

T₁

R₁

A₁

N₁

S₁

F₄

T₁

O₁

G₂

E₁

T₁

H₄

E₁

R₁

R₁

M₃

I₁

N₁

G₂

About SRNFIS

The Sustainability Report and Non-Financial Information Statement (SRNFIS) includes Naturgy's non-financial information, with the aim of informing all stakeholders and with total transparency of the most relevant facts and milestones related to Environmental, Social and Governance (ESG) aspects that occurred during the year. This report is included in Naturgy's Consolidated Annual Report.

The SRNFIS sets out the company's vision for the future and its business model in line with its relationship with its stakeholders. Thus, within the framework of the Corporate Responsibility Policy, and based on the levers of the company's Sustainability Plan, the report describes the identification and management of its potential and real, negative and positive impacts on the economy, the environment and people.

The SRNFIS also includes three annual reports with their own identity for the company's ESG governance, the TCFD Report, the EU Taxonomy Report and the Report on the Green Bond. The applicable standards of the Global Reporting Initiative (GRI), Law 11/2018 on Non-Financial and Diversity Reporting, the Sustainability Accounting Standards Board (SASB) and the EU Taxonomy regulation have been taken into account in the preparation of all of them. As a guarantee of good governance, all information has been verified by independent experts.

This executive summary provides a synthesis of the highlights and key information from the SRNFIS.



Access the
2022
Annual Reports

Letter from the Chairman



Dear readers,

If 2022 had to be summed up in one sentence, it could perhaps be described as the year when we emerge from a pandemic and enter a global energy crisis whose duration we cannot yet imagine.

In addition to human casualties -which is the most important thing-, the social damage this conflict is causing, and the collateral effects on global energy markets, and especially in Europe, are significant. Higher energy prices have had a direct impact on end consumers and, as a key input for industry, have increased costs, leading to spiralling inflation and a slowdown in economic growth. In response, the European economic and monetary authorities have embarked on a path of successive upward revisions of interest rates which are expected to last until 2023 and may affect the borrowing and investment decisions of businesses and households.

While Europe's commitment to the transition to a low-carbon economy may initially have been questioned, the current context has highlighted the need for Europe to speed up the process of energy transition and independence and to continue to invest in the development of new technologies such as renewable gases, storage and the accelerated deployment of renewable power stations.

Naturgy, a key player in the energy transition

To strengthen our commitment to the energy transition and decarbonisation of the economy, Naturgy joined the CEO Climate Leaders alliance last May. This alliance was created in 2014 to support and advance the Paris Agreement on climate change.

Although this year has shown that the diversification of gas supply sources is the key to guaranteeing energy supply and that natural gas is still essential for meeting electricity demand, Naturgy wants to be a relevant player in the evolution of the sector towards a realistic energy transition that is compatible with our environment and has therefore continued to develop its roadmap, as set out in the Strategic Plan.

Tangible and intangible investments have grown by nearly 30% in 2022. Of the total invested, more than 60% has been allocated to growth, mainly to the construction of different renewable projects and the development of networks. It is worth noting that two thirds of the investments are eligible under the EU Taxonomy, thus demonstrating the soundness of a sustainable business model and the creation of long-term value for the planet and people.

Naturgy remains committed to its renewables development strategy and has reached more than 5.5 GW of operating capacity in the period. In Spain, in 2022, we have commissioned ten wind and photovoltaic plants, we have started work on a further nine facilities and we are developing construction projects for approximately 30 wind farms and photovoltaic plants, which are expected to come on stream in the coming months. Outside Spain, it is worth highlighting the start of construction of the first photovoltaic plant in the United States which, with a surface area of more than 800 hectares, will be Naturgy's largest in the world.

We have also made the development of technologies such as hydrogen, offshore wind, biomethane and storage a reality in 2022. In the field of hydrogen, in partnership with Repsol and Reganosa, we have started to develop a renewable hydrogen hub of up to 200 MW in Meirama, one of the sites where we operated one of our coal-fired power stations for decades.

In addition, let me mention the Catalina project which, in consortium with other companies and aimed at the production of hydrogen and green ammonia, has the potential to create 5,000 jobs and avoid the emission of one million tonnes of CO₂ per year. This project will connect Aragon's renewable resources with industrial consumption centres on the east coast of Spain through a sustainable infrastructure.

During 2022, Naturgy has reaffirmed its commitment to offshore wind energy and participates in the European consortium NextFloat that will test an innovative 6 MW floating wind system, in the Mediterranean Sea, to test its scalability and future commercial development. Moreover, we have reached an agreement with Equinor for the development of a 200 MW offshore wind farm in the Canary Islands.

According to recent studies, Spain's potential for biogas production is more than 160 TWh per year, which would cover almost half of the national demand for natural gas. This transition would require investment of more than Euros 40 billion - almost 4% of national GDP - and the creation of 62,000 direct and indirect jobs. Naturgy is firmly committed to this energy source, as evidenced by the fact that in 2022 there will already be four biomethane plants feeding biomethane into the grid in Spain and one in Chile, which generate 0.2 TWh.

In addition, I would like to highlight two of the most innovative projects being developed by the company. On the one hand, the construction of Naturgy's first hybrid solar and storage plant in Australia. On the other hand, aware of the medium-term needs posed by the dismantling of renewable generation facilities, Naturgy, together with other entities, participates in the GiraWind project, which has created the first company in Spain dedicated to the comprehensive dismantling and recycling of wind farms with the aim of reconditioning and recovering the largest possible volume of materials.

These projects represent the future of Naturgy, and the commitment to renewable generation is already a reality, as evidenced by the fact that emission-free installed capacity will represent almost 40% of our total installed generation capacity in 2022.

“Naturgy, **maintains its commitment to be close to all its stakeholders**, including customers, citizens and shareholders, working to provide solutions that have value-added”.

The company has also stepped up investment in its distribution networks, which are necessary not only to bring the product of these technologies closer to the end user, but also to guarantee security of supply and day-to-day operations. Our gas and electricity distribution networks, the fundamental assets of the company, are constantly being renovated to incorporate the best and most up-to-date technology, demonstrating Naturgy's commitment to the sustainability of its business and to adapting to the evolution of innovation.

Naturgy recognises that the fight against climate change must be combined with the promotion of the restoration of natural capital and biodiversity through initiatives aimed at preventing, reducing and offsetting impacts, in order to advance the commitment to no net loss of biodiversity and the enhancement of the value of natural environments. In this regard, in 2022 alone we implemented 345 biodiversity initiatives, 20% of which were voluntary, as well as environmental restoration actions on 50 hectares, more than 30% of which corresponded to protected areas, habitats or species.

Naturgy, an agent for a just transition and on the side of its customers

Naturgy, despite the volatility and uncertainties, maintains its commitment to be close to all its stakeholders, including customers, citizens and shareholders, working to provide solutions that have value-added in this turbulent context.

Thus, we have continued with the Compromiso (Commitment) initiatives, with which Naturgy was a pioneer in the protection of customers affected by the volatility of energy prices. During 2022, we have launched Compromiso Gas Industrial, so that large consumers can count on a stable two-year supply, and a personalised and direct service exclusively to homeowners' associations. They complement the Compromiso Electricidad offer launched at the end of last year and demonstrate the company's commitment to social responsibility.

We have also reinforced our customer service channels by multiplying by twelve the number of agents who deal with requests to contract the Last Resort Tariff (LRT) for gas, currently the cheapest on the market, and we have set up a form on the website to make it easier for customers to switch to the LRT. Thanks to this, in the second half of 2022, Naturgy has managed to transfer around 150,000 customers to the LRT, becoming the company with the most customers under this tariff in Spain, around 1.7 million.

Another major milestone in our commercial offering has been the promotion of self-consumption solutions, with the capacity to generate savings for consumers of up to 70% on their electricity bills.

As a company committed to the communities and the environment in which it operates, I would like to mention that Naturgy has continued to make progress in the decommissioning of the sites of the coal-fired power stations that the company closed in 2020 and has continued to work on the implementation of the associated support plans. In this regard, I would like to highlight the obtaining of the favourable Environmental Impact Statement (EIS) for the Meirama wind farm and our commitment to promoting jobs and training, which has been strengthened thanks to the agreement signed between the Just Transition Institute and the Naturgy Foundation.

2022, a key year in the implementation of the business vision

All these milestones in terms of technological development, deployment of renewables and social inclusion represent significant progress in the execution of our Strategic Plan and Sustainability Plan.

In February this year, the Board, at the proposal of the Management Committee, unanimously approved a project to boost Naturgy's role in the energy transition, promote investments, speed up its Strategic Plan and generate value for its shareholders: the Gemini project. This project will involve the creation of two large, listed energy groups with clearly differentiated business profiles.

While the Board continues to monitor the progress of all the analyses of this project, which thus far confirm its strategic suitability, at the end of 2022, the current volatility of the markets, the evolution of the energy situation and the many regulatory uncertainties, make it advisable to slow-down and adapt the implementation timetable to how these events pan out.

Despite this, good progress in executing the strategy has been reflected in the company's bottom line. Specifically, in 2022, Naturgy has posted an EBITDA of Euros 4.954 billion with a net result of Euros 1.649 billion.

The Networks business in Spain and Latin America achieved an EBITDA of Euros 2.475 billion in the year, up 9% compared to 2021 due to operating efficiencies and, in Latin America, supported by the update of tariffs to reflect inflation in previous periods, as well as positive exchange rate effects.

The good performance of the deregulated business also explains the increase in the Group's EBITDA, with the Energy Management and Commercialisation businesses contributing most to the year's growth, while Renewables and New Businesses were affected by the low hydro production in Spain.

These results allow the company to reduce its debt and improve its net financial debt to EBITDA ratio from 3.6x in 2021 to 2.4x, as well as maintain a high level of fiscal contribution with Euros 3.503 billion generated for public administrations and, at the same time, maintain its investment commitment.

Beyond financial results, our sustainability management has also been recognised by the market. As an example of this, the company has been recognised by Ecovadis with the Platinum medal, ranking Naturgy among the top 1% of all the companies scored by this rating platform. In addition, we have been recognised once again as a world leading company for our action against climate change by the prestigious Carbon Disclosure Project (CDP) index and for another year, uninterrupted for two decades, Naturgy continues to appear on the FTSE4Good index.

Naturgy, a team of people up to the challenge

None of this would have been possible without the trust, work and commitment of all the people who are part of this corporate project, with whom Naturgy maintains a strong commitment to their development through the promotion of inclusive leadership, a dynamic and recognised professional experience, a flexible organisational framework and its transforming culture, evidenced by the 20% increase in the number of hours devoted to training in 2022.

Furthermore, this commitment was made clear with the signing of the 2021-2024 Collective Bargaining Agreement, where the promotion of work-life balance and gender diversity is one of its fundamental pillars. We highlight our commitment to incorporate new talent through programmes such as Flex & Lead and the management of diversity and equality. As a result of these initiatives, the proportion of women in the staff has increased and is now well over 30%.

For all these reasons, I would like to thank the trust, work and effort of all those persons who make this business project possible. The support of our shareholders, the loyalty of our customers and suppliers and, above all, the trust and commitment of all the professionals associated with Naturgy. Without a doubt, the achievements I mention in this letter, and those that appear throughout the report, belong to all of them.

Thank you all very much,

A handwritten signature in black ink, appearing to read 'Francisco Reynés', with a stylized, cursive script.

Francisco Reynés
Presidente Ejecutivo

Madrid, march 2023.

Main milestones 2022



Naturgy remains committed to making progress in the energy transition. In 2022, investments grew by 29% year-on-year to Euros 1.907 billion, mainly in renewables and distribution networks.



Increase in installed renewable capacity to 34%. Naturgy already has 5.5 GW of renewable energy capacity in operation, of which 1 GW came into operation in 2022.



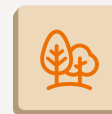
Production and injection of renewable gas into the gas distribution network. Naturgy has injected 0.2 TWh of biomethane into its gas networks and has a portfolio of 43 projects under development for the production of biogas from waste and the subsequent production and injection of biomethane into the natural gas network.



Solvency of the business model vis-à-vis EU Taxonomy. The Turnover indicator shows 26% eligibility, Opex increases to 50% and Capex reaches 67%.



24% reduction of the carbon footprint (Scopes 1, 2 and 3) vs. 2017. In 2022 there is a reduction of the total carbon footprint (scopes 1, 2 and 3) of 17% compared to 2021 (24% when compared to base year. 2017).



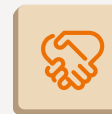
345 biodiversity initiatives in course on an international level, 20% of which are voluntary. Naturgy has carried out restoration actions on 50 hectares, 31% of which correspond to protected areas, habitats or species.



Commitment initiatives with customers in mind. To mitigate the effects of high energy prices, Naturgy offers long-term fixed tariffs, benefiting more than 500,000 retail electricity customers and 6,000 homeowners' associations.



Collaboration agreement between the Just Transition Institute and the Naturgy Foundation. The protocol establishes lines of collaboration in training and research related to the promotion and requalification of green employment in just transition zones.



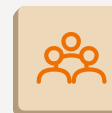
Commitment to the responsible supply chain. An 83% coverage of ESG audits has been achieved over the purchase volume with high ESG risk.



Naturgy signs new Collective Bargaining Agreement for the 2021-2024 period. The promotion of work-life balance and co-responsibility between men and women are fundamental pillars.



Naturgy continues to make progress on gender parity. 34% of management positions are held by women.



Flex&Lead programme with the goal of incorporating 300 young people with diverse profiles by 2025. During the term of the programme, more than 150 people have joined Naturgy, 77% of whom are women.

Figures 2022

Main economic indicators

Net turnover
€33,965M
€22,140M in 2021

Gross operating profit
€4,954M
€3,529M in 2021

Total investments
€1,907M
€1,484M in 2021

Net profit
€1,649M
€1,214M in 2021

Indebtedness
54.7%
59.1% in 2021

Net Debt / EBITDA
2.4x
3.6% in 2021


Dividend paid
€1,164M
€1,290M in 2021


Share price 31/12/22
€24.31
€28.63 in 2021

Share price 31/12/22
€1.72
€1.26 in 2021


Main operational figures

Distribution


 Gas
386,464GWh
459,878GWh in 2021

 Networks
136,272km
135,640km in 2021

 Supply points
11,050 in thousands
11,036 in thousands en 2021

 Electricity
47,029GWh
41,754GWh in 2021

 Networks
155,060km
153,981km in 2021

 Supply points
4,827 in thousands
4,776 in thousands en 2021

Electricity generation

Total installed capacity
16,188MW
15,896MW in 2021
5,462MW renewable capacity (5,170MW in 2021)

Total net production
47,029GWh
41,754GWh in 2021

Production from renewable sources
9,353GWh
10,521GWh in 2021

Geographical presence

USA

Renewable generation projects (8 GW solar and 4.6 GW storage).

Puerto Rico

NG/LNG (regasification plant) infrastructure and generation of electricity.

Dominican Republic

Generation (198 MW, fuel-oil).

Mexico

Gas distribution (15 states and 1.6 Mn customers) and generation (2,446 MW, combined cycles and 234 MW, wind).

Costa Rica

Generation (101 MW, hydraulic).

Panama

Electricity distribution (Panamá Central, West, Inland, Chiriquí and 0.7 million customers) and generation (22 MW, hydraulic).

Chile

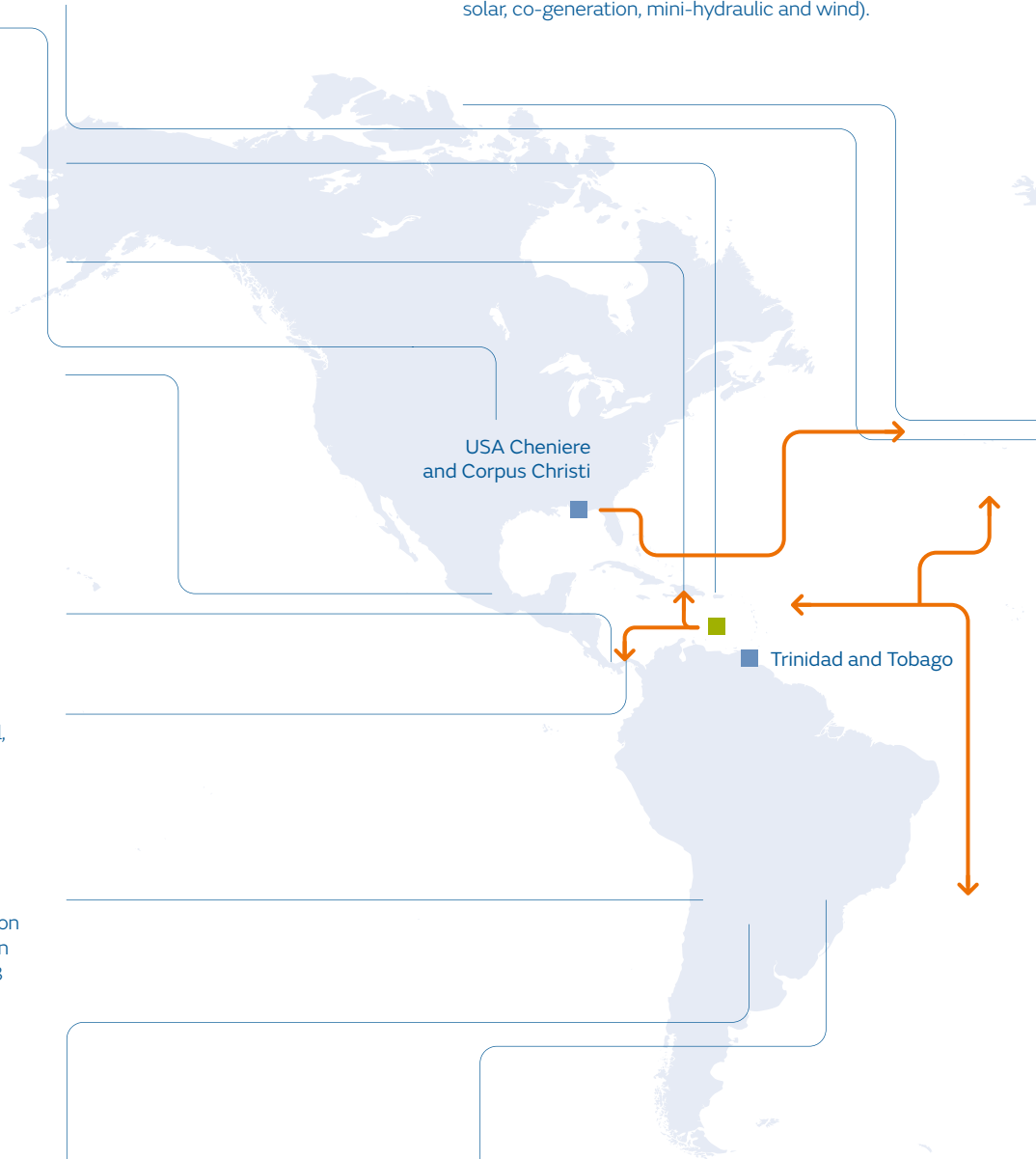
Gas distribution (4 regions and 0.7 million customers). NG/LNG commercialisation and generation (206 MW wind and 128 MW solar).

Portugal

NG/LNG and electricity commercialisation.

Spain

Exploration, transportation, distribution and commercialisation of gas and electricity. Generation (combined cycles, nuclear, hydraulic, solar, co-generation, mini-hydraulic and wind).



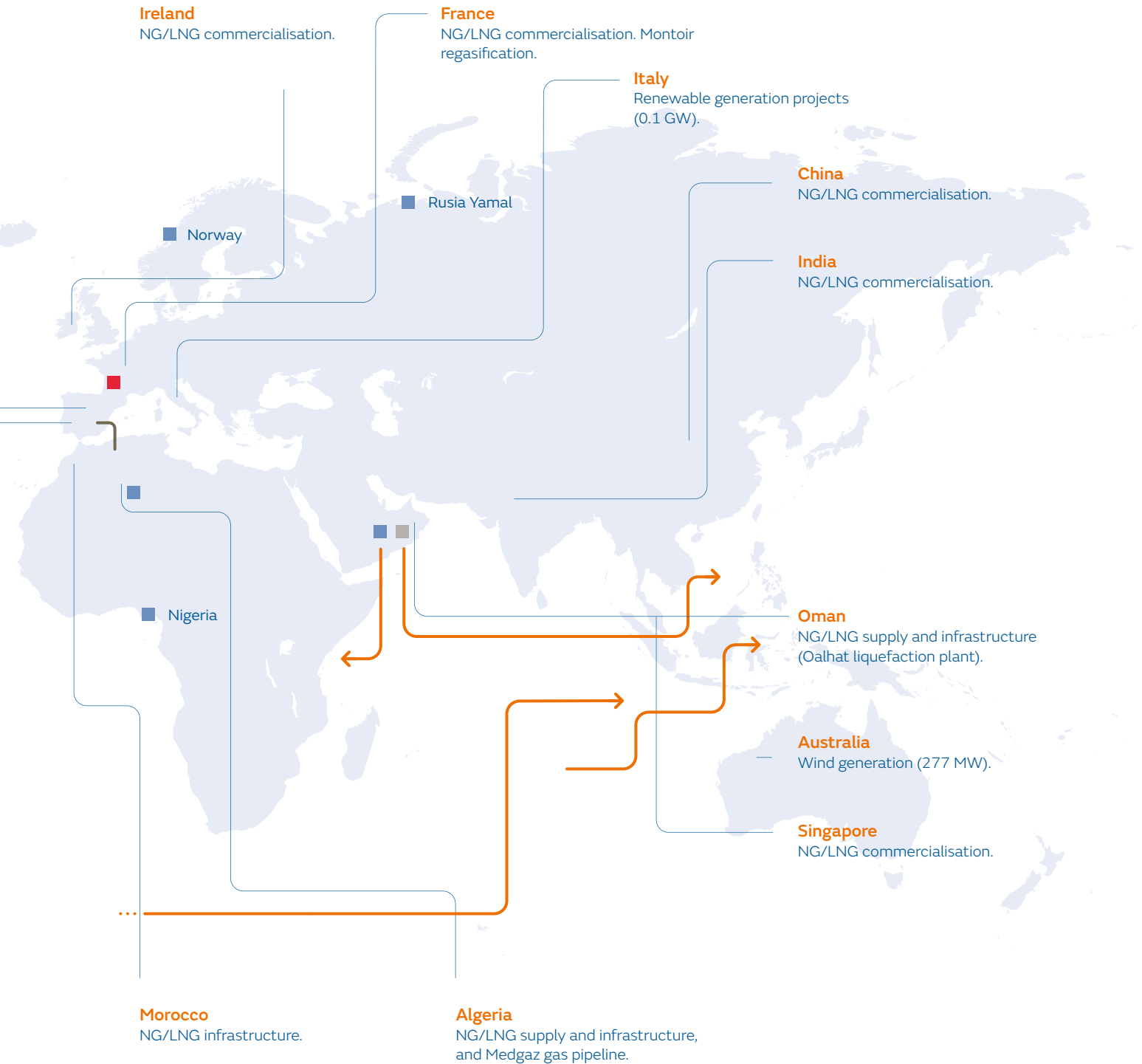
- Gas flow.
- Medgaz gas pipeline.
- Liquefaction plant.
- Regasification plant.
- Leased regasification plant.
- Long-term gas contracts.

Argentina

Gas distribution (5 provinces including Buenos Aires and 2.2 million customers) and electricity distribution (0.2 million customers).

Brazil

Gas distribution (Rio de Janeiro state, São Paulo South and 1.2 million customers). NG/LNG commercialisation and generation (153 MW solar).



NG infrastructure in Morocco ended its activity on October 31, 2021.



Rethinking the future of energy means ensuring sustainable and affordable energy for the future. At Naturgy we know that facing today's challenges means tackling essential issues such as climate change, energy transition, sustainability and the transformation of the customer experience with an open and innovative attitude, identifying opportunities, new business models and developing solutions that contribute to the development and well-being of society.



Naturgy's vision for the future

Purpose and strategy

Transforming together; Naturgy's purpose, was formulated in 2021 in an economic and social context different to today's, although, almost two years on, it remains valid and seems more necessary than ever.

In 2022, the company has faced a threat to world peace unprecedented in the last 50 years, which has triggered a crisis in energy markets with severe economic consequences that have yet to end. Although it affects different regions asymmetrically, with Europe being the most affected continent, rising inflation due to raw materials prices, the economic slowdown and rising interest rates have a major impact on households and businesses.

All this is coupled with the increasingly urgent need to make progress in reducing greenhouse gas emissions to comply with the Paris Agreement and limit global warming as much as possible, in a way that minimises the impacts on people and nature.

Energy transition is therefore presented as a key tool for reducing energy and resource dependence, accelerate the fight against climate change and, if done in an inclusive and fair way, ensure social progress and human well-being.

Naturgy considers that the principles that should govern this energy transition are reflected in its purpose, values and the company's strategic plan. They are based on a diversified business model, present throughout the energy value chain and in different countries.

Who are we?	Our business model	Naturgy Energy Group, S.A. and its subsidiaries (hereinafter, Naturgy) is a group dedicated to the generation, distribution and commercialisation of energy and services present in more than 20 countries, supplying gas and electricity to 16 million customers and with an installed capacity of 16.2 GW and a diversified mix of electricity generation.
What are we like?	Our values	<ul style="list-style-type: none"> ▪ Forward Vision: innovating for a better future. ▪ People Oriented: transforming from the most human side. ▪ Excellence Driven: working with excellence. ▪ One Planet: for a more sustainable society.
What do we seek to achieve?	Our purpose	Transforming together: transforming the world through energy, addressing the challenge of the energy transition and the demands of society and customers. Naturgy wants to do it together with its employees, customers, shareholders and partners.

Continues >

How are we going to achieve this??

Our strategy

- **Grow:** pursue organic growth consistent with the energy transition and deploy opportunistic asset rotation to speed up the transformation.
- **Focus on:** renewables and networks activities in stable geographies and regulatory frameworks and reduce volatility in supply commitments.
- **To be a best-in-class company:** to carry out continuous improvement processes, increasing the digital footprint and reinventing the relationship with customers.
- **Continue to incorporate ESG aspects:** rooted in the essence of the company, aligned with the SDG and guided by tangible goals to meet commitments.
- **Change the culture:** drive passion in employees through core values and be aligned with different stakeholders.

ESG at the core of our vision

Naturgy’s Strategic Plan, as well as the Sustainability Plan emanating thereof, reflect the company’s commitment to the environment, society and governance (ESG). The main 2025 ESG objectives are as follows:

		2020	2022	2025	
(E) Environment Zero net emissions by 2050	▪ Reduction of emissions.	16%	24%	24%	Reduction of tCO2eq (scopes 1+2+3) vs. 2017. Projects (#).
	▪ Biodiversity.	265	345	>350	
(S) Social Gender parity by 2030	▪ Promote diversity.	27%	34%	>40%	Women in management positions. Suppliers audited in ESG.
	▪ Extending ESG in the supply chain.	70%	83%	95%	
(G) Governance ESG-aligned management remuneration	▪ ESG goals as part of management incentives.	3%	10%	10%	Variable remuneration linked to ESG. Implementation of TCFD and Taxonomy.
	▪ Climate change risk report and Taxonomy.	Partial	90%	100%	

Commitment to sustainability

As an energy company Naturgy has the capacity to make a key contribution to the social transformation and sustainable development of the communities in which it operates through its services and internal management. Specifically, and in relation to the sustainable development agenda currently in force (the 2030 Agenda and the United Nations Sustainable Development Goals), Naturgy contributes directly or indirectly to the SDG as reflected in the commitments of its Corporate Responsibility Policy:

Driver	Our values	SDG	Our commitments
Integrity and trust	<i>Excellence Driven</i>	8 10 12 16 17	Integrity and transparency. Responsible supply chain.
The opportunity of environmental challenges	<i>Forward Vision One Planet</i>	3 6 7 9 11 12 13 14 15	Responsible management of the environment.
Customer experience	<i>Excellence Driven</i>	7 9 11 12 17	Service excellence.
Commitment and talent	<i>Forward Vision People Oriented</i>	3 4 5 8 9 10	Interest in people. Health and safety.
Innovation and new business development	<i>Excellence Driven</i>	7 8 9 11 12 13 15 17	Commitment to results. Service excellence
Social responsibility	<i>People Oriented Excellence Driven</i>	1 3 7 8 10 11 12 17	Social commitment. Responsible supply chain. Integrity and transparency.

Business model

Sustainability Plan

Placing sustainability as the backbone of the strategy allows Naturgy to reduce its environmental impact, increase its involvement and commitment to its stakeholders and endorse its responsibility with the energy transition.

In 2021 and fully integrated with the company's Strategic Plan, the Sustainability Plan was also defined, setting out 6 drivers, 21 lines of action and 74 targets to improve Naturgy's management and performance in relation to those Sustainable Development Goals (SDG) in which a greater possibility of improvement has been identified. The Sustainability Plan thus helps to facilitate supervision of the Corporate Responsibility Policy and performance of the sustainable strategy within the Sustainability Committee; defines a roadmap to continue to occupy leading positions in the management of ESG aspects; promotes compliance with the 2030 Agenda and allows Naturgy to define its medium-term ambition in response to the expectations of Naturgy's stakeholders.

	Target 2025	2022	2021
Driver 1. Integrity and trust			
Sustainable financing and/or financing compatible with energy transitions (green finance, transition bonds...) (million euro)	5,492	6,923	6,337
Meetings held with ESG investors (number)	50	24	16
Implementation of the ESG risk quantification methodology (scale 0 low risk - 5 high risk)	1.9	2.0	2.1
Cost of resolving cybersecurity incidents (direct, indirect and reputational cost) (euros) / IT disbursement (%)	0.3	0.0	0.0
Cybersecurity incidents / Millions of attacks (%)	4.7	2.8	3.7
Naturgy Energy Group BitSight International Index	790	730	690
Coverage level of ESG audits over purchase volume with high ESG risk (%)	95.0	82.7	72.2

Continues >

	Target 2025	2022	2021
Purchase volume with acceptance of the Code of Ethics (%)	95.0	95.4	94.2
Implementation of the Social Media Management and Use Guidelines	Implanted	Ongoing	No
Maintain and renew ISO37001 and UNE19601 Certification (anti-bribery and criminal compliance management)	Renew	Yes	Yes
Criminal indictments for corruption-related offences (number)	0	0	0
Annual external audit of the Crime Prevention Model in accordance with article 31 bis of the Criminal Code	Favourable outcome in all subject countries	Favourable outcome in all subject countries	Favourable outcome in all subject countries
Counterparties assessed on the basis of ESG risk (number) (1)	Pending definition	61	Not available
Non-financial indicators with qualifications (number)	0	0	0
Publish the Tax Transparency Report	Publish the Tax Transparency Report	In progress	Not available
Degree of compliance with the new recommendations of the CNMV' Good Governance Code (%)	Absorb all modifications to the CNMV's recommendations that may arise and undertake to comply with any others that are not related to the composition of the shareholding structure and the right to proportional representation, or related to previously acquired commitments	81	81
Compliance with the critical infrastructure governance model (%)	95	87	40
Driver 2. The opportunity of environmental challenges			
Absolute GHG emissions Scope 1 and Scope 2 (million tCO ₂ eq)	11.4	15.1	13.5
Absolute GHG emissions Scope 3 (million tCO ₂ eq)	114.1	110.1	136.5
CO ₂ intensity in electricity generation (tCO ₂ /GWh)	171	279	261

⁽¹⁾ The figure indicated for 2022 corresponds to activity since July 2022, when the counterparty risk assessment tool was implemented. Given the recent implementation of this system, once further information is available the company will define the target for 2025..

Continues >

	Target 2025	2022	2021
Generation mix from renewable sources measured in installed capacity over the total of the group (%)	56	34	33
Renewable gas production or injection capacity (TWh) ⁽²⁾	1.0	0.22	0.21
Total water consumption (hm ³)	15.6	18.8	15.2
Total waste production (hazardous + non-hazardous) (kt)	110	94	98
Total waste recycled and recovered (hazardous + non-hazardous) (%)	75	92	57
Initiatives to improve biodiversity throughout the life cycle of the facilities (construction, operation, dismantling) (number)	350	345	302
Environmentally restored cumulative area (ha)	Pending definition	In progress	In progress
Activity with ISO 14001 environmental certification (% of EBITDA)	95.0	97.9	93.1
Calculation of Physical Climate and Energy Transition Risks at Corporate Level (50%) and at Business Unit Level (100%) (%)	100	50	50
Eligible Capex according to European Taxonomy (%)	80	67	61
Driver 3. Customer experience			
Net Promoter Score (NPS) Spain commercialisation (global) (%)	40.0	20.8	18.5
Net Promoter Score (NPS) Spain electricity networks (telephone service) (%)	30.0	9.3	22.3
Net Promoter Score (NPS) Spain gas networks (telephone service) (%)	39.0	21.2	18.9
Net Promoter Score (NPS) Argentina (global) (%)	55.0	46.0	34.0
Net Promoter Score (NPS) Brazil (global) (%)	68.0	52.1	56.5
Net Promoter Score (NPS) Chile gas (global) (%)	70.0	56.2	64.3
Net Promoter Score (NPS) Mexico (global) (%)	27.0	39.4	11.8
Net Promoter Score (NPS) Panama (customer service) (%)	24.0	7.4	3.0

⁽²⁾ The figure for 2021 has been changed from 0.14 to 0.21 to adjust it to the capacity of existing projects.

Continues >

	Target 2025	2022	2021
Global satisfaction with service quality (1-10)	8.0	7.6	7.5
No. of complaints registered / No. of contacts (%)	< 3	4.8	4.8
Customers with online billing. Spain (%)	47.0	51.0	41.0
Contracts per customer. Spain (number)	1.65	1.54	1.56
Units with Crisis Management Plans prepared and tested (years/actual case), with respect to the total number of units/countries that should have one (%)	90	50	15
Partnerships with third parties providing value-added solutions for customers. Spain (number)	5	5	5
Interaction with digital channels (%)	53.8	57.5	48.7

Driver 4. Compromiso y talento

People trained out of the total number of employees included in talent transformation programmes (%)	75	83.5	69.9
Training per employee (hours)	> 35.0	35.9	28.8
Unwanted rotation in key positions (structural positions) (%)	< 0.5	1.5	0.9
Employees subscribed to the benefits platform (%)	49.7	55.9	8.9
Women in management posts (%) ⁽³⁾	>40	26.2	21.2
Geographic diversity in executive and middle managers (of total) (%) ⁽⁴⁾	14	13	13
Diversity of skills (out of total) (%)	2.5	1.3	1.1
Employees under 30 years of age (%)	10	5	4
NPS promoter employees (%)	40	31	24
Own staff lost time accidents frequency rate (OSHA criterion)	0.12	0.12	0.10
Own staff lost time accident severity rate (OSHA criterion)	6.15	5.66	2.61

⁽³⁾ The percentage of women in executive and management positions is 33.7% (32.4% in 2021), in line with Naturgy's Sustainability Plan goal of 40% by 2025.

⁽⁴⁾ Number of different nationalities within the group's executive and managerial personnel.

	Target 2025	2022	2021
Absenteeism rate due to common contingency (%)	< 3.0	2.6	2.5
Staff working from home (%)	40	47	21
Weekly working hours carried out remotely (%) ⁽⁵⁾	30	Voluntary, maximum 40%	20
Staff eligible for the efficient vehicle leasing service. Spain (%)	36	37	19

Driver 5. Innovation and new business development

Energy billed for mobility services (GWh)	1,377	933	939
Managed recharging points for NG-LNG vehicles (number)	19	13	12
Recharging points for electrical vehicles (number)	5,000	394	352
Customers acquired for self-consumption products (number)	2,886	2,725	560
Amount of stored energy (GWh)	> 82	0	0
Energy storage solution projects (number)	> 6	0	0
Renewable gas production projects in service (number)	>30	2	2
Signals remotely monitored / MW installed renewable technologies (number)	240	162	123
ICEIT. Spain (minutes)	36.4	35.4	35.8
Investment in innovation over EBITDA (%)	> 2	1.2	2.8
Challenges and proofs of concept with start-ups in open innovation programmes ⁽⁶⁾ (number)	>100	3	5

⁽⁵⁾ Figures for Spain.

⁽⁶⁾ The 2025 target will be revised in 2023 according to the new criteria applied in 2022.

Continúa >

	Target 2025	2022	2021
Driver 6. Social responsibility			
Attendees at energy efficiency workshops in Spain (number)	7,900	3,942	3,861
Energy rehabilitations. Spain (number)	> 5,000	3,625	2,514
Volunteers (number)	1,000	646	477
Collaborating social entities (number)	20	31	18
Initiatives with impact assessment (%)	100	33	0
Develop and implement a methodology for measuring natural and social capital	Measurement in 2021 with targets for improvement from the first measurement	Elaborated	In progress
Total social investment ⁽⁷⁾ (million euro)	> 8	11	10
Purchase volume assigned to local suppliers (%)	> 85.0	80.4	92.2

⁽⁷⁾Includes social investment in the local community and philanthropic investment. It is estimated that when a methodology for assessing social impact is available, these figures will vary and definitive objectives will be established.

Placing **sustainability as the backbone of the strategy** allows Naturgy to reduce its environmental impact, increase its involvement and commitment to its stakeholders and endorse its responsibility with the **energy transition**.

Stakeholders of Naturgy

Over the last decade, the regulator has become increasingly aware of the need for companies to openly incorporate stakeholder concerns into their decision-making so that they can effectively generate social good in the companies' strategies and in the course of their activities.

As part of its sustainability management, Naturgy systematically incorporates the vision of stakeholders in its decision-making, by establishing two-way relationship and communication channels. Creating relationships of trust 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.



- Shareholders/investors.
- Customers.
- Employees.
- Suppliers.
- Society.
- Business Partners.
- Analysts.
- Market Agents.
- Administration.
- Regulators.
- Finance Groups.
- Insurance agencies and reinsurers.

Stakeholder management

- Corporate Responsibility Policy, which includes the company's commitments to its different audiences in the search for mutual benefit and assumes the obligation to establish channels of dialogue.
- Specific management systems at local scale.
- Human Rights Policy, which addresses in particular Naturgy's relationship with local communities, and includes a commitment to improving living conditions.
- Social Relationship Model (SRM), which seeks to integrate social management as a discipline throughout the life cycle of generation projects.
- Sustainability, Reputation and Institutional Relations Department, reporting directly to the company's chief executive.
- The functioning of these relationship and disclosure channels, and the results of the consultations and feedback received from stakeholders are regularly reported to the Sustainability Committee and the Board of Directors.

Adapted communication channels

Naturgy has several of its own communication channels to offer the best service to all its stakeholders. In addition to consultation and outreach actions as part of the dialogue with shareholders and investors, customers and related groups, employees, suppliers and society in general, the company carries out transparency, awareness-raising, dissemination of knowledge on energy and the environment and constructive dialogue with stakeholders.



01

Shareholders and investors



02

Employees



03

Society



04

Customers and related groups



05

Suppliers

01. Corporate website with specialised financial information, and shareholder office as a meeting point and service for minority investors. Meetings between representatives of the company's management team and the Rating and Capital Market Department and analysts and institutional investors.

02. Engagement surveys and measurements. Information meetings and communications.

03. Participation in forums and debates related to the energy sector. **Publications** on various subjects.

04. Surveys to gather feedback and opportunities for improvement. Meetings and working groups with entities. Informative content delivery.

05. Audits, improvement plans and training for supplier development. **Survey, communications and contact channels.**

Presence in trade associations

Naturgy carries out permanent work with its stakeholders and its participation in associative entities is essential in contributing to social dialogue and the construction of better public policies to tackle the energy transition sought by the company. The entities in which Naturgy participates include the Spanish Association of the United Nations Global Compact, Forética, and the CEO for Climate Leader.

Institutional Relations Policy

More than **150** relevant participations.

2,575,829€
Investment equal to Euros.

Integrity and trust

One of Naturgy's guiding principles is to be a company where integrity and trust are the foundations of the business model. The company also aims to be responsible, transparent and committed to all stakeholders.

Highlights of the year

Compliance:

- Implementation of a company-wide Code of Ethics Channel tool that complies with the standards of the Whistleblowing Directive Bill.
- Approval by the Executive Committee of the Business Courtesies Policy, which reinforces existing control mechanisms on corruption and conflicts of interest.
- Significant step forward in due diligence procedures and third party risk analysis following the implementation of a tool that integrates ESG issues.
- There have been no reports, through the Code of Ethics Channel or otherwise, of any human rights violations. Accordingly, no remediation measures have been necessary.

Corporate governance:

- Review of the Director Selection Policy and other governance rules to adapt them to the latest developments in the Corporate Enterprises Act.
- Approval of a new Directors' Remuneration Policy aligned with Naturgy's Strategic Plan and aimed at promoting long-term profitability and sustainability.

Security and privacy:

- Naturgy received 73 requests for information from the Spanish Data Protection Agency, all of which were duly dealt with none of which have resulted in a sanction to this date.
- Conducting cybersecurity incident response simulation exercises in each of the businesses and countries of operation on an annual basis.

Integrated and sustainable management:

- AENOR audited the integrated quality, environment, health and safety management system (IMS), certified according to the requirements of the ISO 9001, ISO 14001 and ISO 45001 standards.

Supply chain:

- Application of a new criterion in procurement processes, including a progressive assessment of the carbon footprint measurement of suppliers in bidding processes. In addition, Naturgy is part of the "Training programme: Sustainable suppliers", focused on training SME suppliers of large companies in specific areas of the Ten Principles of the Global Compact and the SDG.

Compliance

In order to adequately manage risk, Naturgy has a set of rules, the cornerstone of which is the Code of Ethics, which is developed in policies that govern the conduct and management of the company by its directors, employees and suppliers. Naturgy also has safeguards in place, such as internal audits and a reporting channel.

Evolution and results

	2022	2021
Communications received by the Ethics and Compliance Committee	61	96
No. of notifications received per 200 employees	1.2	1.7
Average time for resolving notifications (days)	78	74
Audit projects analysed on the basis of the risk of fraud	89	97
Notifications received in the area of human rights	0	0
Number of persons trained on the Human Rights Policy ⁽¹⁾	7,205	6,948

⁽¹⁾ Cumulative figure. 257 persons trained on the Human Rights Policy in 2022..

Naturgy's policies, codes, standards and procedures

Certifications

- ISO 14001
- ISO 27001
- NIST SP 500-53
- ISA 62441
- UNE 19601
- ISO 45001
- ISO 45005
- ISO 50001
- ISO 9001

- Code of Ethics.
- Supplier Code of Ethics.
- Crime Prevention Model.
- Compliance Policy.
- Anti-Corruption Policy.
- Corporate Hospitality Policy.
- Tax Risks Control and Management Policy.
- Human Rights Policy.

- Institutional Relations Policy.
- Counterparty *Due Diligence* Procedure.
- General Procedure of Sponsorship and Donations.
- Code of Good Tax Practices.
- Measures for the prevention of money laundering.

Corporate governance

Naturgy's corporate governance is governed in accordance with the principles of efficiency, transparency and responsibility pursuant to the recommendations and best practices at national and international level and included in the main internal rules of the company:

In the actions carried out by the Board of Directors, there is a clear vocation for compliance with good governance standards, mainly with regard to aspects related to the evaluation of the strategic plan, decision-making, the establishment of control mechanisms, risk supervision, regulatory compliance and the monitoring of ethical, social and environmental issues in the performance of the company's activities. To this end, Naturgy frequently reviews its operations through internal audit and compliance procedures and uses its internal regulations to set out those practices that should lead to greater knowledge of the company's way of working.

Risk management

Essential elements of the risk measurement and management model include ensuring that relevant risk factors are correctly identified, assessed and managed. The ultimate aim is to ensure that the level of risk exposure assumed by Naturgy in the performance of its activities is consistent with the overall objective risk profile defined and with the achievement of the annual and strategic objectives.

- **Risk Governance & Management:** risk governance and management mechanism for all types of risks and for all businesses.
- **Risk Assessment:** methodology, procedure and process for identifying, evaluating and measuring risks.
- **Risk Appetite:** definition of risk tolerance through the setting of limits for the most relevant risk categories, by nature of risk and by business according to objectives.
- **Risk Reporting:** systematic and periodic reporting and monitoring of risk at different management levels: Business Units, Corporate, Chairman's Office and Board.

The categories for each risk typology are:

Economic	Financial	Reputational/ Sustainability	Strategic	Estratégicos
Commodity	Credit	Security	Reputational	Alignment with energy transition
Exchange rate	Interest rate	Business continuity and crisis management	Environmental (E)	Long-term commodity exposure
Regulatory	Taxation	Fraud	Social responsibility (S)	Capital employed by geography
Volume	Liquidity and solvency	Cybersecurity	Governance (G)	Risk profile regulated businesses
Margin / Price	Rating	Data protection	Compliance	Exposure to soft currency
Legal	Provisions	Environmental	People	Exposure to merchant businesses
Operational		Customer satisfaction	Climate change	
		Health and safety		

Emerging risks

Cybersecurity or digital information security

- Loss of information due to theft of files vital to business operations.
- Phishing.
- Loss of trust.
- Loss of customers.
- Reputational damage.
- Stoppage of activity.
- Economic losses.

Climate change:

- Risk derived from energy transition (changes in regulations, the market, technologies) and the physical impacts of climate change (acute and chronic).
- The identification, measurement and management of climate change risks and opportunities are performed in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Supply chain

Naturgy, aware that the risk in relation to the integrity of the company goes far beyond its operations, has a policy of responsible management of its supply chain. To minimise risks in terms of the environment, health and safety, human rights, labour practices or corruption and to guarantee adequate management, Naturgy has mechanisms in place to evaluate and select suppliers. The **Supplier Code of Ethics** ensures compliance with the principles set out in the company's Code of Ethics.

Evolution and results

	2022	2021
Total number of suppliers ⁽¹⁾	5,951	5,995
Total procurement volume awarded ⁽¹⁾ (million euro).	2,643	2,470
ESG assessment of suppliers (number)	6,065	6,101
Number of critical suppliers	1,241	1,247
Official-approval suspended suppliers (number)	1	0

⁽¹⁾ These data include information from Argentina, Australia, Brazil, Colombia, Costa Rica, Chile, the Dominican Republic, Morocco, Mexico, Panama, Spain and the USA.

The opportunity of environmental challenges

The Global Environmental Policy and the Corporate Responsibility Policy define Naturgy's environmental action around eco-efficiency, the rational use of natural and energy resources, the minimisation of environmental impact, the promotion of innovation and the use of the best available technologies and processes. They establish its voluntary commitment to be a key player in the energy transition towards a circular and decarbonised economy model, which drives climate action and the protection of biodiversity while at the same time promoting a just and inclusive transition..

Evolution and results

	Target 2025	2022	2021	2017 base year	Variation 2022 vs 2017
Activity with environmental certification according to ISO 14001 ⁽¹⁾ (%)	95	97.9	93.1	87.7	12 %
Calculation of Physical Climate and Energy Transition Risks at Corporate Level (50%) and at Business Unit Level (100%) (%)	100	50	50	-	n.a.
Eligible Capex according to European Taxonomy (%)	80	67	61	-	n.a.
Absolute greenhouse gas (GHG) emissions - Scopes 1 and 2 (MtCO ₂ eq)	11.4	15.1	13.5	21.8	-31 %
Absolute greenhouse gas emissions (GHG) Scope 3 (MtCO ₂ eq)	114.1	110.1	136.5	142.6	-23 %
CO ₂ intensity in electricity generation (tCO ₂ /GWh)	171	279	261	388	-28 %
Installed capacity from renewable sources (%)	56	34	33	22	53 %
Renewable gas production or injection capacity (TWh) ⁽²⁾	1.00	0.22	0.21	-	n.a.
Water consumption (hm ³)	15.6	18.8	15.2	28.0	-33 %
Waste produced (kt)	110	94	98	824	-89 %
Recycled or recovered waste (%)	75	92	57	33	179 %
Initiatives to improve biodiversity (No.)	350	345	302	-	n.a.
Environmentally restored cumulative area (ha)	Pending definition	In progress	In progress	-	n.a.

⁽¹⁾ Percentage of Ebitda certified. The Ebitda used to calculate this percentage corresponds to the end of November.

⁽²⁾ The figure for 2021 has been changed from 0.14 to 0.21 to adjust it to the capacity of existing projects.

Climate change and energy transition: TCFD Report

Naturgy is committed to being one of the key players in the energy transition towards a circular and decarbonised economy model. To this end, its Environmental Policy establishes the following principles around its strategic environmental driver of climate change and energy transition:

Environmental Policy Principles

- **Achieve climate neutrality** by 2050 at the latest through the reduction of total scope 1, 2 and 3 emissions, setting intermediate targets aligned with the 1.5°C - 2°C reduction pathways of the Paris Agreement.
- **Publish each year the carbon footprint** in all its scopes, verified by an independent third party, establishing systems for monitoring and reducing emissions.
- **Integrate the climate variable into risk and opportunity** management and strategic planning, in accordance with the recommendations of the **Task Force on Climate-related Financial Disclosure (TCFD)**.
- **Support international climate change negotiations** and market mechanisms that foster the development of the most appropriate technologies at each stage of the energy transition.
- **Promote directly and through alliances with other players, climate policies aligned with the Paris Agreement**, ensuring the permanence only in entities that meet this criterion and each year publishing the list of these entities.
- **Promote decarbonisation in line with the principles of just transition and involve the supply chain**, promoting actions that reduce the carbon footprint of collaborating companies.

The carbon footprint at a glance

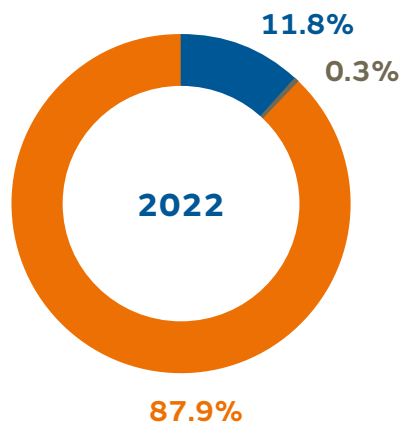
Footprint 2022

(Emissions scopes 1 + 2 + 3)

125.2 M

tCO₂ eq

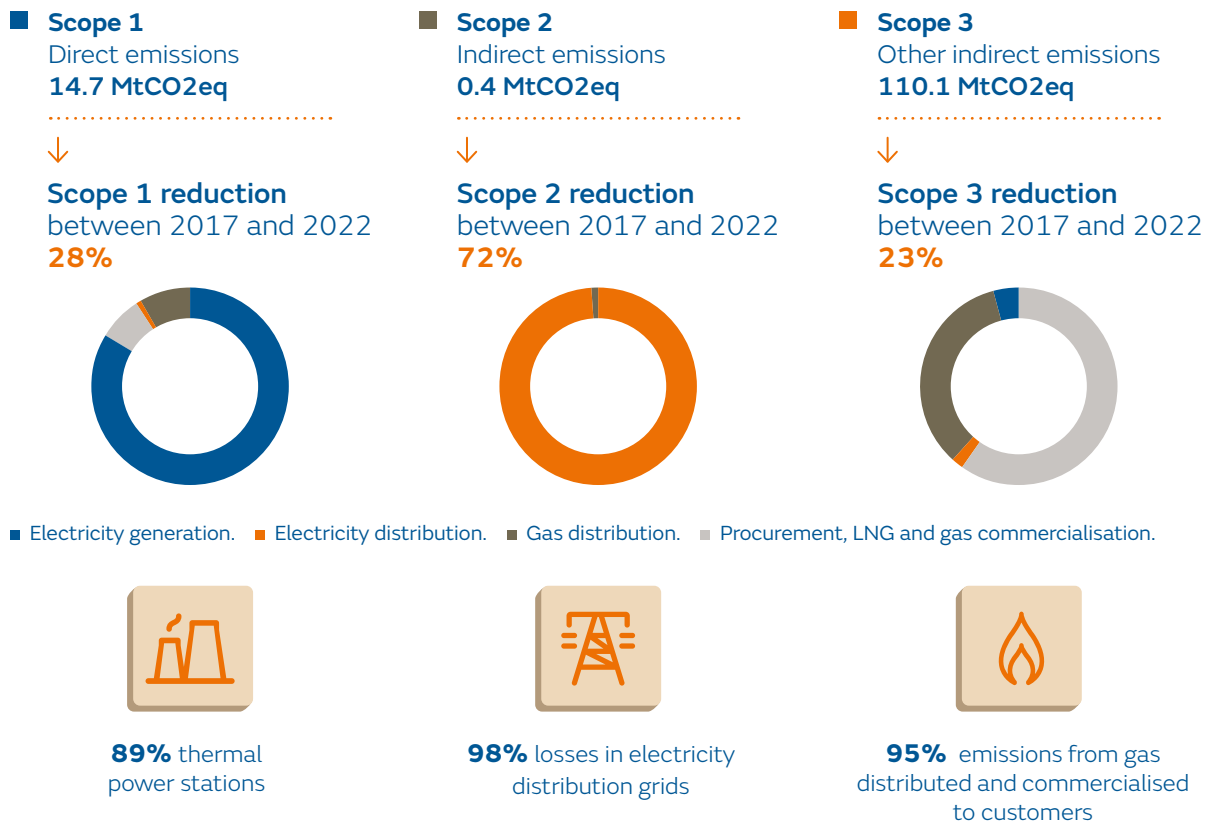
- Scope 1.
- Scope 2.
- Scope 3.



Carbon footprint reduction between 2017 and 2022

↓ **28%**
Emissions scopes 1 and 2

↓ **24%**
Total carbon footprint (scopes 1, 2 and 3)



Total offset emissions in 2022: 508,293 tCO₂eq

Main climate change risks and opportunities

In line with this commitment, the company has adopted the recommendations of the TCFD working group since 2017, with the aim of improving the disclosure of climate-related risks and opportunities and providing the necessary information to analyse the potential financial impacts of climate change.

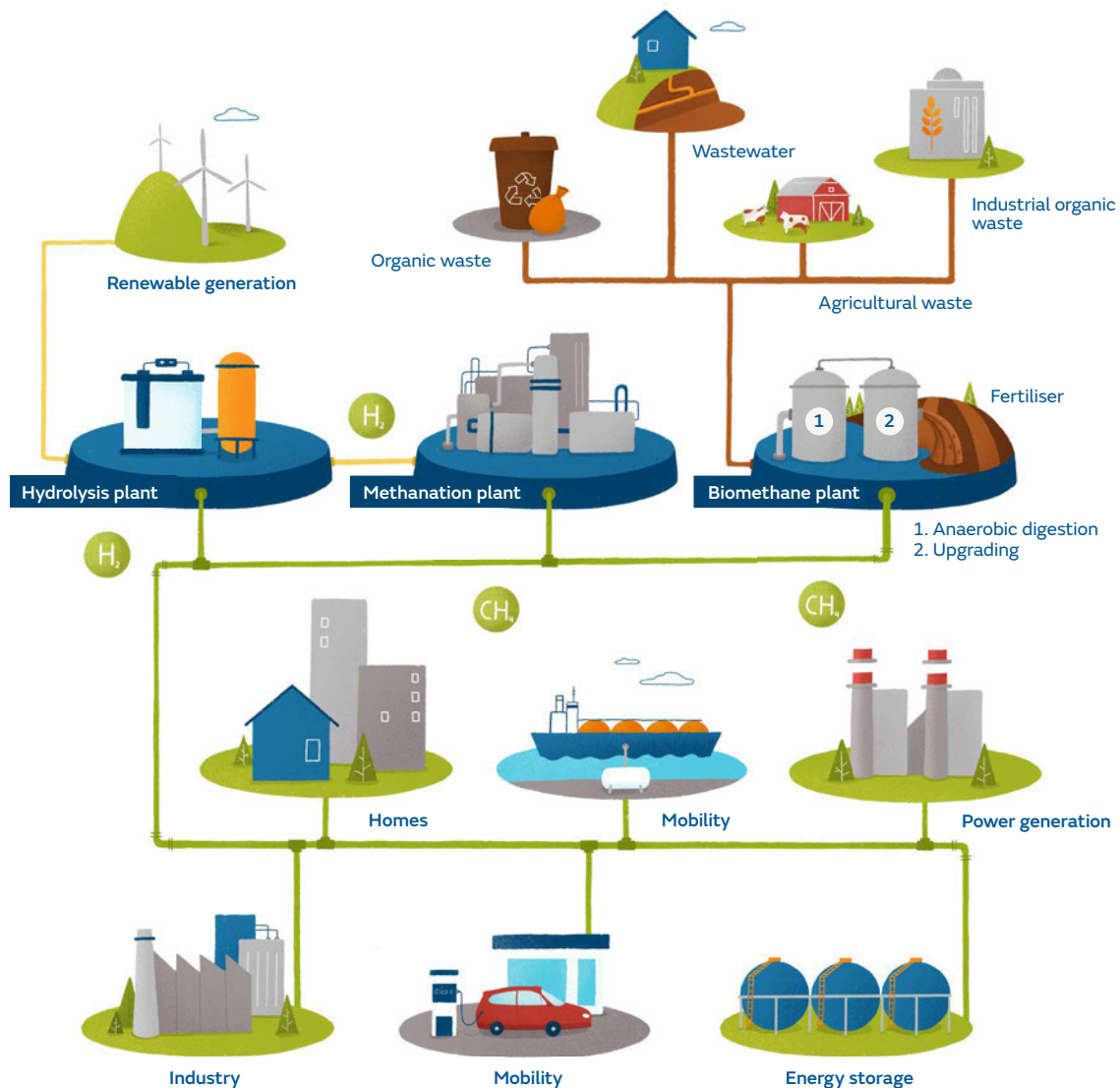
Risk classification	Risk
Acute physical risks	Damage from extreme weather events.
Chronic physical risks	Increased frequency and severity of fires. Effects of increased temperature. Impacts of changes in rainfall patterns and extreme variability of weather patterns. Effects of rising sea levels.
Transition: policy and regulation	Regulatory changes of energy and climate policies to mitigate climate change.
Transition: market	Changes in traditional energy business models.
Transition: technological	Technological disruption in the energy transition.
Transition: reputation	Increased demand for transparency and climate action by stakeholders.

Circular economy and eco-efficiency

Renewable gas

Renewable gases are a fundamental lever for the decarbonisation of Naturgy's gas business. Therefore, new projects are being promoted to increase its generation and injection into the networks. There are three types of renewable gases:

- **Green hydrogen:** produced from renewable electricity through water hydrolysis.
- **Synthesis gas or syngas:** obtained by thermal gasification of lignocellulosic organic materials.
- **Biomethane:** from the anaerobic digestion of organic waste.





Accessible biomethane potential in Spain

163 TWh/year.
This would represent 40% of annual demand.



CO₂ emissions abatement potential

Above 50 MtCO₂eq/year, assuming a carbon footprint abatement ratio of 0.31 MtCO₂eq/TWh.
This is equivalent to 23% of the national 2030 target of the National Integrated Energy and Climate Plan (PNIEC).

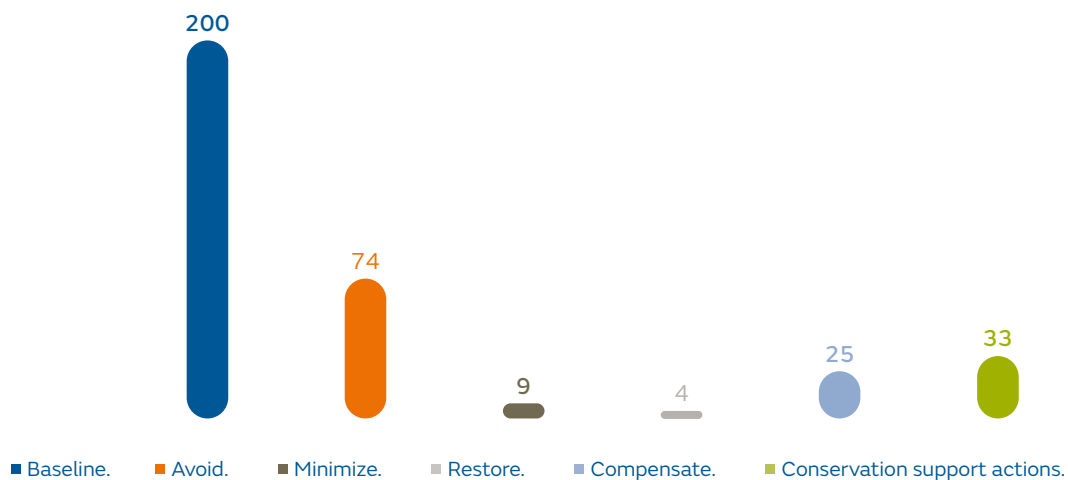


Investment for plant development

Euros 40.495 billion for the whole country.
Equivalent to 3.61% of national GDP.

Biodiversity and natural capital

Naturgy develops biodiversity initiatives in an integrated manner with the axes of the energy transition: climate, nature and people. This approach takes a holistic view focused on building natural capital and restoring ecosystems to maximise CO₂ capture and neutralise emissions, ensuring the protection of native fauna and flora and maximising benefits for local communities..



Naturgy develops **biodiversity initiatives in an integrated manner with the axes of the energy transition:** climate, nature and people. This approach takes a holistic view focused on building natural capital and restoring ecosystems.

Wildlife protection

- Several wind farms have implemented measures to prevent bird collisions, such as blade painting or applications for real-time shutdown of wind turbines or the systematic removal of carrion.
- In more than 1,800 electricity pylons, actions have been taken to minimise the risk of electrocution of birds. In addition, bird guards have been installed to reduce the risk of collision.

Ecosystem protection and restoration

- A system for the early detection of fires in the vicinity of power lines has been developed in Spain. The alerts are generated through a system that uses real-time information from the EU's Copernicus and NASA satellites.

Nature-based solutions

- An initiative is undertaken to use livestock for the maintenance and safety of power line roads. Replacing machinery with indigenous livestock, with less impact on the environment, boosts traditional grazing and rural development. The project has been carried out together with the University of Santiago de Compostela, Redeia, Sociedad Galega de Pastos y Forrajes, Instituto Ourense del Desarrollo and local councils.

Knowledge generation, dissemination and education

- Presentation and dissemination of the “Sectorial document on the energy and natural capital nexus”, including the specific impacts and dependencies of the natural capital of the Spanish energy sector. The fruit of three years’ work by the most relevant companies in the sector and other agents has resulted in a consensus on a methodology for the identification and valuation of natural capital, based on the Natural Capital Protocol.
-

Customer experience

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 provides to its customers so that it is agile and efficient and a benchmark in the sector, as well as complying with legal and profitability requirements. To this end, it is essential to establish an active dialogue, as well as to get to know the needs, resolve doubts, claims and complaints in the most satisfactory way from the customer's point of view.

Highlights of the year

- Naturgy's online business in Spain multiplied its digital sales by 3.5, amounting to 18.0% of sales with 365,027 new contracts for electricity, gas and value-added services. The figures show a 20-point increase in conversion and a 25% improvement in contract activation.
- The company has carried out several repricing actions on its portfolio of retail electricity customers, proactively lowering the price of the contracts of more than 500,000 customers. It has also implemented measures to facilitate the switch to the cheapest regulated gas tariff and has lowered the price in effect for 6,000 homeowners' associations.
- Improvements have been incorporated to the web-based customer service channel in the Latin American subsidiaries, taking advantage of digitalisation and automation.

An adapted value offer

The company is working, both in Spain and Latin America, to make the most of the opportunities that technology provides to digitalise commercialisation processes, both to improve and streamline the processes that take place in the sales channel and to offer customers a simple and contracting experience that gives them autonomy.

Commercial strategy

- Commit to the digitalisation of products and processes to simplify customer relations.
- Adapt the commercial supply to the context of high energy prices by making a committed proposal to customers to offer support measures.
- Develop innovative products and services tailored to customers' needs.
- Adapt commercialisation and customer service processes to the reality of vulnerable groups.

Customer relations

Provide a customer service that meets the expectations of an increasingly demanding and better informed customer in a context of frequent regulatory changes is a challenge to which Naturgy responds with a multi-channel service to which it incorporates new channels adapted to technological changes each year.

Customer service

Naturgy customer service model



Process automation

Ease and simplicity of management, looking for improvements in its processes and solutions.



Digitalisation

Promoting the use of digital communications that contribute positively to the environment.



Promoting customer self-management and digitalisation

Development and improvement of digital tools to facilitate immediate responses and resolve customer needs in an expeditious way.



Homogenisation of customer service across all channels

For a unique omni-channel customer experience.

Provision of customer service



- Telephone channel .
- Digital channel.
- Face-to-face channel.
- Personal management.
- Stores.
- Guarantee office management.

Satisfactory claims resolution

Number of claims and complaints handled

2,111,738

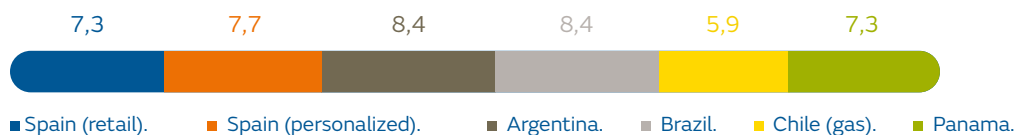
Average global response time

11.7 days

Percentage of total incoming customer contacts

4.8%

Overall satisfaction with service quality

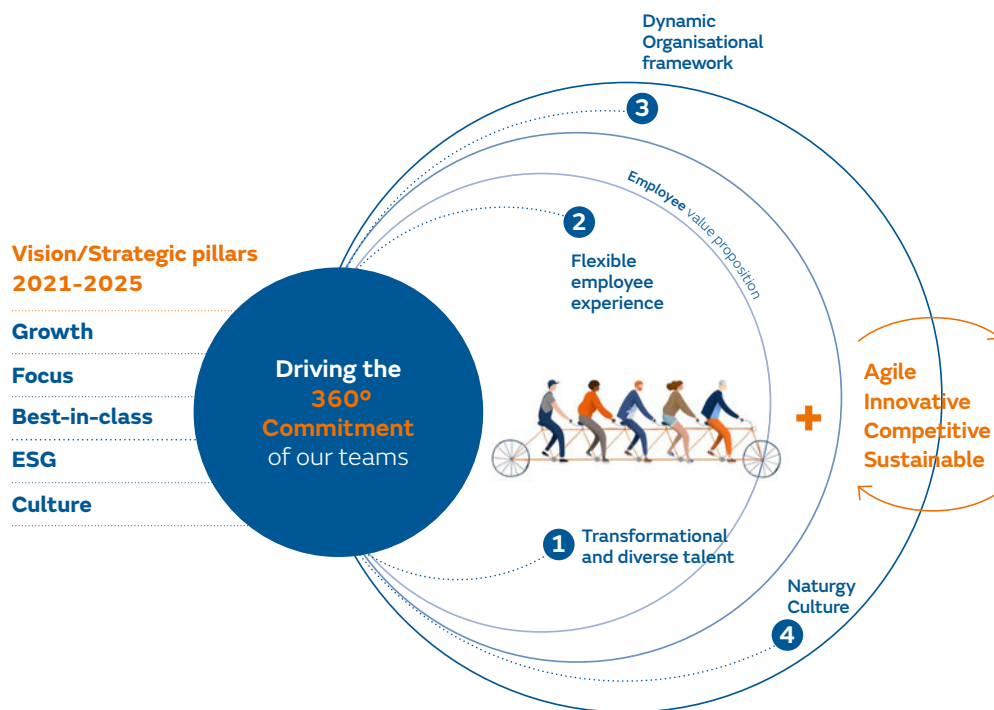


⁽¹⁾ Chile has been calculated based on a 1-7 scale, unlike other countries which used a 0-10 scale.

Commitment and talent

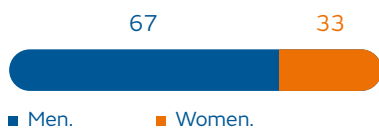
Interest in people

Naturgy maintains a firm commitment to its professionals and their development, through the promotion of inclusive leadership, a dynamic and recognised professional experience, a flexible organisational framework and its transforming culture as the cornerstones of its 360° people management strategy and professional value proposition.

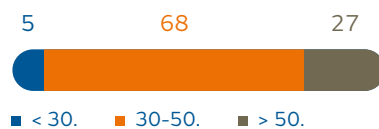


Evolution and results

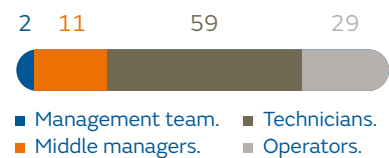
Gender



Age



Professional category



6,982
No. of employees

4.9%
Employees under 30 years of age

33.7%
Women in managerial and middle management positions

232,445
Training hours

31%
NPS promoter employees

Highlights of the year

- Signing of the 2021-2024 Collective Bargaining Agreement, with the promotion of work-life balance and co-responsibility between men and women as one of its fundamental pillars.
- The global model for measuring employee satisfaction and commitment has been consolidated through regular organisational listening.
- A new cycle of 360° Assessment, a key multi-source and multidimensional assessment in the management of executive and managerial talent, has been launched to obtain a profile of the leadership skills of its professionals.
- The Employee Care Service celebrated its tenth anniversary, consolidating its position as the single, centralised and multi-channel point of contact for employees with the organisation.
- The People Analytics unit has begun the gradual implementation of a methodological strategy for the processing of staff information.
- A total of 58,976 hours of training were given in the area of Occupational Risk Prevention in 996 training actions with the participation of 20,671 people.
- The application of Business Analytics to documented safety inspections has been initiated, improving the quality assurance and safety of the work.
- The implementation of the 2021-2022 Psychosocial Plan has had a very positive impact on the control of psychosocial factors and the improvement of the health and well-being of the staff.

Diversity targets acquired in the 2021-2025 Strategic Plan

40%

Female presence at management positions.

10%

Employees under 30 years of age.

Target of NPS promoter employees to 2025

40%

Promoters.

Health and safety

With a comprehensive vision, Naturgy maintains a strong commitment to the health and safety and well-being of people, focusing its policies and actions to preserve, prevent and promote this responsibility. It highlights the leadership and prominence of the members of the company, individual and collective commitment, which can be extended to collaborating companies.

Evolution and results

0.12

Lost time accidents frequency rate (0.10 in 2021).

The data for 2022 are not fully comparable to those for 2021, as last year's figures do not include the accidents of the subsidiary Gasnor, S.A. (Argentina). Taking these accidents into account, the frequency rate in 2021 is 0.13, with a slight improvement in 2022.

392

Days lost due to accidents (201 in 2021).

5.66

Lost time accidents severity rate (2.61 in 2021).

The increase is due to the occurrence of several accidents with long-term sick leave due to the consequences or injuries.

8

Lost time accidents (8 in 2021).

0

Deaths (0 in 2021)

The Health and Safety Action Plan for 2023 envisages the promotion of well-being and prevention in the physical and emotional health of persons who work at the company and their families, through training, awareness-raising and the fostering of healthy habits.

Risk assessment and management mechanism

7,859 Observations
Preventive Safety.

22,533 Documented
occupational safety
inspections.

3,554 Zero Tolerance records
and preventive stoppages of work.

100%
Investigation
of accidents.

Innovation and new business development

Naturgy sees innovation as a necessary tool in the fight against climate change and a key factor in the development of new energy solutions. Accordingly, the company's innovation model is designed to weave collaborative networks with the ecosystem to respond to the complexity of the environment and solve challenges in an expeditious and effective way.

Pillars of the innovation model

- Innovation is collaborative and open.
- Innovation is a key lever for growth.
- The generation of renewable gases such as renewable hydrogen or biomethane.
- Optimisation of renewable energy generation.
- The use of energy.
- The answer to increasingly fragmented markets.

To achieve the goals set, 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 to broaden the company's industrial profile; incubator of start-ups, investment vehicle, etc.

Evolution and results

Investment in innovation by type (€M)	2022	%	2021	%
Process innovation	33	55.9	39	66.1
Product innovation	17	28.5	11	18.6
Commercialization innovation	3	4.9	4	6.8
Organisational innovation	6	10.3	5	8.5
Social innovation	0	0.3	0	0.0
Total R&D&i	59	100.0	59	100.0

Highlights of the year

- Naturgy and Equinor have reached an agreement to work together on the analysis and opportunities of offshore wind in Spain. The agreement includes the development of the Floating Offshore Wind Canarias project, a floating offshore wind farm of approximately 200 MW east of Gran Canaria, as well as the progressive introduction of this technology in Galicia and Catalonia.
- Naturgy participates in an international consortium to promote the industrial and competitive development of offshore wind energy in Europe. The NextFloat project will implement and test for 54 months an innovative 6 MW floating wind power system in the Mediterranean Sea, off the coast of France (Mistral), to test its scalability and future commercial development. The project has been supported by the European Union and will be funded with Euros 15.9 million by the Horizon Europe programme.
- Through its GiraWind project, Naturgy promotes, together with Ruralia, Posteléctrica and Huso 29 renovables, the management of wind farm dismantling and the recovery of dismantled turbines.

Renewable gases

Lines of action in biomethane

Featured projects

- **43 projects under development for the production of biogas and its subsequent enrichment process to produce biomethane for injection into the gas grids:**
 - 9 livestock waste projects (1,384 GWh/year).
 - 4 WWTP sludge projects (170 GWh/year).
 - 21 industrial waste projects (673 GWh/year).
 - 5 urban solid waste organic fraction projects (221 GWh/year).
 - 4 agricultural waste projects (299 GWh/year).

- **Vila-Sana Project** ^(Lleida)

The company's third commercial plant will generate biomethane to supply the equivalent consumption of 3,150 homes and avoid the emission of around 2,500 tCO₂ per year, injecting 11.5 GWh/year into the gas distribution network.

Lines of action in hydrogen

- Development of renewable hydrogen production hubs linked to just transition zones, especially in areas affected by the closure of the group's thermal power stations.
- Other similar projects of hydrogen production from renewable energy in Galicia and Asturias.
- On-site hydrogen production projects linked to the electro-intensive industry.

Featured project

- **Hydrogen production project at Meirama** ^(Galicia)

Naturgy, together with Repsol and Reganosa, has planned a renewable hydrogen hub of up to 200 MW in Meirama. In the initial phase of the project, scheduled for 2025, 30 MW of power will be achieved. When it is fully developed, the plant will have an output of 200 MW and a total production of 30,000 tonnes of renewable hydrogen per year. The plant will supply the Repsol refinery and other consumers; and being located in a Just Transition zone will promote stable job creation and high-skilled training.

Storage

Lines of action



Hybridisation projects in generation production, mainly wind and photovoltaic, which will enable the management of renewable energy to be incorporated into the electricity system.



Deployment of stand-alone storage in key locations in areas of grid congestion or loss of firm capacity due to the closure of thermal power stations.



Development of a new storage model to optimise economically and technically the implementation of hybridised systems in small and geographically close farms.

Social responsibility

Naturgy is committed to the economic and social development of the regions where it operates, providing knowledge and management capacity, and allocating part of the profits to social investment. Our commitment is to offer communities a quality and continuous supply, as well as to contribute to confront challenges associated with access to energy such as those affecting vulnerable groups; or to minimise the effects that the energy transition has on some territories through just transition initiatives. In addressing these challenges, the role of the Naturgy Foundation is key.

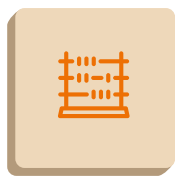
Evolution and results

Total social investment
€11.0 M
 (€10,1 M in 2021)

Total tax contribution
€3,503 M
 (€2.769 M in 2021)

Economic value distributed

COMPROBAR CON EL DEL INFORME
 NO ESTÁ EXACTAMENTE IGUAL



Economic value generated

€34,227 M

Economic value withheld

€2,138 M

Economic value distributed

€32,089 M

Suppliers
28,356

Other stakeholders
3,733



Employees
534
 Public administrations
1.187
 Shareholders
1.164
 Financial expenses
837
 Social Action
11

Highlights of the year

Energy vulnerability:

- Development of an advisory service on contracting and improving consumer habits for the population in vulnerable situations.
- Consolidation of the social innovation line to incorporate renewables in the fight against vulnerability.
- More than 3,600 homes rehabilitated, and 2,943 families assisted in energy volunteering.

Relationship with communities:

- Application of local community engagement programmes and impact assessments to 100% of the company's operations.
- Development of more than 16 projects in five countries with local community engagement.
- Implementation of the Social Relationship Model (SRM) in different territories in Spain and formation of a social management team with specialists located in the vicinity of sites.

Sponsorship, social action, volunteering and Naturgy Foundation:

- Launch of The Win-Win Lab experience, an informative project that presents new energy technologies to favour the fixation of the population in the rural environment.
- More than 13,783 hours of corporate volunteering and 168,745 euros of employee wages raised during Solidarity Day.
- 134,309 beneficiaries of training programmes of the Naturgy Foundation

Energy vulnerability

Energy Vulnerability Plan in Spain

This is the company's strategy to alleviate the situation of vulnerability and energy poverty. The plan is being worked on by different areas of the company with two key players: the Naturgy Foundation and the customer area.

The targets are:

- Improving management and customer relations in cases of energy vulnerability.
- Streamlining the exchange of information with town and city councils for better identification of situations of energy vulnerability.
- Implementing activities with entities that work to alleviate energy poverty cases and to detect vulnerabilities.

Durante 2022 se han desarrollado las siguientes iniciativas:

- Energy Rehabilitation Solidarity Fund: to finance energy rehabilitation of housing for vulnerable families. In 2022, the number of dwellings rehabilitated exceeded 3,600, with 1,111 completed in the year, and 11 agreements were signed.
- Social innovation line: to incorporate renewable energies in the fight against vulnerability. 7 projects for the installation of photovoltaic power have been initiated, benefiting 1,847 people.
- Energy School: to provide training to vulnerable groups and social technicians, mainly in town councils and dealing with aspects of the sector. In 2022, 3,942 people have attended training actions, 47% of whom are families and 53% are social technicians.
- Energy volunteering: energy advice workshops in which the most vulnerable users are helped to understand their bills, access the discount rate and learn about energy saving measures. A total of 2,943 families have received assistance.
- Discount rate: Naturgy has closed the year with 164,935 customers with the discount rate -a lower electricity bill regulated by the Government aimed at vulnerable households-.
- Customer service channels: Naturgy has a specific channel for social services (during 2022, it has handled 71,277 emails and 876 telephone calls). The company has strengthened the email channel and the call centre (in 2022 it received 111,680 calls from vulnerable customers, and 323 calls and 130 emails from the third sector).
- Development and dissemination of knowledge: in addition to the study and publication of books, Naturgy is part of the advisory board of the Chair of Energy and Poverty at Comillas Pontifical University.
- Awarding of the prize for the 3rd edition of the award for the best social initiative in the energy field.
- Participation in two European projects -SocialWatt and EPIU Getafe-: to give visibility and strengthen leadership in programmes related to energy vulnerability, learn from good practices and network with different entities.

Relationship with communities

Social Relationship Model

Framework for action for the integration of social management throughout the life cycle of generation projects.

Principles of community relations:

- Naturgy is one with the territory.
- Communication as equals.
- Generation of shared value.
- Offering of opportunities.

The SRM is an iterative process that unfolds throughout the life of the project, and relies on the application of methodological tools with a cross-cutting focus on communication, active listening and laying down roots.

1. Determining the area of influence and environment of the activity.
2. Stakeholder mapping and characterisation.
3. Analysis of risks and opportunities.
4. Social Relationship Plan (SRP).
5. Social impact assessment of the SRP.

Naturgy is committed to the economic and social development. Our commitment is to offer communities a **quality and continuous supply**, as well as to contribute **to face challenges associated with access to energy** such as those affecting vulnerable groups.

Indices and acknowledgements

Awards



Global FRC Certification



Top Employer Spain 2022 Certification



Empowering Women's Talent Seal



CLIP certification



Code of Generational Diversity Principle Certificate



Bequal Certification



Human Digital Health (HDH) Seal 2022



Healthy Company

Rankings and monitors



Top Diversity Company



MERCO TALENTO Ranking



Actualidad Económica Ranking



Universum Ranking

Awards



Health and Enterprise Awards



Top 3 best health and wellness managers of the year



HDH Awards 2022

Indexes ⁽¹⁾



⁽¹⁾ Naturgy is rated A- in the CDP climate change index, within the leadership band..

Naturgy 
Transforming together



www.naturgy.com