

Compliance Policy

Table of Contents

1. Purpose of the Policy	3
2. Compliance Objectives	3
3. Scope of Application	3
4. Commitments	4
5. Roles and Responsibilities	4
6. Approval	5

1. Purpose of the Policy

The purpose of the Compliance Policy that develops the Code of Ethics of the Naturgy Group (hereinafter “Naturgy” or “Naturgy Group”, indistinctly) and forms an integral part of the Compliance Management System of the same is to define the general principles that this System reports, as well as the main commitments that are assumed by the Organisation with respect to compliance and should guide its conduct in all its areas of activity and in achieving its business objectives.

2. Compliance Objectives

The extensive set of activities developed by the Naturgy Group, the different geographical areas in which their operations are performed and the ongoing relationship with third parties, makes the Organisation subject to a variety of regulations in different jurisdictions as well as exposing the Company to a wide range of risks.

Naturgy`s Code of Ethics, top of the internal regulation system of the Group, establishes **respect for the current law, human rights and ethical values, as a primary standard of conduct governing its operations**. In line with said principle, together with the values of the Company, Naturgy has put a Compliance Management System into place.

The main objectives of Naturgy with respect to Compliance are:

- a) promote a Compliance culture and zero tolerance towards non-compliance.
- b) ensure, through prevention, detection, supervision, training and response activities, that the Organisation complies, within the scope of its activities and operations, with all relevant regulations, both external regulations as well as the internal regulation system (the foregoing, as whole, hereinafter “Applicable Regulation”), thereby avoiding any possible sanctions, economic loses and damage to their reputation.

3. Scope of Application

Naturgy`s current Compliance Policy is applicable to all Administrators, Directors and Employees of **Naturgy Energy Group, S.A. and all the companies and entities belonging to the Naturgy Group**, including those affiliate companies or entities controlled by the Group or for which the Group is responsible for their operations and/or management.

For those affiliate companies and entities that are not effective controlled by the Group and for which the Group is not responsible for their operations and/or management, the Group will promote, through their representatives in the Governing Bodies of the same the implementation of compliance systems in line with the principles, values, and commitments described in this Policy.

In addition, Naturgy shall promote and encourage their contractors, suppliers, collaborators and, in general, counterparties (hereinafter, this Policy shall refer to all the foregoing as “Counterparties”) to adopt conduct standards consistent with those defined in this Policy, and shall act with necessary diligence when selecting its Counterparties and adopting measures to maintain relationships with only those that are aligned with the Compliance objectives of Naturgy.

Naturgy can request its Counterparties to formalise their commitment to the conduct standards and Compliance objectives that are set forth in this Policy.

4. Commitments

The respect shown towards and fulfilment of the Applicable Regulation forms the base on which the conduct of Naturgy in all its activity areas are withheld, and on said base the main commitments towards compliance are configured, namely:

- 4.1. Promote awareness and respect towards the Applicable Regulation, nurturing a compliance and zero tolerance to non-compliance culture for said Regulation, with the unequivocal support, commitment and leadership of the Administrators and Senior Management of Naturgy.
- 4.2. Inform and make the Directors, Employees, and Counterparties aware of their obligation to report any conduct that does not comply with the good practice and compliance standards of the Naturgy Group, using for this purpose the appropriate whistle-blowing communication channel that guarantees its independence and confidentiality, and protects the Informer from any retaliation as well as the rights of the people under investigation.
- 4.3. Ensure the existence and compliance to a disciplinary system that sanctions any conduct breaching the Applicable Regulation, ensuring that its application is equal, proportional and fair.
- 4.4. Develop a Compliance Management System that facilitates the identification, assessment and management of non-compliance risks that may arise from operations, products and services of the Naturgy Group, as well as identify controls and integrate them in the processes of the Organisation, through internal policies, management regulations and operating procedures.
- 4.5. Provide training and assessment to all members of staff on topics related to compliance, as well as, where appropriate, to third parties who have a working relationship with Naturgy.
- 4.6. Assess on a regular basis the design and performance of the Compliance Management System, implementing as many changes and improvement opportunities that are identified.

5. Roles and Responsibilities

The Board of Directors of Naturgy Energy Group, S.A. is responsible for adopting the policies most relevant to the Naturgy Group, ensuring that they are in line with the mission, principles and values of the Naturgy Group. For this purpose, through its Audit Committee, the measures necessary for the implementation and supervision of the development and application of this Compliance Policy herein shall be adopted.

The Audit Committee shall ensure the independence of the Compliance Unit, guaranteeing that the same shall have the necessary resources to supervise the functioning and compliance to this Policy, and shall receive periodic information

about its activities through the Ethics and Compliance Committee and, if deemed necessary, the Compliance Unit.

The Ethics and Compliance Committee is a body with powers of initiative and control, designated by the Board of Directors for supervising the functioning and compliance of the Criminal Prevention Model of Naturgy, as well as the disclosure, promotion and supervision of the fulfilment of the Code of Ethics of the Naturgy Group and the main policies that they develop, as well as the policies for anti-corruption and human rights. This body shall inform the Audit Committee of any activities developed either by the Committee itself or by the Compliance Unit. During the exercise of its functions, the Ethics and Compliance Committee can rely on the support and assistance of the Compliance and Internal Audit Units, as well as external consultants.

Within Naturgy's organization, the Compliance Unit falls under the Group's General Counsel. Furthermore, the head of Compliance Unit is also the Chairperson of the Ethics and Compliance Committee. This Unit reports to the Audit Committee and is responsible for promoting the compliance culture in Naturgy and for driving the implementation, monitoring and fulfilment of the control models necessary to ensure that the key compliance risks that the Naturgy Group faces are covered, paying special attention to the Criminal Prevention Model, without prejudice to other models that may be implemented as part of other applicable regulatory blocks.

Senior Management will be an example to follow with respect to their conduct and degree of fulfilment of the Compliance Policy, and shall promote awareness and compliance to the same of the employees under their management area. Likewise, they shall collaborate in the identification of any compliance risks within their activity area, with the support and according to the criteria established by the Compliance Unit.

All employees are obliged to know and comply with this Compliance Policy, participating in the training sessions on Compliance when called to do so.

6. Approval

The Board of Directors of the Naturgy Energy Group, S.A., in the performance of his duties, and as proof of their commitment to the Compliance Management System of Naturgy Group, and with the creation, promotion and continuous development of a compliance culture within the Organisation, proceeds to approve the Compliance Policy herein, requesting that the same be made available to all Directors, Employees and, as deemed necessary, Counterparties who have a working relationship with Naturgy.

The Compliance Policy was approved by the Board of Directors of Naturgy Group, S.A. on January 29th 2019.

In case of any inconsistency between the English and the Spanish versions of this Compliance Policy, the version in Spanish language shall prevail.