	—	4	4	—	**4**
Reclassifications and other (2)	—	—	5	3	8	—	**8**
Carrying value as at 31.12.2025	**837**	**1,256**	**367**	**609**	**3,069**	**2,894**	**5,963**
Gross cost	2,100	1,281	1,438	1,210	6,029	2,894	**8,923**
Accumulated depreciation	(1,033)	(25)	(1,071)	(589)	(2,718)	—	**(2,718)**
Impairment losses	(230)	—	—	(12)	(242)	—	**(242)**
Carrying value as at 31.12.2025	**837**	**1,256**	**367**	**609**	**3,069**	**2,894**	**5,963**

(1) Includes the effect of inflation in Argentina (Note 2.4.2.).

(2) Includes transfers to "Non-current assets held for sale" (Note 11).

Note 3 includes a breakdown of investments in intangible assets by segment.

The composition of the balance of the "Concessions IFRIC 12" heading is affected by the asymmetric trends over the last few years of inflation and exchange rates in Argentina, which has an impact on the Gas and Electricity Distribution Networks businesses that Naturgy has in that country, classified as a hyperinflationary economy.

As detailed in Note 4, the following impairments and reversals were recognised in 2025:

- Gas Networks Argentina reversal of the impairment recognised for IFRIC 12 Concessions in 2020, amounting to Euros 30 million (Note 4).
- Renewable Generation United States: reversal of impairment in the amount of Euros 25 million under Other intangible assets (Note 4).
- Renewable Generation Spain: impairment in the amount of Euros 6 million under Other intangible assets (Note 4).

As a result of the impairment tests performed in 2024, the following impairment was recognised:

- Gas Networks Argentina reversal of the impairment recognised for IFRIC 12 Concessions in 2020, amounting to Euros 38 million (Note 4).
- Renewable Generation United States: impairment of other intangible assets amounting to Euros 1 million (Note 4).

During 2025, acquisitions were recognised under Other intangible assets for an amount of Euros 4 million, corresponding entirely to the acquisition of seven biomethane projects in the Renewable Gases business. During 2024, the following asset acquisitions were recognised: Euros 12 million of renewable assets, of which Euros 9 million relate to the Renewable Generation Australia business, derived from the acquisition, through the company Fraser Coast Solar Development Finco PTY, Ltd., of a solar project at an advanced stage of development, and Euros 3 million relate to the Renewable Gases business derived from the acquisition of 14 biomethane projects. (Note 2,4.1.d.).

"Concessions IFRIC 12" includes concessions regarded as intangible assets under IFRIC 12 "Service concession agreements" (Note 33).

The "Other concessions and similar" heading includes principally:

- Concessions with indefinite useful lives arising from business combinations are as follows:

	31.12.2025	31.12.2024
Electricity distribution Spain	684	684
Gas distribution Chile	566	579

The "Other intangible assets" heading mainly includes:

- Licences for Renewable Generation farms totalling Euros 223 million as at 31 December 2025 (Euros 225 million as at 31 December 2024). This amount includes Euros 29 million in the United States after the transfer of assets held for sale (Note 11) (Euros 12 million as at 31 December 2024), Euros 13 million in Brazil (Euros 14 million as at 31 December 2024), and Euros 16 million in Australia (Euros 20 million as at 31 December 2024); the remainder relates to farm licences for Renewable Generation in Spain.

- Customer acquisition costs recognised as assets under IFRS 15 amounted to Euros 192 million as at 31 December 2025 (Euros 178 million as at 31 December 2024).

- The value of gas procurement contracts and other contractual rights acquired as a result of business combinations in Chile for an amount of Euros 32 million as at 31 December 2025 (Euros 44 million as at 31 December 2024), Naturgy Aprovisionamientos, S.A. relating to the Oman contract, for an amount of Euros 17 million as at 31 December 2024, and contractual rights and projects acquired in business combinations of Renewable Generation Spain amounting to Euros 46 million (Euros 48 million as at 31 December 2024).

Movements in, and the composition of, goodwill by CGU or aggregated CGUs in 2025 and 2024 are set out below:

	01.01.2025	Currency translation differences	Impairment losses	Business Combination	31.12.2025
Networks	1,298	(18)	—	—	1,280
Gas Mexico	20	—	—	—	20
Gas Brazil	12	—	—	—	12
Gas Chile	52	(1)	—	—	51
Electricity Spain	1,070	—	—	—	1,070
Panama Electricity	144	(17)	—	—	127
Markets	1,650	(36)	—	—	1,614
Energy Management	19	—	—	—	19
Thermal Generation	309	(36)	—	—	273
LatAm	*309*	*(36)*	—	—	*273*
Renewable Generation	895	—	—	—	895
Spain	*885*	—	—	—	*885*
LatAm	*8*	—	—	—	*8*
USA	*2*	—	—	—	*2*
Supply	427	—	—	—	427
Total	**2,948**	**(54)**	**—**	**—**	**2,894**

	01.01.2024	Currency translation differences	Impairment losses	Business Combination	31.12.2024
Networks	1,297	1	—	—	1,298
Gas Mexico	23	(3)	—	—	20
Gas Brazil	14	(2)	—	—	12
Gas Chile	55	(3)	—	—	52
Electricity Spain	1,070	—	—	—	1,070
Panama Electricity	135	9	—	—	144
Markets	1,633	17	—	—	1,650
Energy Management	19	—	—	—	19
Thermal Generation	291	18	—	—	309
LatAm	*291*	*18*	—	—	*309*
Renewable Generation	896	(1)	—	—	895
Spain	*885*	—	—	—	*885*
LatAm	*9*	*(1)*	—	—	*8*
USA	*2*	—	—	—	*2*
Supply	427	—	—	—	427
Total	**2,930**	**18**	**—**	**—**	**2,948**

As at 31 December 2025, Naturgy had recognised investment commitments totalling Euros 28 million (Euros 23 million as at 31 December 2024) relating basically to the development of the gas distribution network of concessions classified as intangible assets under IFRIC 12.

As at 31 December 2025, intangible assets include Euros 689 million of fully amortised assets still in use (Euros 684 million as at 31 December 2024).

Note 6. Property, plant and equipment

The changes in 2025 and 2024 in property, plant and equipment accounts and their respective accumulated depreciation and provisions were as follows:

	Land and buildings	Gas installations	Electricity generation plants	Plant for electricity transmission and distribution	Other property, plant and equipment	PPE under construction	Total
Gross cost	447	11,778	16,604	8,655	477	2,259	**40,220**
Accumulated depreciation	(184)	(7,428)	(7,188)	(3,266)	(299)	—	**(18,365)**
Impairment losses	—	(126)	(3,063)	—	—	—	**(3,189)**
Carrying value as at 31.12.2023	**263**	**4,224**	**6,353**	**5,389**	**178**	**2,259**	**18,666**
Investment (Note 3)	11	165	111	167	35	1,436	**1,925**
Divestment	(7)	—	(1)	—	(5)	(11)	**(24)**
Amortisation charge (Note 28)	(16)	(347)	(439)	(281)	(12)	—	**(1,095)**
Impairment losses (Note 4 & 28)	—	—	(19)	—	—	—	**(19)**
Currency translation differences (1)	—	(149)	23	79	18	13	**(16)**
Asset acquisitions (Note 2.4.1.d.)	—	—	—	—	—	1	**1**
Reclassifications and other (2)	(4)	59	1,413	342	(10)	(1,771)	**29**
Carrying value as at 31.12.2024	**247**	**3,952**	**7,441**	**5,696**	**204**	**1,927**	**19,467**
Gross cost	440	11,736	17,899	9,242	588	1,927	**41,832**
Accumulated depreciation	(193)	(7,659)	(7,390)	(3,546)	(384)	—	**(19,172)**
Impairment losses	—	(125)	(3,068)	—	—	—	**(3,193)**
Carrying value as at 31.12.2024	**247**	**3,952**	**7,441**	**5,696**	**204**	**1,927**	**19,467**
Investment (Note 3)	13	166	166	170	44	1,162	**1,721**
Divestment	(2)	(3)	(2)	—	(1)	(10)	**(18)**
Amortisation charge (Note 28)	(16)	(314)	(483)	(291)	(22)	—	**(1,126)**
Impairment losses (Note 4 & 28)	(1)	—	(9)	—	—	(50)	**(60)**
Currency translation differences (1)	(6)	8	(217)	(150)	(13)	(83)	**(461)**
Reclassifications and other (2)	(3)	91	811	330	(29)	(1,400)	**(200)**
Carrying value as at 31.12.2025	**232**	**3,900**	**7,707**	**5,755**	**183**	**1,546**	**19,323**
Gross cost	432	11,807	18,081	9,442	613	1,546	**41,921**
Accumulated depreciation	(199)	(7,803)	(7,394)	(3,687)	(430)	—	**(19,513)**
Impairment losses	(1)	(104)	(2,980)	—	—	—	**(3,085)**
Carrying value as at 31.12.2025	**232**	**3,900**	**7,707**	**5,755**	**183**	**1,546**	**19,323**

(1) Includes the effect of inflation in Argentina (Note 2.4.2.).

(2) Mainly includes:

- transfer to operation of fixed assets under construction.
- capitalised plant decommissioning costs (Note 16).
- transfer to “Non-current assets held for sale” (Note 11).

Note 3 contains a breakdown of investments in property, plant and equipment by segment.

As detailed in Note 4, impairment of Euros 50 million was recognised in 2025 in connection with several wind farms and solar projects in the Renewable Generation Spain business, and net impairment of Euros 10 million was recognised in connection with projects under construction or in operation in Renewable Generation USA.

In 2024, net impairment was recognised in the amount of Euros 11 million in the Thermal Generation Spain business, Euros 5 million for appeals filed against several wind farms under construction in the Renewable Generation Spain business, and Euros 3 million in relation to projects under construction in Renewable Generation USA (Note 4).

No acquisitions of property, plant and equipment were recognised in 2025. Acquisitions of renewable assets were recognised in 2024 in the amount of Euros 1 million in the category of fixed assets under construction in the Renewable Generation Australia business as a result of the acquisition, through the company Fraser Coast Solar Development Finco PTY, Ltd., of a farm at an advanced stage of development (Note 5).

Additionally, at the end of 2025, an amount of Euros 231 million for the assets of Cabo Leones, GPG Solar and Inca de Varas (all in Chile) and the solar projects under development in the United States was transferred to "Non-current assets held for sale" (Note 11).

Set out below is a breakdown of fixed assets under construction, by business area:

	31.12.2025	31.12.2024
Networks	**365**	**319**
Gas Spain	14	22
Gas Mexico	8	8
Gas Chile	62	71
Gas Argentina	4	4
Electricity Spain	215	173
Panama Electricity	62	41
Markets	**1,181**	**1,608**
Energy Management	—	23
Thermal Generation Spain	151	185
Thermal Generation LatAm	35	36
Renewable Generation	991	1,362
Spain	605	622
LatAm	5	19
Australia	273	338
USA	108	383
Renewable Gases	4	2
Total	**1,546**	**1,927**

Several renewable generation farms were commissioned in Australia and the United States in 2025 and 2024.

As at 31 December 2025 and 2024, Naturgy did not have any material investment property.

As at 31 December 2025, property, plant and equipment include fully-depreciated assets in use totalling Euros 3,629 million (Euros 3,296 million as at 31 December 2024).

It is Naturgy's policy to arrange insurance where deemed necessary to cover the risks to its fixed assets.

As at 31 December 2025, Naturgy had recognised investment commitments totalling Euros 366 million (Euros 410 million as at 31 December 2024) relating basically to the construction of new renewable generation facilities and the development of the gas and electricity distribution network.

The financial expenses capitalised in 2025 during construction of fixed assets totalled Euros 47 million (Euros 93 million in 2024). The financial expenses capitalised in 2025 account for 6.0% of total financial costs on net borrowings (11.0% in 2024). The average capitalisation rate for 2025 and 2024 was 3.2% and 2.9%, respectively.

Note 7. Right-of-use assets

Changes in 2025 and 2024 in right-of-use asset accounts and the related accumulated amortisation and provisions are as follows:

	Land and buildings	Gas tankers	Vehicles	Other property, plant and equipment	Total
Gross cost	585	1,191	25	50	**1,851**
Accumulated depreciation	(146)	(495)	(15)	(6)	**(662)**
Carrying value as at 31.12.2023	**439**	**696**	**10**	**44**	**1,189**
Additions	168	—	8	—	**176**
Divestment	(4)	—	(4)	—	**(8)**
Amortisation charge (Note 28)	(49)	(65)	(5)	(2)	**(121)**
Currency translation differences	(7)	—	—	3	**(4)**
Reclassifications and other	(3)	—	—	—	**(3)**
Carrying value as at 31.12.2024	**544**	**631**	**9**	**45**	**1,229**
Gross cost	736	1,191	25	53	**2,005**
Accumulated depreciation	(192)	(560)	(16)	(8)	**(776)**
Carrying value as at 31.12.2024	**544**	**631**	**9**	**45**	**1,229**
Additions	66	61	9	—	**136**
Divestments/Derecognitions	(7)	(49)	(2)	(12)	**(70)**
Amortisation charge (Note 28)	(47)	(70)	(6)	(1)	**(124)**
Currency translation differences	(16)	—	—	(4)	**(20)**
Reclassifications and other (1)	(27)	—	—	(27)	**(54)**
Carrying value as at 31.12.2025	**513**	**573**	**10**	**1**	**1,097**
Gross cost	748	1,042	28	1	**1,819**
Accumulated depreciation	(235)	(469)	(18)	—	**(722)**
Carrying value as at 31.12.2025	**513**	**573**	**10**	**1**	**1,097**

(1) Includes mainly the transfer to “Non-current assets held for sale” (Note 11).

Naturgy has concluded lease agreements in which it is the lessee for the following category of underlying assets:

- Land for energy use for combined cycle power plants, wind farms, photovoltaic farms, switching centres, and propane (LPG) and liquefied natural gas (LNG) installations.
- Structures (mainly offices, premises, industrial buildings and parking spaces).
- Gas carriers under long- and medium-term charter.
- Vehicles.

As at 31 December 2025, "‘Gas tankers" includes eight vessels under long-term finance leases (seven vessels as at 31 December 2024) (note 17).

At the end of 2025, Euros 56 million was transferred to "Non-current assets held for sale" corresponding to "Right-of-use assets" of Ibereólica Cabo Leones II, S.A. and GPG Solar Chile 2017, S.p.A., as well as Inca de Varas I, S.p.A. and Inca de Varas II, S.p.A. (Note 11).

Note 8. Investments in companies

8.1 Associates and joint ventures

Set out below is a breakdown of investments accounted for using the equity method:

	31.12.2025	31.12.2024
Associates	52	50
Jointly-controlled entities	507	597
Total	**559**	**647**

Appendix I lists all the associates and joint ventures in which Naturgy holds an interest, stating their activity and the percentage of the shareholding and equity interest.

The most significant investments relate to EcoEléctrica L.P. and the interest in Medgaz through Medina.

Movements during 2025 and 2024 in equity-accounted investments, including a breakdown of the most significant shareholdings, are as follows:

	EcoEléctrica, L.P.	Medina/ Medgaz	Other joint ventures	Total joint ventures	Associates	Total
Value of shareholding 01.01.2024	**260**	**191**	**107**	**558**	**54**	**612**
Investment	—	—	1	1	—	1
Divestment	—	—	—	—	—	—
Shares of profits/(losses)	64	18	42	124	(4)	120
Dividends received	(63)	(12)	(26)	(101)	—	(101)
Currency translation differences	16	—	—	16	—	16
Other comprehensive income	—	—	(1)	(1)	—	(1)
Reclassifications and other	—	—	—	—	—	—
Value of shareholding 31.12.2024	**277**	**197**	**123**	**597**	**50**	**647**
Investment	—	—	—	—	—	—
Divestment	—	—	(43)	(43)	—	(43)
Shares of profits/(losses)	72	21	47	140	2	142
Dividends received	(50)	(69)	(30)	(149)	—	(149)
Currency translation differences	(33)	—	(1)	(34)	—	(34)
Other comprehensive income	—	1	—	1	—	1
Reclassifications and other	—	—	(5)	(5)	—	(5)
Value of shareholding 31.12.2025	**266**	**150**	**91**	**507**	**52**	**559**

As at 31 December 2025, Naturgy sold its 7.4% stake in Qalhat LNGS A.O.C. through its subsidiary Naturgy Aprovisionamientos, S.A.

Apart from the aforementioned sale, there were no significant changes in Investments accounted for using the equity method in 2025 and 2024. The changes in this heading relate basically to variations in these companies' equity.

There follows a breakdown of assets, liabilities, revenue and results of Naturgy's main interests in joint ventures (on the basis of the percentage stake):

	31.12.2025		31.12.2024	
	EcoEléctrica, L.P. (50 %)	**Medina/ Medgaz (50 %)**	**EcoEléctrica, L.P. (50 %)**	**Medina/ Medgaz (50 %)**
Non-current assets	220	372	241	403
Current assets	58	32	48	29
Cash and cash equivalents	3	10	1	11
Non-current liabilities	(5)	(215)	(6)	(195)
Non-current financial liabilities	—	(159)	—	(134)
Current liabilities	(7)	(39)	(6)	(40)
Current financial liabilities	—	(34)	(2)	(33)
Net assets	**266**	**150**	**277**	**197**
Net borrowings (1)	**(3)**	**182**	**1**	**156**

(1) Net borrowings: Non-current financial liabilities+Current financial liabilities-Cash and cash equivalents.

	2025		2024	
	EcoEléctrica, L.P. (50 %)	**Medina/ Medgaz (50 %)**	**EcoEléctrica, L.P. (50 %)**	**Medina/ Medgaz (50 %)**
Net sales	104	79	98	75
Procurements	—	—	—	—
Personnel expenses	(6)	(1)	(6)	(1)
Other operating income/(expenses)	(17)	(6)	(18)	(5)
Gross operating profit	**81**	**72**	**74**	**69**
Depreciation, amortisation and impairment losses	(8)	(30)	(8)	(30)
Impairment due to credit losses	—	—	—	—
Operating profit	**73**	**42**	**66**	**39**
Financial income	2	(12)	—	(12)
Results of equity-consolidated companies	—	—	—	—
Profit/(loss) before tax	**75**	**30**	**66**	**27**
Corporate income tax	(3)	(9)	(2)	(9)
Attributed to non-controlling interests	—	—	—	—
Profit/(loss) attributed for the year from continuing operations	**72**	**21**	**64**	**18**
Share of profits	**72**	**21**	**64**	**18**

There are no contingent liabilities affecting interests in joint ventures.

As at 31 December 2025 and 2024, there are no commitments to acquire interests in joint ventures. Contractual sales commitments as at 31 December 2025 and 2024 are as follows:

Sale	**31.12.2025**	31.12.2024
Energy transmission/transportation (1)	399	473
Provision of capacity assignment services (2)	638	808
Total contractual obligations	1,037	1,281

(1) Includes Medgaz's long-term gas transportation commitments.
(2) Reflects commitments by EcoEléctrica L.P. to provide services to Puerto Rico Electricity Power Authority under generating capacity assignment contracts.

8.2 Joint operations

Naturgy participates in joint operations that meet the conditions indicated in Note 2.4.1.b; they are detailed in Appendix I, section 3, which indicates that these operations are proportionately consolidated. The main interests in joint operations as at 31 December 2025 and 2024 are as follows:

	2025	2024
Comunidad de Bienes Central Nuclear de Almaraz	11.3%	11.3%
Comunidad de Bienes Central Nuclear de Trillo	34.5%	34.5%
Comunidad de bienes Central Térmica de Anllares	66.7%	66.7%

The contribution from the joint operations to Naturgy's assets, liabilities, revenue and results is shown below:

	31.12.2025	31.12.2024
Non-current assets	83	85
Current assets	103	86
Cash and cash equivalents	—	—
Non-current liabilities	(108)	(108)
Non-current financial liabilities	—	—
Current liabilities	(46)	(48)
Current financial liabilities	(11)	(11)
Net assets	**32**	**15**
Net borrowings (1)	**11**	**11**

(1) Net borrowings: Non-current financial liabilities+Current financial liabilities-Cash and cash equivalents.

	2025	2024
Net sales (1)	231	240
Operating expenses	(178)	(170)
Gross operating results	**53**	**70**
Depreciation, amortisation & impairment losses	(25)	(24)
Operating profit	**28**	**46**
Financial income	—	—
Profit/(loss) before tax	**28**	**46**
Corporate income tax	(7)	(11)
Profit/(loss) attributed for the year from continuing operations	**21**	**35**

(1) In order to reflect the contribution of the activity as a whole, the revenue figure also includes revenue from nuclear energy sales pertaining to the joint venturers.

Note 9. Financial assets

Current and non-current financial assets, classified by nature and category, are as follows as at 31 December 2025 and 2024:

31.12.2025	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Equity instruments	5	—	—	5
Derivatives (Note 18)	64	—	—	64
Other financial assets	—	—	339	339
Non-current financial assets	**69**	**—**	**339**	**408**
Derivatives (Note 18)	25	—	—	25
Other financial assets	—	—	280	280
Current financial assets	**25**	**—**	**280**	**305**
Total	**94**	**—**	**619**	**713**

31.12.2024	Fair value through other comprehensive income	Fair value through profit or loss	Amortised cost	Total
Equity instruments	8	—	—	8
Derivatives (Note 18)	53	—	—	53
Other financial assets	—	—	358	358
Non-current financial assets	**61**	**—**	**358**	**419**
Derivatives (Note 18)	109	33	—	142
Other financial assets	—	—	329	329
Current financial assets	**109**	**33**	**329**	**471**
Total	**170**	**33**	**687**	**890**

Financial assets recognised at fair value as at 31 December 2025 and 2024 are classified as follows:

	31.12.2025				31.12.2024			
Financial assets	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**
Fair value through other comprehensive income	—	89	5	**94**	—	162	8	**170**
Fair value through profit or loss	—	—	—	**—**	—	33	—	**33**
Total	**—**	**89**	**5**	**94**	**—**	**195**	**8**	**203**

The movements in 2025 and 2024 in financial assets carried at fair value, based on the method applied to calculate their fair value, are as follows:

	2025				2024			
	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**
1 January	—	195	8	**203**	—	231	7	**238**
Changes recognised directly in equity	—	(61)	—	**(61)**	—	(8)	—	**(8)**
Changes recognised in profit or loss (1)	—	(14)	—	**(14)**	—	8	1	**9**
Currency translation differences	—	(15)	—	**(15)**	—	3	—	**3**
Transfers and other (2)	—	(16)	(3)	**(19)**	—	(39)	—	**(39)**
As at 31 December	**—**	**89**	**5**	**94**	**—**	**195**	**8**	**203**

(1) It relates entirely to derivatives in 2025.
(2) In 2025, this includes mainly transfers to "Non-current assets held for sale" at the date on which this classification was applied (Nota 11). In 2024, it included the receipt of Euros 39 million of the deferred guaranteed amounts under the agreement reached in March 2021 with the Egyptian government in the context of disputes with Unión Fenosa Gas, S.A.

9.1 Fair value through other comprehensive income

- Equity instruments:

  Includes the 85.4% stake in Electrificadora del Caribe, S.A. ESP (Electricaribe) valued at Euros 0 million as at 31 December 2025 and 2024. In connection with this holding and its impairment, a deferred tax asset for the amount of Euros 105 million is recognised as at 31 December 2025 and 2024 relating to the tax loss that will be deductible once the company is liquidated (see Note 36).

  This heading also includes minor shareholdings in unlisted companies amounting to Euros 5 million (Euros 8 million as at 31 December 2024).

- Derivatives:

  this relates to the valuation of hedging derivatives linked to financial liabilities amounting to Euros 89 million (Note 18), of which Euros 25 million are classified as current assets (Euros 162 million as at 31 December 2024, of which Euros 109 million are classified as current assets).

9.2 Fair value through profit or loss

- Derivatives:

The balance as at 31 December 2024 included Euros 33 million for financial derivatives of Ibereólica Cabo Leones II and GPG Solar Chile 2017, S.p.A. Due to the failure to comply, on that date, with certain obligations in the financing contracts for both projects (see Note 17), these instruments were classified as current assets. In June 2025, the financial derivatives of GPG Solar Chile 2017, S.p.A. were settled, with only those corresponding to Ibereólica Cabo Leones remaining. As at 31 December 2025, the balance of the company Ibereólica Cabo Leones II was classified as "Non-current assets held for sale" (Note 11).

In 2025, these derivatives generated hedging inefficiencies whose negative impact, amounting to Euros 3 million, was recognised under “Variations in fair value of financial instruments” in the 2025 consolidated income statement 2025 (Euros 10 million positive impact in 2024) (Note 30).

9.3 Amortised cost

The breakdown as at 31 December 2025 and 2024 is as follows:

	31.12.2025	31.12.2024
Commercial loans	30	31
Deposits and guarantees deposits	104	110
Other loans	205	217
Other non-current financial assets	**339**	**358**
Commercial loans	13	11
Electricity system financing	112	75
Gas system financing	93	149
Dividend receivable	—	21
Deposits and guarantees deposits	35	45
Other loans	27	28
Other current financial assets	**280**	**329**
Total	**619**	**687**

The breakdown by maturities as at 31 December 2025 and 2024 is as follows:

Maturities	**31.12.2025**	31.12.2024
Before 1 year	280	329
Between 1 year and 5 years	45	53
More than 5 years	294	305
Total	**619**	**687**

The fair values and carrying amounts of these assets do not differ significantly.

The "Gas system financing" heading includes temporary mismatches between gas system revenues and costs amounting to Euros 93 million (Euros 149 million as at 31 December 2024) which, pursuant to Order TED/1022/2021 of 27 September, must be recovered in the following gas year. Specifically, Order TED 1022/2021 stipulates that the mismatch in the year will be recovered through the first available settlement of the following gas year. The entire amount of this financing has been recognised as a short-term item on the understanding that it is a temporary mismatch that will be recovered through system settlements within one year.

The “Electricity system financing” heading includes temporary mismatches between electricity system revenues and costs funded by Naturgy pursuant to Law 24/2013, of 26 December. This amount will be recovered through electricity system settlements. The amount of this financing has been recognised entirely as a short-term item on the understanding that it is a temporary mismatch that will be recovered through system settlements within the same year. As at 31 December 2025, it amounts to Euros 112 million (Euros 75 million as at 31 December 2024).

The "Trade receivables" item mainly includes receivables for energy management services that accrued interest at an average rate of 4.92% as at 31 December 2025 (3.92% as at 31 December 2024).

The “Deposits and guarantees” heading basically includes amounts deposited with the competent public administrations, under applicable legislation, in respect of guarantees and deposits received from customers when contracts are concluded to secure the supply of electricity and natural gas (Note 19), as well as deposits related to derivative positions arranged in organised markets.

"Other receivables" includes basically:

- The value of generation concessions in Costa Rica that are treated as financial assets pursuant to IFRIC 12 "Service concession arrangements" (Note 2.4.3.b and Note 33), in the amount of Euros 75 million (Euros 95 million as at 31 December 2024), of which Euros 12 million are classified under current assets (Euros 14 million in 2024). These financial assets are classified under this heading as they represent an unconditional right to receive fixed or determinable amounts of cash.
- Receivables of Euros 120 million relating to the accrued electricity distribution remuneration that is outstanding under system settlements and will be collected through these settlements in a term greater than 12 months (Euros 94 million as at 31 December 2024), classified as non-current assets.

Note 10. Other non-current assets and trade and other receivables

The breakdown of the "Other non-current assets" and "Trade and other receivables" headings as at 31 December 2025 and 2024, classified by nature and category, is as follows:

31.12.2025	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Amortised cost**	**Total**
Derivatives (Note 18)	188	9	—	197
Other assets	—	—	274	274
Other non-current assets	**188**	**9**	**274**	**471**
Derivatives (Note 18)	240	63	—	303
Other assets	—	—	3,091	3,091
Trade and other receivables	**240**	**63**	**3,091**	**3,394**
Total	**428**	**72**	**3,365**	**3,865**

31.12.2024	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Amortised cost**	**Total**
Derivatives (Note 18)	58	1	—	59
Other assets	—	—	281	281
Other non-current assets	**58**	**1**	**281**	**340**
Derivatives (Note 18)	58	10	—	68
Other assets	—	—	3,773	3,773
Trade and other receivables	**58**	**10**	**3,773**	**3,841**
Total	**116**	**11**	**4,054**	**4,181**

Financial assets recognised at fair value as at 31 December 2025 and 2024 are classified as follows:

	31.12.2025				31.12.2024			
Financial assets	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**
Fair value through other comprehensive income	6	422	—	**428**	—	116	—	**116**
Fair value through profit or loss	—	72	—	**72**	—	11	—	**11**
Total	**6**	**494**	**—**	**500**	**—**	**127**	**—**	**127**

The movements in 2025 and 2024 in financial assets carried at fair value, based on the method applied to calculate their fair value, are as follows:

	2025				2024			
	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**
1 January	—	127	—	**127**	1	137	—	**138**
Changes recognised directly in equity	6	330	—	**336**	—	(19)	—	**(19)**
Changes recognised in profit or loss (1)	—	63	—	**63**	(1)	6	—	**5**
Currency translation differences	—	(26)	—	**(26)**	—	3	—	**3**
Transfers and other	—	—	—	**—**	—	—	—	**—**
As at 31 December	**6**	**494**	**—**	**500**	**—**	**127**	**—**	**127**

(1) In 2025 and 2024, this heading related entirely to derivatives.

10.1 Fair value through other comprehensive income

Derivatives at fair value through other comprehensive income under financial assets include operational gas price hedging derivatives amounting to Euros 389 million (Euros 102 million as at 31 December 2024), of which Euros 161 million are classified as non-current (Euros 45 million as at 31 December 2024) (Note 18). Also included are hedges for the purchase of European Union Emission Allowances (EUAs) amounting to Euros 5 million and operational derivatives for hedging electricity prices amounting to Euros 1 million, both classified as current.

This heading also includes long-term power purchase agreements for certain facilities in Australia amounting to Euros 33 million, of which Euros 27 million are classified as non-current (Euros 14 million as at 31 December 2024, of which Euros 13 million were classified as non-current).

10.2 Fair value through profit or loss

As as at 31 December 2025, financial derivatives at fair value through profit or loss include operating gas price derivatives amounting to Euros 68 million, Euros 62 million of which are classified as current (Euros 9 million as at 31 December 2024, of which Euros 8 million were current), derivatives associated with long-term electricity sales contracts for one of the facilities in Australia amounting to Euros 3 million classified as non-current, and operating derivatives for exchange rate hedging amounting to Euros 1 million classified as current (Euros 2 million as at 31 December 2024, classified as current).

10.3 Amortised cost

	31.12.2025	31.12.2024
Receivable, revenue from capacity services (Contract Asset)	91	110
Other receivables	183	171
Other non-current assets	**274**	**281**
Trade receivables	3,046	3,595
Receivables from related companies (Note 34)	2	1
Provision for impairment due to debtor credit losses	(597)	(745)
Trade receivables for sales and services	2,451	2,851
Public Administrations	251	117
Prepayments	105	121
Receivable, revenue from capacity services (Contract Asset)	17	75
Sundry receivables	222	567
Other receivables	595	880
Current income tax asset	45	42
Trade and other receivables	**3,091**	**3,773**
Other non-current assets and trade and other receivables	**3,365**	**4,054**

The fair values and carrying amounts of these assets do not differ significantly.

The “Receivable, revenue from capacity services” heading relates to revenue yet to be billed in respect of the levelling of the term of the service contracts for electricity generation capacity assignment with the Mexican Federal Electricity Commission.

As at 31 December 2025, the "Trade receivables" account includes the accumulated balances for electricity and gas sales yet to be invoiced, amounting to Euros 1,027 million (Euros 1,160 million as at 31 December 2024).

In general, outstanding invoices do not accrue interest as they fall due in an average period of 17 days.

The non-current "Other receivables" heading includes an amount of Euros 71 million (Euros 72 million as at 31 December 2024) in connection with Brazil's Federal Supreme Court decision of May 2021 in favour of Naturgy companies CEG and CEG Rio in which it recognised their entitlement to collect the amounts paid unduly due to the inclusion of the Imposto sobre Operações relativas à Circulação de Mercadorias e Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação (ICMS) in the calculation base of the Programas de Integração Social (PIS) and the Contribuição para Financiamento da Seguridade Social (COFINS). This asset, which the Brazilian authorities are entitled to offset from December 2023, was recognised with a credit to an account payable under "Other non-current liabilities" in the consolidated statement of financial position (Note 19) based on the understanding that the tax credit will be passed on to end customers through tariff revisions, though not in the short term.

In addition, as at 31 December 2024, the balance of "Other receivables" includes adjustments for market price variances at facilities in the Renewable Generation Spain division that have a specific remuneration system (Note 2.4.25.i.) in the amount of Euros 80 million classified as non-current and Euros 20 million as current (Euros 93 million under non-current "Other accounts receivable" as at 31 December 2024).

The current balance of "Sundry debtors" included, as at 31 December 2024, Euros 74 million corresponding to collection rights following the Supreme Court ruling in relation to the request for enforcement of the judgment for the amounts to finance the energy subsidy that were borne by the group's deregulated supply companies. In May 2025, the government paid Euros 63 million in principal, and in June, it paid Euros 12 million in accrued interest. Therefore, as at 31 December 2025, there is no outstanding balance for this item (Note 24).

As at 31 December 2024, the current balance of "Sundry debtors" included an amount of Euros 351 million pending repayment by Sonatrach in connection with the 2024 price adjustment of the gas procurement contract. This balance was settled during and the balance of this item was zero as at 31 December 2025.

As at 31 December 2025, Naturgy had recognised unmatured balances totalling Euros 518 million (Euros 600 million as at 31 December 2024) that have been factored without recourse and, consequently, were derecognised from the consolidated statement of financial position as at 31 December 2025 and 2024.

The movement in the impairment provision for bad debts is as follows:

	2025	2024
1 January	**(745)**	**(910)**
Provision for impairment due to credit losses	(139)	(90)
Write offs	272	228
Currency translation differences	15	27
As at 31 December	**(597)**	**(745)**

Note 11. Non-current assets and disposal groups of assets held for sale and discontinued operations

During 2025, the Group classified three disposal groups under this heading, whose carrying amount is expected to be recovered primarily through their sale.

Ibereólica Cabo Leones II, S.A. and GPG Solar Chile 2017, S.p.A. (Cabo Leones and GPG Solar)

This group includes the companies Ibereólica Cabo Leones II, S.A., which owns the Cabo Leones wind farm, and GPG Solar Chile 2017, S.p.A., which operates the San Pedro solar farm and which belong to the Latin America Renewable Generation segment. Both assets are located in northern Chile and consist of renewable generation facilities in operation plus their PPAs and associated financing structures.

Both projects have experienced significant difficulties in meeting their financial obligations with the cash flows generated by ordinary operations (Note 17). These difficulties stem from structural factors in the Chilean electricity system, including capacity deficits in the transmission networks and the different composition of the generation mix between the nodes where the Group injects energy and those where it has sales commitments with distributors. This situation has negatively impacted the profitability of both projects.

The Group has decided to divest them and has initiated a structured negotiation process with potential buyers. The assets are available for immediate sale in their current condition and, based on the degree of progress with the divestment process and the interest identified in the market, management considers that their sale is highly likely and will be completed within one year.

These assets are not classified as discontinued operations since they do not represent a significant line of business or geographical area of operations for the Group. Their disposal does not entail any substantial change in Naturgy's revenues, customers or core processes.

Inca de Varas I, S.p.A. and Inca de Varas II, S.p.A. (Inca de Varas)

The assets of Inca de Varas I S.p.A. and Inca de Varas II S.p.A. are projects to build two photovoltaic power plants and associated battery storage capacity in the Atacama region of northern Chile. Both projects which belong to the Latin America Renewable Generation segment are currently in the development phase and include rights, permits, technical studies, and various works in progress that are necessary for their future construction.

On 21 October 2025, an agreement was reached for the sale of these projects. This agreement is subject to conditions precedent prior to the transaction closing date. At the date of authorisation of these consolidated annual accounts, management considers that the sale transaction is very likely to be completed in the coming months.

The project is not classified as discontinued operations since it does not represent a separate line of business or a material geographical area of operations for the Group. Its disposal does not entail any substantial change in Naturgy's revenues or core processes.

Photovoltaic development projects in the United States (solar projects in the United States)

This group comprises a portfolio of projects under development for photovoltaic and battery installations in the United States and which belong to the USA Renewable Generation segment. The projects are at various stages of development, and most of them include land rights, interconnection rights, environmental permits and technical documentation. Naturgy currently has three photovoltaic facilities in operation in the USA, so that the classified portfolio forms part of an additional set of development opportunities.

The Group has decided to recover the value of this project portfolio by selling it and has begun negotiations with potential buyers. The projects are available for immediate sale in their current condition and, based on the interest being shown and the degree of progress with the negotiations, management considers that their sale is highly likely and will be completed within one year.

These assets are not classified as discontinued operations since they do not represent a significant line of business or geographical area that is separate from the Group's other operations. Their disposal does not entail any substantial change in Naturgy's revenues or core processes.

As at 31 December 2025, the detail by nature of assets classified as held for sale and the associated liabilities is as follows:

2025	Cabo Leones and GPG Solar	Inca de Varas	Solar Projects USA	Total
Intangible assets	—	4	4	8
Property, plant and equipment	184	1	46	231
Right-of-use assets	55	1	—	56
Non-current financial assets	—	—	—	—
Other non-current assets	—	—	—	—
Deferred tax assets	17	—	—	17
NON-CURRENT ASSETS	256	6	50	312
Inventories	—	—	—	—
Trade and other receivables	12	—	—	12
4Other current financial assets	23	—	—	23
Cash and cash equivalents	16	—	—	16
CURRENT ASSETS	51	—	—	51
TOTAL ASSETS	307	6	50	363
Deferred income	—	—	—	—
Non-current provisions	7	—	—	7
Non-current financial liabilities	52	1	—	53
Deferred tax liabilities	5	1	—	6
Other non-current liabilities	2	—	—	2
NON-CURRENT LIABILITIES	66	2	—	68
Current financial liabilities	229	—	—	229
Trade and other payables	13	—	—	13
Other current liabilities	—	—	—	—
CURRENT LIABILITIES	242	—	—	242
TOTAL LIABILITIES	308	2	—	310

As at 31 December 2025, the companies Ibereólica Cabo Leones II, S.A. and GPG Solar Chile 2017, S.p.A. were in breach of their financial obligations. However, both undertakings have agreed with their lenders to recover the liabilities through the sale of the companies. Consequently, the outstanding balances of these debts were classified as current liabilities at year-end. These companies were similarly in breach as at 31 December 2024 (Note 17).

As at 31 December 2024, the Group had no non-current assets held for sale or liabilities related to them.

During 2025, the Group did not generate any profit or loss from discontinued operations.

As at 31 December 2024, "Profit for the year from discontinued operations, net of taxes", amounting to Euros 22 million, included Euros 18 million for the re-estimate of the indemnities agreed with the buyer in the sale of the Electricity Distribution Chile business, which was completed in July 2021, and Euros 4 million associated with the sale of the Gas Distribution Italy business, which was completed in February 2018.

Coal-fired generation in Spain was discontinued in 2020. Work continued on dismantling the facilities in 2025, and the process is expected to be completed during the first half of 2026 at the two plants where it is still pending completion (see Note 25).

Note 12. Inventories

The breakdown of inventories is as follows:

	31.12.2025	31.12.2024
Natural gas and liquefied natural gas	497	500
Coal and fuel oil	3	3
Nuclear fuel	75	60
CO_2 emission allowances	322	194
Raw materials and other inventories	106	50
Total	**1,003**	**807**

As at 31 December 2025, Naturgy has commitments for the acquisition of inventories, specifically nuclear fuel, amounting to Euros 47 million (Euros 49 million as at 31 December 2024).

Gas inventories basically include inventories in underground storage facilities, in transit by sea, in plants and in pipelines, and also include the value of minimum security stocks, which are restricted by law, amounting to Euros 193 million as at 31 December 2025 (Euros 277 million as at 31 December 2024).

Inventories of CO_2allowances include CO_2 allowances primarily to cover certified emissions from combined cycle and cogeneration facilities. Under an amendment to Directive 2003/87/EC, effective 1 January 2024, the EU emissions trading scheme has been extended to cover emissions from maritime transport activities for ships where the port of loading and/or unloading is located in the EU or EEA (European Economic Area), within the scope of the EU ETS (See Appendix IV. Regulatory Framework, section 2.3.3). Implementation will be phased in progressively until 2027. During 2025, allowances for 40% of the emissions in 2024 were delivered, for an amount equivalent to Euros 6 million. As at 31 December 2025, inventories of CO_2 allowances amount to Euros 13 million, intended in 2026 to cover 70% of emissions generated in 2025. The obligation to deliver CO_2 emission rights in connection with emissions during the year is recognised under "Current provisions" (Note 16).

Accumulated inventory impairment as at 31 December 2025 amounts to Euros 46 million (Euros 18 million as at 31 December 2024).

Note 13. Cash and cash equivalents

Cash and cash equivalents break down as follows:

	31.12.2025	31.12.2024
Cash at banks and in hand	2,476	3,847
Cash equivalents (Spain and rest of Europe)	1,261	1,433
Cash equivalents (International)	620	346
Total	**4,357**	**5,626**

Cash equivalents have contractual maturities of less than three months and earn interest at a weighted effective rate of 2.82% as at 31 December 2025 (3.72% as at 31 December 2024).

They include a balance of Euros 200 million comprising two short-term deposits made in November and December 2024 with a term of less than 3 months linked to CO_2 emission rights, consisting of a spot purchase transaction and a simultaneous forward sale with the same counterparty, the same risk and a guaranteed return. These deposits were readily convertible into specified amounts of cash, could be cancelled at any time without penalty and were subject to a negligible risk of changes in value. As at 31 December 2025, there were no balances for investments of this type.

As at 31 December 2025 and 2024, there were no investments in sovereign debt, nor were there any significant restrictions on cash withdrawals.

Cash and cash equivalents are valued at amortised cost.

Note 14. Equity

The main equity items are analysed below:

14.1. Share capital and share premium

The variations in 2025 and 2024 in the number of shares and in the share capital and share premium accounts are as follows:

	Number of shares	Share capital	Share premium	Total
01.01.2024	**969,613,801**	**970**	**3,808**	**4,778**
Variation	—	—	—	—
31.12.2024	**969,613,801**	**970**	**3,808**	**4,778**
Variation	—	—	—	—
31.12.2025	**969,613,801**	**970**	**3,808**	**4,778**

All issued shares are fully paid up and carry equal voting and dividend rights.

There were no movements in the number of shares or in the "Share capital" and "Share premium" accounts during 2025 and 2024.

The Company's Board of Directors, for a maximum term of five years as from 15 March 2022, is empowered to increase share capital by a maximum of 50% of the Company's share capital at the time of the authorisation, at one or more times, through cash payments at the time and in the amount that it deems fit, by issuing ordinary, privileged or redeemable shares, with or without voting rights, with or without a share premium, without requiring any further authorisation from the shareholders, with the power to partly or wholly override preferential subscription rights, up to a limit of 20% of share capital at the date of this authorisation, and to amend the Articles of Association as required due to the capital increase or increases performed by virtue of that authorisation, with provision for incomplete subscription, all in accordance with the provisions of Article 297.1.b) of the Capital Companies Law. Additionally, based on this authorisation, it may carry out any necessary procedures and actions before domestic and overseas securities market agencies to request the listing, continuance and/or, as the case may be, delisting of the issued shares.

The Spanish Capital Companies Law specifically allows the use of the "Share premium" balance to increase capital and imposes no specific restrictions on its use.

The main holdings in the share capital of Naturgy Energy Group as at 31 December 2025 and 2024, based on the available public information and disclosures made to the Company, are as follows:

	Interest in share capital %	
	2025	2024
- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (1)	26.0	26.7
- BlackRock, Inc. (2)	12.5	20.9
- CVC Capital Partners PLC (3) (4)	13.8	20.7
- Corporación Financiera Alba, S.A. (3) (5)	5.0	—
- IFM Global Infrastructure Fund (6)	15.5	16.9
- Sonatrach (7)	4.1	4.1

(1) Holding through Criteria Caixa, S.A.U.

(2) The indirect shareholding is held mainly through GIP III Canary 1, S.à.r.l., which has a direct shareholding of 11.422% (20.641% as at 31 December 2024). Additionally, as at 31 December 2025, BlackRock, Inc. holds 0.092% of voting rights through financial instruments.

(3) On 18 December 2025, Corporación Financiera Alba, S.A. (Alba), Rioja Investments S.à r.l., Rioja Luxembourg, S.à r.l. and Rioja Acquisition, S.à r.l. agreed to reorganise the investment structure in Naturgy, consisting of Alba ceasing to be a shareholder of Rioja Luxembourg, S.à r.l. and, indirectly, of Rioja Acquisition, S.à r.l. . As a result of this reorganisation, Alba Europe S.à r.l. now directly holds some of the shares in Naturgy that were previously owned by Rioja Acquisition, S.à r.l.. Consequently, on the same day, these companies agreed to terminate the shareholders' agreement that had been in force since 2018 and to replace it with a new shareholders' agreement between them in relation to Naturgy.

(4) Through Rioja Acquisitions S.à r.l.

(5) Through Alba Europe, S.à r.l.

(6) Through Global InfraCo O (2), S.à.r.l.

(7) Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures.

All Naturgy shares are traded on the four official Spanish stock exchanges and the continuous market, and form part of Spain’s Ibex 35 stock index.

On 31 December 2025, the share price of Naturgy Energy Group, S.A. stood at Euros 25.92. On 31 December 2024, the share price was Euros 23.38.

In February 2024, Morgan Stanley Capital International (MSCI), a global benchmark for institutional investments and numerous mutual funds and exchange-traded funds, announced changes to the composition of several of its indexes. As a result, Naturgy ceased to be a component of several MSCI indices, effective as of market close on the last business day of February 2024. The exclusion was based on the market value of Naturgy's free float, which had fallen below MSCI's minimum inclusion thresholds, and was unrelated to the Group's operating and financial performance.

As detailed in the section entitled “Own shares” in this note, Naturgy carried out several transactions that have enabled it to restore the level of free float required for its reinstatement in the MSCI indices. Consequently, in November 2025, MSCI announced that it would include Naturgy in its indices, effective from 25 November 2025.

14.2. Reserves and retained earnings

"Reserves" includes the following:

	2025	2024
Legal reserve	200	200
Statutory reserve	100	100
Capital redemption reserve	31	31
Other reserves and retained earnings	5,917	5,649
Voluntary reserve Naturgy Energy Group, S.A.	9,731	9,731
Other reserves and retained earnings	(3,814)	(4,082)
	6,248	**5,980**

14.2.1. Legal reserve

Appropriations to the legal reserve are made in compliance with the Spanish Capital Companies Law, which stipulates that 10% of profits must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve can be used to increase capital in the part that exceeds 10% of the increased capital.

Except as mentioned above, and as long as it does not exceed 20% of share capital, the legal reserve can only be used to offset losses in the event of no other reserves being available for this purpose.

14.2.2. Statutory reserve

Under the articles of association of Naturgy Energy Group, S.A., 2% of net profit for the year must be allocated to the statutory reserve until it reaches at least 10% of share capital.

14.2.3. Capital redemption reserve

Following approval at the ordinary general meeting of shareholders on 26 May 2020, a capital reduction was made in in 2020 through the redemption of own shares, resulting in a reduction of Euros 14 million in capital and 284 million in voluntary reserves.

In addition, pursuant to Article 335 c) of the Spanish Capital Companies Law, a restricted capital redemption reserve was created for an amount equal to the par value of the redeemed shares. The total accumulated capital redemption reserve amounts to Euros 31 million as at 31 December 2025 and 2024.

14.2.4. Other reserves and retained earnings

Relates basically to voluntary reserves for retained earnings.

14.3. Share-based payments

On 31 July 2018, the Board of Directors approved a long-term variable incentive plan (ILP) for the Executive Chairman and other executives. The main characteristics of the plan were made public in the form of a regulatory disclosure on 6 December 2018 and were approved by the general meeting of shareholders on 5 March 2019. This incentive initially covered the term of the 2018 Strategic Plan but, on 25 November 2021, the Board decided to extend it to coincide with the completion date of the new 2021 Strategic Plan.

On 22 April 2024, at the proposal of the Executive Chairman and in order to be able to act with absolute independence and neutrality and to avoid any conflict of interest linked to the outcome of any potential bid for Naturgy shares, the Board of Directors approved an amendment to the Executive Chairman's long-term variable incentive plan. Through this amendment, the Company returned to the original remuneration scheme provided for in his February 2018 contract and in the Remuneration Policy approved by the Shareholders' Meeting in June 2018. The amended scheme was linked to the objectives of the Strategic Plan, and is no longer share-based. However, the main terms of the previous plan were maintained, such as the possibility of forfeiting the incentive, the duration and expiration of the plan, and the clawback clause. Additionally, under the amended plan, the Chairman may not receive more than he might have collected under the previous plan. The resolution adopted by the Board of Directors at a meeting on 22 April 2024 was ratified by the General Shareholders' Meeting on 25 April 2025.

On 18 February 2025, Naturgy's Board of Directors approved the 2025 Strategic Plan and, consequently, the early expiry of the long-term variable incentive plan. Furthermore, based on a proposal of the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors decided to settle in cash, instead of shares, the value of the surplus accumulated by the corporate vehicle in accordance with the conditions established initially.

Following the approval of the early expiry of the long-term variable incentive plan, the rights vested early at the settlement date, as recognised in the consolidated income statement, under "Personnel expenses" for an amount of Euros 2 million (Euros 2 million in 2024) with a credit to "Reserves" in the consolidated statement of financial position (Note 25).

Following the approval of the above-mentioned amendments to the long-term variable incentive plan by the Board of Directors and ratification by the General Shareholders' Meeting, the total liability of the commitment accrued since 2018 was recognised at settlement date fair value as a reclassification of equity and, subsequently, the 23 executives who were beneficiaries were paid. The settlement for the seven-year period from 2018 to 2024 amounted to an amount of Euros 9,584 thousand per year.

14.4. Treasury shares

Movements in own shares of Naturgy Energy Group, S.A. in 2025 and 2024 are as follows:

	Number of shares	Amount (million euro)	% Capital
01.01.2024	**8,879,595**	**206**	**0.9 %**
Share Acquisition Plan	—	—	— %
Delivered to employees	—	—	— %
31.12.2024	**8,879,595**	**206**	**0.9 %**
Tender offer	88,000,000	2,332	9.1 %
1st accelerated placement	(19,305,000)	(506)	(2.0) %
2nd accelerated placement	(34,100,000)	(893)	(3.5) %
Delivered to employees	(254,365)	(7)	— %
31.12.2025	**43,220,230**	**1,132**	**4.5 %**

On 25 March 2025, the Shareholders' Meeting authorised the Board of Directors to purchase fully paid Company shares in one or more transactions in a period of not more than five years; the nominal value of the shares directly or indirectly acquired, added to those already held by the Company and its subsidiaries, must not exceed 10% of share capital or any other limit established by law. The price or value of the consideration may not be lower than the par value of the shares nor exceed their listed price in the last stock market session prior to the transaction by more than 20%.

2025

Tender offer

At the date of publication of the notification of the tender offer (14 March 2025), Naturgy held 8,879,595 treasury shares, of which 8,639,595 were classified as indirect treasury shares as they were held by Naturgy Alfa Investments, S.A.U. (which is wholly owned, indirectly, by Naturgy Energy Group, S.A.).

On 25 March 2025, the Board of Directors unanimously adopted, among others, a resolution under which Naturgy Energy Group, S.A. would acquire the 8,639,595 shares of the Company owned by Naturgy Alfa Investments, S.A.U. at a price of Euros 26.50, in connection with the early termination of the long-term variable incentive plan agreed by the Company's Board of Directors at a meeting on 18 February 2025 (see "Share-based payments" section of this Note). Naturgy Energy Group, S.A., the parent company of the Group, executed this acquisition on 14 May 2025.

On 25 March 2025, at an Ordinary General Meeting of Naturgy Energy Group, S.A., the shareholders resolved to approve a voluntary partial public tender offer for a maximum of 88,000,000 own shares, representing 9.08% of its share capital, addressed to all Naturgy shareholders.

The offer was not directed at the 8,879,595 treasury shares held by the Company prior to its launch, which represented 0.92% of its share capital, which were blocked as part of the offer in order to prevent their transfer. Consequently, the offer was addressed to the holders of 960,734,206 shares of Naturgy, representing 99.08% of the share capital, with the aim of acquiring the maximum number of shares indicated above.

The offer was for the purchase of shares for a consideration of Euros 26.50 per share, payable entirely in cash.

The terms established in the offer were identical for all the shares of Naturgy to which the offer was extended, the offer being voluntary and with a price freely set by Naturgy in accordance with the provisions of Article 13.5 of Royal Decree 1066/2007, without being subject to the rules on equitable pricing in Article 9 of Royal Decree 1066/2007.

Shareholders owning shares representing more than 10% of the capital of Naturgy Energy Group, S.A.: Criteria Caixa, S.A.U. (Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona); Rioja Acquisition S.à r.l. (CVC Capital Partners PLC); GIP III Canary 1, S.à r.l. (BlackRock, Inc.); and Global InfraCo O (2), S.à r.l. (IFM Global Infrastructure Fund), undertook to accept the offer with all of their shares.

Since the offer was made in respect of a number of shares representing 9.08% of Naturgy's share capital, which is less than the 84.97% of the share capital in respect of which acceptance undertakings have been received, it was expected that the total number of shares that accepted the offer would exceed the number of shares to which the offer was extended. Consequently, the distribution and pro-rata apportionment mechanism provided for in article 38.1 of Royal Decree 1066/2007 was applied.

The offer is part of the 2025-2027 Strategic Plan, one of whose core pillars is to restore adequate levels of free float, and its main purpose is for Naturgy to acquire treasury shares so that, when deemed reasonable, possible and appropriate in accordance with market conditions existing at any given time, some or all of these shares may be placed by the Company in an orderly manner, on one or more occasions, by the procedure and under the terms and conditions (including the price) that Naturgy's Board of Directors deems most appropriate, so as to increase the free float and advance towards the goal of returning to the main stock market indexes, especially those of the MSCI family.

Naturgy expects to place on the market, during the term of the 2025-2027 Strategic Plan, both the shares acquired in the voluntary and partial tender offer and all other treasury shares currently held by the Company.

The resolution approved at the General Shareholders' Meeting on 25 March 2025 does not envisage that the shares so acquired may be cancelled and, pursuant to the 2025-2027 Strategic Plan's goal of increasing the free-float, on 6 May 2025, the Board of Directors undertook not to propose, during that period, that the General Shareholders' Meeting approve their cancellation.

The offer was not a delisting offer as regulated in Article 65 of the Securities Markets and Investment Services Act (LMVSI) and Article 10 of Royal Decree 1066/2007, nor was it a tender offer for a capital reduction through the acquisition of treasury shares as regulated in Article 12 of Royal Decree 1066/2007.

The acceptance period was from 30 May to 13 June 2025. On completion of the offer, the number of shares ultimately acquired as part of the offer totalled 88 million, resulting in a cash outlay of Euros 2,332 million. Consequently, as at 30 June 2025, the total number of Naturgy treasury shares amounted to 96,879,595.

Placement of treasury stock

During the second half of 2025, Naturgy carried out a series of transactions involving own shares as part of its strategy to return to the market the shares acquired in the tender offer described above, thereby helping to improve the share's liquidity and facilitating its inclusion in international stock market indices.

On 7 August 2025, Naturgy completed two transactions involving the disposal of treasury shares: an accelerated placement of 19,305,000 shares (approximately 2.0% of share capital) carried out by an intermediary and aimed at qualified investors, which raised Euros 500 million, and a bilateral sale of 34,100,000 shares (approximately 3.5% of share capital) to an international financial institution, for an amount of Euros 883 million. In both transactions, the execution price was Euros 25.9 per share, i.e. the price of the tender offer (Euros 26.5 per share) adjusted for the interim dividend of Euros 0.60 per share paid on 30 July 2025.

Simultaneously with the bilateral sale of 34,100,000 shares, Naturgy entered into a total return swap agreement with the buyer, the same financial institution with which the sale has been made, under which Naturgy maintains economic exposure to the shares sold. Given that the swap is contingent upon the sale contract, the accounting effects are analysed jointly.

The financial swap involves the intermediary placing the shares on the market under agreed conditions. At the time the swap was arranged, Naturgy did not make the initial payment of Euros 883 million, as the amount equivalent to the product of the number of shares covered by the contract and the agreed price is offset by the amount associated with the bilateral sale. At the time of settlement arising from the sale of shares to third parties:

- Naturgy will pay a fixed amount equivalent to 1% of the initial amount, calculated on the basis of the shares sold to third parties and the period elapsed between contract signature and settlement;
- the intermediary will pay the difference between the share placement price and their initial price; and
- the intermediary will pay Naturgy the initial amount linked to the purchase of the placed shares.

Furthermore, during the term of the swap agreement, Naturgy receives the dividends that the intermediary collects for the shares subject to the agreement. In November 2025, Naturgy received Euros 17 million under this heading, recognised under Other reserves.

Given that Naturgy retains the risks and benefits associated with the shares involved in the bilateral sale and the financial swap, these shares are not removed from the group's equity. These transactions are considered as intermediation for the placement of shares by the financial institution, without any financing operation and therefore no financial liability, as the amount received from the sale is offset by the initial disbursement of the swap contract.

In relation to the accelerated placement process, Naturgy undertook not to dispose of its remaining treasury shares and not to carry out any transaction aimed at reducing its economic exposure under the financial swap for a period of 60 days from the completion of the accelerated placement process.

On 9 October 2025, Naturgy carried out another accelerated placement of 34,100,000 treasury shares (approximately 3.5% of share capital) among qualified investors, for a total amount of Euros 883 million, also for an execution price of Euros 25.9 per share and it also assumed a 60-day lock-up commitment on the remaining treasury shares, as well as an undertaking not to carry out any transaction aimed at reducing its economic exposure under the financial swap signed on 7 August 2025. The net amount received was Euros 879 million.

As a result of these share placement transactions, a loss of Euros 17 million on transactions with own shares was recognised under Other reserves, without considering them as related expenses.

Delivered to employees

Executing the resolutions adopted by the Shareholders' Meeting of Naturgy Energy Group, S.A., the 2025 Share Ownership Plan for Naturgy employees in Spain who voluntarily applied was implemented. The Plan enables participants to receive part of their remuneration in the form of shares in Naturgy Energy Group, S.A., subject to an annual limit of Euros 12,000. During August 2025, a total of 254,365 shares worth Euros 7 million were distributed to employees.

Following these transactions and taking into account the swap agreement, Naturgy owned 43,220,230 own shares as at 31 December 2025, i.e. 4.5% of share capital.

2024

No transactions involving own shares were carried out in 2024.

14.5. Earnings per share

Earnings per share are calculated by dividing the net income attributable to the equity holders of the parent Company by the average number of ordinary shares outstanding during the year:

	31.12.2025	31.12.2024
Profit attributable to equity holders of the parent company	2,023	1,901
Average number of ordinary shares in issue	930,410,592	960,734,206
Earnings per share from continuing operations (in euro):		
- Basic	2.17	2.00
- Diluted	2.17	2.00
Earnings per share from discontinued activities (in euro):		
- Basic	—	(0.02)
- Diluted	—	(0.02)

The average number of ordinary shares used in the calculation of earnings per share in 2025 and 2024 is as follows:

	2025	2024
Average number of ordinary shares	969,613,801	969,613,801
Average number of treasury shares	(39,203,209)	(8,879,595)
Average number of shares outstanding	930,410,592	960,734,206

Basic earnings per share are the same as diluted earnings per share since there were no instruments susceptible of conversion into ordinary shares during those years and the conditions for including the shares under the incentive described in the section of this Note on "Share-based payments" in the calculation of diluted earnings per share were not met.

14.6. Dividends

Dividend payments made by Naturgy Energy Group, S.A., the Naturgy Group parent company, in 2025 and 2024 are detailed below:

	31.12.2025			31.12.2024		
	% of Nominal	Euro per share	Amount (1)	% of Nominal	Euro per share	Amount (1)
Ordinary shares	180 %	1.8	1,682	140 %	1.4	1,357
Other shares (non-voting, redeemable, etc.)	—	—	—	—	—	—
Total dividends paid	**180 %**	**1.8**	**1,682**	**140 %**	**1.4**	**1,357**
a) Dividends charged to profit or loss or retained earnings	180 %	1.8	1,682	140 %	1.4	1,357
b) Dividends charged to reserves or share premium account	—	—	—	—	—	—
c) Dividends in kind	—	—	—	—	—	—

(1) Dividends paid, net of those received by group companies, amount to Euros 1,676 million and Euros 1,345 million as at 31 December 2025 and 2024, respectively.

In addition, the dividends paid to non-controlling interests in 2025 amounted to Euros 244 million (Euros 226 million in 2024), of which Euros 17 million related to remuneration on other equity instruments (Euros 35 million in 2024). Consequently, total dividend payments amounted to Euros 1,920 million (Euros 1,571 million in 2024).

Year 2025

On 18 February 2025, the Board of Directors approved the following proposal for the distribution of the Company's net profit and retained earnings from 2024 and previous years, for submission to the annual general meeting:

AVAILABLE FOR DISTRIBUTION

Profit..... 1,057
Retained earnings..... 2,446
Available for distribution..... 3,503

DISTRIBUTION:

TO DIVIDEND: amount whose gross amount will be equal to the sum of the following amounts (the "Dividend"):

i. Euros 969 million ("the Total Interim Dividend"), corresponding to the two interim dividends for 2023 paid by Naturgy Energy Group, S.A., jointly equivalent to Euros 1.00 per share by the number of shares that were not direct treasury shares on the relevant dates as approved by the Board of Directors in accordance with the interim accounting statements and in accordance with the legal requirements, which disclosed the existence of sufficient liquidity for the distribution of these interim dividends out of profit for 2024, and

ii. the amount obtained by multiplying €0.60 per share by the number of shares that are not direct treasury shares on the date on which the shareholders of record entitled to receive the supplementary dividend (the "Supplementary Dividend") are determined.

Euros 969 million of that dividend had already been paid on 1 August and 6 November 2024. The supplementary dividend will be paid in the amount per share indicated above through the entities that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). That dividend will be paid to shareholders as from 9 April 2025.

The Board of Directors was empowered, with express powers of substitution by the director(s) it deems fit, to perform all the actions that may be required or advisable to carry out the distribution and, in particular, without limitation, to designate the entity that is to act as payment agent.

TO RETAINED EARNINGS: Determinable amount obtained by subtracting the dividend amount from the amount available for distribution.

TOTAL DISTRIBUTED 3,503

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of €0.60 per share for each qualifying share outstanding at the proposed date of payment, i.e. 9 April 2025.

The general meeting of shareholders held on 25 March 2025 approved a supplementary dividend of €0.60 per share for shares not directly held as treasury stock on the payment date, which was fully paid on 9 April 2025.

Following payment of the supplementary dividend, the amount allocated to retained earnings was Euros 1,952 million.

At a meeting on 22 July 2025, the Board of Directors of Naturgy Energy Group, S.A. declared an interim dividend of €0.60 per outstanding share, payable from 30 July 2025, charged to 2025 profit.

Naturgy Energy Group, S.A. had sufficient liquidity to pay the dividend at the approval date in accordance with the Spanish Capital Companies Act. The provisional liquidity statement as at 30 June 2025 drawn up by the directors on 22 July 2025 is as follows:

Profit after tax		1,229
Reserves to be replenished		—
Maximum amount distributable		**1,229**
Forecast maximum interim dividend payment		**524**
Cash resources	1,864	
Undrawn credit facilities	5,251	
Total liquidity		**7,115**

At a meeting on 28 October 2025, the Board of Directors of Naturgy Energy Group, S.A. declared a second interim dividend of €0.60 per outstanding share, payable from 5 November 2025, charged to 2025 profit.

The Company had sufficient liquidity to pay the dividend at the approval date, in accordance with the provisions of the Spanish Capital Companies Law. The provisional liquidity statement at 30 September 2025 drawn up by the directors on 28 October 2025 is as follows:

Profit after tax		1,358
Reserves to be replenished		—
Maximum amount distributable		**1,358**
Interim dividend out of 2025 profit		524
Forecast maximum interim dividend payment		**576**
Cash resources	1,757	
Undrawn credit facilities	5,250	
Total liquidity		**7,007**

On 17 February 2026, the Board of Directors approved the following proposal for the distribution of the Company's 2025 net profit and retained earnings, for submission to the annual general meeting:

AVAILABLE FOR DISTRIBUTION

Profit..... 1,321
Retained earnings..... 1,952
Available for distribution..... 3,273

DISTRIBUTION:

TO DIVIDEND: amount whose gross amount will be equal to the sum of the following amounts (the "Dividend"):

i. Euros 1,100 million ("the Total Interim Dividend"), corresponding to the two interim dividends for 2023 paid by Naturgy Energy Group, S.A., jointly equivalent to €1.20 per share by the number of shares that were not direct treasury shares on the relevant dates as approved by the Board of Directors in accordance with the interim accounting statements and in accordance with the legal requirements, which disclosed the existence of sufficient liquidity for the distribution of these interim dividends out of profit for 2025, and

ii. the amount obtained by multiplying €0.57 per share by the number of shares that are not direct treasury shares on the date on which the shareholders of record entitled to receive the supplementary dividend (the "Supplementary Dividend") are determined.

Euros 1,100 million of that dividend had already been paid on 30 July and 5 November 2025. The supplementary dividend will be paid in the amount per share indicated above through the entities that are members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). That dividend will be paid to shareholders as from 31 March 2026.

The Board of Directors was empowered, with express powers of substitution by the director(s) it deems fit, to perform all the actions that may be required or advisable to carry out the distribution and, in particular, without limitation, to designate the entity that is to act as payment agent.

TO RETAINED EARNINGS: Determinable amount obtained by subtracting the dividend amount from the amount available for distribution.

TOTAL DISTRIBUTED 3,273

This proposal for the distribution of profits and retained earnings adopted by the Board for approval by the annual general meeting includes a supplementary payment of €0.57 per share for each qualifying share outstanding at the proposed date of payment, 31 March 2026.

In the event that, at the time of distribution of the third and last instalment of the proposed 2025 dividend (€0.57 per share), the number of treasury shares is the same as at 2025 year-end, the amount allocated to retained earnings would be Euros 1,626 million.

Year 2024

On 26 February 2024, the Board of Directors approved the proposal, for submission to the general meeting of shareholders, for the distribution of Naturgy Energy Group, S.A.'s 2023 net profit and retained earnings from previous years, as detailed in Note 14 to the consolidated annual accounts for the year ended 31 December 2023.

This proposal for the distribution of profits and retained earnings prepared by the Board for approval by the annual general meeting included a supplementary payment of €0.40 per share for each qualifying share outstanding at the proposed date of payment, i.e. 9 April 2024.

The general meeting of shareholders on 2 April 2024 approved a supplementary dividend of €0.40 per share for shares not directly held as treasury stock on the payment date, which was fully paid on 9 April 2024.

Following payment of the supplementary dividend, the amount allocated to Retained earnings was Euros 2,446 million.

On 22 July 2024, the Board of Directors of Naturgy Energy Group, S.A. declared an interim dividend of €0.50 per share out of 2024 profits for shares not classified as direct treasury stock on the date of distribution, which was paid in full on 1 August 2024.

On 29 October 2024, the Board of Directors of Naturgy Energy Group, S.A. declared a second interim dividend of €0.50 per share out of 2024 profit for shares not classified as direct treasury shares on the date on which the dividend was paid, 6 November 2024.

14.7. Other equity items

Movements in other equity items break down as follows:

	Financial assets at fair value	Hedging operations	Tax effect	Total asset and liability revaluation reserves	Currency translation differences	Total
31.12.2023	**(468)**	**326**	**50**	**(92)**	**(1,381)**	**(1,473)**
Change in value	—	(1,174)	206	**(968)**	52	**(916)**
Taken to income statement	—	443	(69)	**374**	9	**383**
31.12.2024	**(468)**	**(405)**	**187**	**(686)**	**(1,320)**	**(2,006)**
Change in value	—	227	(97)	**130**	92	**222**
Taken to income statement	—	366	(59)	**307**	2	**309**
31.12.2025	**(468)**	**188**	**31**	**(249)**	**(1,226)**	**(1,475)**

The “Currency translation differences" heading includes the exchange differences described in Note 2.4.2 as a result of the euro's fluctuation against the main currencies of Naturgy's overseas companies. This heading also includes the effect of the restatement of the financial statements of companies in hyperinflationary economies.

14.8. Non-controlling interests

The changes in non-controlling interests are detailed below:

	Non-controlling interests
Balance at 01.01.2024	**2,481**
Total comprehensive income for the year	407
Dividend distribution	(186)
Redemption subordinated debenture issuance	(500)
Return on subordinated perpetual debt	(29)
Other changes	2
Balance as at 31.12.2024	**2,175**
Total comprehensive income for the year	284
Dividend distribution	(230)
Redemption subordinated debenture issuance	(169)
Return on subordinated perpetual debt	(13)
Other changes	(16)
Balance as at 31.12.2025	**2,031**

The main non-controlling interests are detailed below:

Company	2025			2024		
	Attributed equity	**Consolidated profit/ (loss) for the year**	**Dividends and other remuneration**	Attributed equity	Consolidated profit/ (loss) for the year	Dividends and other remuneration
Metrogas, S.A.	365	41	50	390	100	37
Companhia Distribuidora de Gás do Río de Janeiro, S.A.	147	43	12	117	45	30
Fuerza y Energía de Tuxpan, S.A. de C.V.	88	16	—	111	21	—
Empresa de Distribución Eléctrica Metro Oeste, S.A.	114	14	4	119	17	—
EcoEléctrica, L.P.	74	21	—	72	18	—
Naturgy México, S.A. de C.V.	48	13	18	41	14	28
Ceg Río, S.A.	52	11	3	45	12	5
Aprovisionadora Global de Energía, S.A.	38	32	35	48	45	38
Nedgia Catalunya, S.A.	147	32	—	147	35	—
Nedgia Madrid, S.A.	43	13	—	45	15	—
Other companies (1)	469	112	104	423	101	42
Subtotal	**1,585**	**348**	**226**	**1,558**	**423**	**180**
Preference shares	110	4	4	110	6	6
Subordinated perpetual debentures	336	10	13	507	17	29
Other equity instruments	**446**	**14**	**17**	**617**	**23**	**35**
Total	**2,031**	**362**	**243**	**2,175**	**446**	**215**

(1) 2025 includes dividends accrued amounting to Euros 13 million distributed by Holding de Negocios de Gas, S.A. (Euros 4 million in 2024).

The financial information on the main non-controlling interests is as follows (amounts for 100%):

Company	**31 December 2025**			31 December 2024		
	Total assets	Non-current liabilities	Current liabilities	Total assets	Non-current liabilities	Current liabilities
Metrogas, S.A.	1,659	(529)	(259)	1,688	(659)	(99)
Companhia Distribuidora de Gás do Río de Janeiro, S.A.	737	(203)	(204)	734	(282)	(188)
Fuerza y Energía de Tuxpan, S.A. de C.V.	595	(145)	(48)	733	(167)	(65)
Empresa de Distribución Eléctrica Metro Oeste, S.A.	1,597	(946)	(291)	1,587	(646)	(554)
EcoEléctrica, L.P. (1)	278	(5)	(7)	289	(6)	(6)
Naturgy México, S.A. de C.V.	681	(459)	(69)	610	(219)	(249)
Ceg Río, S.A.	223	(44)	(50)	230	(65)	(51)
Aprovisionadora Global de Energía, S.A.	141	(43)	(18)	173	(36)	(35)
Nedgia Catalunya, S.A.	1,005	(103)	(117)	1,015	(104)	(126)
Nedgia Madrid, S.A.	334	(33)	(64)	341	(36)	(59)

(1) The financial information for Ecoeléctrica L.P., which is accounted for using the equity method, is shown pro rata the percentage of ownership.

Appendix I contains a breakdown of Naturgy's investee companies, stating their activity and the percentage of the shareholding and equity interest.

The analysis performed to determine that Naturgy exercises control over the consolidated entities identified no cases requiring a complex judgement, since Naturgy is entitled to variable returns from its involvement in the investee and has the capacity to influence those returns through its power in the investee, based on Naturgy's representatives on the Board of Directors and its participation in significant decisions. Additionally, in general terms, there are no significant restrictions on Naturgy's capacity to access or utilise the assets, or to settle the liabilities.

14.8.1. Subordinated perpetual debentures

As at 31 December 2025 and 2024, the breakdown of perpetual subordinated bonds issued by Naturgy Finance Iberia, S.A.U., is as follows:

	Outstanding nominal			
Issue	**31.12.2025**	**31.12.2024**	**Call option**	**Coupon**
November 2021	331	500	2027	2.374%

In May 2025, Naturgy called Euros 169 million of the subordinated perpetual notes issued in November 2021, with a coupon of 2.374% (see Note 17). This transaction had a positive impact of Euros 2 million recognised under "Reserves".

In April 2024, Naturgy redeemed a Euros 500 million issue made in April 2015 with a coupon of 3.375%.

Interest accrued on this debt is accumulated and must be paid if Naturgy pays dividends or if it is decided to exercise the call option.

Although no contractual maturity has been established for this debt, Naturgy Finance Iberia, S.A.U. has the option to call it on the call date and, subsequently, on every interest payment date.

Naturgy recognised the cash received under “Non-controlling interests” in equity in the consolidated statement of financial position on the understanding that the issues did not meet the conditions to be classified as a financial liability, because Naturgy does not have a contractual commitment to deliver cash or any other financial asset nor any obligation to exchange financial assets or liabilities; the circumstances whereby it would be obligated in this respect are entirely at the discretion of Naturgy.

The interest accrued during 2025 amounts to Euros 10 million (Euros 17 million in 2024), recognised under “Non-controlling interests” in the consolidated income statement for 2025 and 2024.

14.8.2. Preference shares

In 2005 Union Fenosa Preferentes, S.A. issued preference shares for a nominal amount of Euros 750 million, of which Euros 640 million was redeemed in 2015 and the remainder is still outstanding.

Dividends are variable and non-cumulative: accruing interest at three-month Euribor plus a spread of 1.65%. The dividend is paid per calendar quarter in arrears, subject to the Naturgy having distributable profits (considering as such the lower between the reported net profit of Naturgy and the net profit of Naturgy Energy Group, S.A. as guarantor) and the dividend paid by Naturgy Energy Group, S.A. In addition, Unión Fenosa Preferentes, S.A.U. has the option, but not the obligation, to pay the holders of the preference shares remuneration in kind by increasing their nominal value.

The shares are perpetual, with the option for the issuer to redeem them at nominal value.

Naturgy recognised the cash received in “Non-controlling interests” under equity in the consolidated statement of financial position on the understanding that the issue did not meet the conditions to be considered as a financial liability, because Naturgy Finance B.V. does not have a contractual commitment to deliver cash or any other financial asset nor any obligation to exchange financial assets or liabilities; the circumstances whereby it would be obligated in this respect are entirely at the discretion of Naturgy.

Note 15. Deferred income

The breakdown and the movements under this heading in 2025 and 2024 are as follows:

	Capital grants	Revenues from pipeline networks and branch lines	Other	Total
01.01.2024	**101**	**767**	**83**	**951**
Amount received	6	94	136	236
Release to income	(8)	(40)	(13)	(61)
Currency translation differences (1)	—	4	3	7
Transfers and other	—	1	(5)	(4)
31.12.2024	**99**	**826**	**204**	**1,129**
Amount received	3	82	125	210
Release to income	(11)	(36)	(13)	(60)
Currency translation differences (1)	(1)	(5)	(15)	(21)
Transfers and other	8	(2)	(4)	2
31.12.2025	**98**	**865**	**297**	**1,260**

(1) includes the impact of Argentina's hyperinflation.

This heading mainly includes:

- Capital grants relating basically to agreements with Spanish regional governments or other entities for the gasification or electrification of municipalities and other investments in gas infrastructure, for which Naturgy has met all the conditions established, are stated at the amount granted (Note 2.4.16).

- Revenue received for the construction of facilities for connecting to the gas or electricity distribution network (connections), which is recognised for the cash amount received, as well as such facilities received under assignment, which are recognised at fair value (Note 2.4.16.).

- "Other deferred revenue" includes mainly the investment tax credits (ITC) arising from the completion of the construction of the Grimes solar farms in the United States, amounting to Euros 111 million, received during 2025, and of the 7V facility, amounting to Euros 122 million, received during 2024.

Note 16. Provisions

The breakdown of provisions as at 31 December 2025 and 2024 is as follows:

	31.12.2025	31.12.2024
Provisions for employee obligations	333	366
Other provisions	1,298	1,475
Non-current provisions	**1,631**	**1,841**
Current provisions	**590**	**361**
Total	**2,221**	**2,202**

16.1 Provisions for obligations to employees

A breakdown of the provisions relating to obligations to employees is as follows:

	2025			2024		
	Pensions and other similar obligations	**Other obligations to personnel**	**Total**	Pensions and other similar obligations	Other obligations to personnel	**Total**
1 January	**327**	**39**	**366**	**359**	**29**	**388**
Appropriations/reversals charged to income statement	19	25	44	20	10	30
Payments during the year	(19)	(50)	(69)	(19)	—	(19)
Currency translation differences	(5)	—	(5)	(10)	—	(10)
Changes recognised directly in equity	(6)	—	(6)	(25)	—	(25)
Transfers and other applications	(1)	4	3	2	—	2
As at 31 December	**315**	**18**	**333**	**327**	**39**	**366**

Pensions and other similar obligations

The breakdown of pension provisions by country is as follows:

Breakdown by country	**31.12.2025**	**31.12.2024**	01.01.2024
Spain	228	245	260
Brazil	43	43	63
Chile	4	4	6
Mexico	34	28	27
Rest	6	7	3
Total	**315**	**327**	**359**

Spain

Most of the Company's post-employment obligations consist of the contribution of defined amounts to occupational pension plans. As at 31 December 2025 and 2024, Naturgy had the following defined-benefit commitments to certain groups:

- Pensions to retired pensioners, disabled persons, widows and orphans who belong to certain groups.
- Defined-benefit supplementary obligations to retired personnel of the legacy Unión Fenosa group who retired before November 2002 and a residual part of current personnel.
- Retirement and death cover for certain employees.
- Gas subsidy for current and retired personnel.
- Electricity for current and retired personnel.
- Commitments to early retirees until they reach retirement age, and early retirement plans.
- Wage supplements and social security contributions for a group of early retirees until they reach ordinary retirement.
- Health care and other benefits.

Brazil

As at 31 December 2025 and 2024, Naturgy has the following benefits in force for certain employees in Brazil:

- Post-employment defined benefit plan, with coverage for retirement, death at work, disability pensions and lump sums.
- Post-employment healthcare plan.
- Other post-employment defined benefit plans that guarantee temporary pensions, life pensions and lump sums depending on years of service.

Chile

As at 31 December 2025 and 2024, Naturgy has the following benefits in force for certain employees in Chile:

- Severance pay for certain employees upon retirement, termination or death, calculated on the basis of the employee's length of service in the company.
- Long-service bonuses, which are paid on completing 5, 10, 15, 20, 25 and 30 years of service.

Mexico

As at 31 December 2025 and 2024, Naturgy has the following benefits in force for certain employees in Mexico:

- Long-service bonus after 15 years of service.
- Termination indemnity for employees, without a minimum seniority requirement, payable in the event of death on the job, disability and dismissal.
- Severance pay equivalent to 3 months' salary plus 20 days' salary per year of service.
- Additional compensation only in case of retirement equivalent to 1% of basic salary per year of service.

The provisions recognised in the consolidated statement of financial position for pensions and similar obligations, detailing the countries with the largest balances, as well as the changes in the present value of the obligations and the fair value of the plan assets, are as follows:

	2025				2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Present value of obligations								
1 January	**654**	**93**	**4**	**31**	**714**	**133**	**6**	**30**
Service cost for the year	—	—	—	2	—	—	—	1
Interest cost	21	13	—	3	22	12	—	3
Changes recognised in equity	(23)	1	—	5	(23)	(17)	—	(5)
Benefits paid	(56)	(12)	—	(1)	(59)	(11)	(1)	—
Currency translation differences	—	—	—	(3)	—	(24)	(1)	2
Transfers and other	(1)	—	—	—	—	—	—	—
As at 31 December	**595**	**95**	**4**	**37**	**654**	**93**	**4**	**31**
Fair value of plan assets								
1 January	**409**	**50**	**—**	**3**	**454**	**70**	**—**	**3**
Expected yield	13	8	—	—	14	7	—	—
Contributions	(1)	—	—	—	—	—	—	—
Changes recognised in equity	(12)	1	—	—	(15)	(5)	—	—
Benefits paid	(42)	(7)	—	—	(44)	(7)	—	—
Currency translation differences	—	—	—	—	—	(15)	—	—
Transfers and other	—	—	—	—	—	—	—	—
As at 31 December	**367**	**52**	**—**	**3**	**409**	**50**	**—**	**3**
Provisions for pensions and similar obligations	**228**	**43**	**4**	**34**	**245**	**43**	**4**	**28**

The amounts recognised in the consolidated income statement for all the above-mentioned defined benefit plans are as follows:

	2025				2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Service cost for the year	—	—	—	2	—	—	—	1
Interest cost	21	13	—	3	22	11	—	3
Expected return on plan assets	(13)	(8)	—	—	(14)	(6)	—	—
Total charge to profit or loss	**8**	**5**	**—**	**5**	**8**	**5**	**—**	**4**

Benefits to be paid in the coming years for the above-mentioned commitments are as follows:

	2025				2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
1 to 5 years	—	—	—	1	—	—	—	—
5 to 10 years	13	43	4	9	14	43	4	9
More than 10 years	215	—	—	24	231	—	—	19
Provision for pensions and similar obligations	**228**	**43**	**4**	**34**	**245**	**43**	**4**	**28**

The weighted average duration of the defined benefit obligation is as follows:

	2025				2024			
Years	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Weighted average term of pension commitments	13.66	8.42	7.27	14.10	14.44	8.95	7.32	13.73

The changes in liabilities recognised in the consolidated statement of financial position are as follows:

	2025				2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
1 January	**245**	**43**	**4**	**28**	**260**	**63**	**6**	**27**
Charge against the income statement	8	5	—	5	8	5	—	4
Contributions paid and benefits	(13)	(5)	—	(1)	(15)	(4)	(1)	—
Changes recognised in equity	(11)	—	—	5	(8)	(12)	—	(5)
Currency translation differences	—	—	—	(3)	—	(9)	(1)	2
Transfers and other	(1)	—	—	—	—	—	—	—
As at 31 December	**228**	**43**	**4**	**34**	**245**	**43**	**4**	**28**

The accumulated amount of actuarial gains and losses recognised directly in equity is negative in the amount of Euros 82 million as at 31 December 2025 (negative Euros 88 million as at 31 December 2024), as follows:

	2025	2024
Spain	10	(1)
Brazil	(65)	(65)
Mexico	(14)	(9)
Chile	(13)	(13)
Total	**(82)**	**(88)**

The change recognised in equity relates to actuarial losses and gains derived basically from adjustments to:

	2025				2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Financial assumptions	(6)	5	—	7	(7)	(16)	—	(5)
Demographic assumptions	—	—	—	(1)	—	—	—	—
Experience	(4)	(1)	—	(1)	(1)	1	—	—
Limits on assets	(1)	(4)	—	—	—	4	—	—
As at 31 December	**(11)**	**—**	**—**	**5**	**(8)**	**(11)**	**—**	**(5)**

The main categories of plan assets, expressed as a percentage of the assets' total fair value, are as follows:

	2025				2024			
% of total	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Shares	— %	15 %	— %	— %	— %	22 %	— %	— %
Bonds	100 %	74 %	— %	100 %	100 %	72 %	— %	100 %
Real estate and other assets	— %	11 %	— %	— %	— %	7 %	— %	— %

The real return on plan assets in 2025, relating to Spain and Brazil, was Euros 21 million (Euros 20 million in 2024). In the case of Mexico, the return on assets was less than Euros 1 million in 2025 and 2024.

The actuarial assumptions used were as follows:

	31.12.2025				31.12.2024			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Discount rate (1)	3.30% - 4.02%	11,75% - 12,37%	5.60%	8,80% - 9,40%	2.66% - 3.49%	12,49% - 12,96%	5.76%	10,55% - 10,70%
Expected return on plan assets (1)	3.30% - 3.78%	12.05%	n/a	8.95%	3.30% - 3.49%	12.55%	n/a	10.55%
Future salary increases (1)	n/a	n/a	2,25% - 5,10%	5,00%- 5,50%	2.00%	n/a	2,25% - 5,10%	5,00 - 5,50%
Future pension increases (1)	2.00%	n/a	n/a	n/a	2.00%	n/a	n/a	n/a
Inflation rate (1)	2.00%	4.00%	3.00%	4.00%	2.00%	4.50%	3.00%	4.00%
Mortality table	PER2020 Col 1st order	AT-2000 smoothed	RV 2020	EMSSA 15-22	PER2020 Col 1st order	AT-2000 smoothed	RV 2020	EMSSA 2009
Life expectancy:								
Men								
▪ Retired at age 65 in the current year	25.27	20.04	22.60	20.70	25.13	20.04	22.60	22.03
▪ Employees 45 years old currently, at the time of retirement	27.75	18.21	23.21	17.98	27.63	18.21	23.21	23.67
Women								
Retired at age 65 in the current year	28.98	22.61	26.59	23.35	28.85	22.61	26.59	24.38
▪ Employees 45 years old currently, at the time of retirement	31.25	20.70	27.19	22.47	31.15	20.70	27.19	25.64

(1) Annual

These assumptions are applicable uniformly to all the obligations irrespective of the origin of their collective bargaining agreements.

The interest rates employed to discount the post-employment liabilities are based on the term of each commitment, and the reference curve is calculated from the observable rates for corporate bonds with a high credit rating (AA) issued in the Eurozone.

The amount of benefits payable and estimated contributions to be made in 2026 in million euro are as follows:

	Benefits				**Contributions**			
	Spain	Brazil	Chile	Mexico	Spain	Brazil	Chile	Mexico
Post-employment	48	7	—	1	5	—	—	—
Post-employment medical	4	3	—	—	4	3	—	—
As at 31 December	**52**	**10**	**—**	**1**	**9**	**3**	**—**	**—**

The following table shows the effect on actuarial provisions and costs of a 1% change in the inflation rate, a 1% change in the discount rate and a 1% change in the cost of health care:

	Inflation 1%	Discount rate +1%	Healthcare +1%
Present value of obligations	31	(62)	9
Fair value of plan assets	22	(36)	—
Asset ceiling	—	(1)	—
Provision for pensions	**9**	**(25)**	**9**
Service cost for the year	—	—	—
Interest cost	1	3	1
Expected return on plan assets	1	2	—

Other obligations to personnel

In addition to the approval of the 2021 Strategic Plan, the term of the long-term incentive plan for Naturgy executives not included in the plan mentioned in Note 14 that was implemented with the 2018 Strategic Plan was extended. The amendment extends the term of the plan until 31 December 2025 for certain serving beneficiaries in order to contribute to the achievement of the 2021 Strategic Plan.

As at 31 December 2024, the provision for this commitment amounted to Euros 39 million.

As in the case of the incentive plan described in Note 14, on 18 February 2025, Naturgy's Board of Directors approved the early settlement of the 2018-2024 multi-year incentive plan. The settlement in favour of this second group of executives, also for the seven-year period from 2018 to 2024, amounted to Euros 7,145 thousand per year. This amount was covered by the provisions that had been recognised for this purpose.

In addition, at the general meeting held on 25 March 2025, the shareholders authorised the Board of Directors to establish a new multi-year variable remuneration scheme for all Naturgy executives, indexed to the annual shareholder return.

This scheme will have an ordinary duration of three years, starting on 1 January 2025, will take the annual return obtained by a shareholder as a reference, considering an initial value of the shares and, as a final value, the weighted average share price in the 90 calendar days prior to the end of the incentive period, also considering the dividends paid to shareholders during the incentive period.

This new multi-year variable remuneration scheme generates economic rights whose amount remains contingent until the end of the plan period, meaning that the final amount cannot be confirmed until 31 December 2027. Assuming as likely that the degree of fulfilment of the established conditions is 100%, the amount accrued during 2025 would be Euros 17.0 million, of which Euros 7.7 million would correspond to senior management.

16.2 Other current and non-current provisions

Changes in current and non-current provisions are as follows:

	Non-current provisions				
	Due to facility closure costs	Other provisions	Total	Current provisions	Total
01.01.2024	**531**	**929**	**1,460**	**543**	**2,003**
Appropriations/reversals charged to income statement:					
– Appropriations due to financial update	11	14	25	—	**25**
– Appropriations with a charge to other items of profit or loss	80	220	300	289	**589**
– Reversals	(1)	(303)	(304)	(47)	**(351)**
Appropriations/reversals charged to fixed assets	62	—	62	—	**62**
Payment / Delivery of emission rights	(26)	(8)	(34)	(467)	**(501)**
Currency translation differences	—	(29)	(29)	(4)	**(33)**
Transfers and other	12	(17)	(5)	47	**42**
31.12.2024	**669**	**806**	**1,475**	**361**	**1,836**
Appropriations/reversals charged to income statement:					
– Appropriations due to financial update	12	9	21	—	**21**
– Appropriations with a charge to other items of profit or loss	9	66	75	543	**618**
– Reversals	(15)	(83)	(98)	(17)	**(115)**
Appropriations/reversals charged to fixed assets	16	—	16	—	**16**
Payment / Delivery of emission rights	(17)	(109)	(126)	(292)	**(418)**
Currency translation differences	(6)	(9)	(15)	(6)	**(21)**
Transfers and other	(27)	(23)	(50)	1	**(49)**
31.12.2025	**641**	**657**	**1,298**	**590**	**1,888**

The "Provisions for facility closure costs" heading includes provisions for obligations arising from decommissioning, restoration and other costs related to facilities, basically in the Thermal Generation, Energy Management and Renewable Generation segments.

The “Other provisions” heading mainly includes provisions recognised to cover obligations derived mainly from tax claims, litigation and arbitration, insurance and other liabilities. During the year, provisions were made for the evolution of certain civil, administrative and tax claims in various Group companies.

In 2025, the balance of the "Other provisions" heading decreased by Euros 115 million in relation to the provision that Metrogas had recognised for the litigation with Transportadora de Gas del Norte, S.A., following the agreement reached between the parties. This change is detailed in Note 36. In 2024, this provision had been reduced on the basis of an assessment of the changes that occurred in the legal proceedings during that year.

As at 31 December 2025, the balance of "Other provisions" also includes provisions related to the assessment issued as a result of the partial audit of the Temporary Energy Tax for 2023 and 2024 (Note 21). These provisions were mainly allocated in 2024, with only the update being recognised in 2025.

To a lesser extent, this heading includes the amount of the disciplinary proceedings against UFD Distribución Electricidad S.A., which have not yet concluded (Note 36).

Additionally, the balance of "Other provisions" was reduced by Euros 24 million due to the payment of indemnities agreed with the buyer of the Electricity Distribution Chile business, which had been provisioned in the previous year. The changes in this item in 2024 included the reversals of provisions related to the arbitration proceedings with Endesa (see Note 36).

The "Current provisions" heading mainly includes the provision for CO_2 emissions for the year 2025 in the amount of Euros 492 million (Euros 262 million in 2024), which will be delivered in the following year. The CO_2 emission rights relating to emissions made in 2024 were delivered in 2025, with an impact on current provisions of Euros 264 million, and a balancing entry to the emission rights recorded under "Inventories" (see Note 12).

The estimated payment dates of the non-current obligations provisioned under this heading are Euros 846 million between one and five years (Euros 1,004 million as at 31 December 2024), Euros 29 million between five and ten years (Euros 57 million as at 31 December 2024) and Euros 423 million at over ten years (Euros 414 million as at 31 December 2024).

Note 17. Financial liabilities

The composition of financial debt as at 31 December 2025 and 2024 is as follows:

	31.12.2025	31.12.2024
Issuing of debentures and other negotiable obligations	4,896	5,027
Borrowings from financial institutions	7,978	8,675
Derivative financial instruments (Note 18)	—	14
Lease liabilities (Note 2.4.21)	1,118	1,379
Non-current borrowings	**13,992**	**15,095**
Issuing of debentures and other negotiable obligations	789	1,392
Borrowings from financial institutions	1,806	1,322
Derivative financial instruments (Note 18)	11	19
Lease liabilities (Note 2.4.21)	160	183
Other financial liabilities	5	11
Current borrowings	**2,771**	**2,927**
Total	**16,763**	**18,022**

Financial liabilities recognised at fair value as at 31 December 2025 and 2024 are classified as follows:

	31.12.2025				31.12.2024			
Financial liabilities	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**	Level 1 (listed price on active markets)	Level 2 (observable variables)	Level 3 (unobservable variables)	**Total**
Fair value through profit or loss	—	—	—	**—**	—	—	—	**—**
Hedging derivatives	—	11	—	**11**	—	33	—	**33**
Total	**—**	**11**	**—**	**11**	**—**	**33**	**—**	**33**

Other financial liabilities are measured at amortised cost.

The carrying amounts and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	31.12.2025	31.12.2024	**31.12.2025**	31.12.2024
Issuing of debentures and other negotiable securities	4,896	5,027	4,863	4,936
Loans from financial institutions and other financial liabilities	7,978	8,675	7,996	8,738

The bonds and other marketable securities are listed and, therefore, their fair value is estimated on the basis of their listed price (Level 1). In bank borrowings and other financial liabilities, the fair value of the debt at fixed interest rates is estimated on the basis of the discounted cash flows over the remaining terms of such debt. The discount rates were determined based on market rates available as at 31 December 2025 and 2024 for borrowings with similar credit and maturity characteristics. These valuations are based on the listed prices of similar financial instruments in an official market or on observable information in an official market (Level 2).

The following tables describe the financial debt by instrument as at 31 December 2025 and 2024 and their maturity schedule, considering the impact of hedging with derivatives:

	2026	2027	2028	2029	2030	2031 and beyond	**Total**
31.12.2025							
Issuing of debentures and other negotiable securities							
Fixed	776	169	835	1,254	597	1,726	**5,357**
Floating	13	169	74	3	5	64	**328**
Institutional Banks and other financial institutions							
Fixed	109	126	344	216	196	1,579	**2,570**
Floating	2	2	2	20	19	336	**381**
Lease liabilities							
Fixed	160	166	133	103	80	636	**1,278**
Commercial Banks and other financial liabilities							
Fixed	878	161	54	704	—	3	**1,800**
Floating	833	437	1,267	787	799	926	**5,049**
Total Fixed	1,923	622	1,366	2,277	873	3,944	**11,005**
Total Floating	848	608	1,343	810	823	1,326	**5,758**
Total	**2,771**	**1,230**	**2,709**	**3,087**	**1,696**	**5,270**	**16,763**

	2025	2026	2027	2028	2029	2030 and thereafter	**Total**
31.12.2024							
Issuing of debentures and other negotiable securities							
Fixed	1,388	852	878	807	1,242	1,049	**6,216**
Floating	4	7	166	4	5	17	**203**
Institutional Banks and other financial institutions							
Fixed	91	91	91	309	163	1,407	**2,152**
Floating	14	19	37	38	37	200	**345**
Lease liabilities							
Fixed	183	174	161	122	122	800	**1,562**
Commercial Banks and other financial liabilities							
Fixed	342	1,080	69	21	853	5	**2,370**
Floating	905	1,021	587	1,671	408	582	**5,174**
Total Fixed	2,004	2,197	1,199	1,259	2,380	3,261	**12,300**
Total Floating	923	1,047	790	1,713	450	799	**5,722**
Total	**2,927**	**3,244**	**1,989**	**2,972**	**2,830**	**4,060**	**18,022**

If the impact of derivatives on financial debt is not taken into account, fixed-rate financial debt would amount to Euros 7,754 million as at 31 December 2025 (Euros 8,927 million as at 31 December 2024) and floating-rate financial debt would amount to Euros 8,998 million as at 31 December 2025 (Euros 9,062 million as at 31 December 2024).

The following tables show the currency-denominated gross financial debt as at 31 December 2025 and 2024 and its maturity schedule, considering the impact of hedging with derivatives:

	2026	2027	2028	2029	2030	2031 and beyond	**Total**
31.12.2025							
Euro debt	879	692	2,119	2,138	1,208	4,252	11,288
Foreign Currency Debt:							
US Dollar	1,274	177	361	125	438	514	2,889
Chilean peso	198	87	77	—	39	73	474
Mexican peso	226	217	128	58	1	179	809
Brazilian real	131	39	6	5	6	42	229
Australian dollar	35	14	15	760	4	210	1,038
Argentinian peso	28	4	3	1	—	—	36
Total	**2,771**	**1,230**	**2,709**	**3,087**	**1,696**	**5,270**	**16,763**

	2025	2026	2027	2028	2029	2030 and thereafter	**Total**
31.12.2024							
Euro debt	1,536	1,116	1,475	2,688	1,926	3,299	12,040
Foreign Currency Debt:							
US Dollar	927	1,558	209	261	119	455	3,529
Chilean peso	76	193	89	—	—	—	358
Mexican peso	232	222	177	—	50	66	747
Brazilian real	106	135	20	7	7	40	315
Australian dollar	29	16	16	16	728	200	1,005
Argentinian peso	21	4	3	—	—	—	28
Total	**2,927**	**3,244**	**1,989**	**2,972**	**2,830**	**4,060**	**18,022**

Financial debt in euro bore interest at an average effective rate of 2.58% in 2025 (2.36% in 2024) and financial debt in foreign currency bore interest at an average effective rate of 7.17% in 2025 (7.94% in 2024), including the derivative instruments assigned to each transaction.

Average financial debt amounts to Euros 15,712 million (Euros 15,251 million in 2024), calculated as the average balance of gross financial debt at the end of each month in the year, excluding finance lease debt.

As at 31 December 2025, Naturgy has credit lines for a total amount of Euros 5,681 million (Euros 5,859 million as at 31 December 2024), of which Euros 5,560 million are undrawn (Euros 5,611 million as at 31 December 2024).

As at 31 December 2024, bank borrowings amounting to Euros 3,778 million (Euros 4,392 million as at 31 December 2024) and outstanding bonds amounting to Euros 393 million (Euros 174 million as at 31 December 2024) are subject to the fulfilment of certain financial ratios.

Most of the outstanding borrowings carry a clause relating to a change of control, either by acquisition of more than 50% of the voting shares or by obtaining the right to appoint the majority of the members of the Board of Naturgy Energy Group, S.A. Those clauses are subject to additional conditions and, consequently, triggering them would require more than one of the following events to occur simultaneously: a material downgrade in the credit rating caused by the change in control, or the loss of investment grade status granted by rating agencies; inability to meet the financial obligations of the contract; a material detrimental event for the creditor; or a material adverse change in creditworthiness. These clauses involve the repayment of drawn-down debt, although they usually have a longer term than that granted in cases of early termination.

Specifically, as is habitual in the Euromarket, the outstanding bonds, in the amount of Euros 4,819 million (Euros 5,851 million as at 31 December 2024), might have to be repaid early if such a change in control triggered a downgrade of more than two full notches in at least two of the Company's three ratings, or if all the ratings fell below investment grade, provided that the rating agency stated that the rating downgrade was a result of the change in control.

There are also loans for an amount of Euros 5,101 million that could be subject to early repayment in the event of a change of control (Euros 5,360 million as at 31 December 2024). Most of that amount is linked to infrastructure financing from the European Investment Bank that requires a rating downgrade in addition to the change in control, and has special repayment terms that are longer than those relating to early termination events.

At the date of authorisation of these consolidated annual accounts, Naturgy is not in breach of its financial obligations or of any type of obligation that might trigger early maturity of its financial commitments, except for Parque Eólico Peñarroldana, S.L., which is in breach of certain obligations under financing contracts. A waiver has been obtained from the lending banks to avoid early termination.

As at 31 December 2024, GPG Solar Chile 2017, S.p.A and Ibereólica Cabo Leones II, S.A. presented similar breaches, which led to the classification of a balance of Euros 248 million as current (Euros 166 million at Cabo Leones II, S.A. and Euros 82 million at GPG Solar Chile 2017, S.p.A.). As at 31 December 2025, the balances of GPG Solar Chile 2017, S.p.A. and Ibereólica Cabo Leones II, S.A. were classified as "Non-current liabilities held for sale" (Note 11).

As at 31 December 2025, Naturgy had bank borrowings secured by assets for an amount of Euros 948 million (Euros 1,141 million as at 31 December 2024).

Naturgy is in a process of continuous optimisation of the financing assigned to each of the business units in order to increase visibility in the accounts, their financial autonomy, and to obtain financing in the same currency in which the cash flows originate, with the aim of obtaining greater flexibility.

The Group continues to work on strengthening its financial profile, and has conducted refinancing transactions that do not involve substantial changes to the terms of the initial debt, amounting to Euros 4,220 million for the refinancing of loans and credit lines with credit institutions in Spain and Euros 710 million in international businesses.

New finance was arranged with credit institutions in Spain for Euros 3,116 million and in international businesses for Euros 661 million.

The main financing instruments are as follows:

17.1 Bonds and other negotiable securities

Changes in debt securities in 2025 and 2024 are as follows:

	1.1.2025	Issues	Buy-backs or redemptions	Currency translation differences, etc.	**31.12.2025**
Issued in a European Union Member State which required the filing of a prospectus	5,841	1,909	(2,940)	12	4,822
Issued outside a European Union Member State	578	402	(129)	12	863
Total	**6,419**	**2,311**	**(3,069)**	**24**	**5,685**

	1.1.2024	Issues	Buy-backs or redemptions	Currency translation differences, etc.	**31.12.2024**
Issued in a European Union Member State which required the filing of a prospectus	6,999	1,000	(2,154)	(4)	5,841
Issued outside a European Union Member State	630	195	(165)	(82)	578
Total	**7,629**	**1,195**	**(2,319)**	**(86)**	**6,419**

The main features of Naturgy's principal bond and other marketable security programmes, excluding the impact of accrued and unpaid interest, is as follows:

31.12.2025

Programme/Company	Country	Year formalised	Currency	Programme limit	Drawn-down nominal amount	Available	Issuances per year
Euro Commercial Paper (ECP) programme							
Naturgy Finance Iberia, S.A.U.	Spain	2010	Euros	1,000	—	1,000	909
European Medium Term Notes (EMTN) programme							
Naturgy Finance Iberia, S.A.U.	Spain	1999	Euros	12,000	4,819	7,181	1,000
Negotiable bonds and Certificates Programme							
Guimarania I Solar Spe Ltda Guimarania II Solar SPE Ltda	Brazil	2020	Brazilian real	6	6	—	—
Sobral I Solar Energia SPE Ltda.	Brazil	2018	Brazilian real	17	17	—	—
Sertao I Solar Energia SPE Ltda	Brazil	2018	Brazilian real	15	15	—	—
Naturgy México S.A. de C.V.	Mexico	2011	Mexican peso	474	470	4	183
Naturgy BAN, S.A.	Argentina	2015	Argentinian peso	59	—	59	—
Metrogas, S.A.	Chile	2015	Chilean peso	376	249	127	111
Empresa de Distribución Eléctrica Metro Oeste, S.A.	Panama	2025	USD	299	106	193	108

31.12.2024

Programme/Company	Country	Year formalised	Currency	Programme limit	Drawn-down nominal amount	Available	Issuances per year
Euro Commercial Paper (ECP) programme							
Naturgy Finance Iberia, S.A.U.	Spain	2010	Euros	1,000	—	1,000	—
European Medium Term Notes (EMTN) programme							
Naturgy Finance Iberia, S.A.U.	Spain	1999	Euros	12,000	5,851	6,149	1,000
Negotiable bonds and Certificates Programme							
Guimarania I Solar Spe Ltda Guimarania II Solar SPE Ltda	Brazil	2020	Brazilian real	7	7	—	—
Sobral I Solar Energia SPE Ltda.	Brazil	2018	Brazilian real	17	17	—	—
Sertao I Solar Energia SPE Ltda	Brazil	2018	Brazilian real	16	16	—	—
Naturgy México S.A. de C.V.	Mexico	2011	Mexican peso	464	405	59	195
Naturgy BAN, S.A.	Argentina	2015	Argentinian peso	6	—	6	—
Metrogas, S.A.	Chile	2015	Chilean peso	133	133	—	—

Details of the nominal amount issued under the EMTN programme are as follows:

Issue	Drawn-down nominal amount		Maturity	Coupon (%)
	31.12.2025	31.12.2024		
January 2015	—	401	2025	1.38
April 2016	348	425	2026	1.25
January 2017	182	883	2027	1.38
October 2017	300	300	2029	1.88
November 2017	—	800	2025	0.88
January 2018	850	850	2028	1.50
November 2019	900	900	2029	0.75
April 2020	239	292	2026	1.25
October 2024	500	500	2030	3.25
October 2024	500	500	2034	3.63
May 2025	500	—	2031	3.38
May 2025	500	—	2035	3.88
Total	**4,819**	**5,851**		

2025

In May 2025 , Naturgy issued two bonds under the EMTN programme: Euros 500 million at 6 years with a 3.375% coupon, and Euros 500 million at 10 years with a 3.875% coupon. The proceeds were used to call Euros 831 million of bonds maturing between 2026 and 2027. This transaction had a positive impact of Euros 2 million, recognised under "Other financial income". The proceeds were also used to call Euros 169 million in subordinated perpetual notes (Note 14).

Bonds for a total amount of Euros 1,201 million with an average coupon of 1.04% matured in 2025.

During 2025, Euros 909 million were issued under the ECP programme and matured during the year, with no amount outstanding as at 31 December 2025 (there were no outstanding issues as at 31 December 2024).

In other countries, bond issues in Chile were for Euros 37 million at 5 years at a fixed rate of 3.30% and Euros 74 million at 10 years at a fixed rate of 3.50%; bond issues in Panama were for USD 70 million (Euros 61 million) at 5 years at a fixed rate of 7% and USD 55 million (Euros 47 million) at 7 years at a floating rate of SOFR 3 months + a spread of 3.5%. Naturgy México S.A. de CV issued two bonds: MXN 1,500 million (Euros 70 million) maturing in three years with a coupon at TIIE +0.63%, and MXN 2,500 million (Euros 113 million), maturing in seven years and with a fixed coupon of 9.98%. The bonds issued in Mexico include a change of control clause that requires a tender offer to be made for all the bonds.

2024

There were no issues under the EMTN and ECP programmes in 2024.

A bond issued by Naturgy México S.A. de CV in the amount of MXN 2,900 million (equivalent to Euros 165 million) matured in March 2024. In that same month of March, Naturgy México S.A. de CV issued a MXN 3,500 million (Euros 195 million) 3-year bond with a coupon of TIIE +0.49%. The bonds issued in Mexico include a change of control clause that requires a tender offer to be made for all the bonds.

In October 2024, Naturgy issued two bonds under its EMTN programme: Euros 500 million each, maturing in six and ten years with coupons of 3.25% and 3.625%, respectively. The funds were used to call Euros 1,000 million of bonds maturing between 2026 and 2027. This transaction had a positive impact of EUR 19 million recognised under "Other financial income".

In 2024, bonds matured for a total amount of Euros 1,154 million with an average coupon of 1.75%.

17.2 Borrowings from financial institutions

Loans from European credit institutions (commercial/institutional banks)

As at 31 December 2025, bank borrowings (commercial banks) include bank loans of Euros 4,410 million (Euros 4,519 million as at 31 December 2024).

Additionally, in connection with borrowings from institutional banks, the European Investment Bank (EIB) had granted financing to Naturgy as at 31 December 2025 in the amount of Euros 2,331 million maturing between 2026 and 2044 (Euros 2,064 million drawn down as at 31 December 2024).

In Spain, Naturgy arranged a second tranche of the European Investment Bank (EIB) credit line for financing renewable projects amounting to Euros 250 million over 17 years at a floating rate referenced to the 6-month Euribor. In addition, a loan was arranged with the European Investment Bank (EIB) to finance electricity networks amounting to Euros 100 million over 12 years at a floating rate linked to the 6-month Euribor. No amounts have been drawn against this loan and line of credit.

There are also two loans from Spain's Official Credit Institute (ICO) totalling Euros 380 million maturing in 2034 at the latest (Euros 400 million as at 31 December 2024).

Naturgy also enjoys a comfortable debt maturity profile and statement of financial position, as well as flexibility in executing its investments and expenses in order to address the current economic situation.

Loans from Latin American credit institutions (commercial/institutional banks)

As at 31 December 2025, borrowings from a number of financial institutions in Latin America totalled Euros 1,871 million (Euros 2,251 million as at 31 December 2024). The geographic breakdown of these loans is as follows:

Country	**31.12.2025**	31.12.2024
Chile	300	567
Panama	1,034	1,068
Brazil	185	268
Mexico	317	321
Other	35	27
	1,871	**2,251**

Bank loans in other countries (commercial/institutional banks)

As at 31 December 2025, bank borrowings in other countries relate solely to Australia and amounted to Euros 792 million (Euros 762 million as at 31 December 2024), to finance wind farms under construction and development.

17.3 Lease liabilities

The main finance lease liabilities recognised under this heading as at 31 December 2025 and 2024 are as follows:

– Vessels under finance leases, where the debt amounts to Euros 715 million as at 31 December 2025, are as follows:

Year acquired	Capacity (m^3)	Maturity	Extension option
2014	173,400	2032	—
2016	176,300	2036	—
2016	176,300	2036	—
2018	178,800	2037	—
2018	178,800	2037	—
2025	130,400	2029	—
2025	138,000	2029	5 years
2025	138,000	2029	5 años

– Other material financial liabilities associated with lease contracts, which relate to the leases on office buildings and land for energy use linked to generation facilities, where the debt amounts to Euros 563 million as at 31 December 2025 (Note 7).

Naturgy's activity as a lessor in contracts that qualify as finance leases is non-material, the main item being trade accounts receivable for the assignment of the right to use gas and energy management facilities.

The effective average interest rate on finance lease liabilities as at 31 December 2025 is 5.75% (5.8% as at 31 December 2024).

17.4 Financing linked to fulfilment of ESG objectives (environmental, social and corporate governance factors)

ESG-linked financing relates to credit lines in Spain, the cost of which is linked to at least one of the following ESG indicators:

- Direct GHG emissions: three-year average reduction (Mt CO_2/GWh)
- CO_2 intensity in power generation: three-year average reduction (tCO_2/GWh)
- Water consumption: three-year average reduction (hm3)
- Women in management positions (%)

The adjustment to the cost of debt is linked to the level of compliance with the above metrics and their variation with respect to the previous year's indicators.

These credit lines, amounting to Euros 2,885 million as at 31 December 2025 (Euros 3,723 million as at 31 December 2024), have not been drawn down and, therefore, the impact on the funding cost of the degree of compliance with these indicators is not material.

In addition, the terms of that financing do not disclose the existence of an embedded derivative that needs to be treated separately.

Note 18. Risk management and derivative financial instruments

18.1. Risk management

Naturgy's Risk Control and Management Model determines the risk assessment methodologies and models, controls, manages and establishes the Group's risk reporting, ensuring that a risk profile and target risk limits are maintained to guarantee that the level of exposure in the course of its activities is consistent with its annual and strategic objectives.

The model is implemented on the basis of the principles of integration, segregation, homogeneity, coherence and transparency in corporate governance, and is structured in four pillars:

- Risk governance: defines governance for each type of risk, establishing the necessary regulations and assigning responsibilities.
- Risk Assessment: establishes the risk assessment methodologies, harmonising common procedures for the identification, assessment and treatment of the information associated with each risk, to ensure uniformity and coherence both when quantifying them individually and when subsequently aggregating them, with the aim of achieving a homogeneous, integrated vision of them.
- Risk Appetite: establishes the risk tolerance by setting limits for the main risk categories, as a function of the Group's targets.
- Risk Reporting: establishes regular, systematic risk reporting at different management levels, expressed in the Corporate Risk Map, recurring risk reports and/or ad hoc reports.

  The Corporate Risk Map identifies and quantifies the risks that might affect Naturgy's performance, providing a comprehensive, consistent and integrated overview of these risks.

18.1.1. Interest rate risk

Fluctuations in interest rates modify the fair value of assets and liabilities that accrue a fixed interest rate and the cash flows from assets and liabilities pegged to a floating interest rate and, accordingly, affect equity and profit, respectively.

The purpose of interest rate risk management is to balance floating- and fixed-rate borrowings in order to reduce borrowing costs within the established risk parameters.

Naturgy employs financial swaps to manage exposure to interest rate fluctuations, swapping floating rates for fixed rates.

The financial debt structure as at 31 December 2025 and 2024 (Note 17), after taking into account the hedges arranged through derivatives, is as follows:

	31.12.2025	31.12.2024
Fixed interest rate	11,005	12,300
Floating interest rate	5,758	5,722
Total	**16,763**	**18,022**

Floating interest rates are tied mainly to Euribor, SOFR (USD), BBSY (AUD) and and indexed rates in Mexico, Brazil, Argentina and Chile.

The sensitivity of results and equity (Other equity items) to interest rate fluctuations is as follows:

	Increase/decrease in interest rates (basis points)	Effect on profit before tax	Effect on equity before tax
2025	+50	(29)	51
	-50	29	(51)
2024	+50	(29)	70
	-50	29	(70)

In 2025, inflation in the euro zone remained at moderate levels, further evidencing the stabilisation observed after the sharp decline recorded between 2022 and 2024. In December 2025, the consumer price index stood at 1.9%. This performance enabled the European Central Bank to implement additional reductions in the official interest rates (in January, April and June 2025), bringing the main refinancing rate to 2.15%. Since then, the ECB has kept rates stable.

As for interest rates in the United States, the federal funds rate remained stable at 4.50% in the first half of 2025. Starting in September, the Federal Reserve began cutting rates, motivated by the need to support the labour market and the gradual moderation of inflation. These cuts materialised in reductions in September, October and December, in the range 3.50% to 3.75%.

During the first half of 2025, Australia's official rate remained at 3.85% but, in August, the Reserve Bank of Australia (RBA) reduced the rate to 3.60% since annual inflation was still around 3.3%, i.e. above the target range of 2-3%, and economic growth was weak.

In any event, Naturgy's floating rate debt as at 31 December 2025 represents only 34% of the total (32% as at 31 December 2024).

18.1.2. Exchange rate risk

Variations in exchange rates can affect the fair value of:

- Converted value of cash flows related to the purchase or sale of raw materials denominated in currencies other than local or functional currency.
- Debt denominated in currencies other than local or functional currency.
- Transactions and investments in currencies other than the euro, in terms of the euro-equivalent value of the equity contributed and results.

In order to mitigate these risks to the extent possible, Naturgy finances its investments in local currency. Furthermore, where possible, it tries to match costs and revenues by reference to the same currency, as well as amounts and maturities of assets and liabilities arising from operations denominated in currencies other than the euro.

For open positions, risks in non-functional currencies are managed, where considered necessary, through financial swaps and hedging derivatives.

The currency other than the euro in which Naturgy operates most is the US dollar. The sensitivity of Naturgy's profits and equity (Other equity items) to a 5% variation (increase or decrease) in the US dollar/euro exchange rate for the derivatives it arranges is as follows:

	Increase/decrease in USD exchange rate	**Effect on profit before tax**	**Effect on equity before tax**
2025	+5%	—	4
	-5%	—	(4)
2024	+5%	—	14
	-5%	—	(15)

Additionally, net assets of overseas companies whose functional currency is not the euro are subject to foreign exchange risk when their financial statements are translated to euro during the consolidation process. Exposure to risk countries where there is more than one exchange rate is not material.

Naturgy's equity as at 31 December 2025 in Argentinian pesos amounts to Euros 246 million (Euros 252 million as at 31 December 2024). A 5% variation in the Argentinian peso/euro exchange rate would have an impact of Euros 12 million on equity before taxes (Euros 13 million as at 31 December 2024).

The effect of exchange rates on the translation of the main items of the consolidated annual accounts as at 31 December 2025 is as follows:

	% change vs. 2024 (1)	Gross Operating Profit	Consolidated profit attributable to the parent company	Net borrowings (2)
US Dollar (USD)	4.4 %	(33)	(14)	(155)
Mexican Peso (MXN)	9.3 %	(28)	(7)	12
Brazilian Real (BRL)	8.2 %	(24)	(7)	3
Argentinian Peso (ARS)	59.6 %	(94)	(48)	19
Chilean Peso (CLP)	5.2 %	(16)	(7)	(9)
Other currencies	—	(5)	1	(74)
Total	**—**	**(200)**	**(82)**	**(204)**

(1) Corresponds to the variation in cumulative average exchange rates, except in the case of Argentina, where the closing exchange rate is applied as it is classified as a hyperinflationary economy.
(2) Corresponds to the variation in exchange rates at the end of each period.

18.1.3. Commodity risk

Volatility in the prices of energy commodities (natural gas, oil, electricity) poses a significant risk to the Group, given its direct impact on procurement costs and commercial margins. Geopolitical factors, such as tensions in producing regions or changes in export policies, can alter global supply and demand, causing sharp fluctuations in prices.

In the gas business, it should be noted that Naturgy's operating results are linked to the purchase and sale of gas to supply a diversified customer portfolio.

Most gas procurement contracts are arranged on a long-term basis with purchase prices based on a combination of commodity prices, basically crude oil and its derivatives, and natural gas hub prices.

Selling prices to final customers are generally agreed on a short/medium-term basis and are conditioned by the supply/demand balance existing at any given time in the gas market. This may result in decoupling with respect to gas procurement prices.

Consequently, Naturgy is exposed to variations in gas procurement prices with respect to the sale price to end customers. Exposure to this risk is managed and mitigated by natural hedging, seeking to balance the commodity exposures of both prices. Additionally, the main long-term procurement contracts allow us to manage this exposure through volume flexibility and price review mechanisms.

When it is not possible to achieve a natural hedge, the position is managed, within reasonable risk parameters, through derivatives, generally designated as hedging instruments, to reduce exposure to price decoupling risk. However, these hedges may prove to be ineffective in the event of changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged, or a decoupling from the indices hedged in the purchase and sale transactions.

In the integrated electricity businesses, the Group's aggregate exposure is determined by the strategic generation/supply positioning and by the final sale pricing policies in electricity supply.

Gas prices began to escalate late in 2021 and peaked in 2022 following the impact of the war in Ukraine and the reduction in supplies from Russia. Prices corrected downwards from 2023 onwards, leading to a phase of relative stability towards the middle of 2024. Subsequently, there was a significant upturn until February 2025, followed by another correction that led to a more stable situation towards the middle of 2025.

During the second half of 2025, ceasefire talks between Ukraine and Russia, high storage levels, diversification of supply sources and moderate demand, contributed to lower natural gas prices in Europe, around the levels that prevailed in the first half of 2024.

As a result of the 19th package of sanctions imposed by the European Council, currently in force until July 2026, and the European import regulation published on 2 February 2026 and in force since the following day, there are implications for the long-term contract to procure LNG from Yamal described in section 2.4.25.j of these consolidated annual accounts. The Group has a diversified procurement portfolio, which will help mitigate the potential impact of the aforementioned European regulation (see Appendix IV).

The sensitivity of results and equity (Other equity items) to changes in the fair value of derivatives arranged to hedge commodity prices and derivatives used for trading purposes is analysed below:

	Increase/decrease in gas price	Effect on profit before tax	Effect on equity before tax
2025	+10%	(1)	(85)
	-10%	1	85
2024	+10%	—	(241)
	-10%	—	241

	Increase/decrease in electricity price	Effect on profit before tax	Effect on equity before tax
2025	+10%	(16)	(110)
	-10%	15	110
2024	+10%	(2)	(131)
	-10%	4	131

	Increase/decrease in the price of CO2 emission allowances	Effect on profit before tax	Effect on equity before tax
2025	+10%	—	2
	-10%	—	(2)
2024	+10%	—	—
	-10%	—	—

Business segment sensitivity to gas and electricity prices is described below:

- Gas and electricity distribution: This is a regulated activity in which revenue and profit margins are linked to distribution infrastructure management services, irrespective of the prices of the commodities distributed.

- Gas and electricity supply profit margins on gas and electricity supply activities are directly affected by commodity prices. In this regard, Naturgy has a risk policy that determines, among other aspects, the tolerance range based on applicable risk limits. Measures employed to keep risk within the stipulated limits include active supply management, balanced acquisitions and sales formulae, and specific hedging so as to maximise the risk-profit relationship. Supplementary to the above-mentioned policy, Naturgy has mechanisms for ordinary and extraordinary price reviews, by means of the relevant clauses, with a large part of its supply portfolio. These clauses make it possible, in the medium term, to modulate the impact of decoupling between Naturgy's selling prices in its markets and the evolution of prices in its procurement portfolio.

18.1.4. Credit risk

Credit risk is defined as uncertainty associated with the deterioration of credit quality or default on the part of customers and/or commercial and financial counterparties.

Naturgy performs solvency analyses on the basis of which credit limits are assigned and any necessary provisions are determined. Based on these models, the probability of customer default can be measured and the expected commercial loss can be kept under control. In addition, credit quality and portfolio exposure are monitored on a recurring basis to ensure that potential losses are within the limits provided for by internal regulations. This provides the capacity to anticipate events in credit risk management.

The credit risk of trade receivables is reflected in the consolidated statement of financial position, as they are presented net of provisions for expected credit losses (Note 10). These provisions are estimated on the basis of available information about past events (such as customer payment behaviour), current conditions and forward-looking factors (e.g. macroeconomic factors such as gross domestic product growth, inflation and interest rates). The estimate is based on customer portfolio segregation in the geographies in which the Group operates.

During the year, the Group reviewed and updated the macroeconomic scenario used in the expected credit loss model, as well as certain material parameters such as the probability of default and loss given default in the various geographical areas. The objective was to reflect recent developments in material variables in the markets and customer segments, influenced, among other factors, by volatility in the energy and financial markets. This update is part of the ordinary estimation process and incorporates information on past events, current conditions and reasonable grounded forecasts, in accordance with the forward-looking approach required by the standard. No significant changes directly attributable to geopolitical risks or uncertainties were identified in the update.

The credit risk associated with trade accounts receivable has always been low. This is due, on the one hand, to the short payment terms for customers, which minimises the accumulated credit exposure per customer before supply can be suspended for non-payment, in accordance with the relevant regulations. Moreover, the Group applies risk management policies that optimise the credit quality of the overall portfolio and establish additional risk mitigation measures. Furthermore, in all Naturgy's transactions with customers in organised markets, it is the system operator itself that directly manages the guarantees and assumes liability in the event that a counterparty fails to meet its collection or supply obligations.

With respect to other exposures to counterparties in transactions involving financial derivatives and the investment of cash surpluses, credit risk is mitigated by carrying out such operations with reputable financial institutions in line with internal requirements. No significant defaults or losses arose in 2025 or 2024.

To cover the collection risk in the case of certain customers in unorganised markets, the Group negotiates and receives guarantees from financial institutions and third parties. As at 31 December 2025, Naturgy had received guarantees totalling Euros 386 million to cover this risk (Euros 591 million as at 31 December 2024). In 2025, no guarantees were enforced in this connection (a minor amount in 2024).

As at 31 December 2025 and 2024, Naturgy did not have significant concentrations of credit risk. Concentration risk is minimised through diversification by managing and combining various areas of impact. Firstly, by having a portfolio of trade receivables that is spread geographically across several countries; secondly, through a diverse product offer, ranging from energy supply to the implementation of custom energy solutions; thirdly, because there are different types of customers as residential, self-employed entrepreneurs, small and large companies, both private and public, operating in different sectors of the economy.

An ageing analysis of financial assets and related expected losses as at 31 December 2025 and 2024 is set out below:

31.12.2025	**Total**	**Current**	**0-180 days**	**180-360 days**	**More than 360 days**
Expected loss ratio	19.6%	1.3%	22.6%	83.2%	93.7%
Trade receivables for sales and services	3,048	2,229	265	107	447
Expected loss	597	29	60	89	419

31.12.2024	**Total**	**Current**	**0-180 days**	**180-360 days**	**More than 360 days**
Expected loss ratio	20.7%	1.0%	28.8%	70.0%	99.5%
Trade receivables for sales and services	3,596	2,648	271	110	567
Expected loss	745	26	78	77	564

The expected loss ratio is calculated as the expected loss divided by customer receivables for sales and services.

Movements in the expected loss provision are disclosed in Note 10.

As as at 31 December 2025, the balance of the provision for bad debts (expected loss) includes bad debts at the supply companies in the Wholesale Electricity Market in the amount of Euros 108 million (Euros 97 million as at 31 December 2024).

Concerning supplier credit risk, the solvency of each supplier of products and services is guaranteed through regular analysis of their financial information, particularly prior to new engagements. To this end, the relevant valuation criteria are applied depending on the supplier's criticality in terms of service or concentration. This procedure is supported by control and supplier management mechanisms and systems.

18.1.5. Liquidity risk

Naturgy has liquidity policies that ensure fulfilment of its payment commitments, while diversifying the coverage of financing needs and debt maturities. Prudent management of liquidity risk includes maintaining sufficient cash and realisable assets and having sufficient funds available to cover credit obligations.

Available cash resources as at 31 December 2025 and 2024 are analysed below:

Liquidity source	**Available in 2025**	**Available 2024**
Undrawn credit facilities (Note 17)	5,560	5,611
Cash and cash equivalents (Note 13)	4,357	5,626
Total	9,917	11,237

There is also additional unused capacity to issue debt in capital markets amounting to Euros 8,564 million (Euros 7,214 million as at 31 December 2024) (Note 17).

The breakdown of estimated payments of financial liabilities recorded as at 31 December 2025 and 2024 is as follows:

	2026	**2027**	**2028**	**2029**	**2030**	**2031 and beyond**	**Total**
31.12.2025							
Trade and other payables (Note 20)	4,222	—	—	—	—	—	4,222
Financial liabilities (1)	3,471	1,834	3,275	3,616	2,155	8,277	22,628
Financial derivatives	11	—	—	—	—	—	11
Total	**7,704**	**1,834**	**3,275**	**3,616**	**2,155**	**8,277**	**26,861**

	2025	2026	2027	2028	2029	2030 and thereafter	Total
31.12.2024							
Trade and other payables (Note 20)	4,762	—	—	—	—	—	4,762
Financial liabilities (1)	3,664	3,908	2,557	3,502	3,322	7,181	24,134
Financial derivatives	19	14	—	—	—	—	33
Total	**8,445**	**3,922**	**2,557**	**3,502**	**3,322**	**7,181**	**28,929**

(1) Includes cash flows related to financial liabilities, principal repayments and interest payments accruing each year, broken down by maturity. Does not include financial derivatives.

The Group has analysed the potential impact of recent events, including the conflict in Ukraine, tensions in the Middle East and volatility in energy and financial markets, on its ability to meet short-term obligations and maintain liquidity in its various businesses. This analysis did not identify any significant impacts or additional risks. The Group maintains a robust liquidity position, backed by available credit lines and appropriate diversification of funding sources, with no restrictions on meeting financial commitments.

18.1.6. Capital management

The main purpose of Naturgy's capital management is to ensure a financial structure that can optimise the cost of capital and maintain a solid financial position in order to combine shareholder value creation with access to the financial markets at a competitive cost to cover financing needs.

As an indicator of its long-term capital management objectives, Naturgy pursues a long-term leverage ratio of approximately 50%.

Naturgy's long-term credit rating is as follows:

	2025	2024
Standard & Poor's	BBB (*)	BBB (*)
Fitch	BBB (*)	BBB (*)

(*) S&P: Stable outlook, Fitch: Stable outlook.

The leverage ratio is as follows:

	2025	2024
Net borrowings:	**12,317**	**12,201**
Non-current borrowings (Note 17)	13,992	15,095
Current borrowings (Note 17)	2,771	2,927
Cash and cash equivalents (Note 13)	(4,357)	(5,626)
Derivatives financial assets linked to financial liablities (Note 18)	(89)	(195)
Equity:	**11,373**	**11,653**
Equity attributed to the parent company (Note 14)	9,342	9,478
Non-controlling interests (Note 14)	2,031	2,175
Leverage (Net borrowings / (Net borrowings + Equity))	**52.0%**	**51.1%**

18.2. Derivative financial instruments

The breakdown of derivative financial instruments by category and maturity is as follows:

	31.12.2025		31.12.2024	
	Asset	Liability	Asset	Liability
Hedging derivative financial instruments	**252**	**300**	**111**	**388**
Interest rate hedges				
Cash flow hedges	52	—	53	14
Interest and exchange rate hedges				
Cash flow hedges	12	—	—	—
Exchange rate hedges				
Cash flow hedges	—	—	—	—
Price of commodities hedges				
Cash flow hedges	188	300	58	374
Other financial instruments	**9**	**8**	**1**	**1**
Price of commodities	9	8	1	1
Interest rate	—	—	—	—
Non-current derivative financial instruments	**261**	**308**	**112**	**389**
Hedging derivative financial instruments	**266**	**141**	**169**	**790**
Interest rate hedges				
Cash flow hedges	20	6	50	2
Interest and exchange rate hedges				
Cash flow hedges	—	5	—	2
Exchange rate hedges				
Cash flow hedges	5	2	59	15
Fair value hedges	1	—	2	1
Price of commodities hedges				
Cash flow hedges	240	128	58	770
Other financial instruments	**62**	**52**	**41**	**46**
Price of commodities	62	52	8	46
Interest rate	—	—	33	—
Current derivative financial instruments	**328**	**193**	**210**	**836**
Total	**589**	**501**	**322**	**1,225**

The fair value of derivatives is determined based on the listed price in an active market (Level 1) and observable variables in an active market (Level 2).

“Other financial instruments” include derivatives not qualifying for hedge accounting.

As at 31 December 2025, asset derivatives linked to financial liabilities amount to Euros 89 million (Euros 195 million as at 31 December 2024) relating to:

- interest rate derivatives amounting to Euros 52 million in connection with non-current assets and Euros 20 million in connection with current assets (Euros 53 million in connection with non-current assets and Euros 83 million in connection with current assets as at 31 December 2024).
- interest rate and exchange rate hedging derivatives amounting to Euros 12 million under non-current assets.
- cash flow exchange rate hedging derivatives amounting to Euros 5 million under current assets (Euros 59 million under current assets as at 31 December 2024).

The impact on the consolidated income statement of derivative financial instruments is as follows:

	2025		2024	
	Operating profit	**Financial income**	Operating profit	Financial income
Cash flow hedge (1)	(394)	43	(462)	68
Fair value hedge	23	—	(1)	(4)
Other financial instruments	3	(2)	(17)	15
Total	**(368)**	**41**	**(480)**	**79**

(1) Revenue in 2024 included Euros 36 million as a result of the maturity of the gas sales hedging instruments which were ineffective as at 31 December 2023 in the same amount due to decoupling from the indices hedged in the sales transactions.

The breakdown of derivatives as at 31 December 2025 and 2024, their fair value and maturities of their notional values is as follows:

								31.12.2025
								Notional value
(Euros million)	**Fair value**	**2026**	**2027**	**2028**	**2029**	**2030**	**Subsequent years**	**Total**
INTEREST RATE HEDGES:								
Cash flow hedges:								
Financial swaps (EUR)	21	115	415	763	496	1	8	1,798
Financial swaps (USD)	7	609	1	2	2	2	17	633
Financial swaps (MXN)	—	84	—	—	—	—	—	84
Financial swaps (AUD)	38	6	11	10	11	15	672	725
EXCHANGE RATE HEDGES:								
Cash flow hedges:								
Foreign exchange insurance (USD)	3	134	6	—	—	—	—	140
Foreign exchange insurance (AUD)	—	—	18	—	—	—	—	18
Fair value hedges:								
Foreign exchange insurance (EUR) (1)	—	19	—	—	—	—	—	19
Foreign exchange insurance (USD)	1	70	—	—	—	—	—	70
INTEREST AND EXCHANGE RATE HEDGES:								
Cash flow hedges:								
Financial swaps (USD)	6	8	9	9	70	68	—	164
Financial swaps (UF)	1	—	—	—	—	37	74	111
COMMODITIES HEDGES:								
Cash flow hedges:								
Commodities price derivatives (EUR)	(17)	364	77	25	2	—	—	468
Commodities price derivatives (USD)	135	706	431	352	33	33	219	1,774
Commodities price derivatives (AUD)	(118)	114	115	116	117	117	676	1,255
OTHER:								
Commodities price derivatives (EUR)	(2)	—	156	46	—	—	—	202
Commodities price derivatives (USD)	10	15	3	—	—	—	—	18
Commodities price derivatives (AUD)	3	—	17	23	23	26	166	255
Total	**88**	**2,244**	**1,259**	**1,346**	**754**	**299**	**1,832**	**7,734**

(1) Arranged by companies with a functional currency other than the euro.

		31.12.2024						
		Notional value						
(Euros million)	**Fair value**	**2025**	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Total**
INTEREST RATE HEDGES:								
Cash flow hedges:								
Financial swaps (EUR)	29	483	55	336	216	496	9	1,595
Financial swaps (USD)	30	2	689	2	2	2	22	719
Financial swaps (MXN)	4	—	82	—	—	—	—	82
Financial swaps (AUD)	24	(115)	7	12	11	11	720	646
EXCHANGE RATE HEDGES:								
Cash flow hedges:								
Foreign exchange insurance (USD)	(14)	319	—	—	—	—	—	319
Foreign exchange insurance (AUD)	58	604	—	—	—	—	—	604
Fair value hedges:								
Foreign exchange insurance (EUR) (1)	—	5	—	—	—	—	—	5
Foreign exchange insurance (USD)	1	424	—	—	—	—	—	424
INTEREST AND EXCHANGE RATE HEDGES:								
Cash flow hedges:								
Financial swaps (USD)	(2)	4	5	5	5	65	—	84
COMMODITIES HEDGES:								
Cash flow hedges:								
Commodities price derivatives (EUR)	20	227	20	2	—	—	—	249
Commodities price derivatives (USD)	(856)	1,056	565	239	39	39	285	2,223
Commodities price derivatives (AUD)	(192)	96	122	136	146	147	1,031	1,678
OTHER:								
Commodities price derivatives (EUR)	(4)	—	—	—	—	—	—	—
Commodities price derivatives (USD)	(34)	35	—	—	—	—	—	35
Financial swaps (USD)	33	211	—	—	—	—	—	211
Total	**(903)**	**3,351**	**1,545**	**732**	**419**	**760**	**2,067**	**8,874**

(1) Arranged by companies with a functional currency other than the euro.

The fair value of commodity derivatives and the volumes (in physical units) by maturity as at 31 December 2025 and 2024 is as follows:

31/12/2025	Fair value (euro million)	Physical units						
		2026	2027	2028	2029	2030	Subsequent years	Total
Procurements hedges								
Gas (TBTU)	(88)	115	84	50	—	—	—	249
Electricity (GWh)	(7)	2,244	236	73	38	—	—	2,591
CO2 (thousand tonnes)	5	235						235
Sales hedges								
Gas (TBTU)	299	120	84	63	—	—	—	267
Electricity (GWh)	(209)	4,169	3,835	3,831	3,826	3,768	21,287	40,716
Others (non hedge)	11	—	—	—	—	—	—	—
Total	11							

31/12/2024	Fair value (euro million)	Physical units						
		2025	2026	2027	2028	2029	Subsequent years	Total
Procurements hedges								
Gas (TBTU)	15	208	87	40	—	—	—	335
Electricity (GWh)	(3)	1,370	46	3	3	3	—	1,425
Sales hedges								
Gas (TBTU)	(786)	176	85	40	—	—	—	301
Electricity (GWh)	(254)	3,162	3,636	4,180	4,349	4,340	28,846	48,513
Others (non hedge)	(38)	—	—	—	—	—	—	—
Total	(1,066)							

Note 19. Other current and non-current liabilities

The breakdown of this heading as at 31 December 2025 and 2024 is as follows:

	31.12.2025	31.12.2024
Deposits and guarantees deposits	236	245
Derivative financial instruments (Note 18)	308	375
Other liabilities	358	324
Other non-current liabilities	**902**	**944**
Dividends payable	19	19
Expenses accrued pending payment	58	100
Other liabilities	48	60
Other current liabilities	**125**	**179**
Total other liabilities	**1,027**	**1,123**

The fair value and carrying value of these liabilities do not differ significantly.

The “Deposits and guarantee deposits” heading basically includes amounts received from customers under contracts for the supply of electricity and natural gas, deposited with the competent public administrations (Note 9) as stipulated by law, and amounts received from customers to secure supplies of liquefied natural gas.

“Derivative financial instruments” includes the non-current market value of the Australian subsidiaries’ power purchase agreements amounting to Euros 140 million (Euros 181 million as at 31 December 2024) and US subsidiaries’ power purchase agreements amounting to Euros 88 million (Euros 57 million as at 31 December 2024). These PPAs are concluded with the government of the state in which they operate or with private companies, and they hedge the forward sale price of electricity for a given volume of MWh and a given time period. Additionally, as at 31 December 2025, they include operating hedging derivatives for gas prices in the amount of Euros 79 million (Euros 137 million as at 31 December 2024) and for electricity prices in the amount of Euros 1 million.

As as at 31 December 2025, the non-current "Other liabilities" item includes the balancing entry for receivables in Brazil due to the inclusion of the “Imposto sobre Operações relativas à Circulação de Mercadorias e Prestação de Serviços de Transporte Interestadual e Intermunicipal e de Comunicação (ICMS)” in the PIS and COFINS assessment base as described in Note 10, amounting to Euros 118 million (Euros 109 million as at 31 December 2024).

In addition, as at 31 December 2025, the balance of “Other liabilities” includes Euros 60 million classified as non-current and Euros 13 million classified as current, associated with negative market price variances at Renewable Generation facilities (Note 2.4.25.i.) (Euros 79 million non-current and Euros 20 million current as at 31 December 2024). Additionally, the Renewable Generation Spain business includes Euros 102 million in grants received that are contingent upon making the committed investments, which are classified as non-current (including Euros 39 million granted in 2025 and recognised in the consolidated cash flow statement under "Other proceeds from investing activities"). As at 31 December 2024, this included a balance of Euros 78 million received in full in 2024.

“Other liabilities" also includes Euros 32 million non-current in respect of the levelling over the term of the service contracts for the assignment of electricity generation capacity with the Mexican Federal Electricity Commission (contract liabilities) (Euros 27 million classified as non-current as at 31 December 2024).

Note 20. Trade and other payables

The breakdown of this item as at 31 December 2025 and 2024 is as follows:

	31.12.2025	31.12.2024
Trade payables	3,171	3,035
Trade payables with related parties (Note 34)	6	8
Trade payables	**3,177**	**3,043**
Derivative financial instruments (Note 18)	**182**	**817**
Public Administrations	537	540
Accrued wages and salaries	140	145
Other payables	8	6
Other payables	**685**	**691**
Current tax liabilities	**178**	**211**
Total	**4,222**	**4,762**

The fair value and carrying value of these liabilities do not differ significantly.

"Derivative financial instruments" include mainly commodities price derivatives in the amount of Euros 164 million as at 31 December 2025 (Euros 790 million as at 31 December 2024). This item also includes the market value of power purchase agreements at the Australian subsidiaries amounting to Euros 11 million as at 31 December 2025 (Euros 24 million as at 31 December 2024) and at the US subsidiaries amounting to Euros 5 million (Euros 3 million as at 31 December 2024), as well as currency hedges in the amount of Euros 2 million as at 31 December 2025.

20.1 Information on average supplier payment period

The average payment period is calculated in accordance with Law 15/2010 on measures to combat late payment in business operations and the changes brought in under Law 18/2022 of 28 September on the formation and growth of companies.

In accordance with the above regulations, the information to be included in the notes to the consolidated annual accounts in relation to the average supplier payment period in commercial transactions of Spanish companies is as follows:

	2025	2024
Total payments (million euro)	10,775	10,517
Total outstanding payments (million euro)	261	349
Average supplier payment period (days) (1)	18	22
Transactions paid ratio (days) (2)	18	22
Transactions pending payment ratio (days) (3)	18	28
Total payments within the period established in the delinquency regulations (Euros million)	10,731	10,465
Amount paid within the term established in the late payment regulations, as a % of the total amount paid	99.59 %	99.51 %
Number of invoices paid within the period established in the delinquency regulations	24,341,964	23,727,572
Invoices paid within the term established in the late payment regulations, as a % of total invoices paid	99.24 %	98.76 %

(1) Calculated on the basis of amounts paid and pending payment.

(2) Average payment period in transactions paid during the year.

(3) Average age of outstanding balance to suppliers.

Note 21. Tax situation

Naturgy Energy Group, S.A. is the parent of Tax Consolidated Group 59/93, which includes all the companies resident in Spain that are at least 75% directly or indirectly owned by the parent company and that fulfil certain requirements, entailing the overall calculation of the group's taxable income, deductions and tax credits. The Tax Consolidated Group for 2025 is indicated in Appendix III.

The other Naturgy companies pay their taxes individually, in accordance with the schemes applicable to them.

Set out below is the reconciliation between corporate income tax recognised and the amount that would be obtained by applying the nominal tax rate in force in the parent company's country (Spain) to “Profit/(loss) before taxes" for 2025 and 2024:

	2025	%	2024	%
Profit/(loss) before tax	**3,218**		**3,204**	
Statutory tax	**805**	**25.0%**	**801**	**25.0%**
Effect of net results under equity method	(35)	(1.1%)	(30)	(0.9%)
Application of tax rates of foreign companies	44	1.4%	45	1.4%
Tax deductions	(3)	(0.1%)	(31)	(1.0%)
Other items (1)	22	0.7%	50	1.6%
Corporate income tax	**833**	**25.9%**	**835**	**26.1%**
Breakdown of current/deferred expense:				
Current-year tax	830		832	
Deferred tax	3		3	
Income tax	**833**		**835**	

(1) In 2025, "Other items" relates mainly to the non-deductibility of 5% of dividends and withholdings from dividends received from Argentina, partly offset by the deductibility of the 2024 energy tax. In 2024, this item related mainly to the non-deductibility of the energy tax (Note 26) and the non-deductibility of 5% of dividends.

Income qualifying for the tax scheme for transfers of assets made in compliance with competition law (Additional Provision 4 of the revised Corporate Income Tax Law) and the investments in which it was used in prior years are detailed below:

Year of sale	Amount obtained on the sale	Amount reinvested	Capital gain	Capital gain included in tax base	Capital gain pending inclusion in tax base
2002	917	917	462	21	441
2003	141	141	79	—	79
2004	292	292	177	11	166
2005	432	432	300	2	298
2006	310	310	226	—	226
2007	105	105	93	—	93
2009	161	161	87	—	87
2010	790	790	556	1	555
2011	468	468	394	2	392
2012	38	38	32	—	32
Total	**3,654**	**3,654**	**2,406**	**37**	**2,369**

The reinvestment was made in fixed assets related to economic activities carried out by the transferring company or any other company included in the Consolidated Tax Group, by virtue of the provisions of article 75 of the Corporate Income Tax Act.

The breakdown of the tax effect relating to each component of “Other comprehensive income” in the Consolidated Statement of Comprehensive Income for the year is as follows:

	31.12.2025			31.12.2024		
	Gross	Tax effect	Net	Gross	Tax effect	Net
Cash flow hedges	606	(160)	446	(784)	153	(631)
Currency translation differences	6	—	6	55	—	55
Actuarial gains and loss (Note 16)	6	(1)	5	25	(6)	19
Other adjustments	(11)	3	(8)	—	—	—
Total	**607**	**(158)**	**449**	**(704)**	**147**	**(557)**

Set out below is an analysis of and movements in deferred taxes:

Deferred tax assets	**Provisions for employee benefit obligations**	**Provision for bad debts and other provisions**	**Tax credits (1)**	**Amortisation differences**	**Valuation of assets and financial instruments**	**Other**	**Total**
01.01.2024	**223**	**891**	**125**	**475**	**94**	**111**	**1,919**
Charged/(credited) to income statement	(17)	(44)	77	(66)	—	24	**(26)**
Movements related to equity adjustments	(6)	—	—	—	149	—	**143**
Currency translation differences	(4)	(19)	3	(11)	3	—	**(28)**
Transfers and other	3	2	3	—	—	(7)	**1**
31.12.2024	**199**	**830**	**208**	**398**	**246**	**128**	**2,009**
Charged/(credited) to income statement	(16)	(75)	91	(41)	—	14	**(27)**
Movements related to equity adjustments	(1)	—	—	—	(121)	3	**(119)**
Currency translation differences	(1)	(5)	(9)	(12)	(12)	(4)	**(43)**
Transfers and other (2)	—	(6)	(19)	44	5	14	**38**
31.12.2025	**181**	**744**	**271**	**389**	**118**	**155**	**1,858**

(1) As at 31 December 2025 and 2024, the tax credits mainly relate to unused deductions. The recovery of these credits is reasonably assured as they are not subject to any time limit and pertain to companies that historically generate recurring profits.

(2) Includes the transfer to "Non-current assets held for sale" (Note 11).

Naturgy reassessed the recoverability of deferred tax assets considering recent events affecting the economic and regulatory environment, including developments in the conflict in Ukraine, tensions in the Middle East and measures adopted by the European Union on energy and tax matters. After analysing the projected results and updated tax plans, it was concluded that there is a sufficient probability of generating future taxable profit and, therefore, no recoverability issues have been identified.

Deferred tax liabilities	Amortisation differences	Deferred capital gains	Business combination valuation (1)	Valuation of assets and financial instruments	Other	Total
01.01.2024	**653**	**207**	**692**	**77**	**387**	**2,016**
Charged/(credited) to income statement	(7)	—	(28)	—	6	**(29)**
Movements related to equity adjustments	—	—	—	(3)	—	**(3)**
Currency translation differences	(8)	—	(8)	1	10	**(5)**
Transfers and other	(5)	—	—	4	(33)	**(34)**
31.12.2024	**633**	**207**	**656**	**79**	**370**	**1,945**
Charged/(credited) to income statement	(20)	—	(21)	—	11	**(30)**
Movements related to equity adjustments	—	—	—	39	—	**39**
Currency translation differences	(30)	—	(9)	(7)	(22)	**(68)**
Transfers and other (2)	2	—	(8)	(6)	51	**39**
31.12.2025	**585**	**207**	**618**	**105**	**410**	**1,925**

(1) The "Business combination valuation" heading mainly includes the tax effect of the portion of the merger difference resulting from the absorption of Unión Fenosa, S.A. by Naturgy Energy Group, S.A. in 2009, allocated to net assets acquired, which will not have tax effects. It also includes the tax effect of the purchase price allocation of CGE by Naturgy in 2014 and of various prior acquisitions completed by CGE. Also included is the tax effect of the purchase price allocation of ASR Wind in 2023.
(2) Includes the transfer to "Non-current assets held for sale" (Note 11).

A 31 December 2025, there were no tax credits pending recognition (Euros 41 million as at 31 December 2024).

Naturgy Energy Group, S.A. was also notified of the commencement of a tax audit in respect of withholdings and payments on account of investment income paid to non-resident entities for the period from April 2018 to December 2020. In July 2023, an assessment was received that the company is disputing and which, at the date of authorisation of these consolidated annual accounts, is under appeal before the Central Economic Administrative Court (Note 36).

Concerning the appeals against contested assessments in respect of corporate income tax for 2011-2015, which regularised the international double taxation tax credit, a ruling was received from the Central Economic-Administrative Court (TEAC) on 29 September 2022 rejecting the appeal in its entirety. A contentious-administrative appeal was filed against that decision with the National High Court. At the date of authorisation for issue of these consolidated annual accounts all the formalities have been completed at the National High Court, except for setting a date for the vote and judgement procedure. Enforcement of the ruling has been suspended and the tax liability, which including accrued late payment interest totalling Euros 20 million (Euros 19 million as at 31 December 2024), has been fully provided for under "Provisions" (Note 16).

In July 2025, notice was received of the initiation of general tax audits in respect of eight companies in Group 59/93 for corporate income tax (tax consolidation regime) covering the years 2020 to 2023 and the same companies in Group 273/08 for VAT (group of entities regime) and personal income tax withholdings from employees and self-employed workers covering the period from June 2021 to December 2024. Notice was also received of the initiation of an audit of non-resident income tax withholdings and capital gains tax withholdings for the period between June 2021 and December 2024. In January 2026, the audit was extended to two additional undertakings for the same years and taxes as in July 2025, except for personal income tax withholdings, where they are limited to the period from October 2021 to December 2024.

The outcome of these audits is not expected to have an impact on the group's consolidated income statement.

In February 2024, the Spanish tax authorities gave notice of a partial audit in respect of the Temporary Energy Tax for 2023. Pursuant to the provisions of the General Taxation Law, the inspectorate was asked to transform the proceedings into a full audit.

In September 2024, the Company rejected an assessment that proposed a total regularisation of Euros 86 million (Euros 83 million of tax and Euros 3 million of interest). Submissions against this assessment were presented and which were rejected by the tax authorities in a decision notified on 27 January 2025, which entails ratification of the assessment. In February 2025, Naturgy appealed the assessment before the Central Economic-Administrative Tribunal within the legally established time limit and provided a bank guarantee to suspend payment of the tax debt; suspension was granted in February 2025.

In March 2025, the Spanish tax authorities gave notice of the initiation of a general audit of the Temporary Energy Tax for 2024. In October 2025, assessments in the amount of Euros 43 million were issued (Euros 41 million in principal and Euros 2 million in interest), which Naturgy is disputing. In January 2026, the authorities reaffirmed the settlement and demanded payment of the tax. An appeal will be filed by the established deadline and payment of the tax will be suspended by presenting a bank guarantee.

A 31 December 2025, Naturgy maintains a provision to cover the risk arising from the assessments in connection with both 2023 and 2024.

After an in-depth analysis of the regulations governing the energy tax, in 2023 the Group filed a claim before the National High Court and filed a request for refund of Euros 165 million paid unduly in 2023 (in relation to 2022) and Euros 89 million paid unduly in 2024 (in relation to 2023).

On 8 July 2024, the Spanish Supreme Court ruled, in the light of the case law of the Court of Justice of the European Union (CJEU), that the annulment of the exemption from the Special Tax on Hydrocarbons in connection with the supply of natural gas used for electricity generation, as provided for in Law 15/2012, was contrary to European law on the grounds that the environmental reasons given did not respond to any specific analysis or specific environmental policy. Subsequently, the State filed an appeal for annulment before the Supreme Court and an appeal for protection of basic rights before the Constitutional Court, both of which were dismissed. Finally, according to notifications received in September 2025, the State has acquiesced in the three proceedings pending before the National High Court. In December 2025, the National Court upheld the administrative appeal filed by Naturgy relating to 2016, for an amount of Euros 30 million plus interest. Following this ruling, the Group has administrative appeals pending before the National Court for Euros 77 million plus interest, corresponding to 2014 and 2015, in respect of which it is expected that the same criteria applied to the 2016 issue will be adopted, given that the cases are substantially similar (Note 23). In addition, two proceedings remained open before the Central Economic-Administrative Court (TEAC) in respect of which notice was received in November 2025 of a ruling applying the criteria of the Supreme Court. Consequently, the TEAC upheld Naturgy's claims and, at the end of 2025, the tax authorities had refunded Euros 39 million in tax, plus interest amounting to Euros 11 million, to the Group.

In accordance with Spanish tax legislation, at the date of authorisation of these consolidated annual accounts, the Spanish Group’s returns for the last four year for the principal taxes to which it is subject and which are not involved in the above-mentioned tax inspection are open to inspection.

In general, the other Naturgy companies are open to inspection for the following periods:

Country	Period
Argentina	2020-2025
Brazil	2021-2025
Chile	2020-2025
Mexico	2024-2025
Panama	2024-2025
Costa Rica	2023-2025
Dominican Republic	2023-2025
USA	2023-2025
Australia	2022-2025

As a result, among other things, of the different interpretations to which current tax legislation lends itself, additional liabilities could arise as a result of an inspection. Naturgy considers, however, that any liabilities that might arise would not significantly affect these consolidated annual accounts.

Naturgy assesses uncertain tax treatments and reflects the effect of uncertainty on taxable income (losses), tax bases, and unused tax losses or tax credits. Naturgy has adequate coverage for possible obligations deriving from a number of tax claims. There are no lawsuits or uncertain tax treatments which are individually significant.

Law 7/2024, of 20 December, was published on 21 December 2024, transposing and providing early implementation of the rules established in OECD Pillar 2 and Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, which established a minimum tax rate of 15% for all companies in the Group in each country in which it operates.

Law 7/2024, of 20 December, established, among other tax measures, a top-up tax to guarantee an overall minimum level for multinational enterprise groups and large-scale domestic groups.

An amendment was added to the Top-up Tax Law 7/2024, of 20 December in its passage through Parliament: a final provision was added repealing Article 1 of Law 38/2022, which constitutes a de facto repeal of the Temporary Energy Tax and rules out the possibility that it may be extended to 2025 via a Royal Decree Law.

As a result of the repeal of Article 1 of Law 38/2022 by the final provision of Law 7/2024, the prohibition on treating the amount of the Temporary Energy Tax for 2024 as non-deductible for corporation tax purposes was overridden for 2024. Consequently, the amount of this tax actually paid in 2024 (Euros 89 million) was treated as deductible in the corporation tax return for 2024. Similarly, the amount provisioned to cover the risk arising from the audit and subsequent appeal relating to the 2024 Temporary Energy Tax (Euros 43 million) was also considered to be deductible for the purposes of determining the amount of corporate income tax accrued for 2025.

In response to this repeal, the subsequent meeting of the Spanish Cabinet on 23 December 2024 adopted Royal Decree-Law 10/2024, of 23 December, published in the Official State Gazette on 24 December, which re-imposed the Temporary Energy Tax for 2025, on the basis of net sales in 2024.

The Plenary Session of the Congress of Deputies on 22 January 2025 did not ratify Royal Decree Law 10/2024, of 23 December, which consequently lapsed, meaning that no amount accrued in 2025 under the Temporary Energy Tax.

Law 7/2024 also reintroduced the provisions of Royal Decree-Law 3/2016 that had been declared unconstitutional by the Constitutional Court in its ruling on 18 January 2024. The one with the greatest implications of the Naturgy Group refers to the reversal of impairment losses on equity investments in other companies that were deductible prior to 1 January 2013, with an expected impact of Euros 9 million, plus default interest estimated at Euros 2 million, and a tax rebate of Euros 16 million, plus Euros 1.5 million in interest, arising from the cancellation of the limitation on offsetting tax loss carryforwards. Of these amounts, at the date of authorisation of these consolidated annual accounts, only Euros 16 million plus Euros 2 million in interest corresponding to the cancellation of the limitation on offsetting tax losses had been paid by the tax authorities.

The amount of tax recovered as a result of the reversal of the impairment of holdings must be recognised over the following three years in accordance with the provisions of Law 7/2024; no amount has been recognised to date since the repayment decision resulting from the Constitutional Court ruling has not yet been received.

Law 38/2022 introduced a change in the tax consolidation system with effects confined to 2023, under which the tax base of groups taxed under the consolidation scheme may only include 50% of individual tax losses, while the remaining 50% is to be applied over the following 10 years. Law 7/2024 extended this rule to cover 2024 and 2025, resulting in an increase of Euros 37 million in the 2025 corporate income tax expense (Euros 74 million in 2024).

Royal Decree Law 8/2023, of 27 December, published in the Official State Gazette on 28 December, incorporated a series of tax measures with an impact in 2024, including the following:

- Extension of the application of the reduced VAT rate of 10% to the supply of electricity to customers with an installed capacity of less than 10 kW or who are at risk of social exclusion (to 31 December 2024), as well as to the supply of natural gas (to 31 March 2024), pellets, briquettes and firewood from biomass for heating systems (to 30 June 2024).

- The Tax on the Value of Electricity Production is being gradually phased back in so that the tax base for the first quarter will include only 50% of the total tax for production and incorporation into the electricity system, measured at the plants busbars. For the second quarter, 75% of the amount will be applied, while 100% of the tax base will apply in the third and fourth quarters.

- The rate of the Special Tax on Electricity increased gradually, from 2.5% in the first quarter of 2024 to 3.8% in the second quarter, and since then has been the 5.11269632% rate set in the Law 38/1992 on Excise Duties.

During 2025, no new tax regulations were published that have had a significant impact on Naturgy.

Note 22. Net sales

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows, by category with the relevant operating segment reporting structure (Note 2.4.23 Recognition of revenue and expenses details the recognition model for each type of revenue):

	Networks									Markets							Total
2025	**Gas Spain**	**Gas Mexico**	**Gas Brazil**	**Gas Argentina**	**Gas Chile**	**Elec. Spain**	**Elec. Panama**	**Elec. Argentina**	**Total**	**Energy Management**	**Thermal gen.**	**Renewable generation**	**Renewable Gases**	**Supply**	**Holding and Eli.**	**Total**	
Sales of gas and access to distribution networks	859	768	1,037	591	773	—	—	—	**4,028**	1,427	—	—	32	3,070	—	**4,529**	**8,557**
Sales of electricity and access to distribution networks	—	—	—	—	3	853	972	170	**1,998**	281	1,926	377	—	2,734	—	**5,318**	**7,316**
LNG sales	—	—	—	—	—	—	—	—	**—**	2,604	—	—	—	—	—	**2,604**	**2,604**
Registrations and facility checks	21	5	1	—	—	9	2	—	**38**	4	—	—	—	31	—	**35**	**73**
Assignment power generation capacity	—	—	—	—	—	—	—	—	**—**	—	348	—	—	—	—	**348**	**348**
Rentals meters and facilities	25	—	3	—	—	19	—	—	**47**	—	—	—	—	311	—	**311**	**358**
Other income	14	25	5	7	1	—	1	2	**55**	—	2	57	10	75	—	**144**	**199**
Total	**919**	**798**	**1,046**	**598**	**777**	**881**	**975**	**172**	**6,166**	**4,316**	**2,276**	**434**	**42**	**6,221**	**—**	**13,289**	**19,455**

	Networks									Markets							Total
2024	**Gas Spain**	**Gas Mexico**	**Gas Brazil**	**Gas Argentina**	**Gas Chile**	**Elec. Spain**	**Elec. Panama**	**Elec. Argentina**	**Total**	**Energy Management**	**Thermal gen.**	**Renewable generation**	**Renewable Gases**	**Supply**	**Holding and Eli.**	**Total**	
Sales of gas and access to distribution networks	838	636	1,491	637	855	—	—	—	**4,457**	1,404	—	—	44	3,133	—	**4,581**	**9,038**
Sales of electricity and access to distribution networks	—	—	—	—	1	790	994	220	**2,005**	167	1,302	302	—	2,597	—	**4,368**	**6,373**
LNG sales	—	—	—	—	—	—	—	—	**—**	2,869	—	—	—	—	—	**2,869**	**2,869**
Registrations and facility checks	27	6	1	—	—	10	1	—	**45**	1	—	—	—	40	—	**41**	**86**
Assignment power generation capacity	—	—	—	—	—	—	—	—	**—**	—	374	—	—	—	—	**374**	**374**
Rentals meters and facilities	24	—	3	—	—	18	—	—	**45**	—	—	—	—	301	—	**301**	**346**
Other income	14	29	7	5	1	—	11	3	**70**	—	2	26	1	81	1	**111**	**181**
Total	**903**	**671**	**1,502**	**642**	**857**	**818**	**1,006**	**223**	**6,622**	**4,441**	**1,678**	**328**	**45**	**6,152**	**1**	**12,645**	**19,267**

22.1 Reporting by geographic area

Naturgy's revenue by country is analysed below:

	2025	2024
Spain	**9,949**	**9,292**
Rest of Europe	**2,079**	**2,489**
France	586	848
Portugal	440	584
Netherlands	305	620
Belgium	245	29
United Kingdom	163	166
Germany	119	117
Italy	109	94
Turkey	44	—
Greece	34	—
Other Europe	34	31
Latin America	**5,797**	**6,243**
Mexico	1,536	1,419
Brazil	1,068	1,560
Panama	977	999
Argentina	802	934
Chile	800	842
Puerto Rico	496	356
Dominican Republic	104	124
Other Latin America	14	9
Other	**1,630**	**1,243**
China	398	287
Taiwan	284	—
USA	282	89
South Korea	258	239
Japan	234	301
Australia	102	47
Thailand	72	55
India	—	102
Other countries	—	123
Total	**19,455**	**19,267**

By application of the accounting treatment described in Note 2.4.17., "Net sales" for 2025 includes a positive amount of Euros 33 million as a net result of the positive and negative price deviations in the Renewable Generation Spain business under the specific remuneration regime. Those deviations were recognised on the consolidated statement of financial position under "Other non-current receivables" (Note 10) and "Other current and non-current liabilities" (Note 19). In 2024, this impact was positive in the amount of Euros 36 million.

Note 23. Procurements

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Energy purchases	10,359	10,009
Access to transmission networks	1,175	1,266
Other purchases and changes in inventories	315	290
Total	**11,849**	**11,565**

In 2025, the Group recognised a positive effect totalling Euros 146 million related to the recovery of the Special Tax on Hydrocarbons (IEH) borne between 2014 and 2018 for electricity generation using combined cycle gas plants in Spain. The IEH is a tax levied on products intended for use as fuel (such as natural gas) under the general provisions of Law 38/1992 on Excise Duties. The possibility of requesting a refund of this tax arises from the case law of the Supreme Court and the Court of Justice of the European Union, which have ruled that the abolition of the exemption applicable to natural gas used for electricity production, introduced by Law 15/2012 on fiscal measures for energy sustainability, is inadmissible, considering that there are no environmental reasons to justify its taxation.

In December 2025, the National Court upheld Naturgy's administrative appeal in relation to that tax for 2016 for an amount of Euros 30 million plus interest. Following that ruling, the Group has administrative appeals pending before the National Court for Euros 77 million plus interest in connection with 2014 and 2015. Although there was already favourable case law, the decisive reason for expecting to recover the amounts in litigation was the notification, in September 2025, of the State's acquiescence in all ongoing appeals, which made it possible to consider recovery as practically certain.

In December 2025, the Central Economic-Administrative Court (TEAC) upheld appeals for the period September 2017-December 2018 for an amount of Euros 39 million plus interest, recognising the right to a refund of the tax that had been paid unduly.

A positive entry was made in the Procurements heading of the accounts since, at the time, the amount of the tax formed part of the cost of gas acquired for electricity generation in Spain.

Note 24. Other operating income

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Other management income	99	161
Concession construction or improvements services IFRIC 12 (1)	80	75
Total	**179**	**236**

(1) Estimated fair value by reference to the expenses incurred (Note 26), without any margin.

In 2024, the "Other operating revenue" item included Euros 63 million corresponding to the right to indemnity for the amounts paid in respect of the cost of financing the energy subsidy in the deregulated market, which was borne by the Group's companies supplying the deregulated market. This right arises from the Supreme Court ruling notified in July 2024. This amount, plus interest, was recognised with a contra-item under "Other debtors" in the consolidated statement of financial position and was collected in 2025 (Note 10).

Note 25. Personnel expenses

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Wages and salaries	480	489
Termination benefits	70	81
Social security costs	96	93
Defined contribution plans	24	21
Defined benefit plans (Note 16)	2	1
Share-based payments (Note 14)	2	2
Own work capitalised	(80)	(80)
Other	38	36
Total	**632**	**643**

The average number of Naturgy employees was 6,834 in 2025 and 7,014 in 2024, analysed by category as follows:

	2025	2024
Senior management	17	16
Executives	539	507
Middle management	383	382
Staff not covered by collective bargaining agreement	1,381	1,423
Staff covered by collective bargaining agreement	4,514	4,686
Total	**6,834**	**7,014**

The average number of employees in the year with disability equal to or greater than 33% is as follows, by category:

	2025	2024
Senior management	—	—
Executives	2	3
Middle management	3	3
Staff not covered by collective bargaining agreement	21	16
Staff covered by collective bargaining agreement	95	86
Total	**121**	**108**

The number of Naturgy employees at the end of 2025 and 2024, broken down by category, gender and geographical area, is as follows:

	31.12.2025			31.12.2024		
	Men	Women	Total	Men	Women	Total
Senior management	13	4	17	13	4	17
Executives	321	224	545	335	197	532
Middle management	255	133	388	244	121	365
Staff not covered by collective bargaining agreement	676	624	1,300	770	648	1,418
Staff covered by collective bargaining agreement	3,040	1,474	4,514	3,148	1,461	4,609
Total	**4,305**	**2,459**	**6,764**	**4,510**	**2,431**	**6,941**

	2025	2024
Spain	3,883	4,017
Rest of Europe	19	19
Latin America	2,799	2,833
Rest	63	72
Total	**6,764**	**6,941**

The number of employees in joint venture operations is included on a pro-rata basis depending on the relevant percentage interest, with regard to both the calculation of the average number of employees and the calculation of the number of employees at Naturgy's year-end. As at 31 December 2025, the number of employees of these undertakings amounted to 135 (141 as at 31 December 2024) and the average number of employees amounted to 137 (144 as at 31 December 2024).

Calculation of the number of employees at year-end and of the average number of employees does not count employees of companies classified as discontinued operations (Note 11) or of companies recognised using the equity method. The breakdown is as follows:

	2025		2024	
	Number of employees at year-end	Average number of employees	Number of employees at year-end	Average number of employees
Discontinued operations (1)	8	9	12	18
Equity-consolidated companies	56	57	56	56

(1) The employees included pertain to coal-fired generation in Spain, which was discontinued in 2020 (Note 11).

Note 26. Other operating expenses

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Taxes	605	696
Operation and maintenance	353	414
Advertising and other commercial services	123	130
Professional services and insurance	150	144
Concession construction or improvements services (IFRIC 12) (Note 24)	80	75
Supplies	60	60
Services to customers	56	57
Lean services	122	124
Other	330	301
Total	**1,879**	**2,001**

The "Taxes" as at 31 December 2024 included the energy tax in the amount of Euros 213 million. Naturgy Energy Group, S.A., the company required to make the payment because it is the main operator in the energy sector, passed the charge on to the other companies that make up the tax group.

The Group did not accrue any amounts in respect of energy taxes in 2025. Although Royal Decree-Law 10/2024, of December 23, reinstated this tax for 2025, that legal text was not approved by the Parliament in its session on 22 January 2025 (see Note 21).

The "Taxes" item includes Euros 235 million corresponding to the Tax on the Value of Electricity Production (IVPEE). The amount recognised in 2025 is significantly higher than in the previous year (Euros 149 million in 2024), mainly due to the gradual reinstatement of the tax that began in 2024, following its suspension in 2021, until the rate of 7% was regained from July 2024 onwards. This increase was also driven by the increased volume of power generation that is subject to the tax, in both the Thermal Generation Spain and Renewable Generation Spain segments.

Note 27. Profit/(loss) on disposals of fixed assets

In 2025, there were no gains on disposal of fixed assets.

Gains on disposals of fixed assets in 2024 relate mainly to capital gains on sales by Naturgy Candela Devco LLC. in Renewable Generation USA. Specifically, this consisted of Euros 4 million from the sale of assets associated with the Agua Fría Solar, LLC project (Note 2.4.1) and Euros 6 million of capital gain generated by the second milestone in the sale of assets associated with the Vulcan project, arranged in 2023.

Note 28. Depreciation and impairment losses on non-financial assets

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Amortisation intangible assets (Note 5)	351	326
Depreciation PPE (Note 6)	1,126	1,095
Depreciation right-of-use assets (Note 7)	124	121
Reversal of intangible asset impairment (Notes 4 and 5)	(49)	(37)
PPE impairment (Notes 4 and 6)	60	19
Total	**1,612**	**1,524**

Note 29. Other results

On 6 March 2025, Metrogas, S.A., a subsidiary of the Naturgy Group in Chile, reached an agreement with Transportadora de Gas del Norte, S.A. (TGN) to settle all legal disputes initiated in 2011 that remained pending before the courts of the Republic of Argentina. As a result of this agreement, USD 20 million (Euros 19 million) of provisions were reversed (Note 36).

The remainder of this heading relates to a number of minor negative impacts.

In 2024, this heading included the effects of the arbitration award issued in June 2024 in the proceedings involving EDP, as well as the update of the provisions for the claims by TGN against Metrogas, a Naturgy group subsidiary in Chile, after revocation of the first instance ruling handed down in Argentina in that year (see Note 36 for both cases).

Note 30. Net financial income/(expense)

The breakdown of this heading in the consolidated income statement for 2025 and 2024 is as follows:

	2025	2024
Interest income	179	220
Other financial income (1)	125	186
Total financial income	**304**	**406**
Cost of borrowings (2)	(708)	(710)
Interest expenses pension plans	(16)	(15)
Other financial expense (3)	(69)	(117)
Total financial expense	**(793)**	**(842)**
Variations in the fair value of financial instruments (4)	(2)	12
Net exchange differences	(13)	(41)
Net financial income/(expense)	**(504)**	**(465)**

(1) In 2025, it includes the default interest on the recovery of the Special Tax on Hydrocarbons (IEH) in the amount of Euros 55 million (Note 23) and a positive impact amounting to Euros 9 million linked to the EMTN issuance and redemption in May 2025 (Note 17). In 2024, this item included revenue from the partial reversal of the provision for the claim against Metrogas, S.A. by Transportadora de Gas del Norte, S.A. (TGN) (Note 36), and revenue from the calculation of the present value of the compensation recognised for funding the energy subsidy ("bono social") in the deregulated market (Note 24). It also included the positive impact (Euros 19 million) linked to the EMTN issuance and redemption in October 2024 (Note 17).

(2) This includes the cost of financial lease liabilities (Euros 83 million in 2025 and Euros 85 million in 2024) and other refinancing costs (Euros 11 million in 2025 and Euros 15 million in 2024).

(3) This includes discounting to present value of the provisions referred to in Note 16, and the inflation adjustment applicable to the Distribution Network companies in Argentina, as a hyperinflationary economy, with impacts of Euros 25 million in 2025 and Euros 59 million in 2024.

(4) It relates mainly to the change in value of derivative financial instruments (Notes 9 and 18). In 2025, this includes the Euros -3 million change in the financial derivatives at Ibereólica Cabo Leones II, S.A. and GPG Solar Chile 2017, S.p.A. (Euros +10 million in 2024). The financial derivatives of GPG Solar Chile 2017, S.p.A. were settled in June 2025 (Note 9).

Note 31. Cash generated by operating activities and other cash-flow breakdowns

The breakdown of cash generated from operations in 2025 and 2024 is as follows:

	2025	2024
Profit/(loss) before tax	**3,218**	**3,204**
Adjustments to profit/(loss):	**1,800**	**1,793**
Depreciation, amortisation and impairment expenses (Notes 4, 5, 6, 7 & 28)	1,612	1,524
Other adjustments to net income:	188	269
Net financial income (Note 30)	504	465
Profit of entities recorded by equity method (Note 8)	(142)	(120)
Other Results (Note 29)	3	202
Deferred revenues recognised in profit or loss (Note 15)	(60)	(61)
Profit/(loss) on disposals of fixed assets (Note 27)	—	(10)
Other adjustments (1)	(117)	(207)
Changes in working capital (excluding the effects of adjustments in consolidation scope and exchange differences):	**614**	**58**
Inventories	13	301
Trade and other receivables	524	(575)
Trade and other payables	77	332
Other cash flows from operating activities:	**(1,107)**	**(1,063)**
Interest paid	(681)	(703)
Interest collected	180	221
Dividends received	168	82
Income tax paid	(774)	(663)
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	**4,525**	**3,992**

(1) Other adjustments to results mainly include changes to provisions in 2025 and 2024 (Note 16).

Payments on investments in Group companies, associates and business units as at 31 December 2025 and 2024 break down as follows:

	2025	**2024**
Acquisition Fraser Coast Solar Development PTY, Ltd. assets	—	(10)
Acquisition of Renewable Gas assets	(3)	(4)
Other	—	(1)
Total	**(3)**	**(15)**

Divestment receipts in Group companies, associates and business units as at 31 December 2025 break down as follows:

	2025	**2024**
Sale of Qalhat (Note 8)	17	—
Total	**17**	**—**

The breakdown of receipts/(payments) in connection with equity instruments as at 31 December 2025 and 2024 is as follows:

	2025	2024
Disposal	**1,391**	**—**
Naturgy Energy Group, S.A. treasury shares (Note 14)	1,374	—
Dividends associated with treasury shares (Note 14)	17	—
Acquisition	**(2,580)**	**(510)**
Amortization of subordinated obligations (Note 14)	(169)	(500)
Naturgy Energy Group, S.A. treasury shares (Note 14)	(2,332)	—
Long-term incentive plan	(67)	—
Other	(12)	(10)
Total	**(1,189)**	**(510)**

Movements in borrowings in 2025 and 2024 are set out below. Changes that generate cash flows are disclosed separately from those that do not:

		Generates cash flow		Does not generate cash flow		
	01.01.2025	**Increase**	**Decrease**	**Currency translation differences**	**Transfers and other (1)**	**31.12.2025**
Issuing of debentures and other negotiable obligations	6,419	2,311	(3,069)	5	19	5,685
Borrowings from financial institutions	9,997	1,263	(921)	(340)	(215)	9,784
Derivative financial instruments	33	—	—	—	(22)	11
Lease liabilities	1,562	—	(223)	(122)	61	1,278
Other financial liabilities	11	—	—	(1)	(5)	5
Total (Note 17)	**18,022**	**3,574**	**(4,213)**	**(458)**	**(162)**	**16,763**

(2) Includes the transfer to "Non-current assets held for sale" (Note 11).

		Generates cash flow		Does not generate cash flow		
	01.01.2024	**Increase**	**Decrease**	**Currency translation differences**	**Transfers and other**	31.12.2024
Issuing of debentures and other negotiable obligations	7,629	1,195	(2,319)	(79)	(7)	6,419
Borrowings from financial institutions	6,863	4,246	(1,148)	11	25	9,997
Derivative financial instruments	6	—	—	—	27	33
Lease liabilities	1,463	—	(117)	48	168	1,562
Other financial liabilities	9	3	(1)	—	—	11
Total (Note 17)	**15,970**	**5,444**	**(3,585)**	**(20)**	**213**	**18,022**

Note 32. Business Combination

No business combinations took place en 2025 or 2024 (Note 2.4.1.d.).

Note 33. Service concession agreements

Naturgy manages a number of concessions containing provisions for the construction, operation and maintenance of facilities, as well as connection and power supply obligations during the concession period, in accordance with applicable regulations (Appendix IV). The total concession period and the period remaining to expiration of each time-limited concession are shown below:

Company	Activity	Country	Concession period (years)	Initial remaining period (years)
Naturgy BAN, S.A. (*)	Gas distribution	Argentina	35 (extendable 10)	2
Naturgy NOA, S.A. (*)	Gas distribution	Argentina	35 (extendable 10)	2
Naturgy San Juan, S.A. (*)	Electricity distribution	Argentina	60	31
Companhia Distribuidora de Gás do Río de Janeiro, S.A, Ceg Rio, S.A. y Gas Natural Sao Paulo Sul, S.A.	Gas distribution	Brazil	30 (extendable 20/30)	2-5
Unión Fenosa Generadora Torito, S.A.	Hydraulic power generation	Costa Rica	20	up to 6
Naturgy Generación S.L.U., S.A. and Naturgy Renovables, S.L.U.	Hydraulic power generation	Spain	14-65	up to 38
Naturgy México S.A. de C.V. and Comercializadora Metrogas S.A. de C.V.	Gas distribution	Mexico	30 (extendable 15)	2-13
Empresa de Distribución Eléctrica Metro Oeste, S.A. and Empresa de Distribución Eléctrica Chiriqui, S.A.	Electricity distribution	Panama	15	3

*Law No. 27.742, dated 8 July 2024, amended the extension period from 10 to 20 years. In addition, the companies changed their names during the term of the concession: Naturgy BAN, S.A. (formerly Gas Natural BAN, S.A.), Naturgy NOA, S.A. (formerly Gasnor, S.A.) and Naturgy San Juan, S.A. (formerly Energía San Juan, S.A.).

In accordance with the provisions of the current regulatory framework, in October 2024 Naturgy exercised its right to request a 20-year extension of the distribution licence (Appendix II. Regulatory Framework 3.1.4.3).

Furthermore, the gas distribution contracts of CEG and CEG Río, valid until 2027, may be extended for another 30 years. In 2024, Naturgy formally submitted the request for an extension, which is currently being evaluated by the regulator (Appendix II. Regulatory Framework 3.1.4.1).

As indicated in Note 2.4.3.b, Naturgy applies IFRIC 12 “Service concession arrangements”. The intangible asset model is applicable mainly to the gas distribution activities in Argentina and Brazil, and to the electricity distribution activity in Argentina, while the financial asset model applies to the electricity generation business in Costa Rica.

The hydroelectric power plant concessions in Spain (Note 2.4.4.) fall outside the scope of IFRIC 12, among other reasons because power selling prices are set in the market. The other international concessions fall outside the scope of IFRIC 12 because the grantor does not control a significant residual interest in the infrastructure at the concession end date and simultaneously determines the service price. Concession assets continue to be recognised in “Property, plant and equipment”.

Note 34. Information on transactions with related parties

For the purposes of this section, related parties are as follows:

- Significant Naturgy shareholders, i.e. those directly or indirectly owning an interest of 5% or more with voting rights, and those who, though not significant, have exercised the power to nominate a member of the Board of Directors.

Based on that definition, Naturgy's significant shareholders as at 31 December 2025 are as follows:

- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa", through Criteria Caixa S.A.U. (Criteria)
- BlackRock Inc., mainly through GIP III Canary 1, S.à.r.l. (BlackRock)
- CVC Capital Partners PLC, through Rioja Acquisition, S.à r.l. (CVC)
- IFM Global Infrastructure Fund, through Global InfraCo O (2), S.à.r.l. (IFM)

- Directors and senior management of the company and their immediate family members. The term "director" means a member of the Board of Directors and the term "senior management" refers to the Executive Chairman, in connection with his senior management functions, and persons with senior management functions who report directly to the Board of Directors, its committees or the Executive Chairman. Transactions with directors and members of senior management are disclosed in Note 35.

- Transactions between Group companies form part of ordinary activities and are effected on an arm's-length basis. Group company balances include the amount that reflects Naturgy's share of the balances and transactions with companies recognised under the equity method.

The aggregate amounts of transactions with related parties in 2025 are as follows (thousand euro):

2025	**Significant shareholders**				**Directors**	**Group companies**
Expense and income (thousand euro)	Criteria	CVC	BlackRock	IFM		
Financial expenses	—	—	—	—	—	59
Leases	—	—	—	—	—	4
Receipt of services	—	—	—	—	—	1,529
Purchase of goods (1)	—	—	—	—	—	71,386
Other expenses	—	—	—	—	—	—
Total expenses	**—**	**—**	**—**	**—**	**—**	**72,978**
Financial income	—	—	—	—	—	791
Leases	—	—	—	—	—	—
Provision of services	—	—	—	—	—	—
Sale of goods (1)	1,001	4,775	—	238	—	62,330
Other income	—	—	—	—	—	1,772
Total income	**1,001**	**4,775**	**—**	**238**	**—**	**64,893**

(1) Basically includes purchases and sales of energy, mainly with Qalhat LNG S.A.O.C., Sociedad Galega do Medio Ambiente, S.A. and CH4 Energía S.A. de C.V.

	Significant shareholders				**Group companies**
Other transactions (thousand euro)	Criteria	CVC	BlackRock (2)	IFM	
Acquisition of property, plant and equipment, intangible assets or other assets (3)	704,865	546,759	544,798	446,245	—
Finance agreements: loans and capital contributions (lender)	—	—	—	—	—
Dividends and other profits distributed (1)	434,210	336,787	335,579	274,851	—

(1) Dividends received by the directors and senior management (Note 35) in 2025 amounted to Euros 285 thousand.
(2) Dividends received through the GIP III Canary 1, S.à.r.l. shareholding
(3) Sale of shares of Naturgy Energy Group, S.A.

.

Trade debtors and creditors (Euros thousand)	Significant shareholders				Directors	Group companies
	Criteria	CVC	BlackRock	IFM		
Trade and other receivables	84	477	—	1	—	1,586
Trade and other payables	—	—	—	—	—	6,410

The aggregate amounts of transactions with related parties in 2025 are as follows (thousand euro):

2024	Significant shareholders				Directors	Group companies
Expense and income (thousand euro)	Criteria	CVC	BlackRock	IFM		
Financial expenses	—	—	—	—	—	76
Leases	—	—	—	—	—	4
Receipt of services	—	—	—	—	—	1,551
Purchase of goods (1)	—	—	—	—	—	74,943
Other expenses	—	—	—	—	—	—
Total expenses	**—**	**—**	**—**	**—**	**—**	**76,574**
Financial income	—	—	—	—	—	909
Leases	—	—	—	—	—	—
Provision of services	—	—	—	—	—	—
Sale of goods (1)	994	1,059	—	887	—	78,589
Other income	—	—	—	—	—	1,942
Total income	**994**	**1,059**	**—**	**887**	**—**	**81,440**

(1) Basically includes purchases and sales of energy, mainly with Qalhat LNG S.A.O.C., Sociedad Galega do Medio Ambiente, S.A. and CH4 Energía S.A. de C.V.

Other transactions (thousand euro)	Significant shareholders				Group companies
	Criteria	CVC	BlackRock (2)	IFM	
Acquisition of property, plant and equipment, intangible assets or other assets	—	—	—	—	—
Finance agreements: loans and capital contributions (lender)	—	—	—	—	—
Dividends and other profits distributed (1)	362,544	281,201	280,193	212,387	—

(1) Dividends received by the directors and senior management (Note 35) in 2024 amounted to Euros 241 thousand.
(2) Dividends received through the GIP III Canary 1, S.à.r.l. shareholding

Trade debtors and creditors (Euros thousand)	Significant shareholders				Directors	Group companies
	Criteria	CVC	BlackRock	IFM		
Trade and other receivables	226	16	—	41	—	813
Trade and other payables	—	—	—	—	—	7,642

Note 35. Information on members of the Board of Directors and senior management

35.1. Remuneration of the members of the Board of Directors

The remuneration policy for the members of the Board of Directors was approved at the General Shareholders' Meeting held on 15 March 2022 and is periodically revised by the Board of Directors following a report from the Appointments, Remuneration and Corporate Governance Committee, in order to keep it aligned with best practices in the reference market and with the objectives indicated in the Bylaws.

The amount accrued by the members the Board of Directors of Naturgy Energy Group, S.A., for belonging to the Board of Directors, Audit and Control Committee (ACC), Appointments, Remuneration and Corporate Governance Committee (ARGC) and Sustainability Committee (SC), totalled Euros 3,737 thousand (Euros 3,737 thousand in 2024). The amount for 2025 is detailed below (expressed in euro):

	Position	Board	ACC	ARGC	SC	Total
Mr. Francisco Reynés Massanet	Executive Chairman	1,100,000	—	—	—	1,100,000
Ms. Helena Herrero Starkie	Coordinating Director	210,000	65,000	—	85,000	360,000
Mr. Ramón Adell Ramón	Director	180,000	65,000	—	—	245,000
Mr. Enrique Alcántara-García Irazoqui (1)	Director	60,000	—	21,667	—	81,667
Ms. Isabel Estapé Tous	Director	180,000	—	—	65,000	245,000
Ms. María Isabel Gabarró Miquel (2)	Director	138,387	—	43,333	—	181,720
Ms. Lucy Chadwick	Director	180,000	—	—	65,000	245,000
Mr. Rajaram Rao	Director	180,000	—	65,000	—	245,000
Mr. Martin Catchpole (2)	Director	138,387	—	—	—	138,387
Mr. Claudi Santiago Ponsa	Director	180,000	85,000	65,000	—	330,000
Mr. Pedro Sainz de Baranda Riva	Director	180,000	65,000	85,000	—	330,000
Mr. Jaime Siles Fernández-Palacios	Director	180,000	—	—	65,000	245,000
Mr. Nicolás Villén Jiménez (2)	Director	138,387	—	—	—	138,387
Rioja Acquisition, S.à.r,l., Mr. Javier de Jaime Guijarro (3)	Director	41,613	—	15,027	—	56,640
Mr. Javier de Jaime Guijarro (3)	Director	138,387	—	49,973	—	188,360
Mr. José Antonio Torre De Silva López de Letona	Director	180,000	65,000	—	—	245,000
Ms. Marta Martínez Alonso (2)	Director	138,387	—	—	—	138,387
		3,543,548	**345,000**	**345,000**	**280,000**	**4,513,548**

(1) Until 29 April 2025.
(2) From 25 March 2025.
(3) From 25 March 2025, when he was formally appointment as a director in place of Rioja Acquisition, S.à r.l.

In 2025, as in 2024, no amounts were received under other headings.

As at 31 December 2025, the Board of Directors comprised 15 members (12 members as at 31 December 2024), the Audit and Control Committee had 5 members (5 members as at 31 December 2024), the Appointments, Remuneration and Corporate Governance Committee had 5 members (5 members as at 31 December 2024) and the Sustainability Committee had 4 members (4 members as at 31 December 2024).

The members of the Board of Directors of Naturgy Energy Group, S.A., excluding the Executive Chairman, have not received remuneration from profit sharing, bonuses or indemnities, and have not been granted any loans or advances. Neither have they received shares or share options during the year, they have not exercised options and they do not have unexercised options.

The members of the Board of Directors are covered by the same liability policy that insures all directors and executives of Naturgy. The premium paid in 2025 by Naturgy Energy Group, S.A. amounted to Euros 447 thousand (Euros 519 thousand in 2024).

35.2. Senior management remuneration

For the sole purposes of the information contained in this section, the term "senior management" is understood to include the Executive Chairman in relation to his executive functions, and the executives reporting directly to the Board of Directors, its committees and the Executive Chairman.

As a result of the definition established in the preceding paragraph, as at 31 December 2025, this group comprised 17 people (17 people as at 31 December 2024).

The amount accrued in 2025 by the 17 members of Senior management in terms of fixed remuneration, variable remuneration and other items amounted to Euros 14,662 thousand (Euros 7,750 thousand, Euros 6,615 thousand and Euros 297 thousand, respectively) and Euros 14,382 thousand in 2024 (Euros 7,328 thousand, Euros 6,759 thousand and Euros 295 thousand, respectively). As in 2024, the amount relating to the annual variable remuneration of the Executive Chairman will be settled as a voluntary contribution to his retirement plan, in accordance with the terms of the relevant agreement

Additionally, on 18 February 2025, Naturgy's Board of Directors decided that the long-term variable incentive plan discussed in notes 14 and 16 of these consolidated annual accounts statements would expire early. Settling this plan for the seven-year period from 2018 to 2024 for the 17 members of senior management resulted in an amount of Euros 7,539 thousand per year. During 2024, the executives making up senior management did not receive any advances on the long-term variable incentive plan.

Additionally, in order to fulfil the multi-year variable remuneration scheme, the Board of Directors approved a new incentive plan for the period 2025-2027 for all Naturgy executives, including the 17 members of senior management (Note 16).

Contributions to pension plans and group insurance policies, together with life insurance premiums paid, totalled Euros 2,018 thousand in 2025 (Euros 1,923 thousand in 2024). The amount of funds accumulated through these contributions totalled Euros 38,031 thousand for all executives as at 31 December 2025 (Euros 32,913 thousand as at 31 December 2024).

As as at 31 December 2025, Naturgy has granted guarantees on loans to senior management amounting to Euros 1,115 thousand (Euros 1,115 thousand as at 31 December 2024) and zero advances at that date (Euros 29 thousand as at 31 December 2024). No severance payments were made to senior management for termination of employment in 2025 and 2024.

The Executive Chairman's contract establishes compensation for termination or non-renewal of the position of director in the amount of two annuities of the following annual remuneration: (i) total fixed annual monetary remuneration, (ii) annual variable remuneration, and (iii) long-term incentive in annual terms. If, at the time of calculating the compensation, the long-term incentive has not concluded, it will be necessary to wait until it concludes before calculating and, as applicable, paying the related amount in annual terms. The indemnity will not be payable in the event of the serious and culpable non-fulfillment of his professional obligations causing significant harm to Naturgy's interests. In addition, as consideration for a post-contractual no-competition agreement with a duration of one year, an indemnity equivalent to one year’s full fixed remuneration is provided for.

The contracts concluded with 10 members of the Management Committee contain a clause providing for compensation equivalent to the legally established indemnity, which varies, depending on seniority, between two and three-and-a-half years' salary. This clause applies to cases of unfair dismissal, as well as those referred to in Articles 40, 41 or 50 of the Workers' Statute and, in one of the contracts, to certain situations involving a change in control. In addition, the ten contracts contain a clause providing for compensation equivalent to one year's fixed remuneration for a post-contractual non-competition commitment lasting up to two years.

35.3. Transactions with members of the Board of Directors and senior management

Directors have the obligation to avoid conflicts of interest as established by the Board Regulations of Naturgy Energy Group, S.A. and Articles 228 and 229 of the Spanish Capital Companies Law. Additionally, those articles require that conflicts of interest involving directors must be reported in the annual accounts.

In 2025 and 2024, the directors of Naturgy Energy Group, S.A. did not notify the Board of Directors of any general situation of conflict of interest.

In transactions with related parties (significant shareholders) that have been submitted for approval by the Board, subject to a favourable report of the Audit Committee, any directors linked to the related party involved have abstained.

In 2025 and 2024, the members of the Board of Directors and senior management did not carry out related-party transactions outside the ordinary course of business, or transactions conducted other than on an arm's-length basis, with Naturgy Energy Group, S.A. or group companies.

Note 36. Litigation, arbitration, guarantees and commitments

36.1. Litigation and arbitration

The companies in the Naturgy Group are involved in certain judicial and extrajudicial disputes within the ordinary course of their activities. At the date of preparation of these consolidated annual accounts, the main litigation or arbitration in which Naturgy companies are involved are the following:

Claims for PIS and COFINS taxes in Brazil

In September 2005, the Río de Janeiro Tax Administration annulled the recognition that it had previously issued, in April 2003, for the offset of receivables in respect of PIS and COFINS sales taxes paid by Companhia Distribuidora de Gás do Rio de Janeiro - CEG, in which Naturgy holds an interest of 54.2%. The administrative court confirmed that ruling in March 2007 and, consequently, the company filed a contentious-administrative appeal (Justicia Federal do Rio de Janeiro). Subsequently, notification of a public civil action against CEG relating to the same events was received on 26 January 2009.

In November 2015, the Rio de Janeiro Federal Justice Department issued a first instance ruling partially upholding CEG's appeal, ordering the refund and the payment of the tax debt plus costs in the amount of BRL 105 million (Euros 6 million) and rejecting the imposition of default interest and fines. The ruling was appealed by the Federal Treasury of Brazil and by CEG before the Federal Court of Rio de Janeiro (Chamber of Appeal).

On 6 December 2023, the Federal Court of Rio de Janeiro (Appeals Chamber) issued a ruling confirming the sentence imposed in the first instance for the principal amount plus interest. This decision may be appealed before the court itself and also before the Supreme Court. Both Naturgy company and the Administration have appealed this ruling, so that the final award might be either higher or lower. Since the first two rulings were aligned, it is considered that the possibility of an increase or decrease in the award is remote and that the rulings are likely to be upheld.

As at 31 December 2025, the updated amount is BRL 424 million, equivalent to Euros 66 million (Euros 63 million as at 31 December 2024). The likely outflow of funds in relation to this case will depend on the length of time that the appeal takes.

Claim against Metrogas, S.A.

In 2011 and 2015, Transportadora de Gas del Norte S.A. (TGN) lodged various complaints against Metrogas, S.A. (Metrogas), a Chilean company owned 55.6% by Naturgy, before the civil and commercial courts of first instance in Argentina for alleged breach of contract in the transportation of Argentinian gas to Chile during the Argentina gas crisis.

On 4 August 2022, Metrogas received a first instance ruling ordering it to pay TGN approximately USD 250 million (Euros 213 million) for unpaid invoices and early termination of contracts (loss of earnings), plus costs and interest.

Following Metrogas's appeal against the first-instance ruling, on 7 May 2024, Argentina's Federal Civil and Commercial Court granted the appeal in its entirety, revoking the first-instance ruling and exonerating Metrogas. Subsequently, the extraordinary appeals lodged by TGN were dismissed. However, on 6 December 2024, TGN filed an extraordinary appeal with the Supreme Court of Justice of the Nation, so that, as at 31 December 2024, the judgment is not considered final.

As at 31 December 2024, it was considered that disclosing further information on this matter might seriously impair Naturgy's position in the dispute with TGN and, therefore, it was decided to make the minimum disclosures required by IAS 37.92 for such cases.

On 6 March 2025, Metrogas accepted the proposal submitted by TGN to end the ongoing litigation before Argentine courts. The proposal establishes the payment by Metrogas, S.A. of a total amount of USD 100 million (Euros 85 million) in two instalments: the first, for USD 60 million, paid on the date of acceptance; and the second, for USD 40 million, due on 10 January 2026.

As a result of this agreement, during the first half of 2025, an amount of USD 20 million (Euros 19 million) was reversed from the provision, recognised under “Other profit or loss” in the consolidated annual accounts as at 31 December 2025 (Note 29).

A 31 December 2025, the "Trade and other payables" account in the consolidated statement of financial position includes a balance of Euros 34 million corresponding to the portion of the aforementioned agreement that has not yet matured, there being no other balances in dispute with TGN. This balance was paid by Naturgy in January 2026 as required by the aforementioned agreement.

Arbitration proceedings involving the Group

Arbitration with EDP

On 28 June 2024, a New York-based arbitral tribunal issued an award establishing that Naturgy must indemnify EDP for a net amount of USD 195 million (EUR 184 million) plus interest and a portion of the arbitration costs. The arbitral ruling relates to the now concluded contract whereby EDP delivered liquefied natural gas from Trinidad and Tobago to Naturgy and Naturgy, in turn, delivered an equivalent volume of gas to EDP in the Iberian Peninsula.

In August 2024, Naturgy paid EDP a total of USD 248 million (Euros 229 million) in accordance with the award and, consequently, no provision is recognised in this connection as at 31 December 2024. The aforementioned amount was recognised in consolidated profit and loss for 2024 as follows: Euros -235 million of compensation to EDP in "Other results"; Euros -46 million in "Financial expenses" for interest accrued until the date of payment; arbitration expenses of Euros -3 million in "Other operating expenses"; Euros 23 million of revenue in "Net sales" for indemnities received from EDP; and Euros 28 million of invoices that were outstanding in relation to the contract, recognised as a reversal of provision in "Impairment for credit losses"; plus Euros 4 million for exchange rate differences.

In September 2024, Naturgy filed a lawsuit before a New York court seeking the annulment of the aforementioned award, which was subsequently withdrawn voluntarily in order to pursue the claim or mitigate damages by other means. Consequently, Naturgy considers that the procedure is still ongoing, although there have been no material changes with respect to the situation described in the 2024 consolidated annual accounts.

As at 31 December 2025, there are no balances in the consolidated statement of financial position related to this matter.

Arbitration with Endesa

During 2024, favourable awards were issued to Naturgy in respect of the two arbitrations with Endesa in relation to the contracts for the supply of gas for electricity generation, already concluded, and for the purchase and sale of liquefied natural gas, currently in force.

In the first half of 2024, the arbitration relating to the generation supply contract was resolved, which led to the recognition of reversals of provisions existing as at 31 December 2023 in the amounts of Euros 31 million and Euros 12 million, with an impact on "Net sales" and "Impairment of credit losses", respectively, plus the recovery of Euros 2 million in arbitration costs.

During the second half of 2024, as a result of the ruling related to the liquefied natural gas sales contract, a positive effect of Euros 8 million was recognised in "Net sales" due to the reversal of the provision existing at 31 December 2023.

As at 31 December 2025, there are no balances in dispute in connection with those arbitration processes.

As as at 31 December 2025, there are no other arbitration proceedings in progress that would require a provision to be recognised or the disclosure of a contingent liability.

Environmental incentive for coal-fired plants in Spain

In 2007, the Spanish authorities introduced an environmental incentive to support the installation of new sulphur oxide filters in existing coal plants. In November 2017, the European Commission opened an investigation to determine whether this incentive complied with the European Union's state aid rules. As a result, a provision of Euros 19 million was recorded only for the amounts received from November 2017 onwards, leaving aside the sum of Euros 67 million relating to the period prior to 2017 when the Royal Decree was not in force.

On 8 September 2021, the European General Court ruled against the action for annulment brought by Naturgy against the Commission's decision. An appeal in cassation against this ruling was filed with Court of Justice of the European Union, which is expected to uphold the General Court's finding, which would oblige the Group to refund the entire amount of the aid that was received.

On 14 December 2023, the Court of Justice of the European Union upheld Naturgy's appeal against the judgment of the General Court. The judgment is based on purely formal grounds and, in particular, states that the decision to open the investigation is not sufficiently reasoned.

At the date of authorisation of these consolidated annual accounts, this risk continues to be classified as probable, pending the Commission's decision on the instigation of new proceedings, since the European Court of Justice's decision does not rule on the merits of the case but only on the lack of proper grounds for bringing the case.

As at 31 December 2025, the risk associated with this case was provisioned under "Non-current provisions" in the amount of Euros 105 million (Euros 102 million as at 31 December 2024) (Note 16).

Permits for renewable generation facilities in Spain

The permits for certain renewable wind and solar generation facilities in Spain that are under construction or completed have been appealed before the courts and their viability might be affected in the event that the appeals are upheld. For cases where the risk is considered likely to materialise, an impact of Euros 38 million has been estimated (Euros 26 million as at 31 December 2024).

For the remaining cases, the risk is not considered likely to materialise, although a maximum associated impact of Euros 99 million has been estimated (Euros 100 million as at 31 December 2024).

Water concession expirations in Spain

As at 31 December 2025, administrative proceedings had been initiated by several river basin authorities in relation to the expiration of certain water concessions on the grounds that the concessions had expired. Naturgy has presented submissions opposing the termination, providing documentation proving that the concession terms remain in force in accordance with existing resolutions and concession documents.

The risk associated with these procedures has been classified as possible and estimated at a maximum amount of Euros 60 million. At the date of authorisation of these consolidated annual accounts, no provisions had been recognised since it is expected that the appeals will be successful.

Electricaribe

On 14 November 2016 the Superintendence for Residential Public Services of the Republic of Colombia ("the Superintendence") announced the government take-over of Electricaribe, a Naturgy investee, as well as the removal of the members of the governing body and the general manager, and their replacement by a special agent appointed by the Superintendence. Subsequently, on 14 March 2017, the Superintendence announced the decision to liquidate Electricaribe.

On 22 March 2017, Naturgy initiated arbitration proceedings before the Court of the United Nations Commission for International Trade Law (UNCITRAL) and on 15 June 2018 it lodged a complaint in which it claimed approximately USD 1,600 million. On 4 December 2018, the Republic of Colombia submitted its answer to the complaint and filed a counterclaim for approximately USD 500 million. In March 2021, an arbitration award was issued rejecting the claims of both Naturgy and the Colombian State (Note 9).

Several Colombian government agencies have brought administrative and judicial procedures against the Naturgy group or its employees on behalf of Electricaribe, including the Public Prosecutor's Office, the Superintendence for Public Services and the Superintendence for Companies.

Contested withholding tax assessments

On 7 July 2023, assessments were received in respect of withholdings on account of non-resident income tax for the period 2018-2020 amounting to Euros 195 million, including interest; those assessments are being disputed and an administrative-financial appeal has been filed with the Central Economic-Administrative Court. As as at 31 December 2025, it is believed that the risk in those matters is not likely to materialise.

Tax-related claims in other countries

As at 31 December 2025, Naturgy has filed various claims related to taxes or duties with the authorities in countries in which it operates. The risks believed likely to materialise in this connection are estimated at Euros 60 million (Euros 72 million as at 31 December 2024). The timing of the outflow of funds will depend on the evolution of the administrative and judicial proceedings, in which there has been no significant progress compared to the situation at the end of the previous year.

It is considered that disclosing further information on these claims could seriously impair Naturgy's position in the ongoing disputes with the relevant counterparties and, therefore, it was decided to make the minimum disclosures required by IAS 37.92 for such cases.

Complaint by Spain's National High Court against Naturgy Generación S.L.U.

During the first half of 2024, as a result of disciplinary proceedings by the CNMC, the Public Prosecutor's Office of Spain's National Court (Audiencia Nacional) filed a complaint against Naturgy Generación S.L.U. in connection with an alleged crime in the bids made by the Sabón 3 combined cycle thermal power plant between March 2019 and December 2020.

On 4 April 2025, the National Court resolved to dismiss the proceedings, meaning that, as at 31 December 2025, there is no risk related to this matter apart from the contentious-administrative proceedings before the National Court, where Naturgy is also challenging the penalty imposed by the CNMC.

Settlement of the clawback mechanism

There are differences of opinion between the CNMC and the group's supply companies regarding the application of the clawback mechanism for generation, which could amount to Euros 271 million. Consequently, as at 31 December 2025, Naturgy recognised a provision for this amount.

Disciplinary proceedings against UFD Distribución Electricidad S.A.

As at 31 December 2024, Spain's CNMC had two disciplinary proceedings under way for alleged abuse of dominant position by group company UFD Distribución Electricidad S.A. in connection with the rental of meters to certain customers and with alleged preferential treatment of electricity supply companies belonging to the Group.

On 17 December 2025, the CNMC notified the imposition of a fine of Euros 5 million, which was charged to the existing provision. This penalty has been paid, thus bringing this first case to a close.

On 2 February 2026, the CNMV notified Naturgy of a proposal to close the second case.

Power outage in Spain

On 28 April 2025, there was a power outage on the Iberian Peninsula, the causes of which are still being investigated by the competent authorities. Power was gradually restored throughout the day and early the next day. In this context, various industry operators, including Naturgy, were asked to submit information, and claims have been received from affected third parties for non-material amounts.

However, it is possible that third parties or governments may wish to initiate claims or administrative or legal proceedings against any company in the group as the investigations progress. At the date of authorisation of these consolidated annual accounts, the risk of a material adverse outcome is considered to be remote following analysis of the performance of the group's generation and distribution facilities, the absence of material claims and, ultimately, the group's insurance coverage. Accordingly, no liability has been recognised in relation to these claims, no payments have been made in their connection, and none are expected to be made in the future. Naturgy is assessing the costs incurred as a result of this outage in order to claim them once the cause has been determined.

Naturgy's consolidated statement of financial position as at 31 December 2025 includes provisions for litigation, based on the best estimate made using the information available at the date of preparation of these consolidated annual accounts on their progress and ongoing negotiations, which cover the estimated risks. Naturgy therefore considers that no significant liabilities will arise from the risks described in this section of this Note.

36.2. Guarantees

Guarantees furnished by Naturgy as at 31 December 2025 and 2024 are as follows:

- Guarantees provided to third parties, basically for investment commitments, construction and distribution network expansion, tenders, bids and business contracts amounting to Euros 1,331 million (Euros 1,978 million as at 31 December 2024).
- Guarantees relating to the economic obligations resulting from participation in the Spanish gas system (MIBGAS) and the Spanish electricity system (MEFF and OMIE) for Euros 546 million (Euros 582 million as at 31 December 2024).
- Guarantees provided to public bodies, mainly for tax obligations, amounting to Euros 410 million (Euros 313 million as at 31 December 2024).

- Guarantees for debt issues by group companies Natural Finance Iberia, S.A. and Unión Fenosa Preferentes, S.A.U. totalling Euros 5,260 million (Euros 6,461 million as at 31 December 2024).

- Guarantees for obligations under gas purchase and transport contracts and long-term (20 to 25 years) gas tanker charter contracts of group companies Naturgy LNG Marketing Ltd, Naturgy LNG GOM Limited and Naturgy Aprovisionamientos, S.A. As at 31 December 2025, these contracts amount to Euros 6,530 million (Euros 6,722 million as at 31 December 2024) measured on the basis of current market conditions for the commodities and currencies to which they are linked.

- Parent Company Guarantees (PCGs) associated with the derivative instruments arranged for a total amount of Euros 1,503 million (Euros 1,381 million as at 31 December 2024).

- Naturgy has bank borrowings secured by assets for an amount of Euros 948 million (Euros 1,141 million as at 31 December 2024).

As the above guarantees are basically granted in order to guarantee the fulfilment of contractual obligations or investment commitments, the events that would lead to their execution and, consequently, a cash disbursement would be the nonfulfillment by Naturgy of its obligations in the ordinary course of its business, the probability of which is considered remote. Naturgy estimates that any unforeseen liabilities as at 31 December 2025 that might arise from guarantees furnished would not be material.

36.3. Contractual commitments

The following tables present the contractual commitments for purchases and sales as at 31 December 2025 (million euro):

		31.12.2025					
Acquisition	**Total**	**2026**	**2027**	**2028**	**2029**	**2030**	**and later years**
Energy purchases (1)	45,130	4,762	4,255	4,122	3,808	3,107	25,076
Energy transmission (2)	2,592	502	447	421	393	232	597
Investment (3)	394	380	13	1	—	—	—
Nuclear fuel purchases	47	23	24	—	—	—	—
Total contractual obligations	**48,163**	**5,667**	**4,739**	**4,544**	**4,201**	**3,339**	**25,673**

		31.12.2025					
Sale	**Total**	**2026**	**2027**	**2028**	**2029**	**2030**	**and later years**
Energy sales (4)	12,633	1,672	1,495	1,446	1,398	1,253	5,369
Provision of capacity assignment services (5)	1,278	307	255	152	79	81	404
Total contractual obligations	**13,911**	**1,979**	**1,750**	**1,598**	**1,477**	**1,334**	**5,773**

(1) This reflects the long-term commitments for natural gas purchases under gas procurement contracts with take-or-pay clauses negotiated and held for “own use” (Note 2.4.8). These contracts are generally for 20-25 years, set a minimum amount of gas to be purchased, and provide mechanisms for price revisions indexed to international natural gas prices and the prices of natural gas in the countries to which the gas is shipped. The commitments under these contracts were calculated on the basis of natural gas prices as at 31 December 2025.

It includes a total amount of Euros 10,945 million corresponding to long-term commitments to purchase natural gas of Russian origin which could be affected from 1 January 2027 onwards, either under the European Council's package of sanctions or as a result of the Regulation on imports agreed by the European Parliament and the European Council to progressively ban imports of Russian natural gas. Regarding these regulations, detailed in section 1. European Regulatory Environment in Appendix IV (Regulatory Framework) of these consolidated notes to annual accounts, the European Commission has stated that the the planned measures are be considered a case of force majeure for companies holding such long-term contracts.

(2) This reflects the long-term commitments for gas transport and electricity transmission calculated on the basis of prices at 31 December 2025. It also reflects operating costs identified for charter contracts for gas tankers under finance leases for the tankers currently in operation.

(3) It reflects investment commitments basically for the construction of renewable generation plants in Spain, USA and Australia, the development of the distribution network and other gas infrastructures and the development of the electricity distribution network (Notes 5 & 6).

(4) It basically reflects long-term commitments to sell natural gas under gas sale contracts, containing take-or-pay clauses, negotiated and held for “own use” (Note 2.4.8). Calculated on the basis of natural gas prices as at 31 December 2025. This also includes long-term commitments to sell electricity, calculated on the basis of prices as at 31 December 2025.

(5) It reflects service provision commitments under power generation capacity assignment contracts in Mexico (Note 2.4.23). The commitments made in these contracts were calculated on the basis of prices as at 31 December 2025.

Note 37. Auditors’ fees

Total fees for auditing and related services and other services in 2025 amounted to Euros 5,810 thousand (Euros 7,057 thousand in 2024).

The fees accrued in thousand euro by companies trading under the KPMG brand in 2025 and 2024 are as follows:

	Thousand euro					
	2025			2024		
	KPMG Auditores, S.L.	Rest of KPMG network	**Total**	KPMG Auditores, S.L.	Rest of KPMG network	**Total**
Auditing services (1)	2,539	2,158	**4,697**	2,359	2,180	**4,539**
Assurance services and services related to the audit (1)	292	387	**679**	302	569	**871**
Tax services	—	77	**77**	—	295	**295**
Other services	229	—	**229**	210	1,004	**1,214**
Total fees	**3,060**	**2,622**	**5,682**	**2,871**	**4,048**	**6,919**

Additionally, other audit firms provided various Group companies with audit services amounting to Euros 128 thousand in 2025 (Euros 138 thousand in 2024).

Note 38. Environment

Naturgy is aware of its activities' environmental impacts and, consequently, the Group pays particular attention to the protection of the environment and the efficient use of natural resources to meet energy demand. The Global Sustainability Policy (approved in 2025 to replace the Environmental Policy and the Human Rights Policy) places particular emphasis on continuing to be a key player in the energy transition and contributing to a reduction of greenhouse gas (GHG) emissions, having regard to technological progress and the policies and energy regulations in each country where the Group operates.

Naturgy's most immediate, concrete and measurable responsibility towards the environment is set out in the Sustainability Plan, enshrined in the Strategic Plan 2025-2027. The Sustainability Plan establishes the objectives that guide the Group in its daily performance, in line with the applicable regulations and European Sustainability Reporting Standards (ESRS).

Looking farther ahead, the Group is committed to investing today in sustainable activities, many of which are eligible under the European Taxonomy:

- Constructing new renewable generation facilities to reach an installed capacity of 9.5 GW by 2027.
- Focusing on carbon-neutral renewable gases with a target of producing or injecting at least 1.6 TWh into gas networks in Spain in 2027.
- Integrating biodiversity into Naturgy's strategy and decision-making processes and designing transition plans, as required, that are aligned with the Kunming-Montreal Global Biodiversity Framework.

To this end, Naturgy is focused on six strategic environmental axes:

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

Although the 2025 Non-Financial Information Statement and Sustainability Report contains detailed information on the company's environmental management performance and results, the main milestones are summarised below:

Environmental governance and management

- The Declaration of Principles and Policies (replacing the Corporate Responsibility Policy) and the Global Sustainability Policy (replacing the Environmental Policy and the Human Rights Policy) were approved in 2025. The Declaration of Principles and Policies defines the principles derived from Naturgy's purpose and values, which guide its activities to establish trusting, stable, solid and mutually beneficial relationships with its stakeholders, contributing to building a sustainable economic model in the regions where the Group operates. These principles are implemented through the Code of Ethics and the Global Policies, including the Global Sustainability Policy, which establishes the principles for defining governance and strategy, for identifying impacts, risks and opportunities, and for establishing metrics and objectives that ensure that the sustainability issues set out in the European Sustainability Reporting Standards (ESRS) are managed through the definition of principles, responsibilities and tools. Specifically, in the environmental area, the topics addressed are climate change, pollution, water resources, biodiversity and ecosystems, and resource use and the circular economy.
- Naturgy has a Sustainability Plan, aligned with its 2025-2027 Strategic Plan, that was approved on 18 February 2025 and sets out the Group's environmental objectives for that period.
- ISO 14001 certification was maintained in 2025.

- Both climate-related and nature-related risks have been assessed using the voluntary TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures) frameworks, respectively.

Climate change

- At a meeting on 18 February 2025, the Board of Directors approved the Climate Transition Plan (CTP), which details the pathways for reducing greenhouse gas (GHG) emissions and the intermediate targets required by the applicable regulations, and provides an understanding of the mitigation efforts undertaken by the Group.

- In 2025, the total carbon footprint (scopes 1, 2 and 3) was reduced by 14.3% with respect to 2022 (the baseline year for the objectives of the Climate Transition Plan). Scope 1 (direct) emissions amounted to 13.1 million tonnes of CO_2eq, 14.3% more than the previous year, mainly due to the increase in production at the Group's combined cycle plants in Spain as required to guarantee security of supply following the country-wide blackout on 28 April 2025 (a net increase of 63.6% in output by the CCGTs in Spain compared to 2024). Indirect (scope 2) emissions amounted to 0.2 million tCO_2eq, a decline of 48.2% year-on-year as a result of the reduction in electricity purchases not included in Scope 1, while Scope 3 emissions amounted to 94.0 million tCO_2eq. The latter decreased by 12.5% with respect to 2024 for several reasons, most notably the decline in end-user demand for distributed natural gas and in the volume of LNG sold internationally.

- Renewable gases (biomethane and, in the medium-long term, hydrogen) are the key lever for decarbonising Naturgy's gas business. In 2025, the Group was involved in biomethane projects that had a production and/or grid injection capacity of 0.42TWh.

- 12,477GWh of renewable electricity with guarantees of origin certified by the CNMC were supplied in Spain.

- 17,824MWh of biomethane with renewable gas guarantees of origin, either in-house or purchased on the market, were supplied in Spain.

- Fuel consumption increased by 12.6% due to greater operation of the CCGTs in Spain.

Pollution

The principles established in this area by the Global Sustainability Policy are:

- Prevent and control air, water, and soil pollution to reduce environmental impacts.

- Design new facilities in accordance with the "do no significant harm" (DNSH) approach, as established in the European Taxonomy Regulation.

In the double materiality assessment, soil contamination is considered to be non-material and, consequently, Naturgy focuses its efforts on minimising the impacts of air and water pollution, which are basically located in the value chain.

Water resources

- Water is a natural resource used in the Group's processes to which particular attention is paid, through analyses of the risks related to water use, discharge quality control, ecological reservoir management, eco-efficiency and the reuse of water in processes, for instance through the integration of wastewater from other activities. Overall, 968.7 hm^3 were collected, of which 20.5 hm^3 were used, the remainder being returned to the environment in the form of discharges. In absolute terms, water consumption increased by 24.3% in 2025. This was due to the increase in output by the CCGT plants in Spain, which need water for cooling and other essential functions.

Biodiversity and ecosystems

- In 2025, Naturgy undertook numerous actions in the area of natural capital and biodiversity, all with the aim of preventing, reducing or offsetting our impacts so as to advance with our commitment to zero net loss of biodiversity and the enhancement of the value of the natural surroundings. Specifically, 457 biodiversity initiatives were implemented throughout the Group.

- In 2025, environmental restoration actions were carried out on 448.2 hectares.11% of that area relates to protected areas, habitats or species.

Resource use and circular economy

The principles established in this area by the Global Sustainability Policy are:

- Use resources efficiently, abate waste production, promote waste recovery in accordance with the waste hierarchy, and promote new circular economy models.

- Implement circular practices, especially in new projects and facility decommissioning.

In the double materiality assessment, resource inputs and use, and waste production, are the areas where material impacts and risks have been identified in the value chain, due to the manufacture of the equipment and materials necessary for operations.

Note 39. Events after the reporting date

On 13 February 2026, the sale of the portfolio of photovoltaic and battery storage development projects in the United States, previously classified as “Non-current assets held for sale” as at 31 December 2025, was formalized. Out of the 11 projects included in the portfolio, 9 were sold, and the 2 remaining are pending to be sold. The transaction was completed after a definitive agreement was reached with the buyer and all necessary conditions for the transfer were met. The sale did not have a significant impact on the profit or loss for the year at the date of recognition.

On 17 February 2026, the Board of Directors adopted the proposal for the distribution of the Company's 2025 net profit and prior-year retained earnings, which will be submitted to the shareholders at the annual general meeting, as described in Note 14.

Apart from that, there have been no other material events since the reporting date.

****

Appendix I Naturgy companies

1. Subsidiaries

Company	Country	Activity	Consolidation method (1)	Total interest (%)	
				% Controlling interest (2)	% Equity interest
Naturgy BAN, S.A.	Argentina	Gas distribution	F.C.	70.0	70.0
Gascart S.A.	Argentina	Gas distribution	F.C.	100.0	96.2
Naturgy Noa, S.A.	Argentina	Gas distribution	F.C.	100.0	96.2
Gasmarket S.A.	Argentina	Gas distribution	F.C.	100.0	96.2
Gas Sur S.A.	Chile	Gas distribution	F.C.	100.0	92.3
Innergy Holdings S.A.	Chile	Gas distribution	F.C.	60.0	55.4
Innergy Soluciones Energéticas S.A.	Chile	Gas distribution	F.C.	100.0	55.4
Innergy Transportes S.A.	Chile	Gas distribution	F.C.	100.0	55.4
Metrogas S.A.	Chile	Gas distribution	F.C.	60.2	55.6
Aprovisionadora Global de Energía, S.A.	Chile	Gas distribution	F.C.	60.2	55.6
Ceg Río, S.A.	Brazil	Gas distribution	F.C.	59.6	59.6
Companhia Distribuidora de Gás do Río de Janeiro, S.A.	Brazil	Gas distribution	F.C.	54.2	54.2
Gas Natural Sao Paulo Sul, S.A.	Brazil	Gas distribution	F.C.	100.0	100.0
Gas Natural Redes GLP, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Gas Natural Transporte SDG, S.L.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Andalucía, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Aragón, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Castilla La Mancha, S.A.	Spain	Gas distribution	F.C.	95.0	76.0
Nedgia Castilla y León, S.A.	Spain	Gas distribution	F.C.	90.1	72.1
Nedgia Catalunya, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Cegas, S.A.	Spain	Gas distribution	F.C.	99.7	79.8
Nedgia Galicia, S.A.	Spain	Gas distribution	F.C.	68.5	54.8
Nedgia Madrid, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Navarra, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia, S.A.	Spain	Gas distribution	F.C.	100.0	80.0
Nedgia Rioja, S.A.	Spain	Gas distribution	F.C.	87.5	70.0
Comercializadora Metrogas, S.A. de CV	Mexico	Gas distribution	F.C.	100.0	70.9
Naturgy México, S.A. de C.V.	Mexico	Gas distribution	F.C.	70.9	70.9
Agua Negra S.A.	Argentina	Electricity distribution	F.C.	100.0	100.0
Naturgy San Juan, S.A. (formerly Energía San Juan, S.A.)	Argentina	Electricity distribution	F.C.	100.0	100.0

				Total interest (%)	
Company	Country	Activity	Consolidation method (1)	% Controlling interest (2)	% Equity interest
Naturgy Argentina Gas y Electricidad, S.A.	Chile	Electricity distribution	F.C.	100.0	100.0
UFD Distribución Electricidad, S.A.	Spain	Electricity distribution	F.C.	100.0	100.0
Empresa de Distribución Eléctrica Chiriqui, S.A.	Panama	Electricity distribution	F.C.	51.0	51.0
Empresa de Distribución Eléctrica Metro Oeste, S.A.	Panama	Electricity distribution	F.C.	51.0	51.0
Gasoducto del Pacífico (Argentina) S.A.	Argentina	Gas infrastructure	F.C.	56.7	52.4
Gasoducto del Pacífico S.A.	Chile	Gas infrastructure	F.C.	60.0	55.4
Petroleum Oil & Gas España, S.A.	Spain	Gas infrastructure	F.C.	100.0	100.0
Europe Maghreb Pipeline, S.L.	Spain	Gas infrastructure	F.C.	77.2	77.2
Natural Energy, S.A.	Argentina	Gas supply	F.C.	100.0	100.0
Gas Natural Serviços, S.A.	Brazil	Gas supply	F.C.	100.0	100.0
Naturgy Aprovisionamientos, S.A.	Spain	Gas supply	F.C.	100.0	100.0
Sagane, S.A.	Spain	Gas supply	F.C.	100.0	100.0
Gas Natural Europe, S.A.S. In liquidation	France	Gas supply	F.C.	100.0	100.0
Naturgy LNG GOM Limited	Ireland	Gas supply	F.C.	100.0	100.0
Naturgy LNG Marketing Ltd	Ireland	Gas supply	F.C.	100.0	100.0
Naturgy Servicios, S.A. de C.V.	Mexico	Gas supply	F.C.	100.0	70.9
Gas Natural Puerto Rico, Inc	Puerto Rico	Gas supply	F.C.	100.0	100.0
Comercializadora Regulada, Gas & Power, S.A.	Spain	Gas and electricity supply	F.C.	100.0	100.0
Gas Natural Comercializadora, S.A.	Spain	Gas and electricity supply	F.C.	100.0	100.0
Naturgy Commodities Trading, S.A.	Spain	Gas and electricity supply	F.C.	100.0	100.0
Naturgy Iberia, S.A.U. (formerly Naturgy Iberia, S.A.)	Spain	Gas and electricity supply	F.C.	100.0	100.0
Naturgy Clientes, S.A.U.	Spain	Gas and electricity supply	F.C.	100.0	100.0
Naturgy Comercializadora Empresas, S.A.U	Spain	Gas and electricity supply	F.C.	100.0	100.0
Biometano Segriá, S.L.	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Madridejos, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Biobarrax Albacete, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Tarancón, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Caspe, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
GNR Andalucía, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Biogas Mediana, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Carmona, S.LU	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Criptana, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Membrilla, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Corral de Almaguer, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Biogas Lucainena, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Loja, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0

				Total interest (%)	
Company	Country	Activity	Consolidation method (1)	% Controlling interest (2)	% Equity interest
Bio Vilches, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bio Tobarra, S.L.U	Spain	Renewable Gases	F.C.	100.0	100.0
Bioenergía y Valoraciones Ambientales Sevilla, S.L.	Spain	Renewable Gases	F.C.	65.0	65.0
Naturgy Nuevas Energías, S.L.U.	Spain	Renewable Gases	F.C.	100.0	100.0
H2Meirama, S.L.	Spain	Renewable Gases	F.C.	100.0	100.0
Pelecanus, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Alnux Solar, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Linurgus, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Atrotus, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Carpodacus, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Artinita, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Hidenita, S.L.	Spain	Renewable Gases	F.C.	75.0	75.0
Berrybank 2 Asset Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Berrybank 2 Asset Trust	Australia	Electricity generation	F.C.	100.0	74.9
Berrybank Development Pty, Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Crookwell 3 Development Pty Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Crookwell Development Pty, Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Hawkesdale Asset Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Hawkesdale Asset Trust	Australia	Electricity generation	F.C.	100.0	74.9
Ryan Corner Development Pty, Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Cunderdin Development Finco Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Cunderdin Development Landco Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Cunderdin Development Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Global Power Generation Australia Pty, Ltd.	Australia	Electricity generation	F.C.	99.9	74.9
Berrybank 2 Hold Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Berrybank 2 Hold Trust	Australia	Electricity generation	F.C.	100.0	74.9
Berrybank Development Finco Pty Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Crookwell 3 Development Finco Pty Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Crookwell Development Finco Pty Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Hawkesdale Hold Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Hawkesdale Hold Trust	Australia	Electricity generation	F.C.	100.0	74.9
Ryan Corner Development Finco Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Paling Yards Development Finco Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Paling Yards Development Pty Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Fraser Coast Development Finco, PTY, Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Glenellen Development Finco PTY, Ltd	Australia	Electricity generation	F.C.	100.0	74.9

				Total interest (%)	
Company	Country	Activity	Consolidation method (1)	% Controlling interest (2)	% Equity interest
Bundaberg Development Finco PTY, Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Bundaberg Solar Development PTY, Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Glenellen Asset Trust	Australia	Electricity generation	F.C.	100.0	74.9
Glenellen Asset PTY Ltd	Australia	Electricity generation	F.C.	100.0	74.9
Fraser Coast Solar Development PTY, Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Global Power Generation Finco PTY, Ltd.	Australia	Electricity generation	F.C.	100.0	74.9
Guimarania I Solar Spe Ltda.	Brazil	Electricity generation	F.C.	100.0	75.0
Guimarania II Solar Spe Ltda.	Brazil	Electricity generation	F.C.	100.0	75.0
Sertao i Solar Energía, SPE, Ltda	Brazil	Electricity generation	F.C.	100.0	75.0
Sobral i Solar Energía, SPE, Ltda	Brazil	Electricity generation	F.C.	100.0	75.0
Gestión y Servicios Cabo Leones II	Chile	Electricity generation	F.C.	51.0	38.3
GPG Generación Distribuida, S.p.A.	Chile	Electricity generation	F.C.	100.0	75.0
GPG Solar Chile 2017 SpA	Chile	Electricity generation	F.C.	100.0	75.0
Iberéolica Cabo Leones II, S.A.	Chile	Electricity generation	F.C.	51.0	38.3
Inca de Varas I, SPA	Chile	Electricity generation	F.C.	100.0	75.0
Inca de Varas II, SPA	Chile	Electricity generation	F.C.	100.0	75.0
Parque Eólico Vientos del Pacífico, S.p.A	Chile	Electricity generation	F.C.	100.0	75.0
Almar CCS, S.A.	Costa Rica	Electricity generation	F.C.	100.0	75.0
Unión Fenosa Generadora La Joya, S.A.	Costa Rica	Electricity generation	F.C.	65.0	48.8
Unión Fenosa Generadora Torito, S.A.	Costa Rica	Electricity generation	F.C.	65.0	48.8
Boreas Eólica 2, S.A.	Spain	Electricity generation	F.C.	89.6	89.6
Corporación Eólica de Zaragoza, S.L	Spain	Electricity generation	F.C.	68.0	68.0
Energías Ambientales de Somozas, S.A.	Spain	Electricity generation	F.C.	97.0	97.0
Naturgy Vento, S.A.	Spain	Electricity generation	F.C.	100.0	100.0
Global Power Generation, S.A.	Spain	Electricity generation	F.C.	75.0	75.0
J.G.C. Cogeneración Daimiel, S.L.	Spain	Electricity generation	F.C.	97.6	97.6
Naturgy Ciclos Combinados, S.L.U.	Spain	Electricity generation	F.C.	100.0	100.0
Naturgy Generación, S.L.U.	Spain	Electricity generation	F.C.	100.0	100.0
Naturgy Generación Térmica, S.L.U.	Spain	Electricity generation	F.C.	100.0	100.0
Naturgy Renovables Canarias, S.L.U.	Spain	Electricity generation	F.C.	100.0	100.0
Naturgy Renovables Ruralia, S.L.	Spain	Electricity generation	F.C.	75.0	75.0
Naturgy Renovables, S.L.U.	Spain	Electricity generation	F.C.	100.0	100.0
Parque Eólico Nerea, S.L.	Spain	Electricity generation	F.C.	95.0	95.0
Parque Eólico Peñarroldana, S.L.	Spain	Electricity generation	F.C.	95.0	95.0
Societat Eòlica de l´Enderrocada, S.A.	Spain	Electricity generation	F.C.	76.2	76.2
Tratamiento Cinca Medio, S.L.	Spain	Electricity generation	F.C.	90.0	90.0

Company	Country	Activity	Consolidation method (1)	Total interest (%)	
				% Controlling interest (2)	% Equity interest
Romera Eco Power Solar Energy, S.L.	Spain	Electricity generation	F.C.	100.0	100.0
Mangos Energy, S.L.	Spain	Electricity generation	F.C.	100.0	100.0
Encarnaciones Energy, S.L.	Spain	Electricity generation	F.C.	100.0	100.0
Sol Morón Energy, S.L.	Spain	Electricity generation	F.C.	100.0	100.0
ICE Andújar, S.L.	Spain	Electricity generation	F.C.	60.1	60.1
Sun&Wind Sierra Sur, A.I.E.	Spain	Electricity generation	F.C.	100.0	100.0
Energías Renovables Agüimes, S.L.U	Spain	Electricity generation	F.C.	100.0	100.0
Montalto di Castro Solar S.R.L.	Italy	Electricity generation	F.C.	100.0	100.0
7V Solar Ranch, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Camino Solar Ranch, LLC	USA	Electricity generation	F.C.	100.0	100.0
Bar C Solar, LLC	USA	Electricity generation	F.C.	100.0	100.0
Stonefield Solar, LLC	USA	Electricity generation	F.C.	100.0	100.0
Esmeralda North Solar Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Front Range Midway Solar Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Grimes County Solar Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
1780 Solar Project, LLC	USA	Electricity generation	F.C.	100.0	100.0
Mark Center Solar Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Naturgy Candela Devco LLC	USA	Electricity generation	F.C.	100.0	100.0
Naturgy Solar Operation USA LLC	USA	Electricity generation	F.C.	100.0	100.0
Larrea Solar Project, LLC. (formerly Rough Hat 2 Solar, LLC)	USA	Electricity generation	F.C.	100.0	100.0
Rough Hat Solar, LLC	USA	Electricity generation	F.C.	100.0	100.0
Summer Shade Solar, LLC	USA	Electricity generation	F.C.	100.0	100.0
Naturgy Renewables USA Services Corp.	USA	Electricity generation	F.C.	100.0	100.0
Wagon Wheel Solar Ranch, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Rough Hat Clark Bess, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Rough Hat Clark Manager, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Sunflower Energy Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Sunvine Energy Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
DT Solar Farms, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Independence Energy Project, LLC.	USA	Electricity generation	F.C.	100.0	100.0
Spanish Israeli Operation and Maintenance Company, Ltd.	Israel	Electricity generation	F.C.	100.0	100.0
El Gritón Solar S.A. de C.V.	Mexico	Electricity generation	F.C.	80.0	60.0
Fuerza y Energía Bii Hioxo, S.A. de C.V.	Mexico	Electricity generation	F.C.	100.0	75.0
Fuerza y Energía de Hermosillo, S.A. de C.V.	Mexico	Electricity generation	F.C.	100.0	75.0
Fuerza y Energía de Naco Nogales, S.A. de C.V.	Mexico	Electricity generation	F.C.	100.0	75.0
Fuerza y Energía de Norte Durango, S.A de C.V	Mexico	Electricity generation	F.C.	100.0	75.0

				Total interest (%)	
Company	Country	Activity	Consolidation method (1)	% Controlling interest (2)	% Equity interest
Fuerza y Energía de Tuxpan, S.A. de C.V.	Mexico	Electricity generation	F.C.	100.0	75.0
GPG Energía México, S.A. de C.V.	Mexico	Electricity generation	F.C.	100.0	75.0
Energía y Servicios de Panamá, S.A.	Panama	Electricity generation	F.C.	51.0	38.3
Generadora Palamara La Vega, S.A.	Dominican Rep.	Electricity generation	F.C.	100.0	75.0
Naturgy Rinnovabili Italia, SRL	Italy	Electricity generation	F.C.	100.0	100.0
Naturgy Renouvelables France SAS	France	Electricity generation	F.C.	100.0	100.0
Foggia Solar SLR	Italy	Electricity generation	F.C.	100.0	100.0
Lignitos de Meirama, S.A.	Spain	Mining	F.C.	100.0	100.0
Gas Natural Fenosa Engineering Brasil , S.A., En Liquidaçao	Brazil	Engineering services	F.C.	100.0	100.0
Operación y Mantenimiento Energy Costa Rica, S.A.	Costa Rica	Engineering services	F.C.	100.0	75.0
Naturgy Engineering, S.L.	Spain	Engineering services	F.C.	100.0	100.0
Naturgy Ingeniería Nuclear, S.L.	Spain	Engineering services	F.C.	100.0	100.0
Operación y Mantenimiento Energy, S.A.U.	Spain	Engineering services	F.C.	100.0	75.0
Proyectos Balmes México, S.A. de C.V.	Mexico	Engineering services	F.C.	100.0	75.0
Unión Fenosa Operación México S.A. de C.V.	Mexico	Engineering services	F.C.	100.0	75.0
Operations & Maintenance Energy Uganda Ltd	Uganda	Engineering services	F.C.	100.0	75.0
Natural Re, S.A.	Luxembourg	Insurance	F.C.	100.0	100.0
Naturgy Alfa Investments, S.A.U.	Spain	Financial services	F.C.	100.0	100.0
Naturgy Capital Markets, S.A.	Spain	Financial services	F.C.	100.0	100.0
Naturgy Participaciones, S.A.U.	Spain	Financial services	F.C.	100.0	100.0
Unión Fenosa Preferentes, S.A.U.	Spain	Financial services	F.C.	100.0	100.0
Naturgy Finance Iberia, S.A.U.	Spain	Financial services	F.C.	100.0	100.0
Natural Servicios, S.A.	Argentina	Services	F.C.	100.0	100.0
Gas Natural do Brasil, S.A.	Brazil	Services	F.C.	100.0	100.0
Lean Grids Services Mexico, S.R.L. de C.V.	Mexico	Services	F.C.	100.0	100.0
General de Edificios y Solares, S.L.	Spain	Services	F.C.	100.0	100.0
Naturgy Innovahub, S.L.U.	Spain	Services	F.C.	100.0	100.0
Administración y Servicios ECAP, S.A. de C.V.	Mexico	Services	F.C.	100.0	100.0
Administradora de Servicios de Energía México, S.A. de CV	Mexico	Services	F.C.	100.0	70.9
Servicios de Energía ECAP, S.A. de C.V. (formerly Energía y Confort Administración de Personal, S.A. de C.V.)	Mexico	Services	F.C.	100.0	71.5
Sistemas de Administración y Servicios, S.A. de C.V.	Mexico	Services	F.C.	71.0	71.0
Naturgy Services, S.A.	Panama	Services	F.C.	100.0	100.0
Inversiones Hermill, S.A.	Dominican Rep.	Services	F.C.	100.0	100.0
Empresa Chilena de Gas Natural S.A.	Chile	Services	F.C.	100.0	55.6
Naturgy Chile Gas Natural, S.A.	Chile	Holding company	F.C.	92.3	92.3

Company	Country	Activity	Consolidation method (1)	Total interest (%)	
				% Controlling interest (2)	% Equity interest
GN Holding Argentina Comercializadora, S.A.	Argentina	Holding company	F.C.	100.0	92.3
Naturgy Argentina, S.A.	Argentina	Holding company	F.C.	100.0	100.0
Invergás, S.A.	Argentina	Holding company	F.C.	100.0	100.0
GN Holding Argentina, S.A.	Chile	Holding company	F.C.	100.0	92.3
Global Power Generation Chile, S.p.A.	Chile	Holding company	F.C.	100.0	75.0
GPG México Wind, S.L.U.	Spain	Holding company	F.C.	100.0	75.0
GPG México, S.L.U.	Spain	Holding company	F.C.	100.0	75.0
Holding de Negocios de Gas, S.A.	Spain	Holding company	F.C.	80.0	80.0
Holding Negocios Electricidad, S.A.	Spain	Holding company	F.C.	100.0	100.0
La Propagadora del Gas, S.A.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Acciones, S.L.U.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Distribución Latinoamérica, S.A.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Electricidad Colombia, S.L.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Infraestructuras EMEA, S.L.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Inversiones Internacionales, S.A.	Spain	Holding company	F.C.	100.0	100.0
Naturgy Renewables USA Corp.	USA	Holding company	F.C.	100.0	100.0
Naturgy Solar USA LLC	USA	Holding company	F.C.	100.0	100.0
Unión Fenosa México, S.A. de C.V.	Mexico	Holding company	F.C.	100.0	75.0
Distribuidora Eléctrica de Caribe, S.A.	Panama	Holding company	F.C.	100.0	100.0
Generación Eléctrica del Caribe, S.A.	Panama	Holding company	F.C.	100.0	75.0
Buenergía Gas & Power, LLC	Puerto Rico	Holding company	F.C.	95.0	71.3

(1) Consolidation method: F.C. Full Consolidation, P.C. Proportionate Consolidation, E.M. Equity Method.
(2) Parent company's interest in the subsidiary
(3) Companies recognised as held for sale

2. Joint ventures

Company	Country	Activity	Consolidation method (1)	Total interest (%)	
				% Controlling interest (2)	% Equity interest
Gasoducto GasAndes, S.A. (Argentina)	Argentina	Gas infrastructure	E.M.	43.5	24.2
ENER RENOVA, S.A.	Chile	Electricity generation	E.M.	40.0	40.0
Andes Operaciones y Servicios S.A.	Chile	Gas infrastructure	E.M.	50.0	27.8
Gas Natural Producción, S.A.	Chile	Gas infrastructure	E.M.	36.2	33.4
Gasoducto GasAndes, S.A. (Chile)	Chile	Gas infrastructure	E.M.	43.5	24.2
GNL Chile S.A.	Chile	Gas infrastructure	E.M.	33.3	18.5
Medina Partnership, S.A.	Spain	Holding company	E.M.	50.0	50.0
MEDGAZ, S.A.	Spain	Gas infrastructure	E.M.	49.0	24.5
Eléctrica Conquense, S.A.	Spain	Electricity distribution	E.M.	46.4	46.4
Eléctrica Conquense de Distribución, S.A.	Spain	Electricity distribution	E.M.	100.0	46.4
ROBLA HUB, S.L.	Spain	Renewable Gases	E.M.	50.8	50.8
Rice to Energy, S.L.	Spain	Renewable Gases	E.M.	33.3	33.3
Colectora la Serrata, S.L.	Spain	Electricity generation	E.M.	35.7	35.7
Infraestructuras Eléctricas La Mudarra, S.L.	Spain	Electricity generation	E.M.	39.6	37.3
Nueva Generadora del Sur, S.A.	Spain	Electricity generation	E.M.	50.0	50.0
Toledo PV, A.E.I.E.	Spain	Electricity generation	E.M.	33.3	33.3
Infraestructuras San Servan SET 400, S.L.	Spain	Electricity generation	E.M.	19.2	19.2
Instalaciones San Serván II 400, S.L.	Spain	Electricity generation	E.M.	23.8	23.8
Greene W2BM, S.L.	Spain	Electricity generation	E.M.	50.0	50.0
SET Veciana, S.L.	Spain	Electricity generation	E.M.	32.0	32.0
SEC Valcaire, S.L.	Spain	Electricity generation	E.M.	46.9	46.9
Evacuación Villanueva del Rey, S.L.	Spain	Electricity generation	E.M.	14.8	14.8
Gestión Integral de Reciclaje de Aerogeneradores, S.L.	Spain	Electricity generation	E.M.	33.0	33.0
Aprofitament d'Energies Renovables de l'Ebre, S.L.	Spain	Electricity generation	E.M.	14.2	14.2
Evacuación San Serván 400, S.L.	Spain	Electricity generation	E.M.	31.3	31.3
Gas Natural Vehicular del Norte Asociación en Participación	Mexico	Gas distribution	E.M.	51.3	36.4
CH4 Energía S.A. de C.V.	Mexico	Gas supply	E.M.	50.0	35.4
EcoEléctrica Holdings, LLC.	Puerto Rico	Holding company	E.M.	50.0	35.6
EcoEléctrica, L.P.	Puerto Rico	Electricity generation	E.M.	100.0	35.6
EcoEléctrica LLC	Puerto Rico	Holding company	E.M.	100.0	35.6

(1) Consolidation method: F.C. Full Consolidation, P.C. Proportionate Consolidation, E.M. Equity Method.
(2) Parent company's interest in the subsidiary

3. Jointly-controlled assets and operations

				Total interest (%)	
Company	Country	Activity	Consolidation method (1)	% Controlling interest (2)	% Equity interest
Bezana / Bigüenzo	Spain	Gas infrastructure	P.C.	55.6	55.6
Boquerón	Spain	Gas infrastructure	P.C.	4.5	4.5
Casablanca	Spain	Gas infrastructure	P.C.	9.5	9.5
Chipirón	Spain	Gas infrastructure	P.C.	2.0	2.0
Montanazo	Spain	Gas infrastructure	P.C.	17.7	17.7
Rodaballo	Spain	Gas infrastructure	P.C.	4.0	4.0
Central Térmica de Anllares, A.I.E.	Spain	Electricity generation	P.C.	66.7	66.7
Centrales Nucleares Almaraz-Trillo, A.I.E.	Spain	Electricity generation	P.C.	19.1	19.1
Comunidad de bienes Central Nuclear de Almaraz (Grupo I y II)	Spain	Electricity generation	P.C.	11.3	11.3
Comunidad de bienes Central Nuclear de Trillo (Grupo I)	Spain	Electricity generation	P.C.	34.5	34.5
Comunidad de bienes Central Térmica de Aceca	Spain	Electricity generation	P.C.	50.0	50.0
Comunidad de bienes Central Térmica de Anllares	Spain	Electricity generation	P.C.	66.7	66.7
UTE ESE Clece - Gas Natural	Spain	Services	P.C.	50.0	50.0

(1) Consolidation method: F.C. Full Consolidation, P.C. Proportionate Consolidation, E.M. Equity Method.
(2) Parent company's interest in the subsidiary

4. Associates

Company	Country	Activity	Consolidation method (1)	Total interest (%)	
				% Controlling interest (2)	% Equity interest
Sistemas Energéticos La Muela, S.A.	Spain	Electricity generation	E.M.	20.0	20.0
Sistemas Energéticos Mas Garullo, S.A.	Spain	Electricity generation	E.M.	18.0	18.0
Sociedade Galega do Medio Ambiente, S.A.	Spain	Electricity generation	E.M.	45.2	45.2
Bluemobility System, S.L. En Liquidación	Spain	Services	E.M.	20.0	20.0
Kromschroeder, S.A.	Spain	Services	E.M.	44.5	44.5

(1) Consolidation method: F.C. Full Consolidation, P.C. Proportionate Consolidation, E.M. Equity Method.
(2) Parent company's interest in the subsidiary

Appendix II. Changes in consolidation scope

The changes in the consolidation scope in 2025 were as follows:

Company name	Transaction type	Effective transaction date	Voting rights acquired/disposed of (%)	Voting rights after the transaction	Consolidation method after the transaction
SET Veciana, S.L.	Sale	10 January	(9.2)	39.1	Equity
Global Power Generation Australia Pty, Ltd.	Capital increase (1)	6 March	0.5	74.5	Full
Scioto Farms Solar Project, LLC.	Liquidation	9 April	(100.0)	—	Full
Global Power Generation Australia Pty, Ltd.	Capital increase (1)	23 July	0.4	74.9	Full
Rough Hat Clark Manager, LLC.	Incorporation	25 September	100.0	100.0	Full
Pelecanus, S.L.	Acquisition	3 October	75.0	75.0	Full
Sunflower Energy Project, LLC.	Incorporation	8 October	100.0	100.0	Full
Sunvine Energy Project, LLC.	Incorporation	8 October	100.0	100.0	Full
DT Solar Farms, LLC.	Incorporation	8 October	100.0	100.0	Full
Independence Energy Project, LLC.	Incorporation	8 October	100.0	100.0	Full
Alnux Solar, S.L.	Acquisition	16 October	75.0	75.0	Full
Linurgus, S.L.	Acquisition	16 October	75.0	75.0	Full
Atrotus, S.L.	Acquisition	16 October	75.0	75.0	Full
Carpodacus, S.L.	Acquisition	4 November	75.0	75.0	Full
Artinita, S.L.	Acquisition	27 November	75.0	75.0	Full
Hidenita, S.L.	Acquisition	27 November	75.0	75.0	Full
SET Veciana, S.L.	Sale	11 December	(7.10)	32.0	Equity
Sociedade Galega do Medio Ambiente, S.A.	Capital increase (2)	26 December	(3.80)	45.2	Equity
Qalhat LNG S.A.O.C.	Sale	31 December	(7.40)	—	—

(1) Two capital increases were performed in the year by offsetting debt, resulting in an increase in the percentage of rights acquired both in the company itself and in its subsidiaries (Note 2.6).
(2) The company Sociedade Galega do Medio Ambiente, S.A. carried out a capital increase that was not subscribed by Naturgy, as a result of which its stake in that company was reduced by 3.8%.

The changes in the consolidation scope in 2024 were as follows:

Company name	Transaction type	Effective transaction date	Voting rights acquired/ disposed of (%)	Voting rights after the transaction (%)	Consolidation method after the transaction
Biometano Segria, S.L.	Incorporation	17 January	100.0	100.0	Full
Evacuación Villanueva del Rey, S.L.	Acquisition	23 January	14.8	14.8	Equity
Sobral I Solar Energía, SPE, Ltda.	Acquisition	26 January	15.0	100.0	Full
Sertao I Solar Energía, SPE, Ltda.	Acquisition	26 January	15.0	100.0	Full
Energías Renovables Agüimes, S.L.U.	Incorporation	8 February	100.0	100.0	Full
Gas Natural Fenosa Ingeniería México, S.A. de C.V.	Liquidation	13 March	100.0	—	—
Win4H2-R1, S.L.	Disposal	21 March	50.0	—	—
Fraser Coast Solar Development PTY, Ltd.	Acquisition	19 April	100.0	100.0	Full
Naturgy Informática, S.A.U.	Liquidation	12 June	100.0	—	—
Global Power Generation Finco PTY, Ltd.	Incorporation	18 June	100.0	100.0	Full
Wagon Wheel Solar Ranch, LLC.	Incorporation	21 June	100.0	100.0	Full
Esmeralda North Solar Project, LLC.	Incorporation	1 July	100.0	100.0	Full
Naturgy Renewables USA Services Corp.	Incorporation	16 July	100.0	100.0	Full
Agua Fría Solar, LLC.	Disposal	7 August	100.0	100.0	Full
Naturgy LNG Singapore PTE. LTD.	Liquidation	14 September	100.0	—	—
Rough Hat Clark Bess, LLC.	Incorporation	24 September	100.0	100.0	Full
Defiance County Solar Project, LLC.	Liquidation	22 October	100.0	—	—
Esmeralda North Solar, LLC.	Liquidation	22 October	100.0	—	—
FT. Meade Solar, LLC.	Liquidation	22 October	100.0	—	—
Marshville Solar, LLC.	Liquidation	22 October	100.0	—	—
Saguache County Solar Project, LLC.	Liquidation	22 October	100.0	—	—
Yeager Solar, LLC.	Liquidation	22 October	100.0	100.0	Full
Renewable gas acquisitions					
Bio Madridejos, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biobarrax Albacete, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Tarancón, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Caspe, S.L.U.	Acquisition	11 November	100.0	100.0	Full
GNR Andalucía, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biogas Mediana, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Carmona, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Criptana, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Membrilla, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Corral de Almaguer, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Biogas Lucainena, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Loja, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Vilches, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Bio Tobarra, S.L.U.	Acquisition	11 November	100.0	100.0	Full
Global Power Generation Brasil Geracao de Energía Ltda.	Liquidation	19 November	100.0	—	—
Unión Fenosa Gas Exploración y Producción, S.A.	Liquidation	22 November	100.0	—	—
Centrogas S.A.	Liquidation	20 November	100.0	—	—
Financiamiento Doméstico S.A.	Liquidation	20 November	99.9	—	—
Naturgy LNG GOM, S.L.	Liquidation	5 December	100.0	—	—
Canoe Creek Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Half Moon Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Hayden Run Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Knickerbocker Solar Project, LLC.	Liquidation	13 December	100.0	—	—
Stone Mill Solar, LLC.	Liquidation	13 December	100.0	—	—
Nedgia Balears, S.A.	Liquidation	17 December	100.0	—	—

Appendix III. Naturgy tax group companies

The companies in the Naturgy tax group are as follows:

Naturgy Energy Group, S.A.	Naturgy Ciclos Combinados, S.L.U.
Bio Carmona, S.L.U.	Naturgy Clientes, S.A.U.
Bio Caspe, S.L.U.	Naturgy Comercializadora Empresas, S.A.U.
Bio Corral de Almaguer, S.L.U.	Naturgy Commodities Trading, S.A.
Bio Criptana, S.L.U.	Naturgy Distribución Latinoamérica, S.A.
Bio Loja, S.L.U.	Naturgy Electricidad Colombia, S.L.
Bio Madridejos, S.L.U.	Naturgy Engineering, S.L.
Bio Membrilla, S.L.U.	Naturgy Finance Iberia, S.A.U.
Bio Tarancón, S.L.U.	Naturgy Generación Térmica, S.L.U.
Bio Tobarra, S.L.U.	Naturgy Generación, S.L.U.
Bio Vilches, S.L.U.	Naturgy Iberia, S.A.U.
Biobarrax Albacete, S.L.U.	Naturgy Infraestructuras EMEA, S.L.
Biogas Lucainena, S.L.U.	Naturgy Ingeniería Nuclear, S.L.
Biogas Mediana, S.L.U.	Naturgy InnovaHub, S.L.
Biometano Segria, S.L.	Naturgy Inversiones Internacionales, S.A.
Boreas Eólica 2, S.A.	Naturgy Nuevas Energías, S.L.U.
Comercializadora Regulada, Gas & Power, S.A.	Naturgy Participaciones, S.A.U.
Encarnaciones Energy, S.L.	Naturgy Renovables Canarias, S.L.U.
Energías Ambientales de Somozas, S.A.	Naturgy Renovables Ruralia, S.L.
Energías Renovables Agüimes, S.L.U.	Naturgy Renovables, S.L.U.
Europe Maghreb Pipeline, S.L.	Naturgy Vento, S.A.
Gas Natural Comercializadora, S.A.	Nedgia Andalucía, S.A.
Gas Natural Redes GLP, S.A.	Nedgia Aragón, S.A.
Gas Natural Transporte SDG, S.L.	Nedgia Castilla La Mancha, S.A.
General de Edificios y Solares, S.L.	Nedgia Catalunya, S.A.
Global Power Generation, S.A.	Nedgia Cegas, S.A.
GNR Andalucía, S.L.U.	Nedgia Madrid, S.A.
GPG México Wind, S.L.U.	Nedgia, S.A.
GPG México, S.L.U.	Operación y Mantenimiento Energy, S.A.
H2Meirama, S.L.	Parque Eólico Nerea, S.L.
Holding de Negocios de Gas, S.A.	Parque Eólico Peñarroldana, S.L.
Holding Negocios Electricidad, S.A.	Petroleum Oil & Gas España, S.A.
J.G.C. Cogeneración Daimiel, S.L.	Romera Eco Power Solar Energy, S.L.
La Propagadora del Gas, S.A.	Sagane, S.A.
Lignitos de Meirama, S.A.	Societat Eòlica de l'Enderrocada, S.A.
Mangos Energy, S.L.	Sol Morón Energy, S.L.
Naturgy Acciones, S.L.U.	Tratamiento Cinca Medio, S.L.
Naturgy Alfa Investments, S.A.U.	UFD Distribución Electricidad, S.A.
Naturgy Aprovisionamientos, S.A.	Unión Fenosa Preferentes, S.A.U.
Naturgy Capital Markets, S.A.	

Appendix IV. Regulatory framework

1. European regulatory environment

The European regulatory environment in 2025 was shaped by the publication of the Clean Industrial Deal, the Omnibus I and Omnibus II legislative packages, the RePowerEU Roadmap, and the related draft Regulation. Also noteworthy are the publication of guidelines for the implementation of directives already approved within the "Fit for 55 Package", the approval of the report on the Security of Energy Supply in the European Union, and the publication of new regulations in the Official Journal of the European Union (OJEU) that reinforce energy efficiency, system resilience, and international climate cooperation.

On 26 February 2025, the European Commission published the Clean Industrial Deal, a package of measures aimed at competitiveness and decarbonisation that sets out a strategic vision for the next five years. The priorities of the Deal include addressing structural factors that raise energy prices, tackling inefficiencies in the design of tolls and taxes, and improving market integration. Other key objectives are to facilitate long-term PPAs, incentivise demand flexibility services for industrial customers and prioritise investment in electricity grids. The Deal also provides for the expansion of electricity and hydrogen transport and distribution infrastructure, carbon transport networks and storage systems. This Deal is complemented by the Sustainable Energy Action Plan, published by the European Commission on the same date, which includes measures aimed mainly at reducing energy prices and costs, accelerating electrification and fostering investment in energy infrastructure.

Furthermore, on 26 February 2025, the European Commission presented a set of legislative proposals aimed at streamlining the European Union's regulatory framework, strengthening competitiveness and fostering an environment favourable to investment. These packages of measures, known as Omnibus I and Omnibus II, contain key sustainability initiatives: a review of reporting obligations under the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the Carbon Border Adjustment Mechanism (CBAM); and optimisation of the InvestEU programme. Since their introduction, the packages have undergone the European legislative process, including negotiations between Parliament, Council and Commission, and some parts of Omnibus I were approved in December 2025.

Since the beginning of Russia's military aggression against Ukraine in February 2022, the EU has taken a number of strategic steps to reduce its energy dependence on Russia. In this context, in May 2022 the European Commission presented the REPowerEU plan, an ambitious roadmap setting out concrete targets to diversify supply sources, accelerate the energy transition and strengthen the security of Europe's energy system.

In line with these objectives, on 6 May 2025, the European Commission presented a roadmap to completely eliminate energy imports from Russia (gas, oil and nuclear) in 2027. This roadmap began to be implemented with the issuance on 17 June 2025 of a draft tariff regulation that initially established the prohibition of imports from 1 January 2028 for long-term contracts signed before June 2025.

With regard to the potential legal implications, the European Commission has stated that the prohibition would qualify as a case of force majeure for companies party to such long-term contracts.
In the words of the Energy Commissioner, Dan Jørgensen: “We have a very clear opinion from the legal team of the Commission stating that, since this would be a prohibition, a ban, the companies would not get into legal problems; this is Force Majeure as if it has been a sanction.”

The Council of the European Union adopted the 19th package of sanctions against Russia on 23 October 2025, which includes a ban from 1 January 2027 on the purchase, import or transfer, directly or indirectly, of LNG originating in or exported from Russia under contracts with a duration of more than one year signed before 17 June 2025 (short-term contracts are prohibited from April 2026). On 22 December, the validity of the sanctions package was extended until 31 July 2026 and they must be further extended thereafter in order to remain in force.

Subsequently, on 3 December 2025, the European Council and the European Parliament reached an agreement on the Regulation to phase out Russian gas imports and set a new binding timetable:

- For short-term procurement contracts concluded before 17 June 2025, the ban on Russian gas imports will apply from 25 April 2026 for LNG and from 17 June 2026 for gas via pipeline.
- For long-term LNG import contracts, the ban will apply from 1 January 2027.
- With regard to long-term contracts for gas imports via pipeline, the ban will come into force on 30 September 2027.

The agreement was passed by the European Parliament on 17 December and adopted by the European Council on 26 January 2026. The Regulation was published on 2 February 2026 in order to come into force.

Under this new regulatory framework, comprising the sanctions regulation and the imports regulation, some energy companies, including Naturgy, may be affected by the application of the aforementioned restrictions, especially with regard to long-term procurement contracts signed before the conflict.

The European Commission also presented significant proposals, recommendations and reports on gas storage and capacity mechanisms:

- Report published on 3 March 2025 on streamlining the approval procedure for capacity mechanisms with the aim of making the process more efficient and ensuring security of electricity supply.
- Legislative proposal published on 5 March 2025 to extend Regulation (EU) 2022/1032 until the end of 2027, with the aim of ensuring that EU Member States maintain adequate levels of gas storage to address potential supply disruptions. This proposal was approved and published in the Official Journal of the European Union on 10 September 2025 in the form of Regulation 2025/1733.
- Recommendation to the EU Member States published on 5 March 2025 for the implementation of the storage filling targets.

On 2 June 2025, the European Commission published an official communication that provides guidance on anticipatory investments in future-oriented electricity grids and aims to facilitate investment decisions that proactively respond to the future needs of the European electricity system.

On 8 July 2025, the European Parliament published the Report on Energy Security, which assesses the risks, challenges and strategies for ensuring a stable energy supply in the European Union. This report promotes infrastructure resilience and an end to dependence on Russian gas by 2027. It advocates diversifying energy procurement sources and accelerating the integration of clean, autochthonous energy sources, such as renewable gases.

Regulation 2025/1733, amending Regulation (EU) 2017/1938 as regards the role of gas storage, was published on 10 September 2025. This Regulation extends the target deadline for filling gas storage facilities to 90% to the end of 2027, with certain measures allowing flexibility:

- The target may be achieved at any time between 1 October and 1 December, rather than specifically on 1 November, and need not be maintained.
- The Regulation establishes indicative filling trajectories, although Member States may deviate from them.
- In the event of "difficult conditions" that limit the ability to ensure filling, Member States may deviate from the target by up to 10%.
- Member States may add up to 5% flexibility subject to certain conditions.

The Guidance on the Implementation of the Social Climate Fund (SCF) was published on 13 October 2025 with the aim of helping Member States to effectively implement this fund, which is intended to mitigate the social impact of the green transition, especially on vulnerable households, micro-enterprises and transport users, and is mainly linked to the Emissions Trading Scheme for buildings and transport (ETS II), which will begin in 2027.

On 9 December 2025, the Council of the EU and the European Parliament reached a provisional agreement on the Commission's proposal, which includes amendments that significantly reduce the scope of the Corporate Sustainability Reporting Directive (CSRD). In order to become law, the provisional agreement still needs to be formally endorsed by Parliament and the Council.

On 10 December 2025, European co-legislators reached an agreement on the new climate target for 2040, which sets a binding reduction of 90% in emissions compared to 1990. The agreement allows for the use of up to 5% of high-quality international credits from 2036 onwards and proposes postponing the entry into force of ETS II until 2028. The final text is pending formal approval by the Council and Parliament.

2. Regulation of the energy industry in Spain

2.1. Regulation of the natural gas industry in Spain

2.1.1. Main characteristics of the natural gas industry in Spain

The Spanish gas industry is regulated by Law 34/1998 of 7 October, on the hydrocarbons sector, Law 18/2014, Royal Decree-Law 1/2019, and their implementing regulations.

In general, the Spanish gas industry is characterised by the following factors:

- It is an industry in which regulated and unregulated activities coexist. The regulated activities consist of transport, regasification, storage and distribution of natural gas. The non-regulated activities comprise production, procurement and supply of natural gas.

- The principle of economic and financial sustainability of the gas system applies, and the annual mismatch between system revenues and costs is capped.

- In compliance with EU legislation, the supply of natural gas in Spain has been fully liberalised and all Spanish consumers have been free to choose their natural gas supplier since 1 January 2003, although a tariff of last resort is maintained for the lower volume consumers. The supply activity, including supply of last resort, is carried out by supply companies.

2.1.2. Regulated activities in the natural gas industry

The main characteristics of regulated activities are (i) the need for prior administrative authorisation of a regulated nature, (ii) the allocation of a regulatory remuneration, (iii) the imposition of specific obligations on third party access to the network, and (iv) the establishment of specific rules on unbundling.

2.1.2.1. Transmission

Transportation includes regasification, storage and transmission of gas in the strict sense through the basic very high pressure gas pipeline network:

The transportation network is owned mainly by Enagás, S.A., although other companies, including various Naturgy investees, own a small proportion of it.

Under Royal Decree-Law 8/2023 of 27 December, transport network operators may act provisionally as hydrogen core network operators, pending the definitive designation of Hydrogen Network Operators in accordance with European regulations, and may carry out hydrogen core network development functions within the scope of common European interest projects.

2.1.2.2. Distribution

Natural gas is transported from the very high pressure transport grid to the final consumer through the high, medium and low pressure distribution grid.

The distribution business is based on a system of administrative authorisations that do not grant exclusive use rights. A zone distributor has preference to obtain authorisations for adjoining zones.

A distributor's activity is restricted to the expansion and management of distribution networks. Supply is the exclusive domain of specially authorised supply companies.

2.1.2.3. LPG supply

As well as natural gas distribution, Naturgy also supplies piped liquefied petroleum gas (LPG), regulated by Law 34/1998 on the oil and gas industry. The Ministry for the Ecological Transition and Demographic Challenge (MITECO) sets the selling rates for piped LPG for end consumers and the assignment prices of LPG at which it is purchased by piped LPG distributors, by setting the specific rates or establishing a system for calculating and updating them automatically. These prices are published in monthly resolutions.

2.1.3. Economic regime applicable to regulated activities

Following the approval of Royal Decree-Law 1/2019, the CNMC was entrusted with approving the remuneration methodologies in the natural gas sector to be applicable from 31 December 2020, and it was empowered to establish the methodology and conditions for access and capacity assignment in the gas system. Accordingly, the CNMC approved the following Circulars that determine, inter alia, the methodologies for remunerating gas activities that are applicable in the 2021-2026 regulatory period:

- Circular 2/2019 of 12 November 2019, which established the methodology for calculating the remuneration for the regasification, transportation and distribution of natural gas.
- Circular 8/2019 of 12 December 2019, as amended by Circular 9/2021 of 15 December establishing the method and conditions for access and allocation in the natural gas system.
- Circular 9/2019, of 12 December 2019, which establishes the methodology for determining the remuneration of natural gas transportation facilities and liquefied natural gas plants.
- Circular 4/2020, of 31 March, establishing the methodology for determining the remuneration for natural gas distribution.
- Circular 6/2020, of 22 July, establishing the methodology for calculating transportation, local grid and regasification tolls for natural gas.
- Circular 8/2020, of 2 December, establishing the unit reference values for investment and for operation and maintenance for 2021-2026 and the minimum requirements for auditing investments and costs in natural gas transportation facilities and LNG plants.
- Circular 7/2021, of 28 July, establishing the methodology for calculating, overseeing, measuring and settling losses in the gas system.

Under the allocation of competences established in Royal Decree-Law 1/2019, MITECO adopted Royal Decree 1184/2020 of 29 December establishing the methodologies for calculating the gas system charges, the regulated remuneration for basic underground storage facilities and the fees for their use.

In accordance with the methods mentioned above, the following resolutions applicable in 2025 were approved by the MITECO and the CNMC:

- CNMC Resolution of 23 May 2024 establishing the access tolls for the transportation networks, local networks and regasification for the 2025 gas year.

- CNMC Resolution of 23 May 2024 establishing the remuneration for the 2025 gas year for companies carrying out regulated activities related to liquefied natural gas plants, transportation and distribution of natural gas.

- CNMC Resolution of 12 August 2024 establishing the method of calculating the adjustment to be made to the annual remuneration for natural gas transportation, regasification and distribution companies for the provision of connected services.
- Order TED/1013/2024, of 20 September, establishing the gas system charges and the remuneration and fees for basic underground storage facilities for the 2025 gas year.

- Order TED/1193/2024, of 30 October, establishing energy policy guidelines for the CNMC in relation to the proposed amendment of Circular 2/2019, of 12 November, which established the method of calculating the remuneration rate for natural gas regasification, transport and distribution activities.

On 16 April 2024, the Official State Gazette published the CNMC Resolution of 4 April 2024, which determines the transitory price for the rental of natural gas smart meters with a flow rate of less than or equal to 6 m^3/h for customers connected to networks of less than 4 bar and consumption less than or equal to 50 MWh/year.

Royal Decree-Law 9/2024, of 23 December, and Royal Decree-Law 1/2025, of 28 January (since the former was not ratified in Parliament) once again extended, until 31 December 2025, the prohibition on cutting gas supplies to vulnerable electricity consumers on grounds of non-payment. This measure was extended again until 31 December 2026 by Royal Decree-Law 16/2025, of 23 December.

The main provisions issued in 2025 were:

- Resolution of 13 January 2025, of the Directorate General for Energy Policy and Mines, which publishes the allocated and available capacity in basic underground natural gas storage facilities for the period from 1 April 2025 to 31 March 2026.

- Order TED/181/2025, of 13 February, approving the Technical Management Regulations for the Gas System under ministerial jurisdiction.

- Order TED/211/2025, of 4 March, updating the system for automatically setting maximum pre-tax sale prices for bottled liquefied petroleum gases and amending the system for automatically setting pre-tax sale tariffs for liquefied petroleum gases supplied through pipelines.

- Resolution of 25 March 2025, of the Directorate-General for Industrial Strategy and Small and Medium-sized Enterprises, updating the list of standards in supplementary technical instruction ITC-ICG 11 of the Technical Regulation on the distribution and use of gaseous fuels, approved by Royal Decree 919/2006, of 18 July.

- CNMC Circular 2/2025, of 9 April, establishing the new methodological framework for access and capacity allocation in the Spanish gas system.

- CNMC Resolution of 27 May 2025 establishing the remuneration for the 2026 gas year for companies carrying out regulated activities related to liquefied natural gas plants, transportation and distribution of natural gas.

- CNMC Resolution of 27 May 2025 establishing the access tolls for transportation networks, local networks and regasification for the 2026 gas year.

- CNMC Resolution of 13 June 2025 amending the Resolution of 3 April 2020, which established the detailed procedure for the development of market mechanisms for the allocation of capacity in the gas system.

- CNMC Resolution of 13 June 2025 establishing the procedure for managing applications and contracts for the connection of plants that produce other gases to the natural gas transportation or distribution network.

- CNMC Resolution of 17 June 2025 amending that of 24 March 2022, which established the detailed procedures for the development of congestion management and anti-hoarding for capacity mechanisms in the natural gas system and amending the Resolutions of 3 April 2020, on market mechanisms for the allocation of capacity in the gas system, and of 1 July 2020, on natural gas balancing.

- CNMC Circular 5/2025, of 18 June, on regulatory information about the costs of natural gas distribution.

- CNMC Resolution of 31 July 2025 setting out the decision not to apply the discounts established in Article 18.4 of Regulation (EU) 2024/1789 on the internal markets for renewable gas, natural gas and hydrogen.

- CNMC Resolution of 18 September 2025 establishing the amount of remuneration for the technical manager of the gas system and the fee for financing it in the 2026 gas year.

- Order TED/1062/2025, of 25 September, establishing the gas system charges and the remuneration and fees for basic underground storage facilities for the 2026 gas year.

- CNMC Resolution of 26 September 2025 on the calculation, supervision and assessment of shrinkage in the gas system for the 2024 gas year and the impact on the remuneration of facility owners.

- Order TED/1318/2025, of 19 November, established energy policy guidelines for the CNMC (National Markets and Competition Commission) in relation to three proposed Circulars: the amendment of Circular 9/2019 on the remuneration methodology for natural gas transportation facilities and LNG plants, the amendment to Circular 4/2020 defining the remuneration methodology for natural gas distribution, and the new Circular establishing the methodology for calculating transportation, local network and regasification tolls for the period 2027-2032.

- CNMC Circular 9/2025, of 22 December, amending Circular 2/2019, of 12 November, which established the methodology for calculating the financial remuneration rate for electricity transmission and distribution, as well as for natural gas regasification, transportation and distribution. It also established the financial remuneration rate applicable to electricity transmission, system operation and distribution activities for the 2026-2031 regulatory period.

2.1.4. Unregulated activities in the natural gas industry

2.1.4.1. Procurement

The procurement of natural gas in Spain, in the form of gas or LNG, is mostly handled by gas operators such as Naturgy. Although natural gas production is an unregulated activity, since there is little production in Spain, it is subject to two types of limit, basically to ensure diversified procurement and introduce competition in the market: 1) no single country can supply more than 50% of the gas imported into Spain; and 2) no party or business group as a whole can supply natural gas for consumption in Spain in excess of 70% of national consumption, excluding self-consumption.

The promotion of renewable gases is one of the decarbonisation measures included in the National Integrated Energy and Climate Plan (NECP 2023-2030) and is reflected, inter alia, by the approval of the Hydrogen Roadmaps and the Biogas Roadmap. Regulations in this area include Royal Decree 376/2022 and Order TED/1026/2022 on systems for guaranteeing the origin of gas from renewable sources, as well as the amendments made to Law 34/1998 and Royal Decree 1434/2002 to encourage the development of renewable gases by regulating the connection of production plants to the existing natural gas transport and distribution network and the publication in the Official State Gazette on 30 April 2024 of the CNMC Resolution of 19 April 2024, which establishes the procedure for managing connections of biomethane generation plants to the transport or distribution network.

In addition, following the adaptation of the competencies established by Royal Decree-Law 1/2019, the CNMC approved Circular 2/2020, of 9 January, which establishes the natural gas balancing rules.

2.1.4.2. Supply

2.1.4.2.1 General

The Supply business is fully deregulated and customers are free to choose their supplier. As a deregulated activity, Supply is remunerated at a price freely agreed by the parties. However, the Law recognises the right of consumers connected at less than 4 bar who do not exceed a certain consumption threshold (50 MWh/year) to be supplied at a maximum price called the tariff of last resort (TUR). The TUR is reviewed quarterly when cost variations so require, in accordance with the methodology established in Order ITC/1660/2009 of 22 June.

In 2021, in view of the exceptional rise in international natural gas prices, Royal Decree-Law 17/2021 of 14 September introduced an exceptional limit on increases in the cost of the raw material to be passed on to the TUR, which was extended under successive Royal Decree-Laws, in particular Royal Decree-Laws 18/2022 and 20/2022, until 31 December 2023. Royal Decree-Law 8/2023, of 27 December, again extended this limitation until the TUR reviews of 1 April 2024. Amounts paid by last-resort suppliers as a result of this limitation were recovered from the central government budget.

In order to allow domestic consumers with centralised boilers to benefit from a regulated tariff, Royal Decree-Law 18/2022 defined a new TUR tariff for communal boilers on a temporary basis until 31 December 2023, which was extended by Royal Decree-Law 8/2023 until 30 June 2024. The flexibility measures introduced for the contracting of gas for industry and self-employed workers were also extended until 30 June 2024. Legislative Royal Decree 4/2024 established the new TUR for communal boilers indefinitely, and extended the existing flexibility measures to 31 December 2024.

The tariffs of last resort (TUR) in force during 2025 are those published in the following Resolutions:

- Resolution of 26 December 2024 of the Directorate-General for Energy Policy and Mines, publishing the last resort tariff for natural gas to be applied from 1 January 2025.
- Resolution of 26 March 2025 of the Directorate-General for Energy Policy and Mines, publishing the last resort tariff for natural gas to be applied from 1 April 2025.
- Directorate-General for Energy Policy and Mines Resolution of 26 June 2025 publishing the last resort tariff for natural gas to be applied from 1 April 2025.
- Resolution of 26 September 2025 of the Directorate-General for Energy Policy and Mines, publishing the last resort tariff for natural gas to be applied from 1 October 2025.
- Resolution of 22 December 2025 of the Directorate-General for Energy Policy and Mines, publishing the last resort tariff for natural gas to be applied from 1 January 2026.

2.1.4.2.2 Organised gas market

The organised gas market was set up under Law 8/2015, as subsequently implemented by Royal Decree-Law 984/2015 and other implementing regulations. The organised gas market managed by MIBGAS began operating in December 2015 with a view to extending over the entire Iberian Peninsula, although trading in products with delivery in Portugal did not begin until March 2021.

2.1.4.2.3 Vulnerability

Royal Decree-Law 15/2018 introduced a thermal energy subsidy (“bono social térmico”), consisting of a single annual payment as direct assistance in paying for heating, hot water and cooking, to consumers that had availed themselves of the electricity subsidy (“bono social eléctrico”) at 31 December the previous year, irrespective of the fuel they use, or as support for savings actions or improvements in energy efficiency. The amount to be received will depend on the degree of vulnerability and the climate zone. It is funded out of the central government budget.

In view of the exceptional increase in natural gas prices since 2021, the amount of this aid and the budget allocation have increased and some of the measures adopted during the Covid-19 pandemic have been extended, such as the prohibition on terminating supplies to vulnerable consumers and the flexibility measures for changes in the conditions of access contracts until December 2023 and, under Royal Decree-Law 8/2023, until June 2024. This measure was extended until 31 December 2024 by Royal Decree-Law 4/2024 of 26 June, again, until 31 December 2025, by Royal Decree-Law 1/2025 of 28 January, and again, until 31 December 2026, by Royal Decree-Law 16/2026 of 23 December.

In addition, Royal Decree-Law 17/2022 on urgent measures in the energy area reduced VAT from 21% to 5% for all gas consumers until 31 December 2022, and was extended until 31 December 2023 by Royal Decree-Law 20/2022 of 27 December. Royal Decree-Law 8/2023 published on 27 December maintained a reduced VAT rate for all gas consumers during the first quarter of 2024, but raised it to 10%. The VAT on gas was reset to 21% as from 1 April 2024, i.e. restoring the rate that was in force before the aforementioned exceptional measures were introduced.

Royal Decree-Law 9/2024, of 23 December, once again extended, until 31 December 2025, the prohibition on cutting gas supplies to vulnerable electricity consumers on grounds of non-payment.

2.2. Regulation of the electricity industry in Spain

2.2.1. Main characteristics of the electricity industry in Spain

The Spanish electricity sector is regulated by Law 24/2013 of 26 December and its implementing regulations.

The main features of the electricity sector are as follows:

- It is an industry in which regulated and non-regulated activities coexist. The regulated activities consist of electricity transmission and distribution (as well as the operation of the system). The non-regulated activities comprise generation and supply of electricity.

- The principle of economic and financial sustainability applies to the electricity system and and mismatches due to revenue shortfalls are capped.

- Revenues in the electricity industry arise from access tolls and other regulated prices, specific tax measures and, exceptionally, certain items in the central government budget.

- In compliance with EU legislation, the supply of electricity in Spain is fully liberalised with all Spanish consumers are free to choose their electricity supplier, although regulated prices are maintained for the lowest volume consumers. The supply activity is carried out by supply companies, including the supply of last resort performed by the reference suppliers.

2.2.2. Regulated activities in the electricity industry

The regulated electricity transmission and distribution activities are characterised by the fact that access to them is subject to administrative authorisation, their remuneration is established by regulation, and their performance is subject to a number of specific obligations on the unbundling of activities into separate companies, with an obligation to maintain functional unbundling under separate brands and brand images, as in the case of the natural gas industry.

2.2.2.1. Transmission

Electricity transmission links the plants with the distribution networks and specific final customers. The transmission grid is owned mainly by Red Eléctrica de España, although other companies, including Naturgy's subsidiary UFD Distribución de Electricidad, S.A., own a small proportion of the secondary transmission network.

2.2.2.2. Distribution

Electricity distribution includes all activities that bring electricity from the high tension grid to the final consumer.

2.2.3. Remuneration framework for regulated activities

Following the approval of Royal Decree-Law 1/2019, the CNMC was entrusted with approving the remuneration methodologies in the electricity sector which were applicable from 1 January 2020, and establishing the methodology and conditions for access to the electricity system.

The CNMC approved the following Circulars defining the transmission and distribution remuneration methods for the period 2020-2025:

- Circular 2/2019 of 12 November, which established the method for calculating the remuneration for electricity transmission and distribution activities, based on the WACC method.
- CNMC Circular 5/2019 of 5 December, providing the methodology for calculating electricity transmission remuneration.
- CNMC Circular 6/2019 of 5 December, providing the methodology for calculating electricity distribution remuneration.
- Circular 7/2019 of 5 December, approving the standard installations and the unit reference values for fixed asset operation and maintenance to be used in calculating the remuneration of companies that own electricity transmission installations.
- Circular 3/2020 of the CNMC of 15 January establishing the method for calculating electricity transmission and distribution tolls.
- CNMC Circular 1/2021 of 20 January establishing the methodology and conditions for access and connection of electricity production facilities to the transmission and distribution networks.
- CNMC Circular 1/2024 of 27 September establishing the methodology and conditions for access and connection of electricity demand facilities to the transmission and distribution networks.
- CNMC Circular 1/2025, of 28 January, amending Circular 3/2020, updating the methodology for calculating electricity transmission and distribution tolls, with the aim of adapting the toll structure to the new requirements of the electricity system and to criteria of economic sustainability.

For its part, the MITECO, by virtue of the distribution of powers established in Royal Decree-Law 1/2019, adopted Royal Decree 148/2021 of 9 March, which established the methodologies for calculating electricity system charges. Additionally, some of the provisions of Royal Decree 1183/2020, of 29 December, on access and connection to electricity transmission and distribution networks, remain in force, the latest update having been published on 6 November 2025.

By applying these Circulars, to date the CNMC has published the following resolutions establishing the final remuneration:

For companies that own electricity transmission facilities:

- Resolution of 27 July 2023, establishing the final remuneration for 2020.
- Resolution of 4 April 2024, establishing the final remuneration for 2021.
- Resolution of 12 March 2025, establishing the final remuneration for 2022.

For companies that own electricity distribution facilities:

- Resolution of 31 July 2024, establishing the final remuneration for 2020.
- Resolution of 17 February 2025, establishing the final remuneration for 2021.
- Resolution of 6 November 2025, establishing the final remuneration for 2022.

Accordingly, the resolutions establishing the final remuneration for 2023, 2024 and 2025, both for transmission and distribution, in accordance with the approved methodologies, are still pending approval and publication. These resolutions, which will replace those that have been approved on a provisional basis in January each year, are currently at various stages of processing.

The CNMC resolutions of 9 January and 10 January 2025 provisionally establishing the remuneration of electricity transmission and distribution companies for 2025 were published in the Official State Gazette (BOE) on 22 January 2025. The CNMC Resolution of 23 January 2026 provisionally establishing the remuneration of electricity distribution companies for 2026, was published in the Official State Gazette (BOE) on 5 February 2026.

The electricity system tolls and charges applicable from 1 January 2025 were approved under the following instruments:

- CNMC Resolution dated 4 December 2024 establishing the access tolls for the electricity transmission and distribution networks applicable as from 1 January 2025.
- CNMC Circular 1/2025, of 28 January 2025, amending Circular 3/2020 of 15 January establishing the method for calculating electricity transmission and distribution tolls.
- CNMC Resolution of 6 March 2025, amending the Resolution of 4 December 2024 setting the tolls for access to electricity transmission and distribution networks applicable from 1 January 2025.
- Order TED/1487/2024, of 26 December, established the prices of electricity system charges and various regulated costs applicable in 2025. It also approved the distribution of the amounts to be financed relating to the energy subsidy (bono social) and the supply of electricity to consumers referred to in Articles 52.4.j) and 52.4.k) of Law 24/2013 on the Electricity Sector in connection with 2025.

Royal Decree-Law 9/2024 of 23 December, extended, until 31 December 2025, the 80% reduction in tolls for electricity-intensive supplies introduced in 2022. However, since it was not ratified by Congress on 22 January, the measure lapsed as at 23 January. Subsequently, the Cabinet approved Royal Decree-Law 7/2025, of 24 June, which re-established this rebate retroactively effect from 23 January. However, this new decree was also repealed when it was not ratified by Parliament on 22 July, meaning that its effects were null and void from that date onwards.

In July 2025, the CNMC released for public consultation two proposals for circulars that are of particular importance for the electricity distribution business and for the financial remuneration of regulated activities in the electricity sector:

- Proposal for a Circular establishing the methodology for calculating the remuneration of the electricity distribution business: This proposal aims to update the methodological framework applicable to calculating the remuneration for distribution companies for the next regulatory period, 2026-2031. The new methodology maintains the principles of efficiency and sustainability established in Circular 6/2019, but introduces adjustments aimed at reinforcing efficient investment, facilitating the integration of renewable energies, and adapting remuneration to the challenges arising from digitalisation and the energy transition. It also reviews the technical and economic parameters that determine the remuneration base and performance-related incentives. After completing the first phase of public consultation on 7 August, the CNMC opened a second consultation period until 22 October 2025 after incorporating improvements to the financial remuneration rate, as well as recognition of investments in digitalisation, security of supply and birdlife protection.

- Proposed amendment to Circular 2/2019, regarding the methodology for calculating the Financial Remuneration Rate (FRR): the CNMC proposed a review of the current methodology for calculating the FRR applicable to regulated electricity transmission and distribution activities. In particular, a new methodology for calculating the cost of debt is introduced in order to improve the estimate of funding conditions in the third regulatory period. An update of the regulatory leverage ratio is also proposed, in line with the practices of other European regulators. This phase of public consultation ended on 4 August 2025.

Finally, on 22 December 2025, the CNMC approved the following circulars, which come into force on 1 January 2026 and will apply to the 2026-2031 regulatory period:

- Circular 8/2025, establishing the methodology for calculating electricity distribution remuneration in Spain for the 2026-2031 regulatory period. The methodology incorporates measures aimed at increasing efficiency, improving quality, reducing losses and promoting electrification. Investment limits are aligned with those set by the government, remunerating audited investments up to 0.13% of GDP. The sustainability mechanism was also redefined, limiting it to investments aimed at meeting the demand set out in the Draft Royal Decree on investment plans for transmission and distribution networks.

- Circular 9/2025, amending the methodology established in Circular 2/2019 for calculating the financial remuneration rate for regulated electricity transmission and distribution activities, as well as the regasification, transportation and distribution of natural gas. It also set the financial remuneration rate applicable to electricity transmission, system operation and distribution activities for the period 2026-2031 at 6.58%, an increase of 100 basis points on the previous.

Additionally, CNMC Circular 7/2025, of 16 December, modifying the methodology established in Circular 5/2019 for calculating remuneration for electricity transmission activities, was published in December 2025. It also defines the technical and economic parameters applicable to the 2026-2031 regulatory period. The standard facilities and unit reference values for investment and operation and maintenance per fixed asset item, which will apply from 1 January 2026 to all transmission assets in operation and those that come into service thereafter, were approved.

2.2.4. Unregulated activities in the electricity industry

2.2.4.1. Electricity generation

2.2.4.1.1. General

Law 24/2013 of 26 December on the Electricity Sector provides that the production of electrical energy is to be subject to the rules of free competition, although the commissioning, modification, temporary closure, transfer and final closure of facilities is subject to prior administrative authorisation. The remuneration for this activity derives from participation in the electricity production market, made up of the forward, daily and intraday markets, unorganised markets and other services related to the security of the electricity system, such as adjustment and balancing services.

The Law also provides for the possibility of establishing capacity mechanisms. These mechanisms are governed by provisions establishing an investment incentive. The capacity mechanisms to be implemented must conform to the provisions of Internal Market Regulation 2019/943. Among other requirements, prior to implementation, they must be based on a European coverage analysis, supplemented by a national one. In compliance with this regulation, in November 2023, Red Eléctrica de España published its national coverage analysis as a prerequisite for the processing and authorisation of capacity mechanisms in Spain. On 18 December 2024, MITECO launched a public consultation on the Draft Order proposing the creation of a capacity market in the Spanish mainland electricity system. This consultation concluded on 29 January 2025.

In March 2025, the European Commission published a report on capacity mechanisms in the EU and presented proposals to simplify the European assessment methodology so as to facilitate their approval by Member States.

During 2025, MITECO continued to review submissions and made progress on the design, in cooperation with the European Commission, to ensure the mechanism's compatibility with European rules on state aid, as required by the Regulation. The final design would mainly comprise the following:

- Three types of auctions managed by Red Eléctrica and supervised by the CNMC (main, adjustment and transitional).

- Participation in generation, storage and demand, remunerated for contributing stability to the system and reducing emissions, without receiving additional regulated payments.

- Payment in pay-as-bid mode, financed by supply companies through a toll set by ministerial order.

At the date of authorisation of the 2025 consolidated annual accounts, the Draft Order had not yet been approved or officially published, although it is expected to be published during 2026. MITECO continues to examine the submissions and to refine the wording of the legislation. Coordination with the European Commission continues, particularly with regard to state aid guidelines and the European assessment methodology.

In addition, electricity generation is subject to various taxes created by Law 15/2012 of 27 December on fiscal measures for energy sustainability: a 7% tax on the value of electricity production, taxes on the production and storage of nuclear waste, and the water levy. Throughout 2023, the 7% tax on the value of electricity production remained suspended; this measure had initially been adopted in 2021 in response to the exceptional increase in prices in the electricity market. However, in accordance with Royal Decree-Law 8/2023, this tax was reinstated gradually during 2024, returning to the rate of 7% from July of that year. The tax remained fully in force throughout 2025.

2.2.4.1.2. Nuclear plants

In relation to nuclear power plants, the 7th General Radioactive Waste Plan. approved on 27 December 2023, entails a significant increase in the estimate of future costs for the temporary management of spent nuclear fuel and radioactive waste. On 26 June 2024, Royal Decree 589/2024, of 25 June, was published in the Official State Gazette (BOE), modifying the fixed unit tariff relating to the non-tax public provision by means of which the service of the Empresa Nacional de Residuos Radiactivos, S.A., S.M.E., (ENRESA), paid for by the licensees of operating nuclear power plants, is funded. Under that Royal Decree, the rate applicable as at 1 July 2024 will be €10.36/MWh (previously €7.98/MWh).

Spain currently has five operational nuclear power plants, comprising seven reactors, with a combined installed capacity of 7.4 GW. These facilities account for approximately 20% of Spain's electricity output. In January 2019, the Spanish government reached an agreement with the main electricity companies and the National Radioactive Waste Company (Enresa) to establish a schedule for the gradual closure of nuclear power plants between 2027 and 2035. This agreement provides for shutting down the reactors when they reach between 44 and 46 years of operation, starting with Almaraz I in 2027 and ending with Trillo in 2035.

To date, there has been no progress or official announcements on a possible review or extension of this timetable, except for a bill in Congress by the Popular Party to amend the agreed closure timetable and allow plants to continue operating beyond 2035. This initiative was accepted for consideration in June 2025, but its approval will depend on political consensus and the decisions of the companies that own the plants.

The companies owning Almaraz I (Iberdrola, Endesa and Naturgy) formally submitted a request to the government to extend the plant's operation until 2030. Subsequently, the government, through MITECO, forwarded this application to the Nuclear Safety Council (CSN) for a technical assessment.

On 13 November 2025, the Spanish Congress of Deputies voted on an amendment to the Sustainable Mobility Law introduced by the People's Party, which proposed lifting the definitive closure date for the Almaraz, Ascó and Cofrentes nuclear power plants, allowing them to continue operating beyond the agreed 2029 deadline. This proposal did not pass as it did not obtain an absolute majority of votes.

As mentioned above, access and connection of generation facilities to electricity grids is regulated by the following provisions:

- Royal Decree 1183/2020 of 29 December on access and connection to the electricity transmission and distribution networks.

- CNMC Circular 1/2021 of 20 January establishing the methodology and conditions for access and connection of electricity production facilities to the transmission and distribution networks.

Following the reorganisation of powers and duties, the CNMC approved Circular 3/2019, of 20 November, which establishes the procedures governing the operation of the wholesale electricity market and system operation management, reflecting the guidelines of EU Regulations 2015/1222, 2016/1719 and 2017/21.

Royal Decree-Law 8/2023, of 27 December, introduced changes to the regulation of access and connection to electricity grids in order to promote the orderly incorporation of renewable energy production facilities into the electricity system, as well as orderly access to demand to avoid speculative hoarding. Among others matters, and on an exceptional basis, it extended the deadlines for accreditation of compliance with the administrative milestones of Royal Decree-Law 23/2020.

Royal Decree-Law 8/2023 also introduced amendments to the Water Law to promote hydroelectric energy storage based on pumped storage plants, and the adoption of extraordinary measures to correct or mitigate the effects of drought.

Finally, Royal Decree-Law 1217/2024, of 3 December, enacted the Regulations on nuclear and radioactive facilities and other activities connected with exposure to ionising radiation.

2.2.4.2 Renewable, high-efficiency cogeneration, and waste-to-power facilities

The regulation of renewable cogeneration and waste-to-power facilities and, in particular, their remuneration scheme, is regulated, in accordance with Law 24/2013 on the electricity sector, by these two legal instruments and their implementing regulations:

- Royal Decree 413/2014 of 6 June regulating the activity of electricity production from renewable energy sources, cogeneration and waste, which developed the specific remuneration system provided for in Article 14.7 of Law 24/2013 on the Electricity Sector. This specific remuneration scheme is based on obtaining a reasonable return for standard facilities and comprises a term per unit of installed capacity (remuneration for the investment, Rinv) which covers any investment costs for each standard facility that cannot be recovered through the sale of energy on the market and, where appropriate, a term per unit of energy generated (remuneration for operation, Ro) covering the difference between the operating costs and market revenues of that standard facility, which is of particular importance for facilities with operating costs that depend essentially on fuel prices (as is the case, among others, for cogeneration, biomass and waste-to-energy plants).

- RD 960/2020 of 3 November regulating a new economic scheme for renewable energies for electricity production facilities, issued under Royal Decree-Law 23/2020, as an alternative remuneration framework to the specific remuneration system, based on the long-term recognition of an energy price and granted by means of an auction mechanism. Under Royal Decree-Law 8/2023 of 27 December, non-financial awarding criteria may be included in auctions, which hitherto had not been allowed.

On 28 June 2023, Royal Decree-Law 5/2023 was approved, adopting and extending certain measures in response to the economic and social consequences of the war in Ukraine, of which the following measures in relation to renewable energies and cogeneration should be highlighted:

- The deadline for accreditation of obtaining construction authorisation for projects at the preparatory stage was extended by 6 months; and

- The electricity market price references to be taken into account when updating the remuneration parameters of RECORE (renewable, cogeneration and waste) facilities for the 2023-2025 half-period, as well as fuel prices to be taken into account when updating operating remuneration for the first and second half of 2023, were adjusted on an exceptional basis.

In accordance with this Royal Decree-Law, Order TED/741/2023 was adopted, updating the remuneration parameters for standard installations applicable to certain electricity production facilities using renewable energy sources, cogeneration and waste, for the purposes of application to the 2023-2025 regulatory half-period; it also established the remuneration in the first half of 2023 for the operation of facilities whose operating costs depend essentially on the price of fuel. This Order remained in force in 2025, with no new updates having been published.

At the same time, procedures were initiated in 2025 to define the remuneration parameters for the next regulatory period (2026-2031). In this context, in July 2025, the CNMC released two draft circulars for public consultation:

- A new methodology for calculating remuneration for electricity distribution activities, which will serve as the basis for the next regulatory period.

- An amendment to Circular 2/2019 on the methodology for calculating the Financial Remuneration Rate (TRF), with the aim of updating the cost of debt and the regulatory leverage ratio.

Both proposals completed their public information phases in the second half of 2025 and, on 27 January 2026, Order TED/53/2026 of 27 January was published, updating the remuneration parameters applicable in the 2026-2031 regulatory period.
Royal Decree-Law 5/2023 also provided for the inclusion in the Electricity Sector Law of the basic regulations governing Citizen Energy Communities and Renewable Energy Communities, in accordance with the provisions of EU Directives.

Royal Decree-Law 8/2023 of 27 December again extended the deadlines for accreditation of having obtained administrative authorisation for construction and operation, and determined the estimated prices to be applied in updating the remuneration for operations in the first half of 2024.

On 4 June 2024, the Official State Gazette published Order TED/526/2024, of 31 May 2024, which established the methodology for updating the operating remuneration of electricity generation facilities whose operating costs depend essentially on the price of fuel and updates their operating remuneration values, applicable as from 1 January 2024. This order was issued in compliance with the mandate established in RDL 6/2022 and repeals Order IET/13445/2015 of 2 July. With the new methodology, the remuneration for the operation of cogeneration and waste treatment facilities will now be updated every quarter instead of every six months.

By application of this Order TED 526/2024, the Resolutions of 27 June and 27 September 2024 of the Secretary of State for Energy, updating the values of the remuneration for operation for the third and fourth quarters of 2024, and the Resolutions of 26 December 2024, 8 April 2025, 3 July 2025 and 2 October 2025, which updated the values of the remuneration for operation for the first, second, third and fourth quarters of 2025, were published.

In addition, Royal Decree 662/2024, published in the Official State Gazette on 1 August 2024, established the regime governing the installation of floating photovoltaic plants in reservoirs located in the public water domain in river basins managed by the Central Government. Royal Decree 962/2024 of 24 September 2024 regulated the production of electricity from renewable sources in facilities located at sea. Subsequently, Royal Decree 7/2025, published on 25 June 2025, introduced additional measures affecting both floating photovoltaic plants and marine renewables to strengthen their integration into the electricity system and facilitate their development. In October 2025, the CNMC approved a resolution modifying certain aspects of Royal Decree 413/2014 with the aim of ensuring greater visibility for renewable energies in electricity market prices. This resolution adjusted the regulations applicable to renewable, cogeneration and waste-to-power facilities to improve transparency in price formation and strengthen the economic signals to market agents.

2.2.4.3. Supply

2.2.4.3.1. General

The Supply business is fully deregulated and customers are free to choose their supplier. As a deregulated activity, Supply is remunerated at a price freely agreed by the parties.

However, consumers with power equal to or less than 10 kW may opt to use the open market or continue consuming under a regulated price (PVPC). A series of successive enactments have established the basis for setting the PVPC. In particular, Royal Decree 216/2014 provides that, in any case, the PVPC must include all supply costs in an additive manner, including energy production costs, access tolls and supply costs.

Royal Decree 446/2023 was published in the Official State Gazette on 15 June 2023, amending Royal Decree 216/2014 on the methodology for calculating the PVPC to allow the indexation of the PVPC to forward signals, reducing its volatility. References from the forward markets were therefore gradually incorporated into the calculation of the production cost to be included in the PVPC from 1 January 2024, reducing its indexation to the daily and intraday market, in order to increase its stability. This Royal Decree included a new billing term in the PVPC that includes the cost of financing the energy subsidy that has been borne by supply companies since the entry into force of Royal Decree-Law 6/2022.

With the aim of also taking steps in relation to demand in the wholesale market, Royal Decree-Law 17/2022 on urgent measures in the energy area introduced an active demand response service managed by the System Operator through annual auctions, the first of which was held in October 2022, for the service to be provided between 1 November 2022, and 31 October 2023. On 4 December 2023, the second annual auction was held for the period 1 January 2024 to 31 October 2024. The third auction, held on 14 November 2024, covered the period from 1 January to 31 December 2025.

In addition, Royal Decree-Law 18/2022 extended the flexibility measures relating to electricity contracting for companies and the self-employed under certain conditions until 31 December 2023, and these measures were again extended until 30 June 2024 under Royal Decree-Law 8/2023 of 27 December. Royal Decree-Law 4/2024 of 26 June 2024 further extended these measures to 31 December 2024. Royal Decree 7/2025 (referred to above) also extended these measures until 30 June 2025.

Naturgy also has power purchase agreements (PPAs) in Spain with industrial groups that establish a stable supply of electricity to meet their long-term needs. The term of these contracts is normally ten years, with a volume and price determined at the time of signature. The energy supplied is wholly or partly from renewable sources and, therefore, also includes the sale of certificates of origin for the energy supplied.

Under these contracts, there is a physical delivery of electricity to the buyer in accordance with their purchase requirements, so they qualify for the "own use" exception under IFRS 9, and revenue is accrued as the electricity is delivered.

2.2.4.3.2. Guarantees of origin

The Group's supply companies enter into agreements with some of their customers for the supply of green-certified electricity and gas.

There are two routes for certifying the origin of electricity consumed by a customer. First, through redemption of Guarantees of Origin assigned directly by the supplier to the customer's consumption, as identified by their CUPS (Spanish ‘Universal Supply Point Code’). Secondly, through sale by a supplier labelled as green, where the CNMC certifies the renewable origin of all the energy sold by that supplier.

At Naturgy, Guarantee of Origin certificates for renewable energy sources are mainly generated by the Group's renewable energy facilities.

The Group's renewable generation facilities initially request the CNMC to issue the Guarantee of Origin certificate which, once certified, is transferred to the Group's supply company, which then proceeds to redeem the Guarantees of Origin assigned to customers by certifying consumption at their point of supply (CUPS), or by certifying the energy sold by the Group's green supplier.

For gas, the source of biomethane consumed by customers is certified by redeeming Guarantees of Origin for each point of consumption, in a similar way to electricity. The certificates of origin for the gas are issued by Enagás.

2.2.4.3.3. Vulnerability

Vulnerable consumers of electricity can avail themselves of an energy subsidy ("bono social") that is regulated in Article 45 of Law 24/2013 and Royal Decree 897/2017, which regulated the definition of vulnerable consumers, the energy subsidy and other forms of protection for residential consumers of electricity.

The subsidy consists of a discount of 25% on the electricity bill for vulnerable consumers and of 40% for very vulnerable consumers, subject to a cap on the amount of electricity consumed; both subsidies are means-tested on the basis of the household's total income and number of children. The regulations also establish special conditions for consumers at risk of social exclusion. For beneficiaries of the energy subsidy, a minimum vital supply measure establishes a prohibition on cutting off the service for non-payment for six months in addition to the existing four months, and a maximum capacity is guaranteed.

In 2021, in view of the exceptional price rises, these discounts were extended until 31 December 2023 and, under Royal Decree-Law 8/2023 of 27 December, they were extended again until 30 June 2024, standing at 65% for the vulnerable and 80% for the severely vulnerable. The consumption limits qualifying for the energy subsidy were extended, as was the category of consumers entitled to the energy subsidy and the new temporary social justice category with a 40% discount, effective to 30 June 2024.
Royal Decree-Law 4/2024, of 26 June, published in the Official State Gazette on 28 July, extended the higher discounts of 65% and 80% for the electricity subsidy, which will taper down to permanent values by 1 July 2025 of 35% for vulnerable consumers and 50% for severely vulnerable consumers. These values are still higher than those in force before the crisis measures. However, Royal Decree-Law 9/2024 postponed the target date for reaching the 35% and 50% discounts to 31 December 2025. However, Royal Decree-Law 9/2024 was repealed in January 2025 after failing to be ratified by Parliament, with the result that it was not possible to defer the application of the definitive discounts until 31 December 2025. Subsequently, Royal Decree-Law 1/2025, approved by the Cabinet in January, reinstated the extension of the enhanced discounts until 31 December 2025, maintained the exceptional nature of the measure and set the following timetable: from January to June 2025, discounts of 50% for vulnerable consumers and 65% for severely vulnerable consumers. From July to December 2025, discounts of 42.5% for vulnerable consumers and 57.5% for severely vulnerable consumers, and, from January 2026 onwards, a discount of 35% for vulnerable consumers and 50% for severely vulnerable consumers is planned. However, Royal Decree-Law 16/2025, of 23 December, once again extended the enhanced discounts on the electricity subsidy (bono social eléctrico) until 31 December 2026, meaning that the final discounts of 35% for vulnerable consumers and 50% for severely vulnerable consumers will come into effect on 1 January 2027.

Since the enactment of Royal Decree-Law 6/2022, the energy subsidy has been funded by all parties in the electricity system (generators, carriers, distributors, suppliers and direct consumers in the market). The CNMC is entrusted with calculating the distribution each year and the Ministry is responsible for approving, by Order, the unit values to be applied each year by each player in each activity. Royal Decree-Law 8/2023, of 27 December, adopted the distribution of sums to be funded for the energy subsidy for 2024. For 2025, the distribution of the amounts to be financed in relation to the energy subsidy was approved by Order TED/1487/2024, of 26 December, published in the Official State Gazette (BOE) on 28 December 2024. During 2025, the CNMC detected that the unit values that had been approved did not fully cover actual needs, resulting in a 20% shortfall. Consequently, it was proposed to review the unit values to compensate for the discrepancy in the outstanding settlements for the year. The CNMC submitted a proposal to MITECO to revise the unit values in order to correct the discrepancy detected in the 2025 settlements. This revision was set out in Order TED/1524/2025, of 23 December, published in the Official State Gazette (BOE) on 27 December 2025, approving the distribution of the amounts to be financed in relation to the energy subsidy for 2026.

Royal Decree-Law 11/2022, subsequently extended by Royal Decree-Law 20/2022, maintained a reduced VAT rate of 5% until 31 December 2023 for electricity supply to households with contracted capacity ≤10 kW, provided that the average price on the wholesale market in the previous month exceeded €45/MWh and, in any case, for consumers receiving the energy subsidy. Royal Decree-Law 8/2023, of 27 December, raised this reduced rate to 10% from 1 January to 31 December 2024. From 1 January 2025, the standard rate of 21% will be reinstated for these consumers and all others.

The Special Tax on Electricity went from a reduced rate of 0.5% on 31 December 2023 to:
2.5% between 1 January and 31 March 2024, and 3.8% from 1 April to 30 June, returning to the standard rate of 5.11% from 1 July 2024.
Furthermore, in accordance with Royal Decree-Law 8/2023, the prohibition on cutting off supply to vulnerable consumers in the event of non-payment remained in force until 30 June 2024. Royal Decree-Law 4/2024, of 26 June 2024, further extended this measure to 31 December 2024. Subsequently, Royal Decree-Law 9/2024 extended it to 31 December 2025.

2.2.4.3.4. Blackout in the Spanish mainland electricity system (“apagón”)

On 28 April 2025, there was a blackout in the Spanish mainland electricity system that resulted in the declaration of an electricity crisis and the implementation of the emergency and system restoration procedure.

Spain's National Security Council resolved to create, within the Central Government, a committee to analyse the circumstances of the electricity crisis and draw conclusions. On 17 June 2025, the government presented its findings, stating that the origin of the blackout was multifactorial.

On 24 June 2025, Spain's Cabinet approved Royal Decree-Law 7/2025, of 25 June 2025, on urgent measures to strengthen the electricity system. This Royal Decree incorporates several measures that are structured in three large blocks aimed at: strengthening the resilience of the electricity system, promoting storage and flexibility, and driving the electrification of industry, mobility and air conditioning. However, the Royal Decree-Law was repealed by Parliament on 22 July 2025, and it was therefore null and void from that date.

MITECO has begun developing a new supplementary Royal Decree that elaborates upon technical aspects of Royal Decree-Law 7/2025, including proposals to strengthen system supervision, improve voltage control, and promote storage at existing renewable facilities.

On 20 October 2025, the CNMC approved the temporary amendment of operating procedures P.O.3.1, P.O.3.2 and P.O.7.2 with the aim of strengthening security of supply in the event of sudden changes in voltage. These measures were initially valid for 30 days, with the possibility of extensions of up to three months, and were continuously monitored by the CNMC.

Subsequently, the Cabinet approved Royal Decree 997/2025 of November 2025, establishing urgent measures to strengthen the resilience, robustness and stability of the Spanish electricity system. This Royal Decree introduces a set of structural provisions aimed at:

- Strengthening the electrical system's ability to respond to sudden voltage and frequency perturbations.
- Strengthening coordination between Red Eléctrica de España (REE), the CNMC and MITECO in managing critical situations.
- Promoting the integration of flexibility resources (storage, demand flexibility and firm renewable generation) into operating procedures.
- Establishing transitional support mechanisms to ensure supply stability in scenarios of high renewable penetration.

In December 2025, upon conclusion of the period of application and monitoring of the temporary measures approved in October, the CNMC initiated a process of public consultation and information for the proposal to amend operating procedures P.O. 3.1, P.O. 3.2 and P.O. 7.2, with the aim of permanently incorporating into the regulatory framework those measures considered necessary to stabilise the voltage in the Spanish mainland electricity system, by gradually replacing the transitional regime with a permanent regulation.

The process culminated with the approval of the Resolution of 19 January 2026, published in the Official State Gazette (BOE) on 20 January 2026, whereby the CNMC definitively amended operating procedures P.O. 3.1, P.O. 3.2 and P.O. 7.2 to strengthen the system operator's capacity to manage sudden voltage fluctuations and ensure stability in the electricity supply on the mainland.

This Royal Decree, together with the subsequent implementing regulations issued by the CNMC in December 2025 and the approval of the final resolution in January 2026, provide a more robust, permanent regulatory framework for the temporary measures approved in October, ensuring that the Spanish electricity system can more robustly address the challenges arising from the energy transition and the growing electrification of the economy, particularly in terms of stability and voltage control.

2.2.4.4. Energy efficiency

Spanish Law 18/2014 established a national system of energy efficiency obligations under which an annual energy saving quota (saving obligation) is assigned to gas and electricity supply companies, oil product wholesalers and liquefied petroleum gas wholesalers. Royal Decree-Law 23/2020 extended the validity of this national system until 2030.

Liable parties fulfil this obligation through a monetary contribution to the National Energy Efficiency Fund (FNEE). On 26 January 2023, Royal Decree 36/2023 of 24 January was published, establishing a scheme of Energy Savings Certificates (CAE) as an alternative mechanism to the financial contribution to the National Energy Efficiency Fund (FNEE). The implementing regulations for its effective application were subsequently released, envisaging it as a voluntary and alternative measure, either in whole or in part.

Each year, each liable party's obligations to make contributions to the National Energy Efficiency Fund are established by a ministerial order. On 23 March 2024, Spain's Official State Gazette (BOE) published Order TED/268/2024 of 20 March, which establishes new energy-saving obligations, details compliance measures via Energy Saving Certificates, and sets the minimum required contributions to the National Energy Efficiency Fund for 2024. Order TED/197/2025, of 26 February, published in the Official State Gazette (BOE) on 4 March 2025, established the conditions for 2025, and was partly amended by Order TED/243/2025 of 14 March 2025.

2.3. Other regulations in Spain

2.3.1. Energy tax (“Gravamen energético”)

Law 38/2022, of 27 December, published on 28 December 2022, created a temporary energy tax of 1.2% on revenue for 2022 and 2023 (the calendar years prior to those in which the payment obligation arises: 2023 and 2024) of the main operators in the energy sectors.

Subsequently, Royal Decree-Law 8/2023 of 27 December extended this tax throughout 2024. However, Law 7/2024 of 20 December was amended in its passage through Parliament: a final provision was added repealing Article 1 of Law 38/2022, which constitutes a de facto repeal of the Temporary Energy Tax and rules out the possibility that it may be extended to 2025 via a Royal Decree-Law. In response to this repeal, the subsequent meeting of the Spanish Cabinet on 23 December 2024 adopted Royal Decree-Law 10/2024, of 23 December, which re-imposed the Temporary Energy Tax for 2025, on the basis of net sales in 2024.

The Plenary Session of the Congress of Deputies on 22 January 2025 did not ratify Royal Decree Law 10/2024, of 23 December, which consequently lapsed, meaning that no amount accrued in 2025 under the Temporary Energy Tax.

2.3.2. National Energy and Climate Plan (PNIEC) 2023-2030

In September 2024, the final version of the PNIEC 2023-2030 was approved in the Official State Gazette (BOE); it updates the European targets, the published roadmaps and the progress made since the publication of the PNIEC 2021-2030. Key highlights include a rise in renewable energy use within the transport sector, the retention of the 2030 target for installed renewable capacity, and a 20 GWh biomethane target. The investment required to meet these goals increased to Euros 308 billion, up from Euros 294 billion in the previous iteration of the plan. Conversely, the energy efficiency target was reduced, with primary energy efficiency falling from 42% to 39.5% and final energy efficiency declining from 44% to 43%, relative to 2007 levels. In addition, the regulation envisages use of the full installed capacity of the combined cycle gas turbines as a back-up for the other technologies.

On 28 May 2025, the European Commission published its assessment of Spain's National Energy and Climate Plan (PNIEC) 2023-2030, evaluating the country's commitment to the European Union's energy and climate objectives. In its analysis, the Commission recognised the progress made and highlighted key areas where Spain has opportunities to strengthen its leadership in the energy transition. The Commission identified areas with potential for improvement, such as reducing emissions in the LULUCF sector (Land Use, Land-Use Change, and Forestry), increasing the level of energy interconnection, and strengthening energy efficiency measures to reach European targets.

2.3.3. Emission allowances

The Group currently engages in two types of activities that are regulated under the European Emissions Trading System (ETS):

- Maritime transportation: incorporated into the EU ETS in 2024. During 2025, emission rights equivalent to 40% of the emissions generated in European waters in 2024 were allocated. Allowances for 70% of emissions in 2025 must be delivered in 2026, and allowances for 100% of emissions generated in 2026 must be delivered in 2027.

- Energy sector: applicable to all the Naturgy Group's combined cycle plants in Spain, as well as to the cogeneration plant in Almazán, as the installed thermal capacity exceeds 20 MW. The Almazán cogeneration plant is the only Group facility that continues to receive emission allowances free of charge, since it produces useful heat for industrial processes.

In 2025, the allocation of emission allowances free of charge under the European Union Emissions Trading Scheme (ETS) was updated by Implementing Regulation (EU) 2025/772, published in April. That Regulation introduced adjustments to the allocation criteria based on variations in facilities' activity, established that the annual report must include data from previous years, and set minimum thresholds for applying adjustments. It also regulates the suspension and possible reinstatement of rights in the event of failure to meet the requirements, and requires the regular submission of verified reports for facilities with climate neutrality plans. These new features seek to improve the accuracy, transparency and effectiveness of the system of allocation free of charge.

3. Regulation of the gas industry in Latin America

3.1. Main characteristics of the natural gas industry in Latin America

In all these countries, gas industry regulations are well-established and stable, and are implemented and administered by independent regulators.

- This is an industry in which regulated and unregulated activities coexist:
  - Regulated activities: natural gas transport, distribution and supply to customers at regulated tariffs.
  - Unregulated activities: natural gas production, procurement and supply to unregulated customers by supply companies.

- The principle that the regulated activities must be economically and financially sustainability is reflected in periodic tariff updates to adjust for inflation and fluctuations in natural gas prices, and regulatory periods of 4 or 5 years in which Comprehensive Tariff Reviews are conducted in order to define the maximum tariffs for the entire tariff period. These tariffs must be approved by the regulatory body in each country, except in the case of Chile, where the distribution company is free to set its own tariffs, although the return on investment is capped.

- The degree of regulation of the supply of natural gas to customers in the open market varies in each country. Markets are currently being opened up to a greater number of customers, depending on the range of consumption, and access to the transmission grids is being liberalised. In all countries where Naturgy operates in the distribution area, supply to the residential market continues to be a regulated activity carried out by the distribution company.

- As the supply of natural gas to regulated tariff customers is the responsibility of the distribution companies, they must conclude procurement contracts with various supply companies in order to obtain natural gas under appropriate conditions (volumes and flexibility) for supplying these customers.

3.1.2. Regulated activities in the natural gas industry in Latin America

Regulated activities in the countries where Naturgy is present (Mexico, Brazil, Argentina and Chile) share significant similarities: distribution is based on a concession regime regulated by various laws and concession agreements in each of the countries, which specify, inter alia, service characteristics, the scope of the regulated market, the return on investment and how the tariff regime is to be updated.

3.1.2.1. Transmission

This consists of transporting natural gas from entry points (LNG plants, well-heads, international pipeline entries) to the distribution companies' delivery points (city gates).

The transportation networks are owned by transport companies. Naturgy does not engage in this activity to any significant extent in any of these countries.

3.1.2.2. Distribution

Natural gas is transported from the very high pressure transport grid to the final consumer through the high, medium and low pressure distribution grid.

The distribution activity is based on a system of fixed-term concession agreements which may be extended and which do not entail exclusive rights of use (there is generally no exclusivity in the concession areas).

Distribution companies' activities are restricted to expanding and managing distribution networks and supplying natural gas to non-deregulated customers or deregulated customers that choose to be supplied by the distribution company.

Revenues from the distribution activity are obtained via tolls (distribution tariff) paid by all regulated market and open market customers connected to the distribution network.

The main characteristics of the regulated natural gas distribution activities are i) the need for a concession agreement, ii) the conclusion of a natural gas supply contract between the distributor and a supply company for supplying the distributor's regulated tariff customers, iii) validation by the regulator of this supply contract, and iv) access to the transportation network

3.1.3. Economic regime applicable to regulated activities in Latin America

3.1.3.1. Distribution in Brazil, Mexico and Argentina

In these countries the regulatory model is based on a price cap, where the regulator sets the maximum tariffs for the following 5-year regulatory period (Ordinary or Integrated Tariff Review). These maximum tariffs are based on economic sufficiency to adequately remunerate all costs, capital and operating expenses which distribution companies are required to incur in order to carry out the activities included in the concession agreement.

The calculation of these revenues is based on the projection of the investment plan, operating expenses, asset base, and depreciation for the 5-year tariff period. The rate of return at which the assets are remunerated is also calculated. The calculated rate of return is a real rate, net of the inflation rate forecast for the tariff period. Tariffs are updated at different intervals in each country to adjust for the effect of inflation and variations in natural gas prices.

3.1.3.2. Distribution Chile

In Chile, the regulatory model is based on the revenue cap system in which the distribution company is free to set tariffs. Each year, the regulator verifies the return obtained by the distribution company to ensure that it is below a specified limit (which varies based on asset age).

The rate of return consists of the discount rate that matches the present value of the flows associated with the distribution business margin (sales revenue less operating costs) with the value of the assets. In the event that the return exceeds the established rate, the law requires the regulator to set mandatory tariffs for low consumption customers.

The asset base is appraised every 4 years using the replacement cost method.

The cap on the rate of return is calculated each year, also using a real rate, and, therefore, the asset base is updated for inflation and the tariffs set by the distribution company may take this inflation adjustment into account.

3.1.4 Regulatory situation of natural gas distribution companies in Latin America

3.1.4.1. Brazil

There are three different concessions in Brazil, two in the state of Rio de Janeiro (CEG and CEG RIO) and a third in the state of São Paulo (SPS). Regulation in Brazil is based on a price cap model in which the regulator sets maximum tariffs with a gas price pass-through.

3.1.4.1.1. CEG and CEG RIO

On 27 December 2023, the Rio de Janeiro State Energy and Basic Sanitation Regulatory Agency (AGENERSA) approved the new gas distribution tariffs for CEG, S.A. (CEG) and CEG RIO, S.A. (CEG RIO), which included negative adjustments due to the variation in the price of natural gas and the IGP-M index (-3.46%), effective as at 1 January 2024.

On 14 November 2024, AGENERSA validated an agreement between concession holders and the conceding authority (the State of Rio de Janeiro) in relation to the 4th tariff review (2018-2022 tariff period). Under the agreement, CEG's margin increased by +6.15% (to be collected via flows) and that of CEG RIO decreased by -29.33% (to be offset via additional capital expenditure), but this will not apply until the next tariff cycle, i.e., until the 5th tariff review (RTI) is approved.

On 1 January 2025, the new tariffs for CEG and CEG RIO came into effect, with adjustments in line with the annual inflation index of IGP-M (+6.33%) according to Resolutions 4840 and 4841/2024, of 23 December 2024.

Following the agreement reached in connection with the 4th Integrated Tariff Review (ITR), negotiations resumed for the 5th ITR (period 2023-2027), which is currently in the phase of analysing the remuneration rate and asset base.

CEG's and CEG Rio's concessions run until 2027. These contracts, originally signed in 1997 for a period of 30 years, can be extended for an additional 30 years subject to legal and regulatory requirements. Naturgy formally applied for an extension in 2024. AGENERSA is evaluating the technical, financial and operational documentation that was submitted and a final decision is expected in the coming months.

Furthermore, as part of the liberalisation of the natural gas market, which began in 2020, a regulatory framework has been published for the State of Rio de Janeiro that governs relations between deregulated customers and distribution companies. In addition to combined cycle power plants, five industrial customers currently have access to the free market, making a total of eleven companies (combined cycle plants plus industrial customers).

This regulatory framework for the liberalisation of the natural gas market has set a distribution margin for deregulated customers, with a 1.9% reduction in the tariff, and allows access to the free market to customers that consume more than 10,000 m³/day.

In February 2026, the Government of the State of Rio de Janeiro announced that it had chosen to initiate a bidding process for the concession of piped gas distribution managed by the Ceg and Ceg Rio group entities, whose initial period expires in 2027, estimating a duration of 12 months for said process.

3.1.4.1.2. Gas Natural Sao Paulo Sur, S.A. (SPS)

On 26 May 2023, the Utilities Regulator of the State of São Paulo (ARSESP), under Resolution No. 1.410/23, approved a tariff update of the annual readjustment of SPS margins by the inflation rate of -2.21% for the period 1 June 2023 to 31 May 2024.

In April 2024, ARSESP approved the Sao Paulo Financial Remuneration Rate for the following regulatory period (1 June 2024 to 31 May 2025). The approved rate was 7.88%. Gas Natural Sao Paulo Sur, S.A. deemed this to be an insufficient return on investment and lodged an appeal.

On 27 May 2024, ARSESP, under Resolution No. 1.522/24, approved the tariff update of the annual readjustment of SPS margins by the inflation rate of -3.09% for the period 1 June 2024 to 30 May 2025.

On 29 May 2025, ARSESP, under Resolution No. 1.689/25, approved the tariff update of the annual readjustment of SPS margins by the inflation rate of 8.46% for the period from 31 May 2025 to 31 May 2026.

SPS would have been due for a five-yearly review at the end of May 2025 but the regulator postponed the initial RTI timetable in April 2025 and it was still undefined as at 31 December 2025.

Naturgy is currently engaging with the licensing authority to renew the concession, which expires in May 2030. The application for a further 20-year extension was submitted in November 2024, and the granting authority is required to rule on the application before December 2028.

As for the unregulated market, the regulatory framework does not set any minimum limits for migration, and the first migrations took place in 2025. The distributor currently has four deregulated customers, all in the industrial sector.

3.1.4.2. Mexico

On 20 December 2024, a decree was published in the Official Gazette of the Federation (DOF) reforming, adding and repealing various provisions of the Political Constitution of the United Mexican States with the aim of streamlining organisational structure.

To that same end, a decree was published in the Official Gazette of the Federation (DOF) on 18 March 2025, coming into force on 19 March, enacting the National Energy Commission Law (LCNE), which merged the Energy Regulatory Commission (CRE) and the National Hydrocarbons Commission (CNH) into a single body: the National Energy Commission (CNE). From that date, the CNE assumed the functions of tariff supervision and regulation.

Also, a decree was published on 18 March 2025, coming into force on 19 March 2025, enacting the Hydrocarbons Sector Law (LSH) and repealing the previous Hydrocarbons Law, granting the National Energy Secretariat (SENER) greater planning and supervisory powers.

The tariffs for the Monterrey, Bajío, Saltillo, Mexico City, Toluca, and Nuevo Laredo concessions are valid until 31 December 2025. The tariffs for all of them were appealed, and partial favourable rulings have already been issued for all of them, although they are not yet final and may still be appealed.

For the Tabasco, Campeche and Mérida distribution areas, the tariff period ended in December 2023. For Península it ended in June 2024. The business plans for Tabasco, Campeche and Mérida were filed on 4 December 2023, while the business plan for Península was filed in April 2024. The regulator has not yet issued the relevant resolutions. However, the concessions in these areas have not yet started operations, as there is no gas available at the sites.

The CNE has begun to issue resolutions and permits relating to maximum tariffs, although there is still some administrative delay. On 22 October 2025, the regulatory inflation tariff updates for 2024, which were approved by the previous CRE, were published and came into effect for the following concessions: Bajío, Saltillo, Mexico City, Toluca and Nuevo Laredo. In the case of the Monterrey tariffs, the inflation adjustment for 2024 was published on 1 June 2025 and has been applied since then.

Initiation of the tariff review process for the next five-year period (Q6, 2026-2030) was suspended until the approval of the Regulations under the Hydrocarbons Sector Laws, which were to be approved by 18 September 2025. While waiting for the clock to restart, and in order to comply with the dates of the regulations in force at the time, the Q6 tariff cases were submitted for the Monterrey, Nuevo Laredo, Saltillo, Toluca, Mexico City, and Bajío concessions on 30 June 2025. Those regulations were finally approved and published on 3 October 2025, formally initiating the five-year tariff review process, which is expected to be approved during the first half of 2026.

3.1.4.3. Argentina

The company has two gas distribution concessions in Argentina: Naturgy BAN, S.A. (Naturgy BAN, which covers part of the province of Buenos Aires) and Naturgy NOA, S.A. (Naturgy NOA, covering the provinces of Tucumán, Salta, Jujuy and Santiago del Estero). Argentina's regulatory framework, which is very similar to those in Mexico and Brazil, uses a price cap model: maximum tariffs are set by the regulator, ENARGAS, with gas costs passed through to consumers.

On 16 December 2023, Necessity and Urgency Decree (DNU) 55/2023 was published in the Argentinian Official Gazette, declaring a state of emergency in the domestic energy sector for 2024. The decree grants the Secretariat of Energy a power to establish tariff mechanisms aimed at maintaining real revenue levels and addressing investment requirements to ensure uninterrupted service provision. The deadline for approving tariffs under the integrated tariff review for natural gas distribution companies was set for 31 December 2024. During this period, ENARGAS may determine transitory tariff adjustments and periodic adjustments on account of the tariff tables of the tariff review. DNU 1023/24, of 20 November 2024, extended the National Energy Sector Emergency until 9 July 2025; DNU 370/2025, of 30 May 2025, subsequently extended it again until 9 July 2026. This DNU also maintains the regulatory bodies (ENRE and ENARGAS) until the new unified regulatory body provided for in the Law of Bases and Starting Points for the Freedom of Argentines is created.

On 27 December 2023, the President of Argentina sent to Congress a Bill entitled "Bases and Starting Points for the Freedom of Argentines", which declares a public emergency in economic, financial, fiscal, social, health, security, defence, tariff and energy matters until 31 December 2025 and provides the following in relation to natural gas distribution:

- Amendment to Law 24076 raising the period for the extension of licences from 10 to 20 years without altering the procedure and the deadline for exercising this right.
- Merger of the Gas and Electricity Regulators.
- Creation, modification, transformation and/or elimination of energy sector trust funds created by law, including those earmarked for subsidies, reviewing their origin and destination.

On 26 March 2024, Transitional Tariff Adjustment Agreements (AATT) were signed between Argentina's Executive Branch and the gas distributors, which allowed for the regularisation of tariff levels and the initiation of a five-year tariff review in accordance with the provisions of the aforementioned DNU 55/2023.

The AATT made it possible to: (i) apply a tariff increase, starting in April 2024, of approximately 435% for BAN and 498% for NOA; (ii) set a monthly adjustment roadmap for these tariffs; (iii) establish a commitment to invest over a nine-month period until December 2024; and (iv) continue with the five-year tariff review process.

Subsequently, as a result of macroeconomic developments in Argentina and with the aim of consolidating the ongoing disinflation process, the Government decided to postpone the monthly tariff adjustments provided for in the Tariff Adjustment Agreements (AATT), which were scheduled to begin on 1 May 2024. The monthly tariff updates resumed in August 2024, and distribution tariffs have been increased each month since then in order to preserve the real value of prices and tariffs in the sector.

In August, ENARGAS released the methodology for the tariff review outlined in Article 3 of Necessity and Urgency Decree No. 55/2023. However, Necessity and Urgency Decree No. 1023/24, issued on 20 November 2024, extended the state of emergency in the domestic energy industry until 9 July 2025. Article 3 of the decree specified that the tariff charts resulting from the ongoing tariff review must take effect no later than 9 July 2025.

As a continuation of the tariff review process for the 2025-2029 period, which commenced in August 2024, on 13 January 2025, by means of Resolution 2025-16, ENARGAS announced Public Hearing No. 106, scheduled for 6 February 2025, with the purpose of submitting for consideration: a) a five-yearly review of gas transport and distribution tariffs; b) methodology for the periodic adjustment of gas transport and distribution tariffs; c) modification of the Distribution Service Regulations in relation to the items linked to the power to cut off service for non-payment.

As a result of this consultation, in April 2025 ENARGAS published Resolutions 263/2025 and 264/2025 approving the Five-Year Tariff Review (2025-2029) and the Tariff Schedules corresponding to Naturgy BAN and Naturgy NOA, respectively; these entail a tariff increase of 14.92% for Naturgy BAN and 2.57% for Naturgy NOA, which will be applied in 31 monthly instalments as from 1 May 2025.

On 5 June 2025, the Energy Secretariat issued Resolution 241/2025 establishing the monthly adjustment of tariffs in accordance with the variation of the indices established by ENARGAS in the Five-Year Tariff Review.

Subsequently, on 6 June 2025, ENARGAS published Resolutions 367/2025 and 366/2025 approving the methodology for the periodic adjustment of tariffs corresponding to Naturgy BAN and Naturgy NOA, respectively. On 1 July 2025, ENARGAS approved the new tariff sheets for Naturgy BAN and Naturgy NOA with Resolutions 432 and 433/2025, respectively.

Tariff table updates were approved each month during the second half of 2025 in accordance with the roadmap defined in the Five-Year Tariff Review (RQT) and the approved update formula.

In September 2025, along with the approval of the tariff tables, ENARGAS corrected material errors in the determination of the Revenue Requirement and recognised the amounts not received due to the delay in the publication of the tariff tables for June 2025. As a result, the increases under the Five-Year Tariff Review were adjusted to 15.62% for Naturgy BAN and 2.90% for Naturgy NOA, and these are being applied in monthly instalments as planned.

With regard to the renewal of concessions, on 28 October 2024, applications were submitted to extend the Naturgy BAN and Naturgy NOA concessions for an additional 20 years. The public hearings have been held and approval by the Energy Secretariat is pending.

Finally, with regard to the targeted energy subsidy scheme, the Energy Secretariat published Resolution SE 384/2024 in the Official Gazette on 3 December 2024. This resolution extends the transition period towards a targeted subsidy scheme until 31 May 2025. The government maintains its objective of implementing a new definitive regime based on stricter socio-economic criteria by 9 July 2026, when the extension of the energy emergency expires.

3.1.4.4. Chile

In Chile, tariffs may be set freely subject to a cap on returns. Tariffs are therefore set by the distributor, which is also responsible for supply. Annual profitability may not exceed a specific rate of return. The law currently governing the natural gas industry is the Decree with Force of Law No. 323 of 1931, of the Ministry of the Interior, and the "General Law on Gas Services", as last amended by Law No. 20.999 published in the Official Gazette of 9 February 2017.

In this context, in July 2017, the National Energy Commission established the rules for the production of the Annual Profitability Report by concession areas of concessionaires of the public service of piped gas distribution, which will apply until the corresponding regulations are issued.

On 29 June 2022, the Chilean government submitted a Bill for the improvement of the gas market. In the natural gas area, the Bill establishes that distribution concession companies with gas purchase contracts signed with companies of the same business group or with related persons or entities must include the costs and revenues associated with the gas supply by their related supplier in their profitability test. The Bill under consideration would repeal Transitional Article 12 of Law 20.999, on the basis of which the CNE verified the efficiency of the supply contract between Metrogas and its related company Aprovisionadora Global de Energía S.A. The Bill provides for a reduction in the maximum rate of return allowed for assets over 20 years old, from 9% to 6%. This bill is currently under review but has not yet been approved, as legislators await the submission of a new bill with a broader scope of application.

A Committee of Experts was set up by the Ministry of Energy to analyse possible regulatory improvements to the natural gas market. The Committee submitted a report with its conclusions on 22 May 2023. Based on this report, it was envisaged that the latter Bill would be implemented more broadly, which could result in major changes in the national regulatory model. As at 31 December 2025, this new Bill had not yet been submitted for processing and possible approval.

In relation to the process of checking profitability in 2024, the CNE issued its Preliminary Report on 13 August 2025. Following the period for distribution companies to make submissions, the CNE published its Final Report on 29 September 2025. The process is currently in the dispute resolution phase, in which the parties have submitted their objections to the Panel of Experts for a final decision.

Under current regulations, the tariff-setting process for the four-year period 2026-2029 formally commenced on 30 March 2025. On that date, the distributors submitted two key documents to the CNE: the Four-Yearly Technical Report for calculating the Replacement Value (VNR) and the Annual Profitability Check report for 2025. With regard to the VNR for the period 2026-2029, the CNE issued its Preliminary Report on 17 September 2025, and the submissions presented by companies by the established deadline are currently being evaluated.

4. Regulation of the international electricity sector

4.1. Main characteristics of the international electricity industry

In all countries within Naturgy's footprint, electricity sector regulations are well-established and stable; legislation is implemented and administered by independent regulators.

- This is an industry in which regulated and unregulated activities coexist:
  - Regulated activities: electricity transmission, distribution and supply to customers at regulated tariffs.
  - Unregulated activities: electricity generation and supply to unregulated customers by supply companies.
- The principle of the economic and financial sustainability of regulated activities is reflected in periodic tariff updates to adjust for inflation and regulatory periods of 4 or 5 years in which Comprehensive Tariff Reviews are conducted in order to define the maximum tariffs for the entire tariff period. These tariffs must be approved by regulators in each country.

- The degree of regulation of the electricity supply to customers in the open market varies in each country In countries where Naturgy operates in the distribution area, namely Panama and Argentina, electricity supply to the residential market continues to be a regulated activity carried out by the distribution company.

- As the supply of electricity to regulated tariff customers is the responsibility of the distribution companies, they must conclude supply contracts with generators and supply companies to have the energy and capacity required to supply these customers.

4.2. Regulated activities in the international electricity industry (Latin America)

The electricity sector in Panama and Argentina shares key similarities with the natural gas sector: the distribution activity is based on a concession regime regulated by various laws and concession agreements in each of the countries, which specify, inter alia, service characteristics, the scope of the regulated market, the return on investment and how the tariff regime is to be updated.

Transmission

Electricity transmission links power generation plants and international transmission grids with distribution networks and customers. Naturgy's involvement in the transmission business is insignificant.

Distribution

Electricity distribution comprises all activities required to deliver energy from the high-voltage transmission grid to end consumers, as well as the supply of electricity at a regulated tariff to customers who are not in the free market (based on consumption and power range).

4.2.1. Remuneration framework for regulated activities

The remuneration model in both Panama and Argentina is based on a price cap model. The regulator is responsible for setting the maximum tariffs for the following regulatory period (Integrated Tariff Review). These maximum tariffs are based on economic sufficiency to adequately remunerate all costs, capital and operating expenses which distribution companies are required to incur in order to carry out the activities included in the concession agreement.

4.2.1.1. Panama

Although the regulatory model in force in Panama is a price cap, unlike in Argentina, revenue is calculated by projecting investments and operating expenses based on efficiency equations that are calculated based on the performance data of a group of companies (USA and Panama), i.e. it is a projective model whose parameters are based on a process of benchmarking with comparable companies.

The rate of return calculated is a real rate which discounts the inflation forecast for the tariff period, and, therefore, tariffs are updated to adjust for the effect of inflation (to the extent determined by the regulator) and variations in electricity prices.

The regulatory period in Panama is 4 years.

The range of potential fluctuations in this rate of return is established by law. The regulator sets the rate to be applied during the subsequent regulatory period based on an economic analysis. The upper limit of this range is calculated as the sum of 800 basis points and the yield on 30-year US Treasury bonds, plus an additional 200 basis points. The lower limit is determined as the sum of 800 basis points and the yield on 30-year US Treasury bonds, minus 200 basis points.

4.2.1.2. Argentina

The regulatory model in Argentina for electricity distribution is very similar to the regulatory model for natural gas distribution. It is based on the price cap model where the regulator sets the maximum tariffs for the next regulatory period (5 years).

The calculation of these revenues is based on the projection of the investment plan, operating expenses, asset base, and depreciation for the 5-year tariff period. The rate of return at which the assets are remunerated is also calculated. The calculated rate of return is a real rate, net of the inflation forecast for the tariff period. Tariffs are updated at regular intervals to adjust for the effect of inflation and variations in the cost of electricity.

As this is a price cap system relying on incentive-based remuneration, the distribution company makes significant efforts during the regulatory period to reduce operating costs so that, at the end of the tariff period, customers may benefit from a reduction in tariffs in the following tariff period due to lower unit operating costs.

4.2.2. Regulatory situation of the electricity distribution companies in Latin America

4.2.2.1. Panama

On 19 January 2023, under Resolution AN-18166, the tariff review (RTI) applicable to the period 1 July 2022 to 30 June 2026 was approved.

On 21 June 2023, the regulator (ASEP) published Resolution AN-18496 whereby it approved the Maximum Permitted Revenue (IMP) of the electricity distribution companies EDEMET and EDECHI for the period 1 July 2022 to 30 June 2026. The results obtained from the approved IMP represent an increase of approximately 25% of the Distribution Added Value with respect to the previous tariff review, in line with the increase in investments that are planned for the period July 2022 to June 2026 for the development, growth and modernisation of the distribution network in the concession area of the distribution companies EDEMET and EDECHI.

On 5 October 2023, the new tariff schedules were approved through Resolution AN-18737, resulting in an average price increase for regulated customers of +3.18% for EDEMET and +1.26% for EDECHI compared to the average prices of the previous period.

The tariffs related to the distribution and supply of electricity, approved by Resolution AN-18737 on 5 October 2023 for the period from 1 July 2023 to 30 June 2026, are updated every six months throughout the tariff period until June 2026, based on the consumer price index in the proportion specified by the applicable tariff regime. During 2024, an update was applied for the January-June 2024 period, and subsequently for the July-December 2024 period. At the end of 2024, the regulator announced the application of an update for the January-June 2025 period.

This six-monthly update resulted in an increase of +1.09% for EDEMET customers and a decrease of -7.33% for EDECHI customers (values calculated by comparing the tariff in force from January to June 2025 with that in force between July and December 2024, without taking into account government subsidies).

The update of the tariffs for July-December 2025 was approved at the end of June 2025, representing an increase of +9.9% for EDEMET customers and +2.65% for EDECHI customers with respect to the previous half-year.

In line with the six-monthly update mechanism planned for the 2022-2026 tariff period, at the end of 2025 ASEP announced the application of the update for January-June 2026, which maintains the validity of the Tariff Schedules approved by Resolution AN-18737 and ensures regulatory continuity until the new tariff period comes into effect on 1 July 2026.

Throughout 2024, the State's contribution was sustained by applying discounts from the tariff stabilisation fund (FET) for EDEMET and EDECHI customers consuming up to 300 kWh per month, as well as through contributions from the Occidente tariff fund (FTO) for EDECHI customers. Additionally, at the end of December 2024, a Government Resolution was issued approving the extension of the FTO until June 2025 and, in early June 2025, resolutions were issued approving the extension of the FET and FTO until December 2025.

On 23 July 2024, the Panama Cabinet, through Cabinet Resolution No. 64, officially ended the state of national emergency that had been declared in March 2020 in response to the COVID-19 pandemic. In this regard, on 16 August 2024 ASEP issued Resolution AN No. 19511-Elec, which reset the cost of energy not supplied (CENS) from the 0.50 PAB/kWh established as a result of the National Emergency to its pre-pandemic value of 0.50 PAB/kWh, effective from the time of publication.

Through Resolution AN No. 19567, of 6 September 2024, the regulator (ASEP) approved Naturgy's proposal to implement a plan of intensive maintenance work on the network, with adjustments and pruning/felling work on the most critical circuits, with the aim of improving service quality in the concession area. This work was exempted from quality indicators for a period of six months, from 1 September 2024 to 28 February 2025. As a result of achievements during this first phase of the Quality Improvement Plan, an application was made to the regulator to extend the execution with a second intensive phase of work (Phase II), with a duration of six additional months, starting on 1 March 2025, The proposal was approved by the ASEP under Resolution AN No. 20036 of 20 March 2025. Subsequently, by means of Resolution AN No. 20760 of 26 August 2025, ASEP approved Phase III of the Quality Improvement Plan for an additional six months, i.e. until 28 February 2026.

ASEP formally initiated the tariff review process for the 2026-2030 period in November 2025 with the publication of Public Consultation No. 011-25-Elec. This consultation addresses the determination of Representative Areas, Comparator Companies, and Efficiency Equations to be used in calculating the Maximum Allowable Revenue (IMP) for distribution companies for the period from 1 July 2026 to 30 June 2030. Distribution companies EDEMET and EDECHI presented their submissions by the deadline, and final approval by ASEP is pending.

On 22 December 2025, ASEP approved Resolution AN-21170-Elec, which set the rate of return applicable to the calculation of the IMP for EDEMET and EDECHI for the next tariff period, thus concluding the public consultation process that began in October.

Additionally, as part of the regulatory update process associated with the tariff review, on 23 December 2025, ASEP published Public Consultation Notice No. 012-25, which presents a proposal for amendments to the Electricity Distribution and Supply Regulations with the aim of advancing the definition of the regulatory adjustments that will apply in the next period.

4.2.2.2. Argentina

In Argentina, each provincial jurisdiction has its own regulation to establish the Distribution Added Value (VAD). That is, each province is the grantor of the Public Electricity Distribution Service in its area. However, the values relating to the acquisition cost of energy, capacity and transmission are pass-through values and are subject to national regulation.

The tariff scheme in the province of San Juan, where Naturgy operates through Naturgy San Juan S.A. (formerly Energía San Juan, S.A.), consists of five-yearly Ordinary Tariff Reviews (RTO) and half-yearly Extraordinary Tariff Reviews (RTE). The latter update the variables contained in the aggregated distribution value (VAD), make market projections and make adjustments (between estimated and actual figures) to taxes, levies and charges that are not set out explicitly in the invoices for the service.

The RTO process setting the tariffs for the five-year period from 2021 to 2025, was completed early in 2021.

On 22 January 2025, in order to comply with the provisions of Art. 47 of Law 524-A and Art. 31 of the Naturgy San Juan S.A. Concession Contract, the proposal for the new Tariff Table and Tariff Regime for the next five-year period, to start on 23 January 2026, was submitted to the Provincial Electricity Regulator (EPRE).

The commencement of the Ordinary Tariff Review Process (RTO) for the period between 23 January 2026 and 22 January 2031 was announced on 24 July 2025. The five public hearings provided for in the regulations have been held since 12 August 2025. Following completion of the process, the Provincial Electricity Regulator (EPRE) has defined the Tariff Regime and Tariff Schedule that will apply during the 2026-2031 cycle.

In line with the National Government's decision to promote an energy market where supply and demand can transact autonomously, on 24 January 2025 the National Energy Secretariat, through Resolution SE No. 21/25, authorised companies to enter into unregulated agreements without the intervention of Compañía Administradora del Mercado Mayorista Eléctrico, S.A. (CAMMESA). The changes can be summarised as three main points: decentralisation of fuel management, promotion of unregulated bilateral agreements in the market, and fulfilment of existing generation and fuel contracts until their expiration.

On 31 January 2025, National Energy Secretariat Resolution SE 24/25 reduced the government subsidy (SEN) for low-income residential users (N2) from 71.92% to 65.0% and for middle-income users (N3) from 55.94% to 50.0%. These reductions were phased in over 11 months, from February to December 2025.

On 13 March 2025, through Executive Decree No. 186/25, the government established a debt regularisation plan for electricity distributors and cooperatives to enable them to access financing and invest in improving the electricity system. As a result, on 21 April 2025, the Undersecretariat of Energy established by means of Provision No. 1 that the electricity distributors that are agents of the Wholesale Electricity Market (MEM) who are interested in joining the Special Regime for the Regularisation of Obligations of the MEM and the Special Credit Regime must notify the Undersecretariat accordingly. Since Naturgy San Juan S.A. met the conditions established to access the special regime, it expressed its intention to join.

In this regard, on 7 August 2025, Naturgy San Juan, S.A. signed the Special Credit Scheme Agreement (Provision No. 1/2025 SSEE) with the Undersecretariat of Energy. Through this agreement, credit equivalent to two transactions in February 2025 is recognised, which will be applied in 16 consecutive monthly instalments to invoices issued by CAMMESA from September 2025 onwards. In return, Naturgy San Juan, S.A. undertakes to implement a strategic plan of works to improve the electricity infrastructure in its concession area, as already approved by the EPRE through Resolution No. 546/25. In addition, quarterly progress reports must be submitted and, in the event of non-compliance, the Undersecretariat may withdraw the benefits granted on a proportional basis.

Additionally, in compliance with the provisions of the province's electricity service concession contract, EPRE has initiated the procedure to hold an international public tender linked to a 51% majority shareholding in Naturgy San Juan S.A. This process is a mandatory stage of the concession regime and does not mean that Naturgy San Juan is for sale or that it will discontinue the provision of the service; rather, it responds purely to the contractual deadlines established for the potential replacement of management periods. The company believes that, once this procedure is complete, it will continue to operate the concession under normal conditions.

The tender will begin formally with the publication and sale of the specifications, scheduled to occur before the end of February 2026. Once the specifications are available, interested parties must submit two envelopes: the first is for pre-qualification, and the second must contain the financial bid in a tender without a base price. Naturgy San Juan will participate on equal terms by submitting its own bid; if its financial bid is equal to or higher than the best bid submitted by third parties, it will retain its shareholding without any additional outlay. If it is lower, the majority package will be awarded to the new bidder and the company will receive the amount of the winning bid, net of any amounts owing to the province.

4.3. Unregulated activities in the international electricity industry

4.3.1. Generation

Naturgy operates as a power generator in Mexico, Panama, Costa Rica, Dominican Republic, Puerto Rico, Chile, Brazil, Australia and the United States.

4.3.1.1. Costa Rica and Puerto Rico

The Group generates electricity under Power Purchase Agreements (PPA) with the national enterprises in the industry, which are vertically integrated state-owned companies with exclusive responsibility for transmission, distribution and supply.

In Costa Rica, a capacity commitment contract has been signed with the Costa Rican Electricity Institute (ICE) for the 50 MW Torito power plant, which has been operating since 2015 under a 20-year concession. After this period, the plant will be transferred to the ICE at no cost. During the concession period, Naturgy recognises revenue from electricity sales to the ICE, as well as revenue from the operation and maintenance of the facility.

There were no significant regulatory changes in 2025 that specifically affected the Torito plant in Costa Rica.

In Puerto Rico, a power and capacity sale contract is in place with the state-owned Puerto Rico Electric Power Authority (PREPA). In this case, capacity revenue is recognised when received, and revenue from the sale of electricity is recognised based on the actual delivery of the electricity produced. Naturgy's stake in EcoEléctrica L.P., the company that owns the Puerto Rico combined cycle plant, is carried using the equity method.

Electricity transmission, distribution and grid operation in Puerto Rico are privatised. Specifically, LUMA Energy is the company that operates and manages the electricity transmission and distribution system, while Genera PR is responsible for generation.

In 2025, Puerto Rico passed Law 1-2025, which amended the Public Energy Policy Law. This reform eliminated the intermediate renewable energy penetration targets, although it maintained the ultimate goal of achieving 100% renewable energy generation by 2050.

In this context, the Puerto Rico Energy Bureau (NEPR) issued several regulatory resolutions that came into effect in March 2025. Notable among them is the amendment to the Energy Transformation and Relief Law (subsequently Law No. 2 of 2025) approving measures aimed at strengthening contractual compliance by private operators through a substantial increase in financial penalties applicable for operational breaches, non-availability of units, maintenance delays, and failure to achieve performance targets.

Additionally, as part of its resource planning process, the NEPR issued a resolution ordering an assessment of new firm generation capacity for the electricity system. The resolution establishes that new units must not be larger than 400 MW and must be located near major loads. It also instructs that between 2,500 and 3,000 MW of new capacity be considered, including various baseload generation technologies and not limited exclusively to natural gas.

4.3.1.2. Panama

Electricity produced by Naturgy's hydropower plants in the country is sold through bilateral contracts with distributors as a result of auctions carried out by the transmission company (ETESA) and approved by the National Public Services Authority (ASEP). Power is also sold on the open market.

Revenue from the sale of electricity and contracted power is recognised in accordance with the firm power contracted in the PPA based on fulfilment of performance obligations, and revenue from the sale of electricity is accrued as the electricity is delivered.

During 2024, there were no regulatory changes affecting Naturgy's generation operations in this country.

In 2025, Panama adopted various regulatory measures aimed at strengthening competition and the sustainability of the electricity system. Firstly, the reform of Law 6 of 1997 was initiated with the aim of preventing market concentration and facilitating the entry of new competitors, especially in the field of renewable energy. Additionally, the National Energy Secretariat issued Resolution MIPRE-2025-0037900, which enables the use of special tender documents for distributors to acquire generating capacity, in line with energy policy guidelines. ASEP published an indicative regulatory calendar that includes proposals to amend the tariff system, promote rural electrification, and create opportunities for distributed generation in non-concession areas.

4.3.1.3. Dominican Republic

Naturgy operates two oil-fired generation plants: Palamara, with a capacity of 102 MW, and La Vega, with a capacity of 92.5 MW, have been in operation since 2000 and 2001, respectively. Both plants take part in the wholesale electricity market, covering approximately 3% of the country's demand.

The Dominican Republic's electricity market is governed by Electricity Law 125-01 with implementing regulations 555-02 and, in the renewable sector, by Law 57-07. This Law lays down the general regulatory framework for the electricity sub-sector, applicable to the production, transmission, distribution and supply of electricity, and establishes the functions and powers of government bodies involved in this area.

Naturgy plants in the Dominican Republic participate in the spot market. This market uses marginal pricing, and payment is split, based on the year's peak demand, between thermal and hydroelectric plants, based on their availability statistics for the last 10 years. The Coordination Body is responsible for conducting market transactions and issuing settlements between participants.

In the Dominican Republic, no legislation was enacted during 2025 that directly affects the activity of the power plants operated by the Group in that country. However, strategic plans and regulatory reviews were implemented under the National Pact for the Reform of the Electricity Sector, which will remain in force until 2030. The main implications of these reviews are focused on the debate regarding the need to establish an efficient, transparent tariff system, and to strengthen the protection of customer rights, which mainly impacts independent supply and distribution companies.

The Dominican Electricity Industry Association (ADIE) has encouraged debate on the need to adapt the regulatory framework to new technologies, storage, distributed generation and the digitalisation of the system.

Resolution SIE-136-2024 MEM, issued by the Superintendency of Electricity (SIE) on 28 November 2024, had a significant impact in 2025 as it encouraged the entry of new participants in the ancillary services market, including renewable generators with fast response capacity, resulting in increased competition and enhanced efficiency in frequency regulation.

4.3.1.4. Mexico

The gas-fired combined cycle power plants in Mexico have commitments in place with the Federal Electricity Commission (CFE) under 'Power Generation Capacity Commitment and Associated Power Purchase Agreements', signed between 2001 and 2010 for a duration of 25 years.

The company generates power under PPAs, and sells electricity as an independent power producer (IPP) to the Comisión Federal de Electricidad (CFE). Surpluses are delivered to partners and are traded on the Wholesale Electricity Market (MEM). In addition, financial energy transactions are carried out through bilateral contracts with third parties. These last two procedures were created under the 2013 Energy Reform.

Contracts with the Federal Electricity Commission (CFE) stipulate a pre-established collection schedule for the assignment of power supply capacity. As Naturgy has the capacity to operate and manage the plants and retains the rewards and risks of operations and can make material decisions that will affect future cash flows, these contracts represent the provision of services and are thus recognised on a percentage-of-completion basis. Revenue from the sale of electricity under the contract with CFE is recognised as the electricity is generated and delivered to CFE, since these contracts qualify for the "own use" exception under IFRS 9.

The Bii Hioxo wind farm, commissioned in 2014, generates power for sale to large customers on a self-supply basis under medium and long-term bilateral contracts that qualify for the "own use" exception under IFRS 9; revenue is accrued as the electricity is generated.

The Emissions Trading Scheme (ETS) trial programme, which was originally scheduled to run for three years before the ETS entered its final phase, has been in force since 1 January 2020. The ETS is a system designed to reduce GHG emissions for facilities that emit more than 100,000 tonnes of CO2 per year, consists of placing a cap on the total emissions of each sector. Facilities registered with the ETS must submit an emission allowance for each tonne of CO2 they release to the atmosphere. At 2025 year-end, the final rules of the ETS had not been published, nor had a public consultation been called, so the trial phase of the ETS remains in force.

During the Trial Programme, rights are allocated free of charge by the authority, and the emission rights do not have a monetary value as there is no active market in the country. Currently, the four combined cycle gas plants that Naturgy operates in Mexico are registered with the ETS and received free emission allowances from the authority to cover emissions over the period 2020-2025 under the grandfathering scheme (calculation for allocation free of charge based on historical emissions).

In May 2024, through the ETS Advisory Committee (COCOSCE), the Mexican Ministry of the Environment and Natural Resources circulated the draft final rules for industry comment. On 4 June 2024, a meeting was held with industry representatives, at which the allowances allocation mechanism was explained. This mechanism is expected to be applied during the final phase. The draft Final Rules provide for the allocation of rights free of charge based on emissions data in the system for 2021, plus an annual projection factor for the period (2022-2026) and emission reduction factors for compliance with the targets during the same period. However, in October 2024, a constitutional reform was carried out with significant implications for the electricity sector, with the result that the issuance of the Final Rules has been put on hold, and the Preliminary Phase is continuing during 2025 and 2026.

On 9 March 2021, a reform of the Electricity Industry Law (LIE), which has been in force since 2014, was enacted. However, companies in the business and sector appealed this reform, with the result that the version published in 2014 remained in force until March 2025.

On 18 March 2025, Mexico enacted various reforms applicable to unregulated activities in the electricity sector. The reforms were approved and entered into force on 19 March 2025. In particular, the new Electricity Sector Law (LESE), replaces the Electricity Industry Law (LIE) of 2014. The new law retains the wholesale electricity market (MEM), but creates new rules for participation; it also establishes that at least 54% of the energy fed into the grid each year must come from government-controlled sources.

Another new development approved on 18 March 2025 was the creation of the National Energy Commission (CNE) under the Ministry of Energy (SENER), which replaces the Energy Regulatory Commission (CRE). The CNE's main objectives are: be responsible for granting generation and supply permits, issuing regulation and supervising compliance, and defininig private-sector participation in electricity generation.

Additionally, the Federal Electricity Commission (CFE) ceased to be a “productive enterprise” and is now a state-owned enterprise wholly owned by the federal government, with its own legal personality and assets. Its new purpose is to achieve energy justice and sustainable development.

On 3 October 2025, the Regulations under the Electricity Sector Law, the Energy Planning and Transition Law, and the Hydrocarbons Sector Law were published. These regulations elaborate upon the secondary legislation enacted in March 2025 and establish binding planning mechanisms for the national energy system, technical criteria for the energy transition aimed at efficiency and the incorporation of renewables, specific provisions for energy storage, and new rules for the allocation, operation, and supervision of activities in the hydrocarbons sector.

With regard to the hydrocarbons sector, the Reform to the Hydrocarbons Law (LH), which has also been in force since 2014, was published in May 2021. This reform was also suspended on 26 May 2021, meaning that the law as promulgated in 2014 remained in force until March 2025.

The Hydrocarbons Sector Law (LESH), redefining the role of the state in the Mexican energy industry, was enacted on 18 March 2025. The new law strengthens PEMEX (Petróleos Mexicanos), the state-owned company responsible for hydrocarbon exploration, production and marketing, by granting it exclusive assignments in exploration and production (upstream) projects and a mandatory minimum 40% stake in joint ventures with private companies. The Secretariat of Energy (SENER) has been assigned a more active role since it is empowered to authorise exploration and reconnaissance activities, with the power to unilaterally modify allocation areas and work commitments. The National Energy Commission (CNE) was created as a new regulatory body, replacing the National Hydrocarbons Commission. Overall, the LESH seeks to strengthen the country's energy sovereignty by centralising strategic decisions in central government and confining private sector ownership to controlled schemes.

On 6 May 2024, the National Commission for Regulatory Improvement (CONAMER) released the first regulatory document on energy storage for consultation; the document aims to establish the general conditions under which electricity storage systems (ESS) will be integrated into the national electric system (SEN). Subsequently, on 30 September 2024, the Governing Body of the Energy Regulatory Commission (CRE) approved the document, although it was not officially enacted until 7 March 2025, through Resolution No. A/113/2024 published in the Official Gazette of the Federation (DOF). This resolution established the General Administrative Provisions (DACG) for the integration of ESS into the SEN. However, the Regulations under the Electricity Sector Law, published on 3 October 2025, establish that the National Energy Commission (CNE) must issue, within at most 180 working days from its entry into force, new specific DACGs on storage, which will replace those issued by the CRE in March 2025.

The 2025–2039 Electricity Sector Development Plan was published on 17 October 2025; it defines the national strategy to strengthen, expand and modernise the National Electricity System with a long-term vision based on energy sovereignty, sustainability and regional equity. It also recognises the Federal Electricity Commission (CFE) as the key player in the expansion of the system and sets technical and economic criteria for the incorporation of new technologies.

4.3.1.5. Chile

In August 2016, Naturgy was awarded the energy tender for regulated customers, securing a 20-year long-term Power Purchase Agreement (PPA) to supply electricity to distributors. To meet this commitment, Naturgy has developed and constructed two projects (wind and solar) that came on stream in January 2021 with a total installed capacity of approximately 312 MW. Revenue from electricity sales is recognised as physical deliveries of energy and capacity take place, in accordance with purchase requirements; therefore, it qualifies for the "own use" exception under IFRS 9 and is accrued as the electricity is delivered.

In addition, Naturgy operates 11 “small means of distributed generation” (PMGD) plants (10 MW maximum capacity) which, under current regulations, have access to a Stabilised Node Price that is regulated for a term of up to 14 years. The combined total capacity of these 12 plants currently in commercial operation is approximately 56 MW.

Law 21.505 was published at the end of 2022, promoting the development of electricity storage systems and electromobility. It allows any party interested in investing in this technology to do so, taking part in the short-term electricity market and being eligible for remuneration for the electricity transferred into the system.

On 4 April 2024, the Ministry of Energy established working groups with industry representatives to review the proposals to amend the Coordination and Operation Regulation (DS125 of 2019), which is one of the most important regulatory texts in defining the national electric system. The process is currently in its final phase and, although it has not yet been officially published, significant progress has been made. On 6 October 2025, the Ministry submitted the decree amending DS125 to the Comptroller General of the Republic for its information, which is the final step prior to its official publication. These new regulations incorporate substantial changes that will allow battery energy storage systems (BESS) and hybrid power generation systems (GCS), modernising and enhancing the flexibility of the national electricity system.

On 10 July 2023, a reform of the General Electricity Services Law (LGSE) was presented to Parliament to advance decarbonisation and meet the carbon neutrality target set for 2050 in the Framework Law on Climate Change. The Energy Transition Law (Law 21.721) was enacted following its approval in November 2024; it reinforces the role of electricity transmission as critical infrastructure and introduces flexibility mechanisms and incentives for storage and distributed generation. During 2025, the Ministry of Energy promoted accelerated decarbonisation, favouring solar, wind and green hydrogen projects, as well as improving storage regulations and grid planning. Specifically, the Decarbonisation Plan was published in October 2025, setting out 28 measures in four strategic areas, including phasing out coal, converting technology and strengthening transmission. Chile also strengthened its regional leadership in storage with BESS systems and announced an Accelerated Decarbonisation Law, which brings forward the closure of coal-fired power plants to 2035-2040, with more streamlined environmental procedures for renewable and critical infrastructure projects.

In August 2024, the Executive sent a bill to the Chamber of Deputies that expands the coverage of the electricity subsidy, consisting of amendments to various items of legislation in the area of tariff stabilisation to raise USD 900 million through three main mechanisms: an increase in the tax on CO_2 emissions, the collection of the net VAT resulting from the increase in electricity tariffs, and a charge associated with withdrawal of Small Distributed Generation System (PMGDs) from the system. This bill, which was approved by the Chamber of Deputies' Mining and Energy Commission, advanced considerably during 2025. Specifically, in January 2025, the Finance Committee of the Chamber of Deputies approved three of the bill's financing mechanisms: Nevertheless, the legislative process continued throughout the year with substantial amendments; in its current wording, the bill contemplates only increased VAT collection as the main source of funding for the subsidy.

4.3.1.6. Australia

The Australian electricity market is divided into two main unconnected domains: NEM (National Energy Market), regulated by the National Electricity Rules (NER), and WEM (Wholesale Electricity Market), regulated by the Electricity Industry Act 2004.

The NEM is Australia's primary electricity market, operated by the Australian Energy Market Operator (AEMO). It connects the five interconnected states: Queensland, New South Wales (including the ACT), Victoria, South Australia, and Tasmania. The WEM supplies power in the state of Western Australia via the South West Interconnected System (SWIS). Both markets are configured as wholesale commodity markets in electricity.

The electricity market operates as a spot market (pool), where energy supply and demand are matched in real time through a centrally coordinated dispatching process. Generators submit offers to supply the market with specified quantities of electricity at designated prices for specific periods and can revise their offers at any time.

Based on the bids submitted, AEMO determines the order of dispatch for the generators. Both the NEM and WEM are designed to operate in a manner that meets electricity demand (or consumption) in the most cost-effective way.

The Australian Federal and State Governments have established renewable energy generation targets for 2030 as part of their energy transition and decarbonisation strategies. Achieving these renewable targets has been encouraged through energy auctions conducted by State Governments (such as the ACT Government, Victoria Government and Queensland Government) and through the Federal Government's Capacity Investment Scheme (capacity auctions). These schemes enable long-term energy sales contracts at a "regulated" tariff, typically under a contract for differences arrangement.

Additionally, rising demand for renewable energy has led to the development of a growing market for bilateral power purchase agreements (PPAs) between generators and corporations, primarily industrial and technology companies, as well as electricity supply companies (retailers).

In Australia, Naturgy has power purchase agreements (PPA) in place for wind farms that are already operational, as well as for projects under construction. These PPAs are signed for terms ranging from ten years, for solar projects under construction, to twenty years for the Crookwell wind project, which is currently operational.

The plants sell their production to the market (at the market price) and, under these contracts, a financial settlement is made for the difference between this price and the agreed price. These are contracts for the sale of electricity that are settled by differences in which the underlying volume is the electricity actually produced. For accounting purposes, these contracts are treated as derivatives under IFRS 9 2.4, and are designated as cash flow hedges of sales by the generating facilities.

Naturgy developed the Crookwell 2 wind generation project (96MW) in New South Wales has been operating it since November 2018 under a 20-year feed-in tariff agreement with the ACT Government.

In 2018, Naturgy was granted a permit for the Berrybank 1 wind project (180MW) in Victoria, which commenced operations in April 2021. In this instance, the agreement is a 15-year bilateral Power Purchase Agreement (PPA) with the State of Victoria at a regulated tariff.

In early 2023, commercial operation of the 10 MW/20 MWh ACT Battery energy storage system commenced, enhancing the quality of power supplied to the city of Canberra. This facility is part of the commitments acquired with the construction of the Berrybank 2 wind farm, which began operating in mid-2023 and consists of a second stage of the Berrybank 1 wind farm, with a capacity of 109 MW. The project operates under a ten-year power purchase agreement with the ACT Government at a feed-in tariff.

In 2024, three new generation facilities located in the states of New South Wales and Victoria began commercial operation. In August 2024, the Hawkesdale wind farm in Victoria, with a capacity of 97MW and a 15-year PPA agreement at a regulated tariff for all the energy supplied to the system, commenced operations. In November 2024, the Ryan Corner wind farm in Victoria, with an installed capacity of 217 MW, and the Crookwell 3 wind farm in New South Wales, with an installed capacity of 57 MW, began operations. Ryan Corner has a 15-year PPA at a regulated tariff for 75% of the electricity supplied to the system, while Crookwell 3 has a 12.5-year PPA at a regulated tariff for all the electricity supplied to the system.

The Cunderdin hybrid project was commissioned in December 2024. It is the first hybrid solar and battery project developed by Naturgy in Australia. It will have an installed solar photovoltaic capacity of 128MW and a 55MW/220MWh battery storage system.

In addition to the aforementioned eight facilities (Crookwell 2, Berrybank 1, Berrybank 2, ACT Battery, Hawkesdale, Ryan Corner, Crookwell 3, and Cunderdin) that are already in operation, the following projects are under development:

- Bundaberg (100MW) and Glenellen (260MW) solar projects: Both projects have sold their output under 10-year PPAs and expect to begin operations by early 2026.

- Fraser Coast Hybrid Project: It will feature a solar PV capacity of 330MW and a 180MW/360MWh battery energy storage system.

4.3.1.7. Brazil

Naturgy operates in Brazil through four photovoltaic generation plants with a total capacity of 153 MW that came into operation in 2017 and 2018 and have 20-year contracts for the sale of reserve energy to Câmara de Comercialização de Energia Elétrica (CCEE).

Under these contracts, there is a physical delivery of electricity to the buyer in accordance with their purchase requirements, so they qualify for the "own use" exception under IFRS 9, and revenue is accrued as the electricity is delivered.

In May 2025, an energy reform process commenced with the main objective of liberalising the electricity market fully by 2028, allowing all consumers to freely choose their energy supplier. This reform indirectly impacts renewable energy projects by eliminating the distribution toll subsidy for which those projects were eligible. However, this reform will not affect power purchase agreements (PPAs) signed before October 2025, so Naturgy's existing contracts remain unchanged.

4.3.1.8. Unites States of America (USA)

Naturgy Group's presence in the United States of America (USA) centres on electricity generation using solar technology, with projects at various stages of operation, construction, and development, concentrated in three main markets: CAISO (California, Nevada), ERCOT (Texas) and PJM (Ohio, Kentucky).

To date, Naturgy has consolidated its position in the US market with the commissioning of the 7V Solar Ranch photovoltaic plant, which began operating in 2024 and is the largest facility of its kind in the group worldwide, and the Grimes plant, which began operating in 2025; both are located in Texas. The Mark Center solar plant (125 MW) is expected to be commissioned in 2026.

In the USA, Naturgy has PPAs in place for operational facilities and for facilities that are under construction and in development. These PPAs have terms ranging from ten to twenty years, and the sale price is established at the time the contract is signed. Under these agreements, the plants sell their output to the market (at the market price) and a financial settlement is made for the difference between this price and the contractually agreed price. These are contracts for the sale of electricity that are settled by differences in which the underlying volume is the electricity actually produced. For accounting purposes, these contracts are treated as derivatives under IFRS 9 2.4, and are designated as cash flow hedges of sales by the generating facilities.

In addition, there is a physical forward electricity PPA in place for one of the renewable assets in the United States, classified as for "own use".

The arrival of the new administration in 2025 brought significant legislative changes, and a shift in the country's energy policy towards protecting conventional generation and relaxing commitments to combat climate change.

The steps taken so far can be classified into three distinct groups: tariff policies, tax incentives, and projects with links to federal land:

- **Tariff policies:** imposition of tariffs to favour US manufacturing.

  The Trump administration invoked the International Emergency Economic Powers Act (IEEPA) and Section 232 of the Trade Expansion Act of 1962 to pass legislation imposing import tariffs on goods from certain countries. Initial announcements of high import tariffs led to disruptions in global trade and significant turbulence in financial markets in the early days. Negotiations with the countries involved resulted, in some cases, in a reduction of the tariffs that had been imposed initially. Given the US renewable energy industry's high dependence on imports, tariff effects are expected to lead to higher capital costs and pressure on delivery times.

  During 2025, there were significant legal developments regarding the tariffs imposed by the United States on a number of trading partners. The legal situation remains subject to change, as various federal courts have handed down partially contradictory rulings on the validity and application of the tariffs, creating legal uncertainty until the appeals are resolved. Although tariffs have not had a direct material impact on the Group's operations, the issue is being actively monitored due to their potential impact on global supply chains and international trade flows.

- **Tax incentives:** measures aimed at reducing incentives for renewable energy.

  The main legislative development in the tax area is the budget reconciliation bill known as the "One Big Beautiful Bill Act".

  That bill was initially approved by the House of Representatives on 22 May 2025 and was referred to the Senate, which approved the text on 1 July 2025, including various amendments to the text originally proposed by the House. On 3 July 2025, the House of Representatives passed the version that had been previously approved by the Senate. The final wording as enacted provides conditions for the termination of tax credits for renewables that are more lenient than in the initial version approved in the House.

  After final approval by the House of Representatives, the text was signed by President Donald Trump in a symbolic act on 4 July 2025, Independence Day. The signature of this Act concludes a period of high regulatory uncertainty and provides a new regulatory framework for the energy industry.

  The biggest impact of the new Act on the country's renewables business would come from changes in renewable energy tax credits. The main change in this respect is the early termination of tax credits for solar and wind energy, bringing forward this termination for all projects that are not in service before 2027, compared with the deadline of 2032 provided for in the previous law. The new act also imposes additional requirements to eliminate technological content and ownership by companies from China, Russia, Iran and North Korea.

  However, the new regulations preserve the 'safe harbour' concept. Projects that can prove that construction has begun under this heading within 12 months of the law's approval will retain their tax credits, provided that they come into service by 31 December 2030. On 15 August 2025, the Internal Revenue Service (IRS) published Notice 2025-42, which introduces updated guidelines for determining the beginning of construction for tax purposes. These new guidelines apply to wind and solar projects that begin construction on or after 2 September 2025; earlier projects continue to be subject to the previous regulations.

Over the last two years, Naturgy has implemented a safe harbour strategy by ensuring it attained the construction start milestone and, therefore, maintained access to tax incentives for five of the projects in the portfolio. The new rules also make it possible to secure tax credits for the rest of the portfolio that is less advanced through a safe harbour strategy similar to those implemented for the foregoing projects, provided that the construction start milestone is achieved by 4 July 2026.
The new rules impose new restrictions on projects that fail to achieve the construction start milestone by 31 December 2025, and limit the technology content and the ownership stakes of "foreign entities of concern" (FEOC).

The current regulation does not provide material changes with respect to the pre-existing legislation (Inflation Reduction Act - IRA) for other renewable technologies, including energy storage.

- **Projects linked to federal land:** On 15 July 2025, the Department of the Interior (DOI) issued an internal memorandum with a guideline establishing new approval requirements for all wind or solar projects located on federal land (administered by the Bureau of Land Management – BLM) that are in the process of obtaining permits or ready to begin construction.

  Subsequently, the federal government entered shutdown on 1 October 2025, which delayed the definition and implementation of the management and approval process associated with these new requirements. Although the federal government has resumed its activities, uncertainty persists regarding the practical implementation and application periods of these new requirements from the DOI and BLM.

  Naturgy's portfolio of projects under development in the United States includes four projects that have links to federal land, either because they will be implemented on federal land or because the offtake line crosses federal land. Until the federal government resumes work, it will be difficult to gauge the potential delays that these new requirements may cause for these four projects.

- **Other measures:** in response to the new US administration's lower commitment to promoting renewable energy.
  The main executive orders passed by the federal government in this regard are:

  – Executive Order No. 14154 – Unleashing American Energy, dated 20 January 2025, to promote the exploration and production of the country's natural resources in order to reduce energy costs for citizens while making the country a global energy leader.

  – Executive Order No. 3415 – Temporary Suspension of Delegated Authority, dated 20 January 2025, which suspended the issuance of new permits for renewable energy facilities by government agencies for a period of 60 days. On 29 March 2025, upon expiry of the 60-day period, no formal order renewing or lifting the suspension was published.

  – Executive Order No. 14162 – Putting America First In International Environmental Agreements, dated 20 January 2025, which withdrew the United States from the Paris Agreement on climate change.

During the second half of 2025, regulatory activity focused on the articulation and implementation of the regulations issued during the first half of the year.

Naturgy Energy Group, S.A. and subsidiaries
Annual financial report 2025

CONSOLIDATED DIRECTORS' REPORT

Naturgy

Directors' report for the year ended 31 December 2025

1. Company situation 3
1.1. Corporate mission, purpose and values 3
1.2. Business model and organisational structure 5
1.3. Corporate governance model 10
1.4. Regulatory environment 13
2. Business performance and results 14
3. Liquidity and capital 44
4. Main risks, opportunities and uncertainties 45
5. Subsequent events 62
6. Forecast Group performance 62
7. Innovation 65
8. Annual Corporate Governance report 68
9. Annual Board Remunerations report 68
10. Additional information 68
10.1. Treasury shares 68
10.2. Information on average supplier payment period 71
11. Non-Financial Information Statement and Sustainability Report 71

Appendices

i. Alternative performance metrics 72

1. Company situation

1.1. Corporate mission, purpose and values

Naturgy Energy Group, S.A. was incorporated in 1843. Its registered office is located at Avenida de América 38, Madrid. In 2025, the company celebrated 182 years of providing solutions to advance society.

Naturgy Energy Group, S.A. and subsidiaries (hereinafter, Naturgy) is a group engaged in the production, distribution and supply of energy and services. Our business model takes a comprehensive approach to energy; consequently, our value chain is integrated and features a balanced energy mix focused on creating value. We are committed to the sustainable development of society by guaranteeing a competitive, secure energy supply with the utmost respect for the environment.

Naturgy operates in over 20 countries, supplying gas and electricity to over 16 million customers, with market shares of 41.7% in gas contracts and 14.3% in electricity contracts in Spain, more than 18.7 GW of installed capacity and a diversified power generation mix.

It operates in regulated and liberalised gas and electricity markets and international activities are making a growing contribution, mainly in the following areas:

- Gas and electricity distribution
- Electricity generation and supply
- Natural gas infrastructure, procurement and supply

Naturgy pays attention to the needs of each of its stakeholders:

Meet the needs of ...	With the goal of...	Based on our commitments
Our shareholders	Offering increasing sustainable returns	▪ Customer focus ▪ Commitment to results ▪ Sustainability ▪ Interest in people ▪ Social responsibility ▪ Integrity
Our customers	Being leaders in continuous growth with a multinational presence, offering high-quality products that respect the environment	
Our employees	Offering opportunities for professional and personal development	
Society	Contributing positively through a commitment to global citizenship	

While not forgetting our roots, our vision for the future aims to transform the current business model and lay the foundations to continue creating value through the energy transition, focusing on renewable energy, developing renewable gas (hydrogen and biomethane) by leveraging our leading position in the conventional natural gas market and promoting energy efficiency and the circular economy.

Vision and strategic alignment

Naturgy's brand strategy includes defining a meaningful, inspiring and distinctive corporate object aligned with the evolution of the energy sector and the Group's transformation under the 2025-2027 Strategic Plan, which drives the energy transition through:

- Growth in renewable energy generation
- Leadership in renewable gases, especially biomethane
- Strengthening distribution networks
- Digitalisation and simplification of customer relations
- Excellence in industrial operations

Purpose and values

With this approach, our purpose and our values reinforce Naturgy's long-standing commitment to society, to people and to fulfilling its commitments. Naturgy's purpose is to "Facilitate your relationship with energy every day", reflecting our conviction that people are at the heart of everything we do and our vocation to support them simply and efficiently in the energy challenges of today and tomorrow. Naturgy understands energy in a broad sense based on an integrated industrial model that combines generation, distribution networks, supply and new energy vectors, enabling it to offer balanced, sustainable solutions.

This purpose translates into three values that define us as a company and guide our behaviour and the way we work every day:

One team

We work as a team for and on behalf of people. We take every decision responsibly and courageously, because delivering on our promises is the foundation on which to build a relationship of trust.

Continuous evolution

We challenge ourselves every day to find new and better ways to move forward. Learning from experience and anticipating what is to come.

Being your choice

We strive every day to be the best option for all our audiences.

And all of this is expressed through a slogan that accompanies our brand:

“Cada día - Every day”

A slogan that builds a new kind of relationship: close, everyday, which means being present and adding value every day and improving continuously, just as we have been doing since 1843.

1.2. Business model and organisational structure

Naturgy's business model is implemented through a large number of companies, mainly in Spain, Latin America (Argentina, Chile, Brazil, Mexico, Panama, Dominican Republic, Puerto Rico and Costa Rica), the United States, Australia and the rest of Europe.

Naturgy's operating segment structure is aligned and coherent with the model for reporting to the Board of Directors, which is responsible for regularly reviewing the results of the segments within the company's operational decision-making process in order to decide on the resources to be allocated to each of them and assess their performance.

The operating segments are grouped into two large blocks, Distribution Networks and Energy Markets, which were unchanged with respect to the previous year:

- **Distribution Networks:** groups together the business segments devoted to managing regulated gas and electricity distribution and transport infrastructures. The definition of each operating segment within this group is based primarily on geography (country), type of activity, regulatory environment, type of customer and homogeneity of operating processes.

  - **Gas Spain**: regulated gas distribution business in Spain.
  - **Gas Mexico**: regulated gas distribution and supply in Mexico.
  - **Gas Brazil:** the regulated gas distribution and supply in Brazil.
  - **Gas Argentina**: regulated gas distribution and supply in Argentina.
  - **Gas Chile:** regulated gas distribution and supply in Chile.
  - **Electricity Spain:** regulated electricity distribution in Spain.
  - **Electricity Panama**: regulated electricity distribution and supply in Panama.
  - **Electricity Argentina:** regulated electricity distribution and supply in Argentina.

  This block also includes a holding company carrying out horizontal activities directly linked to this grouping's businesses.

- **Energy Markets:** includes the deregulated business segments as follows:

  - **Energy Management:** This segment groups together activities characterised by operating in deregulated markets:

    - liquefied natural gas trading and shipping;
    - procurement and other gas infrastructure management, and supply to energy-intensive consumers; and
    - management of the Medgaz gas pipeline (equity-accounted).

    The grouping reflects similarities in risks and returns associated with exposure to market prices, active contract management and a focus on large consumers and energy operators, as well as the integration of the gas value chain in a competitive environment.

  - **Thermal Generation:** these segments are mainly defined according to geographical area (Spain and Latin America), the technology used (conventional generation using fossil fuels, nuclear and combined cycles) and the specific regulatory environment in each country. Operational processes and centralised asset management in each geography are also taken into account, allowing for the risks, returns and specific characteristics of each market to be reflected appropriately.

    - **Spain**: includes management of the conventional thermal generation fleet (which uses fuel for heat generation and which is not covered by a special regime) in Spain (nuclear and combined cycle).
    - **Latin America**: includes management of the conventional thermal generation facilities in Mexico, the Dominican Republic and Puerto Rico, the latter being equity-accounted through EcoEléctrica LP.

- **Renewable Generation:** these segments are defined according to geography (Spain, United States, Latin America and Australia), technology (wind, solar, small hydraulic, cogeneration and hydraulic), the regulatory framework, and the degree of development of the projects in each region. This segmentation makes it possible to reflect the differences in the competitive environment, regulatory incentives, and growth opportunities in each market.

  - **Spain**: includes management of facilities and generation projects using wind energy, mini hydro, solar and cogeneration, as well as hydroelectric power generation located in Spain, and the development portfolio in other European countries.
  - **USA:** includes managing photovoltaic generation projects in operation and under development in the United States of America (USA).
  - **Latin America** includes the management of the facilities and renewable electricity generation projects located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).
  - **Australia**: includes management of the existing renewable power generation fleet and project pipeline in Australia.

- **Renewable Gases**: management of renewable gas projects, mainly biomethane and green hydrogen. The definition of the segment reflects the innovative nature of the activities, the specific regulatory framework and the strategic focus on developing new sustainable energy solutions.

- **Supply**: This segment is defined on the basis of the objective of the main activity, which consists of managing end customers of gas, electricity and services. Factors such as customer type (residential, industrial and commercial), product and service diversification, integration of new technologies and brand development in Spain are taken into account.

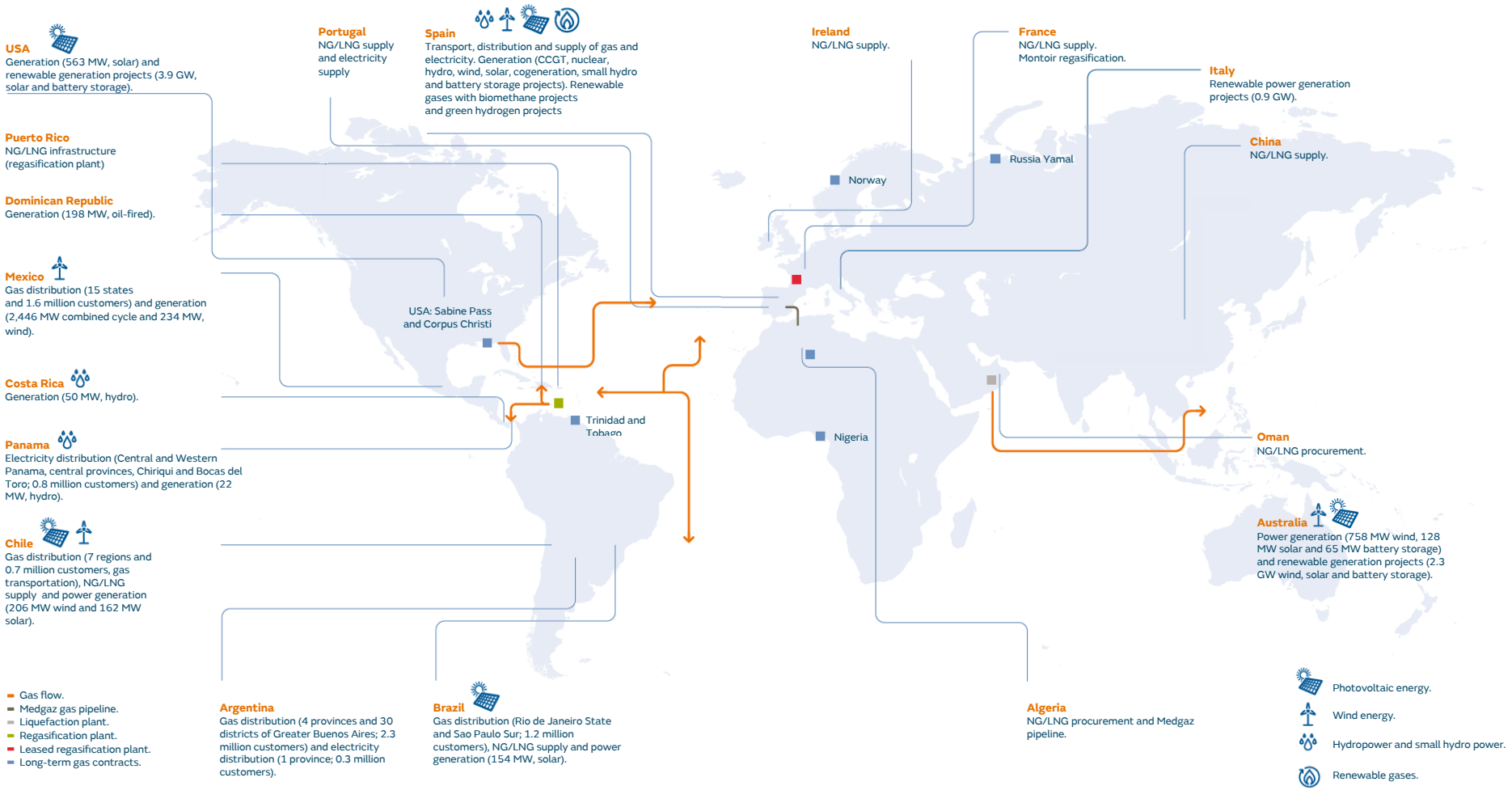
  A holding company carrying out cross-cutting activities directly linked to the grouping's businesses is also included.

- **Other:** basically includes the corporation's operating expenses and other lesser and residual activities.

Throughout the value chain, Naturgy's business model stands apart as a leader in the gas sector and a key player in the electricity sector, in both cases guaranteeing the continuity of supply, which is essential to providing a quality service and fulfilling the company's mission in society, delivering a broad range of value-added services and fostering sustainable innovation to drive development.

Appendix I to the consolidated annual accounts details the companies that form part of Naturgy and the activities in which they engage.

Geographic footprint



Leadership in the gas business

Gas

	Distribution Networks	Infrastructure	Procurement	Renewable Gases	Supply
	11.1 million supply points. **138,247 km** of network.	LNG carriers (long-term leases). Medgaz transportation pipeline.	**~ 21 bcm** supply portfolio.	**4.1 MW** of biomethane installed capacity.	**241.9 TWh** of gas supplied.
Our positioning	**Spain** Leader in Spain with a **70%** market share, distributing natural gas in more than 1,220 municipalities in ten autonomous regions to **5.3** million customers. **Latin America** Latin America's leading distributor. More than **5.8** million customers. Presence in Argentina, Brazil, Chile, Mexico and in five of the largest cities in those countries.	Eight LNG carriers (**1.29 Mm3**). **24.5%** interest in the Medgaz gas pipeline. Stake in the Ecoeléctrica regasification plant. Leased storage capacity: **0.8 bcm.**	Business model based on diversification and flexibility that has made Naturgy a global operator with a strong international profile. Naturgy has procurement contracts with suppliers worldwide for natural gas, both gaseous (NG) and liquefied (LNG).	**Biomethane**: 23.8 GWh of biomethane and bio-LNG produced and supplied. Three company-owned plants, one under construction and a portfolio of over 70 projects under development for producing biogas and upgrading to biomethane for injection into the natural gas grid. **Green hydrogen**: Naturgy is developing green hydrogen projects in just transition areas and is studying its use to produce biofuels of non-organic origin.	More than **3.3 million** retail and industrial customers in Spain, and LNG sales in numerous countries worldwide. A global operator with the flexibility to tap markets offering attractive margins. **41.7%** market share in gas contracts in Spain. Competitive supply to combined cycle plants (CCGT).
Our strength	Naturgy is a leader in the markets where it operates, affording it an excellent platform for organic growth, in terms both of attracting new customers in municipalities with gas and of expanding networks to areas without gas.	Naturgy has an integrated gas infrastructure that affords it considerable stability, making its operations more flexible and enabling it to transport gas to the best business opportunities.	Naturgy has a diversified and flexible portfolio of procurement contracts, with review mechanisms in case of price discrepancies.	The existence in parallel and gradual substitution of renewable gases in the group's current distribution infrastructure will drive decarbonisation in both existing networks and in sectors that use gas (manufacturing, residential and transportation).	Naturgy has a diversified portfolio of end customers and supplies gas in Spain and other countries. Naturgy is a leader in dual energy supply and offers a broad range of value-added services.

A key player in the electricity business

	Electricity			
	Distribution Networks	**Thermal Generation**	**Renewable Generation**	**Supply**
	5.0 million supply connections. **158,557 km** of network.	**10.7 GW** of generation capacity.	**8.0 GW** of generation capacity.	**21.8 TWh** of electricity supplied.
Our positioning	**Spain** The third-largest operator in the Spanish market, distributing electricity to **3.9 million** customers. **Latin America** Presence in Argentina and Panama with **1.1 million** customers. Naturgy has a leading position in the markets where it operates.	**Spain** **8.0 GW** of capacity (7.4 GW CCGT and 0.6 GW nuclear). Coal-fired power generation was discontinued in June 2020. Naturgy's market share is **21%**. **International** **2.6 GW** of capacity: 2.4 GW CCGT (Mexico) and 0.2 GW oil-fired (Dominican Republic).	**Spain** **5.7GW** of capacity (2.1 GW hydroelectric, 2.5 GW wind, 1.1 GW solar and 0.1 GW cogeneration). Naturgy's market share, excluding cogeneration, is **5.8%.** **International** **2.3GW** of capacity: 0.1 GW hydroelectric (Costa Rica and Panama), 1.2 GW wind (Mexico, Chile and Australia), and 1.0 GW solar (USA, Brazil, Chile and Australia).	Leader in the large consumer and residential segments, with a total market share of **14.3% in Spain.** One of the main traders in the Spanish market. A dual energy offering and a broad range of value-added services.
Our strength	Naturgy is efficient in terms of operation and maintenance costs in the electricity distribution business.	Naturgy has considerable know-how in the power generation technologies it operates and its infrastructure can adapt to the needs of each energy model and to the reality of each country.	Naturgy has a good position focused on growth, which will enable it to seize investment opportunities in power generation in these geographies.	Naturgy is a leader in the combined supply of natural gas and electricity, which provides major advantages such as lower service costs, integrated customer care and lower acquisition costs, not to mention greater customer loyalty.

1.3. Corporate governance model

Attached as an annex and forming an integral part of this Directors' Report are the Annual Report on Corporate Governance 2025 and the Annual Report on Director Remuneration 2025, as required by article 538 of the Capital Companies Law.

Corporate governance model

Naturgy is governed in accordance with the principles of efficacy, transparency and accountability in line with the main international recommendations and standards.

The internal terms of reference in the area of corporate governance comprise mainly:

- Articles of Association (updated in 2025).
- Regulations for the Organisation and Operation of the Board of Directors and its Committees (updated in 2025).
- Regulations of the General Meeting of Shareholders (updated in 2022).
- Global Sustainability Policy, replacing the Environment Policy and Human Rights Policy (updated in 2025).
- Declaration of Principles and Policies, replacing the Corporate Responsibility Policy (updated in 2025).
- Code of Ethics (updated in 2024).

As at 31 December 2025 and 2024, the main shareholders of Naturgy are as follows:

	Interest in share capital %	
	2025	2024
- Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (1)	26.0	26.7
- BlackRock, Inc. (2)	12.5	20.9
- CVC Capital Partners PLC (3) (4)	13.8	20.7
- Corporación Financiera Alba, S.A. (3) (5)	5.0	—
- IFM Global Infrastructure Fund (6)	15.5	16.9
- Sonatrach (7)	4.1	4.1

(1) Holding through Criteria Caixa, S.A.U.

(2) The indirect shareholding is held mainly through GIP III Canary 1, S.à r.l., which has a direct shareholding of 11.422% (20.641% as at 31 December 2024). Additionally, as at 31 December 2025, BlackRock, Inc. holds 0.092% of voting rights through financial instruments.

(3) On 18 December 2025, Corporación Financiera Alba, S.A. (Alba), Rioja Investments S.à r.l., Rioja Luxembourg, S.à r.l. and Rioja Acquisition, S.à r.l. have agreed to reorganise the investment structure in Naturgy, consisting of Alba ceasing to be a partner of Rioja Luxembourg, S.à r.l. and, indirectly, of Rioja Acquisition, S.à r.l. As a result of this reorganisation, Alba Europe S.à r.l. now directly holds some of the shares in Naturgy that were previously owned by Rioja Acquisition, S.à r.l. Consequently, on the same day, these companies agreed to terminate the shareholders' agreement that had been in force since 2018 and to replace it with a new shareholders' agreement between them in relation to Naturgy.

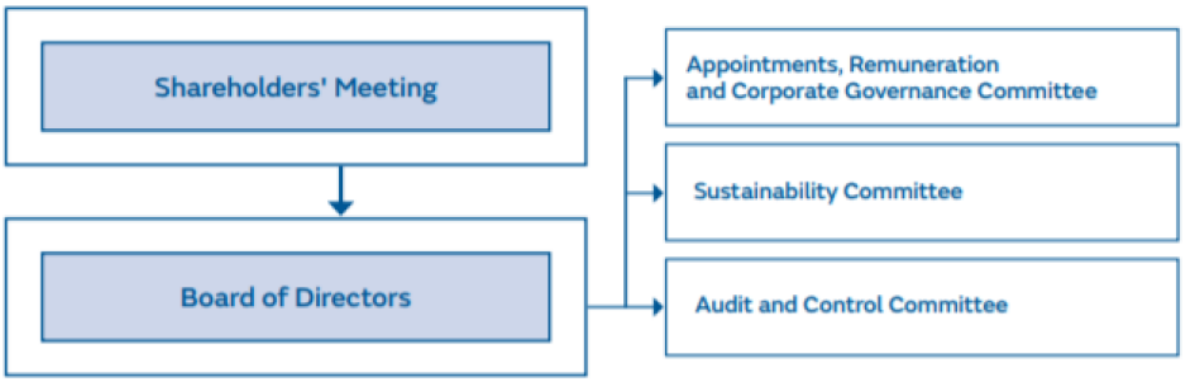
(4) Through Rioja Acquisitions S.à r.l.

(5) Through Alba Europe, S.à r.l.

(6) Through Global InfraCo O (2), S.à r.l.

(7) Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures.

Naturgy's governance structure is as follows:



Shareholders' Meeting

Any person who is a shareholder of record five days before the Shareholders' Meeting is entitled to attend.

Board of Directors

The Board of Directors of Naturgy operates via plenary meetings and committees, in accordance with the provisions of the Capital Companies Law. Accordingly, the Board of Directors of Naturgy has an Audit and Control Committee, an Appointments, Remuneration and Corporate Governance Committee and a Sustainability Committee, whose functions are substantially as set out in the Act or those that the Board of Directors has considered appropriate to attribute to them by delegation. Independent directors make up the majority of the Audit and Control Committee. All of the Board committees are chaired by independent directors.

Since the Chairman of the Board of Directors of Naturgy is also an executive director, the company has appointed a lead independent director to mitigate potential conflicts of interest. This position is held by Ms. Helena Herrero Starkie, an independent director who is a member of the Audit and Control Committee and Chairman of the Sustainability Committee. Pursuant to Article 529 septies of the Capital Companies Law, the lead independent director is empowered to request the convening of meetings of the Board of Directors or the inclusion of additional items on the agenda and to coordinate and convene meetings of the non-executive directors.

Naturgy also has a Conflicts of Interest Policy, approved in May 2021, that is applicable to all Group employees, including the Executive Chairman. The policy establishes the guidelines to be followed by employees in the event of a conflict of interest, based on the principles of loyalty, abstention and transparency in pursuit of a resolution.

The main issues considered by the Board of Directors and its committees within their remit in 2025, as well as all issues related to corporate governance, are detailed in the Annual Report on Corporate Governance, attached as an Appendix of this document.

The Board of Directors of Naturgy has 15 members, the Audit and Control Committee has 5 members, the Appointments, Remuneration and Corporate Governance Committee has 5 members and the Sustainability Committee has 4 members.

The composition of the Board of Directors and its committees on 31 December 2025 is as follows:

Board of Directors		Audit and Control Committee	Appointments, Remuneration and Corporate Governance Committee	Sustainability Committee	Category of director	Date first appointed
Executive Chairman	Mr. Francisco Reynés Massanet				Executive	6/02/2018
Lead director	Mrs. Helena Herrero Starkie	Vocal		Chairman	Independent	4/05/2016
Vocal	Mrs. Lucy Chadwick			Vocal	Dominical	16/03/2020
Vocal	Mrs. Isabel Estapé Tous			Vocal	Dominical	16/03/2020
Vocal	Mr. Ramón Adell Ramón	Vocal			Dominical	11/02/2022
Vocal	Mr. Rajaram Rao		Vocal		Dominical	21/09/2016
Vocal	Mr. Javier de Jaime Guijarro		Vocal		Dominical	25/03/2025
Vocal	Mr. Pedro Sainz de Baranda	Vocal	Chairman		Independent	27/06/2018
Vocal	Mr. Claudi Santiago Ponsa	Chairman	Vocal		Independent	27/06/2018
Vocal	Mr. José Antonio Torre de Silva López de Letona	Vocal			Dominical	28/03/2023
Vocal	Mr. Jaime Siles Fernández-Palacios			Vocal	Dominical	11/02/2022
Vocal	Mrs. María Isabel Gabarró Miquel		Vocal		Dominical	25/03/2025
Vocal	Mr. Martín Catchpole				Dominical	25/03/2025
Vocal	Mr. Nicolás Villén Jiménez				Dominical	25/03/2025
Vocal	Mrs. Marta Martínez Alonso				Dominical	25/03/2025
Secretary (not a director)	Mr. Manuel García Cobaleda	Secretary (not a director)	Secretary (not a director)	Secretary (not a director)	N/A	29/10/2010

Management structure

There is only one executive director, as described in the previous section, to whom the Board has delegated all its functions except those that the law or the Regulation of the Board of Directors do not permit to be delegated.

Accordingly, the Chairman of the Board of Directors has responsibility for all of the Group's businesses.

The Group has a structure of executives and managers with the necessary powers to conduct the company's operations and undertake basic activities relating to its management. The personnel with executive responsibility that report directly to the Executive Chairman, Mr. Francisco Reynés Massanet, are considered to be members of the Management Committee.

As at 31 December 2025, the Management Committee is comprised of the Executive Chairman and the following:

- Procurement and Wholesale Markets Department, headed by Mr. Jon Ganuza Fernández de Arroyabe.
- Network Department, headed by Mr. Pedro Larrea Paguaga.
- Renewable Generation Department, headed by Mr. Jorge Barredo López.
- Renewable Gases Department, headed by Mr. José Luis Gil Sánchez.
- Supply Department, headed by Mr. Carlos Francisco Vecino Montalvo.
- Technology and Systems Department, headed by Mr. Rafael Blesa Martínez.
- Financial Markets and Corporate Development Department, headed by Mr. Steven Douglas Fernández Fernández.
- Company Secretariat and Secretariat of the Board of Directors, headed by Mr. Manuel García Cobaleda.
- Public Affairs and Sustainability Department, headed by Mr. Jordi García Tabernero.
- People and Resources Department, headed by Mr. Enrique Tapia López.

In addition to the members of the Management Committee, the executives who report directly to the Board, its committees or to the Company's chief executive, Mr. Francisco Reynés Massanet, are classified as senior management. As at 31 December 2025, this refers to the following persons:

- Planning and Control Department, headed by Ms. Rita Ruiz de Alda Iparraguirre.
- Consolidation and Administration Department, headed by Mr. Gabriel Alejandro Deseff Rodriguez.
- External Communication Department, headed by Mr. Víctor Manuel Márquez Moya.
- Compliance Unit, headed by Ms. María Isabel González Alfaro.
- Environment and Social Responsibility Department, headed by Ms. Nuria Rodríguez Peinado.
- Internal Audit Department, headed by Ms. Eva Fernández Roselló.

1.4. Regulatory environment

Appendix IV. Regulatory Environment to the consolidated annual accounts contains a description of the regulations governing the industry and the electricity and gas system in the markets in which Naturgy operates.

2. Business performance and results

2.1. Main aggregates

Main financial aggregates

	2025	2024	**Change (%)**
Net sales	19,455	19,267	1.0
EBITDA	5,334	5,365	(0.6)
Operating Profit	3,580	3,549	0.9
Consolidated profit attributable to the parent company	2,023	1,901	6.4
Capital expenditure (CAPEX)	2,142	2,280	(6.1)
Net financial debt	12,317	12,201	1.0
Free cash flow after minorities	2,242	1,418	58.1

Key financials & metrics

	2025	2024
Leverage (%)	52.0 %	51.1 %
EBITDA/Net financial debt cost	10.1x	10.9x
Net financial debt/EBITDA	2.3x	2.3x

Main stock market ratios and shareholder remuneration

	2025	2024
Total no. of shares ('000)	969,614	969,614
Average no. of shares outstanding ('000) [1]	930,411	960,734
Share price at 31/12 (Euros)	25.92	23.38
Market capitalisation at 31/12 (Euros million)	25,132	22,670
Earnings per share (Euros) attributable to the parent company	2.17	1.98
Dividend paid [2]	1,682	1,357

[1] Calculated using the average number of outstanding shares in the year (average number of ordinary shares minus average number of treasury shares).
[2] Dividends paid, net of those received by group companies, amount to Euros 1,676 million and Euros 1,345 million as at 31 December 2025 and 2024, respectively.

Key operating figures

Distribution	**2025**	2024
Gas distribution (GWh)	384,039	392,953
Electricity distribution (GWh)	34,684	34,410
Gas supply points ('000)	11,077	11,066
Electricity supply points ('000)	4,951	4,913
Gas distribution network (km)	138,247	137,567
Length of electricity transmission and distribution network (km)	158,557	157,165

Gas	**2025**	2024
Supply (GWh)	133,523	123,972
International LNG (GWh)	108,333	110,117
Total gas supply (GWh)	**241,856**	**234,089**

Electricity	**2025**	2024
Supply (GWh)	18,785	18,111
Electricity sales (GWh)	3,021	1,414
Total Electric supply (GWh)	**21,806**	**19,525**
Installed capacity thermal generation (MW)	10,675	10,675
Installed capacity renewable excluding batteries (MW)	8,020	7,254
Total installed capacity (MW)	**18,695**	**17,929**
Battery storage (MW)	**65**	**65**
Net production thermal generation (GWh)	32,988	28,279
Net production renewable (GWh)	15,188	14,381
Total net production (GWh)	**48,176**	**42,660**

Environmental and social performance

Environment	**2025**	2024
Power generation emission factor (t CO2/GWh)	244	234
Greenhouse gas (GHG) emissions (M tCO2 eq) [1]	13.4	11.9
Emissions-free installed capacity (%) [2]	46.0	43.7
Emissions-free net production (%) [2]	39.4	43.0

Interest in people	**2025**	2024
No. of employees at year-end [3]	6,764	6,941
Training hours per employee [4]	49.6	46.0
Women representation (%) [3, 5]	36.8	35.4

Health and safety	**2025**	2024
No. of accidents leading to days lost	6	12
Frequency [6]	0.46	0.89

Commitment to society and integrity	**2025**	2024
Economic value distributed (Euros million) [7]	17,689	17,173
No. of complaints received by the Ethics Committee	125	117

[1] GHG: greenhouse gases, measured as tCO_2 equivalent (scope 1 and 2).
[2] According to the criteria used in the Non-Financial Information Statement and Sustainability Report.
[3] Does not include the number of employees at businesses classified as discontinued operations (8 persons in 2025 and 12 persons in 2024) or employees of companies carried by the equity method (56 persons at 31 December 2025 and 2024).
[4] Considering the workforce managed, according to the Non-Financial Information Statement and Sustainability Report.
[5] Considering the workforce managed by the Group, according to the Consolidated Non-Financial Information Statement (previously calculated on the basis of the workforce managed in Spain). The information for 2024 has been restated for consistency.
[6] The information for 2024 has been restated in accordance with the criteria of Commission Delegated Regulation (EU) 2023/2772 and is now calculated per million hours worked (previously it was calculated per 200,000 hours worked, in line with OSHA criteria).
[7] Defined in Appendix I – Alternative Performance Metrics.

2.2. Executive summary

During 2025, gas and electricity prices remained higher on average than in 2024, driven by ongoing geopolitical tensions and macroeconomic uncertainty.

These factors contributed to a decoupling between gas and oil price indexes, with oil prices in 2025 below their average for 2024.

In 2025, Naturgy's EBITDA reached a record Euros 5,334 million, as in 2024. These solid results reflect the Group's diversification and resilience, with a balanced combination of risks, geographies and regulated and liberalised activities. Consolidated profit attributable to the parent company reached Euros 2,023 million, an increase of 6.4% over 2024. Cash flow was strong in 2025, maintaining a solid statement of financial position despite the Euros 2,332 million share buyback completed in June 2025. The majority of the repurchased shares have already been reallocated to institutional investors in the capital markets through accelerated placements in August and October 2025.

Results in the regulated activities were stable after adjusting for the extraordinary events of 2024, driven by higher regulatory remuneration in Spain Electricity and tariff updates in Latin America, offset by a negative currency effect. Energy Management made a decisive contribution to results in Naturgy's liberalised businesses, supported by a competitive gas procurement and proactive risk management. Thermal Generation business achieved good results, especially in Spain, mainly as a result of increased production in the ancillary service markets. These results highlight the essential role of flexible generation assets (particularly combined cycle gas plants or CCGTs) in maintaining system stability and security of supply. As renewable penetration continues to increase, so does the system's reliance on CCGTs to provide critical balancing and support services. Naturgy also continued to expand its installed renewable capacity, making progress in decarbonisation. Renewables results improved moderately, supported by higher installed capacity, particularly in Australia. In Spain, the increase in renewable capacity was offset by lower hydroelectric and wind power production.

Additionally, in 2025, the Group recognised total revenue of Euros 146 million plus updated interests, related to the recovery of the Special Tax on Hydrocarbons (IEH) borne between 2014 and 2018. Supply business reported lower results after benefiting in 2024 from the favourable court ruling on the energy subsidy.

During 2025, investments amounted to Euros 2,142 million, mainly in Distribution Networks and Renewable Generation businesses. In line with the 2025-2027 Strategic Plan, investment in Distribution Networks accounted for 47% of total investment compared to 40% in 2024, while investment in the Renewable Generation business represented 36% of total investment, compared to 44% in 2024. The installed capacity in Renewable Generation reached 8.0 GW, with 1.2 GW of additional capacity currently under construction. Capital discipline and profitability continue to be the cornerstones in the current environment, while focusing selectively on growth in renewables.

Naturgy also continues to make progress in the field of Renewable Gases, where it has three alliances: two with agricultural and livestock waste management companies (Hispania Silva and Bioeco Energías) and a third project with a project developer (ID Energy) to develop biomethane plants throughout Spain by 2030. The Group continues to aspire to be the leading developer in the promotion of renewable gases in Spain; it is well positioned to take advantage of this opportunity and ready to deploy significant investments and resources in this business.

At 2025 year-end, Naturgy's net financial debt reached to Euros 12,317 million, compared to Euros 12,201 million in 2024. The ratio of net financial debt to EBITDA stood at 2.3x, even after the impact of the Euros 2,332 million share buyback completed in June 2025. In addition, an accelerated share placement transaction was carried out on 7 August for a net amount of Euros 495 million, and another placement was carried out on 9 October for a net amount of Euros 879 million. Both transactions were part of the 2025-2027 Strategic Plan and enabled the company to achieve its objective of increasing free float, boosting share liquidity and returning to the main stock market indices.

As for shareholder remuneration during 2025, Naturgy distributed Euros 1,676 million in dividends (net of the amount received by group companies), including a 2024 supplementary dividend amounting to €0.60 per share in cash, paid in April 2025, and two interim dividends out of 2025 earnings each amounting to €0.60 per share, paid in July and November 2025, respectively. As part of the 2025-2027 Strategic Plan presented in February 2025, Naturgy revised its dividend distribution policy and established a plan to steadily increase the annual dividend from €1.7 per share in 2025 to €1.90 per share in 2027, subject to maintaining a BBB credit rating. Following the completion of the tender offer for own shares, treasury stock amounted to 4.5% of total capital. Dividends will be paid to all shares not classified as direct treasury stock on the date the distribution is determined. A total dividend of € 1.77 per share out of 2025 earnings will be proposed to the Annual Shareholder's Meeting, in accordance with the established dividend policy. The supplementary dividend of € 0.57 per share will be payable from 31 March 2026, subject to approval of the General Shareholders' Meeting.

Tender offer and subsequent placement

During 2025, Naturgy carried out significant transactions within the framework of its 2025-2027 Strategic Plan with the aim of restoring adequate levels of free float, promoting the share's liquidity and strengthening its presence in international stock market indices. In this context, the Group made a voluntary tender offer to acquire 88 million own shares, which was executed in June 2025, followed by various orderly placements of treasury stock on the market. For further details, see Section 10.1, "Own shares," of this document.

MSCI (Morgan Stanley Capital International)

In February 2024, Morgan Stanley Capital International (MSCI), a global benchmark for institutional investments and numerous mutual funds and exchange-traded funds, announced changes to the composition of several of its indexes. As a result, Naturgy ceased to be a component of several MSCI indices, effective as of market close on the last business day of February 2024. The exclusion was based on the market value of Naturgy's free float, which had fallen below MSCI's minimum inclusion thresholds, and was unrelated to the Group's operating and financial performance.

Naturgy carried out a number of transactions that restored its free float to appropriate levels. As a result, Naturgy was reinstated in the main stock market indices, notably the MSCI indices, in November 2025.

Changes in the shareholder structure

There were significant changes in the shareholder structure in 2025 as a result, among other factors, of the goal of restoring free float and strengthening the company's presence in stock market indices. For further details, see Section 1.3, "Corporate governance model", of this document.

Energy demand and commodity prices

Average gas and electricity prices in Europe were higher in 2025 than in 2024, influenced by macroeconomic uncertainty, geopolitical developments and lower temperatures. These factors contributed to a decoupling between gas and oil price indices, with Brent trading below 2024 average. In this context, the HH, TTF and JKM indices stood on average 52%, 12% and 8%, respectively, above their 2024 levels. In addition, wholesale electricity prices were 4% higher on average than in 2024. In contrast, average Brent prices were 14% lower than in 2024.
Demand performance was mixed across the various markets. Mexico Gas remained stable, while demand declined by 8.2% in Brazil Gas, 8.1% in Argentina Gas, 4.4% in Chile Gas and 0.8% in Spain Gas. Demand in Spain Electricity increased by 1.5%, while Argentina Electricity and Panama Electricity experienced declines of 4.5% and 0.2%, respectively.

2.3. Key comparability factors

Reporting structure

The structure of the operating segments, in two main blocks, was maintained in 2025: Distribution Networks and Energy Markets.

Changes in consolidation scope

There were no material transactions in 2025 such as to affect the comparability of the information for 2025 with that for 2024. The changes in consolidation scope in 2025 and 2024 are detailed in section 2.4.1.d. and Appendix II about changes in consolidation scope in 2025 consolidated annual accounts.

Foreign exchange impact

Exchange rate fluctuations during 2025 and their effect are detailed below:

Currency	Average exchange rate 2025	Change (%)	EBITDA	Consolidated profit attributable to the parent company
USD/€	1.13	4.4	(33)	(14)
MXN/€	21.67	9.3	(28)	(7)
BRL/€	6.31	8.2	(24)	(7)
ARS/€ [1]	1,703.62	59.6	(94)	(48)
CLP/€	1,074.05	5.2	(16)	(7)
Other			(5)	1
Total			**(200)**	**(82)**

[1] Exchange rate as at 31 December 2025, as Argentina is classified as a hyperinflationary economy.

During 2025, currency fluctuations had a negative impact of Euros 200 million on EBITDA and Euros 82 million on consolidated profit attributable to the parent company. The main currencies in which the Group operates depreciated against the euro in comparison with 2024.

2.4. Consolidated results

	2025	2024	Change (%)
Net sales	19,455	19,267	1.0
EBITDA	**5,334**	**5,365**	**(0.6)**
Depreciation, amortisation and impairment losses	(1,612)	(1,524)	5.8
Impairment due to credit losses	(139)	(90)	54.4
Other results	(3)	(202)	(98.5)
Operating Profit	**3,580**	**3,549**	**0.9**
Net financial income/ (expenses)	(504)	(465)	8.4
Profit of entities recorded by equity method	142	120	18.3
Corporate income tax	(833)	(835)	(0.2)
Profit for the year from discontinued operations, net of taxes	—	(22)	—
Non-controlling interest	(362)	(446)	(18.8)
Consolidated profit attributable to the parent company	**2,023**	**1,901**	**6.4**

Net sales

Net revenue amounted to Euros 19,455 million in 2025, an increase of 1.0% on 2024. This was the result of higher gas and electricity prices, as well as increased production by CCGT plants in Spain, which boosted the liberalised activities, together with an increase in regulated remuneration in Spain Electricity and tariff updates in Latin America, partially offset by currency depreciation.

EBITDA

Consolidated EBITDA amounted to Euros 5,334 million in 2025, keeping record levels in line with 2024. The Group achieved solid results, with a balanced contribution from the various geographies and regulated and liberalised activities. The results were supported by a higher contribution from liberalised activities, particularly Thermal Generation in Spain, driven by higher demand and production in the ancillary markets. Additionally, the business recognised total revenue of Euros 146 million plus updated interests, related to the recovery of the Special Tax on Hydrocarbons (IEH) borne between 2014 and 2018. The comparison of the regulated businesses was affected by the positive impact in 2024 of the adjustment of the provision at Gas Chile related to the TGN litigation.

In the Energy Markets business, Energy Management posted solid results, benefiting from the diversification of procurements and proactive hedging of LNG volumes in USA. Renewable Generation results improved moderately, supported by higher installed capacity. Supply business saw earnings decline year-on-year, mainly as a result of the recognition in the first half of 2024 of the Euros 63 million of indemnity plus interest for the amounts paid to finance the energy subsidy in the deregulated market that was paid by Naturgy's supply companies.

The comparative breakdown of EBITDA by business is as follows:

	2025	2024	Change (%)
Distribution Networks	2,710	2,872	(5.6)
Energy Markets	2,722	2,542	7.1
Rest	(98)	(49)	100.0
EBITDA	**5,334**	**5,365**	**(0.6)**

Operating results

Depreciation, amortization and impairment losses in 2025 amounted to Euros 1,612 million, an increase of 5.8% compared to 2024 because of higher installed capacity and investments.

In 2025, impairment losses were recognised for a net amount of Euros 11 million, relating to impairment losses on wind farms and projects in Spain Renewable Generation (Euros 56 million), the net reversal of impairment losses on assets in USA Renewable Generation (Euros 15 million) and the net reversal of impairment losses recognised previously in Argentina Gas (Euros 30 million). In 2024, a net reversal amounting to Euros 18 million was recognised, mainly as a result of the reversal of the impairment loss recognised in 2020 at Argentina Gas (Euros 38 million) and other impacts at Spain Thermal Generation and USA and Spain Renewable Generation. For further details, see Note 4. “Non-financial asset impairment losses” in the 2025 Notes to the consolidated annual accounts.

Impairment due to credit losses amounted to Euros 139 million in 2025, 54.4% more than in 2024. The comparison with the previous year is affected by the reversal of provisions associated with arbitration proceedings that concluded in 2024, following the publication of the respective rulings. For further details, see the section entitled "Credit risk" in Note 18 "Risk management and derivative financial instruments" in the 2025 Notes to the consolidated annual accounts.

"Other results" include impacts related to updates on litigation and arbitration. In particular, a provision was reversed in 2025 due to the agreement reached between Metrogas, S.A., a Naturgy Group subsidiary in Chile, and Transportadora de Gas del Norte, S.A. (TGN) to end all the legal disputes initiated in 2011 that were pending before the courts of Argentina, along with other minor negative impacts. Results in 2024 included the negative impact of the award handed down in June 2024 in the arbitration between EDP and Naturgy, as well as the update of the provision for claims by Transportadora de Gas del Norte, S.A. (TGN) against Metrogas (see Note 36 "Litigation and arbitration, guarantees and commitments" in the 2025 Notes to the consolidated annual accounts).

Net financial income

	2025	2024	**Change (%)**
Cost of net financial debt	(529)	(490)	8.0
Other financial expenses/income	25	25	—
Net financial income/ (expenses)	**(504)**	**(465)**	**8.4**

Net financial income amounted to Euros 504 million, 8.4% more than in 2024. The cost of net financial debt increased slightly due to higher financial liabilities, despite the lower average cost of gross financial debt (3.9%, vs. 4.0% in 2024), excluding the cost of lease financial liabilities and other refinancing costs in both cases. Additionally, "Other financial expenses/income" was affected in 2025 by default interests arising from the recovery of the Special Tax on Hydrocarbons (IEH), while in 2024 this item mainly reflected the reversal of provisions.
As at 31 December 2025, 66% of gross debt is at fixed rates and 67% is denominated in euro.

Profit of entities recorded by equity method

Profit of entities recorded by equity method amounted to Euros 142 million, compared with Euros 120 million in 2024, corresponding to Ecoelectrica (Euros 72 million), Chile Gas (Euros 33 million), Medina/Medgaz (Euros 21 million), Qalhat (Euros 5 million), Spain Renewable Generation companies (Euros 2 million) and other subsidiaries (Euros 9 million).

The 18.3% increase with respect to 2024 is due mainly to improved results from associates in Spain Renewable Generation, Chile Gas and EcoElectrica, partially offset by lower results from Qalhat.

Corporate income tax

The effective tax rate in 2025 was 25.9%, compared with 26.1% in 2024.

Profit for the year from discontinued operations, net of taxes

As at 31 December 2025, the Group had not generated any profit or loss from discontinued operations. In 2024, the "Result of the year from discontinued operations, net of taxes" amounted to a loss of Euros 22 million, including Euros 18 million for the re-estimation of the indemnity agreed with the buyer of the Electricity Distribution Chile business, whose sale was completed in July 2021, and Euros 4 million associated with the sale of the Gas Distribution Italy business completed in February 2018.

Consolidated profit attributable to the parent company

Consolidated profit attributable to the parent company amounted to Euros 2,023 million in 2025, an increase of 6.4% compared to 2024.

Income attributed to non-controlling interests

Income attributed to non-controlling interests totalled Euros 362 million in 2025, i.e. a year-on year reduction of 18.8%, as detailed below:

	2025	2024	**Change (%)**
Spain Gas	(61)	(66)	(7.6)
Chile Gas	(93)	(159)	(41.5)
Other affiliates [(1)]	(192)	(198)	(3.0)
Other equity instruments	(16)	(23)	(30.4)
Total	**(362)**	**(446)**	**(18.8)**

[(1)] Including companies in the following segments: Latin America Renewable Generation, Australia Renewable Generation, Latin America Thermal Generation, Brazil Gas, Mexico Gas, Argentina Gas and Panama Electricity.

The decrease is due mainly to Chile Gas following the positive impact in the first half of 2024 of reversing the provision for Transportadora de Gas del Norte, S.A. (TGN). The reduction in "Other equity instruments", which includes accrued interest on deeply subordinated notes (hybrids), is attributable to the redemption without replacement of Euros 500 million in April 2024 and Euros 169 million in May 2025 as part of a liability management operation.

As at 31 December 2025, the nominal amount of outstanding hybrids was Euros 331 million.

2.5. Results by business unit

2.5.1. Distribution Networks

Below is the detail of the reported EBITDA for the period ended 31 December 2025 and 2024:

	2025	2024	Change (%)
Distribution Networks	**2,710**	**2,872**	**(5.6)**
Spain Gas	756	763	(0.9)
Mexico Gas	245	274	(10.6)
Brazil Gas	288	298	(3.4)
Argentina Gas	147	136	8.1
Chile Gas	304	448	(32.1)
Spain Electricity	741	670	10.6
Panama Electricity	210	238	(11.8)
Argentina Electricity	44	63	(30.2)
Holding and eliminations	(25)	(18)	38.9

EBITDA in Distribution Networks decreased by 5.6% to Euros 2,710 million in 2025, mainly as a result of the positive impact at Chile Gas in 2024 of adjusting the provision related to the TGN (Transportadora de Gas del Norte, S.A.) litigation and a negative currency effect amounting to Euros 172 million.

Meanwhile, Mexico Gas, Argentina Gas, Brazil Gas and Argentina Electricity benefited from tariff updates, which were partially offset by currency depreciation (with negative impacts of Euros 24 million, Euros 69 million, Euros 22 million and Euros 25 million, respectively).

The improvement in Spain Electricity was due to investments expanding the asset base and the recognition of higher remuneration that was overdue from previous years. Spain Gas was affected by the annual adjustment in regulated remuneration. Lately, Panama Electricity reported a lower margin due to lower recovery of price deviations.

Spain Gas

Results

	2025	2024	Change (%)
Net sales	992	987	0.5
Procurement	(94)	(54)	74.1
Gross margin	**898**	**933**	**(3.8)**
Other operating income	31	34	(8.8)
Personnel expenses	(51)	(80)	(36.3)
Taxes	(19)	(16)	18.8
Other operating expenses	(103)	(108)	(4.6)
EBITDA	**756**	**763**	**(0.9)**
Depreciation, provisions and other results	(257)	(261)	(1.5)
EBIT	**499**	**502**	**(0.6)**

In 2025, EBITDA amounted to Euros 756 million, 0.9% less than in 2024, mainly as a result of the negative regulatory adjustment to the remuneration for gas distribution in the reporting year, in line with the current regulatory framework.

Main aggregates

The main aggregates in the Gas Distribution Networks activity in Spain are as follows:

	2025	2024	**Change (%)**
TPA - Sales (GWh)	158,928	160,138	(0.8)
LPG Sales (tn)	67,388	63,044	6.9
Distribution network (km)	57,206	57,093	0.2
Increase in connection points, thousand	(18)	(21)	(14.3)
Connection points (thousand) at 31/12	5,312	5,331	(0.4)

Gas sales, excluding LPG, remained stable compared to 2024 (a slight reduction of 0.8%). The number of gas distribution connection points remained relatively stable, declining by just 0.4% year-on-year.

Mexico Gas

Results

	2025	2024	**Change (%)**
Net sales	798	671	18.9
Procurement	(495)	(346)	43.1
Gross margin	**303**	**325**	**(6.8)**
Other operating income	16	22	(27.3)
Personnel expenses	(24)	(21)	14.3
Taxes	(1)	(1)	—
Other operating expenses	(49)	(51)	(3.9)
EBITDA	**245**	**274**	**(10.6)**
Depreciation, provisions and other results	(68)	(73)	(6.8)
EBIT	**177**	**201**	**(11.9)**

EBITDA decreased by 10.6% to Euros 245 million, mainly as a result of the negative exchange rate effect (Euros 24 million). These negative effects were partially offset by tariff updates.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	**Change (%)**
Gas activity sales (GWh)	**52,367**	**52,372**	**—**
Gas sales	24,062	24,115	(0.2)
TPA	28,305	28,257	0.2
Distribution network (km)	23,435	23,317	0.5
Increase in connection points (thousand)	10	10	—
Connection points (thousand) at 31/12	1,591	1,581	0.6

Gas sales remained stable year-on-year. The number of connection points increased slightly, by 0.6% with respect to 2024.

Brazil Gas

Results

	2025	2024	Change (%)
Net sales	1,045	1,502	(30.4)
Procurement	(668)	(1,116)	(40.1)
Gross margin	**377**	**386**	**(2.3)**
Other operating income	37	39	(5.1)
Personnel expenses	(22)	(19)	15.8
Taxes	(6)	(6)	—
Other operating expenses	(98)	(102)	(3.9)
EBITDA	**288**	**298**	**(3.4)**
Depreciation, provisions and other results	(65)	(67)	(3.0)
EBIT	**223**	**231**	**(3.5)**

EBITDA in 2025 amounted to Euros 288 million, down 3.4% with respect to 2024. This decrease is due mainly to the negative exchange rate effect (Euros 22 million), which was partially offset by the tariff update due to inflation in Rio de Janeiro.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Gas activity sales (GWh)	**40,566**	**44,169**	**(8.2)**
Gas sales	24,355	31,621	(23.0)
TPA	16,211	12,548	29.2
Distribution network (km)	8,492	8,422	0.8
Increase in connection points (thousand)	5	5	—
Connection points (thousand) at 31/12	1,196	1,191	0.4

Gas sales decreased by 8.2% year-on-year as a result of lower industrial consumption and the greater availability of hydro resource in the power generation segment.

The number of connection points remained relatively stable, having increased by just 0.4%.

Argentina Gas

Results

	2025	2024	Change (%)
Net sales	598	642	(6.9)
Procurement	(320)	(346)	(7.5)
Gross margin	**278**	**296**	**(6.1)**
Other operating income	26	20	30.0
Personnel expenses	(38)	(51)	(25.5)
Taxes	(40)	(42)	(4.8)
Other operating expenses	(79)	(87)	(9.2)
EBITDA	**147**	**136**	**8.1**
Depreciation, provisions and other results	11	16	(31.3)
EBIT	**158**	**152**	**3.9**

In 2025, EBITDA amounted to Euros 147 million, 8.1% more than in 2024, mainly due to tariff updates, as the five-year review from May 2025 offset the negative exchange rate effect (Euros 69 million in the period).

In 2025,a a net reversal impairment was recognised, in the amount of Euros 30 million, under "Depreciation, amortisation and impairment losses". In 2024, impairment was reversed in the amount of Euros 38 million, recognised under "Depreciation, amortisation and impairment losses". Both reversals were related mainly to the estimated impacts of the tariff reviews on this business's cash flow projections.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Gas activity sales (GWh)	**93,342**	**101,541**	**(8.1)**
Gas sales	40,311	35,278	14.3
TPA	53,031	66,263	(20.0)
Distribution network (km)	40,662	40,364	0.7
Increase in connection points (thousand)	6	1	500.0
Connection points (thousand) at 31/12	2,267	2,261	0.3

Gas sales decreased by 8.1%, with uneven performance across segments. The TPA and NGV gas segments experienced declines of 20.0% and 10.1%, respectively, while the residential segment expanded moderately (4.1%) and the industrial segment expanded significantly (58.9%).

The number of connection points remained stable with respect to 2024, increasing by just 0.3%.

Chile Gas

Includes gas distribution and supply activities.

Results

	2025	2024	Change (%)
Net sales	777	857	(9.3)
Procurement	(399)	(335)	19.1
Gross margin	**378**	**522**	**(27.6)**
Other operating income	1	4	(75.0)
Personnel expenses	(29)	(27)	7.4
Taxes	(4)	(4)	—
Other operating expenses	(42)	(47)	(10.6)
EBITDA	**304**	**448**	**(32.1)**
Depreciation, provisions and other results	(37)	(15)	146.7
EBIT	**267**	**433**	**(38.3)**

EBITDA in 2025 amounted to Euros 304 million, a decrease of 32.1% with respect to 2024. The comparison was affected by the positive impact in 2024 of adjusting the provision for claims by TGN (Transportadora de Gas del Norte, S.A.) after the first-instance ruling exonerating Metrogas was overturned (See note 36 "Litigation and arbitration, guarantees and commitments" in the 2025 notes to consolidated annual accounts). Additionally, the exchange rate impact was negative in the amount of Euros 23 million. The gas distribution business is affected by a decrease in demand across all markets, despite tariff increases. Meanwhile, the supply business benefited from lower margins.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Gas activity sales (GWh)	**38,836**	**34,733**	**11.8**
Gas distribution sales (GWh)	9,929	10,381	(4.4)
Gas sales (GWh)	2,172	1,844	17.8
TPA (GWh)	26,735	22,508	18.8
Distribution network (km)	8,452	8,371	1.0
Increase in connection points (thousand)	8	10	(20.0)
Connection points (thousand) at 31/12	711	702	1.3

Gas distribution sales decreased by 4.4% due to decrease in demand in all markets. Gas supply sales increased by 17.8% as a result of higher sales to power generators, while the TPA segment increased by 18.8%.

The number of connection points increased by 1.3% in the year.

Spain Electricity

Results

	2025	2024	Change (%)
Net sales	911	851	7.1
Procurement	—	—	—
Gross margin	**911**	**851**	**7.1**
Other operating income	28	22	27.3
Personnel expenses	(55)	(55)	—
Taxes	(25)	(24)	4.2
Other operating expenses	(118)	(124)	(4.8)
EBITDA	**741**	**670**	**10.6**
Depreciation, provisions and other results	(283)	(267)	6.0
EBIT	**458**	**403**	**13.6**

In 2025, EBITDA amounted to Euros 741 million, an increase of 10.6% year-on-year, due mainly to the expansion of the asset base as a result of investments and to the recognition of higher remuneration that was overdue from previous years.

Main aggregates

The main aggregates in the Spain Electricity business are as follows:

	2025	2024	Change (%)
Sales - TPA (GWh)	**26,742**	**26,355**	**1.5**
Distribution network (km)	116,578	115,984	0.5
Connection points (thousand)	3,880	3,859	0.5
ICEIT (minutes)	32.0	32.6	(1.8)

In 2025, electricity sales increased slightly (1.5% year-on-year). The number of points increased slightly year-on-year (0.5%).

Panama Electricity

Results

	2025	2024	Change (%)
Net sales	975	1,006	(3.1)
Procurement	(704)	(705)	(0.1)
Gross margin	**271**	**301**	**(10.0)**
Other operating income	10	8	25.0
Personnel expenses	(10)	(10)	—
Taxes	(7)	(7)	—
Other operating expenses	(54)	(54)	—
EBITDA	**210**	**238**	**(11.8)**
Depreciation, provisions and other results	(69)	(72)	(4.2)
EBIT	**141**	**166**	**(15.1)**

In 2025, EBITDA amounted to Euros 210 million, 11.8% less than in 2024, mainly due to lower recovery of price deviations in the tariff. The exchange rate impact was negative in the amount of Euros 9 million.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Electricity business sales (GWh)	**5,855**	**5,869**	**(0.2)**
Electricity sales	4,869	4,862	0.1
TPA	986	1,007	(2.1)
Distribution network (km)	31,386	30,824	1.8
Connection points (thousand) at 31/12	802	789	1.6

Electricity sales decreased by 0.2%. The number of connection points grew by 1.6% with respect to 31 December 2024.

Argentina Electricity

Results

	2025	2024	Change (%)
Net sales	172	223	(22.9)
Procurement	(98)	(108)	(9.3)
Gross margin	**74**	**115**	**(35.7)**
Other operating income	26	18	44.4
Personnel expenses	(12)	(23)	(47.8)
Taxes	(6)	(7)	(14.3)
Other operating expenses	(38)	(40)	(5.0)
EBITDA	**44**	**63**	**(30.2)**
Depreciation, provisions and other results	(3)	(3)	—
EBIT	**41**	**60**	**(31.7)**

EBITDA amounted to Euros 44 million in 2025, 30.2% less than in 2024, mainly due to currency depreciation, which had an impact of Euros 25 million in the period, offsetting the positive effect of tariff updates.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Electricity business sales (GWh)	**2,087**	**2,186**	**(4.5)**
Distribution network (km)	10,593	10,357	2.3
Connection points (thousand) at 31/12	269	265	1.5

Electricity sales decreased by 4.5% and connection points increased by 1.5%, compared to 2024.

2.5.2. Energy Markets

Below is the detail of EBITDA for the period ended December 31, 2025 and 2024:

	2025	2024	Change (%)
Energy Markets	**2,722**	**2,542**	**7.1**
Energy Management	**815**	**752**	**8.4**
Thermal Generation	**837**	**602**	**39.0**
Spain	563	279	101.8
Latin America	274	323	(15.2)
Renewable Generation	**586**	**576**	**1.7**
Spain	422	445	(5.2)
USA	11	7	57.1
Latin America	82	88	(6.8)
Australia	71	36	97.2
Renewable Gases	**(4)**	**(7)**	**(42.9)**
Supply	**535**	**648**	**(17.4)**
Holding and eliminations	**(47)**	**(29)**	**62.1**

The Energy Markets segments reported an aggregate EBITDA of Euros 2,722 million, an increase of 7.1% over 2024.

The year 2025 was characterised by a year-on-year increase in production in Spain Thermal Generation and an increase in installed capacity in Renewable Generation. However, year-on-year comparison of Supply and Latin America Thermal Generation was affected by positive effects in 2024.

Energy Management activities benefited from diversified procurement contracts, proactive hedging of LNG volumes in USA and the elimination of the energy tax.

Spain Thermal Generation achieved solid results, driven by a higher demand and production in the ancillary markets. This performance highlights the essential role of flexible generation assets, particularly CCGTs, in maintaining system stability. Additionally, in 2025, the Group recognised total revenue of Euros 146 million plus updated interests, related to the recovery the Special Tax on Hydrocarbons (IEH) borne between 2014 and 2018.

Meanwhile, Latin America Thermal Generation experienced a decline in profit due to lower surpluses sales and revenue from the capacity balance market in Mexico and to the positive effect in 2024 of the insurance indemnity for the incident at the Hermosillo plant in Mexico.

The positive trend in Renewable Generation is due mainly to an increased installed capacity, partially offset by reduced wind and hydroelectric production in Spain. Australia experienced strong growth, benefitting from greater installed capacity, as did the United States, while Latin America experienced a decline due to the negative exchange rate effect.

The Renewable Gases segment, which mainly includes biomethane projects management, continues to report operating indicators that are normal for early stages of development.

The Supply business in Spain benefited in 2024 from the favourable resolution on the energy subsidy. Margins in this business were also pressured amid a very competitive environment.

2.5.2.1. Energy Management

Results

	2025	2024	**Change (%)**
Net sales	6,265	5,886	6.4
Procurement	(5,369)	(4,875)	10.1
Gross margin	**896**	**1,011**	**(11.4)**
Other operating income	20	19	5.3
Personnel expenses	(44)	(31)	41.9
Taxes	(1)	(126)	(99.2)
Other operating expenses	(56)	(121)	(53.7)
EBITDA	**815**	**752**	**8.4**
Depreciation, provisions and other results	(109)	(281)	(61.2)
EBIT	**706**	**471**	**49.9**

In 2025, EBITDA amounted to Euros 815 million, an increase of 8.4% compared to 2024. This business benefited from the diversification of procurement sources and proactive hedging of LNG volumes in USA, as well as the elimination of the energy tax. The exchange rate effect was negative in the amount of Euros 4 million.

As a result of the 19th package of sanctions imposed by the European Council, currently in force until July 2026, or the European import regulation published on 2 February 2026 and in force since the following day, there are implications for the long-term contract to procure LNG from Yamal described in section 2.4.25.j in 2025 consolidated annual accounts. The Group has a diversified procurement portfolio, which will help mitigate the potential impact of the aforementioned European regulation (see Appendix IV on 2025 Consolidated annual accounts).

This segment's results were affected by the June 2024 award in the EDP arbitration, as described in the Litigation and arbitration section of Note 36 "Litigation, arbitration, guarantees and commitments" in the notes to the consolidated annual accounts.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	**Change (%)**
Gas supply (GWh)	**173,493**	**166,399**	**4.3**
CCGT	33,711	21,410	57.5
Third parties	31,449	34,872	(9.8)
LNG Gas sales (GWh)	108,333	110,117	(1.6)
Electricity sales (GWh)	3,021	1,414	113.6
Shipping fleet capacity (m3) [(1)]	1,290,298	1,159,998	11.2

[(1)] Certified nominal capacity.

As of 31 December 2025, gas sales totalled 173,493 GWh, an increase of 4.3% over the previous year, while electricity sales increased significantly year-on-year.

2.5.2.2. Thermal Generation

Spain

Results

	2025	2024	Change (%)
Net sales	2,637	1,744	51.2
Procurement	(1,606)	(1,103)	45.6
Gross margin	**1,031**	**641**	**60.8**
Other operating income	5	26	(80.8)
Personnel expenses	(67)	(65)	3.1
Taxes	(294)	(228)	28.9
Other operating expenses	(112)	(95)	17.9
EBITDA	**563**	**279**	**101.8**
Depreciation, provisions and other results	(147)	(146)	0.7
EBIT	**416**	**133**	**212.8**

In 2025, EBITDA amounted to Euros 563 million, having expanded twice as fast as in 2024 despite the increased maintenance expenditure required to cope with a more demanding operating regime.

This activity benefited from increased demand with flexible generation in the ancillary market, driven by higher renewable technology penetration. All of this highlights the important role played by flexible generation assets, which support voltage control, provide a response in contingency situations and compensate for the night-time decline in photovoltaic production at times of peak demand. Additionally, in 2025, the Group recognised total revenue of Euros 146 million plus updated interests, related to the recovery of the Special Tax on Hydrocarbons (IEH) borne between 2014 and 2018.

Naturgy also pioneered the implementation of a single remote control centre (RCC) to operate the entire generating fleet, providing unparalleled efficiency and flexibility.

The average pool price in the daily electricity generation market increased by 3.6% with respect to 2024, to an average of 65.3 €/MWh in 2025.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**8,031**	**8,031**	**—**
Nuclear	604	604	—
CCGTs	7,427	7,427	—

Electric energy produced (GWh)	**19,022**	**13,393**	**42.0**
Nuclear	4,047	4,240	(4.6)
CCGTs	14,975	9,153	63.6

Electricity production increased by 42.0% year-on-year, including a 63.6% increase in CCGT technology and a 4.6% decrease in nuclear production.

Latin America

Results

	2025	2024	Change (%)
Net sales	780	775	0.6
Procurement	(444)	(390)	13.8
Gross margin	**336**	**385**	**(12.7)**
Other operating income	1	2	(50.0)
Personnel expenses	(22)	(20)	10.0
Taxes	(1)	(1)	—
Other operating expenses	(40)	(43)	(7.0)
EBITDA	**274**	**323**	**(15.2)**
Depreciation, provisions and other results	(64)	(78)	(17.9)
EBIT	**210**	**245**	**(14.3)**

In 2025, EBITDA amounted to Euros 274 million, 15.2% less than in 2024. This reduction is explained by lower surpluses sales and lower revenues from the capacity balance market in Mexico. Furthermore, comparability was affected by the positive effect in 2024 of the insurance indemnity for the incident at the Hermosillo plant in Mexico. These results were offset by a negative exchange rate effect of Euros 13 million.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**2,644**	**2,644**	**—**
Mexico (CCGT)	2,446	2,446	—
Dominican Republic (Fuel)	198	198	—
Electric energy produced (GWh)	**13,966**	**14,886**	**(6.2)**
Mexico (CCGT)	13,341	14,187	(6.0)
Dominican Republic (Fuel)	625	699	(10.6)

Total electricity production fell by 6.2% with respect to 2024, including a decrease in output by Mexican CCGTs (6.0%) and in the Dominican Republic (10.6%).

2.5.2.3. Renewable Generation

Below is the detail of the reported EBITDA for 2025 and 2024:

	2025	2024	Change (%)
Renewable Generation	**586**	**576**	**1.7**
Spain	422	445	(5.2)
USA	11	7	57.1
Latin America	82	88	(6.8)
Australia	71	36	97.2

Renewable Generation achieved Euros 586 million in EBITDA in 2025, an increase of 1.7% with respect to 2024.

Spain Renewables

Results

	2025	2024	Change (%)
Net sales	765	770	(0.6)
Procurement	(56)	(50)	12.0
Gross margin	**709**	**720**	**(1.5)**
Other operating income	21	19	10.5
Personnel expenses	(53)	(44)	20.5
Taxes	(130)	(119)	9.2
Other operating expenses	(125)	(131)	(4.6)
EBITDA	**422**	**445**	**(5.2)**
Depreciation, provisions and other results	(293)	(241)	21.6
EBIT	**129**	**204**	**(36.8)**

In 2025, EBITDA amounted to Euros 422 million, 5.2% less than in 2024. Lower hydroelectric and wind power production was partially offset by higher prices and an increase in installed capacity.

In 2025, impairment of Euros 56 million was recognised under "Depreciation, amortisation and impairment losses". In 2024, an impairment of Euros 5 million was recognised (see Note 4 “Non-financial asset impairment losses” in the Notes to the consolidated annual accounts in 2025).

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**5,743**	**5,238**	**9.6**
Hydroelectric [1]	2,062	2,062	—
Wind	2,505	2,456	2.0
Solar	1,125	669	68.2
Cogeneration and others	51	51	—

[1] Gross hydroelectric capacity

	2025	2024	Change (%)
Electric energy produced (GWh)	**10,078**	**10,791**	**(6.6)**
Hydroelectric	4,034	4,731	(14.7)
Wind	4,664	4,930	(5.4)
Solar	1,108	843	31.4
Cogeneration and others	272	287	(5.2)
Market share of renewables	**6.0 %**	**6.3 %**	**-0,3 pp**

Despite the slowdown in investment due to delays in granting permits, installed renewable generation capacity reached 5,743 MW as at 31 December 2025, an increase of 505 MW year-on-year, of which 456 MW was solar and 49 MW wind.

However, total production decreased by 6.6% year-on-year, especially in hydroelectric (14.7%) and wind (5.4%), while solar production increased by 31.4%.

USA Renewables

Results

	2025	2024	Change (%)
Net sales	25	11	127.3
Procurement	—	—	—
Gross margin	**25**	**11**	**127.3**
Other operating income	8	17	(52.9)
Personnel expenses	(6)	(5)	20.0
Taxes	(2)	(3)	(33.3)
Other operating expenses	(14)	(13)	7.7
EBITDA	**11**	**7**	**57.1**
Depreciation, provisions and other results	(4)	(14)	(71.4)
EBIT	**7**	**(7)**	**(200.0)**

EBITDA in 2025 amounted to Euros 11 million, compared to Euros 7 million in 2024, following the commissioning of the Grimes solar plant (261 MW). Higher revenues were partially offset by higher operating expenses driven by increased capacity (primarily insurance, maintenance and personnel expenses). In addition, the negative exchange rate effect amounted to Euros 1 million.

In 2025, impairment losses on plants and projects associated with the Renewable Generation USA unit were reversed by a net amount of Euros 15 million, mainly as a result of the improvement in cash flow projections due to more favourable price prospects. In 2024, an impairment loss of Euros 4 million was recognised (see Note 4 “Non-financial asset impairment losses” in the 2025 consolidated notes to annual accounts).

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**563**	**302**	**86.4**
Solar	563	302	86.4

Electric energy produced (GWh)	**836**	**496**	**68.5**
Solar	836	496	68.5

Naturgy's installed capacity reached 563 MW following the commissioning of the Grimes plant (261 MW), while production totalled 836 GWh in 2025, 68.5% more year-on-year.

Latin America

Results

	2025	2024	Change (%)
Net sales	165	155	6.5
Procurement	(42)	(23)	82.6
Gross margin	**123**	**132**	**(6.8)**
Other operating income	15	13	15.4
Personnel expenses	(16)	(15)	6.7
Taxes	(2)	(2)	—
Other operating expenses	(38)	(40)	(5.0)
EBITDA	**82**	**88**	**(6.8)**
Depreciation, provisions and other results	(30)	(32)	(6.3)
EBIT	**52**	**56**	**(7.1)**

In 2025, EBITDA amounted to Euros 82 million, 6.8% less than in 2024, mainly due to the negative exchange rate effect (Euros 7 million).

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**828**	**828**	**—**
Mexico (Wind)	234	234	—
Brazil (Solar)	154	154	—
Chile (Solar)	162	162	—
Chile (Wind)	206	206	—
Costa Rica (Hydroelectric)	50	50	—
Panama (Hydroelectric)	22	22	—

Electric energy produced (GWh)	**1,895**	**1,898**	**(0.2)**
Mexico (Wind)	647	638	1.4
Brazil (Solar)	309	290	6.6
Chile (Solar)	298	299	(0.3)
Chile (Wind)	266	318	(16.4)
Costa Rica (Hydroelectric)	270	240	12.5
Panama (Hydroelectric)	105	113	(7.1)

Installed capacity in Latin America remained stable with respect to 2024, amounting to 828 MW at the end of 2025. Electricity production was stable at 1,895 GWh: hydroelectric and solar production increased by 6.2% and 3.1%, respectively, while wind production decreased by 4.5%.

Australia

Results

	2025	2024	Change (%)
Net sales	103	49	110.2
Procurement	(1)	(1)	—
Gross margin	**102**	**48**	**112.5**
Other operating income	8	—	—
Personnel expenses	(6)	(5)	20.0
Taxes	(2)	(1)	100.0
Other operating expenses	(31)	(6)	416.7
EBITDA	**71**	**36**	**97.2**
Depreciation, provisions and other results	(51)	(30)	70.0
EBIT	**20**	**6**	**233.3**

In 2025, EBITDA amounted to Euros 71 million, 97.2% more year-on-year. This positive performance is due mainly to the entry into operation of additional capacity at the end of 2024, which enabled a significant increase in production in 2025. The exchange rate effect was negative in the amount of Euros 3 million.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Installed capacity (MW)	**886**	**886**	**—**
Solar	128	128	—
Wind	758	758	—
Battery storage (MW)	**65**	**65**	**—**
Electric energy produced (GWh)	**2,379**	**1,196**	**98.9**
Solar	190	10	1800.0
Wind	2,189	1,186	84.6

Installed capacity as at 31 December 2025 totalled 886 MW, of which 758 MW wind and 128 MW solar. In addition, Naturgy has 65 MW of battery storage, which contributes to enhancing power generation efficiency and optimising margins.

Total production was 2,379 GWh in the year, almost double the previous year's figure, as more capacity came into operation at the end of 2024.

2.5.2.4. Renewable Gases

The company continues to lead renewable gas development in Spain as a key pillar of decarbonisation.

Results

	2025	2024	**Change (%)**
Net sales	43	46	(6.5)
Procurement	(29)	(36)	(19.4)
Gross margin	**14**	**10**	**40.0**
Other operating income	—	—	—
Personnel expenses	(11)	(9)	22.2
Taxes	—	(1)	(100.0)
Other operating expenses	(7)	(7)	—
EBITDA	**(4)**	**(7)**	**(42.9)**
Depreciation, provisions and other results	(4)	(5)	(20.0)
EBIT	**(8)**	**(12)**	**(33.3)**

This segment includes the management of renewable gas projects, specifically biomethane, whose contribution to consolidated EBITDA is still non-material (Euros -4 million).

Main aggregates

The main aggregates in this area are as follows:

Biomethane	**2025**	2024	**Change (%)**
Operation capacity (MW) [(1)]	4.1	3.4	20.6
Production (MWh)	7,052	1,201	487.2

[(1)] In 2024, the Innovation unit added an additional 0.6 MW.

Naturgy currently has three biomethane production projects in operation, with an installed capacity of 4.1 MW and production of 7,052 MWh in 2025.

The Elena Plant in Cerdanyola del Vallès (Barcelona), which was the first to inject renewable gas from landfills into the gas distribution network; the wastewater treatment plant EDAR Bens located at A Coruña; and the Vila-sana plant (Lleida), installed on the Porgaporcs livestock farm. Naturgy will shortly add a plant in Valencia.

Naturgy also has three alliances for business development: two with agricultural and livestock waste management companies (Hispania Silva and Bioeco Energías) and a third one with a project developer (ID Energy) to develop biomethane plants throughout Spain until 2030.

2.3.2.5. Supply

Results

	2025	2024	**Change (%)**
Net sales	7,163	7,130	0.5
Procurement	(6,278)	(6,112)	2.7
Gross margin	**885**	**1,018**	**(13.1)**
Other operating income	11	78	(85.9)
Personnel expenses	(87)	(83)	4.8
Taxes	(63)	(102)	(38.2)
Other operating expenses	(211)	(263)	(19.8)
EBITDA	**535**	**648**	**(17.4)**
Depreciation, provisions and other results	(236)	(217)	8.8
EBIT	**299**	**431**	**(30.6)**

In 2025, EBITDA amounted to Euros 535 million, 17.4% less than in 2024. This reduction is mainly due to the recognition in the first half of 2024 of the indemnity (Euros 63 million plus interest) for the amounts paid by Naturgy's supply companies to finance the electricity subsidy in the liberalised market.

Meanwhile, in 2025, this business benefited from the elimination of the energy tax in Spain.

Finally, the result was affected by margin reduction in gas business mainly in TUR regulated market (last-resort tariff), as well as electricity, amid a competitive environment and adverse scenario.

Main aggregates

The main aggregates in this area are as follows:

	2025	2024	Change (%)
Gas sales (GWh) [1]	**68,363**	**67,690**	**1.0**
Residential Spain	15,241	14,971	1.8
Industrial clients	51,353	51,263	0.2
SM&E	1,769	1,456	21.5
By segment	**68,363**	**67,690**	**1.0**
Liberalised	59,498	59,439	0.1
Regulated	8,865	8,251	7.4
Electricity sales (GWh)	**18,785**	**18,111**	**3.7**
Residential Spain	9,621	9,438	1.9
Industrial clients	6,523	6,809	(4.2)
SM&E	2,641	1,864	41.7
By segment	**18,785**	**18,111**	**3.7**
Liberalised	15,780	15,027	5.0
Regulated	3,005	3,084	(2.6)
Retail contracts (thousand)	**10,299**	**10,501**	**(1.9)**
Gas	3,310	3,400	(2.6)
Electricity	4,349	4,283	1.5
Services	2,640	2,818	(6.3)
Contracts per customer (Spain)	**1.48**	**1.48**	**0,00 pp**
Gas contract market share (Spain)	**41.7**	**42.8**	**-1,1 pp**

[1] Including gas sales under Energy Efficiency contracts

Electricity sales increased by 3.7% with respect to 2024, mainly in the SM&E (41.7%) and residential (1.9%) segments, partially offset by a 4.2% decline in sales in the industrial segment.

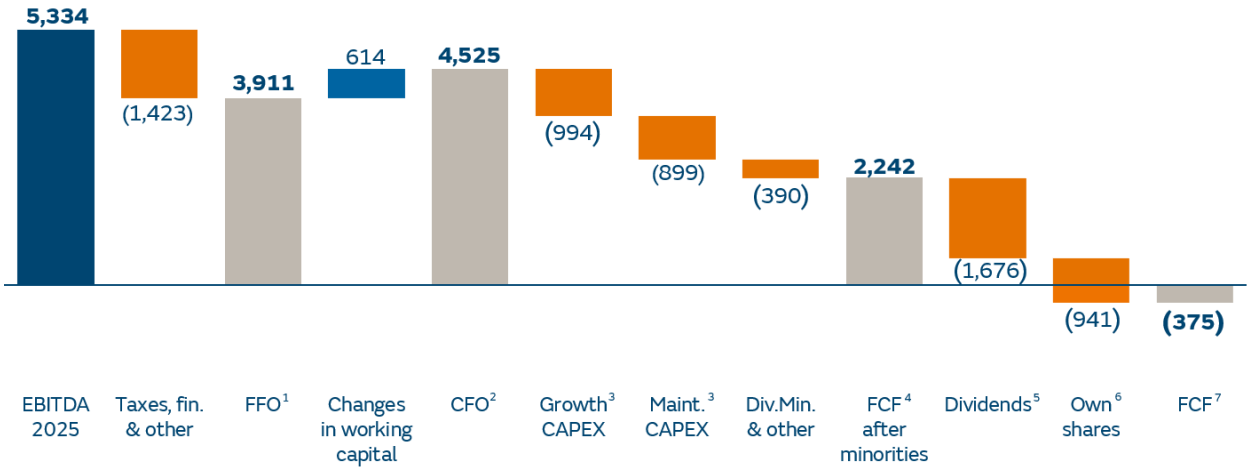
Gas sales increased slightly, by 1.0% with respect to 2024, with improvements in all segments, particularly SM&Es (21.5%) and Residential (1.8%), with respect to 2024.

The total number of contracts was relatively stable vs. 2024, with a decrease of 1.9%.

Naturgy successfully completed the transfer of its customer base in Spain to a new digital transformation platform, which has significantly improved customer service.

2.6. Cash flow

The evolution of cash flow in 2025 is detailed below:



[1] FFO: Funds from operations
[2] CFO: Operating cash flow (Cash flows generated from operating activities, according to the consolidated cash flow statement).
[3] Net capital expenditure (Net CAPEX) in growth and maintenance.
[4] FCF after minorities: Free cash flow after minorities.
[5] Dividends paid net of those received by Group companies
[6] Tender offer for own shares (Euros 2,332 million) net of the 5.5% of capital (Euros 1,374 million) placed on 7 August and 9 October and of the dividends associated with the shares in the swap transaction (Euros 17 million).
[7] FCF: Net free cash flow.

In 2025, cash flow from operating activities was robust due to the resilience of the Networks business and strong performance by the Markets business.

Net financial debt increased moderately, by Euros 116 million in 2025 to Euros 12,317 million at 2025 year-end (Euros 12,201 million in 2024). This slight increase reflects the net effect of the tender offer for own shares and the subsequent orderly placement of own shares on the market.

Changes in working capital amounted to Euros 614 million, which reduced funding requirements.

Capital expenditure (CAPEX)

The breakdown of capital expenditure by type is as follows:

	2025	2024	**Change (%)**
Capital expenditure (CAPEX)	2,142	2,280	(6.1)
Other proceeds from investing activities	(249)	(314)	(20.7)
Net capital expenditure (Net CAPEX)	**1,893**	**1,966**	**(3.7)**

The breakdown of capital expenditure by segment is as follows:

	2025	2024	**Change (%)**
Distribution Networks	**999**	**919**	**8.7**
Spain Gas	128	121	5.8
Mexico Gas	83	65	27.7
Brazil Gas	67	56	19.6
Argentina Gas	38	29	31.0
Chile Gas	52	51	2.0
Spain Electricity	444	441	0.7
Panama Electricity	164	135	21.5
Argentina Electricity	23	21	9.5
Energy Markets	**1,125**	**1,345**	**(16.4)**
Energy Management	10	8	25.0
Thermal Generation	174	176	(1.1)
Spain	147	130	13.1
Latin America	27	46	(41.3)
Renewable Generation	771	1,008	(23.5)
Spain	477	445	7.2
USA	147	240	(38.8)
Latin America	18	8	125.0
Australia	129	315	(59.0)
Renewable Gases	5	7	(28.6)
Supply	165	146	13.0
Holding and eliminations	0	0	—
Rest	**18**	**16**	**12.5**
Capital expenditure (CAPEX)	**2,142**	**2,280**	**(6.1)**

The breakdown of CAPEX between maintenance and growth provides useful insights into the group's investment profile.

Maintenance CAPEX in 2025 amounted to Euros 909 million, compared to Euros 875 million the previous year, as a result of higher maintenance CAPEX in Distribution Networks.

Growth CAPEX in 2025 accounted for 58% of total CAPEX and amounted to Euros 1,233 million in 2025. Main items of growth CAPEX in 2025 are as follows:

- A total of Euros 395 million invested in the development of Distribution Networks in Spain and Latin America, of which Euros 215 million in Spain, including gas and electricity, Euros 74 million in Panama Electricity, Euros 28 million in Mexico Gas, Euros 33 million in Chile Gas, Euros 27 million in Argentina (gas and electricity) and Euros 18 million in Brazil Gas.

- A total of Euros 701 million were invested in the construction of renewable projects, of which Euros 431 million in Spain, Euros 123 million in Australia and Euros 147 million in USA.

- A total of Euros 4 million in the development of renewable gases projects. It includes Euros 3 million relating entirely to the acquisition of seven biomethane projects.

- A total of Euros 133 million in Supply.

Naturgy remains committed to developing renewable technology and it had more than 8,020 MW of installed capacity at 2025 year-end. During 2025, 766 MW of additional capacity came into operation, of which 505 MW in Spain and 261 MW in USA.

In the United States, the Grimes photovoltaic plant (261 MW) in Texas, Naturgy's second plant in the country, came into operation, bringing the Group's installed capacity in that market to 563 MW.

The Group also has 1.2 GW of renewable capacity under construction, of which 755 MW are in Spain, 125 MW in the United States (Mark Center photovoltaic project in Ohio) and 360 MW in Australia, including Bundaberg project in Queensland (100 MW) and Glenellen project in New South Wales (260 MW). This additional capacity is expected to come into operation in 2026.

Naturgy is also a leading developer of Renewable Gas projects under construction, an area that is vital for decarbonisation but in which CAPEX is still incipient.

2.7. Financial position

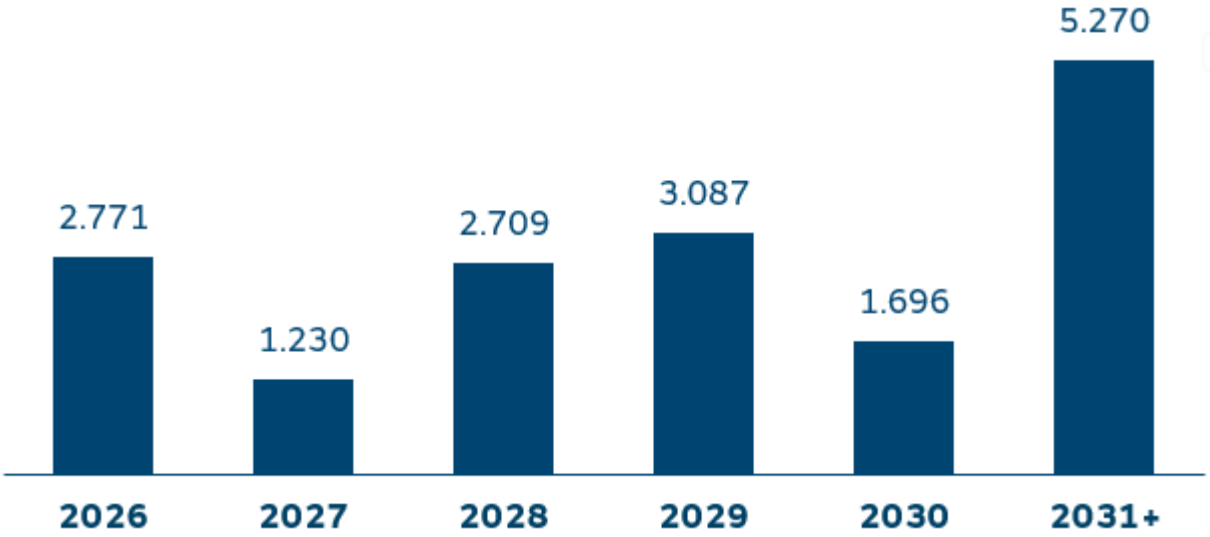
As at 31 December 2025, net financial debt amounted to Euros 12,317 million, slightly above the 2024 year-end figure (Euros 12,201 million), reflecting strong cash flow offset by the impact of the tender offer for own shares in June 2025 and the subsequent orderly placement of treasury stock in the market.

The main refinancing transactions in 2025 were as follows:

- In May 2025, Naturgy issued two bonds under the EMTN programme: Euros 500 million at 6 years with a 3.375% coupon and Euros 500 million at 10 years with a 3.875% coupon. The proceeds were used to call Euros 831 million of bonds maturing between 2026 and 2027. The proceeds were also used to call Euros 169 million in deeply subordinated notes.
- Notes under the EMTN programme matured in 2025 for a total amount of Euros 1,201 million with an average coupon of 1.04%.
- During 2025, Euros 909 million were issued under the ECP programme and matured during the year, with no amount outstanding as at 31 December 2025.
- There were also two bond issues in Chile: Euros 37 million at 5 years with a fixed coupon of 3.30% and Euros 74 million at 10 years with a fixed coupon of 3.50%.
- Bonds were issued in Panama: USD 70 million (Euros 61 million) at 5 years with a fixed coupon of 7% and USD 55 million (Euros 47 million) at 7 years at SOFR 3 months + a 3.5% spread.
- Two bonds were issued in Mexico: MXN 1,500 million (Euros 70 million) maturing in three years with a coupon at TIIE +0.63% and MXN 2,500 million (Euros 113 million), maturing in seven years and with a fixed coupon of 9.98%.
- New funding transactions were arranged with credit institutions in Spain for Euros 3,116 million and with international institutions for Euros 661 million.
- Refinancing transactions were arranged that do not entail substantial changes to the terms of the initial debt, amounting to Euros 4,220 million to refinance loans and credit lines with credit institutions in Spain and Euros 710 million in international businesses.

Gross debt maturities

The maturity breakdown of gross financial debt, which as at 31 December 2025 amounted to Euros 16,763 million, is as follows:



Debt structure

The detail of net financial debt, the average cost of gross financial debt and the breakdown of fixed gross debt by country and currency, is as follows:

		Consolidated		Chile		Brazil	Argentina	Mexico	Panama	Australia	Holding & others
		2025	2024	CLP	USD	BRL	ARS	MXN	USD	AUD	EUR/ Others
Net financial debt	€m	12,317	12,201	339	15	(36)	(52)	496	871	960	9,724
Average cost of gross financial debt [1]	%	3.9	4.0	7.4	6.7	14.8	35.6	9.6	7.4	5.8	2.6
% fixed rated (gross debt)	%	66	68	55	100	2	2	45	31	92	67

[1] Does not include either the cost of finance lease liabilities or other refinancing costs.

The average cost of gross financial debt in 2025, excluding the cost of lease liabilities and other refinancing costs, was 3.9%, slightly lower than in 2024 (4.0%).

The main ratios relating to net financial debt were as follows:

		2025	2024
EBITDA/Net financial debt cost	times	10.1	10.9
Net financial debt/EBITDA	times	2.3	2.3

The ratio of net financial debt to EBITDA remained stable at 2.3x in both 2025 and 2024, evidencing the Group's sound financial position.

3. Liquidity and capital

Capital management

The main purpose of Naturgy's capital management is to ensure a financial structure that can optimise the cost of capital and maintain a solid financial position in order to combine shareholder value creation with access to the financial markets at a competitive cost to cover financing needs.

As an indicator of its long-term capital management objectives, Naturgy pursues a long-term leverage ratio of approximately 50%.

Naturgy's long-term credit rating is as follows:

	2025	2024
Standard & Poor's	BBB (*)	BBB (*)
Fitch	BBB (*)	BBB (*)

(*) S&P: stable outlook; Fitch: stable outlook

Net financial debt amounted to Euros 12,317 million as at 31 December 2025 and leverage stood at 52.0% (Euros 12,201 million and 51.1%, respectively, as at 31 December 2024).

Liquidity

Naturgy has liquidity policies that ensure fulfilment of its payment commitments, while diversifying the coverage of financing needs and debt maturities. Prudent management of liquidity risk includes maintaining sufficient cash and realisable assets and having sufficient funds available to cover credit obligations.

Liquidity as at 31 December 2025 stood at Euros 9,917 million, including Euros 4,357 million in cash and cash equivalents and Euros 5,560 million in undrawn and fully committed credit lines. Moreover, the ECP programme was completely unused as at 31 December 2025.

The breakdown of liquidity as at 31 December 2025 is as follows:

	Consolidated		**Chile**		**Brazil**	**Argentina**	**Mexico**	**Panama**	**Holding & others**
	2025	2024	**CLP**	**USD**	**BRL**	**ARS**	**MXN**	**USD**	**EUR/ Others**
Cash and cash equivalents	4,357	5,626	135	30	193	88	133	262	3,516
Undrawn credit facilities	5,560	5,611	—	25	34	—	95	54	5,352
Total	9,917	11,237	135	55	227	88	228	316	8,868

The average maturity of undrawn credit lines is shown below:

	2026	**2027**	**2028**	**2029**	**2030**	**2031**
Undrawn credit facilities	212	425	1,350	92	3,480	1

4. Main risks, opportunities and uncertainties

4.1. Risk control and management model

Naturgy's Risk Control and Management Model determines the risk assessment methodologies and it models, controls, manages and establishes the Group's risk reporting, ensuring that a risk profile and target risk limits are maintained to guarantee that the level of exposure in the course of its activities is consistent with its annual and strategic objectives.

The model is implemented on the basis of the principles of integration, segregation, homogeneity, coherence and transparency in corporate governance and is structured in four pillars:

- **Risk governance:** defines governance for each type of risk, establishing the necessary regulations and assigning responsibilities.

- **Risk Assessment:** establishes the risk assessment methodologies, harmonising common procedures for the identification, assessment and treatment of the information associated with each risk, to ensure uniformity and coherence both when quantifying them individually and when subsequently aggregating them, with the aim of achieving a homogeneous, integrated vision.

  The metrics used to assess risk depend on the nature of the risk, mainly:
  - Quantitative/Stochastic: probabilistic scenario simulation with random components makes it possible to assess deviations within different confidence intervals.
  - Deterministic/Scenarios: expected impact of an event based on its probability.
  - Stress Test: assessment of extreme scenarios.
  - Heatmaps: qualitative analysis of the risk on a factor basis.

- **Risk Appetite:** establishes the risk tolerance by setting limits for the main risk categories, as a function of the Group's targets.

- **Risk Reporting:** establishes regular, systematic risk reporting at different management levels, expressed in the Corporate Risk Map, recurring risk reports and/or ad hoc reports.
  The Corporate Risk Map identifies and quantifies the risks that might affect Naturgy's performance, providing a comprehensive, consistent and integrated overview of these risks.

Risk management bodies

Naturgy has a framework integrating the vision of governance, risks and compliance so as to provide a 360-degree view of the group's processes, existing controls and associated risks.

To this end, it has a number of bodies with clearly identified areas of responsibility, making it possible to delimit the predictability and ensure the sustainability of Naturgy's operational and financial performance.

- The **Board of Directors** approves the Global Risk Policy and oversees the Risk Control and Management Model.

  The Global Risk Policy establishes the basic principles and general guidelines needed to ensure the proper identification, assessment, control, management and reporting of Naturgy's risk exposure, ensuring that this level of exposure is aligned with the overall target risk profile (Risk Appetite) and with the fulfilment of the Group's annual and strategic objectives.

- The **Audit and Control Committee,** by delegation from the Board of Directors, oversees the effectiveness of the Risk Control and Management Model by monitoring compliance with the Global Risk Policy.

- The **Management Committee** promotes a culture of risk control and management, approves the Risk Control and Management Model, ensures its proper functioning and, at its discretion, may set up such committees as it deems appropriate to which it may delegate these functions. In addition, they propose the definition of risk tolerance by setting limits (Risk Appetite) for the main risk categories aligned with the Group's objectives, for subsequent approval by the Board of Directors.

- **Internal Audit**, as a third line of defence, conducts appropriate audits to assess the level of compliance with the Global Risk Policy and the Risk Control and Management Model.

- The **Corporate Risk Management Function:**

  - Implements the content of the Global Risk Policy and ensures it is complied with and updated.

  - Convenes the necessary subcommittees to ensure the proper functioning of the Risk Control and Management Model, as well as any other committees that may have been established.

  - Defines, implements and/or supervises the modelling and quantification of all risks in order to ensure that the metrics are appropriate and consistent.

  - Produces and periodically updates the Corporate Risk Map and recurring risk reports for presentation to the Board of Directors, the Audit and Control Committee and the Management Committee.

  - Ensures that business and corporate units assume their responsibility for identifying, assessing, controlling, managing and reporting risks.

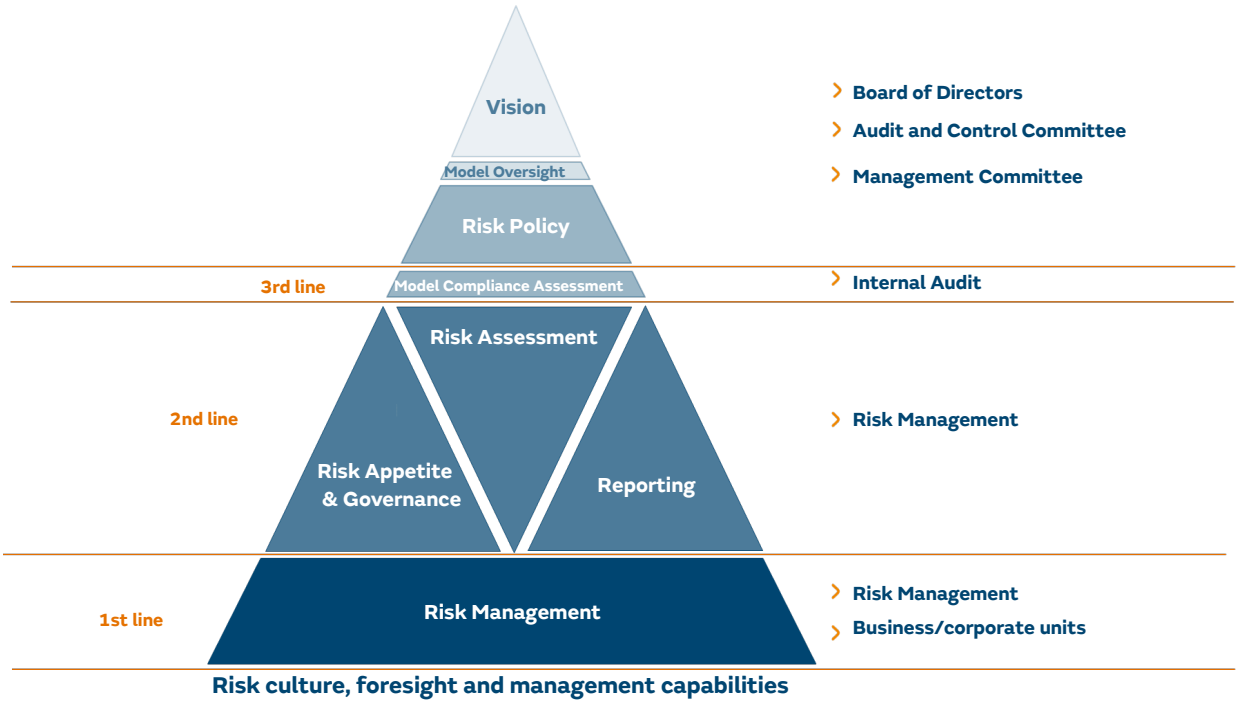
  - Manages risks within its area of responsibility, participating in particular in the overall management of market and credit risks, as well as associated strategic risks.

  - Assesses the impact of operations with potential risk implications and identifies the level of authorisation required for them.

- **Business and Corporate Units:**

  - Identify and manage risk within their areas of responsibility in accordance with established governance, complying with the limits and criteria approved in the Global Risk Policy and/or associated regulations, under the supervision and guidelines of the Corporate Risk Management Function.

  - Report to the Corporate Risk Management Function on the monitoring of risks within their area of responsibility, as well as all the necessary business and operational information for risk modelling and measurement. Also, as appropriate, they produce their own risk maps aligned with the common methodology of the Corporate Risk Map.



Risk categories

Naturgy defines five types of risk in its Corporate Risk Map: Economic, Financial, Operational, Reputational/ Compliance and Strategic.

Types of economic and financial risk

For economic and financial risk types, a risk assessment is performed using quantitative/stochastic modelling or deterministic/scenario methodology; in the latter case, the expected impact of the event is assessed based on its probability.

Categories of Economic risk

Risks arising from the volatility of external factors, changes in supply and demand, changes in regulatory frameworks, as well as legal risks, with an impact on the Group's results:

- **Commodity risk:** uncertainty caused by variability in the prices of the energy and other commodities that Naturgy uses.
- **Margin/price risk (other than commodity risk):** uncertainty associated with the performance of key variables as a result of changes in competitive pressure, unmet margin assumptions and/or contract revisions.
- **Exchange rate risk:** the uncertainty associated with changes during the year in the exchange rates of the currencies in which Naturgy's businesses are denominated.
- **Volume risks:** uncertainty associated with variations in volumes produced, procured, distributed and/or supplied due to the characteristics of the markets and the demand in which Naturgy's businesses operate, weather and climate factors and/or the macroeconomic environment.

Given their nature and how they are managed, these four risks are grouped broadly under the heading of **Market Risk.**

- **Regulatory risk:** uncertainty associated with reviews of the remuneration frameworks and/or parameters for the regulated businesses or changes to the regulatory framework in which Naturgy's businesses operate.

- **Legal risk:** uncertainty associated with the potential outcome of litigation, arbitration or legal claims against Naturgy.

Financial risk categories:

Risks arising from changes in tax frameworks, asset financing structures and funding needs and delinquency, with an impact on the Group's cash flow and/or statement of financial position.

- **Tax risk:** uncertainty associated with the proper application of tax regulations, the complexity of their interpretation and possible amendments, with a potential economic impact on the Group's consolidated annual accounts.

- **Credit risk:** uncertainty associated with the deterioration of credit quality or default by Naturgy's various customer segments and/or trade and financial counterparties.

- **Interest rate risk:** uncertainty associated with interest rate changes impacting the Group's financial expenses, arising from the need for funding in the currencies in which Naturgy's debt is denominated.

- **Rating risk:** uncertainty associated with the review of the Group's rating in relation to the established target.

- **Liquidity risk:** uncertainty associated with a potential increase in funding requirements and the Group's ability to meet its financial obligations.

Types of Operational, Reputational/Compliance and Strategic risk

Operational, reputational/compliance and strategic risk types are generally assessed quantitative/stochastic modelling or a deterministic/scenario methodology, heat maps, internal/external rating assessments and/or stress tests.

Operational risk categories

Risks arising from failures in processes, systems, people, physical assets and/or external factors that could negatively impact business continuity and sustainability and/or result in financial losses, legal penalties or impairment of health and safety.

- **Operational risk:** uncertainty associated with chance events, process failures or accidents affecting people, financial losses and/or damage or unavailability of the Group's operating assets.

- **Nature-related risks:** uncertainty associated with the adverse effects that ecosystem degradation, species loss or disruption of ecosystem services may have on Naturgy's operations, supply chain and financial value, due to the organisation's dependencies and impacts on natural resources.

- **Climate change risk:** uncertainty associated with physical impacts, whether due to extreme natural events or gradual, long-term climate change and impacts resulting from transition policies that bring about changes in regulations, the market or technology.

- **Security risk:** uncertainty associated with the occurrence of personal injury or property damage caused intentionally by a third party.

- **Third-party risk:** uncertainty associated with relationships with third parties whose behaviour/performance may result in loss, damage, operational disruption, regulatory non-compliance and/or possible loss of control, quality or service of outsourced processes, including the impact on business continuity due to disruptions at suppliers, contractors, business partners, vendors and any other external entity with which the organisation has a contractual or collaborative relationship.

- **Fraud risk:** uncertainty associated with the occurrence of any unlawful action carried out intentionally by an employee or third party to obtain a direct or indirect personal benefit through the misuse of Naturgy's resources or assets.

- **Cybersecurity risk:** uncertainty associated with the occurrence of malicious attacks or accidental events with an operational impact such as to affect data, computer networks or technology.

- **Data protection risk:** uncertainty associated with breach of data protection obligations that may result in an administrative penalties or civil judgements.

- **Health and safety risk:** uncertainty associated with injuries and deterioration in the health of Naturgy professionals and those of partner companies related to its activity.

Reputational/compliance risk categories

Risks arising from breach of current laws, applicable regulations, both internal and external, and Naturgy's ethical standards, as well as inadequate performance in connection with ESG, customer satisfaction and talent management, which may result in financial losses, penalties, litigation or harm to the Group's reputation.

- **Compliance risk:** uncertainty associated with breach of current legislation, as well as any policies and other internal regulations applicable to the Group's activities that may result in penalties, financial losses and/or reputational damage.

- **Reputational and ESG risk:** uncertainty associated with changes in stakeholders' perceptions of Naturgy's reputation and its ability to develop sustainable businesses, from an environmental, social and governance (ESG) perspective.

- **Customer satisfaction risk:** uncertainty associated with the impairment of customer satisfaction due to shortcomings in the execution of processes that impact their life cycle.

- **Risk to persons:** uncertainty associated with changes in political and economic contexts, modifications to labour regulations, or those arising from the management of the processes that make up Naturgy's value proposition and professional experience.

Strategic risk categories

Risks associated with Naturgy's long-term business portfolio arising from strategic planning (such as long-term exposure to commodities, capital allocation by geography, the risk profile of the businesses, the commercial strategy and the development of new initiatives), changes in the competitive environment, business sustainability (including climate change and other nature-related risks) and innovation initiatives, which affect the company's ability to achieve its long-term objectives. In general, the impacts of strategic risks will be factored into projections, within the appropriate time horizon, of economic, financial, operational and reputational/compliance risks.

4.2. Description of the main risks

Market risk

Commodity risk

In the gas business, Naturgy's operating results are linked to the purchase and sale of gas to supply a diversified customer portfolio.

Most gas procurement contracts are arranged on a long-term basis with purchase prices based on a combination of commodity prices, basically crude oil and its derivatives, and natural gas hub prices.

Selling prices to final customers are generally agreed on a short/medium-term basis and are conditioned by the supply/demand balance existing at any given time in the gas market. This may result in decoupling with respect to gas procurement prices.

Consequently, Naturgy is exposed to variations in gas procurement prices with respect to the sale price to end customers. Exposure to this risk is managed and mitigated by natural hedging, seeking to balance the commodity exposures of both prices. Additionally, the main long-term procurement contracts allow us to manage this exposure through volume flexibility and price review mechanisms.

When it is not possible to achieve a natural hedge, the position is managed, within reasonable risk parameters, through derivatives, generally designated as hedging instruments, to reduce exposure to price decoupling risk. However, these hedges may prove to be ineffective in the event of changes in the expected dates of the purchase and sale transactions, a reduction in the volumes hedged, or a decoupling from the indices hedged in the purchase and sale transactions.

In the integrated electricity businesses, the Group's aggregate exposure is determined by the strategic generation/supply positioning and by the final sale pricing policies in electricity supply. This positioning includes managing exposure to changes in the price of CO_2 emission rights, which affects the purchase of rights for power generation by its CCGT plants.

Margin/price risk (other than commodity risk)

The deregulated businesses experience competitive pressure on sales prices and market shares and, therefore, on their margins.

Naturgy monitors and quantifies the margins in all its businesses, identifies significant deviations from margin spread assumptions and mitigates risk by adjusting contract terms.

Exchange rate risk

Naturgy has interests in several countries and is exposed to the exchange rate in each of their currencies.

Exchange rate risk is largely mitigated by financing investments in local currency. Priority is also given to aligning the costs and revenues of activities referenced to the same currency, as well as the amounts and maturities of assets and liabilities arising from transactions denominated in currencies other than the euro.

Additionally, exchange rate risk is managed by arranging financial derivatives within the limits approved for hedging instruments, the level of exposure and the risk appetite approved each year.

Volume risk

Naturgy measures, monitors and quantifies all volume risks each year and adopts an overarching approach to managing its contracts and assets in order to optimise the Group's energy balance.

In the gas and electricity businesses, there is uncertainty regarding customer demand, which may deviate from forecasts due to variability in weather/climate factors, changes in the macroeconomic environment and, in the case of deregulated businesses, competitive pressure on market share.

In the gas business, natural gas and liquefied natural gas (LNG) procurements are arranged under long-term contracts, which include take-or-pay clauses under which Naturgy is obliged to purchase certain volumes of gas each year. Significant downward deviations in gas demand may result in contractual penalties under those clauses. Moreover, in an alternative scenario where there is a shortage of gas or excess demand, the additional cost of short-term procurements might have a material adverse effect on the group's operating costs.

In the electricity business, in addition to uncertainty regarding customer demand, Naturgy's results are exposed to variability in generation volumes, which are shaped by the evolution of demand itself and by the generation mix in the market, which is being particularly affected by the growing relative weight of renewable energies.

Regulatory risk

Regulated and unregulated activities co-exist in the gas and electricity distribution businesses. The legislation applicable to the natural gas and electricity industries is typically subject to regular review by the competent authorities, which might have an impact on the remuneration for regulated activities, affecting Naturgy's business operations and financial position.

Naturgy manages regulatory risk on the basis of regular communication with the regulators. In addition, in its regulated activities, Naturgy adjusts its costs and investments to the allowed rates of return for each business.

Operational risk

Naturgy's activities are exposed to various operational risks, such as breakdowns in the distribution network, accidents at electricity generation facilities, accidents in gas tankers, explosions, pollutant emissions, toxic spills, fires, adverse weather conditions and breaches of contract.

Additionally, claims might be brought against Naturgy for personal injury and/or other damage arising in the ordinary course of its operations. Such claims could result in the payment of indemnities under the legislation applicable in the countries in which Naturgy operates.

Naturgy has an extensive insurance programme to cover its operational exposure.

There is also the possibility that, as a result of the company's activities and due to the occurrence of an event, whether unforeseen, accidental, voluntary or involuntary, environmental limits set by the regulator are exceeded and/or damage is caused to third parties.

This environmental risk includes, but is not limited to, events derived from emissions of polluting gases other than greenhouse gases (GHG), noise, consumption and/or contamination of surface or ground water, spills, soil contamination, poor waste management, landscape impact, impact on cultural heritage, etc.

Naturgy has identified the environmental risks at its facilities based on the reference standard (UNE 150008 in Spain). To prevent these risks, the company has implemented a certified integrated management system that includes operational control and environmental management procedures. This system is audited internally and externally and certified each year.

Naturgy has also implemented emergency plans at facilities and warehouses at risk of environmental accidents, including an action plan, means of containment and regular drills.

Naturgy arranges specific insurance policies to cover risks of this type.

All the Group's efficiency plans are based on the fundamental premise of ensuring people's safety and well-being. Operational improvement is only conceivable when it is fully compatible with safe working environments, responsible practices and rigorous risk management. In line with industry best practices, safety is a vital part of every level of the Group's activity, from process design and the adoption of new technologies to talent management and strategic decision-making, in the understanding that sustainable efficiency is only possible when protecting people is a priority across the board.

Nature-related risks

These refer to the uncertainty associated with the adverse effects that ecosystem degradation, species loss or disruption of ecosystem services may have on Naturgy's operations, supply chain and financial value, due to the organisation's dependencies and impacts on natural resources.

These risks include, but are not limited to, physical and transitional impacts, impacts derived from changes in regulation, ecosystem destruction and/or alteration, damage to protected or high-value areas and/or species and impacts on areas of high water stress due to consumption, discharge and/or regulation of flows, etc.

These impacts and dependencies may generate risks associated with the impact on endangered species and tightening of biodiversity protection regulations, which could lead to delays in project authorisation, higher operational and development costs, reduced revenues or even reputational risks.

Naturgy has adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) for analysing the risks and opportunities related to biodiversity.

Nature-related risks are discussed in more detail in chapter E4. "Biodiversity and ecosystems" of the 2025 Non-Financial Information Statement and Sustainability Report.

Climate change risk

In order to integrate the climate variable into Naturgy's strategic planning, climate change risks and opportunities are identified, measured and managed in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

In line with the TCFD taxonomy, climate change risk is derived from two risk factors: the energy transition, arising from changes in regulations, the market or technology, and the physical impacts of climate change, classified into acute physical impacts (increase in extreme weather events) and chronic physical impacts (sustained increase in average temperatures and sea level rise).

In recent years, there have been no weather events with significant repercussions on operations or major financial losses.

The Board of Directors has approved the Climate Transition Plan, which establishes the lines of action in the coming years to mitigate the effects of climate change on Naturgy and to adapt the Group to the constantly changing climate conditions. Naturgy's Strategic Plan 2025-2027 envisages continuing to invest in the energy transition, principally in renewable generation, electricity grids and renewable gases. It also plans to continue developing energy solutions that promote efficiency at a competitive cost for customers.

Naturgy's Climate Transition Plan will contribute to the future objective of transforming the energy mix as contemplated in Spain's new National Energy and Climate Plan (NECP) 2023-2030, approved by the Cabinet in September 2024, which is also aligned with the EU's objective of climate neutrality by 2050. For the other countries where Naturgy operates, the published national plans and the GHG reduction pathways set out by the International Energy Agency in the "Net Zero Roadmap" scenario are taken into account.

Naturgy continuously assesses the physical risks to each asset and the transition risks for all its activities (see the assessment of these risks in section "E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities" in the 2025 Consolidated Non-Financial Information Statement and Sustainability Report). Climate change risk is discussed in detail in note 2.4.25.k to the consolidated annual accounts and in chapter "E1. Climate change" of the Non-Financial Information Statement and Sustainability Report.

Cybersecurity risk

Naturgy is exposed to threats in connection with the availability, confidentiality, integrity and privacy of the information and technology that support business processes as well as the risk of breach of regulations related to cybersecurity.

Such threats include unauthorised access and the use, disruption, modification or destruction of information as a result of terrorist acts, malicious attacks, sabotage and other intentional acts.

Naturgy has policies, regulations, a control framework and a global cybersecurity governance system for the entire organisation that is aligned with regulatory requirements and establishes monitoring, contingency and security plans; it also has insurance policies that cover that exposure.

Cybersecurity risk is discussed in detail in chapter “5. Specific information. Cybersecurity" in the 2025 Non-Financial Information Statement and Sustainability Report.

Reputational and ESG risk

Naturgy has identified its stakeholder groups and subgroups and defines reputational risk as the gap between those groups' expectations and the company's performance in the environmental, social and governance dimensions.

In this regard, Naturgy has a Sustainability Policy that defines the framework for action in the areas of the Environment, Society and Governance. This policy aims to identify and mitigate the risks associated with these areas, ensuring compliance with established best practices and standards.

It also has a Sustainability Plan that sets out its commitments and lines of action for the period 2025-2027, supporting the company's transformation process by aligning the 2025-2027 Strategic Plan with the commitments in the Global Sustainability Policy. To ensure the reliability of information on environmental, social and governance aspects, Naturgy has implemented a system of Internal Control over Sustainability Reporting (ICSR).

Other risks

Financial risks (interest rate, credit, liquidity and rating-related capital management risk) and legal risks are discussed in Notes 18 and 36, respectively, to the consolidated annual accounts.

Tax, compliance and fraud risk are discussed in chapter "5. Specific information" and in chapter "G1. Business conduct policies and corporate culture" in the 2025 Non-Financial Information Statement and Sustainability Report, respectively.

Data protection and customer satisfaction risks are discussed in chapter "S4. Consumers and end-users" in that same report.

Third-party risk is discussed in chapter "4. Business conduct" and health and safety risk is discussed in sections "3.1 Own workforce" and "3.2 Workers in the value chain", for personnel of partner companies, respectively, in the 2025 Non-Financial Information Statement and Sustainability Report.

Main risks: description, management and metrics

Risk type		Description	Management	Metric	Trend
Commodity risk					
Commodity prices	Gas	Volatility in the international markets that determine the gas price.	Management of the procurement and sale portfolio, complemented with financial hedges.	Stochastic	Gas index volatility Decoupling of commodity price performance. ⇆
	Electricity	Volatility in electricity markets.	Optimisation of the generating fleet and supply structure, complemented with financial hedges.	Stochastic	Penetration by renewables with zero marginal cost and intermittent production. Decoupling of commodity price performance. ↑

Risk type		Description	Management	Metric		Trend
Exchange rate risk						
Exchange rate		Currency volatility in the countries where Naturgy operates.	Geographic diversification. Hedging via local-currency funding, derivatives and pricing.	Stochastic	↑	Uncertainty about growth and inflation prospects in Latin America, especially in Argentina, Brazil and Mexico, to a lesser extent.
Regulatory risk						
Regulatory		Exposure to reviews of criteria and returns recognised for regulated activities and/or new regulatory measures.	Step up communications with regulators. Adjust efficiency and capital expenditure to recognised rates.	Scenarios	↑	Pressure from regulators, as a function of the situation of the country/industry.
Volume risks						
Volume	Gas	Mismatch between gas supply and demand.	Optimisation of contracts and assets worldwide.	Deterministic/ Stochastic:	⇆	Aggregate demand pressure. Risk of curtailment or interruption of supply.
	Electricity	Reduction of the available thermal gap. Uncertainty as to renewable production volume due to resource variability.	Optimisation of Naturgy's electricity balance.	Stochastic	⇆	Aggregate demand pressure. Predictability of renewable output.
Margin/price risk						
Margin/price		Risk created by changes in competitive pressure or margin optimisation scenarios.	Portfolio management by adjusting contract terms.	Scenarios	↑	Reviews of long-term gas contracts. Competitive pressure in the renewal of supply contracts.
Legal risk						
Legal		Uncertainty as to the eventual outcome of litigation, arbitration or legal claims.	Analysis and mitigation of legal risk affecting the company's operations and corporate governance. Engagement of top-level law firms. Recognition of provisions in accordance with accounting standards.	Scenarios	⇆	The business units are affected by different laws in each country.

Risk type	Description	Management	Metric	Trend
Operational risk				
Operational risk	Accidents, damage and non-availability of Naturgy assets. With regard to environmental incidents, this includes the possibility that natural phenomena or human action may result in regulatory environmental limits being exceeded, leading to harm to third parties, ecosystems or biodiversity.	Continuous improvement plans. Optimisation of total cost of risk and of hedges. Emergency plans at facilities with risk of environmental accident. Specific insurance policies. Comprehensive environmental management through an Integrated Management System, that is certified and audited annually by TÜV (environmental).	Stochastic	⇆ Soft insurance market in the short term, with improvements in coverage and lower premiums, due to a decrease in natural disaster claims over the last 48 months.
Credit risk				
Credit	Uncertainty associated with the probability of non-payment of financial obligations and/or deterioration of the credit quality of end customers and counterparties.	Analysis of customer solvency to define specific contractual conditions. Debt collection process. Arrangement of insurance.	Stochastic	⇆ Stability of expected and unexpected losses.
Interest rate risk				
Interest rate	Volatility in interest rates applicable to Naturgy's financing.	Diversification of funding sources. Debt management. Financial hedges.	Stochastic	⇆ Uncertainty about the interest rate scenario.
Tax risk				
Tax	Ambiguity or subjectivity in the interpretation of current tax regulations, or due to amendments or the enactment of new regulations.	Queries to independent expert bodies. Engagement of top-level advisory firms. Adoption of the Code of Best Tax Practices. Recognition of provisions in accordance with accounting standards.	Scenarios	↑ Increasing complexity of the applicable tax items and wide differences between regulations in different territories. All of this affects the different business and corporate units.
Liquidity and rating risk				
Liquidity and rating risk	Financial risks associated with maintaining the Group's rating, derived from liquidity conditions or other causes.	Establishment of measures to ensure liquidity and the target rating.	Scenarios	⇆ Ratification of the target of an investment grade rating.

Risk type	Description	Management	Metric	Trend
Security risk				
Security	Residual risk associated with personal injury or material damage to critical facilities caused intentionally by a third party.	Corporate positioning through the Security Policy, defining a specific protection model for Critical Infrastructures (CI). Engagement with the businesses, Centro Nacional para la Protección de Infraestructuras Críticas (CNPIC), Instituto Nacional de Ciberseguridad (INCIBE-CERT) and other bodies.	Heatmap/ Scenarios	⇆ Certification audits of critical undertakings by the regulator (future CNPREC), in which technology will be of great importance.
Third-party risk				
Third parties	Uncertainty associated with relationships with third parties whose behaviour/performance may result in loss, damage, operational disruption, regulatory breach and/or possible loss of control.	Supplier risk management. Due diligence procedures for analysing counterparty risk. Systematic adoption of the Supplier Code of Ethics. Annual Internal Audit Plan to detect weaknesses and implement improvement actions under the supervision of the Audit and Control Committee.	Heatmap/ Scenarios	↑ Assessment, monitoring and oversight of suppliers on the basis of the risks in the energy sector, specific supply risks and risks in the country where the supply is made.
Fraud risk				
Fraud	Risk derived from any intentional breach of the law by an employee or a third party to benefit themselves or the company, directly or indirectly, through the improper use of Naturgy resources or assets.	Control mechanisms through the system of Internal Control over Financial Reporting (ICFR), the crime prevention model and the Global Financial Information and Sustainability Policy. Ongoing audits	Scenarios	↑ Improvement in fraud identification ratios using AI tools and developments, helping to contain fraud.
Cybersecurity risk				
Cybersecurity	Malicious attacks or accidental events that affect data, computer networks or technology.	Implementation of security measures; analysis of events and application of remedies; training. Strengthening awareness plans, technology plans and measures to protect infrastructure and operating assets in order to mitigate the likelihood of risks and associated impacts materialising.	Scenarios/ Heatmaps	↑ Increase in threats driven by AI, cybercriminals and the geopolitical context.

Risk type	Description	Management	Metric	Trend
Data protection risk				
Data protection	Uncertainty associated with breaches of data protection obligations that may result in an administrative sanction or civil judgement.	Action Plan for each business area to mitigate the risk associated with each obligation based on priority and criticality. The company works in line with the requirements of the General Data Protection Regulation (GDPR) and Spain's Organic Law 3/2018, of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD). Internal audit plan in connection with regular compliance reviews.	Heatmap/ Scenarios	Regulatory uncertainty and tightening requirements. ↑
Nature-related risks				
Related to nature	Adverse effects that ecosystem degradation, species loss or disruption of ecosystem services may have on Naturgy's operations, supply chain and financial value, due to the organisation's dependencies and impacts on natural resources.	Emergency plans at facilities with risk of environmental accident. Specific insurance policies. End-to-end environmental management. Naturgy has adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) for analysing the risks and opportunities related to biodiversity.	Scenarios/ Heatmaps	Significant regulatory and/or legislative changes depending on location. ⇆
Health and safety risk				
Health and safety	Risk of injury and health impairment for professionals of Naturgy or partner companies in connection with the business.	Health and safety management system. Safety plan aimed at controlling the six most critical risk factors in terms of accident frequency and severity: confined spaces, work at heights, electrical risk, tree felling and pruning, load handling and road safety.	Heatmap/ Scenarios	Stable at low risk values. ⇆

Risk type	Description	Management	Metric		Trend
Reputational and ESG risk					
Reputational and ESG	Impairment of stakeholders' perception of Naturgy due to environmental, social and governance issues.	Identification and tracking of potential reputational events. Transparency. Control mechanism through the system of Internal Control over Sustainability Reporting (ICSR).	Scenarios/ Heatmaps	⇆	Stabilisation of the RepRisk index scores.
Compliance risk					
Reputational and crime risk	Administrative and criminal penalties. Impairment of Naturgy's reputation.	Crime prevention policy, Code of Ethics and Anti-corruption Policy. Whistleblower channel. Training.	Heatmap/ Scenarios		Criminal offences, penalties, financial losses and loss of reputation, contracts and customers.
Counterparty risk	Administrative and criminal penalties. Reputational damage, with an impact on contractual relationships.	Counterparty Due Diligence Procedure. Training		⇆	
Climate change risk					
Climate change	Uncertainty arising from the energy transition (regulation, markets and/or technologies) and the physical impacts of climate change.	Corporate positioning through the Global Sustainability Policy, the Sustainability Plan and the Climate Transition Plan, which reinforce governance on climate issues and establish energy transition objectives aligned with the Strategic Plan.	Climate scenario analysis and qualitative assessment	↑	Future technology uncertainty. Higher requirements for financial and sustainability reporting to be consistent with the company's objectives.

Metrics used:
- Stochastic: production of trend lines for the main magnitudes, taking the maximum deviation from the benchmark scenario to be the risk, within a pre-set confidence interval. Those magnitudes are generally EBITDA and free cash flow after non-controlling interests.
- Scenarios: analysis of the impact, with respect to the benchmark scenario, of a limited number of possible incidents.
- Heatmap: the main risk factors for each risk category are assessed to quantify the impact and probability of occurrence of each one.
- Non-financial stress factors
- Application of international risk assessment frameworks: Task Force on Climate-Related Financial Disclosures (TCFD), as regards climate change, and Task Force on Nature-related Financial Disclosures (TNFD), as regards biodiversity.

4.3. Main opportunities and uncertainties

Naturgy views the energy transition as an opportunity to transform the business by promoting decarbonisation so as to drive sustainable growth, energy security and price competitiveness. In this context and based on the 2025-2027 Strategic Plan, Naturgy's main opportunities are:

- **An integrated industrial model throughout the entire value chain**: with growth potential and robust regulatory frameworks that make it possible to maximise profitability.
- **Multi-energy position:** presence in electricity and gas, as a key source for the energy transition.
- **Renewable generation**: increase in renewable generation capacity in line with the global energy transition, combined with hybridisation and repowering of wind farms in operation and batteries to complement photovoltaic plants.

- **Networks operation and growth**: continue to improve network quality and the security of energy supply by integrating renewable energies to meet growing electricity demand.

- **Leading the development of Renewable Gases**: by developing and acquiring renewable gas innovation projects, alliances and partnerships to accelerate decarbonisation and consolidate the role of gas in the energy transition.

- **Gas** is the essential component for ensuring security of supply and flexibility and is the cornerstone of the energy transition.

Aligned with these opportunities, there are cross-cutting uncertainties, such as the geopolitical context and climate uncertainty, which materialise and impact on many of the risks set out in the categories described above.

Geopolitical uncertainty

During 2025, the geopolitical environment continued to be a significant source of uncertainty, with potential impacts on global energy markets and the Group's activity. In particular, the following aspects stand out:

The armed conflict between Ukraine and Russia, which began in February 2022, continues with no clear signs of resolution in the short term, maintaining tension in international energy markets and volatility in commodity prices. However, gas prices have remained relatively stable in recent months, aided by high storage levels, diversification of supply sources and moderate demand.

On 23 October 2025, the Council of the European Union adopted the 19th package of sanctions against Russia, which includes a ban, effective from 1 January 2027, on the purchase, import or transfer, directly or indirectly, of LNG originating in or exported from Russia under contracts with a duration of more than one year signed before 17 June 2025 (short-term contracts are prohibited from April 2026); its validity was extended on 22 December until 31 July 2026.

At the same time, in December 2025, the Council of the European Union and the Parliament reached an agreement to approve a Regulation banning imports of Russian natural gas, both by pipeline and in the form of liquefied natural gas (LNG). This regulation provides for the prohibition on imports into the European Union to come into force from 1 January 2027 for long-term LNG contracts entered into before 17 June 2025 and not subsequently amended and from 30 September 2027 for gas pipeline contracts, with a transitional regime for existing contracts and prior authorisation requirements to ensure compliance.

The European Commission has stated that this ban constitutes a case of force majeure for the companies that are party to such long-term contracts, meaning that breach of the commitment to take the gas will not generate liability for the buyer.

As part of its procurement portfolio, Naturgy has a long-term contract to procure liquefied natural gas of Russian origin that was concluded in 2013 with Yamal LNG and includes take-or-pay clauses for 38 TWh per year through 2041. Since the beginning of the conflict, Naturgy has received the volumes strictly established in the contract. In 2025, this contract accounted for 16% of Group's overall procurements (16% in 2024).

Except as noted above, Naturgy does not have any other long-term contracts susceptible to being affected by the sanctions that have been approved, nor does it hold any interest in companies operating in Russia or Belarus or have investments in these countries, nor does it have cash balances or equivalent liquid assets that are restricted as a result of those measures and sanctions.

In addition, the global geopolitical context has been affected by growing trade tensions, which have led to persistent volatility in energy and commodity prices, as well as disruptions in supply chains and changes in international trade patterns. These factors may generate additional risks in terms of operating costs, the availability of equipment and materials and project completion times. To mitigate these effects, the Group maintains diversified contracts with multiple suppliers and geographical areas, performs strategic inventory management and flexible project planning, uses contracts with contingency clauses, continuously assesses logistical risks and works with operators to secure alternative routes, as well as having contingency plans to ensure business continuity.

Throughout 2025, tensions in the Middle East remained high as a result of the terrorist attack in October 2023 and the subsequent military escalation. In June 2025, the parties announced a ceasefire that allowed for the release of hostages and prisoners, as well as the partial opening of humanitarian corridors. However, at 31 December 2025, the situation remains unstable: although the ceasefire agreement remains in force, isolated incidents of violence persist, as does a climate of tension that keeps the geopolitical risk premium high. Although current estimates indicate that this conflict will not have a significant impact on global energy supplies, the Group continues to monitor the situation closely.

On 31 August 2025, the contract for operation and maintenance services at the Ramat Gavriel and Alan Tavor combined cycle gas plants in Israel, which Naturgy had been providing since 2019 through its subsidiary Spanish Israeli Operation and Maintenance Company Ltd., was terminated. This company reported a gross operating profit of less than Euros 1 million in 2025 and 2024.

During the early days of January 2026, the United States launched a military intervention in Venezuela, which included bombing in the north of the country and the capture of the country's President. Although these events caused political turmoil and protests in the region, a preliminary analysis has not identified any significant risks or effects on Naturgy's activities, given that the Group does not operate any infrastructure or have any exposure in that country.

As this situation is constantly evolving and it is difficult to predict the extent or duration of the conflict, Naturgy constantly monitors the relevant macroeconomic and business variables in order to obtain the best estimate of potential impacts in real time, also taking into account recommendations by national and international supervisory bodies on the matter.

Climate uncertainty

Naturgy aims to remain a key player in the energy transition towards a circular economy model and progressive decarbonisation, by reducing its carbon footprint and negative environmental impacts and integrating biodiversity into its business strategy. To this end, it takes account of technological progress and international frameworks and agreements, as well as their implementation in energy policies and applicable environmental regulations in each of the geographical areas where it operates.

In line with this objective, Naturgy has a Climate Transition Plan (CTP) detailing the paths for reducing greenhouse gas (GHG) emissions and the intermediate targets required under applicable regulations, which provide an understanding of the mitigation efforts undertaken by the company.

Naturgy's GHG emission reduction targets for 2030 are as follows:

- Reduction of Scope 1 and 2 emissions by 36% with respect to 2022 (CTP base year), in line with the 1.5ºC global warming reduction pathway.

- Reduction of Scope 3 emissions in Spain by 22% with respect to 2022. This target is aligned with the "Well Below 2 Degrees" (WB2D) reduction pathway. Considering the emissions from the other countries, the Scope 3 reduction is expected to be 8%.

In 2025, the reduction with respect to 2022 was 12% for Scope 1 and 2 emissions and 15% for total Scope 3 emissions. Compared to 2024, the decrease was influenced by the increase in production by CCGTs as required to guarantee security of supply, especially in Spain, where generation was stepped up as a result of the country-wide blackout on 28 April 2025.

To achieve the objectives set out in the CTP, Naturgy will continue to promote and lead a business model and investment plan fully aligned with the energy trilemma: security of supply, accessibility and affordability of energy and mitigation of environmental impact.

Naturgy's Strategic Plan 2025-2027 envisages continuing to invest in the energy transition, principally in renewable generation, electricity grids and renewable gases. It also plans to continue developing energy solutions that promote efficiency at a competitive cost for customers.

The CTP's main lines of action, as set out in the Strategic Plan 2025-2027, are based on an integrated electricity and gas business model that promotes the decarbonisation of energy through technological neutrality and at the lowest possible cost for consumers, specifically:

- Promoting renewable electricity generation using solar and wind together with the necessary growth of electricity grids and back-up capacity using natural gas combined cycle plants.
- Developing renewable gases as a lever for the decarbonisation of natural gas through biomethane produced from organic waste and, in the medium/long term, green hydrogen generated from surplus of renewable electricity. This promotes decarbonisation at the lowest possible cost to the consumer and drives the circular economy through the use of waste or surplus.
- Offering eco-efficient, carbon-neutral products and services at competitive prices to our customers.
- Increasing electrification of final demand in those applications where it is most efficient.

Naturgy's CTP will contribute to the future objective of transforming the energy mix contemplated in the National Energy and Climate Plan (NECP) 2023-2030, approved by the Spanish Cabinet on 24 September 2024, which is also aligned with the objective of climate neutrality in the EU by 2050. For the other countries where Naturgy operates, the published national plans and the GHG reduction pathways set out by the International Energy Agency in the "Net Zero Roadmap" scenario are taken into account.

Information on the CTP, the Group's decarbonisation strategy and the GHG emission reduction targets are set out in section "E-1 Climate change" of the Group's 2025 Non-Financial Information Statement and Sustainability Report, which is prepared in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which Naturgy has accepted and which it has been adopting progressively since they were published in 2017. At the end of 2023, the TCFD announced that it was disbanding as a working group and the International Sustainability Standards Board (ISSB) has taken over the TCFD's oversight responsibilities as of 2024.

On 26 February 2025, the European Commission presented the Omnibus I package, aimed at simplifying the regulatory framework applicable to sustainability reporting. During the year, various regulations related to this package were approved and they were taken into account in the preparation of this report, but they did not result in substantial changes. At present, the Corporate Sustainability Reporting Directive (CSRD), approved in 2022 and still pending transposition in Spain, as well as the European Sustainability Reporting Standards (ESRS) approved by Delegated Regulation (EU) 2023/2772, remain virtually unchanged in terms of content. In this context, Naturgy follows the CNMV recommendation issued on 19 November 2025, in coordination with the ICAC, and produces its sustainability report in accordance with the current ESRS and Law 11/2018 on non-financial reporting and diversity. This ensures that the information disclosed is comparable and consistent with that of other issuers in the European Union.

In addition, the requirements of Royal Decree 214/2025 of 18 March, which establishes a carbon footprint register and the obligation to calculate and publish greenhouse gas emission reduction plans for certain organisations in Spain, have been taken into account.

These consolidated annual accounts have been prepared taking into account the decarbonisation commitments undertaken by Naturgy, in addition to the risks and uncertainties related to climate change and the decarbonisation of the economy. In preparing these annual accounts, consideration was given to the IASB publication "Effects of Climate-Related Matters on Financial Statements" (July 2023 update) on the impact of climate change on the application of IFRS in financial reporting and to the guidelines in the "ESRS E1. Climate change" standard, which elaborates on the reporting framework on corporate sustainability defined by the CSRD in this area. The recommendations issued to date by the European Securities and Markets Authority (ESMA) were also taken into account.

5. Subsequent events

Events subsequent to the end of the period are described in Note 39 of the Notes to the Consolidated Financial Statements.

6. Forecast Group performance

6.1. Energy sector trends

Naturgy aims to adapt and strengthen the Group's competitive position in response to changing trends in the energy sector by leveraging its competitive strengths. In this regard, Naturgy observes the following trends in the energy sector:

- Energy prices remain volatile and sensitive to geopolitical uncertainties.
- Greater renewable energy installed capacity leads to greater fluctuations in electricity production and supply, with flexible technologies playing a critical role.
- Greater investment in electricity grids is required to integrate renewable energies and meet growing demand for electricity.
- Gas is an essential component in ensuring security of supply and flexibility.
- Renewable gases, especially biomethane, are a vector for decarbonisation.
- Excellence in customer service is required to stand out.

6.2. Vision

Naturgy is a leading multi-energy player, committed to driving the energy transition, achieving operational excellence and delivering exceptional customer service. Naturgy aims to be present in the energy value chain by investing with financial discipline, ensuring a BBB rating and sustainable shareholder remuneration

Naturgy is committed to driving decarbonisation while balancing sustainable growth, energy security and price competitiveness. The Group’s industrial model focuses on maximising operational efficiency and capturing integrated margins across the value chain, based on the following pillars.

Industrial model

Integrated model with presence throughout the value chain

- The resilience of distribution network businesses provides stable cash flow.
- Vertical integration between power generation and the customer.
- Industrial role, capturing integrated margins.

Multi-energy position

- Presence in electricity and gas, as a key source for the energy transition.
- Flexible generation using CCGTs while selectively growth of renewable generation to meet customers’ demand.
- Leadership in renewable gases, especially biomethane, to accelerate decarbonisation and consolidate the role of gas in the energy transition.

Customer-centric

- Multi-energy offering with value-added services to meet all customer needs, along with eco-efficient, carbon-neutral products and services at competitive prices.
- Final demand as a key driver for investment decisions across the value chain.
- Excellence in customer service and consolidation of the new customer service model.

Strategic Plan 2025–2027

The 2025-2027 strategic roadmap is based on Naturgy's resilient cash flow and solid statement of financial position, which will facilitate the execution of the Group's investment plan and ensure attractive, sustainable returns for its shareholders. This strategy is guided by the following key principles:

Operational excellence

- Best-in-class operations across all business units.
- Excellence in commercial delivery.
- Innovation in customer service.

Financial discipline and profitability

- Commitment to a BBB rating and continuous statement of financial position optimisation.
- Selective investments, prioritising value creation over scale and profitability over the cost of capital.
- Maintaining organic and inorganic growth optionalities.

Shareholder remuneration and liquidity

- Attractive, sustainable shareholder remuneration.
- Restoration of appropriate free float and liquidity.

This strategy aims to enable Naturgy to thrive in the energy landscape by ensuring sustained profitability and value creation for all stakeholders. Following the successful results and achievements in 2022-2024, when the company exceeded various of the targets established in the previous Strategic Plan, the Strategic Plan 2025-2027 reviewed and upgraded the expectations for the coming years, while maintaining the goal of achieving record EBITDA in 2025-2027.

(€bn)	2022-2024	Strategic Plan 2025-2027
EBITDA [1]	5.3	5.3
CAPEX [1]	6.0	6.4
Net financial debt [2]	12.2	15.9
Dividends [2]	€1.6/share	€1.9/share

1 Based on the annual average of the period
2 Based on the last year in the period

6.3. Investment Plan 2025–2027

The Strategic Plan envisages investments amounting to **Euros 6.4 billion** in the period 2025-2027. These investments are focused on organic growth in existing businesses, underpinned by financial discipline. By rigorously evaluating investments based on the business, the geography and the specific risk inherent to the characteristics of the asset, the Group seeks to ensure a return that exceeds the cost of capital and to guarantee value creation.

The investment plan focuses on three key businesses: Distribution Networks, Renewable Generation and Renewable Gases.

Distribution Networks

The Strategic Plan envisages investments in the Networks business amounting to **Euros 3.3 billion** within regulatory frameworks that offer visibility and appropriate remuneration.

1. Spain Electricity

- At the forefront of digitalising electricity networks, including meter replacement
- Commitment to increase investment in order to continue improving and upgrading the quality of networks and energy supply
- Investments to integrate renewable energies

2. Spain Gas

- Digital transition by rolling out smart meters to ensure best practices in network operation.
- Accelerating the contribution to decarbonisation by incorporating biomethane injection points to transition existing infrastructure

3. Latin America Gas and Electricity

- Portfolio management to maximise returns
- Investments to guarantee maintenance and safety standards

Renewable Generation

The Strategic Plan envisages selective investments in renewable generation projects amounting to **Euros 1.2 billion** in the period 2025-2027, with the requirement to exceed minimum return levels and/or offer integrated positioning.

1. Vertically integrated geographies

- Solid regulatory frameworks
- Minimum required returns

2. Technologies

- Hybridisation and repowering of operational wind farms
- Battery storage to complement operational photovoltaic plants

Renewable Gases

The Strategic Plan provides for investments in renewable gas projects amounting to **Euros 800 million** in the period 2025-2027.

- Leading development, accelerating decarbonisation and consolidating the role of gas in the energy transition.
- A proactive approach to technology to gain operational flexibility, efficiency and options for waste management.
- Portfolio of approximately 4.5 TWh of projects in the initial phase.
- Acquisition of third-party developments, as well as partnerships and alliances to accelerate growth.
- Proactive role vis-à-vis regulations to demonstrate that this is the most efficient solution for decarbonising the residential and industrial sectors.
- Gas grids do not require modifications to distribute biomethane.

6.4. Shareholder remuneration

Naturgy's robust performance in recent years has significantly strengthened its business profile and financial position. The Group has also achieved over Euros 5 billion in annual EBITDA, with a solid bottom line and resilient cash flow, supported by the efficiency of the Distribution Networks business and efficient risk management. Strong cash flow and a solid statement of financial position will enable the planned investment programme to be undertaken and provide attractive returns for shareholders, while maintaining the commitment to a BBB rating.

Naturgy has revised its dividend policy for the years 2025-2027, establishing a trend of increasing annual dividends from euros 1.6 per share in 2024 to euros 1.9 per share in 2027, subject to maintaining a BBB credit rating.

The forward-looking information contained in the various sections on the Group's foreseeable performance reflects plans and forecasts based on assumptions that are considered to be reasonable. However, this forward-looking information should not be interpreted as offering an assurance of the undertaking's future performance since such plans and forecasts are subject to risks and uncertainties with the result that the Group's future performance may not coincide with initially forecasts.

7. Innovation

Naturgy views innovation as an indispensable tool for developing new energy solutions that drive the energy transition, combat climate change and evolve technological solutions in order to streamline processes, improve cybersecurity and enhance data management. In addition, Naturgy sees digitalisation as vital to achieving its goals.

Our innovation model, designed to create and develop new solutions or businesses, is driven by a range of key factors:

- **Innovation is collaborative and open**, able to respond quickly to signals of change in the environment and evolve in complex scenarios, with the ability to draw lessons from mistakes and look ahead to the future based on understanding the past and observing the present.
- **Innovation is a key lever for growth**, as it opens the door to the adoption of best practices, new business models and technological solutions that contribute to the process digitalisation, automation and process optimisation; it helps ensure safety, enhances operational performance and eases access to information for optimal decision-making. In this way, we put the consumer at the centre to deliver sustainable, value-added solutions and ensure the company's long-term competitiveness.
- **Production of renewable gases, such as renewable hydrogen and biomethane**, for end uses where electrification is neither technically nor economically feasible. Hydrogen is an efficient solution for intensive industry or transportation. Additionally, it holds significant potential for energy storage and integration. Biomethane, an established technology that can replace natural gas without creating abatement costs or requiring end-user infrastructure or equipment to be modified, serves as a clear example of the circular economy by producing renewable gas from organic waste. Innovation projects in this area are aimed at optimising performance and production.
- **Optimisation of renewable energy generation** through innovative systems due to their superior energy efficiency and their ability to be integrated at a lower cost or with greater reliability. This will attract new players into the system to cover part of the energy needs of households, SMEs and public administrations.
- **Direct use of energy** through new manageable electricity consumption that allows for flexibility—for example, in air conditioning—as well as storage for later use.
- **The response to increasingly fragmented markets**, with small, adaptable competitors, in both supply and generation, through smaller renewable plants that are closer to consumers.

In a way that both complements and cuts across this model, we believe it is essential to introduce disruptive information technology (IT) that will accelerate Naturgy's digitalisation. These technologies not only enhance safety and optimise operations, but also make it easier to access quality information for more effective decision-making. All efforts are focused on creating value to ensure Naturgy's long-term competitiveness. Moreover, AI is a disruptive force in current and future innovation, enabling process automation, service customisation and creation of new business models in all areas.

Naturgy designs its technology strategy around the following digitalisation principles:

- **Simplicity:** a core principle that focuses on:
  - **Streamlined processes:** paring away complexity in internal processes to improve operational efficiency.
  - **Agile projects:** swiftly implementing projects using agile methods that enable rapid adaptation to changes in the context.
- ***Cloud*:** evolving from a Cloud-first to a Cloud-only model is essential to ensure:
  - **Modular solutions:** developing solutions that can be readily adapted and scaled up according to business needs.
  - **Flexibility and scalability:** adjusting cloud resources and services to demand in order to ensure efficient, cost-effective operation.

  Evolution to a cloud-based model makes it easier to adopt emerging technologies such as blockchain, IoT, robotics, artificial intelligence and edge computing.
- ***Data centric*:** data management, governance and protection are essential to a successful digitalisation strategy. Naturgy takes an all-encompassing strategic view of its relationship with the main software producers and focuses on:
  - **Data management:** implementing data-centric architectures, such as data lakes, to centralise and manage large volumes of data.
  - **Data governance and protection:** establishing policies and procedures to ensure data integrity, confidentiality and availability.
  - **Data-driven decision-making**: strengthening our internal capacity to make informed, data-driven decisions.

  Robust data management and governance enables a more effective adoption of AI, a key lever in Naturgy's digitalisation: by using analytical and generative AI on large volumes of data, we can extract valuable insights for the business.
- **Cybersecurity:** a mainstay of Naturgy's digitalisation strategy. Its objective is to guarantee the protection of information and the security of systems through a comprehensive approach that includes:
  - **Information protection:** implementation of advanced technical measures to safeguard data against unauthorised access and potential security incidents.
  - **Systems security:** strengthening and shielding IT infrastructure against threats and vulnerabilities.

  All of this is supported by best-of-breed technologies (searching for the best software solutions from different providers for specific areas of application) that drive innovation, including Artificial Intelligence and Zero Trust security models (security strategies for multi-cloud networks), with a focus on digital identity.

To achieve tangible results, Naturgy has implemented a range of innovation tools focused on identifying opportunities (through acceleration and investment in operations) and developing a portfolio of projects that expand the company's industrial profile (such as startup incubators and investment vehicles).

The main initiatives implemented in the business are described briefly below, with more detailed information on the innovation projects provided in section “5. Specific information. Innovation" in the 2025 Non-Financial Information Statement and Sustainability Report.

Main initiatives applied to business units

Supply

The "FV Puente Nuevo" shared auto-production project is being developed at the Puente Nuevo Campus (Ávila) as a sustainable energy demonstration laboratory. It integrates photovoltaic generation, storage, electric vehicle charging and smart management using AI. Auto-production is expected to meet over 20% of needs while cutting emissions by more than 33 tonnes of CO_2 per year and saving Euros 680,000 over 25 years. The project, scheduled to go live in 2026, also has a strong educational and social component.

Networks

A new Agentic Contact Centre as a Service (CCaS) platform has been implemented, incorporating state-of-the-art contact centre and generative AI technologies in electricity and gas distribution in Spain with a three-fold objective: significantly improve the customer experience, moving from reactive to proactive management; automate call quality auditing in customer service; and automate contacts received by the call centres.

Spain electricity networks

The MARVIN-24 project aims to revolutionise the inspection of power lines and gas pipelines using long-range BVLOS (Beyond Visual Line of Sight) drones with advanced sensors. After inspecting more than 20,000 km since 2022 alongside UFD Distribución Electricidad, S.A. (UFD), the main challenge identified was improving daily productivity (30-40 km/day), especially in areas with adverse weather conditions. The new MARVIN-24 aircraft aims to reach up to 200 km/day, matching the efficiency of crewed helicopters and reducing operating costs by up to 50%. The project includes validation pilot tests on 800 km of power lines and 200 km of gas pipelines, with direct integration into UFD's processes.

Thermal Generation Spain

Real-time asset management is critical in the operation of CCGT plants. For this reason, the Azure Machine Learning platform was implemented by the Thermal Generation Data Analytics unit in 2025 to develop predictive models. By applying these models to critical assets, the aim is to anticipate failures, which will result in improved equipment maintenance.

Artificial Intelligence deployed in the Remote Control Centre (RCC) to support operators in day-to-day operation of the CCGT fleet in Spain. Since the CCGTs currently undergo a large number of starts, the application of Artificial Intelligence is geared towards improving and automating operations, in terms of both monitoring checklists and of assisting the operator using natural language.

Renewable Generation

The “Battery Second Life” project, developed jointly by Naturgy, Octave and the CIUDEN Foundation (City of Energy), aims to demonstrate the technical and commercial viability of an energy storage system based on second life batteries at the CIUDEN centre. The system will be tested for two years under real conditions, with applications such as self-consumption, peak management, adjustment services and energy backup. The system includes advanced monitoring via the Battery Cloud platform, which enables predictive maintenance and remote control of each module. Following the demonstration phase, the system may remain in operation for an additional two years.

The "HIB SAE El Escobar" project consists of installing an electricity storage system with lithium-ion (Li-ion) batteries and ultracapacitors (UCAPs) in hybridisation with the El Escobar I photovoltaic plant (3.2 MW) in Ingenio (Gran Canaria). This system, with 1.4 MW of power generation capacity and 4.8 MWh of storage, incorporates grid-forming converters (network stabilisers) to improve the integration of renewables into the electricity grid, offering services such as frequency regulation, black start (restarting the electricity grid from scratch) and voltage control. The project has been declared to be of general interest and received administrative authorisation in May 2025.

Renewable Gases

With the aim of increasing biomethane production, Naturgy is participating in two partnerships to develop methanation technology:

- Together with the Catalonia Institute for Energy Research (IREC), a new catalytic methanation technology is being developed that will be tested at the Arroyo Culebro Wastewater Treatment Plant (WWTP) in Pinto (Madrid).
- Green W2BM, S.L. (W2BM), a company owned by Naturgy and Green Waste to Energy, S.L. (Green), is developing biological methanation technology for synthesis gas produced from difficult-to-manage industrial waste, to allow renewable gas to be obtained for injection into the distribution network.

8. Annual Corporate Governance report

Attached as an annex and forming an integral part of this Directors' Report is the Annual Report on Corporate Governance 2025, as required by article 526 of the Capital Companies Law.

9. Annual Board Remuneration report

Attached as an annex and forming an integral part of this Directors' Report is the Annual Report on Director Remuneration 2025, as required by article 538 of the Capital Companies Law.

10. Additional information

10.1. Own shares

Movements during 2025 and 2024 involving own shares of Naturgy Energy Group, S.A. are as follows:

	Number of shares	Amount (€ million)	% Capital
01.01.2024	**8,879,595**	**206**	0.9
Share Acquisition Plan	0	0	—
Delivered to employees	0	0	—
31.12.2024	**8,879,595**	**206**	**0.9**
Tender offer	88,000,000	2,332	9.1
1st accelerated placement	(19,305,000)	(506)	(2.0)
2nd accelerated placement	(34,100,000)	(893)	(3.5)
Delivered to employees	(254,365)	(7)	—
31.12.2025	**43,220,230**	**1,132**	**4.5**

Year 2025

Tender offer

At the date of publication of the notification of the tender offer (14 March 2025), Naturgy held 8,879,595 treasury shares, of which 8,639,595 were classified as indirect treasury shares as they were held by Naturgy Alfa Investments, S.A.U. (which is wholly owned, indirectly, by Naturgy Energy Group, S.A.).

On 25 March 2025, the Board of Directors unanimously adopted, among others, a resolution under which Naturgy Energy Group, S.A. would acquired the 8,639,595 shares of the Company owned by Naturgy Alfa Investments, S.A.U. at a price of Euros 26.50, in connection with the early termination of the long-term variable incentive plan agreed by the Company's Board of Directors at the meeting hold on 18 February 2025 (see "Share-based payments" section of this Note). Naturgy Energy Group, S.A., the parent company of the Group, executed this acquisition on 14 May 2025.

On 25 March 2025, at an Ordinary General Meeting of Naturgy Energy Group, S.A., the shareholders resolved to approve a voluntary partial public tender offer for a maximum of 88,000,000 own shares, representing 9.08% of its share capital, addressed to all Naturgy shareholders.

The offer was not directed at the 8,879,595 treasury shares held by the Company prior to its launch, which represented 0.92% of its share capital, which were blocked as part of the offer in order to prevent their transfer. Consequently, the offer was addressed to the holders of 960,734,206 shares of Naturgy, representing 99.08% of the share capital, with the aim of acquiring the maximum number of shares indicated above.

The offer was for the purchase of shares for a consideration of Euros 26.50 per share, payable entirely in cash.

The terms established in the offer were identical for all the shares of Naturgy to which the offer was extended, the offer being voluntary and with a price freely set by Naturgy in accordance with the provisions of Article 13.5 of Royal Decree 1066/2007, without being subject to the rules on equitable pricing in Article 9 of Royal Decree 1066/2007.

Shareholders owning shares representing more than 10% of the capital of Naturgy Energy Group, S.A.: Criteria Caixa, S.A.U. (Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona); Rioja Acquisition S.à r.l. (CVC Capital Partners PLC); GIP III Canary 1, S.à r.l. (BlackRock, Inc.); and Global InfraCo O (2), S.à r.l. (IFM Global Infrastructure Fund), undertook to accept the offer with all of their shares.

Since the offer was made in respect of a number of shares representing 9.08% of Naturgy's share capital, which is less than the 84.97% of the share capital in respect of which acceptance undertakings have been received, it was expected that the total number of shares that accepted the offer would exceed the number of shares to which the offer was extended. Consequently, the distribution and pro-rata apportionment mechanism provided for in article 38.1 of Royal Decree 1066/2007 was applied.

The offer is part of the 2025-2027 Strategic Plan, one of whose core pillars is to restore adequate levels of free float and its main purpose is for Naturgy to acquire treasury shares so that, when deemed reasonable, possible and appropriate in accordance with market conditions existing at any given time, some or all of these shares may be placed by the Company in an orderly manner, on one or more occasions, by the procedure and under the terms and conditions (including the price) that Naturgy's Board of Directors deems most appropriate, so as to increase the free float and advance towards the goal of returning to the main stock market indexes, especially those of the MSCI family.

Naturgy expects to place on the market, during the term of the 2025-2027 Strategic Plan, both the shares acquired in the voluntary and partial tender offer and all other treasury shares currently held by the Company.

The resolution approved at the General Shareholders' Meeting on 25 March 2025 does not envisage that the shares so acquired may be cancelled and, pursuant to the 2025-2027 Strategic Plan's goal of increasing the free-float, on 6 May 2025, the Board of Directors undertook not to propose, during that period, that the General Shareholders' Meeting approve their cancellation.

The offer was not a delisting offer as regulated in Article 65 of the Securities Markets and Investment Services Act (LMVSI) and Article 10 of Royal Decree 1066/2007, nor was it a tender offer for a capital reduction through the acquisition of treasury shares as regulated in Article 12 of Royal Decree 1066/2007.
The acceptance period was from 30 May to 13 June 2025. On completion of the offer, the number of shares ultimately acquired as part of the offer totalled 88 million, resulting in a cash outlay of Euros 2,332 million. Consequently, as at 30 June 2025, the total number of Naturgy treasury shares amounted to 96,879,595.

Placement of treasury stock

During the second half of 2025, Naturgy carried out a series of transactions involving own shares as part of its strategy to return to the market the shares acquired in the tender offer described above, thereby helping to improve the share's liquidity and facilitating its inclusion in international stock market indices.

On 7 August 2025, Naturgy completed two transactions involving the disposal of treasury shares: an accelerated placement of 19,305,000 shares (approximately 2.0% of share capital) carried out by an intermediary and aimed at qualified investors, which raised Euros 500 million and a bilateral sale of 34,100,000 shares (approximately 3.5% of share capital) to an international financial institution, for an amount of Euros 883 million. In both transactions, the execution price was Euros 25.9 per share, i.e. the price of the tender offer (Euros26.5 per share) adjusted for the interim dividend of Euros 0.60 per share paid on 30 July 2025.

Simultaneously with the bilateral sale of 34,100,000 shares, Naturgy entered into a total return swap agreement with the buyer, the same financial institution with which the sale has been made, under which Naturgy maintains economic exposure to the shares sold. Given that the swap is contingent upon the sale contract, the accounting effects are analysed jointly.

The financial swap involves the intermediary placing the shares on the market under agreed conditions. At the time the swap was arranged, Naturgy did not make the initial payment of Euros 883 million, as the amount equivalent to the product of the number of shares covered by the contract and the agreed price is offset by the amount associated with the bilateral sale. At the time of settlement arising from the sale of shares to third parties:

- Naturgy will pay a fixed amount equivalent to 1% of the initial amount, calculated on the basis of the shares sold to third parties and the period elapsed between contract signature and settlement;
- the intermediary will pay the difference between the share placement price and their initial price; and
- the intermediary will pay Naturgy the initial amount linked to the purchase of the placed shares.

Furthermore, during the term of the swap agreement, Naturgy receives the dividends that the intermediary collects for the shares subject to the agreement. In November 2025, Naturgy received Euros 17 million under this heading, recognised under Other reserves.

Given that Naturgy retains the risks and benefits associated with the shares involved in the bilateral sale and the financial swap, these shares are not removed from the group's equity. These transactions are considered as intermediation for the placement of shares by the financial institution, there being no financing transaction or, therefore, financial liability, since the amount received from the sale is offset by the initial disbursement of the swap contract.

In relation to the accelerated placement process, Naturgy undertook not to dispose of its remaining treasury shares and not to carry out any transaction aimed at reducing its economic exposure under the financial swap for a period of 60 days from the completion of the accelerated placement process.

On 9 October 2025, Naturgy carried out another accelerated placement of 34,100,000 treasury shares (approximately 3.5% of share capital) among qualified investors, for a total amount of Euros 883 million, also for an execution price of Euros 25.9 per share and it also assumed a 60-day lock-up commitment on the remaining treasury shares, as well as an undertaking not to carry out any transaction aimed at reducing its economic exposure under the financial swap signed on 7 August 2025. The net amount received was Euros 879 million.

As a result of these share placement transactions, a loss of Euros 17 million on transactions with own shares was recognised under Other reserves, without considering them as related expenses..

Delivered to employees

Executing the resolutions adopted by the Shareholders' Meeting of Naturgy Energy Group, S.A., the 2025 Share Ownership Plan for Naturgy employees in Spain who voluntarily applied was implemented. The Plan enables participants to receive part of their remuneration in the form of shares in Naturgy Energy Group, S.A., subject to an annual limit of Euros 12,000. During August 2025, a total of 254,365 shares worth Euros 7 million were distributed to employees.

Following these transactions and taking into account the swap agreement, Naturgy owned 43,220,230 own shares as at 31 December 2025, i.e. 4.5% of share capital.

Year 2024

No transactions involving own shares were carried out in 2024.

Note 14 of the Notes to the Consolidated Financial Statements contains full information on own shares.

10.2. Information on average supplier payment period

The average payment period is calculated in accordance with Law 15/2010 on measures to combat late payment in business operations and the changes brought in under Law 18/2022 of 28 September on the formation and growth of companies.

The disclosures in the notes to the annual accounts about the average supplier payment period that are required under that legislation are as follows:

	2025	2024
Total payments (€ million)	10,775	10,517
Total outstanding payments (€ million)	261	349
Average supplier payment period (days) (1)	18	22
Transactions paid ratio (days) (2)	18	22
Transactions pending payment ratio (days) (3)	18	28
Total payments within the period established in the delinquency regulations (€ million)	10,731	10,465
Amount paid within the term established in the late payment regulations, as a % of the total amount paid	99.59 %	99.51 %
Number of invoices paid within the period established in the delinquency regulations	24,341,964	23,727,572
Invoices paid within the term established in the late payment regulations, as a % of total invoices paid	99.24 %	98.76 %

(1) Calculated on the basis of amounts paid and pending payment.
(2) Average payment period in transactions paid during the year.
(3) Average age of outstanding balance to suppliers.

11. Non-Financial Information Statement and Sustainability Report

Attached as an annex and forming an integral part of this Directors' Report is the 2025 Non-Financial Information Statement and Sustainability Report.

Annex i. Alternative performance metrics

Naturgy's financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others that are based on the Group's disclosure model, referred to as Alternative Performance Metrics (APM), which are viewed as adjusted figures with respect to those presented in accordance with IFRS.

The chosen APMs are useful for persons consulting the financial information as they allow an analysis of the financial performance, cash flows and financial situation of Naturgy and a comparison with other companies.

Below is a glossary of terms with the definition of the APMs. The APM terms can generally be traced directly to the relevant items of the Consolidated statement of financial position, Consolidated income statement, Consolidated statement of cash flows and notes to the Consolidated annual accounts of Naturgy. To enhance the traceability, a reconciliation is presented of the calculated values.

Alternative performance metrics	Definition and terms	Reconciliation of values as at 31.12.2025	Reconciliation of values as at 31.12.2024	Relevance
EBITDA	EBITDA = Net sales (2) – Procurements (2) + Other operating income (2) – Personnel expenses (2) – Other operating expenses (2) + Gain/(loss) on disposals of fixed assets (2) + Release of fixed asset grants to income and other (2)	€5,334 million	€5,365 million	EBITDA ("Earnings Before Interest, Taxes, Depreciation and Amortisation") measures the Group's operating profit before deducting interests, taxes, depreciation and amortisation. By dispensing with financial, tax and accounting expenses that do not entail a cash outflow, it makes it possible to compare earnings performance over time. This indicator is widely used in the markets to compare the results of different companies.
Operating expenses (OPEX)	Personnel expenses (2) + Own work capitalised (4) (Note 25) + Other operating expenses (2) – Taxes (4) (Note 26)	€1,986 million = 632 + 80 + 1,879 - 605	€2,028 million = 643 + 80 + 2,001 - 696	Measures the expenses incurred by the Group to carry out its business activities, without considering taxes. Permits comparisons with other companies.
Capital expenditure (CAPEX) (6)	Investment in property, plant and equipment (4) (Note 5) + Investment in intangible assets (4) (Note 6) + Payments for investments in group companies, associates and business units (3)	€2,142 million = 418 + 1,721 + 3	€2,280 million = 340 + 1,925 + 15	Measure of the investment in each period in assets of the various businesses, including accrued and unpaid investments. Provides information on how funds are allocated and enables comparison between periods. Comprises investments in maintenance and growth (funds invested in developing and expanding the Group's activities), including investments in group companies, associates and business units.
Net capital expenditure (Net CAPEX) (6)	CAPEX (5) - Other proceeds from investing activities (3)	€1,893 million = 2,142 – 249	€1,966 million = 2,280 – 314	Measurement of the investment effort in each period without considering assets transferred or contributed by third parties.
Gross financial debt	Non-current financial liabilities (1) (Note 17) + Current financial liabilities (1) (Note 17)	€16,763 million = 13,992 + 2,771	€18,022 million = 15,095+ 2,927	Measure of the Group's indebtedness. Includes current and non-current items. This indicator is widely used in the capital markets to compare different companies.

Alternative performance metrics	Definition and terms	Reconciliation of values as at 31.12.2025	Reconciliation of values as at 31.12.2024	Relevance
Net financial debt	Gross financial debt (5)– Cash and cash equivalents (1) – Derivative financial assets linked to financial liabilities (4) (Note 8)	€12,317 million = 16,763 - 4,357 – 89	€12,201 million = 18,022 - 5,626 – 195	A measure of the Group's indebtedness, including current and non-current items, net of cash and cash equivalents and asset derivatives linked to financial liabilities. This indicator is widely used in the capital markets to compare different companies.
Leverage (%)	Net financial debt (5) / (Net financial debt (5) + Equity (1))	52.0% = 12,317 / (12,317 + 11,373)	51.1% = 12,201 / (12,201 + 11,653)	Measures the proportion of borrowed funds in financing the business activity. This indicator is widely used in the capital markets to compare different companies.
Cost of net financial debt	Cost of financial debt (4) (Note 30) – Interest revenue (4) (Note 30)	€529 million = 708 - 179	€490 million = 710 - 220	Measures the cost of borrowings, net of interest revenues. This indicator is widely used in the capital markets to compare different companies.
EBITDA/Cost of net financial debt	EBITDA (5) / Cost of net financial debt (5)	10.1x = 5,334 / 529	10.9x = 5,365 / 490	A measure of the company's ability to generate operating funds, expressed as a multiple of the cost of borrowings. This indicator is widely used in the capital markets to compare different companies.
Net financial debt / EBITDA	Net financial debt (5) / EBITDA (5)	2.3x = 12,317 / 5,334	2.3x = 12,201 / 5,365	A measure of the Group's ability to generate funds to service its debt. This indicator is widely used in the capital markets to compare different companies.
Net Free Cash Flow	Cash flows from operating activities (3) + Cash flows from investing activities (3) + Cash flows from financing activities (3) - Proceeds/payments on financial liability instruments (3)	€-375 million = 4,525 - 1,869 - 3,670 + 639	€73 million = 3,992 – 1,821 - 239 -1,859	A measure of cash flow that indicates the volume of funds available to service debt.

Alternative performance metrics	Definition and terms	Reconciliation of values as at 31.12.2025	Reconciliation of values as at 31.12.2024	Relevance
Free cash flow after non-controlling interests	Free cash flow (5) + Dividends received by parent company net of those received by group companies (4) (Note 14) + Purchase of own shares - Sale of own shares - associated dividends (4) (Note 31)	€2,242 million = -375 + 1,676 + 2,332 - 1,374 -17	€1,418 million = 73 + 1,345 + 0 - 0 - 0	A measure of cash generated by operating and investing activities. It is used to assess the funds available to pay dividends to shareholders and service debt.
Average cost of gross financial debt	Cost of borrowings (4) (Note 30) - Cost of finance lease liabilities (4) (Note 30) - Other refinancing costs (4) (Note 30) / annual average of gross financial debt (considering all month-end balances in the year, excluding finance lease debt) (4) (Note 17)	3.9% = (708 - 83 - 11) / 15,712	4.0% = (710 - 85 - 15) / 15,251	A measure of the effective interest rate on borrowings. This indicator is widely used in the capital markets to compare different companies.
Liquidity	Cash and cash equivalents (1) + Undrawn and fully committed lines of credit (4) (Note 17)	€9,917 million = 4,357 + 5,560	€11,237 million = 5,626 + 5,611	A measure of the Group's ability to meet any type of payment.
Economic value distributed	Procurements (2) + Other operating expenses (including taxes) (2) + Income tax payments (3) + Personnel expenses (2) + Work on fixed assets (4) (Note 25) + Financial expenses (2) + Dividends paid by the parent company (4) (Note 14) + Expenses of discontinued operations (4) (Note 11)	€17,689 million = 11,849 + 1,879 + 774 + 632 + 80 + 793 + 1,682 + 0	€17,173 million = 11,565 + 2,001 + 663 + 643 + 80 + 842 + 1,357 +22	Measure of the company's value considering the economic value generated by its activities, distributed to the various stakeholders (mainly shareholders, suppliers, employees, government and society).
Market capitalisation	No. of shares ('000) outstanding at end of period (4) (Note 14) * Market price at end of period (4) (Note 14)	€25,132 million = 969,614 * 25.92 euros	€22,670 million = 969,614 * 23.38 euros	A measure of the company's market value based on its share price.

(1) Consolidated statement of financial position line item

(2) Consolidated income statement line item

(3) Consolidated statement of cash flows line item

(4) Figure detailed in the Notes to the consolidated annual accounts

(5) Figure detailed in the APMs

(6) Figure detailed in the directors' report

Naturgy

Consolidated Non-Financial Information Statement and Sustainability Reporting 2025

Summary

01. General disclosures **6**
1. Basis for preparation 6
General basis for preparation of Consolidated Non-Financial Information Statement and Sustainability Reporting (BP-1) 6
Disclosures in relation to specific circumstances (BP-2) 7
2. Governance 12
The role of the administrative, management and supervisory bodies (GOV-1) 12
Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) 26
Integration of sustainability-related performance in incentive schemes (GOV-3) 28
Statement on due diligence (GOV-4) 29
Risk management and internal controls over sustainability reporting (GOV-5) 31
3. Strategy 34
Strategy, business model and value chain (SBM-1) 34
Interests and views of stakeholders (SBM-2) 50
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 51
4. Impact, risk and opportunity management 66
Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) 66
Disclosure requirements in ESRS covered by the undertaking's sustainability statement (IRO-2) 68
02. Environment **80**
UE Taxonomy Report UE (Regulation 2020/852) and sustainable financing 80
1. Climate Change (E1) 104
Integration of sustainability-related performance in incentive schemes (GOV-3) 104
Transition plan for climate change mitigation (E1-1) 104
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 111
Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1) 125
Policies related to climate change mitigation and adaptation (E1-2) 130
Actions and resources in relation to climate change policies (E1-3) 130
Targets related to climate change mitigation and adaptation (E1-4) 139
Energy consumption and mix (E1-5) 148
Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) 149

GHG removals and GHG mitigation projects financed through carbon credits (E1-7) 162
Internal carbon pricing (E1-8) 164
Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9) 165
2. Pollution (E2) 171
Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1) 171
Policies related to pollution (E2-1) 173
Actions and resources related to pollution (E2-2) 173
3. Water and marine resources (E3) 174
Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (IRO-1) 174
Policies related to water and marine resources (E3-1) 175
Actions and resources related to water and marine resources (E3-2) 175
Targets related to water and marine resources (E3-3) 176
Water consumption (E3-4) 177
Anticipated financial effects from water and marine resources-related impacts, risks and opportunities (E3-5) 179
4. Biodiversity and ecosystems (E4) 180
Transition plan and consideration of biodiversity and ecosystems in strategy (E4-1) 180
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 182
Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (IRO-1) 189
Policies related to biodiversity and ecosystems (E4-2) 191
Actions and resources related to biodiversity and ecosystems (E4-3) 193
Targets related to biodiversity and ecosystems (E4-4) 197
Impact metrics related to biodiversity and ecosystems change (E4-5) 199
Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities (E4-6) 203
5. Resource use and circular economy (E5) 204
Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1) 204
Policies related to resource use and circular economy (E5-1) 205
Actions and resources related to resource use and circular economy (E5-2) 205
03. Social **207**
1. Own workforce (S1) 207
Interests and views of stakeholders (SBM-2) 207
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 207

Policies related to own workforce (S1-1) 210
Processes for engaging with own workers and workers' representatives about impacts (S1-2) 212
Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3) 214
Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4) 218
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5) 239
Characteristics of the undertaking's employees (S1-6) 241
Characteristics of non-employee workers in the undertaking's own workforce (S1-7) 243
Collective bargaining coverage and social dialogue (S1-8) 243
Diversity metrics (S1-9) 244
Adequate wages (S1-10) 245
Social protection (S1-11) 245
Persons with disabilities (S1-12) 246
Training and skills development metrics (S1-13) 246
Health and safety metrics (S1-14) 247
Work-life balance metrics (S1-15) 248
Compensation metrics (pay gap and total compensation) (S1-16) 250
Incidents, complaints and severe human rights impacts (S1-17) 251
2. Workers in the value chain (S2) 253
Interests and views of stakeholders (SBM-2) 253
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 253
Policies related to value chain 256
workers (S2-1) 256
Processes for engaging with value chain workers about impacts (S2-2) 258
Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3) 259
Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action (S2-4) 260
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5) 267
3. Affected communities (S3) 270
Interests and views of stakeholders (SBM-2) 270
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 270
Policies related to affected communities (S3-1) 273

Processes for engaging with affected communities about impacts (S3-2) 274
Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3) 278
Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4) 280
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5) 286
4. Consumers and end-users (S4) 288
Interests and views of stakeholders (SBM-2) 288
Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 288
Policies related to consumers and end-users (S4-1) 292
Processes for engaging with consumers and end-users about impacts (S4-2) 294
Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3) 297
Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4) 301
Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5) 309
04. Business conduct 312
The role of the administrative, supervisory and management bodies (GOV-1) 312
Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) 313
Business conduct policies and corporate culture (G1-1) 315
Management of relationships with suppliers (G1-2) 323
Prevention and detection of corruption and bribery (G1-3) 329
Confirmed incidents of corruption or bribery (G1-4) 330
Political influence and lobbying activities (G1-5) 331
Payment practices (G1-6) 332
05. Specific information 334
Cybersecurity 334
Taxation 338
Innovation 345
06. Disclosures stemming from other legislation (Law 11/2018) 353
07. Annexes 365

01. General disclosures

1. Basis for preparation

General basis for preparation of Consolidated Non-Financial Information Statement and Sustainability Reporting (BP-1)

The present Consolidated Non-Financial Information Statement and Sustainability Reporting, for the purposes of simplification Sustainability Report, forms part of the Consolidated Directors' Report of Naturgy Energy Group, S.A. and subsidiaries -the Naturgy Group- (hereinafter, Naturgy, the "company" or the "group"). It is subject to the same criteria for approval, submission and publication as these reports and has been verified by an independent expert in these services.

With the emission of this report Naturgy Energy Group, S.A. complies with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), as set out in Annex I of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

Furthermore, the European regulatory context stemming from Omnibus Package I, which entails regulatory simplification in the area of sustainability, has been taken into account. Specifically, for the preparation of this Report, Naturgy has considered only the provisions of Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 (hereinafter Quick Fix) regarding the postponement of the application date of certain disclosure requirements.

Additionally, the company complies with the provisions of the "Second Joint Statement on the transposition of the CSRD Directive and subsequent amendments to the Spanish legal system" issued by the Spanish Accounting and Auditing Institute (ICAC) and Spanish National Securities Market Commission (CNMV), dated 19 November 2025, and has aligned the contents of this Report with the information requirements established by Law 11/2018, of 28 December 2018, which transposes into Spanish law Directive 2014/95/EU of the European Parliament and of the Council 22 October 2014, which modifies Directive 2013/34/EU as regards the disclosure of non-financial information. In particular, a response has been provided to those requirements that are not covered by the framework of the ESRS.

Scope of information

Introduction to scope of information BP-1_01

Aligned with the mandate of the CSRD, Naturgy has taken into account, for the definition of the coverage of this report, the companies over which it has the capacity to control, those over which it has significant influence and those activities relevant to the company from the Environmental, Social and Governance (ESG) points of view. In this sense, this Sustainability Report has been prepared on the basis of the consolidated group of companies.

Scope of the report

BP-1_02 The group financial and sustainability data presented in this report are consolidated and refer to all activities carried out during the calendar year 2025 as a global gas and electricity operator through the companies included in Appendix I of the Consolidated Financial Report for the financial year 2025.

BP-1_03 This report has been prepared on a consolidated basis, so that all companies included within the scope, present in any of the member countries of the European Union and which are subject to the CSRD, are exempt from submitting an individual sustainability report. This exemption also extends to those companies of the company that are not subject to CSRD, except for those companies in countries where local legislation requires it.

BP-1_04 Throughout this report, information is presented on the company's value chain activity, which has been used to perform the double materiality assessment described in the section "4. Impact, risk and opportunity management" in this chapter. It is important to highlight that this information covers all of Naturgy's own operations and, partially, the activities upstream and downstream in its value chain, as permitted in the first years of application of the sustainability reporting directive on which this report is based. The detail of the scope provided is explained in the description of Naturgy's current value chain, which appears in the section "Naturgy and its value chain" in this chapter.

Additional considerations BP-1_05; BP-1_06

Naturgy has not chosen to omit specific items of information on intellectual property, know-how or results of innovation in accordance with point 7.7. of ESRS 1.

Disclosures in relation to specific circumstances (BP-2)

Disclosures stemming from other legislation and reference standards

BP-2_16 As mentioned above, Naturgy has prepared its Sustainability Report, in terms of structure and reporting information, within the framework of the ESRS and Law 11/2018, as mentioned above. However, this Report has been prepared, in turn, in accordance with other European legislation and globally accepted initiatives.

On one side, Naturgy responds to the information requirements derived from the Taxonomy Regulation, Regulation (EU) 2020/852 of the European Parliament and the Council of Europe, which establishes a classification system for economic activities that defines on the basis of target criteria what is and is not sustainable. Specifically, Naturgy complies with the technical information requirements established in the EU Taxonomy Delegated Acts 2021/2139, 2022/1214 and 2023/2486, which complement the above-mentioned regulation, and reports on the degree of eligibility and alignment of its activities in accordance with the European taxonomy for the targets of climate change mitigation, adaptation to climate change, protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems. On the other hand, it should be noted that, as an integral part of the Omnibus I regulatory package, the European Commission included a proposal to amend certain aspects of the Delegated Regulations on disclosure of information related to the taxonomy, whose main target are to simplify and clarify the disclosure requirements for companies and adjust the technical criteria relating to the principle of not causing significant harm ("DNSH"). However, since this proposed amendment was approved after the 2025 reporting period had already begun, Naturgy has chosen to continue reporting the information as in previous years, as permitted by the proposal.

BP-2_17 Regarding information on greenhouse gas emissions, the report addresses the reporting requirements of Royal Decree 214/2025 of March 18, which establishes the carbon footprint registry, carbon offsetting and carbon dioxide absorption projects, and mandates the calculation of carbon footprints and the preparation and publication of greenhouse gas emission reduction plans. Furthermore, the report adopts the recommendations of the international working groups Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD), specifically concerning the analysis of climate risks and opportunities and those related to biodiversity and ecosystems, respectively.

At the end of this chapter, different tables have been included that break down all the disclosure requirements that have been answered in the Report. Additionally, in the Annexes chapter, a correspondence of the contents of Law 11/2018 covered by the Report, and its equivalence with the ESRS, will be included.

Time horizons addressed

Considering that the reference period for this Report, as well as for the Consolidated Annual Financial Report, is the financial year 2025, the following time horizons have been established, in line with the ESRS:

- **Short term:** one year after the reference period, i.e. the year 2026.
- **Medium term:** covers the period 2027-2031 inclusive.
- **Long term:** from 2032 onwards.

Naturgy has determined that the timeframes presented above are those that best fit the company's strategic sustainability planning for the coming years, and provide the most realistic view of a possible materialisation of impacts, risks and ESG opportunities. However, in order to determine the risks derived from climate change, a scenario analysis was carried out using the following time horizons:

- **Short term:** until 2030.
- **Medium term:** until 2040.
- **Long term:** until 2050.

The use of different time horizons is due to the fact that, in the case of climate risks and opportunities, Naturgy considers that they provide a more realistic view in terms of probability of occurrence and financial impact, in line with the aforementioned international initiative Task Force on Climate-Related Financial Disclosures (TCFD).

Value chain estimation BP-2_03; BP-2_04; BP-2_05; BP-2_06

This Sustainability Report includes the main ESG matter considered material for Naturgy's activity and its value chain. In accordance with transitional provision 10.2. of ESRS 1, the company has not made quantitative estimates relating to the value chain, except for the calculation of greenhouse gas emissions of scope 3. In this case, the quantification methodology can be consulted in the chapter on climate change, section "Methodology for calculating the greenhouse gas (GHG) emissions inventory".

Limitations of the information reported

Naturgy considers that this report provides a reasonable and balanced reflection of the company's environmental, social and governance performance. In the event that any particular indicator could not be prepared in accordance with the requirements of the ESRS, explanatory notes are added at the foot of each table.

BP-2_10; BP-2_11; BP-2_12 Throughout the Report, when it is considered to facilitate the interpretation of the data, the scope of each of the indicators shown is specified, as well as relevant variations with respect to the previous year. This case applies, for example, to those metrics that have undergone modifications in their preparation with respect to the previous report, or have been replaced together with the justification for this fact, whenever possible.

BP-2_07; BP-2_08; BP-2_09 In addition, indicators subject to a high degree of uncertainty have been identified in the body of the document, such as those referring to forward-looking economic or operational estimates, for which the calculation methodologies used (approximations and assumptions) and sources of uncertainty are also reported.

BP-2_13; BP-2_14; BP-2_15 In a continuous improvement exercise, the qualitative and quantitative information submitted in previous years is reviewed annually to ensure its accuracy. Therefore, possible inaccurate references and their nature are identified, and their correct value is determined if possible, or the reason why the correction is impracticable is explained.

Verification

The integrity, robustness and veracity of the information contained in this report are preserved by the policies and procedures incorporated in Naturgy's Sustainability Information Internal Control System (SCIIS), and are intended, among others, to ensure the correct presentation of the company's information to third parties.

Naturgy annually commissions an independent third party to verify the contents of its report. This report, corresponding to financial year 2025, has been verified by KPMG, which reviews compliance with the contents of the Sustainability Report in accordance with the ESRS, the technical requirements defined in the EU Taxonomy Delegated Acts 2021/2139, 2022/1214 and 2023/2486, which complement Regulation 2020/852 of the European Parliament and the Council of Europe (see more information in the chapter "EU Taxonomy Report (Regulation 2020/852) and sustainable financing") and Law 11/2018 of 28 December 2018.

The objectives, scope and conclusions of the verification, as well as the procedures used, are included in the independent assurance report issued by KPMG, attached in the "Annexes" chapter of this Sustainability Report.

Finally, the inventory of greenhouse gas emissions for the year 2025, corresponding to Naturgy's carbon footprint for that monitoring period, and included in the chapter "Climate Change", has been verified by Verico SCE, in accordance with the requirements established in the UNE-ISO 14064 and GHG Protocol standards.

Incorporation of information by reference BP-2_20

In general terms, the disclosure requirements derived from the ESRS, Spanish Law 11/2018 and other legislation have been addressed in this Sustainability Report. On occasions, the report is supplemented with information contained in other corporate reports for the sole purpose of expanding on the detail contained herein, in which case cross-references to the relevant documentation have been included.

Corporate policies

Naturgy has a Statement of Principles and Policies (DPP), approved by the Board of Directors, which establishes the principles derived from its purpose and values and which guide its activities to build trusting, stable, solid, and mutually beneficial relationships with its stakeholders.

The DPP establishes twelve principles for creating value through the Group's overall strategy, in an ethical and socially responsible manner, while preserving the environment and biodiversity:

- Ethics and Integrity.
- Human Rights.
- Environment.
- Safety, Health, and Welfare.
- Customers.
- People.
- Supply Chain.
- Society.
- Transparency and Communication.
- Asset Protection.
- Excellence.
- Results.

The regulatory framework for these principles, including general criteria for their implementation and specific responsibilities, is set out in the Code of Ethics and thirteen Global Policies. The following details the global policies related to the material impacts, risks, and opportunities addressed in this report:

- Sustainability.
- Safety, Health and Welfare.

- Outsourcing and Suppliers.
- Financial and Sustainability Information.
- Taxation.
- Regulations.
- Integrated Management System.
- Information Technology.
- Risks.

The DPP and related policies apply to all companies in which Naturgy holds a majority stake and those for which it is responsible for operation and/or management. Furthermore, the DDP is promoted for all individuals and companies that collaborate with Naturgy throughout its value chain.

Throughout this report, a description is provided of the core content and general objectives of the policy or policies established for each sustainability theme identified as material, along with their material impacts, risks, and opportunities, as well as their management and monitoring.

In the case of the Environmental ESRS, Naturgy establishes its principles of action regarding climate change, pollution, water resources, biodiversity and ecosystems, resource use, and the circular economy in its Global Sustainability Policy. This policy establishes the governance, strategy, identification of impacts, risks, and opportunities, and the establishment of metrics and objectives that ensure the management of the environmental issues established in the EIS, through the definition of principles, responsibilities, and tools.

The common minimum disclosure requirements (MDR-P) relating to standards E1 to E5 (which also apply to standards S1-S4) are defined below on this Global Sustainability Policy and the specific ones (MDR-P_01 and MDR-P_04) are explained in the corresponding chapter:

- [MDR-P_02] This policy applies to all companies or entities in which the group has, directly or indirectly, a majority stake or responsibility for their operation and/or management, regardless of the geographical area in which they operate. Naturgy also undertakes to establish the necessary mechanisms and actions to extend its application to third parties directly involved in the upstream and downstream stages of its value chain.
- [MDR-P_03] This policy has been approved by the Board of Directors, and the highest level in the organization responsible for its implementation is the Management Committee, as set out in the policy itself..
- [MDR-P_05] [MDR-P_06] Naturgy has defined and periodically reviews the principles and commitments of this policy, taking into account and incorporating the interests and concerns of stakeholders, and establishes mechanisms and channels to make it available to them and publicize it, for this purpose:
    - makes policies public, both internally and externally;
    - reports in a transparent and rigorous manner on its actions in relation to sustainability issues in order to comply with the principles and commitments it has made;
    - disseminates risks and opportunities related to material sustainability issues;
    - develops the necessary actions to ensure that stakeholders involved in the implementation of these policies are aware of them and can comply with them;
    - raises awareness and educates employees and other relevant stakeholders on environmental and human rights issues by promoting collaboration and dialogue.

In the case of the social ESRS, Naturgy sets out its main principles and commitments in relation to the material issues in the Global Sustainability Policy and in other policies which are explained in the policy requirement of each chapter. Those minimum disclosure requirements (MDR-P) for standards S1-S4 that are covered by the Global Sustainability Policy according to the information above will be referenced in this section and MDR-P not disclosed here will be reported in the corresponding section of each standard.

In the case of the ESRS on business conduct, the chapter explains in detail how the Code of Ethics, the policies derived from compliance and other policies set out the principles and commitments relating to the identified material impacts, risks and opportunities.

2. Governance

The role of the administrative, management and supervisory bodies (GOV-1)

Naturgy's governance structure

Naturgy's corporate governance is ruled in accordance with the principles of efficiency, transparency and responsibility dictated in the recommendations and best practices at national and international level and included in the company's main internal regulations:

- Articles of Association (updated in 2022).
- Regulations of the Board of Directors and its Committees (updated in 2025).
- Regulations of the General Meeting of Shareholders (updated in 2022).
- Code of Ethics (updated in 2024) and its development policies.
- Statement of Principles and Policies (updated in 2025).

In addition, it should be noted that the actions carried out by the Board of Directors have a clear vocation for compliance with good governance standards, mainly with regard to aspects related to the strategic plan, decision-making, the establishment of control mechanisms, risk supervision, regulatory compliance and monitoring of ethical, social and environmental issues in the development of the company's activities. Likewise, Naturgy periodically reviews its activities through compliance and internal audit processes, and includes in its internal regulations the practices that should result in the best behaviour of employees.

Naturgy's commitment to good governance extends to its entire workforce, through the development and transmission of its corporate ethical culture. The bodies responsible for governance within the company are its **governing bodies**. In this sense, Naturgy's governing bodies are structured on the basis of three levels:

- **Administrative** body, composed exclusively of the Board of Directors.
- **Supervisory** bodies, consisting of three board committees (Appointments, Remuneration and Corporate Governance Committee, Sustainability Commission, and Audit and Control Committee).
- **Management** bodies, consisting mainly of the Management Committee, which in turn has other supporting committees.

In addition, and in accordance with the Capital Companies Act, Naturgy's General Meeting of Shareholders is held annually, which deals with those matters that are attributed to it by the Regulations of the meeting and by law.

Administrative and supervisory bodies

The Board of Directors is the body with the greatest responsibility for corporate governance in the company. Its members, with the exception of the Chairman, make up the respective specific committees, whose activity facilitates the proper performance of the Board's functions.

This section provides information on the structure of the Board of Directors and its specific committees, as well as diversity indicators and other relevant aspects about the directors, particularly about their knowledge and experience in Naturgy's operating sector.

Board of Directors

GOV-1_01; GOV-1_02; GOV-1_07 The Board of Directors is made up of 15 members, with its Chairman, Mr. Francisco Reynés Massanet, being the only executive director. Therefore, 14 members of the Board are considered non-executive. Of these, 11 hold the category of proprietary director, and 3 hold the category of independent director (representing 20% of the total number of directors).

Due to the fact that the Chairman of the Board of Directors of Naturgy is also an executive director, the company has appointed the position of coordinating director, aimed at mitigating possible conflicts of interest. This position is held by Ms. Helena Herrero Starkie, who is also an independent director, member of the Audit and Control Committee and chairwoman of the Sustainability Committee. Pursuant to article 529 Septies of the Spanish Companies Act, and to Article 20 of the Regulations on the Organization and Operation of the Board of Directors, the coordinating director is empowered to request the calling of board meetings or the inclusion of new items on the agenda, to coordinate and bring together the non-executive directors; maintain contact with investors and shareholders to understand their views in order to form an opinion on their concerns, particularly regarding the company's corporate governance, and coordinate the chairman's succession plan.

For more information on the composition of the Board, refer to section C.1.3 of the Annual Corporate Governance Report 2025, as well as to the infographic "Board of Directors and its Committees composition (as of 31 December 2025)", presented below.

With regard to the functions of the Board of Directors, this body is responsible for carrying out such acts as may be necessary for the fulfilment of the corporate purpose set out in the Articles of Association.

The Board of Directors is, in turn, the highest body responsible for approving corporate governance and corporate social responsibility policies (Statement of Principles and Policies in the case of Naturgy). Its activities include the preventive management of risks and the consideration of aspects linked to sustainability. In addition, annually, through the formulation of the respective reports, it reviews and approves the information on risks and opportunities in these matters.

The Board of Directors exercises the powers attributed to it by law, the Articles of Association and its Organisation and Functioning Regulations. Specifically, according to article 3 of the Regulations, the following general powers correspond exclusively to the Board of Directors:

- Non-delegable matters:
  - Those provided for in legislation as non-delegable.
  - The establishment, investment and supervision of the management of staff pension plans and any other commitments to staff involving the company's long-term financial liabilities.
  - The appointment and dismissal of directors who report directly to the Board or any of its members, as well as the establishment of the terms of their contracts, including their remuneration.
  - Matters subject to enhanced majority voting as referred to in Article 7(4) of the Regulation.
  - The approval of those related-party transactions whose competence has not been attributed by law to the General Meeting of Shareholders.
- Matters which ordinarily cannot be delegated, but which may be adopted by the bodies or people delegated for duly justified reasons of urgency, and which must be ratified at the first meeting of the Board of Directors held after the adoption of the decision, the most important of which are as follows:
  - Approval of management objectives, annual financing plan, investment and financing policy, corporate social responsibility policy (in the case of Naturgy, Statement of Principles and Policies).
  - Determining the company's corporate governance policy, risk control and management policy, including tax risks, and supervising internal information and control systems.
  - Approval of the financial and sustainability information that, as a listed company, the company must periodically publish.
  - Approval of investments or operations of a strategic nature.

Board of Directors committees

The Board of Directors, in order to support it in the performance of its duties, has the statutory power to create specific committees, which shall assume the powers specified by law and those entrusted to them by the Board.

In 2025, Naturgy counts on three fundamental committees, which make up the supervisory bodies of the company:

- Audit and Control Committee.
- Appointments, Remuneration and Corporate Governance Committee.
- Sustainability Commission.

Further details of the functions and powers of each of these can be found in section C.2.1 of the Annual Corporate Governance Report 2025.

Audit and Control Committee GOV-1_01; GOV-1_02

The Audit and Control Committee is the supervisory body for the effectiveness of internal control and financial and sustainability risk control and management systems, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks. It also approves the Corporate Risk Map and ensures compliance with the Global Risk Control and Management Policy approved by the Board of Directors.

Another of its main functions, as detailed in the Annual Corporate Governance Report 2025, is to participate in the process of renewing the external auditor, who is responsible, in particular, for verifying the sustainability information included in this document. It is made up of five directors, all of whom are non-executive directors, and the majority of the directors are independent..

Appointments, Remuneration and Corporate Governance Committee GOV-1_01; GOV-1_02

The Appointments, Remuneration and Corporate Governance Committee, among other functions, evaluates and periodically reviews the adequacy of the company's corporate governance system, participates in the process of appointing or renewing directors, verifies the policy for selecting directors, and periodically reviews the remuneration policy applied to directors and senior management. It is made up of five directors, all of whom are non-executive directors.

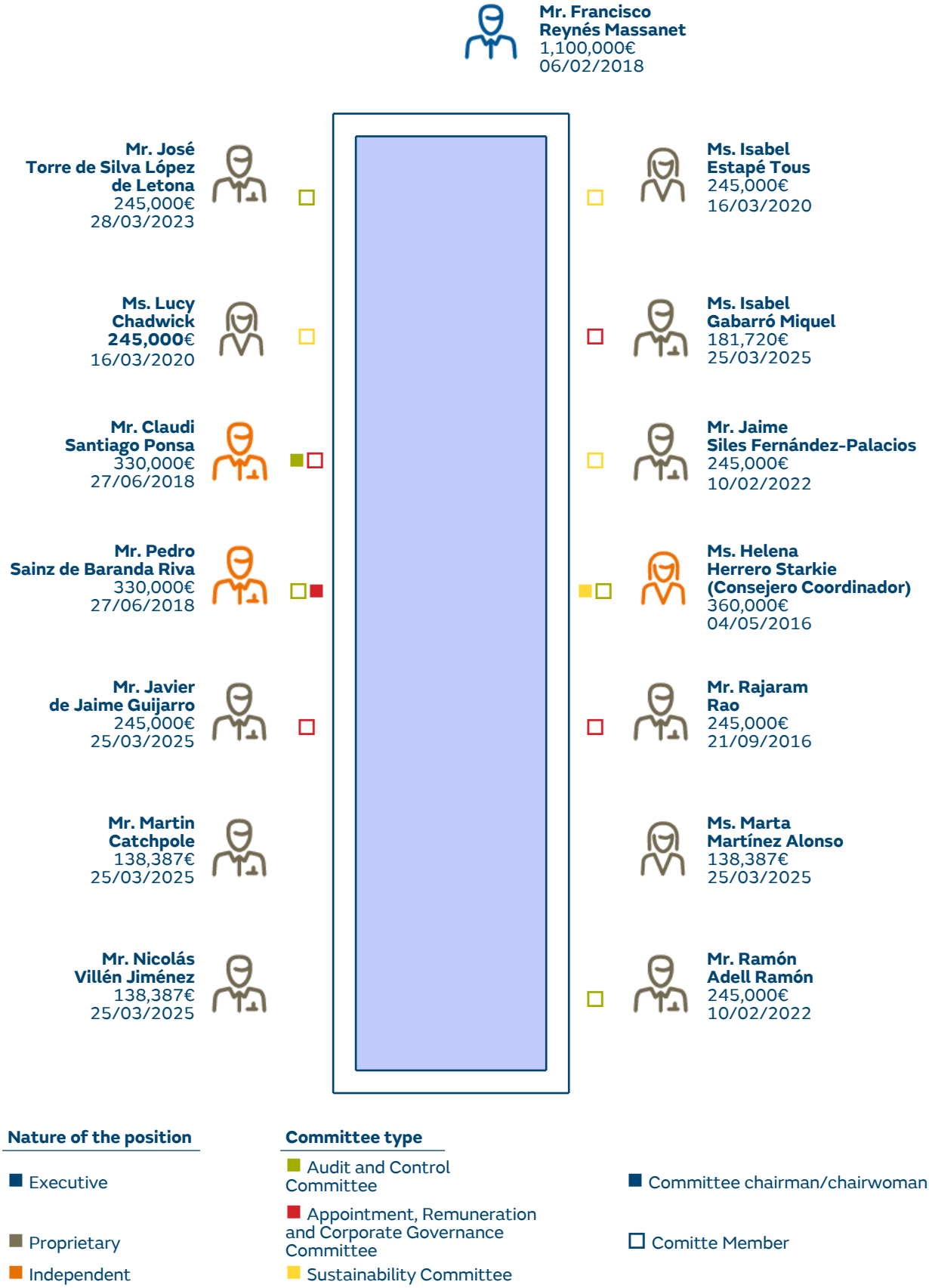
Sustainability Commission GOV-1_01; GOV-1_02

In 2020, Naturgy's Board of Directors agreed to create the Sustainability Commission, responsible for overseeing the company's evolution and role in the energy transition, as well as all its environmental, health and safety and social responsibility indicators.

GOV-1_08 Additionally, the Sustainability Commission is the body responsible for the governance of sustainability and ESG aspects in the company. In particular, it is responsible for supervising the results of the double materiality assessment, that is, the present and future impacts, risks and opportunities which are applicable to Naturgy. The Commission is made up of four directors, all of them non-executive, whose identity can be consulted in the infographic below:

Board of Directors and its Committees composition (as of 31 December 2025)

GOV-1_08



[1]As of 25 March 2025, his appointment as a natural person director is formalized, replacing the legal entity director Rioja Acquisition, S.à.r.l. The remuneration data includes the amount received both as a natural person director and as a legal entity director.

Board's and its committees diversity metrics GOV-1_05

GOV-1_06 Naturgy's Board of Directors is made up of 15 members, of which 5 are women, representing 33% of the total number of Directors. Thus, the gender distribution of the Board of Directors and the specific committees as of 31 December 2025 is as follows:

- **Administrative and supervisory breakdown by gender (%)**

	2025	2024
Board of Directors	**15**	**12**
Male	10	9
Female	5	3
Proportion of women (%)	**33**	**25**
Audit and Control Committee	**5**	**5**
Male	4	4
Female	1	1
Proportion of women (%)	**20**	**20**
Appointment, Retribution and Corporate Governance Committee	**5**	**5**
Male	4	5
Female	1	0
Proportion of women (%)	**0**	**0**
Sustainability Committee	**4**	**4**
Male	1	1
Female	3	3
Proportion of women (%)	**75**	**75**

Naturgy's Director Selection Policy, revised in February 2022, ensures that appointments are diverse and free from any implicit bias that could imply any discrimination, and does not exclude any candidate on the basis of ideology, religion, belief, ethnicity, race, nation, gender, sexual orientation, family situation, illness or disability.

As vacancies arise on the Board or as directors' terms of office expire, and always with full respect for the shareholders' right to proportional representation, the company will deliberately seek out and include among the potential candidates women who meet the professional profile sought, ensuring that the number of female directors is in line with the best practices established both in the CNMV's good governance recommendations and in Spanish Organic Law 2/2024 of 1 August on equal representation and balanced presence of women and men, which transposes Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on a better gender balance among directors of listed companies and related measures. The Appointment, Remuneration and Corporate Governance Committee shall implement measures to ensure that this is achieved and to encourage the appointment of a significant number of female directors in the company.

With regard to the selection of candidates for Board membership, the process starts with an assessment by the Appointment, Remuneration and Corporate Governance Committee, which may be assisted by external advisors. The analysis, in line with the company's Director Selection Policy, is based on the needs of the company and on the skills, knowledge and experience required on the Board, as well as on the candidate's alignment with Naturgy's principles, values and vision. This issue will be dealt with in the following section.

Another indicator of diversity relating to the Board of Directors is the age of its members. Board members categorised below according to this metric:

- **Directors breakdown by age category (%)**

	2025	2024
Under 55 (%) years old	27	25
Between 55 and 60 (%) years old	13	17
Over 60 (%) years old	60	58
Total (%)	**100**	**100**

Directors knowledge and experience GOV-1_04

The Board of Directors, as mentioned in the previous section, is made up of individuals with the necessary knowledge and experience to carry out the functions determined by the Regulations that govern it, and by law. Among the members of the Board there is a diversity of professional experience and academic knowledge (engineering, law or economic, among others), as has been identified in the Board's competency matrix, which is presented below. In particular, this matrix reflects their past experience in Naturgy's sector of activity, in the markets in which it operates, and in the management of the services offered by the group:

	Mr. Ramón Adell	Ms. Isabel Estapé	Mr. Jaime Siles Fernández-Palacios	Ms. Helena Herrero	Mr. Javier de Jaime	Mr. Rajaram Rao	Mr. Francisco Reynés	Mr. Pedro Sainz de Baranda	Mr. Claudi Santiago	Ms. Lucy Chadwick	Mr. José Antonio Torre de Silva	Mr. Nicolas Villén	Ms. Marta Martínez Alonso	Ms. Isabel Gabarró Miquel	Mr. Martin Catchpole
Global energy trends / strategy / technology	■		■	■		■	■		■	■		■	■		■
Infrastructure (investments in regulated environments)	■	■	■		■	■	■		■	■	■	■	■	■	■
B2C (customer experience and new services)	■			■	■		■	■			■				
Operational excellence and process optimisation	■			■			■	■	■			■			
Regulators / other relations with public stakeholders	■	■	■			■	■			■		■	■		■
Experience in Spain	■	■	■	■	■	■	■	■	■	■	■	■		■	
Experience in Latin America	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
International experience	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Experience in senior management			■	■	■	■	■	■	■	■	■	■	■		■
Accounting / auditing / risk management	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Corporate finance	■	■	■	■	■	■	■	■	■		■	■	■	■	■
Industry and energy technologies (industry technologies)							■	■	■	■		■			
Industry and energy technologies (information technologies)				■			■	■	■	■			■		
Talent management and remuneration	■	■		■	■	■	■	■	■	■	■	■		■	
Corporate governance and sustainability (ESG)	■	■	■	■	■	■	■	■	■	■	■	■		■	
Climate change		■	■	■			■		■	■	■			■	

Nature of the position

■ Executive. ■ Independent. ■ Propietary.

Experience

■ Executive professional experience.

■ Experience as a director or indirect executive experience.

GOV-1_15; GOV-1_16 As indicated in the Regulations of the Organisation and Functioning of the Board of Directors and its Committees, in order to guarantee the correct performance of the duties of the Directors, particularly in sustainability matters, the Board shall establish training programmes that provide them with the required knowledge of the company and its corporate governance rules. The Chairman shall also agree on refresher programmes for Directors when circumstances so advise. In March 2025, a training session was held for the members of the Council on sustainability trends in business management, with special emphasis on ESG risks, by a renowned independent expert.

On the other hand, the directors shall have access, through the chairman and, where appropriate, the secretary, to all Naturgy services and to the necessary information and advice about the company. Such information may be provided directly to them, they may be offered appropriate interlocutors or other relevant measures.

The directors may also propose to the Board of Directors the engagement of legal, accounting, technical, financial, commercial or any other type of advisers they consider necessary in the interests of the company and to facilitate the exercise of their functions - in the event of specific problems of a certain importance and complexity -.

The knowledge of the directors acquired through their experience or the indicated advice, as well as the quality and efficiency of the functioning of the Board and its committees, are evaluated annually, in accordance with the recommendations of the Good Governance Code of Listed Companies of the CNMV and Naturgy's own Regulations of the Board of Directors. Every three years, the evaluation is carried out by an external consultant, whose independence is verified by the Appointments, Remuneration and Corporate Governance Committee.

In 2025, an internal evaluation process of the Board of Directors and its Committees has been carried out. The last evaluation process by an external consultant was carried out in 2023.

As part of this self-assessment process, the directors completed a series of questionnaires on the functioning of the Board and its Committees, asking for their assessment on issues related to the structure of the Board and its functioning, on its work in supervising aspects such as internal audit, compliance, risks, or the monitoring of the company's strategic plan.

The process of evaluation and analysis of the functioning and effectiveness of the Board has been structured around those areas which, in accordance with the CNMV's Technical Guide 1/2019 on Appointments and Remuneration Committees, have been considered key, mainly those related to the structure and composition of the Board, the functioning of the Committees, the evaluation of the performance of the Chairman of the Board of Directors, the Chairmen of each of the Committees, the Coordinating Independent Director and the Secretary of the Board.

The assessment of each of the subjects identified has been addressed through a series of critical questions in the questionnaires submitted.

After receiving the evaluation report, the Board of Directors, at its meeting held on 17 February 2026, agreed to implement some of the suggestions for improvement contained in the report during 2026.

[GOV-1_17] Access to specialised knowledge enables Directors to properly perform their corporate duties. This is particularly relevant for the members of the Sustainability Commission, given their responsibility in supervising the company's material impacts, risks and opportunities, approving the appropriate policies for their management, or establishing a sustainability roadmap to manage ESG issues appropriately.

For proper management of the environmental issues identified in the double materiality assessment, the experience of its member, Ms. Lucy Chadwick, is noteworthy for her work on the Investment Committee of Global Infrastructure Partners (GIP), as an advisor on ESG considerations, being also responsible for ESG of that group, which allows her to operate with all GIP investments in the Energy, Transport, Water and Waste and Digital sectors, or that of Mr. Jaime Siles for his participation in the Investment Committee of the company specialising in the management of the integral water cycle, Aqualia.

At the same time, with regard to social issues, the experience of the chairwoman of the Commission, Ms. Helena Herrero, should be highlighted for her participation in prominent business, institutional, social and cultural forums, which focus on areas of special social impact, or on the digital divide, among others. Also worthy of mention is the employment history of Ms. Isabel Estapé, who, having been a member of numerous boards of directors and being a member of the Royal Academy of Economic and Financial Sciences, holds the position of patron of various social foundations and collaborates with various charities, and that of Mr. Pedro Sainz de Baranda and Mr. Javier de Jaime, or Ms. Maria Isabel Gabarró Miquel, who also hold the positions of patron of various social foundations.

In terms of business conduct, a high percentage of the directors have previously served on the Boards of Directors of other companies, so their experience in terms of corporate governance and business conduct is extensive. In this regard, it is worth highlighting the figures of Mr. Ramón Adell, Mr. Javier De Jaime Guijarro, Ms. Helena Herrero, Mr. Pedro Sainz de Baranda and Mr. Claudi Santiago, among others.

Management bodies

The management team is responsible for the direct management of the Company through the various business and corporate units, based on the implementation of the strategies, policies and roadmaps established by the Board of Directors. In this area, the most representative body is the Management Committee, whose activity is complemented, in addition to other committees regulating specific issues of the entity, by the activity of other members who are considered at senior management level, in the terms defined by the CNMV.

Management Committee and senior management

The chief executive of the company is also the Chairman of the Board of Directors and has responsibility for all the Group's businesses. The company has a management structure with the necessary powers to carry out both the company's own operations and its basic management activities. As at 31 December 2025, the following persons, in addition to the Executive Chairman, are considered members of the Management Committee:

- Networks Management Department, managed by Mr. Pedro Larrea Paguaga.
- Procurement and Wholesale Markets Department, managed by Mr. Jon Ganuza Fernández de Arroyabe.
- Renewable Generation, managed by Mr. Jorge Barredo López.
- Commercialisation Department, managed by Mr. Carlos Francisco Vecino Montalvo.
- Renewable Gases Department, managed by Mr. José Luis Gil Sánchez.
- Company and Board Secretariat, managed by Mr. Manuel García Cobaleda.
- Capital Markets and Corporate Development Department, managed by Mr. Steven Fernández Fernández.
- Public Affairs and Sustainability Department, managed by Mr. Jordi García Tabernero.
- People and Resources Department, managed by Mr. Enrique Tapia López.
- Technology and Systems Department, managed by Mr. Rafael Blesa Martínez.

The Management Committee, led by its chairman, periodically analyses the sustainability action plans and their specific proposals, and supervises their performance and execution. It also ensures the implementation and monitoring of business and sustainability policies, strategies, plans and objectives, and proposes measures in the areas of energy transition, climate change and sustainable development, among others.

In addition to the members of the Management Committee, senior management includes those executives who report directly to the Board, its Committees or to the chief executive of the company, Mr. Francisco Reynés Massanet.

As of 31 December 2025, the senior management is composed, in addition to the Management Committee, of

- Planning and Management Control Department, managed by Ms. Rita Ruiz de Alda Iparraguirre.
- Consolidation and Administration Department, managed by Mr. Gabriel Deseff Rodríguez.
- External Communications Department, managed by Mr. Víctor Márquez Moya.
- Compliance Unit, managed by Ms. Isabel González Alfaro.

- Environment and Social Responsibility, managed by Ms. Nuria Rodríguez Peinado.
- Internal Audit Department, managed by Ms. Eva Fernández Roselló.

Among other functions, senior management is responsible for the implementation of the Risk Control and Management model approved by the Board of Directors and for disseminating the internal control culture. It also proposes to the Board the target risk limits for consideration and approval supported by the specific committees.

Diversity metrics in senior management GOV-1_05

Senior management consists of 17 members including the executive chairman, 4 of whom are women, representing 24% of the total.

	2025		2024	
Female	4	24 %	4	24 %
Male	13	76 %	13	76 %
Other(2)	-	-	-	-
Not disclosed(3)	-	-	-	-

(1) The information is expressed in total number of persons and as a % of the total.
(2) 'Other' refers to employees belonging to a third, often neutral, gender. However, this category is not applicable as data for this gender is not available.
(3) 'Not disclosed' refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.

An additional factor of diversity in senior management is the age distribution of its members. A categorisation of this group based on this criterion is presented below:

- **Senior management breakdown by age category (%)**

	2025	2024
Under 55 (%) years old	53	53
Between 55 and 60 (%) years old	29	41
Over 60 (%) years old	18	6
Total (%)	**100**	**100**

Naturgy's Director Selection Policy, mentioned above, expressly contemplates the implementation of measures to encourage the appointment of a significant number of women in senior management. These measures are aimed at enhancing the professional role of women in Naturgy, their visibility and networking, moving towards gender parity at different levels of the company through specific training actions, career development programmes and promotion of diverse leadership, as well as the prioritisation of this group in internal mobility plans, organisational evolutions and succession plans. The company is also committed to generational balance through recruitment and development programmes for young professionals and intergenerational talent development programmes.

Senior management members experience GOV-1_04; GOV-1_15; GOV-1_16; GOV-1_17

With regard to the diversity in the composition of the members of the senior management, it is worth highlighting the plurality of profiles that comprise it. The areas of expertise existing at 31 December 2025 are as follows:

- three degrees in law,
- seven engineers,
- a degree in political science,
- two degrees in business administration and management,
- a National Public Accountant,
- a degree in economics and finance,
- two degrees in information science.

They all have a broad business and professional background, with extensive knowledge of the energy sector and, in particular, of the functioning of energy markets.

In addition, due to the international presence of the group's activities, senior management has extensive international experience in the geographies where the company operates.

The members of Naturgy's senior management also have proven experience in corporate governance, as their functions include sitting on various boards of directors or even on the board of trustees of a foundation. Likewise, by virtue of the functions they perform, they have competencies in corporate finance, strategic planning and usually participate in the identification and management of risks inherent to each of the activities carried out by the company.

In addition, most members of senior management are also members of specific committees in the areas of Ethics and Compliance, Sustainability or energy regulation.

Finally, all senior management members are regularly advised by experts in the various matters under their responsibility. They also all receive training and participate in events related to the company's material topics.

Governance model on ESG issues

GOV-1_12 Naturgy's commitment with sustainability is integrated at all levels of the company's hierarchy. In this regard, the group can provide a coordinated response to ESG impacts, risks and opportunities identified in the double materiality assessment, thus boosting the resilience of the business and the corporate strategy. The different lines of sustainability reporting to the governing bodies are presented below:

(1) Administrative body.
(2) Supervisory body.
(3) Management body.

The reporting and control processes established on the company's sustainability information apply particularly to the impacts, risks and opportunities identified and assessed in the double materiality assessment. Thus, each body is attributed different responsibilities, as indicated below, to facilitate the integration of material issues for Naturgy in the company's strategy and business model.

GOV-1_09 Naturgy integrates the management of impacts, risks and opportunities as a key element of its governance, which helps to ensure long-term sustainability, value creation for stakeholders and capacity to anticipate and respond to risks and impacts.

In this area, the Sustainability Commission, a Board of Directors delegated body, is responsible for supervising and approving the development of the double materiality assessment. In addition, the Environment and Social Responsibility Unit coordinates the Sustainability Committee and reports to the Management Committee and the Sustainability Commission on sustainability matters, integrates the material impacts, risks and opportunities into Naturgy's strategic vision and is responsible for the implementation and supervision of policies related to this matter.

GOV-1_13 Naturgy has a governance framework that brings together the vision of governance, risk and compliance, enabling an integrated view of the Group's processes, the risk associated with them and the controls in place to mitigate these risks.

It has different bodies that play an active role in designing, implementing and monitoring processes, procedures and controls that let anticipating and managing impacts, risks and opportunities.

The various controls associated with ESG impacts, risks and opportunities are integrated into other internal functions of each body, as detailed below.

Board of Directors

The Board of Directors is the highest-ranking body accountable for approving corporate governance policies and those related to sustainability issues, as well as those related to any environmental or social issues. It is also the body responsible for approving the financial and sustainability information to be published by the company, and is also responsible for supervising the internal information and control systems.

In the specific case of climate change, given the importance for Naturgy of both this matter and the energy transition, the Board approves the Climate Transition Plan, which establishes the commitments made by the company to reduce greenhouse gas (GHG) emissions and the action lines to reduce and mitigate climate impacts and risks, as well as to take advantage of the opportunities associated with energy transition, which have been established taking the Paris Agreement as a reference, among others. The different action lines approved by the Board are implemented by the corporate and business units.

Furthermore, the Board is informed by the Sustainability Commission of the consultations made to stakeholders on sustainability matters, so that their perspectives are integrated into the company's strategy, commitments and management systems. In particular, the Board is responsible for approving a Policy for communication with shareholders, investors and proxy advisors, which is published on the corporate website.

The Board is also empowered to approve the Corporate Responsibility Policy, the content of which is expressed through the Statement of Principles and Policies (see more information in the "Corporate Policies" section of this Report). Additionally, since the entry into force of the CSRD and the ESRS reporting framework, Naturgy has considered it appropriate to develop a new Global Sustainability Policy that reflects the company's vision and cross-cutting commitments in ESG matters, as detailed in the aforementioned section.

GOV-1_10 In risks terms, the Board of Directors is the body responsible for approving the Risk Management and Control Policy, the integrated Risk Appetite and for supervising the company's Risk Management and Control System.

A particular case that requires special attention is the increase in risks and threats related to cybersecurity. This is why, in the double materiality assessment carried out, it has been determined as a specific material topic for the entity (see chapter 5 of this report). In this regard, the company has a global cybersecurity governance system for the entire organisation, and the Board of Directors is in charge of supervising this matter.

GOV-1_11 The Board of Directors has delegated to different bodies the activities of identification, supervision and management of impacts, risks and opportunities in ESG topics.

Audit and Control Committee

The Audit and Control Committee is, by delegation, the body in charge of supervising the Global Risk Control and Management Policy, as well as the company's Integral Risk Management and Control System. In this regard, it is responsible for reviewing, informed by the Internal Audit function, the financial and sustainability risk control and management systems, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks.

It is also the body in charge of supervising, updating and approving the Corporate Risk Map, including the sustainability risks analysed in the double materiality assessment, which is updated and presented to the Committee by the Planning and Management Control corporate unit, and ensures compliance with the Global Risk Control and Management Policy approved by the Board of Directors.

Another of its fundamental functions is to supervise the process of preparing and reporting financial and sustainability information, as well as its assurance through two internal control systems: the Financial Information Internal Control System (SCIIF) and the Sustainability Information Internal Control System (SCIIS), respectively.

In addition, the Committee analyses and reports to the Board of Directors on the economic conditions and accounting impact of future transactions involving structural and corporate changes.

For the exercise of its functions, the Committee may summon any employee or manager of the group, including requiring his or her appearance without the presence of any other manager. The Committee meets regularly, at least four times a year. For further information, refer to the Report on the functioning of the Audit and Control Committee during financial year 2025, as well as to section C.2.1 of the Annual Corporate Governance Report 2025.

Sustainability Commission

The Sustainability Commission has, as one of its functions, the supervision and approval of the double materiality assessment process and its results. In this regard, the sustainability impacts, risks and opportunities are integrated into the corporate strategy. In this regard, the Commission is responsible for proposing to the Board of Directors the approval of the Global Sustainability Policy, in the terms mentioned above.

GOV-1_14 In addition, the Commission proposes to the Board, informed by the Environment and Social Responsibility corporate unit, the corporate objectives and guidelines on environmental, health and safety and social responsibility matters, all of which are included in the company's Sustainability Plan. Also in relation to ESG issues, and more particularly the impacts, risks and opportunities identified, the Commission is responsible for analysing and reviewing sustainability, environmental and social policies and ensuring that the company's practices are aligned with energy transition, the Paris Agreement and contribute to the 2030 Agenda for Sustainable Development Goals. In addition, the Commission determines and reviews the target ESG risk profile and oversees its management by the units.

The Commission is also responsible for supervising the application of the corporate policy regarding communication with shareholders and investors, proxy advisors and other stakeholders, particularly the way in which Naturgy relates and communicates with small and medium-sized shareholders. In addition, it is responsible for reviewing the information disclosed by the company on sustainability and for supervising the design, implementation and monitoring of the Sustainability Information Internal Control System (SCIIS).

For the exercise of its duties, the Commission may invite to its meetings any employee or officer of the group it deems appropriate. The Commission meets regularly at least three times a year. Further information can be found in section C.2.1 of the company's Annual Corporate Governance Report 2025.

Management Committee

The Management Committee is responsible for the implementation and monitoring of business and sustainability policies, strategies, plans and objectives, and proposes measures in the areas of energy transition, climate change and sustainable development. In addition, it approves safety action plans, specifically the Safety Action Plan 2024-2025.

In risks terms, the Management Committee, with the support of senior management, is responsible for implementing the Risk Control and Management model and proposes the target risk limits to the Board for consideration and approval.

In addition, the Management Committee integrates the corporate cybersecurity function, through the figure of the Chief Information Officer. This corporate function (Global Head Chief Information Security Officer) is responsible for ensuring the correct strategic alignment of the policies and regulations applicable in each of the businesses, which in turn have specific cybersecurity officers (Business Information Security Officers).

On the other hand, the overall and integrated responsibility for the tax function is centralized in the Tax Unit. In turn, the entire Group has common tax policies to ensure the proper functioning and coordination among the company's various tax units. In this way, they are developed under a single, common approach, without prejudice to the specific characteristics of each business and jurisdiction.

Sustainability Committee

The Sustainability Committee, with representation from all areas of the company, monitors the metrics and defines and promotes the projects and actions necessary to ensure compliance with the Sustainability Plan targets. Additionally, it monitors compliance with the group's ESG policies.

Environment and Social Responsibility unit

The Environment and Social Responsibility unit, in coordination with the business and corporate areas, designs the policies, metrics and targets for the environment, climate change and sustainability in general, monitors the evolution, consolidates the information and centralises the report to the Sustainability Committee, the Management Committee and the Sustainability Commission. In addition, it continuously assesses the main climate and ESG risk factors.

Planning and Management Control corporate unit

The Planning and Management Control corporate unit is responsible for aggregating the risks reported by the rest of the company's units and preparing a global and integrated vision for senior management of all the company's risks through the Corporate Risk Map.

Consolidation and Administration corporate unit

From a financial perspective, this Report includes quantitative data derived from other company documents, which have been verified through the Internal Control System for Financial Reporting (SCIIF). In this regard, the Corporate Consolidation and Administration Unit is responsible for defining the criteria and principles of the internal control model and ensuring its proper design. This Unit also oversees the implementation and operation of the SCIIF, while the Planning, Administration, and Operational Monitoring departments (PAYSO) act as their counterparts in each of their respective business units. Furthermore, the Report highlights the role of the consolidation function in certifying the fairness of Naturgy's consolidated annual accounts, which are submitted to the Board of Directors for approval.

At the same time, it monitors and assesses the financial impacts that ESG issues may have on the company's financial statements and assets.

Other Business and Corporate Units

The various business and corporate units apply general principles and strategies and develop plans, projects and activities to meet the different ESG targets set out in the Sustainability Plan.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

[GOV-2_01] In Naturgy, the commitment to sustainability is transversal to all hierarchical levels of the company. Therefore, the different governing bodies are informed about the impacts, risks and opportunities identified in the annual double materiality assessment.

This analysis was carried out by the corporate Environment and Social Responsibility unit, headed by Ms. Nuria Rodríguez Peinado, and the results and methodology used were submitted to the Sustainability Commission at its meeting on 25 June 2025, which supervised and validated the analysis presented.

The corporate Environment and Social Responsibility unit also reports periodically, and during the sessions held by the Sustainability Commission, about the results of the application of the different policies and initiatives in sustainability matters, beyond the related information reported in the other delegated committees or to the Board of Directors itself by other members of senior management. In addition, at the same sessions, the company's performance with respect to the indicators and objectives established in the 2021-2025 Sustainability Plan is supervised, as well as the proposal of objectives for the following period, 2025-2027, and, at the session prior to the formulation of the annual accounts by the Board of Directors, the annual Sustainability Report is presented for prior validation.

Furthermore, as described in the following sections, Naturgy carries out due diligence processes to identify potential counterparty risks. The results of the application of these processes are periodically reported by the Compliance unit to the Audit and Control Committee.

[GOV-2_02] The reporting lines to the aforementioned governing bodies enable the integration of ESG impacts, risks and opportunities in Naturgy's strategic and operational planning. On the one hand, it should be noted that Naturgy approved its new Strategic Plan 2025-2027 on February 18, 2025, which has an investment objective in assets that promote decarbonisation and allow progress towards energy transition. These lines of action are complemented by those included in the Climate Transition Plan, also newly approved, which will set Naturgy's course of action for the management of its climate impacts, risks and opportunities, in order to meet the ambitions established by the Paris Agreement, considering the advancement of technologies and energy policies and regulations in each country where it operates.

A new Sustainability Plan 2025-2027 is linked to the Strategic Plan, which includes Naturgy's main ESG objectives and indicators for this period, and which enables the correct implementation of its sustainability strategy to be supervised. More specific details on the indicators included and their target values can be found in the section "Purpose and strategy" of this chapter.

The double materiality assessment is also reviewed by the Audit and Control Committee within the scope of its functions as supervisory body of the complete inventory of financial and sustainability risks of the company. Naturgy continues to work on updating the corporate Risk Map with the results of the double materiality exercise and the evaluation of ESG risks in order to integrate sustainability impacts, risks and opportunities in the company's Comprehensive Risk Management and Control System.

[GOV-2_03] In conclusion, the governing bodies have addressed the following sustainability impacts, risks and opportunities:

- The Sustainability Commission, as the supervisory body for the double materiality assessment and its results, has been informed by the corporate Environment and Social Responsibility unit of all impacts, risks and opportunities in ESG matters, including those considered specific to Naturgy, not covered by the ESRS.
- The Board of Directors has approved the Sustainability Plan and the Climate Transition Plan, informed by the Sustainability Commission, ensuring oversight of identified climate change impacts, risks and opportunities identified in ESG matters.
- In addition, other members of senior management, given their function, have a high level of knowledge about the results of the double materiality exercise:

- Mr. Jordi García Tabernero, manager of Public Affairs and Sustainability Department.
- Mr. Manuel García Cobaleda, Company and Board of Directors Secretary.
- Mr. Enrique Tapia López, manager of People and Resources Department.
- Ms. María Isabel González Alfaro, manager of Compliance Unit.
- Ms. Nuria Rodríguez Peinado, Manager of Environment and Social Responsibility.
- Ms. Rita Ruiz de Alda Iparraguirre, Manager of Planning and Management Control Department.
- Mr. Gabriel Deseff Rodríguez, Manager of Consolidation and Administration Department.
- Ms. Eva Fernández Roselló, manager of Audit Department.

Integration of sustainability-related performance in incentive schemes (GOV-3)

Board of Directors' remuneration model GOV-3_01

The remuneration of the directors represents an issue of special importance in the good governance of the company. As such, and in accordance with the existing legal framework, Naturgy periodically reports on the remuneration of the members of the Board of Directors through the Consolidated Annual Financial Report, the Annual Accounts and the Annual Report on Directors' Remuneration, all of which are available on the corporate website.

The remuneration of directors for the performance of non-executive duties has a fixed nature. Additionally, the Chairman of the Board of Directors receives remuneration in relation to the executive functions he performs in the company.

The remuneration system is oriented towards promoting the long-term profitability and sustainability of the company and incorporates the necessary safeguards to avoid excessive risk-taking and rewarding unfavourable results.

GOV-3_06 The Board of Directors is responsible for determining the remuneration of each director. To this end, it takes into account the functions and responsibilities attributed to each of them, the membership of Board Committees and other objective circumstances that it considers relevant. In this respect, directors' remuneration should be in reasonable proportion to the importance and economic situation of the company and the market standards of comparable companies.

The Naturgy Directors' Remuneration Policy was approved by the General Shareholders' Meeting of the company, held on 25 March 2025, and is applicable to the same financial year in which it was approved and during the next three years and establishes a remuneration framework aligned with the principles of Naturgy's Strategic Plan and aimed at promoting the long-term profitability and sustainability of the company. The application and supervision of this policy is the responsibility of the Appointments, Remuneration and Corporate Governance Committee.

Further details on the components of directors' remuneration can be found in the Annual Report on Directors' Remuneration 2025.

GOV-3_02 The variable remuneration of the Executive Chairman has two dimensions:

Annual or short-term variable remuneration

GOV-3_04 The annual variable remuneration of those directors who perform executive functions is associated with the achievement of a combination of pre-set, specific and quantifiable objectives, aligned with Naturgy's social interest and strategy. These objectives, as well as their degree of achievement, are set annually by the Board at the proposal of the Appointments, Remuneration and Corporate Governance Committee. In this regard, the variables of an economic-financial nature, efficiency and profitable growth and other qualitative objectives account for 80% of the total short-term variable remuneration, and further details can be obtained in the Annual Report on Directors' Remuneration 2025.

GOV-3_03; GOV-3_05 On the other hand, ESG aspects have a weighting of 20% of total annual variable remuneration, by virtue of four variables: health and safety, gender diversity, environment (reduction of Scope 1 and 2 GHG emissions), and employee satisfaction index, each with a weighting of 5%. In addition, the indicators budgeted at the beginning of the year are compared with the actual data obtained at the end of the year.

Further details on the components of directors' remuneration can be found in the Annual Report on Directors' Remuneration 2025.

Multi-year or long-term variable remuneration

The approval of a new Strategic Plan for Naturgy for the period 2025-2027 by the Board of Directors, at its meeting of February 18, 2025, meant that it agreed i) to the early expiration of the multi-year incentive 2018-2025 and ii) to the approval of a new multi-year variable remuneration system linked to the Strategic Plan 2025-2027.

Further details of the multi-year variable remuneration scheme can be found in the Annual Report on Directors' Remuneration 2025.

Statement on due diligence (GOV-4) GOV-4_01

Naturgy develops due diligence processes throughout its operations, with the aim of identifying the impacts it may generate on the environment and society, as well as those risks that may have significant impact on its activity. The procedures that Naturgy develops within the framework of due diligence are of a diverse nature, allowing the company to establish preventive or mitigation measures that optimise the management of the impact or risk identified. Furthermore, due diligence applies to all Naturgy's businesses and all the geographies in which it operates.

As a starting point, it is worth mentioning that due diligence is also present in the execution of the corporate sustainability strategy. Thus, Naturgy annually reviews its performance indicators to analyse compliance with the objectives of its Sustainability Plans, which emanate directly from the company's Strategic Plans (see more information in the "Purpose and strategy" section of this chapter). Some of these indicators are directly linked to the variable remuneration of the management bodies, as mentioned in the previous section.

Naturgy collaborates with its stakeholders to ensure that the application of due diligence procedures favours the interests of the different groups. Therefore, Naturgy maintains a continuous dialogue with stakeholders, through tools such as complaint channels or the establishment of committees for specific issues, through which they can express their expectations and concerns to be integrated into the company's sustainable management, starting with the policies that regulate the different ESG issues.

In addition, stakeholders participate in the double materiality assessment in order to identify the material impacts, risks and opportunities related to the operations associated with its value chain. This exercise allows Naturgy to know which aspects of its strategy and business model may be most related to the negative impacts and risks identified, and to be able to take the necessary measures for their correct management. For further details, see the section on 4. Impact, risk and opportunity management in this chapter.

These actions in response to the impacts and risks identified may be specific, and those considered most relevant have been included throughout the chapters of this report, or they may form part of larger procedures, such as, for example:

- The performance of environmental impact studies at the design stage of the facilities to ensure compliance with applicable regulations and to foresee possible future impacts on the environment and society, particularly the groups affected.
- The maintenance of an environmental management system, externally certified according to the ISO 14001 standard, for the control and compliance with environmental requirements, the prevention of environmental accidents and the continuous improvement in the reduction of the company's impacts.
- Regular monitoring by the Compliance area to ensure compliance with Naturgy's internal regulations, applicable to all levels of the company.
- Specific due diligence procedures to ensure compliance with the Global Sustainability Policy, and to identify potential human rights risks.
- The maintenance of an externally audited occupational health and safety management system in accordance with the ISO 45001 standard, which covers all the company's own personnel working in the company's centres, for the development of preventive and/or corrective health and safety measures.
- Due diligence procedures for the analysis of counterparty risks, as well as other supplier assessments, to ensure compliance with applicable legislation and the minimum standards set by Naturgy for the establishment and development of the business relationship.

The following is a mapping of those sections of this Report where the main elements of due diligence mentioned above are located, in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises:

Essential elements of due diligence	Sections of the Sustainability Report	Pages
Integration of due diligence into governance, strategy and business model	– General disclosures, GOV-2 – General disclosures, GOV-3 – General disclosures, SBM-3	26-27, 27-28, 52-66
Engaging with affected stakeholders at all key stages of due diligence	– General disclosures, GOV-2 – General disclosures, SBM-2 – General disclosures, IRO-1 – General disclosures, Corporate policies (minimum disclosure requirements regarding policies) – Sections S1-2, S2-2, S3-2 y S4-2 (processes of engagement with the different collectives)	26-27, 50-52, 66-68, 9-11, 212-214, 258-259, 274-278, 294-297
Identification and assessment of adverse impacts	– General disclosures, IRO-1 – Chapters E1-E5, G1; IRO-1 – General disclosures, SBM-3 – Chapters E1, E4, S1, S2, S3, S4; SBM-3	66-68, 125-130, 171-173, 174-175, 189-191, 204-205, 312-314 52-65, 111-124,182-188, 207-209, 253-255, 270-272, 288-291
Taking actions to address these adverse impacts	– Sections E1-3, E3-2, E4-3, S1-4, S2-4, S3-4, S4-4, G1-1, G1-3 (minimum disclosure requirements regarding actions) – Sections S1-3, S2-3, S3-3, S4-3 (processes for negative impact remediation and remediation channels)	130-139, 175-176, 193-196; 218-238, 260-265, 280-285, 297-301, 315-322, 329-330 214-217, 259-260, 278-280, 297-301
Monitoring the effectiveness of these efforts and communication	– Chapters E1, E3, E4, S1, S2, S3, S4, G1 (section of metrics and targets and minimum disclosure requirements regarding targets) – Methodological annex (minimum disclosure requirements regarding indicators)	139-147, 176-177,197-198, 239-241, 267-269, 286-287, 309-311, 318-319

Risk management and internal controls over sustainability reporting (GOV-5)

Sustainability Information Internal Control System (SCIIS) GOV-5_01

In 2023, in order to ensure the reliability of the information on environmental, social and governance aspects, Naturgy has implemented the Sustainability Information Internal Control System (SCIIS), whose objective is to ensure the quality and reliability of the sustainability information reported, as well as the robustness of its reporting process. This implementation was carried out following recommendation 42 of the 'Good Governance Code of Listed Companies' published by the CNMV in June 2020. This Code places the obligations of supervision and evaluation of the preparation process and the requirement of integrity of financial and sustainability information on an equal footing, as well as the risk control and management systems, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of criteria, as well as ensuring, in general, that the policies and systems established in the area of internal control are effectively applied in practice.

The development of the SCIIS has been carried out within the framework of the Corporate Sustainability Reporting Directive (CSRD), which modifies the Non-Financial Reporting Directive (NFRD). As a precautionary measure, the contents of this Report, since the fiscal year beginning on January 1, 2024, are subject to systematic internal control, supervision and monitoring to ensure the quality and reliability of sustainability information.

During 2025, and with the aim of adapting to the CSRD regulatory framework, despite not yet being transposed into Spanish law, Naturgy has carried out a review of its Internal Control System for Sustainability Information (SCIIS) to incorporate the requirements derived from the National Sustainability Guidelines (NEIS), taking into account the indicators of the 2025-2027 Sustainability Plan. This review has been carried out following the recommendations of the Guide to the Internal Control System for Sustainability Information (SCIIS) prepared by the Institute of Internal Auditors of Spain.

In relation to latest version of the SCIIS, it should be noted that the Global Financial and Sustainability Reporting Policy, approved by the Board of Directors on 17 September 2024, establishes the general principles and responsibilities in the process of preparation, reporting and control of Naturgy's sustainability information, which is structured according to five differentiated stages:

- **Definition of sustainability information policies and criteria:** criteria are established for reporting sustainability information, homogeneous among the different business functions, and in accordance current legislation. The definition of these criteria is the responsibility of the corporate Environment and Social Responsibility function, which reports to the Sustainability Commission for subsequent approval by the competent body.
- **Preparation of individual sustainability information**: the different business and corporate units collect and certify, on an annual basis, the different relevant events occurring in ESG matters, and establish the first line of control to guarantee the reliability of the information, which will subsequently be consolidated as applicable.
- **Consolidation of sustainability information:** the corporate Environment and Social Responsibility function is responsible for consolidating the sustainability information developed by the different units in order to prepare this Sustainability Report, which is submitted, together with the Consolidated Management Report, to the CNMV after internal approval.
- **Supervision, approval and disclosure of sustainability information:** the corporate Environment and Social Responsibility function prepares the Sustainability Report, the approval of which is proposed to the Board of Directors through the Audit and Control Committee, and which is verified by an external auditor.

- **Monitoring and improvement of internal control systems SCIIS:** The monitoring of sustainability information takes place at three levels.
  - Business and corporate units: annually update, within their scope of action, the sustainability information control processes, and carry out the Annual Internal Certification of the SCIIS model.
  - GOV-5_03 Corporate Environment and Social Responsibility function: informed by each unit of the different annual updates in the SCIIS model, implements and develops controls to mitigate the risks identified in the sustainability reporting.
  - Corporate Internal Audit function: under the framework of the Internal Audit Plan (IAP), it monitors the SCIIS and reports to the Audit and Control Committee on weaknesses detected in the SCIIS.

GOV-5_02 The main role of the SCIIS is to ensure that the information reported is complete, reliable and robust. In this sense, an end-to-end analysis of the metrics to be reported has been carried out based on the double materiality assessment, in order to identify all those processes that could jeopardise the reliability or robustness of the data to be reported.

GOV-5_03 The main risk factors identified are:

- Failure to identify material issues, as well as failure to identify clear objectives, failure to allocate necessary resources or the use of non-accepted methodologies for the assessment of impacts, risks and opportunities.
- Errors in quantitative data resulting from either incorrect calculations, omission of data or lack of appropriate breakdowns.
- Fraud, such as greenwashing or socialwashing.
- Information systems and cybersecurity.
- Regulatory changes.
- Disclosure of Naturgy's confidential information.

In order to mitigate these risks, a series of controls have been established that those responsible for the reporting process must take into account when providing information in a reliable and robust manner. In addition to the implementation of the controls, documents (technical instructions) have been prepared with the process that has been established in order to mitigate the aforementioned risks. In addition to the technical instructions, a series of documents have been drawn up to document the SCIIS, such as the risk and control matrix, the role and control matrix and the SCIIS policy and manual, which document the procedure for internal control and supervision of the group's sustainability information, among others.

Governance in reporting sustainability information GOV-5_04; GOV-5_05

The control processes of the sustainability information that Naturgy reports to the market integrate the different hierarchical levels of the company. At the lower level are the different business and corporate units, which execute the different control processes defined by the corporate Environment and Social Responsibility function.

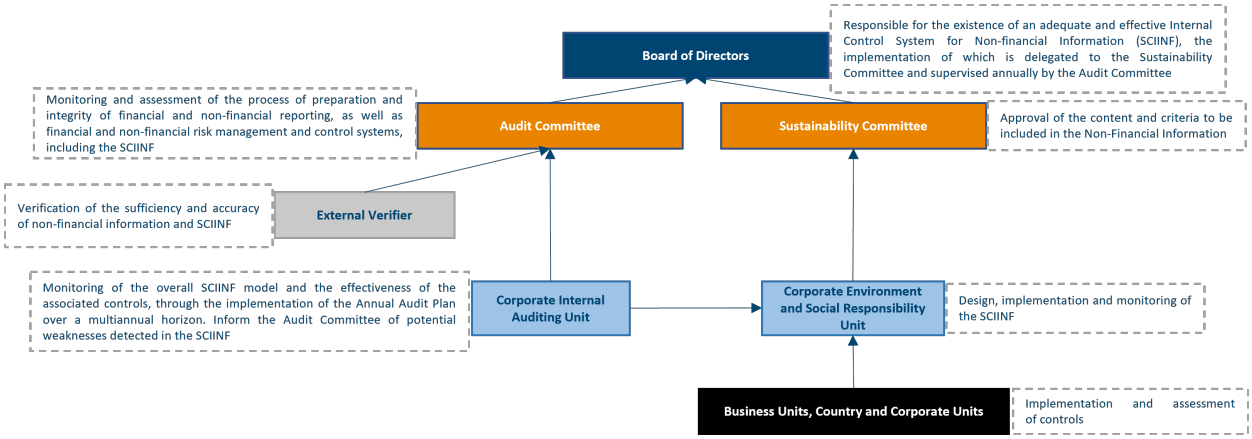
This function is also responsible for supervising the correct implementation of the SCIIS and for preparing the content included in this Sustainability Report, in accordance with scope and reporting criteria defined by the Sustainability Commission and the applicable regulations.

Furthermore, to ensure the integrity of the sustainability information included in this Report, the corporate Internal Audit function supervises the corporate risk management and control systems and, in particular, the SCIIS, reporting any deficiencies detected to the Audit and Control Committee. Ultimately, and in the event of such deficiencies, the Audit and Control Committee will discuss the weaknesses identified with the external auditor and follow up on the corrective action plans that apply.

Finally, following a favourable report from the Audit and Control Committee on the sustainability reporting process, the Board of Directors gives final approval to the Sustainability Report, which is published according to the established timetable and duly submitted to the CNMV.

GOV-5_04 The findings of the risk analysis and the controls in place are audited by a third party on an annual basis. As mentioned above, the Audit and Control Committee will discuss the weaknesses identified with the external auditor and a corrective action plan will be established, where applicable. The Environment and Social Responsibility Area will be responsible for implementing the action plan to address these weaknesses. The Audit and Control Committee is the body in charge of monitoring the implementation of the action plans.

GOV-5_05 In addition, the internal audit area will report annually to the Audit and Control Committee on the main conclusions of the SCIIS audit process.



3. Strategy

Strategy, business model and value chain (SBM-1)

Business model SBM-1_25

Energy sector

Naturgy operates in an energy sector undergoing profound transformation, marked by the transition to decarbonized economies, with a high degree of regulatory development geared towards this goal and the accelerated deployment of low-carbon technologies. Energy systems are moving towards increasing electrification driven by climate neutrality objectives, with significant investments in renewable energies and advances in energy efficiency. At the same time, new technologies such as renewable gases (biomethane or green hydrogen) are emerging, considered essential for gradually replacing fossil-based natural gas.

This energy transition, in itself, poses significant challenges for the administrations that define policies and regulations, and for companies that must adapt their business models to provide citizens with environmentally sustainable and affordable energy, guaranteeing its supply at all times.

These challenges are compounded by a complex geopolitical environment, which particularly affects raw materials and energy markets, and, in the long term, by the risks stemming from climate change, biodiversity loss and ecosystem degradation, and social inequalities. Conversely, new energy technologies, artificial intelligence, and digitalization are levers of opportunity that support the transition.

Naturgy

Naturgy Energy Group, S.A. was founded in 1843 and has its registered office at Avenida de América, number 38, in Madrid. In 2023, the company celebrated 180 years of history providing solutions for the progress of society.

SBM-1_02 Naturgy Energy Group, S.A. and its subsidiaries form a group dedicated to the generation, distribution and commercialisation of energy and energy services. The company is present in more than 20 countries, operating mainly in Spain, Latin America (Argentina, Brazil, Chile, Mexico and Panama), the United States and Australia. In this regard, there have been no updates on the markets where it operates compared to the previous year. For more information, see the following section, Geographical Presence.

SBM-1_01; SBM-1_02 Naturgy supplies gas and electricity, in regulated and deregulated markets, to almost 16 million customers globally, having consolidated its position as the main gas supplier at national level, as well as having a reference position in the electricity sector. In Spain, it also provides users with energy solutions and services for maintenance or repair. Naturgy's customers are classified into three main groups: Residential, SMEs and Communities of Owners, and Industrial Sector and Companies.

In the electricity generation business, the company has an installed capacity of 18.7 GW and a diversified generation mix.

Naturgy has organised its businesses around two major strategic areas, Distribution Networks, which brings together the regulated businesses, and Energy Markets, which includes all the deregulated businesses, whose structure is based on the operating segments defined below:

- **Distribution Networks**: this grouping encompasses business segments dedicated to the management of regulated distribution infrastructure and, to a lesser extent, gas and electricity transmission infrastructure. The definition of each operating segment within this grouping was based primarily on geographic area (country), the nature of the activity, the regulatory environment, the type of client, and the homogeneity of operational processes.
  - **Gas Spain:** encompasses the regulated gas distribution business in Spain.
  - **Gas Mexico:** encompasses the regulated gas distribution and marketing business in Mexico.
  - **Gas Brazil:** encompasses the regulated gas distribution and marketing business in Brazil.

- **Gas Argentina:** encompasses the regulated gas distribution and marketing business in Argentina.
- **Gas Chile:** encompasses the regulated gas distribution and marketing business in Chile.
- **Electricity Spain:** encompasses the regulated electricity distribution business in Spain.
- **Electricity Panama:** encompasses the regulated electricity distribution and marketing business in Panama.
- **Electricity Argentina:** encompasses the regulated electricity distribution and marketing business in Argentina.

Within this group, there is also a holding company that develops cross-cutting activities directly linked to the businesses of this group.

– **Energy Markets**: it integrates the following liberalised business segments with the following details:

- **Energy Management**: this segment includes activities characterized by operating in liberalized markets:
  - The marketing of liquefied gas, as well as maritime transport activities;
  - the management of gas supply and other gas infrastructure, and marketing to large energy-intensive consumers
  - and the management of the Medgaz gas pipeline, consolidated using the equity method.

  The grouping reflects the similarity in the risks and returns associated with exposure to market prices, active contract management, and a focus on large energy consumers and operators, as well as the integration of the gas value chain in a competitive environment.

- **Thermal Generation**: these segments are defined primarily by geographic area (Spain and Latin America), the technology used (conventional fossil fuel generation, nuclear, and combined cycle), and the specific regulatory environment of each country. Operational processes and centralized asset management in each geographic area are also considered, allowing for an accurate reflection of the risks, returns, and specific characteristics of each market.
  - **Spain**: includes the management of the conventional thermal generation park (that which uses fuels for heat generation and does not have a special regime) in the area of Spain (nuclear and combined cycle gas).
  - **Latin America**: includes the management of the conventional thermal generation park in Mexico, the Dominican Republic and Puerto Rico, the latter integrated by the participation method through the EcoEléctrica LP company.

- **Renewable Generation**[1]: these segments are defined according to geographic area (Spain, United States, Latin America, and Australia), the technology used (wind, solar, small hydropower, etc.), the regulatory framework, and the stage of project development in each region. This segmentation reflects the differences in the competitive environment, regulatory incentives, and growth opportunities in each market.
  - **Spain**: it includes the management of the park and the generation projects of wind, solar, mini-hydroelectric, etc. energy sources located in Spain, as well as the development portfolio in the rest of the countries of Europe.
  - **United States**: it includes the management of the park and the photovoltaic generation projects being developed in the United States.
  - **Latin America**: it includes the management of the park and renewable electricity generation projects located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama).

[1] In Naturgy's Consolidated Annual Report for December 31, 2025 and 2024, cogeneration activity is considered part of the Renewable Generation Business Unit in Spain because there is a single management unit that manages cogeneration operations and assets together with the wind, mini-hydro, and solar power generation businesses. Furthermore, the remuneration of cogeneration facilities, as with wind and solar installations in Spain, is subject to Royal Decree 413/2014 of June 6, which regulates the production of electricity from renewable energy sources, cogeneration, and waste. However, all indicators reported in this report relating to cogeneration technology are included under Thermal Generation and not Renewable Generation.

- **Australia**: it includes park management and renewable electricity generation projects in Australia.

- **Renewable gases**: includes the management of renewable gas projects, specifically biomethane and green hydrogen, as well as sustainable mobility projects. The definition of the segment responds to the innovative nature of the activities, the specific regulatory framework and the strategic focus on the development of new sustainable energy solutions.

- **Commercialisation**: this segment is defined by the target of the main activity, which consists of managing the business model for end customers for gas, electricity, and energy services. Factors considered include customer type (residential, industrial, and commercial), product and service diversification, integration of new technologies, and brand development in Spain.

It also includes a holding company that carries out transversal activities directly linked to the businesses of this segment grouping.

- **Other**: it basically includes the Corporation's operating expenses, as well as other minor and residual activities.

In 2024, the renewable gases operating segment was created with the aim of accelerating the development of these gases and thus contributing to the energy transition and the circular economy through carbon-neutral energy generated from organic waste (biomethane) or surplus renewable energy (green hydrogen). Furthermore, the gas distribution business is promoting the injection of biomethane produced by Naturgy or other external companies. In 2025, the production and injection capacity into its own networks reached 0.42 TWh.

Leadership in the gas business

Gas

	Distribution Networks	Infrastructure	Supply	Renewable Gases	Commercialisation
	11.1 million supply points. **138,247 km** of network.	LNG carriers (long-haul). Medgaz pipeline.	**~ 21 bcm** ~ 21 bcm of supply portfolio.	**4,1 MW** installed capacity biomethane plant. **0.42 TWh** of renewable gas injection capacity in Spain.	**241.9 TWh** of gas traded.
Our positioning	**Spain** Leading company in Spain with al **70%**, market share, distributing natural gas to more than 1.220municipalities in ten autonomous communities and **5.3 million customers.** **Latin America** Leading distributor in Latin America, supplying more than **5.8 million** customers. Presence in Argentina, Brazil, Chile, Mexico, and five of the main Latin American cities in these countries.	Eight LNG carriers (**1.29 Mm3**). **24.5%** stake in the Medgaz pipeline. Participation in the Ecoeléctrica regasification plant. Leased storage capacity of **0,8 bcm.**	A business model based on diversification and flexibility has transformed Naturgy into a global operator with a strong international presence. Naturgy has supply contracts with providers worldwide, for both natural gas (NG) and liquefied natural gas (LNG).	**Biomethane**: **23,8 GWh** of biomethane and bio-LNG produced and marketed. 3 owned plants, 1 under construction, and a portfolio of more than 70 projects in development for biogas production and upgrading to biomethane with the aim of injecting this gas into the natural gas grid. **Green hydrogen**: Naturgy is analyzing the viability of green hydrogen projects located in just transition zones and studying their use for producing non-organic biofuels.	More than **3.3 million** residential, commercial, and industrial customers in Spain and LNG sales in numerous countries worldwide. A global operator with the flexibility to exploit markets offering attractive margins **41.7%** market share of gas contracts in Spain. Competitive supply to combined cycle plants (CCC).
Our strength	Naturgy maintains a prominent position in the markets where it operates, which represents a platform for organic growth, both through the acquisition of new customers in municipalities with gas, and through the expansion of networks to non-gas-served areas in Latin America.	Naturgy has an integrated gas infrastructure designed to provide the business with great stability, flexibility to operations, and to allow the transport of gas to the best business opportunities.	Naturgy has a diversified and flexible supply contract portfolio, with review mechanisms in case of price discrepancies.	The coexistence and gradual replacement by renewable gases in the Group's current distribution infrastructure will promote decarbonization, both in existing networks and in gas-consuming sectors (industry, residential or transport).	Naturgy has a diversified portfolio of end customers, acting as a gas supplier both in Spain and in the international market. Naturgy is a leader in dual-fuel energy solutions and offers a wide range of value-added services.

A leader in the electricity business

	Electricity			
	Distribution Networks	**Thermal Generation**	**Renewable Generation**	**Commercialisation**
	5.0 million supply points **158,557 km** of network.	**10.7 GW** of generation capacity.	**8.0 GW** of generation capacity.	**21.8 TWh** of electricity traded.
Our positioning	**Spain** Third largest operator in the Spanish market, distributing electricity to **3.9 million customers.** **Latin America** Presence in Panama and Argentina with **1.1 million customers**. Naturgy has a leading position in the markets where it operates.	**Spain** Capacity of **8.0 GW** (7.4 GW combined cycle and 0.6 GW nuclear). Naturgy's market share is **21%**. **International** Capacity of **2.6 GW**: 2.4 GW combined cycle power plants (Mexico) and 0.2 GW fuel (Dominican Republic).	**Spain** Capacity of **5.7 GW** (2.1 GW hydraulic, 2.5 GW wind and 1.1 GW solar). Naturgy's market share is **5,8%.** **International** Capacity of **2.3 GW**: 0.1 GW hydraulic (Costa Rica and Panama), 1.2 GW wind (Mexico, Chile and Australia) y 1.0 GW solar (USA, Brazil, Chile and Australia).	A leading position in the consumer goods and residential sectors, with a **14.3% market share.** One of the main players in the Spanish market. Combined dual-fuel energy offering and a wide range of value-added services.
Our strength	Naturgy is an efficient operator in terms of operating and maintenance costs of the electricity distribution business.	Naturgy has extensive knowledge of the generation technologies in which it operates and has an infrastructure capable of adapting to the needs of each energy model and the reality of each country.	Naturgy maintains a strong growth-oriented position, which will allow it to take advantage of investment opportunities in generation in those regions.	Naturgy holds a leading position in the combined marketing of natural gas and electricity, resulting in significant advantages such as lower service costs, integrated customer service, and lower acquisition costs, not to mention achieving greater customer loyalty.

Further information can be obtained in the "Entity's Situation" chapter of the 2025 Consolidated Management Report. Additionally, Annex I of the Consolidated Report, which forms part of the Consolidated Annual Financial Report, details the companies that are part of Naturgy and the activities they carry out.

Main results in 2025

SBM-1_06; SBM-1_09; SBM-1_10 The development of the above activities by Naturgy has allowed it to obtain, in the financial year 2025, a net profit of 2,023 million euros, associated with a Net Turnover (NT) amounting to 19,455 million euros, with the following remarkable results:

- SBM-1_13The INCN associated with non-renewable gas activities, specifically gas distribution, gas commercialization, and thermal generation in combined cycle power plants, has reached 13,411 million euros.
- SBM-1_12 The thermal generation activity in fuel-fired power plants, as well as the distribution and commercialization of petroleum-derived products, specifically liquefied petroleum gas (LPG), has resulted in an INCN of 166 million euros.
- SBM-1_11 Naturgy has continued the dismantling process of the four coal-fired power plants under its management, and therefore, has not generated any revenue associated with this fuel. The dismantling of the Anllares and Meirama nuclear power plants was completed in 2024. In the case of the La Robla plant, dismantling also finished in 2024, although the levelling of the site where it was located is still pending. This work is scheduled to be completed during the first quarter of 2026. The dismantling of the Narcea plant was completed in 2025.

Further information can be found in the Note 22 of the Consolidated Memory of the Consolidated Annual Financial Report.

SBM-1_14 In addition, Naturgy has carried out an analysis of the eligibility of its activities in accordance with the Taxonomy Regulation, (EU) 2020/852. In this regard, the company has recorded a turnover of 5,895 million euros eligible under the Taxonomy, of which 3,006 million euros are aligned with the criteria set out in the Regulation. Details of the assessment methodologies and the results obtained can be found in the "UE Taxonomy Report UE (Regulation 2020/852) and sustainable financing" chapter of this Report.

SBM-1_03; SBM-1_04 To ensure the proper development of the activities described above, Naturgy has a multidisciplinary, professional and committed team, which helps to ensure a quality service to all its customers, regardless of geography. As of 31 December 2025, Naturgy's workforce consisted of 6,637 people, with the following geographical distribution:

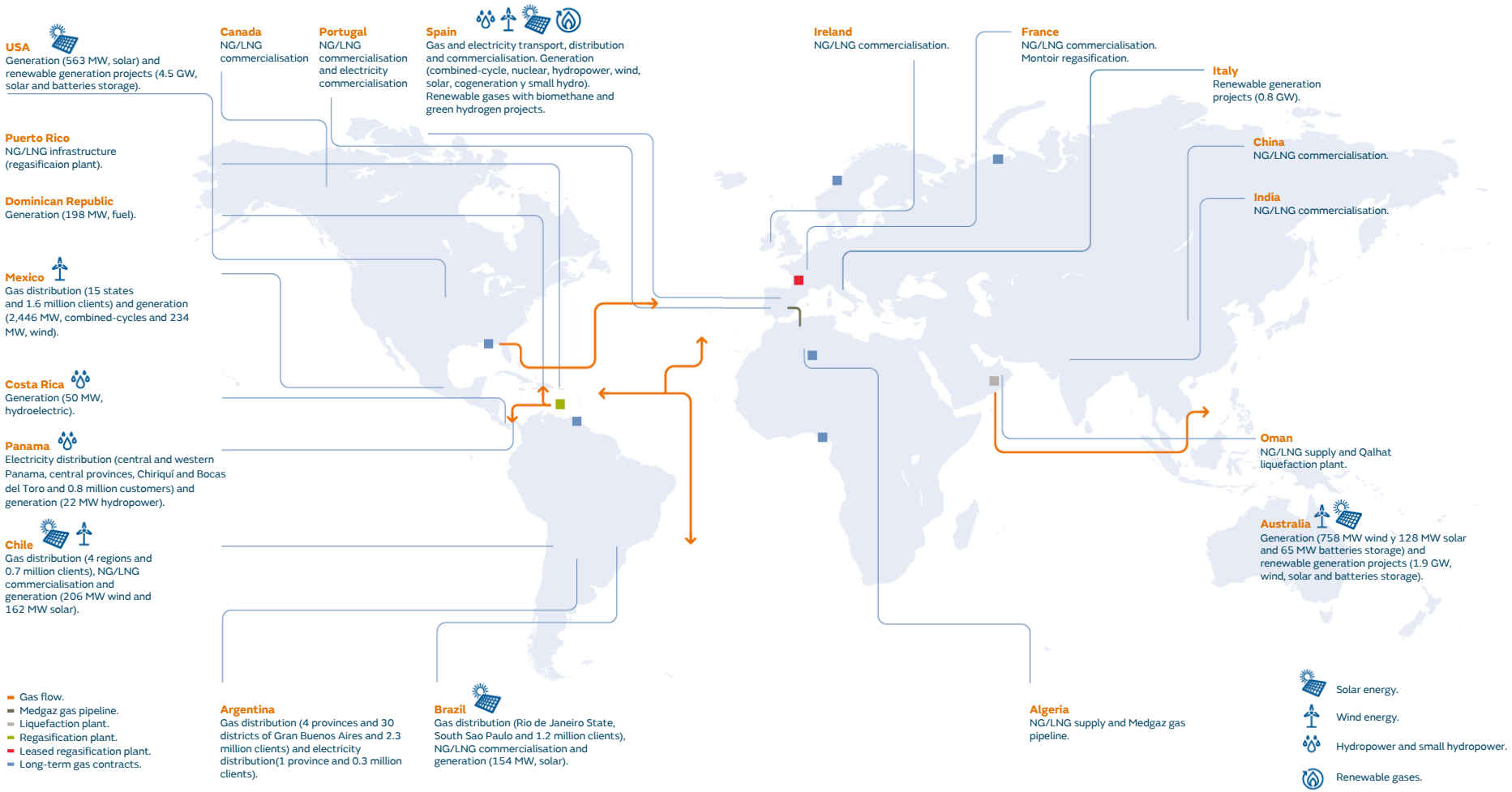
	2025	2024
Argentina	846	853
Spain	3,759	3,891
Mexico	693	714
Other (1)	1,339	1,354
Total employees	6,637	6,812

(1) Other: considers those countries with fewer than 50 employees or with more than 50 but represent less than 10% of the total number of employees. These countries are: Australia, Brazil, Chile, Costa Rica, the United States, France, Ireland, Italy, Luxembourg, Panama, Portugal, Puerto Rico and the Dominican Republic. In 2024, Israel was under this category, in 2025 there is no squad.

For more information, see section "Characteristics of the undertaking's employees", where the characteristics of the company's own workforce are reported. In any case, the figure for Naturgy's workforce at 31 December disclosed in note 25 of the Annual Consolidated Financial Report differs from that shown in the previous table, as well as in the aforementioned section. Note 25 shows the consolidated workforce (6,764 people), while this report shows the workforce actually managed (6,637), the difference between one workforce and the other being the people in Spain of joint operation entities (-135 people) and the people of the coal-fired power plants (+8 people).

The joint operations refer to Temporary Business Associations (UTEs), meaning that Naturgy retains a specific percentage of the workforce from these companies, but only for the period during which the company's shares are held. Therefore, they are not considered part of the company's own personnel for the purposes of this Report. In contrast, the personnel from the coal-fired power plants belong to companies reclassified as discontinued in 2020, but for the purposes of this Report, they are considered company personnel since they continue to carry out dismantling work at the facilities in 2025.

Geographical presence



Purpose and strategy

Naturgy, every day

The global energy landscape is experiencing a period of high complexity, marked by geopolitical tensions, volatile energy prices, and uneven progress toward decarbonization. This scenario requires energy companies to strengthen their adaptability, guarantee security of supply, and simultaneously accelerate the transition to increasingly sustainable and affordable models for consumers. In this context, Naturgy has defined the purpose that guides its actions and contribution to the energy system and society: **Simplifying your relationship with energy every day.**

This purpose is based on a set of values that represent the principles that guide the brand and especially the employees on how they should act and interact on a daily basis:

- **One team:** the company works, every day, as a team for and by its people. A team that takes responsibility and courage on every decision, because keeping its promises is the foundation upon which to build a relationship of trust.
- **Continuous evolution:** the company takes on the challenge every day of finding new and better ways to move forward, learning from experience and anticipating what is to come.
- **Being your choice**: Naturgy works, every day, to be the best option for all its customers.

SBM-1_23 Based on this, Naturgy identifies a series of priority sustainability challenges that will shape its future strategy:

- Climate change mitigation and adaptation are key to reducing environmental impacts and anticipating associated physical and transition risks.
- The drive for the energy transition towards a decarbonized and circular economy, while preserving security of supply at affordable prices.
- To guarantee the protection of human rights, both labour and non-labour, in all areas of operation and in the value chain.
- To contribute to a just energy transition, especially in territories affected by the closure of thermal power plants, through support for local employment and economic recovery.
- To integrate the environmental, social and governance (ESG) criteria into decision-making processes and corporate governance, aligning with international reference frameworks

To achieve Naturgy's purpose the group has implemented a sustainability strategy based on the 2025-2027 Strategic Plan.

Strategic Plan 2025-2027

Naturgy's 2025-2027 Strategic Plan, approved by the Board of Directors on February 18, 2025, responds to a global energy context marked by geopolitical conflicts and volatile energy prices, which affect the pace of the transition to renewable sources and security of supply. Flexibility, resilience, and network development are essential for the proper functioning of the energy system, especially in this scenario. Therefore, the company anticipates and adapts to changes in response to the challenges of the energy trilemma (environmental sustainability, security of supply, and affordable prices), committing to an integrated industrial model that combines energy generation, management, and marketing, under the principle of technological neutrality, placing the customer at the heart of the strategy, and ensuring the safe and resilient operation of its infrastructure.

Gas, and in particular renewable gases such as biomethane, are consolidating their position as key vectors for guaranteeing security of supply and advancing decarbonization. Furthermore, excellence in customer service and digitalization, with the incorporation of smart platforms and artificial intelligence tools, are becoming key differentiators for responding to an increasingly demanding market.

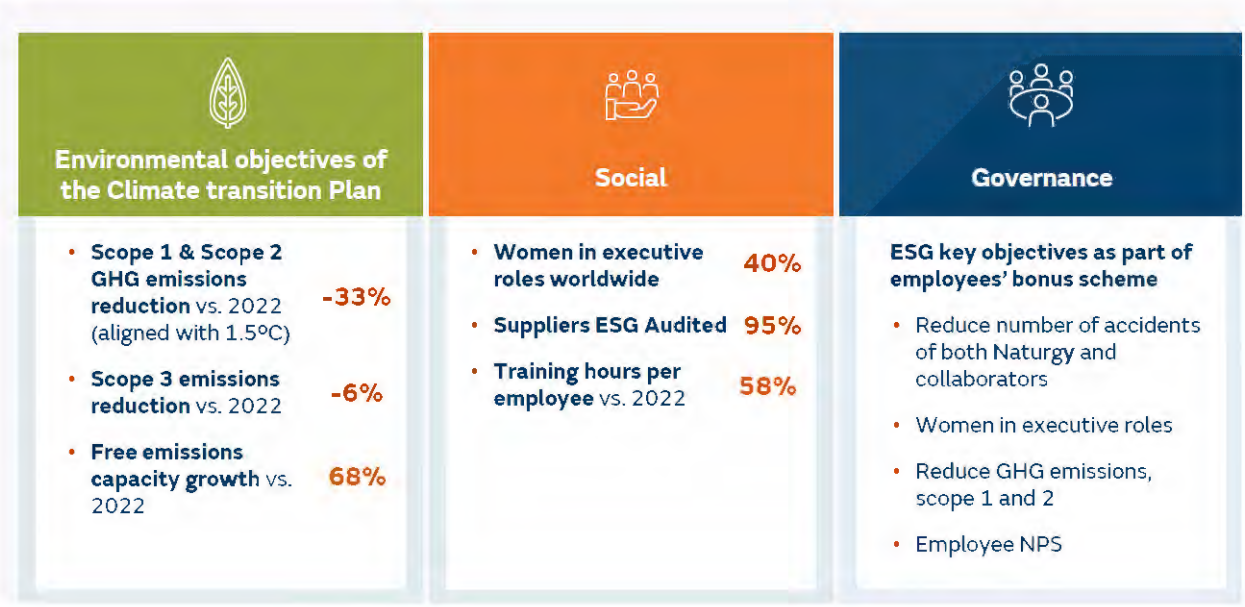
Naturgy's industrial model is structured around three fundamental and interrelated pillars. First, the company is committed to the resilience of its networks, which provide stable and sustainable cash flows, forming the financial foundation upon which the rest of the model rests. Second, Naturgy vertically integrates electricity generation and customer relations, allowing it to leverage synergies throughout the entire value chain and act as a natural hedge against market volatility. Finally, the company considers gas a key element in the energy transition, advancing electrification and flexible generation to guarantee security of supply. These three pillars—resilient networks, vertical integration, and maintaining gas as a transition vector—are complemented by the acceleration of decarbonization, the development of renewable energies such as biomethane, and excellence in customer service, supported by digitalization and artificial intelligence. Thus, Naturgy is shaping a robust, flexible industrial model geared towards the energy transformation.

Financial discipline, operational excellence, and shareholder remuneration policy constitute the three execution principles that underpin Naturgy's Strategic Plan. First, the company advocates for best operational practices in all its business units, driving efficiency and innovation in customer service, which allows it to maintain optimal and competitive management. Secondly, Naturgy is strengthening its financial discipline and profitability by establishing rigorous investment thresholds that guarantee value creation and returns significantly higher than the cost of capital, while maintaining its BBB rating and continuously optimizing its balance sheet. Finally, its shareholder remuneration policy is geared towards providing attractive and sustainable returns, while also promoting initiatives to increase the free float and ensure genuine liquidity of the shares in the market.

The Strategic Plan envisions a total investment of 6,400 million euros between 2025 and 2027, primarily focused on networks (50%), renewable energy (30%), and energy management and supply (20%).
Each of Naturgy's business areas plays a strategic and complementary role in achieving the objectives of this strategy:

- **Distribution networks**: Focused on capturing new growth opportunities such as the implementation of smart meters and the connection of renewable capacity, driving operational efficiency and proactive regulatory management to maximize asset value.
- **Energy management**: Prioritizing risk coverage, optimizing contracts and reducing exposure to market volatility, rebalancing volume commitments and leveraging contractual flexibility to ensure security of supply.
- **Thermal generation**: Continuous improvement of the operation and automation of combined cycle gas operation, along with the adoption of new technologies that increase flexibility and sustainability.
- **Renewable generation**: Focus on selective growth, prioritizing advanced projects and controlling the value chain, with special emphasis on hybridization and storage.
- **Renewable gases**: Consolidation as a differentiating lever, with the aim of leading the Spanish market through significant investments and the development of a solid project portfolio.
- **Commercialisation**: Seeking to increase the customer base and offer value-added services, supported by a new personalized digital platform to differentiate ourselves in operational efficiency and quality of service

In terms of sustainability, the Strategic Plan sets the following key objectives reflected in the 2025-2027 Sustainability Plan:



Sustainability Plan 2025-2027

The publication of the Strategic Plan, in 2025, comes with the approval of a new Sustainability Plan for the period 2025-2027. The new metrics are based on the new reporting framework established by the ESRS, although other specific Naturgy indicators from the previous Sustainability Plan, considered significant for an adequate monitoring of the company's performance in sustainability matters, have been maintained.

In the case of the objectives associated with GHG emissions, the Climate Transition Plan has also established intermediate objectives to 2030. (for more information, see section "Transition plan for climate change mitigation" in the "Climate Change" chapter).

- **Indicators of the Sustainability Plan 2025-2027**

	Base year	Target 2027	Year 2025	Year 2024	Baseline value
ESRS 1 - Climate Change					
Installed capacity from renewable sources (%)	2022	47	0	40	34
Capacity free of emissions (%)	2022	50	46	44	37
Renewable gas injection capacity. Spain (TWh)	Not applicable	1.60	0.42	0.23	Not applicable
Absolute GHG emissions Scope 1 (million tCO_2eq)	2022	10	13.1	11.5	15
Absolute GHG emissions Scope 2 (million tCO_2eq)	2022	0.4	0.2	0.5	0.4
Absolute GHG emissions Scope 3 (million tCO_2eq)	2022	103.4	94.0	107.5	110.1
CO_2 intensity in electricity generation (tCO_2/GWh)	2022	184.0	244	234	279.3
Eligible installations according to taxonomy with material physical risks with climate change adaptation measures (%)	Not applicable	100	100	100	Not applicable
ESRS E2 - Pollution					
Air pollution value chain[1]	Not applicable	Phase-in provisions			Not applicable
Water pollution value chain[1]	Not applicable	Phase-in provisions			Not applicable
ESRS E3 - Water and marine resources					
Total water consumption (hm3)	2022	17	20	16	19

ESRS E4 - Biodiversity and ecosystems					
Initiatives to improve biodiversity (number)	2022	375	457	368	345
Activity with ISO 14001 environmental certification (% Ebitda) (2)	2022	98.5	95	96	97.0
ESRS E5 - Resource use and circular economy					
Resource inputs, including resource utilization, in the value chain(1)	Not applicable	Phase-in provisions			Not applicable
Waste in the value chain(1)	Not applicable	Phase-in provisions			Not applicable
ESRS S1 - Own Workforce					
Lost time accidents frequency rate for own workforce (per 1,000,000 hours worked)(3)	2022		0.46	0.89	0.6
Lost time accidents severity rate for own workforce (per 1,000,000 hours worked)(3)	2022		21.71	32.00	28.3
Absenteeism due to temporary incapacity (%)	2022	<3	2.2	2.2	2.6
Promoter employees (annual average %)	2022	>51.3	51.7	54.0	33.3
Employees with disabilities. Spain (%)	2022	>2.5	2.5	1.7	1.6
Women in the workforce (%)	2022	>37	36.8	35.4	33.2
Women in executive positions. (%) (4)	2022	40	41.6	37.4	32.7
Training per employee (average hours)	2022	55	49.6	46.0	35.9
ESRS S2 - Workers in the value chain					
Lost time accidents frequency rate for suppliers and contractors (per 1,000,000 hours worked)(2)	2022	< 1.75	1.8	1.7	1.55
Coverage level of ESG audits over purchase volume with high ESG risk (%)	2022	95	95.8	88.3	82.7
Purchase volume with acceptance of the Code of Ethics (%)	2022	96	96.3	95.6	95.4
ESRS S3 - Affected communities					
Total social investment (million euro)	2022	15	15	10	11
ESRS S4 - Consumers and end-users					
Global satisfaction with service quality (1-10)	2022	8.7	7.6	7.9	7.6
No. of complaints registered / No. of contacts (%)	2022	3.59	3.09	3.31	4.80
ESRS G1 - Business conduct					
Employee training in compliance	Not applicable	At least one training per year	6	3	Not applicable
Entity-specific information					
Naturgy Energy Group's BitSight International Index	2022	800	800	780	730
Cumulative TOTEX for Open Innovation and Technological Innovation (million euro)	No aplica	310	107	98	No aplica

(1) Not material subtopic for own operations. Therefore, Naturgy uses the transitional provision to define a target.

(2) The data for base year 2022 and subsequent years have been corrected to adequately reflect the certification status of a company within the scope that was incorrectly reported in previous years. The correction does not affect the scope or ambition of the target.

(3) In 2022, the published value was calculated per 200,000 hours worked (OSHA criterion), but in this report, it is expressed per 1,000,000 hours worked.

(4) The figure given for 2022 differs from that published in the 2022 report because the calculation methodology was changed in 2024.

A base year of 2022 has been set for all metrics, taking as a reference the ESRS Climate Change Standard, in particular for GHG emissions.

Regarding the evolution of the results, overall, positive progress is observed towards achieving the 2027 targets across all indicators. The most relevant variations are detailed below; however, the specific evolution of each objective is analysed in the section of each chapter dedicated to explaining the targets.

- **Environmental targets**: the report highlights the increased production from combined cycle gas turbines in Spain resulting from the enhanced operation of the electricity system following the nationwide blackout on April 28, 2025. This blackout impacted direct GHG emissions, CO2 intensity for electricity generation, and water consumption. Despite this unique event, the company's GHG emissions in 2025 were reduced by 14% compared to 2022, considering all three scopes. This confirms the company's commitment to reducing its carbon footprint.
- **Social targets**: overall, the trend is very positive across all areas. Of particular note is the positive trend in employee accident rates, with a reduction in the number of lost-time accidents in 2025, from twelve in 2024 to six this year. However, the overall service quality satisfaction indicator has experienced a slight decline, primarily due to an update in the evaluation methodology for the gas network business in Mexico and the expansion of the scope to include the electricity network business in Argentina, which has a different starting point in terms of maturity and customer experience.
- **Governance and entity-specific targets**: no relevant event has occurred that affects the strength of the governance model in relation to sustainability topics.

Naturgy and its value chain SBM-1_28

Naturgy is a company dedicated to the generation, distribution, and marketing of energy and energy services, as described above.

SBM-1_27 Naturgy's business model is distinguished by its leadership in the gas sector and its benchmark status in the electricity sector. In both cases, it guarantees continuity of supply, an essential aspect for providing quality service and fulfilling the company's social responsibility. It offers a wide range of value-added services through sustainable innovation as a driver of development, with the ultimate goal of ensuring the well-being of people, the progress of businesses and society, and the sustainability of the planet.

Due to the necessary interrelation between activities and the coexistence of multiple stakeholders in the different phases of the energy chain, Naturgy adopts a hybrid approach that combines a sectoral view of energy activities with a relational view based on resource use and services provided by third parties. This dual approach aims to reconcile the inherent complexity of the energy sector with a faithful, clear, and understandable representation of the company's activities and commercial relationships.

According to the European Sustainability Reporting Standards (ESRS), the value chain concept encompasses the activities, resources, and relationships that a company uses and relies on to create its products or services, from conception to delivery, consumption, and end of life. This concept includes both the elements that are part of the company's own operations and those associated with the various agents involved in the earlier and later stages of the chain.

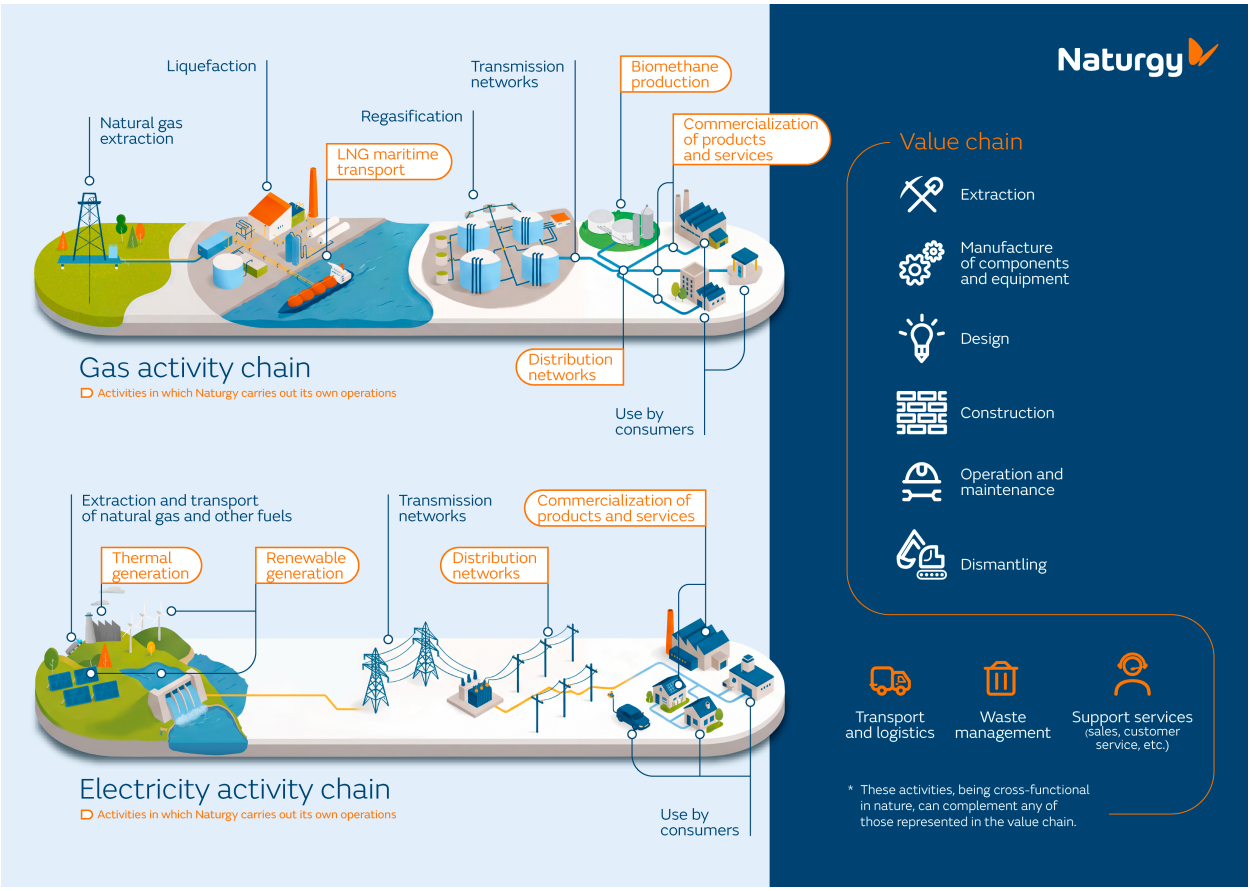
However, this conception of the term "value chain" is not considered fully applicable to the energy sector due to the necessary interrelation between activities and the coexistence of multiple agents in the different phases of the energy chain.

Therefore, the company uses the term "activity chain" to refer to the complete set of activities that are part of the energy sector, including both the company's own operations and the activities carried out by the value chain—that is, those performed by third parties with whom it has commercial relationships. Therefore, when the term “value chain” is used in the Report, it will be referring to activities carried out by third parties along the activities chain in which Naturgy participates.

Activity Chain

It reflects the main activities that make up the gas and electricity sector, from the initial extraction phases to final use by consumers. It also identifies in which of these stages Naturgy participates through companies over which it exercises direct control and management (its own operations).

The activity chain and value chain of the energy sector, in which Naturgy participates, are represented graphically:



Description of our own operations

As previously mentioned, our own operations are those over which Naturgy exercises direct control and management. This includes the maritime transport of LNG, biomethane production, electricity generation, gas and electricity distribution, and their marketing. Further information on these activities can be found in the "Business Model" section of this chapter.

Regarding commercialisation, it is worth noting that in Spain, Naturgy markets energy and services through four marketing companies:

Deregulated Market	Residential, Communities of Owners and Businesses	Naturgy Iberia S.A. Naturgy Clientes S.A.U.
	Industrial	Gas Natural Comercializadora S.A.
Regulated Market	Residential, Communities of Owners and Businesses	Comercializadora Regulada Gas & Power S.A.

Value chain

The activities described above, considered as core operations, do not imply that they are carried out exclusively by Naturgy, as energy systems are complex and highly interdependent environments, characterized by the participation of multiple agents and the use of shared infrastructure, especially in the case of transmission and distribution networks. Consequently, it should be noted that not all the activities represented are carried out exclusively by the company; for example, not all the energy distributed or marketed by the company has necessarily been generated by Naturgy.

Furthermore, the use of resources and the commercial relationships maintained with third parties for each of the activities in which Naturgy participates have also been analysed, as shown in the previous graphic representation.

In this sense, the activities shown in the value chain, although directly linked to the company's core operations, are considered value chain activities insofar as they are executed by third parties over whom Naturgy does not exercise direct operational control, although it does maintain the capacity to influence them through contractual relationships, technical requirements, and oversight mechanisms.

For the purposes of identifying and assessing the impacts, risks, and opportunities along the value chain, Naturgy establishes the following criteria:

Upstream activities

Upstream activities are considered to be those related to the provision of goods and services necessary for the development of the company's own operations.

SBM-1_26 The main raw materials purchased by the company are as follows:

- **Natural gas**: Naturgy has a diversified and flexible portfolio of 21 bcm through supply contracts, with review mechanisms in the event of price misalignment, which has turned Naturgy into a global operator with an important international profile.

  Naturgy has supply contracts with suppliers around the world, both in gaseous form (NG) and in the form of liquefied natural gas (LNG).

  Diversified sources of supply are accompanied by an integrated gas infrastructure aimed at providing business stability, operational flexibility, and enabling gas to be transported to the best business opportunities.
- **Organic waste**: from the waste generated by the livestock and agri-food sector, mainly in Spain, as well as organic waste, wastewater and other industrial organic waste, the company obtains the raw material necessary for the generation of biomethane, a renewable alternative to fossil-based natural gas.
- **Fuel**: Naturgy imports fuel oil, which is then used in the generation plant in the Dominican Republic.
- **Water**: Naturgy uses this resource mainly for power generation in combined-cycle power stations, which have water management plans certified under the ISO 14001 standard. It should also be noted that most of the total water captured is returned to the environment.
- **Other materials, products and services**: In addition to the supplies necessary to provide natural gas and generate electricity, the company purchases various equipment necessary for operations and contracts for services.

Downstream activities

Downstream activities correspond to those that have an impact on customers, or those that are generated as a result of the consumption of the products and services that the company markets and consumers use.

SBM-1_27 Naturgy is firmly committed to favouring a quality customer experience, through a competitive and affordable commercial offer adapted to the needs of each consumer, and guaranteeing a personalised service based on agile and digital solutions that maximise self-service, through which Naturgy takes into account their interests, complaints and opinions. More information can be found in the section "Processes to remediate negative impacts and channels for consumers and end-users to raise concerns" of this Report.

As a result of the above, in order to show the stage where the impact, risk or opportunity occurs, both in the SBM-3 disclosure requirement and in each of the ESRS standards, the following designation will be used to identify them:

- Own operations
- Upstream
- Downstream

Impacts, risks, and opportunities that occur in the value chain are considered to be those identified upstream or downstream.

Interests and views of stakeholders (SBM-2)

SBM-2_01 Stakeholder engagement

The development of Naturgy's business activity generates an impact on people, both positive and negative, whose correct management is essential to avoid or mitigate the possible damage that the company may generate, as well as to favour the various opportunities arising from its activity.

Naturgy understands that the way to advance in its strategy and achieve the above purpose is through collaboration with its different stakeholders. For this reason, the company systematically includes their vision in its decision-making process, through the establishment of two-way relationships and outreach channels. Thus, establishing trusting relationships based on transparency and the creation of shared value is key to the development of competitive advantages for Naturgy and to contributing to the development of the communities in which it operates.

SBM-2_02; SBM-2_03 As part of its strategy, Naturgy periodically reviews the identification and prioritisation of the company's main stakeholders. As a result of this exercise, Naturgy has currently defined the following priority stakeholders, with whom it carries out different relationship activities through different communication and outreach channels adapted to their characteristics and needs. The main stakeholders for Naturgy are as follows:

- Shareholders and investors.
- Consumers and end-users.
- Own workforce.
- Suppliers.
- Affected communities.
- Society.
- Associative entities.
- Business partners.
- Analysts.
- Market agents.
- Public administrations.
- Regulatory bodies.
- Funding groups.
- Insurance and reinsurance agencies.

SBM-2_04 The company's interaction with its stakeholders is approached differently depending on each group. In this regard, Naturgy carries out different direct dialogue initiatives, through outreach or consultation measures (continuous, periodic or specific), or indirectly, through the correct application of internal regulations or the development of mechanisms to integrate the views of society into the company's day-to-day business. Naturgy also has different channels for collecting the concerns and expectations of stakeholders, such as the telephone channel, e-mail and through social networks or the corporate website.

As an additional support to the company's collaboration exercise, in 1992 the Naturgy Foundation was set up, a non-profit organisation that carries out different projects to disseminate, educate, inform and raise awareness among the general public on matters related to energy, the environment and social action.

SBM-2_06 Stakeholders' expectations are duly collected and analysed, and are taken into account transversally in the company's strategy. On the one hand, knowing the impact that Naturgy may have on the different groups allows the definition of appropriate action plans to mitigate the potential negative effects that may arise. In addition, knowledge of market trends determines Naturgy's long-term roadmap, in line with its own ambitions to deepen the transformation of the sector. This Sustainability Report has been elaborated in view of these purposes and the perspectives of stakeholders.

SBM-2_07 To reflect the above aspects, Naturgy has carried out a double materiality assessment, in which it has integrated the results of the participation of stakeholders, as set out in the section "4. Impact, risk and opportunity management" of this chapter. The involvement of stakeholders in this exercise allows the company to know their opinions and concerns, especially about those aspects of Naturgy's strategy and business model that may potentially affect them.

SBM-2_05 In conclusion, Naturgy establishes a close relationship with its stakeholders with the aim of building trusting, stable, solid and mutually beneficial relationships with them, facilitating their involvement in its day-to-day operations, as well as addressing the impacts, risks and opportunities that its activity presents for them. This commitment is embodied in the Global Sustainability Policy, which establishes the common framework for action that guides the company's socially responsible behaviour,includes the principles that govern its relationship with its different publics and assumes the obligation to establish channels of dialogue. In addition, this Policy inspires the actions of third parties in the development of the activities they provide to the company.

Stakeholder governance

SBM-2_12 Stakeholder management depends functionally on Naturgy's Public Affairs and Sustainability Department, which reports directly to the company's chief executive. The Sustainability Commission and the Board of Directors are periodically informed about the operation of these outreach and relationship channels with stakeholders, as well as the results of the consultations raised and any notification from them.

Likewise, in 2025, Naturgy's directors have been informed about aspects such as employee and customer satisfaction levels, indicators of the level of attraction and commitment of employees, queries and communications received through corporate channels, especially in relation to the Code of Ethics.

It is also important to note that the Sustainability Commission has supervised and validated the double materiality assessment in ESG matters, as well as its final results. As mentioned above, the process of determining impacts, risks and opportunities integrates the opinions of stakeholders, which helps the governing bodies to be aware of their perspectives on sustainability issues.

SBM-2_08; SBM-2_09 As a result of this analysis and the ongoing relationship with stakeholders, improvement plans, actions or mitigation measures are carried out at the operational level to respond to their concerns (described throughout this Report) and, at the global level, they are taken into account in the preparation of the company's Strategic Plan and its updates, through the Sustainability Plans.

SBM-2_10; SBM-2_11 In particular, on February 18, 2025, it approved the new Strategic Plan and, by extension, the Sustainability Plan 2025-2027, which determine Naturgy's roadmap for the coming years, and reinforce the commitments made in the previous Plan, thus providing continuity to its responsibilities to stakeholders.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Material impacts, risks and opportunities in 2025

Naturgy has carried out a double materiality assessment to identify those sustainability impacts, risks and opportunities that are related to its strategy and business model, and are derived from the activity of its own operations or its value chain.

SBM-3_11; SBM-3_12 During the execution of the double materiality assessment, the 37 subtopics defined by the European Sustainability Reporting Standards (ESRS), and 3 additional subtopics considered to be specific to the entity (cybersecurity, innovation and taxation) have been assessed. As a result, Naturgy has identified a total of 29 material subtopics, 15 of which are considered to be of particular relevance for the company, and material from both the impact and financial perspective:

- Energy
- Mitigation of climate change
- Adaptation to climate change
- Water
- Impacts on species status
- Resource inputs, including resource utilisation
- Working conditions of workers in the value chain
- Communities' civil and political rights
- Information-related impacts for consumers and/or end users
- Social inclusion of consumers and/or end-user
- Corporate culture
- Political engagement and lobbying activities
- Corruption and bribery
- Cybersecurity
- Taxation

Associated with the different sub-topics, Naturgy has identified 55 impacts (impact materiality), 15 risks and 12 opportunities (financial materiality).

During fiscal year 2025, Naturgy updated its dual materiality process to identify new material impacts, risks, and opportunities, as well as to improve their description and the assessment of existing ones to provide greater clarity and precision. This update included an analysis of material matters from other energy companies with activities similar to Naturgy's, serving as an external benchmark.

Following this review, the overall conclusions of the analysis are similar to those of fiscal year 2024; however, there have been slight variations in the number of material impacts, risks, and opportunities, primarily due to the inclusion of "Taxation" as a new material matter specific to the entity. Furthermore, when presenting the impacts, risks and opportunities, methodological accuracy has been improved in locating these along the value chain and in our own operations.

SBM-3_01; SBM-3_02The following tables describe the impacts, risks and opportunities considered material, grouped by the ESG topics and subtopics defined by the ESRS, as well as those that are specific to the company (categorised as "Other"). They contain the following information:

- SBM-3_07 The stage where the impact, risk or opportunity occurs, that is, own operations, upstream or downstream. Additionally, the business (electricity or gas) to which it is related is indicated, thus providing greater detail on its relationship with Naturgy's business model.
- SBM-3_06 The time horizon in which the impact, risk or opportunity is expected to materialise, that is, at present, or in the short, medium or long term, which have been defined in section "Information in relation to specific circumstances" of this chapter.

SBM-3_03 In addition, throughout the different chapters of this Report, the effects that these impacts, risks and opportunities, both current and in the different time horizons analysed, have or may have on Naturgy's strategy, business model, decision-making or value chain are detailed, as well as the different initiatives that the company carries out to manage them appropriately.

SBM-3_04; SBM-3_05 In the particular case of material impacts, the information gathered in the different chapters includes how these relate to Naturgy's strategy and the benefit or detriment, as applicable, that they may generate on the environment and people.

SBM-3_08 In relation to the material risks and opportunities identified in Naturgy's double materiality analysis, it is observed that they do not induce an effect in terms of position, financial performance and cash flows and it is considered that there is no significant risk of a material adjustment, in the short term, of the carrying amounts of the assets and liabilities recorded in the corresponding financial statements.

SBM-3_09 Furthermore, regarding the disclosure of the anticipated financial effects of sustainability risks and opportunities, Naturgy adheres to the provisions of Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the application date of disclosure requirements for certain companies. In this respect, the qualitative description of the potential financial effects of sustainability issues can be found in section 4.2 of the Main Risks, Opportunities and Uncertainties section of the Consolidated Management Report, and specifically in note 2.4.25 k “Climate Change and Energy Transition” of the Consolidated Annual Financial Report, which details the analysis of the effects of climate change on the financial statements for the year.

SBM-3_10 At the end of this section, Naturgy's analysis of the resilience of its strategy and business model with respect to material impacts, risks and opportunities, including the assumptions used and the results obtained, has been reported.

▪ Environment

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5][6]
CLIMATE CHANGE						
Climate change adaptation						
P.I.[1]	Contribution of hydroelectric reservoirs to resilience against droughts and floods, through the regulation of flows and water storage.		X		Electricity	Current
R	Damage to infrastructure and prolonged disruptions in power generation and distribution due to extreme weather events.		X		Both	Short-term
Climate change mitigation						
N.I.	Contribution to climate change from greenhouse gas emissions in the energy value chain.	X	X	X	Both	Current
R	Displacement of natural gas due to climate policies.	X	X	X	Both	Short-term
	Litigation and sanctions for liabilities associated with climate change.		X		Both	Short-term
Energy						
N.I.	Depletion of natural resources associated with the use of fossil fuels.	X	X	X	Both	Current
P.I.	Contribution to system stability through Naturgy's generation mix.		X		Electricity	Current
	Contribution to the energy transition and the decarbonization of the economy by replacing fossil fuels with renewable energy.		X		Both	Current
O	Development of biomethane and other renewable gases for the decarbonization of the gas system.	X	X	X	Gas	Short-term
	Expansion of renewable electricity generation within the framework of the energy transition.		X		Electricity	Short-term
	Growth of the energy storage business for the integration of renewable energies.	X	X	X	Electricity	Short-term
	Reinforcement the electricity network business through its digitization.		X		Electricity	Short-term
	Diversification of the energy business towards efficiency solutions and distributed generation.		X	X	Both	Short-term
POLLUTION						
Pollution of air						
N.I.[1]	Air pollution associated with the use of natural gas by customers, due to NOx emissions and other pollutants.			X	Gas	Current
P.I.	Contribution to improving air quality through increased renewable electricity generation.		X		Both	Current
Pollution of water						
N.I.	Potential water pollution associated with the sourcing of fuels, raw materials, and the manufacturing of equipment across the value chain.	X			Both	Current

WATER AND MARINE RESOURCES						
WATER						
N.I[(1)]	Water resource consumption associated with the operation of thermal power plants.		X		Electricity	Current
R	Risk of operational restrictions and increased costs due to dependence on fresh water in thermal power plants.		X		Electricity	Short-term
BIODIVERSITY AND ECOSYSTEMS						
Direct impact drivers of biodiversity loss						
N.I.[(1)]	Immediate loss of biodiversity due to the construction of new infrastructure/facilities.	X	X		Both	Current
Impacts on the state of species						
N.I.	Deterioration of the conservation status of species, especially threatened ones, due to the execution and operation of energy infrastructures.		X		Electricity	Current
R	Sanctions, delays in authorizations, decreased income and reputational damage associated with impacts on biodiversity and threatened species.		X		Electricity	Short-term
Impacts on the extent and condition of ecosystems						
N.I.	Ecosystems deterioration due to climate change caused by greenhouse gas emissions.	X	X	X	Both	Current
RESOURCE USE AND CIRCULAR ECONOMY						
Resources inflows, including resource use						
N.I.[(1)]	Consumption of materials, including critical minerals, in the manufacture of the equipment needed in operations.	X			Both	Current
R	Increased costs and delays in new projects due to shortages of raw materials, particularly critical minerals.	X			Both	Long-term
Waste						
N.I.	Waste generation associated with the value chain of fuels, materials and equipment used.	X			Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

(6) For the risks and opportunities corresponding to the topic "Climate Change", the time horizons established for climate-related risks under E1.SBM-3_05, as set out in the section "Assessment of climate-related risks and opportunities", are applied.

- **Social**

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
OWN WORKERS						
Working conditions						
N.I.[1]	Increased accident rate associated with inadequate management of psychosocial factors (clarity of roles, workloads, working hours, work-life balance, etc.).		X		Both	Short-term
	Increase in critical accidents/incidents due to inadequate management of occupational risk prevention.		X		Both	Short-term
	Promote a safe working environment through the implementation and proper management of a Management System.		X		Both	Current
	Improvement of working conditions through social benefits for employees.		X		Both	Current
	Promotion of professional development through training initiatives and career plans.		X		Both	Current
	Contribute to permanent employment and the payment of living wages above average wages.		X		Both	Current
P.I.	Promoting employability through training in disruptive technologies such as generative AI.		X		Both	Current
	Improving well-being through healthy work environments (health promotion campaigns, open communication, active participation, emotional support, etc.).		X		Both	Current
	To enable employees to negotiate better conditions, give them a voice in the workplace, ensure job security, offer professional development and protection against discrimination and unfair treatment through association and collective bargaining and other participation mechanisms.		X		Both	Current
Equal treatment and opportunities for all						
N.I.	Discrimination on the basis of race, colour, gender, disability, religion, etc., due to lack of effective protocols against it and/or lack of training of workers on equality and non-discrimination.		X		Both	Long-term
P.I.	Promoting inclusion and equity in those territories where the company is present, encouraging an inclusive corporate culture.		X		Both	Current
VALUE CHAIN WORKERS						
Working conditions						
N.I.[1]	Non-compliance with labor conditions and minimum occupational health and safety management conditions by suppliers, which may lead to an increase in accident rates.	X			Both	Current
P.I.	Promotion of suitable working conditions in the value chain through responsible recruitment criteria and supplier selection and monitoring processes under ESG criteria.	X			Both	Current
O	To promote economic growth and job creation in communities by collaborating with local and national suppliers.	X	X	X	Both	Short-term

Equal treatment and opportunities for all						
N.I.	Discrimination on the basis of race, colour, gender, disability, religion, etc., due to lack of effective anti-discrimination protocols and/or training of workers on equality and non-discrimination, especially in countries with a high rate of discrimination.	X			Both	Short-term
P.I.	Encourage an inclusive culture by promoting inclusion and equity in those territories where the company operates.	X			Both	Current
Other work-related rights						
P.I.	Promotion and protection of human rights through due diligence in activities.	X			Both	Current
AFFECTED COMMUNITIES						
Communities' economic, social and cultural rights						
N.I.[(1)]	Affecting the health and well-being of local communities due to emissions of air pollutants derived from the activity of the company and its value chain.	X	X	X	Both	Current
	Interruptions in the supply of electricity and gas impacting homes, economic activities and essential services.	X	X	X	Both	Current
P.I.	Contribution to the economic development and GDP of local communities through taxes, infrastructure and community development programs.	X	X	X	Both	Current
	Promoting the creation of local employment in the construction and operation phases of the infrastructures.	X	X		Both	Current
	Promoting the employment of minorities and vulnerable groups.	X	X		Both	Current
R	Community resistance can result in delays, increased costs, reputational damage, or even project cancellations.		X		Both	Short-term
Communities' civil and political rights						
R	Sanctions for industrial accidents that affect the nearby local community.	X	X		Both	Short-term
Rights of indigenous people						
N.I.	Displacement of local communities and violation of the territorial rights of indigenous communities associated with the development of infrastructure projects.	X	X		Electricity	Medium-term
	Impact on cultural heritage, traditional knowledge and/or sacred sites of indigenous communities resulting from the project's activities.	X	X		Electricity	Medium-term
	Loss of human rights, cultural deterioration, and social conflicts due to the lack of recognition of customs, social practices, and legal ownership of indigenous territories recognized by the provisions of ILO Convention 169.	X	X		Electricity	Medium-term
CONSUMERS AND END-USERS						
Information-related impacts for consumers and/or end-users						
N.I.[(1)]	Violation in the processing of personal data.	X	X	X	Both	Current
P.I.	Improving the customer experience through digital transition.		X	X	Both	Current
	Respect for consumer rights through simple, clear, transparent, respectful and non-discriminatory communications and an accessible website that guarantees the inclusion of diversity.		X		Both	Current

R	Complaints from customers about contract changes without the user's consent.		X	Both	Short-term
	Infringements related to data protection law.	X	X	Both	Short-term
Social inclusion of consumers and/or end-users					
P.I.	Reducing energy poverty through a energy vulnerability plan to facilitate payment and the development of all the necessary operations to speed up the procedures to prioritise people in vulnerable situations.		X	Both	Current
O	Facilitating customer access to innovative and efficient services that improve affordability and support the energy transition, contributing to reducing energy poverty and increasing autonomy.	X	X	Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

▪ Governance

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
BUSINESS CONDUCT						
Corporate culture						
	Increased stakeholder trust through the promotion of an ethical culture.	X	X	X	Both	Current
P.I. [1]	Promoting transparency and increasing trust in the company by stakeholders through the disclosure of information in an accurate, correct, timely and audited manner.		X		Both	Current
	Attraction of business/financing opportunities by applying responsible practices as a company standard.		X		Both	Medium-term
O	Reducing the risk of fines and sanctions, strengthening the confidence of investors and regulators thanks to a solid ethical and compliance framework.		X		Both	Medium-term
Protection of whistle-blowers						
P.I.	Increased trust of complainants given the correct resolution/management of the complaints/enquiries made.		X		Both	Current
Political engagement and lobbying activities						
	Contributing to the approval of laws favorable to the general interest through influence activities.		X		Both	Current
P.I.	Encourage the development of certain countries through private initiative (investments, etc.)	X	X	X	Both	Medium-term
	Positive contribution by the company to the achievement of the SDGs.		X		Both	Current
R	Generating uncertainty and loss of confidence among investors and partners due to regulatory changes that affect the viability of the business strategy.		X		Both	Medium-term
Management of relationships with suppliers including payment practices						
	Prior evaluation of suppliers under ESG criteria to ensure their compliance.		X		Both	Current
P.I.	Development and consolidation of long-term relationships with suppliers of products and services.	X	X		Both	Current
	Promote equal opportunities among suppliers through clear conditions that facilitate the preparation of competitive bids.		X		Both	Current
Corruption and bribery						
P.I.	Contributing to the promotion of an ethical and integral culture that reduces corruption and strengthens the trust of stakeholders in the company.		X		Both	Current
R	Loss of trust and potential economic damage to customers, partners and investors due to the theft of critical company material or information.	X	X	X	Both	Short-term
	Loss of trust and potential financial damage to investors, customers, and partners due to fraudulent practices within the company.		X		Both	Short-term

O	Strengthen the confidence of investors, clients and authorities by ensuring transparency and security through a management system certified and audited by third parties.		X	Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

- **Others**

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
OTHERS						
Cybersecurity						
P.I. [1]	Loss of personal data due to cybersecurity breaches.		X		Both	Current
R	Increased costs and loss of trust and reputation due to security breaches of company information, both personal and critical operational information.		X		Both	Short-term
Taxation						
P.I.	Contribution to economic and social development through the payment of taxes.	X	X	X	Both	Current
R	Increased tax burden resulting from changes in tax regulations.		X		Both	Short-term
Innovation						
O	Reduced costs and carbon footprint due to investment in the development of new technologies.		X		Both	Medium-term
	Promoting access to sustainable and technological solutions that favor decarbonization, energy efficiency and clean mobility, contributing to a just transition for customers and communities.		X		Both	Medium-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Resilience of Naturgy's strategy and business model SBM-3_10

Context analysis and methodology

In order to analyse the capacity of Naturgy's strategy and business model to address material impacts and risks and to take advantage of material opportunities, the company has taken into account how the different ESG issues, included in the ESRS, may induce significant risks for the company's operations (including all types of its assets), as well as for its value chain, regardless of the nature of its activity and the geography where it is located.

This assessment is based on the results obtained in the double materiality assessment, which not only takes into account the possible external risks that may affect Naturgy (financial materiality), but also studies the potential strategic or business model adaptations that the company should carry out to reduce its impact on the outside world (impact materiality). In order to maximise knowledge of the company's real situation and reduce potential bias, the perspectives of Naturgy's different stakeholders have been integrated, as mentioned above.

In addition, this resilience analysis is supported by other more specific assessments, described in the corresponding chapters of this report, in order to have the maximum detail, highlighting:

- Due diligence processes.
- Analysis of climate change risks and opportunities, according to recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).
- Nature risk analysis according to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).
- Universal Declaration of Human Rights of the United Nations.
- Declaration of the International Labour Organization (ILO).
- Analysis of risks related to suppliers, by purchasing category.
- Process safety risk analysis (occupational health and safety).

The time horizons used during the study are those specified in section Disclosures in relation to specific circumstances. of this chapter.

Results of the resilience analysis

Resilience in the environmental field

In order to analyse Naturgy's environmental resilience, technological advances, regulation and sources of financing to undertake the investment plans necessary to contribute to the energy transition have been taken into consideration. The most relevant issues considered have been:

- Emissions of greenhouse gases (GHG) and other pollutants and their relation to climate change.
- Renewable generation.
- Resource consumption, especially water, and the principles of the circular economy.
- Net loss of biodiversity.

Naturgy considers that one of the issues of greatest concern both internally and externally, in relation to the environment, is climate change. The company has carried out a specific and focused analysis on this issue, the results of which can be consulted in the chapter "Climate change".

From an impact perspective, it has been observed that the contribution to climate change derives mainly from GHG emissions associated with the company's non-renewable gas activity and its value chain, that is, the non-renewable electricity supply and generation phases, the gas distribution activity and the downstream consumption of natural gas by customers.

In contrast, from a financial impact perspective, climate change can be detrimental to the company in two main ways: through temporary adverse conditions in the medium and long term, which can directly affect business continuity, or through a technological or regulatory change, which generates the need for sudden adaptation to a socio-economic situation that is more adverse than the current one, in terms of operating capacity and resulting revenues.

For this reason, Naturgy is accelerating the transformation of its business portfolio since 2018, the year in which it was decided to close the coal-fired power generation plants and set the guidelines on which successive strategic plans have been based, focusing on renewable energies for electricity generation, the development of renewable gases (biomethane and hydrogen) for the entire gas value chain and the electricity and gas network businesses. This roadmap has enabled to reduce total GHG emissions by 35% in the period 2017-2024, to reach 64% CAPEX alignment according to the Taxonomy Regulation, in 2024 (69% in 2024), and to decouple EBITDA generation in a sustained manner in recent years. The approved Climate Transition Plan is underpinned by the same pillars that were established in 2018 to contribute to the energy transition.

In environmental terms, beyond climate change, biodiversity is at the centre of the main non-climate impacts, risks and opportunities, as both factors are interrelated. The chapter "Biodiversity and ecosystems" of this report includes the risk analysis carried out following the TNFD recommendations.

In terms of ecosystem dependency, water availability and regulation become particularly relevant in a context of increasing scarcity due to climate change. This particularly affects infrastructures such as hydroelectric and thermal power plants that require water to generate electricity. However, Naturgy's strategy prioritises renewable technologies that do not depend on water or alternatives for the use of reused water or seawater, significantly mitigating these risks. In turn, these impacts and dependencies on nature may generate risks associated with the impact on endangered species and the tightening of biodiversity protection regulations, which could result in delays in the authorisation of projects, higher operational and development costs, reduced revenues or even reputational risks.

Consequently, Naturgy integrates the environmental variable in all its activities. On the one hand, from the design and construction stage of the facilities, prior environmental impact assessments are carried out, which must be approved by the competent authorities, paying special attention to the availability of water in the regions where they are located, and the potential damage they could cause to this resource and to the environment in general. On the other hand, the company has developed an environmental management system, which is externally audited and certified under the ISO 14001 standard, which is articulated around environmental indicators and objectives to monitor the different processes and promote their continuous improvement. In this way, Naturgy aims to reduce its dependence on natural resources and opt for lower impact alternatives, while maintaining the level of service to its customers.

Resilience in the social field

Naturgy, as a company with an international presence, recognises the importance of integrating all stakeholders in its, present and future, project as the driving force to achieve its objectives and is committed to the human rights of all people with whom it relates, whether employees or third parties, in accordance with the principles expressed in the Universal Declaration of Human Rights of the United Nations and in the Declaration of the International Labour Organisation (ILO) and other international frameworks of reference. Thus, Naturgy's resilience in relation to society has been assessed with respect to three aspects:

- Human capital.
- Naturgy and its relationship with the affected groups.
- A customer-focused business.

On the one hand, the company has analysed its dependence on human capital, and how its management can induce or, on the contrary, avoid significant damage to its own staff and workers in the value chain. With regard to its own workforce, the issues considered most relevant are the management of working conditions and equal treatment and opportunities.

With regard to working conditions, Naturgy assesses the risks associated with the work carried out in its own facilities, within the framework of its Occupational Health and Safety Management System (OHSMS), which is externally audited and certified by the ISO 45001 standard. This system includes, in particular, the necessary action plans to address the most critical risks, as is the case of the current Health and Safety Plan 2024-2025.

With regard to equal treatment and opportunities, Naturgy rejects any kind of discrimination on the grounds of ideology, religion, belief, ethnicity, race, nation, gender, sexual orientation, family situation, illness or disability and has policies and management measures aimed at ensuring the materialisation of this commitment; it also extends this same commitment to all workers in the value chain through the Supplier Code of Ethics.

On the other hand, Naturgy faces the challenge of transmitting its corporate culture to all its employees, particularly in terms of sustainability, as well as fostering their professional development. This is why the group has a training programme, which is implemented through the Corporate University, and whose management system is certified in accordance with the ISO 9001:2015 standard. In parallel, it is worth highlighting other talent development programmes such as "Flex&Lead" or "Transforma", through which Naturgy incorporates young profiles with and without work experience, especially women.

While human capital is a fundamental asset for Naturgy, the resilience analysis also focuses on how the company's activity could have an impact on the community, that is, those groups living in the vicinity of its operations. Naturgy has analysed, in particular, whether the construction or operation of its assets may impact local communities or indigenous peoples. The possible impact on local communities is closely related to the management of biodiversity and ecosystems.

Thus, for the installation of the company's various generation and distribution assets, it is necessary to acquire land. In addition, the very operation of the facilities may have a negative impact due to various nuisances arising from this activity. To avoid significant damage and guarantee respect for local and indigenous rights, Naturgy has developed a Social Relationship Model (SRM), based on the recognition and protection of local values and knowledge, and which establishes the tools for dialogue with the groups to ascertain their perspectives, as well as other initiatives to generate value such as the promotion of local employment or training.

Finally, in the social sphere, Naturgy has analysed the resilience of its strategy and business model with respect to its customers, as one of its main stakeholders. In this sense, offering affordable and environmentally friendly energy products and services and personalised attention to the needs of consumers, ensuring supply at all times, are the priorities of the commercialisation activity.

In the context of a climate transition towards a low-carbon economy, an imbalance in any of these priorities could imply a loss of confidence on the part of users and, consequently, a significant reduction in the company's revenues. That is why Naturgy, in addition to developing specific initiatives to achieve its energy transition objectives, as previously mentioned, has a quality management system certified to ISO 9001 standard, relating to the marketing of services and the management of gas and electricity distribution networks.

On the other hand, customers' trust in the company may also be affected by other adversities, such as the improper processing of personal data, due to security breaches or individual negligence. To prevent and mitigate this, Naturgy has established a Global Personal Data Protection Policy, which includes the basic principles of action to ensure the correct treatment of personal data from the time it is collected until it is deleted.

Resilience in the governance field

In relation to the material impacts and risks arising from matters related to business conduct, Naturgy has determined that the most critical issues for its strategy and business model in this regard are supplier management, possible cases of corruption, bribery and/or fraud of its own employees, cybersecurity and taxation

In the first two cases, Naturgy's position is robust, with different prevention, adaptation and correction measures. Thus, within the framework of the compliance management model, the company assesses the degree of compliance with its internal regulations on corporate governance, highlighting the Code of Ethics and its associated policies, in particular:

- Compliance Policy.
- Counterparty Due Diligence Procedure.
- Anti-corruption policy.

These internal rules are supervised periodically, and their application is supported by mechanisms such as the Criminal Prevention Model, whistleblowing channels, the Counterparty Due Diligence Procedure, and outreach and training actions, among others. In any case, the supervisory bodies act swiftly and effectively to implement the corrective or sanctioning actions they deem appropriate.

In parallel, supplier management is also exercised specifically through Naturgy's purchasing model. Firstly, the company establishes the internal regulations governing its relationship with suppliers, which must be complied with by them. Subsequently, it evaluates the different suppliers according to different risk factors, additionally requiring the approval of those candidates who must carry out activities classified as critical.

Once selected and contracted, suppliers are subject to different monitoring and follow-up mechanisms, including the ESG audit process, as a result of which possible breaches of internal regulations or of the environmental specifications required by Naturgy are detected, and the relevant corrective measures are established to remedy the damage caused, which may lead to the termination of commercial relations if the measures imposed are not implemented.

More information on Naturgy's relationship with its suppliers can be found in section "Management of the relationship with suppliers" in “Business conduct” chapter of this Report.

In relation to cybersecurity, the rapid progress in the development and implementation of new technologies at all levels of society implies an inherent increase in the number of vulnerabilities that companies must identify and remedy. Naturgy's ability to prevent and correct this problem is reflected in the Cybersecurity Plan, which makes use of cutting-edge measures to reduce the risk to which corporate information is exposed, both for internal use and for processing by third parties. Further details can be found in the section on "Cybersecurity" in “Specific information” chapter of this Report.

In terms of taxation, Naturgy has a robust and transparent tax management framework fully aligned with the principles of responsibility, regulatory compliance, and cooperation with tax authorities. The company structures its tax governance through a Global Tax Policy and a Tax Control Framework that define responsibilities, risk assessment and control processes, and mechanisms for periodic oversight by the Board of Directors. This approach allows the company to anticipate and effectively manage the risks associated with regulatory changes, while ensuring the adoption of tax treatments consistent with economic criteria and a low-risk profile. Together, these measures strengthen the company's ability to navigate a dynamic tax environment and integrate tax as a key element within its sustainable and responsible business model.

Conclusions of the analysis

In accordance with the above, Naturgy considers that it is well positioned to address impacts and risks thanks to its focus on diversification of the energy portfolio, optimisation of operations, the management systems it has in place, regulatory compliance and risk management.

The company remains committed to sustainability, continuity and quality of supply at affordable prices, being part of a future where renewable energies are gradually gaining ground, without neglecting the importance of fossil fuels as transitional energy, and always from the perspective of working with a focus on people and their well-being and with a way of doing business based on ethical principles and integrity.

4. Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

Double materiality assessment: methodology and sources of information

IRO-1_04 To determine which environmental, social and governance (ESG) matters are related to the company's activity, strategy and business model, and therefore subject to reporting, Naturgy has carried out, in 2024, a double materiality assessment that has taken into account the operations carried out by its business partners along the value chain, thus obtaining a holistic view of Naturgy's relationship with the natural environment and society as a whole, as well as an assessment of the degree of implementation of its corporate culture.

IRO-1_01 In particular, the determination of material impacts, risks and opportunities is based on the provisions of the European Sustainability Reporting Standards (ESRS), ESRS 1, Application Requirement 16, which provides a list of ESG topics, subtopics and sub-subtopics to be considered by the company, excluding those that are not applicable to Naturgy.

The process of determining material impacts, risks and opportunities integrates two complementary perspectives:

- Inside-out view (hereafter **impact materiality**): analyses how the company's activity impacts on the environment and society and how this impact is perceived by the different stakeholders.
- Outside-in view (hereafter **financial materiality**): analyses how sustainability issues affect the company's performance, how they can affect value creation and how these issues are perceived by financial stakeholders.

IRO-1_14 During the analysis, the following sources of information have been taken into account: the sustainability and financial reports of different energy companies operating in the main countries where Naturgy operates; various regulatory initiatives, both mandatory and voluntary, applicable to the gas and electricity utilities and electricity generation sectors, as well as a representative number of news articles. All of this in the main geographies where the company operates. In addition, the company has also used the international sustainability standards Global Reporting Initiative (GRI Standards) and the Sustainability Accounting Standards Board (SASB) as a reference.

IRO-1_05 To determine the materiality of the various impacts, risks, and opportunities, the perspectives of the company's stakeholders were integrated. To this end, the company established a cross-functional working group of experts from Naturgy's main business and corporate areas. The working group members assumed the role of representatives of the key stakeholder groups, contributing their experience, knowledge, and information gathered from surveys, interviews, and other sources resulting from their interaction with these groups. In this way, the perspectives of the company's relevant stakeholders were integrated with respect to the impacts, risks, and opportunities identified in the dual materiality assessment.

IRO-1_15 The methodology for conducting the dual materiality analysis remains unchanged from the previous year. However, in 2025, the dual materiality process was updated to identify new material impacts, risks, and opportunities, as well as to improve the definition and assessment of existing ones to ensure greater clarity and accuracy. This update included an analysis of material issues at other energy companies with activities similar to Naturgy's, providing an external benchmark.

Impact Materiality and Financial Materiality IRO-1_02; IRO-1_07

IRO-1_06 Firstly, it was analysed the **materiality from an impact perspective**, each impact has been classified according to whether it is positive or negative and whether it is actual or potential. From here, materiality is assessed through the combination of the severity obtained for each impact and its probability, in the case of potential impacts, as explained below.

First, **severity** depends primarily on two factors: "scale" and "scope." Additionally, in the case of negative impacts, a third factor, "irremediable nature," is analysed:

- **Scale:** analyses the severity or benefit of the negative or positive impact analysed, respectively.
- **Scope:** studies the extent of the impact, both in terms of location and people affected.
- **Irremediable character:** analyse the difficulty associated with repairing the damage caused to society and the environment.

These two or three factors can take, as possible values, whole numbers between one and five, both inclusive.

Regardless of whether the impact is positive or negative, if it is potential, the **probability** of its occurrence in the short, medium, or long term is analysed, assigning a real value between 0 (highly unlikely) and 1 (very likely). In any case, for potential negative impacts that affect human rights, severity will prevail over probability when determining whether the impact is material.

It is important to note that the assessment of these factors has been carried out based on the residual impact, that is, the impact that remains after the application of existing controls, policies, preventive actions, detection systems, or other control mechanisms.

Thus, based on this residual impact, the combination of severity and probability (if applicable) has allowed Naturgy to assign a materiality value to each impact, considering that these will be material when this value is greater than 2, that is, the impact materiality threshold.

IRO-1_08 In the next phase of the analysis, Naturgy identified and assessed the risks and opportunities for each theme, taking into account the existing connections between the previously identified material impacts and the company's dependencies on natural, human, financial, and other resources. With this integrated perspective, the company determined which types of assets and business activities are associated with these material impacts and dependencies and, conversely, analyzed the potential risks and opportunities that could arise from them. This approach enabled an understanding of how the identified impacts and dependencies can create or amplify risks, as well as generate relevant opportunities for the organization.

IRO-1_09 During the analysis of **materiality from a financial perspective**, all risks and opportunities analysed have been considered as potential, and therefore the assessment has been made taking into account the **scale**, which measures the potential magnitude of the financial effects associated with them, and the **probability** of occurrence over different time horizons. Both factors are measured according to values analogous to impact materiality.

On the basis of the scale and probability factors, Naturgy has assigned a materiality value to each risk and opportunity, considering these to be material when the figure is greater than 1, in other words, the financial materiality threshold.

IRO-1_10 On the other hand, Naturgy counts on a risk management model that analyses the global risk profile of the company and integrates ESG risks among its typologies. However, within the framework of the dual materiality analysis from a financial perspective, the company has identified potential risks associated with sustainability issues with a greater degree of detail and granularity than that used in the corporate risk map, following the methodology established by the ESRS.

IRO-1_03 Additionally, during the dual materiality analysis, the company analysed whether each impact, risk, and opportunity is more likely to occur in a specific phase or both phases of the value chain, upstream or downstream, and/or in its own operations. Furthermore, it analysed whether they affect specific geographies or all of them, and whether they affect the two main sectors in which the company operates, gas and electricity, or just one of them.

As a result of this analysis, the final list of the company's material impacts, risks, and opportunities, presented in the previous section, has been established.

Materiality and its relation to the governing bodies

IRO-1_11 The Sustainability Commission is the body in charge of supervising the double materiality assessment and validate its results. This activity is complemented by the work of the Audit and Control Committee, which is responsible for reviewing the company's sustainability risks, as well as the systems for controlling them.

IRO-1_12; IRO-1_13 Furthermore, the results of the double materiality assessment are integrated with the group's risk assessment. In the medium and long term, the issues identified as material could come to represent a management risk for Naturgy.

The methodology and process followed in performing the double materiality assessment is reviewed by the auditor in charge of the verification of the report who assesses the alignment of the process followed with the ESRS and the recommendations of the European Financial Reporting Advisory Group (EFRAG).

Disclosure requirements in ESRS covered by the undertaking’s sustainability statement (IRO-2)

IRO-2_13 Naturgy has adapted its Sustainability Report to the requirements derived from the ESRS based on the double materiality assessment carried out, taking into account the recommendations provided by EFRAG regarding the application of thresholds for each impact, risk and opportunity. As a result of this analysis, Naturgy has assessed the ESRS and respective disclosure requirements that are material. In this sense, it has been concluded that the ten thematic standards are applicable to the company together with ESRS 2, which is not subject to materiality, but is mandatory and transversal to all companies included in the scope of the CSRD directive.

However, for the topic of "Resource use and circular economy", only material impacts, risks and opportunities have been identified in the upstream activities, but not in the scope of Naturgy's own operations. Given that the company avails itself of the transitional provision expressed in section 10.2 of ESRS 1, which allows the information corresponding to the value chain to be omitted during the first three years of application of the ESRS, for these standards Naturgy only discloses the information corresponding to the disclosure requirement relating to the processes for determining the material impacts, risks and opportunities for both topics.

- **List of the Disclosure Requirements complied with in preparing the reporting** [IRO-2_02]

ESRS		Disclosure Requirements	Pages
GENERAL DISCLOSURES			
ESRS 2 - General Disclosures	BP-1	General basis for preparation of sustainability statements	6-7
	BP-2	Disclosures in relation to specific circumstances	7-12
	GOV-1	The role of the administrative, management and supervisory bodies	12-26
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	26-27
	GOV-3	Integration of sustainability-related performance in incentive schemes	27-28
	GOV-4	Statement on due diligence	28-31
	GOV-5	Risk management and internal controls over sustainability reporting	31-34
	SBM-1	Strategy, business model and value chain	34-50
	SBM-2	Interests and views of stakeholders	50-52
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52-66
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	66-68
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	68-80
Environment			
ESRS E1 - Climate Change	E1.GOV-3	Integration of sustainability-related performance in incentive schemes	104-104
	E1-1	Transition plan for climate change mitigation	104-111
	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	111-125
	E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	125-130
	E1-2	Policies related to climate change mitigation and adaptation	130-130
	E1-3	Actions and resources in relation to climate change policies	130-139
	E1-4	Targets related to climate change mitigation and adaptation	139-148
	E1-5	Energy consumption and mix	148-150
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	150-162
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	162-164
	E1-8	Internal carbon pricing	164-165
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in provision
ESRS E2 - Pollution	E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	171-173
	E2-1	Policies related to pollution	173
	E2-2	Actions and resources related to pollution	173-174

ESRS E3 - Water and marine resources	E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	174-175
	E3-1	Policies related to water and marine resources	175
	E3-2	Actions and resources related to water and marine resources	175-176
	E3-3	Targets related to water and marine resources	176-177
	E3-4	Water consumption	177-179
	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phase-in provision
ESRS E4 - Biodiversity and ecosystems	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy	180-182
	E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	182-189
	E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	189-191
	E4-2	Policies related to biodiversity and ecosystems	191-193
	E4-3	Actions and resources related to biodiversity and ecosystems	193-197
	E4-4	Targets related to biodiversity and ecosystems	197-199
	E4-5	Impact metrics related to biodiversity and ecosystems change	199-203
	E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phase-in provision
ESRS E5 - Resource use and circular economy	E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	204-205
	E5-1	Policies related to resource use and circular economy	205
	E5-2	Actions and resources related to resource use and circular economy	205-206

ESRS		Disclosure Requirements	Pages
SOCIAL			
ESRS S1 - Own workforce	S1.SBM-2	Interests and views of stakeholders	207
	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	207-210
	S1-1	Policies related to own workforce	210-212
	S1-2	Processes for engaging with own workers and workers' representatives about impacts	212-214
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	214-218
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	218-239
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	239-241
	S1-6	Characteristics of the undertaking's employees	241-243
	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	243
	S1-8	Collective bargaining coverage and social dialogue	243-244
	S1-9	Diversity metrics	244-245
	S1-10	Adequate wages	245
	S1-11	Social protection	245-246
	S1-12	Persons with disabilities	246
	S1-13	Training and skills development metrics	246-247
	S1-14	Health and safety metrics	247-248
	S1-15	Work-life balance metrics	248-250
	S1-16	Compensation metrics (pay gap and total compensation)	250-251
	S1-17	Incidents, complaints and severe human rights impacts	251-253
ESRS S2 - Workers in the value chain	S2.SBM-2	Interests and views of stakeholders	253
	S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	253-256
	S2-1	Policies related to value chain workers	256-258
	S2-2	Processes for engaging with value chain workers about impacts	258-259
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	259-260
	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	260-267
	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	267-270

ESRS S3 - Affected communities	S3.SBM-2	Interests and views of stakeholders	270
	S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	270-273
	S3-1	Policies related to affected communities	273-274
	S3-2	Processes for engaging with affected communities about impacts	274-278
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	278-280
	S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	280-286
	S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	286-288
ESRS S4 - Consumers and end-users	S4.SBM-2	Interests and views of stakeholders	288
	S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	288-291
	S4-1	Policies related to consumers and end-users	292-294
	S4-2	Processes for engaging with consumers and end-users about impacts	294-297
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	297-301
	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	301-309
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	309-311
GOVERNANCE			
ESRS G1 - Business conduct	G1.GOV-1	The role of the administrative, supervisory and management bodies	312-313
	G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	313-315
	G1-1	Corporate culture and business conduct policies and corporate culture	315-323
	G1-2	Management of relationships with suppliers	323-329
	G1-3	Prevention and detection of corruption and bribery	329-330
	G1-4	Confirmed incidents of corruption or bribery	330-331
	G1-5	Political influence and lobbying activities	331-332
	G1-6	Payment practices	332-333
ENTITIY-SPECIFIC INFORMATION			
Entity-specific information	Not applicable	Cybersecurity	334-338
		Taxation	338-345
		Innovation	345-353

- **List of datapoints in cross-cutting and topical standards that derive from other EU legislation IRO-2_01**

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		16
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		12
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				28-29
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		34
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	104

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		104
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		137-138
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				144-145
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				144-145
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				145
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	ndicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		146

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		152
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	158-160
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Reglamento Delegado (UE) 2020/1818, anexo II Reglamento Delegado (UE) 2020/1816, anexo II		Phase-in provision, ESRS 1, appendix C
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in provision, ESRS 1, appendix C
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in provision, ESRS 1, appendix C
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in provision, ESRS 1, appendix C

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				171
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				No applicable
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				171
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				173
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				175
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				181-183
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				180
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				180
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				187-188
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				187-188
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				187-188
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				205
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (G)	Indicator number 12 Table #3 of Annex 1				205
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				210
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		210
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex 1				210
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex 1				211
ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex 1				216-217
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		245
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex 1				245
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		247-248
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex 1				247-248
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex 1				248

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		248
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				250
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				253
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				252-253
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		253
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		253
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				256
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				270
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		270
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				276

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law	Pages
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				288
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		289
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				298
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				312
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				314
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		325
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				315

02. Environment

UE Taxonomy Report UE (Regulation 2020/852) and sustainable financing

Introduction

To achieve the goals set out in the European Green Deal, the European Commission pledged to mobilise at least Euros 1 trillion for sustainable investment over the next ten years. The active participation of financial markets in financing the sustainable economy is essential for the European Union's plans towards a low-carbon economy. To this end, the European Commission promoted a package of measures to help improve the flow of money into sustainable activities across the EU. One of these measures is the Taxonomy Regulation, Regulation (EU) 2020/852, a classification system for sustainable economic activities that defines what is sustainable and what is not, based on objective criteria. It provides a common language for investors and businesses to channel investments into more sustainable technologies and businesses that have a significant positive impact on the climate and the environment, and to promote compliance with the EU's climate targets, the Paris Agreement and the UN Sustainable Development Goals.

In particular, it pursues the following environmental objectives:

- **Mitigation of climate change**: an activity is considered to make a significant contribution to mitigating climate change if that activity makes a substantial contribution to stabilising greenhouse gas concentrations in the atmosphere.
- **Climate change adaptation**: adaptation solutions that either significantly reduce the risk of adverse impacts of the current climate or provide for adaptation solutions that help avoid the risk of adverse impacts on people, nature or other assets.
- **Sustainability and protection of water and marine resources**: contribution to the development of good status of waters, including surface waters and groundwater, or prevent their deterioration where they are already in a good condition.
- **Transition to a circular economy**: more efficient use of natural resources, in particular sustainable bio-based materials and other raw materials, in production by increasing the durability and accountability of products.
- **Pollution prevention and control**: by reducing emissions of pollutants into the atmosphere, improving air quality, eliminating waste, etc.
- **Protection and restoration of biodiversity and ecosystems**: achieve favourable conservation status of natural and semi-natural habitats and species or prevent their deterioration where their conservation status is already favourable.

In 2021, the European Union published the Delegated Acts on climate change mitigation and adaptation and during 2022 this regulation was amended to accommodate gas and nuclear activities. In 2023 the Delegated Acts for the remaining environmental targets were published, as well as modifications to some technical criteria and extension of activities for climate change mitigation and adaptation targets. Lastly, in 2026, the European Commission adopted the Delegated Act on Simplifying the Taxonomy (Delegated Commission for Regulation (EU) 2026/73), thus completing the regulatory framework established since 2021.

The Taxonomy establishes two types of activity:

- **Eligibility**: an activity is eligible if it is one of the activities listed in the corresponding Delegated Acts.
- **Alignment**: subset of eligible activities that are not only listed but also meet the criteria of a significant positive contribution to the climate criteria, do not cause significant negative harm to the other criteria and comply with social safeguards.

The regulation stipulates that three economic indicators must be reported: the percentage of eligible or adapted activities in the company's total turnover, Capex and Opex.

- The disclosure of the Taxonomy has been conducted in a rigorous and consistent manner to determine the company's level of contribution to the defined environmental objectives and, at the same time, to provide shareholders and investors with security in the face of greenwashing. The technical requirements for the classification of activities were set out in the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and its amendments in Delegated Regulation (EU) 2023/2485, Delegated Regulation (EU) 2022/1214 and Delegated Regulation (EU) 2023/2486, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and complies with the minimum social safeguards.

Scope of the report

All the companies that make up the consolidation scope of the Naturgy Group have been considered in the analysis carried out to establish the eligible activities under the criteria of the European Commission for the Taxonomy.

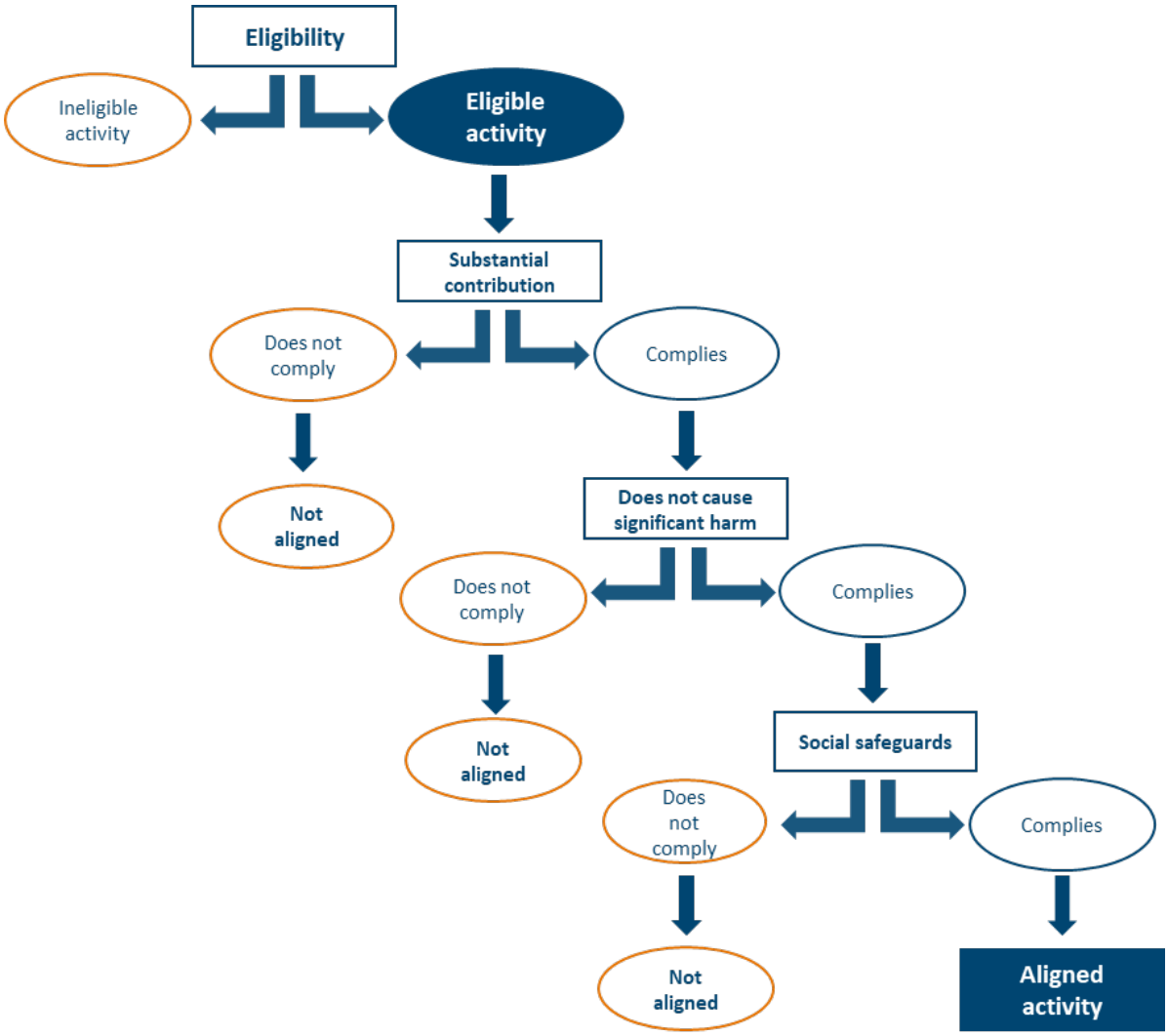
Naturgy's activities fall within the energy sector as shown in the Naturgy and its value chain section of the General Disclosures chapter of this report. After analysing the contribution of the company's businesses to the six climate goals set out in the Delegated Regulation, it is concluded that the objectives that are material to the reporting of taxonomic activities are the climate goals. The annexes detailing the economic sectors and activities that contribute to climate change mitigation and adaptation objectives specifically include the energy sector and the taxonomic activities carried out by Naturgy.

This is not the case for the other four environmental goals of the taxonomy (Protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems), for which the technical criteria are set out in Delegated Regulation 2023/2486. The respective annexes show that the energy sector is not specifically considered as an eligible activity for the fulfilment of any of the goals.

While none of the company's businesses are directly linked to the activities specified in the annexes related to non-climate goals, certain complementary or supporting operations carried out at the facilities, such as water treatment, waste management or environmental restoration, could be considered eligible. However, no analysis has been carried out to assess their compatibility with these goals, as they are not material to the company. As they are not business activities, they do not generate income and the turnover indicator is zero. On the other hand, the investments and operational expenditure corresponding to these complementary activities are included in the corresponding headings of the installations, without sufficient detail to allow them to be allocated to specific targets. For installations eligible for climate targets, these items have been considered in the corresponding indicators. This is not the case for complementary activities carried out in non-eligible facilities. For example, the treatment of urban wastewater for use as feed water in several combined-cycle gas-fired power stations could be considered eligible for the circular economy transition target. However, these items are not individualised in the accounts, so it is not possible to assess the corresponding expenditure and investments as they are integrated in general items and the necessary evidence is not available.

Analysis process

To carry out the analysis of the taxonomy, Naturgy has created a transversal work team made up of people from different units, both business and corporate areas, in accordance with the activities established in the Delegated Regulation (EU) 2020/852, establishing a methodology in accordance with the regulation and based on the following stages:



1. Eligibility

Naturgy's business activities included in Delegated Regulations 2021/2139 and its amendments and 2023/2486, which complete Regulation 2020/852, have been analysed.

Delegated Regulation 2021/2139 and its amendments set out the technical selection criteria for the climate goals (climate change mitigation and adaptation), while Delegated Regulation 2023/2486 sets out the criteria for the other four environmental goals (Protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems). These regulations consist of annexes for each environmental objective with indices by economic sector that include the different activities that can contribute to their fulfilment.

Naturgy's activities fall within the energy sector, specifically included in the mitigation and adaptation annexes and their modifications, which shows that climate goals are the most relevant for the company. The business lines of Naturgy and their correspondence with the eligible economic activities established in the annexes corresponding to the climate goals (mitigation and adaptation) are detailed below.

In the strategic area of Distribution Networks, we can find the following operating segments with activities that are considered within the European Union Taxonomy:

a. Electricity Spain: includes the regulated electricity distribution business in Spain and corresponds to the activity:

i. 4.9. Electricity transmission and distribution.

b. Electricity Panama: encompasses the regulated electricity distribution and commercialisation business in Panama and includes the activity:
   i. 4.9. Electricity transmission and distribution.
c. Electricity Argentina: encompasses the regulated electricity distribution and commercialisation business in Argentina and includes the activity:
   i. 4.9. Electricity transmission and distribution.

Within the other strategic area, Energy Markets, are most of the activities included in the different Delegated Regulations and their corresponding amendments. Specifically, they can be found in the following operating segments:

a. Thermal generation in Spain: which includes the conventional thermal generation plant in Spain:
   i. 4.29. Electricity generation from fossil gaseous fuels.
b. Thermal generation Latin America: which includes the conventional thermal generation within the scope of Mexico and the Dominican Republic (Puerto Rico is integrated by the equity method):
   i. 4.29. Electricity generation from fossil gaseous fuels.
c. Renewable generation:
   1. Spain: includes the management of the wind farm and generation projects for wind, mini-hydro, solar and co-generation[1] energy sources, also incorporating the generation of hydropower electricity located in Spain. In addition, it includes the development portfolio in the rest of Europe.
      i. 4.1. Electricity generation using solar photovoltaic technology.
      ii. 4.3. Electricity generation from wind power.
      iii. 4.5. Electricity generation from hydropower.
      iv. 4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.
   2. United States: includes the management of photovoltaic generation projects being developed in the United States:
      i. 4.1. Electricity generation using solar photovoltaic technology.
   3. Latin America: includes the management of renewable electricity generation facilities and projects of Global Power Generation located in Latin America (Brazil, Chile, Costa Rica, Mexico and Panama):
      i. 4.1. Electricity generation using solar photovoltaic technology.
      ii. 4.3. Electricity generation from wind power.
      iii. 4.5. Electricity generation from hydropower.
   4. Australia: includes the management of renewable electricity generation facilities projects in Australia:
      i. 4.1. Electricity generation using solar photovoltaic technology.
      ii. 4.3. Electricity generation from wind power.
d. Renewable gases: covers the management of renewable gas projects, specifically biomethane and green hydrogen, as well as sustainable mobility projects. These are incipient activities and, therefore, are currently of little materiality from an economic point of view, as shown in the tables below.
   i. 5.7. Anaerobic digestion of biowaste.
   ii. 5.10. Landfill gas capture and utilisation.
   iii. 6.15. Infrastructure enabling low-carbon road transport and public transport.

[1] In Naturgy's Consolidated Report at 31 December 2023 and 2022, the co-generation activity is considered as part of the Renewable Generation Spain CGU because there is a single management unit that handles the co-generation operations and assets together with the wind, mini-hydro and solar generation businesses. Likewise, the remuneration of co-generation facilities, as is the case with wind and solar facilities in Spain, is subject to Royal Decree 413/2014, of 6 June, regulating the activity of electricity production from renewable energy sources, co-generation and waste. However, all indicators reported in this report relating to cogeneration technology are included under Thermal Generation and not Renewable Generation. For taxonomy purposes, this activity is considered eligible and non-aligned.

e. Commercialisation: the goal is to manage the business model for end customers for gas, electricity and services, incorporating new technologies and services, as well as developing the full potential of the brand. Naturgy provides its residential and industrial customers with all the necessary services for the installation of photovoltaic panels that allow them to produce renewable energy for self-consumption, for example, through the Naturgysolar product or services necessary to have electric charging points for mobility powered by renewable energy. These projects correspond to the following activity:

   i. 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).
   ii. 7.6. Installation, maintenance and repair of renewable energy technologies.

Finally, the Holding area includes cross-cutting activities linked to business, such as innovation, which is responsible, among other activities, for developing renewable gas projects (hydrogen, biomethane) and electricity storage projects. These projects correspond to the following activities:

   i. 3.10. Hydrogen production.
   ii. 4.01 Generation of electricity using photovoltaic solar technology.
   iii. 4.10. Electricity storage.
   iv. 5.6. Anaerobic digestion of sewage sludge.
   v. 5.7. Anaerobic digestion of biowaste.

2. Alignment

a. Substantial contribution to a goal

Eligible activities have been screened to confirm whether they meet the technical criteria established to validate substantial contribution to climate change mitigation and adaptation goals. The most relevant criteria used are summarised below:

Climate change mitigation

a. Electricity networks: The electricity transmission and distribution activity carried out in Spain meets the eligibility criteria for climate change mitigation because it is integrated into the European interconnected system. In the case of Panama and Argentina, the criteria considered were the emission thresholds for newly activated generation capacity in the system and the average network emission factor.
b. Thermal generation: for the activity of generating electricity from gaseous fossil fuels, compliance with the GHG emissions threshold during the life cycle has been analyzed, as well as the rest of the complementary criteria in all power plants.
c. Renewable generation: For hydroelectric power generation, the primary criterion used to validate a substantial contribution to climate change mitigation is power density. Power densities were calculated for each installation, considering the net power value defined in the register of electricity generation facilities and the reservoir surface area. Most installations met this criterion. For the remaining installations, whose power density is less than 5 W/m², specific studies were conducted to verify compliance with the life-cycle GHG emissions threshold of less than 100 g CO_2eq/kWh.

i. Cogeneration[1]: for the activity of high-efficiency co-generation of heat/cool and power from fossil gaseous fuels, the GHG emission threshold criteria have been analysed in all plants, as well as the rest of the complementary criteria.

Climate change adaptation

The analysis to confirm that the substantial contribution criterion is met was based on the results of climate-related physical risk assessments and the adaptation solutions and plans implemented at facilities where the risks were material. A risk analysis was conducted by business unit and facility type for the different assets, considering various climate scenarios. At facilities with a material risk level, existing measures were analysed to verify compliance with requirements such as not negatively impacting other adaptation efforts or stakeholders and being consistent with existing strategies and plans.

Regarding adaptation measures, it is important to highlight that the facilities are specifically designed to function effectively even under extreme weather circumstances. They have protocols in place to respond to adverse weather conditions, integrating appropriate risk control measures. These guidelines are complemented by the emergency and self-protection plans of the facilities, which are periodically updated.

As explained below, the economic indicators corresponding to the climate adaptation objective have not been reported.

b. Do no significant harm to other goals

For activities that contribute to one of the climate goals, a thorough analysis has been carried out in order to assess the principle of Do No Significant Harm (DNSH) to other goals.

Some of the criteria used in the analysis are summarised below:

a. Climate change mitigation: GHG emissions from activities have been analysed.
b. Climate change adaptation: physical climate risk assessments and projected and implemented adaptation plans and solutions have been analysed for applicable activities.
c. Sustainable use and protection of water and marine resources: we have analysed the policies, procedures, specifications, action and management plans, authorisations, environmental impact assessments, environmental monitoring and applicable regulations according to the geography in which the activities are carried out, as well as the environmental certifications audited by an independent third party that accredit adequate performance.
d. Transition to a circular economy: policies, procedures, specifications, action plans and management of activities have been analysed, including the waste hierarchy approach and environmental certifications audited by independent third parties attesting to adequate performance.
e. Pollution prevention and control: the policies, procedures, specifications, action plans and management of pollution-related activities, environmental monitoring and applicable regulations have been analysed, as well as the environmental certifications audited by an independent third party that accredit adequate performance.
f. Protection and restoration of ecosystems: procedures, applicable national regulations, as well as environmental impact studies and authorisation processes have been analysed, verifying that the necessary mitigation and compensation measures are applied.

[1] In Naturgy's consolidated annual report for December 31, 2025 and 2024, cogeneration activity is considered part of the Renewable Generation Spain business unit because there is a single management unit that manages cogeneration operations and assets jointly with the wind, mini-hydro, and solar power generation businesses. Furthermore, the remuneration of cogeneration facilities, as with wind and solar installations in Spain, is subject to Royal Decree 413/2014 of June 6, which regulates the production of electricity from renewable energy sources, cogeneration, and waste. However, all indicators reported in this report relating to cogeneration technology are included under Thermal Generation and not Renewable Generation. For taxonomy purposes, this activity is considered eligible and non-aligned.

c. Social safeguards

To analyse compliance with social safeguards, the following company policies and procedures have been considered:

- Code of Ethics, which establishes the guidelines that must govern the ethical behaviour of Naturgy's managers and employees in their daily performance with regard to the relationships and interactions it maintains with all its stakeholders. It includes the commitments assumed by Naturgy in matters of good governance, corporate responsibility and issues related to ethics and regulatory compliance. Chapter "Business Conduct" details the information in relation to the policies that the company has defined to promote a corporate culture based on upright behaviour.
- Statement of Principles and Policies, which establishes Naturgy's principles to sustainable development and to the different stakeholders, including the creation of quality employment, the strengthening of local communities and the reduction of social inequalities.
- Global Sustainability Policy, which describes the company's principles in relation to respect for human rights. It covers the entire scope of activities and compliance with the regulatory framework of the various countries in which activities are carried out. Specifically, it considers respect for fundamental rights, including labour rights and the rights of local communities affected by the company's activities.
- The Global Tax Policy, which constitutes Naturgy's Tax Control Framework, defines the processes, activities, responsibilities, and key performance indicators for the group's tax strategy. It elaborates on the provisions of Naturgy's Statement of Principles and Policies, and specifically on the provisions of the Spanish Companies Act, which establishes that determining the policy for controlling and managing tax risks is a non-delegable power of the Board of Directors. The "Taxation" chapter of this report details the policies and actions the company implements in this regard.
- Affected Communities Policy. Within the framework of its Global Sustainability Policy, the company makes a firm commitment to respect local communities. In order to achieve this commitment, key aspects are the assessment of the social impact that the company's activities may have on the affected communities and the contribution to the improvement of their living conditions. To this end, it has a Social Relationship Model (SRM) that seeks to integrate social management as a discipline throughout the life cycle of new renewable generation projects. Chapter "Affected communities" of this Report details the processes and actions that the company develops
- Naturgy is firmly committed to people, their development and the promotion of safe and healthy working environments. The "Own workforce" chapter of this report presents a detailed analysis of the company's policies and actions in this regard.

Note 36 of the Consolidated Report, which forms part of the Consolidated Annual Financial Statement, reports a sanctioning procedure against UFD Distribución Electricidad, S.A. for restricting competition. Specifically, it concerns the alleged abuse of a dominant market position by the group company, UFD Distribución Electricidad, S.A., in the meter rental business for certain customers and alleged preferential treatment of the Group's electricity retailers.

In this regard, as the resolution states, the fine is due to UFD's misinterpretation of the unified metering point regulations for a certain period, which hindered the installation of third-party meters with remote metering connected to the UFD network.

The resolution also notes that UFD corrected this interpretation, on its own initiative, in May 2021, and that no new cases have occurred since then. Additionally, the resolution itself obliges UFD to submit an annual report on compliance with the resolution, for the next five years, to the CNMC's Directorate of Oversight, which clearly prevents this risk from materializing again.

After the analysis, it is concluded that the requirements of the Delegated Act are met.

3. Calculation of the main indicators

a. Calculation of turnover %

The proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that align with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.

Turnover shall include revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008.

In the case of Naturgy, the numerator includes the sum of the turnover (Group 70 accounts from the General Accounting Plan) of the activities mentioned above that are eligible according to the Taxonomy. The denominator corresponds to the total balance of the Naturgy turnover.

For the calculation of the numerator data, the economic area teams of the different businesses have been asked to extract from the system the turnover data per facility for each of the activities. Once each installation has been analysed for the climate change mitigation and climate change adaptation goals, the amounts of those facilities that meet the technical criteria for each objective are aggregated separately.

In relation to the denominator, the Consolidation area provides the consolidated Group data for the items mentioned in the Delegated Act.

Naturgy has estimated the indicators at consolidated group level in accordance with the provisions of Article 8 of the Taxonomy Regulation. However, to adequately reflect the spirit of the EU Taxonomy Regulation considering the vertical integration of its electricity activity, it has considered the need to adopt as a criterion in the preparation of the Turnover indicator the inclusion of sales of renewable electricity generated at its own facilities, which is not consumed by the company and is sold to third parties through marketers.

Based on the above, in the numerator of the turnover indicator of the table reported in this report, those sales of renewable electricity, generated and marketed “to end customers” through the Group’s commercialisation companies, whose production source is renewable, have been considered as eligible, as it is a vertically integrated activity.

In this regard, Naturgy has introduced the necessary control measures to ensure the correct application of the accounting principles of consolidation in the estimation of the indicators, in line with the indications proposed in the guidelines for interpretation and implementation of the Frequently Asked Questions (FAQs) published by the EU Commission Delegated Regulation (02/02/22 and 19/12/22) and the ESMA (26/02/21). Specifically in the case of the turnover indicator, i) the calculation has been made only with sales to third parties outside Naturgy (considering the premise of vertical integration discussed above); ii) it has avoided double counting of revenues in its estimate, iii) and has ensured that the analysis is based on Naturgy’s consolidated revenue data without the inclusion of internal consumption or other additional ineligible services.

Accordingly, the total reported sales are detailed in Note 22 of the 2025 Annual Consolidated Financial Report.

b. Calculation of taxonomic Capex %

The proportion of Capex referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator will also include additions to tangible and intangible assets resulting from business combinations.

For non-financial companies applying International Financial Reporting Standards (IFRS) as adopted by Regulation (EC) No. 1126/2008, Capex will cover costs that are accounted for in accordance with:

IAS 16 Property, plant and equipment, paragraph 73 (e) (i) and (iii);
IAS 40 Investment Property, paragraph 76 (a) and (b) (for the fair value model);
IAS 40 Investment Property, paragraph 79, (d), (i) and (ii), (for the cost model);
IAS 41 Agriculture, paragraph 50 (b) and (e);
IFRS 16 Leases, paragraph 53, (h).

For non-financial companies applying national generally accepted accounting principles (GAAP), Capex will integrate costs accounted for under applicable GAAP that correspond to costs included in capital expenditures by non-financial companies applying IFRS.

Leases that do not result in the recognition of a right to use the asset are not accounted for as Capex.

On the other hand, the numerator will be the portion of fixed asset investments included in the denominator which:

- is related to assets or processes that are associated with economic activities that align with the taxonomy;
- is part of a plan to expand the economic activities that align with the taxonomy or to allow economic activities eligible under the taxonomy to conform to the taxonomy ("Capex plan");
- is related to the purchase of production from economic activities that align with the taxonomy and individual measures that enable the targeted activities to become low-carbon or lead to greenhouse gas reductions, in particular the activities listed in sections 7.3 to 7.6 of Annex I of the delegated act on climate, as well as other economic activities listed in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) of Regulation (EU) 2020/852, and provided that those measures are implemented and operational within eighteen months.

In the case of Naturgy, the denominator will be the total taxonomic Capex, which includes investments in intangible assets, investments in property, plant and equipment, investments in rights-of-use assets, assets transferred without consideration and those additions to tangible and intangible assets resulting from business combinations. In relation to the numerator, it will only be the aggregation of the taxonomic Capex and additions of assets resulting from business combinations of the activities considered as taxonomically eligible.

In order to obtain the amount of taxonomic Capex in the numerator, the economic area teams of the different businesses were asked to extract the taxonomic Capex data from the system for each facility in each of the activities. Similarly, the amount to be included for asset additions resulting from business combinations has been requested.

In relation to the denominator, the Consolidation area provides the Consolidated Group data for the items mentioned in the Delegated Act.

c. Calculation of taxonomic Opex %

The proportion of Opex referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; including the latter to direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of property, plant and equipment by the company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of such assets.

Additionally, non-financial companies that apply national GAAP and do not capitalise right-of-use assets will include leasing costs in Opex.

On the other hand, the numerator will include the portion of operating expenses included in the denominator that:

- is related to assets or processes associated with economic activities that align with the taxonomy, including training and other human resource adaptation needs, and direct non-capitalised costs representing research and development;

- is part of the Capex plan to expand the economic activities that align with the taxonomy or to allow taxonomy-eligible economic activities to conform to the taxonomy within a predefined time frame, (18 months);
- is related to the purchase of production from economic activities that are aligned to the taxonomy and individual measures that enable the targeted activities to become low-carbon or lead to greenhouse gas reductions, as well as individual building renovation measures, as identified in delegated acts adopted pursuant to Articles 10 paragraph 3, 11 paragraph 3, 12 paragraph 2, 13 paragraph 2, 14 paragraph 2 or 15 paragraph 2 of Regulation (EU) 2020/852 and provided that these measures are implemented and operational within eighteen months.

In the case of Naturgy, for the taxonomic Opex indicator, only non-capitalised direct costs related to research and development, short-term leases and maintenance and repairs have been considered. Because of limitations in the identification within the Opex concepts used in the internal accounting of Naturgy, the other direct expenses related to the daily maintenance of tangible fixed assets, by the company or a third party to whom activities are subcontracted, and which are necessary to ensure the continuous and efficient operation of these assets, have been left out of the indicator. Consequently, the denominator will bring together the expenditure of these three items of Naturgy's total taxonomic Opex, while the numerator will be made up of the same concepts, but only of the activities recognised as eligible..

In order to obtain the amount of taxonomic Opex in the numerator, the economic area teams of the different businesses were asked to extract the taxonomic Opex data from the system (only the accounts mentioned above) for each facility for each of the activities. This extraction has been carried out on the basis of the consolidated view of the accounts.

In relation to the denominator, the Consolidation area provides the consolidated Group data for the items mentioned in the Delegated Act.

d. Criteria considered in the calculations

In order to avoid double counting, all system extractions are made with the consolidated information of the corresponding items,.

The economic indicators for the climate adaptation objective have not been reported because the investments made to reduce exposure to climate-related physical risks (Capex) were made in previous years, as they were defined in most cases at the design stage. In relation to Opex, the items corresponding to the operation of these measures are integrated into the maintenance items of the facilities, without there being sufficient granularity to provide individualised data with the necessary rigour. In any case, their contribution to the taxonomy is taken into account, since all eligible and aligned activities for the climate adaptation objective are also eligible for the climate change mitigation objective and the corresponding economic indicators are reported in this objective.

In relation to activity 4.10, Electricity Storage, it includes only specific innovation projects. Specifically, the project developed jointly by Octave, Naturgy, and the CIUDEN Foundation, which aims to demonstrate the technical and commercial viability of an energy storage system based on second-life batteries; and the HIB SAE El Escobar project, which involves the installation of an electrical storage system with lithium-ion batteries and ultracapacitors (UCAPs), hybridized with the El Escobar I photovoltaic plant. Further details of the projects are described in the "5. Specific information" chapter of this report, under the "Innovation" section.

In all hybridization projects of photovoltaic or wind farms with batteries, due to their integrated management, it has not been possible to obtain sufficient granularity to differentiate the specific economic indicators of these installations, as they are encompassed within the indicators corresponding to the respective photovoltaic or wind farm reported in activities 4.1 Generation of electricity from photovoltaic solar energy and 4.3 Generation of electricity from wind energy respectively.

Results

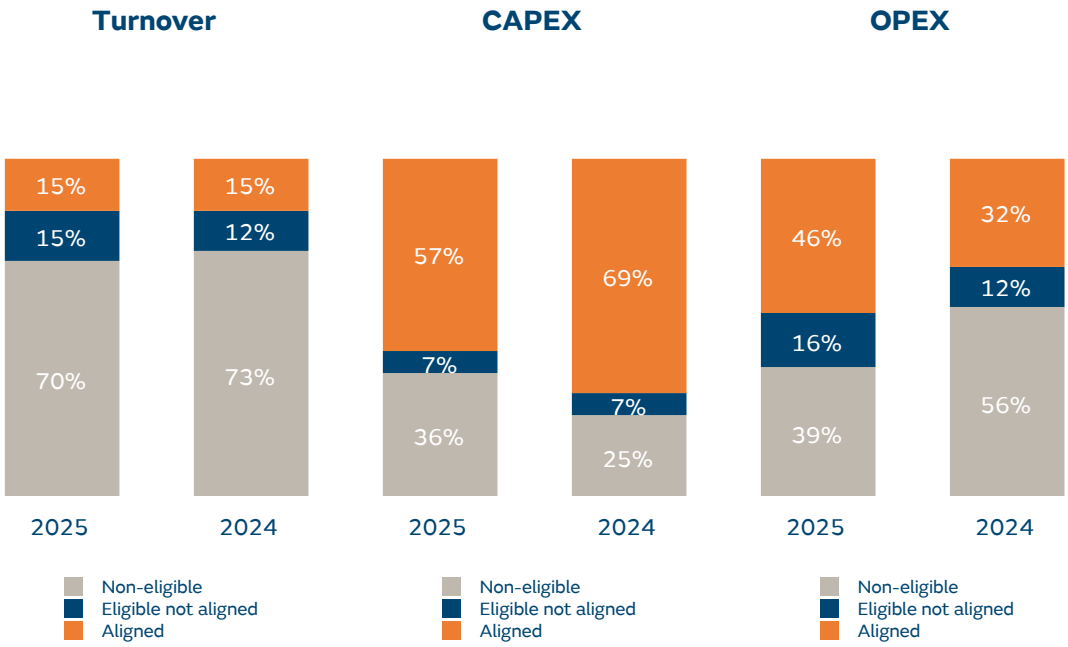
The proportion of eligible and ineligible activities according to the European Taxonomy is shown below. The results have shown different degrees of eligibility according to the indicator.

The turnover indicator shows 30% eligibility, the taxonomic Opex indicator rises to 61% eligibility and the taxonomic Capex indicator reaches 64% eligibility.

Compared to last year, the revenue figure shows a 3% increase in eligibility, while alignment remains constant at 15%.

Regarding the eligibility and alignment percentages for taxonomic capital expenditures (Capex), both decreased by 12%. This decrease is due to the slower pace of investment in electricity generation using solar photovoltaic and wind power technologies, primarily due to delays in project implementation.

Finally, taxonomic operating expenditures (Opex) show a 17% increase in eligibility and a 13% increase in alignment, mainly due to the commissioning of new renewable electricity generation facilities (photovoltaic and wind).



Below, reporting tables are included as required by the Taxonomy Delegated Act, as well as those templates required by Delegated Regulation 2022/1214 covering nuclear and gas activities. In them, we can see that after analysis of the environmental criteria, twelve of the fourteen eligible activities are 100% aligned with the EU Taxonomy (substantial contribution, do no significant harm to the other environmental objectives and compliance with the minimum safeguards). The exemptions are electricity generation from nuclear energy in existing installations and electricity generation high-efficiency co-generation of heat/cool and power from fossil gaseous fuels, all of which do not meet the substantial contribution criteria of Delegated Act (EU) 2022/1214 due to the required level of emissions per energy unit produced and because no technological improvements able to reduce said ratio are foreseen.

EU Taxonomy Report (Regulation 2020/852) - I

- **2025 Turnover**

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/No	Yes/No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.01	151	1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1		
Electricity generation from wind power	CCM 4.03	502	3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2		
Electricity generation from hydropower	CCM 4.05	360	2	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2		
Electricity distribution and transportation	CCM 4.09	1,988	10	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	E	
Storage of electricity	CCM 4.10	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Anaerobic digestion of sewage sludge	CCM 5.06	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.04	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.06	4	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3,006**	**15**	**15**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**15**		

Of which Enabling		**1,992**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**10**	**E**	
Of which Transitional		**0**	**0**	**0**						Yes	Yes	Yes	Yes	Yes	Yes	Yes	**0**		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of hydrogen	CCM 3.10	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Anaerobic digestion of biowaste	CCM 5.07	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Landfill gas capture and utilisation	CCM 5.10	0	0	Y	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Electricity generation from gaseous fossil fuels	CCM 4.29	2,833	15	EL	EL	N/EL	N/EL	N/EL	N/EL								12		
High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM 4.30	56	0	EL	EL	N/EL	N/EL	N/EL	N/EL								0		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,890	15	EL	EL	N/EL	N/EL	N/EL	N/EL								12		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**5,895**	**30**	**30**	**0**	**0**	**0**	**0**	**0**								**27**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**13,560**	**70**																
TOTAL		**19,455**	**100**																

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	15.4%	30.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

▪ 2025 Capex

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Capex	Proportion of Capex	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2024	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.01 / CCA 4.01	390	17	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	29		
Electricity generation from wind power	CCM 4.03 / CCA 4.03	247	11	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	14		
Electricity generation from hydroelectric power	CCM 4.05 / CCA 4.05	16	1	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1		
Electricity distribution and transportation	CCM 4.09 / CCA 4.09	637	28	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	24	E	
Storage of electricity	CCM 4.10 / CCA 4.10	2	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Anaerobic digestion of sewage sludge	CCM 5.06 / CCA 5.06	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15 / CCA 6.15	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)	CCM 7.04 / CCA 7.04	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.06 / CCA 7.06	4	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,296**	**57**	**57**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**69**		
Of which Enabling		**642**	**28**	**28**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**25**	**E**	

Of which Transitional		**0**	**0**	**0**						Yes	Yes	Yes	Yes	Yes	Yes	Yes		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of hydrogen	CCM 3.10 / CCA 3.10	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL									
Anaerobic digestion of biowaste	CCM 5.07	1	0	Y	N	N/EL	N/EL	N/EL	N/EL								0	
Landfill gas capture and utilization	CCM 5.10	0	0	EL	EL	N/EL	N/EL	N/EL	N/EL								0	
Electricity generation from gaseous fossil fuels		148	6	EL	EL	N/EL	N/EL	N/EL	N/EL								6	
High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM 4.30 / CCA 4.30	4	0	EL	EL												0	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**152**	**7**	**7**	**0**	**0**	**0**	**0**	**0**								**7**	
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**1,448**	**64**	**64**	**0**												**75**	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CapEx of Taxonomy-non-eligible activities		**831**	**36**															
TOTAL		**2,279**	**100**															

Adaptation activities are aligned, which is why they are indicated in the table with “Y”, but the granularity in systems to obtain the economic data for the Key Performance Indicator is not available. For this reason the activity is reported as aligned but with amount 0.

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	56.8%	63.5%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

2025 Opex

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Opex	Proportion of Opex	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2024	Category enabling activity	Category transitional activity
		€M	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.01 / CCA 4.01	10	3	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2		
Electricity generation from wind power	CCM 4.03 / CCA 4.03	68	19	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	11		
Electricity generation from hydroelectric power	CCM 4.05 / CCA 4.05	13	4	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3		
Electricity distribution and transportation	CCM 4.09 / CCA 4.09	71	20	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	16	E	
Storage of electricity	CCM 4.10 / CCA 4.10	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Anaerobic digestion of sewage sludge	CCM 5.06 / CCA 5.06	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15 / CCA 6.15	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)	CCM 7.04 / CCA 7.04	0	0	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.06 / CCA 7.06	3	1	Y	Y	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0	E	
Opex of environmentally sustainable activities (conforming to the taxonomy) (A.1)		**165**	**46**	**46**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**32**		
Of which Enabling		**74**	**20**	**20**	**0**	**0**	**0**	**0**	**0**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	**16**	**E**	
Of which Transitional		**0**	**0**	**0**						Yes	Yes	Yes	Yes	Yes	Yes	Yes	**0**		**T**

A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Manufacture of hydrogen	CCM 3.10 / CCA 3.10	0	0	S	S	N/EL	N/EL	N/EL	N/EL		
Anaerobic digestion of biowaste	CCM 5.07	1	0	S	N	N/EL	N/EL	N/EL	N/EL		0
Landfill gas capture and utilisation	CCM 5.10	0	0	S	N	N/EL	N/EL	N/EL	N/EL		0
Electricity generation from gaseous fossil fuels	CCM 4.29 / CCA 4.29	53	15	EL	EL	N/EL	N/EL	N/EL	N/EL		11
High-efficiency cogeneration of heat/ cold and electricity from gaseous fossil fuels	CCM 4.30 / CCA 4.30	3	1	EL	EL	N/EL	N/EL	N/EL	N/EL		1
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**57**	**16**	**16**	**0**	**0**	**0**	**0**	**0**		**12**
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**221**	**61**	**61**	**0**	**0**	**0**	**0**	**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Opex of ineligible activities according to the taxonomy		**140**	**39**								
TOTAL		**362**	**100**								

Adaptation activities are aligned, which is why they are indicated in the table with “Y”, but the granularity in systems to obtain the economic data for the Key Performance Indicator is not available. For this reason the activity is reported as aligned but with amount 0.

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	45.5%	61.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

EU Taxonomy Report (Regulation 2020/852) - II

- **Nuclear and fossil gas related activities**

The Templates required by the EU Delegated Regulation 2022/1214 are included below. As there are no aligned activities, Templates 2 and 3 do not apply in the case of Naturgy.

Template 1

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 4

This section incorporates the Templates published in the EU Delegated Regulation 2022/1214.

2025 taxonomic turnover

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	0	—%	0	—%	0	—%
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	0	—%	0	—%	0	—%
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	0	—%	0	—%	0	—%
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	2,833	14.6%	2,833	14.6%	0	—%
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	56	0.3%	56	0.3%	0	—%
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Turnover	0	—%	0	—%	0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the Turnover**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable Turnover**	**2,890**	**14.9%**	**2,890**	**14.9%**	**0**	**—%**

2025 taxonomic Capex

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	0	—%	0	—%	0	—%
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	0	—%	0	—%	0	—%
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	0	—%	0	—%	0	—%
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	148	6.5%	148	6.5%	0	—%
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	4	0.2%	4	0.2%	0	—%
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Capex	0	—%	0	—%	0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the Capex**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable Capex**	**152**	**6.7%**	**152**	**6.7%**	**0**	**—%**

2025 taxonomic Opex

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	0	—%	0	—%	0	—%
2	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	0	—%	0	—%	0	—%
3	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	0	—%	0	—%	0	—%
4	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	53	14.6%	53	14.6%	0	—%
5	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	3	0.9%	3	0.9%	0	—%
6	Amount and proportion of taxonomyeligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the Opex	0	—%	0	—%	0	—%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the Opex**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
8	**Total amount and proportion of taxonomy eligible but not taxonomyaligned economic activities in the denominator of the applicable Opex**	**56**	**15.4%**	**0**	**15.4%**	**0**	**—%**

Template 5

Attached below are the Templates 5 for the non-eligible activity of nuclear power generation.

2025 taxonomic turnover

Row	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	0	—%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	0	—%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	225	1%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	0	—%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Turnover	0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the Turnover**	**13,336**	**69%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the Turnover**	**13,560**	**70%**

2025 taxonomic Capex

Row	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	0	—%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	0	—%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	25	1%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	0	—%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Capex	0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the Capex**	**807**	**35%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the Capex**	**831**	**36%**

2025 taxonomic Opex

Row	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	0	—%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	0	—%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	24	7%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	0	—%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	0	—%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation2021/2139 in the denominator of the Opex	0	—%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the Opex**	**116**	**32%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the Opex**	**140**	**39%**

Sustainable financing

In the banking market, Naturgy currently has an amount of green finance amounting to 4,003 million euros, 72% (2,885 million euros) of which corresponds to loans whose cost is linked to at least one of the following indicators:

- Direct GHG emissions: three-year average reduction ($MtCO_2$/GWh).
- CO_2 intensity of electricity generation: three-year average reduction (tCO_2/GWh).
- Water consumption: three-year average reduction (hm^3).
- Women in executive positions (%).

The adjustment in the cost of debt is linked to the level of compliance and its variation from the previous year's indicators. It should be noted that the financing linked to ESG indicators basically corresponds to credit lines that have not been drawn down.

The following table shows the evolution of ESG indicators to which these sustainable financing instruments are linked.

ESG indicators of sustainable financing

	2025	2024
Direct GHG emissions: three-year average reduction ($MtCO_2eq$)	12.4	12.9
CO_2 intensity of electricity generation: three-year average reduction (tCO_2/GWh)	242	254
Water consumption: three-year average reduction (hm^3)	18.0	17.4
Women in executive positions [(1)] (%)	41.6	37.4

In addition, Naturgy has several loans granted by the European Investment Bank (EIB) amounting to 2,331 million euros for projects of activities that help mitigate climate change, specifically in electricity networks and electricity generation projects with renewable technologies that are aligned with the EU Taxonomy.

1. Climate Change (E1)

Integration of sustainability-related performance in incentive schemes (GOV-3)

E1.GOV-3_01; E1.GOV-3_02 Naturgy is one of the main actors in the energy sector in Spain and in the Latin America regions where it operates. The company's operating sector is considered to have high climate impact, in terms of greenhouse gas (GHG) emissions and consumption of natural resources.

Consequently, Naturgy aims to remain a key player in the energy transition and contribute to reducing greenhouse gas emissions, taking into account technological advancements and the energy policies and regulations of each country where it operates. To this end, it has established a strategy, driven by its governing bodies, that must be implemented and developed at all levels of the company.

In the General disclosures chapter of this Report and, more specifically, in section "GOV-3 Integration of sustainability-related performance in incentive schemes", the remuneration system of the administrative, management and supervisory bodies and the integration of sustainability therein have been explained. Thus, in addition to the fixed annual remuneration, and in the same period, the Executive Chairman and the management team receive a variable incentive that depends on different economic-financial, operational and sustainability variables. The weight of the objectives linked to sustainability or ESG aspects is 20% and 5% corresponds to environmental aspects, specifically from 2025, to the reduction of GHG emissions of Scopes 1 and 2.

Transition plan for climate change mitigation (E1-1)

Climate change and its consequences are considered priority matters for Naturgy's strategic planning process. The need to involve all actors in the sector, administrations and civil society to achieve climate neutrality in the second half of the century, as established by the Paris Agreement, through a clean, fair and competitive energy transition, represents a driver of innovation and investment with the ultimate goal of mitigating the effects of climate change and finding new solutions that allow us to reduce the human impact on the environment.

E1-1_01; E1-1_13; E1-1_14 Naturgy's strategy on climate change has been a priority matter for years and was included in the 2021-2025 Strategic Plan currently in force, although there has been a significant update during this year. In this regard, Naturgy has approved the Strategic Plan 2025-2027, which endorses the group's commitments in terms of promoting the use of less carbon-intensive technologies and more efficient energy consumption. For the operational development of the new Strategic Plan, on 18 February 2025, the Board of Directors also approved the Climate Transition Plan, which establishes the lines of action that Naturgy will develop in the medium- and long-term for climate change mitigation and adaptation. Thus, this Transition Plan is established as an integral part of the company's strategy and the financial planning for the coming years is aligned with the lines of action that comprise it.

E1-1_12 Currently, Naturgy is excluded from the EU benchmark index harmonized with the Paris Agreement due to revenues generated from its natural gas distribution business. However, it is worth highlighting the company's commitment to promoting the development of renewable gases such as biomethane and green hydrogen as alternative solutions, which are carbon-neutral. Furthermore, natural gas is considered the fossil fuel with the lowest climate impact and is essential as a backup energy source for the development of renewable energy.

Climate Transition Plan associated targets

Naturgy aims to remain a key player in the energy transition towards a circular economy model and progressive decarbonization, reducing its carbon footprint and negative environmental impacts, and integrating biodiversity into its business strategy. All of this will be done while taking into account international frameworks and agreements and their implementation in energy policies and applicable environmental regulations in each of the regions where it operates.

Based on this principle, the company has developed a Climate Transition Plan (CTP) that details the pathways for reducing greenhouse gas emissions and the intermediate targets required by applicable regulations, providing a clear understanding of the company's mitigation efforts.

Naturgy has established the following GHG emissions reduction targets for 2030 in the PTC:

- Reduce the Group's Scope 1 and Scope 2 GHG emissions to 9.70 MtCO2eq by 2030, representing a 36% reduction in GHG emissions compared to the 2022 baseline. This target is aligned with the 1.5°C reduction pathway established by the Paris Agreement. This target is broken down into Scope 1 and Scope 2 emissions as follows:
  - Reduce Scope 1 emissions from 14.74 $MtCO_2eq$ in the base year 2022 to 9.35 $MtCO_2eq$ in 2030, a reduction of 37%.
  - Reduce Scope 2 emissions from 0.36 $MtCO_2eq$ in the base year 2022 to 0.35 $MtCO_2eq$ in 2030.
- Reduce Scope 3 emissions in Spain to 30.7 $MtCO_2eq$ in 2030, a 22% reduction compared to the base year 2022. This target is aligned with the Well Below 2 Degrees (WB2D) reduction pathway of the cross-sector SBTi.
- Reduce the Group's Scope 3 emissions to 101.6 $MtCO_2eq$ in 2030, a 8% reduction compared to the base year 2022.

Additionally, in accordance with the binding climate neutrality targets of the countries where the company operates, Naturgy has the following targets for 2050, subject to applicable energy policies and regulations:

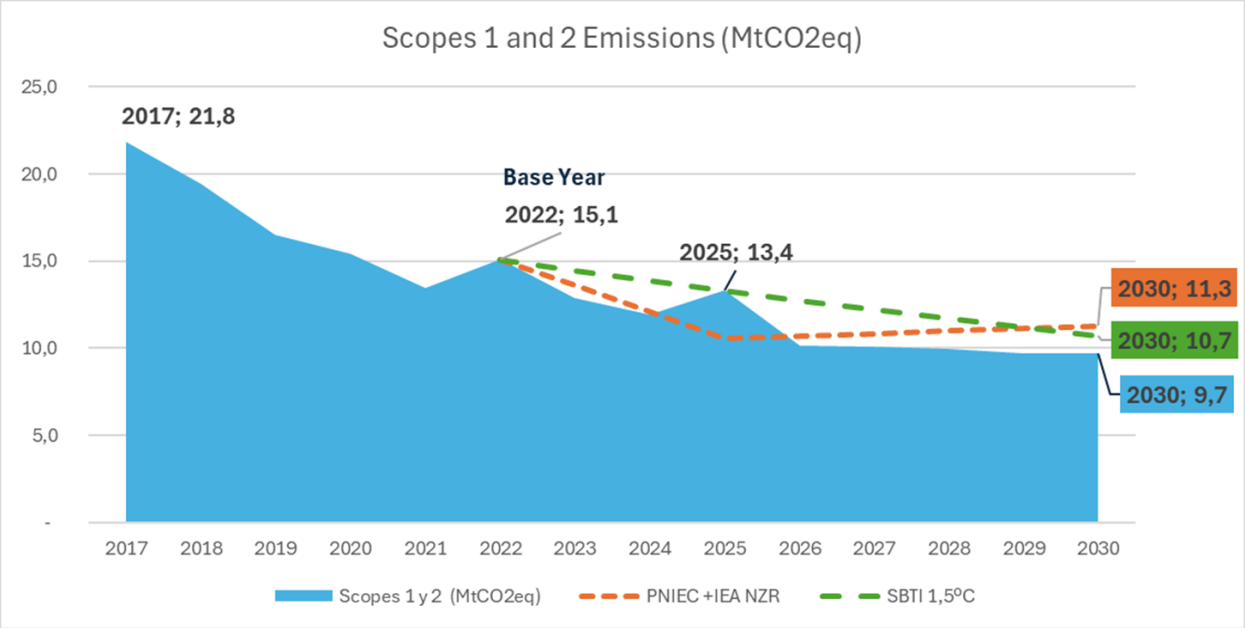
- Achieve the Net Zero target for the group's Scope 1 and Scope 2 emissions.
- Achieve the Net Zero target for Scope 3 emissions in Spain.

All these targets include 100% of emissions and all greenhouse gases (GHG).

E1-1_02 The targets set for Scope 1 and Scope 2 in 2030 are aligned with the 1.5ºC reduction pathway, following the references below:

- In Spain: Integrated National Energy and Climate Plan (PNIEC) 2023-2030.
- In the other countries where no national plans exist, the International Energy Agency (IEA) NET Zero Road Map (2023) reference has been used.
- This target is consistent with the cross-sector pathway set by SBTi for Scopes 1 and 2 with 1.5ºC, detailed in the document "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1".

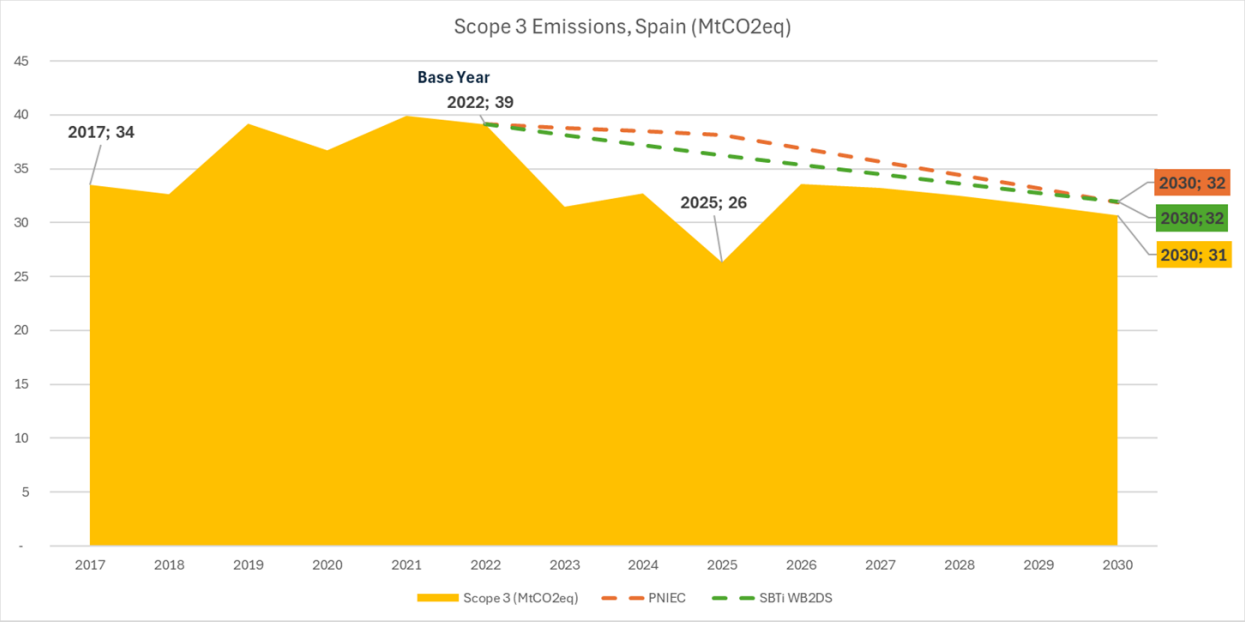
The following graph shows how Naturgy's estimated Scope 1 and 2 emissions in 2030 are below the 1.5ºC reference pathway:



On the other hand, the targets set for Scope 3 in Spain are aligned with the WB2DS reduction pathway, following the references below:

- Integral National Energy and Climate Plan (PNIEC) 2023-2030.
- Cross-sector pathway marked by SBTi for Scope 3 for WB2DS, in the document "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1".

The following graph shows how the estimated Scope 3 emissions in Spain in 2030 are below the path set by the WB2DS:



E1-1_07 Given that the energy sector is strategic for global economies, provides an essential service, and is subject to government policies, Naturgy's achievement of climate neutrality is contingent upon the energy and regulatory policies of each country where it operates. With this safeguard in place, and apart from the development of other technologies to reduce or capture greenhouse gases, Naturgy estimates that emissions blocked by 2050 could be approximately zero, since, in any case, by that date all of its owned thermal power plants will have reached the end of their useful life and the long-term contracts for LNG carriers will have expired (see note 4 “Impairment losses on non-financial assets”, section “Information on impairment tests performed”, of the Consolidated Annual Financial Report).

Climate Transition Plan action lines

E1-1_03 In line with the provisions of the Climate Transition Plan, Naturgy will continue to promote and lead a business model, and an investment plan fully aligned with the energy trilemma: security of supply, accessibility and affordability of energy and mitigation of environmental impact.

Naturgy's Strategic Plan 2025-2027 envisages continuing to invest in energy transition, allocating the main investments to renewable energies, electricity grids and renewable gases. It also plans to continue developing energy solutions that promote efficiency at a competitive cost for customers.

In this regard, the main Climate Transition Plan action lines, included in the Strategic Plan, emanate from an integrated electricity and gas business model that promotes the decarbonisation of energy through technological neutrality and at the lowest possible cost for consumers, specifically:

- Promote solar and wind renewable energies in electricity generation together with the necessary growth of electricity grids, with the back-up power provided by natural gas combined-cycle power stations guaranteeing security of supply.
- Developing renewable gases as a decarbonisation lever of natural gas through biomethane produced from organic waste and, in the medium-/long-term, green hydrogen generated from surplus renewable electricity. This promotes decarbonisation at the lowest possible cost for the consumer, circular economy with the use of waste or surpluses and the economy in rural areas.
- Offer products and services that promote efficiency and are carbon-neutral at competitive prices to consumers and end-users.
- Greater electrification of final demand in those uses where it is more efficient.

It should be noted that the estimate of cash flows for the value-in-use of each of the cash generating units corresponding to Naturgy's businesses, as required by accounting regulations, has taken into account the current state of the assets at closing date, and therefore does not include future investments due to technological changes or those strategic investments foreseen in energy transition.

In order to achieve Climate Transition Plan’s 2050 targets, the following action levers will be taken into consideration[1]:

[1] Supplementary financial information on the Climate Transition Plan action lines can be found in Note 2.24.25 k “Climate change and Paris Agreement” of the Annual Consolidated Financial Report.

Electricity generation

The GHG emissions from this business are the most significant of Naturgy's Scope 1 emissions.

Spain

The objectives set in Spain for Scopes 1, 2 and 3 are based on investment in renewable energies that will gradually displace production with gas combined-cycles over time, up to the point at which storage technologies are developed and security of supply allows it. All of this will be in line with the country's energy policy. Nevertheless, it is worth noting that the nationwide blackout that occurred in Spain on April 28 highlighted that combined-cycle power plants constitute essential infrastructure to ensure security of supply, particularly in a scenario with high levels of renewable energy generation.

The target proposes, thus, to use all the installed power of gas combined-cycle power stations as a back-up unit until the end of their useful lives, provided that security of supply is guaranteed. The cash flow projections used in the impairment tests of Naturgy's gas combined-cycle facilities in Spain foresee their operation until the end of their useful lives, which in all cases will occur before 2050, so it is estimated that at the end of that year the net carrying amount of these assets will be zero.

Mexico

The objectives for Scopes 1 and 2, and by extension Scope 3, can be achieved by combined-cycle power stations closure at the end of their useful life, subject to the country's energy policy for security of supply.

As is the case of Spain, the impairment tests for gas combined-cycle power stations in Mexico foresee their use until the end of their useful lives, which will occur before the end of 2050.

Dominican Republic

Similarly, the objectives mentioned for Scopes 1, 2, and, by extension, Scope 3, can be achieved by closing the fuel oil-fired power plant at the end of its useful life, subject to the country's energy policy to guarantee supply. Financial projections for the Dominican Republic anticipate the operation of the Palamara and La Vega facilities until the end of their useful life, which is estimated to be extended to cover the strategic plan period..

Distribution and marketing of natural gas

The GHG emissions from these businesses are the most significant of Naturgy's Scope 3 emissions.

Spain

The objectives set for Scope 3, in line with the binding national objective of climate neutrality by 2050, can be met by taking into account, on the one hand, a foreseeable decrease in the demand for natural gas due to energy policies associated with electrification and, on the other hand, the development of renewable gases, mainly biomethane in the short term.

In this regard, the 2023-2030 National Integrated Energy and Climate Plan (PNIEC) sets a target of 20 TWh of biogas/biomethane to meet gas demand by 2030. Naturgy forecasts a biomethane injection capacity target in Spain of 1.60 TWh by 2027.

In the case of the Scope 1 target for gas distribution activities, actions are planned to reduce fugitive emissions from the networks and offset remaining emissions when reduction is no longer possible. The volume of these blocked emissions relative to Naturgy's total carbon footprint in 2025 was 0.04%.

Based on the assumptions considered, Naturgy determined that it was not necessary to re-estimate the useful life of the assets as a result of potential direct or indirect impacts from climate change, even in the specific case of the gas networks, thanks to the planned use of biomethane in the short and medium term, which does not require significant investment for adaptation.

Regarding the marketing assets, it is considered that a decrease in natural gas demand could be offset by the effects of the electrification of the economy and the marketing of renewable gases.

Latin America

In the case of Scope 3 of this business, the objectives could be met considering, on the one hand, a foreseeable decrease in natural gas demand due to energy policies associated with electrification and, on the other hand, the potential development of biomethane. In this regard, biomethane development in the countries where the company distributes and markets gas is in its early stages; therefore, to date, a Net Zero 2050 target has not been established for this Scope 3.

In the case of the Net Zero 2050 target for Scope 1 of the gas distribution activity, actions are planned to reduce fugitive emissions from the networks and to offset remaining emissions when reduction is no longer possible. The volume that these blocked emissions represent of Naturgy's total carbon footprint in 2025 was 0.6%.

For the financial projections related to gas distribution assets in Argentina, Brazil, Chile, and Mexico, the same strategy applied in Spain is expected, although with a slower implementation and always in accordance with the energy policies of each country.

Electricity Distribution

The Net Zero 2050 target for Scopes 1, 2 and only for Spain in the case of Scope 3 can be met through the progressive decarbonisation of the electricity systems in which Naturgy operates at the pace set by the countries where this activity is maintained. On the other hand, the remaining technical losses due to Joule effect can be compensated as they are negligible over the total.

Natural gas/LNG procurement

Scope 3 GHG emissions are the most significant in this business.

In 2025, taking into account the expiration of signed supply contracts, expected before 2050 or at the latest in 2050 (see Note 36.3 “Contractual Commitments” of the Consolidated Financial Report), the neutrality targets by that date could be met; however, this is contingent upon the security of supply and energy policies of the countries to which the gas may be destined. Therefore, as of today, Naturgy cannot establish a Net Zero 2050 commitment for this activity.

Naturgy maintains long-term supply contracts for gaseous gas and LNG with various international suppliers. Currently, 55% of the supply for Spain and Europe is covered by these commitments. Some long-standing contracts expired in the 2024-2025 period. Additionally, at the beginning of 2026, EU Regulation 2026/261 came into force, prohibiting the import of Russian LNG into Europe for long-term contracts from January 1, 2027. Finally, the contractual terms of other supply agreements, whose renewal still needs to be negotiated, will expire between 2027 and 2030. In this context, the company is seeking new opportunities by maintaining a diversification of suppliers and geographical origins. Therefore, on November 10, 2025, Naturgy announced the signing of a contract with Venture Global to import 1 million tons of LNG annually for 20 years, starting in 2030, from the United States. This volume only covers a portion of the volumes lost or that may be lost.

Progress in the implementation of the Climate Transition Plan E1-1_15

In relation to the objectives set out in the Climate Transition Plan, the following progress has been made in 2025 compared to the base year 2022 and compared to 2017, the reference year in the company's decarbonization path::

- Scope 1 and 2 emissions have been reduced by 39% compared to 2017 and by 12% compared to 2022.
- Scope 3 emissions have been reduced by 34% compared to 2017 and by 15% compared to 2022.
- There has been an increase of 4,501 MW (130%) in installed capacity from renewable sources compared to 2017, and 2,507 MW (46%) compared to 2022.
- The company's renewable gas production and injection capacity in its distribution networks stands at 0.42 TWh.
- The group's emissions intensity, measured in tCO_2/GWh, has been reduced by 37% compared to 2017 and by 13% compared to 2022.

E1-1_04; E1-1_05; E1-1_06 In order to achieve the objectives of the Climate Transition Plan, Naturgy has planned an investment of 6.4 billion euros in the period of the Strategic Plan 2025-2027, noting that investments for the development of electric renewable energies, development of electricity grids and development of renewable gases, especially biomethane, reach 3.8 billion euros, 59% of the total.

This investment would be almost entirely aligned with the European Taxonomy Regulation (EU) 2020/852 as far as CapEx is concerned. In turn, it is envisaged to finance the investment plan applying the financial discipline of recent years and in any case maintaining a debt rating of BBB.

E1-1_09; E1-1_10; E1-1_11 Estimated CapEx in the 2025-2027 reference period in natural gas and LPG networks-related activities are up to 1.5 billion euros, 24% of the total, mainly for their proper operation and maintenance and, to a lesser extent, to the increase of networks in Latin American countries where the company has this activity and where investments are required for reasons of security of supply or energy planning of the country. On the other hand, CapEx in electricity generation with natural gas combined-cycle power stations-related activities amount to 0.4 billion euros, 7% of the total, also earmarked for the proper operation and maintenance of these facilities and in any case for expansion.

E1-1_08 For economic activities subject to Taxonomy, but not aligned with the previously mentioned Regulation, Naturgy's Transition Plan foresees the following:

- Electricity generation using combined cycle gas turbine power plants is subject to the energy policies of the countries where Naturgy operates. To the extent that these policies advocate for a long-term reduction in dependence on these facilities, until their eventual complete replacement by renewable energy sources, the Net Zero target for 2050 can be achieved, as detailed above. However, as demonstrated in Spain following the nationwide blackout on April 28, combined cycle plants are an essential infrastructure for guaranteeing supply, especially in a scenario with high levels of renewable energy production.

- In Spain, Naturgy plans a gradual replacement of the fossil fuels used in its natural gas and LPG networks with renewable gases (biomethane and, in the medium to long term, green hydrogen) to meet the Net Zero target by 2050. In Latin America, this replacement with renewable gases may require a different pace of development than in Spain, which is why no targets have been set for 2050.

The implementation of the Transition Plan is carried out through different concrete initiatives, which will be described in section "E1-3 Actions and resources in relation to climate change policies" of this chapter.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

E1.SBM-3_01 Climate change is one of the key topics for Naturgy at a strategic level, as highlighted in its Climate Transition Plan described in the previous section. That is why the company has analysed climate change exhaustively on the double materiality assessment, whose methodology is explained in the section "4. Impact, risk and opportunity management" in the General disclosures chapter of this Report.

The climate change analysis has focused on three key sub-topics: mitigation, adaptation and energy management, having concluded that they are all material from both an impact and financial perspective. The full list of impacts, risks and opportunities, which are managed through the different adaptation and mitigation measures included throughout this chapter, is presented below.

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5][6]
CLIMATE CHANGE						
Climate change adaptation						
P.I.[1]	Contribution of hydroelectric reservoirs to resilience against droughts and floods, through the regulation of flows and water storage.		X		Electricity	Current
R	Damage to infrastructure and prolonged disruptions in power generation and distribution due to extreme weather events.		X		Both	Short-term
Climate change mitigation						
N.I.	Contribution to climate change from greenhouse gas emissions in the energy value chain.	X	X	X	Both	Current
R	Displacement of natural gas due to climate policies.	X	X	X	Both	Short-term
	Litigation and sanctions for liabilities associated with climate change.		X		Both	Short-term
Energy						
N.I.	Depletion of natural resources associated with the use of fossil fuels.	X	X	X	Both	Current
P.I.	Contribution to system stability through Naturgy's generation mix.		X		Electricity	Current
	Contribution to the energy transition and the decarbonization of the economy by replacing fossil fuels with renewable energy.		X		Both	Current
O	Development of biomethane and other renewable gases for the decarbonization of the gas system.	X	X	X	Gas	Short-term
	Expansion of renewable electricity generation within the framework of the energy transition.		X		Electricity	Short-term
	Growth of the energy storage business for the integration of renewable energies.	X	X	X	Electricity	Short-term
	Reinforcement the electricity network business through its digitization.		X		Electricity	Short-term
	Diversification of the energy business towards efficiency solutions and distributed generation.		X	X	Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

(6) For the risks and opportunities corresponding to the topic "Climate Change", the time horizons established for climate-related risks under E1.SBM-3_05, as set out in the section "Assessment of climate-related risks and opportunities", are applied.

In terms of material impacts, direct and indirect greenhouse gas emissions are the main focus of current Naturgy's concern. Thus, failing to reduce emissions at intersectoral level is a direct impact driver on climate change, with the consequent damage to the environment and society in general. Given that this problem is already occurring today, Naturgy has been taking them into account in the company's strategic planning for years, being the reason why it has updated its commitments and climate roadmap in the Climate Transition Plan, detailed in the previous section, the aim of which is to establish medium- and long-term targets to reduce its own emissions and those of its value chain and mitigate the impacts. Naturgy's performance in this area in recent years can be consulted in section "Gross Scopes 1, 2, 3 and Total GHG emissions" of this chapter.

Another priority issue for Naturgy, which is related to the above, is climate change adaptation. Being carried out preventively from design and planning and taking into account the climate and nature risks analyses of (the latter are detailed in chapter "Biodiversity and ecosystems"), it involves improving the resilience of activities and assets, both its own and those of the value chain. Otherwise, the impacts and associated risks may be greater.

As a complement, and derived from the sector in which it operates, energy management and the transition to a low-carbon economy are challenges that at the same time present relevant opportunities for Naturgy as an integrated electricity and gas company. In this regard, decarbonisation and energy efficiency have been and will be transformation levers to implement the Climate Transition Plan and the financial plan for the coming years.

In terms of risks, Naturgy has observed that these are transversal across its value chain. On the one hand, the physical consequences of climate change could negatively impact the normal development of its operations and the integrity of certain company assets. On a different level, the current business model could be affected by changes in consumer habits (with a shift towards purchasing or contracting low-carbon products and services, instead of traditional solutions like natural gas) or by climate regulations in the various countries where Naturgy operates, which are becoming more stringent as the energy transition progresses.

Finally, with respect to opportunities, the regulations themselves could induce a paradigm shift in the energy sector, both in the gas and electricity businesses. In the former case, countries' commitment to increasing the use of renewable gases such as biomethane or green hydrogen would promote a less impactful activity in terms of greenhouse gas emissions, achieved through efficiency and better use of existing resources and infrastructure. Furthermore, in relation to the electricity market, government support for new solutions for electricity storage, as well as for the digitalization of electricity networks, would allow for optimization that would benefit all market players and society in general.

Climate risk and opportunity assessment according to TCFD

The financial materiality of climate change double materiality assessment is based on a climate-related risks and opportunities analysis, which provides a realistic view of the potential financial impact in the short-, medium- and long-term. For this analysis, it is essential to distinguish between the concept of **physical** and **transition** risks and opportunities. As a context, and with the aim of creating a common and consistent framework at global level for the consideration of economic risks derived from global warming, the Taskforce on Climate-related Financial Disclosures, TCFD, created by the FSB (Financial Stability Board), established in 2017 a definition and categorisation of these risks that has today become the global reference standard. Specifically, the risks arising from physical events or changes and those arising from the transition to a low-carbon economy are detailed below:

- **Physical risks and opportunities**: those arising from the increasing severity and frequency of extreme weather events (acute physical risks) or from a gradual, long-term change in the earth's climate (chronic physical risks). They can affect companies directly through damage to their assets or infrastructure or indirectly by disrupting their operations or making their activities unviable. These extreme weather events, both chronic and acute, could also lead to an increase in one-off or chronic energy demand and therefore business opportunities for the company.

- **Transition risks and opportunities**: the commitments made by the Paris Agreement signatories and the consequent transition to a decarbonised production system imply a drastic transformation of the global economy through significant changes in regulations, the market or technology, and transversally in the reputation of companies. These changes entail significant risks for companies, but also opportunities.

Physical and Transitional Risks and Opportunities Classification according to TCFD

RISKS		OPPORTUNITIES	
Physical	**Transition**	**Physical**	**Transition**
Acute	**Political-legal**	**Acute**	**Energy sources**
Increased severity of extreme weather events such as winds, rain, and fires.	Climate change policy developments	Revenue growth due to increased electricity demand in the face of increasing frequency of extreme cold and heatwaves	Investment in renewable energy generation
Chronic	**Market**	**Chronic**	**Products and services**
Long-term changes in climate patterns (chronic increase in temperatures and changes in precipitation patterns, etc.)	Changes in supply and demand for certain raw materials, products and services	Revenue growth due to increased electricity demand from warmer temperatures	Developing low-emission products and services to take advantage of changing preferences
	Technology		**Market**
	Structural technological changes favouring the transition to a lower carbon and more energy-efficient system		New markets or diversification of activities
	Reputational		**Resource efficiency**
	Changes in perceptions of contribution or detraction to the transition to a lower carbon economy		Improving the efficiency of production and distribution processes
			Resilience
			Climate resilience to better manage the associated risks and opportunities

Climate change risks and opportunities assessment E1.SBM-3_06

E1.SBM-3_02; E1.SBM-3_03; E1.SBM-3_04 During 2025, Naturgy has updated the climate-related physical and transition risks and opportunities analysis for each of its businesses, considering a series of scenarios determined by different international bodies.

In this regard, a qualitative analysis and an approximation of the anticipated financial effects from climate risks and opportunities could be made and more information can be found in section "Anticipated financial effects from material physical and transition risks and potential climate-related opportunities" of this chapter.

E1.SBM-3_05 The time horizons considered in the risk analysis are: short term, 2030; medium term, up to 2040; and long term, up to 2050. The use of time horizons different from those established by the NEIS is due to the fact that, in the case of climate risks and opportunities, Naturgy considers that they provide a more realistic view in terms of probability of occurrence and financial impact, in line with TCFD. For more information on the time horizons taken into account in the assessment of the rest of impacts, risks and opportunities, refer to section "Disclosures in relation to specific circumstances" in the General disclosures chapter of this Report.

The results of this analysis are presented below:

Classification	Type of risk / opportunity	Potential impacts for Naturgy	Businesses with material impact
Acute physical risks	Extreme winds (cyclone, hurricane, gale)	Damage to facilities, production losses and service interruptions, especially affecting: ▪ The electricity networks of Galicia, in Spain, which represent about half of the networks that the company has in the country, constitute the area with the greatest exposure. ▪ At an international level, smaller networks such as those in San Juan (Argentina) and several provinces of Panama also show vulnerability. ▪ In thermal generation, the Sabón combined cycle power plant shows occasional exposure to episodes of intense wind, while in the field of renewable energies, the solar parks of Australia stand out, especially the Cunderdin plant, located in a region prone to extreme winds and severe storms. Although climate change scenarios predict global changes such as increased atmospheric heat or warmer seas, wind is not solely dependent on these factors. Its intensity also varies due to local elements—mountains, terrain shape, or regional air patterns—which can make winds stronger or weaker, regardless of what each global scenario predicts.	RE / GT / GS
	Extreme rainfall (floods)	Extreme rainfall can cause flooding, erosion, and landslides, affecting the operation and accessibility of assets in vulnerable areas. This risk increases with global warming, which intensifies the atmosphere's capacity to concentrate moisture and produce more severe precipitation. ▪ Gas pipelines are especially sensitive, notably those in Toluca and Jalisco, Mexico, as well as assets in Rio de Janeiro and São Paulo, Brazil, and the Salta pipeline in Argentina. ▪ In the hydroelectric sector, several power plants in Galicia, including Frieira, are vulnerable to episodes of intense rainfall that can affect flood management and dam operation.	RG / GH
	Forest fires	Wildfires, whose risk is intensified by climate change through higher temperatures, lower relative humidity, stronger winds, and prolonged droughts, can cause damage to infrastructure, service interruptions, and prolonged outages, particularly affecting electrical grids located in areas with denser and more continuous vegetation. ▪ In Spain, the most vulnerable areas are Castilla-La Mancha, Castilla y León, and Galicia. ▪ Internationally, the grids of San Juan (Argentina), where vegetation is sparser and the risk is moderate, and several provinces of Panama, characterized by abundant tropical vegetation, also show vulnerability.	RE
Chronic physical risks	Sustained increase in temperature	Damage caused by a gradual and sustained increase in the Earth's average temperature over time. Reduction in gas demand, affecting gas supply, distribution, and marketing businesses, leading to lost profits and business interruption.	A / RG / Com
	Increase in insurance premiums	Increased expenses due to rising insurance premiums, associated with a greater occurrence of extreme weather events.	Corp

Corp: Corporation; RE:Electricity grids; GS: Solar generation; GE: Wind generation; GH: Hydropower generation; GT: Thermal generation; A: Procurement; RG: Gas networks; Com: Commercialisation; GRen: Renewable gases

Identification of t risks and opportunities

Classification	Type of risk / opportunity	Potential impacts for Naturgy	Businesses with material impact
Transition risks	Natural gas displacement due to climate policies and regulations (taxes, emissions trading systems, carbon pricing).	A decline in gas demand due to the energy transition, changes in consumption habits and customers' predisposition towards more sustainable technologies and products is affecting the gas supply, distribution and marketing businesses, resulting in a decrease in revenue and a long-term loss of value of distribution assets.	A / RG / Com
	Market risk affecting thermal power generation	Decline in thermal electricity generation due to a displacement of thermal generation by a higher share of renewable energies may impact the results and the value loss of thermal generation assets.	GT
	Litigation and sanctions related to alleged liability of the company or sector for climate change effects.	Derived financial penalties and negative reputational impact.	Corp
Transition opportunities	Regulatory impulse for the development of biomethane and green hydrogen.	Revenues associated with new business lines (renewable gases). Exploitation of existing natural gas infrastructures.	GRen / RG
	Regulatory impulse for the improvement of electricity grids through their digitalisation.	Increased electricity demand due to increased electrification rate. Revenues associated with increased electricity distribution and commercialisation.	RE
	Regulatory impulse for the development of renewable electricity generation projects.	Revenues associated with renewable electricity generation, and increased provision of electricity guarantees of origin.	GE / GS/ GH
	Regulatory impulse of new business models and services based on energy efficiency, distributed generation, sale of decarbonised energy, etc.	Optimisation of costs associated with national final energy savings obligations through CAEs management. Increased benefits from self-consumption and distributed generation services.	Com

Corp: Corporation; RE:Electricity grids; GS: Solar generation; GE: Wind generation; GH: Hydropower generation; GT: Thermal generation; A: Procurement; RG: Gas networks; Com: Commercialisation; GRen: Renewable gases

Resilience of the company's strategy and business model E1.SBM-3_07

Naturgy has reduced its GHG emissions by 14% between 2022 and 2025, decoupling them from EBITDA generation, which has increased by 8% over the same period. Compared to 2017, GHG emissions have decreased by 35% and EBITDA has increased by 36%. These results validate the soundness of the company's decarbonization and business strategy and the established Climate Transition Plan, and place it in a favourable position to face transition risks and ensure its long-term resilience.

The company's short-, medium-, and long-term planning is aligned with the commitments established in the Paris Agreement to achieve climate neutrality in the second half of the century, while simultaneously carrying out a just, orderly, and equitable energy transition, taking into account security of supply, affordability, and the environmental sustainability of energy. Additionally, in Spain, it is also consistent with the updated Integrated National Energy and Climate Plan for 2023-2030 (PNIEC). This is described in Note 2.4.25k of the Consolidated Annual Financial Report, which explains the impacts of climate risks on the financial statements.

The company will continue to update its operational and energy transition plans on a recurring basis, based on the evolution of all factors that influence the assessment of the climate risks and opportunities described.

It is worth noting that climate risk and opportunity analysis helps Naturgy guide its strategic decisions, as it allows the company to assess the status of its assets and business activities and their potential future evolution. Therefore, the company develops mitigation, adaptation, and utilization activities as needed, enabling rapid adjustments to its strategy based on the specific requirements of each situation and context.

Management of main climate-related physical risks

Classification	Type of risk	Management and mitigation measures	Adaptation measures
Acute physical risks	Extreme winds (cyclone, hurricane, gale)	Insurance policies covering property damage/business interruption, environmental liability, and civil liability on land. Emergency plans for managing incidents and breakdowns at all facilities, continuously updated.	**Electrical Networks**: – Structural reinforcement of lines and supports. – Preventive tree felling and pruning to avoid vegetation fallout. – Weather stations for monitoring and early activation of manoeuvres. – Updated emergency protocols and self-protection plans.. – Route studies to avoid high-exposure areas.. – Digital platform for managing weather incidents. **Thermal Generation:** – Sizing adapted to the climatic location. – Use of AEMET predictive tools for alerts and preventive maintenance. – Self-Protection Plans (PAU) aligned with Civil Protection for risk management. **Solar Generation:** – Reinforced structural design (robust anchors and resistant materials).. – Optimized load distribution to withstand intense gusts. – Height adjustment and panel arrangement to reduce exposure. – Inspections and periodic maintenance of fixings and components. . – Emergency plan for cyclones with measures to secure panels and structures.

Classification	Type of risk	Management and mitigation measures	Adaptation measures
Acute physical risks	Extreme rainfall (floods)	Insurance policies covering property damage/business interruption, environmental liability, and civil liability on land. Emergency plans for managing incidents and breakdowns at all facilities, continuously updated.	**Gas Networks:** – Mapping of flood-prone areas to avoid higher-risk zones in new pipeline routes. – Improvement and maintenance of drainage systems, including cleaning of culverts, ditches, and channels. – Preventive shutdown protocols for extreme conditions to minimize operational damage. – Integration of risk into financial and operational planning, considering maintenance and insurance costs. – Updated contingency and self-protection plans, including specific measures for floods and inundations. – Climate assessment during design phases, incorporating GIS viewers and flood-free certifications. **Hydropower Generation:** – Adapted hydraulic management, including flow regulation and maintenance of ecological flow. – Studies of extreme return periods (up to 5,000 years) to verify the structural safety of dams. – Emergency and self-protection plans reviewed periodically to respond to intense floods. – Continuous monitoring of the condition of infrastructure to guarantee its capacity to absorb and mitigate floods. **Solar power generation:** – Reinforced structural design (robust anchors and resistant materials). – Optimized load distribution to withstand strong gusts. – Adjustable panel height and arrangement to reduce exposure. – Regular inspections and maintenance of fixings and components. – Emergency plan for cyclones with measures to secure panels and structures.

Classification	Type of risk	Management and mitigation measures	Adaptation measures
Acute physical risks	Forest fires	Insurance policies covering property damage/business interruption, environmental liability, and civil liability on land. Emergency plans for managing incidents and breakdowns at all facilities, continuously updated.	**Power grids:** – Early detection using AI-powered cameras on support structures. GIS system connected to Copernicus for real-time fire detection in the grid's vicinity. – IRDI viewer (AEMET) that cross-references the daily risk index with scheduled work, adjusting operational planning for days of higher risk. – Route studies and alternative locations to avoid incompatible areas. – Tree felling and pruning plans and maintenance of safety lanes, supported by the GALA digital system (Advanced Overhead Line Management). – Pilot projects to use line lanes as firebreaks, reinforcing preventative capacity. – Emergency and self-protection plans updated periodically to ensure a coordinated response. – Digital platform for consulting, analyzing, and managing the impact of weather events, improving monitoring and decision-making.

Classification	Type of risk	Management and mitigation measures	Adaptation measures
	Sustained increase in temperature	All facilities are designed to operate in extreme weather conditions, taking into account extreme meteorological phenomena. All risks to workers are assessed, including the effects of heat waves.	Increase the contribution of electricity businesses by promoting electrification and renewable generation, and develop renewable gases for gas businesses. (See management and adaptation measures in Transition Risks).
Chronic physical risks	Increase in insurance premiums	Efficiently manage insurance policy procurement to ensure maximum coverage for incidents and potential losses, minimizing both premium costs and potential damage costs. This is achieved through contracting with the Consortium (in Spain), leveraging synergies between the Group's businesses, and implementing a series of operational measures, such as maintaining an appropriate risk management policy, upholding operational rigor, developing asset maintenance plans based on recommendations from insurers and technology providers, cultivating long-term relationships with insurance markets, and retaining certain risks within the Group's Captive Insurance portfolio.	Consideration, in the calculation of premiums, of the good infrastructure operation and risk management practices employed by Naturgy that reduce the possible damage resulting from extreme weather events.

Management of main climate-related transition risks

Classification	Type of risk	Management and mitigation measures
Transition risks	Displacement of natural gas due to climate policies and affects the distribution, marketing and trading of natural gas and LNG (regulations, taxes, emissions trading systems, carbon pricing).	The Climate Transition Plan and financial plans envisage continued investment in energy transition, with the main investments in renewable energies, electricity grids and renewable gases. In addition, it is planned to continue developing energy solutions that promote efficiency at a competitive cost for customers. In this regard, the main action lines of the Climate Transition Plan, included in the Strategic Plan, emanate from an integrated electricity and gas business model that promotes energy decarbonisation through technological neutrality and at the lowest possible cost for consumers, specifically: – Promote solar and wind renewable energies in electricity generation together with the necessary growth of electricity grids, counting on the back-up power provided by natural gas combined-cycle stations that guarantee security of supply. – Develop renewable gases as a natural gas decarbonisation lever through biomethane produced from organic waste and, in the medium/long-term, green hydrogen generated from surplus renewable electricity. This promotes decarbonisation at the lowest possible cost for the consumer, circular economy with the use of waste or surpluses and the economy in rural areas. – Offer products and services that promote efficiency and are carbon neutral at competitive prices to consumers and end-users. – Greater electrification of final demand in those uses where it is more efficient.
	Displacement of natural gas due to climate policies, and it affects thermal electricity generation	
	Litigation and sanctions for liabilities associated with climate change	Naturgy has a governance and compliance structure to efficiently manage all aspects of sustainability and ESG aspects, id est, the current and future impacts, risks and opportunities that apply to Naturgy. Likewise, Naturgy has voluntarily undertaken the commitment to be a key actor in energy transition towards a circular and decarbonised economy model.

Management of climate opportunities

Classification	Type of opportunity	Management and utilisation measures
Transition opportunities	Development of biomethane and other renewable gases for the decarbonization of the gas system.	The impulse and innovation for renewable gas development (biomethane and green hydrogen) will make it possible to provide a new energy product, which can replace natural gas, but with neutral CO_2eq emissions in a circular economy model. Renewable gas will maintain the value of distribution network assets in the long-term and allow customers to decarbonise the energy they use with minimal changes to their facilities, in a more efficient way thanks to existing gas infrastructures.
	Strengthening the electricity network business through its digitization.	Growth in the electricity distribution and commercialisation business associated with the growing trend of economy electrification, as well as the increase in the global average temperature.
	Expansion of renewable electricity generation within the framework of the energy transition	Development of new renewable energy projects to decarbonize electricity generation. Reducing investment costs compared to other technologies. Positioning in a growing market linked to renewable energy (Power Purchase Agreements, Guarantees of Origin, etc.), with combined cycle gas turbine power plants being the best possible support for renewable energy in any timeframe.
	Diversification of the energy business towards efficiency solutions and distributed generation. Growth of the energy storage business for the integration of renewable energies.	Impulse in energy efficiency by investing in real energy efficiency actions through the management of Energy Saving Certificates (CAEs). Optimisation of the costs associated with the annual obligation to contribute financially to the National Energy Efficiency Fund (FNEE), taking into account the energy saving targets of the obligated parties. Commitment to energy service companies (ESCOs) business models. Development of new services to promote renewable self-consumption among customers, currently launched through Naturgy Solar.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)

The identification of impacts, risks and opportunities, applicable to Naturgy's operations and its value chain, related to climate change, has been conducted as from the 2025 double materiality assessment. For more information on the methodology used, the section "4. Impact, risk and opportunity management", in the General disclosures chapter of this Report can be consulted.

In the specific case of the impacts assessed, particular attention has been paid to actual and potential GHG emissions throughout the value chain, given their direct link to climate change, and in line with applicable international agreements, the European Climate Law, local laws in the countries where the company operates, and Naturgy's own climate neutrality ambitions. Therefore, as it does every year, Naturgy has calculated and disclosed its total emissions, according to the three scopes, and has analysed the potential future evolution of its assets and business relationships in this area.

Furthermore, as introduced in the previous section, the financial materiality assessment relies on a climate-related physical and transition risks and opportunities analysis, based on the following inputs:

- The international TCFD framework.
- The company's risk policies and risk profile to identify what is an acceptable level of risk.
- Context analysis of potential theoretical scenarios, where public projections by international organisations, as well as internal assumptions based on the specific characteristics of each business, were taken into consideration.
- E1.IRO-1_16 The scenarios used are compatible with the Climate Transition Plan and the financial strategy 2025-2027.
- E1.IRO-1_05 Consideration of various time horizons for carrying out sensitivity analyses of the defined climate scenarios:

    - Short-term, 2030.
    - Medium-term, up to 2040.
    - Long-term, up to 2050.

    The use of different time horizons to those included in the ESRS is due to the fact that, in the case of climate-related risks and opportunities, Naturgy considers that they provide a more realistic view in terms of probability of occurrence and financial impact, in line with the TCFD initiative. More information can be found in section "Disclosures in relation to specific circumstances", in the General disclosures chapter of this Report.
- Identification of variables and indicators related to climate change and energy transition and collection of associated data for each of Naturgy's activities and assets in operation; as well as the main key metrics for the energy system, including, among others, energy demand, commodity and CO_2 prices, total electricity generation and by technology, as well as renewable gases development.

Climate scenarios used E1.IRO-1_08; E1.IRO-1_13; E1.IRO-1_15

The use of theoretical climate scenarios is an important component of the climate-related risks and opportunities analysis, especially with regard to assumptions about temperature variability, greenhouse gas emission trajectories based on policies, international commitments and energy and land-use transformations, the frequency and intensity of extreme weather events, new technological developments, resource use, socio-economic factors, etcetera, which help to understand how climate conditions and associated impacts may evolve. The scenario analysis is aligned with TCFD recommendations, and the ESRS themselves.

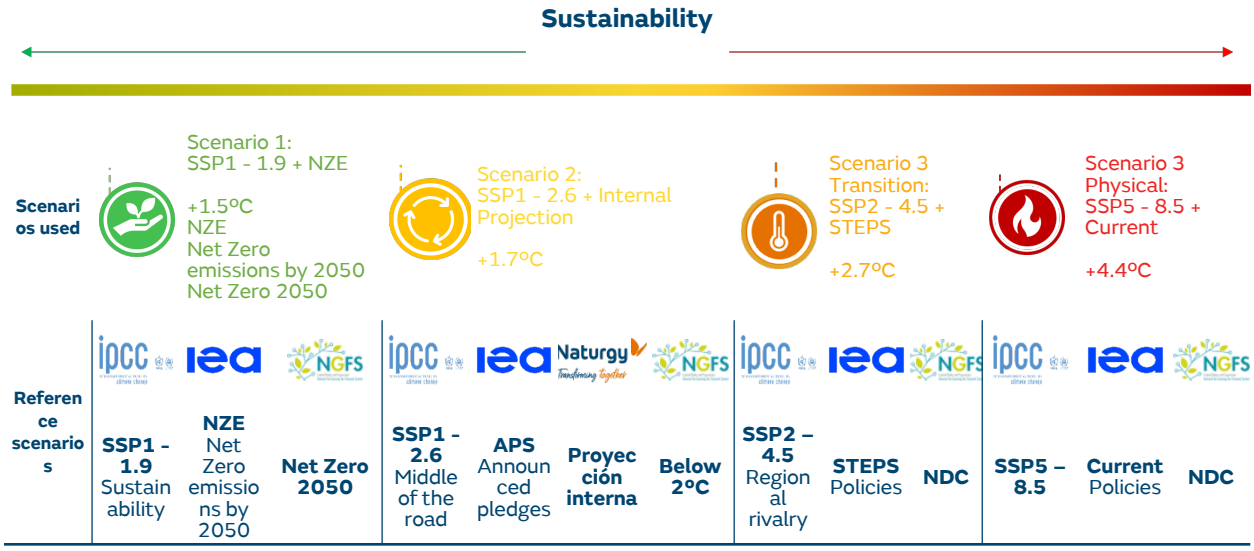
For the physical risks analysis, in particular, the scenarios used in the models show how physical climate phenomena change in response to increases in greenhouse gases, including variables such as temperature rise, sea level rise and changes in the frequency and severity of extreme weather events. And for the transition risks and opportunities analysis, the scenarios consider the impact on global temperature from the implementation of different policies and regulations in relation to emissions reductions, energy transition, investments in resilient infrastructure and technology development.

The selected scenarios are aligned with the requirements of the NEIS (National Energy and Climate Strategy), having considered at least one scenario consistent with the Paris Agreement that limits climate change to 1.5°C (NZE), and one scenario for high emissions scenarios. Within the latter, one scenario is used for the transition risk analysis, the STEPS scenario, in which, although fossil fuel demand remains high, some measures are taken that will influence the energy transition; and another scenario for the physical risk analysis, of persistently high emissions (Current), in which the slowdown in the adoption of global commitments and policies could lead to temperature increases exceeding 4°C by the end of this century.

Likewise, a central scenario is considered that incorporates the projections of Naturgy's Transition Plan and the Announced Pledges Scenario (APS), where the global temperature will not increase by more than 2°C by 2100 compared to pre-industrial levels.

In all scenarios, projections published by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the Network for Greening the Financial System (NGFS) were taken into account. In addition, specific business models for each region where Naturgy operates, as well as the company's strategic projections, were considered.

Naturgy believes these scenarios are optimal for modelling potential future climate risks and opportunities. However, these scenarios are sometimes regional, and obtaining more granular results (for example, at the national level) complicates the analysis. Therefore, they should be supplemented with the company's own data for the regions where it operates.



Scenario 1: Net Zero Emissions (NZE)

This is the most ambitious climate scenario, based on the IPCC's SSP1-1.9, the IEA's "Net Zero emissions by 2050" and the NGFS' "Net Zero 2050" scenarios, as it assumes that net zero emissions will be achieved by 2050, with some developed economies achieving this goal earlier than expected. It considers sustainable social and economic growth with a global temperature increase of no more than 1.5°C by 2100. It sets out a regulatory framework that encourages the reduction of fossil fuel use and promotes the development and use of clean technologies.

It foresees rapid economic growth thanks to the creation of thousands of jobs related to energy transition due to the promotion of renewable energies, which, in addition to improving life quality, will help to meet the 2030 Agenda. Investments in the development of electric means of transport, in fuels that generate lower emissions and in technologies for clean energy production (wind, solar, among others) will lead to 100% renewable electricity generation by 2050.

Scenario 2: Announced Pledges Scenario (APS)

This scenario assumes that all current published global climate commitments, including Nationally Determined Contributions and Net Zero targets, will be met on time. However, only those economies aiming for net zero emissions by 2050 will achieve this goal through international cooperation, social participation, and a gradual reduction fossil fuels use and price, while CO_2 prices will rise. A temperature increase of no more than 1.7°C is projected for 2100.

This analysis is based on the IPCC's SSP1-2.6, the IEA's Announced Pledges Scenario and the NGFS' Below 2ºC, together with in-house Naturgy estimates aligned with the Integrated National Energy and Climate Plan (PNIEC) 2023-2030 and the Spain's Long Term Decarbonisation Strategy 2050 (ELP 2050).

It considers an increase in policies and regulatory standards in order to meet climate commitments, as well as international cooperation to promote the use of alternative fuels and technologies. In particular, in Spain, a rapid and extensive development of renewable gases as a decarbonisation lever is expected.

Greater social involvement is also expected to support the 2030 Agenda, with investments and access to clean energy in low-income countries, generating employment in renewable energy and energy efficiency.

Scenario 3 Transition risks: Stated Policies Scenario (STEPS)

This scenario assumes a slowdown in setting more ambitious commitments or potential breaches of existing commitments. Policies are adopted to reduce fossil fuel use, but demand remains high and investment in renewable energy is conservative. As a result, developed economies do not achieve net-zero emissions by 2050, and the global temperature increases by 2.7°C by 2100. Some of the assumptions underlying this scenario are:

- It is based on the IPCC's SSP2-4.5 scenarios, the IEA's "Stated Policies Scenario", and the NGFS's "Nationally Determined Contributions".
- The starting point is the fact that governments do not meet all announced climate goals, but only those that are currently feasible.
- Demand for fossil fuels remains constant compared to current consumption. Dependence on fossil fuel imports persists. The risk of price volatility in energy markets remains.
- The transition to the use of renewable energy is therefore delayed.

Scenario 3 Physical risks: Current Policies Scenario (CURRENT)

This scenario assumes that total energy consumption and CO_2 emissions continue to rise until 2050, driven by oil and gas in emerging economies. Fossil fuels remain dominant, and the deployment of renewable energy is limited. The global temperature increase could exceed 4°C by 2100, representing the worst-case scenario according to the IPCC.

In this context, governments do not introduce new policies to accelerate the energy transition. Investments are concentrated in fossil fuel infrastructure, while clean technologies remain marginal. The lack of additional regulation and incentives for decarbonization perpetuates structural dependence on fossil fuels, increasing vulnerability to energy crises and extreme climate risks.

Therefore, the Current scenario assumes no new policies, an implausible assumption for analyzing transition risks and more appropriate as an extreme scenario for physical risks. For this reason, it has been replaced by the Stated Policies Scenario (STEPS) for assessing transition risks, as a high-emissions scenario.

E1.IRO-1_07 In conclusion, in 2025, Naturgy updated the high emissions scenario used for the assessment of physical risks arising from climate change, moving from the SSP-4.5 scenario to the SSP-8.5 as the main reference.

Physical risks and opportunities assessment process E1.IRO-1_02

E1.IRO-1_04 Physical risks are assessed at the level of the facilities themselves (using their geolocation) and types of assets (linear networks), in order to ensure that they can be operated and accessed in a safe manner under extreme weather conditions. To this end, the methodology for assessing physical risks is based on the following premises:

- **Assets damage**: estimation of potential damage to assets resulting from catastrophic events, considering the variables of occurrence and intensity of the events.
- **Business disruption**: estimated annual business disruption costs proportional to the number of days on which the hazard intensity exceeds a relevant threshold. It assumes that on each of these days a fixed proportion of revenue is lost, specific to each sector.

E1.IRO-1_03; E1.IRO-1_06 Climate-related physical risk affects all company's facilities to different degrees. Particularly those infrastructures with a long useful life and located in regions with greater exposure to extreme weather events are at risk. Therefore, Naturgy's risk model is based on modelling the exposure and vulnerability of assets to different adverse weather events:

Term	Definition
Exposure	The number of items that are prone or subject to certain hazards and that may cause effect on them
Vulnerability Sensitivity Susceptibility	An asset's predisposition to be affected, including sensitivity or susceptibility to financial damage (or opportunities) and adaptation capacity.
Danger Risk	Natural phenomenon in question: occurrence probability and extreme weather events intensity.

In the section "Material impacts, risks and opportunities and their interaction with strategy and business model" of this chapter, the various climate-related hazards that could result in risk to the company and the potential impact should they materialise are indicated.

Transition risks and opportunities assessment process E1.IRO-1_09

Transition risks and opportunities assessment aims to provide a qualitative and prospective analysis of the impact that climate change may have on the profitability of an activity or company:

- Identification of risk parameters in each business and country, id est, those parameters sensitive to potential changes in each of the simulated climate scenarios: current and future climate regulation and policies, technological advances in terms of energy efficiency, new energy sources or carbon emissions capture, the evolution in the supply and demand of fossil fuels and decarbonised products and services or the increase in production costs, among others.
- Analysis of the risk parameters behaviour according to the scenario: what actions are required to adapt the business model to emerging trends and new opportunities in each scenario.
- Impact assessment: variations in the above operational parameters affect profitability and other indicators for each business and country.

E1.IRO-1_10; E1.IRO-1_11; E1.IRO-1_12 In this regard, the analysis carried out has enabled Naturgy to assess which assets typologies are exposed to transition risks in the short-, medium- and long-term, depending on the evolution of the risk parameters considered for each business and in each scenario. Although Naturgy has availed itself of the phase-in provision on disclosing information on anticipated financial effects from risks and opportunities, as established by ESRS 1 in Appendix C, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 (see section "Anticipated financial effects from material physical and transition risks and potential climate-related opportunities" in this chapter), qualitative information on such effects has been included. Potential financial effects have also been identified during the 2025 financial year, reflected in Note 2.4.25.k “Climate change and energy transition” of the Consolidated Annual Financial Report.

E1.IRO-1_14 On the other hand, business activities that require efforts to be compatible with the transition to a carbon-neutral economy are those related to natural gas. Naturgy's Climate Transition Plan (section “Transition plan for climate change mitigation” of this chapter) establishes the action lines that the company must develop in the future to achieve its decarbonisation targets and advance the energy transition.

Policies related to climate change mitigation and adaptation (E1-2)

[E1.MDR-P_01-06] Naturgy sets out its main principles and commitments regarding its contribution to climate change mitigation and adaptation in the Global Sustainability Policy.

This Policy establishes the basic action principles that guide Naturgy's activity in relation to the impacts, risks and opportunities derived from energy use and associated with climate change mitigation and adaptation. [MDR-P_01]

[MDR-P_04] Specifically, Naturgy aims to remain a relevant player in the energy transition and to contribute to the reduction of GHG emissions, taking into account the advancement of technologies and the energy policies and regulations of each country where it operates.

[MDR-P_02] [MDR-P_03] [MDR-P_05] [MDR-P_06] Further details on other minimum disclosure requirements on this policy can be found in the "Corporate Policies" section of the General disclosures chapter of this Report.

[E1-2_01] In addition, the Global Sustainability Policy establishes the following climate change-related commitments:

- Promote renewable energy, electricity and gas, and a business model aligned with the energy trilemma: ensuring security of supply, accessibility and affordability of energy and mitigation of environmental impact.
- Develop and communicate the Climate Transition Plan, detailing the pathways for reducing greenhouse gas emissions and intermediate objectives required by applicable regulations, which will allow for an understanding of the mitigation efforts undertaken by the company.
- Develop strategies and implement specific actions for adaptation to climate change.
- Identify, assess, manage and report the financial impacts and effects of climate risks and opportunities (physical and transitional), in accordance with the regulatory requirements of the countries in which it operates.
- Publish annually the carbon footprint in all its aspects, verified by an independent third party.
- Develop products and services to reduce greenhouse gas emissions in the value chain.
- Promote decarbonization goals in line with the principles of a just transition, involving and seeking the consent of affected parties.

Actions and resources in relation to climate change policies (E1-3)

Naturgy has demonstrated its commitment to addressing climate change over the past several years through various initiatives aimed at advancing its decarbonization goals and the energy transition.

Naturgy's climate strategy is defined by its 2025-2027 Strategic Plan, the corresponding 2025-2027 Sustainability Plan, and the Climate Transition Plan, described in the "Transition plan for climate change mitigation" of this chapter.

E1-3_01 The Climate Transition Plan includes different climate change mitigation and adaptation and energy decarbonisation levers, where Naturgy must focus its efforts around in order to achieve the ambitions set for the long- term. The main actions promoted by Naturgy this year, in line with these levers, have been as follows:

Investment in renewable energy generation

MDR-A_01; MDR-A_02 Naturgy has been committed for years to promote renewable energies as a driver for carbon neutral economy. Thus, as indicated in the new Transition Climatic Plan, Naturgy considers preferential to promote the development of wind and solar energy, ensuring on the other hand the security of supply with the operation of natural gas combined-cycles. At present, Naturgy's global renewable energy portfolio amounts to 8.02 GW of installed capacity.

MDR-A_03; MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12 To achieve the above ambitions, in line with the Strategic Plan 2025-2027, a capital allocation of 659 million euros has been registered in 2025, mainly destined for the construction of new wind farms, photovoltaic plants and battery storage, as well as an investment of 637 million euros in electricity transmission and distribution networks, which facilitates the integration of this renewable production and strengthens the capacity of the electricity system to efficiently manage the planned growth in renewable generation.

MDR-A_04; MDR-A_05 The main projects developed during 2025 have been:

- 505 MW of renewable energy capacity has come online in Spain, through six projects located in Extremadura, Castile and León, the Region of Murcia, and Castile-La Mancha. Extremadura accounts for the largest contribution, with three photovoltaic plants.
- Repowering projects have begun at three wind farms in Galicia (PE Novo, PE Monte Redondo, and PE Somozas), maintaining the installed capacity but significantly reducing the number of wind turbines. These projects are financed by the European Union – NextGenerationEU under the Recovery, Transformation and Resilience Facility, through the Circular Repowering Program managed by IDAE (Institute for Energy Diversification and Saving).
- Construction has begun on the first battery storage projects in Spain, which will be integrated with the photovoltaic parks of Tabernas I and II (Almería), Carpio de Tajo (Toledo), La Nava (Ciudad Real), and El Escobar and Piletas (Las Palmas). These projects have also received funding from the European Union's NextGenerationEU program.
- Naturgy's second renewable energy facility in the United States, the Grimes County Solar Project, with a capacity of 261 MW, has begun operations in Texas. This plant joins 7V Solar Ranch, bringing the total peak capacity in the state to 563 MW. Construction has also begun on the third photovoltaic plant in the country, the Mark Center, located in Ohio, with an installed capacity of 124.5 MW.

The development of renewable energies not only supports the mitigation of climate change and the decarbonisation of the economy, but also, in certain cases, can serve as a vector for adaptation to the consequences of climate change. Thus, Naturgy has in operation different hydroelectric generation plants, which, through proper and efficient management, could generate a positive impact by regulating adverse weather phenomena such as droughts or extreme rains. Further details can be found in the section "Material impacts, risks and opportunities and their interaction with strategy and business model" in this chapter.

Just energy transition

The energy transition is so necessary and urgent that it creates a number of unintended consequences for communities, especially for working people who may see their livelihoods disappear.

The example of this that has affected Naturgy in Spain is the closure decreed by the competent administration of the coal-fired power plants. To mitigate the impacts of the closure, the "Agreement for a Just Energy Transition for thermal power plants in closure" was signed in 2020. This includes the commitments of the Spanish government, energy companies and trade unions to guarantee employment and the reactivation of the economy in the areas affected by the closure of thermal power plants located in Aragon, Andalusia, Principality of Asturias, Castile and Leon and Galicia. This agreement also established the commitment of the parties to work on the elaboration of Just Transition Agreements that would include a participatory process of mobilisation and consultation for their elaboration.

Closure of coal-fired power plants and accompanying plans

MDR-A_01; MDR-A_02; MDR-A_04 In 2020, Naturgy closed all its coal-fired power plants in Spain, so this fuel is no longer used for electricity generation in its own operations, which has reduced the company's impact on the environment thanks to the reduction of scope 1 GHG emissions.

Naturgy has also drawn up accompanying plans for each of the closed plants, which detail the commitments made by the company:

- Proposals for new investments in renewable energies in the same territories.
- Outplacement plans for own workers.
- Prioritisation of local companies and affected workers, in the contracting of decommissioning work.
- Search for investors.
- Participation in support schemes for the improvement of employability in new activities, including specific training schemes.

These support plans have taken into account the main affected stakeholders and are focused primarily on promoting economic activity in the areas where the plants were located. The company's approach to these plans is based on the following premises:

- Prioritise environmental measures and health and safety procedures in decommissioning.
- Engage with stakeholders in the plant environment.
- Giving sites a second life by finding alternatives for new industrial uses.
- Mitigate as far as possible the economic and employment impact on the areas and maintain the historical link with the territories.
- Support job creation and contribute to the training of workers in new skills adapted to the requirements of the energy transition.

MDR-A_05 During 2025, Naturgy continued the dismantling process of the Narcea Thermal Power Plant, the only one of the four where demolition work was still pending. The status of the dismantling process at the different sites at the end of 2025, and its comparison with 2024, is as follows:

Facility	Degree of progress (%) 2025	Degree of progress (%) 2024	Degree of progress (%) 2023
TPS Anllares	100	100	98
TPS La Robla	99	99	93
TPS Meirama	100	100	86
TPS Narcea	100	85	56

MDR-A_03 The decommissioning of the Anllares and Meirama power stations ended in 2025. In the case of the La Robla power station, dismantling was also completed in 2024, although the levelling of the site on which it was located is pending (for which the aggregate produced by crushing the aggregate from demolition is used). The completion of this work is scheduled for the first quarter of 2026. The dismantling of the Narcea power plant was completed in 2025.

In the dismantling work, priority has been given to safety procedures and environmental measures that do not affect third parties and the environment. To this end, priority is given to ensuring that the demolition techniques are minimised in terms of risk and that the dismantling materials and equipment are reused and recycled.

As a result of the decommissioning, Naturgy has drawn up an investment plan in the affected areas that prioritises more efficient, less emitting and more environmentally friendly generation technologies. The alternative plans to date are as follows:

La Robla power station (Castile and Leon)	Meirama power station (Galicia)	Narcea power station (Asturias)
– Development of three photovoltaic parks and substation. – Green hydrogen plant together with Enagás Renovable with an electrolysis capacity of 280 MW. – Development of two electricity storage projects using lithium-ion batteries, hybridized with the PV plants at the La Robla Just Transition Junction, with a combined capacity of 400 MWh and a total power output of 100 MW.	– The Meirama and As Encrobas wind farms and the new substation, with favourable Environmental Impact Statements (EIS) since November and December 2022, respectively, are currently suspended by the High Court of Justice of Galicia. – A biogas plant in partnership with Repsol and Reganosa. – A stand-alone lithium-ion battery storage project with a capacity of 600 MWh and a power output of 150 MW. Submitted to the Just Transition tender, pending resolution.	– Transfer to Tineo Town Council of the village annexed to the power station to be used for social purposes. The refurbishment project has received 3.5 million euros in aid from the IJT. – Execution of the project for the reorganisation of the Narcea riverbed as it passes through the power station. – Construction of an urban wastewater treatment plant to replace the existing one at the power station.

The new Global Sustainability Policy includes among its commitments regarding climate change and energy transition, the promotion of decarbonisation targets in line with the principles of just transition, involving and seeking the consent of affected parties.

Since the start of the decommissioning of coal-fired plants, this principle has guided the company's actions through investment plans aimed at developing new renewable technologies that contribute to the decarbonisation targets or, as in the case of the Narcea thermal power station, adapting the land where the plant was located to donate it to the municipality so that an alternative economic activity can be started. In the design of these plans, collaboration with the different stakeholders and the creation of alliances have been a constant feature.

E1-3_05 Both the decommissioning and the foreseen investment plans require the availability of both financial and human resources. These resources have been provided by Naturgy and will continue to be so as the materialisation of these investments makes it necessary. It should be pointed out that some of the planned actions go beyond the company's legal decommissioning obligations; for example, the financing of the project for the reorganisation of the Narcea riverbed as it passes through the plant.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 In financial terms, and following the closure of all Naturgy's coal-fired power plants in the first half of 2020, the Group has not generated electricity using coal since. These facilities are fully amortized/provisioned by December 31, 2025, taking into account that, as previously mentioned, the dismantling of the Narcea Thermal Power Plant was completed this year and the work at La Robla is practically finished. The Anllares and Meirama thermal power plants have been completed since 2024.

Employment and training

MDR-A_01; MDR-A_02; MDR-A_04 In addition to the development of projects that contribute to maintaining the economic and industrial activity of these areas, Naturgy's commitment includes the promotion of employment. In this regard, it should be noted that the closure of the plants was communicated both to the workforce directly affected and to the workers' representatives. For the relocation of professionals, the aim was to minimise the impact of the change of work centre, making the most of the means offered by Naturgy and the flexibility of the units and equipment. Thus, a large part of the workforce requirements for the renewable technology development projects were covered with personnel from the coal-fired thermal power plants.

Regarding the workers in the value chain, communication was established with the contracting companies to inform them about the next steps to be taken and about the channels for applying for employment in the dismantling work. These channels have ensured equal opportunities based on the identification of the typology of profiles by the companies awarded the dismantling work at each of the work centres.

As far as possible, for decommissioning work priority has been given to hiring personnel residing in the municipalities where the plants are located or in nearby areas. Local employees are considered to be those who reside in the municipality of the sites or who reside in different municipalities and are registered in the Institute for a Just Transition labour exchange.

- **Local employment (% of total number of people hired)** MDR-A_05

Power station	2025	2024
La Robla	0	58
Meirama	0	33
Narcea	37	37

MDR-A_03 The hiring of local personnel for the dismantling of the power plants ends at the conclusion of this process. Currently, none of the plants employ local staff, although occasional service contracts with local companies may be awarded, or personnel may be hired for spreading the aggregate from the demolition of the La Robla thermal power plant, scheduled for 2026.

In addition, when construction work begins on the projects planned at the various sites (wind farms, photovoltaic farms, substations, etc.), new opportunities will open up for the recruitment of local staff.

Job creation requires people training and preparation. Thus, within the Alliance for Vocational Training framework of the Ministry of Education and Vocational Training and linked to the Vocational Training Programme for Employability, the Naturgy Foundation provides workshops aimed at teachers, students of training cycles, unemployed and employees in the sector. Specific training in new energy technologies such as the installation and maintenance of photovoltaic panels, renewable gases and the digitalisation of electricity grids should be highlighted.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 The financial allocation associated to these initiatives is included in the company's social investment, which is detailed in the "Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities" section of "Affected communities" chapter of this Report.

Renewable gas production: biomethane and green hydrogen

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 In 2025, the company consolidated the business unit created in 2024 to drive the large-scale development of renewable gases as a key component of the Climate Transition Plan. This initiative contributes to reducing Scope 1 and Scope 3 greenhouse gas emissions associated with fossil natural gas, utilizing existing infrastructure and without abatement costs for the end user in the case of biomethane. Furthermore, the use of this renewable gas fosters other positive impacts such as the circular economy and employment in rural areas.

Spain and Europe are undergoing a profound energy transformation to achieve a 100% renewable and energy-independent system, especially from countries like Russia. In this context, the production of renewable gases is key to decarbonizing the economy and ensuring security of supply. Specifically, for Naturgy, the development of biomethane has strategic importance due to:

- Decarbonization and alignment with climate objectives: building biomethane plants and injecting it into distribution networks allows the company to advance in the reduction of GHG emissions, aligning itself with European and national policies to combat climate change.
- Offering renewable gases, a carbon-neutral energy source, to customers: complementing the supply of traditional renewable energies (solar and wind) with a decarbonized alternative to gas allows taking advantage of existing networks (especially in the case of biomethane), diversifying and strengthening the supply of sustainable energy efficiently.
- Energy security and independence: by producing renewable gas locally, dependence on natural gas imports from third countries is reduced, reducing price volatility and exposure to geopolitical risks.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 For the development of the main initiatives related to renewable gases, Naturgy has allocated a total of 11 million euros, with the breakdown shown in note 2.6 of the Consolidated Management Report 2025.

Regarding biogas and biomethane use cases, Naturgy has a grid injection capacity of 0.42 TWh by the end of 2025 in Spain, combining its own production and that of third parties. This, although still in its early stages, supports the ambition reflected in the 2023-2030 National Integrated Energy and Climate Plan (PNIEC) to achieve a biomethane production of 20 TWh by 2030.

The company manages a broad portfolio of biomethane projects in Spain, at various stages of development, and has three of its own production plants in operation: at the Bens Wastewater Treatment Plant in A Coruña, at a landfill in Cerdanyola del Vallès (Barcelona), and at a slurry farm in Vila-Sana (Lleida).

Furthermore, in the development of an emerging sector like this, the participation of all stakeholders involved in biomethane production, including the generation and treatment of organic waste, is fundamental. For this reason, partnerships are essential for its successful growth. In 2025, strategic alliances were signed with HispaniaSilva, BioecoEnergías, and IDEnergyGroup to accelerate the development and deployment of biomethane in Spain.

Moreover, green hydrogen is a medium-term energy carrier capable of:

- In early 2025, Naturgy signed a strategic alliance with HispaniaSilva, a specialist in the valorization of agricultural and livestock waste, to promote between 20 and 30 biomethane plants distributed throughout Spain, with a production capacity of up to 2.5 TWh per year and operational before 2030. In addition, Naturgy has acquired a stake in Recycle (HispaniaSilva group) to guarantee local and efficient waste management.
- In March 2025, the alliance with BioecoEnergías was added, reaching an agreement to develop plants with an additional capacity of more than 500GWh/year.
- In May 2025, Naturgy and IDEnergyGroup signed a major alliance to develop at least 20 biomethane projects in Spain, which will add up to an estimated production capacity of 1.6TWh per year and will be fully operational between 2026 and 2028.

The biomethane produced in all these plants will be distributed through existing natural gas networks to both homes and industries, offering them a renewable energy solution without the need for additional investments in their boilers and energy installations. At the same time, these projects will contribute to the circular economy, fostering job creation, benefiting local economies, and returning organic, locally sourced fertilizers and non-polluting irrigation water to the fields.

Regarding green hydrogen, the pace of development slowed during 2025, with various advances that, while positive, fell short of the high expectations that had been generated. The geopolitical context has caused the investment cost of announced projects to increase by around 50%. Furthermore, the aid allocated to new projects is insufficient, and the obligations for industry have not yet been finalized, possibly to avoid impacting its competitiveness. Finally, the slowdown in the processing of new renewable energy projects (solar and wind), along with the additionality and simultaneity obligations established in the delegated acts, makes the development of low-cost green hydrogen difficult.

Given the aforementioned context, and pending the upcoming regulatory developments, the large-scale green hydrogen projects planned by the company, linked to the just transition zones resulting from the closure of the thermal power plants described in the previous section, have slowed down during 2025. Therefore, for the time being, the development of green hydrogen is limited to innovation projects, as detailed in the Innovation section of this Report.

Nature-based solutions

While biodiversity and ecosystem actions and resources are described in section "E4-3 Actions and resources related to biodiversity and ecosystems" of this Report, and specifically nature-based solutions, the details of the projects involving biogenic CO2 absorption are provided below.

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 Naturgy has carried out two new reforestation projects in Spain, which will be registered in the Spanish Climate Change Office (OECC), to contribute to both CO_2 absorption and biodiversity recovery, aligned with the climate and biodiversity commitments included in the Global Sustainability Policy. The basic details of both initiatives are described below.

- The Naturgy Forest in Ladrillar, located in the municipality of Ladrillar, Cáceres, is a forest restoration project designed to recover a 9.7-hectare area severely affected by the 2022 forest fire. The project is currently underway, with 7.49 hectares having been treated (vegetation management and soil preparation) by the end of 2025. The project is being carried out entirely within the "Las Hurdes" Special Area of Conservation (SAC) and Special Protection Area (SPA) of the Natura 2000 network, an area of high environmental value. The project aims to restore the functionality of the ecosystem by planting and supporting the natural regeneration of native species and those adapted to climate change, contributing to soil regeneration, habitat improvement, and the promotion of biodiversity. The selected species include maritime pine, Pyrenean oak, strawberry tree, and rowan, as well as melliferous vegetation such as lavender, rosemary, and thyme, which promote ecosystem services and functional biodiversity. The project has a 50-year lifespan and is estimated to absorb approximately 3,500 tons of CO_2, contributing to climate change mitigation.
- The Naturgy Forest in Ferreira, located in the parish of Ferreira, municipality of Ibias (Asturias), is a forest restoration project aimed at recovering degraded areas in a region affected by depopulation and forest loss. The project covers 5.70 hectares in an area of high ecological value, close to several protected areas of the Natura 2000 network and various Biosphere Reserves, reinforcing its role as an element of ecological connectivity. The project aims to improve ecosystem functionality by planting native species, primarily maritime pine and chestnut, selected for their adaptation to local conditions and their contribution to biodiversity. The project has a 40-year lifespan and is estimated to absorb approximately 1,785 tons of CO_2, contributing to climate change mitigation and biodiversity conservation in the area.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 In both cases, no revenues have been generated for the company and, reciprocally, Naturgy's financial contribution in terms of capital investments and associated operating expenses is not significant.

Products to facilitate the decarbonisation of customers in Spain

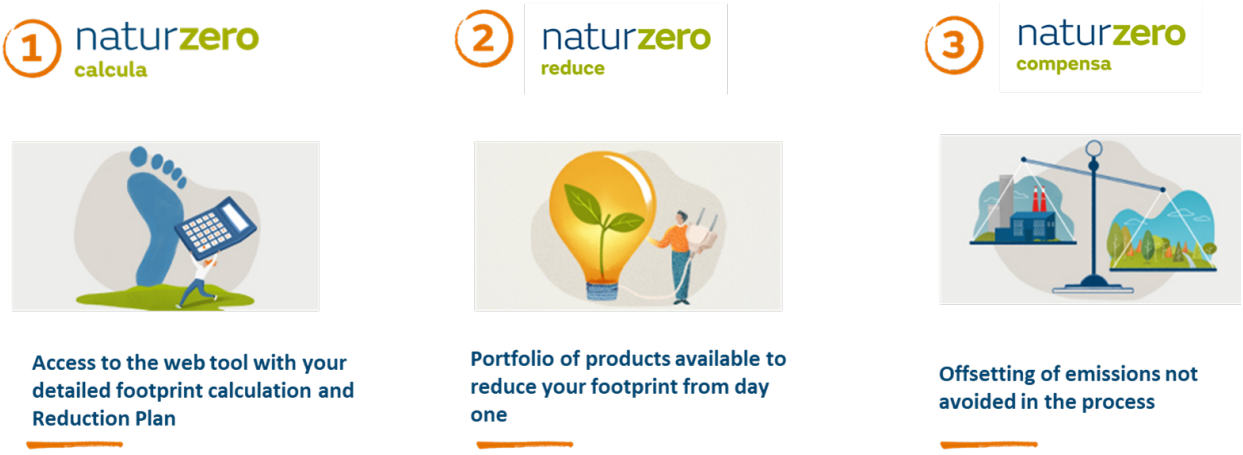
The energy transition presents an opportunity to offer new products and services to customers who are increasingly committed to reducing emissions. These include: carbon footprint calculation, GHG emissions offsetting through voluntary markets, GHG emissions reduction plans, self-consumption solutions, and management of guarantees of origin (GdOs) for gas and electricity.

MDR-A_01; MDR-A_02; MDR-A_03 In 2023, Naturgy launched Naturzero, a new brand designed to accompany its customers in their decarbonisation objectives, through actions for climate change mitigation and adaptation, helping to position companies in a market that is increasingly aware and values the most sustainable organisations and products. This initiative provides a comprehensive service to its customers, thanks to three associated products:

- Naturzero Calcula: enables companies to calculate their scopes 1, 2 and 3 carbon footprint, verified by an accredited entity.
- Naturzero Reduce: offers each customer an ad-hoc plan to reduce emissions, based on multiple energy solutions within the Naturgy services catalogue, including photovoltaic self-consumption with batteries or renewable gases such as biomethane. Many of these measures, aimed at reducing emissions, involve more efficient energy consumption in lighting, air conditioning, heating and transport, which ultimately translates into financial savings that benefit the consumer.
- Naturzero Compensa: compensation or neutralisation of emissions not avoided in reduction plans.

This action is fully aligned with the ambition to develop products and services to reduce greenhouse gas emissions in Naturgy's value chain, explicitly stated in the new Global Sustainability Policy.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 With regard to the Naturzero initiative, Naturgy has not obtained significant revenues as a result of its execution, nor has a representative amount been recorded in terms of CapEx and OpEx.



Energy efficiency measures

MDR-A_01; MDR-A_02; MDR-A_03 Within the framework of its commitment to energy transition, and aligned with the new Global Sustainability Policy, Naturgy has a series of measures to promote energy efficiency in the value chain, among which is the management of Energy Saving Certificates (CAEs), by offering its customers a turnkey service that includes advice on investments aimed at improving energy efficiency, calculation of energy savings and all the associated document management so that the consumer can benefit from the CAE.

A CAE is a document that certifies the amount of energy saved by a customer. In Spain, Royal Decree 36/2023, of 24 January, established a system of Energy Saving Certificates to encourage compliance with the indicative energy efficiency targets set by the European Union.

The measures that can be implemented to promote savings include the installation of solar thermal panels, rehabilitation of the thermal envelope of buildings, replacement of lighting systems, renovation or replacement of windows, among others focused on the improvement of production processes in the industrial field.

Naturgy Solar is another of Naturgy proposal made available to its customers to promote self-consumption in all market segments, individuals, communities of owners, SMEs and companies, facilitating the installation of panels and batteries, which also includes the design, management and processing of permits and subsidies.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; E1-3_06; E1-3_07; E1-3_08 The various energy efficiency measures do not represent a significant expense for Naturgy in terms of CapEx or OpEx nor, reciprocally, a representative income for the company, which should be recognised in the financial statements.

GHG emissions reductions and associated energy savings E1-3_03

E1-3_03 Some of the initiatives described have achieved significant reductions in GHG Scopes 1 and 2 emissions, which not only contribute to climate change mitigation, but also generate tangible savings in energy consumption.

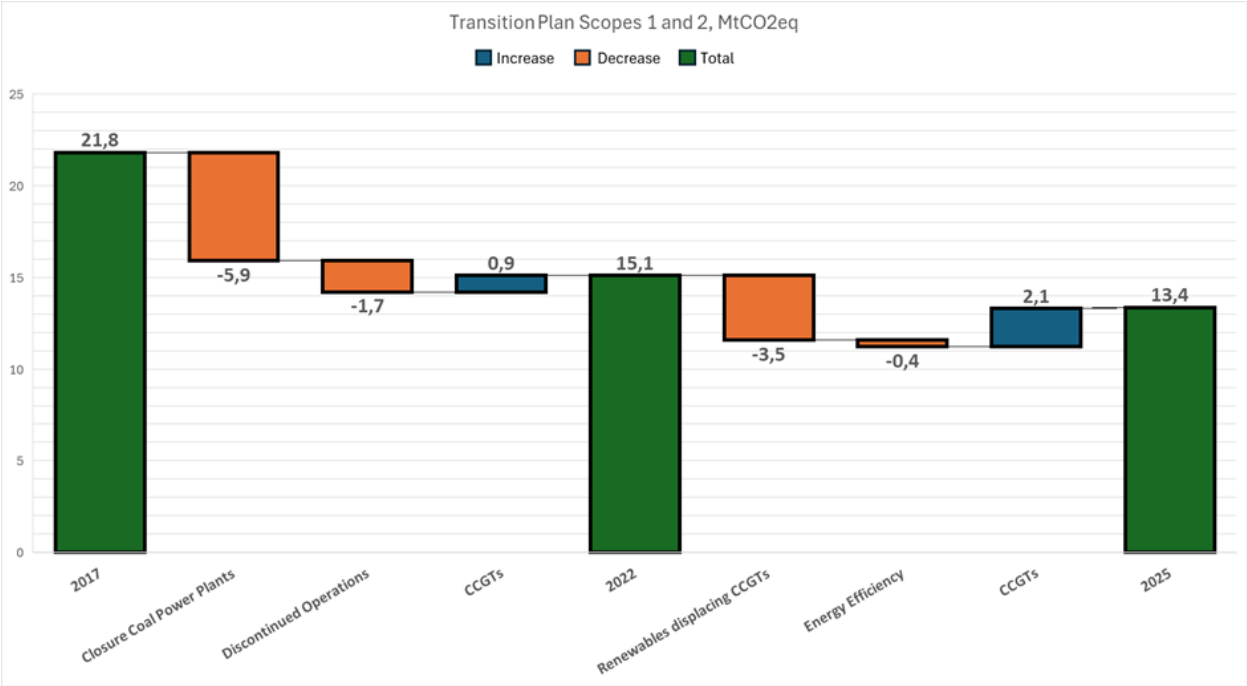
To quantify the reduction in GHG emissions and the associated energy savings, actual emissions and energy consumption data from 2017, the reference year in the company's decarbonization path, to 2025 have been used for the following initiatives:

- Closure of all coal-fired power plants.
- Discontinued activities that were in the financial perimeter and are no longer in the financial perimeter, in particular:
  - gas distribution activities in Colombia and Italy;
  - electricity distribution activities in Chile and Moldova;
  - natural gas transport activity in Morocco;
  - electricity generation activity in Kenya: and
  - mining activity in Spain and South Africa.
- The displacement of combined cycle power generation by renewable energy in Spain. Other renewable energy developments in other countries are not included if there is no thermal production owned by Naturgy, as they do not reduce the company's carbon footprint or generate energy savings in the country.
- Energy efficiency actions in natural gas networks by replacing different network materials with polystyrene, with a lower methane leakage rate.

- **Initiatives to reduce GHG emissions and associated energy savings**

Initiatives	tCO_2eq	MWh
Closure of coal-fired power plants	5,907,386	15,712,644
Discontinued operations	1,670,796	4,806,112
Displacement of combined-cycles by renewable energies in Spain	1,430,412	8,242,000
Energy efficiency in gas networks	360,345	969,096
Total	**9,368,939**	**29,729,852**

The following graph shows the actions that have made it possible to reduce GHG Scope 1 and 2 emissions in the period 2017-2025.



E1-3_04 The emissions expected to be reduced by these initiatives amount to 5 MtCO2eq for the period 2022-2030, primarily due to the displacement of combined cycle gas turbine (CCGT) production by renewable generation technologies. In 2025, this displacement was mitigated by increased CCGT production resulting from the enhanced operation of the Spanish electricity system following the April 2025 blackout.

On the other hand, the evolution of Scope 3 emissions is directly related to natural gas transported in the distribution sector and sold in the gas marketing sector. Beyond the fact that final gas demand will decrease due to rising temperatures or the gradual decline in its use, the company is developing initiatives to reduce Scope 3 emissions, such as biomethane injection, partnerships with third parties—as in the case of Enagás for LNG and Bio LNG bunkering—and actions aimed at reducing the carbon footprint of the value chain, both upstream and downstream.

In this regard, the reduction in Scope 3 GHG emissions by 2025 stands out, thanks to the optimization of natural gas extraction processes imported from the US to comply with Regulation (EU) 2024/1787 of the European Parliament and of the Council, on the reduction of methane emissions in the energy sector.

Targets related to climate change mitigation and adaptation (E1-4)

E1-4_01 Naturgy has a Climate Transition Plan with GHG emission reduction targets for the three scopes, as described in the section "Transition plan for climate change mitigation" of this chapter.

E1-4_20 As a general note for the different climate targets, the baseline values used are considered representative in the sense that they consider all the activities carried out by the company and its value chain, and also take into account external factors such as the increase in temperature for the estimation of operational magnitudes, such as the demand for natural gas for heating or electricity for cooling.

MDR-T_09 The methodology and assumptions used to establish the targets are based on the operational magnitudes of each of the company's businesses, as set out in the Strategic Plan. These magnitudes are transformed into emissions for each of the scopes, using appropriate conversion factors from the IPCC (Intergovernmental Panel on Climate Change) or the OECC (Spanish Climate Change Office) in Spain. Subsequently, the calculated reduction pathway is compared with the science-aligned reductions according to the Science Based Targets Initiative (SBTi), the International Energy Agency (IEA) and the PNIEC in Spain. In the event of not achieving the reductions aligned with science, it is notified in case it is necessary to re-evaluate or redefine any of the operational magnitudes included in the Strategic Plan. Finally, with the final values of the Strategic Plan, the GHG emissions target is calculated and subsequently published.

MDR-T_11 It should also be noted that, while stakeholders were not directly involved in setting the targets, their interests and expectations were taken into account. Specifically, the 2030 and 2050 GHG emissions reduction targets for Scopes 1 and 2 overall, and Scope 3 in Spain, were set in line with the requirements of the SBTi, detailed in the document “Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1”.

Climate Transition Plan targets

E1-4_21 In 2024, a consultation was conducted with EFRAG regarding application requirement 29, which concerns the inclusion of early reductions relative to the 2017 base year, the reference year in the company's decarbonization pathway, to demonstrate the alignment of reduction pathways with science. As of the publication date of this report, no response has been received. Therefore, the assessment of alignment with science has been carried out with respect to the 2022 base year, without taking into account early reductions relative to 2017. However, the possibility of including these reductions in the future is not ruled out should a positive response be received from EFRAG.

2050 GHG emissions targets

MDR-T_04; E1-4_18 With the analysed scenarios and factors influencing the achievement of climate neutrality, the targets set out in the Climate Transition Plan for 2050, as detailed in section “Transition plan for climate change mitigation” of this chapter, are:

- Achieve Group-wide net zero Scope 1 and 2 emissions.
- Achieve net zero Scope 3 emissions in Spain.

The targets defined take into account all carbon footprint scopes 1, 2 and 3, all greenhouse gases, is consistent with the company's GHG inventory described in section "Gross Scopes 1, 2, 3 and Total GHG emissions" of this chapter, and applies to all of the company's activities and geographies, with no exclusions. Maximum emissions reduction is the priority and, only if necessary, GHG emission removal mechanisms would be used to offset residual emissions.

MDR-T_07; MDR-T_09; MDR-T_10 Likewise, the emission reduction pathways established in the three scopes take into account the temperature scenarios of the Paris Agreement, the projections of the International Energy Association in its "Net Zero Emissions by 2050" scenario and, in the case of Spain, additionally, with what is contemplated in the Integrated National Energy and Climate Plan 2021-2030 (PNIEC), and endorsed in the PNIEC 2023-2030.

MDR-T_12; E1-4_22; MDR-T_11 The difficulty in establishing the intermediate reduction pathways lies in the uncertainty of the evolution of new non-emitting technologies that are alternatives to natural gas and in the energy and climate change policies developed in each of the countries where the company operates. In any case, this situation has been taken into account during the definition of the different milestones to achieve the long-term targets set, which are based on conclusive scientific evidence, and in accordance with the temperature scenarios aligned with the Paris Agreement, as well as with the SBTi initiative in the document "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1".

MDR-T_01 Compliance with the emission reduction targets established for each period is monitored on a quarterly basis, and is the result of the Global Sustainability Policy, the Climate Transition Plan and the strategic and sustainability plans in force at any given time, the latter approved for the period 2025-2027.

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06; MDR-T_13; E1-4_03; E1-4_04 The evolution of GHG emissions from the base year, 2022, considered in the 2025-2027 Sustainability Plan until 2025 is shown in the following table:

2050 GHG emissions reduction target	Approval year	Base year	Year 2025 ($MtCO_{2eq}$)	Year 2025 (% reduction on base year)	Baseline value ($MtCO_2eq$)
2050 Net Zero Climate Transition Plan scopes 1 and 2 Group	2025	2022	13.35	12 %	15.10
2050 Net Zero Climate Transition Plan scope 3 Spain	2025	2022	26.42	32 %	39.13

Note: all scopes and GHG are included

In light of the above data, a 12% reduction in emissions is observed compared to the base year 2022 for Scopes 1 and 2, and a 32% reduction for Scope 3 in Spain, which indicates that Naturgy is on the right track for reduction and supports the Net Zero 2050 commitment formulated in the company's Climate Transition Plan, without having identified, at the moment, the need to modify its strategy significantly for its future achievement.

2030 GHG emissions targets MDR-T_08

The interim GHG emission reduction targets 2025-2030 have been updated in the Climate Transition Plan, based on developments in recent years, the business plan of the new 2025-2027 Strategic Plan and projections up to 2030, taking into account applicable national and international energy and climate change benchmarks.

MDR-T_09; MDR-T_10 In section "Transition plan for climate change mitigation" of this chapter, and as a result of the above-mentioned exercise, the following GHG emission reduction targets for 2030 have been set in the Climate Transition Plan:

- Reduce the Group's Scope 1 and Scope 2 emissions to 9.70 $MtCO_2eq$ in 2030, a 36% reduction compared to the 2022 base year. This target is aligned with the 1.5ºC reduction pathway, in accordance with the "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1". This target is split into Scope 1 and Scope 2 emissions as follows:
  - Reduce Scope 1 emissions from 14.74 $MtCO_2eq$ in the base year 2022 to 9.35 $MtCO_2eq$ in 2030.
  - Reduce Scope 2 emissions from 0.36 $MtCO_2eq$ in the base year 2022 to 0.35 $MtCO_2eq$ in 2030, a reduction of 4%.
- Reduce Scope 3 emissions in Spain to 30.7 $MtCO_2eq$ in 2030, a reduction of 22% compared to the 2022 base year. This target is aligned with the Well Below 2 Degrees (WB2D) reduction pathway, according to the document "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1".
- Reduce the Group's total Scope 3 emissions to 101.6 $MtCO_2eq$ in 2030, a 8% reduction from the 2022 base year.

The target applies equally to all of the company's activities and geographies, with no exclusions. Maximum emissions reduction is the priority and only, if necessary, GHG emission removal mechanisms would be used to compensate residual emissions.

MDR-T_01; MDR-T_12 Compliance with the emission reduction targets established in each period is monitored quarterly, and are the result of the Global Sustainability Policy, the Climate Transition Plan and the strategic and sustainability plans in force at any given time, the latter approved for the period 2025-2027.

These targets are not validated by the SBTi initiative because, as of the date of this Report, SBTi has not published the validation protocol with the reference pathways for the oil & gas sector.

The following presents the GHG emissions for the three scopes and the percentage reductions achieved in relation to the targets of the Climate Transition Plan, to 2030:

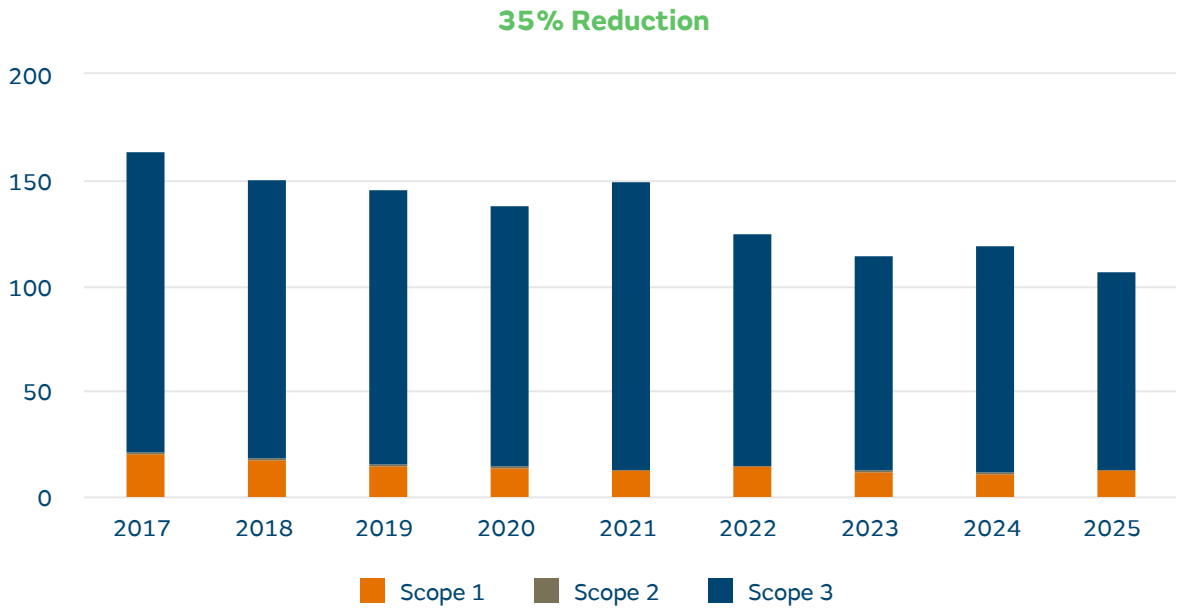
MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06; MDR-T_07; MDR-T_13; E1-4_02; E1-4_07; E1-4_10; E1-4_16

GHG emissions reduction targets 2030	**Approval year**	**Base year**	**Target (% reduction)**	**Year 2025 ($MtCO_{2eq}$)**	**Year 2025 (% reduction on base year)**	**Baseline value ($MtCO_2eq$)**
2030 Climate Transition Plan scope 1	2025	2022	37 %	13.1	11 %	14.7
2030 Climate Transition Plan scope 2	2025	2022	4 %	0.2	35 %	0.4
2030 Climate Transition Plan scope 3 (Spain)	2025	2022	22 %	26.4	32 %	39.1
2030 Climate Transition Plan scope 3 (Group)	2025	2022	8 %	94.0	15 %	110.1

Reformulated targets in 2023 with updated values 2025 Strategic Plan

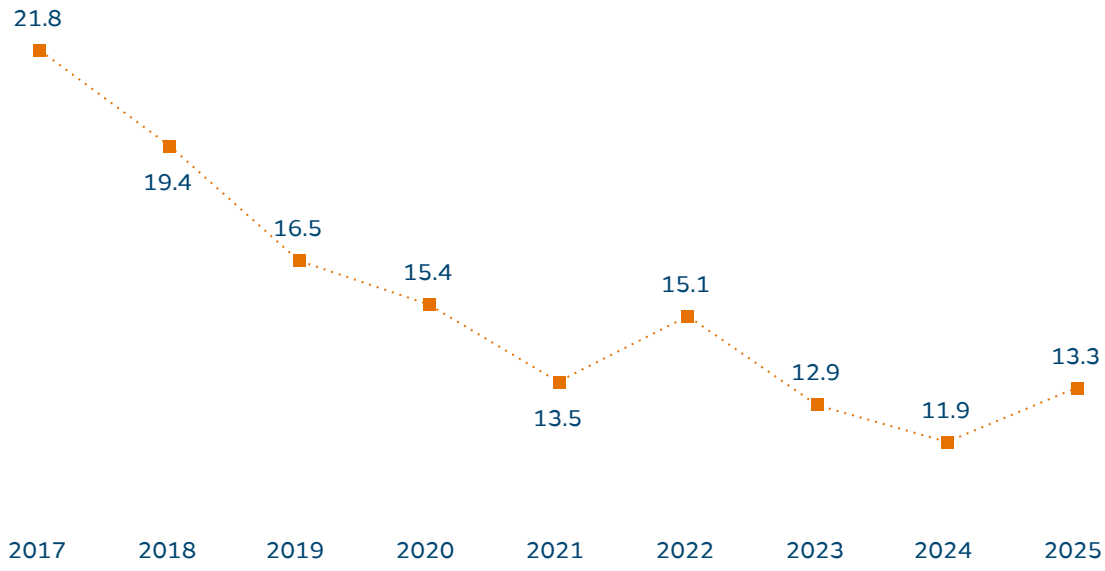
Even taking into account the unique situation of the reinforced operation of combined cycle power plants in Spain, as a consequence of the blackout experienced in April 2025, Naturgy has achieved 32% compliance with the target set in the 2030 Climate Transition Plan for Scope 1 and 2 emissions, and 190% for Scope 3 emissions. In light of the above data, Naturgy has not considered it necessary to significantly modify its strategy in recent years to reach the intermediate target values, beyond the fact that short-term objectives are updated according to the company's successive financial plans.

The evolution of the carbon footprint 2017-2025 in terms of $MtCO_2eq$ is shown in the graph below:

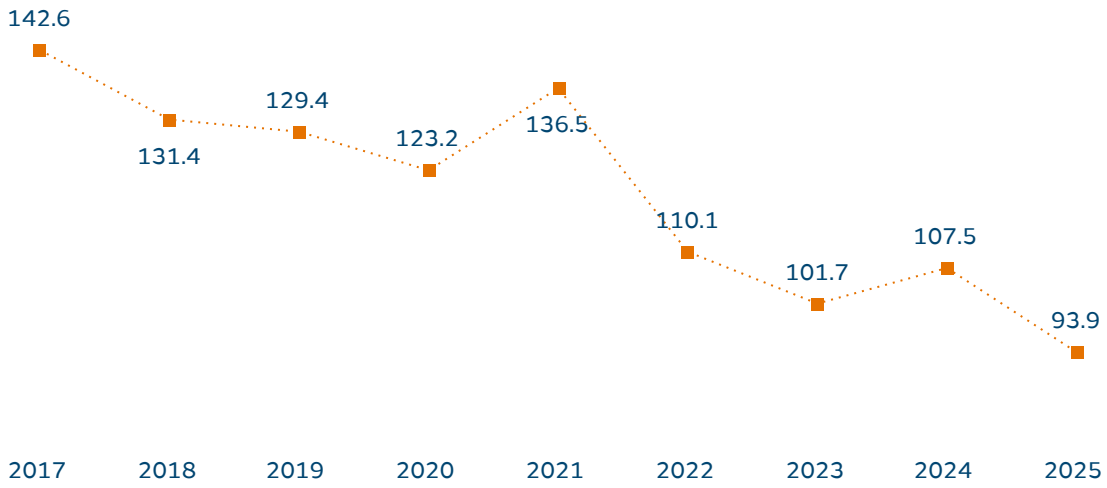


For more information about the emission volumes reported in the table and graph above, see the section "Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions" in this chapter.

- **GHG Scopes 1 and 2 emissions evolution ($MtCO_2eq$)**



- **GHG Scope 3 emissions evolution ($MtCO_2eq$)**



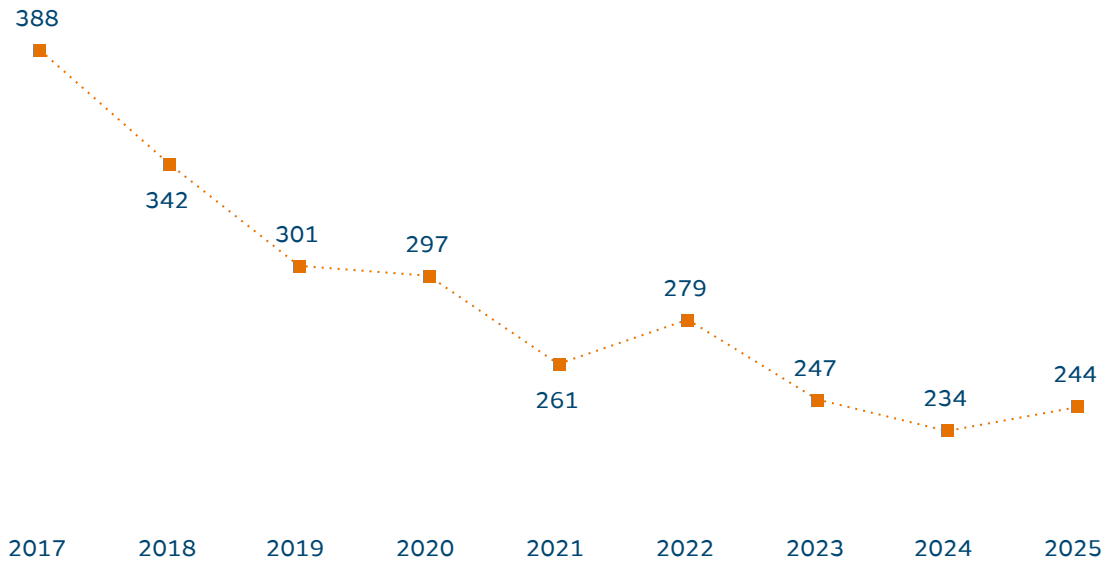
Emissions intensity targets for electricity generation

MDR-T_01; MDR-T_04 Emissions intensity targets for electricity generation are the amount of CO_2 emitted by the electricity produced (tCO_2/GWh), responsible for about 90% of the company's direct emissions. Therefore, the existence of these targets serves as a basis for progress in Naturgy's decarbonisation.

The target of this metric, included in the Climate Transition Plan, are associated with the company's new Strategic Plan and Sustainability Plan 2025-2027, as they are subject to the capital allocated for electricity generation.

The evolution of this metric and the targets set in the different periods are shown below:

- **Emissions intensity in energy generation (tCO_2/GWh)**



MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06; MDR-T_07; MDR-T_13; E1-4_02; E1-4_05

	Approval year	Base year	Target (% reduction)	Year 2024 (tCO_2/GWh)	Año 2024 (% reduction on base year)	Baseline value (tCO_2/GWh)
CO2 intensity in electricity generation (tCO2eq/GWh)	2025	2022	34 %	244	13 %	279

Despite the enhanced operation of combined cycle power plants in Spain following the blackout in April 2025, Naturgy achieved 36% of its target for the 2025-2027 period in 2025. Consequently, for the time being, Naturgy does not consider it necessary to significantly modify its strategy to achieve future target values, beyond the fact that the targets are updated with the company's successive financial plans.

MDR-T_01; MDR-T_09; MDR-T_12 Compliance with the targets is monitored on a quarterly basis and commitments stem directly from the Global Sustainability Policy, the Climate Transition Plan and the 2025-2027 Strategic Plan.

MDR-T_10 The 2025-2027 electricity generation emissions intensity target is aligned with the 1.5ºC reduction pathway, according to the "Target Validation Protocol for Near-Term Target TWG-PRO-002, version 3.1".

The target applies to all of the company's geographies, with no exclusions. Minimising emissions, and by extension the emissions intensity of electricity generation, is the priority and only, if necessary, GHG emission absorption mechanisms would be used to compensate residual emissions. Monitoring of these targets and associated metrics is on a quarterly basis.

Renewable energy target

Electricity

MDR-T_01; MDR-T_02; MDR-T_03; MDR-T_04; MDR-T_05; MDR-T_06; MDR-T_07The commitment to renewable energy is one of the strategic lines for reducing emissions, as outlined in the company's Global Sustainability Policy. To this end, the 2025-2027 Strategic Plan includes the objective of achieving a 47% renewable installed capacity in the generation mix for all company operations by 2027, or a net emissions-free capacity of 49.90% by 2027 if nuclear energy is included.

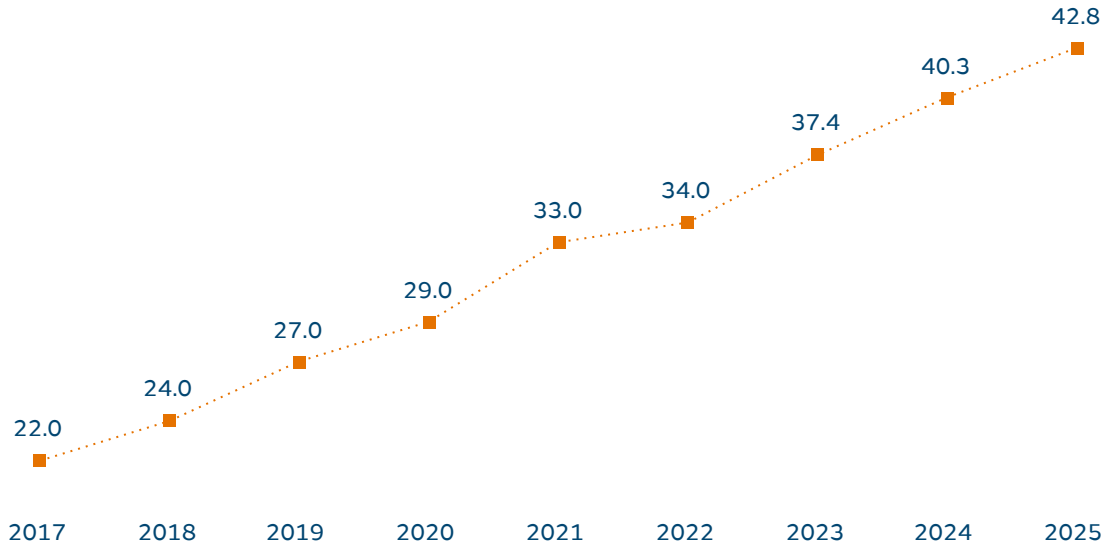
MDR-T_09; MDR-T_10 In addition, neither a specific methodology has been used to set this target, nor does the use of scientific evidence apply, as the value set is based on the allocated capital set by the company for renewable electricity generation.

MDR-T_08; MDR-T_12 Naturgy has not considered the need to significantly modify its strategy in recent years to achieve the future target values, beyond the fact that the objectives are updated with the company's successive financial plans. The Strategic Plan includes different annual milestones that Naturgy has used as a reference, although the target expires in 2027 and interim milestones do not apply.

In terms of meeting this target, by 2025, 505 MW of renewable capacity had come into operation in Spain, of which 90% is solar photovoltaic capacity. In United States, in 2025, 261 MW photovoltaic solar capacity have come into operation. Thus, Naturgy has managed to increase its renewable power capacity by 6% over the previous year.

The target applies to electricity generation and to all of the company's geographic locations, without exception. This target is monitored quarterly.

- **Renewable power (%)** MDR-T_13



Gas

MDR-T_01; MDR-T_02; MDR-T_03; MDR-T_04; MDR-T_05; MDR-T_06; MDR-T_07 The commitment to renewable energy is one of the strategic lines for reducing emissions, as outlined in the company's Global Sustainability Policy. To this end, the Strategic Plan 2025-2027 included the objective of achieving a renewable gas injection capacity in Spain of 1.60 TWh by 2027.

MDR-T_09; MDR-T_10 No specific methodology has been used to set this target, nor does the use of scientific evidence apply, as the value set is based on the actions foreseen in the company's strategy.MDR-T_08; MDR-T_12 This value is monitored annually and there are no intermediate milestones. It should be noted that there have been no changes in the definition of the target.

In terms of meeting this target, in 2025, in Spain there is a renewable gas capacity of 0.42 TWh.

Target related to the adaptation to climate change physical risks

MDR-T_01; MDR-T_02; MDR-T_03; MDR-T_04; MDR-T_05; MDR-T_06; MDR-T_07 The Global Sustainability Policy establishes the commitment to develop strategies and implement specific actions to adapt to climate change. To this end, the new Sustainability Plan includes the objective that by 2027, 100% of the facilities with material risks should have climate change adaptation measures in place.

MDR-T_09; MDR-T_10 Neither a specific methodology has been used to set this target, nor does the use of scientific evidence apply, as the value set is based on the company's climate risk assessment.

Roadmap for achieving climate targets

E1-4_23 As reflected in the Climate Transition Plan, described in section "Transition plan for climate change mitigation" of this chapter, Naturgy has established different decarbonisation levers to achieve its decarbonisation objectives and advance in the energy transition. In quantitative terms, Naturgy estimates that the absolute contribution to emissions reduction is leveraged in the following lines of action:

- Promote solar and wind renewable energies in electricity generation together with the necessary growth of electricity grids, with the back-up power provided by natural gas combined-cycle power stations guaranteeing security of supply. It is estimated that this line's associated emissions reduction will be 5 $MtCO_2eq$ in 2030 for Scopes 1 and 2.

- Developing renewable gases as a decarbonisation lever of natural gas through biomethane produced from organic waste and, in the medium-/long-term, green hydrogen generated from surplus renewable electricity. This promotes decarbonisation at the lowest possible cost for the consumer, circular economy with the use of waste or surpluses and the economy in rural areas. It is estimated that this line's associated emissions reduction will be 3 $MtCO_2eq$ in 2030 for Scope 3.
- Offer products and services that promote efficiency and are carbon-neutral at competitive prices to consumers and end-users. The emission reductions associated to this line are included in the previous lines.
- Increased electrification of final demand in those uses where it is most efficient. The emission reductions associated to this line are included in the previous lines.

E1-4_24 It should also be noted that Naturgy has carried out different climate scenario analyses to assess the climate-related risks and opportunities that could occur both in the present and in the future. Such is their relevance that the results of this exercise were taken into account to establish the different decarbonisation levers presented here. More information on the assessment of climate risks and opportunities can be found in section "Description of the processes to identify and assess material climate-related impacts, risks and opportunities" of this chapter.

Energy consumption and mix (E1-5)

Naturgy energy consumption (MWh)

Within the framework of the Integrated Management System, Naturgy develops management and control procedures aimed at minimising the consumption of energy and material resources. With regard to energy, Naturgy's commitment to renewable energies and the promotion of energy saving and efficiency, both in its own facilities and in homes, businesses and customer facilities, contributes to the reduction of environmental impacts.

The energy consumption data within the organisation is included below.

E1-5_01; E1-5_02; E1-5_03; E1-5_04; E1-5_05; E1-5_06; E1-5_07; E1-5_08; E1-5_09; E1-5_10; E1-5_11; E1-5_12; E1-5_13; E1-5_14; E1-5_15

- **Energy consumption (MWh)**

	2025	2024
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	2,206,988.282	2,172,647
Fuel consumption from natural gas	66,906,175.18	56,800,792
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	475,916	696,917
Total fossil energy consumption	**69,589,080**	**59,670,356**
Share of fossil sources in total energy consumption (%)	85 %	82 %
Consumption from nuclear sources	**11,400,000**	**11,942,380**
Share of consumption from nuclear sources in total energy consumption (%)	14 %	16 %
Fuel consumption for renewable sources, including biomass	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	916,919	1,096,994
The consumption of self-generated non-fuel renewable energy	0	0
Total renewable energy consumption	**916,919**	**1,096,994**
Share of renewable sources in total energy consumption	1 %	2 %
Total energy consumption	81,905,999	72,709,730

The calculation methodology is based on the energy consumption reported in the verification reports for electricity generation facilities operating under Emissions Trading Systems. For all other facilities, the calorific values reported by the Spanish Office for Climate Change were used. It is important to note that natural gas is calculated using the Higher Heating Value (HHV), while other fuels are calculated using the Lower Heating Value (LHV).

In 2025, there was a 13% increase in energy consumption within the organization, attributable to the increased generation from combined cycle plants due to the enhanced operation of the Spanish electricity system following the nationwide blackout on April 28..

Net electricity production by energy source (MWh) E1-5_16; E1-5_17

In 2025, the company generated a total of 48,176,000 MWh of electricity, of which 29,100,000 MWh were generated for the Spanish market. The breakdown of electricity production for this year, by renewable and non-renewable source, is presented below. The impact of the enhanced system operation following the blackout in April 2025 is clearly reflected in the increased electricity production from combined cycle power plants in Spain.

	2025	Contribution to the total (%)	2024	Contribution to the total (%)
Nuclear	4,047,000	8	4,240,000	10
Combined-cycle	14,975,000	31	9,153,000	21
Cogeneration	272,000	1	287,000	1
Thermal production. Spain	**19,294,000**	**40**	**13,680,000**	**32**
Hydroelectric/Small Hydro	4,034,000	8	4,731,000	11
Wind	4,664,000	10	4,930,000	12
Solar	1,108,000	2	843,000	2
Renewable production. Spain	**9,806,000**	**20**	**10,504,000**	**25**
Total production. Spain	**29,100,000**	**60**	**24,184,000**	**57**
Fuel-oil	625,000	1	699,000	2
Combined-cycle	13,341,000	28	14,187,000	33
Thermal production. International	**13,966,000**	**29**	**14,886,000**	**35**
Hydroelectric	375,000	1	353,000	1
Wind	3,102,000	6	2,142,000	5
Solar	1,633,000	3	1,095,000	3
Renewable production. International	**5,110,000**	**11**	**3,590,000**	**8**
Total production. International	**19,076,000**	**40**	**18,476,000**	**43**
Total renewable production	**14,916,000**	**31**	**14,094,000**	**33**
Total thermal production	**33,260,000**	**69**	**28,566,000**	**67**
Total production	**48,176,000**	**100**	**42,660,000**	**100**

Note: hundreds have been rounded to zero for simplification purposes.

Energy intensity (MWh) E1-5_18

E1-5_19 Based on the previously recorded energy consumption, and given the company's net turnover in 2025, the following table shows the annual energy intensity ratio.

	2025			2024		
	Energy consumption within the organisation (MWh)	Net turnover (million euros)	Ratio (MWh / net turnover)	Energy consumption within the organisation (MWh)	Net turnover (million euros)	Ratio (MWh / net turnover)
Total	81,905,999	19,455	4,210.02	72,709,730	19,267	3,773.80

E1-5_20; E1-5_21 For the calculation of the energy intensity ratio, the total net turnover of the company has been used, given its operation in the "Electricity, gas, steam and air conditioning supply" sector, as registered in section D of the National Classification of Economic Activities (NACE), considered to have a high climate impact according to Delegated Regulation (EU) 2022/1288 of the European Commission. The value of the net turnover can be consulted in Note 3 of the Annual Consolidated Financial Report.

Energy consumption has increased by 13% compared to 2024, for the reasons mentioned above, and explains the 12% increase in the energy intensity ratio given that the turnover only increases by 1%.

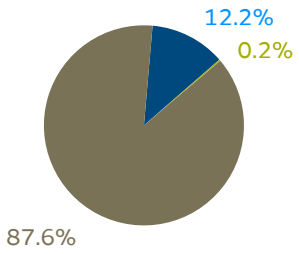
Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

In recent years, the company has focused its efforts on reducing its GHG emissions from its operation as well as along the value chain, as shown below.

Carbon footprint at a glance

2025 footprint

107.3 million tCO_2eq



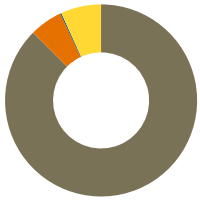
2022-2025 carbon footprint reduction and

↓12% Scopes 1 and 2 emissions

↓14% Total footprint (scopes 1, 2 and 3)

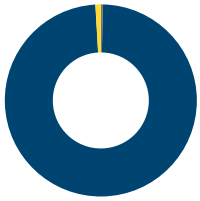
Scope 1
Direct emissions
13.1 mill tCO_2eq

Scope 1 reduction between 2022 and 2025
↓ 11%



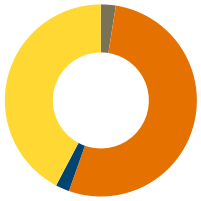
Scope 2
Indirect emissions
0.2 mill tCO_2eq

Scope 2 reduction between 2022 and 2025
↓ 35%



Scope 3
Rest of indirect emissions
94.0 mill tCO_2eq

Scope 3 reduction between 2022 and 2025
↓ 15%



90% thermal fossil generation plants

98% losses in energy distribution networks

97% customers emissions from distributed and commercialised gas

Electric generation
Electric distribution
Distribución gas
Gas supply, LNG anc gas commercialisation

2025 total compensated emissions: 254,679 tCO_2eq

In 2025, the company's GHG emissions have been reduced compared to those recorded in 2022 by 14% considering the three scopes, which confirms the company's effort and commitment to reducing its carbon footprint.

GHG emissions breakdown by scope (tCO2eq) E1-6_01; E1-6_04; E1-6_06; E1-6_07; E1-6_08; E1-6_09; E1-6_10; E1-6_11; E1-6_12; E1-6_13

	Retrospective				Milestones and new target years		
	2025-2027 Sustainability Plan				2025-2027 Sustainability Plan		2025-2027 SP[2] and Transition Plan
	Base year (2022)	2025	2024	Variation (%)	2027	27-22 annual reduction target	2030
Significant Scope 1 GHG emissions							
Gross Scope 1 emissions	**14,741,483**	**13,119,640.104**	**11,482,448**	**14.3**	**9,727,528**	**0.07**	**9,354,693**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	85 %	87 %	85 %	2.4			
Significant Scope 2 GHG emissions							
Gross location-based Scope 2 emissions	363,489	235,091.254	453,649	**-48.2**	362,375.48	0.06	347,806
Gross market-based Scope 2 emissions	36348900	23509125	45364900	**-48.2**	36237548	6	34780600
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) emissions	**110,079,558**	**93,979,938**	**107,461,382**	**-12.5**	**103,377,105**	**1.2 %**	**101,605,947**
Goods and services purchased	243,491	257,888	164,683	56.6			
Capital goods	0	21,067	4389221 %	-52.0			
Activities associated with upstream fuels and energy	28,990,579	16,834,819	26,902,224	-37.4			
Coal	—	—	—	—			
Natural gas	26,448,521	15,245,065	23,852,401	-36.1			
Oil	256,060	249,885	245,996	1.6			
Electricity	2,285,998	1,339,870	2,803,827	-52.2			
Transport and distribution of goods	—	—	—	—			
Waste produced in the operation	—	—	—	—			
Business trips	1,212	8,697	2,840	206.2			
Mobilisation of employees	5,489	6,334	5,356	18.3			
Upstream leased goods		—	—	—			
Downstream transport and distribution		—	—	—			
Procedure for products sold		—	—	—			
Use of products sold: natural gas		76,851,133	80,342,387	-4.3			
End-of-life processing of products sold		—	—	—			
Downstream leased goods		—	—	—			

	Retrospective				Milestones and new target years		
	2025-2027 Sustainability Plan				2025-2027 Sustainability Plan		2025-2027 SP[2] and Transition Plan
	Base year (2022)	2025	2024	Variation (%)	2027	27-22 annual reduction target	2030
Franchises		—	—	—			
Investments		—	—	—			
Total GHG emissions							
Total emissions (location-based)	**125,184,530**	**107,334,670**	**119,397,479**	**-10.1**			
Total emissions (market-based)	**125,184,530**	**107,334,670**	**119,397,479**	**-10.1**			

Note: Business travel emissions in 2025 have increased considerably because this year emissions through travel agencies have started to be counted directly and new categories that were not previously counted, such as hotel stays and rental vehicles, have been included.

E1-6_05 Note: for scope 3 emissions, within the categories defined by GHG Protocol (the use of the categories according to ISO 14064-1 has not been considered at present), emissions with a weight of less than 1% have been excluded, as long as the sum of all of them does not exceed 5%.

E1-6_17; E1-6_24; E1-6_28 Note: Scope 1, 2 or 3 biogenic emissions from combustion, biodegradation or other biomass life cycle activity do not apply, but do apply to biomethane combustion, with a value of 1,382 tCO_2eq.

(1) Until fiscal year 23, issues in the category "Capital goods" were reported under the category "Purchased goods and services".

(2) Sustainability Plan.

Off-inventory emissions

In 2025, 177.36 GWh of biomethane were transported, meaning that of the Scope 3 emissions, a total of 32,280 tCO2eq are of biogenic origin. Therefore, the Scope 3 emissions balance, excluding those of biogenic origin, would be 93,947,659 tCO2eq.

Changes in comparison to the previous year

Scope 1 GHG emissions for 2025 have increased by 1.6 MtCO2eq, or 14.3%, compared to 2024. This variation is broken down below:

- The increase in combined cycle power plant production in Spain, primarily due to the enhanced operation of the electrical system following the nationwide blackout of April 28, amounts to 5,822 GWh, equivalent to an increase in GHG emissions of 2 MtCO2eq. Conversely, combined cycle power plant production in Mexico decreased by 846 GWh, and production from the Palamara and La Vega fuel oil plants fell by 74 GWh, resulting in a reduction in emissions of 0.42 MtCO2eq.
- Renewable energy generation in Spain, with the commissioning of 49 MW of new photovoltaic solar power installations and 456 MW of wind power, has partially offset the less favourable conditions for hydroelectric generation, whose output has fallen by 15% compared to 2024, and for solar and wind power production itself, which, despite the new installations, has remained virtually unchanged. This overall decline in renewable energy production has been further offset by the output from combined cycle gas turbines.
- Improved management of fugitive emissions in gas distribution in Argentina, Brazil, Chile and Mexico has resulted in a reduction of 0.12 MtCO2eq.
- A decrease in fleet emissions from LNG carriers of 0.01 MtCO2eq.

Scope 2 emissions have been reduced by 48.2% equivalent to 0.2 MtCO2eq during 2025 compared to 2024, due to a decrease in electricity purchased not included in Scope 1.

In the case of Scope 3 emissions, these have been reduced by 12.5% compared to 2024, specifically by 13.5 MtCO2eq. This decrease is mainly due to:

- Indirect emissions from downstream end use of vehicular gas (category A3.11) have decreased by 3.5 MtCO2eq due to a drop in natural gas demand of 8,462 GWh across all countries where natural gas is distributed. The volume of international LNG sold has decreased by 1,978 GWh.
- Indirect emissions upstream of the supplied gas and electricity (category A3.3) have decreased by10.1 MtCO2eq:
  - On the upstream side of the gas chain, it is important to highlight the efforts made in the extraction, transport and liquefaction of natural gas from the US, which has managed to reduce its emissions per unit of energy by almost half, which has meant a reduction of 5.5 MtCO2eq in 2025 compared to the previous year.
  - The decrease in the international end use of vehicular gas has resulted in a reduction of upstream emissions of 1.0 MtCO2eq.
  - In Spain, the increase in emissions due to the reinforced operation of the electricity system as a result of the blackout suffered in April 2025 has meant that part of the gas marketed to third parties has been consumed within the organization, which has resulted in a decrease of 2.1MtCO2eq that have gone from Scope 3 to Scope 1.

- The reduction in upstream emissions in electricity distribution activities due to the decrease in purchased electricity that has not been generated and is therefore not included in Scope 1 amounts to 1.5 $MtCO_{2eq.}$.

E1-6_14; E1-6_16 As additional notes, it should be indicated that throughout 2025 there have been no significant changes to the company's scope or its value chain (both upstream and downstream) that would affect these figures. Furthermore, the reference period used by Naturgy coincides with that of the various actors in its value chain; therefore, the reported emissions data correspond entirely to the calendar year 2025.

Other GHG emissions-related indicators

Alternative Naturgy's emissions breakdowns

GHG Scope 1, 2 and 3 emissions by country (tCO_2eq) E1-6_03

	Scope 1	Scope 2	Scope 3
Argentina	547,827	76,325	20,210,997
Australia	549	27	254
Brazil	35,114	198	8,155,445
Chile	52,981	1,093	5,928,684
Costa Rica	22	0	51
Spain	6,913,084	2,551	26,416,234
Mexico	5,147,438	13	5,044,406
Panama	652	154,884	873,889
Dominican Republic	421,972	0	176,515
Rest	0	0	27,173,465
Total	**13,119,640**	**235,091**	**93,979,938**

GHG Scope 1, 2 and 3 emissions by business area (tCO_2eq) E1-6_03

	Scope 1	Scope 2	Scope 3
Procurement, LNG and Commercialisation	618,583	513	47,478,762
Electricity Distribution Argentina	230	74,168	453,308
Electricity Distribution Spain	25,394	1,236	13,713
Electricity Distribution Panama	194	154,884	872,946
Gas Distribution Argentina	517,893	789	19,754,762
Gas Distribution Brazil	34,659	113	8,154,426
Gas Distribution Chile	41,924	573	5,926,364
Gas Distribution Spain	44,662	1,315	4,990,952
Gas Distribution Mexico	33,660	0	4,660,973
Generation Spain	6,259,509	0	819,130
International Generation (GPG)	5,534,580	0	557,480
Corporation	8,353	1,501	297,124
Total	**13,119,640**	**235,091**	**93,979,938**

GHG Scope 1, 2 and 3 emissions by GHG type (tCO_2eq) E1-6_03

	Scope 1	Scope 2	Scope 3
CO_2 (tCO_2eq)	12,360,325.772	233,227.477	91,826,420.008
CH_4 (tCO_2eq)	726,903.321	486.309	2,103,491.087
N_2O (tCO_2eq)	1,823.978	1,377.469	50,027.081
SF_6 (tCO_2eq)	28,596.929	0	0
HFC (tCO_2eq)	1,990.105	0	0
PFC (tCO_2eq)	0	0	0
Total	**13,119,640**	**235,091**	**93,979,938**

GHG emissions intensity by turnover ($tCO_2eq/M€$) E1-6_30; E1-6_31; E1-6_32; E1-6_33; E1-6_34; E1-6_35

The relationship between the emissions recorded by the company's entire value chain and Naturgy's revenues in the year is assessed by calculating emissions intensity. For this purpose, the ratio between total emissions (scopes 1, 2 and 3) and total net turnover is calculated, which can be cross-checked in Note 3 of Annual Consolidated Financial Report. The main Naturgy's ESRS operation sector corresponds to "Electricity, gas, steam and air conditioning supply", as recorded in section D of the National Classification of Economic Activities (NACE), considered of high climate impact according to the Delegated Regulation (EU) 2022/1288 of the European Commission, as discussed in section "Energy consumption and mix" of this chapter.

	2025	2024	Variation (%)
Location-based emissions (tCO_2eq)	107,334,670	119,397,479	-10.1
Market-based emissions (tCO2eq)	107,334,670	119,397,479	-10.1
Net turnover (M€)	19,455	19,267	1.0
Location-based emissions intensity (tCO2eq/M€)	5,517.1	6,197.0	-11.0
Market-based emissions intensity ($tCO_2eq/M€$)	5,517.1	6,197.0	-11.0

Taking into account the note on the emissions considered, the decrease in the emissions ratio based on the INCN, in tCO2eq/M€, is due to a combination of the lower volume of total emissions based on location and market recorded in 2025 compared to the previous year (a -10.1% in both cases), and a slight increase recorded in the INCN for the same period of 1.0%, resulting in an intensity ratio -11.0% higher in both cases.

Typology of contracts used in the purchase and sale of energy E1-6_18; E1-6_19; E1-6_21; E1-6_22; E1-6_23

The company has supplied 12,477 GWh of renewable electricity in Spain with Guarantees of Origin (GOs) certified by the CNMC (National Markets and Competition Commission) for more than 0.3 million contracts, representing 68% of the energy purchased and a 60% increase compared to the previous year.

Additionally, in 2023, biomethane with Guarantees of Origin from renewable gas, either its own or acquired on the market, was marketed for the first time in Spain. In 2025, this figure rises to 17,824 MWh, representing a 4% decrease compared to the previous year.

Furthermore, Naturgy has not purchased electricity with Guarantees of Origin for its own consumption in Spain, as these are primarily issued for energy sold to the company's customers.

Regarding electricity, there are two ways to certify the origin of the electricity consumed by the customer. On the one hand, through the redemption of Guarantees of Origin assigned directly by the energy supplier to the customer's consumption, identified through their CUPS (Unified Supply Point Code), or through sales via a supplier labelled as green, for which the CNMC (National Markets and Competition Commission) certifies the renewable origin of all the energy it sells.

At Naturgy, the Guarantees of Origin certificates for renewable energy sources are generated primarily by the Group's own facilities. Initially, the renewable generation facilities request the issuance of the Guarantee of Origin certificate from the CNMC. Once certified, this certificate is transferred to the company's energy supplier, which then redeems the Guarantees of Origin assigned to customers by certifying their consumption at their supply point (CUPS) or by certifying the energy sold by the green supplier in question.

In the case of gas, to certify the origin of the biomethane consumed by the customer, the guarantees of origin are redeemed at each point of consumption in a manner similar to that explained previously for electricity. For gas, the management and certification of the gas's origin is carried out by Enagás.

Greenhouse gas (GHG) emissions inventory calculation methodology E1-6_15

Assessment and reduction of uncertainty

The uncertainty associated with the reporting of scope 1 emissions for the year 2025 is 5.8%.

For facilities under the EU Emissions Trading Scheme, in accordance with Decision 2007/589/EC of 18 July, uncertainties regarding GHG emission values will be lower than those corresponding to the approach levels approved by the competent authority. For all other emission sources, the uncertainty associated with the calculation of GHG emissions is a combination of the uncertainties associated with the activity data and emission factors, using the references established in 2.38. IPCC 2006 GHG, vol. 2, table 2.12.

To minimise the uncertainty associated with the activity data, all emission sources have environmental and quality management systems that conform to ISO 14001:2015 and ISO 9001:2015 standards. In order to minimise the uncertainty associated with the emission factors, official sources are always used, as are, by default, the core values recognised in the 2006 IPCC Guidelines for GHG Inventories.

Methodology E1-6_29

To quantify Naturgy's greenhouse gas emissions, an application and calculation methodology has been developed based on the following standards and methodologies:

- Scopes 1, 2 and 3 emissions are included according to "The Greenhouse Gas Protocol. A Corporate accounting and reporting standard".
- Scope 3 reported in accordance with Corporate Value Chain (Scope 3).
- It includes the emissions of the six GHG set out in IPCC in accordance with the 2006 IPCC Guidelines for national GHG inventories (hereinafter 2006 IPCC GHG).
- Standard UNE-ISO 14064-1. Greenhouse gases. Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.
- Standard UNE-ISO 14064-2. Greenhouse gases. Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements.
- Standard UNE-ISO 14064-3. Greenhouse gases. Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.
- Definition of the life cycle in accordance with the UNE- EN-ISO 14040 and ENE-EN-ISO 14044 standards for life cycle analysis.
- Specific emission factors are used in accordance with the 2006 IPCC guidelines for national GHG inventories (hereinafter 2006 IPCC GHG) and other verifiable documentary and bibliographic sources.

Operational limits E1-6_29

Naturgy's carbon footprint inventory includes GHG emissions from the following group activities:

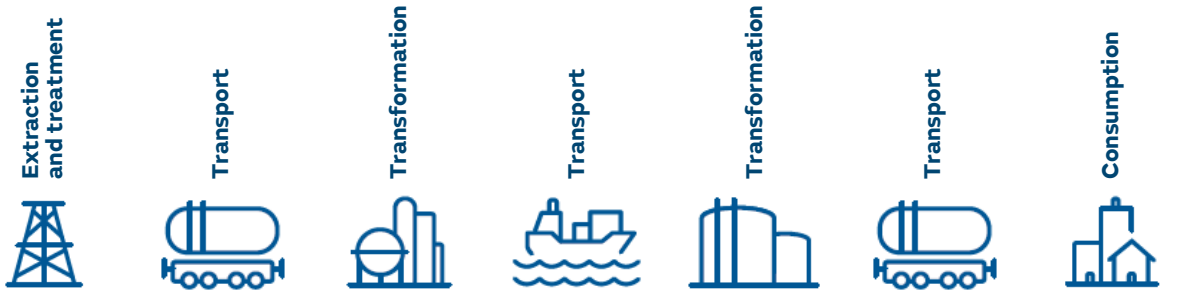
- Extraction, road transport, maritime transport, distribution and commercialisation of natural gas.
- Thermal power stations from coal and fuel oil, combined-cycle power stations, cogeneration, generation at wind farms, photovoltaic power stations and hydroelectric power stations.
- Distribution of electrical.
- Emissions associated to the purchase of goods and services including capital goods for turnkey projects developed.
- Offices, fleets and travel.

Within the aforementioned activities, different calculation units corresponding to each of the facilities comprising those activities have been defined. These calculation units or facilities are treated according to the financial consolidation criteria, in accordance with the shareholding percentages.

Life cycles of fuels used

Energy (fuels, electricity) is consumed throughout the various processes, producing emissions throughout its life cycle. A diagram with the life cycles of the main fuels used is included below.

The fuels used in both fixed sources (fuels from thermal power stations, offices, gas transport and distribution facilities, etc.) and in mobile sources have been considered.



	Road transport		Maritime transport		Road transport	Stationary sources
Oil	Oil pipeline			Refining		Stationary sources and mobile sources
Natural gas	Gas pipeline	Liquefaction		Regasification	Gas pipeline	
	Gas pipeline					

Electric energy

Emissions derived from electrical energy have only been considered when it is used in primary energy terms and is not generated by any of the group's calculation units:

- Electricity consumption purchased from external suppliers.
- Losses arising from the transport and distribution of energy distributed and not generated by the company in each country.
- Emissions from the life cycle of the fuels used in the generation mix of each country.

Geographical limits E1-6_29

All the countries in which activities are carried out, as well as the countries from which the fuels originate, have been considered.

For the annual preparation of the inventory, a series of prior studies are carried out to update the initial data, such as the review of gas supply routes.

Three types of data are updated annually:

- Characteristics of the extraction points (specific factors depending on the country, technology, type of well or mine, etc.).
- Definition of the routes themselves (distances from each country of passage and specific factors).
- Fuel balances in destination countries.

Emissions typologies

Scope 1

Direct GHG emissions, meaning those from sources controlled by the company itself.

Scope 2

Indirect emissions due to the generation of electricity that is acquired by the company for its own consumption but is not generated by the group.

Scope 3 E1-6_26; E1-6_27; E1-6_29

Indirect emissions, not included in scope 2, derived from the value chain of activities, including upstream and downstream emissions, over which the group has no direct influence or control. Within the categories defined by the GHG Protocol, those with a weight of less than 1% have been excluded, provided that the sum of all of them does not exceed 5%. The excluded categories are:

- Transport and distribution of goods.
- Waste produced in the operation.
- Upstream leased goods.
- Downstream transport and distribution.
- Procedure for products sold.
- End-of-life processing of products sold.
- Downstream leased goods.
- Franchises.
- Financial investments[1].

On the other hand, the reported categories are:

- Goods and services purchased and capital goods: emissions derived from the purchase of goods and services including capital goods from turnkey projects developed.
- Fuel life cycles: emissions derived from the life cycles of fuels. This category includes the following subcategories:
  - Emissions derived from the extraction, treatment (liquefaction and regasification) and transport (by gas pipeline and/or methane tanker not owned by the company) of natural gas.
  - Emissions derived from the extraction, treatment (refining) and transport (by oil pipeline and/or oil tanker) of petroleum products.
  - Emissions produced in the life cycles of the fuels used for electricity generation of the energy mix of each country.
  - Emissions due to electricity losses in the transmission and distribution of electricity consumed but not generated.
  - Emissions of energy that has been consumed by the group but not generated and/or distributed.
- Business trips: emissions derived from the movement of employees by plane, train or any other means of transport not belonging to the fleet of vehicles owned by the group. It is divided into two subcategories:
  - Trips made by company employees by train.
  - Trips made by company employees by plane.
- Employees commutes: emissions derived from employees commuting from their respective homes to the workplace.

[1] Emissions associated to joint ventures (particularly Ecoelectrica and the Qalhat liquefaction plant), as they are considered part of Naturgy's energy value chain, have been included in the category "Upstream fuel and energy activities" and the category “End use” instead of "Financial investments" to avoid double counting.

- End use of products sold: emissions derived from the combustion of products, which correspond to those derived from the combustion of natural gas sold by the group to the customer, discounting the gas consumed within the organisation.

Scope 3 emissions related to energy, both upstream and end-use, are always calculated with inputs from the specific activities, such as distribution, natural gas trading, LNG trading, electricity distribution and power generation. Thus, the percentage of Scope 3 emissions that have been calculated with primary data from the value chain is at least 75%.

Out-of-Scope Emissions

In 2025, emissions associated with biomethane transported through the company's networks were incorporated as "out-of-scope emissions," in accordance with the GHG Protocol criteria and SBTi guidelines for the treatment of biogenic emissions.

Since biomethane is a gas of biological origin, its combustion generates CO_2 considered biogenic, whose net contribution to global warming is close to zero, provided that the released carbon has been previously absorbed during its natural cycle.

At the same time, since the gross emissions associated with biomethane are initially recorded within Scope 3, this section presents the resulting net balance after deducting the emissions classified as biogenic.

Additionally, specific work is currently underway to collect and quantify upstream emissions associated with the production, treatment, and supply of biomethane injected into the networks. These emissions will form part of the corporate inventory and will be incorporated as sufficient quality and traceability data becomes available.

Organisational limits E1-6_29

The GHG emissions inventory includes all businesses and activities under financial consolidation criteria, according to the shareholding percentages.

Main emission factors used E1-6_29

Unit	Unit	Value	Source
EF CO_2 petrol	kg CO_2/GJ	2.237	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CH_4 petrol	kg CH_4/GJ	0.226	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O petrol	kg N_2O/GJ	0.022	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 diesel/gas oil A	kg CO_2/GJ	2.488	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 diesel/gas oil C	kg CO_2/GJ	2.881	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CH_4 diesel/gas oil fixed sources (“fs”)	kg CH_4/GJ	0.389	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O diesel/gas oil fs	kg N_2O/GJ	0.023	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 MDO carriers	t CO_2/t MDO	3.206	IMO: International Maritime Organization
EF CH_4 diesel/gas oil mobile sources (“ms”)	kg CH_4/GJ	0.004	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O diesel/gas oil ms	kg N_2O/GJ	0.105	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 HFO carriers	t CO_2/t HFO	3.1144	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CH_4 fuel oil ms	kg CH_4/GJ	0.277	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O fuel oil ms	kg N_2O/GJ	0.079	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 natural gas	kg CO_2/GJ	0.182	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CH_4 natural gas fs	kg CH_4/GJ	0.016	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O natural gas ms	kg N_2O/GJ	0.000	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 LNG carriers	tCO_2/tGNL	2.75	IMO: International Maritime Organization
EF CH_4 natural gas carriers	kg CH_4/GJ	0.016	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O natural gas carriers	kg N_2O/GJ	0	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CO_2 propane	kg CO_2/GJ	2.966	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF CH_4 propane ms	kg CH_4/GJ	0	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
EF N_2O propane ms	kg CO_2/GJ	0	España, Informe Inventarios GEI 1990-2023 (2025 Edition).
GWP Methane	kg CO_2/kg CH_4	27.9	IPCC 6th Assessment Report
GWP SF_6	kg CO_2/t SF_6	24300	IPCC 6th Assessment Report
GWP N_2O	kg CO_2/t N_2O	273	IPCC 6th Assessment Report
GWP HFC	kg CO_2/t HFC	14,600	IPCC 6th Assessment Report
GWP PFC	kg CO_2/kg PFC	12,400	IPCC 6th Assessment Report

Calculation of scope 1 emissions covered by CO_2 emissions trading schemes

Most of the thermal electricity generation facilities that Naturgy has in Spain are regulated by the European Directive 2003/87/EC on Emissions Trading, which establishes the rules for the acquisition of emission rights equivalent to verified emissions from its combined cycle and cogeneration facilities, among others. This means that the Directive regulates the trading of this energy, which is why the company participates in the supply on the primary market through auctions, as well as on the secondary market. The emissions covered come from the gas combined-cycle power stations and cogeneration of Almazán, all of them in Spain, and represent 91.1% of the direct emissions (scope 1) of Naturgy in Spain in 2025. The operation of these plants is included in the Integrated National Energy and Climate Plan (PNIEC) approved for the period 2021-2030 and endorsed in the PNIEC 2023-2030 approved in 2024, aligned with the European objective of climate neutrality in 2050.

Since 1 January 2024, by amending Directive 2003/87/EC, EU emissions trading has been extended to emissions from maritime transport activities, for those ships where the port of loading and/or unloading is located in EU/EEA (European Economic Area) countries, within the scope of the EU ETS. The implementation will be progressive until 2027, specifically, in 2026, 70% of the emissions of 2025 must be delivered. Naturgy's maritime transport activity is, therefore, currently regulated by this directive. in 2026, emission allowances equivalent to 70% of the verified emissions of the shipping fleet have been acquired and will be surrendered. See Note 16 of the Consolidated Annual Financial Report.

In Mexico, the Emissions Trading System (ETS) has been implemented, in which emissions from combined cycle power plants are included. From 2020 to 2022, the test phase was carried out, which included the free allocation of 100% of the facilities regulated by this cap & trade system that emit more than 100,000 tCO_2/year. From 2023 to 2026, the allocation of free allowances, established in the draft ETS Bases, is expected to cover projected emissions in accordance with production projections. In fact, according to current estimates, a surplus of free allowances will be generated in this period compared to the emissions produced. From 2027 onwards, although the criteria for the free allocation of allowances and the required emissions reduction path have not yet been defined, it is expected that the emissions generated will be covered by the free allocation and when the latter is not sufficient, or when said allocation disappears, the CO2 costs will be passed on to the sale price as an additional operating cost, similar to what happened at the time in the European market.

Installations registered in the ETS must submit emission allowances equivalent to the tonnes of CO_2 they emit. Currently, Naturgy's combined cycle plants in Mexico are registered in the ETS and have received the corresponding emission allowances from the authority.

GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

Emissions storage, reduction and elimination through carbon credits are voluntary instruments in the fight against climate change that consist of investing in projects registered under international or national standards that generate CO_2 absorption credits (reforestation projects, blue carbon, etc.) and emission reduction credits (CERs, VERs, etc.), either through direct promotion in projects or through the secondary market.

E1-7_21; E1-7_22; E1-7_23; E1-7_24; E1-7_25 The use of carbon credits, in any case, can be considered a complementary measure to achieve the goal of climate neutrality by 2050, in line with European climate legislation. However, these mechanisms cannot be considered a substitute for the GHG emission reduction targets adopted by the company, nor will they be used by Naturgy as the main way to achieve net zero emissions in 2050, in the terms reflected in the Climate Transition Plan, described in section "Transition plan for climate change mitigation" of this chapter.

E1-7_20 The targets set include GHG scopes 1, 2 and 3 emissions, and are applicable to the entire value chain, in geographies and operations, to meet the aspirations of the Paris Agreement, contemplating projects to absorb GHG emissions in the future to offset residual emissions. In addition, the company has established interim milestones aligned with international SBTi initiatives.

Absorption and mitigation of GHG emissions E1-7_01

E1-7_05; E1-7_06; E1-7_09 Two CO_2 absorption projects are being carried out to date, who will register in the Climate Change Office of the Ministry of Ecological Transition and Demographic Challenge, described in section "Actions and resources in relation to climate change policies" of this chapter. Together, they cover an area of 13.19 hectares and are expected to absorb 5,285 tCO_2 over their lifetime.

E1-7_07; E1-7_08 As this project evolves, as well as others that may be developed at the operations or value chain level, the volume of emissions removed, reduced or stored, and potential reversals, together with the methodologies used for their quantification, will be disclosed annually.

E1-7_02; E1-7_03 It should be noted that emission removal and reduction projects are mostly implemented in developing countries as a form of crowdfunding for climate action, as the acquisition of these credits enhances the global emission reduction target, while at the same time benefiting local communities. These projects can be, for example, related to renewable energy (wind farms, biomass or hydro), energy efficiency, waste management, fuel substitution or forest conservation.

Naturgy has acquired emission reduction carbon credits solely to carry out voluntary offsetting of emissions, but in no case are these projects used as a means of achieving emission reduction targets, nor to eliminate overall emissions along the value chain, reported in section "Gross Scopes 1, 2, 3 and Total GHG emissions" of this chapter. The different offset initiatives include the following:

Neutral gas

Naturgy has developed various low-carbon solutions to help its customers reduce their carbon footprint. In addition, the group has acquired carbon credits for the voluntary offsetting of CO2 emissions related to natural gas consumption supplied to customers, both at the residential and SME levels, where 40% of demand has received offset natural gas, and at the large customer level, where companies in the public, healthcare, telecommunications, and university sectors have opted for offset natural gas supply.

Compensation is carried out in voluntary markets, taking into account the client's needs in terms of technology, geography and social impact. This offsetting is certified by an accredited third party. In 2025, 236,041 tCO_2eq were compensated, which demonstrates the interest in this type of value-added products and services, and Naturgy's commitment to offer alternatives to reduce emissions.

COmpensa2

This initiative allows voluntary compensation of workplace emissions, company travel and CO_2eq emissions from the company's own fleet.

The table below shows the amount of emissions offset through the purchase of emission reduction carbon credits, in tonnes of CO_2 equivalent (tCO_2eq):

- **Emissions compensation** E1-7_04

	Compensated emissions in 2025	Compensated emissions in 2024
Neutral gas	236,041	341,772
COmpensa2 Initiative	18,638	13,444
Scope 1 emissions from fuel use at workplaces (stationary sources and fleet)	8,440	8,443
Scope 2 emissions from electricity consumption at workplaces	1,501	2,161
Scope 3 emissions for business travel (plane and train)	8,697	2,840
Total	254,679	355,216

The decrease compared to 2024 is due to lower demand for these carbon credits.

E1-7_17 Of the total 254,679 carbon credits purchased in 2025, all of them beyond the borders of the European Union, they are cancelled as follows:

- E1-7_10; E1-7_12; E1-7_16 100% of these credits are verified against international UNFCCC standards. Of these, 93%, which corresponds to the Gas Neutral initiative, were cancelled at the end of the 2025 financial year.

- E1-7_11; E1-7_19 For the remaining 7%, corresponding to the COmpensa2 initiative, Naturgy does not have sufficient visibility at present to estimate the specific date of its cancellation.

- **Description of emissions-compensation projects: Neutral Gas 2024 initiative** E1-7_04

Project	Description	Period	tCO_2
KE3773	Olkaria II Geothermal Expansion Project	CP2	320
MX7346	Fuerza y Energía Bii Hioxo Wind Farm	CP2	257,894
NP3653	Micro-hydro Promotion	CP2	150
VERRA	Guanaré' Forest Plantations on degraded grasslands under extensive grazing	10916-256636073-256636676-VCS-VCU-261-VER-UY-14-959-01012015-31122015-1	604
GOLD STANDARD	200 MW Wind Power Project in Tamil Nadu by Orange Sironj	GS1-1-IN-GS6290-12-2021-23974-292289-292746	458
			259,426

Note:
CP1: issued 2008-2012.
CP2: issued 2013-2020.

All the emissions included in the table refer to Neutral Gas 2024.

The above compensations can be classified into two types: ex ante and ex post. Ex ante compensation applies to those customers who require their gas consumption to be carbon neutral from the signing of the contract. For this purpose, a forecast of annual consumption is made and the corresponding certified emission reduction credits (VERRA, Gold Standard, MITECO, UNFCCC, among others) are cancelled in advance on a voluntary basis. If actual consumption differs from planned consumption, the imbalances are carried forward to the following year. Ex post compensation is applied to all other customers. In this case, compensation is made during the first quarter of the year, taking as a reference the gas consumption billed during the previous year.

E1-7_13; E1-7_14; E1-7_15 The above projects are considered, in their entirety, emission reduction projects. However, Naturgy has implemented two projects in Spain, which will be registered in the Climate Change Office and described in section "Actions and resources in relation to climate change policies", which correspond to biogenic GHG sinks, as they allow the natural retention of CO_2, preventing its release into the atmosphere.

E1-7_18 In addition, no projects have been registered aligned with Article 6 of the Paris Agreement, that is, that are attached to a carbon market.

Internal carbon pricing (E1-8)

Naturgy recognises the role of carbon pricing mechanisms as the most effective way to instrumentalise compliance with committed GHG emission reduction targets and uses different carbon price benchmarks depending on the objective pursued with the use of carbon pricing:

- Strategic decision-making.
- Investment analysis.
- Identification of opportunities according to the degree of maturity in low-carbon technologies.
- Climate change risks analysis and energy transition.
- Analysis of climate change and GHG regulation.

E1-8_03; E1-8_04; E1-8_05; E1-8_06; E1-8_07; E1-8_08 For example, when looking for an average unit price applicable to all businesses, covering 100% of the company's emissions in the year and characterised by a stable reference in the short and medium term, a CO_2 cost reference of around 40 €/tCO_2 is used, taking into account the following considerations:

- This price is estimated to maximise emission reductions in the energy sector at the lowest possible cost in the EU-ETS, considering the cost competitiveness analysis of thermal power generation and renewable generation. This benchmark is considered the "barrier price" to displace, in the wholesale electricity market, coal-fired thermal power generation to the benefit of gas-fired combined-cycles, as wind and solar technologies today do not need a CO_2 price to be competitive and displace gas-fired combined-cycles. This is therefore a price signal with which strategic decisions have been taken, such as the closure of Naturgy's coal-fired plants.
- In addition, this price is being used as a valid reference in previous EU-ETS 2 analyses.
- This price is a higher value, and therefore valid, than the current price in other markets such as the Mexican ETS and other diffuse sectors, such as gas distribution in Latin America or LNG trading.

E1-8_09 On the other hand, for the calculation of impairment losses on non-financial assets, see detail in Note 4 of the Annual Consolidated Financial Report, future projections of the price of CO2 have been used based on the best prospective information existing to date, considering the hypotheses of thermal generation established in the PNIEC 2021-2030, endorsed by the PNIEC 2023-2030 approved in 2024.

Therefore, the internal carbon price applied is aligned with the Annual Consolidated Financial Report, and is used in the assessment of the useful life of Naturgy's assets, their impairment and residual value, as well as in the valuation of the assets of the acquired companies.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CO_2 €/t	73.8	83.2	85.6	77.4	89.1	93.1	98.4	103.7	126.2	136.7

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)

Naturgy has carried out a double materiality assessment and a risk and opportunity analysis following the recommendations of TCFD, by means of which it has assessed the risks and opportunities that may generate a financial impact in the short-, medium- and long-term. More information on the methodology for identifying these risks and opportunities can be found in the section "Description of the processes to identify and assess material climate-related impacts, risks and opportunities" of this chapter.

In accordance with the phase-in provision contained in ESRS 1, Appendix C, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, regarding the disclosure of information on anticipated financial effects from risks and opportunities, the quantitative results obtained from the climate risk assessment at the different time horizons in which the study has been carried out are not disclosed in this Report. However, in cases where possible financial effects have been identified during the 2025 financial year, these are detailed in note 2.4.25.k "Climate change and energy transition" of the Consolidated Annual Financial Report.

Physical risks

The following shows the qualitative trends of the physical risks identified as material in the section Impacts, risks and material opportunities and their interaction with the strategy and business model of this chapter, based on how the operating parameters behave in each of the simulated climate scenarios and how they could impact Naturgy's assets and businesses:

			Impact evaluation		
Classification	**Type of risk**	Time horizon relevance	NZE scenario	APS scenario	CURRENT scenario
Acute physical risks	Extreme winds (cyclone, hurricane, gale)	Medium/Long	🟨	🟨	🟨
	Extreme rainfall-flooding	Medium/Long	🟨	🟨	🟧
	Forest fires	Medium/Long	🟨	🟧	🟧
Chronic physical risks	Sustained temperature increase effects	Medium/Long	🟨	🟨	🟧
	Increase in insurance premiums	Long	🟨	🟨	🟧

Risk: high (🟥), medium (🟧), low (🟨).

Time horizons: short 2030, medium 2040, long 2050.

The physical climate risk assessment carried out in 2025 confirms that Naturgy is exposed to extreme weather events—strong winds, torrential rains, and forest fires—as well as chronic risks stemming from the progressive increase in temperatures and the anticipated adjustment of insurance premiums. These factors can generate significant impacts on specific company assets and affect operational continuity and maintenance, replacement, and insurance costs.

As can be seen in the table above, in terms of impact, extreme winds, rain and floods, and especially fires, are the acute risks that materially affect Naturgy's various facilities.

The climate scenario analysis indicates that under high-emission trajectories (Current Policies), an intensification of adverse weather events is expected in the medium and long term. The more ambitious scenarios (NZE), in terms of emissions reductions, partially mitigate exposure, although vulnerabilities remain due to the geographical location and nature of the infrastructure.

The analysis concludes that a very significant part of the physical risk is concentrated in:

- **Power grids**: forest fires and extreme wind events are the most critical risks to these infrastructures due to their presence in areas with high vegetation and adverse weather conditions.
  - In Spain, these networks represent approximately 26.52% of the Group's net book value of fixed assets at the close of the current fiscal year and are notable for their extensive geographical coverage and their presence in areas with dense vegetation and frequent adverse weather events. For example, Galicia accounts for 50% of the net book value of the national networks and is highly vulnerable to wildfires and winds. The networks in Castilla-La Mancha and Castilla y León, which contribute the bulk of the remaining value in Spain, also show significant levels of exposure in areas with a higher probability of wildfires.
  - At an international level, networks such as those in San Juan, Argentina, or in several provinces of Panama have significant impacts, although they represent only 0.15% and 5.73% of the Group's net book value of fixed assets, respectively.

- **Gas networks**: the exposures are mainly linked to flooding, erosion and landslides associated with heavy rainfall.
  - In Mexico, the Toluca and Jalisco networks are among the most sensitive, representing 0.11% of the company's total assets. In Brazil, the Rio de Janeiro and São Paulo assets (representing 2.41%) and in Argentina, the gas distribution network in Salta (0.32%) require monitoring due to their exposure to extreme rainfall.

- **Thermal generation::**
  - In thermal generation, the Sabón combined cycle power plant shows sensitivity to strong winds that can occasionally affect auxiliary equipment and operation, although its relative weight is very small, 0.11% of the net book value of the Group's fixed assets.

- **Renewable generation:**
  - Australian solar parks, particularly the Cunderdin plant (0.68% of Naturgy's net book value of fixed assets), constitute one of the most relevant areas of exposure due to their location in areas prone to extreme winds and severe storms.

- **Hydroelectric generation**:
  - The Galician power plants—especially Frieira, Castrelo, Belesar, and Los Peares—are sensitive to extreme rainfall events that can affect flood management and the operation of dams and access roads. Frieira, which accounts for 8% of the net book value of hydroelectric generation in Spain and only 0.39% of the Group's net fixed asset value, shows the greatest impacts within this group..

The main factors explaining the concentration of risks in these infrastructures are their geographic location in regions exposed to adverse weather events, the critical and widespread nature of the networks, and the presence of assets in areas with high levels of vegetation fuel or low-permeability soils. Climate change acts as an amplifier of these risks, increasing the energy available in the atmosphere, the frequency of intense rainfall and heat waves, and the probability of forest fires. Furthermore, urbanization, the age of some assets, drainage saturation, and continuous vegetation near power lines exacerbate vulnerability.

Regarding chronic physical risks, the sustained increase in temperature impacts Naturgy's business, as it would affect the reduction of energy consumption, particularly the reduction of natural gas demand, although its most significant impacts would be seen in the very long term.

Likewise, the increased severity and frequency of severe weather events could lead to an increase in insurance premiums covering the affected assets. These increases could be more pronounced outside of Spain, given the absence of an Insurance Compensation Consortium or the coverage not provided by the Consortium. There could also be an increase in current deductible levels for policyholders.

In response to this situation, Naturgy has implemented a comprehensive set of adaptation measures to strengthen the resilience of its assets, as described in the section "Material Impacts, Risks, and Opportunities and their Interaction with the Strategy and Business Model" in this chapter. These measures include the structural reinforcement of critical infrastructure, proactive vegetation management, improvements to drainage systems, updated designs to withstand more demanding conditions, and the incorporation of advanced weather monitoring and early warning systems. Emergency protocols have also been updated, physical risks have been integrated into financial and insurance planning, and decision support tools such as GIS, LISA, and Woza-UFD have been deployed. This strategy, complemented by insurance coverage tailored to the level of exposure, helps ensure service continuity and strengthens the Group's operational and financial resilience.

Overall, the analysis's findings reflect that Naturgy has rigorously identified the assets most sensitive to climate risk and has made significant progress in implementing adaptation measures. Continuing this approach will allow the company to further reduce future exposure and protect essential assets in an evolving climate environment.

In recent years, no climate events have been recorded that have caused significant operational consequences or substantial economic losses, except for:

- In October 2024, a DANA storm with extreme rainfall and significant flooding occurred in the Valencian Community in Spain, especially affecting the gas distribution networks, which were the most exposed assets.

- During much of the summer of 2025, a historic wave of forest fires swept through areas of Galicia, León, and Zamora where Naturgy has electricity networks and renewable generation facilities. This forced preventive power cuts, isolation of sections, and real-time reconfiguration of the network to maintain supply. It was also necessary to de-energize facilities, sectorize assets, and block key equipment, including hydroelectric plants in Lugo and wind farms in León and Zamora, to ensure safety and prevent the spread of the flames.

In both cases, there were no significant operational consequences or physical damage to the Group's assets located in the affected areas, demonstrating the resilience of the facilities and the effectiveness of the mitigation and adaptation measures to climate-related physical risks.

These events have not led to any reassessment of physical risks in the Group's asset impairment tests. No changes are anticipated regarding climate change adaptation measures or the assessment of physical risks. See Note 2.4.25k, "Climate Change and Energy Transition," to the Consolidated Annual Financial Report for further details.

Transition risks and opportunities

The qualitative results for the transition risks and opportunities identified as material in the section Impacts, risks and material opportunities and their interaction with the strategy and business model of this chapter are indicated below, in the different climate scenarios analysed:

			Impact evaluation		
Classification	**Type of risk/opportunity**	Time horizon relevance	NZE scenario	APS scenario	STEPS scenario
Transition risks	Displacement of natural gas due to climate policies affects the distribution, marketing and trading of natural gas and LNG	Medium/Large	■	■	■
	Displacement of natural gas due to climate policies, and it affects thermal electricity generation	Short/Medium	■	■	■
	Litigation and sanctions for liabilities associated with climate change	Short/Medium	■	■	No impact
Transition opportunities	Development of biomethane and other renewable gases for the decarbonization of the gas system.	Medium/Large	■	■	■
	Strengthening the electricity network business through its digitization.	Medium/Large	■	■	■
	Expansion of renewable electricity generation within the framework of the energy transition	All	■	■	■
	Diversification of the energy business towards efficiency solutions and distributed generation. Growth of the energy storage business for the integration of renewable energies.	Medium/Large	■	■	■

Risk: high (■), medium (■), low (■).

Opportunity: high (■), medium (■), low (■).

Time horizons: short 2030, medium 2040, long 2050.

As can be seen, the speed of the energy transition, driven by decarbonization policies, consumer behaviour, technological innovation, and the geopolitical, social, and economic situation, will have a significant impact on the evolution of the energy mix and demand by energy type. Taken together, these factors could represent a greater risk for Naturgy the faster the changes occur, should the company be unable to adapt.

Given the current weight of natural gas businesses within Naturgy, the impact of transition risks could be high in all three scenarios used, although it is more pronounced in the more ambitious scenarios regarding climate objectives and, in any case, higher than physical risks.

However, all scenarios also identify opportunities linked to the development of renewable energies, such as renewable gases, electricity grids, and new products and services based on energy efficiency and decarbonization. All of these are incorporated into the company's strategy and considered in the Climate Transition Plan described in this chapter.

The assessment of short-, medium-, and long-term risks and opportunities is a management tool for climate change mitigation and adaptation, since modelling the operational parameters in each of the evaluated scenarios and factors allows the identification of the lines of action that the company must develop in the future to achieve its decarbonization objectives and ensure its resilience.

2. Pollution (E2)

Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1)

In the previous chapter, Naturgy exposed in depth all the problems associated with climate change and Naturgy's active role in its mitigation and adaptation. In particular, it analysed how greenhouse gas (GHG) emissions into the atmosphere affect climatic conditions. However, Naturgy's activity and its value chain may give rise to the emission or generation of substances other than GHGs that may be harmful to the environment and society. In this context, the purpose of this chapter is to identify which of Naturgy's activities and its value chain may contribute to pollution, as well as the substances that require specific attention, assessing their relevance from the point of view of double materiality.

E2.IRO-1_01 In this regard, Naturgy has included the matter of pollution in its double materiality assessment, which evaluates the impacts, risks and opportunities that may arise from, or affect, Naturgy's or its value chain's activity. The definitive list, which is presented below, has been developed according to the methodology indicated in the General disclosures chapter from this Report, section "4. Impact, risk and opportunity management".

E2.IRO-1_02 The materiality assessment process involved stakeholders, whose role is key to identifying the most relevant aspects from an environmental and social perspective. As part of the ongoing dialogue, consultations have been held with different groups to find out how Naturgy's assets and activities may affect them in terms of pollution, thus contributing to the double materiality analysis. In addition, stakeholders participate in the environmental impact assessment processes for the facilities, as described in detail in the chapter on "Biodiversity and ecosystems". The results of the analysis are presented below.

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
POLLUTION						
Pollution of air						
N.I.(1)	Air pollution associated with the use of natural gas by customers, due to NOx emissions and other pollutants.			X	Gas	Current
P.I.	Contribution to improving air quality through increased renewable electricity generation.		X		Both	Current
Pollution of water						
N.I.	Potential water pollution associated with the sourcing of fuels, raw materials, and the manufacturing of equipment across the value chain.	X			Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

E2.IRO-1_03 Under ESRS disclosure framework, the pollution chapter is structured around three dimensions: air, water and soil. For the analysis, Naturgy has considered all of its own facilities and, wherever possible, the relevant links in its value chain, using the best available data. The assessment was carried out taking into account the potential impacts, risks and opportunities, as well as the existence of structural prevention, control and monitoring measures and evidence derived from historical environmental performance. Based on this analysis, the following conclusions were reached:

- In its own operations, the negative impacts, risks and opportunities associated with pollution have not exceeded the thresholds established in the double materiality analysis and are therefore considered immaterial for the purposes of this report. However, a positive impact has been identified from the contribution to improving air quality as a result of the increase in electricity generation from renewable sources.
- In relation to the value chain, no material impacts linked to soil pollution have been identified in the links assessed. Although the available information is more limited, there is no evidence to indicate the existence of significant adverse impacts in these areas, so, based on the information currently available, these sub-topics are considered immaterial. On the other hand, a material negative impact associated with air pollution has been identified, derived from the use of natural gas by customers, as a result of NOx emissions and other air pollutants. In addition, a potential material negative impact associated with water pollution has been identified, linked to the procurement of fuels, raw materials and the manufacture of equipment in the value chain, located in the upstream stages.
- Likewise, the generation or handling of substances of concern and substances of very high concern is considered immaterial, as no impacts, risks or opportunities exceeding the thresholds defined in the analysis have been identified.

The progressive increase in electricity generation from renewable sources in our own operations contributes structurally to the reduction of atmospheric pollutant emissions, which is a material positive impact. This impact is directly linked to the transition to an energy model based on renewable sources, which is one of the company's strategic priorities. Given that the structural reduction in emissions associated with the replacement of fossil fuels with renewable generation is analysed in detail in the chapter on "Climate Change", that chapter includes a more comprehensive description of the policies, objectives and results in terms of decarbonisation.

In the value chain, the double materiality analysis identifies a material negative impact on air quality, derived from emissions of air pollutants other than GHGs generated during the use of natural gas by customers, especially in populated areas, with potential adverse effects on human health and the natural environment. However, compared to other fossil fuels such as coal or petroleum derivatives, natural gas has lower levels of air pollutant emissions, so its use may represent a transitional alternative with less impact in the short term.

On the other hand, the double materiality analysis identifies a potential material negative impact on water quality associated with fuel and raw material procurement and equipment manufacturing activities in the upstream stages of the value chain. These activities can lead to the discharge of pollutants into the aquatic environment, with potential adverse effects on aquatic ecosystems and water use in the environments where they occur.

Given that the negative impacts identified in this area are located solely in the value chain, and in line with reporting requirements, Naturgy has availed itself of transitional provision 10.2. of ESRS 1 for information relating to the value chain, across this chapter.

In addition, as required by Spanish Law 11/2018, Naturgy has assessed the impacts associated with light and noise pollution. With regard to light pollution, the analysis carried out has not identified any significant effects on Naturgy's activity or its value chain. In the case of noise pollution, this can have an impact on the well-being of certain groups. To prevent and mitigate these effects, Naturgy's facilities that require it incorporate structural acoustic measures from the design and operation phase, such as silencers, insulation systems and other permanent technical solutions, aimed at ensuring compliance with applicable legal limits and minimising disturbance to the population and wildlife. These facilities also have noise monitoring and measurement programmes in place to continuously verify compliance with these requirements.

Policies related to pollution (E2-1)

E2.MDR-P_01-06 Naturgy addresses the impacts, risks and opportunities related to pollution through its cross-cutting Global Sustainability Policy, which includes specific principles of action aimed at preventing and minimising air, water and soil pollution. Further information on this policy can be found in the "Corporate Policies" section of the General Disclosures chapter of this Report.

E2-1_01; E2-1_02; E2-1_03 Specifically, this policy establishes the following principles in relation to pollution management:

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

In relation to the material negative impact identified in the value chain, associated with air pollution from the use of natural gas by customers, Naturgy's policy is geared towards promoting a progressive energy transition. Within this framework, the company promotes the development of renewable energies, renewable gases and electrification solutions, as well as products and services aimed at reducing emissions in the value chain, contributing structurally to the reduction of air pollutant emissions.

Actions and resources related to pollution (E2-2)

Given that the material negative impact identified in terms of pollution is located in the value chain and is mainly associated with air pollution derived from the use of natural gas by customers, Naturgy's actions are aimed at indirectly mitigating this impact by acting on the structural factors that contribute to the reduction of pollutant emissions.

The actions and resources deployed in this area are developed in an integrated manner within the framework of climate change and energy transition policies and actions, which are described in the section “Actions and resources in relation to climate change policies”.

3. Water and marine resources (E3)

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (IRO-1)

Water is an indispensable resource for the proper functioning of the planet, and its responsible management is a matter of interest to companies. Naturgy uses water to generate electricity in both hydroelectric and thermal power stations, with the latter being where the actual consumption of the resource takes place.

E3.IRO-1_01 Given the relevance of this matter, Naturgy has paid special attention to it during the double materiality assessment, as a result of which the impacts, risks and opportunities related to water, associated with Naturgy's or its value chain's operations, have been identified and evaluated. In the General disclosures chapter of this Report, section "4. Impact, risk and opportunity management", the process followed is described.

E3.IRO-1_02 In relation to water, the perspectives of stakeholders have also been taken into account to ensure their integration in the double materiality assessment, through a continuous listening strategy, as well as specific consultations, especially during the design and construction stages of the thermal generation facilities, through the environmental impact assessments. Further information can be found in chapter "Biodiversity and ecosystems".

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
WATER AND MARINE RESOURCES						
WATER						
N.I(1)	Water resource consumption associated with the operation of thermal power plants.		X		Electricity	Current
R	Risk of operational restrictions and increased costs due to dependence on fresh water in thermal power plants.		X		Electricity	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Firstly, it can be concluded, from the double materiality assessment, that marine resources are not considered to be a matter that has exceeded the thresholds set.

With regard to water, a material negative impact is identified in the company's own operations associated with the consumption of water resources, mainly in the operation of thermal power plants, where water is necessary for electricity generation processes.

Likewise, a risk of operational restrictions and increased costs has been identified in relation to the dependence on fresh water at certain facilities, particularly hydroelectric and thermal power plants. This risk is linked to the availability of water resources and their possible increase in price, factors that may affect the continuity and cost of electricity production. It is therefore a risk associated with changing environmental conditions, rather than poor water management by the company. Given that these risks are closely related to the effects of climate change, particularly water scarcity scenarios, they are analysed in detail in the chapter "Climate Change".

Policies related to water and marine resources (E3-1)

[E3.MDR-P_01-06] Naturgy establishes in its Global Sustainability Policy the basic principles of action that guide Naturgy's activity in relation to the impacts, risks and opportunities related to water use. Further details on this policy can be found in the "Corporate policies" section of the General disclosures chapter of this Report.

[E3-1_01]; [E3-1_02]; [E3-1_03]; [E3-1_04]; [E3-1_05]; [E3-1_06] Specifically, this policy establishes the following principles in relation to the water resource management:

- Manage water responsibly and efficiently, to preserve the resource, protect aquatic ecosystems and social uses, especially in areas of water risk.
- Minimise the use of freshwater in the design of new facilities located in areas of water risk, prioritising its regeneration and reuse or the use of alternative sources.
- Prevent pollution and treat waste discharges adequately before they are released into the environment, complying with regulatory water quality standards.
- Protect, restore or regenerate aquatic ecosystems affected by company's activities in the manner established by the relevant regulations or concession titles.

[E3-1_09] Given the nature of Naturgy's business, no material impacts related to the use of oceans have been identified, and the company has therefore not considered it necessary to adopt specific policies in this area.

Actions and resources related to water and marine resources (E3-2)

Naturgy considers sustainable water management to be a priority, given its direct implications for the environment and society. In this regard, the company is developing various initiatives aimed at optimising the use of this resource and minimising the associated impacts.

E3-2_03; MDR-A_01; MDR-A_02; MDR-A_03 Therefore, Naturgy applies the precautionary principle to avoid potential impacts and mitigate the risks associated with water use. Thus, during the design phase of facilities, with special attention to those that are most intensive in water consumption, environmental impact studies are carried out to analyse different project alternatives and the characteristics of the natural environment, paying special attention to the availability of water resources and their compatibility with existing ecosystems and social uses. As a result of this process, the necessary measures to minimise environmental and social impacts and risks related to water are incorporated into the design.

In the environmental impact assessment process, both the projects and the corresponding environmental studies are made available to the public, ensuring the participation of stakeholders. This process culminates in an environmental authorisation that details the specific conditions of each project and ensures water management consistent with the local context of resource availability and applicable public policies.

MDR-A_04 Once facilities enter the construction or operational phase, the controls, monitoring and analyses established in environmental studies and authorisations are carried out in order to verify compliance. In this way, Naturgy reduces the impacts associated with water consumption, especially in regions experiencing water stress[2]. Likewise, operational and risk management procedures are applied, including environmental emergency plans and periodic drills, aimed at preventing incidents or minimising their possible consequences. All these actions are integrated into the company's certified Environmental Management System, which provides a structured framework for their application, monitoring and improvement.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12 In economic terms, actions related to water management do not generate direct income for the company. The capital investments and operating expenses associated with these actions are not significant individually and are integrated into broader economic items, which makes it difficult to break them down specifically for accounting purposes.

Although the identified risk corresponds to the scope of its own operations, Naturgy extends its commitment to sustainable water management to its value chain.

Targets related to water and marine resources (E3-3)

Naturgy carries out its activities while ensuring, in all cases, the responsible and sustainable use of natural resources. Given the nature of its operations, the company has identified a negative impact due to water consumption at its thermal power plants. Although these facilities have specific water management plans, integrated into the environmental management system, their very design is geared towards limiting consumption of this resource to the levels strictly necessary for their operation, thereby minimising the risk of shortages.

MDR-T_04; MDR-T_07; E3-3_01; E3-3_03; E3-3_08 Naturgy voluntarily incorporated a global water management target into its 2025-2027 Sustainability Plan, focused on reducing total consumption of the resource and minimising its impact across all its operations.

MDR-T_11; MDR-T_12; MDR-T_13 The achievement of this target is supervised annually by the Board of Directors, through the Sustainability Committee, in order to ensure its proper fulfilment. When setting the target, Naturgy's stakeholders' views on water consumption were taken into account and, in an exercise of good practice, the company's ambitions were aligned with the perspectives of the different groups, although they did not participate directly in the decision-making process. It should also be noted that there have been no changes to the established target or the methodology used to measure Naturgy's performance, including the assumptions, limitations, data sources or procedures used for monitoring.

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Total water consumption (hm^3)	2025	2022	17.3	20.45	16.5	18.8

MDR-T_13 In 2025, Naturgy consumed a total of 20.45 hm3 of water, which is 24.3% more than the previous year, mainly due to the increased operation of combined cycle power plants in Spain, as a result of the reinforced operation following the general blackout in April. On the other hand, annual water consumption intensity was 0.42 hm3/TWh, 10% higher than the previous year. This behaviour indicates that the increase in total water consumption is mainly associated with higher activity levels, while the more moderate evolution of intensity suggests a containment of relative water consumption per unit of energy generated.

[2] Plants are considered to be in water-stress areas when relative water scarcity levels exceed 40%.

E3-3_02 In any case,the target set by Naturgy does not refer to marine resources, as the double materiality analysis concluded that these are not material or applicable to the company or its value chain.

Water consumption (E3-4)

E3-4_06 Naturgy assesses the impact that can generate on water throughout the hydrological cycle, as well as the risks and opportunities associated with it, within the framework of the double assessment analysis. This section has been developed from this perspective and allows the company's performance in water resource management to be assessed. In particular, it presents water consumption across all the geographical areas where it operates, as well as that corresponding to regions classified as having high water stress.

For context, the company's water consumption represents only 2.1% of the total water collected, as most of the water used is returned to the environment after use. The most relevant facilities from a water management perspective are thermal power plants, specifically combined cycle plants, fuel engine plants and cogeneration plants.

The highest consumption occurs in combined cycle power plants, which together account for 99.9% of Naturgy's total water consumption in 2025. Specifically, in cooling towers, where water evaporates during the cooling process and is released into the atmosphere in the form of steam, re-entering the water cycle. Furthermore, the water used in these plants comes mainly from seawater or reused effluent from other facilities, which helps to reduce pressure on freshwater reserves in the regions where the facilities are located. This approach reinforces efficient resource management and is particularly relevant in contexts of greater water scarcity.

E3-4_11 Although, according to ESRS E3-4 disclosure requirement, it is only mandatory to report water consumption data, in application of Spanish Law 11/2018, Naturgy also reports the volumes of water collected and discharged in its own operations, as detailed in the following table:

- **Water withdrawals, consumption and discharges (m^3)** E3-4_01

	2025	2024
Withdrawals	968,691,089	768,703,804
Consumption	20,451,709	16,453,893
Discharges	948,292,515	752,415,300

Globally, in absolute terms, in 2025, there has been a 24.3%increase in water consumption, as mentioned above, due to the reinforced operation of combined cycles in Spain as a result of the general blackout that took place in April 2025. The increase has largely come from reuse and seawater, as shown in the following table.

The following table details Naturgy's water consumption in cubic metres (m^3), broken down by source.

- **Water consumption by source (m^3)**

	2025	2024
Seawater[1]	7,199,279	5,993,456
Wastewater used from another organisation (reuse)[1]	11,673,190	9,084,504
Surface freshwater[2]	1,482,206	1,009,779
Fresh groundwater[2]	31,515	280,126
Water from supply network[2]	65,519	86,028
Total	20,451,709	16,453,893

[1]Total dissolved solids (TDS) > 1.000 mg/l.

[2]Total dissolved solids (TDS) ≤ 1.000 mg/l.

Water consumption at thermal power plants is determined using a water balance based on direct measurements obtained through flow meters and records of feed pump operation. In addition, discharges are systematically measured, and consumption is calculated as the difference between the volume of water supplied and the recorded discharges. This methodology provides robust and traceable consumption data, based primarily on direct measurements at the facilities, without the need for extrapolations or sectoral factors.

E3-4_03 It is important to mention that Naturgy uses wastewater from other industrial activities or urban sources, which is properly treated for reuse in its power plants. In this regard, the company has consumed a total of 11,673,190 m^3 of reused water, which has been quantified using the same methodology described in the previous paragraph.

E3-4_04; E3-4_05 Finally, it should be noted that Naturgy does not store water for operational purposes nor has it made use of stored water in previous years. It should be noted that reservoirs associated with hydroelectric generation facilities are not considered water storage for consumptive use and are therefore not included in this reporting scope.

Water consumption in water-risk areas E3-4_06

An additional factor of great relevance in assessing a company's performance in water consumption is the pressure associated with the water conditions in the regions where its facilities are located.

As previously indicated, thermal power plants account for 99.9% of the company's total water consumption, while the rest of the facilities have a negligible impact on water resources. Consequently, Naturgy has focused its consumption analysis on the regions where these facilities are located. To do so, the company has used the Aqueduct global water risk mapping tool, developed by the World Resources Institute (WRI), which provides detailed indicators for assessing water availability and quality in different areas.

Among the available indicators, two methodological alternatives have been considered. On the one hand, the water stress index, which measures the relationship between demand and the annual renewable availability of water resources in a region, identifying those areas where current demands may exceed the resource's capacity for replenishment. On the other hand, the water risk index, which offers a broader view by incorporating, in addition to water stress, factors such as floods, droughts and water quality.

To determine which of the two indicators was more appropriate, a preliminary comparative analysis was carried out, which identified significant differences between the two approaches. According to the water stress index, 16 of Naturgy's 22 thermal facilities are located in areas classified as having high water stress (with relative water scarcity levels above 40%). However, when applying the water risk index, only 12 of these facilities remain within areas classified as high or extremely high risk. This difference highlights that the water stress index presents a more conservative approach, as it focuses exclusively on direct pressure on the resource.

For this reason, Naturgy has selected the water stress index as the main reference for this analysis. The adoption of this methodology helps to ensure that the conclusions reflect more demanding scenarios, reinforcing a prudent approach to water resource management.

Naturgy's thermal power plants have been designed to minimise their impact in environments with low water availability, mainly using seawater or wastewater from other activities, which significantly reduces freshwater consumption. In fact, only 10.0% of the water consumed by thermal power plants in areas of water stress is fresh water, reflecting an efficiency-oriented approach to resource management.

The table below details water consumption in areas classified as water-stressed, differentiating between sources and volumes used.

- **Water consumption in areas of high water-stress (m^3)** E3-4_02

	2025	2024
Seawater[1]	1,939,464	1,672,852
Wastewater used from another organisation (reuse)[1]	9,393,110	7,432,388
Surface freshwater[2]	1,481,759	1,009,357
Fresh groundwater[2]	0	247,388
Water from supply network[2]	29,176	27,502
Total	12,843,509	10,389,487

[1]Total dissolved solids (TDS) > 1.000 mg/l.

[2]Total dissolved solids (TDS) ≤ 1.000 mg/l.

E3-4_06, E3-4_07 Water consumption by thermal power plants in water-stressed areas has been calculated according to the general methodology explained in the previous section.

Water intensity ratio E3-4_08

Naturgy has assessed its performance in terms of water consumption by calculating the intensity ratio, which allows it to analyse the relationship between the use of this resource and the generation of net income. Below is a comparison between the current and previous financial years.

	2025			2024		
	Water consumption (m^3)	**Net turnover (million €)**	**Ratio (m^3 / million € net turnover)**	**Water consumption (m^3)**	**Net turnover (million €)**	**Ratio (m^3 / million € net turnover)**
Total	20,451,709	19,455	1,051.23	16,453,893	19,267	853.99

The water consumption intensity ratio increased by 23.1% compared to the previous year, in line with the increase in total water consumption (24.3%). This change is mainly due to the increased operation of combined cycle power plants in Spain, as explained above.

Anticipated financial effects from water and marine resources-related impacts, risks and opportunities (E3-5)

Naturgy, in 2025, has availed itself of the transitional provision set out in ESRS 1, Appendix C, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, in relation to the reporting of information on the expected financial effects of the impacts, risks and opportunities associated with water and marine resources included in this chapter.

4. Biodiversity and ecosystems (E4)

Transition plan and consideration of biodiversity and ecosystems in strategy (E4-1)

Biodiversity is fundamental to human well-being and sustainable development, as it provides essential services such as food production, climate regulation and water purification, known as ecosystem services. In this context, it is necessary to adopt measures aimed at conserving and restoring biodiversity, effectively integrating it into the policies, plans and practices of the various economic and social sectors.

Naturgy integrates biodiversity in a cross-cutting manner into the pillars of the energy transition towards decarbonisation, structured around climate, nature and people. Although the company does not yet have a specific transition plan for biodiversity and ecosystems, its strategy and business model are geared towards the development of renewable energies, both in electricity generation and renewable gases, and the development and maintenance of networks, with the aim of contributing to climate mitigation, one of the main drivers of biodiversity loss on a global scale.

The implementation of this strategy involves the development of new infrastructure, such as wind farms, photovoltaic power stations, renewable gas production plants and electricity grids. Although these activities contribute positively to climate change mitigation, they can also have negative local impacts, mainly associated with changes in land use resulting from the occupation of new infrastructure and the impact on wildlife, particularly certain bird species. To address these challenges, biodiversity management focuses primarily on prevention, integrating ecosystem protection from the initial stages of project design. New developments undergo rigorous environmental impact assessment processes prior to authorisation, and preventive and corrective measures and operational controls are implemented throughout their life cycle.

Although existing facilities also have an impact on biodiversity, the Environmental Management System certified under ISO 14001 allows for the monitoring, control and continuous improvement of the operation, maintenance and decommissioning processes of the facilities, keeping these impacts at levels compatible with environmental conservation.

In relation to biodiversity and ecosystems, water resources and flow regulation are particularly important in future scenarios marked by greater water scarcity in certain regions as a result of climate change. This dependency is particularly significant for certain types of infrastructure, such as hydroelectric power stations or thermal power plants that use fresh water. However, the new renewable electricity generation technologies envisaged in the strategy, which do not require water for their operation, contribute to significantly reducing these dependencies and associated risks.

The impacts and dependencies identified may give rise to significant risks, particularly those associated with possible effects on certain endangered or protected species, also taking into account the progressive strengthening of regulatory frameworks for biodiversity protection. These risks may result in longer authorisation times for new projects, higher development and operating costs, reduced revenues or reputational impacts for the organisation.

E4-1_01 Naturgy considers the management of biodiversity and the impacts of its activities on ecosystems as a key factor for its resilience, and describes below the assumptions, scenarios and main conclusions of the resilience analysis carried out.

Resilience analysis assumptions E4-1_03

E4-1_02 The information used to analyse the resilience of the strategy and business model in relation to biodiversity and ecosystems comes from the double materiality analysis, described in the General Disclosures chapter of this report, section “4. Management of impacts, risks and opportunities”, which has considered the activities carried out by Naturgy and its value chain. In the specific area of biodiversity, and for its own operations, this analysis was based on the application of the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) initiative, the development of which is detailed in the following section. However, it has not been possible to use this LEAP approach in the same way for the value chain due to the limited availability of the necessary source data.

E4-1_04 With regard to the time frame, the horizons described in the General Disclosures chapter, in the section "Disclosures in relation to specific circumstances".

E4-1_06 The analysis also took into account the perspectives of Naturgy's various stakeholders, through the representation of each of the groups. In particular, the expectations of potentially affected groups have taken on specific relevance, given their exposure to potential negative impacts related to biodiversity and ecosystems, as well as the reputational risk that may arise if such impacts materialise.

In relation to the future scenarios considered for the assessment of risks and opportunities, the reference framework set out by the TNFD has been adopted, which combines two key variables: the degree of degradation of biodiversity and ecosystem services and the level of alignment of public administrations and market forces with the protection of biodiversity. Specifically, a scenario characterised by moderate biodiversity loss has been assumed, accompanied by new regulatory requirements aimed at protecting biodiversity, together with the promotion of voluntary initiatives by companies to encourage investment in nature. These initiatives would be motivated both by the need to mitigate reputational risks and by increased social and financial pressures.

E4-1_05 Resilience analysis conclusions

Throughout this chapter, we have developed an analysis to assess the resilience of Naturgy's business model, considering the dependencies, impacts, risks and opportunities related to biodiversity and ecosystems associated with the company's activities. The analysis shows that, in the scenario considered, the loss of biodiversity, although significant, does not compromise the viability of Naturgy's activities.

Likewise, the increase in investments and expenditure allocated to protecting biodiversity and ecosystems, resulting from stricter regulatory requirements, is manageable and does not have a significant impact on the company's financial results. In addition, the management measures implemented allow residual risks to be kept to a minimum, both for the environment and for the organisation itself.

In conclusion, the resilience analysis confirms that Naturgy's current strategy and business model are resilient to the various risks identified in relation to biodiversity and ecosystems, including those associated with changes in the regulatory framework and increased social sensitivities.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

As mentioned in the previous section, Naturgy has carried out a double materiality assessment, that includes the value chain and, in the case of its own operations, has been based on the application of the aforementioned LEAP methodology. Based on this analysis, the impacts, risks and opportunities related to biodiversity and ecosystems that may affect the company's own operations and its value chain have been identified and assessed. Using impact and financial materiality thresholds, the results presented in the following table have been determined:

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
BIODIVERSITY AND ECOSYSTEMS						
Direct impact drivers of biodiversity loss						
N.I.(1)	Immediate loss of biodiversity due to the construction of new infrastructure/facilities.	X	X		Both	Current
Impacts on the state of species						
N.I.	Deterioration of the conservation status of species, especially threatened ones, due to the execution and operation of energy infrastructures.		X		Electricity	Current
R	Sanctions, delays in authorizations, decreased income and reputational damage associated with impacts on biodiversity and threatened species.		X		Electricity	Short-term
Impacts on the extent and condition of ecosystems						
N.I.	Ecosystems deterioration due to climate change caused by greenhouse gas emissions.	X	X	X	Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Naturgy has concluded that its own operations have material impacts on biodiversity and ecosystems, mainly due to climate change and the modification of the habitats in which the company's different types of assets are located and the consequent impact on the species that inhabit them. These impacts take on additional relevance in cases where there is interaction with threatened or protected areas or species.

To assess the impacts and dependencies associated with its own operations, based on the LEAP methodology, specific matrices have been used for each type of asset, developed using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool. These matrices were subsequently adjusted through a collaborative analysis carried out within the framework of the Natural Capital Working Group for the energy sector in Spain, in which seven companies from the sector participate. For more details on the methodology used, please refer to the following section, "Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities".

With regard to the value chain, the analysis carried out suggests that certain procurement activities may have an impact on the habitats adjacent to its facilities and their biodiversity.

E4.SBM-3_05; E4.SBM-3_06 However, it should be noted that, based on the information currently available, no material impacts related to land degradation, desertification or soil sealing have been identified in either Naturgy's operations or in the links in its value chain.

Description of material impacts and implemented mitigation measures

The impacts identified as material in relation to the company's own operations are described below, based on an analysis differentiated by type of facility. In addition, the mitigation measures that, where appropriate, have been considered necessary to implement in the different technologies are indicated. These measures aim to keep the magnitude of impacts at acceptable levels, avoiding biodiversity loss and damage to ecosystem services that could have negative consequences for communities. Further details on these measures can be found in section "Actions and resources related to biodiversity and ecosystems".

Throughout this chapter, the impact drivers established within the TNFD framework are used. Below is a table showing how these correspond to the sub-topics defined in ESRS E4, from which the material impacts and risks have been identified in the double materiality assessment:

- Direct impact factors on biodiversity loss: corresponds to the impact driver "Occupation and change in ecosystem use".
- Impacts on the status of species: corresponds to the impact driver "Biological alterations or interference".
- Impacts on the extent and status of ecosystems: corresponds to the impact driver "Climate change".

Land occupation and ecosystem use change

- Material impacts on terrestrial ecosystems are mainly associated with photovoltaic installations, due to the large areas occupied by the panels, and with electricity distribution lines, which require the establishment of safety strips without tree vegetation. These impacts are considered avoidable and recoverable, as preliminary studies are carried out to select the alternatives with the least impact and, once the works are completed, the affected areas are restored. Permanently occupied areas are recovered during the dismantling phase at the end of the facilities' useful life.
- Material impacts on freshwater ecosystems are mainly related to hydroelectric power stations, which transform river ecosystems into lake ecosystems as a result of the creation of reservoirs. These facilities, most of which were built decades ago, have had a historic impact on terrestrial ecosystems, mainly due to the flooding of areas occupied by the reservoirs. However, it should be noted that some of these reservoirs have, over time, given rise to high-value natural aquatic spaces, which have promoted biodiversity and led to their subsequent environmental protection, as detailed in the section "Impact metrics related to biodiversity and ecosystems change".

Biological alterations or interference

- Disturbances to the aquatic ecosystem are a potential impact associated with combined cycle power plants, resulting from higher temperature cooling discharges. However, the assessment of water pollution from thermal discharges and the justification of their non-material nature are specifically discussed in the chapter "Water and marine resources", to which reference is made for further details.
- Biological alterations are considered a material impact in the case of hydroelectric power stations, wind farms, photovoltaic plants and power lines. In hydroelectric power stations, dams and reservoirs cause permanent alterations to aquatic fauna by affecting spawning areas and migratory flows. To mitigate these effects, measures such as establishing ecological flows and installing fish ladders are implemented. Wind farms pose collision risks for birds and bats, while photovoltaic plants can affect steppe bird habitats. Power lines, for their part, pose collision and electrocution risks for birds. In all these projects, specific environmental studies are carried out during the design phase and sensitive species present in the environment are analysed, adapting the location of the facilities and implementing preventive, corrective or compensatory measures, as well as environmental monitoring programmes throughout the entire useful life, in order to keep impacts at acceptable levels. In particular, wind farms incorporate additional measures when necessary, such as the collection of carrion to avoid attracting scavenger birds and reduce the risk of collision, or the installation of detection and shutdown systems for wind turbines in situations of imminent risk. Likewise, power lines incorporate specific designs for supports, insulators and bird protection devices, aimed at minimising impacts on birds.

Finally, the double materiality assessment has identified climate change as a significant pressure factor on biodiversity and ecosystems, contributing to the progressive deterioration of habitats and species on a global scale. However, this is an indirect and systemic driver of impact, which is managed through Naturgy's climate strategy. For this reason, the policies, targets, action plans and mitigation measures aimed at reducing greenhouse gas emissions and limiting the effects of climate change are specifically developed in the chapter on Climate Change in this Report.

It should be noted that the applied LEAP methodology, recommended by TNFD, considers a nature-based approach, which includes both biodiversity and other components such as climate change, pollution or resource use. In any case, these issues are specifically addressed in detail in other chapters of this Report ("Climate change", "Pollution", "Water and marine resources" and "Resource use and circular economy").

Based on the impacts identified in the double materiality assessment and the dependencies assessed, a list of facilities located in sensitive areas has been determined, in accordance with the process described in the section "Description of the processes for determining and assessing material impacts, risks and opportunities related to biodiversity and ecosystems". Consequently, the following is a list of the company's own sites that could potentially affect areas of high biodiversity or protected natural spaces, classified by type of facility.

- **Material sites in its own operations** E4.SBM-3_01; E4.SBM-3_02; E4.SBM-3_03; E4.SBM-3_04

2025	Sites in sensitive areas	Related potential material impacts	Related potential material dependencies	Key Biodiversity Areas (protected)	Ecological status of the area (% facilities in areas of high biological integrity)
ELECTRICITY GENERATION					
Renewable technology					
Wind farms	51%	▪ Biological disturbance/ interference: risk of bird and bat collisions	▪ Climate regulation ▪ Storm mitigation	IBA, ZREEN, MAB, ZIC, PNA, PPG, PEIN, MNA	91%
Photovoltaic power plants	15%	▪ Terrestrial ecosystem use: land occupation and land-use change ▪ Biological disturbances/ interferences: negative effects on steppe species	▪ Climate regulation ▪ Storm mitigation	IBA, RF, ZREEN	86%
Hydropower plants	64%	▪ Water use: flow diversion ▪ Use of terrestrial and freshwater ecosystem: reservoir ▪ Biological disturbances/ interferences: impact on aquatic species	▪ Water supply ▪ Flood mitigation ▪ Climate regulation ▪ Soil and sediment retention ▪ Rainfall pattern regulation ▪ Water flow regulation	MAB, ZREEN, IBA, PNA, MNA, RNE, RF	94%
Conventional technology					
Combined-cycle power stations	53%	▪ Water use: water consumption ▪ Use of other resources: natural gas consumption ▪ Climate change: GHG emissions	▪ Water supply ▪ Other supply services: fuels ▪ Water purification ▪ Rainfall pattern regulation ▪ Water flow regulation	IBA, ZREEN, PJN, RAMSAR, ZH, MAB	88%

2025	Sites in sensitive areas	Related potential material impacts	Related potential material dependencies	Key Biodiversity Areas (protected)	Ecological status of the area (% facilities in areas of high biological integrity)
Fuel oil-fired power stations	50%	▪ Use of other resources: consumption of oil derivatives ▪ Climate change: GHG emissions	▪ Other supply services: fuels	AUS	100%
Cogeneration	40%	▪ Use of other resources: consumption of oil derivatives ▪ Climate change: GHG emissions	▪ Other supply services: fuels	IBA, ZREEN, MAB	100%
RENEWABLE GASES					
Biomethane plants	0%	▪ No material impacts have been identified	▪ Biomass supply: organic waste	Not applicable (see notes at the end of the table)	Not applicable (see notes at the end of the table)

2025	Sites in sensitive areas	Related potential material impacts	Related potential material dependencies	Key Biodiversity Areas (protected)	Ecological status of the area (% facilities in areas of high biological integrity)
ENERGY GRIDS					
Electricity grids					
Power lines	21%	▪ Use of terrestrial ecosystem: occupation and land-use cjange in the construction phase, by opening the buffer strip and removing tree vegetation. ▪ Biological disturbance/ interference: bird collisions and electrocutions	▪ Climate regulation ▪ Storm mitigation	ZIC, ZREEN, IBA, MAB, PPG, ZECIC, MNA, PNA, RF, RNE, M, PR, RAMSAR, HP, PNPE, PN, OSPAR, ZEPA, INDEF, LPM, AGHE, AUS, ARM	Not applicable (see notes at the end of the table)
Substations	22%	▪ No material impacts have been identified	▪ No material dependencies have been identified	MAB, ZREEN, IBA, PPG, PR, PNA, HP, PN, RF	97%
Gas networks					
Gas pipelines	4%	▪ No material impacts have been identified	▪ No material dependencies have been identified	AUS, MAB, PPG, PN, MNA, AGHE, RFS, SN, IBA, PJN, ZIC, ZREEN, PNA, RNE, M, RNP, PEIN, PR, ZH, PJNM, RAMSAR, ZECIC, PPU, PNPE, PJNIN, EN, OSPAR, HP, ZEPA, ZSCE, ZPECP, PE, PU, ZPHE, ANP	Not applicable (see notes at the end of the table)
LNG, CNG and LPG plants	33%	▪ No material impacts have been identified	▪ No material dependencies have been identified	IBA, MAB, PR, ZREEN, ZH, PEIN, PPG, PNA, RAMSAR, ZECIC	98%

2025	Sites in sensitive areas	Related potential material impacts	Related potential material dependencies	Key Biodiversity Areas (protected)	Ecological status of the area (% facilities in areas of high biological integrity)
Key Biodiversity Areas legend:	IUCN: AGHE-Habitat/species management areas (IV) (Bra Pan); AUS-Protected area with sustainable use of natural resources (VI) (Arg Bra Mex Pan Dom); MNA-Natural monument (III) (Bra Esp Mex Pan); PN-National park (IIb) (Arg Bra Esp Mex Pan); PPG-Protected terrestrial/marine landscape (V) (Arg Bra Esp Pan); RNE-Strict Nature Reserve (I) (Bra Esp). International Agreements: LPM-World Heritage Site (Arg Pan); MAB-Biosphere Reserve (Arg Chl Cri Esp Mex Pan); OSPAR-Protected Areas, of the Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR) (Esp); RAMSAR-Wetlands of International Importance especially as Waterfowl Habitat (Arg Esp Mex Pan); ZEPIM-Specially Protected Areas of Importance of the Mediterranean Sea (Esp). Others: ANP-Natural Protected Area (Mex); ARM-Managed Resource Area (Pan); EN-Natural Enclave (Esp); HP- Protected Wetland (Esp); IBA-Important Bird Area (important areas for the conservation of birds and biodiversity) (Esp); INDEF-UNDEFINED (Pan); M-Microreserve (Esp); PE-State Park (Mex); PEIN-Special Protection Plan (Esp); Natural Place (Esp); PJNIN-Natural Park of National Interest (Esp); PJNM-Municipal Natural Park (Esp); PNA-Natural Park (Esp); PPU-Periurban Park (Esp); PR-Regional Park (Esp); PU-Urban Park (Mex); RF-Fluvial Reserve (Esp); RFS-Forestry reserve (Chl); RNP-Partial Natural Reserve (Esp); SN-Nature Sanctuary (Chl); ZECIC-Special Conservation Area of Community Importance (Esp); ZEPA-Special Protection Area for Birds (Esp); ZH-Wetlands (Esp); ZIC-Zone of Community Importance (Esp); ZPECP-Zone of Ecological Preservation of Population Centres (Mex); ZPHE-Zone of Hydrological and Ecological Protection (Mex); ZREEN-Zone of European Ecological Natura 2000 Network (Esp); ZSCE-Zone Subject to Ecological Conservation (Mex); PNPE-Peripheral Zone of Protection of National Park (Esp).				
Countries legend:	Esp (Spain), Bra (Brazil), Chl (Chile), Cri (Costa Rica), Mex (Mexico), Pan (Panama), Dom (Dominican Republic)				

As additional notes on the table above, it must be considered that:

- The methodology used to determine material sites located in biodiversity-sensitive areas is described in detail in stages (L) and (E) of the LEAP approach, developed in the following section. Likewise, the table "Sites within or adjacent to biodiversity-sensitive areas", included in the section Impact metrics related to biodiversity and ecosystems change, provides additional information on the impact on these sensitive areas.
- The data has been calculated according to an improved methodological system, which may result in variations from previous years, without impacting the interpretation of the information reported.
- The value in the column "Sites in sensitive areas" represents the percentage of total sites located within or adjacent to areas sensitive to biodiversity. To calculate this percentage, the number of facilities in the case of point infrastructures and the linear kilometres in the case of networks have been considered. The methodology and sources of information used for this calculation are described in greater detail in the following section.
- The value in the column "Ecological status of the area" indicates the percentage of sites located in sensitive areas that are in zones with high biological integrity (BII ≥ 0.7). The methodology applied and the sources of information used to determine this indicator are detailed in the following section.
- For technologies that do not have facilities located in sensitive areas, "Not applicable" has been entered in the cells corresponding to "Areas of importance for biodiversity" and "Ecological status of the area".

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities (IRO-1)

E4.IRO-1_01; E4.IRO-1_03;To determine the impacts, risks and opportunities related to biodiversity and ecosystems described in the previous section, Naturgy has applied the LEAP methodology recommended by the TNFD to its own operations, as previously explained.

The double materiality assessment also incorporates value chain activities. In relation to the risks associated with this, the company's purchasing and supplier management model (see chapter "Management of relationships with suppliers (G1-2)", section "Application of ESG criteria in the assessment and selection of suppliers") integrates ESG criteria covering the main environmental aspects, including biodiversity. Within the framework of this model, a specific assessment of the risk to nature applicable to suppliers is carried out.

E4.IRO-1_05; E4.IRO-1_06; E4.IRO-1_07; E4.IRO-1_08 In addition, the analysis has taken into account the perspectives of the stakeholders affected in terms of biodiversity and ecosystems, with special attention to the groups affected.

In the case of new facilities, the precautionary principle is applied through environmental impact studies during the design phase. These studies analyse the environment of the sites, with special attention to protected areas and species of high ecological value. Both the studies and the projects are subject to public information processes, which guarantees the participation of stakeholders, particularly affected groups. A favourable response from the competent authority implies the tacit approval of stakeholders, as any possible objections are taken into account. As a result of these studies, Naturgy adapts the location and design of projects to avoid negative impacts and establishes corrective or compensatory measures when it is not possible to completely eliminate such impacts.

In addition, Naturgy develops specific social engagement plans with affected groups throughout the entire project life cycle, not just during the design phase. More information on this engagement model can be found in the “Affected communities” chapter of this Report.

During the operational phase, the company applies operational control procedures and, at sites with the greatest potential for impact, carries out environmental risk assessments and defines emergency plans aimed at preventing incidents or reducing their impact. Periodic environmental emergency drills are also carried out to test and reinforce the effectiveness of the established procedures.

LEAP methodology description

LEAP methodology is structured in four phases: Locate, Evaluate, Assess and Prepare. The first three (L, E and A) are described below, since phase P, corresponding to the preparation and reporting of information, is fully complied with in this Report, following the reporting standards established by the ESRS.

Locate phase (L)

In order to identify key activities and their relationship with nature, an analysis of the business model and value chain has been carried out. This analysis has shown that, although there are dependencies and potential impacts throughout the chain, especially upstream, the limited availability of information prevents a comprehensive study of all phases. For this reason, the scope of the LEAP analysis has focused on facilities under the company's own control, where sufficient data is available to apply the methodology. To this end, a Geographic Information System (GIS) is used to geolocate all of the company's facilities.

E4.IRO-1_14 Using this system, the interaction of the facilities with nature has been assessed, considering their location and areas of influence in relation to sensitive areas, defined according to the following criteria:

- **Importance for biodiversity**: identification of ecosystems considered biodiversity hotspots, protected areas or internationally recognised sites, where the loss or deterioration of nature can have a greater impact due to their high ecological value. For this assessment, the World Database on Protected Areas (WDPA) has been used in all countries except Spain, where information from the Natura 2000 Network Areas has been used.
- **Ecosystem integrity or conservation statu**s: in ecosystems with a high conservation status, activities with higher impact could significantly compromise their condition. This criterion has been assessed using the Biodiversity Intactness Index (BII), based on the global geographic layer available on the UK Natural History Museum website (https://www.nhm.ac.uk/our-science/data/biodiversity-indicators/about-the-biodiversity-intactness-index.html) and widely used in international biodiversity assessments, including the reference frameworks of the IPBES (The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) and the TNFD recommendations.
- **Water-stress areas:** identification of those areas where the quantity or quality of available water is deteriorating, increasing the risk to activities that depend on this resource. These conditions expose water-consuming activities to increased environmental risk related to water availability. This criterion is detailed in section "Water consumption" of this Report.

As a result of this phase, sensitive areas have been identified and cross-referenced with the sites, including their areas of influence, understood as the spatial environment on which each type of facility may have an impact, to determine whether the facilities are located within or in the vicinity of areas of importance for biodiversity. In the case of facilities located in sensitive areas, the conservation status of the ecosystems in these areas has been analysed, considering the following thresholds:

- BII ≥ 0.7: ecosystems with maintained integrity.
- BII < 0.7: ecosystems that have deteriorated.

Evaluate phase (E) E4.IRO-1_01; E4.IRO-1_02

In this phase, the impacts and dependencies associated with Naturgy's operations were assessed using specific matrices for each type of facility, developed using the ENCORE (Exploration of Opportunities, Risks and Exposure of Natural Capital) tool. These matrices were adjusted through a collaborative analysis carried out within the framework of the Natural Capital Working Group for the energy sector in Spain, in which seven companies from the sector participate. This approach has made it possible to integrate information from baseline studies, environmental impact assessments, facility monitoring programmes and analyses of events accumulated over time in the sector.

The assessment covers the different stages of the asset life cycle, considering only those phases relevant to each type. In addition to the operational phase, the construction phase has been included for technologies under development, such as wind farms, photovoltaic plants, biomethane plants and energy networks.

The potential impacts and dependencies of each technology have been classified on a five-level materiality scale, from very low to very high. For materiality purposes, those classified as moderate, high or very high are considered significant, as they represent relevant impacts or dependencies on nature, thus allowing the identification of material facilities.

As a result, a matrix of potential material impacts and dependencies has been developed for each type of technology and stage of the life cycle. The table "Material sites in own operations", presented in the previous section, details the impacts and dependencies that are material for each technology

Analyse phase (A) E4.IRO-1_03

E4.IRO-1_04 According to the TNFD international framework, risks to nature depend on the specific characteristics of the environment in which activities take place. Impacts and their dependencies can lead to potential risks if not managed properly, which can be classified into three categories:

- Physical risks: associated with damage to nature or changes in the availability and stability of natural resources. These include biodiversity loss, ecosystem degradation, or the decline of essential ecosystem services.
- Transition risks: arising from changes in public policy, regulatory frameworks, technologies or consumer preferences, driven by the need to mitigate environmental impacts. The greater the magnitude of physical risks, the greater the likelihood of increased transition risks, as they can lead to stricter regulations or significant market adjustments.
- Systemic risks: these have a broad and interconnected impact on society, the economy and the environment. They can manifest themselves as collapses in natural systems, such as the loss of a key ecosystem with effects on multiple sectors, or as global economic disruptions caused by imbalances in biodiversity and ecosystem services. Although less frequent, their potential impact is severe and far-reaching.

Conclusions

E4.IRO-1_15 The application of the LEAP methodology (phase L) has made it possible to elaborate the table "Sites within or adjacent to biodiversity-sensitive areas", included in section "Impact metrics related to biodiversity and ecosystems change". Based on this table, and with the list of material impacts and dependencies drawn up (phase E), the table of "Material sites in own operations", included in the previous section, has been constructed. This includes information on those installations located in areas classified as sensitive. In addition, it specifies the dependencies and impacts that have been identified as material for each technology, providing a detailed and contextualised analysis.

It is important to note that those risks linked to the potential impacts and dependencies listed in this table may or may not materialise depending on the specific characteristics of the facilities, the impact prevention and correction measures that have been implemented and the particularities of the environment in which they are located. These elements largely determine the magnitude and relevance of the associated impacts.

E4.IRO-1_16 In this sense, Naturgy has implemented specific measures at those sites where the need has been identified. For more detailed information on these measures, see section "Actions and resources related to biodiversity and ecosystems".

Finally, risks have been identified (phase A) using the scenario described in section "Transition plan and consideration of biodiversity and ecosystems in strategy" and following the classification proposed by TNFD: physical, transition and systemic risks (no material risks have been identified in the latter category). These risks have been taken as the basis for the double materiality assessment, whose results are reported in the previous section.

Policies related to biodiversity and ecosystems (E4-2)

[E4.MDR-P_01-06] Naturgy establishes its commitments and main principles of action in relation to the impacts, risks and opportunities related to biodiversity and ecosystems in the Global Sustainability Policy. Further details on this policy can be found in the "Corporate policies" section of the General disclosures chapter of this Report.

[MDR-P_04] Through the application of this policy Naturgy voluntarily assumes the principle to integrate biodiversity into the company's strategy and decision-making processes and, as required, to develop transition plans, aligned with the Kunming-Montreal Global Biodiversity Framework.

[E4-2_01] In addition, the Global Sustainability Policy establishes the following commitments:

- Identify, assess, manage and report nature-related dependencies, impacts, risks (physical, transition and systemic) and opportunities in accordance with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), using the LEAP approach.
- Protect and promote biodiversity through initiatives, especially in sensitive areas, with action plans and monitoring in accordance to the impact mitigation hierarchy and promoting nature-based solutions, as required by relevant regulations.
- Analyse carefully the location of new projects in protected areas or areas of high biodiversity, avoiding them if required by legislations.
- Achieve zero net deforestation in new projects and reduce the removal of trees associated with the operation of energy grids to the minimum necessary to ensure the safety of facilities and the environment.
- Respecting the natural and cultural heritage around operational sites, monitoring impacts on ecosystems and relevant species and implementing the necessary measures to ensure their protection.

The Global Sustainability Policy is transversal to the environmental standards and therefore covers issues such as climate change or water resources, as already disclosed in chapters "Climate change" and "Water and marine resources". These issues are considered factors whit a direct impact on biodiversity loss.

On the other hand, based on the results of the double materiality analysis, Naturgy does not identify the introduction of invasive alien species as an issue applicable to its operations, and therefore this aspect has not been incorporated into the aforementioned policy.

[E4-2_18]; [E4-2_19]; [E4-2_20] As outlined in the principles mentioned above, the company has adopted practices to address deforestation in its operating environments. However, it has not established practices relating to sustainable agricultural or land use policies, or sustainable marine or ocean policies, as these aspects are not applicable to its activities.

[E4-2_02]; [E4-2_03] These principles are linked to the material impacts and risks identified for Naturgy. They form the basis of the management system that minimises dependencies and negative impacts on biodiversity and ecosystems that may arise from its activities, and help to prevent potential risks from materialising.

[E4-2_17]; [MDR-P_02] The Global Sustainability Policy applies to all companies or entities in which the group has, directly or indirectly, a majority shareholding or responsibility for their operation and/or management, regardless of the geographical area in which they operate. Likewise, Naturgy undertakes to establish the necessary mechanisms and actions to extend its application to third parties directly involved in its upstream and downstream value chain. Therefore, these commitments are applicable to the company's sites, including sites in biodiversity-sensitive areas.

[E4-2_04] Currently, the Global Sustainability Policy does not establish explicit principles on the traceability of products, components and raw materials that may have material impacts on biodiversity and ecosystems. As the company integrates the impacts of the value chain into its reporting, it will work on defining these principles and incorporate them into the relevant policies.

[E4-2_05] Given the nature of Naturgy's business activities, the company has not defined any principles relating to production, supply or consumption from managed ecosystems, as this is not a material issue for the company.

[E4-2_06] Naturgy respects cultural heritage in the environments where it operates and addresses the social consequences of impacts on biodiversity and ecosystems.

Actions and resources related to biodiversity and ecosystems (E4-3)

Naturgy develops initiatives to improve biodiversity and ecosystems throughout the entire life cycle of its facilities (construction, operation, decommissioning) with the aim of avoiding, reducing and, where appropriate, offsetting any negative impacts generated. These initiatives are structured according to the mitigation hierarchy: avoiding negative impacts, minimising those that cannot be avoided, restoring or regenerating biodiversity when minimisation is not sufficient and, as a last resort, offsetting net biodiversity loss.

The company understands caring for nature as a collective commitment, which is why it considers sectoral, intersectoral and global communication and collaboration to be essential in order to advance responsible management of biodiversity and ecosystems and reduce the impacts associated with its activities. In line with what is described in the section "Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities" Naturgy develops measures aimed at avoiding, mitigating, restoring or offsetting the identified negative impacts and associated risks.

E4-3_02; E4-3_03; E4-3_04; E4-3_08 Compensation measures represent the last level in the mitigation hierarchy and are intended to offset unavoidable impacts, for example through initiatives to reinforce or recover populations of endangered species in their natural habitats. In this regard, Naturgy applies biodiversity compensation measures both when required by the applicable regulatory framework and, in certain cases, voluntarily, depending on the characteristics of the project and its environment. In this context, in the development of the Crookwell 3 wind farm in Australia, the company has resorted to the existing regulated mechanism in New South Wales to comply with the obligation to compensate for impacts on biodiversity, in accordance with section 6.30(1) of the Biodiversity Conservation Act 2016 (NSW). In line with this, a contribution of AUD 113,250 has been made to the Biodiversity Conservation Fund through the acquisition of 21 credits associated with specific forest ecosystems (PTC 1155, according to the official vegetation classification of the New South Wales Government Department of Planning and Environment).
However, voluntary biodiversity markets and standardised offset instruments are still in the early stages of development, so this type of action is currently limited to regulatory contexts that have developed them.

MDR-A_01 Actions taken in relation to biodiversity and ecosystems reflect the principles adopted by the company through its Global Sustainability Policy. This Policy aims to protect and promote biodiversity, especially in sensitive areas, and incorporates the mandate to identify, assess, manage and report dependencies, impacts, risks (physical, transitional and systemic) and opportunities related to nature, in accordance with the TNFD recommendations and following the LEAP approach.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12 The initiatives included in this section do not seek to generate economic benefits for the company, but rather to have a positive impact on biodiversity, ecosystems and society as a whole. The associated financial resources are included in broader economic items, which limits the specific breakdown of operating or investment expenses linked to each individual action.

E4-3_09 The various lines of action presented below also incorporate the perspectives of stakeholders on biodiversity and ecosystems. Naturgy carries out studies prior to the construction of facilities to reduce their environmental and social impact, which are subject to public information processes. In projects involving interaction with indigenous communities, these processes also contribute to incorporating their traditional knowledge into the projects.

MDR-A_03 The actions carried out, organised according to the mitigation hierarchy, are described below. Most of these are long-term initiatives linked to the operation of the facilities, stakeholder relations or awareness-raising activities.

Actions related to water or GHG emissions are not included in this section, although they also contribute to biodiversity, as they are specifically addressed in the chapters on "Water and marine resources" and "Climate Change" respectively.

Structural management and prevention framework: Environmental Management System (avoidance and minimisation)

MDR-A_01; MDR-A_02; MDR-A_04 For many years, the company has had an Integrated Management System (IMS) covering quality, the environment, and health and safety. In the environmental field, the system is certified to ISO 14001 and is audited externally on an annual basis. Its objective is to promote continuous improvement, prevent pollution and reduce environmental impacts throughout all stages of the value chain, involving employees, suppliers and other stakeholders. This system forms the structural basis of environmental management at Naturgy, ensuring regulatory compliance and contributing systematically to the control and reduction of impacts on biodiversity and ecosystems.

Prevention from design: preliminary studies and adapted design (avoid)

MDR-A_01;MDR-A_02;MDR-A_04 Environmental impact studies are carried out during the design phase of new facilities, analysing the environment with a special focus on protected areas and areas of high biodiversity, in line with Naturgy's Global Sustainability Policy. Based on the results of these studies, the location, design and components of the project are adjusted in order to avoid or minimise negative impacts on biodiversity and ecosystems. When it is not possible to completely avoid certain impacts, the necessary corrective or compensatory measures are defined. The following sections detail these measures according to the type of project.

Operational management and control: maintenance of measures and monitoring (minimise)

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 The company applies operational control procedures, ensures the proper maintenance of facilities and implements specific measures aimed at reducing environmental impacts. At facilities with the greatest potential for impact, environmental risk assessments are carried out and environmental emergency plans are established, aimed at both preventing incidents and minimising their consequences.

In addition, periodic environmental emergency drills are carried out to test the effectiveness of the defined procedures and reinforce the response capacity in the event of possible contingencies. The combination of maintenance, control and simulation allows for proactive and effective management of environmental impacts, in line with the principles set out in the Global Sustainability Policy.

Ecosystem protection (avoidance and minimisation)

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 Naturgy implements and maintains various measures to reduce the impact of operating facilities on ecosystems and species, adapted to each type of asset. The main actions include:

- Wind farms: painting blades or towers to reduce the risk of bird collisions, real-time shutdown systems in the event of imminent collision risk, and systematic removal of carrion to avoid attracting scavenger birds.
- Hydroelectric power stations: establishment of ecological flows when necessary and the presence of fish ladders at certain facilities to facilitate migration. At the Frieira hydroelectric power station, species such as salmon, shad, eels and lampreys are periodically caught and released, in collaboration with Xunta de Galicia.
- Electricity grids: adaptation of supports to reduce the risk of bird electrocution and installation and maintenance of bird guards to minimise collisions and deployment, in Spain, of an early fire detection system that uses real-time information from the European Union's Copernicus satellites and NASA. This system generates early warnings that significantly reduce response times and potential damage to biodiversity.

Restoration and compensation for residual impacts (restore, regenerate and compensate)

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 Naturgy develops projects aimed at restoring and regenerating ecosystems affected by its operations, as well as compensating for residual impacts on biodiversity where appropriate. The most relevant actions include:

- Environmental restoration in the vincity new renewable generation projects.
- Projects aimed at conserving endangered bird species, such as steppe birds and lesser kestrel. In Spain, notable examples include improving the habitat of the capercaillie in the Lago de Sanabria protected natural park, in collaboration with the Fundación Patrimonio Natural, thanks to the construction of a breeding centre. Another example is the support to the wildlife recovery centre, in Guadalajara, of the Junta de Castilla-La Mancha, with the housing of wildlife species, captive breeding programmes and temporary stays of species with reintroduction programmes.
- Forest restoration and terrestrial and river ecosystem improvement initiatives developed in degraded areas as well as in protected or buffer zones, including reforestation with native species, riverbank restoration, mangrove recovery and actions to improve ecological connectivity and wildlife protection.
- Specific actions for the management and control of invasive alien species and voluntary conservation projects for particularly sensitive species, aimed at improving the condition of habitats and strengthening local species.

Together, these actions seek to generate a direct benefit for ecosystems, especially in protected areas or habitats or those that are home to particularly sensitive species. The section "Impact metrics related to biodiversity and ecosystems change", under the heading "Restoration initiatives", lists the main projects carried out during the year, together with the area positively affected by them.

Complementary mitigation approaches: nature-based solutions

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 Through collaborative environments, Naturgy promotes innovation initiatives that apply nature-based solutions to meet operational needs. The main initiatives, which are one-off and developed in Spain, include:

- Reforestations with endemic species, which contributes both to CO_2 absorption and biodiversity recovery.
- Use of native livestock to maintain safety corridors along power lines, gas networks and photovoltaic power plant plots. This practice reduces the risk of fire, decreases the environmental impact compared to the use of machinery, and promotes traditional grazing and rural development.

Training, dissemination and knowledge generation for environmental management

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04 Naturgy promotes training, dissemination and knowledge generation as key elements for rigorous and preventive environmental management, aimed at protecting biodiversity and ecosystems. These actions aim to strengthen internal capacities, raise awareness among different audiences and generate technical information to improve decision-making, anticipate risks and optimise the management of the impacts associated with the company's activities.

Within this framework, it promotes collaborative environments with specialised entities, research centres, public administrations and social organisations, with the aim of spreading environmental knowledge, encouraging responsible behaviour and gathering the views of stakeholders, particularly those groups potentially affected by operations. This approach contributes to the cross-cutting integration of biodiversity and ecosystems into environmental management.

The initiatives developed include both environmental awareness and education actions aimed at the general public and the educational community, as well as technical studies and applied knowledge generation projects aimed at better understanding the interaction between facilities and the natural environment. These actions include, among others, studies on the interaction of birdlife and other protected species with energy infrastructure, monitoring programmes using tools such as Geographic Information Systems (GIS) or camera trapping, as well as specific analyses for the prevention of impacts on particularly sensitive habitats and species.

The company also develops internal communication and awareness campaigns aimed at its own staff, with a view to reinforcing the correct application of environmental measures in the daily operation of its facilities. These actions focus on practices such as vegetation management, spill prevention, environmental risk control and the integration of nature-based solutions into infrastructure management, helping to align operational decisions with conservation objectives.

In 2025, multiple training and outreach initiatives have been carried out in the countries where the company operates. Among the most relevant are the activities carried out in Spain in collaboration with GREFA, which have included face-to-face and virtual training sessions aimed at educational centres and the general public, with a total of 1,685 participants. In Argentina, various environmental education activities have been carried out, focusing, among other aspects, on the responsible use of energy.

Together, these actions reinforce Naturgy's knowledge base on biodiversity and ecosystems, facilitate more informed and preventive management of environmental impacts, and contribute to consolidating a corporate culture aligned with the principles established in the Global Sustainability Policy.

Social dialogue: stakeholder participation and involvement

MDR-A_01; MDR-A_02; MDR-A_04 In addition to its outreach activities and in line with its Global Sustainability Policy, Naturgy promotes collaborative initiatives with companies in the sector and leading organisations to ensure that stakeholders are duly represented in strategic decisions on biodiversity and ecosystems, especially when affected groups are involved.

The main initiatives include:

- Iniciativa Española Empresa y Biodiversidad: in 2013, Naturgy signed the Biodiversity Pact and since then has participated in this initiative coordinated by the Biodiversity Foundation of the Ministry for Ecological Transition and the spanish Demographic Challenge. In May 2023, the company signed the new Pact for Biodiversity and Natural Capital, assuming the highest level of ambition.
- Participation in collaborative business initiatives: such as the Industry and Ecological Transition Commission of the Spanish Confederation of Business Organizations (CEOE), the Nature Business Ambition initiative of Forética and the working group on Natural Capital and Energy, together with other companies in the sector in Spain(Cepsa, EDP Spain, Enagás, Endesa, Red Eléctrica Group, Iberdrola and Repsol), to implement a harmonised framework for assessing the impact on the natural capital of the Spanish energy sector.
- Collaboration with different third sector organisations specialising in biodiversity, such as GREFA, FIEB, Global Nature and Fundación Oso Pardo, among others.
- Through its Foundation, Naturgy carries out numerous initiatives for environmental dissemination, training and awareness-raising, collaborates with public administrations, universities and conservation organisations, and promotes environmental volunteering activities aimed at the company's own staff and their families.

Targets related to biodiversity and ecosystems (E4-4)

As outlined throughout this chapter, Naturgy has carried out an analysis of the impacts, dependencies, risks and opportunities related to biodiversity and ecosystems. As part of the measures to mitigate the identified risks, the company has defined a Sustainability Plan that integrates the main material impact factors associated with its activities. These indicators, such as GHG emissions and water consumption, are linked to other environmental ESRS, given their direct or indirect relationship with nature.

E4-4_05 The Plan for the period 2025-2027 incorporates two targets directly related to biodiversity and ecosystems, which are presented below. Both reflect Naturgy's level of ambition and are in line with the objectives of the Kunming-Montreal Agreement, which defines the Global Biodiversity Framework and its global targets for 2030. These objectives also support Naturgy's adherence to the Pact for Biodiversity and Natural Capital, within the framework of the Spanish Business and Biodiversity Initiative (IEEB).

E4-4_01; E4-4_02; E4-4_03; E4-4_04; E4-4_08 No specific ecological thresholds, quantitative allocations of impacts attributable to Naturgy or biodiversity compensation mechanisms have been applied in defining these two objectives. These are voluntary commitments, aligned with the provisions of the Kunming-Montreal Agreement and the approach proposed by the TNFD.

MDR-T_12; MDR-T_13 The Board of Directors, through the Sustainability Commission, periodically monitors compliance with these targets. Monitoring to date indicates that no substantial change in Naturgy's performance is necessary to progress in accordance with the established roadmap. The defined targets have not changed, nor have the measurement methodologies, assumptions, data sources or processes used for monitoring. However, in the ISO 14001 environmentally certified activity target, the data for the base year 2022 and subsequent years have been corrected to accurately reflect the certification status of a company within the scope that was incorrectly reported in previous years. The correction does not affect the scope or ambition of the target.

MDR-T_11 Based on ongoing dialogue with stakeholders, including indigenous groups, the company has identified various targets related to biodiversity and ecosystems. However, these groups have not participated directly in the process of defining the goals, which has been led internally by the organisation.

Finally, as indicated above, Naturgy's facilities are subject to environmental assessments from the pre-construction phases onwards. These processes are subject to public information to promote the general interest and require the approval of the competent authority, ensuring at all times respect for the rights of indigenous peoples and other local communities that may be affected.

Biodiversity enhancement initiatives

MDR-T_01; MDR-T_04; MDR-T_09; E4-4_07; E4-4_09 This target is aligned with Naturgy's Global Sustainability Policy, which establishes a commitment to protect and promote biodiversity, especially in sensitive areas. It includes the development of action plans based on the impact mitigation hierarchy, as well as the promotion of nature-based solutions. The definition of the objective is based on an analysis of current and planned initiatives, in line with the company's Strategic Plan.

The target is applicable to all geographical areas and all companies or entities in which Naturgy has, directly or indirectly, a majority stake or operational and/or management responsibility.

All initiatives are structured according to the impact mitigation hierarchy: avoid, reduce, restore and regenerate, and ultimately offset, ensuring consistent management in line with the most demanding environmental standards.

MDR-T_07; MDR-T_10; E4-4_06 Reflecting this commitment, Naturgy set a target for the period 2025-2027 to develop 375 annual initiatives related to biodiversity and ecosystems in the final year. These actions contribute to reducing and mitigating the negative impacts of the company's activities, particularly those linked to the state of the habitats in which it operates and the species that inhabit them. Although this target has not been defined on the basis of quantitative ecological thresholds, it constitutes an operational tool that enables significant progress to be made in protecting biodiversity and ecosystems.

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Biodiversity enhancement initiatives (number)	2025	2022	375	457	368	345

MDR-T_13 As shown in the table above, by 2025, 457 projects will have been carried out in this area, representing an increase of 24% compared to 2024. It should also be noted that this figure exceeds the target value for 2027, highlighting the growing importance of biodiversity and ecosystem management in operations.

Activity with ISO 14001 environmental certification

MDR-T_01; MDR-T_04; MDR-T_09; E4-4_07; E4-4_09 In the field of biodiversity and ecosystems, Naturgy has set itself the goal of having its activity certified in accordance with the ISO 14001 standard. The implementation of this certification in facilities and activities contributes significantly to reducing environmental risks through the application of standardised procedures, the promotion of continuous environmental improvement and the performance of internal and external audits that reinforce regulatory compliance. This approach favours the prevention and reduction of environmental impacts, including those related to biodiversity and natural and cultural heritage, in line with the Global Sustainability Policy.

MDR-T_07; MDR-T_10 This global target, in force for the period 2025-2027, is not defined on the basis of quantitative ecological thresholds, but constitutes an effective management tool for reducing the impact of Naturgy's operations on biodiversity and ecosystems. The percentage of environmentally certified activity out of the total is indicated below:

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Activity with ISO 14001 environmental certification (% Ebitda)	2025	2022	98.5	95.2	95.5	97.0

(1) The data for base year 2022 and subsequent years have been corrected to properly reflect the certification status of a company within the scope that was incorrectly reported in previous years. The correction does not affect the scope or ambition of the target.

MDR-T_13 In 2025, there was a 0.3% reduction in EBITDA certified under ISO 14001 compared to the previous year. This variation is due, on the one hand, to the increase in revenue from some activities not yet certified and, on the other, to the commissioning of several renewable facilities that have not yet completed their certification process. It should be noted that this process usually takes between two and three years and requires a full year of records. In order to improve compliance with this target, specific monitoring of new facilities will be carried out, aimed at facilitating the completion of ISO 14001 certification processes within the planned deadlines.

Impact metrics related to biodiversity and ecosystems change (E4-5)

Biodiversity and ecosystem management metrics

Naturgy monitors its activity and its relationship with nature through indicators that reflect the main issues that can cause significant harm to biodiversity and ecosystems, such as GHG emissions and water consumption, among others. These indicators enable systematic and structured monitoring of factors that can have a significant impact on the environment and, directly or indirectly, on biodiversity.

E4-5_04 Based on the double materiality analysis carried out, Naturgy has concluded that its activity may generate impacts associated with changes in land use and biodiversity loss resulting from the construction of new infrastructure and facilities in the regions where it operates. Consequently, specific indicators have been established to assess the degree of impact associated with this issue. These indicators are presented in the following table.

Impact driver	Indicator	Metric	Location of data in the report
Land-use change	Spatial footprint	Total area occupied by type of facility	See “Impact on biodiversity-sensitive areas” section below
		Environmentally restored area by activity and country	See “Restoration initiatives” section, “Restored areas” table below
	Impact on natural areas	Number of facilities, area and kilometres (linear infrastructure) located within or adjacent to protected areas, by type of facility.	See section "Impact on biodiversity-sensitive areas", table "Sites within or adjacent to biodiversity-sensitive areas" below
		Environmentally restored area in protected areas or benefiting protected species by activity and country. Number of biodiversity initiatives in protected areas	See “Restoration initiatives” section, “Restored areas” table below

In addition to indicators related to land use change, other indicators are calculated that are linked, among other issues, to water use and GHG emissions. Although these factors have a significant influence on biodiversity and ecosystems, they are analysed in detail in the specific chapters of this Report, which describe the corresponding indicators, their evolution and the associated management measures.

Impact on biodiversity-sensitive areas

According to Naturgy's analysis of biodiversity and ecosystems, and as a complement to the details of physical locations in its own operations presented in previous sections, it has been determined that the company has facilities located within or in the vicinity of areas that are sensitive in terms of biodiversity, including protected areas. In order to identify these facilities, not only their physical boundaries have been taken into account, but also specific radii of influence defined according to the type of each asset. Based on these criteria, the infrastructures are classified as internal (located within areas of high biodiversity), adjacent (when their area of influence reaches a protected area) or external, when they are located outside these areas.

The analysis was carried out using the Geographic Information System (GIS), which allows all the company's facilities to be geolocated and additional relevant information to be integrated, such as the location of protected areas. Each type of facility was evaluated by applying a specific area of influence, defined according to its technical characteristics and potential for interaction with the environment.

E4-5_01; E4-5_02 Based on this study, a total of 301 facilities owned, leased or managed by Naturgy have been located within or adjacent to sensitive areas, representing a total affected area of 59,591 hectares. The table on the following page shows the breakdown of this area by asset type.

It should be noted that 20,123 ha, corresponding to practically the entire area associated with hydroelectric power stations located within or adjacent to protected areas, are linked to facilities built in Spain since 1910, in periods prior to the creation of the protection measures for these areas. This area represents 92% of the total corresponding to the category of electricity generation located within or adjacent to protected areas. This fact highlights that the reservoirs of these hydroelectric power plants, built prior to their declaration as protected areas, gave rise to the configuration of aquatic ecosystems of high ecological value, which led to their subsequent environmental protection.

It should be noted that the data has been calculated using an improved methodological system, which may lead to variations compared to previous years, without impacting the interpretation of the information reported. Furthermore, in relation to energy networks, the GIS analysis does not include sections of the network located in urban areas, given that although they form part of the company's assets, they are integrated into buildings or infrastructure that do not have a significant impact on biodiversity. This exclusion explains why the total lengths of electricity and gas networks may be slightly lower than those considered in the section "Naturgy and its value chain", in General disclosures chapter.

Finally, the total number of facilities located within or adjacent to areas of high importance for biodiversity is lower than the arithmetic sum of both categories considered independently. This is because certain facilities are located both within and adjacent to these areas and have been excluded from the total in order to avoid double counting.

- **Sites within or adjacent to biodiversity-sensitive areas**

	Total sites			Total sites within protected areas			Total sites adjacent to protected areas			Total sites within or adjacent to protected areas			
2025	no. (one-off infrastructures)	km (linear infrastructures)	occupied surface area (ha)	no. (one-off infrastructures)	km (linear infrastructures)	occupied surface area (ha)	no. (one-off infrastructures)	km (linear infrastructures)	occupied surface area (ha)	no. (one-off infrastructures)	km (linear infrastructures)	occupied surface area (ha)	Sites with environmental management plans (%)
ELECTRICITY GENERATION													
Renewable technology													
Wind farms	88	n.a.	2,173	34	n.a.	478	26	n.a.	419	45	n.a.	897	100 %
Photovoltaic power plants	46	n.a.	3,994	6	n.a.	592	3	n.a.	209	7	n.a.	802	100 %
Hydropower plants	56	n.a.	21,752	31	n.a.	14,475	19	n.a.	5,653	36	n.a.	20,128	100 %
Conventional technology													
Combined-cycle power stations	15	n.a.	245	3	n.a.	39	6	n.a.	78	8	n.a.	117	100 %
Fuel oil-fired power stations	2	n.a.	8	1	n.a.	1	1	n.a.	4	1	n.a.	4	100 %
Cogeneration	5	n.a.	18	1	n.a.	5	1	n.a.	1	2	n.a.	6	100 %
RENEWABLE GASES													
Biomethane plants	4	n.a.	2	0	n.a.	0	0	n.a.	0	0	n.a.	0	100 %
ENERGY GRIDS													
Electricity grids													
Power lines	n.a.	128,936	124,091	n.a.	27,020	29,306	n.a.	n.a.	n.a.	n.a.	27,020	29,306	100 %
Substations	532	n.a.	546	110	n.a.	185	16	n.a.	43	119	n.a.	228	100 %
Gas networks													
Gas pipelines	n.a.	108,878	190,731	n.a.	4,407	8,071	n.a.	n.a.	n.a.	n.a.	4,407	8,071	100 %
LNG, CNG and LPG plants	251	n.a.	200	69	n.a.	26	15	n.a.	5	83	n.a.	31	100 %
TOTAL NATURGY													
Total (2025)	999	237,814	343,760	255	31,427	53,179	87	n.a.	6,412	301	31,427	59,591	100 %

Restoration initiatives

Another indicator used by Naturgy to manage biodiversity and ecosystems is the area of land positively affected by the restoration initiatives carried out by the company, whether mandatory under regulations or voluntary. For more details on these actions, see the section "Actions and resources related to biodiversity and ecosystems".

Among the set of biodiversity initiatives, those aimed at restoring degraded areas or maintaining previously restored areas stand out, with the aim of maintaining their ecological functionality. The following table presents these initiatives, indicating the area restored, whether the actions benefit protected areas or species, and whether they have been validated by independent external professionals.

Country	Activity	Actions and objective	Result: restored surface area (ha)	Benefits protected area or species	Validated by external independent professionals
Brazil	Gas distribution	Compensatory initiative associated with a commitment to the environmental agency of São Paulo, consisting of the periodic maintenance of the existing plantations in Laranjal Paulista until the recovery of the reforested area.	0.19	Yes	Yes
Spain	Renewable generation: photovoltaic	A set of environmental restoration and compensation measures associated with photovoltaic installations, including planting, reforestation, creation and maintenance of vegetation screens, establishment of reserve areas and actions to improve biodiversity, with periodic maintenance and monitoring work to promote the recovery of the intervened areas.	392.87	No	Yes
Spain	Renewable generation: photovoltaic	Environmental compensation measure associated with a photovoltaic installation consisting of the creation of a reserve area for the conservation of steppe birds, through the maintenance of long-term fallow land, located in a protected area of the Natura 2000 Network.	15.00	Yes	Yes
Spain	Renewable generation: wind	A set of compensation and environmental restoration measures associated with wind farms that include reforestation with native species, maintenance of plantations, restoration of intervened areas and the construction of infrastructure to improve biodiversity, such as ponds and bird observation points.	3.37	No	Yes
Spain	Thermal generation: combined-cycles	Control, monitoring and eradication of the invasive species Cortaderia selloana (pampas grass) in the vicinity of the Sabón power plant, through continuous monitoring and treatment work in the affected areas within the facility.	0.60	No	No
Spain	Thermal generation: combined-cycles	Voluntary biodiversity conservation initiative aimed at protecting the common chameleon, through habitat improvement actions, release and monitoring of specimens and environmental awareness actions in the local environment.	3.44	Yes	Yes

Panama	Electricity distribution	A set of reforestation and biodiversity improvement actions developed in protected areas and buffer zones, through the planting of native and fruit species, the restoration of forest, water and mangrove ecosystems, and the implementation of complementary measures for connectivity and protection of fauna.	6.52	Yes	Yes
Spain	Corporation	Forest restoration initiatives through the planting of native species in degraded areas, including areas affected by fires, to recover the forest ecosystem and contribute to CO_2 capture.	18.92	Yes	Yes
Spain	Corporation	Restoration of riparian vegetation carried out in a protected area (SPA), in collaboration with the Natural Environment Service, through the planting of native riparian species and the installation and maintenance of support elements for fauna in the river environment.	9.00	Yes	Yes
Spain	Corporation	Forest restoration and biodiversity support initiative developed in areas affected by fires in the Cantabrian mountain range, consisting of the recovery of traditional chestnut groves in bear areas, through financial support to a project carried out by the Brown Bear Foundation to promote the conservation of the brown bear and rural development.	4.00	Yes	Yes
Total restored area 2025 (ha)			453.9		

In 2025, environmental restoration actions were carried out on 448.2 ha. 11% of this area corresponds to protected spaces, habitats or species.

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities (E4-6)

In the 2025 financial year, Naturgy has availed itself of the transitional provision set out in NEIS 1, Appendix C, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025, in relation to the reporting of information on the expected financial effects of risks and opportunities associated with biodiversity and ecosystems in this chapter.

5. Resource use and circular economy (E5)

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1)

Naturgy uses different types of materials to carry out its activities, which is why it considers it essential to promote responsible resource management and consumption throughout the value chain.

E5.IRO-1_01 Consequently, Naturgy has included this matter as a subject of study in its double materiality assessment. Based on this analysis, the impacts, risks and opportunities related to this area have been identified, derived from both the company's own operations and its value chain. The methodology and assumptions considered follow the EFRAG recommendations described in the General Disclosures chapter of this Report, in section "4. Impact, risk and opportunity management". In particular, all types company's assets have been analysed, as well as the nature of the activities carried out by its third party associates.

E5.IRO-1_02 Stakeholders participated in the analysis to ensure that the results accurately reflect their views on the use of resources and the circular economy and their relationship with Naturgy. To this end, representatives from the various groups were included, particularly those potentially affected. This exercise is complemented by the company's ongoing process of listening and monitoring to ensure fluid and permanent communication. The results of the analysis are presented below.

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
RESOURCE USE AND CIRCULAR ECONOMY						
Resources inflows, including resource use						
N.I.(1)	Consumption of materials, including critical minerals, in the manufacture of the equipment needed in operations.	X			Both	Current
R	Increased costs and delays in new projects due to shortages of raw materials, particularly critical minerals.	X			Both	Long-term
Waste						
N.I.	Waste generation associated with the value chain of fuels, materials and equipment used.	X			Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Based on the results obtained, it is concluded that:

- The input and use of resources is not considered material for Naturgy's own operations, given the nature of the activities carried out and the thresholds defined in the double materiality analysis. However, a material impact is identified upstream in the value chain, linked to the procurement of materials that are subsequently used in the company's generation and distribution assets.
- A risk associated with the above impact, with possible long-term financial implications, is the scarcity of critical minerals, resulting from both their overexploitation and the global geopolitical context. This situation could lead to cost overruns or delays in the commissioning of the company's assets, with a potential impact on the viability and competitiveness of operations.
- Waste generation is also considered a material subject, although exclusively upstream in the value chain, mainly associated with fuel extraction and supply activities, as well as equipment manufacturing.

Given that the negative impacts and risks identified are exclusively in the value chain, Naturgy has availed itself of transitional provision 10.2. contained in ESRS 1 for reporting information, applied across the board in this chapter.

Finally, in accordance with the requirements of Spanish Law 11/2018, Naturgy has analysed the materiality of food waste, concluding that it is not a relevant issue for the company, given that its activity is not linked to the food sector and it does not consume this type of resource intensively.

Policies related to resource use and circular economy (E5-1)

E5.MDR-P_01-06 Naturgy addresses the impacts, risks and opportunities related to resource use and the circular economy through its Global Sustainability Policy, which establishes principles of action aimed at the efficient use of resources, the reduction of waste generation and the promotion of circular economy models. Further information on this policy can be found in the "Corporate Policies" section of the General Disclosures chapter of this Report.

E5-1_01; E5-1_02 Specifically, this policy establishes the following principles in relation to resource use and the circular economy:

- Use resources efficiently, reducing waste generation and promoting their recovery in accordance with the waste hierarchy.
- Implement circular economy practices, especially in the design of new projects and in the dismantling of facilities..

These principles guide Naturgy's management both in its own operations and, where applicable, in considering the impacts associated with its value chain. In particular, the policy provides the framework for integrating criteria of efficiency in the use of materials and waste prevention into decision-making, helping to minimise potential environmental impacts associated with the use of resources throughout the life cycle of the Group's activities.

Actions and resources related to resource use and circular economy (E5-2)

Given that the negative impacts and risks identified in relation to resource use and waste generation are located exclusively upstream in the value chain, Naturgy's actions in this area are aimed at integrating environmental and sustainability criteria into its management systems and supplier relationships.

In this regard, Naturgy has an Integrated Environmental Management System certified in accordance with the ISO 14001 standard, which establishes the principles and procedures for the environmental management of its own operations, as well as for the identification and consideration of relevant environmental aspects associated with the supply chain. The company also has purchasing and contracting procedures that incorporate environmental, social and governance (ESG) criteria in the selection and evaluation of suppliers, contributing to the responsible management of the impacts associated with the procurement of materials, the use of resources and the generation of waste throughout the value chain. Details of these systems and procedures are described in the chapter on "Management of relationships with suppliers" in this Report.

03. Social

1. Own workforce (S1)

Naturgy upholds a firm commitment to people and their development, promoting their leading role at the centre of decisions based on the company's strategy, purpose and value proposition.

In its commitment to people's well-being, it offers stable and quality employment, with an attractive and solid professional career. The profile of the company's professionals, in all countries and businesses, is that of people with an interest in continuous learning, with professionalism, motivation, innovative spirit and commitment to the company's targets.

The information provided in response to this standard takes into account the definition of value chain workers as expressed in Annex II 'Acronyms and glossary of terms' of the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards. Thus, own workers are employees who are in an employment relationship with the undertaking («employees») and non-employees who are either individual contractors supplying labour to the undertaking («self-employed people») or people provided by undertakings primarily engaged in «employment activities».

For the financial year 2025, Naturgy will only disclose information on its own "salaried" staff, taking advantage of the three-year transitional provision established in NEIS 1, Appendix C, as amended by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of disclosure requirements for certain undertakings with regard to reporting information on "non-salaried" staff.

Interests and views of stakeholders (SBM-2)

As explained in the chapter General disclosures, section "Interests and opinions of stakeholders", Naturgy gathers the opinions of its employees through different dialogue actions. These consultation or dissemination actions are established through surveys, meetings or communication actions of various kinds, with different frequency depending on the action (continuous, daily, weekly, monthly, etc.).

Likewise, the Strategic Plan and the Sustainability Plan serve as frameworks for adapting Naturgy's business model and strategy to these challenges, incorporating a series of commitments, targets, and specific actions that reaffirm the company's commitment to its people and their safety and health. In this way, the corporate strategy is adapted to prevent the generation of new material impacts, mitigate existing ones, and enhance the generation of positive impacts, thus ensuring responsible management of its workforce. At the same time, Naturgy is committed to respecting and protecting fundamental rights, including the labour rights of its employees, through its Global Sustainability Policy.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

[S1.SBM-3_01] When assessing the material impacts, risks and opportunities, in accordance with the double materiality assessment described in the chapter General disclosures of this report, section 4. Impact, risk and opportunity management, Naturgy has only considered those who are employees within its own workforce.

[S1.SBM-3_02]] According to this double materiality assessment, the company has obtained a full and comprehensive view of the impact of the company's activities on its own employees, which will enable it to take appropriate measures to ensure their well-being. The list of material impacts is presented below:

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
OWN WORKERS						
Working conditions						
N.I.[1]	Increased accident rate associated with inadequate management of psychosocial factors (clarity of roles, workloads, working hours, work-life balance, etc.).		X		Both	Short-term
	Increase in critical accidents/incidents due to inadequate management of occupational risk prevention.		X		Both	Short-term
	Promote a safe working environment through the implementation and proper management of a Management System.		X		Both	Current
	Improvement of working conditions through social benefits for employees.		X		Both	Current
	Promotion of professional development through training initiatives and career plans.		X		Both	Current
	Contribute to permanent employment and the payment of living wages above average wages.		X		Both	Current
P.I.	Promoting employability through training in disruptive technologies such as generative AI.		X		Both	Current
	Improving well-being through healthy work environments (health promotion campaigns, open communication, active participation, emotional support, etc.).		X		Both	Current
	To enable employees to negotiate better conditions, give them a voice in the workplace, ensure job security, offer professional development and protection against discrimination and unfair treatment through association and collective bargaining and other participation mechanisms.		X		Both	Current
Equal treatment and opportunities for all						
N.I.	Discrimination on the basis of race, colour, gender, disability, religion, etc., due to lack of effective protocols against it and/or lack of training of workers on equality and non-discrimination.				Both	Long-term
P.I.	Promoting inclusion and equity in those territories where the company is present, encouraging an inclusive corporate culture.				Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

[S1.SBM-3_03] With regard to the material impacts identified as negative, although they are potential and could be considered to occur in the contexts in which the company operates, Naturgy has processes, actions, and resources in place to manage and reduce the likelihood of these negative impacts materializing. These management mechanisms are described in greater detail throughout this chapter.

[S1.SBM-3_04] In addition, various actions are carried out that generate positive material impacts. These activities include:

- **Healthy Organisation management system (SIGOS): t**his comprehensive approach enables any type of organization to provide safe and healthy work environments, foster a culture of organizational well-being, and demonstrate a responsible commitment to society by promoting a culture where people's well-being is paramount. It is based on four key factors: employee health and safety, lifestyle, an organizational culture of well-being, and community engagement. Following the SIGOS model, the company evolved from a "healthy company" to one with a vision that aims to achieve a culture of continuous improvement in the well-being of its employees, their families, and the communities where it operates. This is accomplished through improved safety, ergonomics, psychosocial factors, and a culture of well-being. Furthermore, specific health promotion campaigns are designed according to a prioritization of health issues based on severity, frequency, and scientific evidence, derived from a study of health conditions or disorders identified among its staff.

- **Development of the Occupational Health and Safety Management System (OHSMS)**: this is a tool that facilitates the homogeneity of prevention criteria and their adequate integration in all business areas with special attention to those in which operational activities with a higher risk of accidents are carried out, where the rigorous application of the established procedures and operational control contribute to maintaining a high level of operational discipline, reducing the risks of these activities and their associated accident rate.

- **Salary conditions:** this encompasses actions aimed at improving the work environment, promoting the well-being and stability of employees. Among these economic measures are pension plans, life insurance and other supplementary benefits, as well as repayable advances or guarantees for the purchase of a first home, vehicles, international adoptions, or personal needs. Benefits for physical or mental disabilities and the possibility of joining health insurance policies under advantageous financial conditions are also included. Furthermore, initiatives such as the Total Compensation Plan are noteworthy. Promoting work-life balance is another key focus, with the implementation of teleworking options and flexible working hours, which facilitates a better balance between personal and professional life and strengthens team well-being. Finally, the commitment to permanent contracts and the offering of competitive salaries reinforce job stability, consolidating an equitable, motivating, and sustainable work environment.

- **Talent management model:** it places its employees at the centre and identifies evaluation, segmentation and action processes that allow it to promote their professional development and guarantee the necessary coverage and succession, based on objective measures that ensure transversality and diversity.

- **Corporate University:** responsible for the training and continuous learning of Naturgy's professionals, managing a learning model adapted to the current and future needs of the business. It generates positive impacts by promoting, among others, a preventive culture, an inclusive culture and professional development.

[S1.SBM-3_06] In the double materiality assessment process, no material impacts on the company's own workforce have been identified as a result of the company's actions to reduce carbon emissions.

[S1.SBM-3_05] [S1.SBM-3_07] [S1.SBM-3_08] [S1.SBM-3_09][S1.SBM-3_10] In terms of risks and opportunities, these have not been concluded to be of a material nature.

No operations with a significant risk of child labour or forced labour have been identified in the locations where the company operates. Furthermore, Naturgy's Global Sustainability Policy states that the company respects the right of individuals not to be victims of forced or compulsory labour and 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 vicinity of its operations.

[S1.SBM-3_11] [S1.SBM-3_12] The analysis also examined the potential for situations that could affect particularly vulnerable groups (young people, women, migrants) in precarious employment contexts or those at risk of discrimination. However, no risks associated with these situations were identified.

With regard to health and safety, there is an occupational risk assessment procedure that determines, for all jobs, those relevant issues that may pose specific risks for particularly sensitive persons and for the childbearing function of employees. In addition, aspects related to diversity, gender equality, sexual violence or harassment at work are considered.

The assessment of occupational risks takes into account the protection of workers who, due to their own personal characteristics or known physical condition - including those with recognised physical, mental or sensory disabilities - are particularly sensitive to the risks arising from work. In this respect, at least the following situations shall be taken into account:

- The presence of factors of risk that may have a differential impact depending on the gender of the working person, especially those that may affect pregnancy, breastfeeding and reproduction.
- The existence of workers who are recognised as having a physical, mental or sensory disability and who, once this disability has been assessed by the health services, it is determined that they are suitable for the job.
- The existence of workers who are sensitive to a risk in their job or to the performance of a specific activity, either temporarily or permanently.

Policies related to own workforce (S1-1)

[S1.MDR-P_01-06] [S1-1_01] Naturgy addresses the material impacts on its own employees through various policies that form part of its corporate regulatory framework, primarily: the Statement of Principles and Policies, the Global Sustainability Policy, and the Global Health, Safety, and Welfare Policy.

The Statement of Principles and Policies establishes, among other things, the foundations that guide the company's conduct regarding the rights of its employees.

[MDR-P_02][MDR-P_03][MDR-P_05][MDR-P_06] As indicated in the Corporate Policies section of the General disclosures chapter of this Report, the approval of the Global Sustainability Policy corresponds to the Board of Directors and its application to the Management Committee. Furthermore, this section details the scope of the policies and explains the commitments and principles for considering the interests of stakeholders, as well as the mechanisms made available to them.

[S1-1_07] [S1-1_04] [MDR-P_04] Naturgy, in its Global Sustainability Policy, establishes basic principles of action regarding human rights for all its employees, applicable in all regions where it operates. These principles are based on the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises, along with European Directives and national laws that regulate these principles.

[S1-1_03] In this regard, it defines strict criteria for non-discrimination, protection of dignity, and rejection of any form of harassment, intimidation, or violence in the workplace. It also applies the principle of the absolute prohibition of forced labour, child labour, and other forms of modern slavery, in accordance with ILO standards and the legislation of each country. Naturgy recognizes freedom of association and the right to collective bargaining. Furthermore, it establishes guidelines to ensure a safe and healthy work environment in all its operations, adopting occupational risk prevention standards and procedures applicable in each region.

Regarding working conditions, the company applies principles aimed at ensuring adequate employment and remuneration, respect for rest periods, and measures to promote work-life balance.

Naturgy integrates a human rights due diligence approach into its processes, including the evaluation of new investments and the analysis of actual and potential impacts on employees. For the detection and management of impacts, the company has an Internal Information System, which allows for the reporting, including anonymous reporting, of potential violations. Incidents are analysed using established procedures that include measures to restore compliance when necessary.

[S1-1_05] Active collaboration is promoted through social dialogue, training in human rights and sustainability, and the existence of internal channels for communication and confidential reporting.

[S1-1_06] On the other hand, it defines the basic principles that should guide the implementation of the policy itself. Among these principles are details of how the company will act in situations that could violate human rights, committing to develop the necessary measures to ensure adequate redress for adverse impacts directly resulting from its operations and to use its influence to promote the application of similar effective redress measures among its business partners.

[S1-1_08] Although aspects such as child or forced labour are not material issues for Naturgy according to its double materiality assessment, given their relevance, this policy also establishes specific commitments in this regard so that the company rejects all forms of exploitation.

[S1-1_09] In relation to whether the company has a management system or a workplace accident prevention policy, Naturgy has a Global Safety, Health, and Wellbeing Policy. This policy aims to establish the principles and management policies for safety, health, and wellbeing that must govern all of Naturgy's activities, as well as its associated responsibilities. It also defines the framework that ensures the proper integration of these principles across all countries and businesses within the group, all with the target of consolidating the healthy organization model and guaranteeing compliance with the commitments made. A fundamental pillar of this commitment is having a globally applicable Integrated Management System, implemented and certified in accordance with ISO 45001 (Occupational Health and Safety) and the SIGOS (Healthy Organization) framework.

[S1-1_10] [S1-1_11] With regard to whether the company has specific policies aimed at eliminating discrimination, and in particular harassment; Naturgy has a specific protocol on labour, sexual and gender-based harassment through which the company formalises that it expressly rejects and prohibits any manifestation of physical, psychological, moral, sexual, gender-based harassment or abuse of authority. It also expressly rejects and prohibits any other conduct that may generate an intimidating, offensive or hostile working environment for people.

Regarding equal treatment and opportunities for all, there are several Naturgy policies and standards that establish commitments. The Code of Ethics states that the company "With regard to equal treatment and opportunities for all, there are several Naturgy policies and standards that establish commitments. The Code of Ethics states that the company "does not accept any type of employment or professional discrimination in the workplace or professional for reasons of age, race, colour, gender, religion, political opinion, nationality, social origin or disability".

[S1-1_12] On the other hand, the company's People strategy proposes the professional development of people in an environment of respect, listening and permanent dialogue as one of the fundamental pillars that make up Naturgy's culture, and integrates diversity targets in gender, age and disability, promoting equal opportunities.

[S1-1_13] Finally, Naturgy possesses mechanisms to detect possible non-compliances with these policies (see the chapter on Business Conduct) and, as mentioned above, the company is committed to developing the necessary measures to ensure adequate remediation of any impacts that may materialise.

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Labour relations are based on essential principles such as non-discrimination, fairness, freedom of association and collective bargaining, as well as transparency and good faith. Likewise, occupational safety and health, respect for labour rights, employee participation and consultation, work-life balance, and job security are prioritized. All of this is aimed at creating a fair, respectful, and highly productive work environment.

Engagement processes

[S1-2_02] Naturgy promotes an environment where workers participate actively, encouraging open communication through its different channels, with them and their representatives. Participation is an essential component of its principles of action, creating a continuous dialogue that enriches labour relations and strengthens the atmosphere in the organisation.

The Naturgy Group's 3rd Collective Bargaining Agreement, signed on 14 October 2022 in Spain, reinforces these channels, establishing and articulating different committees and forums for discussion aimed at jointly addressing various issues affecting labour relations. These forums not only facilitate communication, but also ensure that workers have an active voice in decision-making. [S1-2_05] In addition, this agreement with workers' representatives includes respect for labour rights.

Social dialogue is also present in Naturgy's companies in Argentina, Brazil, Chile, Mexico and Panama, where collective bargaining is the way to reach agreements on working hours, work-life balance, wage increases and social benefits, among others.

[S1-2_01] [S1-2_03] In this sense, the points of view of the people working in Naturgy are not only heard, but also influence the management of real and potential impacts. The company strives to integrate these perspectives into operational and strategic decisions, ensuring that the contributions of the people working at Naturgy are taken into account when defining the policies and actions that are implemented. Continuous participation in the phases of identification and resolution of critical issues contributes to more effective management. Therefore, the contributions of people are collected through various tools such as satisfaction surveys, the Equality Committee, the various Harassment Protocols and the Internal Information System (for more information see the Business Conduct chapter of this Report), internal innovation programs or listening spaces with the management bodies.

[S1-2_04] The Labour Relations and Prevention Directorate, together with the People units of each business, coordinate and supervise the dialogue and consultation processes, ensuring that the results of these interactions influence the company's overall approach to labour relations.

[S1-2_06] Naturgy records the assessment of its actions and the commitment of its workforce through Happyforce, a measurement tool and technological support to obtain the opinion and perception of those who work in the company, globally and transversally in all geographies and areas. As a result of the listening via this platform, focus groups are also held to go deeper into the perceptions gathered. Thanks to this virtual and face-to-face listening, more than 80 actions have been implemented during 2025 to improve the employee experience, with an impact on satisfaction and commitment, mainly in the areas of health and well-being, recognition, leadership, alignment, relationships and feedback.

In matters of health and safety, collaborative work is essential for optimizing activities and processes. Consultation with and active participation of employees is integrated as a key element in the regular health and safety meetings and committees held throughout the organization. This approach seeks not only to maintain but also to continuously improve prevention and well-being processes, ensuring optimal and sustainable results.

Naturgy has established the following specific processes and bodies for consultation, participation and two-way communication with the workforce:

- **Health and Safety Committees**. These are joint, collegiate bodies representing the workers. The Health and Safety Committees meet regularly at least once a quarter, and extraordinarily when highly significant events occur or at the request of either party. Naturgy has a pyramidal health and safety committee structure, agreed upon and approved within the framework of collective bargaining. This structure includes a group committee, five business-level Health and Safety Technical Committees, and four regional Health and Safety Committees, one for each geographical area.
- **Channels for participation and consultation** - noticeboard, personalized letters, intranet, suggestion boxes, Employee Service Centre (SAE) - through which anyone can propose ideas, comments, complaints or improvements, without barriers or obstacles.
- **Regular meetings** between unit managers and their health and safety teams, in accordance with the health and safety standard. These meetings promote awareness and participation among all employees, while also addressing their information needs through their management lines. In 2025, a total of 4,866safety meetings were held, including business safety committee meetings, safety breaks, and other safety gatherings.
- **Tools** to enhance individual commitment such as "Zero Tolerance", preventive safety observations and documented safety inspections.
- **Internal Information System**, at the disposal of all the workers, where they can make complaints about relevant safety non-compliances that require confidential and impartial treatment. For more information, see the Business Conduct chapter of this report.
- **Happyforce tool**: allows us to know the opinion of people about their experience in Naturgy and to maintain an open and direct dialogue with them. This tool not only allows us to know their perception regarding indicators that affect their daily lives, but also allows us to collect spontaneous suggestions and contribute to the design of specific actions for continuous improvement.
- **Classification and Professional Development Committee:** With competencies linked to the professional classification of functions and promotion within the same professional group, analysing and debating any issues that may exist relating to these aspects. In 2025, this committee has met 15 times.
- **Equality Committee:** With the aim of analysing the implementation and development of the different measures and strategies defined in the Equality Plain in Spain. The Monitoring Committee of the Equality Plan met on 7 occasions in 2025.
- **Investigation committee for the investigation of sexual and/or gender-based harassment and the investigating commission for cases of discrimination against the LGBTI community:** both made up of representatives of the company and representatives of the workers and a prevention technician with the aim of investigating, when so requested by the complainant, the processes of sexual harassment reported by the workers.The Commission for the Investigation of Cases of Sexual Harassment and/or Harassment Based on Sex has not met on any occasion in 2025; it is optional for the complainant to choose whether they want the case to be investigated by the Commission or solely by the Company
- **Agreement Monitoring Committee**: a joint body for the interpretation and monitoring of the Agreement, which may also exercise conciliation, mediation and arbitration functions in those cases in which the parties submit it for its consideration.
- **Election Committee:** a joint committee with the purpose of establishing the election timetable and regulating other aspects related to trade union elections, in the interest of better organisation.

The meetings of all these Commissions are held at the corporate level for the entire Group; the union sections participate on the social side.

In line with Naturgy's commitment to information, consultation and participation, any change that affects or may affect labour relations is communicated to the social partners in full compliance with the deadlines and guarantees established in the legislation in force. Furthermore, Naturgy keeps open additional communication channels, beyond the formal ones, to guarantee the resolution of doubts and the continuous updating of information.

Engagement with vulnerable groups

[S1-2_07] It is essential for Naturgy to promote diversity and equal opportunities among all employees who are part of the company. An environment of respect, listening and permanent dialogue is promoted to achieve the goals set in terms of gender and inclusion of people with disabilities.

The company's commitment is embodied in the global vision, in the sustainability and people strategy, as well as in the Global Sustainability Policy, the Code of Ethics, Protocol for the Prevention of Workplace Harassment and the Protocol for the Prevention of Sexual and Gender-based Harassment

The signing of Naturgy's Equality Plan on 8 March 2023 in Spain unanimously identifies the strengths of the company in this area and establishes a catalogue of specific measures and actions to maintain, correct and prevent deviations in gender equality.

Within the framework of the Equality Plan in Spain, the company is committed to the establishment and development of policies that promote equal treatment, guaranteeing that, with equal aptitudes, knowledge and qualifications, all workers can carry out their job without gender representing an obstacle or a criterion for differentiation for the purposes of pay, promotion and professional training.

Similarly, the signing of the Protocol on Sexual Harassment and/or Gender-based Harassment with employee representatives reinforces the company’s commitment to zero tolerance of harassment situations, as well as encouraging greater involvement of the social partners in these matters.

The signing, with the representation of the workers, of the set of measures planned for equality and non-discrimination of LGBTI people in companies and of a specific protocol against harassment of this group, continues in the line of promoting social participation.

In addition, Naturgy maintains a strong commitment to physical and digital accessibility for people with disabilities, as well as to equal opportunities, incorporating these values into the company's culture. Awareness and training on disability and accessibility helps to create an inclusive culture that makes it easier for all members of the workforce to understand and respect the needs of people with disabilities. Naturgy fosters a working environment in which everyone can participate on equal terms, through furniture and equipment ergonomically adapted to the needs, accessible facilities and parking spaces, social action actions with an impact on the disabled, volunteer actions aimed at people with disabilities and training of its professionals.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

[S1-3_01] In the double materiality exercise carried out in 2025, no actual negative impacts have been identified. In the event that the potential impacts identified were to occur, Naturgy attaches the utmost importance to remedying them, promoting a safe and respectful working environment through the use of specific procedures.

Thus, for example, in cases of harassment at work or sexual and/or gender-based harassment, an action protocol is activated which includes: reception of the complaint, exhaustive investigation by a specialised team, accompaniment and, if necessary, intervention of the workers' legal representatives, and protective measures if necessary for the person affected.

Similarly, those negative incidents reported through the Code of Ethics Channel also have the activation of mechanisms for the analysis and correction of the incidents reported.

The People and Resources, in coordination with the corresponding bodies, carry out exhaustive monitoring to ensure that any deviations have been corrected and that the working environment complies with the established standards of respect and safety. This commitment, together with continuous improvement, ensures that any incidents are dealt with sensitively, fairly and effectively.

Internal channels for own workforce

[S1-3_02] [S1-3_05]] Naturgy recognises the importance of providing spaces for communication and dialogue where its employees can express not only their concerns and needs, but also complaints or denunciations to the company. Therefore, it currently has several specific channels that allow communication between both parties.

Internal Information System[1] and Code of Ethics Channel

In Spain, and in compliance with Law 2/2023 of February 20, regulating the protection of whistleblowers and combating corruption, the Board of Directors of Naturgy has approved the implementation of the Internal Information System, designating the Ethics and Compliance Committee as responsible for it.

Naturgy's Internal Information System integrates the company's various internal communication channels. The following may be submitted through the Internal Information System:

- Information affecting the general interest, obtained in a work or professional context, concerning actions or omissions that may constitute infringements of European Union law or serious or very serious criminal or administrative offences, as detailed in Law 2/2023.
- Any other communications or information outside the scope established in Article 2 of Law 2/2023 that may be submitted by Naturgy employees or any third party outside the company, provided that the subject of the aforementioned inquiries and/or complaints relates to potential breaches by these groups.

The Internal Information System allows not only the company's own workforce, but also all stakeholders, to confidentially report non-compliances of regulations, as well as cases of corruption. This channel is available through Naturgy's external website and the company's intranet (https://naturgy.integrityline.com). The channel is managed by an independent third party, EQS IntegrityLine. The channel guarantees the strictest confidentiality and, where appropriate, anonymity of the complaints received through this channel. [S1-3_06]

For the other countries where Naturgy has a presence, complaints and inquiries can be submitted through the same electronic platform in the Code of Ethics Channel..

Through the Internal Information System Policy, Naturgy enables this public communication channel that is available to those individuals referred to in Article 3 of Law 2/2023. This policy undertakes to provide adequate information in a clear and easily accessible form, and determines the management procedure of this system. This information is available on the company's website, in a separate and easily identifiable section.

More information on this channel is included in the Corporate Culture section of the Business Conduct chapter of this report.

[S1-3_07] The monitoring and control of cases reported in the Internal Information System is carried out through a regulated process, involving different roles and levels of responsibility, both at the corporate level and in business units. This is done through the Ethics Code Channel Regulations for complaints and inquiries outside the scope established in Article 2 of Law 2/2023 and for all other countries except Spain, where Naturgy operates. For complaints related to said law (applicable only in Spain), the Internal Information System Regulations apply. Both sets of regulations, in addition to establishing roles and responsibilities, outline the deadlines for resolving complaints, the procedures to be followed in their investigation, and the responsibilities of each party involved in the process.

[1] In Spain it is called the Internal Information System, which also includes the Code of Ethics Channel.

Evaluations of the effectiveness of the Internal Information System and the Code of Ethics Channel are also carried out based on best practices and specific surveys. This information allows Naturgy to develop actions that enable the continuous improvement of processes.

Additionally, both Bureau Veritas, regarding the UNE 19601 standard for Criminal Compliance Management Systems and the ISO 37001 standard for Anti-Bribery Management Systems, and a renowned external auditor, verify the information provided in this report.

[S1-3_08] On the other hand, actions are periodically carried out to assess the level of awareness of the Code of Ethics Channel[1] among our own staff. In the last assessment, conducted in 2024, 90% of those interviewed stated that they were aware of this channel and knew that anonymous reports could be made. Furthermore, 66% felt that, if they had to make a report, the channel inspired a great deal or complete confidence in them.

[S1-3_09] Naturgy also periodically conducts communication campaigns to encourage its staff to use the Code of Ethics Channel[2]. These campaigns highlight key aspects such as the confidentiality and anonymity of communications, with particular emphasis on the prohibition of retaliation against whistleblowers. This practice is fully aligned with Naturgy's Internal Information System Policy and applicable legislation.

Employee Care Service (SAE)

Naturgy's Employee Assistance Service is a consolidated and highly relevant channel within the organisation, with more than 10 years of experience in the management of queries, requests, incidents and complaints from employees. The SAE has a multi-channel approach, thanks to the virtual platform (saeonline) for personalised attention and accessible from any device to facilitate its use. From the point of view of its functional scope, it covers both the main processes of the People and Resources function (personnel and payroll administration, labour relations, prevention, health, training, talent, culture, organisation, media, medical services, security, etc.) and other cross-cutting processes (customer service for own staff, Naturgy Foundation, internal communication, etc.).

Ultimately, it is the channel that connects employees with the company, facilitating procedures and inquiries, as well as a vehicle for communication campaigns or actions launched by the different People and Resources teams.

[S1-3_06]The SAE is a legitimate and procedurally established channel, which guarantees security and impartiality for all persons involved in the process. This service operates under public rules and procedures, accessible to all employees through Naturgy Net, has a specific consultation guide for the treatment and resolution of each matter, and has solid guarantees of confidentiality, which fosters the confidence of all parties.

[S1-3_07]This channel has a rigorous follow-up process for all enquiries received, ensuring the effectiveness of all its means of contact by monitoring key performance indicators. Communication and active listening are fundamental at every stage, enabling solutions to be found that respect the rights and needs of all those involved.

Thus, it has a platform that ensures the traceability of each interaction, from the opening to the closing of the request, providing employees with transparent information on the progress of their requests. In case of dissatisfaction, the request can be complained about or reopened, ensuring a continuous improvement process. This approach not only offers a reliable and comprehensive service to workers, but also allows for rigorous monitoring of complaints and compliance with ethical principles by resolution teams. Traceability facilitates audits and preventative actions, ensuring fair responses aligned with company values, and enabling any situation to be resolved effectively.

[S1-3_08] 08 Finally, the worker always has the opportunity to evaluate the service through a satisfaction survey, and can even enter a suggestion or complaint through the platform itself, which will also receive a response.

[1] In Spain it is called the Internal Information System, which also includes the Code of Ethics Channel.
[2] In Spain it is called the Internal Information System, which also includes the Code of Ethics Channel.

UALI-E Virtual Assistant

[S1-3_06] In 2025, Naturgy implemented UALI-E, a 24/7 virtual assistant for employee support, designed to quickly, easily, and conveniently resolve queries, requests, or issues related to internal services (leave, benefits, occupational risk prevention, among others).

Although UALI-E is being rolled out gradually, it will cover the entire workforce in Spain throughout 2025. The goal is to evolve its functionalities until it becomes a comprehensive communication platform that facilitates direct, efficient, and confidential dialogue between the company and its employees.

[S1-3_07] In this initial implementation phase, there is not yet a specific system for tracking the issues raised. However, it complements traditional mechanisms (such as the SAE) and reinforces Naturgy's commitment to promoting innovative channels for internal dialogue to improve support for its employees.

[S1-3_08] UALI-E incorporates continuous improvements based on feedback provided by its own users. This improvement process allows for monitoring its operation, measuring the degree of effective resolution of queries, and ensuring the effectiveness of this internal communication channel.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

[S1-4_05] When determining what actions are necessary to manage the impacts, risks, and opportunities related to one's own personnel, Naturgy the company has had an integrated management system (IMS) for quality, environment, health and safety. This system, certified according to the requirements of the ISO 9001, ISO 14001 and ISO 45001 standards, is audited externally every year. One of the fundamental pillars of the IMS is its orientation towards continuous improvement, based on adequate follow-up of findings and evaluation of the effectiveness of the associated actions.

Through an IT tool, implemented in all countries and geographical areas (certified) with the exception of Chile (Metrogas), all the findings identified in the framework of the SIG are managed, Naturgy determines which actions are necessary and appropriate when responding to a certain actual or potential impact on its own staff. To accomplish this, the tool manages all the findings identified in the Integrated Management System of quality, safety, environment, health and welfare through an initial classification of the same based on different criteria:

- **Origin:** if they have been identified in process monitoring and control actions, in internal or external audits, if they respond to legal requirements, if they come from complaints, claims or suggestions from third parties, if they are associated with operational incidents, etc.
- **Priority and treatment**: as a major or minor non-conformity, observation or opportunity for improvement and its scope, which can be global with company-wide impact or limited to certain business areas.

The process of managing a finding, in addition to its categorisation, includes a process of investigation of the finding from which an action plan is defined with the identification of specific actions directed at the root cause of the finding. Each finding may give rise to one or more actions, which are assigned to a person responsible for their treatment. A finding is closed when all actions associated with it have been completed.

[S1-4_08] Naturgy applies an approach focused on well-being, fairness and respect. In this way, the company not only guarantees that it does not cause negative impacts on its employees through its practices, but also ensures that it complies with the highest labour standards.

[S1-4_09] In addition, several resources are allocated to the management of material impacts to ensure an effective and appropriate response. The company has teams specialised in managing its own workers, both at corporate level and in each of the businesses. In addition, Naturgy provides its workforce with technological tools and channels to encourage and facilitate their participation, as well as to promote talent and development through training actions.

[S1-4_06][S1-4_07] In relation to the management of risks and opportunities, given that the double materiality assessment carried out has not identified significant risks or opportunities for Naturgy, it has not been necessary to develop specific actions in addition to the detailed management processes to mitigate risks or implement specific measures to exploit opportunities.

[S1-4_02] The main actions that Naturgy takes to prevent potential negative impacts and to enhance actual positive impacts on its workforce are described below.

[MDR-A_06][MDR-A_07][MDR-A_09][MDR-A_10][MDR-A_11][MDR-A_12] In economic terms, these actions require a financial contribution from Naturgy in the form of related capital investments and operating expenses, which are not significant and are aggregated into larger accounting items, as it is very difficult at the accounting level to provide individual details of these items.

Actions to manage negative and positive impacts [S1.MDR-A_01-12]

Health and Safety

Naturgy manages the potential negative impacts related to increased accident rates and critical incidents, as well as those related to the possible increase in exposure to psychosocial risks, through actions such as: the development of a Safety and Health at Work Management System (SGSST), the 2024-2025 Safety and Health Plan and the medical assistance and comprehensive health services available to the company.

Occupational Health and Safety Management System (OHSMS)

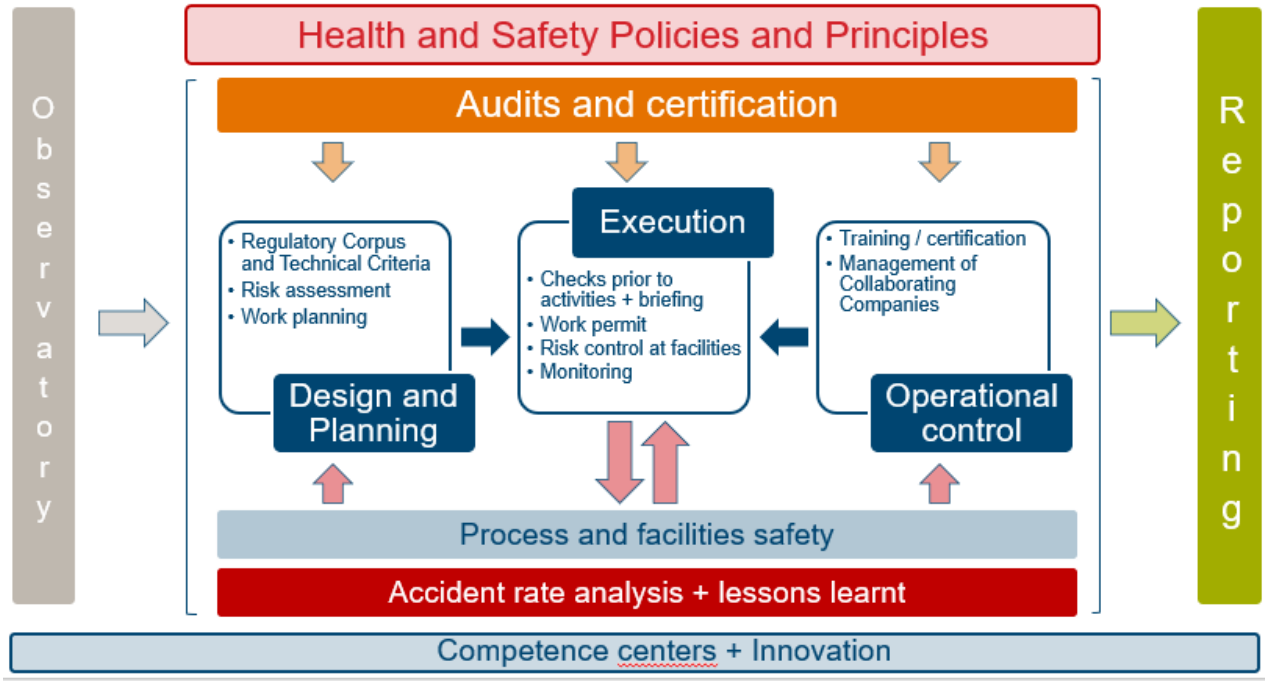
The Occupational Health and Safety Management System (OHSMS) is unique for the entire company, developed in collaboration with all business units, and focuses on the most critical risk areas, covering 100% of employees. This system, in accordance with the Global Health, Safety and Wellbeing Policy, is integrated into Naturgy's quality and environmental management systems and is audited and certified by third parties in accordance with ISO 45001.

The system makes it possible to define specific actions aimed at minimising the accident rate associated with the most critical risk factors, both through operational control tools and through the definition of "red lines", the exceeding of which entails the application of penalties.

Development of the OHSMS

The development of the OSHMS takes into account the following elements:

- An integrated occupational health and safety management system audited and certified by a third party, with scope for all businesses.
- The integration of health and safety in the value chain, including procurement, design and planning of activities and facilities.
- Action plans to address the most critical aspects, ensuring the implementation of preventive and/or corrective measures and strategic lines of work.
- Itineraries and training requirements tailored to the job.
- Uniform supervisory tools for the assessment and monitoring of risks, legal requirements, accidents and lessons learnt and their dissemination.
- Periodic reporting of health and safety performance, adjusted to the needs of the different stakeholders, with transparent and clear communication.
- Compliance with relevant international occupational health and safety standards and regulations, such as ISO 45001.
- Consultation and participation of workers or their representatives.
- A commitment to continually improve the occupational health and safety management system.
- The establishment of quantitative targets for the improvement of occupational health and safety performance, linked to the monitoring of the evolution of indicators and action plans arising from incidents and accidents.



Health and Safety Plan 2024-2025

[MDR-A_01][MDR-A_02][MDR-A_03] This plan, which is implemented during 2024-2025, aims to focus on 'visible leadership in safety', not only its own but also that of the management of the collaborating companies (CC), and to evolve the company's safety model to the new forms of work organisation and its associated risks.

Two key objectives are considered for this period:

Revitalising the corporate safety culture through leadership	**Security, a necessary contributor to operational excellence**
– The Group Management Committee and Business Committees as a key lever for reinforcing visible safety leadership at all levels	– Sustainable, homogeneous security model, continuously adapting to new processes.
– Personal security action plan for business leaders.	– Asset operation security and asset integrity.
– Role of the management of the usual CCs as prescribers of Naturgy's commitment to safety throughout the subcontracting chain.	– Zero Accidents vision, greater rigour in the investigation, ensuring the implementation of action plans associated with PSIF (potential serious injury or fatality) events.

The Plan, which covers all geographies and businesses where the company operates, aims to address new forms of work organisation, organisational evolutions and process transformation through adjustments to the safety model, a refocusing of leadership and global communication actions that reinforce a single safety and health culture.

Its development is structured in six main networks, with a priority focus on:

[MDR-A_05] The pillars of the Security Plan 2024-2025 are:

- A new revision of the Global Safety, Health and Wellbeing Policy has been approved.
- Steering Committee health and safety leadership workshop.
- Actions to reinforce the 5 health and safety principles. The principles are:
  - Nothing is more important than safety and health, not production, not sales, not profits.
  - Every accident can be avoided, there are no unavoidable accidents.
  - Security is a management responsibility and must be managed as such.
  - Safety is an individual responsibility and a condition of employment, and a condition of employment for partner companies.
  - All work must be planned and executed with the safety of ourselves, our employees, partners, visitors, customers and the community in mind.
- Health and safety talks with the Management Committee and all staff.
- Psychosocial factors: focus on the management of psychosocial risks and development of the Action Plan on Psychosocial Risks, which is detailed below [S1-4_01]

Action plan on psychosocial risks

One of the pillars of the 2024-2025 Security Plan is the visible integration of the management of psychosocial factors within its Occupational Risk Prevention (ORP) management system, implementing procedures to identify, assess and monitor these risks at all levels of the organization.

[MDR-A_01] [MDR-A_02] Naturgy's Action Plan on Psychosocial Risks is structured in a transversal plan to be applied in all businesses and to all its own staff for the period 2024-2025 and includes more than 150 specific actions, divided into primary and secondary actions, to address psychosocial factors in a comprehensive manner. Each business line also develops its own specific plan that adapts the transversal actions to the particularities of its operations and to the most relevant psychosocial factors in each area.

[MDR-A_03] The Action Plan covers all groups, but places special emphasis on those groups that are more exposed to psychosocial risks. In these cases, more concrete and specific measures are implemented to mitigate risks and improve well-being. In addition, the plans for each business focus on those groups with the most critical results in the risk assessments, allowing for a more precise and personalised intervention in the areas where it is most necessary.

The main aspects of this Plan are structured as follows:

- Psychosocial leadership.
- Communication and recognition.

- Digital disconnection.
- Equality.
- Internal mobility.
- Technical and psychosocial training.
- Change management.

[MDR-A_04] In line with this commitment, in 2025, a safety perception survey was conducted among all Naturgy employees to gain a detailed understanding of their attitudes and perceptions regarding workplace safety and to assess the company's position in key aspects of preventative management. The survey achieved a 77% participation rate, and its analysis identified areas for improvement and perception gaps between different departments and locations.

Furthermore, the ergonomic analysis of workstations was strengthened, incorporating specific assessments aimed at adapting working conditions for particularly vulnerable individuals, thus fostering safer and more inclusive environments. Additionally, an ergonomic culture assessment was developed to identify strengths and opportunities for improvement in the organization's habits, practices, and perceptions. This assessment serves as a key tool for promoting more effective preventative actions and consolidating a new work model focused on improving health and well-being.

[MDR-A_05] During 2024 and 2025, Naturgy has achieved significant progress in the implementation of the Plan:

- Optimization of work organization through the review of shift models, improvement of operational processes and the incorporation of psychosocial criteria in the onboarding process to the company and in training planning.
- Increased participation and internal communication through improved two-way channels and the creation of consultation spaces that allow for anticipating needs and improving transparency.
- Promoting specialized training in harassment, conflict management and emotional skills, while also reinforcing measures related to work-family balance and the implementation of the Equality Plan in Spain.
- Expansion of the training program in psychosocial risks, deploying initiatives aimed at improving leadership, team management and early detection of risk situations.
- Promoting digital disconnection practices and more efficient time management, optimizing the use of communication tools and fostering more effective meeting dynamics.
- Greater involvement of the Management Committee, Business Committees and People and Resources units to ensure consistent implementation throughout the organization.
- In addition, during 2025, specific psychosocial interventions have been carried out in areas identified as priorities, aimed at delving deeper into organizational factors and adopting preventive measures that allow reducing risks and improving the functioning of teams.

Comprehensive health and medical care services

Naturgy remains firmly committed to providing its employees with a healthy and supportive work environment. The Medical Assistance and Comprehensive Health unit operates with excellence and continuous innovation to offer its employees a comprehensive health and wellness strategy focused on both prevention and health promotion. This is achieved through training and information on healthy habits, taking into account both individual needs and the specific characteristics of each country.

- **Healthy Organisation management system of AENOR (SIGOS)**

In 2015, Naturgy became the first Spanish multinational energy company to obtain the "Healthy Company" certification according to AENOR's Healthy Company Model, inspired by the World Health Organization's model. In 2022, the scope of this certification was expanded, achieving AENOR's Healthy Organization Management System (SIGOS) certification, with the necessary adaptations to reflect Naturgy's commitment to continuous improvement in organizational health and well-being. Currently, SIGOS certification is held not only in Spain, but also in Argentina, Brazil, Mexico, and the Dominican Republic.

SIGOS represents Naturgy's commitment to a comprehensive approach that allows any type of organisation to provide safe and healthy working environments, foster a culture of organisational well-being and exercise a responsible commitment to society, promoting a culture where the well-being of people is fundamental. Under the criteria of the SIGOS model, it has evolved from the "healthy company" model to a model that integrates well-being in all its dimensions, with the aim of improving the quality of life of workers through safety conditions, ergonomics, psychosocial factors and a culture of well-being.

Naturgy's health and wellness management is based on four influencing factors:

- **People's health and safety:** ensuring safe and healthy working conditions that minimise risks and promote physical and mental well-being.
- **Lifestyle:** encouraging healthy lifestyle habits among the company's people, supporting them in developing routines that improve their overall well-being.
- **Organizational welfare:** fostering a culture where well-being is a priority, promoting an inclusive, collaborative and respectful work environment.
- **Community:** extending the company's commitment to society, actively collaborating with the communities in which it operates.

- **Health promotion campaigns**

The company's health services carry out a recurring annual study of the pathologies and alterations detected in its personnel based on the data from the Health Surveillance conclusions, as well as the aggregate reports on absenteeism due to common illness provided by the entities managing the Social Security benefits. A prioritisation of problems is then established for which specific prevention campaigns are designed according to the severity, frequency and scientific evidence of the preventive measures to be applied.

Campaigns are designed to reach as many workers as possible, through Health Surveillance examinations or through specific campaigns at different times of the year. Among the campaigns offered, the following stand out:

- **Primary prevention campaigns:** which focus on risk factors such as smoking and other addictions, nutritional support for obesity and overweight, promotion of physical activity, as well as the annual flu vaccination campaign every autumn. Also informative campaigns such as the prevention of sleep disorders, mindfulness or emotional fitness.

- **Secondary prevention campaigns: th**ese include early detection programs for the most common cancers: colon cancer, lung cancer in smokers, breast and gynaecological cancers for women, and prostate cancer for men; as well as cardiovascular disease screening campaigns, which include electrocardiograms, monitoring of high blood pressure, stress tests, and echocardiograms. In this regard, in 2025, the cardiovascular health campaign was strengthened (by developing ultrasound scans of the supra-aortic trunks and lipoprotein A testing) and a collaboration was established with the Spanish Society of Neurology on a specific stroke prevention campaign.

In relation to mental health, and in view of the increasing incidence observed in recent years, in 2024, preventive actions and campaigns have continued to be reinforced:

- **In Spain,** there is a psychological health surveillance protocol that offers specialized psychological care, when needed, in order to improve the quality of life and well-being of working people..
- **In Brazil,** a platform to provide online psychotherapy and counselling continues to be implemented. This initiative facilitates access to specialists and allows the scheduling of therapy sessions, helping to reduce stress and improve well-being.
- **In Mexico,** there is a psychological service to provide personalised attention to workers who need support (in some cases extending it to family members) and a psychological first aid service.
- **In Argentina,** the medical insurance for employees and their families (spouse and student children up to and including the age of 25), the total cost of which is borne by the company, provides access to various treatments, including psychological and psychiatric treatment, both in person and virtually, depending on their needs.

Monitoring and evaluation Health and Safety actions [S1-4_04]

At Naturgy, safety management is integrated throughout the management chain, which is responsible for managing the material impacts associated with its activities and assigning the human and material resources necessary for their treatment.

Naturgy has a structure of Health and Safety Committees responsible for periodically monitoring the evaluation of the main safety indicators that may have a negative impact, and for supervising that all the necessary control mechanisms to keep them under control remain in place.

The priority objectives of the Health and Safety Steering Committee are:

- Define global strategies and lines of action to ensure the effective application of the Global Business Health, Safety and Welfare Policy.
- Setting targets for safety, health and welfare performance indicators.
- Approval and verification of the degree of implementation of action plans arising from fatal or particularly significant accidents.

To guarantee the transversality of the actions, it is supported by a Health and Safety Operating Committee made up of representatives from all the businesses and whose main functions are:

- Definition and monitoring of cross-cutting health and safety objectives and action plans and determination of detailed actions to ensure correct implementation in the businesses.
- Monitoring of the specific plans developed by the business units, identifying best practices and promoting their transversal implementation.
- Approval of the health and safety standards that make up the common regulatory map applicable to the entire group.
- Development and dissemination of safety breaks and lessons learned.
- Detailed monitoring of investigation processes and action plans associated with relevant events.
- Development and monitoring of the function's performance indicators.

- Establishment of “centres of competence” comprised of multidisciplinary teams responsible for addressing specific cross-cutting needs or monitoring actions associated with specific action plans. Since 2024, a Centre of Competence for ergonomics and applied psychology has been established to propose, develop, and ensure the continuity of the implementation of cross-cutting and specific actions for each business area, acting as a driving force for the coordinated and consensual advancement of both specialities.

The correct implementation of the OHSMS and SIGOS, which is part of the group's IMS, is one of the tools that has proven to be most effective in keeping under control the potential negative impacts related to the safety aspects identified in the double materiality assessment. To this end, a computer tool is available to identify and classify all findings.

To ensure effectiveness and legal compliance, annual audits are conducted, both internal and external. These audits, carried out according to a predefined annual plan, allow for the evaluation of the correct implementation of systems across all business areas, identifying strengths, risks, and opportunities for improvement. All external audits, conducted by an internationally accredited body under the ISO 45001 standard, have concluded with a positive assessment of the level of implementation and integration of the systems in the audited processes. It is noteworthy that the systems are effectively maintained, comply with current legal obligations, and promote continuous improvement in occupational health and safety. In particular, the external audits conducted in 2025 confirmed these positive results, reinforcing the commitment to excellence in this area.

Working conditions and equal treatment and opportunity for all

Flexibility and work-life balance are essential pillars for employee well-being and organizational success, as they directly influence employee satisfaction. For this reason, Naturgy, through collective bargaining, promotes agreements that provide greater flexibility and work-life balance, professional development opportunities, social benefits, and salary increases.

[S1-4_19] It is worth noting that measures have been adopted to minimize the potential impacts of the energy transition on working conditions, in line with the "just transition" approach promoted by the International Labour Organization (ILO). In Spain, this transition is managed through the "Agreement for a Just Energy Transition," which commits the government, businesses, and unions to guarantee employment and revitalize the economy in the areas affected by the closure of coal-fired power plants in 2020. For more related information, see the section "Actions and resources related to climate change policies" in the Climate Change chapter of this Report.

Naturgy considers it a priority to promote diversity and equal opportunities for all employees, reinforcing its commitment to an inclusive and balanced work environment. The Equality Plan in Spain and the set of measures planned to prevent discrimination against the LGBTI community help minimize any negative impacts of discrimination, while also generating positive impacts by promoting inclusion and equity.

Global FRC Certification

The EFR Global model consolidates Naturgy's vision of work-life balance, shared responsibility, well-being, and diversity as cornerstones of the company's value proposition and people strategy in the regions where it operates.

The model is managed through benefits, flexibility measures, well-being initiatives, health programs, and professional development opportunities that adapt to the diversity of the workforce, according to their situation and stage of life, to promote a balance between professional and personal life.

In this context, work-life balance at Naturgy is a commitment to shared responsibility and equal opportunities; it is fostering a pluralistic, inclusive, and balanced culture; it is constantly listening to propose improvement actions and recognizing the company's teams; it is a driver of well-being and motivation.

The EFR model is global in scope, although it adapts to local particularities through measures that respond to the unique characteristics of each region, generating a transformative professional experience and contributing to a more equitable and sustainable society.

After more than a decade of managing the EFR model in Spain, Argentina, Brazil, Costa Rica, the Dominican Republic, Mexico and Panama, in the audit carried out by AENOR in March 2025, Naturgy has accredited policies, indicators, measures and benefits in five areas: quality in employment, time and space flexibility, support for the families of its own staff, support for the personal and professional environment and equal opportunities.

- **Management 2025**

  [MDR-A_05] In 2025, the certification was renewed for three years, achieving a proactive B rating, according to the updated standard. During this period, 491 local measures, distributed across the geographies where the company operates, were accredited, as well as 19 globally applicable measures. Additionally, 26 management indicators and 80 improvement actions were certified across the different countries, as defined by the global EFR Standard 1000/23.

The following are the EFR measures applicable globally in the geographies covered by the standard:

1. Employment quality
– Job stability
– Health and Safety
– Health and Wellbeing
– Forecasting and insurance
– Social Benefits
– Teams' work tools
2. Temporal and spatial flexibility
– Flexible working hours and teleworking
– Paid leave for personal and family reasons
3. Support for the personal environment
– Integration activities with employees and their families
– Support for the family environment
4. Personal and professional development
– Professional development programmes
– Competency-based leadership model
– Corporate University
– Extra-occupational activities and volunteer programmes
– Internal mobility
5. Equality of opportunity
– Programme for Executives
– Awareness-raising with a focus on sustainability
– Adherence to the Global Sustainability Policy and the Human and Social Development Policy

Naturgy`s Collective Bargaining Agreement 2021-2024, Spain [S1-4_01]

[MDR-A_01] [MDR-A_02] Naturgy is committed to promoting work-life balance for its employees, recognizing that flexibility and work-life balance are fundamental pillars for employee well-being and the organization's success. Improving work-life balance opportunities also leads to greater employee engagement. [MDR-A_03] Therefore, the Naturgy Collective Bargaining Agreement 2021-2024, which has extended its validity through 2025 until the new collective bargaining agreement comes into effect in 2026, includes the following key measures for work-life balance and promoting shared responsibility:

- Flexibility in start and finish times, as well as in the meal break period.

- Continuous working day from June to September (four months) and every Friday of the year.
- More extensive paid leave due to marriage, illness and death of family members.
- Paid leave not covered by legislation, such as leave for separation or divorce, marriage of descendants, or leave for expectant mothers from the 38th week of pregnancy onwards.
- Possibility of taking paid leave not necessarily on consecutive days.
- Reductions in working hours for personal reasons in cases other than those provided for by law.
- Possibility of accumulating breast-feeding periods.
- Adaptation of the weekly working day by one hour, as a measure to promote conciliation.
- Teleworking for one or two days a week, for those workers who carry out functions which by their nature can be performed remotely.
- Possibility of adapted teleworking for positions which, due to the nature of their functions, cannot combine two days of teleworking.
- Flexibility for the adaptation of the working week of up to two hours for those in shared custody situations.

[MDR-A_05] The work-life balance measures outlined have had a positive impact on employee well-being, facilitating a better work-life balance.

Throughout 2025, the company has strengthened the dissemination of these initiatives through the work-life balance guide and the publication of the previously described EFR (Family-Responsible Company) measures, to ensure that all employees are aware of them. This applies to Spain, Argentina, Brazil, Mexico, Panama, Costa Rica, and the Dominican Republic, where the company's global measures are implemented, in addition to each region having its own specific measures.

Total Compensation Plan [S1-4_03]

[MDR-A_01][MDR-A_02] The Total Compensation Plan offers its own workforce in Spain a comprehensive platform that allows them to manage their remuneration and benefits package in a personalised way, comprising a Benefits Package and a Substitution Amount and and an Available Monetary Compensation.. [MDR-A_03] In this way, this annual plan of short term allows the personalised configuration of their remuneration and benefits package, guaranteeing flexibility and adaptation to their individual needs.

In addition, the possibility of increasing the available benefits is granted, allowing the employee to allocate a percentage of their gross annual remuneration to the acquisition of additional benefits, in any case, within the limit set by the applicable legislation, in accordance with the rules established for each group.

- **Benefits Exchange:** each person can view the amount corresponding to their "benefits pool", made up of the benefits they are entitled to, according to their contract and company policies, and can allocate this amount, according to their preferences, to the acquisition of different benefits within a catalogue predefined by the company.
- **Available Monetary Compensation**: this is the maximum amount of the annual monetary remuneration that the worker can allocate to contracting products offered in the Plan. This amount is determined by the percentages established by the company (according to the group to which they belong) on the fixed and variable remuneration, including in this limit the value of other remuneration in kind that they are receiving. The amount you choose to allocate through this amount will be deducted from your gross annual remuneration in cash and will be converted in kind through the products selected in the Plan.

[MDR-A_05] In 2025, the integration of flexible compensation and the benefits plan within the Total Compensation Platform was consolidated and improved.

This means that each year, Naturgy employees decide how they want to distribute the elements of their compensation package, choosing those that best suit their personal circumstances or monetizing them and optimizing their net salary with the tax advantages that some offer. This Plan aims not only to improve employee well-being and satisfaction but also to provide a compensation structure that adapts to diverse individual realities and preferences, fostering commitment and motivation within the organization.

In addition, this platform incorporates:

- Savings in Personal Insurance (home, life, car, death, ...).
- "My Wellbeing and Health" space.
- Health Insurance.
- Time Bank.
- Discounts in more than 600 online shops and 100 travel portals with a percentage of the purchase price refunded.
- The breadth and competitiveness of the social benefits offered by the company, both those provided by the company and those that can be accessed through the aforementioned platform: pension plan, medical insurance, holiday residence, energy tariff bonus, advances/loans, study aid, life insurance, food vouchers.

Naturgy Group Equality Plan in Spain 2023-2027 [MDR-A_01]

[MDR-A_01] Naturgy's Equality Plan in Spain, is part of the company's commitment and commitment to the development of labour relations based on equal treatment and opportunities between women and men and non-discrimination. In addition, Naturgy also rejects any other form of discrimination based on gender, sexual orientation, marital status, disability, age, race, political and religious beliefs, trade union membership or any other type of discrimination.

[MDR-A_03] Agreed unanimously by the Negotiating Committee, this plan serves as an effective tool, in the short term, for safeguarding equality between women and men. Equal treatment and opportunities in employment and occupation, selection, professional development, compensation, and occupational health and safety constitute a fundamental principle of the company's labour relations and human resource management, and this is the primary objective of Naturgy's Equality Plan in Spain.

Naturgy declares its firm commitment to guaranteeing equal treatment in all areas and for all purposes, not permitting discrimination based on gender or any other grounds, and promoting working conditions that respect equal opportunities. Likewise, the company's policies foster equal treatment, ensuring that, with equal skills, knowledge, and qualifications, all employees can perform their jobs without gender being an obstacle or a criterion for differentiation in terms of pay, promotion, or professional development.

The diagnosis of the different companies, carried out within the Negotiating Committee, has made it possible to define a series of objectives and measures for action included in the Equality Plan. Likewise, actions have been defined to monitor them, so that it can be a tool to ensure effective equality between men and women.

[MDR-A_02] This Plan is applicable to all Naturgy's own personnel in Spain, including persons who, where appropriate, have been assigned by Temporary Employment Agencies during the periods of service provision.

As specific objectives of the Equality Plan, it is highlighted:

- **Communication and awareness-raising:** promote an inclusive culture free of bias, where equal opportunities are a transversal reality throughout the company and where there are no stereotypes or preconceived ideas that may hinder the effectiveness of this principle.
- **Selection and recruitment:** attract the best and most diverse talent (focusing on the incorporation of women, especially in positions with more technical profiles) using criteria of capacity, competence, merit and equal opportunities that guarantee objectivity and transparency in all selection and recruitment processes.
- **Occupational classification and underrepresentation of women**: ensure that the job classification system in force at any given time respects the principle of equal opportunities.
- **Training:** develop the most under-represented talent, through specific technical and leadership training, to achieve a pipeline of people with potential access to senior positions.

- **Promotion and development:** accelerate gender equality at all levels, especially at those levels where women are under-represented, through internal talent promotion and management. Prioritising where possible women to fill positions in male-dominated areas.
- **Co-responsible exercise of reconciliation rights:** facilitating the co-responsible exercise of the rights of employees to reconcile family, work and personal life in order to achieve an appropriate balance between work, personal needs and professional development within the Company.
- **Remuneration:** ensure equal pay for women and men for work of equal value by maintaining compensation systems that ensure pay transparency, promote objectivity and fairness, reward achievement and value performance.
- **Prevention of sexual and/or gender-based harassment:** ensure a safe and healthy working environment, free from violence and harassment.
- **Gender-based violence:** disseminate, implement and improve the legally established rights of female victims of gender-based violence, thus further contributing to their protection.
- **Occupational health with a gender perspective**: integrate a gender perspective into the regular functioning of the prevention system.

[MDR-A_05] Throughout 2025, various measures derived from the Equality Plan have continued to be implemented, such as:

- Training actions to raise staff awareness of equal opportunities and non-discrimination, sexual and/or gender-based harassment.
- Increase of women in managerial positions.
- Actions to raise the visibility of female talent.
- Conducting an opinion survey of the staff on Equality.
- Definition and dissemination of the guide on work-life balance.
- Actions to raise awareness of the International Day against Gender Violence.
- Training in occupational and psychosocial risks with a gender perspective for prevention delegates.
- Training on unconscious gender bias for everyone.
- Incorporation of the Equality Plan and its measures into the onboarding process of new hires.
- Carrying out occupational and psychosocial risk assessments incorporating a gender perspective.
- Adaptation of the standard "Identification, evaluation and control of occupational risks" of health and safety for the integration of aspects related to the gender perspective, sensitive personnel, reproduction, pregnancy and breastfeeding.
- Construction and results of the Remuneration Register available to the Workers' Representation.
- Wage gap below the legal limits set by European legislation.

The definition of specific measures for the achievement of all these objectives and the constitution of the Equality Plan Monitoring Committee, allows the company to continue advancing jointly in the continuous improvement and management of equal treatment and opportunities.

Monitoring and evaluation of actions on working conditions and equal treatment and opportunities. [S1-4_04]

Through the company's Internal Information System, available to all employees across all geographic locations, the number of complaints or reports received, their severity and frequency, and the average time for addressing and resolving these complaints can be tracked and analyzed. This also applies to the provisions of the workplace harassment and sexual harassment protocol, which is also globally applicable.

Furthermore, the focus on employee training in harassment prevention and the periodic review of action protocols allow for the evaluation of the effectiveness of the implemented preventive measures.

Additionally, in Spain, the actions related to equal treatment and opportunities, work-life balance, and other labour measures implemented by the company are shared and evaluated through the Equality Plan Monitoring Committee and the Collective Bargaining Agreement Monitoring Committee.

Developing internal talent and inclusive culture

At Naturgy, the training of professionals is one of the strategic levers for transformation and development in the company. Therefore, Naturgy's talent management model drives growth from a continuous and evolutionary process, which begins in processes of evaluation, segmentation and development of talent, through dynamic processes that promote exponential value for talent.

In addition, actions such as the "Flex&Lead" and "Transforma" programmes, the Executive Talent Management Model and the Corporate University, which are described below, generate positive impacts through the promotion of professional development.

“Flex&Lead" and "Transform" programmes [S1-4_03]

[MDR-A_01] [MDR-A_02] [MDR-A_03] Naturgy has the “Flex & Lead” and “Transforma” programs, focused on recruiting diverse talent between 2021 and 2025. This initiative aims to advance intergenerational and gender balance within the company, in line with Naturgy's strategic objectives.

The goal of the “Flex & Lead” program, which runs until 2025, has been to recruit young people with a STEM background, characterized by agility, flexibility, and collaboration, along with digital skills and a data-oriented mindset. Additionally, the target for recruiting women through the “Flex” program (which specifically targets young professionals without prior experience) is 60%, and for “Lead” (which connects with young people who have some professional experience), it is 70%.

The “Transforma” program focuses on profiles with high management and leadership potential, enriching the diversity of the talent pool. The experience of this new talent includes participation in relevant projects, internal mobility between business areas, and participation in career acceleration processes towards positions of responsibility.

[MDR-A_05] In the whole programme, a total of 288 young people have joined the ‘Flex & Lead’ programme with an average age of 29 years and 83% are women and 27 professionals in the ‘Transforma’ programme, 85% of whom are women.

Executive talent management model [S1-4_03]

[MDR-A_01] [MDR-A_02] Naturgy has a management talent management model that, based on the company's leadership model, identifies evaluation, segmentation and action processes that allow promoting professional development and guaranteeing the necessary coverage and succession based on objective measures that ensure transversality and diversity in the process. Thus, through this model, Naturgy drives growth from continuous and dynamic processes that promote exponential value for talent.

This model, which ensures the coverage of positions in the company's organisational structure, identifies risks and develops talent, [MDR-A_03] is currently in place and is carried out through periodic and recurring processes. It is carried out through dynamic, periodic, and recurring processes, enabling exponential talent improvement. Examples include development interviews, Internal Talent Reviews, and External Reviews—expert interview processes, both internal and external, that allow for updating, reviewing, and guiding the development profiles of the group's managers.

Feedback conversations and direct comparison with each person are encouraged, regarding their leadership skills, motivation and career interests. This information, combined with that of the rest of the model's processes, allows for the activation of transversal or specific action plans (training, coaching, career acceleration, mobility, promotion, etc.). [MDR-A_05] Throughout 2025, 404 internal interviews and 268 external talent development interviews were conducted.

In 2025, the leadership model competency assessment had a global reach across the entire company, encompassing the Management Committee, directors, managers, and non-unionized staff. This 360-degree evaluation offers a comprehensive view by combining self-assessment with feedback from supervisors, peers, and the team. With 2,449 people assessed, 4,383 evaluators, nearly 21,000 questionnaires, and a 92% participation rate, it has established itself as one of the most significant talent and development processes of the period.

This exercise provides a complete and segmented view by key variables (business unit, position, gender, age, and seniority), enabling a precise diagnosis of the impact and implementation of the leadership model.

Based on this analysis, a development plan will be launched in 2026 and 2027 through the Transformational Leadership Academy (TLA). The program will combine a dual approach, addressing both common aspects across the entire organization and specific actions for each business unit, directly connected to the unique realities of each area. In this way, talent management becomes a strategic lever for strengthening the leadership model and advancing the company's key objectives and projects.

Corporate University [S1-4_03]

[MDR-A_01][MDR-A_02][MDR-A_03] The Corporate University (CU) is the cornerstone of Naturgy's training experience, fostering the development of key knowledge, connecting employees with the latest trends and technologies, and cultivating skills and competencies aligned with the company's leadership and cultural models. This transformative driver is fully integrated through ongoing programs aimed at management, middle management, and all employees, as well as partner companies, clients, and suppliers.

Alignment between the University of Cantabria (UC) and the Global Management Talent and Training Policy is ensured through regular monitoring committees, where perspectives, proposals, and best practices are exchanged, facilitating the influence and integration of training into key processes. In this way, the UC is structured as follows:

- **Transformational Leadership Academy (TLA)**

  Based on a vision of the future and linked to Naturgy's strategic plan, in 2025 the TLA has continued its training deployment to ensure the leading role of the company's leaders in the transformation and achievement of business objectives through four axes:

  - **Digital Academy:** with the aim of transforming the professional profile in Naturgy towards more digital professionals.
  - **New Energy:** with the vision of developing managers and high potentials to meet future challenges and market trends.
  - **Naturgy Leadership:** with the aim of promoting the role of leadership as drivers and connectors of organisational and cultural change in the company.
  - **Wellbeing Academy**: it was created with the aim of promoting the overall well-being of Naturgy's own staff, evolving from the previous Happiness Academy.

- **Tech Academy (TA)**

  The Tech Academy, on the other hand, transfers to the professionals of each unit the technical knowledge for the development, quality and homogeneity of expert knowledge, necessary to face current and future challenges in each of the company's businesses.

Training catalogue

On the other hand, transformation and change processes have been proposed that are implemented in the environment and culture and are applied through the development of new skills to guarantee the sustainability and diversity of the company, learnability, critical thinking and assertiveness. The Corporate University promotes a new concept of leadership: digital, exponential leader, with influence and management of complex environments.

[MDR-A_05] New for 2025 were key initiatives focused on development and sustainability. These included the launch of the Wellbeing Academy, the integration of Latin America into the Women in STEAM Community, the development of strategic projects such as Metamorphosis for comprehensive change management, and new development programs for new managers, such as "My First 90 Days" and "Level Up."

Also in 2025, the Corporate University celebrated its 25th anniversary, solidifying its position as a strategic driver of learning and transformation at Naturgy. The commemoration was marked by a comprehensive program that included thematic webinars ("Coordinate 50"), in-person forums on ethics and artificial intelligence ("ÉtIcA Program"), and intergenerational wellbeing events ("Shared Wellbeing Spaces") in Madrid, Barcelona, and A Coruña. These initiatives, open to professionals and their families, promote intergenerational connection, reflection on innovation and sustainability, and comprehensive care for physical and emotional health.

This year's programmes have been organised in the following areas:

- **Transversal programmes, with high impact on the commitment to the culture and values of the company:**

  - **Transformation and entrepreneurship:** intrapreneurship program with Junior Achievement, aimed at both training internal mentors and supporting startups, and the "Coordinate 50" program, a series of presentations with external and internal experts on impactful realities in our immediate environment.
  - **Future for Work Institute:** an independent observatory dedicated to researching and disseminating knowledge about the future of work and people management in organizations. It focuses on analyzing trends, technologies, social changes, and emerging practices with the aim of preparing human resources professionals for changes in the world of work. In 2025, the human resources collective participated in the programs 'FastForward HR,' which analyzes key concepts about evolution from a systems approach, and 'The AI Revolution,' which explains how AI has transformed people management by improving efficiency, accuracy, and fairness..
  - **Change management**:with the aim of promoting continuous improvement and increasing team motivation in the face of new challenges, comprehensive programs have been implemented to align processes, new ways of working and organization, fostering cohesion, a transformative attitude and motivation.
    - **"Metamorphosis" Program (Nedgia)**: program to lead the transformation process by helping people embrace change, evolve their ways of working, and overcome uncertainty by regaining enthusiasm.
    - **"Performance Managers" (NewCo)**: a program designed to create a work environment and management dynamics where managers can develop with the dual objective of both obtaining a clear picture of where each one stands in relation to motivation, sense of belonging, key leadership skills and innovative principles, and creating individualized development plans.
    - **"Impulsammos - Talent Experiencie" (AvMM)**: a program designed to offer the opportunity to improve self-awareness (personal and professional), promote continuous learning to enhance internal talent, and provide support with specific plans and/or actions.
  - **Wellbeing**: through the Wellbeing Academy, programs focused on the managerial role and aimed at improving self-awareness and healthy emotional management have been implemented. Specifically, the following can be highlighted:
    - **"Healthy Leadership II"** which includes specific workshops on relevant health aspects such as team cohesion "Purpose and Cohesion" and awareness of the importance of sleep "Sleep is your best recharge".
    - **General Health Workshops**, which include programs such as "Wellness Spaces" and "Activate your internal chemistry naturally", "Recharge your energy", "5 Self-confidence Tips", "The revolution of meaning", "Social fitness" and "Financial health - cultivating well-being".

- **Sustainability and Environment:** various training programs have been developed to place sustainability at the heart of the business strategy, such as “Responsible Sustainability Management,” “Management of Solid and Special Waste,” “Legal Environmental Requirements Applicable to the Natural Gas Distribution Business,” “Biomethane Business Model,” “Raising Awareness of Environmental Issues,” “Climate Change and Carbon Footprint,” and “WFO Global Summit 2025: Advancing Offshore Wind Worldwide.” In addition, programs have been developed for specific groups, including “Course on Energy Saving Certificates (CAES),” “Hazardous Waste Management,” “Emissions: Ozone Analyser Calibration,” “Management of the Integrity of Hydrocarbon, Petroleum, and Petrochemical Collection, Transportation, and Distribution Pipelines,” and “Program for the Prevention and Comprehensive Control of Methane Emissions (PPCIEM).”
- **Diversity:** global awareness programs have been developed, such as “A Journey Through Diversity,” which explores the latest trends and best practices in every dimension of diversity, promoting an inclusive and equitable environment; as well as various specific webinars on topics related to inclusion, such as “Harassment of LGBTQ+ People,” “Work-Life Balance: Dream or Reality?”, and “Protocol for Action Against Harassment and Violence Against LGBTQ+ People,” in addition to the celebration of commemorative days such as “International Women’s Day.” Furthermore, digital literacy continues to be promoted through the “Women in STEAM Community,” focused on the visibility and management of knowledge among women in STEAM, with programs such as “Women in STEAM Data Business Owner.”
- **Compliance:** continuing education programs have been developed, including “Ethics at risk: how conflicts of interest and corruption can threaten businesses”, “Fundamentals of corporate compliance”, “Control mechanisms against corruption and bribery”, “Crime prevention model”, “Data protection at Naturgy”.
- **Innovation**: cross-cutting training on innovation processes such as “Changemaker”, “Innova-T”, “Gridforming” or “Pathways”, as well as global actions such as “Innovation Week”.
- **Cybersecurity**: ongoing training to keep people up-to-date on cyberattacks and their prevention, through monthly webinars, practical tips for everyday use, online resources, and the implementation of the "Elevator with H" program. A new mandatory program, "Supply Chain," has also been created.
- **Communication:** different actions aimed at all staff, such as the program "It's time to speak in public," or "Communication and well-being," aimed at achieving clearer, more empathetic, and more confident communication.
- **Actions for specific groups**: programs such as “Style and Complaints Guide”, “Telephone Customer Service Style Guide”, “Specialization Program in Corporate Communication”, “Public Speaking and Crisis Communication Training” or “How to Improve My Communication Style Thanks to AI”.

– **Programmes to boost the company’s professionals digital profile**

- **Digital Culture:** open programs reinforce the company's digital vision regarding tools, applications, the technological environment, and digitization processes through access to multiple synchronous and asynchronous resources on the "Online Platform"; the two-hour "AI Corners" informational sessions, designed to provide training on specific topics; and the one-hour "Trending Webinars," featuring leading experts and case studies on AI trends.

  In addition, specific programs are offered for the implementation of tools such as Copilot.
- **Digital skills:** Programs for specific groups, such as Women in STEAM, offer both "Data Analytics for Women in STEAM" training tailored to their level, as well as a robotics workshop with The Pink Force. A new edition of the Master's in Data Science has been developed, comprising over 500 hours and the modules "Computational Thinking," "Data Analytics," and "Data Science," designed to comprehensively address data management processes and create new data scientists within Naturgy.

Additionally, programming courses have been offered, such as "Python Programming" (with two editions) and "Data for Auditors," specialized training for auditors with sessions in both Spain and Latin America.

A key milestone for 2025 is the creation of the AI School, integrated into the Digital Academy, as a strategic and specialized centre for learning content related to AI (AI, ML, DL, and IAGen). This centre prepares the company's staff for the challenges and opportunities presented by these technologies and facilitates their adoption within the company. The initiative includes AI training for 95% of the workforce, with over 51,000 hours dedicated annually. The School offers the Discovery, Expertise, and Fluency programs, which facilitate knowledge and experience and promote a culture of transformation.

Additionally, "AI Pathways for Experts" have been launched, with programs focused on developing advanced digital skills. These include learning paths in AI, AI Gen, Machine Learning, Deep Learning, Computer Vision, Prompting, and AI Ethics. Following the recent allocation of Copilot licenses, two online courses have been created, and specific sessions are being offered for their use in tools such as Teams, Outlook, and Excel. In addition, the “Prompt” course has been launched, designed to teach the fundamentals of Prompt Engineering and Retrieval Augmented Generation within the context of generative AI.
Finally, the Founderz platform has launched its Online Master's in AI and Innovation, aimed at mastering AI from its fundamentals to its practical application in key business sectors.

- **Leadership promotion programmes, as a lever for the group’s transformation and vision.**

  - **My first 90 days**: a program designed for new managers in which they acquire systemic thinking and broaden their perspective of the organization, the sector and the environment, in addition to consolidating knowledge of economic-financial analysis and strategic levers for value creation.
  - **Meeting with purpose**: a program for management personnel focused on reflecting and acting on transformational leadership, the current geopolitical-technological context and its strategic implications for the company.
  - **Promote and progress:** the Executive Program for Women is an initiative aimed at professionals in middle and senior management positions, with the goal of promoting female talent to senior leadership roles. The program enhances the leadership skills of individuals and teams and prepares participants to actively contribute to strategic transformation.
  - **Top Executives:** external seminars are offered at top business schools, covering a variety of topics, with participants selecting courses based on their individual development needs. In addition to IMD, London Business School, and Harvard Business School, Columbia Business School was added in 2025.
  - **Future advisors:** an ESADE program to enhance skills and abilities that allow female executives to perform their duties with greater confidence, as well as progress and access boards where they can contribute the most.
  - **Take the Lead**: a program that provides female directors with the opportunity to reflect on their managerial role and the concept of diversity, working on topics such as leadership style, networking, the importance of visibility and personal branding.
  - **Level UP**: a program designed to strengthen key skills, expand strategic capabilities, and refine change management. Through specialized training and high-impact experiences, it prepares leaders to anticipate and respond effectively to future challenges.
  - **Inspiring ideas**: online resources for managers in Spain and Latin America, with content on leadership, innovation and organizational transformation, including courses taught by international leaders such as Rita McGrath, Lifshitz-Assaf, Tom Peters and Michael Porter.

- **Leading to Excellence**: this program is designed to strengthen key competencies for effective leadership, such as persistence, autonomy, and accountability in achieving goals. It also promotes building trust as the foundation of relationships, developing persuasive communication skills to manage agreements and resolve conflicts, and fostering the ability to adapt to both personal and external changes. Furthermore, it includes tools for overcoming resistance, improving self-awareness, optimizing time management, and increasing productivity, thereby encouraging a proactive and transformative approach.
- **Flex&Lead**: it consists of face-to-face meetings for new hires, aimed at getting to know the different businesses of the group, building relationships with colleagues and learning how to relate effectively in the corporate environment.
- **From Executive to Advisor**: a training initiative promoted by the Spanish Association of Executives (AED), KPMG, and IESE Business School, aimed at fostering excellence in boards of directors and professionalizing the role of directors. Its objective is to strengthen corporate governance as a guarantee of sustainability and sound business performance.
- **Mentoring Program**: It fosters an internal leadership culture that prioritizes talent development and continuous improvement at all organizational levels, aligning individual efforts under a shared vision. It employs a single methodology applied to two approaches:
  - **Internal Mentoring**: through the Mentor Club, which offers specific training to both mentors and mentees to prepare them for their roles. Mentoring interviews are also monitored and supervised to ensure the quality and effectiveness of the process. In 2025, the program expanded to include Latin America, currently with 194 participants, including mentors and mentees.
  - **External Mentoring**: in collaboration with initiatives such as Women Cross Mentoring (AED), Promociona y Progresa (ESADE), and Destino Liderazgo, along with 50&50 Gender Leadership. These programs are designed to promote female leadership through support processes that strengthen confidence, develop management skills, and prepare women to assume positions of greater responsibility.
- **Coaching**: during 2025, we continue working on reflective coaching processes aimed at maximizing potential and achieving personal and professional goals. To this end, we have conducted various individual processes with the European School of Coaching and Care Consultors. This initiative has involved 466 hours of training and 77 participants.

Monitoring and evaluation of internal talent development actions and inclusive culture [S1-4_04]

Model for measuring and monitoring internal talent

- **Skill-Up Project**

As one of the company's key transformation initiatives, Naturgy has rolled out the Skill-Up program globally in 2025 to strengthen the development of its teams' technical skills, aligning with its business projects and addressing the challenges of the energy transition and digitalization. Thanks to this initiative, each employee can identify their technical skills, interests, and aspirations through a self-assessment process that culminates in the creation of a Skill-CV, outlining their knowledge levels in the various work processes in which they participate. In addition to this assessment, Skill-Up Feedback sessions have been held with each manager to subsequently design a personalized training plan tailored to individual needs and those of Naturgy.

Skill-Up also represents a significant shift in how training is identified and delivered within the organization. It complements traditional processes with a bottom-up approach that addresses individual needs, while promoting a culture of continuous learning, in which each professional takes an active role in their development, supported by their manager and the People and Resources team.

The project has been very well received by employees across all regions, with a 91% participation rate and the identification of a total of 926 technical skills throughout the company.

As a result of this process, and in collaboration with the Corporate University, development initiatives are being designed to meet the technical knowledge requirements of each work process and its evolution, with particular emphasis on the actions implemented by the aforementioned AI School.

- **Coverage Committees**

Internal talent development is monitored and evaluated through various committees established for specific employee groups.

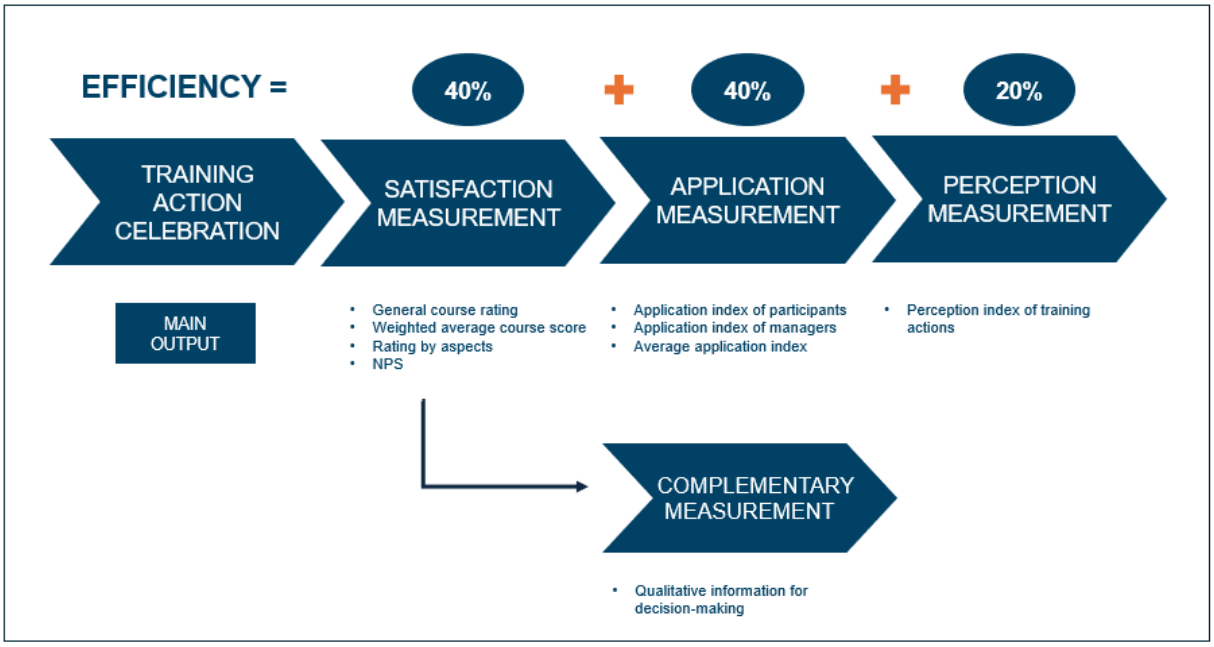
The Management Position Coverage Committee meets every two weeks to assess staffing needs and development opportunities. This committee tracks diversity and cross-functionality criteria in the shortlists of candidates submitted and evaluated, as well as the established indicators and objectives. It also monitors mobility, promotion, and progress toward gender and age targets to promote diversity within the group. Furthermore, it reports on the percentage of women in management positions, linked to the company's sustainability goals and People and Resources strategy.

The monthly Non-Management Mobility Committee's primary objective is to ensure compliance with the commitments established in the new non-management internal mobility model. To strengthen the consistency and monitoring of the process, the committee defines and establishes clear rules, in addition to creating a single point of reference that centralizes formal information requirements related to this process. These include overseeing the publication of all internal vacancies for unionized staff, establishing criteria for transparency and accessibility, and requiring a minimum of two years' seniority in the current position to be eligible to apply for a vacancy. It is important to note that the commitment made by this committee goes beyond what is stipulated in the collective bargaining agreement itself; it extends to publishing all vacancies that arise for unionized staff, non-unionized staff, and middle management.

Corporate University measurement and monitoring model

The Corporate University has its own model for measuring the effectiveness and results of training through satisfaction surveys, learning application and perception of those responsible for the corporate units and Naturgy's businesses. The purpose of the measurement is to improve training quality, seeking excellence and opportunities for improvement. According to the results shown in the last four years, it can be concluded that the measurement model has been consolidated.

In 2025, the results show a training satisfaction index of 8.49, a training effectiveness rate of 7.9% and an implementation of 73.6% of the workforce. In view of these results, areas of opportunity have been identified and specific measures have been taken to further strengthen training initiatives, thus ensuring a positive impact on the professional development of Naturgy's own staff.



The Corporate University activities are managed externally through process outsourcing, allowing the technical team to focus on value-added activities linked to knowledge and business training demands, such as the training trends observatory to connect business needs with the latest training trends.

To carry out the training actions, Naturgy has a reference campus (Campus Puente Nuevo) and training classrooms distributed throughout its geography, in addition to the meeting rooms available in each work centre.

The training plan is supported by the management team and has internal experts who collaborate in developing new content and delivering training programmes. In addition, there are alliances with business schools and a network of external training consultants with extensive experience and solvency both at technological and pedagogical level, capable of accompanying Naturgy in its objectives to meet the training needs.

In addition, as an integral part of Naturgy's continuous improvement plan, a series of actions have been implemented that have further strengthened the Corporate University. These actions include:

- The recertification according to the ISO 9001:2015 standard of the Corporate University, which demonstrates Naturgy's commitment to excellence in quality management and continuous improvement of training processes.
- The updating and development of new procedures based on effective integration under a single model, which has made it possible to standardise and optimise operations.
- A comprehensive review of all the company's indicators, together with the establishment of a monthly monitoring model to check and compare trends, has provided a more complete and accurate picture of performance over time.

Furthermore, Naturgy has the CLIP (Corporate Learning Improvement Process) accreditation awarded by the European Foundation for Management Development (EFMD), which recognises the quality of the learning and development processes of people in business education organisations. For 2024, it has been renewed for a further 5 years.

Likewise, in 2025, the Corporate University was awarded two international prizes:

- Gold in the AI category, awarded by Global CCU.
- Gold for best development program, awarded by Brandon Hall in recognition of leadership development programs.

These actions demonstrate the continued commitment to quality, efficiency and innovation at the Corporate University, and position Naturgy solidly to face the challenges and take advantage of the opportunities that arise in the future.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

In order to manage the negative and positive impacts on our own staff, as well as to manage related material risks and opportunities, it is key to use results-oriented targets to encourage and measure progress. The following objectives have been defined through the Strategic Plan and Sustainability Plan.

Health and Safety targets

Naturgy's strategy is based on the principle that "nothing is more important than the safety, health and well-being of people" and is developed in collaboration with the business units to promote a culture of safety and health throughout the entire organization. Naturgy seeks to avoid and prevent accidents and damage to health, while providing a safe and healthy environment.

[MDR-T_01] [MDR-T_09] [MDR-T_07] Therefore, in accordance with the "Purpose and Strategy" section of the General Disclosures chapter, Naturgy has developed a new Sustainability Plan 2025-2027, within the framework of the new Strategic Plan 2025-2027. Accident and absenteeism targets have been established that are below the average for the energy sector and at best-in-class levels. These ambitious targets are aimed at reducing the negative impact of accidents to a minimum, promoting thorough investigations to identify lessons learned and process improvements, thereby generating a positive impact on improving working conditions.

These targets are:

- **Lost time accidents frequency rate:** number of lost-time accidents occurring during the working day per million hours worked.
- **Lost time accidents severity rate:** number of days lost as a result of accidents at work per million hours worked.
- **Absenteeism rate due to common contingency (%):** hours of absenteeism due to occupational illness and non-occupational illness per 100 theoretical working hours.

[MDR-T_04] The accident rate targets include both company employees and those hired through temporary employment agencies, while the absenteeism target only includes company employees absent due to common illness. All three targets apply to all countries where the group operates.

The reference value, base year and target level are presented below:

[MDR-T_02][MDR-T_03][MDR-T_05][MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Lost time accidents severity rate for own workforce (per 1,000,000 hours worked)	2025	2022	<0,6	0.46	0.89	0.60
Lost time accidents frequency rate for own workforce (per 1,000,000 hours worked)	2025	2022	<30,75	21.71	32.00	28.30
Absenteeism rate due to temporary incapacity (%)	2025	2022	<3	2.20	2.20	2.60

[MDR-T_13] The objectives are monitored and reviewed in the quarterly follow-ups of the Sustainability Plan. In 2025, the number of lost-time accidents was significantly reduced compared to the previous year, from 12 to 6. Of these, 4 occurred in the Argentina Gas business (reducing from 7 to 4) and 2 occurred in Spain (gas marketing and gas networks, respectively). The causal factors were associated with slips, trips, falls, collisions with vehicles, and finger entrapment. [MDR-T_11] In addition, the staff themselves participated, through the Health and Safety Committees, in monitoring the stated objectives.

In section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)" it is included the information required by the Spanish Law 11/2018 in terms of work organisation.

[MDR-T_08][MDR-T_12] It is important to note that no milestones or intermediate targets have been established. Furthermore, no changes have been made to the objective, the corresponding metrics, the underlying measurement methodologies, the significant assumptions, the limitations, the sources, or the processes adopted for data collection. Only the way the indicator is expressed has been modified to adapt it to the requirements of the NEIS. In previous years, the indicator was shown per 200,000 hours worked (OSHA criterion), but in this report it is expressed per 1,000,000 hours worked.

Equal treatment and opportunities for all targets

[MDR-T_01] In accordance with the Strategic Plan and Sustainability Plan 2025-2027, a series of objectives have been established to reduce the negative impacts linked to potential situations of discrimination and inequality and to enhance the positive impacts related to improving working conditions, employability, generational diversity, and inclusion. Specifically, the defined objectives are as follows:

[MDR-T_02][MDR-T_03][MDR-T_05][MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Women in executive positions. (%)	2025	2022	40.0	41.6	37.4	32.7
Women in workforce. Group (%)	2025	2022	>37	36.8	35.4	33.2
Employees with disabilities. Spain	2025	2022	>2.5	2.5	1.7	1.6

[MDR-T_04] [MDR-T_08][MDR-T_09][MDR-T_11][MDR-T_12][MDR-T_13] The methodology used for each objective is given below:

- **Women in executive positions. Spain (%)**: This is the percentage of female managers out of the total number of managers across the entire Naturgy Group. The methodology used to define the target took into account the baseline data for each business unit, the benchmark data, and the internal talent management analysis (recruitment, mobility, and promotion).
- **Women on staff:** Percentage of female employees within the company in relation to the total workforce of the Naturgy Group. This is calculated by summing the number of employees identified as "female" and dividing by the total number of employees.
- **Employees with disabilities:** The total number of people employed with disabilities in Spain is calculated and divided by the total number of employees in Spain.

Internal talent development and inclusive culture targets

[MDR-T_01] In accordance with the Strategic Plan and Sustainability Plan 2025-2027, the following objectives were established to promote the positive impacts associated with professional development through training and strengthening the employability of workers:

[MDR-T_02][MDR-T_03][MDR-T_05][MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Promoter employees (annual average %)(1)	2025	2022	>51,3	51.7	54.0	33.3
Training per employee (average hours)	2025	2022	55.0	49.6	46.0	35.9

Notes:
(1) The calculation method for this target differs from that used in 2024 and the base year, due to the update of the company's people strategy and to align it with the metric used as a benchmark for the performance-based compensation system.
(2) Training data only includes companies within the Corporate University perimeter, which represents 92.7% of the total workforce.

[MDR-T_04] [MDR-T_08] [MDR-T_11] [MDR-T_12] The scope of the employee promoter objective is global, and the training objective covers more than 97% of the workforce. The People and Resources team participated in setting both objectives, and no milestones or intermediate targets were established. Furthermore, no modifications were made to the objectives, the corresponding metrics, the underlying measurement methodologies, the significant assumptions, the limitations, the data sources, or the processes used to collect data.

[MDR-T_09] The methodology used for each objective is described below:

- **Promoter employees (%):** This refers to employees who score 9 or 10 on the quarterly eNPS survey question about the overall group. The methodology used to establish the target for employee promoters was to take the 2022 baseline and increase the percentage according to the benchmark. The People and Resources team participated in this process as a representative of the stakeholder group.
- **Training per employee (hours)**: The methodology used to define the objective is the projection of the participation index according to the program planning of the three academies of the UC and the reference percentage of annual participation that existed in the year 2022.

[MDR-T_13]] Their performance is monitored through monthly follow-ups by the Corporate University, monthly follow-ups of the People and Resources dashboard, and follow-ups of the Sustainability Plan.

Characteristics of the undertaking's employees (S1-6)

At the end of the 2024 financial year, Naturgy's human team was located in: Europe, America and Oceania. S1-6_17] The figure for Naturgy's workforce at 31 December that appears in Note 25 of the Consolidated Annual Report, that forms part of the Annual Consolidated Financial Report, differs from that shown in this section. Note 25 shows the consolidated workforce (6,764 people), while this report shows the workforce actually managed (6,637), the difference between one workforce and the other being the people in Spain of joint operation entities (-135 people) and the people of the coal-fired power plants (+8 people).

Joint operations refer to Temporary Business Associations (UTEs), meaning that Naturgy retains a specific percentage of the workforce from these companies, but only for the period during which the company's shares are held. Therefore, they are not considered part of the company's own personnel for the purposes of this Report. In contrast, the employees at the coal-fired power plants belong to companies reclassified as discontinued in 2020, but for the purposes of this Report, they are considered company personnel since they continue to carry out dismantling work at the facilities in 2025.

Employees in the different geographical areas are classified into two groups: one with conditions regulated by sector and/or company agreements, and a second group with salaries and benefits negotiated individually.

Below it is provided a set of tables illustrating the breakdown of Naturgy's employees by gender, country and type of contract:

- **Number of employees by gender at 31 December** [S1-6_01][S1-6_02]

	2025	2024
Male	4,196	4,398
Female	2,441	2,414
Other(1)	-	-
Not reported(2)	-	-
Total employees	6,637	6,812

(1) "Other" refers to employees belonging to a third, often neutral, gender. However, this category is not applicable as data for this gender is unavailable.
(2) "Not reported" refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.

- **Number of employees by country at 31 December** [S1-6_04][S1-6_05]

	2025	2024
Argentina	846	853
Spain	3,759	3,891
Mexico	693	714
Other (1)	1,339	1,354
Total employees	6,637	6,812

(1) Other: considers those countries with fewer than 50 employees or with more than 50 but represent less than 10% of the total number of employees. These countries are: Australia, Brazil, Chile, Costa Rica, the United States, France, Ireland, Italy, Luxembourg, the Netherlands, Panama, Portugal, Puerto Rico and the Dominican Republic. In 2024, Israel was under this category, in 2025 there is no squad.
(2) Total expressed in head-count

- **Number of employees by type of contract and by gender** [S1-6_07][S1-6_09]

	2025					2024				
	Male	Female	Other (1)	ND (2)	Total	Male	Female	Other	ND	Total
Number of permanent employees	2,380	4,133	-	-	6513	2,315	4,279	-	-	6594
Number of temporary employees	61	63	-	-	124	99	119	-	-	218
Number of non-guaranteed hours employees(3)	-	-	-	-	-	-	-	-	-	-
Number of full-time employees	2,441	4,196	-	-	6637	2,414	4,398	-	-	6812
Number of part-time employees	0	0	-	-	0	0	0	-	-	0
Number of employees	2,441	4,196	-	-	6,637	2,414	4,398	-	-	6,812

(1) "Other" refers to employees belonging to a third gender, often neutral. However, this category is not applicable as data for this gender is unavailable.
(2) "Not disclosed (ND)" refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.
(3) This category is not applicable as it is not contemplated within the legal and labor framework in which the Naturgy Group companies operate.

In section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)" it is included the information required by the Spanish Law 11/2018 in terms of employment.

- **Turnover rates** [S1-6_11][S1-6_12]

	2025	2024
Number of employees who have left	433	337
Turnover rate [1]	6.46	4.89

(1) Total number of departures for the year (aggregate number of employees leaving employment voluntarily or due to dismissal, retirement, or death in service) / average annual workforce under centralized management.

[S1-6_13] [S1-6_14] [S1-6_15] The data presented in the tables are expressed in "number of persons" and to the reference period. The calculation methodology is indicated in the section "Methodology for calculating indicators (MDR-M)" in the Annexes chapter.

[S1-6_16] The increased turnover reflects the combined impact of internal reorganization processes and adjustments resulting from changes in the group's ownership structure, along with a slight increase in voluntary departures. This dynamic is a response to a context of corporate transformation that has generated a higher volume of separations compared to the previous year.

The information required by the Spanish Law 11/2018 in terms of dismissals is included in the section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)".

Characteristics of non-employee workers in the undertaking's own workforce (S1-7)

According to Appendix C. List of Disclosure Requirements that are phased-in of ESRS 1, the information required by this disclosure requirement is omitted for the first reporting year.

Collective bargaining coverage and social dialogue (S1-8)

At Naturgy, the importance of collective bargaining as a tool to guarantee fair and equitable working conditions is essential, and for this reason it is established as one of the pillars on which labour relations within the company are based.

Therefore, during the year 2025:

- Negotiation meetings for the Group's Fourth Collective Agreement for Spain have been held.
- Regular meetings have been held with the unions for the negotiation and conclusion of the two collective bargaining agreements that apply to Naturgy's companies in Panama.
- Collective bargaining agreements have been negotiated and signed in Naturgy's companies in Brazil, Mexico and Chile.

All these negotiations have strengthened the channels of dialogue for addressing the various aspects that affect labour relations.

The collective bargaining agreements of Naturgy's companies in Spain cover aspects related to salaries, social benefits, working hours and time, and work-life balance, among others, with dialogue and the adoption of agreements being the foundations upon which labour relations are built.

In different regions, two groups are distinguished:

- Employees paid according to salary scales and concepts established in collective bargaining agreements negotiated by the company and employee representatives, primarily including operators and technicians at lower contribution levels. This group may also include middle managers such as coordinators and supervisors covered by collective bargaining agreements.

- The group of those excluded and exempt from the agreement: personnel included in the higher contribution levels, encompassing directors, managers and technicians of special contribution and/or hierarchical command.

The percentage coverage, both inside and outside the European Economic Area (EEA), by collective bargaining agreement is presented below:

- [S1-8_01] [S1-8_02][S1-8_03] **Percentage of its total employees covered by collective bargaining agreements**

	2025	2024
Total in the EEA(1):	**59.0**	**60.5**
Spain	59.1	60.6
Total outside EEA:	**76.3**	**73.5**
Argentina	78.4	70.1
Australia	0.0	0.0
Brazil	71.4	71.9
Chile	88.7	90.8
Costa Rica	82.4	88.9
United States	0.0	0.0
Mexico	83.7	81.9
Panama	47.2	43.3
Puerto Rico	0.0	0.0
Dominican Republic	91.2	92.5
Total (inside and outside the EEA)(2)	**66.4**	**66.1**

(1) Spain is disaggregated because it is the only country with more than 50 employees, representing more than 10% of total employees in the EEA. France, Ireland, Italy, Luxembourg and Portugal fall below this threshold.
(2) The notation used is: European Economic Area (EEA).

[S1-8_07] Naturgy has arrangements for workplace representation through trade unions. However, an agreement for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council. has not been established to date, although it may be considered in the future if deemed necessary.

- [S1-8_08] **Countries with collective bargaining and social dialogue agreements by coverage rate**

	Collective Bargaining Coverage (1)		Social dialogue
Coverage rate	Employees - EEA(2)	Employees – Non-EEA	S1-8_06 Workplace representation (EEA only)
0-19%			
20-39%			
40-59%	Spain		
60-79%		Argentina	
80-100%		Mexico	Spain

(1) Countries with more than 50 employees have been considered. which represent more than 10% of total salaried employees
(2) The notations have been used: European Economic Area (EEA)

Diversity metrics (S1-9)

The diversity strategy is a commitment to the organisation and people to invest in and promote diverse and transformative talent through integration programmes, recognition and promotion of diversity. Naturgy's diverse talent management strategy has been focused on advancing the talent balance by generational gaps and gender parity.

- **Distribution of employees by age group** [S1-9_03] [S1-9_04] [S1-9_05]

	2025			2024		
	<30	30-50	>50	<30	30-50	>50
Total employees by age group	432	3,870	2,335	445	4,199	2,168

Naturgy aims to be a diverse company in terms of gender, age and skills, and to this end has set medium and long-term objectives that seek to accelerate, for example, the presence of women in positions of responsibility. The progress made in the presence of women at senior management levels is reported below.

[S1-9_06] With regard to senior management, Naturgy adopts the definition indicated by the CNMV for the purposes of the Annual Corporate Governance Report (IAGC), that is, those executives who report directly to the Board of Directors or to the chief executive of the company and, in any case, the internal auditor. Senior management has the following gender distribution:

- **Gender distribution of senior management(1)** [S1-9_01] [S1-9_02]

	2025		2024	
Female	4	24 %	4	24 %
Male	13	76 %	13	76 %
Other(2)	-	-	-	-
Not disclosed(3)	-	-	-	-

(1) The information is expressed in total number of persons and as a % of the total.
(2) 'Other' refers to employees belonging to a third, often neutral, gender. However, this category is not applicable as data for this gender is not available.
(3) 'Not disclosed' refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.

In section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)" it is included the information required by the Spanish Law 11/2018 in terms of diversity.

Adequate wages (S1-10)

[S1-10_01] Both the Statement of Principles and Policies and the Global Sustainability Policy aim to ensure decent work and wages. Therefore, all Naturgy employees receive a fair wage, based on the local minimum wage in each country or an equivalent reference index.

Social protection (S1-11)

[S1-11_01] [S1-11_02] [S1-11_03][S1-11_04][S1-11_05] Naturgy's own workforce in Argentina, Australia, Brazil, Chile, Spain, the United States, France, Ireland, Italy, Luxembourg, Portugal and Puerto Rico, has coverage, through social protection, against loss of income for the following reasons: illness, unemployment, work accidents and acquired disability, parental leave and retirement.

Unemployment benefit in countries such as Brazil, Costa Rica, Dominican Republic, Mexico and Panama is guaranteed by public bodies; it does not require employer contributions.

- **Social protection coverage by country and by non-guaranteed life events in 2025 (%)** [S1-11_06][S1-11_07][S1-11_08][S1-11_09][S1-11_10][S1-11_11]

Country (1)(2)(3)	Type of Employees	Disease	Unemployment	Accidents or disability	Parental leave	Retirement
Brazil	Permanent	100	100	100	100	100
	Temporary	-	-	-	-	-
Costa Rica	Permanent	100	-	100	0	100
	Temporary	-	-	-	-	-
Mexico	Permanent	100	0	100	100	16
	Temporary	100	0	100	100	-
Panama	Permanent	100	0	100	100	100
	Temporary	-	-	-	-	-
Dominican Republic	Permanent	100	0	100	100	100
	Temporary	-	-	-	-	-

(1) In countries where there are no temporary employees, this is indicated with a "-".
(2) A percentage of 100% indicates that all employees are covered for this life event.
(3) 0% indicates that no employees are covered for this life event.

Persons with disabilities (S1-12)

[S1-12_01] Currently, the percentage of people with disabilities in Spain is 2.5% (above the legally required percentage) and in the Group as a whole it is 1.88%%, which responds to the company's commitment to equal opportunities for all. In this sense, a culture of respect, listening and permanent dialogue is promoted to achieve the objectives set in terms of inclusion of people with disabilities.

The breakdown of employees with disabilities by gender is shown below.

- [S1-12_02] **Employees with disabilities by gender at 31 December (%)**

	2025				2024			
	Female	Male	Other(1)	ND(2)	Female	Male	Other	ND
Employees with disabilities (3)	57	68	-	-	52	64	-	-
Employees with disabilities among total employees (%)	0.86	1.02	-	-	0.76	0.94	-	-

(1) "Other" refers to employees belonging to a third gender, often neutral. However, this category is not applicable as data for this gender is unavailable.
(2) The notation "Not Reported" (NR) has been used. This category refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.
(3) Information at the Naturgy Group level.

[S1-12_03] For the compilation of the data, the relevant information has been requested from the People and Resources responsible in each one of the geographies, who have provided the number of people with disabilities in the workforce, according to the degree of disability legally established in each jurisdiction.

Training and skills development metrics (S1-13)

Naturgy's business plan, from a transversal management and at the same time segmented by business units, with initiatives that are adapted to the reality and specific to the reality and specific requirements of each one, according to their own objectives and groups.

In this context, during 2025, the following training hours have been given:

- **Training indicators** [S1-13_03] [S1-13_04]

	Male	Female	Other(1)	ND(2)	Total per employee
Average number of training hours	48.1	52.0	-	-	49.6

(1) 'Other' refers to employees belonging to a third, often neutral, gender. However, this category is not applicable as data for this gender is not available.
(2) 'Not disclosed' refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.
(3) Data calculated using the perimeter template of the Corporate University. They therefore only include companies that have access to SuccessFactors. These companies represent 93% of the total workforce scope.

In regions where training is not delivered through SSFF (Argentina and Chile), the same training support elements (Training BPO) are available, and training information is communicated via newsletters, including access links to Microsoft Teams sessions, specifying the date and time.
Once the session is completed, a connection report is generated, allowing for the identification of employee attendance. This information is then sent to each of these countries. Finally, these countries send information regarding their training activities, including those managed directly by the business and those offered through the Corporate University, to be consolidated with all companies within the Corporate University perimeter.

In December 2025, the new Argentine companies (Naturgy SAN JUAN SA and Naturgy NOA SA) were integrated into the Corporate University perimeter.

In addition, it was conducted regular performance and career development reviews that have been offered to employees to promote continuous professional development, to enhance their skills and to facilitate continued employability.

- **Indicators of career development by gender** [S1-13_01][S1-13_02]

	Male	Female	Other(1)	ND(2)	Total per employee
Employees that participated in regular performance and career development reviews (%)	79.7	86.6	-	-	82.2
Number/proportion of performance reviews per employee	0.9	0.97	-	-	0.93
Number of reviews in proportion to the agreed number of reviews by the management	1	1	-	-	1

(1) 'Other' refers to employees belonging to a third, often neutral, gender. However, this category is not applicable as data for this gender is not available.
(2) 'Not disclosed (ND)' refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.

In section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)" it is included the information required by the Spanish Law 11/2018 in terms of training.

Health and safety metrics (S1-14)

Naturgy has a unique Occupational Health and Safety Management System (OHSMS) for the entire group, developed in collaboration with all business units and focused on the areas of greatest risk criticality. The level of coverage is shown below.

- **Coverage of the Occupational Health and Safety Management System by 2025**

	Coverage (%)	Nº of employees
OHSMS coverage [S1-14_01]	**100 %**	**6,637**
OSHMS coverage certified according to ISO 45001 standard (%)	92.5 %	6,138
OSHMS coverage to be certified (%)(1)	7.5 %	499

(1) This includes: Argentina (Gasnor, Gas Market and ESJ), Australia (Renewables) and Spain (Naturgy Provisioning).

This system covers 100% of the company's own employees and other salaried employees who, while not being its own employees, carry out their actions in work centres owned by Naturgy and facilitates compliance with both the local regulations in force in the territories where the company operates and the requirements of the international standard ISO 45001:2018.

Health and Safety

In 2025, incidents and accidents have been analysed and investigated and proactively reported throughout the organisation.

Below is the breakdown of events that took place in 2025:

- **Health and Safety Parameters**

	2025	2024
Fatalities as a result of work-related injuries [S1-14_02]	0	0
Fatalities as a result of work-related ill health [S1-14_03]	0	0
Recordable work-related accidents(1) [S1-14_04]	8	14
Recordable work-related accidents rate (per million hours) [S1-14_05]	0.61	1.04
Number of cases of recordable work-related ill health [S1-14_06]	0	5
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health S1-14_07	285	750

(1) Following the application of the OSHA criterion: includes accidents on mission and does not include accidents in itinere.

In section "Information on social and personnel issues" of the chapter "Disclosures stemming from other legislation (Law 11/2018)" it is included the information required by the Spanish Law 11/2018 in terms of health and safety.

Work-life balance metrics (S1-15)

The 3rd Collective Bargaining Agreement 2021-2024 includes a commitment to work-life balance, also extended to 2025 while the new agreement is being negotiated, through the implementation of measures that significantly promote work-life balance, as well as joint responsibility between men and women. These measures are also aimed at achieving real and effective equality between men and women.

[S1-15_01][S1-15_02] While 15.4% are entitled to take leave for family reasons, 2.0% were entitled to take leave for family reasons (maternity, paternity, parental and carers). The gender distribution is shown below:

- **[S1-15_03] Employees entitled to family-related leave and those who took family-related leave by gender (%)**

	2025				2024			
	Male	Female	Other[1]	NR[2]	Male	Female	Other[1]	NR[2]
Employees entitled to take family-related leave(%)[3]	10.6	4.8	-	-	10.3	4.4	-	-
Entitled employees that took family-related leave (%)	1.1	0.9	-	-	1.3	0.9	-	-

(1) "Other" refers to employees belonging to a third gender, often neutral. However, this category is not applicable as data for this gender is unavailable.
(2) "Not Reported (NR)" refers to cases where employees have not declared their gender or have not provided this information for personal or administrative reasons.
(3) People who are entitled to leave are those who have become parents, have children of legal age to take leave, and/or have family members in situations legally recognized as eligible for leave during the review period.

[S1-15_04] All employees of the company are entitled to family-related leave either through collective bargaining agreements, agreements or social policy.

Compensation metrics (pay gap and total compensation) (S1-16)

Gender pay gap

The calculation of the pay gap has been carried out as follows:

$$\text{Gender pay gap} = \frac{\text{Males' average remuneration} - \text{Females' average remuneration}}{\text{Males' average remuneration}} \times 100$$

A percentage greater than zero represents the percentage that women are paid less than men.

Currently, there is less female representation in positions of greater responsibility and, therefore, with a higher level of remuneration. In addition, women are mainly concentrated in management and support positions, while men occupy proportionally more technical and operational positions, where all variable pay (shifts, standby, overtime, etc.) takes place, which explains many of the pay differentials. Finally, there is a predominance of men in the most senior positions, which has an impact on pay.

This scenario highlights the need for diverse profiles, as well as STEAM careers and technical training for the development of the company's business activities.

However, by 2025, a positive trend in the gender pay gap indicator is evident. This improvement is partly explained by proactive policies aimed at increasing the presence of women in management positions and by the rise in promotions of women to higher-paying roles. Furthermore, in 2025, the majority of promotions and salary reviews were concentrated in countries with larger workforces, which further contributed to the favorable trend in the ratio.

The evolution of the pay gap is presented below.

- [S1-16_01] **Gender pay gap**

	2025	2024
% of gap	8.3	11.8

The gap data for 2024 and 2025 is based on the total compensation received by salaried individuals, which includes, in addition to fixed and variable compensation, other additional concepts such as supplements or in-kind compensation.

Total remuneration

With regard to the formula for the calculation of the total annual remuneration ratio, the following formula has been considered:

$$\frac{\text{Annual total remuneration for the undertaking's highest paid individual}}{\text{Median annual total remuneration for all employees (excluding the highest-paid individual)}}$$

To calculate the ratio, the base salary, cash benefits, benefits in kind and direct remuneration (all long-term annual incentives) of all the company's employees are taken into account.

- [S1-16_02] **Annual total remuneration ratio**

	2025	2024
Annual total remuneration ratio	123.5	113.1

The ratio for the 2024 financial year has been recalculated, once the final settlement of the long-term incentive program was known, taking into account the amount advanced and prorated over the seven years of the plan's duration (2018-2024), thus reflecting the criterion that a multi-year remuneration must be prorated according to the years it remunerates, as indicated in the Annual Report on remuneration of the members of the Board of Directors.

[S1-16_03] A global database has been built covering all geographic regions, containing individualized details for all employees of the Naturgy Group. This includes fixed salary components, seniority and bonuses, activity-based bonuses, benefits in kind, social security contributions, and long-term incentives. Similarly, the different salary levels have not been standardized for the calculation, taking into account the cost of living in the countries where employees work. The total compensation, comprised of the components described above, supports the required annual total remuneration ratio.

Incidents, complaints and severe human rights impacts (S1-17)

The table below shows the number of work-related incidents/complaints and serious incidents. human rights-related issues among its own workers:

	2025	2024
Incidents of discrimination, including harassment, reported[S1-17_02]	20	15
Complaints submitted to the Code of Ethics Channel concerning working conditions, equal treatment and opportunities for all, and the rights inherent to the job [S1-17_03]	30	19
Serious human rights cases (e.g. forced labour, child labour)(1) [S1-17_08] [S1-17_10]	0	0

(1) [S1-17_09] No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Business have been reported.

(2) All complaints have been received through the Code of Ethics Channel, there are none in Spain relating to the scope of Law 2/2023.

[S1-17_04] The complaints indicated in the table above are those received through the company's Code of Ethics Channel. In relation to complaints submitted to OECD National Contact Points for Multinational Enterprises, no complaints were received through this channel.

[S1-17_07] In 2025, complaints related to discrimination and harassment showed an increase compared to the previous year. However, it is important to note that these cases were reported during the year, and some are still pending final confirmation as the corresponding investigation process has not yet concluded. Of the cases presented during the year 2025, 11 have been closed, with 5 having been confirmed, with respect to which the corresponding disciplinary measures have been adopted.

Regarding complaints related to working conditions, equal treatment and opportunities, and inherent labour rights, 21 cases in this category had been closed by the time the report was finalized. Of these, 3 were confirmed after investigation. In these three cases, the appropriate disciplinary measures were applied.

[S1-17_05] [S1-17_06] [S1-17_11] [S1-17_12] During 2025, the company has not received any fines, penalties or compensation arising from serious human rights claims and cases as no such cases have occurred.

2. Workers in the value chain (S2)

Suppliers and collaborating companies are key players in the optimal functioning of Naturgy's value chain, with whom the company promotes the maintenance of trustworthy, stable, solid and mutually beneficial relationships based on the principles of transparency and risk management.

The information provided in response to this standard takes into account the definition of value chain workers as expressed in Annex II 'Acronyms and glossary of terms' of the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards. Thus, value chain workers are "persons performing work in the value chain of the undertaking, regardless of the existence or nature of any contractual relationship with the undertaking".

Interests and views of stakeholders (SBM-2)

In the chapter General disclosures, section "Interests and views of stakeholders", explains how Naturgy collects their opinions, among which are the suppliers and workers of these companies that participate in the company's value chain. As explained in this section, during the double materiality assessment process, the company has taken into account the perspectives of the workers in the value chain, paying special attention to those aspects of Naturgy's strategy and business model that may potentially affect them.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

[S2.SBM-3_01] In the double materiality assessment described in the chapter General disclosures of this report, section 4. Impact, risk and opportunity managements, those people who work for Naturgy's supplier companies and who could be affected through their operations, products or services have been considered as workers in the value chain.

[S2.SBM-3_02] [S2.SBM-3_03]The types of workers in the value chain that could be significantly affected by the company are:

- **Workers working on the undertaking sites** where Naturgy carries out its own operations but who are not part of own workforce (covered in standard S1). This includes workers of companies that provide complementary support services to the general activity.
- **Workers who are employed by entities that participate upstream** in the value chain providing services in business areas such as construction, operation, maintenance and supply of materials for power plants or in the development and maintenance of networks of both gas and electricity.
- **Workers who work for entities that are involved in downstream** in the value chain by providing business management services, in-store service, customer care or repairing breakdowns.

The development of these activities by supplier companies and their workers has taken place mainly in Argentina, Australia, Brazil, Chile, Spain, Mexico, Panama, USA and, to a lesser extent, Costa Rica, France, Italy, Israel and the Dominican Republic.

[S2.SBM-3_08] [S2.SBM-3_09] In the double materiality process, the general typologies of value chain workers previously listed were considered. Naturgy does not identify a significant presence of vulnerable groups in its value chain because its operations and those of its suppliers are carried out in technical and regulated areas that require a high level of qualification.

The impacts, risks and opportunities considered to be material according to the double materiality assessment are detailed below:

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
VALUE CHAIN WORKERS						
Working conditions						
N.I.(1)	Non-compliance with labor conditions and minimum occupational health and safety management conditions by suppliers, which may lead to an increase in accident rates.	X			Both	Current
P.I.	Promotion of suitable working conditions in the value chain through responsible recruitment criteria and supplier selection and monitoring processes under ESG criteria.	X			Both	Current
O	To promote economic growth and job creation in communities by collaborating with local and national suppliers.	X	X	X	Both	Short-term
Equal treatment and opportunities for all						
N.I.	Discrimination on the basis of race, colour, gender, disability, religion, etc., due to lack of effective anti-discrimination protocols and/or training of workers on equality and non-discrimination, especially in countries with a high rate of discrimination.	X			Both	Short-term
P.I.	Encourage an inclusive culture by promoting inclusion and equity in those territories where the company operates.	X			Both	Current
Other work-related rights						
P.I.	Promotion and protection of human rights through due diligence in activities.	X			Both	Current

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

[S2.SBM-3_04] Naturgy has a risk map that identifies, for certain products or services and geographies where it operates, the potential risk of violations of workers' rights and specifically the risk of child, forced or compulsory labour. In this way, Naturgy identifies those suppliers with the highest ESG risk.

The company has concluded that this risk is greater for the following countries: Argentina, Brazil, Costa Rica, Israel, Mexico and Panama. In these countries, specific actions are carried out in the evaluation and monitoring of suppliers to ensure compliance with minimum social criteria, which, if they cannot be ensured, may be grounds for exclusion of the supplier.

Throughout this chapter, more detail is provided on the processes and actions implemented by Naturgy to ensure that suppliers guarantee adequate working conditions for workers in the value chain.

[S2.SBM-3_05] Regarding whether the material negative impacts are systemic within the company's operational context or related to individual cases, Naturgy confirms that these are not widespread incidents, but rather isolated cases resulting from unforeseen breaches of the implemented control and prevention mechanisms. The only material negative impact identified is non-compliance with labor conditions by suppliers, particularly concerning the minimum occupational health and safety management standards. In Naturgy's operations, this area is the most critical element of labor conditions, as inadequate preventative management can increase accident rates throughout the value chain. For this reason, the company implements management systems, operational controls, and ethical and regulatory requirements aimed at ensuring third-party compliance and preventing individual incidents that could affect the safety of individuals and the safe execution of activities.

Naturgy's Supplier Code of Ethics is the basic instrument that establishes the guidelines that, as a minimum, must govern the ethical behaviour of suppliers, contractors and external collaborators, in accordance with the corporate culture, with Naturgy's regulatory system and with the laws of each of the countries where Naturgy carries out its activities.

Naturgy, from the very first moment it establishes a commercial relationship with a third party, implements mechanisms to ensure the alignment of these with the company's guidelines for action and therefore minimise the materialisation of material impacts on workers in the value chain.

Specifically, in order to minimise the occurrence of negative health and safety impacts and, specifically, to reduce the accident rate associated with its activities, the company has a Occupational Health and Safety Management System that includes different operational control instruments applicable in the different phases of the activity execution process, which guarantee that the activity of workers in the value chain is carried out in the most appropriate conditions, complying with both legal and regulatory requirements and internal health and safety standards.

In 2025, to strengthen the understanding of the Occupational Health and Safety Management System among partner companies and employees throughout the value chain, a training and informational presentation was developed. This material expands on the vision and leadership model for safety, details the management process with partner companies, including the operational control tools used to monitor their activities, and mechanisms for identifying and sharing lessons learned. All of this is aimed at promoting the continuous improvement of safety in partner companies that carry out high-risk activities.

This chapter describes in detail the management systems and tools that Naturgy has at its disposal to prevent the materialisation of material negative impacts from being generalised.

[S2.SBM-3_06] With regard to positive impacts, Naturgy considers that the guidelines of conduct established in the Supplier Code of Ethics contribute to the promotion of an inclusive culture and equity between supplier companies and workers in the value chain, as it enables suppliers, contractors and external collaborators to strengthen ethical behaviour in the performance of their activity and in their relationship with Naturgy and its customers, and with third parties. Suppliers shall provide the necessary means for their employees to be aware, at all times, of the external and internal regulations relevant to the functions they perform, and shall establish the necessary internal control models to ensure compliance with legality and ethical values. All suppliers must adhere to the Supplier Code of Ethics, which establishes guidelines for conduct relating to human rights, respect for people and equal opportunities.

[S2.SBM-3_07] In relation to material risks and opportunities, Naturgy considers working with local/national suppliers as a material opportunity, given that it positively promotes the economic development of the communities. In this way, and whenever possible, the company supports the generation of positive social benefits by promoting the contracting of suppliers from the country or region where it carries out its activities, preserving the company's reputation and ensuring Naturgy's sustainable action principles in the purchasing and contracting processes.

According to the double materiality assessment, no material risks arising from impacts that could affect workers in the value chain are identified.

Policies related to value chain workers (S2-1)

[S2.MDR-P_01-06][MDR-P_01][S2-1_06] Naturgy addresses the material impacts on workers across its value chain through various policies that form part of its corporate regulatory framework: the Statement of Principles and Policies, the Global Sustainability Policy, the Global Outsourcing and Supplier Policy, the Global Health, Safety and Welfare Policy, and the Supplier Code of Ethics.

The Statement of Principles and Policies establishes, among other things, the foundations that guide the company's conduct in relation to suppliers and partner companies, with the aim of strengthening a supply chain aligned with corporate values. It also promotes responsible and sustainable labour management practices within the value chain. The company requires strict compliance with these principles in fundamental areas such as human rights, ethics, health and safety, cybersecurity, and the environment, to ensure management consistent with its internal standards.

[S2-1_01[S2-1_02]The Global Sustainability Policy establishes the fundamental guidelines regarding respect for human rights that Naturgy adopts. In particular, it includes a principle directed at individuals associated with suppliers, contractors, business partners, and collaborating companies, the objective of which is to ensure that these actors make an explicit commitment to human rights and apply the same principles to their staff that the company observes with its own employees. In cases where entities do not have a specific policy, Naturgy offers the possibility of adopting its own. Likewise, for contracts considered to be of higher risk, specific clauses related to human rights are incorporated that allow for the termination of the contractual relationship in the event of breaches, adjusting the response according to the nature and severity of the violation.

[MDR-P_04] [S2-1_01] [S2-1_08][S2-1_09] The principles established in the Global Sustainability Policy regarding human rights are aligned with and consistent with the principles expressed in the United Nations Universal Declaration of Human Rights and 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 Guide, and European Directives and national laws that regulate these principles. The company is not aware of any reported breaches of these international instruments.

[S2-1_04] In addition, if the company identifies any violations of the principles established in the Global Sustainability Policy, it will, where possible, take the necessary steps to restore compliance.

The Global External Procurement and Supplier Policy is a key element within Naturgy's regulatory framework to ensure the proper management of external procurement and supplier relationships. This policy precisely defines the processes, activities, responsibilities, and key performance indicators that govern both procurement and supplier management. It is developed in accordance with the company's Statement of Principles and Policies.

[S2-1_06] One of the fundamental principles of this policy is to ensure that, before contracting any service or product, all suppliers agree to comply with Naturgy's Supplier Code of Ethics, or have their own code that includes equivalent ethical standards. Furthermore, the policy establishes the need to conduct a supplier assessment based on identified risk levels, encompassing both general business aspects and specific technical aspects related to the services and products to be supplied, as well as sustainability considerations. If deviations from the required standards are detected, appropriate mitigation or corrective action plans are developed, tailored to the nature of the deviations.

The policy also promotes responsible value chain management, ensuring that Naturgy's sustainability principles are applied in all purchasing processes and in supplier management. This reinforces the company's commitment to responsible and sustainable practices aligned with its corporate values throughout the entire chain.

[MDR-P_01][MDR-P_02] The Global Safety, Health, and Welfare Policy establishes the basic principles that guide the company's actions regarding the prevention of negative safety and health impacts on both its own staff and workers in the value chain. In this respect, Naturgy considers safety and health management a key factor in business leadership. Doing things right the first time means doing them safely, avoiding accidents or harm to health, and achieving optimal and efficient results in all activities.

Among the principles established by this policy, the following are those aimed at preventing negative impacts on workers in the value chain:

- Establishing safety and health as an individual responsibility that conditions the employment of Naturgy workers, as well as the activity of its collaborating companies.
- Promote well-being by maintaining a working environment with safe and healthy working conditions.
- Prevent possible injury and damage to health by ensuring that any potential risk situations are assessed and managed in an appropriate way to eliminate hazards and reduce risks.
- Integrate stringent health and safety criteria and objectives in business , as well as in the selection and evaluation of suppliers and collaborating companies.

[MDR-P_03][MDR-P_06] Each business unit is ultimately responsible for ensuring that partner companies are aware of and apply the commitment to safety, health and well-being established in this policy and extend it to all workers in the value chain.

Finally, the Supplier Code of Ethics is understood as an extension of Naturgy's Code of Ethics and aims to establish the guidelines that, as a minimum, must govern the ethical behaviour of suppliers, contractors and external collaborators, in accordance with Naturgy's corporate culture and regulatory system, with the laws of each of the countries where Naturgy carries out its activities, respecting the values of their respective cultures. It also includes the commitments derived from the United Nations Global Compact and the following Naturgy policies and codes: the Global Sustainability Policy, the Anti-Corruption Policy and the Code of Ethics.

[S2-1_02] Therefore, the Supplier Code of Ethics defines a series of social and labour conduct guidelines and specifically defines lines of action relating to: respect for legality, human rights and ethical values; respect for people; professional development and equal opportunities and dignified employment.

[S2-1_03] Likewise, integrates collaboration with workers in the value chain into its approach, through respect for people and attending to complaints received through the Internal Information System of workers in the value chain that arise in the execution of the contracts that the company maintains with the contractor companies for which these workers work.

[S2-1_05] Although aspects such as child or forced labour among workers in the value chain are not material matters for Naturgy according to its double materiality assessment, given the relevance of these, the Supplier Code of Ethics defines obligations aimed at eliminating any form or modality of forced or compulsory labour or involving human trafficking and to require that minimum hiring ages be respected in accordance with applicable legislation, and to have the means to ensure its compliance.

[MDR-P_02][MDR-P_03][MDR-P_05] Regarding the approval level of these policies, as indicated in the Corporate Policies section of the General disclosures chapter, the Board of Directors is responsible for approving the Statement of Principles and Policies and the Global Sustainability Policy, and the Management Committee is responsible for their implementation. The remaining global policies described above have been approved by the Management Committee. The supplier's Code of Ethics has been approved by the Ethics and Compliance Committee.

[MDR-P_06] Furthermore, this Corporate Policies section explains the commitments and principles for considering the interests of stakeholders, as well as the mechanisms available to them.

Processes for engaging with value chain workers about impacts (S2-2)

[S2-2_01] Naturgy is aware of the importance of knowing suppliers' perspectives, and therefore collaborates with them when developing its activities or making decisions regarding impact management. The mechanisms used to ensure that their perspectives are taken into account in the impact management and prevention processes are described below.

Value chain workers' channel

Health and Safety

[S2-2_02][S2-2_03] In respect to health and safety, collaboration is established through systematic participation in regular business activity coordination meetings which, at different organisational levels, address a variety of issues to ensure a safe working environment and proper management of operational activities. [S2-2_05] However, collaboration is not established within Global Framework Agreements or with global union federations in terms of human rights.

The meetings deal with aspects such as: leadership in safety by the management of the collaborating companies; adequate control of their subcontracting levels with a standard demand equivalent to that of Naturgy; having adequate mechanisms for the selection, coordination and training of their workers; the correct planning of activities or an adequate selection of the safety equipment and materials to be used. These are all priority aspects that are shared in these coordination meetings to promote an adequate safety culture throughout Naturgy's value chain.

The meetings are held according to the following schedule:

Level	**Directorate** [S2-2_04]	Frecuency	Scope
1	General Directorates (first operational line reporting to the Management Committee) or Country Managers of the Countries.	Annual, preferably in the 1st quarter	Collaborating Companies at Country level
2	Directorates or units under Level 1 (Area Directorates, etc.)	Half-yearly	Collaborating Companies at Zone level
3	Department or units under Level 2 (Zones, Delegations, Sectors, Technical Services, etc.)	Quarterly, when necessary, specific meetings may be held with a specific Collaborating Company.	Collaborating Companies at Sector level

In 2025, the content of the "Leadership and Awareness Workshop," a safety awareness session for partner companies, was updated. This session, delivered by the partner companies themselves to their team leaders and employees working on projects for Naturgy, has the primary objective of strengthening a preventative culture and ensuring that the safety principles, concepts, and tools required by the company are properly integrated into their activities and those of their subcontractors. The workshop is geared towards partner companies classified as having medium to high risk levels in terms of safety and health.

[S2-2_06] It is especially important to measure the effectiveness of the collaboration with collaborating companies that carry out high-risk activities (activities related to the construction, operation, maintenance and development of works) and the impact of the measures on the improvement of the safety conditions in which their workers carry out their activity. To this end, mechanisms are defined to measure, control and manage continuous improvement in health and safety performance. For more information, see the sub-section "Actions to manage negative and positive impacts" in this chapter.

Equal treatment and opportunities for all

[S2-2_03] The impacts in terms of equal treatment and opportunities for all are managed through the commitment to comply with the ethical standards contemplated in the Supplier Code of Ethics, throughout the contract period. [S2-2_05] The Code includes the commitments derived from the principles of The United Nations Global Compact, to which Naturgy adhered in 2002. [S2-2_02] This commitment facilitates a direct participation of the supplier in this matter and is extensible to all workers in the value chain.

[S2-2_04] Acceptance of the Supplier's Code of Ethics —or, where applicable, that the supplier has its own code that incorporates equivalent ethical standards— is a prerequisite for establishing any contractual relationship with Naturgy.

[S2-2_06] The evolution of the indicator "Purchase Volume with Acceptance of the Code of Ethics (%)" demonstrates the effectiveness of this initiative, closing 2025 with a compliance level of 96.28%. It should be noted that the implementation of the purchasing model has followed a phased approach; therefore, some companies have only recently joined the model, resulting in a percentage that is not 100%. In companies where the model is fully established, compliance rates reach approximately 99%.

Furthermore, all suppliers, contractors and external collaborating companies have the possibility of confidentially addressing, in good faith and without fear of reprisals, Naturgy's Ethics and Compliance Committee to make queries or report any non-compliance through the Internal Information System. These communications are managed by the Compliance unit in order to respond to actual or potential impacts.

[S2-2_07] Although the company does not have specific mechanisms to understand the perspectives of workers in the value chain who may be particularly vulnerable to the impacts, the Internal Information System is also available to these groups. Through this system, they can file complaints if these occur during the execution of contracts between Naturgy and its suppliers. In other words, if they experience any type of discrimination in the workplace or professional setting, whether based on age, race, colour, gender, religion, political opinion, national origin, social background, or disability, they should report it through this channel.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

[S2-3_01] As mentioned above, Naturgy has a series of control tools aimed at reducing the probability of material negative impacts occurring. In this sense, the company works mainly on establishing mechanisms to ensure that suppliers and collaborating companies have in turn implemented management systems and control elements to minimise as far as possible the occurrence of negative impacts on workers in the value chain.

Naturgy has implemented a supplier evaluation and selection process that is explained in the section on Management of relationships with suppliers (G1-2), in the chapter on Business Conduct. In summary, this process is based on a classification of suppliers according to the level of risk assigned by the company to the product or service to be contracted. Depending on this level of risk, Naturgy requires the acceptance of certain minimum requirements, ranging from acceptance of the Supplier's Code of Ethics to the performance of approvals in the case of suppliers with higher risk. Subsequently, and once the supplier is contracted, the company has a series of measures aimed at assessing its performance, both in operational aspects and in quality or sustainability issues, through internal assessments and ESG audits carried out by third parties.

This series of measures is aimed at assessing whether suppliers adequately comply with the company's requirements for each product or service contracted and whose final result is to establish a series of corrective actions in the event that non-compliances are detected which, among other consequences, may result in negative impacts on workers in the value chain.

To ensure that the corrective plans are effective, Naturgy requests documentation on the specific actions established and the deadline for their execution, as well as the presentation of evidence that must be validated by a representative of the company once the detected non-conformities have been solved. In the event of repeated non-compliance, the materialisation of negative impacts and the supplier's failure to implement corrective actions, the company considers the possibility of terminating contracts or reducing the workload assigned to these suppliers. In the case of declassification or decertification of suppliers, they would no longer be able to work with Naturgy. For further information on classification and approval, see the section on Management of relationships with suppliers (G1-2) in the chapter on Business Conduct.

Value chain workers' channel

The specific channel available to workers in the value chain to express their concerns is the Internal Information System, which is accessible through Naturgy's website (www.naturgy.com). Through this channel, suppliers, contractors and external collaborating companies can express their concerns.

[S2-3_02][S2-3_03][S2-3_04][S2-3_05][S2-3_06] For more information on the availability and effectiveness of the channel, as well as on the follow-up of issues raised in the channel, stakeholder confidence and the policy of protection against retaliation, see "Internal channels for own workforce" in the subsection "Processes to remediate negative impacts and channels for own workforce to raise concerns" in chapter S1. Own workforce.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action (S2-4) [S2.MDR-A_01-12]

[S2-4_05][S2-4_06] Naturgy has structured processes that result in actions aimed at identifying, preventing and, if necessary, responding to actual or potential negative impacts that may affect workers in its value chain. These processes include the evaluation, approval, monitoring and development of suppliers. The ultimate aim is to follow a preventive approach so that the necessary measures are implemented to ensure responsible supplier management and to minimise the likelihood of negative impacts on workers in the value chain. Likewise, the processes defined by the company contribute to strengthening the capacities of suppliers, extending Naturgy's principles of action to collaborating companies with the ultimate aim of generating positive impacts.

[S2-4_07] In relation to how the company ensures that processes to provide or enable remediation in case of material negative impacts are available and effective in their application, please refer to the information disclosed in the section above on “Processes to remediate negative impacts and channels for value chain workers to raise concerns”.

[S2-4_10] As explained in the previous sections, Naturgy has a series of mechanisms aimed at preventing the occurrence of negative impacts on workers in the value chain within the framework of its operations. These mechanisms are based on the specific commitments determined in the policies defined by the company and are accompanied by due diligence procedures aimed at reducing the likelihood of impacts occurring. [S2-4_11] It is worth noting that no serious cases or complaints related to human rights have been identified regarding workers in the value chain.

[S2-4_12] Naturgy assigns specialised resources for the management of material impacts in the areas of working conditions, equality, and non-discrimination. These resources include specialized ESG management teams and occupational health and safety teams, operational control and supplier monitoring systems, tools for verifying ethical and regulatory compliance, and training programs aimed at strengthening workplace risk prevention and promoting inclusive environments. Additionally, the company dedicates resources to evaluation, auditing, and continuous improvement processes that allow it to identify and mitigate negative impacts and monitor the effectiveness of implemented measures. This combination of technical, human, and organizational resources ensures the systematic and effective management of relevant impacts.

[MDR-A_06][MDR-A_07][MDR-A_09][MDR-A_10][MDR-A_11][MDR-A_12] In economic terms, these actions require a financial contribution from Naturgy in the form of related capital investments and operating expenses, which are not significant and are aggregated into larger accounting items, as it is very difficult at the accounting level to provide individual details of these items.

Below is a description of the actions that Naturgy has developed in 2025 to address both negative impacts and promote positive ones, as well as to take advantage of opportunities. The actions are focused not only on preserving and promoting working conditions in terms of health and safety, but also on promoting equal treatment and opportunities for all through policies, preventive plans and corrective measures, among others.

Actions to manage negative and positive impacts

Supplier Code of Ethics [S2-4_01]

[MDR-A_02] Naturgy is aware that the risk in relation to the integrity of the company goes far beyond its operations. For this reason, it has established various mechanisms to manage the relationship with the companies that participate in the value chain, as inadequate performance of its suppliers and contractors in terms of the environment, health and safety, human rights, labour practices or corruption may damage the integrity of the company.

[MDR-A_01]The Supplier Code of Ethics determines the guidelines of conduct in the social and labour, ethical and good governance, health and safety, environmental and quality areas. Therefore, Naturgy tries to prevent possible cases of discrimination or exclusion of vulnerable groups and establishes the following social and labour guidelines:

- **Respect for legality, human rights and ethical values:** it undertakes to act in accordance with the legislation in force, with the internal regulatory system established in accordance with internationally accepted ethical practices, with respect for human rights and freedoms, and ensures that its suppliers strictly assume this commitment.
- **Respect for people:** it rejects any conduct by its employees and suppliers that could create an intimidating or offensive environment for people's rights.
- **Professional development and equal opportunities:** it promotes the professional and personal development of its employees, in order to ensure equal opportunities through its policies.
- **Providing decent employment:** Naturgy's suppliers, contractors and external collaborators shall remunerate their employees in a decent manner.

[MDR-A_03] [MDR-A_05] Since 2016, adherence to the Supplier Code of Ethics has been a mandatory requirement —or, where applicable, that the supplier has its own code incorporating equivalent ethical standards—for participating in tenders or receiving orders, establishing itself as a permanent and indefinite mechanism within Naturgy's responsible purchasing model. For successful suppliers, adherence is renewed annually, ensuring its continuous updating.

[S2-4_04] To ensure the proper implementation of the Code of Ethics, Naturgy has integrated systematic acceptance controls into its approval and award processes, regularly monitors the "Purchase Volume with Acceptance of the Code of Ethics" indicator, which reflects the level of compliance among active suppliers, and has oversight mechanisms in place to detect and correct deviations. As a result, the level of acceptance of the Code remains high and stable over time, acting as a preventive measure to avoid workplace incidents or discrimination and, where necessary, facilitating corrective actions when non-compliance is identified.

[MDR-A_05] In 2025, the acceptance rate of the code of ethics reached 96.28%, a slight increase compared to the previous year. The 100% figure is not reached due to the gradual incorporation of new companies within the group's scope into the purchasing model (details of the model are explained in the Supplier Relationship Management section of the chapter on Business Conduct); in those companies where the model is fully established, acceptance levels are around 99%. This continuous monitoring allows for the evaluation of the degree of implementation of the Code of Ethics, the strengthening of controls in areas where deviations are detected, and the consolidation of a culture of responsible compliance throughout the value chain.

Official approval a of suppliers [S2-4_01]

The supplier approval process for ESG risk and quality factors is described in the Management of relationships with suppliers section of the Business Conduct chapter.

[MDR-A_01][MDR-A_02][MDR-A_03] Specifically and prior to contracting, all supplier companies that according to Naturgy's risk matrix are going to supply products or services to Naturgy with high health and safety risk are evaluated according to an exhaustive homologation process where the supplier must give an initial response to aspects such as:

- The management and employees are committed to Naturgy's safety principles and policies, and accept its safety principles, recognising that safety is a condition of employment for employees and a condition of contracting for collaborating companies.
- They have an assessment of the risks associated with the different positions and activities they carry out for Naturgy, and having a certified health and safety management system is valued.
- Workers have the appropriate education, training and qualification for the contracted activities and are provided with the necessary protective equipment and safety materials.
- The line management feels responsible for the safety of its own and subcontracted personnel.
- The supervision of the line of command integrates the monitoring and operational control of the activities carried out for Naturgy.
- Naturgy's safety commitment is transferred in cascade, ensuring that subcontractors assume the same safety commitments.

Making the initial supplier selection and approval process very demanding in terms of health and safety compliance minimises the potential negative impacts associated with precarious work, lack of resources and poor planning, which can lead to work overload and the potential lack of health and safety measures.

Performance monitoring [S2-4_01]

[MDR-A_01][MDR-A_02][MDR-A_03] Supplier performance is monitored annually for the most relevant suppliers, that is, those providing high-risk services, with recurring contracts and high amounts. This action consists of carrying out evaluations that measure the degree of satisfaction of the operating units and assess aspects of quality of the services provided, health and safety, operational and ESG aspects.

[MDR-A_05] In 2025, 1,482 performance evaluations have been carried out on suppliers in Argentina, Brazil, Chile, Spain, Mexico and Panama, evaluating a total of 1,011 suppliers.

The results and the classification obtained are passed on to the supplier, also indicating their weaknesses and areas for improvement. As a result of these evaluations, corrective actions are implemented for those suppliers whose rating does not reach the standard set by the company. In 2025, action plans have been agreed with 80 suppliers with insufficient scores in the performance measurement.

[S2-4_04] Likewise, Naturgy monitors this action through the "Health and Safety Performance Assessment" of the collaborating companies that carry out high-risk activities. In it, aspects and criteria are established to evaluate and control in an objective and homogeneous way the performance of the collaborating companies in health and safety in order to promote continuous improvement in this area.

When a supplier receives a rating below the expected level, an action plan is agreed upon with them to strengthen the areas with the lowest performance. These plans are defined jointly by the supplier and the relevant operational areas, and their progress is reviewed after a set period to verify the effectiveness of the actions taken. During this monitoring, evidence is gathered to confirm that the planned measures have been implemented correctly, and once the deadline has passed, the supplier is re-evaluated to determine if they have reached the required level.

[S2-4_04] Furthermore, and specifically regarding the negative impact on the working conditions of key employees related to safety and health, Naturgy monitors this issue through the "Safety and Health Performance Evaluation" of partner companies that carry out high-risk activities. This evaluation establishes aspects and criteria that allow for the objective and consistent assessment and monitoring of partner companies' safety and health performance, with the aim of promoting continuous improvement in this area.

The evaluation system is set out in a safety standard that is available to all collaborating companies. It assesses indicators whose evolution has a direct impact on the improvement of safety conditions when carrying out the work and on the reduction of the accident rate associated with it. The indicators used in the evaluation are as follows:

- **Accident rate**: this is calculated taking into account the occupational accidents that the collaborating company has had.
- **Positive metric rate**: this is calculated considering health and safety incidents, work stoppages, safety improvement proposals or proposals for action reported by the collaborating company.
- **Documented inspections rate**: this is calculated by considering the results of documented inspections of the cooperating company.
- **Rate of occupational health and safety documentation delivered**: is calculated considering the health and safety documentation delivered by the collaborating company.
- **Work health and safety maturity rate**: this is calculated considering the involvement and commitment of the collaborating company with Naturgy's health and safety project.
- **Infringements and penalties rate**: this is calculated taking into account the infringements and penalties imposed on the collaborating company in health and safety matters.

The total assessment of these indices is made on a maximum basis of 100 points, so that the collaborating companies must obtain an overall minimum score of 70 points. If the value is below 70, they are required to submit an action plan. In addition, the results are shared with the partner companies so that they are aware of their relative position in each business.

Although this process is widely established across different business areas, in 2025 the model underwent a review. While maintaining the structure of the indices used in the assessment, the review focused on incentivizing proactive security measures among partner companies by giving greater weight to indicators associated with the Positive Metric and the level of maturity in security management.

Furthermore, the review broadened the scope of the process to include regular subcontractors that business units deem relevant to their operations.

ESG audits [S2-4_01]

In addition to the performance monitoring explained above and carried out internally by its own personnel who supervise the work carried out by suppliers and collaborating companies, Naturgy relies on external audits aimed at assessing the management systems and performance of suppliers in relation to sustainability issues in order to mitigate negative impacts.

[MDR-A_01][MDR-A_02][MDR-A_03] Audits are carried out continuously, being valid those carried out in the last three years on suppliers with high ESG risk, in all the countries where Naturgy has established the purchasing model, regardless of the supplier's country of origin: Argentina, Brazil, Costa Rica, Spain, Mexico and Panama. This model establishes a management process with unified and universal criteria for the entire scope of action of Naturgy. Key processes of these functions are centralised so that there is global coordination that makes it possible to identify opportunities for improvement.

These on-site ESG audits are managed by external consultants (Achilles) using protocols, standards and procedures defined by the Community of utilities in Southern Europe and South America. The following audits will be carried out depending on who requests it:

- At Naturgy's request on suppliers categorised as high ESG risk with a higher purchasing volume.
- At the request of other members of the RePro Community in shared suppliers: these correspond to requirements of other purchasing companies that are members of the Community, addressed to their suppliers according to the criteria established by these companies. In some cases, the suppliers are common to those of Naturgy.
- Within the RePro Community: on-site audits on those suppliers whose assessments of financial, people (working environment, hiring practices, working hours, occupational risk prevention), reputational, compliance and corporate social responsibility (ethics and integrity, non-discrimination, community relations) risk criteria do not exceed the target parameters established by this Community.

Repro is a supplier evaluation community for the energy and utilities industry used in South America and Southern Europe. It currently consists of 50 purchasing companies and evaluates around 15,000 supplier companies annually.

Regarding audits, in 2025, both audits requested by Naturgy to suppliers with high ESG risk and collaborative audits requested by other members of the Repro Community to shared suppliers have been carried out.

[MDR-A_05] Since 2017, Naturgy has the indicator "Coverage level of ESG audits over purchase volume with high ESG risk (%)", whose value has risen from 88.3% in 2024 to 95.8% in 2025. Likewise, the 2025-2027 Sustainability Plan has the objective of reaching 95% regarding the level of coverage of ESG audits on purchase volume with high ESG risk in 2027.

Suppliers who submit material non-conformities in social, environmental or governance aspects during audits are required to provide a corrective action plan for resolution. Suppliers have a maximum of one year to provide such a plan. [S2-4_04] In addition, the company has a platform that allows for monitor non-conformities, in which suppliers upload evidence of their resolution and these are analysed and validated by an auditor. Naturgy's purchasing and operating units are informed of the existence of non-conformities so that the appropriate measures can be taken in the event of seriousness, repetition or failure to implement corrective actions.

In addition, and due to the relevance of the subject, Naturgy is developing a series of measures specifically aimed at minimising the impacts in relation to health and safety at work. To this end, the company has the 2024-2025 health and safety plan, the positive metrics tool and the management and investigation of accidents and incidents.

Health and Safety Plan 2024-2025 [S2-4_01]

[MDR-A_01] [MDR-A_02] [MDR-A_03] Health and Safety Action Plan 2024-2025 is aimed both at the company's own workforce (for more information on the company's own workers see the Health and Safety section of the Own workforce chapter) and at collaborating companies, both contractors and subcontractors.

This plan approved by the Management Committee in October 2023 is the continuation of the Health and Safety Action Plan 2021-2023, which was implemented as an urgent response to the increase in fatal accidents in 2020. This plan is aligned with both the commitments and objectives of the Global Safety, Health and Well-being Policy.

[MDR-A_05] In 2025, actions were developed to foster a stronger safety culture throughout the value chain, both among contractors and subcontractors, improving their proactive approach. The following are noteworthy:

- Review of the safety performance assessment model for collaborating companies, extending the scope to relevant subcontractor companies.
- Informative presentation of Naturgy's safety management model and its availability to collaborating companies and their subcontractors.
- Leadership in Safety Workshop as a mandatory activity for team leaders and workers of collaborating companies that carry out medium and high risk activities.
- Coordination meetings with the management of collaborating companies.
- Communication plan for security and dissemination of lessons learned and best practices.

A key initiative for 2025 is the "Security Assessment of the General Directorate of Networks" in gas and electricity distribution processes worldwide, as well as conventional generation in Spain. This assessment was conducted over four months with the support of an internationally recognized and independent expert firm and included interviews with key stakeholders, site visits to ongoing projects across all business units and countries, analysis of relevant incidents and process safety, among other activities. The findings and identified areas for improvement will form the basis for defining the 2026-2027 Security Action Plan.

Positive Metric Tool (M+) [S2-4_02]

[MDR-A_04] The Positive Metrics (M+) tool aims to proactively identify and report unsafe situations and acts, so as to subsequently analyse their causes and launch actions, plans or improvement programmes aimed at managing the actual and potential impacts on workers in the value chain.

[MDR-A_01][MDR-A_03][MDR-A_02] The permanent availability of a safety management tool such as Positive Metric (M+), has a very relevant impact on the reduction of the negative impacts associated with the accident rate of operations and on the improvement of safety proactivity of the collaborating companies.

- The communication of incidents that occur during the development of activities, and whose identification and analysis can anticipate preventive measures that minimise the probability of an accident.
- The preventive stoppage of works in which safety breaches are detected and their non-continuation until these have been rectified and the necessary safety measures have been put in place.
- Safety and health improvement proposals (SHI) reported by workers that may affect facilities, processes and activities.

Positive Metric Indicators (M+)

	2025	2024
Nº of Preventive safety Observations (PSO)	9,248	8,640
Number of incidents	2,634	2,598
Work stoppage number	2,842	1,665
Nº of proposals for improvement of health and safety (HSP)	624	557

Its design and implementation always urges all workers in the value chain not to proceed with, or give higher priority in any circumstances to, the performance of any work involving an uncontrolled risk for which the necessary means and knowledge are not available. [MDR-A_02] Thus, in all locations, workers have the right to stop work if they feel the situation is unsafe.

[S2-4_04] The effectiveness of the actions implemented, both through the Health and Safety Plan and through the Positive Metrics tool, is assessed through the performance evaluation, explained above.

Management and investigation of accidents and incidents [S2-4_02]

[MDR-A_01][MDR-A_03] Naturgy carries out the identification, treatment and investigation of the causes of accidents and incidents are defined in the internal safety standard "Process for reporting, investigation and follow-up of accidents and incidents". This action involves the investigation of all accidents and incidents occurring until their closure, in all geographical areas where Naturgy operates, as well as participation in the investigation of accidents and incidents involving workers of collaborating companies.

The investigation process starts as soon as the event becomes known. The persons in charge of the investigation, in order to know the circumstances in which it occurred, collect physical evidence and gather information, which is complemented by interviews, review of procedures, tests or analyses deemed necessary.

The purpose of the investigation throughout the process is:

- Identify the causes and contributing factors of the accident/incident: why.
- Identify, if appropriate, actions to be taken to reduce the risk of the event happening again: learning.

[S2-4_04] The investigation processes include the participation of the line managers of the workers and employees involved and any other person who can provide relevant information for the determination of the causes.

To facilitate the first purpose, Naturgy has a unified incident investigation system whose model is based on root cause analysis and optimised according to existing best practises and the HFACS (Human Factor Analysis Classification Scheme) methodology:

- It enables root-causes to be reached through gradual reflection.
- It facilitates the process of capturing information and disseminating lessons learned.
- It discriminates responsibilities among the value chain actors involved and allows for a diagnosis of hierarchical levels at which to act.
- It facilitates the adoption of short- and medium-term measures, including the review of processes, activities and applicable standards.

In relation to learning, any findings from the investigation feed into the risk assessment, so if the need for a review is identified, the reason for this is recorded. The corrective and preventive actions defined are also reported, with the aim of restoring compliance as soon as possible to minimise consequences and avoid recurrence.

The company considers that not all events that occur have the same “Potential Serious Injury or Fatality (PSIF)”. [MDR-A_04] For this reason, the business units focus on critical risk factors, which are those whose occurrence can cause severe alterations in the health of the worker, of a permanent or long-term nature, or even death.

The introduction of this concept means a change in the analysis and monitoring of accidents and incidents, the main negative impact of Naturgy's activity on people, because an even more exhaustive investigation process is carried out and a rapid implementation of those control measures that act on these precursors, eliminating or reducing their impact.

[MDR-A_02][MDR-A_05] In 2025, a total of 2,544 incidents and accidents have been analysed and investigated, proactively reported by own workforce and workers in the value chain.

In 2025, a fatal electrical accident occurred during an intervention to replace insulation and install bird protection on a 66 kV high-voltage power line support. The work was being carried out using live-line techniques, specifically the potential-based work method, and an insulated Mobile Elevating Work Platform was used to access the work area. The root cause of the accident was attributed to an improper manoeuvre that caused the worker to enter the electrical hazard zone, resulting in electric current passing through his body.

Development of suppliers [S2-4_03]

In addition to the measures described so far aimed at preventing and mitigating negative impacts, Naturgy collaborates with supplier companies with the aim of helping them to improve their management practices and, ultimately, contribute to the generation of positive impacts, such as fostering an inclusive culture by promoting inclusion and equity.

[MDR-A_01] [MDR-A_02] [MDR-A_03] Naturgy permanently promotes both the technical and management training of its suppliers and the development of knowledge and ESG practices through the Extended Academy(EA) of Naturgy's Corporate University to encourage the improvement of operational efficiency, the incorporation of innovative methodologies and the development of skills aimed at excellence in operations and service.

Since 2024, Naturgy has included detailed information in the "Our Suppliers" section of its corporate website about the company's commitment to equality and the Naturgy Group's Equality Plan 2023-2027. This section highlights the company's commitment to promoting equal opportunities and its rejection of any form of gender discrimination

Actions to manage risks and opportunities

[S2-4_08] In the double materiality assessment, no material risks arising from impacts on workers in the value chain have been identified, so the company does not disclose the required information regarding actions planned or underway to mitigate material risks.

[S2-4_09] On the other hand, the main measure that Naturgy has established to take advantage of the material opportunity identified is the action aimed at collaborating with supplier companies in order to promote and prioritise the contracting of local/national suppliers.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)

[S2.MDR-T_01-13][S2-5_01][S2-5_02][S2-5_03] Naturgy sets targets to manage the impacts and opportunities identified in the double materiality assessment. These objectives are shared with suppliers and their performance is analysed annually at business activity coordination meetings, so that companies are aware of the evolution of their performance.

The targets established for the management of impacts, risks and opportunities are indicated below:

Targets related to the material sub-topic of working conditions

The principle that “nothing is more important than the safety, health, and well-being of people” is the foundation for fostering a safety and health culture in our own operations and throughout the value chain. Naturgy strives to avoid and prevent accidents and health problems, while providing a safe and healthy environment.

[S2.MDR-T_01-13][S2-5_01][S2-5_02][S2-5_03] Therefore, in accordance with what is mentioned in the "Purpose and Strategy" section of the General Disclosures chapter, Naturgy has developed a new Sustainability Plan 2025-2027, within the framework of the new Strategic Plan 2025-2027, and has established an objective aimed at reducing the negative impact of accidents; specifically, the selected indicator is:

- **Lost time accidents frequency rate for suppliers and contractors:** number of lost-time accidents occurring during the workday per million hours worked.

[MDR-T_04] The target is applicable to all countries in which the group has a presence.

The target value established in the 2025-2027 Sustainability Plan for this indicator is shown below:

[MDR-T_02]; [MDR-T_03]; [MDR-T_05]; [MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Lost time accidents frequency rate for contractors (per 1,000,000 hours worked)	2025	2022	< 1,75	1.81	1.65	1.55

[MDR-T_13] The targets are communicated and monitored by the Sustainability Committee at meetings held throughout the year.

[MDR-T_11] The accident rate targets for our value chain are set based on benchmarking carried out on 20 multinational companies with similar activities and areas of operation. Naturgy's target is set below the industry average and at levels equivalent to the best in the benchmarking. The targets are shared with all business units responsible for contracted activities and are communicated to the value chain at level 1 coordination meetings with the management of partner companies. Value chain workers who perform medium/high-risk activities attend a leadership and awareness workshop where the importance of communicating and investigating all incidents is reinforced.

[MDR-T_08][MDR-T_12] It should be noted that no milestones or intermediate targets have been set. Furthermore, no changes have been made to the objective, the corresponding metrics, the underlying measurement methodologies, the significant assumptions, the limitations, the sources and the processes adopted to collect data.

Targets related to positive and negative impacts of equal treatment and equal opportunities for all

[MDR-T_01] The 2025-2027 Sustainability Plan has targets that enable the responsible management of the value chain to be assessed and ensure that, through the Supplier Code of Ethics, it complies with the principles established in the company's Code of Ethics.

[MDR-T_09] The objective set out in the 2025-2027 Sustainability Plan relating to equal treatment and opportunities for all is based on two indicators, the calculation methodology for which is described below:

- **Coverage level of ESG audits over purchase volume with high ESG risk (%):** this is determined by calculating the volume of high ESG risk purchasing audited in the last 3 years out of the group's total volume of high ESG risk purchasing.
- **Purchase volume with acceptance of the Code of Ethics (%):** this is established by calculating the purchasing volume of general contracting from suppliers that have accepted the Naturgy Supplier Code of Ethics in the year over the total purchasing volume of the Group.

[MDR-T_11][MDR-T_13] The targets are known to all the companies with which the company collaborates in its activities. Similarly, the targets are communicated and monitored by the Sustainability Committee at meetings held throughout the year.

[MDR-T_08][MDR-T_12] During the established period, the targets have not had any milestones or intermediate targets, nor have there been any changes in the corresponding parameters, underlying measurement methodologies, significant assumptions, limitations, sources, or data collection processes.

[MDR-T_02]; [MDR-T_03]; [MDR-T_05]; [MDR-T_06]:The target value established in the 2025-2027 Sustainability Plan for this indicator is shown below:

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Coverage level of ESG audits over purchase volume with high ESG risk (%) [1]	2025	2022	95.0	95.8	88.26	82.7
Purchase volume with acceptance of the Code of Ethics (%) [1]	2025	2022	96.0	96.3	95.6	95.4

[1] It does not include information on new Renewable Generation business in the United States, Dominican Republic, Chile, Israel, Italy and France, which represents 3.52% of the total awarded purchase volume, nor the data on the gas networks business in Chile, which represents 5.43% of the total awarded purchase volume, because the group's systems used to calculate this indicator are not available.

3. Affected communities (S3)

The information provided in response to this standard takes into account the definition of value chain workers as expressed in Annex II 'Acronyms and glossary of terms' of the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards. . Therefore, affected communities are "People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actually and potentially affected indigenous peoples".

Interests and views of stakeholders (SBM-2)

As explained in the chapter General disclosures, section "Interests and views of stakeholders", Naturgy gathers the opinions of all stakeholders through different dialogue and collaboration actions. Specifically, in the case of affected communities, the company engages with this community through early and transparent communication. This collaboration is developed in the Affected Communities Policy, with the Social Relationship Model (SRM) is the tool that not only makes it possible to know their opinions, but also to look after their interests. Both references are detailed throughout this chapter.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

[S3.SBM-3_01] All affected communities that could be affected by the company, either by its own operations, its products or services or by business relationships, have been considered in the double materiality assessment, described in the chapter General disclosures of this report, section 4. Impact, risk and opportunity management.

In the specific case of affected groups, the company establishes a relationship based on early, proactive, and transparent communication in order to proactively identify any potential impacts and understand how its activities may influence the living conditions, rights, and well-being of these groups.

This interaction is structured through the Affected Groups Policy and operationalized through the Social Engagement Model, which is the corporate tool for effectively integrating their opinions and interests into decision-making. This model not only facilitates the continuous identification of expectations and risks but also ensures that the contributions of these groups are reflected in the planning, design, and execution of projects.

Furthermore, the lessons learned from material impacts guide the adaptation of the business model, promoting responsible practices that minimize negative impacts and strengthen the creation of shared value.
This chapter details both of these references and the mechanisms through which Naturgy gathers, evaluates, and responds to the opinions and expectations of these groups.

[S3.SBM-3_02] [S3.SBM-3_03] These groups are identified in the projects during the initial phases and are continuous reviewed throughout the life cycle of the activity, in the locations where they are developed. In this sense, the affected communities by the company's material impacts are the people or groups who live or work in the same area where the company carries out its activities and who have been or may be affected by them, as well as the indigenous peoples located in these areas. Such is the case of the Quilombolas in Sobral and Sertao (Brazil) and the Zapotecos in Juchitán de Zaragoza, Oaxaca (Mexico).

Within these groups, special attention is given to the most vulnerable groups that could be most affected by the company's activities, for example: women, people from socio-economically vulnerable backgrounds, people with disabilities and rural communities.

Following the double materiality, it has been concluded that this matter is material from both an impact and a financial perspective, as reflected in the table below. [S3.SBM-3_06] The identified material impacts and risks are:

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
AFFECTED COMMUNITIES						
Communities' economic, social and cultural rights						
N.I.(1)	Affecting the health and well-being of local communities due to emissions of air pollutants derived from the activity of the company and its value chain.	X	X	X	Both	Current
	Interruptions in the supply of electricity and gas impacting homes, economic activities and essential services.	X	X	X	Both	Current
P.I.	Contribution to the economic development and GDP of local communities through taxes, infrastructure and community development programs.	X	X	X	Both	Current
	Promoting the creation of local employment in the construction and operation phases of the infrastructures.	X	X		Both	Current
	Promoting the employment of minorities and vulnerable groups.	X	X		Both	Current
R	Community resistance can result in delays, increased costs, reputational damage, or even project cancellations.		X		Both	Short-term
Communities' civil and political rights						
R	Sanctions for industrial accidents that affect the nearby local community.	X	X		Both	Short-term
Rights of indigenous people						
N.I.	Displacement of local communities and violation of the territorial rights of indigenous communities associated with the development of infrastructure projects.	X	X		Electricity	Medium-term
	Impact on cultural heritage, traditional knowledge and/or sacred sites of indigenous communities resulting from the project's activities.	X	X		Electricity	Medium-term
	Loss of human rights, cultural deterioration, and social conflicts due to the lack of recognition of customs, social practices, and legal ownership of indigenous territories recognized by the provisions of ILO Convention 169.	X	X		Electricity	Medium-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

[S3.SBM-3_04] Regarding the negative impacts, actual or potential, that have an effect on or could have an effect on the affected communities, these are individual incidents that the company deals with closely with the authorities and the areas in charge of social management.

[S3.SBM-3_05] Naturgy develops different actions that generate a positive impact on the communities affected by its operational activity, through these actions it seeks to promote the economic and social development of the regions in which it is present. For example, the company carries out training programmes in different countries, such as Argentina or Brazil, focused on promoting the employability of young people in vulnerable situations (for more information, see the subsection "Actions to manage negative and positive impacts" in this chapter).

[S3.SBM-3_06] Naturgy also identifies several material risks stemming from its impacts on affected groups, primarily related to social resistance to new projects and potential sanctions for incidents affecting the community. These risks can lead to delays, operational and reputational cost overruns, and increased regulatory requirements, making their proper management essential for the continuity and social acceptance of the company's activities.

[S3.SBM-3_07] During the double materiality assessment, the impact that the company's activity could have on the indigenous population has been specifically analysed. Naturgy is aware that these communities have particular characteristics that must be taken into account, as there is a greater risk that their rights may be violated. However, no material risks or opportunities have been identified that could specifically affect the rights of indigenous peoples.

It should be noted that during the sociodemographic classification of the area, a fundamental stage within the Social Relationship Model (MRS), the local communities and their characteristics are studied and, based on this analysis, it is determined whether the project in question is viable, taking into account the particular needs of the collectives.

Policies related to affected communities (S3-1)

[S3.MDR-P_01-06] [MDR-P_01] Naturgy defines the principles that guide its management in relation to the rights of affected groups in the Declaration of Principles and Policies and in the Global Sustainability Policy and develops this commitment in more detail in the Policy on Affected Groups which defines how Naturgy manages the impacts of its business on these groups from an operational perspective.

[MDR-P_02][MDR-P_03][[MDR-P_05]][MDR-P_06]Regarding to the Statement of Principles and Policies and the Global Sustainability Policy, the Corporate Policies section of the General Disclosures chapter of this report provides a comprehensive overview of the scope of the policies, the bodies responsible for their implementation, and the fundamental commitments and principles established to incorporate the interests and concerns of this group, as well as the mechanisms and channels made available to them.

[S3-1_01] The Global Sustainability Policy defines the basic principles of action regarding respect for Human Rights that Naturgy adopts and, specifically, establishes principles aimed at respecting indigenous communities and traditional ways of life. These principles are geared towards:

- Provide the means to ensure that the company's activities do not have a negative impact on the natural environment or on the traditional ways of life and work of the people living in its areas of operation.
- [S3-1_06] Comply with the terms of Convention 169 and with the indications of the competent authorities in each case, in the event that their activities have an impact on areas where indigenous peoples are present.
- Respect the right of indigenous communities to maintain their customs and traditional ways of life, as well as those real rights that they have acquired in accordance with the legal framework in force or, where appropriate, in accordance with tradition and generally accepted practices, ensuring them fair compensation and at least that legally provided for in the event of suffering any detriment or prejudice as a result of the activities carried out by Naturgy.

[MDR-P_04][S3-1_02][S3-1_07] The principles adopted in the Global Sustainability Policy have been established in accordance with the principles expressed in the United Nations Universal Declaration of Human Rights and 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 Guide, and European directives and national laws that regulate these principles. The company is not aware of any reported breaches of these international instruments.

[MDR-P_02][MDR-P_03][[MDR-P_05]][MDR-P_06] With regard to the Declaration of Principles and Policies and the Global Sustainability Policy, the Corporate Policies section of the General disclosures chapter of this report provides exhaustive details of the scope of the policies, the bodies responsible for their application and, in addition, the commitments and fundamental principles established to incorporate the interests and concerns of this group, as well as the mechanisms and channels made available to them.

[S3-1_01][S3-1_03][S3-1_04][S3-1_05] In addition to the Statement of Principles and Policies and the Global Sustainability Policy, which define the company's general principles of action in relation to affected groups, Naturgy has an approved Policy on Affected Groups that establishes specific mechanisms and procedures for assessing and managing impacts. This policy states that Naturgy respects the cultural diversity and human rights of communities, especially indigenous peoples and vulnerable groups. To this end, it commits to acting with due diligence, assessing and, where necessary, mitigating social risks and impacts, identifying potential human rights violations, and establishing strong and cooperative relationships with communities in the areas of influence of its activities. This involves integrating social management as a core discipline throughout the entire life cycle of its activities, through the application of a Social Engagement Model based on four fundamental principles:

- We are one more in the territory: we recognize, respect and protect local values and idiosyncrasies.
- We communicate on equal terms: we foster early and transparent communication, and open channels of active and easily accessible listening, as a first step towards the empowerment of communities.
- We generate shared value: together with the community, we promote actions that improve the quality of life in our environment.
- We offer opportunities: we are a driving force for development in the territory, and a lever for supporting local employment and training in the energy sector.

Processes for engaging with affected communities about impacts (S3-2)

[S3-2_01] The Social Relationship Model is the main process Naturgy implements to collaborate with affected communities regarding impacts and a management framework to address them and reduce the likelihood of identified material risks occurring. This model considers the perspectives of all stakeholders, conducting a diagnostic assessment to determine the area of influence and social impact, as well as mapping and characterizing the stakeholder groups. Specifically, this model is applied in the regions where the company operates, adapting actions to the specific characteristics of each territory.

The collaboration process for the incorporation of the concerns and interests of the groups affected by the company's activity is developed in the following way:

- **Pre-feasibility and opportunity analysis:** the area of influence is determined, as well as the possible impacts, risks and opportunities that could occur. In addition, a mapping of the communities that could be affected by the company's activity is carried out and a relationship plan aimed at managing them is initiated. Particular emphasis is placed on the concerns of vulnerable groups and, if necessary, indigenous peoples, with prior consultation in accordance with established standards.

- **Design, processing and procurement:** permanent communication is established, developing bonds of trust, as well as agreements with landowners and/or affected neighbours. Finally, the Social Relations Plan (SRP) is activated, incorporating the expectations and concerns of the affected groups.
- **Construction and implementation:** progress is reported and dialogue with communities is maintained through working with neighbourhood representatives, community sessions and instant messaging applications. In this phase, containment measures are included, if necessary, and agreements are signed. In addition, if impacts materialise, remediation mechanisms are activated.

[S3-2_02] Within the framework of the SRM, the company carries out a mapping and characterisation of stakeholders and identifies the communities affected by the company's activities as well as their needs and aspirations. [S3-2_03] This consultation, participation and information collaboration is established both directly with the community and with legitimate representatives or credible proxies during the different phases of the life cycle of the activities and depending on the context of each location.

Below, it is illustrated, with the most relevant examples of this exercise, how this collaboration process is carried out in different geographical areas and businesses where the company is active:

Engagement processes

Engagement in Spain

[S3-2_03] [S3-2_02] In Spain, the business that has had the greatest impact on the groups affected by its growth in recent years and the type of projects carried out is renewable generation. In the territories where the MRS has been implemented, there is a social management team formed with local-level specialists. This team maintains a close and permanent relationship with the neighbours of the projects developed by the company, fostering collaboration and two-way communication based on trust, consultation, participation and access to information.

The work of the social managers comprises a cabinet and a field part. The figure of the social manager intervenes in the different stages of the MRS, performing information functions, mediation in the event of possible impacts, resolving doubts about the project, gathering information from the territory through participatory processes and supervising the proper implementation of the model, in coordination with Naturgy teams, and local stakeholders and interest groups (neighbourhood communities, associations, local administration, third sector entities and others).

[S3-2_04] In order to guarantee collaboration, the most senior managers of the activity, such as the heads of Development, Construction and Operations directly, and indirectly, the General Manager of of Renewable Generation and transversal units, support with resources and provide guidelines on the strategies to be followed.

[S3-2_05] While there is no fully implemented effectiveness measurement model, results are assessed through regular monitoring and reporting meetings such as the Project Development and Construction Committees, both at regional and project level.

International engagement

In the international sphere, the figure of the social manager is present in the main geographies where the company operates. In countries where the company is less present, the company has its own workforce prepared to undertake the social functions, ensuring communication with the legitimate representatives.

[S3-2_02] [S3-2_03] In the renewable energy generation sector in Mexico, the social management plan incorporates a comprehensive approach to community engagement. This begins with an initial assessment of the social conditions in the project area, conducted through field verification visits and the analysis of databases and cartographic information. This includes a review of land use as well as the sociodemographic and economic characteristics of the area. Subsequently, actions are focused on implementing a social mediation and consensus-building plan. This involves conducting door-to-door surveys in the project's area of influence, identifying representatives of citizen committees or equivalent bodies, and then holding working meetings with these representatives, council members, administrators, community leaders, and neighbourhood authorities.

[S3-2_02] [S3-2_03] In Brazil, engagement with affected communities is carried out within the framework of an ongoing dialogue with community leaders, through various communication, support, and institutional channels, to discuss impacts and define corrective actions.
This collaboration takes place both directly, through support and communication channels aimed at service users and local communities, and indirectly, through entities acting as institutional representatives. It also offers digital platforms and customer service channels for communities to express their concerns. Furthermore, collaboration also occurs reactively, in response to complaints, incidents, or specific situations, and institutionally, through accountability and ongoing dialogue with public authorities and relevant regulatory bodies.

Social investment programs based on identified needs are also implemented, benefiting affected groups with infrastructure and education projects.

[S3-2_05] In general, the effectiveness of this collaboration is evaluated through surveys, meetings, events, dissemination through the corporate website and social networks. These collaborative processes have generated tangible results, such as the identification of sensitive areas and the adoption of preventive measures, improving trust and social acceptance. Active collaboration has resulted in initiatives aligned with local needs, such as infrastructure improvements and training programmes.

[S3-2_02][S3-2_03] In the gas network business in Argentina, a coordinating team relies on foundations and non-governmental organizations (NGOs) for their recognized role as spokespeople. These organizations are responsible for establishing and maintaining a close and ongoing relationship with the communities surrounding the projects. Their work ensures the proper implementation of the model by promoting information sharing, active participation, and effective coordination with local groups, including neighbourhood associations, local governments, and third-sector organizations, among other relevant stakeholders. [S3-2_05] Collaboration with these entities also makes it possible to evaluate the effectiveness of the actions developed.

[S3-2_02] [S3-2_03] In the gas network business in Chile, although there is no formal role for a social manager, proactive and tailored communication is prioritized in the development of new projects. This is achieved through community relations teams integrated within the Communications department. These teams establish formal channels for dialogue and organize preliminary meetings to explain the scope of each initiative and address any concerns. Furthermore, in emergency situations, direct coordination mechanisms are activated on-site, ensuring clear information about the implications of the event and coordinating joint actions with local authorities and emergency response agencies.

[S3-2_04] In the area of network businesses, stakeholder management depends functionally on the country's Communication and Institutional Relations Department, reporting directly to the first executive of the company in that geography.

Engagement with vulnerable groups

[S3-2_06] Local social managers, land managers and business unit representatives with the most direct interaction with affected groups maintain direct dialogue and communication with them. However, for specific cases and groups, such as vulnerable groups, appropriate interlocutors are designated and the most appropriate consultation and participation methods are defined for each situation, which may include direct individual interactions, the mediation of legitimate representatives or the organisation of open information days, among others.

The sociodemographic identification phase is part of all projects and is the essential starting point for identifying the impact on vulnerable groups or those with specific needs. An analysis is conducted to understand the perspectives of the communities and to detect the possibility that these groups may be particularly affected, either directly or indirectly. The analysis takes into account:

- Age distribution in the population.
- Classification by age groups (children, youth, adults, elderly).
- Proportion of men and women.
- Cultural diversity and presence of minorities.
- Distribution according to level of education attained (primary, secondary, tertiary, etc.).
- Literacy and access to education.
- Employment and unemployment rates.
- Predominant types of occupations and economic sectors.

After the socio-demographic identification of the area, the various stages of consultation and participation described above are carried out, where a closer approach is achieved with the possible groups affected, which guarantees the knowledge and consideration of their needs and points of view.

Indigenous people

[S3-2_07] Naturgy respects the autonomy of indigenous communities and recognises their right to preserve their culture and traditional ways of life.

The Social Relationship Model, accordance with the provisions of the Affected Communities Policy, develops the corresponding consultation process to obtain free, prior and informed consent in accordance with the terms of Convention 169 and the indications of the competent authorities in each case. In this way, their participation in decisions that affect their lives, lands and resources is guaranteed through the right to maintain and strengthen their cultures, traditions and institutions.

In the case of Australia, all social relations activities are based on the development and implementation of a specific Social Relationship Model in each of the projects, starting in the development phase of the projects and continuing during the operation phase, based on permanent communication with the most relevant stakeholders in the environment.

It should be noted that the projects developed by Naturgy in that country do not have a direct impact on the lives of the First Nations Peoples (name in Australia) identified, as they do not live in the vicinity of the projects and facilities. However, the action may affect their cultural heritage. This heritage includes tangible aspects that are part of the culture of these populations, such as Aboriginal artefacts or native vegetation, or intangible aspects, such as their values.

In this way, Aboriginal peoples are identified as part of the key stakeholders in each of the projects and are involved from the beginning of each one as part of the Cultural Heritage Management Plan. The Aboriginal peoples are:

- EMAC (Eastern Maar Aboriginal Corporation): through the recently under operations Ryan Corner Wind Farm and Hawkesdale Wind Farm projects, and through the development of the Darlington Wind Farm and Tarrone BESS projects.

- Wiradjuri: on projects in the development of Paling Yards Wind Farm and the construction of Glenellen Solar Farm.
- PCCC (Port Curtis Coral Coast Trust): in the construction phase of the Bundaberg Solar Farm project.
- Wathaurong: in the Berrybank BESS project.

In Australia, it is essential to consult with Aboriginal groups from the beginning of the project, as they are one of the main stakeholders. Their participation is encouraged from the outset as they are considered the "Traditional Owners" of the land and are treated in a very respectful manner.

The steps are as follows:

- First of all, the aboriginal group present in the project area is identified, and research is carried out on this group, their background, culture, activities, etc.
- The company then contacts them and holds an initial meeting to present the company and the specific project, in order to inform them and get their opinion.
- Joint work is done on the Cultural Heritage Management Plan or Agreement (CHMP) that is mandatory to be developed as requested in the project permit. This document has to be negotiated and agreed with the Aboriginal group. It includes how their cultural heritage (tangible and intangible) in the project area is to be managed by our team and our contractors in accordance with their values and traditions.
- The Aboriginal group is the one that conducts all surveys on the project site to ensure that possible cultural artefacts, indigenous vegetation, etc., are properly managed.
- The company works together with partner companies in accordance with the cultural heritage requirements of the CHMP.
- The Aboriginal group also provide cultural training induction to our employees and contractors, and participate in smoking ceremonies on site (prior to the start of construction) and also in groundbreaking ceremonies once the project is built and commissioned.

As mentioned at the beginning of this chapter, indigenous communities live in Brazil, Mexico, and Chile, specifically in the areas surrounding renewable energy generation projects. When the company began operations in these areas, it took into account each country's legislation regarding these communities and the requirements for obtaining the corresponding operating licenses. Furthermore, the collaborative processes described above are applied as part of its ongoing facility operations.

In 2025, no new Indigenous communities directly affected by Naturgy's operations have been identified.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

[S3-3_10] The general approach followed by Naturgy when providing or contributing to the remediation of negative impacts is defined by the four fundamental principles of action that underpin the Social Relationship Model and mentioned in the section Policies related to affected groups.

Therefore, based on the needs, concerns and expectations identified by the company through the collaboration processes with the groups involved, explained in the previous section, Naturgy defines in each geography and/or project an initial plan for the relationship with the affected groups, aimed at managing the impacts identified and based on these four principles of action.

In addition, through environmental and social impact studies prior to the implementation of any project, the company identifies the environmental compensatory actions aimed at mitigating the possible impacts of the projects.

Internal channels for affected groups

Internal Information System

[S3-3_11][S3-3_13][S3-3_15] The Internal Information System is a communication mechanism accessible to any stakeholder, designed to resolve doubts and report possible breaches of the established rules and principles of conduct. The availability of this channel, the process for following up on issues raised and the policy for protection against retaliation are detailed in the section "Channels for reporting related to ethics and integrity" in the section "Business conduct policies" in chapter 4. Business conduct.

Specific channels in the framework of the projects

[S3-3_11] In addition to Internal Information System, the company establishes communication channels and procedures for each project or geography and, as explained in the previous section, the company appoints social managers to facilitate communication and conflict resolution.

Some examples are given below:

- Renewable technology development projects in Australia: in accordance with the requirements of the authorisations, Naturgy provides a complaints box for the affected community at each of the sites. In addition, there are social managers who facilitate communication and conflict resolution.
- In the Mexican gas networks business, messaging channels such as WhatsApp are used. The channel is managed by the social management team itself, in conjunction with other operational areas. Through the group chat, information is provided on the phases and progress of the projects, as well as the mitigation actions that the company develops in the face of possible negative impacts. Additionally, this digital archive allows for the compilation of commitments made to the community and potential mitigation projects developed during the construction, such as tasks for repairing damage to public roads.
- Argentina's gas network business has a damage prevention plan that includes communication channels that allow affected groups to anticipate, denounce or report possible excavations or breakage of installations. In the electricity sector, telephone contact information is disseminated for reporting outages and emergencies, and for people dependent on electricity for health reasons, a priority alert system is enabled that guarantees immediate attention.
- In the Brazilian gas network business, the company provides affected groups with various channels such as customer service centres or the web channel where they can make their complaints and concerns known. In addition, regular meetings are organised with community leaders and residents to discuss concerns and propose joint solutions.
- In Chile's gas network business, communities are informed about the start of new projects by providing written materials that describe the scope of the work to be carried out, establishing a direct communication channel to clarify doubts or resolve potential issues. In addition, when necessary, the company holds in-person meetings with neighbourhood organizations to present information directly and address the concerns raised by the community.

[S3-3_13] To follow up and monitor the issues raised and addressed, each business uses tools such as databases, regular reports and follow-up meetings, making sure to respond to the requests and needs of the community. Although there is currently no common systematic approach to this follow-up, the company believes that the measures taken ensure that the effectiveness of the actions is guaranteed.

[S3-3_14] In relation to whether the company assesses whether the affected groups know and trust these channels to raise their concerns, the company does not have specific methodologies, however the effective use of the channels and the assignment of dedicated teams and social managers, allows a close follow-up and relationship that leads to the conclusion that the channels are reliable.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4) [S3.MDR-A_01-12]

The management of impacts, both current and potential, is a priority task within the organisation. Therefore, Naturgy works both to prevent and mitigate those impacts that may negatively affect communities, and to promote those measures that generate positive effects.

[S3-4_05] The Social Relationship Model (MRS) and the collaboration processes with the affected communities explained in the previous sections are the main processes through which the company determines what actions are necessary and appropriate to respond to the negative impacts on the communities. With the results of these processes, the company designs Social Relations Plans that include specific actions and measures adapted to each project.

[S3-4_06] The approach followed when adopting measures in relation to negative impacts is based on the principles of action that guide the Social Relationship Model, as explained in the previous section. In addition, in those cases in which the nature of the project makes it necessary to lease land, the company makes financial compensation to the owners.

[S3-4_07] Naturgy has various mechanisms to confirm that the processes for repairing negative impacts are accessible, effective and satisfactory for those affected by means of a people-centred approach. The collaboration channels explained and, especially, the figure of social managers, allow the company to ensure that the solutions and actions proposed to address and, where appropriate, compensate the negative impacts are considered adequate by the affected groups.

[S3-4_11] During 2025, Naturgy did not register any serious cases related to the rights of the affected communities in the different geographies in which it operates, nor any cases related to indigenous peoples.

[S3-4_08] The management of potential risks—such as project delays or cancellations resulting from community resistance—is addressed through the proper implementation of the Social Relations Model and the on-site presence of social management professionals responsible for identifying and addressing community needs. Furthermore, in a context of increasing legal proceedings, Naturgy manages this risk through specialized legal monitoring of administrative and contentious procedures, ensuring regulatory compliance and the adequate defense of its interests.

Regarding the risk arising from potential penalties for industrial accidents affecting nearby local communities, Naturgy applies various procedures aimed at preventing incidents and minimizing their likelihood. Among these measures, the planning of annual preventive, predictive, and corrective maintenance programs for its facilities stands out. The objective of these programs is to guarantee both the proper functioning of the plants and the elimination of risks associated with operational failures. In addition, Self-Protection Plans and Emergency Plans are implemented, incorporating protocols for action in case of an accident and including annual drills coordinated with external agencies (such as Civil Protection or the fire department) to assess the response capacity in the event of an accident. Conclusions are drawn from these drills with the aim of continuously updating and improving these plans. Together, the implementation of these measures helps protect local communities by reducing the risk of an industrial accident that could affect them.

[S3-4_09] As for opportunities, specific plans are not disclosed because they are not recognized as material.

[S3-4_10] As explained in the previous sections, Naturgy has a series of mechanisms focused on preventing the occurrence of negative impacts on the affected communities within the framework of its operations. These mechanisms are based on the specific commitments determined in the policies defined by the company and are accompanied by due diligence procedures aimed at reducing the likelihood of impacts occurring.

In the field of operations, Naturgy carries out environmental and social impact assessments prior to the development of projects and incorporates listening, dialogue and collaboration activities with the affected groups from the early stages. As a result of these initial activities, the company defines social relations plans that it executes throughout the life of the projects. These plans incorporate actions aimed at preventing the appearance of negative impacts, establish compensatory actions in the event that any impact has materialised, and propose actions aimed at generating positive impacts. These actions are disclosed in more detail in this section.

[MDR-A_06][MDR-A_07][MDR-A_09][MDR-A_10][MDR-A_11][MDR-A_12] In economic terms, these actions require a financial contribution from Naturgy in the form of related capital investments and operating expenses, which are not significant and are aggregated into larger accounting items, as it is very difficult at the accounting level to provide individual details of these items.

[S3-4_12] Naturgy assigns specialised resources for the management of material impacts, ensuring a structured and efficient approach. The company has specific teams to manage relations with affected communities and groups, as well as to manage impacts on the environment and human rights. In addition, as part of the budget for each project, the company allocates specific items aimed at preventing and, where appropriate, mitigating negative impacts and executing the actions of the social relations plans aimed at generating positive impacts.

Actions to manage negative and positive impacts

Social Relations Plan [S3-4_01][S3-4_02][S3-4_03]

[MDR-A_01] [MDR-A_02] As explained throughout in this chapter, Naturgy has a Social Relationship Model based on principles of action that, starting from the identification of the concerns, interests and expectations of the affected groups, leads to the definition of Social Relations Plans aimed at addressing the potential impacts identified in the initial stage of the projects and defines the actions to be developed during all phases of the project, to generate a positive impact that promotes the well-being of the community and the remediation mechanisms to be applied when necessary.

These social relations plans are the basic management tool and as such are recognised and described in the Affected Communities Policy and contribute to achieving the objectives derived from it.

[S3-4_04] Although the company does not have a system for monitoring and evaluating the effectiveness of actions that is uniform and applicable to the different geographies where it operates, it maintains an active presence at the sites and, through social managers or other company representatives, monitors and follows up on the development and effectiveness of the actions implemented.

[MDR-A_03] [MDR-A_05] Below is a description of some of the initiatives that the company has developed during the 2025 financial year within the framework of the different social relations plans defined in the businesses and geographies.

Actions aimed at generating positive impacts and preventing negative impacts on the economic, social and cultural rights of communities.

[MDR-A_04] Naturgy develops action plans in order to prevent accidents that may have an impact on human well-being. As a result of the current negative impacts identified, such as noise pollution and the emission of atmospheric pollutants, the company has taken a preventive approach to avoid future materialisations that affect communities and thus ensure human well-being. It also develops plans and actions to promote positive impacts.

Regarding the material negative impact of electricity and gas supply interruptions affecting households, economic activities, and essential services, an electricity supply interruption occurred on the Iberian Peninsula on April 28, 2025. The causes of this interruption are still under investigation by the competent authorities. Service was restored gradually throughout the day and into the beginning of the following day. Naturgy has not been identified as the cause of the incident and, as of the date of preparation of this report, has not received any communication from the regulatory bodies regarding the matter.

However, it is possible that third parties or public authorities may initiate claims or administrative or legal proceedings against any company within the group once the investigations progress. As of the date of this report, the risk of a material adverse outcome is considered remote following the analysis of the performance of the group's generation and distribution facilities, the absence of material claims, and, ultimately, the group's insurance coverage. Therefore, no liability has been acknowledged in relation to such claims, no related disbursements have been made, nor are any expected in the future. Naturgy is assessing the expenses incurred due to this interruption in order to claim them once the cause is determined.

The following are the most representative actions taken in 2025 to generate positive impacts, by country:

Spain

During 2025, social management actions were carried out in various areas of Spain, specifically in the Canary Islands, Andalusia, Castilla La Mancha, Castilla y León, Extremadura, Galicia and Murcia. Below is a breakdown and detail of the main lines of action carried out:

- Education and employability:
  - Coordination of specific training courses with the regional government of Castilla La Mancha.

- Training plan linked to the wind turbine repowering projects in Galicia (Monte Redondo, Somozas and Novo), which are financed by the European Union through NextGenerationEU within the framework of the Circular Repowering Program managed by IDAE. These activities are funded by scholarships and are free of charge for the participants.
  - Naturgy Foundation courses: vocational training for employability in digitalization of electrical networks, Vocational training for employability (30 hours) and Vocational training in maintenance of wind farms (200 hours).
  - Scholarships in the Master's Degree in Renewable Energies and Energy Sustainability at the University of Santiago de Compostela.
- Conducting educational and awareness visits to the facilities with local stakeholders (primary, secondary, vocational schools, universities and local associations) throughout the country.
- Donation of wind turbine components extracted from the dismantling prior to the repowering of the Novo wind farm to three Vocational Training educational centres in Galicia and to one centre in Guadalajara.
- Collaboration with the University of Almería for the awarding of scholarships in the Master's degree in solar energy (IDAE[1]).
- Collaboration with summer courses of the University of Vigo in the Muíños Town Hall, on environmental issues and heritage conservation.
- Collaboration with summer courses of the University of Andalusia for the sponsorship of the Summer Course “Andalusia as a renewable source of the world”.
- Creation of the Sensory Classroom at the Virgen del Rosario School in Villanueva de San Juan, Seville.

– Culture and local heritage::
  - Participation in the 2025 Regional Environment Awards of Castilla La Mancha, with a social and environmental sustainability project in renewable energies.
  - Sponsorship of the Casares Film Festival in Malaga and the Tabernas Western Film Festival (IDAE) in Almeria.
  - Collaboration in the ancestral cultural festival "Rapa das bestas de Candaoso" in Viveiro, Lugo.
  - Collaboration with "Arde Lucus", a cultural festival of historical reenactment in Lugo and with the Ribeira Sacra Classical Festival.
  - Collaboration with the sporting event "21 leagues", in which one stage runs through the Novo wind farm, La Coruña.
  - Collaboration with the Celestina Festival in Puebla de Montalbán, Toledo.
  - Collaboration with commemorative activities for the centenary of Uña, Cuenca.
  - Sponsorship with the Association of Friends of the Archaeological Museum of Porzuna (Ciudad Real) whose objectives are to maintain and preserve the archaeological heritage, promote activities related to archaeology and local culture, and transmit the values of environmental education necessary to safeguard the points of archaeological interest of the municipality (IDAE).
  - Participation in the Paladea fair in Fuerteventura, which highlights local products, traditions and talent, with an exhibition on the evolution of Majorera cuisine and energy.
  - Sponsorship in Gran Canaria of the transformative campus Ruta 7, whose objective is to generate a positive impact on local communities and promote the personal and professional development of the participants.
  - Sponsorship of “Plasencia Abierta” in Extremadura.
– Social development:
  - Collaboration with the Casa Hogar de Andújar (Jaén) for the acquisition of furnishings to furnish a foster home for minors under guardianship.

[1] All actions linked to the “IDAE” are framed within the Aid of the Institute for Diversification and Energy Saving for innovative projects of energy storage hybridized with electricity generation facilities from renewable energy sources, within the Recovery, Transformation and Resilience Plan, financed by the European Union through NextGenerationEU.

- Collaboration with the ASPAJUNIDE association of Jumilla (Murcia) for the provision of equipment for its occupational workshop..
- Collaboration with the Coraje de Malagón Association (Ciudad Real) for the production of fabric bags in their occupational workshop.
- Collaboration with the APROMPSI association for the design of the sensory classroom in Villanueva de San Juan, Seville.
- Collaboration with the TEA-MO Association of Noblejas (Toledo) for the detection of people affected by autism.
- "Open for Construction": Public information sessions to explain in more detail the battery energy storage projects under construction in Gran Canaria, in collaboration with the municipalities of Ingenio and Agüimes.
- Environmental volunteering day for Naturgy employees and neighbours of our Renewables facilities in Gran Canaria.
- Support for the Daniela Program - Oblates for women's care in the Canary Islands.

Chile

With the aim of strengthening ties with the community, an open house was held as part of SOFOFA's Open Business initiative. This event included a visit by approximately 150 students from technical schools and vocational institutes to the Osorno Regasification Satellite Plant (PSR) and the Metrogas Laboratory in Las Parcelas. Additionally, the company participated in the En Ruta TP initiative, organized by the Pro O'Higgins Corporation, which included a visit to the Ena Bellemans Montt School in Rancagua.

Furthermore, the "Training Plan for Partner Companies" is held annually. This plan aims to provide training for technicians, administrative staff, and teachers from partner companies through courses and workshops, with the goal of promoting growth, development, and service quality, improving performance, and strengthening competitiveness.

Argentina

In the area of employability, programs such as “Energía del Sabor” (Energy of Flavor) have been developed. Their objective is to train unemployed or underemployed young people between the ages of 18 and 25 to generate genuine and sustainable employment, enabling them to overcome their vulnerable social circumstances. Furthermore, since 2022, the company has added an entrepreneurship component to the program, aiming to equip participants with the knowledge to start their own businesses and work in the culinary field. In 2025, the program was implemented in Buenos Aires and Tucumán, with over 115 participants.

Additionally, the project developed in partnership with Fundación Solar Inti has continued, focusing on the implementation of biomass stoves in community kitchens in rural areas with limited access to conventional energy. This initiative involved ten families from four communities in Tartagal, Salta province, achieving significant improvements in firewood conservation, sanitary conditions, cooking times, deforestation reduction, and decreased gas and smoke emissions, as well as a positive socioeconomic impact for the beneficiaries. As a result, 74 people benefited and 20 native trees were planted.

Mexico

The company collaborates with local communities on an ongoing basis, with the following initiatives per facility being of particular note:

- Tuxpan III and IV combined cycle power station: the deployment of the relationship plan with the communities located along the state highway "Carretera de los Kilómetros" from kilometre point zero to 16,000 continues, developing activities focused on strengthening traditions and community coexistence; support for the repair and improvement of the health centre; rainwater harvesting systems in educational centres; construction of roads for the school; reforestation in community areas.

- Durango combined cycle power station: support for the Durango community has been highlighted by collaboration in the construction of the roof of the primary school and for the collection of rainwater for the centres of Abraham González and Carlos Real.
- Naco Nogales combined cycle power station: the support plan for the communities surrounding this 300 MW power station, located near the city of Agua Prieta (Sonora), has focused on social and educational activities. In 2025, support was provided through a reforestation day at the school and donations to the Red Cross, soup kitchens, food pantries and the fire department.
- Hermosillo combined cycle power plant: in the surrounding community of the plant, donations of materials have been made to firefighters, roads and canals have been rehabilitated, workers and their families have visited Econatura, and financial support has been provided to both the Organ Donation Foundation and the Don Juan Navarrete Foundation.

Australia

In 2025, Global Power Generation (GPG) continued its growth in Australia, with the development and construction of Glenellen NSW, Bundaberg QLD, Tarrones BESS, Paling Yard Wind Farm, Darlington Wind Farm and Fraser Coast FV.

Some of the most outstanding initiatives of these plans have been:

- Communication actions: newsletters and information days at Tarrones BESS, Paling Yards Wind Farm, Darlington Wind Farm and Glenellen Solar Farm.
- Berrybank 1: Grants for community improvements in Corangamite and Golden Plains, college scholarship programs, programs for entrepreneurs and seniors, midwinter festival, mental health support, water tank grant for community RV park.
- Berrybank 2: Scholarships for women in renewable energy and grants for community improvements in Corangamite and Golden Pains
- Hawkesdale: Community Grant Program.
- Crookwell 2 and 3: ANU Grant through the Community Improvement Fund established by Voluntary Planning Agreement, in collaboration with the Goulburn Chamber of Commerce.

Actions aimed at reducing negative impacts on indigenous peoples' rights

Considering the prevention measures available to Naturgy, the potential negative impacts on the rights of indigenous peoples are considered non-material. Some of the actions undertaken during 2025 are detailed below.

Mexico

In the case of Mexico, various actions have been implemented to reduce potential risks at the Bii-Hioxo Wind Farm facilities. All actions carried out in the community of Juchitán de Zaragoza (Oaxaca) are aimed at the Zapotec indigenous community in order to support and promote the economic and social development of the area. These actions, implemented in 2025, included:

- Donation of vouchers for social work to 185 landowners where the Bií Hioxo wind farm is located.
- Donation of vouchers to 6 fishing cooperatives in the Seventh Section.
- Maintenance of the Nacanu'Bii community house.
- Summer Course 2025.
- Summer Course 2024.
- Rehabilitation of sacred sanctuaries.
- Donation of personal protective equipment to Civil Protection.
- Donation of a basket-type stretcher to the fire department.

Brazil

Since the Sobral I photovoltaic plant began operations in 2017, located in the municipality of São João do Piauí (Piauí, Brazil), a Quilombola Environmental Basic Project (PBAQ) has been underway as a mitigation and compensation measure for the impacts this operation may have on the Quilombola communities in the Riacho dos Negros and Saco/Curtume territories. A close and continuous relationship has been maintained with the community and local authorities throughout the PBAQ's development, in order to identify, design, and implement actions aimed at promoting economic and social development in the region.

The Quilombola Environmental Basic Project (PBAQ) continued throughout 2025. The project has several lines of action, including a series of specific initiatives. During 2025, the company collaborated by providing support services for a Quilombola cultural event.

Outside the Quilombola community, a donation has been made to the Educational Program for Resistance to Drugs and Violence project carried out by the Guimarania Municipal Council.

Chile

The Diaguita Tierra y Mar Indigenous community receives annual funds agreed upon with the company that owns the wind farm. With these funds, the community begins the process of purchasing resources to implement its projects, which consist of strengthening the productive capacity of both individual and collective projects.

The main actions undertaken are the following:

- Purchase of a water tanker truck for the independent seaweed harvesters' union. Los Burros Sur (Atacama).
- Remodelling of the lower levels of the Unión Carrizalillo women's sports club (Atacama).
- Expansion and modification of the fire station structure and purchase of equipment for the GERSA team, Second Fire Company. Caleta Chañaral de Aceituno (Atacama).
- Carrizalillo Rural Drinking Water Well. Chañaral de Aceituno Cove (Atacama).
- Purchase of batteries for the Los Burros Sur Neighborhood Association. Caleta Chañaral de Aceituno (Atacama).

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

[S3-5_01] [S3-5_02] [S3-5_03] [MDR-T_11] The affected groups or their legitimate representatives have not participated directly in setting objectives, monitoring results, or identifying improvements based on those results. However, the actions the company undertakes, and whose financial investment is evaluated in the objective presented below, take into account their needs and expectations, as explained in previous sections.

[S3.MDR-T_01-13] [MDR-A_01] As a demonstration of its commitment to the economic and social development of the areas in which it operates, Naturgy has established the objective of “Total Social Investment” within its 2025-2027 Sustainability Plan. The amount of social investment has been allocated to:

- **Donations:** financial contributions to foundations and non-profit organisations for which the company receives no compensation.
- **Partnerships**: financial contributions to foundations and non-profit organisations for which the company receives some compensation.
- **Sponsorships:** amount allocated to other types of entities, not necessarily non-profit making and for which the company receives some compensation.

The main lines of action are:

- **Education, training and development:** collaboration with entities dedicated to promoting and training young people to improve their future employability.
- **Environment and sustainability:** collaboration with institutions dedicated to the preservation, conservation and rehabilitation of the environment, and also with entities that carry out educational activities on sustainability, energy and the environment.
- **Artistic and musical culture**: in the field of cultural sponsorship, the promotion of music, art and education is of particular importance.

The performance of the objective is presented below:

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Total social investment (million euro)	2025	2022	15	15	10	11

[MDR-T_09] This objective groups together the economic contributions in terms of social investment initiatives that the company allocates to different actions aimed at reducing the negative impacts of the activity on the affected groups and indigenous peoples, as described throughout this chapter, as well as those initiatives aimed at generating positive impacts. [MDR-T_12] It should be noted that there have been no changes in criteria or calculation methodology for this indicator in recent years.

[MDR-T_08] It is a metric developed internally and which the company believes allows it to adequately assess the performance of its management in relation to this issue. Due to the nature of the objective, it has not been necessary to use hypotheses or scenarios for its definition, nor have milestones or interim objectives been established.

[MDR-T_13] At the end of 2025, and as has been the case in recent years, the target performance is ahead of plan and the company has met its target.

4. Consumers and end-users (S4)

The information provided in response to this standard takes into account the definition of value chain workers as expressed in Annex II 'Acronyms and glossary of terms' of the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards. . Therefore, customers are "individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes" and end-users are "individuals who ultimately use or are intended to ultimately use a particular product or service".

Throughout the chapter, the term "customers" will be used to refer both, consumers and end-users.

In Spain, energy commercialisation and distribution activities are clearly separated. The commercialisation of gas and electricity is liberalised, however, distribution is regulated. This means that the customer is free to choose which supplier provides the energy.

As explained in the Business Model section of the General disclosures chapter, in Spain Naturgy commercialises energy and services through four marketers.

In Latin America, the gas and electricity distributors provide full customer service from supply to billing and customer service.

Interests and views of stakeholders (SBM-2)

For Naturgy, customers are at the centre of all operations. In order to provide the quality service demanded by the company's standards, Naturgy takes the utmost care in the service it offers its customers to ensure that it is agile, efficient and high quality, in addition to complying with legal and profitability requirements. To this end, it is essential to establish an active dialogue to ascertain needs and resolve doubts, claims and complaints in the most satisfactory manner for the customer (for more information on dialogue actions, see the section "Stakeholder interests and opinions" in the General disclosures chapter of this report).

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

[S4.SBM-3_01] Customers were recognised as a key pillar for the company when conducting the double materiality assessment (see chapter General disclosures, section 4. Impact, risk and opportunity management, of this report).

[S4.SBM-3_02] [S4.SBM-3_03]] In accordance with the nature of its operations, as well as the digital environment in which the market evolves, Naturgy is aware of its capacity to cause positive or negative material impacts on customers it serves or with whom it interacts. The types of customers most affected are highlighted below:

- Customers who may be adversely affected in relation to the right to the protection of their personal data.
- Customers who are particularly vulnerable to welfare or privacy impacts or to the impact of marketing and sales strategies, such as economically vulnerable people.

Naturgy works actively to ensure that its services are safe and mitigate negative impacts, implementing robust privacy and ethical information management policies. In addition, the company maintains a sensitive approach to these vulnerable groups and for this purpose has actions such as the Energy Vulnerability Plan.

The list of material impacts, risks and opportunities that could, or may, affect customers is:

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
CONSUMERS AND END-USERS						
Information-related impacts for consumers and/or end-users						
N.I.(1)	Violation in the processing of personal data.	X	X	X	Both	Current
P.I.	Improving the customer experience through digital transition.		X	X	Both	Current
	Respect for consumer rights through simple, clear, transparent, respectful and non-discriminatory communications and an accessible website that guarantees the inclusion of diversity.		X		Both	Current
R	Complaints from customers about contract changes without the user's consent.			X	Both	Short-term
	Infringements related to data protection law.		X	X	Both	Short-term
Social inclusion of consumers and/or end-users						
P.I.	Reducing energy poverty through a energy vulnerability plan to facilitate payment and the development of all the necessary operations to speed up the procedures to prioritise people in vulnerable situations.			X	Both	Current
O	Facilitating customer access to innovative and efficient services that improve affordability and support the energy transition, contributing to reducing energy poverty and increasing autonomy.		X	X	Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

[S4.SBM-3_05] Naturgy carries out different activities to achieve positive impacts on customers, among which the following stand out:

- Actions aimed at improving the customer experience through digitalization
  - **Newco Project (Spain):** it enables the transformation and digitization of all processes related to the customer lifecycle; from the first contact, through any channel, to potential cancellation, including sales acquisition, billing, and customer service in the retail segment. This new technological solution features an intuitive and functional design that facilitates navigation and access to information, significantly improving the customer experience, which translates into increased satisfaction and loyalty, as well as optimizing internal processes.
  - **Improving the industrial customer experience (new virtual office in Spain):** this project aims to create and implement a specialized area to address the specific needs of clients in the industrial sector.

- Actions whose objective is to contribute to respect for consumer rights through clear, simple, transparent and non-discriminatory communications and an accessible website:
  - **The Web Accessibility Seal for www.naturgy.es** marks a significant milestone in promoting an inclusive, responsible digital experience designed for everyone. This recognition certifies that the website meets the criteria established by current regulations (Web Content Accessibility Guidelines 2-1 - Level AA), ensuring that any user can navigate, understand, and interact without unnecessary barriers. Beyond regulatory compliance, accessibility has been integrated as a core principle of the group's digital communication model.
  - **Strengthening transparent communication with customers (Brazil)**, intensifying proactive, clear and accessible communication efforts, with the aim of improving customers' understanding of energy consumption
- Actions aimed at combating energy poverty and other situations of vulnerability
  - **Energy vulnerability plan:** ensures that customers in vulnerable situations can access a basic and secure energy supply both in Spain and in Latin America**.**
  - **Aid plan for those affected by the DANA storm in Valencia (Spain):** an aid plan has been launched for those affected by the DANA storm of October 29th in the Valencian Community, mainly for all those customers who have been left in a vulnerable situation.

[S4.SBM-3_04] As part of its strategy, the company works to minimize any negative impact on customers, always prioritizing their well-being, satisfaction, and trust. Therefore, if a breach in the processing of personal information is detected, whether isolated—affecting one or a few customers—or systematic—due to data security breaches or the accumulation of isolated cases that could lead to inspections or the initiation of general disciplinary proceedings —measures are taken to mitigate these negative impacts. Among these measures, the development of a regulatory framework designed to guarantee the protection of personal data provided by customers stands out.

In Spain, based on pursuant to Article 32 of the General Data Protection Regulation (GDPR), which addresses security measures and technology, Naturgy adopts the technical measures designed to safeguard the security of personal data and to prevent them from being altered, lost, or being processes or accessed in an unauthorised way to guarantee the confidentiality, integrity and availability of the data.

According to this regulation, personal data shall be collected for specified, explicit and legitimate purposes and shall not be further processed in a way incompatible with those purposes. Naturgy processes the personal data of data subjects in compliance with current data protection legislation, and therefore does not process personal data, whether for primary or secondary purposes, without an adequate basis of lawfulness for each purpose.

In this regard, Naturgy has a Personal Data Protection Policy that ensures the proper handling of data throughout its entire lifecycle: from collection and processing to deletion. This policy forms the basis for Naturgy's sales companies to comply with applicable data protection regulations and with the guidelines and communications issued by the competent authority, in Spain the AEPD (Spanish Data Protection Agency).

[S4.SBM-3_06] Regarding material risks and opportunities, Naturgy is developing various initiatives aimed at preventing the impacts that could lead to these risks and adapting its product and service offerings to capitalize on the identified material opportunities.

Naturgy works to prevent, to the greatest extent possible, changes to contracts without customer consent that could lead to potential complaints. To this end, it has developed a Commercial Information Management System Improvement Plan in Spain, which helps detect and mitigate unfair commercial practices through various initiatives, such as:

- The creation of the Information Control Unit, whose mission is to prevent and reduce bad business practices, the implementation of improvements in business systems and the development of the Next Peak project, focused on ensuring the suitability of the databases used by sales channels, among other measures.

- The creation of the “Retail Market Management Sales Quality Unit”, whose mission is to improve the customer experience, reduce complaints and ensure regulatory compliance through quality surveys and training for partner companies.

Additionally, the measures included in this Plan for improving the Commercial Information Management System will mitigate the risk of incurring regulatory non-compliance such as the omission of relevant information to consumers, a fact for which Naturgy was sanctioned by the CNMC and which was rectified promptly.

Furthermore, regarding the tangible opportunity to facilitate customer access to innovative and efficient services that improve affordability and support the energy transition, Naturgy offers a range of products and services focused and tailored to meet the needs of different customer segments, through differentiated solutions and service delivered to the highest quality standards. Examples include solutions that promote self-consumption and savings through products such as "Virtual Battery," "Naturgy Solar," "Naturzero," and Energy Saving Certificates (CAE), all available in Spain.

[S4.SBM-3_07] During the double materiality assessment, Naturgy has developed an understanding of how certain customer groups may be significantly affected. To do this, firstly, customers have been identified who could present particular casuistry due to various factors, among others: regulatory reasons, economic or disabilities. This has made it possible to determine the particularities of each group, the risks to which they may be exposed and the necessary measures to be implemented to ensure adequate care and protection.

In parallel, Naturgy identifies and manages the most vulnerable groups through the following procedures, applied in Spain:

- The communication channels available with the social services of the town councils and third sector entities, enabled as a result of the Vulnerability Plan, make it easier for Naturgy to identify vulnerable customers, which means that these customers can be protected from supply cuts and their supply is ensured in their usual home.
- The contracting of marketing services to collaborating companies makes it possible to identify users with specific casuistic. As part of the commercial collaboration contract, an annex of good commercial practices is included, including some points related to people under 18 years of age, special attention to people who cannot understand the scope of the information provided to them (especially the elderly) and people in vulnerable situations (for example, people who receive the social bonus). During 2025, in addition, the individual signing of the commitment to good practices by each salesperson has been incorporated, integrating it as part of the onboarding documentation to be able to market Naturgy's products and services.
- In addition, in the contracting and service processes, essential electricity customers are identified and registered, and the supply cut-off process is blocked and their immediate replacement is activated if necessary.
- For customer service in physical stores, video call tools adapted for people with hearing disabilities have been incorporated, facilitating accessible communication and ensuring that they can manage their requests under the same conditions as other users.
- Additionally, a Dispute Resolution Method (ADR) is available to customers, through which they can propose an agreement to resolve their complaints. These proposals can be submitted through any of the available customer service channels.

[S4.SBM-3_08] In relation to the material risks and opportunities arising from impacts on vulnerable consumers, the company considers that the development of new services that promote energy efficiency, such as self-consumption products, represents a particularly relevant opportunity for these consumers, as it contributes to reducing their energy consumption and therefore their energy expenditure. In the case of the identified material risks, it is not considered that these may be aggravated in the case of vulnerable consumers.

Policies related to consumers and end-users (S4-1)

[S4.MDR-P_01-06][S4-1_01] Naturgy defines the principles governing its relationship with customers in its Statement of Principles and Policies and its Global Sustainability Policy. These principles are further detailed in the Customer Policy. Specifically, the company establishes guidelines focused on minimizing the impacts related to the information provided to customers and promoting their social inclusion.

[S4-1_04] The Customer Policy sets out the principles on which Naturgy's relationship with its customers is based. These principles are as follows:

- Respect for customer rights: This involves offering safe, efficient, and quality products and services in a fair and transparent manner, protecting privacy and personal data, avoiding deceptive business practices, and ensuring compliance with human rights in accordance with international regulations and standards.
- Active, clear and bidirectional communication: this involves ensuring accessible and effective channels for customers to communicate, receive understandable and truthful information, fostering continuous dialogue and adapting communication to their real needs.
- Inclusion, accessibility and positive social impact: by ensuring that products, services and care channels are accessible to all people, eliminating barriers and promoting social inclusion, especially of vulnerable groups, through accessibility initiatives, responsible digitization and inclusive language.
- Innovation and continuous improvement: through the promotion of technological and organizational innovation to improve customer experience and service efficiency, measuring and reporting key indicators, and periodically reviewing company policies and procedures to adapt them to regulatory, technological and social changes.
- Ethical and responsible use of automated care technologies: employing artificial intelligence and other technologies as support, always guaranteeing human attention when necessary; transparently informing the customer; preventing bias and discrimination; protecting the privacy and security of data; maintaining human supervision in critical processes and periodically evaluating the ethical and operational performance of these systems.

[MDR-P_04][S4-1_02][S4-1_03[S4-1_06] Naturgy, in both its Global Sustainability Policy and its Customer Policy, adopts as a guiding principle the respect for the human rights of its customers and end users, in line with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. This commitment translates into offering safe, efficient, and high-quality products and services under conditions of fairness and non-discrimination, protecting privacy and personal data, practicing honest and fair business practices, and guaranteeing transparent information on terms and conditions. The company maintains accessible and effective customer service and complaint channels and adapts its processes to ensure inclusion and accessibility, especially for vulnerable groups. Compliance with these principles is monitored through management and tracking systems, periodic audits, and the measurement of key quality and satisfaction indicators, enabling continuous improvement and adaptation to regulatory and social changes.

[S4-1_05] The Global Sustainability Policy establishes the principles for action in the event that the company identifies negative impacts on human rights. Specifically, it states that the company will develop the necessary measures to ensure adequate redress for adverse impacts directly resulting from its operations and will use its influence to promote the implementation of similar effective redress measures among its business partners.

[MDR-P_02][MDR-P_05] The Customer Policy applies to all companies or entities in which the group has, directly or indirectly, a majority stake or responsibility for their operation and/or management. Its definition takes into account, and includes within its scope, the consumers defined at the beginning of this chapter, as well as all end users, paying special attention to vulnerable groups through specific protection mechanisms, accessibility, and differentiated support. [MDR-P_03] The ultimate responsibility for implementation lies with the management of the group's units that have a relationship with customers.

[MDR-P_06] In the Corporate Policies section of the General Disclosures chapter, it is explained how the company defines the principles and commitments when incorporating the interests and concerns of stakeholders, as well as the mechanisms and channels established to make them available.

[S4-1_07] During 2025, no downstream cases of non-compliance with international human rights frameworks involving customers have been reported.

Processes for engaging with consumers and end-users about impacts (S4-2)

[S4-2_01] It is essential to establish an active dialogue that allows us to identify needs and satisfactorily resolve customer doubts, claims, and complaints. In this regard, the company uses various sources of information, including customer satisfaction and churn surveys, meetings with official consumer organizations, and product testing, among others.

The information obtained is used to define actions, both preventive and corrective, applicable in areas such as product and systems design, service delivery, and customer service. At Naturgy, two different methodologies are established based on the type of consumer input:

- **Corrective methodology:** when faced with specific customer problems, these are resolved on an individual basis, including complaints, poor ratings in surveys, customer complaints, etc., which are managed according to the processes and procedures established for each of them.

  For example, in the context of managing dissatisfied customers identified through a survey, a detailed analysis and direct management is carried out with these customers. This process is activated when an alert is generated in the system, and they are contacted personally to attend to and resolve their particular case.
- **Preventive methodology: i**n cases of widespread opinions affecting customer groups, information is gathered and the situation, which can vary greatly, is analysed to identify and assess the measures needed to eliminate and/or mitigate the issue. Customer feedback is also considered in product and service design testing, customer churn surveys, and the design of customer service. Another example is the consideration of customer feedback in service delivery surveys. This feedback is used to identify opportunities for improvement in both systems and the service offered through different communication channels. Additionally, AI-powered analytical methodologies have been incorporated into 2025 to detect patterns that drive improvement initiatives.

Engagement processes

[S4-2_02] Naturgy has various processes of constant dialogue with customers in the geographies where the company is present, and also with their representatives, aimed at managing the impacts that may arise in the different stages of the customer's life cycle. Each of the initiatives carried out has a specific scope (consultation or information), frequency and a different person in charge. The most significant examples are detailed below:

Dialogue with customer

- **Media communication campaigns:** Naturgy carries out permanent communication campaigns aimed at both customers and society in general. These campaigns, of an informative nature, cover various modalities, such as institutional, commercial or social, and are disseminated through a wide variety of channels and media, both at the global company level and at the particular level of a business or country. Responsibility for the execution of these actions varies depending on the scope, being driven the marketing units of the businesses and corporation.
- **Customer surveys or market research:** Naturgy conduct different dialogue actions directly with customers depending on the objective and need. Customer satisfaction and service quality surveys, carried out through various media such as telephone, are a fundamental tool to ensure continuous feedback. They help to identify critical points in the processes and guide the search for improvements. In addition, the results obtained, complemented with the analysis of the cases dealt with in the different customer service channels, facilitate the evaluation of the impact and effectiveness of the improvements implemented in the customer experience.

For example, in Spain, daily surveys are conducted with both customers who have contacted Naturgy for consultation purposes and those who have decided to terminate their contract with the company. These surveys are the responsibility of the Quality unit. Additionally, without a set frequency and as needed, the Marketing unit conducts customer studies for product design. These studies employ various research methodologies, including qualitative and quantitative research, and utilize a customer community with whom dialogue and interaction are established on specific topics.

At the international level, the Customer Service Directorate in both Chile and Argentina is responsible for ensuring that this company-customer interaction takes place, while in Mexico and Panama it is the Commercial Strategy Directorate.

- **Telephone call transcription**: Telephone calls are the main mechanism for dialogue with customers, so Naturgy has AI tools that allow it to transcribe the calls received, guaranteeing a complete and accurate understanding of the needs, thus avoiding missing any detail of the requests expressed.

Dialogue with representatives

- **With the social services of local councils and representatives of the third sector**: It should be noted that Naturgy participates in various forums and working groups in Spain aimed at alleviating the problem of energy vulnerability. In addition, in Spain, meetings are held periodically from the Vulnerability unit of the Commercialisation business with those responsible for the social services of the municipalities in which the company has a higher percentage of vulnerable customers. At these meetings, the needs of these entities are actively listened to and action plans are defined. Finally, the company participates in the public consultations that the Ministry for Ecological Transition and various regional governments carry out to approve measures.

  In Chile, meetings are held with administrators and community representatives, together with the commercial manager and the collaborating company, promoting collaboration aimed at addressing issues of community impact and strengthening interaction with stakeholders.

- **With consumer and arbitration bodies (Spain)**: permanent contact is maintained and regular meetings are held with the Directorates-General for Consumer Affairs or equivalent bodies in the Autonomous Communities, as well as with the Municipal Consumer Information Offices in the main cities of Spain, and with the main consumer organisations of greatest relevance.

  Fluid communication makes it possible to exchange the main news and concerns that arise on a day-to-day basis, with the aim of providing a swift response to customers' needs, avoiding as far as possible complaints that could go to second instance and potentially lead to the opening of disciplinary proceedings. The actions carried out are not only for consultation or information, but also for dissemination and training, always being at the disposal of the different entities, in order to carry out informative or training actions, whenever requested, or when an ad-hoc action is deemed necessary.

  The Customer Service Guarantee Office receives and resolves files from local councils' consumer bodies on a daily basis, and communication channels are made available to them so that they can pass on their concerns and queries regarding customer complaints, enabling a dialogue with consumer agents.

  In Brazil, during 2025, the company maintained its collaboration with consumer protection agencies, expanding dialogue and improving response times. Naturgy participated in all joint initiatives promoted by Procon Carioca (the consumer protection agency of the municipality of Rio de Janeiro) and Procon Estadual (the consumer protection agency of the State of Rio de Janeiro), reinforcing its commitment to the prompt and effective resolution of consumer complaints.

- **With regulatory bodies**: there is a permanent dialogue, although with no specific established frequency, in different areas of the administration and whose scope can be of a diverse nature, consultative, informative, etc. in relation to the activities that may affect customers.

[S4-2_05] The effectiveness of the collaboration processes is measured through the satisfaction of Naturgy's customers. Measuring satisfaction allows us to gather their opinions in order to evaluate quality standards, identify opportunities for improvement and detect needs and expectations. This measurement is carried out through two methodologies, which are applied in the different businesses and countries according to specific needs:

- **Contact point or transactional model:** the objective is to know the perception of Naturgy's customer in the interactions (contact points) of the main processes of its activity. This customer voice survey is conducted after each call, or sent to Naturgy customers who participate in any process (service, sales, store, website) and allows monitoring of the main quantitative and qualitative indicators of the customer experience. Together with the analysis of the texts of communications with customers, surveys with low ratings are analysed and reprocessed.
- **Positioning or relational model:** the objective is to know the assessment of Naturgy's customers and the competition, providing an overall assessment of the positioning or perception of the market. The satisfaction survey is aimed at customers and non-customers, whether or not they have had recent contact with the company, which allows the results to be contextualised by incorporating the vision of the competition, and is based on quarterly tracking with weekly distribution of surveys for the retail segment and half-yearly survey for the industrial segment.

The various studies and surveys conducted lead to the identification of key indicators, such as the Satisfaction Index, which assesses overall customer satisfaction with the company, among others.

Additional indicators are used to evaluate the effectiveness of collaboration. Specific metrics focused on resolving complaints and claims are used in all geographic regions.

In Mexico, an algorithm is used to analyse the frequency of words, phrases, and mentions related to the brand, allowing for the identification and evaluation of customer sentiment on social media.

In Argentina, for the gas network business, the systematized Service Level (SL) is used as the primary indicator to measure customer satisfaction. This is a regulatory indicator overseen by the National Gas Regulatory Entity (ENARGAS), whose objective is to ensure that at least 90% of calls are answered in less than 40 seconds. The systematized NdS (Network of Satisfaction) is also applied to the electricity network business to evaluate customer satisfaction, although in this case it is not a regulated indicator.

In Chile, there is a Customer Experience Desk, whose purpose is to identify and address those processes with the highest complaint rates that significantly impact operations.

Engagement with vulnerable groups

[S4-2_06] Naturgy takes into account the opinion of vulnerable customers for the management of impacts, either directly with them or through the public administrations that represent them. Their collaboration is an important aspect in defining and developing the actions to be implemented.

The following are examples of how their opinion has been taken into account in Spain:

- Campaigns to vulnerable customers to offer them debt relief.
- Campaigns targeting vulnerable customers to manage the application for the social bonus and access the regulated benefit.

The customer area plays a key role in identifying this group in order to reinforce the customer service channels for vulnerable customers and promote collaboration with the social entities that support them.

In addition, Naturgy has another specific service for third sector entities. Through this channel, NGOs and social entities can also streamline procedures and carry out formalities, as well as receive advice on their users' contracts.

This channel allows for a quick identification of vulnerable households. Social services contact the retailer and the company proceeds to protect these customers. Furthermore, in addition to the identification, they can quickly carry out various procedures to optimise the contracts of these customers, such as making transfers to the regulated supplier, power adjustments, processing the social bonus or debt instalments with more advantageous conditions than for other consumers. In addition, the identification of a vulnerable customer means that debt follow-up actions are paralysed and more continuous monitoring is carried out.

At the international level, it is the public administrations that identify which customers are vulnerable according to previously established criteria such as income or area of residence and communicate the register of beneficiaries to the distribution companies.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

[S4-3_01] For Naturgy, ensuring privacy and data protection is a relevant issue. Therefore, it complies with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 n the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as well as with all regulations related to this matter in Spanish legislation.

In addition, the company has defined a Global Personal Data Protection Policy, which ensures the proper treatment of data throughout its life cycle (from its collection and processing to its removal) and avoids any negative impact due to a breach in the processing of personal data.

On the other hand, procedures have been established for updating and correcting when new vulnerabilities are identified in the systems,in order to promote proactive action in the prevention of security incidents and in the analysis and management of information security risks. In addition, if group companies identify a breach of a customer's data protection rights, their first action is to immediately correct and reverse the situation that is causing the breach.

The detection of a breach of data subjects' rights can occur in several ways:

- The interested party itself notifies Naturgy.
- An agency informs Naturgy.
- Naturgy identifies it during an action.

Repair process and corrective measures

In Spain, when a data breach is detected, Naturgy takes steps to rectify the situation that gave rise to the breach and, if required, notifies the affected party and/or the Spanish Data Protection Agency (AEPD), if necessary. The remediation process depends on the specific right violated, the number of affected parties, etc.

For example, if the security of personal data is compromised due to a cyberattack targeting the Customer Area, Naturgy may proactively reset passwords and request that affected parties create new login credentials, thus ensuring the immediate protection and security of the information.

However, if an employee has mistakenly shared a customer's personal data with an unauthorized third party, remediation may involve notifying the employee of their error, reminding them of their obligations and best practices regarding data protection, and finally, notifying the AEPD and the affected party, if necessary.

In Argentina and Panama, customer data is accessed through the commercial management system, which resides on Naturgy's own servers and is accessible only from the company's internal network. Users with access to the commercial management system log in using usernames and passwords and are assigned a profile that includes the transactions they need to perform their work, following the principle of least privilege. In Argentina, user additions, removals, and modifications are reported by business area managers to Information Security for implementation, while in Panama, these are managed directly by business area managers. For customer service calls in Argentina, partner companies (call centres) use various platforms (CRM) with access to specific modules (billing and debt management) and read-only permissions to handle inquiries and complaints. In Panama, call centres access corporate applications via the web, using their credentials and backing up their access through cybersecurity protocols.

Customer service in Spain

Naturgy offers its current and potential customers a convenient customer service model, with agile and digital solutions, offering solutions adapted to each typology and seeking to maximise self-service.

[S4-3_02] Therefore, the customer service model is offered by telephone, email and post, as well as digitally via the web, social networks (X, Facebook, Instagram), Pepe (web Chatbot), Customer Area and WhatsApp, based on proximity, simplicity and multi-changeling, as well as service in different languages. Naturgy also offers customers its 130 shops throughout the country. In addition, for the industrial customer segment, it provides users with personalised account managers for their attention, as well as web tools, mail, call centre, etc.

In all channels, the customer experience is intended to be homogeneous. In addition, these contact channels are reported on invoices, contracts and on the website.

[S4-3_03] Naturgy, in order to guarantee the availability of customer service channels, develops several processes, which are described below:

- **Channels Managed by Third Parties:** the company guarantees the availability of the channels managed by third parties through the commercial contracts and Service Level Agreements (SLA) that they establish:
  - Minimum levels of trained staff to ensure care.
  - Specific response and resolution time commitments.
  - Penalties in case of contractual breaches.

  Performance is monitored with defined indicators, regular reporting and joint reviews with providers, and mechanisms are put in place through queue management, call routing and overflow between service platforms to ensure that the service is always available.

  In addition, the channels have contingency protocols to respond to any incident in real time and avoid interruptions due to technical failures or other unavailability unrelated to the service. Likewise, a dedicated technical and operational support team is available to respond to possible incidents.
- **Own channels: (Web and Client Area)**
  - Cloud infrastructure: the Client Area operates on a cloud platform that ensures availability of more than 99.9%, backed by systems with redundancy and scalability. This allows for continuous operation even at peak demand.
  - Business Continuity Plan (BCP): the company has a BCP designed to minimise the impact of possible system outages. This plan includes clear protocols to restore operations in the shortest possible time, ensuring that services are available to customers in these scenarios..
  - Real-time monitoring: use of advanced real-time monitoring tools that monitor system performance and detect potential failures before they affect operations. These tools issue automatic alerts, allowing proactive action to prevent disruptions.

To provide continuous support to these channels, in the event of any incident, the company has a specialised technical team that is available 24 hours a day, 7 days a week, to resolve problems quickly and efficiently. This team operates under defined Service Level Agreements (SLAs), which guarantee response and resolution times in line with customer expectations.

[S4-3_04] In addition, Naturgy has a Quality Management System certified by TÜV Rheinland under the ISO 9001 standard, which guarantees that the processes comply with standards of recognised prestige, particularly in the commercialisation of services. It also has various tools and methodologies that support the quality assurance system in the processes, ensuring the proper provision of services to customers, such as:

- **IT systems:** they support the processes and activities carried out and promote the homogeneity of actions, mitigate errors, favour traceability and control of the provision of services.
- **Data-driven analytics and technology:** use of advanced artificial intelligence (AI) models and advanced analytics tools to monitor and evaluate interactions between customers and agents. These technologies enable the identification of satisfaction patterns, main causes of complaints and recurring concerns.
- **Documented information (procedures):** associated with the processes and operating manuals of the different operations to be carried out, which enable the management of knowledge and homogeneity of the service, available on different platforms depending on the process or activity to be developed.
- **Training**: enables the development of the different processes or activities both for our own personnel and for collaborating companies, promoting the transfer of knowledge and the homogeneity of operations.
- **Process quality indicators**: the degree of compliance with the established parameters is evaluated and, if necessary, allows preventive or corrective actions to be taken. Quality monitoring sessions are held with the channels to guarantee these indicators.
- **Quality controls**: for different processes or activities carried out, such as mystery shopper, listening to customer service and sales recordings, service quality inspections, etc.

[S4-3_05] Naturgy assesses whether customers know and trust the aforementioned channels, through the surveys carried out with the Touch Point or Transactional Model. This model allows measuring the satisfaction of customers who have had an interaction with the company and is described in the section "Dialogue with customer" of this chapter.

Among the established practices for customer dialogue, Naturgy maintains a permanent community of residential and SME customers in Spain. Through this community, and via a digital platform that facilitates online interaction with users, specific studies are conducted on products and services.

[S4-3_06] The processing of the information collected that the company does through these surveys is always used in an aggregate manner in accordance with the Global Personal Data Protection Policy and, only in the event that a customer shows dissatisfaction, the company contacts the customer to rectify and repair the situation that caused the customer's dissatisfaction. In any case, the company does not use these channels to exercise any kind of retaliation with its customers.

Customer service in Latin America

In the Latin American area, gas and electricity distributors provide full customer service from supply to billing and customer care. Customer service in the field of electricity and gas networks business in Latin America is focused on taking advantage of the technological benefits of digitalisation to automate, streamline and simplify processes and offer customers an increasingly autonomous and multi-channel service experience.

[S4-3_02] Customer service is offered through different channels, adapted to each region, where customers can express their concerns or needs directly to the company, which responds to them. In Panama, Chile, Mexico, Brazil and Argentina, there are face-to-face customer service centres, call centres and virtual channels (e-mail, virtual office, website, mobile app, social media) based on proximity, simplicity and multi-channeling.

[S4-3_03] [S4-3_04] Both, the processes for ensuring the availability of Naturgy's channels and the methods for monitoring, controlling the issues raised and ensuring their effectiveness, differ from country to country. These procedures by country are:

- **Panama: t**he regulatory body requires the availability of in-person, telephone, and online channels. The customer service unit is responsible for these channels, which are managed by third parties. It also monitors their availability through agreements based on service level indicators, in accordance with current regulations. These indicators are reported monthly.

  As a quality control measure, a committee conducts continuous monitoring to identify preventative actions that improve the customer experience and pinpoint sources of dissatisfaction. Corrective and preventative actions are then established to minimize the negative impact of customer dissatisfaction. To this end, repeated customer requests are analysed to identify the root cause of the problem and improve process efficiency, aiming to provide a response from the first contact.

- **Chile:** the gas distributor's customer service management is outsourced through the commercial and emergency call centre and the commercial offices. This also includes the technological platform for video calls and the Online Help Centre. The availability of all customer service channels is required, monitored, and guaranteed, in accordance with the criteria established in the Gas Network Service Regulations, Decree No. 67. Furthermore, availability and compliance are ensured through service and attention levels, adhering to a response time that guarantees the channel's effectiveness and continuity.
  Calls are automatically recorded and stored for monthly quality audits using random samples defined by quality guidelines. Additional audits are also conducted when any errors or omissions in customer service are detected. An SAP CRM module records Contact Completions (CCCs), detailing the reason for the inquiry, the date, and the person responsible for providing the service.

- **Mexico:** virtual channels, as well as telephone and messaging channels, are available around the clock. As for the face-to-face service centres, they are available during the established service hours.
  The follow-up of the issues raised is managed through a comprehensive platform that allows for a back-up of all incoming and outgoing calls with customers, and through manual call calibrations and evaluations, process improvements are made as a result of listening to customers and interactions with agents.

- **Brazil:** all customer service channels in Brazil (telephone, in-person, and digital) are equipped to handle customer concerns and needs. A specialized back office is dedicated to managing complaints and claims, contacting customers, monitoring deadlines, and providing personalized responses. This back office also analyzes recurring issues to improve customer service processes and team training. The Minha Naturgy Portal stands out as a self-service platform available online, having become the primary channel for automated customer service and handling the highest volume of digital interactions. Furthermore, the WhatsApp chatbot service has seen significant improvement, with a notable increase in the number of requests resolved automatically, reinforcing Naturgy's commitment to agile and efficient solutions. To further expand adoption and encourage the use of the Minha Naturgy Portal, strategic marketing campaigns were launched in 2025, clearly highlighting the functionalities available to users.
  Additionally, to cater to diverse customer preferences, in 2025, collaboration with the Brazilian postal service was strengthened, expanding the network of in-person service points and offering greater convenience for users who prefer to handle their transactions in person.
  Furthermore, complaints received through the Reclame Aquí platform were managed efficiently and transparently, generating positive feedback and strengthening customer trust in Naturgy.
  Thus, in 2025, the company continued reviewing its customer service procedures to simplify and streamline the customer experience. For users who did not feel fully supported at the first level, the availability of second-instance channels was enhanced. Likewise, the Customer Advocate's Office identified opportunities for improvement, leading to more transparent and efficient processes, meeting the goal of providing an initial response within a maximum of four hours and guaranteeing a personalized analysis in each case.

- **Argentina:** In Argentina, the availability of an interactive voice response (IVR) platform and the Cognitive Contact Center (CCC) tool for the gas business, based on artificial intelligence, stands out. This allows customers to interact with a virtual assistant that provides clear, helpful, and concise answers, available 24/7. In addition, a self-service terminal system has recently been implemented, including a video call module for customers to make inquiries and complete simple procedures, thus facilitating a more accessible and autonomous experience for users. Furthermore, regulatory bodies require the availability of in-person and telephone channels. The Customer Service Department in the gas business and the Commercial Department in the electricity business have internal procedures that allow them to monitor the status of these channels and ensure their availability through alerts.
  The performance of each channel is analysed periodically using dashboards, where opportunities for improvement are identified. Once implemented, their evolution and acceptance are measured. In addition, a self-service system for inquiries, actions and complaints has been implemented, which is positively valued by customers.

[S4-3_05] In Argentina, Chile, Brazil and Panama, the level of customer confidence with the channels is assessed through satisfaction surveys related to their experience in the complaints process. In Mexico, key performance indicators such as first contact resolution, number of cases escalated to resolution areas, frequency of recurring customer requests, number of unique customers and resolution time are analysed. These indicators provide direct information on users' perception of the quality of service received and their confidence in the channels available. This information is obtained through unique surveys conducted after each customer interaction, allowing for accurate measurement of the customer experience across all service channels.

[S4-3_06] In compliance with the Global Personal Data Protection Policy, in Latin America, the data of whistleblowers are also safeguarded with strict confidentiality. In the case of Naturgy's collaborating companies, in the specific contracting conditions, a confidentiality agreement is signed, which is strictly complied with. This guarantees that under no circumstances may reprisals be taken against the customer.

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)

[S4-4_05] Naturgy has structured processes that result in actions aimed at identifying, preventing and, if necessary, responding to actual or potential negative impacts that may affect customers. These processes include the design and execution of operations from the sales and commercialization process, through the provision of the service and customer service throughout the customer's life cycle with the company. [S4-4_06] The ultimate goal is to take a comprehensive, preventive and reactive approach to managing material negative impacts arising from inadequate management of customers' personal information.

[S4-4_07] Naturgy has specific procedures for correcting and remedying breaches of rights related to the protection of personal data, designed individually according to the type of breach, without there being a common standard procedure for all of them. Additionally, the control mechanisms for such repairs are also adapted in a particular way to each type of violation.

[S4-4_10] The company also works to ensure that business practices and data use do not have a negative impact on consumers through an ethical and transparent approach. In marketing activities, the company ensures that customers are informed and give their explicit consent to the use of their personal data, in compliance with current data protection regulations. In the event of a breach of the processing of personal information, the company carefully assesses the potential impact on end users, always seeking alternatives to minimise any harm. In addition, it has implemented various measures to manage these impacts, which are described below.

[S4-4_11] It should be noted that the company maintains a firm commitment to respect and protect human rights in all activities, including customer relations. At present, no problems or serious cases have been identified or received regarding human rights related to Naturgy's customers.

[S4-4_12] Naturgy has specialised teams that ensure regulatory compliance and define and implement actions aimed at preventing and, if necessary, mitigating negative impacts on customers, relying on technological and financial resources to manage material impacts on operations and take advantage of opportunities arising from sustainability aspects.

[S4-4_04] Finally, the company carries out monitoring and evaluation of the effectiveness of the actions and initiatives that it sets up by establishing objectives on key metrics, such as the Net Promoter Score (NPS), the customer satisfaction index and the volume of complaints received. It also analyses customer feedback, conducts regular surveys and monitors response times and quality in customer service channels. Internal reviews and sector benchmarking are also carried out to ensure continuous improvement and alignment with best practices in the market. These mechanisms make it possible to adjust the actions developed and guarantee an optimal customer experience.

[MDR-A_06][MDR-A_07][MDR-A_09][MDR-A_10][MDR-A_11][MDR-A_12] In economic terms, the actions disclosed below require a financial contribution from Naturgy in the form of capital investments and associated operating expenses is not significant, and is consolidated in larger economic items, since at accounting level it is very difficult to provide individualised details of these items.

Below is a description of the actions that Naturgy has developed in 2025 to address both negative impacts and promote positive ones, as well as to mitigate risks and take advantage of material opportunities. The actions are focused on managing the impacts derived from the treatment of customer information and promoting the social inclusion of customers.

Actions to manage negative and positive impacts

[S4.MDR-A_01-12] In Naturgy, the commitment to excellence in customer service is reflected in concrete and proactive actions. For this reason, the company works continuously to prevent, mitigate and repair any significant negative impact, implementing measures adapted to their particular circumstances.

[S4-4_01] The negative impacts identified are current, not potential. Therefore, it has been provided the necessary corrective actions to provide or contribute to the remediation of the current impact related to the breach in the treatment of personal information.

Furthermore, the company is working to generate positive impacts by increasing data availability, improving security, and enhancing operational efficiency for the customer experience. This is achieved through the promotion of digital transformation, via initiatives such as the Newco project and the new virtual office, as well as obtaining the website accessibility certification in Spain. Additionally, actions are being taken to promote social inclusion and contribute to the fight against energy poverty through an Energy Vulnerability Plan.

The following section describes the actions aimed at managing the positive and negative impacts related to information for consumers and/or end users mentioned above, and the actions related to the social inclusion of consumers and/or end users.

Measures of Data Protection [S4-4_03]

Naturgy performs all necessary actions to comply with the legislation on data protection when it is responsible for the processing of data, among which include, but are not limited to, the following:

- It processes personal data in a lawful, fair and transparent manner.
- It collects data for specified, explicit and legitimate purposes.
- It minimises the data subject processing.

- It updates the data, providing data subjects with simple systems for this update.
- It limits the data storage periods.
- It applies appropriate technical and organisational measures to guarantee the security, integrity and confidentiality of the data.
- It obtains the consent of the data subject for processing whenever necessary. › It introduces simple and adequate mechanisms so that the data subject, directly or through their legal or voluntary representation, can exercise their rights pursuant to prevailing legislation.
- It chooses processors that offer sufficient guarantees to implement appropriate technical and organisational measures to ensure that the data processing is carried out in compliance with the requirements of the relevant legislation. It also enters into contracts with such data processors under which the data processor will only process the data in accordance with the instructions of the data controller, and will not apply or use the data for purposes other than those stated in the contract, nor disclose them, even for storage purposes, to third parties.
- It keeps a record of data-processing activity.
- It carries out the impact assessments it deems appropriate.
- It has a collegiate body that acts as Data Protection Officer.
- It performs audits to guarantee compliance with data protection regulations.
- It includes specific guidelines for action in the field of information and knowledge processing in the Code of Ethics. In this regard, all Naturgy employees and suppliers must comply with the legislation in force in each of the countries in the field of data protection, respecting the right to privacy and protecting the personal data entrusted by its customers, employees, suppliers and external collaborators or other persons. Failure to comply with the Code of Ethics may result in the application of appropriate sanctions.
- Specific clauses are included in the contracts with the sales channels and the best practices guide.
- It ensures the authentication of authorised users on the systems through systems and procedures .
- It confirms the traceability of the contract by the customer: a series of communications are sent by e-mail or SMS including, inter alia, access to the contract signing and downloading portal, acceptance of the use of personal data, notification of activation or non-activation of the contract in case of refusal, and assistance in reprocessing.
- It controls the quality of sales with verification calls to customers.
- Termination of contracts with suppliers that manage sales channels in case of non-compliance.
- Incorporation of the individual signature by each salesperson of the commitment to good practices as part of the onboarding process

In 2025, Naturgy has received 66 requests for information from the Spanish Data Protection Agency (74 requests in 2024), which have been duly dealt with and, at the date of preparation of this report, none of them has resulted in a sanction.

Newco Project. Spain [S4-4_03]

[MDR-A_01][MDR-A_02][MDR-A_03] This project seeks to transform the operating model of the marketing company to achieve excellence in customer service, particularly in the residential segment, and to be a benchmark in the sector.

The project is structured around three fundamental areas of action: systems, processes and culture. In the case of systems, new technological tools have been implemented, including a CRM system, an invoicing system, and a customer service and sales front-end. In the area of processes, the simplification of aspects such as price plans or the product portfolio. Finally, in terms of culture, continuous improvement is promoted, based on agility for optimisation and data-based decision-making.

The work plan has been structured in three phases, which are:

- **Design and implementation:** operational diagnosis, implementation of critical systems, roll-out to first customers.

- **Portability:** mass transfer of customers and scaling of systems to the entire customer base.
- **Operational stabilisation and optimisation:** prioritisation of resources, monitoring and improvement of customer service.

[MDR-A_05] Currently, the project is implemented and is in a phase of continuous improvement.

Improving the industrial customer experience (new virtual office). Spain [S4-4_03]

[MDR-A_01][MDR-A_02][MDR-A_03] The short-term project consists of the design and implementation of a new area designed to meet the specific needs of industrial customers. This development has been carried out with an integrated approach, considering the perspectives and needs of all the agents involved, including customers, operations, sales force and systems.

The main objectives of the action are:

- **Improving the customer experience**: creating a platform that facilitates interaction and service management for industrial customers, improving their satisfaction and loyalty.
- **Optimisation of operations**: integrating efficient operational processes that allow for a more agile and effective management of customer requests and needs.
- **Sales force support**: providing tools and resources that enable the sales force to offer a more personalised and effective service.
- **Innovation in systems**: implementing advanced technological solutions to support the operation and management of the new customer area.

[S4-4_04] In order to monitor the development project of the new industrial customer area, it has been essential to implement a structured process that includes the definition of clear objectives. In addition, it has been essential to create a detailed schedule, allocate adequate resources and hold regular meetings to review progress, identify and mitigate risks, as well as maintain open and transparent communication with all stakeholders to collect and act on the feedback received.

During the development of the new industrial office project, several key meetings have been held to ensure its success. Project committees have met fortnightly to review overall progress, make strategic decisions and approve major changes. Weekly working meetings have allowed the operational and development teams to coordinate, resolve issues and adjust tasks as needed. Business meetings, held fortnightly, have been crucial in aligning the expectations and needs of the business team with the project objectives. In addition, user testing has been conducted where direct feedback from industrial customers has been gathered to make continuous improvements to the platform. These tests have been fundamental to ensure that the final solution meets the real expectations and needs of the users.

On the whole, these meetings and tests have ensured effective communication, adequate risk management and successful project implementation.

[MDR-A_05] Between 2024 and 2025, Naturgy demonstrated significant progress in managing the impacts on consumers and end users, strengthening data protection controls. This resulted in a reduction of data protection requirements (from 74 to 66) and an expansion of the commercial control alert detection range from 30 to 50 scenarios. Furthermore, the company consolidated the operational transformation of the NewCo Project and optimized the new virtual industrial office, improving operational efficiency. These improvements reflect the maturation of the systems implemented in 2024 and their evolution towards more proactive, robust models focused on service quality and customer protection.

Energy Vulnerability Plan [S4-4_03]

Energy vulnerability in Spain

[MDR-A_01][MDR-A_02][MDR-A_03] The Energy Vulnerability Plan of Naturgy is a strategy designed to support customers facing difficulties in accessing energy supply. Its main objective is to facilitate payment and optimise the necessary procedures, prioritising the needs of people in vulnerable situations.

[MDR-A_05] As a result, during the year 2025 more than 79,000 actions have been carried out on vulnerable clients and more than 80,000 applications for social bonus have been processed.

As mentioned above in the "Collaboration with vulnerable groups" subsection of this chapter, identification work is carried out to optimise customer service channels for vulnerable customers. The company also provides another specific customer service for those entities belonging to the third sector that represent these groups.

Additionally, in compliance with RD 897/2017, which regulates the figure of the vulnerable consumer, the social bonus and other protection measures for domestic consumers of electricity, Naturgy sends weekly to the bodies established by each autonomous community, the list of electricity supply points to which payment has been required. In this way, the regional administrations are informed of situations of non-payment so that they can take the measures deemed appropriate.

In relation to the social bonus, Naturgy has ended the year with approximately 211,000 customers who receive the discount on their electricity bill, in accordance with the regulations set by the government for households considered vulnerable due to their socioeconomic conditions.

In addition, the work of the Naturgy Foundation reinforces the company's commitment to protecting vulnerable groups, expanding the reach of regulated measures through social initiatives that address the root causes of energy vulnerability. Through housing rehabilitation programs, energy efficiency training, social innovation projects, and an active volunteer network, the Foundation helps reduce energy consumption, improve housing conditions, and provide sustainable solutions to families and social organizations that support these groups. These actions, developed in partnership with various third-sector organizations, complement the company's operational measures, strengthen support channels, and enable more comprehensive, inclusive, and sustainable responses.

Energy vulnerability in Latin America

- **Argentina**: vulnerable customers are identified by the public administration, according to criteria based on family income, registrable assets, social assistance, disability, etc. The State creates a register of customers who should receive tariff subsidies, classified into different levels, with the most vulnerable segment being Social Tariff customers located in cold areas (also defined by the State).

  Each month, both business receive the register of subsidy beneficiaries. The file is processed so that the company’s systems can properly identify the supply points subject to this special pricing and issue the subsidised bill according to the level assigned by the administration

- **Brazil**: vulnerable clients are registered in one of the government programmes for low-income citizens in vulnerable situations, the “Minha Casa Minha Vida” programme or the “Morar Carioca” programme.

  The customer submits to the distribution company a series of documents proving that they meet the requirements to be a beneficiary of the social tariff for piped gas. The social tariff offers a discount on the first two consumption brackets of the current tariff table.

  Beyond the discount on the bill, the management of vulnerable customers is the same as that of other customers in terms of collections, supply cuts or supply point management.

- **Mexico:** vulnerable customers are considered to be those people over 60 who live in areas considered socially marginalised given the value of the properties in which they reside and who consume an average of 20 m3 of gas per month. For these customers, the company applies a lower tariff for their consumption.
- **Panama:** vulnerable customers are those living in areas considered socially marginalised given the value of the properties in which they reside and social security. The company applies, in accordance with current regulations, a percentage subsidy assumed by the government. In addition, it offers payment agreement options with more comfortable instalments and longer terms.

Support plan for those affected by the cut-off low in Valencia. Spain [S4-4_03]

[MDR-A_01][MDR-A_02][MDR-A_03]] In view of the situation caused by the impact of the cut-off low that took place at the end of 2024 on the population in general, and Naturgy customers in particular, in several towns in Valencia, the company has developed an aid plan aimed at those affected with the aim of supporting those customers who are in a situation of vulnerability.

Likewise, the aid initially defined until January 31, 2025, extendable according to customer demand, has been extended until February 28, 2025.

The main measures implemented include:

- Payment for the repair and/or replacement of household equipment (indoor gas installation, boilers and heaters) to all affected customers.
- Aid of €300 to all affected residential customers to guarantee hot water, hygiene and food (fridges, washing machines and heat pumps). Agreement with the Divelsa chain (Euronics / Tien21) and Comelsa (Milar).
- Aid of €600 to businesses (bars, bakeries, markets, laundries) and public service companies (schools, residences, health centres, etc.) affected to guarantee the restitution of services in the localities. Agreement with the Divelsa (Euronics / Tien21) and Comelsa (Milar) chains.
- Proactive call and free installation check for all gas customers, prioritising the most affected areas.
- €2,000 to all customers with solar panels for the replacement and/or repair of their equipment.
- Forgiveness of the total amount of the bill corresponding to the month of November (being the one with end date in November for electricity and end date November or December for bimonthly gas supplies) to residential and SME gas, utilities and electricity customers in the affected areas.

[MDR-A_05] As of December 31, more than 10,000 calls have been received from users, which have generated a total of around 3,000 actions.

Strengthening transparent communication with customers (Brazil) [S4-4_03]

[MDR-A_01][MDR-A_02][MDR-A_03] In 2025, Naturgy reinforced its commitment to respecting consumer rights by intensifying its proactive, clear, and accessible communication efforts, with the aim of improving customers' understanding of energy consumption. Taking into account the seasonal nature of the period, initiatives specifically targeted the winter months were developed, in line with typical consumption habits during this time.

The main measures implemented include:

- Publication of educational content on the Minha Naturgy portal, including guidance on the importance of accessing meter readings.
- Implementation of a consumption simulator on the Minha Naturgy portal, offering greater clarity to customers regarding their consumption and the calculation of their bill.
- Production and dissemination of a video with good consumption practices, available on social networks and the Minha Naturgy portal.

- Sending communications via WhatsApp, with recommendations for the efficient use of natural gas during the winter.
- Development of preventive and transparent communication on situations that could imply the suspension of supply, providing advance information and regularization opportunities in cases of debt recovery or delinquency.
- Specific reminders regarding the Periodic Gas Inspection, highlighting the importance of compliance with technical requirements and informing of the deadlines for submitting non-compliance reports.

[MDR-A_05] With these initiatives, Naturgy reaffirms its commitment to maintaining a transparent and responsible relationship with its customers.

Actions to manage risks and opportunities

[S4-4_08] When it comes to managing potential risks, it has been implemented actions such as the improvement plan for the Commercial Information Management System and the Global Personal Data Protection Policy and associated measures, described above.

Development the Commercial Information Protection Management System. Spain [S4-4_09]

[MDR-A_01] [MDR-A_02] [MDR-A_03] The improvement of the Commercial Information Protection Management System in Spain has the short-term objective of enhancing sales quality, as well as detecting and mitigating unfair business practices. To this end, all complaints are recorded, the processes that led to these complaints are analysed, and improvements are proposed to optimize information management.

[MDR-A_04] Initially, online hiring procedures were reviewed and security measures and web form design were implemented.

Currently, work is underway on more than thirty improvement actions in the areas of processes, technology and organization.

[MDR-A_05] In 2025, important new developments have taken place that mark a significant advance in mitigating this risk:

- Establishment of the Commercial Information Control Unit, whose responsibilities include improving the quality of sales.
- Implementation of numerous improvements in the lead generation process and progress in the implementation of "The Next Peak" as a lead provider for partner companies that allows filtering of databases.
- Implementation of daily alerts for the detection of abnormal behaviours.
- Establishing relationships with Cybersecurity to restrict mass access to personal data by blocking bots.
- Implementation of daily alerts to detect anomalous behaviour, which are communicated to sales managers daily and weekly, in addition to a process for blocking users. During 2025, the alert detection system was expanded from the original 30 scenarios to 50.
- Creation of the Sales Quality Unit of the Retail Market Directorate, whose mission is to improve the customer experience, reduce complaints and ensure regulatory compliance through quality surveys, training of collaborating companies, operational quality management and continuous improvement projects.
- Adaptation of telephone numbers in compliance with Ministerial Order TDF/149/2025, of February 12, which establishes measures to combat identity theft scams through fraudulent calls and text messages and to guarantee the identification of the numbering used in the provision of customer service and making unsolicited commercial calls.
- Launch of the Basic Commercial Accreditation through the mandatory completion of the accreditation course on the NEWTON e-learning training platform as part of the commercial onboarding process.

- Mandatory signing and completion of the Supplier Evaluation Questionnaire (SEC). This document, mandatory in supplier approval and control processes, includes questions on regulatory compliance (GDPR), security measures, designation of a data protection officer, as well as contracts and supporting documentation that the supplier must answer and justify. Its objective is to assess risks, ensure legal compliance, and confirm that the supplier offers the necessary guarantees before commencing any activity.
- Access to marketing systems is guaranteed to come only from countries within the European Union.

The opportunity to facilitate customer access to innovative and efficient services that improve affordability and support the energy transition is addressed with a customizable consumer commercial offering, consisting of products and services that best suit their needs.

Development of a customized commercial offer. Spain [S4-4_09]

[MDR-A_01] [MDR-A_02] [MDR-A_03] Naturgy maintains a constant commitment to offering a commercial offer that is committed to the energy transition and adapted to the various customer profiles identified.

[MDR-A_05] In 2025, Naturgy has maintained the commercial offer of recent years, highlighting:

- Promotion of individual self-consumption, collective self-consumption and PPA model, charging of electric vehicles in all segments, as well as associated services.
- A portfolio of rates segmented according to the needs of each type of client:
  - Residential: fixed price per kWh, with and without time-of-use pricing for electricity, or a personalized flat rate for electricity, or a fixed price or personalized flat rate for gas.
  - SMEs and homeowners' associations: fixed price per kWh for electricity adapted to different consumption periods, fixed prices for gas, and prices indexed to the market, both for electricity and gas.
  - Industrial and business sector: a wide range of flexible gas and electricity solutions with a focus on renewables, providing services geared towards decarbonization and managing subsidies for its clients. For these solutions, Naturgy offers a comprehensive service that includes the initial study, solution planning, installation, subsidy management, and maintenance throughout the contract, ensuring maximum efficiency.

    In this segment, the commercial offer is also adapted according to reference price indices, in addition to providing fixed prices that allow clients to secure their costs in the medium and long term.
- For all customers marketed under the company Naturgy Clientes, SAU, both residential and SMEs, 100% of the electricity sold is of renewable origin.
- For retail customers, the Multienergy Plan, an initiative launched in partnership with Moeve, offers an exclusive benefit for customers of both companies, combining electricity, gas, maintenance services, and solar energy with fuelling and electric vehicle charging. The initiative allows customers to accumulate credit for each fuelling or charging session and use it to reduce their energy bill or for future fuel purchases. In its first year, more than 100,000 customers have joined the program.
- For industrial customers, the option to purchase green electricity through the allocation of Guarantees of Origin equivalent to the previous year's consumption—managed by the CNMC—and CO2-neutral gas, offset by CERs (Certified Emission Reductions)—a process certified by AENOR. Furthermore, the sale of biomethane, a renewable gas, with Guarantees of Origin is being promoted.
- For industrial clients, we offer advanced self-consumption and energy storage solutions with high-efficiency batteries, measurement and management of the carbon footprint, sale of compensation and neutralization credits generated from CO2 absorption projects, training in sustainable energy, evaluation and certification of the performance and environmental impacts of client buildings in various areas, such as energy consumption, water management, materials used and indoor air quality.
- For industrial clients, the purchase of CAE (Energy Saving Certificates) is also offered, including everything from technical analysis to administrative management.

- Development of new maintenance services that reinforce the commitment to peace of mind in the home and in SMEs: from Servigas (focused on the supply and equipment of gas), Servielectric (supply and equipment of electricity), Servihogar (services for the home) and Servisolar (specific for self-consumption installations).
- Solutions for home equipment renovation to improve comfort and energy efficiency, including financing options, extended warranty and maintenance.

Development of a customized commercial offer. Chile [S4-4_09]

In 2025, Metrogas and Gas Sur continued to strengthen their commercial offering, focused on meeting specific customer needs and facilitating more efficient energy consumption management.

Among the most noteworthy solutions are “Metrobolsa”s and “Bolsas Gas Sur”, innovative products that allow customers to purchase, on a prepaid basis, bags of cubic meters of natural gas specifically for heating. These products contribute to greater stability in customers' energy expenditures by eliminating the uncertainty associated with price fluctuations throughout the year, ensuring greater control over their spending. In 2025, 33,582 Metrobolsas were sold, equivalent to 40.6 million m³ of natural gas. Furthermore, 88% of customers who purchased Metrobolsas in 2024 bought them again in 2025.
In the case of Gas Sur, 3,634 bags were sold in 2025, with a repurchase rate of 83%.

Also in 2025, Metrogas launched the “Tu Tienda Metrogas” marketplace, a digital platform that provides customers with easy access to products that run exclusively on natural gas, with free shipping, certification on all products, and the option to pay in up to six interest-free instalments. This initiative aims to simplify the shopping experience, promote the safe and efficient use of natural gas, and advance the digitalization of services.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

[S4.MDR-T_01-13] Setting targets is fundamental to managing identified impacts, risks and opportunities because it provides clear direction and a framework for decision-making. It also allows for monitoring the effectiveness of policies and actions.

[S4-5_01[S4-5_02][S4-5_03] Customers participate indirectly in the setting, monitoring and identification of improvements through the responses to the actions carried out or the satisfaction surveys where needs and expectations are collected.

Objectives related to actions addressed to consumers and/or end-users

Global satisfaction with service quality and Net Promoter Score (NPS)

[MDR-T_01] Naturgy evaluates the effectiveness of the actions aimed at managing impacts, risks, and opportunities, presented in the previous section, through the objectives established in the 2025-2027 Sustainability Plan. The overall satisfaction level indicator with service quality is a consolidated metric at the group level and, in addition to signalling efficient management of impacts, risks, and opportunities, positive results also constitute a key reference for gathering customer feedback, evaluating quality standards, and understanding their needs and expectations regarding the services offered by the company. [MDR-T_08] It should be noted that this target do not have milestones or interim targets.

[MDR-T_09] To define the target, the evolution of historical data has been analysed the impact that the actions implemented by the company could have on the performance of the indicators has been taken into account.

The performance of the objective in 2025 is presented below:

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Global satisfaction with service quality (1-10)	2025	2022	8.7	7.6	7.9	7.6

[MDR-T_11] Naturgy considers excellence and customer satisfaction as fundamental pillars of its strategy and takes them into account when defining its objectives in order to ensure that the services provided meet the highest standards of quality, safety and reliability to satisfy its customers.

[MDR-T_12] Likewise, this target has not changed in the indicator used, although there have been variations in the calculation methodology due to the incorporation of the electricity network business in Argentina into the measurement and the homogenization of the measurement in the gas network business in Mexico..

[MDR-T_13] Regarding performance, the indicator shows a slight decrease in 2025 compared to the previous year. This variation is mainly explained by two factors. First, an update to the evaluation methodology was applied to the gas network business in Mexico, standardizing its calculation methodology with that of the other countries. This methodological adaptation reduced the satisfaction score compared to the previous year. Second, the scope of the measurement was broadened with the inclusion of the electricity network business in Argentina, which has a different starting point in terms of maturity and customer experience, thus contributing to moderating the overall result.

In the other countries, performance remains within a range consistent with previous years and does not reflect significant changes in customer assessment of the service provided.

No. of complaints registered / No. of contacts (%)

[MDR-T_01] The 2025-2027 Sustainability Plan has established the indicator "number of complaints registered / total number of customer contacts (%)" with the aim of reducing incidents related to the information provided to customers. Through this objective, the company seeks to improve the customer experience, ensuring efficient and high-quality service. [MDR-T_08] It is important to highlight that this objective does not have milestones or interim targets.

The performance of the objective in 2025 is presented below:

MDR-T_02; MDR-T_03; MDR-T_05; MDR-T_06

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
No. of complaints registered / No. of contacts (%)	2025	2022	3.59	3.09	3.33	4.8

[MDR-T_11] In addition, through feedback from management assessment and satisfaction surveys, which identify needs and expectations, customers and end-users have indirectly contributed to the definition of the objectives.

[MDR-T_09] To define the targets, the evolution of historical data was analysed, and the potential impact of future scenarios on indicator performance was considered. The indicator is composed of data from the different countries where Naturgy operates and is consolidated by calculating a weighted average of the data obtained.`

[MDR-T_12] On the other hand, the target has not presented any changes in the parameters, measurement methodologies, hypotheses, limitations, sources or data collection processes.

[MDR-T_13] A monitoring of the performance of the target is carried out by the areas involved in claims management across different countries and business units.

In 2025, a slight improvement in the complaint-to-contact ratio is observed, explained by a general decrease in complaints across all countries, accompanied by an increase in the number of contacts. Despite this improvement in customer service operations, the overall satisfaction indicator has not evolved as positively, as it responds to more complex dynamics based on customers' subjective perceptions, which can be affected by external factors unrelated to the complaint handling process.

04. Business conduct

One of Naturgy's guiding principles is to be a company where integrity and trust are the foundations on which the business model is based. For that purpose, the company has different policies, procedures and governing bodies that allow it to aspire to be accountable, transparent and transparent. committed to all stakeholders, as set out in the main recommendations recommendations of the national and international standards.

The role of the administrative, supervisory and management bodies (GOV-1)

[G1.GOV-1_01] In addition to the information provided in section 2. Governance in the General disclosures chapter of this report, the key role and experience of the administrative, management and supervisory bodies in relation to business conduct is detailed below.

The main responsibility in relation to business conduct on the part of the Board of Directors is the formulation and approval of Naturgy's Code of Ethics. This document establishes the guidelines that must govern the ethical behaviour of Naturgy's directors, managers and employees in their daily performance with regard to the relations and interactions it maintains with all stakeholders. It sets out the commitments assumed by the company in matters related to ethics and regulatory compliance. Since its approval in 2005, it has been renewed periodically to adapt it to the new realities facing the company, the last in 2024.

In this regard, within the framework of the approval of Law 2/2023 of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption, the update that Naturgy's Board of Directors carried out to comply with the obligations established therein is noteworthy. The main measures adopted were as follows:

- Approval of the Naturgy Group's Internal Information System Policy.
- Approval of the Management Procedure of the Internal Information System of the Naturgy Group.
- Designation of the person responsible for the Internal Information System.
- Adaptation of internal complaints channels to the requirements of Law 2/2023.

More information on the Code of Ethics, the whistleblower channel, among others, can be found in section F.1.2 of the Annual Corporate Governance Report 2025.

[G1.GOV-1_02] The company recognises the importance of administrative, management and supervisory bodies in promoting responsible and ethical business practices. In this regard, the business conduct experience of these bodies is detailed in section 2. Governance of the General disclosures chapter of this report.

Nevertheless, the experience and knowledge of the directors on the Audit and Control Committee, Mr Claudi Santiago Ponsa, Mr José Torre de Silva López de Letona, Ms Helena Herrero Starkie, Mr Ramón Adell Ramón and Mr Pedro Sainz de Baranda Riva, as well as the executive chairman, Mr Francisco Reynés Massanet, should be highlighted, both for their work on the board and for the regular updates they receive on matters relating to business conduct.

Moreover, together with the specific functions entrusted to the Board of Directors, Naturgy relies on a series of supervisory bodies to ensure compliance in relation to business conduct.

The Ethics and Compliance Committee, made up of the head of the Compliance unit, the General Secretariat and the Board, Internal Audit, Public Affairs and Sustainability, Management Control, and Control and People and Resources, disseminates the Code of Ethics and acts as an advisor and guide in the event of doubts or conflicts regarding the Code.

The Ethics and Compliance Committee receives support from the Compliance unit through the supervision of compliance with external regulations and the policies and procedures implemented in the Group to mitigate the main risks in this area. These include legal, corruption and fraud risks.

[G1-1_01] In addition, the Compliance Unit is responsible, in relation to Naturgy's Code of Ethics, for its communication, ensuring compliance with the provisions of the same, in the Anti-Corruption Policy and in the rest of the policies and procedures of its scope of action. This unit reports regularly to the Ethics and Compliance Committee and the Audit and Control Committee (delegated committee of the Board of Directors) on the activity carried out in the exercise of its functions. It also provides periodic reports on the most relevant matters related to the dissemination of and compliance with the Code of Ethics, the Anti-Corruption Policy and other policies and procedures within its scope of action, and monitors its main indicators.

During 2025, the Ethics and Compliance Committee held 4 working meetings, which, in addition to analysing the monitoring of the main compliance indicators, paid special attention to the monitoring of complaints received through the Code of Ethics Channel and the Internal Information System, in the case of Spain in certain circumstances, and the proposal of appropriate measures to close them, the communication and training activities promoted by the Compliance unit and the analysis of the counterparties that, due to the singularities presented, have been submitted for analysis by said unit.

Within the management bodies, responsibility for aspects related to business conduct lies with Senior Management, who will serve as a reference model with their behaviour and level of compliance with the Code of Ethics and the Compliance Policy, and will promote knowledge of and compliance with the same by the employees under their management. It will also ensure the correct identification of the compliance risks inherent to the company's activity, with the support and according to the criteria established by the Compliance unit.

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

In section 4. Impact, risk and opportunity management in the General disclosures chapter of this report, the process for determining and assessing impacts, risks and opportunities carried out in the double materiality assessment is described.

The material impacts, risks and opportunities to be addressed throughout the chapter are presented below.

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
BUSINESS CONDUCT						
Corporate culture						
P.I. [1]	Increased stakeholder trust through the promotion of an ethical culture.	X	X	X	Both	Current
	Promoting transparency and increasing trust in the company by stakeholders through the disclosure of information in an accurate, correct, timely and audited manner.		X		Both	Current
O	Attraction of business/financing opportunities by applying responsible practices as a company standard.		X		Both	Medium-term
	Reducing the risk of fines and sanctions, strengthening the confidence of investors and regulators thanks to a solid ethical and compliance framework.		X		Both	Medium-term
Protection of whistle-blowers						

P.I.	Increased trust of complainants given the correct resolution/management of the complaints/enquiries made.		X		Both	Current
Political engagement and lobbying activities						
P.I.	Contributing to the approval of laws favorable to the general interest through influence activities.		X		Both	Current
	Encourage the development of certain countries through private initiative (investments, etc.)	X	X	X	Both	Medium-term
	Positive contribution by the company to the achievement of the SDGs.		X		Both	Current
R	Generating uncertainty and loss of confidence among investors and partners due to regulatory changes that affect the viability of the business strategy.		X		Both	Medium-term
Management of relationships with suppliers including payment practices						
P.I.	Prior evaluation of suppliers under ESG criteria to ensure their compliance.		X		Both	Current
	Development and consolidation of long-term relationships with suppliers of products and services.	X	X		Both	Current
	Promote equal opportunities among suppliers through clear conditions that facilitate the preparation of competitive bids.		X		Both	Current
Corruption and bribery						
P.I.	Contributing to the promotion of an ethical and integral culture that reduces corruption and strengthens the trust of stakeholders in the company.		X		Both	Current
R	Loss of trust and potential economic damage to customers, partners and investors due to the theft of critical company material or information.	X	X	X	Both	Short-term
	Loss of trust and potential financial damage to investors, customers, and partners due to fraudulent practices within the company.		X		Both	Short-term
O	Strengthen the confidence of investors, clients and authorities by ensuring transparency and security through a management system certified and audited by third parties.		X		Both	Short-term

NOTES:

The ‘X’s indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several ‘X’s, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section “Naturgy and its value chain”.
(4) The possibilities “Gas”, “Electricity” and “Both” are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the “Current” category are those that have occurred the present year, and thus no time horizon applies.

Business conduct policies and corporate culture (G1-1)

Business conduct policies

Based on the impacts, risks and opportunities of this issue identified through the double materiality assessment, Naturgy has developed a framework of policies aimed at managing them. This body of regulations derives from the Code of Ethics and reinforces and extends the principles expressed therein.

[G1.MDR-P_01-06] The policies adopted to address the issues for which Naturgy has identified material impacts, risks and opportunities are described below:

Material matter	**Policy** [MDR-P_01][MDR-P_03]	**Targets**
Corporate culture	***Compliance Policy.*** Approved by the Board of Directors.It establishes the roles and responsibilities for the compliance management system. Effective from 2019.	– Promote a culture of compliance and zero tolerance of non-compliance. – Ensure, through prevention, detection, monitoring, training and response activities, the organisation's compliance with external and internal regulations. – Avoid possible sanctions, financial losses and reputational damage.
Whistleblower protection	**Internal Information System Policy.** Approved by the Board of Directors. It establishes the necessary guidelines to have an Internal Information System under the term**s** established in Law 2/2023.	– Delimit the scope of the Internal Information System both objectively and subjectively. – State the general principles that should govern the functioning of the Internal Information System. – Establish guarantees for the protection of whistleblowers. – Facilitate the guidelines to be followed for the correct processing, investigation and resolution of complaints and queries received.
	Management Procedure of the Internal Reporting System. Establishes the process for processing information relating to any of the infringements referred to in article 2 of Law 2/2023.	Procedure for the investigation of: – Any acts or omissions that may constitute breaches of European Union law that meet the criteria set out in Law 2/2023. – Actions or omissions that may constitute a criminal offence. – Actions or omissions that could constitute a serious or very serious administrative offence.
Political commitment	**Global Partnership and Communication Policy.** Approved by the Management Committee. It establishes a common framework and guidelines for Naturgy's dialogue with different stakeholders, specially public institutions and political parties to convey its position and defend its interests.	– It details the principles of action that should govern the dialogue: integrity, guarantee of transparency and honesty. – Defines the guidelines of conduct to be followed in Naturgy's dialogue with authorities, public officials and political parties. – Regulates the internal management of participation in foundations, associations and other entities.
Suppliers relations management	**Supplier Code of Ethics.** Approved by the Ethics and Compliance Committee. It establishes the guidelines that will govern the ethical behaviour of its suppliers, contractors and external collaborators. Updated in October 2024.	– It includes the commitments derived from the United Nations Global Compact. – It determines the guidelines for conduct in the social and labour, ethical and good governance, health and safety, environmental and quality areas.

Corruption and bribery	**Anti-Corruption Policy.[**G1-1_03] **Approved by the Management Committee.** It establishes the principles for all employees and managers of Naturgy companies. In this way it complies with national and international legislation in this matter, as well as aligning itself with the universally accepted principles of the United Nations Global Compact.	Guide the conduct of employees and managers in the face of any corrupt practices within the company, through: – Prevention. – Detection. – Reserch. – Remedy.
	Business Courtesies Policy. Approved by the Management Committee. It establishes the conditions under which Naturgy's directors and employees may accept or offer business courtesies to business counterparties in the performance of their professional duties.	– Avoid improperly influencing their commercial, professional or administrative relations with both public and private entities. – It must comply with the principles set out in the Code of Ethics, the Compliance Policy and the Anti-Corruption Policy
	Policy for the Prevention of Money Laundering and Terrorist Financing. Approved by the Management Committee in development of chapter 4.8. "Irregular payments and money laundering" of Naturgy's Code of Ethics, as well as its Anti-Corruption Policy.	– Define the general principles that should guide the conduct of all employees and directors of Group companies with respect to the prevention of money laundering and terrorist financing. It must comply with the principles set out in the Anti-Corruption Policy.
	Conflict of Interest Policy. Approved by the Director General concerned.Its purpose is to implement the provisions of chapter 4.10. "Loyalty to the company and conflict of interest" in the Naturgy Code of Ethics, which establishes that Employees must act with loyalty and in the best interests of Naturgy	– Establish the guidelines to be followed by employees in the event of a conflict of interest, based on the principles of loyalty, abstention and transparency for the resolution of these situations. – It must comply with the principles set out in the Code of Ethics, the Supplier Code of Ethics, the Compliance Policy, the Anti-Corruption Policy and the Internal Code of Conduct on Matters Relating to Securities Markets and Treasury Stock Policy (ICR).
	Counterparty Due Diligence Procedure. Approved by the Compliance Officer**.**Its purpose is to ensure that all areas of the Naturgy group carry out analyses, corruption and reputational risk assessments and their monitoring in an efficient and uniform manner, when third parties are involved in the business relations of the companies that make up the Naturgy group.	– Comply with the principles set out in the Code of Ethics, the Crime Prevention Model, the Compliance Policy and the Anti-Corruption Policy.

[MDR-P_02] The policies listed are mandatory and affect all investee companies in which Naturgy has management control. Likewise, the group promotes and encourages among its suppliers and collaborating companies the adoption of behavioural guidelines consistent with those defined in the Code of Ethics and the rest of Naturgy's policies. For this end, it has established, as a prerequisite for establishing any contractual relationship with Naturgy, the acceptance of the supplier's Code of Ethics or, where applicable, that they supplier has its own code that incorporates equivalent ethical standards.

[MDR-P_04] The company bases itself on available trends and best practices when defining its policies. In the case of the Code of Ethics, the pillar of the regulatory body and from which the aforementioned policies emanate, it is aligned with and ultimately seeks to comply with the ten principles of the United Nations Global Compact.

[MDR-P_05][MDR-P_06] The policies described integrate the perspectives and opinions of the different stakeholders affected by each of them. Most of them are accessible to all of them through Naturgy's corporate website (www.naturgy.com). Due to its more operational nature, the counterparty Due Diligence procedure is hosted in Naturgy's internal regulatory browser tool and on the company's intranet, being accessible to all employees, thus facilitating their knowledge and application of the due diligence processes.

Corporate culture

Naturgy has a series of mechanisms to identify, report and investigate problems associated with unlawful behaviour or practices contrary to the Code of Ethics or business conduct policies:

- Controls associated with the Crime Prevention Model.
- Channels for reporting related to ethics and integrity.
- Dissemination and training actions.
- Counterparty Due Diligence Procedure.

Crime Prevention Model

This model, which is international in scope, updated annually. Thus, in 2025, the model has continued to adapt to Naturgy's new organisational structure and the inherent risk applicable to each of the company's activities has been updated, with a detailed study of case law and a review of the formula for calculating this risk. Risks that, by their nature, do not apply to the activities carried out have been ruled out.

From an organizational point of view, the Board of Directors assigned the functions of an autonomous body described in Organic Law 1/2015 to the Ethics and Compliance Committee, as responsible for making significant decisions in relation to the monitoring and periodic supervision of the operation and compliance of the Criminal Prevention Model.

The Compliance unit is in charge of managing the Criminal Prevention Model and, in collaboration with the different units concerned, assesses the risks in the models it develops.

Internationally, the Group's criminal prevention mechanisms are applied in all countries where Naturgy operates, and Argentina, Brazil, Chile, Mexico, the United States and Australia in particular have their own criminal prevention models. Along these lines, specific criminal prevention models are being progressively implemented in relation to all activities carried out in other countries where the company operates and which have legislation on the criminal liability of legal persons.

Although the different Criminal Prevention Models include all the criminal risks applicable to Naturgy, in accordance with article 31 bis of the Criminal Code or the applicable local regulations, the fight against fraud, corruption and the criminal risks related to money laundering are, due to their importance, those on which more detailed information is provided below.

- **Fight against fraud and corruption:** Naturgy's mechanisms to ensure the proper implementation of the Anti-Corruption Policy, and to prevent, detect, investigate and sanction cases of corruption.
- **Prevention of money laundering:** Naturgy has mechanisms, procedures and policies that seek to prevent and, where appropriate, detect and react to any possible breaches in the prevention of money laundering detected in the exercise of its activity.

Channels for reporting related to ethics and integrity

Naturgy has a Code of Ethics channel, which is the corporate instrument for compliance with the law and respect for the rules of conduct and principles contained in the Code of Ethics and the rules that develop it.

The Code of Ethics channel is a transparent and confidential tool through which employees, managers and directors anywhere in the world, as well as other partners and third parties, can raise concerns:

- Enquiries relating to the application and interpretation of the Code of Ethics and the rules which, in terms of compliance, develop it.
- Complaints relating to conduct, behaviour or practices within Naturgy that may breach the Code of Ethics and the rules that, in terms of compliance, develop it.

Since the entry into force of the Organic Law on Data Protection and Guarantee of Digital Rights, in Spain and in all geographical areas where Naturgy operates, Naturgy's Code of Ethics channel allows for anonymous queries and complaints.

[G1-1_05][G1-1_06][G1-1_12] In the case of Spain, since 2023, the Code of Ethics Channel has been incorporated into the Internal Reporting System, in accordance with the requirements of Law 2/2023 (transposition of Directive (EU) 2019/1937 into Spanish law) regulating the protection of persons who report breaches of regulations and the fight against corruption. In this regard, both the Internal Reporting System Policy and the Code of Ethics Channel Operating Regulations prohibit any act constituting retaliation, including threats of retaliation and attempts at retaliation against persons who submit a report in accordance with the provisions of said law or the channel's own regulations.

[G1-1_08] The company's Internal Reporting System, approved by Naturgy's Board of Directors in 2023, handles complaints and cases related to business conduct, including potential cases of corruption and bribery:

- Any acts or omissions that may constitute breaches of European Union law that meet the criteria set out in Law 2/2023.
- Actions or omissions that may constitute a criminal offence.
- Actions or omissions that could constitute a serious or very serious administrative offence.

The software solution implemented by Naturgy (EQS integrityline) through which the Internal Reporting System is managed, makes it possible to file complaints that may constitute breaches referred to in Article 2 of Law 2/2023 (internal reporting system, only for the EU), which refer to breaches of the Code of Ethics (for all countries where Naturgy has a presence non-EU area), and also complaints of sexual harassment or gender-based harassment (only for Spain). This channel, which is , traceable, with secure software and certified in Europe, is available through Naturgy's external website (https://naturgy.integrityline.com) and the company's intranet.

Naturgy's own workforce has been informed of the availability of both channels, as procedures for reporting violations and has received information on both the use of the channel and the management procedures of both, in accordance with the applicable internal regulations. On the other hand, it has been reported that both the person responsible for the Internal Information System, as well as the members of the Compliance, People and Internal Audit units of the company, have received the necessary training to perform their duties in accordance with the aforementioned regulations, whose aim is to facilitate the guidelines to be followed for the correct processing, investigation and resolution of the complaints and queries received.

Dissemination and training actions

[G1-1_10] Regarding corporate conduct, Naturgy's general policy is to ensure that all its employees understand and comply with applicable ethical principles, laws, and regulations. In this respect, the 2025-2027 Sustainability Plan includes the following compliance training objective:

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Employee training in compliance	2025	Not applicable	At least one training session per year	6	3	Not applicable

Training in business conduct is aimed at the entire organisation and is annual. Through the Corporate University, from the moment they join Naturgy, all employees are required to take the various training programmes available. The coverage of this training is broad and detailed, covering key issues such as knowledge of the Code of Ethics, the scope of the Crime, Prevention Model, the Anti-Corruption Policy, the Conflict of Interest Policy, the Prevention of Harassment, and the basic principles arising from the legislation on data protection. In addition, specific training activities are scheduled on an annual basis for specific groups within the company on various topics such as market abuse regulations, competition law, etc.

[G1-3_06] On a regular basis, Naturgy carries out training actions in order to disseminate its commitment to the fight against corruption and ensure that its managers, employees and suppliers have adequate and sufficient information to act in this area. Among other actions, it is carried out periodically:

- Update of the Naturgynet space dedicated to compliance. A direct communication channel with the Compliance unit called “contact Compliance” has been included.
- Regular reporting to the Board of Directors on the activities of the Ethics and Compliance Committee (notifications received, activities carried out, etc.).
- Training course on the Criminal Prevention Model, Code of Ethics and Anti-Corruption Policy.
- Specific training in relation to the Criminal Prevention Model and Anti-Corruption Policy for new employees and managers.
- [G1-3_08]The administrative, management and supervisory bodies are regularly informed of the basic elements of the Crime Prevention Model, its updates and the main crime risks associated with Naturgy's activity.

[G1-1_11][G1-3_07] The persons considered especially exposed in Naturgy amounted in 2024 to 276 persons, representing 4.16%% of the total number of employees of the Group. Naturgy considers as especially exposed persons, and therefore at risk of greater corruption or bribery, those who are part of the following groups:

- Members of Naturgy management.
- Persons assigned to the Compliance area, as well as those assigned to financial or business units (e.g. Investor Relations or trading activity), who, due to their relationship with operations or payments to third parties, may be subject to the risk of bribery.

Likewise, those who, due to the content and criticality of the position to be performed, deserve such consideration from the People and Resources areas in the business and the corporation, and from Compliance, may be categorized as especially exposed persons.

Naturgy offers training programmes to all the people who make up this risk group in order to prevent and mitigate cases of corruption and bribery.

[G1-4_03] Below are the courses and declarations in relation to corruption that have been carried out, showing the percentage of completion.

- **Anti-corruption and bribery training Group**

Topics covered	Particularly exposed positions	Senior management	Other own workforce
Crime prevention model	89%	100%	79%
Conflicts of interest	84%	88%	85%
Anti-Corruption Policy (online)(1)	22%	12%	35%
Investigation of fraud allegations (2)	100%		

Notes:
(1) The completion rate is low due to technical issues both in assigning the course to specific groups and in its rollout in some countries.
(2) This training is exclusively for internal audit and compliance personnel.

- **Anti-corruption and bribery training (Spain)**

Topics covered	Particularly exposed positions	Senior management	Other own workforce
Crime prevention model	88%	100%	98%
Conflicts of interest	89%	88%	97%
Anti-Corruption Policy (online)(1)	27%	12%	57%
Responsible declaration of compliance (2)	63%	65%	
Declaration of conflicts of interest (2)	67%	71%	
Ethics at risk: how conflicts of interest and corruption can threaten businesses	56%	76%	87%

Notes:
(1) The completion rate is low due to technical issues both in assigning the course to specific groups and in its rollout in some countries.
(2) The compliance rates in these cases are not high because both declarations were issued for specially exposed personnel and for Senior Management in mid-December.

During 2025, numerous face-to-face sessions were held specifically addressing issues related to corruption and conflicts of interest, with particular emphasis on the group of Directors and Senior Management. The training course entitled "Ethics at Risk: how conflicts of interest and corruption can threaten business" was developed in accordance with the following outline:

- Training session given to the Board of Directors.
- Training session given to the Management Committee.
- Face-to-face sessions for employees (3,148 attendees)[1].

Face-to-face training sessions on fraud investigations were also held for the Internal Audit and Compliance departments in all countries. The aim of this training was to reinforce actions related to fraud detection, providing in-depth information on how to conduct an efficient investigation in this area.

Finally, as part of the fraud and anti-corruption training programme, and as a group affected by "Law 10/2010, of 28 April, on the Prevention of Money Laundering and Terrorist Financing", face-to-face training was provided to the entire Naturgy Foundation group (12 attendees), as well as to all members of the Board of Trustees.

[1] For those who were unable to attend the face-to-face sessions, the training will be incorporated into their online training programme at the Corporate University.

Likewise, in the second half of the year, given the warm reception of the audiovisual productions "No es broma, es Compliance" (It's not a joke, it's Compliance) and "The power of integrity", "Sin ti, no hay Compliance" (Without you, there is no Compliance) was launched, a communication campaign in which members of the Company's Senior Management participated, starting with the Executive Chairman, Francisco Reynés. The campaign sought to highlight that one of the company's fundamental principles is to fulfil its commitments, as well as the importance of compliance and respect for all the ethical standards that the company has established as fundamental to acting responsibly on a daily basis.
The videos and topics covered were as follows:

- "**Sin ti, no hay *Compliance***, with Francisco Reynés" start of the communication campaign with 482 views.
- "**Sin ti, no hay *Compliance***" with Jordi García Tabernero: being visible requires being responsible, with 250 views.
- "**Sin ti, no hay *Compliance***" with Rita Ruiz de Alda: complying is also how we treat each other, with 598 views.
- "**Sin ti, no hay *Compliance***" with Pedro Larrea: when someone acts on your behalf... you are also responsible, with 326 views.
- "**Sin ti, no hay *Compliance***" with Rafael Blesa: take care your name, protect ours, with 306 views.
- "**Sin ti, no hay *Compliance***" with María Higueras: internal fraud is not a mistake, it is a choice, with 445 views.
- "**Sin ti, no hay *Compliance***" with Manuel García Cobaleda: what we says outside reflects who we are inside, with 309 views.

The above messages have been reinforced weekly with carousel messages on the following topics in line with the previous videos:

- **"Sin ti, no hay Compliance"** | What you would never say is Compliance: accepting an invitation.
- **"Sin ti, no hay Compliance"** | What you would never say is Compliance: the way you talk about your coworker.
- **"Sin ti, no hay Compliance"** | What you would never say is Compliance: delegating without supervising.
- **"Sin ti, no hay Compliance"** | What you would never say is Compliance: complying also means being careful about what you share.
- **"Sin ti, no hay Compliance"** | What you would never say is Compliance: complying is also how we relate to the public.

In April, the Compliance unit participated in the annual Expansión awards. These awards highlight the best practices in regulatory compliance in companies and are sponsored by Deloitte Legal, Aenor and ESADE, as an academic partner. Thus, the company was a finalist in the category of "Best Use of Disruptive Technologies in Compliance". It was also a finalist in the third edition of the Business Law Awards organised by the newspaper El Confidencial in the category "Best Corporate Compliance Team".

Counterparty Due Diligence Procedure

Naturgy has a Counterparty Due Diligence Procedure to know and analyse the counterparties with whom the company operates and thus evaluate the associated corruption and reputation risks.

Through application of this Procedure, Naturgy ensures that all areas of the Group carry out analyses, corruption and reputational risk assessments and their monitoring in an efficient and uniform manner, when third parties are involved in the business relations of the companies that make up the Naturgy Group.

The application of this Procedure complements, and does not replace, the third-party assessments already established by Naturgy's regulatory body and which must be carried out by other units, such as Purchasing or Risks.

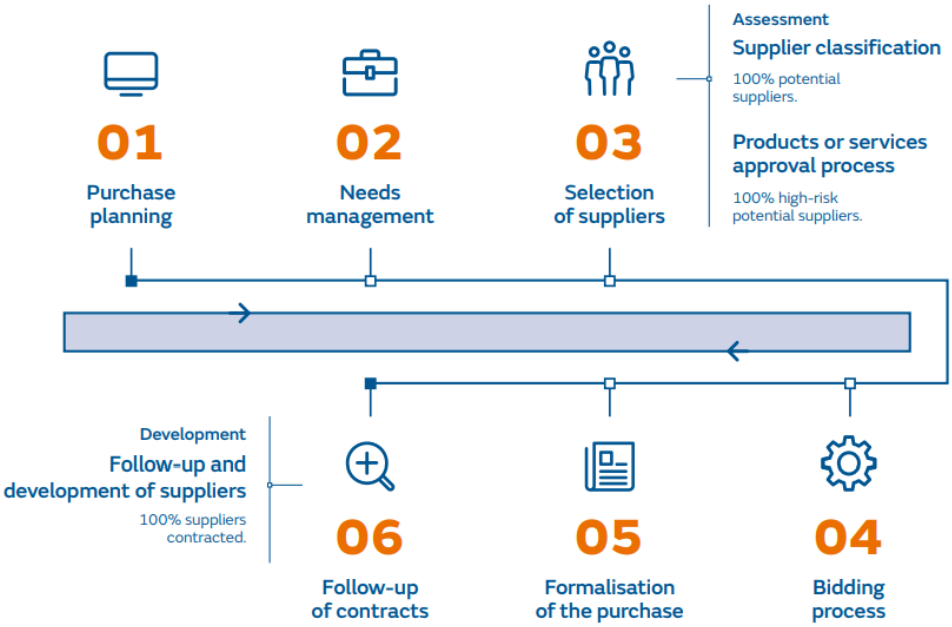
During 2022, a new analysis tool was implemented that visually and globally includes all the risks associated with counterparties that must be taken into account in any analysis ((sanctions, adverse media, geopolitical risk, particularly exposed persons, State Owned Entities (SOE's), environmental, social and governance aspects, etc.). This tool aims to standardise the risk assessment of both suppliers and counterparties under the scope of the Counterparty Due Diligence Procedure. The compliance preliminary risk analysis processes were also computerised by implementing initial risk assessment forms via the corporate intranet.

Management of relationships with suppliers (G1-2)

Approach to management of supplier relationships

[G1-2_02 Suppliers and collaborating companies are key players in the optimal functioning of Naturgy's value chain. Thus, the company promotes the maintenance of trustworthy, stable, solid and mutually beneficial relationships, under the principles of transparency and risk management that contribute to the development and consolidation of long-term relationships. In 2025, Naturgy has established commercial relations with a total of 5,284 suppliers.

Naturgy follows a procurement process that aims to meet the needs for goods and services in an efficient manner. It covers all phases of purchasing, from identifying the need for a good or service to monitoring the management of contracts or orders.



The procurement process is based on a purchasing model that relies on the application of unified and universal contractual conditions for the entire scope of the Group's operations, and which are established in the Single Contractual Model, which include, among others, social, labour practices and human rights clauses, environmental requisites, anti-corruption clauses and ethical practices. 100% of contracts to suppliers based on the single contractual model include such clauses. The general terms and conditions of contracting and the country specific conditions are published on the relevant Group websites.

This interaction with third parties represents a potential risk for Naturgy that could be be severely impacted by an inadequate activity by its suppliers and contractors in terms of the environment, health and safety, human rights, labour practices or corruption. Risk management derived from relations with suppliers in Naturgy is based on their compliance with standards equivalent to those applied internally and is based on the following commitments:

- Extending Naturgy’s culture to the supply chain, transmitting the objective of excellence in service, efficiency in resources and compliance with the company’s principles of responsible action. Encouraging the incorporation of sustainability criteria in daily management.
- Fostering compliance with the codes and policies of Naturgy in the supply chain, in particular in the area of human rights, ethics, health and safety and the environment.

- Encouraging the hiring of suppliers from the country or region where the company performs its activities against similar competitiveness in other locations, thus supporting the generation of a positive social impact.
- Fostering practices that encourage traceability and fair trade of raw materials at source.

The management of suppliers participating in Naturgy's value chain is articulated through various elements listed below:

Statement of Principles and Policies	Establishes the principles that guide the responsible management of the company's value chain.
Global Sustainability Policy	Expresses Naturgy's principles with regard to human rights. The supplier assessment includes questions relating to human rights practices, which are grounds for exclusion in the event of an unsatisfactory response.
Supplier Code of Ethics	Since 2016 all group suppliers have to adhere to the Supplier Code of Ethics. Further details are provided in the sub-section Actions to manage negative and positive impacts in the chapter on Workers in the value chain.
Global Outsourcing and Supplier Policy	Establishes the general principles applicable to all awards and contracts for works, goods and services carried out by the Group, ensuring a consistent, efficient and high-quality model for managing the procurement process.It describes the processes for evaluating, approving, monitoring and developing suppliers. It guarantees sustainable supply chain management by identifying and assessing risk factors, evaluating suppliers and ensuring compliance with Naturgy's sustainability commitments. Its general principles include promoting responsible supply chain management and ensuring the Group's sustainability principles are upheld in purchasing and contracting processes. In particular, in environmental, social and good governance matters, ensuring, among other things, ethical behaviour and human and labour rights, transparency, full and fair opportunity, respect for the interests of stakeholders, respect for the principle of legality and international standards of behaviour, focus on needs, integration and continuous improvement.
Transparency in purchases and communication with suppliers	Naturgy is committed to ensuring free competition, objectivity, impartiality, transparency and traceability throughout the entire procurement process: – The use of secure electronic means for management of all tenders brings greater transparency to the procurement process and ensures information traceability. – Communication channels with the supplier that facilitate access to all the information necessary for their participation in the procurement processes: ▪ A specific section for suppliers on Naturgy's website. ▪ The Supplier Portal and SAP Business Network, online platforms for transferring technical regulations to suppliers, notifying updates and managing orders. ▪ The Supplier Channel, an online mailbox available to suppliers to resolve doubts or incidents and to make queries or suggestions.
Reporting channel	All suppliers, contractors and external collaborators of Naturgy have the possibility to address confidentially and anonymously, in good faith and in good faith. without fear of reprisal to Naturgy to report any non-compliance with the guidelines. of the Code of Ethics that they observe in their professional performance. Such communication can be made through the Internal Information System, accessible through www.naturgy.com.

Risks in the supply chain

The process of global supply chain management is based on the assessment of risk factors that are intrinsic in outsourcing a service or supply of a product. This allows us to put in place controls to minimise risks and to ensure a level of compliance by suppliers that is equivalent to the requirements that the company satisfies in the activities it performs internally.

With the risk assessment of the 331 purchase categories that are managed worldwide, and after assessing the risks of 50 countries where the company usually contracts, we obtain the risk of each purchase category in accordance with its activity and the country where the activity is conducted. In 2025, the assessment process was updated and the proposed changes will be implemented in 2026.

This combination allows us to assign a high, medium or low risk to each purchase category, which is integrated into the map, thus obtaining the risk of each purchase category by country.

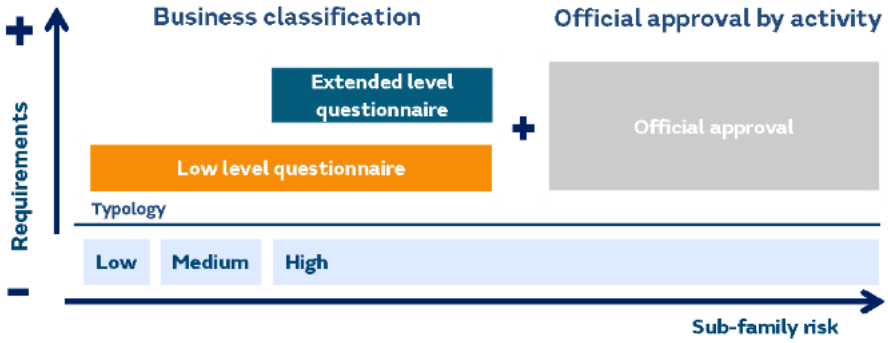
The supplier evaluation, monitoring and follow-up processes take into account the specific risks of the energy sector (labour situation, human rights, emissions, pollution potential, etc.), the specific risks of the supply (labour situation, resource intensity, emissions, pollution potential, etc.), as well as the risks of the country in which the supply takes place.

The company considers critical suppliers to be those with a high level of risk in any of the risk factors assessed - Operational, ESG, Health and Safety and Quality - associated with the categories of purchases they supply. Also included as non-substitutable critical supplier are technologists or suppliers of products or services that cannot be supplied by others or cannot be substituted, with which specific contractual conditions are established and validated by the specialised areas (Legal, Compliance, Cybersecurity, etc.) and which exceed Naturgy's Single Contractual Model.

Risk factors

Supplier assessment and selection

Supplier assessment consists of business classification and approval processes by activity.



The business classification evaluates suppliers' compliance with Naturgy's requirements through questionnaires and requests for evidence from suppliers via the Achilles-Repro platform, based on criteria established in the standards and methodology defined by the utilities community in southern Europe and South America. All suppliers must pass this process before maintaining commercial relations with Naturgy.

The supplier business classification model establishes:

- A basic level for suppliers with medium and low risk that ensures their adherence to the Naturgy's Supplier Code of Ethics and the declaration of compliance with the main legal, tax, organisational, environmental, social, health and safety, cybersecurity, compliance, quality and personal data processing criteria required by Naturgy.
- An extended level, for high-risk suppliers, which additionally requires an extended questionnaire and evidence of financial, sustainability, health and safety, and compliance information.

The company classification process also obliges all suppliers to declare compliance with minimum social, health and safety and labour practice requirements, and the abolition of traditional and emerging practices of forced labour and child labour.

On the other hand, the process of approving suppliers in health and safety is described in the section Actions to manage negative and positive impacts in the chapter on Workers in the value chain. Naturgy has established that all suppliers that carry out critical activities - as they are defined as high risk in any of the ESG and quality risk factors - must be approved by means of audits or assessments documented by Naturgy employees or by hired consultants, which are carried out at the supplier's facilities or on-site, depending on the criticality, to verify compliance with the specific requirements defined for the service or material. If anomalies are detected during the audits, they will have to carry out actions aimed at correcting and implementing them within the deadlines agreed between Naturgy and the supplier, this period always being less than one year.

In 2025, 438 audits were performed on suppliers and subcontractors, of which 186 were conducted at their facilities (36 audits of approval and 150 are inspections of materials at the manufacturing center). If anomalies arise in the approval process, this may lead to a plan of corrective actions, or to the non-approval of the supplier, which would prevent such supplier from performing this activity for Naturgy.

56% of the approval audits carried out at the suppliers' premises has resulted in the need to submit a corrective action plan. On the other hand, in 2025, no supplier's approval has been suspended or withdrawn, nor has the contractual relationship been terminated for non-compliance with safety, quality and other requirements.

In addition, the company also approves and, therefore, carries out audits managed by Naturgy employees or contracted consultants, to non-tier 1 suppliers corresponding to purchase categories of critical products for operations, on which audits are carried out based mainly on aspects related to quality. Critical products are considered to be those defined by the business based on the incorruptibility of the service, the consequences in the event of failure, delays or failures in delivery, among other factors.

Application of ESG criteria in the assessment and selection of suppliers [G1-2_03]

Naturgy assesses the ESG risk using a matrix that takes into account 20 environmental, social and good governance aspects of each of the purchasing categories and countries in which it operates. In 2025, the criteria assessed were updated and the proposed changes will be implemented in 2026.

Risk Factors Environment	Risk Factors Good Governance	Risk Factors Social
Climate change. Pollution. Biodiversity. Water. Soil. Landscape · Territory · Heritage. Consumption of resources. Waste.	Fraud. Corruption. Competition. Terrorism. Professional ethics. Regulatory compliance.	Community well-being. Human Rights. Employee rights. Data protection. Safety and quality of products. Freedom.

→ ↓ ←

ESG Risk Map (activity/country)

High level | Medium level | Low level

Due to the importance for Naturgy of occupational Health and Safety and climate change, the ESG risk matrix is complemented by the specific risk matrix for these two factors, and the company establishes regulations and processes for prevention and mitigation in both cases.

In this way, Naturgy identifies suppliers with high sustainability risk, considering those that present a high level of risk in health and safety and ESG factors. In 2024, the number of suppliers considered in this category has been 640, which represents 35.25% of the total purchase volume. The 96.41%% of these suppliers present high risk in health and safety as this is the predominant factor due to the nature of the activity carried out by Naturgy, construction, operation and maintenance of natural gas networks, electricity networks and power plants.

Monitoring, follow-up and development of suppliers

[G1-2_02] Once the company has procured works, goods and services, monitoring, follow-up and supplier development activities are essential to ensure a homogeneous, efficient and sustainable model, in line with the company's general principles set out in its policies, standards and procedures.

Monitoring and follow-up of suppliers

Since 2019, Naturgy's purchasing areas, in coordination with the compliance unit, have been monitoring online the reputational risks of the portfolio of suppliers with which it has a commercial relationship. A screening tool is used to detect the exposure to reputational risk of counterparties.

For the monitoring of health and safety and ESG risks, the mechanisms used are:

Environmental specifications	Naturgy has developed specific environmental specifications for suppliers and contractors that are attached to the corresponding contracts, based on the purchase category supplied, which include minimum environmental management requirements for application and monitoring during procurement.
Documented Safety Inspections	In suppliers involved in activities classified as high risk in health and safety, "Documented Safety Inspections" are carried out, which are audits performed on site by Naturgy employees or external consultants. In 2025, 26,646 documented safety inspections have been carried out on suppliers of the Group and in 14.75%% of these inspections, deviations have been detected which generated the corresponding corrective actions in 100% of the cases for their resolution.
Performance on climate matters	Naturgy contractually requires suppliers categorised as high risk in climate change and with a large volume of contracted purchases to report annually, through questionnaires on the reporting platform, their degree of performance in climate matters, thus involving suppliers in the improvement of their environmental impacts. In 2025, a total of 256 Naturgy suppliers have been invited to report their climate performance information.

In addition, ESG audits and performance monitoring are conducted. Audits are used to assess suppliers classified as having a high ESG risk level on-site, while follow-ups are used to monitor various aspects in terms of quality, health and safety, operational and ESG (for more details, see the section "Actions to manage negative and positive impacts" in the chapter Workers in the value chain).

For suppliers in critical purchasing categories with current awards, self-assessment and quality control mechanisms are agreed upon prior to the delivery of products or services. The categories that are considered critical are those that present a high risk in terms of quality, health and safety. Likewise, equipment calibration control is carried out and it is verified that personnel who carry out high-risk activities are authorised or certified to perform them, and accreditations or identifications are granted.

Additionally, products corresponding to critical categories are subject to on-site inspections, technical acceptance and Factory Acceptance Test (FAT) carried out by Naturgy employees or by consultants hired at the production centres, and in some cases, at non tier 1 suppliers.

Training an development of suppliers

Naturgy's Corporate University, through its Extended Academy (EA), provides a training offer, both technical and managerial, to external collaborating companies, customers and suppliers. This encourages the improvement of operational efficiency, the incorporation of innovative methodologies and the development of skills aimed at excellence in operations and service.

In this way, the EA contributes to the establishment of a common planning and management model, favouring the professionalisation of the companies participating in Naturgy's value chain, with a recurring activity with 32,612 participants annually, 86,336 hours of training and 12,416 unique participants in 2025. For further information, see the section "Actions for the management of negative and positive impacts" in the chapter "Workers in the value chain".

This specific training action is in addition to other training and knowledge dissemination actions aimed at the company's own staff who are part of the purchasing teams. One example is the specific training sessions they received following the introduction of the progressive assessment of suppliers' carbon footprint in tendering processes, as this involves changes in the purchasing process and its implications. These training programmes are carried out on a recurring basis with the aim of ensuring the effective application of sustainability principles among the company's purchasing teams and internal teams involved in purchasing decisions, in order to provide them with essential knowledge on the design of sustainable strategies, taking into account the possible impacts on society and the environment.

In addition, in 2025, Naturgy, representing the RePro community of which the company is a member, participated in the 2nd ASG Awards Conference, organised by Achilles. These awards aim to recognise suppliers who excel in their commitment to sustainability. All Naturgy suppliers in Spain were able to attend this event.

Finally, relationships with strategic suppliers are managed with the aim of strengthening alliances, in an environment collaboration and efficiency, sharing information, aligning strategies, seeking continuous improvement and promoting innovation.

Average supplier payment period

[G1-2_01] Although Naturgy does not currently have a formalised policy to avoid delays in payments, particularly to SMEs, company has various internal procedures in place to ensure the optimal functioning of payment to third parties.

As explained at the beginning of this section, Naturgy has established contracting conditions that regulate the contractual relations between the companies of the Group and its suppliers. These apply to the contracting of works and services or the acquisition of materials and equipment. They consist of a general part applicable in all countries and a specific part corresponding to each country, available on the corresponding web pages.

These terms and conditions set out in the country-specific parts, inter alia, the nature of the defined payment conditions and, in any case, comply with the legally established conditions.

In addition, Naturgy has internal regulations that establish the management and authorisation criteria and requirements to proceed with the payment of invoices to suppliers. As a general criterion, payment of invoices is made by bank transfer, by the previously planned payment chains, according to the date agreed in the contract or, failing that, two months from the invoice date. In those cases in which a delay may occur, due to Naturgy's internal processes, resulting in a delay in payment, the regulations allow early payment to be managed.

In addition to the regulatory aspects and contractual conditions, Naturgy supports its supplier relations process with various technological tools that help to make the processes more agile and reduce the risk of errors or administrative delays.

The company also publishes annually in Note 20 to the Consolidated Report, which forms part of the Annual Consolidated Financial Report, the average payment period to suppliers, which is prepared in accordance with Law 15/2010, which establishes measures to combat late payment in commercial transactions, as well as with the amendments established in Law 18/2022, of 28 September, on the creation and growth of companies.

Prevention and detection of corruption and bribery (G1-3)

In accordance with the information provided in the sub-section on 'Corporate Culture' of this chapter, the Anti-Corruption Policy establishes the principles that should guide the behaviour of all employees and managers of Naturgy's companies in the event of any corrupt practice within the company. In this way, it complies with national and international legislation on this matter through: prevention, detection, investigation and remedy.

Anti-fraud and anti-corruption plans

Anti-fraud and anti-corruption plans, in addition to their preventive nature, help to reduce risks such as internal fraud and theft of relevant company material and information. They also generate positive impacts, such as reducing corruption, through communication and training on anti-corruption policies and procedures, in order to reinforce the culture of ethics and integrity in the company.

[G1-3_01] Naturgy has the following procedures and actions in place in order to ensure the proper implementation of the Anti-Corruption Policy, and to prevent, detect and address cases of corruption or bribery:

- Monitoring of the operation and assessment of the effectiveness of the organisation, control and compliance models implemented in the different corporate and business areas of Naturgy, especially the Crime Prevention Model (for further details, see the "Corporate culture" subsection of this chapter).

- Employees, as well as Naturgy's stakeholders, have at their disposal channels so that they can bring to the attention of the Ethics and Compliance Committee any non-compliance or irregular or suspicious behaviour in this area. The compliance unit, together with the internal audit, people and resources or other areas of the company whose intervention is required, carry out the relevant investigations arising from reports of corruption and bribery. If the reported behaviour is confirmed, and in application of the Operating Regulations of the Code of Ethics Channel or the Management Procedure of the Internal Reporting System for the infringements referred to in article 2 of Law 2/2023, the imposition of sanctions and the adoption of the corrective measures deemed appropriate are envisaged.
- [G1-3_05] In 2025, the Declaration of Compliance for particularly exposed personnel was launched, whereby those individuals who, due to the unique nature of their work or the criticality of their position, must annually declare that they are aware of and comply with the principles established in the Code of Ethics, Compliance Policy and Anti-Corruption Policy. In addition, all employees have access to both the Code and the Policies indicated through the Naturgy website or the Intranet
- The training actions carried out on corruption and bribery have been carried out by 98.45% of the workforce in Spain and 78.98% of the total Group (for more details see the sub-section "Corporate culture").
- Business Courtesies Policy: the purpose of this policy is to regulate the conditions under which Naturgy's directors, managers and employees may accept/offer business hospitality from/to third parties within the framework of the performance of their professional duties, which are legitimate, reasonable, proportional and appropriate to the level of the offerer and the recipient, so as to ensure effective compliance with the principles of objectivity, impartiality and transparency established in the Code of Ethics and in Naturgy's Anti-Corruption Policy. The Policy is established as a basic framework for anti-bribery compliance in accordance with the international standard UNE-ISO 37001, on anti-bribery management systems. In addition to the form developed specifically for communicating concerns regarding corporate hospitality, at least twice a year, messages are sent to all staff, coinciding with the Christmas campaign and relevant sporting events (usually in spring), emphasising the importance of complying with the provisions of the Policy.
- Conflict of interest policy that seeks to establish mechanisms to identify situations of conflict of interest in order to minimise it so that it does not become a risk of fraud and corruption. In May 2025, a conflict of interest from was developed and implemented so that, throughout the financial year, staff can report their situation or queries regarding the policy. A specific email address has also been set up for queries and reporting: conflictosdeinteres@naturgy.com

[G1-3_03]] The Compliance unit provides regular reports to the Ethics and Compliance Committee and the Audit and Control Committee (delegated committee of the Board of Directors) on the dissemination of and compliance with the Anti-Corruption Policy.

[G1-3_02] Finally, it is important to note that both the investigators and the relevant investigative committee will always be separated from the management chain involved in the matter, whether by corruption and/or bribery.

Confirmed incidents of corruption or bribery (G1-4)

[G1-4_01] [G1-4_02] During 2025, no convictions or fines related to violations of anti-corruption and anti-bribery laws were recorded.

[G1-4_03] Naturgy carries out informative actions and training sessions, both for its own employees at risk and for other employees in order to prevent breaches in the procedures and rules for fighting corruption and anti-bribery (see the sub-section "Corporate culture" of this chapter).

[G1-4_04] During the financial year 2025, the company received 20 complaints through the Internal Information System concerning corruption and bribery or fraud. Of the complaints received and closed during the financial year, a total of 9, 4 have been estimated. Of these, following the investigations carried out by the corresponding investigation teams, 3 cases of internal fraud and 1 cases of corruption and bribery have been confirmed and remediation measures have been adopted in this area.

Actions for corruption and bribery breaches

[G1.MDR-A_01-12] [MDR-A_01][MDR-A_03] The actions taken to address breaches of anti-corruption and anti-bribery procedures and standards are set out below.

[MDR-A_05] Actions taken in 2025 as a result of cases detected as breaches of anti-corruption and anti-bribery can be summarised as follows:

- Specific internal audit plans in those areas where failures in existing controls or processes have been detected.
- Application of sanctions to contractors in application of the contracts signed with them, if the infractions have been committed by these third parties.
- Plans to improve processes and controls in order to make the control system more robust.
- Training and awareness-raising actions.

[MDR-A_02] The scope of the measures has been focused on those businesses and geographical locations where control weaknesses have been detected.

[MDR-A_06][MDR-A_07][MDR-A_09][MDR-A_10][MDR-A_11][MDR-A_12] In economic terms, the actions disclosed require a financial contribution from Naturgy in the form of capital investments and associated operating expenses is not significant, and is consolidated in larger economic items, since at accounting level it is very difficult to provide individualised details of these items.

Political influence and lobbying activities (G1-5)

The enormous challenge of the energy transition cannot be tackled unilaterally; involving other actors, such as business associations, is a relevant element in achieving the company's objectives.

Under this premise, Naturgy prioritises participation in initiatives that support the company's values and purpose in general, and that defend positions consistent with international agreements in particular.

[G1-5_01] The General Director of Public Affairs and Sustainability, within the administrative, management and supervisory bodies, is responsible for overseeing political lobbying activities.

[G1-5_11] No persons who may have held a comparable position in the public administration in the two years prior to the 2025 financial year have been appointed as members of the administrative, supervisory and management bodies.

The company participates in various types of entities and initiatives, including industrial and sectoral associations, business associations not exclusive to the energy sector, associations focused on sustainability and environmental issues, chambers of commerce, think tanks, professional associations focused on technical aspects, and foundations and associations that promote culture and knowledge.

Naturgy has a Global Society and Communication Policy that defines the key criteria and responsibilities for achieving effective internal and external communication, disclosure and relations with society in general, as well as with Naturgy's stakeholders. Specifically, it establishes a common framework and guidelines for Naturgy's dialogue with different stakeholders, particularly public institutions and political parties, in order to convey its position and defend its interests. In addition, the company is developing a Technical Standard for Associations and Entities which, among other matters, will regulate its participation in this type of entity and association.

Naturgy annually allocates resources to form part of and actively collaborate in associative entities whose objectives include transferring positions and information that contribute to the construction of public policies and regulations. At the end of 2025, Naturgy had more than 240 relevant participations in 15 countries and an annual investment equal to 3,173,687 euros.

Among the company's main stakeholders are the World Economic Forum, Sedigas, the Real Instituto Elcano and the Spanish Chamber of Commerce.

[G1-5_02] [G1-5_03] [G1-5_06] [G1-5_07] In addition, it is worth mentioning that Naturgy does not make monetary or in-kind contributions of a political nature, in accordance with the provisions of principle 9 of the Group's Code of Ethics, the monetary value of which is equal to zero euros.

[G1-5_09] During the reporting period, the main issues addressed through Naturgy's activities with associated entities have been aimed at the promotion and development of investment in renewable technologies in Spain and have been as follows:

- The promotion and development of renewable gases within Spain's energy matrix, especially with regard to the development of biomethane plants.
- Promotion of regulations that strengthen the role of electricity and gas distribution networks.
- Promoting measures that benefit the process of industrial decarbonisation in Spain, making visible opportunities for the industrial sector, especially in those processes that cannot be electrified.

[G1-5_10] In order to ensure transparency in Naturgy's interactions with public and regulatory institutions, Naturgy (under the name "NATURGY ENERGY GROUP") is registered in the Transparency Register of the European Union. The identification number in the EU Transparency Register is 67833029261-54, which can be publicly consulted through the portal of the European Union register.

Payment practices (G1-6)

Naturgy manages payments to suppliers in an efficient and transparent manner, ensuring that the agreed deadlines are met in order to maintain solid and sustainable business relationships

[G1-6_01] The average payment period to suppliers in Spain refers to Law 15/2010, which establishes measures to combat late payment in commercial transactions, as well as the amendments established in Law 18/2022, of 28 September, on the creation and growth of companies. [G1-6_05] Likewise, Naturgy analyses all invoices received and takes the date of the invoice as the reference date for the start of the computation of the payment period.

	2025	2024
Average payment period to suppliers (days)	18	22

[G1-6_02] Naturgy sets the usual payment term generally at 60 days, in accordance with Law 15/2010, with the exception of international gas suppliers, gas and electricity distributors and some official bodies that require tighter deadlines.

[G1-6_03] The percentage of payments that comply with these deadlines is presented below:

	2025	2024
Payments aligned with these standard terms (%)	99.6	99.5

In the case of Latin America and the regions where Naturgy operates, the average payment period is not required by the regulations applicable. See Note 20 'Trade and other payables' of the Consolidated Annual Report, which forms part of the Annual Consolidated Financial Report.

[G1-6_04] Furthermore, Naturgy is committed to meeting its financial obligations in an appropriate manner and in line with the principles of business conduct and the regulations in force. During 2025, there were no legal proceedings related to payment delays.

The company's priority is to ensure that all purchases comply with the agreed terms, especially those related to SMEs, in order to strengthen relations with suppliers and other business partners. In this regard, work continues to improve control mechanisms to prevent or correct situations of non-compliance in the supplier payment chain.

It should be noted that this report does not break down data specifically for small and medium-sized enterprises (SMEs) or by type of supplier because the company's current systems do not allow this level of detail to be obtained. The company will analyse for future years what is involved in implementing the necessary technical improvements to the organisation.

05. Specific information

Cybersecurity

The process used to determine the material impacts, risks and opportunities related to cybersecurity has been the double materiality assessment, described in the chapter General disclosures of this report, section 4. Impact, risk and opportunity management, where cybersecurity has been considered as a specific material subject of Naturgy. The relevant impacts and risks identified are presented below. No material opportunities have been identified as they are below the materiality thresholds established.

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
OTHERS						
Cybersecurity						
P.I. (1)	Loss of personal data due to cybersecurity breaches.		X		Both	Current
R	Increased costs and loss of trust and reputation due to security breaches of company information, both personal and critical operational information.		X		Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Actions are taken to prevent, mitigate and repair potential risks that may affect stakeholders across the board.

Cybersecurity Governance

The increase in threats, both in terms of a significant increase in cyber-attacks, as well as in terms of greater sophistication and supported by technologies such as Artificial Intelligence (AI), represents a constant challenge in the field of cybersecurity in Naturgy. In addition, the company manages and provides essential services and critical infrastructures in the markets in which it operates, which makes cybersecurity management a priority issue.

In this sense, Naturgy has policies, regulations, control framework and a global cybersecurity governance system for the entire organisation that is aligned with regulatory requirements.

As the central axis of this governance, Naturgy has a regulatory body that establishes the basic lines of action in terms of information security, which must be complied with by its own staff. These regulations are updated periodically and, in addition, a series of international standards and best practices, such as ISO 27001 and the Spanish National Security Scheme (ENS), are used as control frameworks.

This matter is supervised by the Board of Directors, whose directors have profiles and knowledge in the information technology sector, which favours an overall view of these matters.

Cybersecurity is managed transversally throughout the organisation through the corporate function (Global Head Chief Information Security Officer), responsible for ensuring the correct strategic alignment of the policies and regulations applicable in each of the businesses, which in turn have specific cybersecurity officers (Business Information Security Officers). The corporate cybersecurity function is spearheaded by the Chief Information Officer, who is part of Naturgy's Management Committee.

Another of the pillars on which the company's cybersecurity is based is the training of people. Naturgy offers cybersecurity training to its entire workforce, including its management bodies, in order to identify and mitigate the cybersecurity risks to which its operations are exposed: For this purpose, different means are used, such as the Corporate University or the company's intranet, and different media such as webinars, training pills, courses, role-plays or live fire exercises.

In terms of extending cybersecurity principles to the value chain, Naturgy establishes cybersecurity criteria that are required in the procurement or contracting of third-party services, and conducts rating assessments for the main suppliers that process company information.

[MDR-T_01] [MDR-T_09] [MDR-T_07] In accordance with what is mentioned in the section "Purpose and strategy" of the General Disclosures chapter of this Report, Naturgy has developed a new Sustainability Plan 2025-2027, under the framework of the new Strategic Plan 2025-2027,in which the following objective has been established to determine the company's performance level in this area:

[MDR-T_02][MDR-T_03][MDR-T_05][MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Naturgy Energy Group BitSight International Index (points)	2025	2022	800	800	780	730

[MDR-T_04] This indicator allows for the assessment of an organization's cybersecurity level and its comparison with other companies in the same sector or in other fields. It also enables a transformation in how companies manage information security, providing objective, verifiable, and actionable security ratings.

[MDR-T_13] Naturgy closed the year 2025 with 800 points in this index, which is based on a scale of 300 to 820, with 300 being the most basic and 820 the most advanced. Naturgy is in the "Advanced" level range, which is considered from 740 points or above, being among the world leaders in the energy sector.

Finally, Naturgy maintains relations with third parties in the field of cybersecurity, such as the National Institute of Cybersecurity or the European Commission, participates in sectoral forums and collaborates with companies in the sector or others engaged in providing cybersecurity services.

Cybersecurity measures

Naturgy has a Cybersecurity Plan 2025-2027 that implements new strategies and initiatives to transform cybersecurity at Naturgy, in a context where it is a priority to continue strengthening the measures already taken in previous cybersecurity plans and to remain proactive in the face of new demands and threats. In a context of the emergence of AI and high regulation in the field of cybersecurity, this plan seeks to increase prevention, protection and investigation in the field of cyberattacks and, consequently, to strengthen the company's resilience in digital environments in order to ensure the protection of all Naturgy's information assets.

In the field of technology, Naturgy is significantly consolidating its operations based on state-of-the-art technologies in line with best market practices and has a zero-trust policy that seeks to minimise exposure to cyber threats.

As part of the digitalisation and innovation of the company's business processes, Naturgy integrates cybersecurity from the design stage of any technology-supported business process. In this way, every process is 'cyber secure by design'.

In order to continuously adapt security measures to the threats that exist at any given time, Naturgy has intelligence and monitoring services in its CyberSOC (Security Operations Centre) that:

- Integrate new sources of cyber intelligence, as well as new use cases aligned with the MITRE Matrix, which classifies the tactics, techniques and procedures used in cyber attacks to facilitate understanding of how attackers operate and how to best protect against them, thus enabling early detection.
- They integrate the latest AI trends into their cyber security operations processes.
- They study and simulate the main cybercriminal groups and their attack trends that could pose threats to the company's operations, articulating an annual plan of controlled intrusions into processes and infrastructures.Additionally, and as a final step in this process, the company has defined a protection plan, consisting of mitigating those use cases that could be exploited on its infrastructure, thus ensuring the minimisation of potential damage.

Resilience and continuity

In the event of a cyber incident, and depending on its level of criticality, Naturgy mobilises and executes the appropriate levels of response, thus limiting its impact on the company, the value of the share, the provision of the service and customer confidence. In this regard, Naturgy has an incident response procedure that determines how to execute global coordination in the event of cybersecurity incidents according to the nature and criticality of the incidents being managed, both locally and globally.

In addition, the company has a Crisis and Technology Continuity Plan, which regulates the mechanisms to be implemented in the event of a serious security incident. These mechanisms help to maintain the level of service within predefined limits, establishing a minimum recovery period, analysing the results and reasons for the incident, and thus avoiding the interruption of corporate activities. The plan mitigates the financial impact and loss of critical information, as well as the reputational aspect.

Likewise, Naturgy carries out annual:

- Periodic incident simulation exercises for each of its geographical areas and businesses, proactively and with the support of leading third parties in cybersecurity, which allows the robustness of the company's processes and systems to be certified.
- Audits of the information systems infrastructure and information security management systems carried out by an external company as part of the financial audit.
- Review of the security of essential services in line with the NIS2 Directive of 2022 and Spain's National Security Scheme (ENS).

- A cyber assessment, for each business and geography, that allows the company to evolve its maturity level year after year, proposing and implementing new lines of improvement.
- Technical audits of the main suppliers.

It is worth noting that, during the 2025 financial year, there were no incidents or security breaches in the infrastructure that prevented business continuity.

Taxation

Naturgy has analysed this subject as part of its double materiality assessment, described in the General Disclosures chapter, section 4. Impact, Risk and Opportunity Management, as a specific issue for the company, and has concluded that taxation is material from both an impact and a financial perspective. The relevant impacts and risks identified are presented below. No material opportunities have been identified as they fall below the established materiality thresholds.

		Upstream (2)	Own Operations	Downstream (3)	Business (4)	Time horizon (5)
OTHERS						
Taxation						
P.I. (1)	Contribution to economic and social development through the payment of taxes.	X	X	X	Both	Current
R	Increased tax burden resulting from changes in tax regulations.		X		Both	Short-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

Tax principles and policies

For Naturgy, the company's tax policy must have well-defined basic lines, so that all the players involved are clear about all the procedures to be followed and those that will be followed. in order to avoid future contingencies

All of Naturgy's tax policies are aligned with:

- The **Naturgy's Declaration of Principles and Policies**, in which one of the commitments and principles of of its behaviour is to "adopt responsible business management practices and comply with all tax obligations in all jurisdictions in which the company operates, accepting the commitment to accountability and collaboration with the corresponding tax agencies".
- The **Naturgy Code of Ethics** establishes that "all employees of the Group must comply with the laws in force in the countries where they conduct their activities, thereby heeding the spirit and objectives of the laws and behaving ethically in all their actions".
- The **Global Tax Policy**, approved on 28 January 2025 by the Board of Directors, constitutes Naturgy's Tax Control Framework and defines the process, activities, responsibilities and key performance indicators for the group's tax strategy, implementing the provisions of Naturgy's Statement of Principles and Policies, and specifically the provisions of the Capital Companies Act, according to which the determination of the tax risk control and management policy is a non-delegable power of the members of the Board of Directors.

- The **Code of Best Tax Practices (CBTP)**, approved on 20 July 2010 by the Plenary session of the Large Companies Forum, a body established by the Spanish National Tax Agency with Spain's largest companies, including Naturgy Energy Group, S.A. The CBTP contains recommendations by the tax authorities, which Naturgy has adopted voluntarily, that are aimed at improving the application of the tax system by enhancing legal certainty, reducing litigation, fostering mutual co-operation based on good faith and legitimate trust, and the application of responsible tax policies.

Organisational principles ensure that the tax function is carried out in a global (with responsibility for all the Group's tax matters in the various management areas), integrated (with a single criterion) and professional (expert teams) manner.

Global Tax Policy

The main lines of the Global Tax Policy are as follows:

- Clearly defined tax governance.
- Procedures for controlling the tax risk arising from Compliance.
- Procedures for assessing and controlling tax approaches where there is uncertainty.
- Oversight of the performance of the Tax Control Framework.
- Regular reporting of the tax situation to the Board of Directors.

Tax strategy

Through the Audit Committee, the Board of Directors is responsible for overseeing compliance with the Group's tax strategy. At a meeting on 28 January 2025, the Board of Directors The approved the tax strategy and the Global Tax Policy, which sets out the basic principles governing Naturgy's tax function and the main lines of action to mitigate and guide proper control of tax risks. The basic principles governing Naturgy's Tax Strategy are as follows:

- Responsible compliance with tax obligations.
- A low tax risk profile.
- Adoption of tax treatments based on economic reasons.
- Transparency of tax information.
- Co-operation with the Tax Authorities.

The overall and integrated responsibility for the tax function is centralized in the Tax Unit. The entire Group has common tax policies to ensure the smooth operation and coordination of the company's various tax units. In this way, they are developed under a single, common approach, without prejudice to the specific characteristics of each business and jurisdiction.

To ensure the proper execution of these functions, the tax units, both at the corporate and business levels, have teams with academic and practical training in accounting, finance, and tax matters, enabling them to perform their tasks effectively.

Tax Risks and Tax Control Framework

To align Naturgy's tax practices with these principles, the Group has a General Tax Control Framework Standard that has been designed in accordance with the guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational companies and other best practices, both national and international, existing in the market, so that the Group can have a Tax Control Framework.

Naturgy also has a risk map that specifically identifies the tax risks and issues regarding the interpretation or application of tax law. The main matters with a tax impact are detailed in Note 21 "Tax situation" of the Consolidated Annual Report, which forms part of the Annual Consolidated Financial Report 2025.

Regarding the approach to tax risks, it is worth mentioning that all uncertain tax processes (adopted or those planned to be adopted in tax returns) (which the tax authorities may not accept) are assessed by applying a predefined methodology. Based on the assessments obtained and the defined risk tolerance level, a mitigation, communication and, if applicable, approval plan is established in accordance with the procedures and authorization levels documented in the General Regulation governing the Tax Control Framework.

Additionally, in the case of transactions that must be submitted for approval by the Board and other transactions with special tax risk, the Secretary General and the Board Secretary shall inform the Board of Directors of the tax consequences before they are approved, if applicable, by the Board of Directors. The practical implementation of this section of the general rule is carried out by applying the provisions of Naturgy's General Tax Control Framework Procedure.

The compliance assessment of the fiscal governance and Control Framework takes place at year-end and prior to the preparation of the Consolidated Annual Accounts. The Board of Directors is presented with Naturgy's tax situation by the Company and Board Secretary, which includes, among other matters:

- The tax policies applied during the year.
- Tax information by country and information included in the annual financial report.
- Tax audits, litigation and tax risk mapping.
- Compliance with the obligations assumed by adherence to the Code of Good Tax Practices.
- The most relevant results of the monitoring of the functioning of the Tax Control Framework.

Finally, with regard to the mechanisms for reporting concerns, the Code of Ethics allows for queries and/or complaints about tax behaviour that is contrary to the rules or which, without being expressly regulated, any employee may consider not to be in line with the principles and good practices set out in the Code of Good Tax Practices approved by the Board of Directors.

Tax havens

The incorporation or acquisition of undertakings domiciled in countries or territories designated as tax havens must be reported to the Board of Directors via the Audit Committee.

At year-end 2025, Naturgy does not have any company in any territory considered as a non-cooperative jurisdiction, in accordance with the new regulations arising from the EU Directive 2016/1164 of the Council of 12 July 2016 and which has been implemented in Spanish domestic legislation through Law 11/2021 of 9 July, which amended the First Additional Provision of Law 36/2006 of 29 November on the prevention of tax fraud, and, specifically, the list of non-cooperative jurisdictions published in Order HFP/115/2023 of 9 February. At year-end 2024, there were no companies in any territory classified as non-cooperative jurisdictions.

Tax contribution

Naturgy attaches priority to its obligation to pay any taxes that are due under each territory's rules.

It considers, in line with the United Nations, that taxes play a fundamental role in the achievement of global development objectives in terms of sustainability and that they are a key mechanism through which Naturgy makes a very significant contribution to the economies of the different countries where it operates.

The demand for fiscal transparency is growing among investors and other stakeholders of organisations and, to a greater extent, when these organisations operate in regulated markets (e.g. the energy sector).

For this reason, Naturgy decides to share with its stakeholders the total tax burden it bears financial each year. To increase transparency, in 2024 it was decided to adapt the tax contribution structure it had been using in recent years, in order to reflect more accurately the tax burden borne (both direct and indirect), the costs of its management as well as the new figures approved in each country where it operates.

Likewise, since 2024, given their growing importance, in addition to taxes, other non-tax economic benefits required by the state and by autonomous/regional and local administrations are included separately, both when they represent a charge against the company's results and when they are passed on to third parties; in this case, because the management costs represent an increase in the so-called indirect tax burden, which must also be considered. This exercise has been carried out for Spain and will be progressively implemented in other jurisdictions, for which, at this stage, a sufficiently precise breakdown is not available to carry it out in a a technically solvent manner.

On these assumptions, Naturgy's total tax contribution in 2024 amounted to 4,109 million euros (3,056 million euros in 2024). The following table shows the breakdown of taxes and other levies effectively paid by Naturgy by country and segmented between those that represent a direct expense for the Group (called taxes and other levies that affect the result), and those that are withheld or passed on to the final taxpayer (called managed taxes), but which represent a not insignificant management cost and, at least on occasions -VAT and excise taxes- also a financial cost that is difficult to quantify:

	Taxes affecting the result						Tax and non-tax benefits and other levies affecting profit and loss						Taxes and other benefits managed										Total Tax Contribution	
	Income tax (1)		Other taxes and benefits, state, regional and local (2)		Total		Temporary Energy Levy		Other tax and non-tax benefits (3)		Total		VAT		Hydrocarbons tax and Electricity tax		Withholdings of personal income tax and social security contributions		Others (5)		Total			
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Spain	380	370	405	421	**786**	**791**	0	89	721	336	**721**	**425**	1,301	814	230	176	228	167	36	17	1,795	1,173	**3,301**	**2,389**
Argentina	43	11	14	12	**57**	**23**	0	0	0	0	**0**	**0**	11	15	0	0	0	0	0	0	11	15	**69**	**38**
Brazil	59	59	40	39	**100**	**98**	0	0	0	0	**0**	**0**	65	63	0	0	7	7	0	0	72	70	**171**	**169**
Chile	61	73	-2	3	**59**	**76**	0	0	0	0	**0**	**0**	68	65	0	0	1	1	0	0	69	66	**129**	**142**
Mexico	154	106	5	4	**159**	**110**	0	0	0	0	**0**	**0**	89	73	0	0	9	7	0	0	98	81	**257**	**191**
Panama	24	9	9	8	**33**	**17**	0	0	0	0	**0**	**0**	6	4	0	0	0	2	0	0	6	6	**38**	**24**
Other Latam	8	13	1	2	**9**	**15**	0	0	0	0	**0**	**0**	0	2	0	0	1	0	0	0	1	2	**10**	**16**
Total Latam	350	271	66	69	417	**340**	0	0	0	0	0	**0**	240	222	0	0	17	17	0	0	**257**	**240**	**674**	**579**
Others	60	32	10	7	70	**39**	0	0	0	0	0	**0**	55	35	6	10	0	0	2	2	**64**	**48**	**133**	**87**
Total	**790**	**673**	**482**	**497**	**1,272**	**1,17**	**0**	**89**	**721**	**336**	**721**	**425**	**1,596**	**1,07**	**236**	**186**	**246**	**184**	**38**	**19**	**2,116**	**1,460**	**4,109**	**3,056**

(1) Income tax actually paid in the year shown in the Cash Flow Statement of the Consolidated Financial Statements and including withholdings on interest receipts (€16m; €10m in 2024). It does not include accrued amounts. Information on the reconciliation between the income tax recorded and that which would result from applying the nominal tax rate in force in the country of the parent company (Spain) on the 'profit before tax' is detailed in Note 21 'Tax situation' of the Consolidated Annual Financial Report.

(2) Includes state, regional and local energy taxes, as well as the employer's social security contribution in Spain, and other taxes specific to each country. In Spain, these include, among others, social security contributions (€81m), property tax (IBI) (€32m), income tax (IAE) (€16m) and the 1.5% tax on occupation of the public domain (€110m).

(3) Includes items such as wind and hydroelectric taxes, air pollution tax, landfill tax, taxes related to the impact on the nature of installations, energy production and transport, as well as non-tax benefits on wind farms and photovoltaic plants at regional and/or local level.

(4) Basically includes employee withholdings and social security on behalf of the employee.

(5) Includes withholdings other than personal income tax, the financing of the Social Bonus and other items that are passed on to consumers through the bill, as well as management costs that reflect the so-called indirect tax burden.

Naturgy's tax contribution in the 2025 financial year has increased by 1,053 million euros, representing a 34% increase compared to 2024. Despite the negative impact of the non-renewal of the Temporary Energy Tax in Spain, which amounted to 89 million euros in 2024, and the €40 million refund from the Tax Agency as a result of the ruling that declared the elimination of the Special Hydrocarbon Tax exemption on natural gas used for electricity generation to be contrary to EU law, most of the increase, 912 million euros (87% of the total), occurred in Spain. The remaining 141 million increase (13%) corresponds to the other countries in which Naturgy operates.

Of the increase recorded in Spain, 290 million euros corresponds to the tax contribution with an impact on the income statement, while the remaining amount derives from taxes managed by Naturgy with no direct impact on the income statement.

The increase is mainly due to the full regularisation during the 2025 financial year of VAT rates, the Essential Electricity Tax and the Tax on the Value of Electricity Production, which for much of the past financial year remained subsidised by the Government in order to mitigate inflation in the cost of energy. This has led to an increase in VAT revenue of 487 million euros and 54 million euros in excise duties.

Added to this are the aforementioned non-tax benefits in Spain, which highlight the group's specific contribution, both to financing the energy transition, through the National Energy Efficiency Fund with 95 million euros in 2025, compared to 68 million in 2024, and to certain social expenses for the benefit of energy consumers, through the social bonus, with 36 million euros in 2025 compared to 17 million in 2024.

As for the information on revenues from sales to third parties and revenues from intra-group transactions with other tax jurisdictions in 2024, at the close of this report it is not available in a disaggregated manner by country. The information will be available for the country-by-country statement filed in December next year. For 2024 information, details are provided in the following table:

- **Revenues from sales to third parties and intra-group transactions (€M)**

		2024
Tax jurisdiction	**Third parties**	**Related entity**
Argentina	1,017	12
Australia	54	27
Brazil	1,600	4
Chile	899	397
Costa Rica	19	1
Spain	9,842	12,632
United States	27	0
France	0	0
Ireland	1,580	2,068
Israel	5	0
Luxembourg	6	0
Mexico	1,453	321
Netherlands	0	0
Panama	1,013	31
Portugal	409	0
Puerto Rico	378	0
Dominican Republic	125	0

NB: Data aggregated at country level; transactions between Group companies within the same country are not eliminated.

Subsidies

The movement in capital grants received is detailed in Note 15 of the Consolidated Annual Report. Capital grants have been received in 2025 amounting to € 3 million (€ 6 million in 2024). If operating grants had been received, these would be detailed in Note 24 of Annual Consolidated Financial Report which forms part of this report, neither in 2025 nor in 2024 have any such grants been received.

Profits earned by country (million of euros)

	2025
Argentina	102
Australia	-29
Brazil	97
Chile	103
Colombia	0
Costa Rica	6
Spain	1,156
USA	-22
France	-2
Ireland	358
Italy	-1
Luxembourg	-6
Mexico	168
Oman	3
Panama	25
Puerto Rico	50
Dominican Rep.	13
Total	**2,023**

Solidarity Company

Naturgy ticked the Company Solidarity Company Box of the 2024 Corporate Income Tax, with which it expressly states its willingness to allocate 0.7% of the full amount of Corporate Income Tax to subsidise activities of general interest considered to be of social interest, as provided for in the hundredth additional provision three of Law 6/2018, of 3 July, on the General State Budget for 2018. For this reason, the company has obtained the Solidarity Company Seal, awarded by the Third Sector Platform, which recognises those companies that have ticked the 'Solidarity Company Box' of the Corporate Income Tax this year.

Innovation

Naturgy conceives innovation as an indispensable tool in the development of new energy solutions that enable progress in the energy transition and combat climate change, as well as evolving towards technological solutions that promote the simplification of processes, cybersecurity and data management, with digitalisation also being a fundamental pillar for achieving the company's objectives.

Naturgy has assessed this matter in the framework of its double materiality assessment described in the General disclosures chapter, section 4. "Impact, risk and opportunity management", as a entity-specific topic, and has concluded that it is material from a financial perspective and only for own operations, as reflected in the table below.

		Upstream [2]	Own Operations	Downstream [3]	Business [4]	Time horizon [5]
OTHERS						
Innovation						
	Reduced costs and carbon footprint due to investment in the development of new technologies.		X		Both	Medium-term
O [1]	Promoting access to sustainable and technological solutions that favor decarbonization, energy efficiency and clean mobility, contributing to a just transition for customers and communities.		X		Both	Medium-term

NOTES:

The 'X's indicate at which stage of Naturgy's activity chain the impact is located: Upstream, Own Operations, or Downstream. If a row contains several 'X's, it means that the impact is located at more than one stage.

(1) The following notations have been used: positive impact (P.I.), negative impact (N.I.), risk (R) and opportunity (O). Negative and positive impacts refer to Impact materiality, and risks and opportunities reder to Financial materiality.
(2) (3) The "Upstream" and "Downstream" stages correspond to those defined in the section "Naturgy and its value chain".
(4) The possibilities "Gas", "Electricity" and "Both" are included to indicate the relationship between each impact, risk or opportunity and the company's business model.
(5) Impacts under the "Current" category are those that have occurred the present year, and thus no time horizon applies.

To take advantage of the opportunities identified in the analysis, Naturgy has designed an innovation model based on weaving collaboration networks with the ecosystem, which allow it to respond to the complexity of the environment and solve challenges in an agile and efficient manner.

The innovation model aimed at generating and developing new solutions or businesses is based on the following pillars:

- **Innovation is collaborative and open**, able to respond quickly to signals of change in the environment and evolve in complex scenarios, able to transform mistakes into learning, and projecting the future by understanding the past and observing the present.
- **Innovation is a key lever for growth**, as it enables the incorporation of best practices, new business models and technological solutions that contribute to the digitisation, automation and optimisation of processes; guaranteeing safety, operational improvement and facilitating access to information for better decision-making. All of this, putting the consumer at the centre to provide value-added and sustainable solutions, and guaranteeing the company's competitiveness in the long term.

- **The generation of renewable gases such as renewable hydrogen or biomethan**e, for those end-uses in which electrification is neither technically nor economically feasible. Hydrogen is an efficient and immediately decarbonising solution in intensive industry or in transport. In addition, it offers great potential for energy storage and energy integration. Regarding biomethane, it is an existing technology that allows replacing natural gas with no abatement costs to adapt infrastructures or equipment for the end user, and it is also a clear example of circular economy by producing a renewable gas from organic waste. In this instance, innovation projects are aimed at optimising performance and production.
- **The optimisation of renewable energy generation** through innovative systems due to their improved energy efficiency and their ability to be integrated into the environment, at lower cost or with greater reliability. This promotes the entry of new agents into the system and the coverage of part of the energy needs of households, SMEs and public administrations.
- **The direct use of energ**y in a direct way through new manageable electricity consumption that provides flexibility, for example, in air conditioning, as well as through storage for its later use.
- **The response to increasingly atomised markets**, with small and flexible competitors, both commercially and in generation, with renewable developments closer to consumers and smaller in size.

In a transversal and complementary manner to this model, it is essential to introduce disruptive IT technologies that catalyse Naturgy's digitalisation. These technologies not only guarantee security and optimise operations but also facilitate access to quality information for more effective decision-making. All of this is geared towards value creation, ensuring the company's long-term competitiveness. Likewise, the incorporation of Artificial Intelligence acts as a disruptor in current and future innovation, enabling the automation of processes, the personalisation of services and the creation of new business models in all areas.

Naturgy defines its technological strategy on the basis of digitalisation pillars in accordance with the following principles:

- **Simplicity**: is a key principle focused on:
  - **Simplified Processes:** reduction of complexity in internal processes to improve operational efficiency.
  - **Agile Projects**: rapid implementation of projects using agile methodologies that allow rapid adaptation to changes in the environment.

- **Cloud:** the evolution from a Cloud-first model to a Cloud-only model is essential to ensure:
  - **Modular Solutions:** development of solutions that can be easily adapted and scaled according to business needs.
  - **Flexibility and Scalability**: ability to adjust cloud resources and services according to demand, ensuring efficient and cost-effective operation.

    The evolution to a Cloud model facilitates the incorporation of emerging technologies such as Blockchain, IoT, Robotics, Artificial Intelligence and Edge Computing.

- **Data centric**: data management, governance and protection are essential for a successful digitalisation strategy. Naturgy adopts a global and strategic vision in its relationship with leading software manufacturers and focuses on:
  - **Data management**: implementation of Data Centric architectures, such as Data Lakes, to centralise and manage large volumes of data.
  - **Data Governance and Protection**: establishment of policies and procedures to ensure the integrity, confidentiality and availability of data.
  - **Data-driven decision making:** enhancing internal capacity to make informed, data-driven decisions.

Robust data management and governance enables more efficient adoption of Artificial Intelligence, an essential lever in Naturgy's digitalisation, based on the incorporation of analytical and generative Artificial Intelligence into large volumes of data to obtain valuable insights for the business.

- **Cybersecurity**: this is a fundamental pillar of Naturgy's digitalisation strategy. Its objective is to guarantee the protection of information and the security of systems through a comprehensive approach that includes:
  - **Information protection**: implementation of advanced technical measures to safeguard data against unauthorised access and possible security incidents.
  - **Systems security**: strengthening and protecting the technological infrastructure against threats and vulnerabilities.

  All of this is supported by best-of-breed technologies (search for the best software solutions from different suppliers for specific areas of application) that drive innovation, including Artificial Intelligence and Zero Trust security models (security strategies for multi-cloud networks), with a focus on digital identity.

To achieve tangible results, Naturgy has deployed a set of innovation tools based on the search for opportunities – acceleration and investment in operations – and the deployment of a portfolio of projects that will broaden the company's industrial profile (start-up incubator, investment vehicles, etc.).

Evolution and results

Investment in innovation

[MDR-T_01] [MDR-T_09] [MDR-T_07] In accordance with what is mentioned in the section "Purpose and strategy" of the General Disclosures chapter of this Report, Naturgy has developed a new Sustainability Plan 2025-2027, under the framework of the new Strategic Plan 2025-2027, in which the following target has been established regarding investment in innovation:

[MDR-T_02][MDR-T_03][MDR-T_05][MDR-T_06]

	Approval year	Base year	Target 2027	Year 2025	Year 2024	Baseline value
Open innovation and technological innovation TOTEX	2025	2022	310	107	98	n.a.

[MDR-T_04] The objective includes all investments and operating expenses associated with the development and deployment of open and technological innovation projects accumulated during the Plan period.

[MDR-T_13] The main results achieved during 2025 are as follows:

Innovation investment and expenditure (€M)	2025	2024
Open innovation and technological innovation Totex	107	98
Open innovation Totex	17	3
Technological innovation Totex	90	95

It is worth noting that the increase in Totex in Open Innovation Programs is explained by the expansion of the scope of innovation initiatives to all of Naturgy's operating segments.

Highlights of the year

- Naturgy continues to strengthen its commitment to biomethane through the development of new methanation technologies. In collaboration with the Catalonia Energy Research Institute (IREC), a catalytic methanation technology is being promoted that will be tested at the Arroyo Culebro WWTP of Canal Isabel II in Pinto (Madrid). At the same time, the company W2BM2, formed by Naturgy and Greene, continues to make progress in the biological methanisation of synthesis gas from difficult-to-manage industrial waste in order to obtain renewable gas suitable for distribution.
- Naturgy, in collaboration with Octave and the CIUDEN Foundation, is implementing an energy storage project based on second-life batteries, with the aim of demonstrating its technical and commercial viability. The system incorporates advanced monitoring through the Battery Cloud platform and will be evaluated over two years for applications such as self-consumption, peak management and energy backup.
- Naturgy is making progress in the implementation of an electrical storage system that combines lithium-ion batteries with ultracapacitors, in collaboration with the El Escobar I photovoltaic plant, located in Ingenio (Gran Canaria). This technology improves the integration of renewables into the electricity grid and enables advanced services such as frequency regulation, black-start and voltage control to be offered. The project has been declared of general interest and has had administrative authorisation since May 2025.

Open innovation programmes and projects

Programmes

Forumtech

Technology monitoring and competitive intelligence take place through Forumtech, involving over 170 people from the various business units and corporate areas. These groups, which have a markedly collaborative nature, share and analyse information with a comprehensive vision, bringing together the areas of: technology, commercial, regulatory, social and market aspects. Insights are generated that guide the innovation activity and contribute to the evolution and transformation of the business. They facilitate the take-up of new technologies and best practices, awakening ideas and facilitating the development of new opportunities.

Scouting y Open Innovation

During 2025 Naturgy received and analysed more than 150 opportunities for collaboration, mainly due to the work of scouting of start-ups where the company combines collaboration with the leading international scouters and active internal search. In addition, Naturgy actively participates in initiatives with other corporations in the search for solutions to joint challenges.

Connecting Energy

This year, Naturgy has successfully completed the fourth edition of its startup incubation programme and launched the fifth edition in September. Through this programme, Naturgy makes the knowledge and talent of its employees available to the entrepreneurial community, promoting the creation of new companies. Twelve projects are currently being promoted, with the support of a team of 26 Naturgy professionals, including mentors and specialists. Incubation allows the company to be part of the development of new business models and knowledge of new technologies, strengthening ties with the entrepreneurial ecosystem.

Innovahub powered by Naturgy

In 2025, Innovahub participates in third-party innovative projects by promoting the implementation of pilots of novel technologies created by startups, validating the technologies in an industrial environment and helping to consolidate the business projects that generate them.

In a second line of activity, Innovahub is the vehicle for testing new business models through the creation of new companies with third parties, as a venture builder.

Notable projects

Electricity networks Spain

The MARVIN-24 project, developed by the company Fuvex, seeks to revolutionise the inspection of power lines and gas pipelines using long-range drones (BVLOS) with advanced sensors. After more than 20,000 km inspected since 2022 together with UFD, the main challenge identified was to improve daily productivity (30-40 km/day), especially in geographical areas with adverse weather conditions. The new MARVIN-24 aircraft aims to reach up to 200 km/day, matching the efficiency of manned helicopters and reducing operating costs by up to 50%. The project includes validation pilots for 800 km of power lines, with direct integration into UFD's processes.

Commercialisation

The FV Puente Nuevo shared self-consumption project is being developed at the Puente Nuevo Campus (Ávila) as a sustainable energy demonstration laboratory. It integrates photovoltaic generation, storage, electric vehicle charging and intelligent management using AI. Self-consumption coverage is estimated to exceed 20%, with a reduction of more than 33 tonnes of CO_2 per year and economic savings of €680,000 over 25 years. The project also has a strong educational and social component, and is scheduled to be launched in 2026.

Renewable Generation

The project, developed jointly by Octave, Naturgy and the CIUDEN Foundation, aims to demonstrate the technical and commercial viability of an energy storage system based on second-life batteries at the CIUDEN centre. Over a two-year period, the system will be tested in real conditions, with applications such as self-consumption, peak management, auxiliary services and energy backup. The system includes advanced monitoring via the Battery Cloud platform, which enables predictive maintenance and remote control of each module. Following the demonstration phase, a possible operational extension for an additional two years is being considered.

The HIB SAE El Escobar project consists of the installation of an electrical storage system with lithium-ion batteries and ultracapacitors (UCAPs), in hybridisation with the 3.2 MW El Escobar I photovoltaic plant, located in Ingenio (Gran Canaria). This system, with a power of 1.4 MW and a capacity of 4.8 MWh, incorporates grid-forming converters to improve the integration of renewables into the electricity grid, offering services such as frequency regulation, black-start and voltage control. The project has been declared of general interest and has had administrative authorisation since May 2025.

Renewable Gases

With the aim of increasing biomethane production, Naturgy is participating in two collaborations to develop methanation technology. Together with the Catalonia Institute for Energy Research (IREC), a new catalytic methanisation technology is being developed that will be tested at the Arroyo Culebro WWTP of Canal Isabel II in Pinto (Madrid). The company W2BM, formed by Naturgy and Greene, continues to develop biological methanation technology for synthesis gas generated from the material recovery of difficult-to-manage industrial waste, which allows renewable gas to be obtained for injection into the distribution network.

Technological innovation programmes and projects

Cross-cutting initiatives

Below is a set of initiatives that reflect Naturgy's commitment to technological innovation and digital transformation, ensuring transversal cooperation throughout the group.

SM@RT Latam expansion and New corporate modules

The SM@RT project transforms Naturgy's corporate and business processes to simplify, standardise and digitise key areas such as budgeting, investment and expenditure tracking, treasury, general accounting, monthly/annual closings and consolidation. The main actions include:

- Elimination of paper-based administrative processes.
- Automation of analytical reporting.
- Digitisation of the procurement process.
- Access to financial and accounting information from any digital platform.

To achieve this transformation, standard solutions such as SAP HANA, SAP Ariba, SAP Analytics Cloud will be implemented. The project is executed in agile format and in public cloud, aligned with the global strategy of Cloud Only.
The initial scope of SM@RT is being extended with the deployment of a new financial planning and consolidation system based on SAP BPC, and the implementation of two SAP GRC (Governance, Risk and Compliance) modules: Audit Management and Risk Management.

Trip To Cloud

Naturgy accelerates its 'Cloud First' strategy to offer greater flexibility and scalability in IT. This strategy fosters innovation, provides access to recent technologies and improves efficiency in the development of digital applications.

Cybersecurity

New strategies to strengthen cybersecurity in Naturgy that later lead to actions included in the company's Cybersecurity Plan. Structural measures are addressed in processes, people and technology to respond to growing cyber threats. This project, defined by the IT department, ensures a resilient organisation in the face of new threats.

FactorIA & Digital Academy

Naturgy has created FactorIA as the reference centre to drive the adoption of Artificial Intelligence (AI). FactorIA's strategy is based on three key principles: Train, Do and Promote.

- **Training**: Through the Digital Academy, employees are trained in digital skills and develop competent profiles in data, technology and AI.
- **Do**: Initiatives are promoted for the adoption and development of Data & AI projects. The lines of action include identifying use cases, carrying out proof of concepts tests, providing a technological and methodological framework, and collaborating with startups and AI experts.
- **Promote:** Naturgy uses channels such as the dataHub community, with more than 1,200 active members, and FactorIA, to disseminate and arouse interest in Data & AI. The purpose is to facilitate access to new AI tools for all employees.

These initiatives reflect Naturgy's commitment to technological innovation and digital transformation, ensuring transversal cooperation throughout the group.

Notable projects

Commercialisation

Following the implementation of the NewCo project in the retail sector and once all customers have been transferred to the new digital retailer, in 2025 we will continue to drive forward a strategic transformation based on advanced innovation, such as: intelligent call centre automation through an agent platform integrated with NewCo systems, capable of synthesising voice and providing rapid responses; deployment of artificial intelligence solutions, for example, to proactively detect possible complaints from dissatisfied customers through the analysis of email communications; and comprehensive redesign of the Business Intelligence and demand forecasting platform, migrating from on-premise environments to flexible cloud architectures powered by machine learning, thus consolidating a more efficient and predictive operating model.

Networks

Agentic Contact Centres

In 2025, a new Contact Centre as a Service (CCaS) platform has been implemented, incorporating state-of-the-art Contact Centre and generative AI technologies in electricity and gas networks in Spain, with a threefold objective: to significantly improve the customer experience, moving from reactive to proactive management; to automate the quality audit of customer service calls; and automate the contacts received by the call centres.

The Contact Centre Platform manages incoming calls, which can be directed to either the Virtual Assistant or a human agent, depending on the case. The platform employs Gen AI-based agents, enabling efficient handling of customer interactions. All information generated during this process is centralised in the Analytics Platform, which provides comprehensive monitoring.

The proposal seeks to transform call analysis by evaluating 100% of interactions, eliminating subjectivity and establishing uniform resolution criteria that improve service quality. New indicators such as sentiment analysis are incorporated. In addition, it allows for the detection of protocol breaches, especially in data protection, thus avoiding penalties. All of this contributes to improving the customer experience, reducing complaints and callbacks, and increasing first-call resolution.

Thermal Generation Spain

Predictive Models

Real-time asset management is a critical activity in the operation of combined cycle gas plants. That is why, in 2025, the Azure Machine Learning platform was implemented for the development of predictive models by the Thermal Generation Data Analytics unit. These models, applied to critical assets, are intended to anticipate failures, which will result in improved equipment maintenance.

AI applied to the Remote Control Centre (RCC) operator

Through this initiative, and following the development of the RCC project, pilot projects have been incorporated in 2025 for the development of AI applied to the operator's environment, a complex environment in the daily operation of cycles in Spain, with a high number of plant start-ups. The application of AI has been geared towards improving and automating operations, both in terms of monitoring checklists and assisting the operator through natural language.

Corporation

UALI-E Project

In 2025, the implementation of UALI-E began, a virtual assistant for staff, whose main objective is to resolve queries about the company's internal services quickly and easily. It allows general queries to be made about areas such as training, medical services, data protection, expenses, access to buildings, permits, social benefits, occupational health and safety, volunteering and the employee's shopping basket. In addition to consultation services, it will automate internal ticket creation activities for issues that cannot be resolved directly by the virtual assistant.

UALI-E facilitates self-service, quick access to public documentation and navigation through corporate portals, and is available 24/7 to employees in Spain, with a progressive incorporation of groups. The project seeks to validate the usefulness and accuracy of the assistant's responses, improve the user experience through feedback, and continuously evolve to incorporate new services that optimise the day-to-day lives of employees.

Modern Finance

This strategic initiative has been developed to transform the financial function by 2025 through advanced technology, data automation and AI. The project is divided into three main areas:

- **Financial Markets and Treasury**: promoting the digitisation of liquidity and debt management, incorporating dashboards that interact with natural language thanks to the use of AI, as well as predictive models to make cash flow projections and simulations and optimise it.
- **Planning and Management Control**: which seeks to optimise budgeting and scenario planning through advanced analytics and generative artificial intelligence tools.
- **Consolidation and Administration**: focused on improving efficiency and effectiveness in the integration and standardisation of financial data and using data and artificial intelligence to increase the degree of internal control, prepare external financial reports or help optimise the accounting closing process so that it is traceable, accurate, consistent and allows for agile decision-making.

This transformation will enable greater efficiency, control and agility in financial processes.

06. Disclosures stemming from other legislation (Law 11/2018)

Information on social and personnel issues

For the purpose of optimising the management of Naturgy's workforce and improving the traceability of information, in 2024, a new distribution of professional categories has been implemented, aligned with the needs of the company. This approach avoids the need to adapt the organisational structure to groupings that do not reflect natural operations, allowing for more efficient and accurate management.

On the other hand, in compliance with the guidelines of the Spanish National Securities Market Commission (CNMV), the Senior Management group has been identified and differentiated.

As a result, the new professional groupings established are as follows:

- **SM (Senior Management)**, in accordance with CNMV criteria, is considered to be the Executive Chairman, in relation to his executive functions, and the executives who report directly to the Board of Directors, its Committees or the Executive Chairman.
- **EX (Executives)**, which includes strategic and operational management positions.
- **MM (Middle Management)**, corresponding to the middle management level.
- **NCBA (Staff not covered by collective bargaining agreement)**, other workers whose employment relationship is not referenced to the collective bargaining agreement.
- **CBA (Staff covered by collective bargaining agreement)**, workers whose employment relationship is governed by collective bargaining agreements.

This classification responds to the need for a clear and transparent structure that facilitates both internal management and regulatory compliance.

In addition, the headcount data at 31 December shown below differ from those in Note 25 of the Consolidated Annual Report shows the consolidated workforce (6,764), whereas this report shows the managed workforce (6,637). The difference between the two is the number of employees in Spain of joint operation entities (-135 employees) and the number of employees at the coal-fired plants (+8 employees).

The joint operations refer to Temporary Business Associations (UTEs), meaning that Naturgy retains a specific percentage of the workforce from these companies, but only for the period during which the company's shares are held. Therefore, these employees are not considered part of the company's own staff for the purposes of this Report. In the case of the coal-fired power plant employees, they belong to companies that were reclassified as discontinued in 2020. During 2025, the dismantling of these facilities continued.

- **Distribution of employees by country, gender and professional category (%)**

2025

	Senior management		Executives		Middle management		NCBA		CBA	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Argentina	0.0	0.0	0.3	0.2	0.2	0.1	1.1	0.9	7.6	2.4
Australia	0.0	0.0	0.0	0.0	0.1	0.0	0.4	0.1	0.0	0.0
Brazil	0.0	0.0	0.2	0.2	0.1	0.0	0.5	0.5	2.3	1.4
Chile	0.0	0.0	0.2	0.1	0.2	0.1	0.2	0.1	4.5	2.8
Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Spain	0.2	0.1	3.3	2.5	2.3	1.3	6.6	6.9	22.1	11.3
USA	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Israel(1)	-	-	-	-	-	-	-	-	-	-
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Luxembourg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.0	0.0	0.4	0.2	0.4	0.2	0.4	0.1	5.8	2.9
Netherlands(1)	-	-	-	-	-	-	-	-	-	-
Panama	0.0	0.0	0.2	0.1	0.2	0.2	0.9	0.8	1.2	0.8
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Puerto Rico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dominican Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.2
Total	**0.2**	**0.1**	**4.7**	**3.4**	**3.6**	**1.9**	**10.2**	**9.4**	**44.4**	**22.0**

(1) In those countries where there are no employees in 2025, this has been reflected with "-".

2024

	Senior management		Executives		Middle management		NCBA		CBA	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Argentina	0.0	0.0	0.2	0.0	0.3	0.1	1.7	1.4	6.9	1.8
Australia	0.0	0.0	0.0	0.0	0.1	0.0	0.4	0.0	0.0	0.0
Brazil	0.0	0.0	0.2	0.2	0.1	0.0	0.5	0.4	2.3	1.4
Chile	0.0	0.0	0.2	0.0	0.2	0.1	0.1	0.0	4.9	2.6
Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Spain	0.2	0.1	3.5	2.3	2.1	1.1	6.7	6.5	22.9	11.7
USA	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Israel	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Italy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Luxembourg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	0.0	0.0	0.4	0.2	0.4	0.2	0.6	0.2	5.8	2.8
Netherlands	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.0	0.0	0.2	0.1	0.2	0.1	1.0	0.8	1.2	0.6
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Puerto Rico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dominican Rep.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.2
Total	**0.2**	**0.1**	**4.8**	**2.9**	**3.4**	**1.7**	**11.3**	**9.5**	**44.8**	**21.2**

- **Number of contracts by gender, type of contract and type of working at 31 December**

	2025			2024		
	Male	Female	Total	Male	Female	Total
Indefinite full-time	4,133	2,380	6,513	4,279	2,315	6,594
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**4,133**	**2,380**	**6,513**	**4,279**	**2,315**	**6,594**
Temporary full-time	63	61	124	119	99	218
Temporary part-time	0	0	0	0	0	0
Total temporary	**63**	**61**	**124**	**119**	**99**	**218**
Total full-time	**4,196**	**2,441**	**6,637**	**4,398**	**2,414**	**6,812**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

- **Annual average of contracts by gender and type**

	2025			2024		
	Male	Female	Total	Male	Female	Total
Indefinite full-time	4,184	2,345	6,530	4,364	2,294	6,659
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**4,184**	**2,345**	**6,529**	**4,364**	**2,294**	**6,659**
Temporary full-time	96	80	176	125	104	229
Temporary part-time	0	0	0	0	0	0
Total temporary	**96**	**80**	**176**	**125**	**104**	**229**
Total full-time	**4,280**	**2,425**	**6,705**	**4,489**	**2,399**	**6,887**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

- **Number of contracts by age, type of contract and type of working at 31 December**

	2025				2023			
	< 30 years	30-50 years	> 50 years	Total employees	< 30 years	30-50 years	> 50 years	Total employees
Indefinite full-time	399	3,782	2,332	6,513	380	4,049	2,165	6,594
Indefinite part-time	0	0	0	0	0	0	0	0
Total indefinite	**399**	**3,782**	**2,332**	**6,513**	**380**	**4,049**	**2,165**	**6,594**
Temporary full-time	33	88	3	124	65	150	3	218
Temporary part-time	0	0	0	0	0	0	0	0
Total temporary	**33**	**88**	**3**	**124**	**65**	**150**	**3**	**218**
Total full-time	**432**	**3,870**	**2,335**	**6,637**	**445**	**4,199**	**2,168**	**6,812**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

- **Annual average of contracts by age, type of contract and type of working**

	2025				2024			
	< 30 years	30-50 years	> 50 years	Total employees	< 30 years	30-50 years	> 50 years	Total employees
Indefinite full-time	391	3,894	2,244	6,530	354	4,189	2,115	6,659
Indefinite part-time	0	0	0	0	0	0	0	0
Total indefinite	**391**	**3,894**	**2,244**	**6,530**	**354**	**4,189**	**2,115**	**6,659**
Temporary full-time	46	126	3	176	80	146	3	229
Temporary part-time	0	0	0	0	0	0	0	0
Total temporary	**46**	**126**	**3**	**176**	**80**	**146**	**3**	**229**
Total full-time	**437**	**4,021**	**2,247**	**6,705**	**434**	**4,335**	**2,118**	**6,887**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

- **Number of contracts by professional category, type of contract and type of working at 31 December**

2025

	Senior management	Executives	Middle management	NCBA	CBA	Total
Indefinite full-time	17	539	367	1,297	4293	6513
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**17**	**539**	**367**	**1,297**	**4,293**	**6,513**
Temporary full-time			4	3	117	124
Temporary part-time	0	0	0	0	0	0
Total temporary			**4**	**3**	**117**	**124**
Total full-time	**17**	**539**	**371**	**1,300**	**4,410**	**6,637**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

2024

	Senior management	Executives	Middle management	NCBA	CBA	Total
Indefinite full-time	17	527	344	1,408	4,298	6,594
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**17**	**527**	**344**	**1,408**	**4,298**	**6,594**
Temporary full-time			6	10	202	218
Temporary part-time	0	0	0	0	0	0
Total temporary			**6**	**10**	**202**	**218**
Total full-time	**17**	**527**	**350**	**1,418**	**4,500**	**6,812**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

- **Annual average of contracts by professional category, type of contract and type of working**

2025

	Senior management	Executives	Middle management	NCBA	CBA	Total
Indefinite full-time	17	534	361	1,375	4243	6530
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**17**	**534**	**361**	**1,375**	**4,243**	**6,530**
Temporary full-time	0	0	4	7	165	176
Temporary part-time	0	0	0	0	0	0
Total temporary	**0**	**0**	**4**	**7**	**165**	**176**
Total full-time	**17**	**534**	**366**	**1,381**	**4,408**	**6,705**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

2024

	Senior management	Executives	Middle management	NCBA	CBA	Total
Indefinite full-time	16	502	362	1,408	4,372	6,659
Indefinite part-time	0	0	0	0	0	0
Total indefinite	**16**	**502**	**362**	**1,408**	**4,372**	**6,659**
Temporary full-time	0	0	5	16	208	229
Temporary part-time	0	0	0	0	0	0
Total temporary	**0**	**0**	**5**	**16**	**208**	**229**
Total full-time	**16**	**502**	**367**	**1,424**	**4,579**	**6,887**
Total part-time	**0**	**0**	**0**	**0**	**0**	**0**

- **Rotation index by gender and age group (%)**

	2025				**2024**			
	<30 años	30-50 años	>50 años	Total	<30 años	30-50 años	>50 años	Total
Hombres	1	18	15	34	1	11	4	16
Mujeres	5	8	6	19	0	12	1	13
Total	**6**	**26**	**21**	**53**	**1**	**23**	**5**	**29**

The increase in the number of layoffs reflects the combined impact of internal reorganization processes and adjustments resulting from changes in the group's ownership structure. This dynamic is a response to a context of corporate transformation that has generated a higher volume of job losses compared to the previous year.

- **Rotation by professional category and gender**

2025

	Senior management	Executives	Middle management	NCBA	CBA	Total
Male	0	2	1	9	22	34
Female	0	1		4	14	19
Total	**0**	**3**	**1**	**13**	**36**	**53**

2024

	Senior management	Executives	Middle management	NCBA	CBA	Total
Male	0	2	1	1	12	16
Female	0	1		6	6	13
Total	**0**	**3**	**1**	**7**	**18**	**29**

Average remuneration by age, gender and professional category

- **Average fixed and variable remuneration by professional category and gender**

2025

	Senior management	Executives	Middle management	NCBA	CBA
Male	753,768	162,527	83,571	64,924	38,118
Female	307,176	140,775	77,091	56,335	38,556

NB: The exchange rate used is at the year end closing.

2024

	Senior management	Executives	Middle management	NCBA	CBA
Male	711,639	156,406	83,904	60,145	37,966
Female	277,717	132,495	81,496	54,211	38,031

NB:
(1) NB: The exchange rate used is at the year end closing.

- **Average fixed and variable remuneration by age range and gender**

2025

	< 30 years	30-50 years	> 50 years
Male	29,638	49,424	69,039
Female	36,360	51,039	70,644

NB: The exchange rate used is at the year end closing.

2024

	< 30 years	30-50 years	> 50 years
Male	30,000	49,081	67,572
Female	35,003	50,635	65,858

NB: The exchange rate used is at the year end closing.

- **Average remuneration of Directors (thousands of euros)**

	2025		**2024**	
	Male	Female	Male	Female
Executive (1)	1,100		1,100	
Independent/Proprietary	224	234	236	251

(1) It does not include remuneration for executive functions

Organisation of the work

- **Total lost hours (Absenteeism)**

	2025	2024
Argentina	28,377	25,284
Australia [1]	1,660	-
Brazil	14,293	10,631
Chile	37,012	37,107
Costa Rica	283	1,096
Spain	194,411	202,771
USA	48	-
Mexico	5,323	11,760
Panama	2,741	1,915
Portugal [1]	1,037	-
Dominican Republic	1,775	1,256
Total	**286,959**	**291,820**

(1) In 2025, the indicator was added to Australia, the United States, and Portugal. "-" is indicated because data for 2024 are not available for these countries.
The following countries where Naturgy has a presence are excluded from the scope of the indicator: France, Ireland, Italy, Luxembourg and Puerto Rico.

Health & Safety

- **Health & Safety indicator**

	2025			2024		
	Male	Female	Total	Male	Female	Total
No. of recordable accidents (No. of employees)	8	0	8	12	2	14
No. of lost time accidents (No. of employees)	6.00	0.00	6.00	10.00	2.00	12.00
Recordable accident frequency rate per 1 million hours worked(TRIR)	0.96	0.00	0.61	1.36	0.43	1.04
Lost time accidents frequency rate (per million hours worked)	0.72	0.00	0.46	1.14	0.43	0.89
Lost time accidents severity rate (per million hours worked)	34.05	0.00	21.72	47.63	2.76	32.00
Occupational illnesses	0	0	0	5	0	5

Training

- **Training hours per employee**

	2025	2024
Senior management	490	322
Executives	29,113	34,947
Middle management	20,397	16,716
NCBA	57,763	59,636
CBA	197,806	179,771
Total	**305,569**	**291,391**

Note: Training data only includes companies within the UC Perimeter. These companies represent 92.7% of the total workforce.

The 2024 report contained cross-referencing of data between collective bargaining agreement staff and non-collective bargaining agreement staff. The information in this report has been corrected.

Information on respect for human rights

Due diligence includes the ongoing analysis of human rights risks and their consequences, both in own activities and in business dealings. This includes establishing commitments and assigning responsibilities, supervising and monitoring the implementation of the policy, training people in the company and correcting any malpractice.

To monitor these risks, the heads of each area of the company carry out periodic assessments of the risks identified according to their level of management.

Each area of the company is responsible for complying with both the Statement of Principles and the Global Sustainability Policy. Knowledge is strengthened through mandatory training, seminars and information sessions.

Naturgy engages the resources necessary to guarantee the effective implementation of this policy. In this regard, the company regularly analyses the human rights issues that are applicable to its activity and will introduce mechanisms that enable it to assess the risk of breach of these in the environments in which it operates.

The company introduces specific measures for management of potential impacts and risks to human rights from the projects and investments, and will ensure that sufficient resources are targeted at the implementation of the corrective measures identified. More detailed information can be found in the chapter Affected communities, sub-section "Actions to manage negative and positive impacts".

In the due diligence processes prior to the formalisation of collaboration agreements, Naturgy assesses the human rights policies and practices of its counterparties. During 2022, an analysis tool was successfully implemented, including a human rights risk assessment of counterparties. More detailed information can be found in the chapter Business conduct in the subsection on "Corporate culture".

In addition, in the evaluation of suppliers, human rights practices are considered and suppliers may be excluded if they do not comply with the ethical standards set out in the Supplier Code of Ethics, which includes issues relating to respect for human rights, in particular those related to:

- Eliminating of all forms of forced or compulsory labour.
- Child labour.
- Respecting indigenous communities and traditional ways of life.
- Respecting people in general.

In this way, Naturgy establishes prevention mechanisms with regard to the third parties with which it establishes business relations so that the company's principles are extended to the value chain.

Any breaches of human rights are studied in accordance with the internal procedures, legal regulations and the prevailing agreements, and could give rise to disciplinary or employment measures as determined in the internal regulations and legislation, as indicated in the chapter on Business conduct, section "Business conduct policies and corporate culture".

Employees of Naturgy are obliged to report any breach of the undertakings set out in this policy to the company, confidentially and without fear of reprisals. Those people who, without being company employees, witness potential malpractice in this area through the Code of Ethics Channel (see the Business Conduct chapter, sub-section "Corporate culture").

Index of contents required by Law 11/2018

Content index in accordance with the provisions of Act 11/2018, of 28 December, which amends the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Legislative Royal Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on Auditing, in connection with non-financial and diversity reporting.

Contents	Pages	Reporting Criteria	Reason for the omission
Business model.			
Description of the business model. – Its business environment. – Its organisation and structure. – The markets in which it operates. – Its goals and strategies. – The main factors and trends that may affect their future.	34-50	ESRS 2 SBM-1	
Reporting framework used to report non-financial information.	6-7	ESRS 2 BP-1	
Policies.			
A description of the group's policies on these issues. 1. Due diligence procedures applied for the identification, assessment, prevention and mitigation of risks and impacts, and verification and control, including what measures have been adopted. 2. Key performance indicators of policy implementation to enable monitoring and evaluation of progress.	7-12, 130, 175, 191-193, 210-213, 256-258, 273-274, 292-294, 315-323	ESRS BP-2 ESRS E1-2 ESRS E3-1 ESRS E4-2 ESRS G1-1 ESRS S1-1 ESRS S2-1 ESRS S3-1 ESRS S4-1	
Risks.			
The main risks related to these issues associated with the activities of the group, including, where relevant and proportionate, its business relationships, products or services that could have an adverse effect on those areas, and how the group manages such risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each subject matter.	52-66, 66-68, 68-80, 111-125, 171-173, 174-175, 182-189, 204-205, 313-315, 207-210, 253-256, 270-273, 288-292	ESRS2 SBM-3 ESRS 2 IRO-1 ESRS 2 IRO-2 ESRS E1.SBM-3 ESRS E2.IRO-1 ESRS E3.IRO-1 ESRS E4.SBM-3 ESRS E5.IRO-1 ESRS G1.IRO-1 ESRS S1.SBM-3 ESRS S2.SBM-3 ESRS S3.SBM-3 ESRS S4.SBM-3	
Materiality assessment.	52-66, 66-68, 68-80	ESRS2 SBM-3 ESRS 2 IRO-1 ESRS 2 IRO-2	
Social and personnel issues.			
Employment. – Number and distribution of employees by country, gender, age group and professional category. – Total number and distribution of employment contract types and annual average of: ▪ Indefinite contracts by gender, age and professional category. ▪ Temporary contracts by gender, age and professional category.	241-243, 244-245, 354-357	ESRS S1-6 ESRS S1-9 GRI 405-1	
Number of layoffs by gender, age group and professional category.	357-358	GRI 405-1	
Average remuneration by gender, professional category and age group.	358	GRI 405-2	
Pay gap.	250	S1-16	
Average remuneration of directors and senior managers, including bonus, allowances, compensation, payment to long-term savings schemes and any other payment broken down by gender.	358	GRI 405-1	

Introduction of policies on disconnecting from work.	210-212, 225-226	ESRS S1-1 ESRS S1-4
Percentage of disabled employees.	246	ESRS S1-12
Work organisation.		
Organisation of work time.	225-226	ESRS S1-4
Number of hours of absenteeism.	360	GRI 403-9
Measures to facilitate work-life balance and encourage the co-responsible exercise of these by both parents.	225-226, 248	ESRS S1-4 ESRS S1-15
Health and safety.		
Health and safety conditions in the workplace.	219-225, 245, 247-248	ESRS S1-4 ESRS S1-11 ESRS S1-14
Number of work accidents by gender.	359	GRI 403-9
Occupational diseases by gender.	359	GRI 403-9
Social relations.		
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	212-214, 243-244	ESRS S1-2 ESRS S1-8
Percentage of employees covered by collective bargaining agreements.	243-244	ESRS S1-8
Balance of the collective bargaining agreements in the field of occupational health and safety.	212-214	ESRS S1-2
Description of the company's mechanisms and procedures to promote employee involvement in the management of the company, in terms of information, consultation and participation.	212-214, 214-218	ESRS S1-2 NEIS S1-3
Training.		
Policies introduced in the field of training.	230	ESRS S1-4
Total number of training hours by professional category.	360	GRI 3-3
Universal accessibility for people with disabilities.	240 246	ESRS S1-4 ESRS S1-12
Equality.		
Measures taken to promote equal treatment and opportunities between women and men.	229-240, 239-241	ESRS S1-4 ESRS S1-5
Equality plans.	228-229	ESRS S1-4
Measures adopted to foster employment.	230-240	ESRS S1-4
Protocols against sexual and gender-based harassment.	214	ESRS S1-2
Integrity and universal accessibility for people with disabilities.	214 246	ESRS S1-4 ESRS S1-12
Policy against all types of discrimination and, where appropriate, diversity management.	210-211, 256-258	ESRS S1-1 ESRS S1-2
Environmental issues.		
Management approach.		
Detailed information on the current and foreseeable effects of the company’s activities on the environment and, where appropriate, on health and safety.	66-68, 68-60, 52-66, 111-125, 171-173, 182-189, 204-205	ESRS 2 IRO-1 ESRS 2 IRO-2 ESRS 2 SBM-3 ESRS E1.SBM-3 ESRS E2.IRO-1 ESRS E3.IRO-1 ESRS E4.SBM-3 ESRS E5.IRO-1
Environmental assessment or certification procedures.	175-176, 193	ESRS E3-2 ESRS E4-3
Resources targeted at the prevention of environmental risks.	130-139, 175-176, 193-197	ESRS E1-3 ESRS E3-2 ESRS E4-3

The application of the precautionary principle.	130-139, 175-176, 193-197	ESRS E1-3 ESRS E3-2 ESRS E4-3
The amount of provisions and guarantees for environmental risks.	130-139, 175-176, 193-197	ESRS E1-3 ESRS E3-2 ESRS E4-3
Pollution.		
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment (also includes noise and light pollution).	171-173	ESRS E2.IRO-1
Circular economy, sustainable use of resources and waste prevention.		
Measures for prevention, recycling, reuse, and other forms of recovery and disposal.	NA	Not material
Actions to combat food waste.	NA	Not material
Sustainable use of resources.		
Water consumption and water supply in accordance with local constraints.	177-179	ESRS E3-4
Consumption of raw materials and measures taken to improve the efficiency of their use.	NA	Not material
Direct and indirect energy consumption	148-150	ESRS E1-5
Measures to improve energy efficiency.	130-139	ESRS E1-3
Use of renewable energies.	148-150	ESRS E1-5
Environmental issues.		
Climate change.		
Greenhouse gas emissions.	150-162	ESRS E1-6
Measures to adapt to climate change.	104-111, 130-139	ESRS E1-1 ESRS E1-3
Targets to reduce greenhouse gases.	104-111, 139-148	ESRS E1-1 ESRS E1-4
Sustainable finance taxonomy – Regulation (EU) 2020/852 of the European Parliament and of the Council – Commission Delegated Act Regulation (UE) 2021/2139 – Commission Delegated Act Regulation (UE) 2021/1214	80-104	Company criteria
Biodiversity.		
Measures to preserve or restore biodiversity.	193-197	ESRS E4-3
Impacts caused by the activity.	199-203	ESRS E4-5
Information on respect for human rights.		
Application of due diligence procedures.	28-31, 359	ESRS 2 GOV 4 GRI 2-23 GRI 2-26
Measures for the prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.	28-31, 229-230, 260-267, 280-285	ESRS 2 GOV 4 ESRS S1-4 ESRS S2-4 ESRS S3-4
Complaints about human rights violations.	251	ESRS S1-17
Promotion and enforcement of the provisions of ILO core conventions related to respect for freedom of association and the right to collective bargaining, elimination of forced or compulsory labour and the effective abolition of child labour.	210-212, 256-258	ESRS S1-1 ESRS S2-1
Information on corruption and bribery.		
Measures to prevent corruption and bribery.	315-323, 329-330	ESRS G1-1 ESRS G1-3
Anti-money laundering measures	315	ESRS G1-1

Contributions to foundations and not-for-profit associations.	286-287	ESRS S3-5 GRI 201-1	
Information about the company.			
Commitments of the companies to sustainable development.			
– The impact of society on local employment. – The impact of society's activity on local populations and the territory. – The relations maintained with the local community players and the types of business with them. – The actions of association or sponsorship.	274-278, 278-280, 280-286	ESRS S3-2 ESRS S3-3 ESRS S3-4	Naturgy has not implemented a methodology to accurately measure the indirect economic contribution of the organisation.
Responsible supply chain management.			
– The inclusion of social, gender equality and environmental issues in the procurement policy. – Consideration in relations with suppliers and subcontractors of their social and environmental responsibility. – Monitoring and auditing systems.	323-329, 260-267	ESRS G1-2 ESRS S2-4	
Management of customers relations.			
– Measures for the health and safety of consumers. – Complaint systems. – Complaints received and their resolution.	297-301, 301-309, 309-311	ESRS S4-3 ESRS S4-4 ESRS S4-5	
Tax information and transparency.			
– Profits country by country. – Taxes paid on profits. – Public grants received.	342-344	GRI 201-1 GRI 207-1 GRI 207-2 GRI 207-3	

07. Annexes

Methodology for calculating indicators (MDR-M)

The purpose of this section is to provide a detailed description of the sustainability indicators presented in this Report, explaining the methodology used for their calculation, as well as the assumptions used and the limitations encountered. The indicators presented below take into account the minimum disclosure requirements established in ESRS 2, regarding the reporting of sustainability indicators (MDR-M).

[MDR-M_03] These indicators, relating to material sustainability issues, have been verified by KPMG, which reviews the adaptation of the contents of the Sustainability Report to what is indicated in the ESRS framework and, exceptionally this year, to Spanish Law 11/2018. Likewise, the application of the temporary exemptions introduced by Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 for certain disclosure requirements has also been considered within the scope of the verification carried out by KPMG.

Glossary of indicators

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Breakdown of management and supervisory bodies by gender (%)	Percentage of men and women on the Board of Directors, the Audit and Control Committee, the Sustainability Committee and the Nomination, Remuneration and Corporate Governance Committee.	Direct measurement. To calculate this indicator, the members of each body are identified, and the number of women (respectively men) in the body is divided by the total number of members.	GOV-1
Breakdown of directors by age category (%)	Percentage of Board members by age category.	Direct measurement. To calculate this indicator, the respective ages of the councillors are identified, and the results are categorised according to the specified ranges. **Assumptions.** Age ranges: under 55 years, between 55 and 60 years, and over 60 years.	GOV-1
Diversity metrics in senior management	Percentage of men and women in senior management.	Direct measurement. To calculate this indicator, members of senior management are identified, and the number of women in senior management is divided by the total number of senior management. **Assumptions.** Senior management is defined as members of the Management Committee and those executives who report directly to the Board or to the chief executive of the company.	GOV-1
Breakdown of senior management by age group (%)	Percentage of senior management according to three age categories.	Direct measurement. To calculate this indicator, the respective ages of the principals are identified, and the results are categorised according to the specified ranges. **Assumptions.** Age ranges: under 55 years, between 55 and 60 years, and over 60 years.	GOV-1

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Net Turnover (millions of euros)	Volume of revenue obtained after the application of taxes (direct and indirect) and other special discounts. This value is used for the calculation of energy consumption intensity, greenhouse gas emission intensity and water consumption intensity.	Please refer to Note 22 of the Consolidated Financial Statements for further information.	SBM-1
Eligible turnover according to Taxonomy (million Euros)	Share (in million euros) of total revenues from activities eligible under the European Taxonomy Regulation (EU) 2020/852.	See Taxonomy section.	SBM-1
Renewable gas injection capacity. Spain (TWh)	Ability to inject biomethane of similar quality to conventional natural gas into distribution networks in Spain.	Direct measurement. The sum of the actual injections of biomethane plants into the company's distribution networks in Spain is considered.	SBM-1
Emission-free capacity (%)	Percentage that represents the installed capacity in the technologies considered emission-free, over the total installed capacity at the end of the financial year.	Direct measurement. The installed capacity for each type of emission-free electricity generation asset is taken and divided by Naturgy's total electricity generation capacity. **Assumptions.** Emission-free technologies are considered to be those not associated with fossil fuels (hydro, mini-hydro, wind, nuclear and solar).	E1. SBM-1
Climate action lines CAPEX according to Strategic Plan	Capital expenditure associated with the different action lines described in the Climate Transition Plan, included in the new Strategic Plan 2025-2027.	Direct measurement. The sum of CapEx associated with the company's initiatives related to climate transition.	SBM-1
Transition Action Plan: Current investment in fossil fuel activities	CapEx and OpEx associated with the company's operation with fossil fuels (coal, natural gas, oil and oil derivatives,...).	Direct measurement. The sum of CapEx and OpEx associated with the company's initiatives related to natural gas, LNG, biomethane, green hydrogen and LPG.	E1-1
Revaluation and/or recycling rate (%)	Percentage of waste generated in the decommissioning of coal-fired power plants that has been destined for revalorisation and/or recycling.	Direct measurement. The volume of waste generated in the decommissioning of coal-fired power plants destined for revalorisation and/or recycling is calculated and divided by the total volume of waste generated in this activity.	E1-3
Local employment (% of total persons hired)	Percentage of local people hired for the decommissioning of coal-fired power plants.	Direct measurement. The total number of local employees hired for the decommissioning of each plant is calculated and divided by the total number of employees for decommissioning. **Assumptions.** Local employees are those who reside in the municipality of the power plant in question, or in different municipalities but are registered in the job exchange of the Just Transition Institute.	E1-3
GHG emission reductions and associated energy savings	Volume of emissions that have been reduced by the implementation of climate change mitigation actions.	See section "GHG emission reductions and associated energy savings".	E1-3

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Installed capacity from renewable sources (%)	Percentage that the installed capacity of renewable energy technologies represents of the total installed capacity at the end of the financial year.	See Taxonomy section.Direct measurement. The installed capacity for each type of renewable electricity generation asset is taken and divided by Naturgy's total electricity generation capacity. **Assumptions.** Renewable technologies are considered to be hydro, mini-hydro, wind, solar and biomethane.	E1-4
CO2 intensity of electricity generation (tCO2 eq/ GWh)	Ratio of greenhouse gas (GHG) emissions associated with electricity generation activity, per energy consumed.	Direct measurement. The installed capacity for each type of renewable electricity generation asset is taken and divided by Naturgy's total electricity generation capacity.	E1-4
Total energy consumption in MWh by origin (fossil, nuclear and renewable)	Volume of energy consumed by the company's activities.	See section "Energy consumption in Naturgy (MWh)".	E1-5
Non-renewable and renewable energy production (MWh)	Volume of energy produced as a result of the company's own operations.	Direct metering. Each power generation plant records production in real time, and the annual sum is added up from the data provided by each installation.	E1-5
Energy intensity (total energy consumption per net revenue)	Ratio of energy consumption in own operations per net income generated.	Ratio of energy consumption in own operations per net income generated. Direct measurement. The total energy consumption of the company is taken, and divided by the net income for the year. **Assumptions.** The denominator used is the Net Turnover.	E1-5
Revenue from the fossil fuel sector (oil and gas)	Gross revenues generated by the company's operation in the generation and distribution of electricity from non-renewable sources, and from the distribution of natural gas and LNG.	Please refer to Note 22 of the Consolidated Financial Statements for further information.	E1-5
Net revenues from activities in sectors with a high climate impact	Net value of the company's revenues generated from operating in sectors with high climate impact.	Please refer to Note 22 of the Consolidated Financial Statements for further information.The value of the Net Turnover Amount (NTI) is used. Given that Naturgy only operates in the gas and electricity generation and distribution sector, the total amount of the INCN is used. **Assumptions.** Further information can be found in Note 22 of the Consolidated Financial Statements.	E1-5/E1-6
Absolute GHG emissions scopes 1 (MtCO2 eq)	Direct GHG emissions, i.e. from sources that are controlled by the company.	See section "Greenhouse gas (GHG) emissions inventory calculation methodology".	E1-6
GHG emissions Scope 1 as % from regulated emission trading schemes	Percentage of direct GHG emissions covered by emissions trading systems.	See section "Greenhouse gas (GHG) emissions inventory calculation methodology".	E1-6

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
GHG emissions Scope 2 broken down by location-based and market-based emissions (MtCO2 eq)	Indirect emissions due to the generation of electricity that is purchased by the company for its own consumption but not generated by the Group.	See section "Greenhouse gas (GHG) emissions inventory calculation methodology".	E1-6
GHG Scope 3 emissions by relevant Scope 3 categories (MtCO2 eq)	Indirect emissions, not included in scope 2, arising from the value chain of activities, including upstream and downstream emissions, over which the Group has no direct control or influence.	See section "Methodology for calculating the greenhouse gas emissions inventory".	E1-6
GHG emissions intensity (total GHG emissions per net revenue)	Ratio of total greenhouse gas (GHG) emissions per net revenue generated.	Direct measurement. The total emissions of the company and its value chain are taken and divided by the net income for the year. **Assumptions.** The denominator used is the Net Turnover.	E1-6
Intensity of water consumption in generation (hm3/TWh)	Ratio of water consumption in electricity generation activities, per energy produced.	Direct metering. The water consumption of the company's electricity generation facilities is taken, and divided by the total energy produced in 2024, in TWh.	E3-3
Intensity of water consumption (m3/M€)	Ratio of total water consumption in the company's own operations per net income generated.	Direct measurement. Total water consumption in own operations is taken, and divided by net income for the year.	E3-4
Total water consumption in areas at water risk, including areas of high water stress (m3)	Volume of water consumed by company facilities located in water-risk regions.	See section "Water consumption".	E3-4
Total recycled and reused water (m3)	Volume of water and wastewater (treated or untreated) that has been used in the same production process (recycled) or in other company facilities (reused), prior to final discharge.	See section "Water consumption".	E3-4
Total water reused (m3)	Volume of wastewater originating from other industries or urban origin, which is treated for reuse.	Direct metering. The facilities measure and report water abstracted by source, including reused water.	E3-4
Water withdrawal (m3)	Volume of water entering the boundaries of the company, irrespective of source and end use, during the financial year.	Direct metering. The facilities measure and report the water captured by source.	E3-4
Water discharge (m3)	Volume of water that leaves the boundaries of the company and is released to surface or groundwater, or to third parties, during the financial year.	Direct measurement. Facilities measure and report wastewater discharges.	E3-4
Participants in training sessions for schools (no.)	Number of people who have attended training sessions (face-to-face and virtual) for schools, within the framework of collaboration with GREFA.	Direct measurement. For each session held, the number of participants is recorded and a total sum is added up at the end of the year.	E4-3
Biodiversity enhancement initiatives (no.)	Number of initiatives that can fit into the biodiversity and ecosystem mitigation hierarchy.	Direct measurement. Each initiative developed by Naturgy related to biodiversity and ecosystems is recorded manually, and a sum is added up at the end of the year.	E4-4

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Number and area (in hectares) of sites owned, leased or managed in or near such protected areas or key biodiversity areas	Number and size of company-owned, leased, or managed sites located within, or in close proximity to, a protected area or key biodiversity area.	See section "Impact indicators related to biodiversity and ecosystem change".	E4-5
Initiatives with positive impact on protected sites, habitats or species (%)	Percentage of the company's biodiversity and ecosystem initiatives that result in a benefit to a protected area or species.	Direct measurement. All businesses and units report on biodiversity initiatives undertaken, including different information. Among this information is whether the initiatives are carried out in protected areas or habitats or to benefit protected species. Initiatives that meet any of these three criteria are aggregated to give the data.	E4-5
Environmentally restored area (ha)	Area positively affected by the company's biodiversity and ecosystem restoration initiatives.	Direct measurement. All businesses and units report on biodiversity initiatives carried out, including different information. Among this information is the area of environmental restoration. To give the data, the areas of these restoration initiatives are added together.	E4-5
Employees aware of the Code of Ethics	Percentage of Code of Ethics employees who indicated that they were aware of the Code of Ethics through a form.	Direct methodology. Number of affirmative answers (Yes) divided by the total number of answers (Yes/No).	S1-3
Employees satisfied with the Code of Ethics (%)	Percentage of Code of Ethics employees who indicated high or total satisfaction with the Code of Ethics through a form.	Direct methodology. Number of responses that rate "very or fully" satisfaction divided by the total number of responses. **Limitation.** Respondents to the questionnaire	S1-3
Local "Global EFR Certification" measures	Number of local measures accredited to the EFR Global Certification standard".	Direct. The sum of all the local measures accredited by the Global EFR Certificate over a period of one year. **Limitation.** Respondents to the questionnaire.	S1-4
Global measures of "Global EFR Certification	Number of global measures accredited by the EFR Global Certification standard".	Direct. The sum of all measures of global scope accredited by the Global EFR Certificate over a period of one year.	S1-4
EFR-certified management indicators	Number of management indicators certified by the global Standard 1000/23 EFR and AENOR audit over a period of time.	Direct. All management indicators that have been certified by the global Standard 1000/23 EFR and the AENOR audit during one year are added together.	S1-4
EFR-certified improvement actions (no.)	Number of improvement actions certified by the global Standard 1000/23 EFR and the AENOR audit during a period of time.	Direct. The sum of all improvement actions carried out and certified during the year is added up.	S1-4
Flex & Lead" staff additions (no.)	Young people, with or without work experience, who have joined the company in the framework of the "Flex & Lead" programme during the last year.	Direct measurement. The sum of the number of young people, with or without experience, who have joined the company under the "Flex&Lead" programme.	S1-4

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Staff additions in the framework of the "Transforma" programme (no.)	Number of professionals who have joined the company within the framework of the "Transforma" programme during the last year.	Direct measurement. The sum of the number of professionals who have joined the company under the "Transforma" programme is added up.	S1-4
Management talent development interviews	Total number of interviews conducted in the framework of the "Executive Talent Management Model" during the last year.	Direct measurement.The sum of the interviews of this type carried out is made up as follows	S1-4
Women in workforce (%)	Percentage of employees within the company who are women in relation to the total workforce.	Direct measurement. The sum of persons with gender 'female' is added up and divided by the total number of employees	S1-5
Own employees with disabilities. Spain (%)	Percentage of own employees with disabilities in the total workforce in Spain.	Direct measurement. The total number of salaried employees with disabilities in Spain is added up and divided by the total number of salaried employees in Spain.	S1-5
Training per employee (hours)	Average number of hours of training received by a company employee in the year.	Direct measurement. The hours of training provided are added up and divided by the total number of employees in the company. **Limitation.** Training data only includes companies that have access to SuccessFactors. These companies represent 93% of the total workforce reach.	S1-5/ S1-13
Number of employees by gender	Total number of employees of the company at year-end and classified by gender (male, female, other, not reported).	Direct measurement. A count is made of the number of employees belonging to each gender at the end of the year. **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-6
Number of employees by country	Total number of employees of the company at the end of the financial year and classified by country where the company is present.	Direct measurement. The total number of wage earners within each country is added up and the detail is broken down into those countries with significant employment and the rest of the countries are included under the category "other". **Assumptions.** According to the criterion expressed in ESRS S1, a country is considered to have "Significant Employment" if the company has, in that country, a minimum number of 50 effective employees representing at least 10 % of its total number of employees.	S1-6
Number of employees by type of contract and broken down by gender	Total number of employees by type of contract (permanent, temporary and non-guaranteed) and by gender (male, female, other, not reported).	Direct measurement. Employees are broken down by each type of contract available and by gender. **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-6
Number of employees who have left the company in the reference period	Number of employees leaving the enterprise, either voluntarily or due to dismissal, retirement or death in service, in the reference period.	Direct measurement. The sum of employees who have left the company for any of the following reasons: voluntary, dismissal, retirement or death in service.	S1-6
Turnover(%)	Percentage of departures as a percentage of the average number of employees.	Direct measurement. The aggregate number of employees leaving employment voluntarily or due to dismissal, retirement or death in service is taken and divided by the average number of employees.	S1-6

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Employees in collective bargaining agreements by country (%)	Percentage of employees covered by collective bargaining agreements, inside and outside the European Economic Area (EEA).	Direct measurement. Take the number of employees covered by collective bargaining agreements in a country, and divide by the number of employees in the same country. **Assumptions.** A country is considered to have "Meaningful Employment" if the company has, in that country, at least 50 or more employees representing at least 10 % of its total number of employees.	S1-8
Country with social dialogue agreements for coverage rate	Countries within the European Economic Area (EEA), with significant employment, represented by employee representatives (social dialogue) by coverage rate (0-19%; 20-39%; 40-59%; 60-79%; 80-100%).	Direct measurement. Countries with significant employees are taken and broken down by level of social dialogue coverage. **Assumptions.** A country is considered to have "Meaningful Employment" if the company has, in that country, at least 50 or more employees representing at least 10 % of its total number of employees	S1-8
Distribution of employees by age groups	Percentage of employees by age group; under 30 years; between 30 and 50 years; over 50 years.	Direct measurement. The total number of employees in the company is taken and broken down by the following age ranges: under 30, 30 and 50, and over 50.	S1-9
Gender distribution of senior management	Number of employees in the "top management" category by gender.	Direct measurement. The total number of employees in senior management is taken and broken down by the following genders: male and female. **Assumptions.** Senior management is defined as members of the Management Committee and those executives who report directly to the Board or to the chief executive of the company.	S1-9
Social protection coverage for life events and country in a given period of time (%)	Percentage of social protection coverage for life events by country, for a given time period	Direct measurement. The total number of employees covered by social protection against life events in each country is taken and divided by the total number of employees in that country. **Assumptions.** The following cases are considered as life events: illness; unemployment from the moment the employee works for the company; parental leave; retirement.	S1-11
Employees with disabilities by gender (%)	Proportion of people with disabilities among total number of employees, broken down by gender	Direct measurement. The total number of wage earners with disabilities is taken, and broken down by the following genders: male, female, other, not reported. **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-12
Hours of training offered and completed by gender	Average number of hours of training per employee and by gender (male, female, other, not reported)	Direct measurement. The average number of hours of training provided and completed per employee is taken and broken down by the following genders (male, female, other, not reported). **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-13

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Participation in regular performance and career development appraisals by gender (%)	Percentage of employees who have participated in performance appraisals and career development, broken down by gender (male, female, other, not reported).	Direct measurement. Data is taken on employees who participated in performance and career development appraisals, disaggregated by gender. The percentage of participation of each group in relation to their total is then calculated. **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-13
Revisions made/agreed by management (%)	Percentage of revisions carried out compared to those agreed by management.	Direct measurement. Data from completed reviews is taken and divided by the number of planned reviews.	S1-13
Coverage of Occupational Health and Safety Management System (%)	Percentage of the company's employees who are protected and covered by a formalised occupational health and safety management system, in relation to the total number of employees.	Direct measurement. The number of employees belonging to companies with an Occupational Health and Safety Management System is taken and divided by the total number of employees in the company.	S1-14
Fatalities due to work-related injuries	Total number of fatalities from work-related injuries over a period of time	Direct measurement. Data are collected on fatalities directly caused by occupational injuries. **Assumptions.** It is considered "work-related" if it results from work-related injuries and health problems.	S1-14
Deaths due to work-related diseases	Total number of deaths due to work-related diseases over a period of time	Direct measurement. The number of deaths attributable to occupational diseases during the specified period is taken. **Assumptions.** It is considered "work-related" if it results from work-related injuries and health problems.	S1-14
Recordable accidents at work	Number of occupational accidents, which meet the criteria to be recorded, during a set period of time.	Direct measurement. The sum of occupational accidents recorded during a period of one year. **Assumptions.** An "Accident" is an incident that causes injury or health problems.	S1-14
Recordable occupational injuries	Number of work injuries, which meet the criteria to be recorded, during a set period of time.	Direct measurement. The sum of work injuries recorded over a period of one year.	S1-14
Cases of recordable work-related health problems	Number of recorded incidents in which employees have experienced health problems directly related to their work activities.	Direct measurement. The sum of the number of cases of work-related health problems recorded during a one-year period. **Assumptions.** Work-related health problems may include acute, recurrent and chronic health problems caused or aggravated by working conditions or working practices	S1-14

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Number of days lost due to work-related injuries and fatalities	Number of days lost due to work-related injuries as a result of occupational accidents, work-related health problems and deaths due to illness.	Direct measurement. The sum of days lost due to work-related injuries as a result of occupational accidents, work-related health problems and deaths due to illness. **Assumptions.** The number of days lost is counted including the first full day and the last day of absence. In addition, calendar days are taken into account for the calculation. Absences for other non-work related reasons, such as common illnesses or personal leave, are excluded.	S1-14
Employees entitled to family-related leave and those who took family-related leave by gender (%)	Percentage of employees entitled to family-related leave who have actually made use of this entitlement, broken down by gender (male, female, other, not reported).	Direct measurement. The number of employees entitled to family-related leave (maternity leave, paternity leave, parental leave and carers' leave) by gender is taken. Then, the percentage of each group is calculated by dividing the employees who took leave by the total entitled employees. **Assumptions.** Employees belonging to the third, often neutral, gender are considered to be in the "Other" category.	S1-15
% wage gap	Difference between the average pay levels of male and female employees.	Direct measurement. The difference between the average annual gross pay of men and women is calculated and divided by the average annual gross pay of men.	S1-16
Total annual remuneration (%)	Ratio of the total annual remuneration of the highest paid person to the average total annual remuneration of all employees.	Direct measurement. The total annual remuneration of the highest paid person is taken and divided by the average total annual remuneration of all employees (excluding the highest paid person). **Assumptions.** Remuneration includes the following items: fixed elements, length of service and bonuses, activity bonuses, remuneration in kind, social security contributions and long-term incentives.	S1-16
Notifications on the Code of Ethics Channel	Number of notifications and complaints submitted through the Code of Ethics channel by the company's own staff.	Direct measurement. The sum of the notifications submitted by employees through the Code of Ethics Channel.	S1-17
Purchasing volume with acceptance of the Code of Ethics (%)	Percentage of the purchasing volume awarded by the company that has acceptance of the supplier's code of ethics.	Direct measurement. The volume of procurement that has Code of Ethics acceptance is taken and divided by the total procurement awarded during a set period of time.	S2/G1-2
Performance appraisals carried out	Total number of performance evaluations carried out on suppliers during the year.	Direct measurement. The sum of the performance evaluations carried out on suppliers. **Assumptions.** Performance evaluations carried out in Argentina, Brazil, Chile, Spain, Mexico and Panama are considered.	S2-4

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Suppliers evaluated by performance	Total number of suppliers whose performance has been assessed during the year.	Direct measurement. Suppliers that have received a performance evaluation are added together. **Assumptions.** Performance evaluations carried out in Argentina, Brazil, Chile, Spain, Mexico and Panama are considered.	S2-4
Action plans for underperformance	Number of action plans agreed with suppliers for underperformance.	Direct measurement. A summation of the action plans agreed with suppliers is made. Assumptions. Performance evaluations carried out in Argentina, Brazil, Chile, Spain, Mexico and Panama are considered.	S2-4
Level of ESG audit coverage of purchase volume with high ESG risk (%)	Percentage of ESG audit coverage of suppliers out of total procurement volume assigned with high ESG risk.	Direct measurement. The ESG high ESG risk purchase volume audited in the last 3 years is calculated over the total ESG high ESG risk purchase volume of the group.	S2-4
No. of Preventive Security Observations (PSOs)	Number of preventive security observations made by the inspection, monitoring and control mechanisms implemented in all business units.	The sum of preventive security observations recorded through the inspection, monitoring and control mechanisms in all business units is added up.	S2-4
Incidents	Total number of incidents recorded through the Metric tool (+).	Direct measurement. The sum of the incidents recorded is performed using the "Metric (+)" mechanism.	S2-4
Work stoppage	Number of stoppages of work that have been carried out due to the detection of risk situations not foreseen in the risk identification procedures.	Direct measurement. The sum of the stoppages recorded by means of the "Metric (+)" mechanism.	S2-4
Health and Safety Improvement Proposals (HSP)	Number of initiatives or improvement actions proposed by employees of the company or collaborating companies to improve the safety of any process or activity.	Direct measurement. The sum of the Health and Safety Improvement Proposals (HIPs) recorded through the "Metrics (+)" mechanism.	S2-4
Incident and accident investigations	Total number of incidents and accidents reported by own staff and value chain workers that have been analysed and investigated.	Direct measurement. The sum of incidents and accidents investigated under the "Process of communication, investigation and follow-up of accidents and incidents".	S2-4
Fatal accidents Collaborating Companies	Number of contractor personnel who have died as a result of occupational accidents.	Direct measurement. Data are taken on fatalities due to occupational accidents among contractor personnel.	S2-4
Lost Time Accident Frequency Rate Contractor personnel	Number of lost time accidents per 1 million hours worked	Direct measurement. The number of accidents involving sick leave is taken and multiplied by 1 million hours, this product is divided by the total number of hours worked in the reporting period.	S2-5
Total social investment (in millions)	Total monetary value, in millions of euros, of the economic amounts allocated to actions aimed at promoting the economic and social development of the territories where the company operates.	Direct measurement. The amount of the actions carried out within the framework of the projects, whether they are donations, partnerships or sponsorships, is recorded and added up.	S3-5

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Customers with social voucher	Total number of customers benefiting from the government-regulated electricity bill discount for socio-economically vulnerable households.	Direct metering. The sum of the number of discounted customers is added to the invoice.	S4-4
Complaints registered/ total number of contacts (%)	Percentage of total customer contacts or interactions with the company that resulted in a formal complaint	Direct measurement. The total number of complaints received is taken, and divided by the total number of contacts received from customers in the different customer service channels.	S4-5
Overall satisfaction with the quality of service (0-10)	Level of user satisfaction with the quality of a specific service on a scale of 0 to 10.	Direct measurement. The sum of the ratings given by customers on a scale of 0 to 10 is added up and divided by the number of valid surveys completed by customers.	S4-5
Positions particularly exposed to training programmes (%)	Percentage of positions within the company that are most at risk of corruption and bribery covered by training programmes on corruption and bribery	Direct measurement. Data were taken from the positions with the highest risk of corruption that received training, and divided by the total number of positions with the highest risk.	G1-1
Anti-corruption and bribery training	Percentage of own staff who have received some form of training to prevent corruption and bribery	Direct measurement. Employees who have received each type of training reported are identified and divided by the total number of staff within that group. The groups are: particularly exposed positions, senior management and other employees. The information is calculated aggregated for the group and for Spain. **Assumptions.** The subjects on which training has been provided are: criminal prevention model, conflict of interest and, in Spain, the responsible declaration of compliance and market abuse have also been considered. The definition of personally exposed and senior management can be found in this section.	G1-1
Total Suppliers	Number of suppliers that have remained active (registered in the supplier database) during the financial year, and to whom purchases have been awarded during the financial year;	Direct measurement. The sum of active suppliers with purchase awards in the reported period is added up.	G1-2
Suppliers with high ESG risk	Number of suppliers considered to be high ESG risk	See section "Supplier relationship management (G1-2)".	G1-2
High ESG risk purchase volume	Total monetary amount purchased from suppliers supplying categories of purchases considered as high ESG risk for the financial year	Direct measurement. The total monetary amount corresponding to the awards of the financial year considered as high ESG risk is added up.	G1-2
Documented Security Inspections	Number of documented safety inspections of suppliers carrying out activities classified as having a high Health and Safety risk.	Direct measurement. The sum of the security inspections carried out in the financial year is taken as the sum of the inspections carried out in the financial year.	G1-2
Documented safety inspections with deviations (%)	Percentage of documented safety inspections of the company's suppliers in which deviations have been detected.	Direct measurement. The summary of inspections with deviations is taken, and divided by the total number of safety inspections carried out in the year.	G1-2

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
Suppliers invited to report their information through CDP Supply Chain	Number of Naturgy suppliers invited to report their information via CDP Supply Chain	Direct measurement. In addition to the suppliers that were invited to report through CDP Supply Chain	G1-2
Participants in supplier training	Number of participants in the Extended Academy of the Corporate University	Direct measurement. The summation of EA participants in the exercise is performed.	G1-2
Supplier training hours	Total number of hours of supplier training through the Extended Academy of the Corporate University	Direct measurement. The sum of the hours of training provided by AE in the year is added up.	G1-2
Allegations of corruption and bribery or fraud	Total number of complaints through the Code of Ethics Channel concerning corruption and bribery or fraud during a set period of time.	Direct measurement. Sum of corruption and bribery/fraud complaints received by the Code of Ethics Channel in the year.	G1-4
Closed complaints of corruption and bribery or fraud	Total number of complaints closed through the Code of Ethics Channel relating to corruption and bribery or fraud in the exercise	Direct measurement. The sum of the complaints resulting from the exercise, both those confirmed and those rejected, are added together.	G1-4
Estimated allegations of corruption and bribery/ fraud	Total number of confirmed allegations of corruption and bribery/fraud following investigations by the relevant investigative teams	Direct measurement. The sum of the complaints that, after the corresponding investigation, were found to be confirmed as corruption and bribery or fraud in the financial year.	G1-4
Shareholdings in associative entities	Total number of participations in associative entities	Direct measurement. Active participations in associative entities in the financial year are added up.	G1-5
Countries with participations in associative entities	Total number of countries where the company has participations in associative bodies	Direct measurement. Data are taken from countries where the company has active shareholdings in the year.	G1-5
Investment in associative entities	Total monetary value of investments made to associative organisations	Direct measurement. The sum of the total monetary amount spent on membership payments in partner entities is added up.	G1-5
Average invoice payment days	Average time taken by the company to pay an invoice in number of days	Direct measurement. The difference between the date of issue and the date of actual payment of the invoices is added up and divided by the total number of invoices paid.	G1-6
Payments in line with deadlines (%)	Percentage of payment periods that are in line with the company's usual payment period in number of days	Direct measurement. The number of invoices paid on time is taken, and divided by the total number of overdue invoices.	G1-6
Pending legal proceedings for late payments	Number of legal proceedings currently pending for payment delays in the period established	Direct measurement. The sum of the number of legal proceedings opened against the company due to non-compliance or delays in payment to suppliers.	G1-6
Naturgy Energy Group BitSight International Index (points)	Cybersecurity rating provided by BitSight, which assesses the level of security of the company's digital infrastructure and general market acceptance.	NA	Specific topics

Indicator	Description [MDR-M_01]	Methodology and significant hypotheses [MDR-M_02]	Location
TOTEX for Open Innovation and Technological Innovation (' million)	Monetary value of, capital and operational expenditure, earmarked for open innovation and technological innovation (' million)	Direct measurement. The sum of CAPEX and OPEX allocated to open innovation and technological innovation projects and initiatives.	Specific topics

Carbon footprint verification statement

Verification Statement

LK-2025-15-NATURGY ENERGY GROUP
CORPORATE CARBON FOOTPRINT

The emissions report dated 08.02.2026, issued by
NATURGY ENERGY GROUP, S.A.
Avenida de América 38
28028 Madrid (España)

for the reporting period **01.01.2025 - 31.12.2025**

has been verified in accordance with ISO 14064-03:2019
in relation to compliance with the requirements of
ISO 14064-01:2019 together with GHG Protocol

Naturgy Energy Group, S.A. Carbon Footprint

Total greenhouse gas emissions	**107.334.670** t CO_2-Eq
Scope 1 emissions	13.119.640 t CO_2-Eq
Scope 2 emissions (*)	235.091 t CO_2-Eq
Scope 3 emissions	93.979.938 t CO_2-Eq
GHG emissions according ISO 14064-01:2019 standard	
Category 1 Direct GHG emissions and removals	13.119.640 t CO2-Eq
Category 2 Indirect GHG emissions by imported energy	235.091 t CO_2-Eq
Category 3 Indirect GHG emissions from transport (business travel, commuting)	15.031 t CO_2-Eq
Category 4 Indirect GHG emissions from products used by the organisation (purchased goods and services, capital goods, upstream fuel and energy activities)	17.113.774 t CO2-Eq
Category 5 Indirect GHG emissions associated with the organisation's product use	76.851.133 t CO2-Eq

(*) Scope 2 emissions: same value (235.091 t CO2-Eq) according to location-based and market-based criteria

Agreed assurance level	Reasonable
Materiality thresholds	5% of the total carbon footprint amount

This verification statement is only valid for the stated scope and in conjunction with the objectives and criteria for the assessment as well as our conclusions (pages 2-5).

verico SCE, Hagenaustrasse, 7 – 85416 Langenbach, Germany
Accredited Greenhouse Gas Verification Body by DAkkS according to DIN EN ISO/IEC 17029:2020, EN ISO 14065:2022 y DIN EN ISO 14064-3:2020 (Acreditation Nr. D-VS-19003-01-00)

Langenbach, 11.02.2026

Sergio Degener
Certification Entity
VERICO SCE

CONFIRMATION BESCHEINIGUNG CONFIRMACIÓN

Issue Nov.-2024

Explanations of the verification statement

Brief description of the verification process

NATURGY ENERGY GROUP, S.A. (hereinafter, Naturgy) has voluntarily commissioned verico SCE (verification body) to carry out an independent (third party) verification of its greenhouse gas emissions report, displayed in Chapter "02. Medioambiente, 1.Cambio Climático (E1)" (- *02. Environment, 1. Climate Change (E1)* -) as part of the document "Estado de Información no Financiera Consolidado e Información sobre Sostenibilidad, 2025. Naturgy, Febrero 2026" (*Consolidated Non-Financial Information Statement and Sustainability Information, 2025. Naturgy February 2026*), as Naturgy´s corporate carbon footprint (hereinafter "Naturgy´s 2025 GHG report") for the time period 01.01.2025 - 31.12.2025.

This review is based on the expected scope, targets and criteria associated with the offer dated 19.01.2026 and Naturgy's subsequent confirmation.

The team appointed by the verification office carried out an audit on 3 and 4 February 2026 with representatives of the client, including a documentary review and a complete review of Naturgy's corporate systems in which the emissions of the different business units of Naturgy, worldwide, including gas and electricity supplies and supplies to customers, are registered.

The verification audit took place at Naturgy's corporate headquarters, located at Avenida de América 38, 28028 Madrid (Spain).

Roles and responsibilities

The determination of greenhouse gas (GHG) emissions and the reporting on them is the sole responsibility of the client.

verico SCE role and responsibility as an accredited verification body was to independently verify the adequacy of the GHG emissions reported by our client, as well as the underlying systems and processes for recording, analyzing and controlling them, in accordance with the requirements of ISO 14064-3.

Standard for the collection of GHG data

ISO 14064-1:2019 ("Specification providing guidance on the quantitative determination and reporting of greenhouse gas emissions and removal of greenhouse gas emissions greenhouse gases at the organizational level") in conjunction with Greenhouse Gas Protocol. The data and information supporting the claim are historical in nature.

Scope of application / Boundaries

This verification covers Naturgy's activities worldwide, specifically:

- Electricity generation (gas power plants, renewable sources)
- Electricity distribution
- Natural gas distribution
- Natural gas: infrastructures, procurement, transportation, supply and marketing of natural gas, in the form of standard fuel, liquefied natural gas and natural gas for vehicles.
- Corporate offices.

Issue Nov.-2024

CONFIRMATION BESCHEINIGUNG CONFIRMACIÓN

The countries where Naturgy has subsidiaries reporting GHG emissions are: Spain, Argentina, Brazil, Mexico, Panamá, Puerto Rico, Dominican Republic, Costa Rica, France, Luxembourg, Ireland, Portugal, Australia, Israel, Italy, United States and Chile. Naturgy has also carried out natural gas supply or marketing operations in the following countries: Algeria, Germany, the Netherlands, Taiwan, China, Korea, Japan, Belgium, Thailand, United Kingdom, Poland, Greece, and Turkey.

The corporate headquarters of NATURGY ENERGY GROUP S.A. is located at Avenida de América 38, 28028 Madrid (Spain). The main activities of the company have been described above.

The following partial contributions are identified by Naturgy as the main sources of GHG, and their amount is quantified according to the methods described in the Naturgy´s 2025 GHG report.The categories correspond to those established in the ISO 14064-01:2019 standard:

Scope 1:
Category 1 Direct GHG emissions and removals.

Scope 2:
Category 2 Indirect GHG emissions from imported energy

Scope 3 :
Category 3: Indirect GHG emissions from transport: business travel, mobilisation of workers.
Category 4 Indirect GHG emissions from products used by the organisation: purchased goods and services, capital goods, activities associated with upstream fuels and energy.
Category 5 Indirect GHG emissions associated with the use of the organisation's products.

Within the categories defined by the Greenhouse Gas Protocol (scopes 1, 2 and 3), those with a weight of less than 1% have been excluded, provided that the sum of all of them does not exceed 5%.

This assessment of the importance and the resulting decision on the delimitation of these Greenhouse Gas Protocol categories (definition and terminology of scopes according to the requirements established by the Ministry of Ecological Transition and Demographic Challenge -MITERD- of Spain, for the registration of corporate carbon footprints) are presented in a comprehensible manner in the Greenhouse Gas Declaration of NATURGY ENERGY GROUP S.A., substantiated in the Naturgy´s 2025 GHG report.

Relevant greenhouse gases and greenhouse gases included in the accounting

The Naturgy´s 2025 GHG report contains the greenhouse gases considered with information in CO_2 equivalent. The gases identified as GHG and included in the inventory are: CO_2, CH_4, N_2O, SF_6, HFC. No GHG emissions other than these were identified.

Reduction measures / special features in reporting

Naturgy has established a new Strategic Plan (“Plan Estratégico”), which includes a specific Climate Transition Plan (“Plan de Transición Climática”), with the following objectives:

a) Reduction of Group's Scope 1 and Scope 2 emissions to 9.70 MtCO2eq in 2030, which means reducing GHG emissions by 36% in 2022, in line with the 1.5ºC reduction path of the Paris Agreement.
b) Reduction of Scope 3 emissions in Spain to 30.7 MtCO2eq in 2030, a 22% reduction compared to 2022.
c) To reduce the Group's Scope 3 emissions to 101.6 MtCO2eq in 2030, which represents a reduction of 8% compared to 2022.

Issue Nov.-2024

CONFIRMATION BESCHEINIGUNG CONFIRMACIÓN

Furthermore, Naturgy has the following objectives for 2050:

- Reach the Net Zero target for the Group's Scope 1 and Scope 2 emissions.
- Reach the Net Zero target for Scope 3 emissions in Spain.

The objectives of the Climate Transition Plan are based on the forecasts of Spain's Integrated National Energy and Climate Plan (PNIEC) and on the principles of the International Energy Agency and the Science Based Target initiative (SBTi).

Intended Users of this Verification Statement

- Naturgy, to make decisions based on this GHG-related information (e.g. measures to reduce the carbon footprint at organizational level).
- Provision of this information to third parties (e.g. customers, public) upon request
- The Ministry of Ecological Transition and Demographic Challenge (MITERD) of the Kingdom of Spain, for the registration of the corporate carbon footprint of Naturgy Energy Group S.A. in the Register of carbon footprint, offsetting and carbon dioxide absorption projects of the MITERD.

Standard for verification

DIN EN ISO/IEC 17029:2020 & DIN EN ISO 14064-3:2020. GHG Protocol.

Verification goals

The review was conducted in accordance with our impartiality in a risk-based approach. Rational methods were used to reach reliable and reproducible conclusions. As part of our audit, the Company's representatives and the persons responsible for the audit had to collect and explain in the audit a sufficient amount of appropriate evidence. This ensured sufficient comprehensibility of the information presented with the GHG statement.

Criteria

The review of the data was carried out according to the following criteria:
relevance, completeness, accuracy, transparency of information and consistency. An assessment of the alternatives that could be applicable according to the underlying quantification model was carried out in accordance with the principle of applying conservative criteria.

Agreed level of assurance: reasonable

If there is a reasonable, but not absolute, degree of certainty, we check whether the greenhouse gas statement is substantially correct. This includes checking the accuracy and correctness of processes, data and tests with an appropriate statistical sample size.

Materiality

5 % for the total sum of reported greenhouse gas emissions according to the accruals made by Naturgy.

The materiality threshold is a measure of our assessment of data gaps, misstatements and non-conformities remaining at the end of our review. Gaps, omissions or inaccuracies detected in the course of the review that result in amounts above the established thresholds constitute a 'material deviation', i.e. a non-conformity that must be corrected before a verification statement

CONFIRMATION BESCHEINIGUNG CONFIRMACIÓN

can be issued.

Verification methodology

1) Interviews with the responsible personnel of Naturgy Energy Group S.A.
2) Review of data and information systems and methodology to collect, aggregate, analyze and verify the information used to determine GHG emissions.
3) Sampling of data and evidence for the determination of GHG emissions.
4) Monitoring of electricity and natural gas production, distribution, transmission, supply and trading throughout the year 2025, including verification of emission factors used
5) Strategic analysis and risk assessment of GHG reporting
6) Plausibility check by recalculation of individual GHG balance categories
7) Independent review (quality assurance by an auditor who is not involved in the audit process).

Findings (Non-Conformities) that have not been addressed prior to the issue of the verification statement: **none**

Conclusions

With the review of the greenhouse gas report of Naturgy Energy Group S.A. displayed in Chapter 02. Medioambiente, 1.Cambio Climático (E1) as part of the document "Estado de Información no Financiera Consolidado e Información sobre Sostenibilidad, 2025. Naturgy, Febrero 2026" (Chapter 02. *Environment, 1. Climate Change (E1) at Consolidated Non-Financial Information Statement and Sustainability Information, 2025. Naturgy February 2026*), for all of the entity's worldwide considered in its corporate carbon footprint, we note that the greenhouse gas emissions for the year 2025, determined in accordance with the selected criteria, are presented in an objectively correct manner in all material aspects of the specifications and standards set out herein.

Naturgy Energy Group S.A. has introduced appropriate recording methods which, with the submitted corporate emissions report, make it possible to determine the GHG emissions included here for the year 2025.

Reasonable assurance level: based on the results of our review process, we confirm the reported emissions and the achievement of the agreed assurance level as well as compliance with the agreed materiality thresholds in relation to the considered emission categories.

Our verification statement is only valid in conjunction with the Company's GHG report (in the final version of February 2026) as a whole.

This statement is issued in accordance with our agreement with the Client and within the framework of our Verification and Validation Regulation. The results recorded here are based on our internal documentation of 20.01.2026 on this verification with project no. LK-2025-15-NATURGY HUELLA DE CARBONO CORPORATIVA 2025 (*LK-2025-15-NATURGY corporate carbon footprint 2025*).

CONFIRMATION BESCHEINIGUNG CONFIRMACIÓN

Verification letters

Naturgy Energy Group, S.A. y sociedades dependientes

Informe de Verificación limitada emitido por un verificador sobre el Estado de Información no Financiera (EINF) Consolidado e Información sobre Sostenibilidad

31 de diciembre de 2025

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement and Sustainability Reporting of Naturgy Energy Group, S.A. and subsidiaries for 2025

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Naturgy Energy Group, S.A.:

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Naturgy Energy Group, S.A. (hereinafter the Entity) and its subsidiaries (hereinafter the Group) for the year ended 31 December 2025, which forms part of the consolidated Directors' Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, specifically including the sustainability reporting prepared by the Group for the year ended 31 December 2025(hereinafter the sustainability reporting) in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD). This sustainability reporting has also been subject to limited assurance review.

Based on the procedures conducted and the evidence we have obtained, no issues have come to our attention that would lead us to believe that:

a) the Group's Non-Financial Information Statement for the year ended 31 December 2025 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the European Sustainability Reporting Standards (ESRS) or other criteria in accordance with each subject area in the "Index of contents required by Law 11/2018" of the aforementioned statement;

b) the sustainability reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "Basis for preparation", including:

- That the description provided of the process to identify the sustainability reporting included in note "4. Management of Impacts, Risks and Opportunities" is consistent with the process in place and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Compliance with the ESRS.
- Compliance of the disclosure requirements, included in subsection "EU Taxonomy Report (Regulation 2020/852) and sustainable financing" of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

KPMG Auditores S.L., sociedad española de responsabilidad limitada y firma miembro de la organización global de KPMG de firmas miembro independientes afiliadas a KPMG International Limited, sociedad inglesa limitada por garantía. Todos los derechos reservados.
Paseo de la Castellana, 259C 28046 Madrid

Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

KPMG

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 issued by the Spanish Institute of Registered Auditors on assurance engagements on non-financial information and considering the content of the note published by the ICAC on 18 December 2024 (hereinafter generally accepted professional standards).

The procedures applied in a limited assurance engagement are less extensive compared to those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those standards are described in more detail in the Responsibilities of the assurance provider section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires a quality management system to be designed, implemented and operated that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Directors' Responsibilities

The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of Naturgy Energy Group, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected ESRS and other criteria described in accordance with each subject matter in the "Index of contents required by Law 11/2018" of the aforementioned statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of Naturgy Energy Group, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to sustainability reporting, the entity's Directors are responsible for developing and implementing a process to identify the information to be included in sustainability reporting in accordance with the CSRD, the ESRS and article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the sustainability disclosures themselves in note "4. Impact, risk and opportunity management". This responsibility includes:

- Understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment.
- Identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term.
    - Evaluating the materiality of the impacts, risks and opportunities identified.
    - Making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of sustainability reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance with the CSRD, compliance with the ESRS and compliance with the disclosure requirements included in subsection "EU Taxonomy Report (Regulation 2020/852) and sustainable financing" of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors determine is relevant to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the entity's Directors are required to prepare prospective information based on assumptions, which are to be included in the sustainability reporting, about events that may occur in the future, as well as possible future actions, if any, that the Group may take. The actual outcome may differ significantly from the estimate, as it refers to the future and future events often do not occur as expected.

In determining sustainability disclosures, an entity's management interprets legal and other terms that are not clearly defined and may be interpreted differently by other people, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibilities of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and sustainability reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report containing our conclusions thereon. 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 decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we apply our professional judgement and maintain an attitude of professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and sustainability reporting is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures in which it is most likely that material misstatements arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and sustainability reporting in which material misstatements are likely to arise. 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.

Summary of the Work Carried Out

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and extent of the procedures selected depend on professional judgement, including an identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and sustainability reporting.

Our work has consisted of making inquiries of management, as well as of the different units and components of the Group that have participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and sustainability reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance review process:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2025 based on the materiality analysis performed by the Group and described in section "4. Impact, risk and opportunity management" considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2025.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2025.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2025 and whether it has been adequately compiled based on data provided by the information sources. En relación con el proceso de verificación de la información sobre sostenibilidad:

In relation to the assurance on sustainability reporting process:

- Making inquiries of Group personnel:

- To gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.

- To understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents); and the review of the Group's internal documentation on its process.

- Gaining, through inquiries with Group personnel, an understanding of the entity's processes for collecting, validating and presenting information relevant to the preparation of its sustainability reporting.

- Assessing the consistency of the evidence obtained from our procedures on the Group-implemented process to determine the information to be included in sustainability reporting with the description of the process included in such disclosures, and assessing whether the Group-implemented process identifies the material information to be disclosed in accordance with the requirements of the ESRS.

- Assessing whether all the information identified in the Group-implemented process to determine the information to be included in sustainability reporting is effectively included.

- Assessing the consistency of the structure and presentation of sustainability reporting with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.

- Conducting inquiries of relevant personnel and analytical procedures on information disclosed in the sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.

- Performing, where appropriate, substantive sampling procedures on the information disclosed in the selected sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.

- Procuring, where applicable, the reports issued by accredited independent third parties accompanying the consolidated Directors' Report in compliance with EU regulations and, in relation to the information to which they refer and in accordance with generally accepted professional standards, confirming, exclusively, the accreditation of the assurance provider and that the scope of the report issued complies with EU regulations.

- Procuring, where appropriate, the documents containing the information included by reference, the reports issued by auditors or assurance providers of such documents and, in accordance with generally accepted professional standards, confirming, exclusively, that, as regards the document to which the information included by reference, the conditions described in the ESRS for including information by reference in the sustainability reporting are met.

- Procuring a representation letter from the Directors and management regarding the NFIS and sustainability reporting.

Other Information

The directors of Naturgy Energy Group, S.A. are responsible for the other information. The other information comprises the consolidated annual accounts and other information included in the consolidated Directors' Report but does not include either the auditor's report on the consolidated

annual accounts or the assurance reports issued by accredited independent third parties required by EU law on specific disclosures contained in the sustainability reporting and accompanying the consolidated Directors' Report.

Our assurance report does not cover the other information, and we do not express any assurance conclusions about it.

In connection with our assurance engagement on the sustainability reporting, our responsibility consists of reading the other information identified above and, in doing so, consider whether there is a material inconsistency between the other information and the sustainability reporting or the knowledge we have obtained during the assurance engagement that could be indicative of material misstatements in the sustainability reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras

February 18, 2026

Annual Corporate Governance Report of Listed Companies **2025**

ISSUER IDENTIFICATION DATA

Date of end of reporting year: **31/12/2025**

Tax ID Number: **A-08015497**

Company name: **NATURGY ENERGY GROUP, S.A.**

Business address: **Avenida de América 38 – 28008 MADRID**

Naturgy

A. Ownership structure

A.1. Complete the following table on the capital stock and related voting rights, including any shares with loyalty voting rights, as of year-end:

Indicate whether the Articles of Association provide for double votes for loyalty:

Yes ☐ No ☒

Indicate whether the company has assigned loyalty votes:

Yes ☐ No ☒

Date of last change in share capital	Share capital (€)	No. of shares	Number of voting rights (excluding additional votes awarded for loyalty)	Number of additional voting rights assigned that relate to shares with loyalty voting rights	Total number of voting rights, including additional votes attributed for loyalty
21/07/20	969,613,801	969,613,801	969,613,801		

Indicate whether there are different classes of shares, with different associated rights:

Yes ☐ No ☒

A.2. Detail direct and indirect owners of significant stakes at year-end, including directors with a significant stake:

Name of shareholder	Voting rights attributed to shares (including loyalty votes, %)		Voting rights through financial instruments (%)		Total voting rights (%)	Of the total number of voting rights attributed to the shares, disclose any additional votes attributed to shares with loyalty voting rights.	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Blackrock Inc.		12.53%		0.09%	12.62%		
SOCIÉTÉ NACIONALE POUR LA RECHERCHE, LA PRODUCTION, LE TRANSPORT, LA TRANSFORMATION ET LA COMMERCIALISATION DES HYDROCARBURES	4.10%				4.10%		
FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA		26.00%			26.00%		
CVC CAPITAL PARTNERS PLC		13.80%			13.80%		
IFM GLOBAL INFRASTRUCTURES FUND.		15.50 %			15.50 %		
CORPORACIÓN FINANCIERA ALBA, S.A.		5.01 %			5.01 %		

Detail the indirect holding:

Full name/corporate name of indirect owner	Full name/corporate name of direct owner	Voting rights attributed to shares (including loyalty votes) (%)	Voting rights through financial instruments (%)	Total voting rights (%)	Of the total number of voting rights attributed to the shares, disclose any additional votes attributed to shares with loyalty voting rights.
BLACKROCK INC. (1)	GIP III CANARY 1, S.À R.L.	11.42%		11.42%	
BLACKROCK INC. (1)	OTHER BLACKROCK GROUP UNDERTAKINGS	1.11 %	0.09 %	1.20 %	
FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U.	26.00 %		26.00 %	
CVC CAPITAL PARTNERS PLC.(2)	RIOJA ACQUISITION S.À R.L.	13.80%		13.80%	
IFM Global Infrastructure Fund (3)	Global InfraCo O (2) S.à. r.l.	15.50 %		15.50 %	
CORPORACION FINANCIERA ALBA S.A.	Alba Europe, S.à r.l.	5.01 %		5.01 %	

Comments

(1) GIP III Canary 1 S.á r.L is an investment vehicle controlled by the private fund Global Infrastructure Partners III whose investment manager is Global Infrastructure Management LLC and whose ultimate parent company is BlackRock, Inc. The shares and financial instruments listed in the table above correspond to funds, accounts and portfolios, collectively referred to as "Funds", managed by investment managers under the control of BlackRock. Inc.

(2) Rioja Acquisition S.a r.l. is indirectly majority owned by CVC Capital Partners VII (A) L.P., CVC Capital Partners VII Associates L.P. and CVC Capital Partners Investment Europe VII L.P. (collectively, "CVC Fund VII"). CVC Capital Partners VII Limited is the general partner and manager of CVC Fund VII. CVC Capital Partners VII Limited controls Rioja Holdings S.a r.l., which controls Rioja Investments S.a r.l. Rioja Investments S.a r.l. controls Rioja Luxembourg S.a r.l. (through its 74.269% stake in Rioja Luxembourg S.a r.l.). Rioja Luxembourg S.a r.l. is the sole shareholder of Rioja Acquisition S.a r.l., which, in turn, is a direct shareholder of Naturgy Energy Group, S.A. CVC Capital Partners VII Limited exercises the voting rights of CVC Fund VII at the general meetings of shareholders of Rioja Holdings S.a r.l. CVC Capital Partners VII Limited is indirectly a wholly-owned subsidiary of CVC Capital Partners plc, a public company listed on Euronext Amsterdam

(3) Global InfraCo O (2) S.à r.l. is indirectly wholly owned by IFM Global Infrastructure Fund ("IFM GIF"), a UCIT, whose principal adviser is IFM Investors Pty Ltd; since it is not a legal person, it is represented by, and acts through, its regulated trustee, Conyers Trust Company (Cayman) Limited. IFM GIF holds its interest in Global InfraCo O (2) S.à r.l. through a chain of companies headed by Global InfraCo S.à r.l. In this regard, the direct shareholder of Naturgy Energy Group, S.A. is Global InfraCo O (2) S.à r.l., which is wholly owned by Global InfraCo O (1) S.à.r.l., which in turn is wholly owned by Global InfraCo Spain, S.L.U., which in turn is wholly owned by Global InfraCo NL Coöperatief U.A. Global InfraCo NL Coöperatief U.A. is wholly owned by Global InfraCo S.à r.l. Finally, Global InfraCo S.à r.l. is wholly owned by IFM GIF.

Indicate significant changes in the ownership structure in the year:

1) With the aim of restoring appropriate levels of free float, and at the proposal of the Board of Directors, the General Shareholders' Meeting on 25 March 2025 resolved, under agenda item sixteen, to make a tender offer for a maximum of 88,000,000 own shares, representing 9.08% of its share capital, subject to the fulfilment of either of the following two conditions: (i) that, prior to the date of the general meeting, the Company had received commitments to accept the Offer in its entirety from shareholders holding shares representing more than 10% of the Company's share capital, or, alternatively, (ii) that the Board of Directors considered that the level of acceptance by significant shareholders was sufficient to meet Naturgy's objectives of increasing the free float, in addition to the other conditions established in that resolution.

The four significant shareholders of Naturgy accepted the tender offer, thereby reducing their percentage stakes in the company as follows:

- Criteria Caixa: from 26.7% to 24%
- Rioja Acquisition: from 20.7% to 18.8%
- Global Infrastructure Partners: from 20.6% to 18.7%
- IFM: from 16.9% to 15.3%

Full details of the tender offer can be found on the CNMV website.

https://www.cnmv.es/Portal/Consultas/Folletos/opa?numreg=423

Subsequently, with the aim of increasing free float, an accelerated bookbuilding process was carried out on 4 and 5 August 2025 to place 2% of share capital as well as a bilateral purchase/sale transaction for 3% of share capital. A second accelerated placement of 3.5% of share capital took place on 6 October. Details of these can be found in the insider information disclosures made to the market on 5 August and 7 October 2025.

2) On 10 December, GIP III Canary 1 S.à r.l. issued a disclosure to the market announcing the engagement of J.P. Morgan to carry out an accelerated placement, aimed at qualified investors, of up to approximately 69 million ordinary shares of Naturgy Energy Group, S.A., representing approximately 7.1% of the Company's share capital.

On 11 December, in another regulatory disclosure of inside information, GIP III Canary 1 S.à r.l, announced that the accelerated placement had been completed with the sale of 68,825,911 shares of Naturgy Energy Group, S.A. representing approximately 7.10% of the Company's share capital, at a price of €24.75 per share.

Following the settlement of the accelerated placement, GIP III Canary 1 S.à r.l. held 110,753,554 shares of the company, representing approximately 11.4% of share capital.

3) On 17 December, FUNDACION BANCARIA CAIXA D ESTALVIS I PENSIONS DE BARCELONA submitted Form 1 for notification of significant shareholdings to the CNMV, reporting an increase in its stake in Naturgy of 2.02 percentage points, from 23.964% to 25.986%.

4) On 18 December, a new shareholders' agreement was announced between Corporación Financiera Alba, S.A. and Rioja Investments S.à r.l. (indirectly majority owned by the CVC Funds) was announced to the market, whereby they agreed to renew the key aspects of their agreements in relation to their joint investment in Naturgy and to modify the structure of their joint investment vehicle ("Rioja Group"). In the resulting structure, Alba will now have a direct 5.01% stake in Naturgy's share capital through Alba Europe, S.à r.l., and Rioja Investments S.à r.l. will maintain a 13.80% stake through, as before, the Rioja Group, with the latter exercising the voting rights for the entire 18.81%.

A.3. Detail the shareholdings at year-end, regardless of the percentage, of the members of the Board of Directors who hold voting rights attributed to shares of the company or through financial instruments, excluding the directors identified in section A.2 above:

Name of director	Voting rights attributed to shares (including loyalty votes) (%)		Voting rights through financial instruments (%)		Total voting rights (%)	Of the total % of voting rights attributed to the shares, disclose any additional votes attributed to shares with loyalty voting rights (%)	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Francisco Reynés Massanet		0.008			0.008		
Mr. JOSÉ ANTONIO TORRE DE SILVA LÓPEZ DE LETONA	0				0		
Mr. Javier de Jaime Guijarro	0.0001				0.0001		
Ms. Lucy Chadwick	0				0		
Mr. Pedro Sainz de Baranda Riva		0.002			0.002		
Mr. Ramón Adell Ramón	0.002				0.002		
Mr. Isabel Estapé Tous	0.0005				0.0005		
Mr. Claudi Santiago Ponsa	0				0		
Mr. Jaime Siles Fernández Palacios	0				0		
Ms. Helena Herrero Starkie	0				0		
Mr. Rajaram Rao	0				0		
Mr. Nicolás Villen Jiménez	0				0		
Ms. Marta Martínez Alonso	0				0		
Ms. María Isabel Gabarró Miquel		0.0001			0.0001		
Mr. Martin Catchpole	0				0		

Total % of voting rights held by the board of directors	**0.000127**

Detail the indirect holding

Name of director	Full name/corporate name of direct owner	Voting rights attributed to shares (including loyalty votes, %)	Voting rights through financial instruments (%)	Total voting rights (%)	Of the total % of voting rights attributed to the shares, disclose any additional votes attributed to shares with loyalty voting rights (%)
Mr. Francisco Reynés Massanet	ABREYGI S.L.	0,008			
Mr. Pedro Sainz de Baranda Riva	INVERSORES DE TORNÓN S.L.	0,002			
Ms. María Isabel Gabarró Miquel	AMTRAK S.L	0,0001			

Detail the total percentage of voting rights represented on the Board:

Total voting rights represented on the Board of Directors (%)	**71.73%**

A.4. Indicate any family, commercial, contractual or business relationships among owners of significant stakes, insofar as they are known to the company, unless they are not material or are derived from ordinary commercial transactions, except those disclosed in section A.6:

Not applicable

A.5. Indicate any commercial, contractual or corporate relationships between owners of significant stakes and the company and/or its group, unless they are not material or are derived from ordinary commercial transactions:

Name of related parties	Relationship type	Brief description
CRITERIA CAIXA S.A.U	COMMERCIAL	Any such relationships arise in the ordinary course of business and are disclosed in section D.2 and in the financial statements.
CVC CAPITAL PARTNERS SICAV-FIS S.A.	COMMERCIAL	Any such relationships arise in the ordinary course of business and are disclosed in section D.2 and in the financial statements.
GIP III CANARY 1, S.À R.L.	COMMERCIAL	Any such relationships arise in the ordinary course of business and are disclosed in section D.2 and in the financial statements.
IFM GLOBAL INFRASTRUCTURES FUND.	COMMERCIAL	Any such relationships arise in the ordinary course of business and are disclosed in section D.2 and in the financial statements.

A.6. Except where they are non-material for both parties, describe any relationships between significant shareholders or shareholders with board representation and the directors, or their representatives, in the case of directors that are legal persons.

Indicate how the significant shareholders are represented. Specifically, identify any directors who were appointed to represent significant shareholders, and those whose appointment was proposed by significant shareholders, or who are related to significant shareholders and/or entities in their group, indicating the nature of the relationship. In particular, disclose the existence, identity and position of directors, or representatives of directors, of the listed company who are, in turn, members of the board, or their representatives, in companies that hold significant stakes in the listed company or in entities of the significant shareholders' group.

Full name/corporate name of related director or representative	Name of related significant shareholder	Corporate name of the significant shareholder's group company	Description of relationship/position
Ms. Isabel Estapé Tous	FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U	Director
		FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	Trustee
Ms. María Isabel Gabarró Miquel	FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U.	Director
		FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	Trustee
Ms. Lucy Chadwick	BLACKROCK INC	GLOBAL INFRASTRUCTURE MANAGEMENT LLP	XXXPartner
		Gatwick Airport Limited	Director
		Edinburgh Airport Limited	Director
		XXXXX[Associated 'Ivy Group of Companies' ie:	Director
		Ivy Holdco Limited	Director
		Gatwick Finance Limited	Director
		Ivy Super Holdco Limited	Director
		Ivy Bidco Limited	Director
		Ivy Property Limited	Director
Mr. Rajaram Rao	BLACKROCK INC	GLOBAL INFRASTRUCTURE MANAGEMENT LLP	XXXXX Partner and director
		Vena Energy	Director
		SEO	Director
		Asia Society	Director
		LONDON BUSINESS SCHOOL	Director
Mr. Martin Catchpole	BLACKROCK INC	GLOBAL INFRASTRUCTURE MANAGEMENT LLP	XXXPartner

		ScotiaGasNetworks Ltd, SouthernGas Network plc and Scotland Gas Network plc	Director
		Eni CCUS Holding Ltd	Director
		Skyborn Renewables GmBH	Director
Mr. Javier de Jaime Guijarro	CVC CAPITAL PARTNERS PLC	CVC Investment Advisory Services S.L.	Director
		Universidad Privada de Madrid, S.A.	Representative of the director, which is a legal person
		Guadarrama Proyectos Educativos, S.L.	Representative of the director, which is a legal person
		LaLiga Group International, S.L.	Representative of the director, which is a legal person
		Fundación CVC España	Trustee
		Fundación Humana Spes	Trustee
Mr. Francisco Reynés Massanet	FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	CRITERIA CAIXA S.A.U	Director
		FUNDACION BANCARIA CAIXA D'ESTALVIS i PENSIONS DE BARCELONA	Trustee
Mr. JOSÉ ANTONIO TORRE DE SILVA LÓPEZ DE LETONA	CVC CAPITAL PARTNERS PLC	CVC Investment Advisory Services S.L.	XXXPartner
		Exolum Corporation, S.A.	Representative of the director, which is a legal person
		Monbake Grupo Empresarial, S.A.U.	Representative of the director, which is a legal person
Ms. Marta Martínez Alonso	CVC CAPITAL PARTNERS PLC	CVC CAPITAL PARTNERS PLC	XXXPartner
		Tendam Retail, S.A.	Director
		Universidad Privada de Madrid, S.A	Director
		Acerinox S.A	Director
Mr. Jaime Siles Fernández Palacios	IFM GLOBAL INFRASTRUCTURES FUND	IFM INVESTORS (UK) LTD	Director
		Global Infraco SP Neum S.L.U.	Joint director
		Kestros Mersin Services S.L.U.	Joint director
		Meander Mersin Services S.L.U.	Joint director
		Air Rail SL	Director
		Sarus Mersin Services S.L.U.	Joint director
		FCC Aqualia S.A.	Director
Mr. NICOLÁS VILLÉN JIMÉNEZ	IFM GLOBAL INFRASTRUCTURES FUND	IFM INVESTORS (UK) LTD	External advisor
		FCC Aqualia	Director

A.7. Indicate whether shareholders' agreements that affect the company have been notified to the company as provided in articles 530 and 531 of the Capital Companies Law. If so, briefly describe the agreements and the shareholders involved:

Yes [X] No [ ]

Parties involved in shareholders' agreements	% of share capital affected	Brief description of agreement	Date of expiration of the agreement, if any
CRITERIA CAIXA, S.A.U GIP III CANARY 1, S.À R.L.	37.4%	The agreement reported in the regulatory disclosure no. 242612 of 12/09/2016 specifies that the parties have made certain undertakings concerning corporate governance of the Company for the purpose of respecting the rights to proportional representation both on the Board and on the Committees.	
ALBA EUROPE S.A R.L. RIOJA ACQUISITION S.À R.L.	18.8%	On 18 December 2025, a new Shareholders' Agreement came into force, rendering the agreement of 1 August 2019 null and void. This Agreement covers: 1.- The proposal to appoint directors by Rioja Acquisitions S.à r.l.; 2.-The adoption of decisions by the Board of Directors and the General Shareholders' Meeting; and 3.- The system for transferring of shares.	
Global InfraCo O (2) S.à. r.l. GIP III CANARY 1, S.À R.L.	26.9%	According to the letter dated 25 January 2021 attached by IFM to the preliminary announcement of the tender offer, it had entered into an agreement with GIP in which the latter undertook to vote in favour and support resolutions and actions at an initial or subsequent General Shareholders' Meeting with the objective that the composition of Naturgy's Board of Directors reflects the principle of proportional representation, taking into account the CNMV's corporate governance recommendations of June 2020, and subject to GIP and IFM maintaining a stake of over 5% in Naturgy's share capital.	
Global InfraCo O (2) S.à. r.l. RIOJA ACQUISITION S.À R.L.	30.2%	According to the letter dated 25 January 2021 attached by IFM to the preliminary announcement of the tender offer, it had entered into an agreement with Rioja in which the latter undertook to vote in favour of and support reasonable motions and actions at the General Shareholders' Meeting with the aim of adjusting the composition of Naturgy's Board of Directors in line with the principle of proportional representation established by Spanish law.	

Indicate if the company is aware of any concerted actions among its shareholders. If so, give a brief description:

Yes [ ] No [X]

If the shareholders' agreements or concerted actions were amended or terminated in the year, indicate this expressly.

Not applicable

A.8. Indicate if any natural or legal person exercises or can exercise control over the company in the meaning of article 5 of the Securities Market Law. If so, identify that person:

Yes [ ] No [X]

A.9. Complete the next tables about the company's own shares:

At year-end:

Direct shares	Indirect shares	Total % of share capital
9,120,230	0	0.94%

(*) Through:

Name of direct owner of holding	Number of direct shares
Total:	

Describe the main changes in the year:

See section A.2, which details significant changes in the ownership structure in 2025.

A.10. Detail the conditions and term of the current authorisation that the Shareholders' Meeting has given to the Board of Directors to buy or sell own shares:

1) The General Shareholders' Meeting on 25 March 2025, under agenda item fourteen, authorised the Board of Directors to resolve, within a period not exceeding five years, to acquire shares of the Company for valuable consideration under the following conditions:

"To authorize the Board of Directors to proceed, in accordance with the provisions of articles 146 and 509 of the Capital Companies Act, and for a period of five years from the adoption of this agreement, to make the derivative acquisition of own shares, either directly or through any subsidiary companies in which the Company is the controlling company, with respect to the legal limits and requirements and the following conditions:

a) The acquisition may be made in one or several times, through purchase and sale, exchange or any other transaction permitted by law.

b) The nominal value of the shares acquired directly or indirectly, added to that of those already owned by the Company and its subsidiaries, may not exceed 10% of the subscribed capital.

c) The price or consideration value may not be lower than the nominal value of the shares or exceed by 20% the value of their price in the last trading session prior to the transaction, all without prejudice to the express authorisation to make the Offer at 26.5 euros per share established in the proposed resolution Sixteenth.

d) The acquisition, including the shares that the Company or person acting in its own name but on behalf of the Company had previously acquired and had in its portfolio, shall in no case have the effect of the net equity being less than the amount of the share capital plus the reserves that are legally or statutorily unavailable.

For the purposes of article 146 of the Capital Companies Act, the shares acquired under this authorisation, as well as those already held by the Company and its subsidiaries, may be delivered, in whole or in part, directly or as a result of the exercise of option rights, to the employees or directors of the Company or companies in its Group by virtue of remuneration plans for staff or directors of the Company or its Group.

Likewise, the shares acquired under this authorisation may be used, in whole or in part, both for their disposal or redemption and for the achievement of potential corporate or business operations or decisions, as well as for any other legally possible purpose.

The Council is empowered to delegate this authorisation and the execution of the same to the person or persons it deems appropriate. This authorization extends to the acquisition of shares in the Company by controlled companies.

This delegation entails the express revocation, insofar as it has not been used prior to the adoption of this resolution, of the delegation conferred on the Board of Directors, by virtue of the resolution adopted by the Ordinary General Shareholders' Meeting held on April 2, 2024, with a similar nature to that included in this item on the Agenda

2) The General Shareholders' Meeting on 25 March 2025 , under agenda item fifteen, authorised the Board of Directors to resolve to increase share capital

within a period not exceeding 5 years, under the following conditions:

"To delegate to the Board of Directors, as broadly as is necessary in law, the power to increase the share capital of the Company, in accordance with the provisions of article 297.1.b) of the Capital Companies Act, within the legal period of five years from the date of this General Meeting, up to the maximum amount corresponding to 50% of the Company's share capital at the time of this authorisation, being able to execute the increase in one or more times, in the amount it decides, through the issuance of new shares with or without voting, ordinary or preferred, including redeemable shares, or any other type of shares permitted by Law, with or without an issue premium, or several modalities at the same time, the equivalent value of which consists of monetary contributions; and being able to set the terms and conditions of the capital increase, among others, to determine the nominal value of the shares to be issued, the share premium, their characteristics and the possible privileges conferred on them, the attribution of the right of redemption and its conditions, as well as the exercise thereof by the Company.

The capital increases that, where appropriate, the Board of Directors agrees under this delegation will be carried out through the issuance and circulation of new ordinary, privileged or redeemable shares, with or without vote, or of any other class, with a premium, fixed or variable, or without a premium, the equivalent of which will consist of monetary contributions.

The Board of Directors may establish, in all matters not provided for in this delegation agreement, the terms and conditions of the capital increases, including, but not limited to, the characteristics of the shares, the type of issue, the investors and markets to which the increases are intended and the placement procedure. as well as to freely offer new shares that are not subscribed within the preferential subscription period(s), in the event that this right is not excluded.

The Board of Directors may also establish that, in the event of incomplete subscription, the capital increase shall be null and void or that the share capital shall be increased only by the amount of the subscriptions made, as well as redraft article 4 of the Bylaws relating to the share capital and the number of shares outstanding. once each of the increases has been agreed and executed.

2. The Board of Directors is also expressly empowered:

a) in accordance with the provisions of article 506 of the Capital Companies Act, to disapply, in whole or in part, the shareholders' pre-emptive subscription right, when the corporate interest so requires. In this case, the capital may be increased, in one or more times, up to the maximum nominal amount equal to 20% of the Company's share capital at the time of approval of this resolution.

b) to request the admission to trading, permanence and, where appropriate, exclusion, in organized secondary markets, Spanish or foreign, of the shares that may be issued by virtue of this authorization, carrying out in such case, before the competent bodies of the different national or foreign securities markets, the necessary or convenient procedures and actions for admission to trading, permanence and/or, where appropriate, for their exclusion.

c) in turn, under the provisions of article 249 bis of the Capital Companies Act, to delegate or replace the powers contained in this agreement.

d) To redraft the article of the bylaws relating to the share capital once the increase has been agreed and executed.

3. This delegation entails the express revocation, insofar as it has not been used prior to the adoption of this resolution, of the delegation conferred on the Board of Directors, by virtue of the resolution adopted by the Ordinary General Meeting of Shareholders held on March 15, 2022, with a similar nature to that included in this item of the Agenda."

A.11. Estimated free float:

	%
Estimated free float	23.30%

Observaciones

(*) IIncludes the % of BlackRock shares held through companies within its group other than GIP III CANARY 1, S.À R.L.

A.12. Indicate whether there are any restrictions (under the Articles of Association, the law or any other type) on the transfer of securities and/or any restriction on voting rights. In particular, disclose the existence of any restrictions that might hamper the acquisition of control of the company by purchasing its shares in the market, and the requirements as to prior authorisation or disclosure of the acquisition or disposal of the company's financial instruments that are applicable in its industry.

Yes [X] No [ ]

Description of the restrictions

As the Company's group includes regulated and quasi-regulated assets and activities, the acquisition of the shares of Naturgy Energy Group, S.A. may be subject to Additional Provision 9 of Law 4/2013, of 4 June, governing the National Markets and Competition Commission.

Since it is a leading player in the gas and electricity markets, owning its shares is subject to the restrictions laid down in article 34 of Decree-Law 6/2000, governing Urgent Measures to intensify competition in the goods and services markets.

Additionally, there are certain restrictions on foreign investments —including EU investors— that affect Naturgy Energy Group, S.A., both as a listed company and as a company operating in an industry subject to control of foreign investments. These restrictions are regulated in article 7 bis of Law 19/2003, of 4 July, on the legal regime of capital movements and economic transactions with other countries, the Sole Transitory Provision of Royal Decree-Law 34/2020, of November 17, on urgent measures to support business solvency and the energy sector, and in tax matters, and Royal Decree 571/2023, of July 4, on foreign investments..

A.13. State whether the General Meeting adopted measures to neutralise a takeover bid under the provisions of Law 6/2007.

Yes [ ] No [X]

A.14. Indicate whether the company has issued securities that are not listed in a regulated market in the European Union.

Yes [ ] No [X]

B. General Meeting

B.1. Indicate whether there are differences with respect to the minimum requirements set out in the Capital Companies Law in connection with the quorum for a General Meeting of Shareholders, and describe any such differences:

Yes ☐ No ☒

B.2. Indicate and describe any differences with respect to the rules provided by the Capital Companies Law for the adoption of resolutions by the company:

Yes ☐ No ☒

B.3. Describe the rules that apply to amendments of the company's Articles of Association. In particular, indicate the majorities required to amend the Articles of Association and any rules for safeguarding shareholders' rights in the event of an amendment of the Articles.

The amendment of the Articles of Association is regulated in article 6.2 of the Articles of Association and in article 12 of the Regulations of the General Shareholders' Meeting, which are supplementary to the provisions of the Capital Companies Law.

The shareholders constituted in a duly convened General Meeting of Shareholders shall generally decide by simple majority vote (except in cases where a higher majority is required by law or by the Articles of Association) on the matters which fall under the remit of the Meeting. In such an event, a resolution shall be deemed adopted when it obtains more votes in favour than against from the share capital that is present or represented by proxy.

All shareholders, including those who dissent and those that did not take part in the Meeting, are bound by the resolutions of the General Meeting.

In order for the ordinary or extraordinary General Meeting of Shareholders to validly resolve on the issue of bonds convertible into shares or bonds that give bondholders a share in company profits, the increase or reduction of share capital, the removal or limitation of the preferential subscription right for new shares or convertible bonds, as well as the transformation, merger, spin-off or global assignment of assets and liabilities, the transfer of the company's registered office abroad and, in general, any modification to the Articles of Association, it must be attended at the first call to meeting by shareholders, either present or represented, holding at least fifty percent (50%) of the subscribed share capital with voting rights. At second call, 25 per cent of capital shall suffice.

This does not apply to resolutions that, by law, require specific or special majorities.

Amendments to the Articles of Association require the approval of the Shareholders' Meeting subject to the following requirements:

1) The Board of Directors or the shareholders proposing the amendment must provide a written report justifying the proposed amendment.

2) The call to meeting must clearly set out the items that it is proposed to amend, and state that all shareholders are entitled to examine, at the registered office, the full text of the proposed amendment and the related report, and to ask for a copy of such documents in hand or for it to be delivered free of charge.

3) Adoption of resolutions by the Shareholders' Meeting is governed by the provisions of the Articles of Association.

4) In any event, resolutions must be expressed in a public instrument, which must be registered with the Mercantile Registry and published in the Official Bulletin of the Mercantile Registry.

B.4. Indicate the attendance at the shareholders' meetings held in the reporting year and the two preceding years:

	Attendance data				
			% remote voting		
Date of General Meeting	% of attendance:	% by proxy:	Electronic voting	Other	Total
28/03/2023	87.72%	4.13%	—%	—%	91.85%
Of which free float 2023	0.10%	4.13%	—%	—%	4.23%
02/04/2024	67.58%	23.02%	—%	—%	90.60%
Of which free float 2024	0.08%	2.38%	—%	—%	2.46%
25/03/2025	69.46%	22.32%	—%	—%	91.78%
Of which free float 2025	0.07%	1.68%	—%	—%	1.75%

B.5. Indicate whether any item on the agenda of the general meetings held during the year was not approved by the shareholders, for any reason:

Yes ☐ No ☒

B.6. Indicate whether there are any restrictions in the Articles requiring a minimum number of shares to attend the General Meeting:

Yes ☐ No ☒

B.7. Indicate whether there are rules requiring that certain decisions, other than those established by law, involving the acquisition, transfer, contribution to another company of essential assets or other similar corporate transactions, require the approval of the general meeting:

Yes ☐ No ☒

B.8. Give the address of the company's website and the means of accessing information about corporate governance and other information about General Meetings that must be placed at shareholders' disposal via the company's website.

The corporate governance information is located at the following address: https://www.naturgy.com/accionistas-e-inversores/gobierno-corporativo/

The path is as follows: www.naturgy.com → Shareholders and Investors → Corporate Governance.

The information regarding the General Shareholders' Meeting is located at the following address: https://www.naturgy.com/en/shareholders-and-investors/corporate-governance/2025-general-shareholders-meeting/, with the following path www.naturgy.com → Shareholders and Investors → General Meeting of Shareholders 2025

General Meeting of Shareholders

91.78%

Total attendance

1.75%

Free float in attendance

100%

All items on the agenda were approved

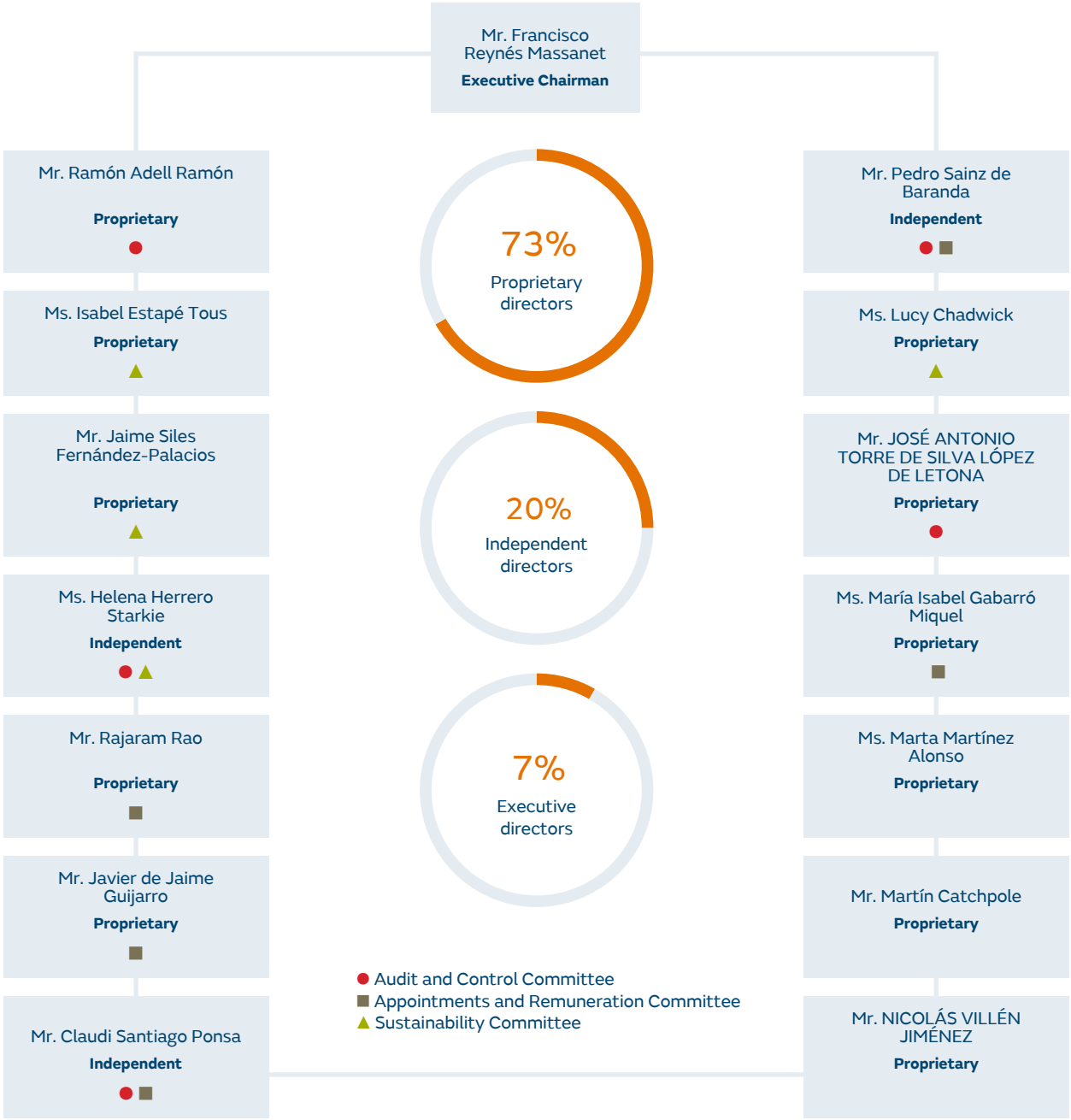
C. Structure of the company's administration

C.1. Board of Directors

C.1.1. Maximum and minimum number of directors envisaged in the Articles, and the number established by the general meeting:

Maximum number of directors	16
Minimum number of directors	11
Number of directors established by the general meeting	16

COMPOSITION OF THE BOARD OF DIRECTORS



C.1.2. Complete the next table with the members of the board:

Name of director	Representative	Director category	Board position	Date of first appointment	Date of latest appointment	Type of appointment	Date of birth
Mr. Francisco Reynés Massanet		Executive	Chairman	6/2/2018	28/3/2023	General Meeting decision	4/8/1963
Mr. Ramón Adell Ramón		Proprietary	Member	10/2/2022	15/3/2022	General Meeting decision	1/9/1958
Ms. Isabel Estapé Tous		Proprietary	Member	16/3/2020	25/3/2025	General Meeting decision	4/5/1957
Mr. Jaime Siles Fernández-Palacios		Proprietary	Member	10/2/2022	15/3/2022	General Meeting decision	26/5/1986
Ms. Helena Herrero Starkie		Independent	Lead director	5/4/2016	25/3/2025	General Meeting decision	13/6/1959
Mr. Rajaram Rao		Proprietary	Member	21/9/2016	25/3/2025	General Meeting decision	4/3/1971
Mr. Javier de Jaime Guijarro		Proprietary	Member	25/3/2025	25/3/2025	General Meeting decision	26/11/1964
Mr. Claudi Santiago Ponsa		Independent	Member	27/6/2018	28/3/2023	General Meeting decision	20/9/1956
Mr. Pedro Sainz de Baranda		Independent	Member	27/6/2018	28/3/2023	General Meeting decision	23/3/1963
Ms. Lucy Chadwick		Proprietary	Member	16/3/2020	25/3/2025	General Meeting decision	2/11/1967
Mr. JOSÉ ANTONIO TORRE DE SILVA LÓPEZ DE LETONA		Proprietary	Member	28/3/2023	28/3/2023	General Meeting decision	23/10/1971
Ms. María Isabel Gabarró Miquel		Proprietary	Member	25/3/2025	25/3/2025	General Meeting decision	23/1/1954
Ms. Marta Martínez Alonso		Proprietary	Member	25/3/2025	25/3/2025	General Meeting decision	26/1/1966
Mr. Martín Catchpole		Proprietary	Member	25/3/2025	25/3/2025	General Meeting decision	18/12/1975
Mr. NICOLÁS VILLÉN JIMÉNEZ		Proprietary	Member	25/3/2025	25/3/2025	General Meeting decision	19/11/1949

Total number of directors	**15**

Indicate any directors who stepped down in the reporting period due to resignation, removal or any other reason:

Name of director	Director's category at time of removal	Date of last appointment	Date of removal	Specialised committees of which he/she was a member	Indicate whether the director stepped down before the end of his/her tenure
Enrique Alcántara García Irazoqui	Proprietary	15-03-2022	29-04-2025	Appointments and Remuneration Committee	YES

Reason for resignation/removal, when this occurred before the end of the term of office, and other comments; information on whether the director sent a letter to the other members of the board and, in the case of the resignation/removal of non-executive directors, the explanation or opinion given by the director who was removed by the general meeting.

Mr Alcántara instructed the Secretary of the Board that, if he was unable to connect to the Board meeting on 29 April, he should communicate on his behalf that he would resign as a director if the Board authorised Mr Reynés to accept the position of non-executive director at Criteria Caixa S.A.U., and that his full statement should be entered verbatim in the minutes of the Board meeting on that day.

C.1.3. Complete the next tables with the members of the board and their category:

EXECUTIVE DIRECTORS

Name of director	Position in the company's organisation chart	Profile
Mr. Francisco Reynés Massanet	Executive Chairman	Engineering and international business profile: Graduate in Industrial Engineering, major in Mechanical Engineering, from the Polytechnic University of Barcelona, and an MBA from IESE; he has also completed senior management programmes in the United States and Germany.

Total number of executive directors	**1**
% of total number of Board members	**6.67%**

EXTERNAL PROPRIETARY DIRECTORS

Name of director	Name of the significant shareholder whom the director represents or who proposed his/her appointment	Profile
Ms. Isabel Estapé Tous	CRITERIA CAIXA S.A.U	Legal, economic and business profile: Graduate in Economics and Business. Notary. Director of Criteria Caixa and Trustee of "la Caixa" Foundation. She is also a full member of the Spanish Royal Academy of Economic and Financial Sciences.
Ms. María Isabel Gabarró Miquel	CRITERIA CAIXA S.A.U	Legal and business profile. Graduate in Law from the University of Barcelona. She has been a director at many companies in the financial, energy, telecommunication infrastructure and real estate sectors. Notary. Director of Criteria Caixa and Trustee of "la Caixa" Foundation.
Mr. Ramón Adell Ramón	CRITERIA CAIXA S.A.U	Expert in finance and accounting: PhD. in Economics and Business. Lawyer. University professor of Financial Economics and Accounting. He is a corresponding member of the Spanish Royal Academy of Economic and Financial Sciences and Honorary Member of the European Higher Council of Doctors and Honorary Doctors.
Mr. Rajaram Rao	GIP III Canary 1 S.à r.l.	IT, economic, business and international profile: Electronic and telecommunications engineer. He also holds an MBA from the University of Delhi and a Master in Finance from London Business School.
Ms. Lucy Chadwick	GIP III Canary 1 S.à r.l.	Economic, business and international profile: She is a senior executive at GIP and head of global ESG. She was formerly Director-General in the UK Department for Transport, and a director of Accenture.
Mr. Martín Catchpole	GIP III Canary 1 S.à r.l.	Economic, business and international profile: Graduate in Business economics from Exeter University.
Mr. Javier de Jaime Guijarro	Rioja Adcquisitions Sarl, S.L.U	Economic, business and international profile: Graduate in Law from Universidad de Comillas (ICADE) and MBA from Houston University.
Mr. José Antonio Torre de Silva López de Letona	Rioja Acquisitions S.à r.l.	Economic, business and international profile: Graduate in Industrial engineering from Escuela Técnica Superior at Universidad Pontificia de Comillas (ICAI) and MBA from Navarra University (IESE).
Ms. Marta Martínez Alonso	Rioja Acquisitions S.à r.l.	IT and international profile: Graduate in Mathematics from Madrid Complutense University. She also completed the Senior Management programme at IESE.
Mr. Jaime Siles Fernández-Palacios	Global InfraCo O (2) S.à. r.l.	Economic and business profile: Graduate in Civil Engineering from the Polytechnic University of Valencia, and Executive MBA from Collège des Ingénieurs (Paris).
Mr. NICOLÁS VILLÉN JIMÉNEZ	Global InfraCo O (2) S.à. r.l.	Economic and business profile: Graduate in Industrial Engineering from Madrid Technical University and MBA from Columbia University and Master of Science in Electrical Engineering from the University of Florida.

Total number of proprietary directors	**11**
% of total number of Board members	**73.33 %**

COMMENTS

They represent shareholders holding 71.73% of share capital.

EXTERNAL INDEPENDENT DIRECTORS

Name of director	Profile
Mr. Claudi Santiago Ponsa	Industrial, business and international profile, energy sector: Formerly Chairman/CEO of GE Oil&Gas. Graduate in Computer engineering (UAB). International Executive Program (INSEAD). International Executive Business Program (Georgetown).
Mr. Pedro Sainz de Baranda Riva	Engineering and international business profile; capital markets: Graduate in Mine Engineering from Oviedo University, PhD. in Engineering from Rutgers University (New Jersey), and MBA from MIT Sloan School of Management. Formerly Executive Chairman of Otis Elevator Company.
Ms. Helena Herrero Starkie	IT and R&D+i, and international business profile: Graduate in Chemistry. She is Chairman and CEO of Hewlett Packard (HP) in Spain and Portugal.

Total number of independent directors	**3**
% of total number of Board members	**20 %**

COMMENTS

The percentage of share capital that is not represented by proprietary directors is 27.0%.

Indicate whether any director classified as independent receives, from the company or the same group, any amount or benefit under a heading other than director remuneration, or holds or has held, during the last year, a business relationship with the company or any other

company in its group, either in his/her own name or as a significant shareholder, director or senior manager of an entity that has or has had such a relationship.

If yes, give the reasons why it is considered that the director qualifies as an independent director.

Not applicable

OTHER EXTERNAL DIRECTORS

Identify the other external directors and detail the reasons why they cannot be classified as proprietary or independent, and any relations they have with the company, its executives or its shareholders:

Not applicable

Indicate any changes in any director's status in the period:

Not applicable

C.1.4. Complete the following table with information on the number of female directors at the end of the last four years, and their category:

	Number of female directors				% of total directors in each category			
	Year Y	Year Y-1	Year Y-2	Year Y-3	Year Y	Year Y-1	Year Y-2	Year Y-3
Executive	0	0	0	0	0	0	0	0
Proprietary	4	2	2	2	36 %	25 %	25 %	0.25
Independent	1	1	1	1	33%	33%	33%	33%
Other external	0	0	0	0	0	0	0	0
Total:	**5**	**3**	**3**	**3**	**33%**	**25%**	**25%**	**25%**

Gender breakdown in the Board of Directors

33%
Current percentage of women in the Board of Directors

4
Number of female proprietary directors

1
Number of female independent directors

C.1.5. Indicate whether the company has diversity policies in relation to the board of directors with regard to issues such as age, gender, ability, or professional training and experience. Small and medium-sized undertakings, as defined the Audit Law, must disclose at least the policy they have established in relation to gender diversity.

Yes [ ] No [ ] Partial policies [X]

If so, describe these diversity policies, their objectives, the metrics and how they were implemented, and their results during the reporting year. Also, describe the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve balance and diversity among the directors.

If the company does not apply a diversity policy, give the reasons.

Description of the policies, objectives, measures and manner in which they were applied, as well as the results obtained

Naturgy's director selection policy includes guidelines aimed at selecting candidates whose appointment favours a diversity of professions, knowledge and sexes within the Board of Directors. In any case, this policy is applied with full respect for the shareholders' legally recognised right to proportional representation.

Specifically, that policy establishes that the Appointments, Remuneration and Corporate Governance Committee must ensure that the selection procedures do not have implicit biases that might result in discrimination, and that no candidate may be excluded on the grounds of ideology, religion or beliefs, membership of an ethnic group, race or nation, gender, sexual orientation, family situation, illness or disability, and that, among the potential candidates, it must deliberately seek and shortlist women with the desired professional profile, and, as vacancies arise on the Board or as the directors' mandates expire, it must endeavour to ensure that women represent at least 30% of the total membership of the Board of Directors.

During 2025, it was necessary to apply the Director Selection Policy as four vacancies arose as a result of the resolution adopted by the General Shareholders' Meeting to increase the maximum size of the Board of Directors to 16 members and that there should be 16 directors. Of the four vacancies that arose, two were filled with directors from the under-represented gender.

C.1.6. Describe any measures adopted by the Appointments Committee to ensure that the selection procedure is free of any implicit bias that might prevent the selection of women, and that the company deliberately seeks female candidates with the necessary professional profile, enabling it to attain a balance of women and men: Please also indicate whether these measures include striving to ensure that the company has a significant number of female senior executives:

Detail such measures

The Appointments, Remuneration and Corporate Governance Committee is entrusted with reviewing the skills required of the candidates to fill each vacancy, fulfilment of the requirements for each director category, and the process of onboarding new members, and submitting reports or proposals to the Board as appropriate. When filling vacancies, care is taken to ensure that the selection process is not implicitly biased in such a way as to hinder the proposal of female candidates, with special consideration being given, under the same conditions among potential candidates, to women who have the desired profile.

The Director Selection Policy, which was last amended by the Board of Directors in February 2022, contains a matrix of competencies that reflects the Company's needs regarding the competencies, knowledge, and experience required on the Board; the Policy establishes that the matrix must be used in the process of selecting directors.

The Policy also envisages the implementation by the Company of measures to encourage the appointment of a significant number of female senior managers. These measures are aimed at enhancing women's professional role, visibility and networking within Naturgy, moving towards gender parity in the company's various echelons through specific training actions, programmes for career development and the promotion of diverse leadership, as well as prioritising this group in internal mobility plans, organisation changes and succession plans. The company is also committed to generational balance through recruitment and development programmes for young professionals and intergenerational talent development programmes.

Where, despite such measures, there are few or no female directors, indicate the reasons for this situation.

Detail the reasons

Not applicable

C.1.7. Detail the conclusions reached by the appointments committee in assessing compliance with the director selection policy.

The Appointments, Remuneration and Corporate Governance Committee verified that the Director Selection Policy has been complied with when filling vacancies on the Board, all within the framework of the Company's shareholder structure, which requires compliance with the right under the Capital Companies Law as regards the proportional representation of shareholders. The recommendations on good corporate governance are subordinate to this mandatory requirement. The Committee found that the selection processes for directors took account of the balance of criteria such as: i) knowledge, ii) skills, iii) diversity, and iv) experience.

C.1.8. If a proprietary director was appointed at the proposal of a shareholder owning less than 3% of capital, indicate the reasons:

Not applicable

Disclose any rejection of a formal request for a board seat from shareholders whose equity stake is equal to or greater than that of others that applied successfully for a proprietary directorship. Detail the reasons for any such rejection:

Yes [ ] No [X]

C.1.9. Disclose any powers or faculties delegated by the Board of Directors to directors or committees of the Board:

Name of director or committee:	Brief description
Mr. Francisco Reynes Massanet	He has been granted broad powers of representation and administration in accordance with the nature and requirements of the position of Executive Chairman.

C.1.10. Identify any board members who are directors, representatives of directors, or executives in other companies that form part of the listed company's group:

Not applicable

C.1.11. List any positions of director, administrator or representative of same held in other undertakings, listed or otherwise, by the directors or representatives of directors who are members of the company's board:

Director or representative	Name of entity, listed or otherwise	Position
Mr. Francisco Reynés Massanet	CriteriaCaixa S.A.U.	Director
	ABREYGI S.L.	Director
Mr. Ramón Adell Ramón	Edificio Rostower Socimi, S.A.U.	Director
	BBVA ALLIANZ SEGUROS Y REASEGUROS, S.A	Director
Mr. Pedro Sainz de Baranda Riva	Gestamp Automoción, S.A.	Director
	TK Elevator GmbH	Director
	Sainberg Investments, S.L.	Director
	Scalpers Fashion, S.L.	Director
	Acerinox S.A	Director
	Pedro Duro S.L.	Director
	Inversores de Tornón	Director
Ms. Lucy Chadwick	Edinburgh Airport Limited	Director
	Gatwick Airport Limited	Director
	Ivy Holdco Limited	Director
	Gatwick Finance Limited	Director
	Ivy Super Holdco Limited	Director
	Ivy Bidco Limited	Director

Director or representative	Name of entity, listed or otherwise	Position
	Ivy Property Limited	Director
Ms. Isabel Estapé Tous	CriteriaCaixa S.A.U.	Director
	Triana 88 SL	Jointly and severally liable director
Ms. Helena Herrero Starkie	HP Printing and Computing Solutions, S.L.U.	Chair and CEO
	Mutua Madrileña	Director
Mr. Rajaram Rao	Global Infrastructure Partners	Chairman and COO
	Asia Society	Director
	SEO	Director
	Vena Energy	Director
	London Business School	Director
Mr. Javier de Jaime Guijarro	CVC Investment Advisory Services S.L.	Chairman of the Board
	Universidad Privada de Madrid, S.A.	Representative of director Theatre Directorship Service Alpha, S.à r.l.
	Guadarrama Proyectos Educativos, S.L.	Representative of director Theatre Directorship Services Alpha, S.à r.l.
	LaLiga Group International, S.L.	Representative of director Theatre Directorship Service Alpha, S.à r.l.
Mr. Claudi Santiago Ponsa	FINAVES, IESE Business School (Barcelona)	Director
Mr. JOSÉ ANTONIO TORRE DE SILVA LÓPEZ DE LETONA	CVC Investment Advisory Services S.L	Director
	Exolum Corporación , S.A.	Director
	Sigurd Europe S.L.	Director
	Monbake Grupo Empresarial S.A.U	Director
	Colegio Alegra S.L.	Chairman
Mr. Jaime Siles Fernández Palacios	IFM INVESTORS (UK) LTD	Executive director
	Global Infraco SP Neum S.L.U.	Joint director
	Kestros Mersin Services S.L.U.	Joint director
	Meander Mersin Services S.L.U.	Joint director
	Air Rail SL	Director
	Sarus Mersin Services S.L.U.	Joint director
	FCC Aqualia S.A.	Director
	Brownwood Holding Iberia S.L.	Sole director
Mr. Martin Catchpole	ScotiaGasNetworks Ltd, SouthernGas Network plc and Scotland Gas Network plc	Director
	Eni CCUS Holding Ltd	Director
	Skyborn Renewables GmBH	Director
Ms. María Isabel Gabarró Miquel	CriteriaCaixa S.A.U.	Director
Mr. NICOLÁS VILLÉN JIMÉNEZ	`	Director
Ms. Marta Martínez Alonso	Acerinox S.A	Director
	Tendam Retail S.A	Representative of director Theatre Directorship Service Alpha, S.à r.l.
	Universidad Privada de Madrid, S.A.	Representative of director Theatre Directorship Service Alpha, S.à r.l.

Indicate any other remunerated activities of the directors or representatives of the directors, of any type, other than those indicated in the table above.

Director or representative	Other remunerated activities
Mr. Pedro Sainz de Baranda Riva	Advisory Board, Banco de Sabadell S.A.
Mr. Ramón Adell Ramón	Practising lawyer
Mr. JOSÉ ANTONIO TORRE DE SILVA LÓPEZ DE LETONA	Employee of CVC Investment Advisory Services S.L
Ms. Lucy Chadwick	Partner at Global Infrastructure Management LLP
Mr. Rajaram Rao	Partner at Global Infrastructure Management LLP
Ms. Isabel Estapé Tous	Practising notary
Mr. Claudi Santiago Ponsa	Practising consultant
Mr. Martin Catchpole	Partner at Global Infrastructure Management LLP
Ms. Marta Martínez Alonso	Employee of CVC Investment Advisory Services S.L
Mr. Jaime Siles Fernández Palacios	Member of the Academic Council of Analistas Financieros Internacionales (AFI)
Mr. Nicolás Villén Jiménez	External advisor of IFM INVESTORS GLOBAL INFRASTRUCTURE FUND

C.1.12. Indicate whether the company has established rules about the maximum number of directorships that board members can hold; describe any such rules and detail their location:

Yes [X] No [ ]

Detail the rules and identify the document where they are set out

Article 11.2 of the Regulations for the Organisation and Operation of the Board of Directors establishes that, by virtue of their office, directors are required, in particular:

> "Not belong to more than five boards of directors of other listed companies. For duly justified reasons, the Board may exempt a director from this obligation"

C.1.13. Indicate the amounts of the following items of the overall remuneration for the Board of Directors:

Remuneration earned by the Board of Directors in the year (thousand euro)	3544
Vested amount accumulated by current directors in long-term savings plans (thousand euro) (*)	22,803
Non-vested amount of funds accumulated by current directors in long-term savings plans (thousand euro)	3070
Amount accumulated by former directors in long-term savings plans (thousand euro)	0

COMMENTS

(*) includes the amount of variable remuneration for the years 2018 to 2024, both inclusive, which are settled as a contribution to the retirement plan of which the Executive Chairman is the beneficiary.

C.1.14. Identify senior managers who are not executive directors and the total remuneration accrued to them in the year:

Name	Position(s)
Mr. Carlos Francisco Vecino Montalvo	Marketing Manager
Mr. Pedro Larrea Paguaga	Network Manager
Mr. Jorge Barredo Lopez	Renewable Generation Manager
Mr. Enrique Tapia Lopez	People and Resources Manager
Mr. Rafael Blesa Martinez	Technology and Systems Manager
Mr. Manuel García Cobaleda	Secretary of the Company and the Board
Mr. Jordi García Tabernero	Public Affairs and Sustainability Manager
Mr. Steven Douglas Fernández Fernández	Financial Markets and Corporate Development Manager
Mr. Jon Ganuza Fernández de Arroyabe	Energy Procurement and Wholesale Markets Manager
Mr. José Luis Gil Sánchez	Renewable Gases Manager
Ms. Eva Fernández Roselló	Internal Audit Manager
Ms. Nuria Rodríguez Peinado	Environment and Social Responsibility Manager
Ms. Rita Ruiz de Alda Iparraguirre	Planning and Control Manager
Mr. Victor Manuel Marquez Moya	External Communication Manager
Mr. Gabriel Alejandro Deseff Rodriguez	Consolidation and Administration Manager
Ms. María Isabel González Alfaro	Compliance Officer

Number of female senior executives	**4**
% of total senior executives	**25 %**
Total remuneration of senior management (in thousand euro)	**15,409 €**

COMMENTS

The list contains executives reporting directly to the Executive Chairman or the Board of Directors

Senior executives

16
Number of senior executives

15.4 M€
Total remuneration of senior executives

25%
Current percentage of female senior executives

C.1.15. Indicate whether there were any amendments to the board regulation in the year.

Yes [X] No [ ]

Description of the amendments

In order to improve compliance with the CNMV's corporate governance recommendations, the Board resolved, on 28 October 2025, to amend article 20 of the Board Regulations so as to grant the Lead Director the competencies set out literally in Recommendation 34.

C.1.16. Indicate the procedure for selecting, appointing, re-appointing and removing directors. Indicate the competent bodies, the process and the criteria for each procedure.

The procedures for the appointment, re-appointment, evaluation and removal of directors are regulated in article 7 of the Articles of Association and in articles 9 and 10 of the Regulations for the Organisation and Functioning of the Board of Directors and its Committees, supplemented by the provisions of Article 529 decies of the Spanish Capital Companies Law.

1.- Appointment and re-appointment:

The General Meeting of Shareholders has the power to appoint directors and establish their number, subject to the limits set in article 7 of the Articles of Association.

If vacancies arise during the term for which the directors were appointed, the Board may co-opt persons to fill such vacancies until the next General Meeting of Shareholders.

Directors are not required to be shareholders.

Persons who are in any situation that, by law, disqualifies them from being independent directors may not be nominated, appointed or classified as such.

Persons appointed as directors must not only fulfil the requirements of the law and the Articles of Association for such appointment but must also be of acknowledged repute and have the appropriate knowledge and professional experience for the position.

Directors are appointed and re-appointed in accordance with a formal, transparent procedure and any proposals by the Board of Directors to the General Shareholders' Meeting, as well as appointments made by the Board by co-optation, must be preceded by a proposal from the Appointments and Remuneration Committee, in the case of independent directors, or a report, in all other cases. When the Board does not follow the Committee's recommendations, it must give the reasons and place them on record in the minutes.

In addition, on a motion by the Appointments and Remuneration Committee and in line with the recommendations of the CNMV guidelines for Appointments and Remuneration Committees, in October 2019 the Board of Directors adopted a Competency Matrix, which was produced with the assistance of independent expert. The Director Selection Policy was amended in February 2022 to require that the competency matrix be taken into account in all director selection processes.

2. Re-appointment:

Directors hold office for a maximum term of four (4) years, and may be re-appointed.

Independent directors may not hold office for more than twelve (12) years.

3. Removal:

Directors must step down when the period for which they were appointed has elapsed, unless they are re-appointed, and when the Shareholders' Meeting so decides based on the powers attributed to it. Directors must step down in any of the other cases provided by law, the Articles of Association or the Regulations of the Board of Directors.

Directors must tender their resignation to the Board of Directors and, if the Board wishes, step down in the following cases:

a) When executive directors cease to hold an executive position.

b) When they find themselves in a situation of incompatibility or legal disqualification envisaged in the law, the Articles of Association or this Regulation.

c) When they are in serious breach of their duties as director such as to jeopardise the Company's interests.

d) When circumstances arise that might affect the Company's credit or reputation or otherwise jeopardise the Company's interests.

e) When the reasons for which they were appointed as independent, executive or proprietary directors cease to hold.

In any event, the Board of Directors pays special attention to issues of diversity, not only of gender, within the framework of full respect for shareholders' rights to proportional representation as recognised by law. For this reason, the Director Selection Policy was amended in 2020 to incorporate a competency matrix that has been used since then in all processes for filling vacancies or re-appointing directors.

In that same vein, on 24 November 2024, the Board of Directors approved an amendment to the Director Selection Policy to expressly include the Company's commitment to gender diversity, providing for the implementation by the Company of measures that encourage the appointment of a significant number of female senior executives.

Subsequently, at a meeting in February 2022, the Board again amended the Director Selection Policy to expressly provide that no candidate may be excluded on the grounds of their ideology, religion or beliefs, membership of an ethnic group, race or nation, gender, sexual orientation, family situation, illness or disability, and that the Appointments, Remuneration and Corporate Governance Committee must deliberately seek and include among the potential candidates women with the desired professional profile, and that, as vacancies arise on the Board or as the terms of

office of the directors come to an end, it must endeavour to ensure that women account for at least 30% of the total number of members of the Board of Directors.

C.1.17. Describe the extent to which the annual evaluation of the Board led to significant changes in its internal organisation and the procedures applicable to its activities:

Description of the amendments

In 2023, an evaluation process of the Board was carried out by an external consultant, which concluded that the Board of Directors met the requirements of an orderly, responsible and advanced governing body. In 2025, the Board conducted an internal self-assessment that observed a positive trend in the suggestions for improvement made by the directors in the evaluation carried out in 2023.

Describe the evaluation process and the areas assessed by the Board of Directors with the assistance of an external consultant, if any, with regard to the performance and composition of the Board and its committees, and any other area or aspect that was assessed.

Description of the assessment process and the areas that were assessed.

In 2025, the assessment of the Board and its Committees was carried out internally.

Within the framework of this self-assessment process, directors completed a series of questionnaires relating to the functioning of the Board and its Committees, in which they were asked to give feedback on issues relating to the structure and working of the Board, its performance of oversight in connection with areas such as internal audit, compliance, and risk, and a performance evaluation of the Chairman of the Board of Directors, of the Chairs of each Committee, of the Lead Independent Director, and of the Board Secretary, as well as the process of decision-making, particularly with regard to the process of drawing up the strategic plan.

The self-assessment of each of those issues was addressed through a series of critical questions in the questionnaires.

Following its review of the self-assessment report at its meeting on February 10, 2026, the Appointments, Remuneration and Corporate Governance Committee has proposed to the Board the implementation throughout 2026 of several improvements, mainly concerning the training plan for Directors, compliance with the diversity requirements set out in Organic Law 2/2024, of August 1, on equal representation and balanced presence of women and men, and the creation of a Strategic Vision Committee, along with bringing forward by one year the renewal of the term of the Executive Chairman, which currently expires before the end of the current Strategic Plan.

C.1.18. In years where the assessment was performed with the support of an external consultant, detail the business relations between the consultant, and any company in its group, with the company and any company in its group.

n/a

C.1.19. Indicate the reasons for which directors may be forced to resign.

Directors must step down when the period for which they were appointed has elapsed, unless they are re-appointed, and when the Shareholders' Meeting so decides based on the powers attributed to it. Directors must step down in any of the other cases provided by law, the Articles of Association or the Regulations of the Board of Directors.

Directors must tender their resignation to the Board of Directors and, if the Board wishes, step down in the following cases:

a) When executive directors cease to hold an executive position.

b) When they find themselves in a situation of incompatibility or legal disqualification envisaged in the law, the Articles of Association or this Regulation.

c) When they are in serious breach of their duties as director such as to jeopardise the Company's interests.

d) When circumstances arise that might affect the Company's credit or reputation or otherwise jeopardise the Company's interests.

e) When the reasons for which they were appointed as independent, executive or proprietary directors cease to hold.

C.1.20. Is a supermajority, other than the legal majority, required for any decisions?

Yes [X] No [ ]

Describe the differences, if any.

Article 7.4 of the Regulations of the Board of Directors reads as follows:

"4.- Resolutions must be adopted by an absolute majority vote of the directors in attendance, in person or by proxy, unless the law, the Articles of Association or these Regulations require an enhanced majority.

In particular, more than two-thirds of the directors in attendance, in person or by proxy must vote in favour in order to adopt resolutions on the following matters, which are reserved for the plenary session of the Board and, therefore, may not be delegated:

a) The acquisition or disposal of assets belonging to the Company (regardless of the legal means used for this purpose and, in particular, even if they are carried out through merger, spin-off or other transactions with subsidiaries) in excess of €500,000,000, unless the transaction requires approval by the General Meeting of Shareholders or is carried out in execution of the Company's budget or strategic or business plan.

b) The approval of the Company's budget and the strategic or business plan.

c) The amendment of the dividend distribution policy and the approval of a new one.

d) The signature, amendment, renewal, non-renewal or termination by the Company of financing or refinancing agreements for an amount exceeding €500,000,000.

e) The signature, amendment, renewal, non-renewal or termination by the Company of any material contract, other than those provided for in section d) above, whose amount exceeds €500,000,000 in the case of gas procurement contracts and €200,000,000 in the case of other contracts.

f) Material changes in the Company's accounting and tax standards and policies, except where due to amendments in the applicable legislation or to compliance with guidelines and criteria set by the competent authorities.

g) The restatement of the Company's financial statements, unless such restatement is due to an amendment of the applicable legislation or to compliance with guidelines and criteria set by the competent authorities.

h) Capital investments not provided for in the Company's annual budget for an amount exceeding €200,000,000.

i) Amendments to the items referred to in paragraphs a) through i) above, or amendment of the enhanced majority vote required for any of them."

C.1.21. Detail whether there are specific requirements, other than those relating to directors, for appointing the Chairman of the Board of Directors.

Yes ☐ No ☒

C.1.22. Indicate if the Articles or the Board Regulation establish an age limit for directors:

Yes ☐ No ☒

C.1.23. Indicate if the Articles or board regulation establish a term limit for independent directors or other requirements for them that are stricter than those provided by law, other than those provided in the regulations:

Yes ☐ No ☒

C.1.24. Indicate whether or not the Articles or the Board Regulation set out specific rules for directors to grant proxy in Board of Directors meetings, the method of doing so and, more specifically, the maximum number of proxies that a director can hold, as well as whether or not a limitation has been set with regard to the categories to which proxy may be granted, above and beyond the limitations imposed by law. Give a brief description of any such rules.

Article 7.5 of the Articles of Association states: "Directors who are unable to attend may grant proxy to another director, with or without voting instructions, and must notify the Chairman or the Secretary accordingly."

Article 7.3 of the Board Regulations states: "Each director may grant a proxy to another director, with no limit on the number of proxies that each may hold at a Board meeting, although directors must attend at least 75% of the meetings of which they are given notice each year. The Board of Directors may waive this obligation in justified cases. Absent directors may grant proxy by any written documentary means or by any electronic means, addressed to the Chairman or Secretary of the Board, before the meeting is called to order."

In addition, at a meeting in October 2019, the Board of Directors resolved, in line with recommendation 27 of the Good Governance Code of Listed Companies, to formally urge directors to give voting instructions when granting proxy.

C.1.25. Indicate the number of board of directors meetings held in the year. Also, state the number of times that the Chairman did not attend Board meetings. Proxies granted with specific instructions are not counted as absences:

Number of Board meetings	**18**
Number of Board meetings held without the chairman	**0**

Indicate the number of meetings held by the lead director with the other directors, without any executive director being present.

Number of meetings	**0**

COMMENTS

Indicate the number of meetings held by board sub-committees in the year:

Number of Executive or Delegated committee meetings:	**0**
Number of Audit and Control Committee meetings	**6**
Number of Appointments and Remuneration Committee meetings	**4**
Number of Appointments Committee meetings	**n/a**
Number of Remuneration Committee meetings	**n/a**
Number of Sustainability Committee meetings	**3**

C.1.26. Indicate the number of board of directors meetings held in the year which were attended by all members.

Number of meetings which were attended in person by at least 80% of directors	**18**
Attendance in person as a % of the total number of votes during the year	**97 %**
Meetings at which all the directors were present in person or for which they granted proxy with specific instructions	**14**
Votes cast with all directors actually present or having granted proxy with specific instructions, as a % of total votes in the year	**98 %**

Board of Directors meetings

18

Board meetings

Meetings which were attended in person by at least 80% of directors

97%

Attendance in person

Attendance in person as a % of the total number of votes during the year

100%

Attendance by the chairman

Number of Board meetings held with the chairman

C.1.27. Indicate whether the separate and consolidated financial statements that are presented for board authorisation are certified beforehand:

Yes [X] No [ ]

Identify the person(s) that certified the company's separate and consolidated financial statements for board authorisation:

Name	Position
Mr. Gabriel Alejandro Deseff Rodríguez	Head of Consolidation and Administration

C.1.28. Detail whether the board of directors has established any mechanisms to ensure that the separate and consolidated financial statements that it authorises are presented to the Shareholders' Meeting with an unqualified auditors' report.

By virtue of the provisions of Article 529.4 of the Capital Companies Law, of the Articles of Association, and of the powers assigned by the Board of Directors, the Audit and Control Committee is responsible for, among others, the functions of informing the General Meeting of Shareholders about the issues that arise in relation to those matters that fall within the remit of the Committee and, in particular, on the result of the audit, for discussing how the audit contributed to the integrity of the financial reporting and the role that the Committee played in that process, as well supervising the process of producing and presenting the mandatory financial reporting and submitting recommendations or proposals to the governing body for the purpose of safeguarding its integrity.

To this end, the Audit and Control Committee supervised the process of producing the financial information, as well as the System of Internal Control over Financial Reporting, and engaged regularly with the external auditor, while respecting their independence to the utmost, through which it was informed of the Audit Plan and of the preliminary and final results of the auditors' analyses, and it strove particularly to ensure the auditors' independence. The auditors' report on the 2025 financial statements was unqualified.

C.1.29. Is the board secretary a director?

Yes [ ] No [X]

If the secretary is not a director, complete the following table:

Name of secretary	Representative
Mr. Manuel García Cobaleda	-

C.1.30 Describe the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including details of how the legal requirements are implemented in practice.

The functions of the Audit and Control Committee as provided by law include liaising appropriately with the external auditor to receive information on any issues that may pose a threat to its independence, for examination by the committee, and any others related to the process of conducting the audit and, where appropriate, authorising any services that are not prohibited, under the terms set out in articles 5.4 and 6.2.b) of Regulation (EU) No. 537/2014, of 16 April, and in section 3 of chapter IV of title I of Law 22/2015, of 20 July, on Auditing, regarding auditor independence, as well as those other communications provided for in the legislation on auditing and in the audit standards.

In this respect, the Audit and Control Committee's position is that non-audit work commissioned from the external auditor should amount to substantially less than the recommended 70%.

In order to fulfil the functions established in sections 4.e and 4.f of article 529 quaterdecies of the Capital Companies Law, the Audit and Control Committee is tasked with supervising proposals for engaging non-audit services from the auditor in order to ensure that these are neither prohibited nor incompatible with their work as auditors, and that they do not compromise the auditors' independence, all in accordance with the limitations established in current legislation, particularly article 16 of the Audit Law.

The Internal Audit Department is in charge of coordinating with the external auditor any need to engage services unrelated to the audit when the Company requires them, and of subsequently notifying the Audit and Control Committee to obtain its authorisation.

The Company's Internal Audit Manager periodically submits to the Audit and Compliance Committee exhaustive information on non-audit engagements required by the Company, attaching in each case the auditors' letter of independence and the letter justifying the need for the service signed by the manager in question.

The Audit and Control Committee reviews the documentation provided in order to ensure the auditors' independence, verifying that they are not in any of the cases of incompatibility set out in the Audit Law, and that the services to be acquired are permitted due to being unrelated to the audit.

In the case of an urgent engagement where the Audit and Compliance Committee is not scheduled to meet immediately, the Committee has set up an exceptional procedure whereby the Chairman of the Committee receives the report on the services to be engaged, together with the supporting documentation (external auditors' letter of independence, and justification of the need for the service signed by the manager in

question). Once it has been ascertained that the services in question are not prohibited and that they do not compromise the auditors' independence, the Chairman may authorise the engagement but, in any event, the Chairman must report on the use of this power at the next meeting of the Audit and Compliance Committee for it to be ratified.

It is also the duty of the Audit and Compliance Committee to issue, each year prior to the issuance of the auditors' report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. In order to fulfil this function, each year the Audit Committee receives a statement from the external auditors declaring that they are independent of the company and of entities directly or indirectly related to it, and providing detailed itemised information on any additional services of any kind that they rendered and the fees received from these entities by the external auditor or by persons or entities related to it, in accordance with the provisions of the regulations governing auditing.

As regards the mechanisms established to guarantee the independence of financial analysts, investment banks and rating agencies, on 24 November 2020 the Board of Directors approved the Policy on Communication with Shareholders, Investors and Proxy Advisors. This policy establishes the principles that underpin the Company's relationship with those parties, including transparency, truthfulness, completeness and clarity, immediacy and timeliness, equal treatment, non-discrimination and symmetry in dissemination, homogeneity and simultaneity. This policy establishes the channels and units responsible for engaging with the various agents.

Naturgy also has an Internal Code of Conduct on matters relating to the securities markets and a policy governing own shares, article 11 of which establishes that price-sensitive information must be made public as soon as possible and in such a way as to allow rapid access and a complete, proper and timely evaluation of the information by the public. The content of the communiqué must be truthful, clear, complete and, where required by the nature of the information, quantified, so as not to be misleading or deceptive.

C.1.31. State whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:

Yes [ ] No [X]

If there was a disagreement with the outgoing auditor, describe it:

Yes [ ] No [X]

C.1.32. Indicate whether the audit firm performs work for the company and/or its group other than auditing and, if so, state the fees paid for such work and express them as a percentage of the total fees billed to the company and/or its group:

Yes [X] No [ ]

	Company	Group	Total
Fees for work other than auditing (thousand euro)	476	509	985
Amount of tasks other than auditing/Amount billed by the audit firm (%)	38.4%	14.7%	21.0%

C.1.33. State whether or not the auditors' report on the previous year's financial statements was qualified. If it was, state the reasons given by the Chair of the Audit Committee to explain the content and scope of the qualification or exception.

Yes [ ] No [X]

C.1.34. Indicate the number of consecutive years that the current audit firm has been auditing the financial statements of the company and/or its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Separate	Consolidated
Number of consecutive years	5	5
No. of years audited by the current audit firm/No. of years that the company has been audited (%)	14.29%	14.29%

C.1.35. Indicate whether there is a procedure for directors to have the necessary information to prepare for the meetings of the governing bodies with sufficient time and, if so, provide details.

Yes [X] No [ ]

Detail the procedure

Articles 6.2 and 6.3 of the Regulations of the Board of Directors state:

> "2.- Notice of meetings must be issued by the Chairman or by the Secretary or the Deputy Chairman on the instructions of the Chairman, by any of the channels provided for in the Articles of Association. The notice must state the venue and contain the agenda of the meeting, and must be sent at least five (5) days before the meeting is to be held, specifying the agenda of the meeting. In the event of what the Chair considers to be a duly justified emergency, and that opinion is shared by the Board at the start of the meeting, notice of the meeting may be given by telephone, fax, email or any other telematic means sufficiently in advance to enable the directors to participate in the meeting. Before each meeting, the directors will be provided with the information and documentation considered to be advisable or material about the matters to be discussed in the meeting. Directors will also be provided with the minutes of the previous meeting, regardless of whether or not they have been approved. The Chairman has the power to establish the meeting agenda, but any director may request the inclusion of additional business on the agenda.
>
> 3.- Board of Directors meeting will be quorate without the need for prior notice if all the directors are present or represented and they agree unanimously to hold a Board meeting."

Under the normal procedure, notice of meeting is usually given one week in advance, with the agenda and any information that is available and may be useful for informing about the matters to be discussed at the Board meeting. Other documentation is circulated as it becomes available — normally five days in advance except where this is not possible, due to urgency, for example. Presentations clearly identify the matters that are for information only and those that are for a decision.

To this end, the Board documentation is made available to the directors through an electronic platform that gives them permanent access to it. Directors have access to the documentation of all bodies of the Board, regardless of whether or not they are members of any given committee. In addition, other information that is material to the performance of the directors' functions is made available to them by e-mail.

Furthermore, the matters laid before the Board are usually presented by the managers responsible for the proposals, so that the directors can directly ask them for clarifications, data or opinions in relation to the items of business and can directly assess their suitability for the position.

Directors may, through the Board Secretary, request any additional information they consider to be necessary to discharge their duties.

C.1.36. State and detail any rules in place that oblige directors to report any circumstances that might jeopardise the company's credit and reputation and, if appropriate, resign:

Yes [X] No [ ]

Describe the rules

In accordance with article 11.4 of the Board Regulations, directors are bound by a duty of loyalty under the terms established in prevailing legislation; in particular, article 11.4.e) establishes that directors must inform the Company of any kind of legal or administrative action and any issue of any kind affecting them that, due to its significance, might have a serious impact on the Company's reputation. The Board will examine the matter and adopt the measures that are advisable in the Company's best interests and with the necessary urgency.

Also, the article 10.2 of the Board Regulations establishes that directors must tender their resignation to the Board of Directors, and resign if the latter deems it appropriate, in the following cases:

a) When executive directors cease to hold an executive position.

b) When they find themselves in a situation of incompatibility or legal disqualification envisaged in the law, the Articles of Association or this Regulation.

c) When they are in serious breach of their duties as director such as to jeopardise the Company's interests.

d) When circumstances arise that might affect the Company's credit or reputation or otherwise jeopardise the Company's interests.

e) When the reasons for which they were appointed as independent, executive or proprietary directors cease to hold.

C.1.37. Except where there are special circumstances that have been entered in the minutes, indicate whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their actions within the company itself, that might harm the company's credit and reputation:

Yes [X] No [ ]

Name of director	Nature of the situation	Comments
Javier de Jaime Guijarro	Court proceeding	Through press reports, the Company became aware that Mr. de Jaime was under investigation in preliminary proceedings relating to the tax treatment of transactions carried out by CVC and of several income streams that had been declared.

Yes [X] No [ ]

Decision/Action taken	Reasoned explanation
The Board resolved unanimously that no action was required.	After analysing the situation, the Appointments and Remuneration Committee made a recommendation to the Board that no action be taken, attaching a report issued by the Secretary that concluded that no action was warranted given that there was no impact on the Company and the proceedings were at a very early stage.

C.1.38. Detail any significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Most of the outstanding borrowings include a clause relating to a change in control of Naturgy Energy Group, S.A. Those clauses are subject to additional conditions and, therefore, their activation depends on the simultaneous occurrence of some of the following events: a material downgrade in the credit rating caused by the change in control, or the loss of investment grade status; inability to meet the financial obligations of the contract; a material detrimental event for the creditor; or a material adverse change in creditworthiness. These clauses entail the repayment any debt that has been drawn down.

Specifically, as is customary in the Euromarket, the outstanding bonds, in the amount of €4,819 million, might be accelerated if a change of control resulted in a downgrade of two or more full notches in at least one of the two ratings and if all the ratings fell below investment grade, provided that the rating agency cited the change of control as the reason for the downgrade. There are also loans amounting to approximately €5,101 million: partly long-term infrastructure financing from the European Investment Bank and partly long-term bilateral bank debt, which might also be accelerated in the event of a change of control. Triggering those clauses would require a rating downgrade in addition to a change of control, and there are special repayment periods that are longer than in the cases of early termination.

C.1.39. Identify and detail — individually, in the case of directors, and in overall terms, in other cases — any agreements between the company and its directors and senior executives or employees that contain indemnities, guarantees or severance clauses in the event of their resignation or unfair dismissal or if the contractual relationship is terminated due to a takeover bid or other transaction.

Number of beneficiaries	**13**

Type of beneficiary	Description of resolution
Executive Chairman	The Chairman's contract establishes compensation for removal or non-renewal as a director equivalent to two annuities of: (i) total fixed annual remuneration, (ii) annual variable remuneration, and (iii) long-term incentive in annual terms. The indemnity is not payable in the event of serious and culpable breach of professional obligations causing significant damage to Naturgy's interests. Additionally, an indemnity equivalent to one year's total fixed remuneration is established as consideration for a post-contractual non-competition agreement with a term of one year. The Executive Chairman's contract provides for the termination of the contract and the payment of the indemnity in the event that he is terminated as an executive but continues as a non-executive Chairman. In that case, the indemnity provided for is identical to that indicated in the first paragraph of this section, but reduced by half, i.e. equivalent to one year's remuneration.
Executives	The contracts signed with ten executives contain a clause establishing indemnity of at least two years' fixed remuneration in certain cases of termination, including certain cases of change of control, unfair dismissal or the cases provided for in articles 40, 41 and 50 of the Workers' Statute. Those contracts also provide for indemnity amounting to one year's fixed remuneration as consideration for a post-contractual non-competition clause with a term of two years.

State whether, outside the cases provided for in the regulations, such contracts must be reported and/or approved by the decision-making bodies of the company or group. If so, specify the procedures, the cases and the nature of the bodies responsible for approving or disclosing:

	Board of Directors	General Meeting
Body that authorises the clauses	YES	No

	YES	No
Is the General Meeting informed of the clauses?		X

Comments

The Appointments and Remuneration Committee and the Board are informed of the terms and beneficiaries of such clauses in connection with executives.

The main terms of the contracts of executives reporting directly to the executive director are approved by the Board. The Board also approves the Executive Chairman's contract.

C.2. Board of Directors Committees

Board of Directors Committees

Audit and Control Committee

5 members
3 independent directors (60%)
2 proprietary directors (40%)

- Oversight of the financial reporting process
- Internal control and risk management
- Relations with external auditor
- At least 4 meetings per year

Appointments, Remuneration and Corporate Governance Committee:

5 members
2 independent directors (40%)
3 proprietary directors (60%)

- Proposals for director appointments
- Remuneration policy
- Performance evaluation
- Corporate governance

Sustainability Committee

4 members
1 independent director (25%)
3 proprietary directors (75%)

- Oversight of environmental and social policies
- Sustainability plan
- Non-financial reporting
- At least 3 meetings per year

C.2.1. Give details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other non-executive directors in their composition:

EXECUTIVE COMMITTEE

Comments

Not applicable as there is no Executive Committee.

Detail the functions assigned to this committee, other than those already described in section C.1.9, and describe its procedures and terms of reference. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

Not applicable

Audit Committee

Name	Position	Category
Mr. Claudi Santiago Ponsa	Chairman	Independent
Mr. Ramón Adell Ramón	Member	Proprietary
Mr. Pedro Sainz de Baranda Riva	Member	Independent
Ms. Helena Herrero Starkie	Member	Independent
Mr. Jose Antonio Torre de Silva López de Letona	Member	Proprietary

% proprietary directors	40%
% independent directors	60%
% other external directors	—%

Detail the functions assigned to this committee, including any that are additional to those established by law, and describe its procedures and terms of reference. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

a) Functions of the Audit and Control Committee:

The Committee has the powers indicated by law and those entrusted to it, generally or specifically, by the Board of Directors.

The Board of Directors has entrusted it with the following functions:

a) Drawing up the report on the performance of the Audit and Compliance Committee.

b) Ensuring that the Board of Directors endeavours to present the financial statements to the General Shareholders' Meeting without limitations or qualifications in the audit report and that, where the auditors' report is qualified, the Chairman of the Audit and Control Committee clearly conveys to the General Meeting the opinion of the Audit and Control Committee on its content and scope, and makes a summary of that opinion available to the shareholders at the time of publication of the notice of the meeting, together with the other motions and the reports from the Board.

c) Approving the annual work plan of the Internal Audit Unit, and supervising that unit's activities each year.

d) In relation to the information and control systems:

   a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial reporting, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group, including operational, technological, legal, social, environmental, political and reputational risk, and risk related to corruption, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the proper application of accounting standards.

b) Ensuring the independence of the unit entrusted with the internal audit function; proposing the selection, appointment and removal of the head of the internal audit unit; proposing the budget for this service; approving or proposing the orientation and annual work plan for internal audit, making sure that it focuses primarily on material risks, including reputational risk; receiving regular reports on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Ensuring the independence of the compliance unit and proposing the selection, appointment and removal of its manager; proposing the budget for this unit.

d) Establishing and overseeing a mechanism that, while guaranteeing confidentiality and even anonymity, allows employees and other persons related to the company to report potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity related to the company that they detect within the company or its group. (d) Ensuring, in general, that the policies and systems established in

the area of internal control are effectively applied in practice.

e) Approving the fixed and variable remuneration of the heads of the Internal Audit and Compliance units.

e) In relation to the external auditor.

a) In the event of resignation by the external auditor, investigating the reasons.

b) Ensuring that the external auditors' remuneration does not compromise their quality or independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, in that event, the content of the discrepancy.

d) Ensuring that the external auditor meets each year with the full Board of Directors to report on the work carried out and on the evolution of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

f) Summoning any employee or executive of the Company, including requiring them to appear without the presence of any other executive.

g) In relation to any structural and corporate changes that the Company plans to carry out, analysing and reporting to the Board of Directors on the economic conditions and accounting impact and, in particular, on the exchange ratio, where applicable.

h) Overseeing the performance of the internal control and risk management department.

i) In relation to overseeing compliance with the Codes of Conduct.

a) Overseeing compliance with the company's internal codes of conduct.

b) Overseeing the application of the general policy on the disclosure of financial and non-financial information

c) Assessing all aspects of the non-financial risks to which the company is exposed, including operational, technology, legal, social, environmental, political and reputational risks.

d) Coordinating the non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

j) Reporting on related-party transactions that must be approved by the general meeting or the board of directors and overseeing the internal procedure established by the company for those whose approval has been delegated.

b) Procedures and rules of organisation and functioning

In accordance with article 26 of the Board Regulations

The Audit and Control Committee shall comprise a minimum of three (3) and a maximum of seven (7) directors appointed by the Board of Directors from among the non-executive directors, at least one of whom must be appointed taking into account their knowledge and experience in accountancy, auditing or both. Its members must step down when they step down as directors, or when so decided by the Board of Directors.

Independent directors must make up a majority of the Committee, and the Board of Directors will choose the Chairman, who will not have a casting vote, from among them. The Board Secretary will be the Secretary of the Committee, but the Deputy Secretary, if any, may take their place.

The Committee will meet, convened by the Chair, whenever it is necessary to issue reports or proposals within its remit, or whenever deemed appropriate by its Chair, or at the request of two of its members, and at least four times per year. The Committee may invite any executive or employee to attend meetings as it sees fit.

c) mechanisms implemented to preserve the external auditors' independence:

In accordance with the resolution adopted by the General Shareholders' Meeting on 2 April 2024, KPMG Auditores, S.L., S.L. was the Company's auditor in 2025.

In order to fulfil the functions established in sections 4.e and 4.f of article 529 quaterdecies of the Capital Companies Law, the Audit and Control Committee supervised proposals for engaging non-audit services

from the auditor in order to ensure that these were neither prohibited nor incompatible with their work as auditors, and that they did not compromise the auditors' independence, all in accordance with the limitations established in current legislation, particularly article 16 of the Audit Law.

The Internal Audit Department coordinated with the external auditor any need to engage services unrelated to the audit when the Company required them, and subsequently notified the Audit and Control Committee to obtain its authorisation.

The Internal Audit Manager regularly submitted exhaustive information to the Audit and Compliance Committee on non-audit engagements required by the Company, attaching in each case the auditors' letter of independence and the letter, signed by the manager in question, justifying the need for the service.

The Audit and Control Committee reviewed that documentation in order to ensure the auditors' independence, verifying that they were not in any of the cases of incompatibility set out in the Audit Law, and that the services to be acquired were permitted due to being unrelated to the audit.

In accordance with the exceptional procedure established by the Committee itself, in cases where required by the urgency of the engagement, it was the Chairman of the Commission who received the relevant documentation and analysed that the services were not prohibited and did not compromise the auditor's independence, and authorised the engagement, although, in all cases, the Chairman reported on the use of this power at the next meeting of the Audit and Control Committee, where this decision was ratified.

It should be noted that, as a result of the relations maintained with the auditor, and following the analysis of engagements other than those relating to the audit and related services, and the written confirmation of the Auditor's independence, the Committee was able to verify that no cases had been identified that might compromise the independence of KPMG Auditores, S.L. in the provision of its services, both in relation to its work as an auditor and in relation to services provided in addition to auditing and related services.

d) Main actions in 2025:

As part of its duties during the year, the Committee advised and/or adopted proposals on the following matters, among others:

In addition to its regular oversight functions, e.g. in the areas of risk, cybersecurity and related-party transactions, the Committee addressed the following material issues during 2025:

- Supervision of the external auditor's independence
- Analysis and supervision of the process of production and the integrity of the Company's financial and non-financial information
- Supervision of the activities carried out by the Sustainability Information Verifier.
- Authorisation for the external auditor to provide services other than auditing
- Updating the Group's Crime Prevention Model and reviewing crime risks
- Monitoring of the work plan for the Internal Audit and Compliance areas
- Monitoring the functioning of the Group's Internal Information System
- The appropriate actions in cases of transactions with related parties
- Updating the company's risk map
- Oversight of the tender offer for own shares
- Oversight of transactions with own shares
- Supervision of strategic operations

Identify the members of the audit committee who were appointed on the basis of their knowledge and experience in accounting, auditing or both, and state the date of appointment of the Chairman of this committee.

Name of directors with experience	MR. RAMÓN ADELL RAMÓN
Date of appointment as Chairman	10/02/2022

Appointments and Remuneration Committee

Name	Position	Category
Mr. Pedro Sainz de Baranda Riva	Chairman	Independent
Mr. Claudi Santiago Ponsa	Member	Independent
Ms. Maria Isabel Gabarró Miquel	Member	Proprietary
Mr. Rajaram Rao	Member	Proprietary
Mr. Javier de Jaime Guijarro	Member	Proprietary

% proprietary directors	60%
% independent directors	40%
% other external directors	—%

Detail the functions assigned to this committee, and describe its procedures and rules of organisation and operation. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

a) Functions of the Appointments, Remuneration and Corporate Governance Committee:

The Committee has the powers indicated by law and those entrusted to it, generally or specifically, by the Board of Directors.

The Board of Directors has entrusted it with the following functions:

a) Making proposals and advising on corporate governance initiatives.

b) Reporting on the performance of the Appointments and Remuneration Committee

c) Checking the director selection policy and reporting on it in the Annual Corporate Governance Report.

d) Preparing a report in the event of the removal of an independent director before expiration of his/her term.

e) Drafting a report in the event that the Board of Directors proposes the adoption of measures when it becomes aware that the actions of a director may impair the company's credit and reputation or when a director is under investigation for a crime. Organising and coordinating the regular assessment of the Board and of the Company's chief executive.

f) Verifying the independence of the external consultant selected to assess the Board and its committees.

g) Proposing to the board the standard conditions for senior executive contracts.

h) Monitoring compliance with the remuneration policy set by the company.

i) Periodically reviewing the remuneration policy for directors and senior executives, including share-based remuneration systems, and their application, and ensuring that their individual compensation is proportionate to the amounts paid to other directors and senior executives in the company.

j) Ensuring that conflicts of interest do not undermine the independence of any external advisory services engaged by the committee.

k) Verifying the information on director and senior executive remuneration contained in corporate documents, including the annual report on director remuneration.

l) Overseeing compliance with the company's corporate governance rules, ensuring that the corporate culture is aligned with its purpose and values.

m) Assessing and regularly reviewing the adequacy of the company's corporate governance system to ensure that it fulfils its purpose of promoting the company's interests, and taking account appropriately of other stakeholders' legitimate interests.

n) Drafting a report in connection with remuneration systems that deliver shares, options or financial instruments when a director requests permission to dispose of them before three years have elapsed from the date they were allocated in order to address an extraordinary situation.

b) Procedures and rules of organisation and functioning

In accordance with article 25 of the Regulations of the Board:

The Appointments, Remuneration and Corporate Governance Committee shall comprise a minimum of three (3) and a maximum of seven (7) directors designated by the Board of Directors from among the non-executive directors. Its members must step down when they step down as directors or when the Board of Directors so decides.

At least two members of the Appointments, Remuneration and Corporate Governance Committee must be independent directors, and the Chairman, who will not have a casting vote, will be designated by the Board of Directors from among the latter. The Board Secretary will be the Secretary of the Committee, but the Deputy Secretary, if any, may take their place.

The Committee will meet, convened by the Chair, whenever it is necessary to issue reports or proposals within its remit, or whenever deemed appropriate by its Chair, or at the request of two of its members, and at least four times per year. The Committee may invite any executive or employee to attend meetings as it sees fit.

c) Main actions in 2025:

In addition to its regular oversight functions, the Committee addressed the following significant issues during 2025:

- Remuneration of the executive director, the management team and the board of directors

- The review of the long-term variable remuneration scheme for the Executive Chairman and other executives of the Naturgy Group, settling the existing scheme from 2018 (ILP) and establishing a new one for the next Strategic Plan (BCV), which are described in greater detail in the Annual Report on Director Remuneration.
- The increase in the number of directors and the resulting amendment to the Articles of Association
- The process of updating the Board's competency matrix
- The talent management process and succession plan for senior managers
- The training plan for directors

- Analysis of compliance with CNMV recommendations and action plan
- Monitoring and analysis of the implications of Organic Law 2/2024, of 1 August, on equal representation and balanced presence of women and men.
- Analysis of employee satisfaction
- Self-assessment by the Board and its Committees

APPOINTMENTS COMMITTEE

Comments

Not applicable as there is no Appointments Committee.

Detail the functions assigned to this committee, including any that are additional to those established by law, and describe its procedures and terms of reference. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

Not applicable

Remuneration Committee

Comments

Not applicable as there is no Remuneration Committee

Detail the functions assigned to this committee, including any that are additional to those established by law, and describe its procedures and terms of reference. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

Not applicable

SUSTAINABILITY COMMITTEE

Name	Position	Category
Ms. Helena Herrero Starkie	Chairman	Independent
Ms. Isabel Estapé Tous	Member	Proprietary
Mr. Jaime Siles Fernández Palacios	Member	Proprietary
Ms. Lucy Chadwick	Member	Proprietary

% proprietary directors	75%
% independent directors	25%
% other external directors	—%

Detail the functions assigned to this committee, and describe its procedures and rules of organisation and operation. For each of these functions, describe the most salient actions during the year and how it fulfilled, in practice, each of the functions attributed to it, whether by the law, the Articles or other corporate resolutions.

a) Functions of the Sustainability Committee

In accordance with article 27 of the Regulations for the Organisation and Operation of the Board of Directors and its Committees, the Sustainability Committee will be made up of at least three and at most six directors designated by the Board of Directors from among the non-executive directors on the basis of their knowledge, skills and experience and the Committee's functions.

Its members must step down when they step down as directors or when the Board of Directors so decides.

The Board of Directors will designate the Chairman of the Committee, who must be an independent director and will not have a casting vote. The Board Secretary will be the Secretary of the Committee, but the Deputy Secretary, if any, may take their place.

The Sustainability Committee will have the functions assigned specifically to it by the Board of Directors.

The Committee will meet, convened by the Chair, whenever it is necessary to issue reports or proposals within its remit, or whenever deemed appropriate by its Chair, or at the request of two of its members, and at least three times per year. The Committee may invite any executive or employee to attend meetings as it sees fit.

The functions assigned to it by the Board of Directors are as follows:

a) Proposing a Sustainability Policy for approval by the Board of Directors

b) Making a proposal to the Board regarding the Group's objectives and guidelines in the areas of the environment, health and safety and social responsibility, which are covered in the Sustainability Plan.

c) Periodically analysing indicators in the areas of the environment, health and safety, and social responsibility

d) Reviewing the information in relation to sustainability that Naturgy releases to the market.

e) Overseeing compliance with the Company's policies and rules in environmental and social matters.

f) Assessing and regularly reviewing the company's environmental and social policy to ensure that it fulfils its purpose of promoting the company's interests and takes account of any legitimate interests of the other stakeholders.

g) Overseeing the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.

h) Monitoring implementation of the general policy on communication with shareholders and investors, proxy advisors and other stakeholders, as well as monitoring how the company communicates and engages with small and medium-sized shareholders.

i) Overseeing the design, implementation and monitoring of the ICNFR

j) Approving the content and criteria to be included in the non-financial reporting

k) Making proposals to the Executive Chairman in connection with the appointment and removal of

the head of the Environment and Social Responsibility unit

l) Approving the fixed and variable remuneration of the head of the Environment and Social Responsibility Unit

Specifically, in connection with the Sustainability Report

a) Setting the scope and general criteria to be included in the Sustainability Report.

b) Overseeing once per year the update of material issues arising from the last materiality assessment.

c) Proposing environmental objectives and guidelines to ensure compliance with the objectives of the Sustainability Plan

d) Exercising oversight to ensure that environmental practices conform to the established strategy and policy and monitoring the company's environmental performance by tracking the main indicators and targets.

e) It may propose projects and actions that contribute to the fulfilment of the objectives of the Sustainability Plan.

b) Main actions in 2025:

- Sustainability Plan 2025-2027.
- Supervision of the structure and content of the Consolidated Non-Financial Information Statement and Sustainability Information for 2024, in accordance with applicable European and national regulations.
- Remuneration of the Head of the Environment and Social Responsibility Unit
- Promotional activities to raise awareness and provide training on sustainability throughout the organisation. In this regard, in March, a training session by a renowned independent expert was held for Board members on sustainability trends in business, with a special emphasis on ESG risks.
- Oversight of the 2025 Double Materiality analysis update process
- Proposal to the board for approval of the Sustainability Policy
- ESG indices and ratings: the Committee examined trends in results, areas for improvement that had been identified, and how third parties view Naturgy's efforts in this area, as well as any accolades received.
- Health and safety: the Committee reviewed incidents and accidents that occurred during the year and sought to draw lessons
- ESG risk assessment
- Monitoring of regulatory developments in ESG matters
- Monitoring of the most noteworthy ESG projects.
- Reviewing and proposing amendments to the Declaration of Principles and Policies (replacing the 2019 Corporate Responsibility Policy) and the Sustainability Policy (replacing the pre-existing Environment and Human Rights Policies of 2022 and 2019, respectively).

C.2.2. Complete the following table with information on the number of female directors in the Board sub-committees at the end of the last four years:

	Number of female directors							
	2025		2024		2023		2022	
	No.	%	No.	%	No.	%	No.	%
Executive Committee	0	—%	0	—%	0	—%	0	—%
Audit Committee	1	20%	1	20%	1	20%	1	20%
Appointments and Remuneration Committee	1	20%	0	—%	0	—%	0	—%
Appointments Committee	0	—%	0	—%	0	—%	0	—%
Remuneration Committee	0	—%	0	—%	0	—%	0	—%
Sustainability Committee	3	75%	3	75%	3	75%	3	75%

C.2.3. Indicate if there are any Board sub-committee regulations, where they can be consulted, and amendments made in the year. Also, indicate if an annual report on each committee's activities has been drafted voluntarily.

The Board Committees are regulated in the Articles of Association and in the Regulations for the Organisation and Operation of the Board of Directors of Naturgy and its Committees.

Both documents are published on the Company's website (www.naturgy.com) →Shareholders and investors →Corporate governance → Governance bodies and rules.

The Audit and Control Committee, the Appointments, Remuneration and Corporate Governance Committee and the Sustainability Committee all drew up a report on the quality and effectiveness of their performance in the previous year.

D. Related-party and intragroup transactions

D.1. Describe any procedures and the bodies that are empowered to approve related-party and intra-group transactions, indicating the company's internal criteria and the general rules governing the obligation on directors, and their related shareholders, to abstain, and detail the internal advisory and regular oversight procedures established by the company in connection with related-party transactions whose approval has been delegated by the board of directors.

Procedure for advising on the approval of related-party transactions.

Pursuant to Art. 529 duovicies of the Capital Companies Law:

i) The power to approve related-party transactions whose amount or value is equal to or exceeds 10% of the total value of the assets according to the last annual balance sheet approved by the company is vested in the General Meeting.

ii) The power to approve all other related-party transactions is vested in the board of directors, which may not delegate it.

In both cases, approval of a related-party transaction requires a prior report by the Audit and Compliance Committee, which must advise on the reasonableness of the transaction from the standpoint of the company and, as appropriate, of the shareholders other than the related party, and must set out the assumptions on which the evaluation is based and the methods used.

Additionally, as provided for in section 4 of Art. 529 duovicies, at a meeting on 21 December 2021, the Board of Directors resolved to delegate powers to the Executive Chairman to approve the following related-party transactions:

a) transactions between Naturgy group companies that are carried out in the ordinary course of business and on an arm's-length basis;

b) transactions entered into by virtue of contracts whose standardised conditions are applied en masse to a large number of customers, are carried out at prices or rates established generally by the party acting as supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the company's net turnover.

In connection with the approval of this type of transaction, on 21 December 2021 the Board of Directors approved an internal procedure for regular reporting and oversight under which the Audit and Control Committee is required to check the transparency of such transactions and, where appropriate, their compliance with the applicable legal requirements.

D.2. Describe any transactions that are material, because of their size or nature, between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, indicating the body that is competent to approve them and whether any shareholder or director who was affected abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the Board without a majority of the independent directors voting against:

Name of shareholder or any of its dependent companies	%	Name of the company or subsidiary	Nature of relationship	Type of transaction and other information required to assess it	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against

Comments

Note 34. Information on transactions with related parties in the Notes to financial statements discloses the amounts realised in the year in connection with transactions approved in previous years.

D.3. Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and the company's directors or executives, including transactions with undertakings that a director or executive controls or jointly controls, indicating the body that is competent to approve them and whether any of the shareholders or directors involved abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the Board without a majority of the independent directors voting against:

Name of the directors or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Type of transaction and other information required to assess it	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against

Comments

Note 34. Information on transactions with related parties in the Notes to financial statements discloses the amounts realised in the year in connection with transactions approved in previous years.

D.4. Give itemised details of any intercompany transactions that are material, because of their size or nature, between the company and its controlling company or other companies in the controlling company's group, including the listed company's own dependent companies, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any event, provide details of any intercompany transactions carried out with organisations based in countries or territories that are designated tax havens:

Name of the group institution	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)

Comments

Note 34. Information on transactions with related parties in the Notes to financial statements discloses the amounts realised in the year in connection with transactions approved in previous years.

D.5. Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and parties who are classified as related parties in accordance with the International Accounting Standards adopted by the EU that were not disclosed in the preceding sections.

Name of the group institution	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)

Observaciones

D.6. Specify the mechanisms established to detect, identify and resolve any conflicts of interest arising between the company and/or the group and its directors, executives, significant shareholders and other related parties.

Naturgy's Corporate Governance regulations govern potential conflicts of interest that may affect significant shareholders, directors and executives of the Company.

a) With regard to the members of the Board of Directors, the Board Regulations establish that directors have a duty of loyalty under the terms established in current legislation; in particular, in accordance with the regulations, directors must inform the other members of the Board of any conflict of interest and must abstain from voting.

Where a conflict of interest was disclosed, the conflicted directors withdrew from the meeting when the agenda item on which they were conflicted was being discussed, and the Secretary made sure that the conflicted directors did not have access to the related information.

b) Furthermore, in accordance with articles 3 and 4 of the Internal Rules of Conduct in Matters Relating to the Stock Markets and Treasury Stock Policy, which is applicable to the Company's directors and executives, during certain time periods those persons must refrain from carrying out transactions, on their own behalf or on behalf of a third party, directly or indirectly, with the affected securities ((i) Securities issued by Naturgy Group companies that are traded on a secondary market or other regulated markets, in multilateral trading facilities or other organised secondary markets, or for which an application for admission to trading on one of these markets or systems has been made. (ii) financial instruments and contracts of any kind that give the right to acquire or sell the securities indicated in (i). (iii) Financial instruments and contracts whose underlying are the securities indicated in (i). (iv) For the sole purposes of the rules of conduct regarding privileged information contained in Title III of these Regulations, the securities and financial instruments issued by other companies or entities other than the Naturgy Group regarding which they hold inside information.)

Based on an advance request in writing that describes and justifies the personal transaction that it is intended to perform, giving reasons why the specific transaction cannot be performed at any other time outside a restricted period, the oversight body may authorise persons with management responsibilities to perform personal transactions with affected securities during periods when there is a general prohibition provided that there is valid evidence that the circumstances provided for in the Regulation actually exist. The Supervisory Body will inform the Audit and Control Committee at least once per year about the authorisations that were requested.

c) Pursuant to section 4.10 of the Code of Ethics and to the Policy on conflicts of interest, which elaborates upon that section, directors and executives must inform the company in the event that they or their close relatives are or will be members of the governing bodies of other companies that may clash with the interests of Naturgy. In discharging their professional responsibilities, bound persons must act with loyalty and defend the interests of the group. Likewise, situations that might give rise to a conflict between personal interests and the interests of the company should be avoided. Consequently, bound persons must refrain from representing the company and participating in and influencing decisions in any situation in which they have a direct or indirect personal interest.

d) In addition, the Board Secretariat sends an annual questionnaire to all members of the Board of Directors asking them to provide information on their related parties and to expressly declare whether they are in any situation of conflict of interest.

The Secretary of the Board also requests information each year from significant shareholders about the companies associated with them, under the terms described in Article 529 vicies of the Capital Companies Law.

D.7. Indicate whether the company is controlled by another listed or unlisted undertaking, in the meaning of article 42 of the Commercial Code, and has, directly or through its subsidiaries, business relationships with that undertaking or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them:

Yes ☐ No ☒

Indicate whether their business activities and any business dealings between them, as well as between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other, were disclosed accurately.

Yes ☐ No ☒

Indicate the business activities and any business dealings between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other hand, and identify where this information was disclosed.

Not ☒

Identify the mechanisms established to resolve any conflicts of interest between the listed company's other controlling company and the other companies in the group:

Mechanisms to resolve conflicts of interest

Not ☒

E. Risk control and management systems

E.1. Describe the scope of the company's control and management system for financial and non-financial risk, including tax risk.

Naturgy's Risk Control and Management Model determines risk assessment methodologies and models, and controls, manages and establishes the Group's risk reporting, ensuring that a risk profile and target risk limits are maintained to guarantee that the level of exposure in the course of its activities is consistent with its annual and strategic objectives.

This model takes into account the principles of integration, segregation, homogeneity, consistency and transparency of corporate governance, and is structured around four pillars:

a) *Risk Governance:* defines governance for each type of risk, establishing the necessary regulations and assigning responsibilities.

b) *Risk Assessment:* establishes the risk assessment methodologies, harmonising common procedures for the identification, assessment and treatment of the information associated with each risk, to ensure uniformity and coherence both when quantifying them individually and when subsequently aggregating them, with the aim of achieving a homogeneous, integrated vision.

c) *Risk Appetite:* establishes the risk tolerance by setting limits for the main risk categories, as a function of the Group's targets.

d) Risk Reporting: regular, systematic risk reporting at different management levels, expressed in the Corporate Risk Map and recurring risk reports.

E.2. Identify the bodies of the company responsible for drawing up and executing the Risk Control and Management System, including tax risk.

Naturgy has a framework integrating the vision of governance, risks and compliance so as to provide a 360-degree view of the group's processes, existing controls and the associated risks.

To this end, it has a number of bodies with clearly identified areas of responsibility, making it possible to delimit the predictability and ensure the sustainability of the company's operational and financial performance.

Board of Directors

It is responsible for approving the company's Risk Control and Management Policy and Risk Appetite and takes decisions to accept or mitigate risks that exceed the approval thresholds established in the Board Regulations. It supervises the company's Risk Management and Control System.

Audit and Control Committee

It is the body entrusted, by delegation, with overseeing the Risk Control and Management Model and the effectiveness of internal control, and monitoring compliance with the Global Risk Policy.

Management Committee

Promotes a culture of risk control and management, approves the Risk Control and Management Model, ensures its proper functioning and, at its discretion, may set up such committees as it deems appropriate to which it may delegate these functions. In addition, they propose the definition of risk tolerance by setting limits (Risk Appetite) for the main risk categories aligned with the Group's objectives, for subsequent approval by the Board of Directors.

Internal Audit

As a third line of defence, it conducts appropriate audits to assess the level of compliance with the Global Risk Policy and the Risk Control and Management Model.

Corporate Risk Management Function

- Implements the content of the Global Risk Policy and ensures it is complied with and updated.
- Convenes the necessary subcommittees to ensure the proper functioning of the Risk Control and Management Model, as well as any other committees that may have been established.
- Defines, implements and/or supervises the modelling and quantification of all risks in order to ensure that the metrics are appropriate and consistent.

- Produces and periodically updates the Corporate Risk Map and recurring risk reports for presentation to the Board of Directors, the Audit and Control Committee, and the Management Committee.
- Ensures that business and corporate units assume their responsibility for identifying, assessing, controlling, managing and reporting risks.
- Controls risk.
- Manages risks within its area of responsibility, participating in particular in the overall management of market and credit risks, as well as associated strategic risks.
- Assesses the impact of operations with potential risk implications, and identifies the level of authorisation required for them.

Business and Corporate Units

- Identify and manage risk within their areas of responsibility in accordance with established governance, complying with the limits and criteria approved in the Global Risk Policy and/or associated regulations, under the supervision and guidelines of the Corporate Risk Management Function.
- Report to the Corporate Risk Management Function on the monitoring of risks within their area of responsibility, as well as all the necessary business and operational information for risk modelling and measurement. Also, as appropriate, they produce their own risk maps aligned with the common methodology of the Corporate Risk Map.

E.3. Describe the main financial and non-financial risks, including tax risks, and corruption-related risks, to the extent that they are material (within the scope of Royal Decree-Law 18/2017), that may affect attainment of the business targets.

The risks in the following table are aligned with the types of risks described in the Corporate Risk Map (Economic, Financial, Operational, Reputational/Compliance and Strategic) in the 2025 Directors' Report.

Risk type		Description	Management
Commodity prices	Gas	Volatility in the international markets that determine the gas price.	Management of the procurement and sale portfolio, complemented with financial hedges.
	Electricity	Volatility in electricity markets.	Optimisation of the generating fleet and supply structure, complemented with financial hedges.
Exchange rate		Currency volatility in the countries where Naturgy operates.	Geographic diversification. Hedging via local-currency funding, derivatives and pricing.
Regulatory affairs		Exposure to reviews of criteria and returns recognised for regulated activities and/or regulatory measures to mitigate emerging macroeconomic situations.	Step up communications with regulators. Adjust efficiency and capital expenditure to recognised rates.
Volume	Gas	Mismatch between gas supply and demand.	Optimisation of contracts and assets worldwide.
	Electricity	Reduction of the available thermal gap. Uncertainty as to renewable production volume due to resource variability.	Optimisation of the balance between supply and generation.
Margin/price		Risk created by changes in competitive pressure or margin optimisation scenarios.	Portfolio management by adjusting contract terms.
Legal		Uncertainty as to the eventual outcome of litigation, arbitration or legal claims.	Analysis and mitigation of legal risk affecting the company's operations and corporate governance. Engagement of top-level law firms. Recognition of provisions on a prudential basis.
Insurable risks		Accidents, damage and non-availability of Naturgy assets. With regard to environmental incidents, this includes the possibility that natural phenomena or human action may result in regulatory environmental limits being exceeded, leading to harm to third parties, ecosystems or biodiversity.	Continuous improvement plans. Optimisation of the total cost of risk and of hedges. Emergency plans at facilities with risk of environmental accident. Specific insurance policies. Comprehensive environmental management through an Integrated Management System, that is certified and audited annually by TÜV (environmental).

Risk type	Description	Management
Credit	Uncertainty associated with the likelihood of non-payment of financial obligations and/or deterioration of the credit quality of end customers and counterparties.	Analysis of customer solvency to define specific contractual conditions. Debt collection process. Arrangement of insurance.
Interest rates	Volatility in interest rates applicable to Naturgy's financing.	Financial hedges. Diversification of funding sources. Debt management.
Tax	Ambiguity or subjectivity in the interpretation of current tax regulations, or due to a material amendment of same. Approval of unexpected fiscal measures.	Queries to independent expert bodies. Engagement of top-level advisory firms. Adoption of the Code of Best Tax Practices. Recognition of provisions on a prudential basis.
Liquidity and rating	Financial risks associated with maintaining the company's rating, derived from liquidity conditions or other causes.	Establishment of measures to ensure liquidity and the target rating.
Security	Residual risk associated with personal injury or material damage to critical facilities caused intentionally by a third party.	Corporate positioning through the Security Policy, defining a specific protection model for Critical Infrastructures (CI). Engagement with the businesses, Centro Nacional para la Protección de Infraestructuras Críticas (CNPIC), Instituto Nacional de Ciberseguridad (INCIBE-CERT) and other bodies.
Third parties	Uncertainty associated with relationships with third parties whose behaviour/performance may result in loss, damage, operational disruption, regulatory breach and/or possible loss of control.	Supplier risk management. Due diligence procedures for analysing counterparty risk. Systematic adoption of the Supplier Code of Ethics. Annual Internal Audit Plan to detect weaknesses and implement improvement actions under the supervision of the Audit and Control Committee.
Fraud	Risk derived from any intentional breach of the law by an employee or a third party to benefit themselves or the company, directly or indirectly, through the improper use of Naturgy resources or assets.	Control mechanisms through the system of Internal Control over Financial Reporting (ICFR), the crime prevention model, and the Global Financial Information and Sustainability Policy. Ongoing audits.
Cybersecurity	Malicious attacks or accidental events that affect data, computer networks or technology.	Implementation of security measures. Analysis of events and application of remedies. Training. Strengthening awareness plans, technology plans and measures to protect infrastructure and operating assets in order to mitigate the likelihood of risks and associated impacts materialising.
Data protection	Uncertainty associated with breaches of data protection obligations that may result in an administrative penalty or a civil judgement.	Action Plan by business area to mitigate the risk associated with each obligation based on priority and criticality. The company works in line with the requirements of the General Data Protection Regulation (GDPR) and Spain's Organic Law 3/2018, of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD). Internal audit plan in connection with regular compliance reviews.
Related to nature	Adverse effects that ecosystem degradation, species loss or disruption of ecosystem services may have on Naturgy's operations, supply chain and financial value, due to the organisation's dependencies, and impacts, on natural resources.	Emergency plans at facilities with risk of environmental accident. Specific insurance policies. End-to-end environmental management. Naturgy has adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) for analysing the risks and opportunities related to biodiversity.
Health and safety	Risk of injury and health impairment for professionals of Naturgy or partner companies in connection with the business.	Health and safety management system. Safety plan aimed at controlling the six most critical risk factors in terms of accident frequency and severity: confined spaces, work at heights, electrical risk, tree felling and pruning, load handling, and road safety.
Reputational and ESG	Impairment of stakeholders' perception of Naturgy due to environmental, social and governance issues.	Identification and tracking of potential reputational events. Transparency. Control mechanism through the system of Internal Control over Sustainability Reporting (ICSR).

Risk type	Description	Management
Compliance: reputation and crime	Administrative and criminal penalties. Impairment of Naturgy's reputation.	Crime prevention model Code of Ethics and Anti-Corruption Policy Whistleblower channel. Training.
Compliance: counterparty (non-economic)	Administrative and criminal penalties. Reputational damage, with an impact on contractual relationships.	Counterparty Due Diligence Procedure. Training
Climate change	Uncertainty arising from the energy transition (regulation, markets and/or technologies) and the physical impacts of climate change.	Corporate positioning through the Global Sustainability Policy, the Sustainability Plan and the Climate Transition Plan, which reinforce governance on climate issues and establish energy transition objectives aligned with the Strategic Plan.
Customer satisfaction risk	uncertainty associated with the impairment of customer satisfaction due to shortcomings in the execution of processes that impact their life cycle.	
Risk to persons	uncertainty associated with changes in political and economic contexts, modifications to labour regulations, or those arising from the management of the processes that make up Naturgy's value proposition and professional experience.	

E.4. Identify whether the organisation has defined a risk tolerance level, including tax risk.

The company has defined levels of risk tolerance at corporate level for the main kinds of risk, which are set by establishing limits by type of risk (including tax risk) and business, as a function of the objectives.

The risk assessment process begins with the identification of risks, generally by the businesses that bear the exposure. Each year, during the production of the Corporate Risk Map, a tool that enables the company to continuously improve the process of identifying, characterising and determining its risk profile, an in-depth review is carried out to ensure that all exposures, both current and potential, are properly identified.

E.5. State what financial and non-financial risks, including tax risks, materialised during the year.

The risks and opportunities that materialised during the year were inherent to the business, such as volatility in gas and electricity prices, exchange rates, interest rates, volumes, credit risk, regulatory changes, geopolitical risks, climate risks, tax regulation risks, and other contingencies, all of which are managed under a corporate framework based on: Risk Governance + Risk Appetite + systemic reporting of the Risk Map

The company seeks to position itself in stable geographies to ensure steady growth that contributes to value creation and profitability for the businesses and the company by balancing the weighting of businesses in its mix, being more ambitious to increase the contribution from regulated activities and renewable generation capacity, in line with the global energy transition, combined with hybridisation and repowering of wind farms in operation and batteries to complement photovoltaic plants, optimising the natural gas and LNG procurement portfolio, with active risk management, and leading the development of renewable gases with innovation projects and partnerships in biomethane, biogas and their blending in gas networks and other renewable gases, to accelerate decarbonisation and consolidate the role of gas in the energy transition.

E.6. Describe the response and supervision plans for the company's main risks, including tax risks, as well as the procedures applied by the company to ensure that the Board of Directors responds to emerging challenges.

Naturgy analyses its overall risk profile on the basis of the potential impact on its annual accounts. In this way, it determines the maximum accepted level of risk exposure and the admissible limits.

The Board of Directors was informed regularly about the potential impact on earnings of developments in the energy sector in order to make business and risk mitigation decisions, and about the various

regulatory, geopolitical, climate and tax aspects that might impact the business or earnings estimates.

For matters that fell below the Board of Directors' approval threshold, this task is carried out by the Management Committee and, where appropriate, specific committees, which exercise oversight and adopt business and risk mitigation decisions.

F. Internal Control over Financial Reporting (ICFR)

Describe the mechanisms that comprise the systems for Internal Control over Financial Reporting (ICFR).

F.1. The organisation's control environment.

Provide details, highlighting the main characteristics of, at least:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate, effective ICFR system; (ii) its implementation; and (iii) its supervision.

Naturgy's system of Internal Control over Financial Reporting (ICFR) is defined in the Global Financial and Sustainability Reporting Policy and Naturgy's Technical Standard for the System of Internal Control over Financial Reporting (ICFR), based on best practices from the COSO Report and on the model comprising three lines of defence; the accountability model is as follows:

- Board of Directors: It is responsible for ensuring that proper, effective ICFR is in place, as established in article 3.II of the Regulations on the Organisation and Operation of the Board of Directors of Naturgy Energy Group, S.A. and its Committees.

- Audit and Control Committee: It has been assigned the responsibility for overseeing ICFR, as established in article 26.2 of the Board of Directors' Regulations.

- Internal Audit Unit: It is responsible for supporting the Audit and Control Committee in the ongoing supervision and evaluation of the effectiveness of the internal control system in all areas of Naturgy.

- Consolidation and Administration Unit: It is responsible for producing the consolidated financial reporting, for establishing the criteria and principles for the design of ICFR so as to ensure the integrity, consistency and accuracy of financial reporting, and for approving and disseminating regulations in this area, as well as discussing with the auditor any significant weaknesses in the internal control system that are detected during the audit.
- Administration and Operational Oversight units in the businesses: They are responsible for producing the separate financial reporting, and for the implementation and operation of ICFR at companies under its responsibility, ensuring compliance with the corporate guidelines within their business.
- Compliance unit: It is responsible for the Crime Prevention Model at Naturgy, providing information and support on the control model to the Audit and Control Committee.

- Business and corporate units involved in the financial reporting process (control owners): They are responsible for executing processes and maintaining day-to-day operations, ensuring that the control activities are carried out, evaluating them or supervising outsourced service activities, when they participate in processes that are material to the production of financial reporting, with the established frequency and, each year, carrying out the Annual Internal Certification of ICFR (direct and/or supervised control activities).

F.1.2. The following elements, if any, with regard to the process in which the financial reporting is produced:

Departments and/or mechanisms entrusted with: (i) designing and reviewing the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring that there are sufficient procedures for its proper dissemination within the company.

The design and review of the organisational structure of executives who report directly to the Board or any of its members are approved by the Board of Directors, at the proposal of the Appointments and Remuneration Committee through the Executive Chairman in collaboration with the People and Resources Department.

The People and Resources Department is responsible for defining the Group's organisational structures and assigning functions and responsibilities to the various units, ensuring that procedures are disseminated within the organisation.

The Consolidation and Administration Unit is responsible for setting policies and procedures relating to the financial reporting process, and for disseminating them and raising awareness of them at group level.

Code of conduct, approval body, degree of distribution and training, principles and values (indicating whether there are specific references to the recognition of transactions and production of financial information), and the body entrusted with analysing non-compliance and with proposing corrective actions and penalties.

Naturgy has a Code of Ethics, approved by the Board of Directors, which is binding on all employees of Naturgy Energy Group, S.A. and all investee companies over which Naturgy has management control. Chapter 3 of the Code establishes the principles guiding conduct at Naturgy and Chapter 4 sets out the specific guidelines for action that must be observed by employees in the areas indicated there; chapter 4.11 refers to the processing of information and obliges all employees to be truthful when conveying any information that they have to communicate, both internally and externally.

The body at Naturgy that is responsible for analysing breaches and proposing corrective actions and penalties is the Ethics and Compliance Committee, which is also responsible for promoting the dissemination and application of the Code of Ethics and the Compliance Policy, among other regulations, throughout the group and providing a communication channel for all employees to submit queries and reports of breaches of these regulations.

The Committee is chaired by the Head of Compliance and comprises representatives of the units involved in monitoring compliance with internal and external regulations.

The Committee reports regularly to the Management Committee and the Audit and Control Committee. The Committee's purpose is to provide advice and recommendations, and to propose corrective actions to the units responsible for resolving problems that arise in the practical application of the Code of Ethics and other applicable internal and external regulations, while also acting as a liaison between it and employees.

The system of discipline is governed by the Collective Agreement and the Workers' Statute.

A whistle-blower channel that allows reporting to the audit committee of any irregularities of a financial or accounting nature, as well as cases of non-compliance with the code of conduct and irregular activities in the organisation, indicating if the matter is of a confidential nature.

In accordance with the provisions of Law 2/2023 of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption, Naturgy has a Whistleblower System that integrates the various communication channels of the Naturgy Group through which employees and third parties can submit complaints at the website https://naturgy.integrityline.com/

That Whistleblower System is an open channel (a web platform accessible from any device) that is available to all Naturgy employees and interested third parties and allows reports to be submitted on financial and accounting irregularities, breaches of Naturgy's Code of Ethics or any other irregular activity that may arise within the organisation.

All communications made through the channel are completely confidential and may be anonymous if the whistleblower so wishes, in accordance with the provisions of both Law 2/2023 and the Personal Data Protection regulations.

The Annex to the Consolidated Non-Financial Information Statement and Sustainability Report 2025 provides detailed information on the Code of Ethics, the Anti-Corruption Policy, the Compliance Policy, the activities of the Ethics and Compliance Committee and the use of the Whistleblower System.

Training programmes and regular updating for staff involved in the preparation and review of financial information, as well as in the evaluation of ICFR, and which cover at least accounting standards, auditing, internal control and risk management.

The Global Management Talent and Training Policy establishes a training model that guarantees the existence and development of skills and competencies; in the financial area, this focuses on specific knowledge about updates to accounting and finance policies, the new SAP Hana financial system, compliance, auditing, international regulations, the master's programme in taxation in the energy business; as well as providing sufficient knowledge on the construction and analysis of financial models, company valuation, financial derivatives, artificial intelligence applied to financial reporting, big data and cybersecurity, among others.

In 2025, more than 340 professionals in the finance area devoted over 2,800 hours to training in these subjects.

F.2. Evaluation of financial reporting risks

Provide information on, at least:

F.2.1. What are the chief characteristics of the risk identification process, including error or fraud, in relation to:

If the process exists and is documented.

Naturgy has a documented process for identifying risks to financial reporting through three internal procedures that determine the applicable criteria and methodology:

- Matrix defining the scope of financial reporting: establishes the critical material processes to be covered by the internal control model.
- The Financial Reporting Risk Matrix identifies the financial information risks to be mitigated for each of the processes within the scope.
- The Financial Reporting Control Activities Matrix establishes the criteria for the control activities required to mitigate the identified risks.

As part of the ICFR risk identification process, consideration is given to mitigating the risk of fraud through the prevention, detection and investigation of fraudulent situations, the design of "active" control activities, such as barriers to restrict or prevent access to valuable assets by parties who might attempt to commit fraud, and "passive" control activities based on deterrence.

The process of identifying risks to financial reporting is a dynamic system that is updated periodically.

Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; valuations; presentation, itemisation and comparability; and rights and obligations), and if it is updated, and how often.

To guarantee the objectives of financial reporting, Naturgy's ICFR control activities directly identify which financial assertions they cover, i.e. the risks they mitigate, allowing the criticality of control activities to be categorised according to the assigned financial assertions. This model ensures that, for all critical processes, the necessary controls are in place to ensure that financial reporting objectives are met. The control activities matrix is updated on a quarterly basis.

The existence of a process for identifying the consolidation scope, taking into account, among others, whether there are complex corporate structures, instrumentality companies or special purpose vehicles.

Naturgy has a specific procedure detailing the monthly process for updating the consolidation scope on the basis of corporate transactions conducted in the period, regardless of how they are structured, which describes the process for disclosing information on corporate transactions, the units with responsibility and the systems involved. This procedure identifies the risks inherent in establishing the consolidation scope by setting out the necessary control activities to mitigate their occurrence and ensure the integrity and completeness of the company's reporting.

If the process takes into account the effects of other types of risks (operational, technology, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.

The risk assessment methodology is aligned with best practices in corporate governance and based on the conceptual framework of the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Report, taking as its starting point the types of risks defined in the company's Risk Map.

The ICFR Risk Matrix identifies the risks associated with achieving financial reporting objectives, taking into account not only the fulfilment of financial assertions, but also other types of risks, mainly operational risks, economic fraud, legal, technology, cybersecurity and reputational risks, segregation of functions, and information access management, etc., which form part of Naturgy's Corporate Risk Map.

What governing body of the institution supervises the process.

The Audit and Control Committee is responsible for monitoring the effectiveness of ICFR. This function is carried out by the Internal Audit and External Audit units (see section F.5).

F.3. Control activities

State whether the company has at least the following, and describe their characteristics:

F.3.1. Review and authorisation procedures for financial reporting and description of ICFR, to be disclosed to the securities markets, indicating those responsible, and risk documentation describing the flows of activities and controls (including those related to fraud risk) for the various types of transactions that may have a significant effect on the financial statements, including the accounting close procedure and the specific review of material judgements, estimates, valuations and projections.

At a first level of review, those responsible for the business Administration and Operational Monitoring units review the financial information to ensure its reliability and certify the reasonableness of the separate financial statements. They also ensure that the accounting procedures, judgements and estimates, and the processes used in preparing the financial reporting and financial statements, the main risks and contingencies and their coverage by provisions, and the tax situation of the companies and the main tax policies are correct, complete, duly detailed and reported, in conformity with local tax laws and applicable regulations.

Ultimately, the head of Consolidation and Administration certifies the reasonableness of the separate annual accounts of Naturgy Energy Group, S.A. and the consolidated annual accounts that are submitted to the Board of Directors for authorisation.

The processes identified in the ICFR are documented using the control activities matrix in the SAP GRC Process Control system and in the related technical instructions describing the processes, including, among other variables, the information flow diagram, the map of systems that interact in it, control activities, the risks covered, and the units involved in the processes. In this regard, Naturgy has identified as critical processes all those where material judgements, estimates, assessments and projections are used.

The annual internal certification of controls is carried out by all control owners involved in the financial reporting and general control processes; any weaknesses detected in the control assessment are disclosed, and plans are defined to remedy them.

F.3.2. Internal control policies and procedures on security, the information systems (including access control, change control, operation of same, operating continuity and segregation of functions) that support the major processes of the entity with regard to the production and publication of financial reporting.

For the critical processes associated with the preparation and publication of Naturgy's financial reporting, the company has identified control activities that operate in the information systems, both those used directly in the preparation of financial reporting and those that are relevant to processing or overseeing the reported transactions.

Overall, within Naturgy's information systems map, a series of policies have been defined and implemented to guarantee the following:

- Security in access to both data and applications and proper segregation of functions. A series of measures have been defined at several levels to ensure confidentiality and prevent unauthorised access. Additionally, access to information systems is based on roles and profiles that determine the functionalities to which a user should have access.
- Control over changes in applications. A change management methodology based on best practices has been developed and implemented, establishing the necessary safeguards and validations to limit risk in this process.
- Proper operation of applications.
- Data availability and application continuity. Most of systems that operate financial information processes have HA (High Availability) or a DRP (Disaster Recovery Plan) and, in all cases, have both system and data backups (daily, weekly and monthly) to ensure their availability.
- Fulfilment of obligations regarding personal data security established in personal data protection regulations (GDPR, LOPDGDD).

F.3.3. Internal control policies and procedures for managing outsourced activities, and measurement, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Naturgy has developed a control framework for outsourced activities, principally the Global Outsourcing Policy and the Global Supplier Policy.

They establish the general principles applicable to all procurements of goods and services, ensuring a consistent, efficient and sustainable model for managing procurements at Naturgy, and determining the responsibilities in the procurement process. They also ensure that the supply chain complies with the principles established in the Supplier Code of Ethics, the Human Rights Policy, the Health and Safety Policy, the Anti-Corruption Policy, and internationally recognised principles of good governance.

The business and corporate units supervise and monitor the quality of their suppliers to determine whether they offer the required levels of quality in the execution of their work. If this is found not to be the case, they send proposals for withdrawal of approval/accreditation from suppliers/products/individuals as a result of deficiencies in the performance of services or products.

When Naturgy uses experts in work supporting accounting valuations, judgements and calculations, they must be registered with the relevant professional associations or have equivalent accreditation, declare their independence, and be firms of acknowledged prestige in the market.

To address the legal and reputational risks involved in business relationships with third parties and, in particular, to address crime associated with corruption risk, Naturgy has defined a Counterparty Due Diligence Procedure.

F.4. Reporting and disclosure

State whether the company has at least the following, and describe their characteristics:

F.4.1. A specific function responsible for defining the accounting policies and keeping them up to date (accounting policies department or area) and for resolving doubts or conflicts arising from their interpretation, maintaining regular communication with the persons responsible for operations within the organisation, together with an updated accounting policies manual distributed to all the undertaking's operating units.

The Consolidation and Administration Unit is responsible for keeping the accounting policies applicable to the group up to date. In this regard, it is responsible for updating the Naturgy Chart of Accounts, which includes accounting standards based on changes in applicable IFRS-EU and the group's chart of accounts, as well as analysing and communicating accounting changes that might have a significant impact on the annual accounts and resolving doubts about the accounting treatment of certain transactions.

Once the Chart of Accounts has been updated, it is distributed to all staff within the organisation via Naturgy's regulatory management system.

F.4.2. Mechanisms using standard forms for gathering and preparing financial reporting, for application and use by all units in the company or group, to support the main financial statements and notes as well as detailed disclosures with regard to ICFR.

Naturgy's financial management model ensures uniformity in administrative and accounting processes by centralising transactional processes and using SAP as a standardised support system in most of the companies that form part of the group. Companies that do not use SAP are required to follow the criteria set by the group to ensure the uniformity of such processes.

This model is characterised basically by the following:

- It is unique for all countries and businesses;
- It incorporates each country's legal, tax, commercial, and regulatory requirements;
- It incorporates internal control requirements;
- It serves as the basis for obtaining the information that is provided to senior management and official bodies;
- It relies on a single organisational model and a single financial IT system for all countries and businesses;

The SAP BPC system is used in the process of preparing consolidated financial reporting. This tool allows information to be uploaded automatically and directly once the separate financial statements have been closed. Workiva is used to manage and prepare the information contained in the notes and disclosures in the annual reports of the both parent company and the group. The use of these two systems enables information to be standardised, validated and reviewed.

Consolidated financial information is prepared centrally by the Consolidation Unit, which ensures the integration, consistency, coherence and rationalisation of Naturgy's consolidated financial statements.

Naturgy also has local charts of accounts to comply with the accounting, tax, commercial and regulatory requirements established by the legislation of the countries in which it operates. These local charts of accounts combine into a unified standardised group chart of accounts for the purposes of consolidation and financial reporting.

In 2020, the European Single Electronic Format (ESEF) was adopted for the preparation of individual and consolidated annual financial reports in accordance with Commission Delegated Regulation (EU) 2018/815 of 17 December 2018.

F.5. Supervision of system operation

Report on at least the following, giving details of their main features:

F.5.1. Supervision of ICFR by the Audit Committee, and whether the institution has an internal audit function with the duty of supporting the committee in supervising the internal control system, including ICFR. Also provide information on the scope of the evaluation of ICFR carried out during the year and the procedure by which the head of assessment reports the results, whether the entity has an action plan setting out corrective measures and whether its impact on financial reporting has been considered.

The Audit and Control Committee has the powers provided by law and those assigned to it generally or specifically by the Board of Directors. Among these responsibilities are the following with reference to ICFR:

- Monitoring the production and the integrity of the company's and group's financial reporting, checking for compliance with the law, the accurate demarcation of the consolidation scope, and proper application of accounting principles.
- Overseeing the effectiveness of the company's internal control, internal audit, and systems for managing risk, including tax risk.
- Informing the General Shareholders' Meeting of any issues that arise in relation to matters within the committee's remit.
- Establishing the appropriate relations with the external auditor to receive information about any issues that might jeopardise their independence, to be reviewed by the Committee, and any others related to the process of performing the audit.
- Issuing a statement on the independence of the auditors each year prior to the issuance of the auditor's report.
- Ensuring the independence of the unit that performs the internal audit function.

In order to carry out its duties, the Audit and Control Committee has access to information and documentation provided by the Internal Audit Units, the Consolidation and Administration Unit, the Financial Markets and Corporate Development Unit, the Business Administration and Operational Monitoring Units, and the External Auditor.

Naturgy's Internal Audit function is intended to provide an independent, objective assessment; for that reason, it reports to the Audit and Control Committee of Naturgy Energy Group, S.A..

In accordance with Group policies, Naturgy's system of Internal Control over Financial Reporting (ICFR) is supervised each year by Internal Audit.

In connection with the system of Internal Control over Financial Reporting (ICFR), the Internal Audit unit is responsible for:

- Overseeing the overall model of the system of Internal Control over Financial Reporting and the effectiveness of the associated controls through the implementation of the Annual Audit Plan.
- Overseeing the certification process carried out by the parties responsible for ICFR.
- Depending on the defined scope, reporting to the Audit and Control Committee on the results and weaknesses detected in ICFR, and presenting

and following up on the main issues detected in the internal audits of ICFR, related to the general model and controls over the ICFR processes.

F.5.2. Is there a discussion procedure through which the auditor (in accordance with the provisions of the Audit Technical Standards), the internal audit function and other experts can report to senior management and to the audit committee or company directors on any significant internal control weaknesses identified during the review of the financial statements, or any other entrusted to them? Also disclose whether there is an action plan to remedy or mitigate identified weaknesses.

The Committee must meet at least four times per year; meetings will be convened by the Chairman, where necessary to issue the reports within the Committee's powers, or when the Chairman considers it advisable or at the request of two of its members. The Committee may invite any executive or employee to attend meetings as it sees fit. The Internal Audit unit reports regularly to the Audit and Control Committee on the actions taken to ensure that Naturgy complies with all the policies, standards and process controls established by the group's senior management.

The external auditor may address the management team, the Management Committee, and the Audit and Control Committee (usually through the Committee Chairman or Secretary) at any time. The external auditor reports any significant internal control weaknesses detected during the audit to the Audit and Control Committee. In addition, the external auditors report on their main conclusions from reviewing internal control, risk assessment and action plans.

Also, in addition to meeting periodically with the Audit and Control Committee, the external auditor also has the opportunity to meet with the entire Board of Directors before the latter authorises the financial statements.

F.6. Other material information

As described in section F.3.1, in the annual ICFR internal certification process, the business and corporate units in charge (control owners) ensure that the controls identified for mitigating the risks to financial reporting are applied and that they are valid and sufficient. In addition, they report any weaknesses they detect, the plans defined to remedy them, and any changes that occurred in their processes in order to assess whether they entail the need to develop new controls or modify existing ones.

During 2025, as a result of the annual internal certification, changes were identified in a limited number of processes. It should be noted that those changes did not lead to any significant modification in the previously identified control activities and, consequently, the risks associated with the production and disclosure of financial reporting are considered to be covered in the critical processes that are affected. The main figures for this process relating to control activities were as follows:

	Spain	International	Total
Business and corporate units	217	149	366
Processes that were identified	48	167	215
Controls that were certified	866	792	1,658

Additionally, 18 plans to remedy weaknesses in business process oversight functions were identified. During 2025, 38% of the remedial plans identified in 2024 were resolved, and 16 new plans emerged during 2025. In any case, the sub-processes affected by these remedial plans do not significantly affect the quality of the financial reporting.

F.7. External auditor report

Report on:

F.7.1. State whether the ICFR information supplied to the market has been reviewed by the external auditor, in which case the relevant report should be attached. Otherwise, give the reasons.

Naturgy instructs the external auditor to issue a report on the system of Internal Control over Financial Reporting (ICFR).

G. Degree of compliance with the corporate governance recommendations

Indicate the degree of compliance by the company with the recommendations of the Unified Good Governance Code for Listed Companies.

If any recommendation is not followed or is followed only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have sufficient information to be able to evaluate the company's course of action. Explanations of a general nature will not be sufficient.

1. The articles of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Compliant [X] Explain [ ]

2. When the listed company is controlled, in the meaning of article 42 of the Commercial Code, by another listed or unlisted undertaking, and has, directly or through its subsidiaries, business relationships with that undertaking or any of its subsidiaries (other than those of the listed company) or carries out activities related to the activities of any of them, this should be reported publicly, with specific information about:

The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.

The mechanisms in place to resolve any conflicts of interest.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

3. During the Annual General Meeting, in addition to the written annual report on corporate governance, the Chairman of the Board of Directors should inform the shareholders verbally, providing sufficient detail, of the most significant aspects of the company's corporate governance and, in particular:

a) Any changes since the last ordinary General Meeting.

b) The specific reasons for which the company does not follow any of given recommendation in the Code of Corporate Governance, and any alternative rules that are applicable.

Compliant [X] Partially compliant [ ] Explain [ ]

4. The company should define and promote a policy for communication and contact with shareholders and institutional investors within the framework of their involvement in the company, as well as with proxy advisors, that complies fully with the rules on market abuse and gives equal treatment to shareholders who are in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those entrusted with its implementation.

Further, without prejudice to the legal obligations to disclose inside information and other regulated information, the company should also have a general policy for the communication of financial, non-financial and corporate information through the channels it considers appropriate (mass media, social media or other channels) so as to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [X] Partially compliant [ ] Explain [ ]

5. The Board of Directors should not submit proposals to the General Meeting to grant powers to issue shares or convertible securities while overriding pre-emptive subscription rights for an amount greater than 20% of the capital at the time of granting such powers.

Whenever the Board of Directors approves an issuance of shares or convertible securities that override pre-emptive subscription rights, the company should immediately publish on its website the reports required in mercantile legislation in connection with overriding pre-emptive rights.

Compliant [X] Partially compliant [ ] Explain [ ]

6. Even if not required to do so, listed companies that produce the reports listed below, either mandatorily or voluntarily, should publish them on their website sufficiently in advance of the Ordinary General Meeting:

a) Report on the auditor's independence.

b) Reports on the operation of the Audit Committee and the Appointments and Remuneration Committee.

c) Report by the Audit Committee on related-party transactions.

Compliant [X] Partially compliant [ ] Explain [ ]

7. The company should broadcast its general meetings live on the corporate website.

And the company should have mechanisms in place allowing votes to be cast and proxies to be granted by means of distance communication; to the extent that it is proportionate, large cap companies should enable shareholders to attend and participate actively in general meetings by such means.

Compliant [X] Explain [ ]

8. The audit committee should ensure that the financial statements that the Board of Directors submits to the General Meeting of Shareholders are prepared in accordance with the accounting regulations. And, where the auditors' report contains a qualification or an exception, the Chairman of the audit committee should clearly inform the general meeting of the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time of giving notice of the meeting together with the other Board proposals and reports.

Compliant [X] Partially compliant [ ] Explain [ ]

9. The company should disclose its requirements and procedures for accrediting share ownership, attending general meetings, voting and granting proxy, and display them permanently on its website.

Such requirements and procedures should facilitate shareholders' attendance and their exercise of their rights and should be applied in a non-discriminatory manner.

Compliant [X] Partially compliant [ ] Explain [ ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Amend the attendance card, proxy form or remote voting form appropriately and re-issue them so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, particularly with regard to the presumptions when counting votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

11. In the event that a company plans to pay attendance fees for attending the general meeting, it should first establish a stable general policy in this respect.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

12. The Board of Directors should perform its duties with unity of purpose and independence, according the same treatment to all shareholders in the same position. At all times it should pursue the company's best interests, understood as the creation of a business that is profitable and sustainable over time, promoting its continuity while maximising its economic value.

In pursuing the company's interests, it should not only abide by laws and regulations and conduct itself in accordance with the principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile the company's interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Compliant [X] Partially compliant [ ] Explain [ ]

13. The board of directors should have an optimal size to promote efficient functioning and maximise participation. The recommended range is between five and fifteen members.

Compliant [X] Explain [ ]

14. The Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board of Directors that:

a) Is concrete and verifiable.

b) Ensures that appointment or re-appointment proposals are based on a prior analysis of the board's needs.

c) Favours diversity in terms of knowledge, experience, age and gender. For these purposes, it is considered that measures that encourage the company to have a significant number of female senior executives favour gender diversity.

The result of the prior analysis of the skills required by the Board of Directors should be set out in the appointments committee's supporting report published upon giving notice of the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is to be submitted.

The appointments committee will verify compliance with this policy each year and detail its findings in the annual corporate governance report.

Compliant [X] Partially compliant [ ] Explain [ ]

15. Proprietary and independent directors should represent an ample majority of the board of directors, while the number of executive directors should be as low as is practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Female directors should represent at least 40% of the Board before the end of 2022 and no less than 30% thereafter.

Compliant [ ] Partially compliant [X] Explain [ ]

There is one executive director, which is the lowest feasible number.

With regard to the number of female directors, the director selection policy ensures that selection procedures are free from implicit biases that might lead to discrimination while fully respecting shareholders' right to proportional representation as recognised by law. The Director Selection Policy seeks to ensure sufficient diversity in the composition of the Board of Directors, with the result that directors have different and complementary professional profiles and backgrounds, based on the conviction that such diversity leads to better performance of the Board and to the fact that 50% of the vacancies that arose on the Board of Directors in 2025 were filled with directors of the less-represented sex, although the percentage of female directors recommended by the CNMV has not yet been achieved.

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies where there are many shareholders represented on the board but they are not otherwise related.

Compliant [X] Partially compliant [ ] Explain [ ]

17. Independent directors should account for at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders that, individually or in concert, control over 30% of capital, independent directors should account for at least one-third of the Board.

Compliant [ ] Explain [X]

The Company has four shareholders who have appointed proprietary directors under the principle of proportional representation recognised by law. Therefore, due to legal requirements, it is impossible to comply with recommendation 17.

18. Companies should disclose the following director particulars on their websites and keep them up to date:

a) Professional experience and background.

b) Directorships held in other companies, listed or otherwise, and other remunerated activities they engage in, of any type.

c) Statement of the director category to which they belong, indicating, in the case of proprietary directors, the shareholder they represent or are related to.

d) Dates of their first appointment as a board member and subsequent re-appointments.

e) Shares held in the company, and any options on same.

Compliant [X] Partially compliant [ ] Explain [ ]

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors on the motion of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a board seat from shareholders whose equity stake is equal to or greater than that of others who applied successfully for a proprietary directorship.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directorships, the number of the latter should be reduced accordingly.

Compliant [ ] Partially compliant [ ] Explain [X] Not applicable. [ ]

On 11 December, GIP III Canary 1 S.à r.l announced that, following an accelerated placement process, its interest in the Company's share capital had been reduced from 18.7% to 11.4%. As this occurred just before the last Board meeting of the year, the Board considered it appropriate that any changes to be made should be undertaken, after due consideration, at the following Board meeting.

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the articles, except where there is just cause, and based on a proposal from the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary to attend to the duties inherent to his or her position as a director, fails to complete the tasks inherent to his or her position, or is affected by any of the circumstances which would cause the loss of independent status, in accordance with applicable law.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided that the changes in board membership arise from the proportionality criterion set out in recommendation 16.

Compliant [X] Explain [ ]

22. Companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign, when circumstances arise affecting them, whether or not related to their actions in the company itself, that may harm the company's standing and reputation; in particular, such rules should require them to inform the Board of Directors of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

If the Board is informed or otherwise becomes aware of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure should be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be removed. Such events should be reported in the annual corporate governance report, unless there are special reasons for not doing so, which should be noted in the minutes. This is without prejudice to the information that the company must disseminate at the time when the relevant measures are implemented.

Compliant [X] Partially compliant [ ] Explain [ ]

23. Directors should express clear opposition when they believe that a proposal submitted for the board's approval might be harmful to the company's interests. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that might harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he/she must act accordingly and, if he/she decides to resign, he/she should set out the reasons in a letter as referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

24. Whenever a director steps down before the end of their tenure, whether due to resignation or to removal by a decision of the General Meeting, the director should explain the reasons for this decision or, in the case of non-executive directors, their opinion on the reasons given for removal, in a letter addressed to all members of the Board of Directors.

Without prejudice to all this being reported in the annual corporate governance report, insofar as it is material to investors, the company must disclose the removal as quickly as possible with sufficient details of the reasons or circumstances cited by the director.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should establish the maximum number of company boards on which directors may serve.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

26. The board should meet with the necessary frequency to properly perform its functions, and at least eight times per year, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of items not envisaged initially.

Compliant [X] Partially compliant [ ] Explain [ ]

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of unavoidable absence, directors should grant proxy with the appropriate instructions.

Compliant [ ] Partially compliant [X] Explain [ ]

28. When directors or the secretary express concerns about a motion or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be entered in the minutes if the person expressing them so requests.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties; if necessary, this should extend to external assistance at the company's expense.

Compliant [X] Partially compliant [ ] Explain [ ]

30. Regardless of the knowledge that directors are required to possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant [X] Explain [ ] Not applicable. [ ]

31. The agendas of board meetings should clearly indicate the items on which directors are required to make a decision, so that they can study the matter or gather the material they need beforehand.

For reasons of urgency, the chairman may decide to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of directors present.

Compliant [X] Partially compliant [ ] Explain [ ]

32. Directors should be regularly informed of changes in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant [X] Partially compliant [ ] Explain [ ]

33. The chairman, as the person responsible for ensuring that the Board operates efficiently, in addition to the functions assigned by law and the company's articles, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular assessments of the board and, where appropriate, the company's chief executive; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues; and approve and review refresher courses for each director, when circumstances so advise.

Compliant [X] Partially compliant [ ] Explain [ ]

34. When a lead independent director has been appointed, the articles or the board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice-chairmen; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop an understanding of their concerns, especially related to the company's corporate governance; and coordinate the chairman's succession plan.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

35. The secretary of the board of directors should be particularly vigilant to ensure that the activities and decisions of the board of directors take into account the recommendations regarding good governance contained in this Good Governance Code that are applicable to the company.

Compliant [X] Explain [ ]

36. The board in full should conduct an annual assessment and, where necessary, adopt an action plan to correct weaknesses detected in:

a) The quality and efficiency of the board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairs of board committees.

The evaluation of board committees should start from the reports they send to the board of directors, while that of the board itself should start from the report of the appointments committee.

Every three years, the board of directors should engage an external facilitator to support the evaluation process. This facilitator's independence should be verified by the appointments committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

37. If there is an executive committee, it should contain at least two non-executive directors, at least one of whom must be independent, and its secretary should be the secretary of the board of directors.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Compliant [ ] Partially compliant [ ] Explain [ ] Not applicable. [X]

39. The members of the audit committee, and particularly its Chairman, should be appointed on the basis of their knowledge and experience in accounting, auditing, and risk management (both financial and non-financial).

Compliant [X] Partially compliant [ ] Explain [ ]

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and internal control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Compliant [X] Partially compliant [ ] Explain [ ]

The company considers it more appropriate for this unit to report functionally to the Audit and Control Committee as a whole rather than to its chairman, as the functions in this reporting structure refer to the Committee as a whole, not only to its Chairman.

The unit is subordinate to the Company Secretary only for administrative and management purposes.

41. The person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, and the results and monitoring of its recommendations, and present a report on its activities at the end of each year.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

42. The audit committee should have the following functions over and above those assigned to it by law:

1. With respect to internal control and reporting systems:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial reporting, as well as the systems for the control and management of financial and non-financial risk relating to the company and, if applicable, the group — including operational, technology, legal, social, environmental, political and reputational risk, and risk related to corruption — reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation scope, and the proper application of accounting standards.

b) Ensuring the independence of the unit entrusted with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving regular information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism to enable employees and other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including those of a financial, accounting or any other type, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are applied effectively in practice.

2. With regard to the external auditor:

a) In the event of resignation by the external auditor, investigating the reasons.

b) Ensuring that the external auditors' remuneration does not compromise their quality or independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, in that event, the content of the discrepancy.

d) Ensuring that the external auditor meets each year with the full Board of Directors to report on the work carried out and on the evolution of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X] Partially compliant [ ] Explain [ ]

43. The audit committee should be empowered to meet with any company employee or manager, and even to order them to appear without the presence of another senior executive.

Compliant [X] Partially compliant [ ] Explain [ ]

44. The audit committee should be informed of any transactions that the company is planning that entail structural or corporate changes, so that the committee can analyse them and advise the board beforehand on the economic conditions and accounting impact and, when applicable, the proposed exchange ratio.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

45. The risk control and management policy should specify at least:

a) The various types of financial and non-financial risks (including operational, technology, legal, social, environmental, political and reputational risk, and risks relating to corruption) which the company faces, including contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when industry regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) The measures in place to mitigate the impact of identified risk events should they occur.

e) The internal reporting and control systems to be used to control and manage the aforementioned risks, including contingent liabilities and off-balance-sheet risks.

Compliant [X] Partially compliant [ ] Explain [ ]

46. Companies should establish a risk control and management function and assign it to one of the company's internal department or units, reporting directly to the audit committee or another specialised board committee. This function should be expressly charged with the following responsibilities:

a) Ensuring that risk control and management systems are functioning correctly and, specifically, that the major risks to which the company is exposed are properly identified, managed and quantified.

b) Participating actively in the preparation of risk strategies and in key decisions about their management.

c) Ensuring that risk control and management systems mitigate risks effectively in the framework of the policy defined by the board of directors.

Compliant [X] Partially compliant [ ] Explain [ ]

47. The members of the appointments and remuneration committee — or the appointments committee and remuneration committee, if separate — should have the right balance of knowledge, skills and experience for the functions they are required to perform, and a majority of their members should be independent directors.

Compliant [ ] Partially compliant [X] Explain [ ]

48. Large cap companies should have separate appointments and remuneration committees.

Compliant [ ] Explain [X] Not applicable. [ ]

The Company considers that, at least in its case, it is neither necessary nor effective to separate the powers of the Appointments and Remuneration Committee into two committees, one for appointments and the other for remuneration. The existence of a single committee in no way impairs or limits the exercise of the powers granted by law to the Appointments and Remuneration Committee, which also allows the Company to optimise costs by avoiding the accrual of additional remuneration for directors serving on two separate committees. The Company believes that such a split could be counterproductive, as it considers it important that there be a significant number of independent directors on the Board committees. Given the restrictions on the number of independent directors imposed by current legislation in application of the principle of proportional representation, there are currently three independent directors on the Board of Directors. In order to have a significant number of independent directors on the two separate committees, in addition to the Audit and Control Committee (where the law requires that they represent a majority) and the Sustainability Committee, an additional committee would represent an extra workload for those directors.

49. The appointments committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the appointments committee to propose candidates that they consider to be suitable.

Compliant [X] Partially compliant [ ] Explain [ ]

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Proposing to the board the standard conditions for senior executive contracts.

b) Monitoring compliance with the remuneration policy set by the company.

c) Periodically reviewing the remuneration policy for directors and senior executives, including share-based remuneration systems, and their application, and ensuring that their individual compensation is proportionate to the amounts paid to other directors and senior executives in the company.

d) Ensuring that conflicts of interest do not undermine the independence of any external advisory services engaged by the committee.

e) Verifying the information on director and senior executive remuneration contained in corporate documents, including the annual report on director remuneration.

Compliant [X] Partially compliant [ ] Explain [ ]

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior executives.

Compliant [X] Partially compliant [ ] Explain [ ]

52. The rules governing the composition and operation of the oversight and control committees should be set out in the board of directors regulations and aligned with those the board committees required by law, as specified in the preceding recommendations, including:

a) Those committees should be made up exclusively of non-executive directors, with a majority of independent directors.

b) The committees should be chaired by an independent director.

c) The Board of Directors should designate the members of those committees on the basis of their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to give account of their activities and work at the first full meeting of the Board of Directors following each committee meeting.

d) The committees should be able to engage external advice when they believe it to be necessary to perform their functions.

e) The business transacted at meetings should be minuted, and a copy should be made available to all board members.

Compliant [ ] Partially compliant [X] Explain [ ]

53. Verifiation of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct, should be assigned to one committee or split between more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, decides to create. Such a committee should be be composed exclusively of non-executive directors, with a majority being independent directors, and the minimum functions indicated in the next recommendation should be specifically assigned to it.

Compliant [ ] Partially compliant [X] Explain [ ]

The Company's ownership structure and the appointment of directors by significant shareholders under the principle of proportional representation mean that neither the Board nor the Committees can comply with the recommendation that there be a majority of independent directors. Nevertheless, all of the committees are chaired by independent directors.

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on financial and non-financial reporting and the disclosure of corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. The committee should also monitor the way in which the undertaking communicates and handles relations with small and medium-sized shareholders.

c) Assessing and regularly reviewing the company's corporate governance system and environmental and social policy to ensure that they fulfil their purpose of promoting the company's interests and take account of any legitimate interests of other stakeholders.

d) Overseeing the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.

e) Monitoring and evaluating the company's interactions with its stakeholders.

Compliant [X] Partially compliant [ ] Explain [ ]

55. Environmental and social sustainability policies should identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.

b) Methods or systems for monitoring compliance with these policies and their associated risks, and how they are managed.

c) Mechanisms for supervising non-financial risk, including ethics and business conduct.

d) Channels for stakeholder communication, participation and engagement.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Compliant [X] Partially compliant [ ] Explain [ ]

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independence of non-executive directors.

Compliant [X] Explain [ ]

57. Variable remuneration linked to the company's and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of changes in the share price, and membership of long-term savings schemes such as pension and superannuation plans, should be confined to executive directors.

The company may consider share-based remuneration for non-executive directors provided that they are required to retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Compliant [X] Partially compliant [ ] Explain [ ]

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure it reflects the beneficiaries' professional performance and not simply the general progress of the markets or the company's industry, or similar circumstances.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined measurable performance criteria that take account of the risk borne to obtain a given outcome.

b) Promote the company's long-term sustainability and include non-financial criteria that are relevant to long-term value creation, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the attainment of short-, medium- and long-term objectives, such as to reward ongoing achievement maintained over sufficient time for the contribution to long-term value creation to be visible, so that performance assessment is not based solely on one-off, occasional or extraordinary events.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

59. The payment of variable remuneration components should be subject to sufficient verification that the pre-set performance or other conditions have effectively been met. In their annual report on director remuneration, undertakings should disclose the criteria as regards elapsed time and the methods used for this verification, depending on the nature and characteristics of each variable component.

Additionally, companies should consider adopting clauses ('malus') that provide for the deferral of a portion of variable remuneration components and its forfeiture, totally or partially, if an event arising prior to the payment date makes this advisable.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

60. Remuneration linked to company earnings should take account of any qualifications in the external auditors' report that reduce the amount of earnings.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

61. A significant proportion of executive directors' variable remuneration should be linked to the award of shares or financial instruments referenced to the share price.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

62. Once shares, options or financial instruments have been allocated under remuneration systems, executive directors should be prohibited from transferring ownership or exercising options or rights until at least three years have elapsed.

An exception should be made in cases where, at the time of the transfer or exercise of options or rights, the director has, through the ownership of shares, options or other financial instruments, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration.

The foregoing is not applicable to shares that the director may need to sell in order to defray costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to address extraordinary situations that may arise and require such a sale.

Compliant [ ] Partially compliant [ ] Explain [X] Not applicable. [ ]

The multi-year variable remuneration for the Executive Chairman and other senior executives of the Company aligns their interests with those of shareholders through a mechanism that is already equivalent to a deferral in the payment of the incentive for more than three years from its recognition, so it is not necessary to add an additional limitation period when the plan expires.

63. Contracts should include clauses that allow the company to claw back variable remuneration components when payment was out of step with the director's actual performance or was based on data subsequently found to be misstated.

Compliant [X] Partially compliant [ ] Explain [ ] Not applicable. [ ]

64. Contract termination payments should not exceed an amount equivalent to two years' total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, contract termination payments will be considered to include any payments where accrual or the obligation to pay arises as a consequence, or on the occasion, of the termination of the contractual relationship between the director and the company, including unvested amounts of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Compliant [ ] Partially compliant [X] Explain [ ] Not applicable. [ ]

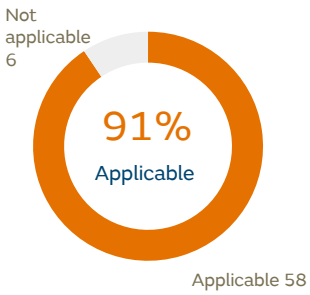
Termination indemnities conform to the foregoing recommendation as to two years' total annual remuneration (total fixed remuneration, annual variable remuneration and multi-year variable remuneration) in the terms set out in the annual report on remuneration.

The Executive Chairman is also entitled to indemnity for non-competition, which is legally distinct from the contract termination indemnity as it is consideration for his agreement not to engage in competition after removal. This indemnity amounts to one year's total fixed remuneration.

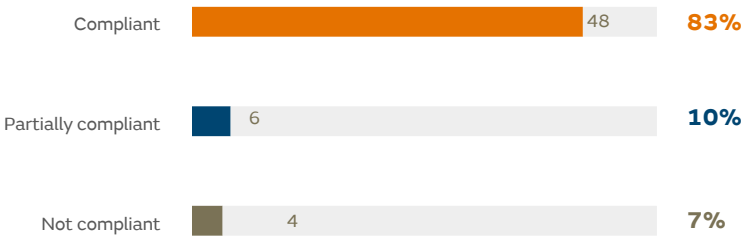
Degree of compliance with the corporate governance recommendations

Naturgy maintains a high level of compliance with the recommendations of the CNMV's Code of Good Governance while adapting their application to the specific characteristics of its ownership structure and business model.

Applicability of the recommendations



Compliance with applicable recommendations



H. Other information

1) If there is any material issue relating to corporate governance at the company or any of the group companies that has not been disclosed in other sections of this report but whose disclosure is necessary to provide a more comprehensive and fully reasoned picture of the institution's governance structure and practices, describe it briefly.

2) This section may also be used to disclose any other information, clarification or detail related to the previous sections of the report, provided that it is material and not repetitive.

Specifically, indicate whether the company is subject to legislation other than Spanish law on corporate governance and, where applicable, include any information that it is required to provide and that differs from that required in this report.

3) The company may also indicate whether it has voluntarily adopted any other codes of ethics or good practices, whether international, industry-wide or otherwise. Identify any such code and the date on which it was adopted. In particular, disclose whether the company has adopted the Code of Good Tax Practices of 20 July 2010.

At a meeting on 17 September 2010, the Board of Directors resolved that Naturgy would adopt the Code of Good Tax Practices. In accordance with the provisions of that Code, it is expressly placed on record that Naturgy is effectively complying with the Code and, in particular, that, at a meeting on 17 February 2026, the Board was informed, through the Audit and Control Committee, of the tax situation and policies followed by the Group during 2025.

At a meeting on 29 January 2019, based on a recommendation by the Audit Committee, the Board of Directors approved the Tax Strategy and the Tax Risk Control and Management Policy, which set out the basic principles governing Naturgy's tax function and the main lines of action to mitigate and guide proper control of tax risks.

This annual corporate governance report was approved by the company's Board of Directors on 17 February 2026.

Indicate whether any board members voted against or abstained with respect to the approval of this report.

Yes [ ] No [X]

Naturgy Energy Group, S.A.

Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of Naturgy Energy Group, S.A. for 2025

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Torre Cristal
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of Naturgy Energy Group, S.A. for 2025

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Directors of Naturgy Energy Group, S.A.

As requested by the Board of Directors of Naturgy Energy Group, S.A. (the "Entity") and in accordance with our proposal letter dated 9 October 2025, we have applied certain procedures to the "ICOFR disclosures" attached in the Directors' Report of Naturgy Energy Group, S.A. for 2025, which summarises the Entity's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the ICOFR information attached hereto.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Entity in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Entity's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Entity's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information concerning the system of Internal Control over Financial Reporting in Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Entity's annual financial reporting for 2025 described in the ICOFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

KPMG Auditores S.L., a limited liability Spanish company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
Paseo de la Castellana, 259C 28046 Madrid

Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Entity regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, regarding the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent of these being CNMV Circular 3/2021 of 28 September 2021 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Entity.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, primarily including documents made directly available to those responsible for preparing the description of the ICOFR system. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the Audit and Control Committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Entity's ICOFR obtained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes taken at meetings of the board of directors, audit and control committee and other committees of the Entity for the purpose of assessing the consistency of the matters discussed at those meetings in relation to ICOFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and authorising the information detailed in point 1 above.

As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Annual Report on remuneration of directors of listed companies **2025**

ISSUER IDENTIFICATION DATA

Date of end of reporting year: **31/12/2025**

CIF: **A-08015497**

Company name: **NATURGY ENERGY GROUP, S.A.**

Registered office: **Avenida de América 38 – 28008 MADRID**

Naturgy

A. Company's remuneration policy for the current financial year

A.1.1. Describe the Director Remuneration Policy in force that is applicable to the current year. To the extent that they are material, include disclosures relating to the Remuneration Policy approved by the General Meeting of Shareholders, provided that they are clear, specific and concrete.

Describe the specific decisions by the Board that apply to this year, relating to directors' remuneration for their functions as such and for executive functions, as provided in the contracts signed with the executive directors, and to the general remuneration policy approved by the General Meeting of Shareholders.

In any event, the following should be disclosed:

a) Description of the company's procedures and the bodies involved in determining and approving the remuneration policy and its terms and conditions.

b) Indicate whether the company's Remuneration Policy was benchmarked against other companies and, if so, give details.

c) Disclose whether any external advisors were involved in this process and, if so, identify them.

d) Procedures contemplated in the current Director Remuneration Policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exceptions under the policy.

Article 9 of Naturgy's Articles of Association establishes that the remuneration policy for directors must be approved by the General Shareholders' Meeting in the manner and within the periods established by the regulations in force.

The current Remuneration Policy was approved at the Ordinary General Meeting on 25 March 2025 and applies from the date of its approval and for the following three financial years.

Prior to its approval, the Appointments, Remuneration and Corporate Governance Committee drafted the proposed remuneration policy, supported by a specific report, which was submitted for consideration by the Board of Directors, which proposed that the General Shareholders' Meeting adopt it.

The policy is a continuation of that approved by the General Shareholders' Meeting in 2022, with some specific amendments to the multi-year variable remuneration scheme for executive directors authorised by the 2019 Shareholders' Meeting. This policy sets out a remuneration scheme for directors, both executive and non-executive, that is aligned with the objectives of the strategic plans in force during the period of application of the policy, the interests of shareholders and other stakeholders, and the Company's long-term sustainability. It also incorporates all the necessary references to comply with the current wording of article 529 novodecies of the Capital Companies Law with regard to i) its contribution to the business strategy and the interests and long-term sustainability of the company, (ii) an explicit reference to the proportion between the various remuneration components, (iii) details of how the remuneration and employment conditions of the company's employees were taken into account in setting the remuneration policy, and (iv) details of the decision-making process used to determine the policy. The Director Remuneration Policy is reviewed periodically by the Board of Directors on the basis of a report from the Appointments, Remuneration and Corporate Governance Committee in order to keep it in line with best practices in the relevant market and with the objectives set out in the Articles of Association.

In accordance with the current Policy, remuneration for non-executive functions consists of a fixed amount and may also include remuneration in shares or referenced to shares. The distribution of such remuneration, within the limit established from time to time in the Remuneration Policy, is made by the Board of Directors, and individuals' remuneration may differ depending on the responsibilities and functions assigned to each director in the Board and its Committees.

The Executive Chairman's remuneration for the performance of specifically executive or delegated functions consists of the following items:

i) Fixed annual remuneration linked to the performance of executive duties and the level of responsibility, leadership and performance within the organisation.

ii) Annual variable remuneration: 100% of the total annual fixed remuneration, multiplied by the degree to which the goals were actually achieved in the year. Part or all of the amount in cash may be replaced each year, by mutual agreement, with a contribution to a superannuation plan.

iii) Multi-year variable remuneration linked to the achievement of objectives set out in the strategic plans in force during the period of application of the policy, and linked to the returns obtained by shareholders within the scope of the relevant plan.

iv) Other benefits such as medical insurance, company car, life and disability insurance, limited gas and electricity subsidies, and group savings insurance.

v) Additionally, the Board of Directors may establish other variable remuneration in the case of unique transactions, in terms of the related objectives and remuneration linked to their attainment.

The remuneration for executive and non-executive functions for 2026 was approved by the Board at a meeting on 17 February 2026 based on a report from the Appointments, Remuneration and Corporate Governance Committee, which met on 10 February 2026 and was assisted by PeopleMatters to benchmark it against the remuneration at other undertakings and to evaluate the Executive Chairman's fixed remuneration and set it for 2026. The targets for the Executive Chairman's annual variable remuneration were also set at that meeting.

Article 10 of the current Remuneration Policy contemplates the possibility that the Board of Directors may approve and apply temporary exceptions to the policy based on a reasoned proposal by the Appointments, Remuneration and Corporate Governance Committee; such exceptions may be total or partial, although:

i) Exceptions may be granted for the remuneration amounts and headings for non-executive functions, as well as for the components of the annual or multi- year variable remuneration for executive functions, which may lead to both upward and downward adjustments.

ii) The maximum annual amount to be received by all the directors in a given financial year, as set out in Section 4 of the aforementioned Policy, may not be altered.

iii) Exceptions will apply only from the time they are adopted by the Board of Directors until the next Shareholders' Meeting, which must be asked to approve the continuation of the exception.

During the current financial year, the Board of Directors did not approve any temporary exceptions

.

A.1.2. Proportion between variable remuneration and fixed remuneration (remuneration mix) and the criteria and objectives used to determine and ensure an appropriate balance between the fixed and variable components of remuneration. In particular, describe the steps taken by the company in relation to the remuneration system to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, including references to any measures to guarantee that the company's long-term results are taken into account in the remuneration policy, the measures adopted in relation to those categories of employees whose work has a material impact on the company's risk profile, and any measures to avoid conflicts of interest.

Also disclose if the company has established a period for the accrual or vesting of certain variable remuneration items, whether in cash, shares or other financial instruments, any period of deferral of the payment of amounts or the delivery of accrued or vested financial instruments, any clause that reduces the unvested deferred remuneration or that obliges the director to refund remuneration already received, where such remuneration was based on figures that were later shown clearly to be inaccurate.

The remuneration of the Executive Chairman, the only director receiving variable remuneration, is divided into three main components, each with a similar weighting:

- A fixed component that accrues in any event, so that it is not at risk.
- A variable component with a time horizon of one year, linked to pre-set, specific and quantifiable objectives that are aligned with Naturgy's interests and strategy, such as financials, helth and safety issues, sustainability, environment and governance; since this is recurrent, it avoids

encouraging excessive risk-taking..

- A variable component with a long time horizon linked to the Company's Strategic Plan. Since it coincides in duration with the Strategic Plans, the long duration modulates risk-taking and fosters value creation over a longer-than-usual period. .

There is a reasonable balance between the variable components not only in terms of the time horizon, but also in terms of amount and objectives, as the annual variable remuneration tends towards operational objectives that consider the Company's immediate interests, while the multi-year variable remuneration mainly serves shareholders' long-term interests as it is linked to profitability or to the achievement of the objectives of the Strategic Plan.

The annual variable remuneration is only determined and paid once the Board of Directors has the Company's audited accounts and, therefore, it takes account of any qualifications in the external auditors' report that reduce earnings. The Board of Directors is free to disregard such qualifications if it disagrees with them.

Furthermore, both the annual variable remuneration and the multi-year variable remuneration are subject to a clawback clause during the 18 months following payment.

Regarding the measures envisaged to avoid conflicts of interest:

i) Article 11 of the Regulations of the Board of Directors and its Committees establishes that all members of the Board of Directors of Naturgy, including the Executive Chairman, are bound by a duty of loyalty and, in particular, must:

a) Refrain from participating in the debate and vote on resolutions or decisions in which they, or a related party, have a direct or indirect conflict of interest. The above obligation to abstain does not apply to resolutions or decisions that affect the director as such, including his/her appointment to or removal from the Board or other comparable positions.

b) Adopt the necessary measures to avoid situations in which their direct or indirect interests may conflict with those of the Company and with their obligations towards the Company.

ii) As a means of avoiding conflicts of interest, Naturgy's Director Remuneration Policy, approved on 25 March 2025 by the General Shareholders' Meeting, includes a provision that the Executive Chairman may not participate in the debates of the Appointments, Remuneration and Corporate Governance Committee that refer to matters that may affect his remuneration.

iii) Section 4.1 of Naturgy's Code of Ethics establishes specific guidelines for action by employees, executives and directors of the Group under the heading of "Loyalty to the company and conflicts of interest".

iv) The Conflict of Interest Policy, applicable to all Naturgy employees, which establishes the guidelines for action in the event of a conflict of interest, based on the principles of loyalty, abstention and transparency.

A.1.3. Amount and nature of fixed components that are to be accrued by directors during the year for their status as directors.

Directors' remuneration for performing non-executive functions consists of a fixed annual amount.

The amount of directors' remuneration in 2026 for their position as such (non-executive functions) approved by the Board of Directors at a meeting on 17 February 2026 following a report from the Appointments, Remuneration and Corporate Governance Committee is as follows:

For membership of the Board			For membership of Committees	
1,100,000 €/year	**185,000 €/year**	**30,000 €/year**	**88,000 €/year**	**67,000 €/year**
Chairman of the Board of Directors	Director	Lead independent director	Committee chairman	Committee member

A.1.4. Amount and nature of fixed components that are to be accrued during the year for the performance of senior management functions by executive directors.

At a meeting on 17 February 2026, the Board of Directors set the fixed component of the Executive Chairman's remuneration at €2,430,450 (total annual fixed remuneration), including the remuneration he receives for his membership of the Board of Naturgy Energy Group, S.A. This amount is, therefore, the sum of €1,100,000 for non-executive functions performed as Chairman of the Board of Directors and €1, 330,450 as annual fixed remuneration for performing executive or delegated functions.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid on behalf of the director.

Describe any remuneration in kind

The Executive Chairman is the beneficiary of an insurance policy for situations of temporary disability (100% of the total gross annual fixed remuneration that he has been receiving, with a limit of 18 months). He is also the beneficiary of an insurance policy covering death and absolute permanent disability, or severe disability, in which Naturgy Energy Group, S.A. acts as the policyholder; the annual premium is determined on the basis of the Executive Chairman's age and the insured principal, and it is calculated determined and communicated by the insurance company. The insured amount payable in the event of the insured contingencies (death, absolute permanent disability or severe disability) is equivalent to 3.5 years' total gross annual fixed remuneration.

The Company has arranged and pays the overall premium of a civil liability insurance policy for directors and executives of Naturgy Energy Group, S.A. and the companies in its Group which, therefore, also covers all the directors of Naturgy Energy Group, S.A., both executive and non-executive; the directors are insured against claims for liability arising from the performance of the functions inherent to their position. In particular, under the contract with the Executive Chairman, the Company is required to arrange a third-party liability insurance policy.

As the third-party liability insurance is arranged for the Group as a whole, it is not possible to calculate the part of it attributable to the directors as remuneration in kind.

The Executive Chairman's remuneration package also includes the following items, which are similar to those of the other senior executives: health insurance, death benefit insurance, permanent disability and savings insurance, company car and a limited amount of electricity and gas free of charge.

A.1.6. Amount and nature of variable components, differentiating between short and long term. Financial and non-financial parameters, including aspects related to society, the environment and climate change, selected to determine variable remuneration in the current year, describing the extent to which these parameters are related to performance, both of the director and of the company, and to the risk profile, and the methodology, necessary period and the techniques established to determine, at year-end, the degree of compliance with the parameters used in the design of the variable remuneration, with a detailed description of the criteria and factors applied in terms of the time required and methods for verifying that the performance or any other conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.

State the range, in monetary terms, of the variable components depending on the degree of attainment of the objectives and established parameters, and whether there is an absolute monetary cap.

Directors do not receive this type of remuneration for non-executive functions.

As for the Executive Chairman, the variable components of the remuneration system, based on his performance of executive or delegated functions, are as follows:

Annual variable remuneration

100% of the total annual fixed remuneration, multiplied by the degree to which the goals were actually achieved in the year.

The degree of attainment must be at least 75% in order to qualify, and it is capped at 150%.

Achieving 85% of the targets results in an attainment level of 75%, 100% results in an attainment level of 100%, and 120% results in an attainment level of 150%. Intermediate degrees of attainment are obtained by interpolation.

The Executive Chairman may elect to replace part or all of the annual variable remuneration with a contribution by the Company to an agreed superannuation plan.

The objectives and weightings are as follows:

- **Financial objectives, which account for 65%**
  - The 2026 EBITDA guidance released to the market at the beginning of 2026.. It weighs 40%.
  - After-tax profits. Weighted at 25%.
- **Qualitative objectives, which account for 15%**
  - Assessment of qualitative factors by the Board (contribution to business growth, transformation, teamwork,team development and succession)
- **ESG objectives, which account for 20% (5% per category)**
  - Health and safety
  - Environment
  - Group employee net promoter score (eNPS)
  - Presence of women in the management team

ii) Multi-year variable remuneration:

At a meeting on 18 February 2025, the Board of Directors approved a new multi-year variable remuneration system, called the Value-Creation Bonus, that is linked to the 2025-2027 Strategic Plan.

On 25 March 2025, the General Shareholders' Meeting authorised the implementation of this new multi-year variable remuneration system, which is structured as follows:

- The base figure is 125% of the total annual fixed remuneration in the final year, multiplied by the years or fraction thereof that elapse between 1 January 2025 and the conclusion date, and also multiplied by the degree of attainment.
- The degree of attainment must be at least 60% in order to qualify, and it is capped at 160%.
- A TSR of 7% results in 60% attainment, 10% in 100% attainme5nt, and 1% in 160% attainment. Intermediate degrees of attainment are obtained by interpolation.
- The TSR is calculated as the gross return obtained by Naturgy shares , taking an entry price for the share equal to the settlement value of the ILP 2018-2025, dividends paid in the period and an exit price equivalent to the VWAP for the 90 calendar days immediately preceding the conclusion date.
- There is a clawback clause for the 18 months following payment of the incentive in the event of a material change in the financial statements that significantly affects the share price. There is also a system under which the incentive is forfeited in certain cases that are similar to those in previous multi-year remuneration schemes: the Executive Chairman will forfeit his entitlement in the event of voluntary resignation or of removal for serious and culpalbe breach, and will retain entitlement in the event of leaving the Company due to retirement, disability, death or termination for causes not attributable to him; however, where he retains entitlement, he may only collect the proportion of the final incentive that is commensurate with his period of tenure within the duration of the plan. In the event of withdrawal by mutual agreement, the terms of the agreement apply.
- The conclusion date is initially set to be 31 December 2027, but it may be brought forward.

- Based on a reasoned proposal from the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors may adopt such decisions as it deems necessary to administer, interpret, remedy, elaborate upon or continue with the incentive scheme in the face of material changes in the circumstances surrounding the plan, having regard to the Company's interests and the plan's objectives.
- The Board of Directors may adopt such decisions as it deems necessary to keep the multi-year variable remuneration scheme in line with the strategic plan in force at any given time, and carry out such preparatory work as may be necessary before submitting to the General Shareholders' Meeting any amendments requiring its approval.

A.1.7. Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether it is defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution systems, the benefits that beneficiares are entitled to under defined-benefit systems, the conditions under which directors' economic rights vest and their compatibility with any other type of payment or severance pay as a result of the director's early termination or removal, or deriving from termination of the contract between the company and the director, in accordance with its terms.

State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the director's short- or long-term performance.

Describe the long-term saving systems

Directors do not receive this type of remuneration for non-executive functions.

Based on the executive or delegated functions that the Executive Chairman performs, he is entitled to the same benefits as are currently available to the members of the company's Management Committee, in the following terms:

Savings insurance: the Executive Chairman is entitled to receive a series of contributions that are instrumentalised through an insurance policy, governed by the rules established for this purpose. Each year, Naturgy Energy Group, S.A. contributes an amount equal to 20% of his total fixed remuneration to the aforementioned instrument. The contingencies covered by the policy are survival at a specific date, death, total permanent disability, absolute disability or severe disability. The savings insurance is not incompatible with a termination indemnity. No amount is payable under the policy in the following events:

a) Voluntary resignation without giving the advance notice provided for in the contract or without prior agreement with the Board of Directors of the Company.

b) Serious and culpable breach of his professional obligations that results in significant harm to the Company's interests.

c) Where, at any time during the year following his termination as Executive Chairman for reasons other than the occurrence of the insured contingencies, he carries out activities that coincide directly with those of the Company.

Superannuation system linked to the annual variable remuneration: The Executive Chairman may elect to replace part or all of the annual variable remuneration with a contribution by the Company to an agreed superannuation plan. He chose this option for the annual variable remuneration for 2018 to 2025 (both inclusive). The contingencies covered are the same as those established for the previous instrument, and the Company may instrumentalise coverage of those contingencies by arranging one or more insurance policies that guarantee a minimum rate of return and a share in profits. Entitlement is forfeited in the same cases as set out for the previous instrument, with the exception of resignation without giving the required advance or without reaching agreement with the Board of Directors.

A.1.8. Any type of payment or indemnity for early termination or dismissal, or deriving from the termination of the contractual relationship between the company and the director in accordance with its terms, whether at the decision of the Company or the director, as well as any type of agreement, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to remuneration.

Directors who do not perform executive functions are not entitled to indemnity of this type.

In the case of directors who perform executive functions, article 6 of the Remuneration Policy provides that:

"an indemnity may be established for certain cases of termination of the contractual relationship equivalent to twice the sum of the following three amounts: (i) total annual fixed remuneration, (ii) annual variable remuneration and, (iii) in lieu of multi-year variable remuneration, a lump sum equivalent to 125% of the annual fixed remuneration. This indemnity is not payable in the event of serious, culpable breach of the Executive Director's professional obligations such as to seriously impair the Company's interests.

In addition, as consideration for a one-year post-contractual non-competition agreement, an indemnity equivalent to at most one year's total annual fixed remuneration may be established."

A.1.9. State the conditions that contracts for executive directors' senior management functions must fulfil. Among other aspects, give information on the term, limits to the amounts of indemnity, permanence clauses, notice periods and payments in lieu of notice, and any other clauses regarding hiring bonuses, as well as severance payments or golden handshakes for early cancellation or termination of the contractual relationship between the company and the executive director. Include, among others, any non-compete, exclusivity, permanence, loyalty, and post-contractual non-competition pacts or agreements, except where they have already been disclosed in the previous section.

The Executive Chairman's contract was approved by the Board of Directors on 6 February 2018, following a favourable report from the Appointments and Remuneration Committee. It was subsequently adapted on 31 October 2018 to include the new ILP long-term incentive scheme and other minor changes, and also on 30 December 2021 to include the modifications derived from the modification of the ILP. Following the review by the Board of Directors on 21 April 2024 of the remuneration scheme linked to the multi-year variable remuneration, as described in the 2025 annual remuneration report, it became necessary to amend the contract, which was done on 22 April 2024 and 25 June 2024. Subsequently, following the resolutions adopted by the 2025 General Meeting, described in section A.1.6, in connection with the Executive Chairman's long-term variable remuneration, it became to amend the contract again, and this was done on 10 April 2025 to include the new Bonus in place of the ILP Incentive.

The contract provides a six-month notice period for the Executive Chairman, except in the event of force majeure, an exclusivity agreement during the performance of his duties and a confidentiality agreement, in force both during the term of the contract and after its termination.

The Chairman's contract also establishes a severance payment in the event of termination or non-renewal as director in the amount of two years': (i) total annual fixed remuneration, (ii) annual variable remuneration, and (iii) the Value-Creation Bonus, in annual terms.

The payment will be forfeited in the event of serious and culpable breach of his professional obligations that results in significant harm to Naturgy's interests. In addition, as consideration for a one-year post-contractual non-competition agreement, an indemnity equivalent to at most one year's total annual fixed remuneration is established.

The Executive Chairman's contract provides for the termination of the contract and the payment of the indemnity in the event that he is terminated as an executive but continues as a non-executive Chairman. In that event, the indemnity provided for is identical to that in the preceding section, but reduced by half, i.e. by a single annuity.

If he steps down as Chairman but continues as Chief Executive Officer, the contract provides for a reduction in the remuneration.

A.1.10. The nature and estimated amount of any other supplementary remuneration accrued by directors in the year as consideration for services rendered other than those inherent to their position as directors.

Describe supplementary remuneration items

Not applicable

A.1.11. Other director remuneration items, such as advance payments, loans, guarantees, etc.

Describe the advances, loans, guarantees and any other remuneration granted

None of the directors has been granted any loans, advances or guarantees.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration that is not disclosed in the preceding sections, whether paid by the institution or by another institution in the Group, which will be accrued by directors during the current year.

Not applicable

A.2. Describe any material change in the remuneration policy applicable in the current year resulting from:

- **A new policy or an amendment of the policy already approved by the General Shareholders' Meeting.**
- **Material changes in the specific calculations for the remuneration policy in force that were made by the Board for the current year, in comparison with those applied in the previous year.**
- **Any motions that are to be applicable in the current year that the Board has resolved to submit to the General Shareholders' Meeting to which this annual report is to be submitted.**

Not applicable

A.3. Identify the direct link to the document containing the current company remuneration policy, which must be available on the company's website.

https://www.naturgy.com/en/shareholders-and-investors/corporate-governance/governance-bodies-and-rules/remunerations/

A.4. Considering the data provided in Section B.4, describe the outcome of the consultative vote at the General Shareholders' Meeting on the previous year's annual report on remuneration.

The current remuneration policy was approved at the General Shareholders' Meeting on 15 March 2022 with more than 98% of votes in favour.

The Annual Report on Director Remuneration for 2024 was approved at the 2025 General Shareholders' Meeting by a large majority, as in previous years. As a result, it was not considered necessary to implement additional measures with regard to the Company's remuneration policy

B. Overall summary of how the remuneration policy was applied during the reporting year

B.1.1. Describe how the remuneration policy is applied and the individual remuneration set out in Section C of this report is determined. This information should include the role played by the Remuneration Committee, the decisions taken by the Board of Directors and the identity and the role of any external advisers engaged in the process of applying the remuneration policy in the reporting year.

The Board of Directors approved the directors' individual remuneration for non-executive functions in 2025 at a meeting on 18 February 2025; it maintained the fixed remuneration component for Chairmanship of the Board at €1,100,000, and setting the part for performing executive functions at €1,259.658. The 2025 targets for annual variable remuneration were set by the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, at a meeting on 18 February 2025.

The Appointments, Remuneration and Corporate Governance Committee engaged consultancy firm PeopleMatters to benchmark the remuneration against other entities and to determine the Executive Chairman's remuneration.

Following a report by Appointments, Remuneration and Corporate Governance Committee, the Board of Directors recognised this short-term variable remuneration for 2025 at a meeting on 17 February 2026 at the same time as it authorised the 2025 financial statements, for which an unqualified auditors' report was issued.

B.1.2. Describe any departure during the year from the procedure established for applying the Remuneration Policy.

Not applicable.

B.1.3. Indicate whether any temporary exceptions were made to the Remuneration Policy and, if so, describe the exceptional circumstances that led to the application of these exceptions, the specific components of the Remuneration Policy that were affected and the reasons why the entity considers that those exceptions were necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions had on the remuneration of each director during the year.

Not applicable.

B.2. Detail the actions taken by the company in relation to the remuneration system and how they contributed to reducing exposure to excessive risk-taking and to adapting it to the company's long-term objectives, values and interests, including a reference to any measures that have been adopted to ensure that the company's long-term results were taken into consideration in setting the remuneration actually accrued and that a suitable balance was attained between the fixed and variable components of remuneration, any measures adopted in relation to those categories of staff whose work has a material impact on the company's risk profile and any measures that have been adopted to avoid conflicts of interest.

With regard to remuneration for non-executive functions, the establishment of a fixed remuneration for all directors is considered to be an effective way of reducing exposure to excessive risk-taking and to incorporate a long-term vision.

The remuneration of the Executive Chairman is divided into three main components, each with a similar weighting:

- A fixed component that accrues in any case, so that it is not at risk.
- A variable component with a one-year time horizon, linked to specific measurable business objectives which, since it is recurrent, avoids encouraging excessive risk-taking. This is reinforced by the fact that it is evaluated after the financial statements have been audited and authorised.
- A long-term variable component aligned with the duration of the Company's Strategic Plan, helping to moderate risk-taking.

There is a reasonable balance between the variable components not only in terms of the time horizon, but also in terms of amount and objectives, as the annual variable remuneration tends towards operational objectives focused on the Company's performance, while the multi-year variable remuneration mainly serves the Company's long-term interests as it is linked to the achievement of the objectives of the Strategic Plan.

The Executive Chairman's annual variable remuneration was determined after the Board of Directors had the audited financial statements of the Company and taking into account the external auditors' report.

In addition, annual an and multi-year variable remuneration has a clawback system in force for the 18 months following payment.

See section A.1.2. of this report for information on measures adopted to avoid conflicts of interest.

B.3. Detail how the remuneration that accrued and vested in the year meets the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term sustainable performance.

Also, disclose the relationship between the directors' remuneration and the company's results or other performance metrics, both short- and long-term, detailing how any variations in the company's performance resulted in changes in director remuneration, including remuneration that was deferred, and how the latter contributes to the company's short- and long-term results.

The total remuneration accrued during 2025 does not exceed the maximum amount established in the Remuneration Policy approved by the Shareholders' Meeting on 5 March 2022 and subsequently in the new remuneration policy approved at the General Shareholders' Meeting on 25 March 2025, which is applicable from the date it was approved and for the following three financial years.

The amount of the Executive Chairman's annual variable remuneration is related to the Company's 2025 earnings, as it is linked to the Company's main indicators as detailed in section B.7 and was determined once the audited financial statements were made available to the Board.

The multi-year incentive for the Executive Chairman, approved by the General Shareholders' Meeting in March 2019 and amended by the General Shareholders' Meeting in March 2022 and on 25 March 2025, aligns his remuneration with long-term value creation due to the way it is structured, as described in the previous sections.

B.4. Describe the outcome of the consultative vote at the General Shareholders' Meeting on the annual remuneration report for the previous year, indicating the number of votes cast against, if any:

	Number	% of total
Votes cast	881,069,721	90.9 %

	Number	% of votes cast
Votes against	14,272,130	1.61 %
Votes in favour	866,637,421	98.36 %
Abstentions	160,170	0.01 %

B.5. Describe how the fixed components of remuneration that were accrued and vested during the year by the directors in their capacity as such were determined, the proportion allocated to each director, and any changes with respect to the previous year:

After keeping the directors' remuneration for their position as such unchanged for seven years, in 2025 the Board of Directors resolved to update the amounts for membership of the Board, and for chairing and membership of committees, while keeping the remuneration for Board Chairman and Lead Director unchanged.

The remuneration of the members of the Board of Directors for non-executive functions was:

For membership of the Board			For membership of Committees	
1,100,000 €/year	**180,000 €/year**	**30,000 €/year**	**85,000 €/year**	**65,000 €/year**
Chairman of the Board of Directors	Director	Lead independent director	Committee chairman	Committee member

B.6. Describe how the salaries earned and vested by each of the executive directors in the reporting year for performing executive functions were determined, and how they changed with respect to the previous year.

The Executive Chairman's remuneration for the performance of executive or delegated functions consists of the following items:

- Fixed annual remuneration, including remuneration for membership of any governing body of any company of the Naturgy group other than the parent company: €1,259,658.

- Annual variable remuneration, calculated by applying, to an amount equivalent to the total annual fixed remuneration, a percentage depending on the degree of attainment of the metrics; the resulting amount was €2,597,985. The aforementioned amount was settled as a voluntary contribution to the superannuation plan of which the Executive Chairman is a beneficiary, as established by contract.
- With regard to multi-year variable remuneration, in accordance with the resolution adopted by the Board of Directors at a meeting on 22 April 2024 and ratified by the General Shareholders' Meeting on 25 March 2025, the Executive Chairman is no longer entitled to a share in the profits arising from liquidation of the ILP vehicle; instead, he was granted a multi-year remuneration scheme linked to the achievement of the objectives established in the current Strategic Plan. At that General Meeting, it was also resolved *to authorise the Board of Directors to settle in advance the long-term variable remuneration scheme linked to the 2021 Strategic Plan, and this was executed by decision of the Board at a meeting on 8 April 2025. At that meeting, it was resolved to amend the Executive Chairman's contract to include the new multi-year remuneration scheme for 2025-2027, known as the Value-Creation Bonus, as described in section A.1.6.*

Other benefits, equivalent to those offered generally to the Company's senior management (medical insurance, company car, life and disability insurance, limited gas and electricity subsidies, savings insurance), as well as the obligation for the Company to arrange third-party liability insurance at its own expense.

B.7. Describe and detail the variable components of the remuneration systems accrued and vested in the reporting year.

In particular:

a) **Identify each of the remuneration plans that determined the various types of variable remuneration accrued by each of the directors in the reporting year, including information on their scope, approval date, implementation date, vesting conditions, accrual and validity periods, the criteria used to assess performance and how this affected the establishment of the variable amount that accrued, as well as the measurement criteria that were applied and the period that must elapse in order to be in a position to suitably measure all the established conditions and criteria, and describe in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.**

b) **In the case of stock options and other financial instruments, the general characteristics of each plan should contain information on the conditions required both to achieve unconditional ownership (vesting) and to exercise such options or financial instruments, including the strike price and exercise period.**

c) **Name and category (executive, proprietary external, independent external and other external) of each of the directors who are beneficiaries of remuneration systems or plans that include variable remuneration.**

d) **Disclose any accrual, vesting or deferral periods that were applied to the payment of vested amounts and/or any lock-up/non-disposal periods for shares or other financial instruments.**

Describe the short-term variable components of the remuneration systems.

The indicators and weightings established by the Board of Directors based on a report from the Appointments and Remuneration Committee were used to calculate the Executive Chairman's annual variable remuneration for year 2025, which was settled as a contribution to the superannuation plan of which the Executive Chairman is a beneficiary, in accordance with the provisions of the contract. Specifically, in 2025, the following parameters were considered when determining the degree of fulfilment of the objectives:

- Financial objectives, which account for 55%
  - Ordinary EBITDA
- Qualitative objectives, which account for 15%
  - Assessment of qualitative factors by the Board (contribution to business growth, transformation, teamwork)
- ESG objectives, which account for 20%
  - Health and safety
  - Gender diversity
  - Environment
  - Group employee net promoter score (eNPS)

The calculation is based on 100% of the total annual fixed remuneration and multiplied by the degree of achievement of objectives effectively reached in (for a degree of achievement of 100%, 100% of the annual fixed remuneration is received). Achievement is capped at 150%. This remuneration is not paid if the degree of achievement is less than 85%.

The Executive Chairman's annual variable remuneration is determined by the Board of Directors based on a report by the Appointments, Remuneration and Corporate Governance Committee.

The methodology for determining the degree of achievement of the financial/quantitative objectives consists of a comparison between the budget approved by the Board of Directors for the year and the final result for the year once the financial statements have been authorised by the Board of Directors, with certain adjustments being applied depending on the objective in question. These adjustments are generally applied to all Naturgy group personnel included in the management-by-objectives system.

The degree of achievement of the qualitative elements of variable remuneration is determined by the Appointments and Remuneration Committee, taking into account the work performed by the Chairman during the year.

ESG objectives are assessed by comparing the indicators budgeted at the beginning of the year with the actual numbers attained at the end of the year.

Therefore, the amount of the annual variable remuneration for 2025, which was settled as a contribution to the superannuation plan whose beneficiary is the Executive Chairman, as provided in his contract, is €2,597,985, having achieved a remuneration percentage of 110,1%,

Describe the short-term variable components of the remuneration systems.

The Executive Chairman's long-term variable remuneration system was amended in April 2024: he ceased to be entitled to share in the profits from liquidation of the ILP vehicle, and this was disclosed by means of a regulatory disclosure dated 22 April, with registration number 28134, which disclosed that:

"In the context of the Privileged Information communications sent by Criteria Caixa, S.A., and TAQA, on 16 and 17 April 2024 respectively, about conversations which could result in a tender offer for the shares of Naturgy Energy Group, S.A.:

The Executive Chairman, in order to be able to act with complete independence and neutrality in any potential offer, and thus continue defending the Company's and all shareholders' interests, avoiding any possible conflict of interest linked to the result of any potential offer, has proposed to the Appointments, Remuneration and Corporate Governance Committee to return his remuneration scheme to the initial model stipulated in his February 2018 contract, and in the Remuneration Policy as approved by the June 2018 AGM."

Consequently, the multi-year variable remuneration system was amended in 2024 as follows:

- Take 125% of the total annual fixed remuneration as the basis. Multiply by 7 (years) if the scheme ends in 2024 or 8 if it ends in 2025, and by the degree of achievement of objectives.

- The company recognizes that the Executive President is entitled to continue accruing multi-year variable remuneration from 1 January following the date of conclusion of the existing scheme.

- The degree of achievement is capped at 150% and must be at least 80% to give entitlement to the remuneration, as in the case of the annual variable remuneration; the percentage attained is determined by the Board of Directors.

- The results to be assessed for quantitative metrics, linked to the Company's Strategic Plan, are those accumulated up to 31 December of the year prior to the year of settlement.

- The achievement metrics to be evaluated and their weighting will be as follows:

  - Quantitative, in accordance with the criteria established by the Board of Directors: 80%

  - Qualitative, to be assessed freely by the Board following a proposal by the Appointments and Remuneration Committee: 20%

- The settlement date will be the same as the settlement of the ILP vehicle, and the amount to be settled will be reduced by the amount received as compensation for the extension of the ILP in March 2022.

- The clawback and forfeiture rules are maintained and a clause is added under which the maximum amount to be received under this scheme may not exceed the amount that would have been received if the employee had continued under the ILP 2018-2025 Plan.

On 25 March 2025, the General Shareholders' Meeting agreed to ratify the resolution adopted by Board of Directors on 22 April 2024. At that General Meeting, it was also resolved *to expressly authorise the Board of Directors to settle in advance the long-term variable remuneration scheme linked to the 2021-2025 Strategic Plan in accordance with the decision under agenda item 7, and this was done by resolution of the Board at a meeting on 8 April 2025. assesign the overal performance of the*

Chief Executive Officer during the 7-year term of the incenctive (2018-2024) at 112%

At that meeting, it was also resolved to amend the Executive Chairman's contract to include the new multi-year remuneration scheme for 2025-2027, known as the Value Creation Bonus, as described in section A.1.6.

B.8. Indicate whether any accrued variable components were reduced or clawed back after deferral of unvested amounts (in the former case) or vesting and payment (in the latter case) on the basis of data which were subsequently shown to be manifestly inaccurate. Describe the amounts reduced or clawed back through the application of the malus or clawback clauses, why they were implemented, and the years to which they refer.

Not applicable

B.9. Describe the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivorship benefits that are funded, totally or partially, by the Company, whether internally or externally, indicating the type of plan, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions for the economic rights to vest for directors, and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

Directors do not receive this type of remuneration for non-executive functions.

The Executive Chairman is entitled to the benefits that are available to the company's executives. These benefits are described in section A.1.5 (long-term savings schemes).

B.10. Describe any termination indemnities or other payments arising from early dismissal or early resignation, or from termination of the contract, in its own terms, that were accrued and/or received by directors during the reporting year.

Not applicable

B.11. Indicate whether there were any significant changes in the contracts of persons performing senior management functions, such as executive directors, and, in the event, describe them. Additionally, describe the main conditions of new contracts signed with executive directors during the year, unless already described in Section A.1.

Not applicable

B.12. Describe any additional remuneration paid to directors for services rendered other than those inherent to their position as directors.

Not applicable

B.13. Describe any remuneration deriving from granting advances, loans or guarantees, indicating the interest rate, the main features and any amounts that were repaid, as well as any collateral obligations assumed on their behalf.

Not applicable

B.14. Detail any remuneration in kind earned by the directors in the year, briefly indicating the nature of the various salary components.

Contributions to prudential instruments for the Executive Chairman amounted to €472 thousand in 2025. Additionally, he earned variable remuneration in 2025 in the amount of 2,597,985, which will be settled as a voluntary contribution to the superannuation plan of which the Chairman is a beneficiary. Death benefit and disability insurance premiums paid in the year amounted to €86 thousand. The limited electricity and gas subsidy, company vehicle, and health care insurance together amounted to €32 thousand in that year.

B.15. Describe any remuneration accrued by directors in the form of payments settled by the listed company with third parties where the director renders services, where such payments are intended to compensate the director's services to the company.

Not applicable

B.16. Describe and detail any items of remuneration accrued under any other remuneration heading not already disclosed above, regardless of their nature or the group company that made the payment, including any remuneration, in any form, that qualifies as a related-party transaction or, in particular, where it has a material impact on the true and fair view of the total remuneration accrued by the Director; it is necessary to describe the amount paid or pending payment, the nature of the consideration received, and any reasons why it was decided that it did not qualify as remuneration for the director's position as such or as consideration for executive functions, and whether or not it was considered appropriate to report it under amounts accrued under the heading of "Other items" in section C.

Not applicable

C. Itemised individual remuneration accrued by each director

Name	Type	Accrual period
Mr. Ramón Adell Ramón	Proprietary	From 01/01/2025 to 31/12/2025
Mr. Enrique Alcántara García-Irazoqui	Proprietary	From 01/01/2025 to 29/04/2025
Mr. Jaime Siles Fernández Palacios	Proprietary	From 01/01/2025 to 31/12/2025
Ms. Helena Herrero Starkie	Independent	From 01/01/2025 to 31/12/2025
Ms. Lucy Chadwick	Proprietary	From 01/01/2025 to 31/12/2025
Mr. Rajaram Rao	Proprietary	From 01/01/2025 to 31/12/2025
Ms. Isabel Estapé Tous	Proprietary	From 01/01/2025 to 31/12/2025
Mr. José Antonio Torre De Silva López de Letona	Proprietary	From 01/01/2025 to 31/12/2025
Mr. Claudi Santiago Ponsa	Independent	From 01/01/2025 to 31/12/2025
Mr. Pedro Sainz de Baranda Riva	Independent	From 01/01/2025 to 31/12/2025
Mr. Francisco Reynés Massanet	Executive	From 01/01/2025 to 31/12/2025
Rioja S.à.r.l.	Proprietary	From 01/01/2025 to 25/03/2025
Mr. Javier de Jaime Guijarro	Proprietary	From 25/03/2025 to 31/12/2025
Mr. Nicolás Villén Jiménez	Proprietary	From 25/03/2025 to 31/12/2025
Ms. Marta Martínez Alonso	Proprietary	From 25/03/2025 to 31/12/2025
Ms. Isabel Gabarró Miquel	Proprietary	From 25/03/2025 to 31/12/2025
Mr. Martin Catchpole	Proprietary	From 25/03/2025 to 31/12/2025

C.1. 5 Complete the following tables on the individual remuneration accrued during the year by each of the directors (including remuneration for carrying out executive functions).

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euro)

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Wages	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total year Y		Year Y-1 total	
Mr. Francisco Reynés Massanet	1,100		0	1260	0	2,763	0	118	5,241	(*)	5170	(*)
Ms. Helena Herrero Starkie	210		150	—	0	0	—	—	360		315	
Mr. Ramón Adell Ramón	180		65	0	0	0	0	0	245		219	
Mr. Enrique Alcántara-García Irazoqui	60		22	0	0	0	0	0	82		219	
Ms. Isabel Estapé Tous	180		65	0	0	0	0	0	245		219	
Ms. María Isabel Gabarró Miquel	138		43	0	0	0	0	0	182			
Ms. Lucy Chadwick	180		65	0	0	0	0	0	245		219	
Mr. Rajaram Rao	180		65	0	0	0	0	0	245		219	
Mr. Martin Catchpole	138		0	0	0	0	0	0	138			
Mr. Claudi Santiago Ponsa	180		150	0	0	0	0	0	330		285	
Mr. Pedro Sainz de Baranda Riva	180		150	0	0	0	0	0	330		285	
Mr. Jaime Siles Fernández-Palacios	180		65	0	0	0	0	0	245		219	
Mr. Nicolás Villén Jiménez	138		0	0	0	0	0	0	138			
Rioja Acquisition, S.à r.l.	42		15	0	0	0	0	0	57		219	
Mr. Javier de Jaime Guijarro	138		50	0	0	0	0	0	188			
Mr. José Antonio Torre De Silva López de Letona	180		65	0	0	0	0	0	245		219	
Ms. Marta Martínez Alonso	138		0	0	0	0	0	0	138			
TOTAL	**3544**		**970**	**1260**	**0**	**2,763**	**0**	**118**	**8655**		**7807**	

(*) Does not include the amount of annual variable remuneration accrued in the year that, as established by contract, is settled as a contribution to superannuation plans.

The long-term incentive program was settled in fiscal year 2025. The Annual General Meeting of Shareholders on March 25, 2025, resolved to settle this incentive with the Executive Chairman, which the Board carried out at its meeting on April 8. This settlement, taking into account the advance payment and prorated over the 7-year duration of the plan (2018-2024), amounts to €2,762,539 annually. The table reflects the principle that multi-year compensation must be prorated based on the number of years it covers.

iii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Not applicable

iii) Long-term savings systems

	Remuneration from vesting of rights within savings systems (*)
Francisco Reynés Massanet	3,070

(*) Includes the amount of accrued annual variable remuneration to be settled in year Y as a contribution to superannuation plans, as established in the contract.

	Contribution by the company in the year (thousand euro)							
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Total accumulated funds (thousand euros) (*)			
					Year Y		Year Y-1	
Name	Year Y	Year Y-1	Year Y	Year Y-1	Plans with vested economic rights	Plans with unvested economic rights	Plans with vested economic rights	Plans with unvested economic rights
Francisco Reynés Massanet		0	3,070	2,977		22,803		19,627

(*) Includes the amount of accrued annual variable remuneration for the year that was settled as a contribution to superannuation plans, as established in the contract.

iv) Details of other items

Name	Item	Remuneration amount
Francisco Reynés Massanet	Life insurance and other bonds	118

b) Remuneration for directors of the listed company for membership of subsidiaries' boards of directors:

i) Remuneration in cash (thousand euro)

Not applicable

iii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Not applicable

iii) Long-term savings systems

Not applicable

iv) Details of other items

Not applicable

c) Summary of remuneration (thousand euro):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to the director, in thousand euro.

	Remuneration accrued in the Company					Remuneration accrued in group companies				
Name	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other headings	Year total - Company	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other headings	Year total - Group
Mr. Francisco Reynés Massanet	5,240		3,070	150	8,460					
Ms. Helena Herrero Starkie	360				360					
Mr. Ramón Adell Ramón	245				245					
Mr. Enrique Alcántara-García Irazoqui	82				82					
Ms. Isabel Estapé Tous	245				245					
Ms. María Isabel Gabarró Miquel	182				182					
Ms. Lucy Chadwick	245				245					
Mr. Rajaram Rao	245				245					
Mr. Martin Catchpole	138				138					
Mr. Claudi Santiago Ponsa	330				330					
Mr. Pedro Sainz de Baranda Riva	330				330					
Mr. Jaime Siles Fernández-Palacios	245				245					
Mr. Nicolás Villén Jiménez	138				138					
Rioja Acquisition, S.à.r,l..	57				57					
Mr. Javier de Jaime Guijarro	188				188					
Mr. José Antonio Torre De Silva López de Letona	245				245					
Ms. Marta Martínez Alonso	138				138					
TOTAL	**8,654**		**3,070**	**150**	**11,874**					

C.2. Describe the changes over the last five years in the amount and percentage change in the remuneration accrued by each of the persons who were directors of the listed company during the year, in the company's consolidated earnings and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and change per year (%)								
	Year Y	% change Y/Y-1	Year Y-1	% change Y-1/Y-2	Year T-2	% change Y-2/Y-3	Year Y-3	% change Y-3/Y-4	Year Y-4
Executive director									
Francisco Reynés Massanet	8,460	3.8%	8,147	-1.0%	8,232	-4.5%	8,619	3.3%	8,345
External directors									
Ms. Helena Herrero Starkie	360	14.3%	315	0.0%	315	1.0%	312	9.5%	285
Mr. Ramón Adell Ramón	245	11.9%	219	0.0%	219	-4.4%	229	-27.3%	315
Mr. Enrique Alcántara-García Irazoqui	82	-62.7%	219	0.0%	219	0.0%	219	57.6%	139
Ms. Isabel Estapé Tous	245	11.9%	219	0.0%	219	-2.2%	224	-14.8%	263
Ms. María Isabel Gabarró Miquel	182								
Ms. Lucy Chadwick	245	11.9%	219	0.0%	219	-2.2%	224	-14.8%	263
Mr. Rajaram Rao	245	11.9%	219	0.0%	219	0.0%	219	0.0%	219
Mr. Martin Catchpole	138								
Mr. Claudi Santiago Ponsa	330	15.8%	285	0.0%	285	0.7%	283	7.6%	263
Mr. Pedro Sainz de Baranda Riva	330	15.8%	285	0.0%	285	0.7%	283	7.6%	263
Mr. Jaime Siles Fernández-Palacios	245	11.9%	219	0.0%	219	12.9%	194	0.0%	
Mr. Nicolás Villén Jiménez	138								
Rioja Acquisition, S.à r.l., Mr. Javier de Jaime Guijarro	57	-74.1%	219	0.0%	219	0.0%	219	0.0%	219
Mr. Javier de Jaime Guijarro	188								
Mr. José Antonio Torre De Silva López de Letona	245	47.6%	166	0.0%	166				
Ms. Marta Martínez Alonso	138								
Company consolidated earnings	**2,023**	**6.4%**	**1,901**	**-4.3%**	**1,986**	**20.4%**	**1,649**	**35.8%**	**1,214**
Average employee remuneration	**71,953**	**5.8%**	**68,034**	**3.4%**	**65,784**	**6.9%**	**61,548**	**5.6%**	**58,281**

Comments:

Note:

Average employee remuneration is for the group, expressed in euro. Does not include employer social security costs.

The 2025 figures are estimates, pending the final closure and settlement of 2025 variable remuneration for the employees included in this scheme.

D. Other information of interest

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but that are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

Since the official form for the Annual Report on Director Remuneration does not allow numbers to be entered with decimals, the actual figures vary slightly from the stated figures in some cases.

This annual report on the remuneration of directors was approved by the company's Board of Directors on 17 February 2026.

Indicate whether any board members voted against the approval of this report or abstained.

Yes [ ] No [X]