ANNUAL REPORT 2017

reganosa

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ABOUT THIS REPORT

This Annual Report is drafted based on the principles of the standards of the Global Reporting Initiative and the International Integrated Reporting Council. Based on these criteria, the Report presents all matters reflecting Reganosa's significant economic, environmental and social impacts during the 2017 financial year, from 1 January to 31 December 2017. This report has been reviewed by KPMG Asesores according to the ISAE 3000 standard.

The information that it contains may be supplemented with the information at www.reganosa.com.

INFORMATION PERIMETER [102-1]

For the purposes of this report, the name "Reganosa" is used for all of the companies forming part of the group at 31 December 2017: Regasificadora del Noroeste, S.A., Reganosa Servicios, S.L. and Reganosa Malta, Ltd.

The information perimeter contained in this report corresponds to the Consolidated Annual Accounts of Regasificadora del Noroeste, S.A and its dependent companies and subsidiaries, Reganosa Servicios, S.L. and Reganosa Malta, Ltd.

In 2017, Reganosa operated two LNG terminals, one in Spain (Mugardos) and one in Malta (Delimara). The latter entered into operation in April 2017. [102-10]

In cases where the reported information corresponds to a scope different to the established perimeter, this will be specified in the corresponding section or table.

LETTER FROM THE CHAIRMAN

[102-14]

DEAR FRIENDS,

Reganosa is facing an exciting challenge:
creating the company that we want to be in the future.

We are embarking on our project with a vision: to contribute to the development of our surrounding area in Galicia, giving people and companies access to cleaner and more competitive energy. Today, our position on the global stage gives us opportunities and also requires solid commitments. It requires not settling for anything but the best, taking ethical, social and environmental criteria into account when facing every decision, and building long-lasting trust-based relationships with our stakeholders.

The reports that we draw up every tax year are important as a way of reflecting on the work done, and are an efficient means of communicating with all of you. This document provides a detailed assessment of our social, environmental and economic performance and impacts, and is a valuable contribution to continuous improvement. Therefore, it has once again been drawn up in accordance with the most demanding application of the Global Reporting Initiative standards (exhaustive GRI standards level), and according to the principles defined by the International Integrated Reporting Council (IIRC).

Our main activities are the management and operation of energy infraestructures, and contributing our unique knowledge to allow other companies and systems to develop successful projects. This is largely due to Reganosa's demanding and innovating operating procedures and standards, which share a fundamental cornerstone - safety. The best indicator of our performance is the fact that our facilities have achieved the goal of zero accidents.

As a European TSO, we continue carrying out activities to ensure that the market operates efficiently. After gaining a stake in the share capital of the gas market operating company, Reganosa has acquired a share in Mibgas Derivatives, S.A., a company incorporated for the purpose of creating and managing an organised futures market for natural gas and a spot market for LNG. With this initiative we will contribute to increasing the competitiveness of LNG terminals and create a more attractive and flexible framework for users accessing the natural gas system on the Iberian Peninsula.

We have completed the first year of operation of the LNG terminal in Malta, which is fundamental to security of supply in the country and has contributed to changes in its energy system by introducing natural gas based power generation and replacing the heavy grade oil used previously. Our position in the Mediterranean thereby consolidates LNG as a more competitive and sustainable energy, representing a clear vector for future growth.

We are facing a fundamental challenge: the fight against climate change. This energy transition is also an opportunity for natural gas, which is and will continue to be a clean, competitive and abundantly available energy source. In this sense, mobility and transport are fundamental cornerstones for the economic and social development of countries. Since 2013 we have been working on developing a hub to supply LNG as a marine fuel in the north west of the Iberian Peninsula. The European Commission has supported a range of programmes related to this project from the outset. This project was selected by the Climate Change Cluster in 2017 to form part of the "Sustainable City Life" initiative, once again emphasising LNG's suitability as a solution for maritime transport. The Mugardos LNG terminal, located at a strategic point on the Atlantic route for producers, was the first Spanish plant to take delivery of gas from Russia and the USA.

I feel very proud of the contributions that we make in terms of social action, particularly in the areas of education, spreading knowledge and our activities in the surrounding area. This is a powerful expression of what we stand for. Training is the best way of ensuring that people achieve their aspirations and are given opportunities. It allows talent to develop by generating creative and fruitful environments. Based on this firm conviction, in 2017 we continued to support university and research support channels and, with the most recent version of GANESO, contributed to the search for business solutions to build the society of the future.

One of our priorities is to attract talent and to ensure the continuous training of our team. In 2017 we invested 5573 hours in the specialised training programme for new employees, to prepare our professionals for the challenges of an increasingly demanding global environment.

Similarly, we again renewed our continuing commitment to the United Nations Global Compact, and to complying with the ten principles and incorporating them into our corporate activities.

The company maintained profitable growth during 2017. In line with our efficiency objectives and a progressive increase in solvency ratios, the end of the financial year saw a 10.6% increase in equity and a 29% debt reduction, leaving the company in a perfect position to continue making progress with meeting the value creation and strategic objectives that have been our guiding force since our inception. The confidence placed in Reganosa has boosted the development of our international business. This is demonstrated by our participation in the tender to acquire 66%of the Greek gas operating company, through a consortium with the European Bank for Reconstruction and Development (EBRD) and Transgaz (the Romanian gas operator company), in which we have been selected as finalists. This project has been selected due to its strategic importance for the single market, its contribution to guaranteeing security of supply and the positive impact it would have on the gas system in Greece.

In the future we will continue to develop our three lines of business - transmission network management, energy service provision and infrastructure management - based on three fundamental cornerstones: operational flexibility and efficiency; domestic and international growth according to established strategic and profitability criteria; and investment in innovation.

All of these achievements are possible thanks to the trust of our stakeholders, who provide us with the support we need to foster our enthusiasm to continue improving every step of the way. This is the commitment that we take on, and that our professionals and management team turn into reality every day. For me, and for all the members of the Board of Directors that I chair, their dedication and efforts are an endless source of satisfaction.

The challenge continues. Thank you for making it possible.

JOSÉ MARÍA PAZ GODAY.
CHAIRMAN

1 REGANOSA, NATURAL GAS INFRASTRUCTURE MANAGER AND OPERATOR - TSO

1.1. BUSINESS MODEL

[102-2] [103-2] [103-3]

Reganosa is an energy company that works on the development, operation and maintenance of natural gas infrastructure, in accordance with the principles of safety, efficiency and flexibility.

Reganosa carries out its activities all over the world and it is structured based on business lines, allowing it to act in an agile and specialised manner, following the principle of separation provided for in the sector's regulations, ensuring the independence of gas transmission networks.

TRANSMISSION SYSTEM OPERATOR - TSO

Reganosa is certified as a transmission system operator (TSO) and manages part of the Spanish gas system's network of gas pipelines, guaranteeing diversification and security of supply, the integration of the single market and the correct operation of transmission infrastructure.

It forms part of several national and international organisations in the sector, and cooperates with regulatory authorities for the preparation of regulations. It is a member of the Spanish Gas Association (Sedigas); Gas Infrastructure Europe (GIE) and the European Network of Transmission System Operators for Gas (ENTSOG), in which it participates with all of the European TSOs to promote and guarantee adequate, coordinated management and technical evolution of the transmission network in Europe. [102-13]

Therefore, Reganosa cooperates with other European agents in the creation of common market tools and standards, on the development of novel products and services and on infrastructure planning.

PROVISION OF SERVICES

Reganosa provides operation and maintenance (O&M), network simulation, engineering, consultancy and training services related to design, construction, commissioning, operation and maintenance activities for regasification plants, gas pipelines and basic gas network infrastructure.

Our national and international experience in this area of business ranges from conducting feasibility studies to the operation and maintenance of LNG terminals.

During 2017, the company participated in projects in 7 countries.
The natural gas infrastructure line of services accounted for 1.6% of Reganosa's total profits.

ENERGY INFRASTRUCTURE MANAGEMENT

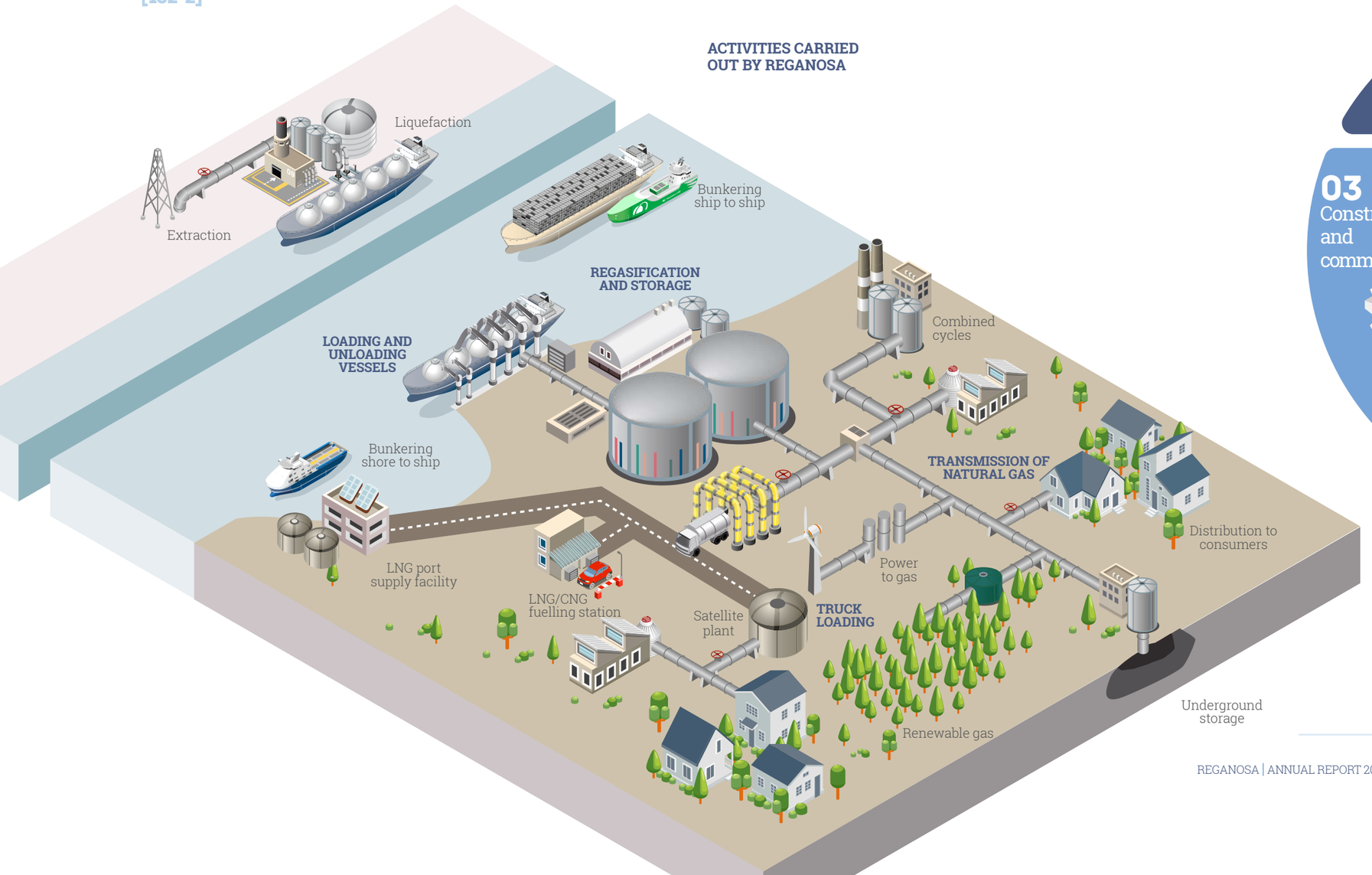
Reganosa manages and develops energy infrastructure. It currently operates two key access points to the natural gas system in Europe; Mugardos liquefied natural gas terminal in Spain, and Delimara regasification plant in Malta.

The company is interested in taking advantage of investment opportunities along two fundamental lines: international projects involving strategic partnerships and infrastructure in the European space, to which it can bring its knowledge and experience as an LNG systems operator (LSO); and as a TSO, contributing to improving the efficiency and integration of the single market. [103-2]

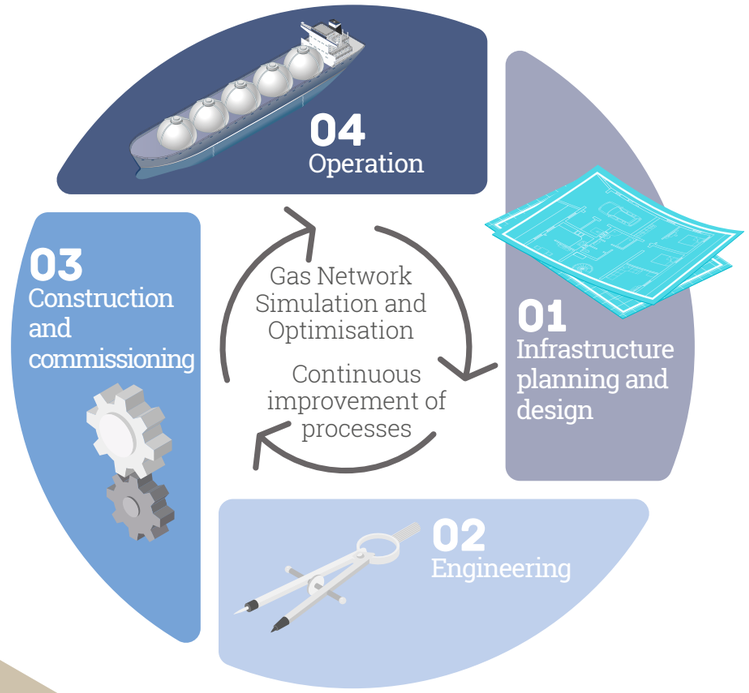
REGANOSA CREATES VALUE THROUGH THE SUSTAINABLE MANAGEMENT AND OPERATION OF GAS INFRASTRUCTURE, CONTRIBUTING TO ECONOMIC AND SOCIAL DEVELOPMENT.

REGANOSA IN THE NATURAL GAS VALUE CHAIN

[102-2]

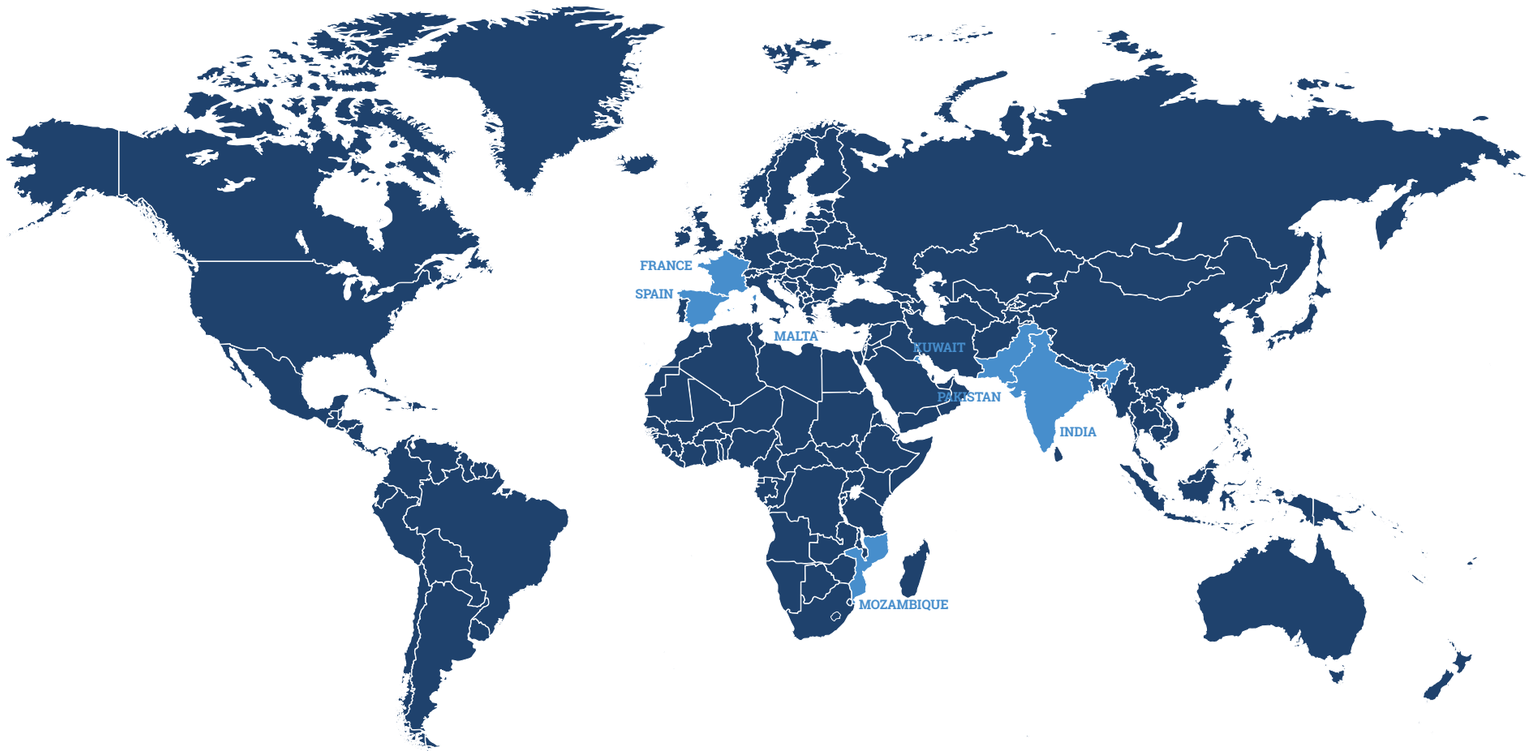


REGANOSA HAS A PRESENCE IN ALL PHASES OF THE NATURAL GAS INFRASTRUCTURE LIFE CYCLE



REGANOSA IN THE WORLD.

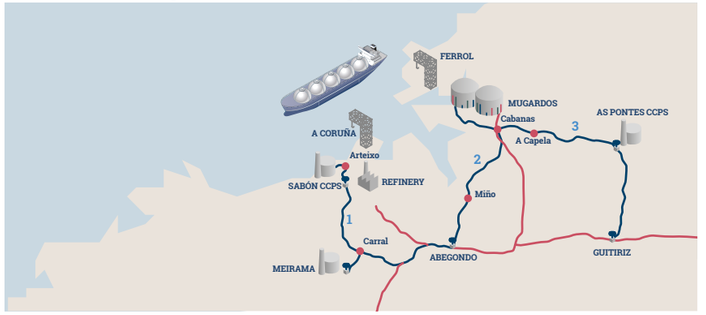
[102-4] [102-6]



SPAIN

Operation of Mugardos LNG terminal and 130 km of gas pipelines.

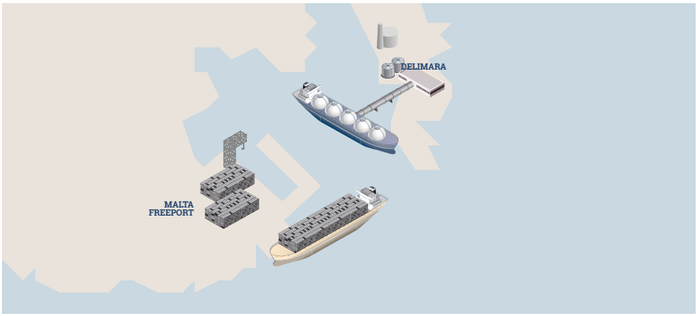
- On-shore, full containment *storage*.
- ORV and SCV vaporisation technology.



MALTA

Operation of Delimara regasification plant.

- Storage with FSU - Float Storage Unit.
- IFV vaporisation technology.



NATURAL GAS INFRASTRUCTURE SERVICES

Countries where services are provided:

- Spain.
- France.
- India.
- Kuwait.
- Malta.
- Mozambique.
- Pakistan.

OUR INFRASTRUCTURE IN SPAIN

LSO: MANAGEMENT OF MUGARDOS LNG TERMINAL

Berth capacity: 15,600 m^3 / 266,000 m^3
Storage capacity: 300,000 m^3
Regasification capacity: 412,800 Nm^3/h

TSO: TRANSMISSION SYSTEM OPERATOR

1 Abegondo-Sabón Gas Pipeline
Length: 44.7 km
Regulation and metering stations: 2
Positions: 6
Design pressure: 80 bar
Diameter: 16/10″

2 Cabanas-Abegondo Gas Pipeline
Length: 30.4 km
Positions: 1
Design pressure: 80 bar
Diameter: 26″

3 Mugardos-As Pontes-Guitiriz Gas Pipeline
Length: 54.4 km
Regulation and metering stations: 1
Positions: 6
Design pressure: 80 bar
Diameter: 30/26/20/16″

Combined cycle power station
Regasification plant
Port

THE INFRASTRUCTURE WE OPERATE IN MALTA

Reganosa operates and maintains Delimara regasification plant.
This facility is part of one of the only two projects in the world with FSU (Floating Storage Unit) technology, and its commissioning forms part of a global project to modernise Malta's energy sector.

The Maltese government has implemented an environmental improvement plan that will allow electricity to be generated from natural gas, an energy that is more competitive and sustainable than the heavy oil used by the country until now.

DELIMARA GAS TO POWER PROJECT
Storage capacity: 125,000 m^3
Regasification capacity: 0.78 bcm/year

UNIQUE USE OF RESOURCES

Reganosa uses and transforms its resources in order to optimise processes and continuously adapt to the evolution of the operating context and market needs, generating value for all its stakeholders.

Inputs

- Own funds: €148 M
- External funding

Financial capital

- Highly qualified multidisciplinary teams.
- 124 professionals in 2017

People

- We adopt the most demanding operating and safety standards

Assets

- Systematisation of procedures and standardised operation anywhere in the world

Knowledge

- We use energy, water and auxiliary materials for our activity
- Energy consumption: 150,176 GJ

Natural resources

- Media action plan

Stakeholder relationships

BUSINESS MODEL

Transmission systems operator - TSO | **Provision of services** | **Energy infrastructure management**

MANAGEMENT PRINCIPLES

Safety | **Efficiency** | **Flexibility**

STRATEGIC LINES

Business as usual | **Innovation** | **Domestic and international growth**

STRATEGIC AREAS

Sustainability | **Energy efficiency plan** | **Information systems plan** | **Human resources plan**

Outputs

Financial capital

- EBITDA €42 M
- Distributed economic value €26.7 M

People

- 76.05 hours of training per employee.
- 25% of management positions held by women.

Assets

- Production: 14,682 GWh
- 12 drills at our facilities

Knowledge

- GANESO
- LNG hub.

Natural resources

- Emissions generated by production: 0.012 tCO2/t
- Waste generated by production: 0.0001 t/t production.

Stakeholder relationships

- 622 people visited Mugardos terminal.
- 79% customer satisfaction.

How we create value

We maintain a solid balance sheet with adequate lines of finance ensuring the company's solvency. We follow a policy of controlling costs and increasing our ability to fund assets with our own funds. We have mechanisms in place to protect against changes in interest rates.

We are committed to talent. We continuously train our team and carry out performance assessments to allow us to provide professional career guidance.

We prioritise safety in our facilities and adopt measures in addition to those provided for in regulations. In addition, we continuously analyse new business opportunities that fit our Strategic Plan.

We invest in research and innovation platforms in collaboration with universities and other companies. We work on continuous improvement in support for business processes and information procedures.

Our commitment is to prevent climate change and to minimise its impact on the environment, while respecting biodiversity and encouraging the efficient use of natural resources. We certify and audit our facilities in line with the strictest international standards.

We constantly identify our stakeholders and analyse the issues important to them through ongoing dialogue. We implement actions to respond to their aspirations based on the needs we identify.

1.2. SERVICES PROVIDED BY REGANOSA

[102-2] [103-2]

The company continuously analyses the circumstances of gas systems and the global context of the sector, in order to develop value-added services for its customers that support the logistical needs of the natural gas market.

OPERATIONAL SERVICES IN INFRASTRUCTURE WITH THIRD-PARTY ACCESS

Vessel unloading
The terminal receives LNG carriers with storage capacities of between 15,600 m3 and 266,000 m^3, which transport LNG at a temperature of -160ºC.

LNG transfer and vessel cooling
At the terminal, the LNG stored in the tanks is transferred and cooling operations are carried out; from filling the gas carrier's tanks with natural gas (gassing up) to the gradual cooling of the tanks to their operating temperature (cool down).

LNG Storage
The provision of services includes usage rights of any necessary operational storage, under the terms laid down in the facilities access regulations.

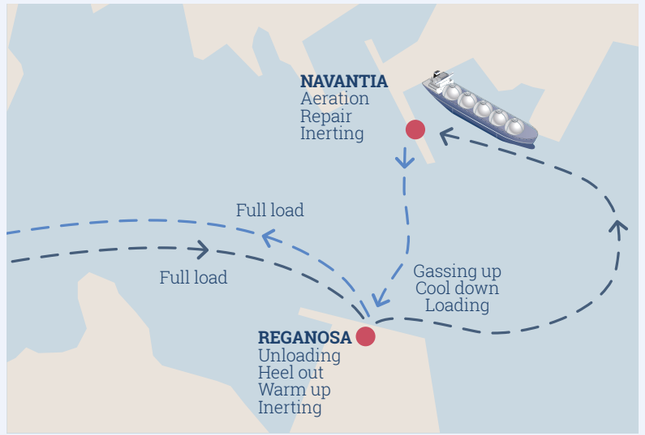
Regasification
The LNG, stored in the terminal's tanks at -160ºC, is transformed into its gaseous state by increasing its temperature through a physical process. Sea water vaporisers are generally used for this purpose.

Transport of natural gas at high pressure
The gas is transported through transmission networks connecting the LNG terminal to other gas pipelines, qualified consumers connected directly to the network, and distribution networks.

Truck loading
The truck loading service allows gas to be supplied to businesses and industries, and allows domestic consumers in areas with little gas to be supplied through satellite plants connected to the distribution networks.

SUCCESSFUL SYNERGIES: REPAIR CYCLE

Navantia, Reganosa and Gas Natural form part of a pioneering agreement to jointly offer comprehensive LNG carrier vessel repair services. This activity has made the Port of Ferrol one of few in the world where a ship can arrive, unload, be repaired, cool down, gas up and depart, covering a full repair cycle.



NATURAL GAS INFRASTRUCTURE SERVICES

Laboratory analysis

Reganosa's laboratory provides services for the analysis of the composition and properties of natural gas to users of its facilities and external companies and entities, using fully verified equipment. It holds UNE-EN ISO/IEC 17025 accreditation, certifying the suitability of its technical and quality management systems as a testing and calibration laboratory.

Consultancy and project management

Knowledge of the latest technological trends and Reganosa's operational experience are the foundations on which the service provision area for gas assets all over the world is based.

Preliminary studies and preliminary design

- Energy planning.
- Technical feasibility of new infrastructure and integration with existing facilities.
- Economic feasibility, definition and evaluation of the business model.

Engineering, construction and commissioning

- Incorporation of O&M and HSQE (health, safety, quality and the environment) criteria.
- Supervision, support and execution of pre-commissioning, commissioning and start up activities.
- Training.

Commercial operation

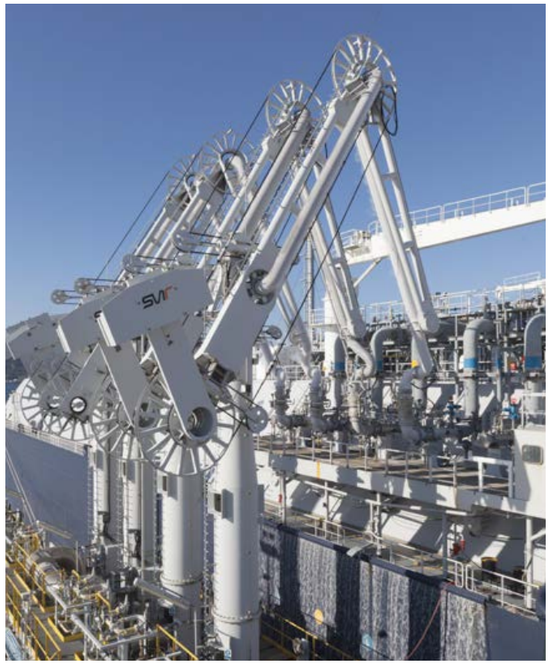
- O&M and integral infrastructure management.
- Simulation and optimisation. Continuous improvement.
- Management of guarantees and *due diligences*.

1.3. MANAGEMENT PRINCIPLES

SAFETY
Global approach and application of the most exhaustive standards.

OPERATIONAL EFFICIENCY
Process optimisation and reduction in consumption.

FLEXIBILITY
Constant adaptation to operational requirements and customer needs.



2
REGANOSA IN FIGURES

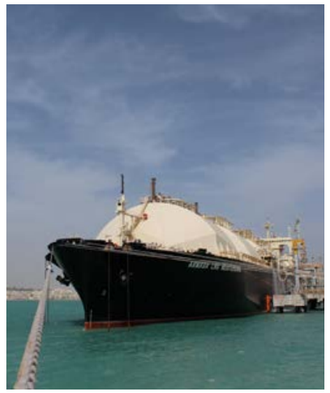
REGANOSA MARKS 10 YEARS OF OPERATIONS: 2007-2017

Reganosa's creation led to the development of the gas system in Galicia and the transformation of processes in the community's main industries, increasing their competitiveness and environmental sustainability.

2007: Start of operations of Mugardos LNG terminal.
2010: First vessel fuelling operation.
2011: Launch of the GANESO project.
2013: Start of studies to develop an LNG hub in the north west of the Iberian Peninsula.
2014: Certification as a TSO and entry into ENTSOG/LNG reloading leaders in Europe.
2015: Incorporation of Reganosa Servicios, S.L.
2017: Start of operations of Delimara LNG terminal.

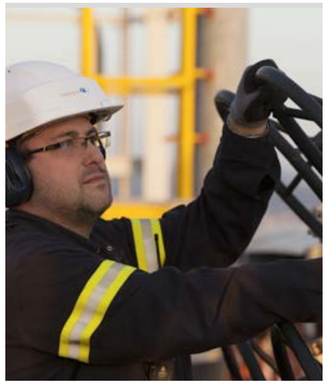
MAIN FIGURES FROM 2017

[102-7]



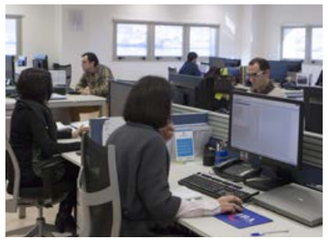
PROJECTS IN PROGRESS ON 3 CONTINENTS.

6% REDUCTION IN ENERGY CONSUMPTION IN SPAIN.

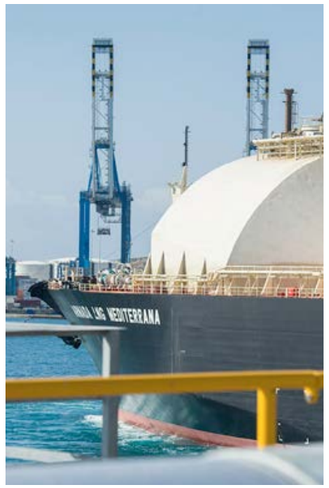


10.6% INCREASE IN EQUITY.

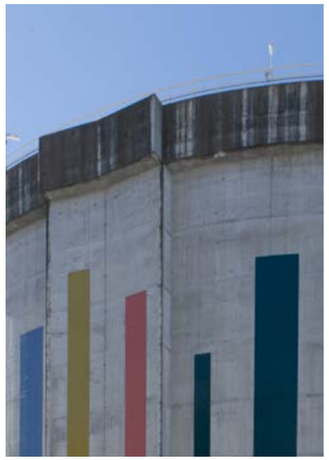
€42.4 M OF EBITDA.



26% INCREASE IN THE NUMBER OF PROFESSIONALS.



€0.22 M DEDICATED TO SOCIAL ACTIONS.



ZERO ACCIDENTS.

ACTIVITY DATA [102-7]	2015	2016	2017
Vessel unloading (GWh)	16,520	13,664	**14,794**
Production (GWh)	16,606	13,687	**14,682**
Gas transported in the gas pipeline network (GWh)	14,392	11,902	**11,535**
International presence (no. of countries where projects are in progress)	3	6	**7**

FINANCIAL INFORMATION [201-1] [201-4] [102-7]	2015	2016	2017
Net profit (€)	15,501,491	14,966,275	**14,204,778**
EBITDA (€)	47,319,143	44,619,285	**42,433,433**
Dividends (€)	4,000,000	0	**0**
Investments (€)	969,399	466,591	**946,512**
Net debt (€)	156,749,713	128,325,381	**91,485,020**
Shareholder's equity (€)	118,533,008	133,518,933	**147,719,965**
Assets (€)	254,625,881	235,065,047	**217,312,919**
Net Debt/EBITDA ratio	3.32	2.88	**2.15**
Economic aid granted by Governments (€)	100,000	731,610*	**59,798****

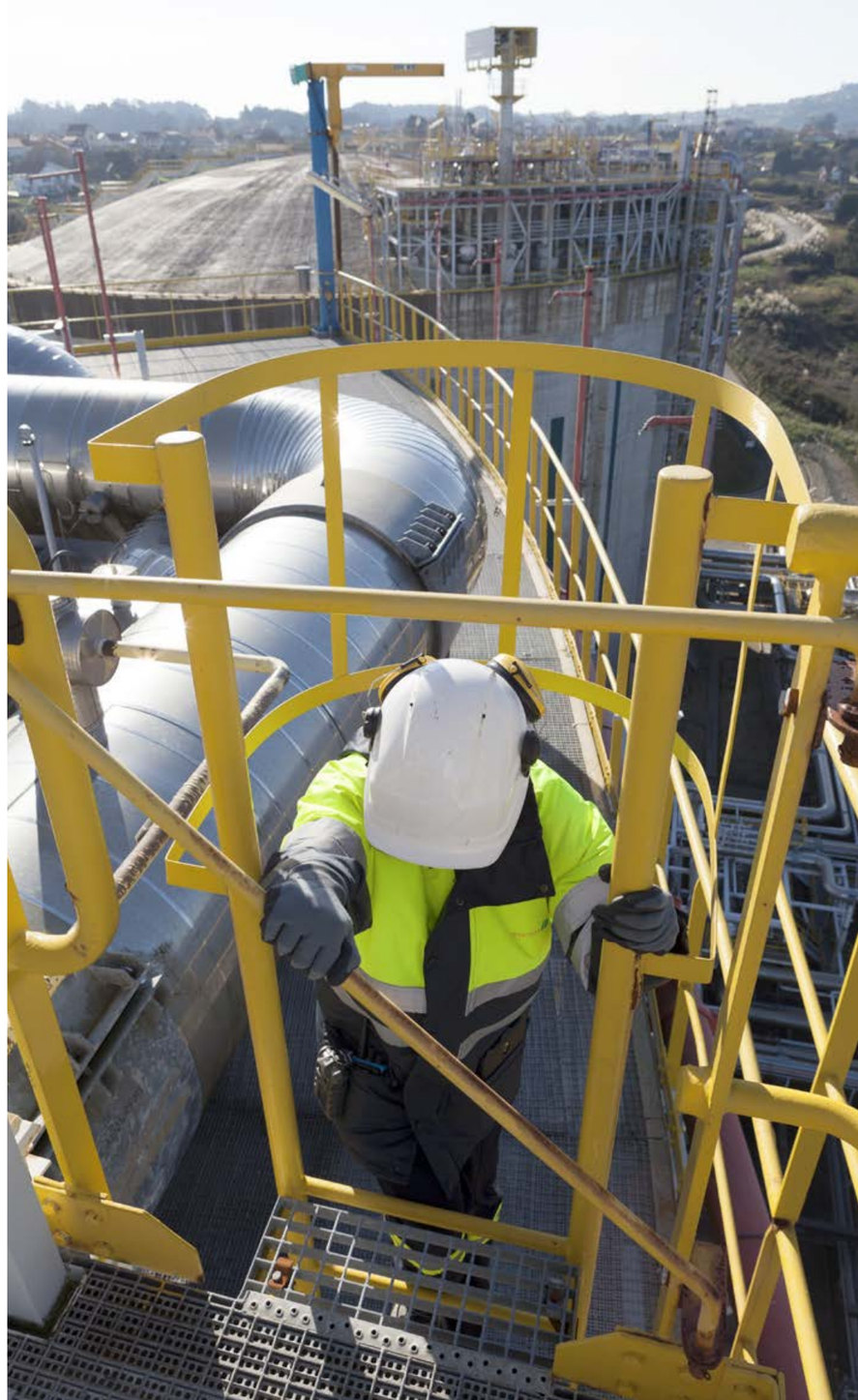
* €496,669 correspond to financial support received from the European Commission under the Connecting Europe Facilities programme for the development of the trans-European transport network.
** Cost subsidies granted by the European Union's EMPIR initiative with the following description: 'Metrological support for LNG and LBG as transport fuel'.

SAFETY AND ENVIRONMENTAL DATA [OG13]	2015	2016	2017
Staff safety training (hours/employee)	33.6	25.1	**22.0**
Safety drills and exercises carried out (no.)	4	4	**12***
Investments in environmental improvements (€)	60,200	60,500	**245,300**
Expenditure for environmental control studies (€)	171,229	85,605	**109,041**
Internal and external quality and safety audits (no.)	7	9	**14****

* 4 in the Mugardos LNG terminal and 8 in the Malta regasification plant.
** 6 in the Mugardos LNG terminal and 8 in the Malta regasification plant.

SOCIAL ACTION [201-1]	2015	2016	2017
Social expenditure related to the company's EBITDA (%)	4.20	0.53	**0.52**
Social expenditure related to the company's net profit (%)	12.90	1.57	**1.56**
Total social investment (€)	2,005,531	235,000	**221,210**
Donations and sponsorship* (€)	121,300	122,000	**186,810**
Amount assigned to scholarships (€)	84,572	58,000	**13,400****
People participating in different entities supported by Reganosa (no.)	6,264	27,162***	**36,534*****
Scholarships and work experience (no. of beneficiaries)	19	17	**11**

* VAT included.
** The scholarship program has been replaced with a plan for recruiting new graduates.
*** Includes attendees at cultural exhibitions run by Reganosa.



PROFESSIONAL DEVELOPMENT [102-7] [403-2] [404-1] [404-3]	2015	2016	2017
Employees at 31 December (no.)	70	98	**124**
Turnover rate	0	0.03	**0.13**
Rate of new employment contracts	0.01	0.33	**0.37**
Employees with permanent contracts (%)	91.42	71.42	**59.68**
Average age of workforce (years)	41.73	39.92	**37.84**
Professional profiles (% of employees with diplomas and degrees)	48.57	55.10	**67.74**
Frequency rate*	8.17	8.29	**0**
Severity rate**	0.56	0.07	**0**
Absenteeism rate***	1.48	4.67	**3.27**
Training per employee (hours/employee)	54.00	41.79	**76.05****

* Frequency rate = no. of accidents with time off x 1,000,000/hours worked.
** Severity rate = no. of days lost x 1000/hours worked.
*** Rate of absenteeism = hours lost/theoretical hours x 100.
**** There was an increase in 2017, mainly due to intensive training programmes for new recruits.

CUSTOMERS AND SUPPLY CHAIN [102-44] [308-2]	2015	2016	2017
Customer satisfaction with our infrastructure in Spain (%)	83	75	**79**
Suppliers with contracts registered in the approval database (%)	38	42	**27**
Suppliers registered in the approval database certified in accordance with the UNE 9001 standard (%)	82	87	**85**
Suppliers with a negative environmental impact (no.)	0	0	**0**
Suppliers with a negative environmental impact, with whom improvements have been agreed (%)	0	0	**0**
Suppliers with a negative environmental impact with whom relationships have been ended (%)	0	0	**0**

MOTOR OF GROWTH [201-1] [203-2] [204-1]	2015	2016	2017
Generated economic value (€)	59,575,285	58,485,181	**60,144,460**
Distributed economic value (€)	29,547,304	24,516,132	**26,769,837**
Retained economic value (€)*	969,049	33,969,049	**33,374,623**
Percentage of contracted suppliers from Galicia (%)**	52	50	**45**
Percentage of expenditure on suppliers from Galicia (%)***	48.77	28.77	**27.28**
Major industries in Galicia supplied with natural gas (No.)	33	35	**24**
Financial savings for these companies through switching to natural gas**** (€)	30,965,233	27,783,549	**30,836,803**
Reduction of emissions by these companies through switching to natural gas***** (tCO2eq)	34,854	34,263	**35,008**
Development of natural gas in Galicia****** (gasification index)	9.11	9.16	**9.95**

* Difference between the financial value generated and distributed economic value.
** and *** Percentage corresponding to infrastructure suppliers in Spain.
**** and ***** Estimated data. It was considered that the fuel consumed prior to the switch to natural gas was diesel.
****** Index estimated based on data on no. of gas customers (source: Sedigas) and population (source: INE).

CORPORATE GOVERNANCE AND TRANSPARENCY [102-17] [102-22] [205-3]	2015	2016	2017
TSO directors at 31 December (no.)	20	20	**20**
Women on the Board of Directors (%)	5	5	**6**
Employees who have received the Code of Ethics (%)	100	100	**100**
Communications received through the Ethics Channel (no.)	1	2	**0**
Incidents related to corruption (no.)	0	0	**0**
Pieces of news about the company in the media (no.)	237	376	**229**
People who visited our facilities (no.)	268	477	**622**

3 MISSION, CORPORATE VISION AND VALUES

MISSION

We are an energy company that develops and manages natural gas infrastructure with the aim of improving the welfare of society and reducing the impact of climate change.

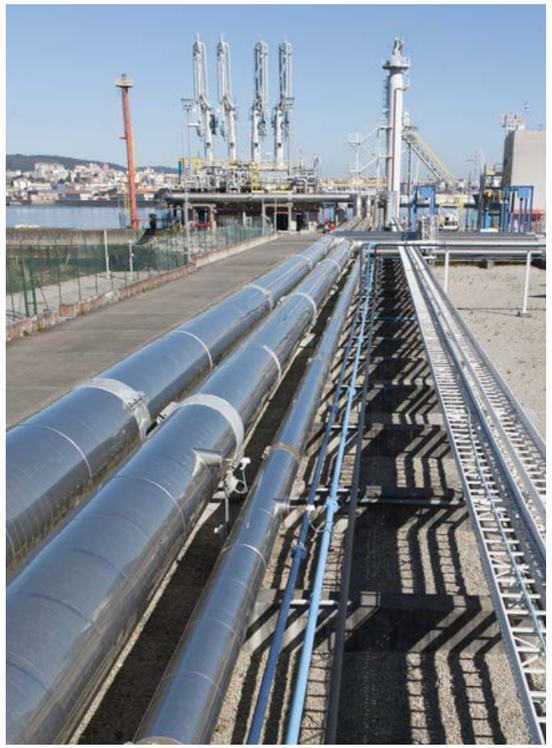
We guarantee the safety of our environment by implementing the most recent technological progress, and we generate value by efficiently managing our resources.

CORPORATE VISION

Our goal is to develop and operate natural gas infrastructure using the latest technological innovations and best practices, with the aim of promoting the sustainable development and growth of people and the territories in which we operate, guaranteeing the availability of the necessary energy infrastructure and its safe and efficient management.

VALUES [102-16]

- Integrity
- Honesty
- Transparency
- Personal effort
- Commitment to the project
- Commitment to safety
- Respect
- Local roots and global projection



COMMITMENTS

- Operate in a safe, efficient and environmentally friendly manner.
- Contribute to supply safety and to the development of the gas system and the European market.
- Create value for shareholders.
- Continue being a driving force for growth in Galicia.
- Invest in the development and well-being of local communities.
- Guarantee good governance and ethical behaviour during operations and relations with stakeholders.
- Train and retain talent.

REGANOSA IN THE ENVIRONMENT

Our community

- Supply of clean and competitive energy
- Educational and cultural programmes
- Support for sporting and artistic entities

People

- Contribution to community development
- Sustainable culture and values
- Comprehensive training and development of our professionals

The environment

- Recycling and control of waste and emissions
- Responsible consumption
- Safety of our operations

CORPORATE CULTURE

[102-16] [103-2] [103-3] [205-1]

ETHICAL PACT

Reganosa's Code of Ethics and Conduct, approved by the Board of Directors, sets out the values that guide the company's activities and operations, as well as the behaviour of all of its employees.

The Code of Ethics and Conduct expressly endorses all the principles of the United Nations Global Compact, an initiative joined by Reganosa in 2013. Furthermore, it is based on values developed and promoted by the Board of Directors, designed to achieve the highest standards of professional responsibility and integrity. [102-12]

Its adoption was a significant milestone for transparency, and it attempts to extent best management practices and good governance to all entities and suppliers who work with the company. The Code is available on the corporate website: www.reganosa.com and is available in Spanish, English and Galician

ETHICS COMMITTEE

Reganosa's Ethics Committee reports directly to the Board of Directors. It is made up of a director, the legal counsel to the Board of Directors and board members. According to the Internal Regulations governing its operation, it has the following goals:

- Promote the inclusion of professional, ethical and responsible behaviour in Reganosa's strategy and management.
- Safeguard respect and compliance with the principles set out in the Code.
- Develop competences related to their binding interpretation and application.

ETHICAL CHANNEL

An Ethical Channel is available to company stakeholders, accessible from the corporate website, which confidentially handles queries related to the application of the code and helps resolve dilemmas or concerns about ethical conduct in the workplace or in professional relationships. No requests for information or concerns have been received through the Ethical Channel this year. All doubts were resolved during the welcome days for new recruits. [102-17]

SUPPLY CHAIN CONTROL

Reganosa includes a clause in its General Conditions of Contract that establishes the commitment of all suppliers to respect the principles set out in Reganosa's Code of Ethics and Conduct, and in the United Nations Global Compact. All providers receive the Code of Ethics through the general contracting conditions, in which the source is stated so that it can be consulted. [205-1]

TRAINING

During the welcome day, new professional recruits receive a copy of the Code of Ethics and Conduct, along with training on the principles and tools contained therein. The aim of this is to establish a culture of values, to encourage well-rounded behaviour during the course of day-to-day activities, and to ensure that the entire workforce knows about the action mechanisms within their reach.

Training sessions are organised periodically, when a need is identified by the Ethics Committee, to ensure that all of the professionals are aware of the updates established in the Code of Ethics. [205-2]

4 OPERATING ENVIRONMENT, RISKS AND OPPORTUNITIES

4.1. OPERATING ENVIRONMENT AND BUSINESS PERSPECTIVES

EVOLUTION OF DEMAND

It is estimated that global gas demand will increase by around 1.6% per year over the next 5 years, mainly due to growing energy demands in developing countries such as China and India. Demand for gas will grow, fostered by low prices and the entry onto the market of new producing countries, as well as due to its advantages in reducing air pollution.

Demand has continued to recover in Europe, with growth of approximately 5.9% compared to 2016. This is due to the increased use of gas in the electricity sector, as well as higher levels of industrial activity fostered by the economic recovery. The medium-term evolution is expected to be practically flat, with a 1% increase by 2025.

In Spain, the 7th largest natural gas consumer in Europe, total demand grew by 9% compared to the previous year, with a notable increase in conventional demand (3.25%) and electricity demand (25.8%).

The number of participants and daily traded volumes have increased gradually since organised gas market operations started in Spain (MIBGAS). Progress made with market operations and gas infrastructure development levels in Spain will allow the creation of a transparent price reference in the Iberian Peninsula. This will facilitate access to a greater number of retailers, increasing competition and optimising prices.

SECTOR CHALLENGES [102-15] [102-29]

Energy companies are facing the challenge of providing energy for a growing world population with high consumption expectations, and of trying to do so in a sustainable manner while reducing the impact of climate change. Although demand for natural gas is expected to increase over the coming years, sector companies will have to evolve and design strategies to tackle the energy transition challenge, according to criteria of efficiency and economic sustainability.

TRANSITION TO A LOW CARBON ECONOMY [103-2] [102-11] [201-2]

The adoption of the United Nations Sustainable Development Goals and the Paris Agreement adopted during COP21 reflect a global desire to put the brakes on climate change and keep global average temperature increases below 2ºC: this will involve all economic agents.

In the future energy model, natural gas could play a fundamental role in the transition towards low carbon energy, as it is an abundantly available source that produces fewer polluting emissions than other fossil fuels, thereby contributing to minimising the impact on air quality. Natural gas is a suitable substitute for coal for electricity production and oil for heavy road and sea transport. In particular, natural gas plays the following three major roles, among other minor ones, it:

(i) improves the production processes of companies that switch from other fossil fuels, decreasing emissions;
(ii) supports the production of electrical energy and other renewable energies; and
(iii) develops the value chain required to implement LNG as a fuel, reducing carbon emissions from transport and achieving a balance between competitiveness and protecting the environment.

TECHNOLOGICAL PROGRESS

Innovation cycles will accelerate over the coming years. Energy companies will benefit from the availability of more efficient and secure technologies, which will lead to cost savings. There will also be an influence on renewable energy generation, facilitating its development.

Reganosa continually analyses global market trends and circumstances for the purpose of developing logistics products and innovative operational solutions that give its customers added value. The University of Santiago de Compostela currently works alongside Reganosa to develop GANESO, a gas network simulation and optimisation tool, and participates in the LNG HUB project in the north west of the Iberian Peninsula, along with other agents.

CHANGE IN ENERGY FLOWS [103-2]

The volume and diversity of commercial LNG flows are increasing rapidly with the emergence of new exporting and importing countries. The number of countries importing LNG has increased from 15 in 2005 to 37 today, with the resulting construction of new infrastructure.

In February 2016, the European Commission published the LNG and European gas storage strategy, the main objectives of which are to reduce the European Union's dependence on gas, support the energy transition process and complete the construction of the infrastructure needed to efficiently develop the single market. In this sense, one of the fundamental aims will be the development of new LNG terminals and the expansion of existing ones.

In 2017, Reganosa continued to increase its international presence developing projects in 7 European, African and Asian countries. The strategic location of terminals operated by Reganosa, in the centre of the Atlantic sea routes and in the Mediterranean Sea, and their operational flexibility, enable the company to provide value-added logistics services to the LNG chain and diversify the sources of gas supplied to Europe.

4.2. RISK MANAGEMENT

[103-2] [103-3] [102-29] [102-30]

Reganosa has an integral key risk management method in its areas of activity. In this way, it ensures that its strategic goals and actions are achieved within a framework of certainty.

The risk control mechanism is based on two fundamental cornerstones; the creation of rigorous procedures for the activity and the organisational model.

INTERNAL REGULATIONS

Reganosa has developed a set of internal regulations to ensure that risks are dealt with adequately, to guarantee compliance with the regulations in force in different management areas and to mitigate possible adverse effects. These regulations, including manuals, policies, procedures and instructions, among other documents, together with current operational processes, guarantee the control and efficient segregation of functions in financial, business and regulatory areas.

Main manuals, procedures and policies:

- Code of Ethics and Conduct.
- Integrated Management System Manual.
- Criminal Risk Prevention Manual.
- Policy against Corruption and Fraud.
- Conflict of Interest policy.
- Health, Safety, Environment and Quality Policy.
- Procedures for dealing with project risks; operational, legal, tax and occupational contingencies.
- Quality, administration and finance procedures, operations control, supplier evaluation and approval, training and IT systems.

The company's risk map was updated in 2017 as per the following methodology:

a) Identification of internal and external risks of achieving the Strategic Plan.

b) Quantitative risk measurement and classification: impact and likelihood of occurrence.

c) Definition of the management strategy of different risks.

The analysis is conducted in accordance with the COSO ERM, ISO 31000 and DAVOS Global Risk Report standards. The main types of risks associated with the activity and the management and mitigation measures in place in the company are identified below:

TYPE OF RISK [102-15] [102-34]	DESCRIPTION OF THE TYPE OF RISK	PREVENTIVE MEASURES AND CORRECTIVE ACTIONS
Regulatory	In Spain, Reganosa operates in a regulated sector, so changes in the regulatory framework could have an impact on its results [103-2]	Fluent communication with regulatory bodies and national and international governments in a collaborative framework.
		Continuous monitoring of legal amendments approved at any given time and the drafting of regulatory development proposals.
		Participation in associations, discussion forums and working groups, as well as actively interacting with all other players in the sector.
		Legal defence of the company's interests in any cases where it is necessary.
		Design of an energy efficiency plan to allow the operation to be optimised and adequately meet the requirements of the remuneration framework.
		Addition of new functionalities to the GANESO gas transmission network simulation software, to allow the application of many different policies to be simulated and to plan the development of gas infrastructure in accordance with the principles of efficiency, sustainability and security of supply.
		Active participation in ENTSOG working groups for the development of European Network Codes, which will allow the efficient operation and adequate development of the internal natural gas market.
Business	**Health, safety and the environment** Management in this area must be strict to guarantee that impacts and risks are minimised or eliminated.[102-11]	Implementation and maintenance of integrated quality, environmental and occupational health and safety management system (ISO 9001, OHSAS 18001, ISO 14001 and EMAS).
		The Occupational Hazards Prevention Plan sets out the preventive actions to be integrated into the entire organisational structure.
		Preventive activity plans are drawn up each year to establish the measures to be implemented to control, reduce and eliminate risks detected by the periodic risk assessments.
		Periodic review of the Self-Protection Plan and conducting drills to establish the effectiveness actions described both in this plan and in the External Emergency Plan.
		Contracting of an insurance package with companies of recognised prestige and international experience in the energy sector, to cover any contingencies that may arise.
		Implementation of cyber-security measures in IT systems, segregation of functions and access restrictions.
	Market Uncertainty about the evolution of demand can affect the company's results.	Constant monitoring of the behaviour of demand, and participation in initiatives to develop new uses for natural gas.
		Participation in initiatives to promote the use of liquefied natural gas for mobility.
		Ongoing analysis of the natural gas market in Europe and the rest of the world, to assess possible impacts on Reganosa's future business.
	Operation This refers to infrastructure risk, such as obsolescence, failures or unavailability.	Development and implementation of procedures and actions according to quality, environmental and prevention criteria (ISO 9001, OHSAS 18001, ISO 14001 and EMAS certifications).
		Analytical methods validated according to UNE ISO IEC 17025 for determining the composition and physical properties of natural gas and sulphur compounds analysis.
		Preventive and predictive review of equipment, according to specific maintenance programmes.
		Use of the latest natural gas measurement technologies to enable adequate calculation of regasified quantities conveyed by gas pipeline
		In addition to the preventive actions, the incident management procedure sets out the process methodology for investigating conduct or factors that have led to the occurrence of incidents. Based on the conclusions, specific corrective and preventive measures are implemented and monitored to prevent the repetition of incidents.
		Establishment of a suppliers approval procedure for contracting services, projects and supplies; the procedure ensures that the best qualified suppliers are selected.
	International projects Geopolitical and operational risks in countries where Reganosa carries out its activity.	Project selection based on a detailed analysis of the customer, country, business model, and margins and risks.
		Limitation of liability in projects.

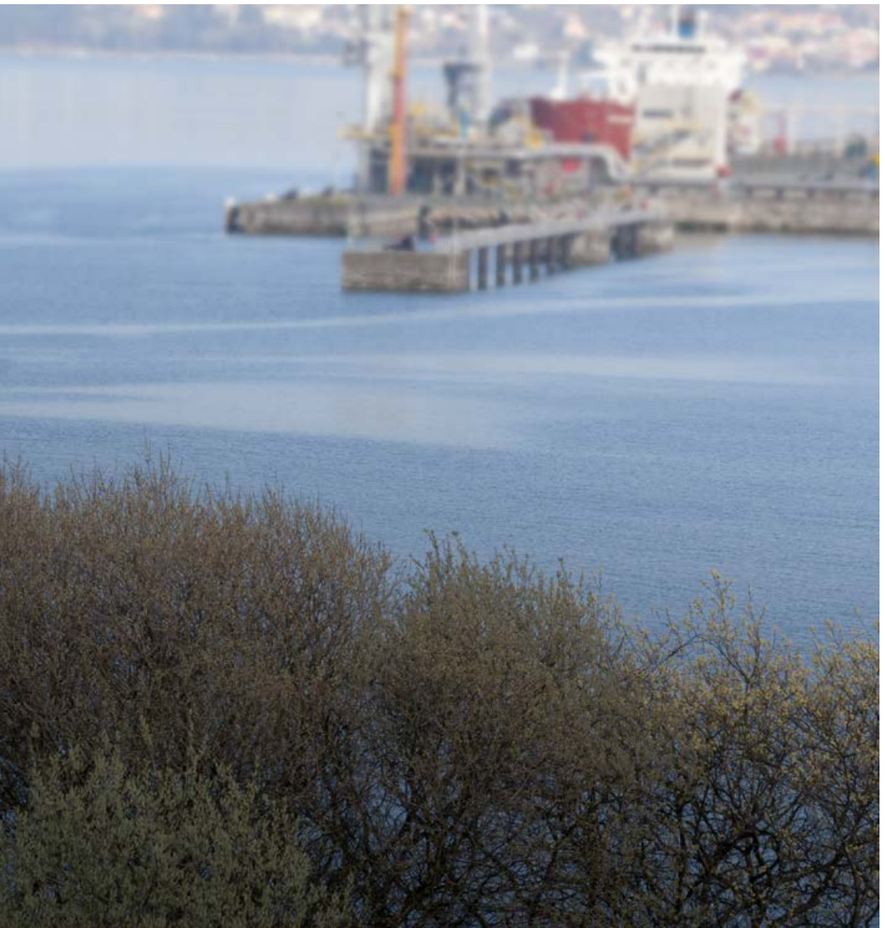
TYPE OF RISK [102-15] [102-34]	DESCRIPTION OF THE TYPE OF RISK	PREVENTIVE MEASURES AND CORRECTIVE ACTIONS
Financial	**Interest rate risk**	A policy to hedge this risk, based on keeping fixed interest rates for at least 50% of the debt.
		Contracting of interest rate hedging systems to protect the business from high interest rate scenarios.
	Cash flow	Maintenance of the necessary liquidity to meet financial commitments.
		Maintain a solid balance sheet and adequate lines of financing to ensure solvency to take on projects.
		Comprehensive monitoring and estimate of the future evolution of the gas sector's deficit in Spain.
	Financing risk in new project development	Fluid relationship with banking entities.
		Management of financing processes through consultants and specialist staff.
	Tax	Tax procedures.
		Advice by tax experts on the taxation criteria for all of the company's operations.
Reputation	**The company's reputation influences its results**	Periodic tracking of information about the company in the media and on-line.
		Issuing press releases and periodic meetings with stakeholders
		Code of Ethics and Conduct and internal regulations to ensure compliance with legislation and that ethical behaviour of staff.

5 STRATEGY

STRATEGIC PLAN 2016-2020.

[103-2]

During 2017, Reganosa's Board of Directors updated the Strategic Plan for the 2016-2020 period, which sets out the company's focus and lines of action for tackling future challenges.



STRATEGIC LINES

Business as usual
As a TSO, a significant proportion of Reganosa's objectives focus on optimizing the development, operation and maintenance of Spanish gas system infrastructure, and particularly on the integration of the European single market. It adapts its operations to the requirements of the sector and pays particular attention to the monitoring and development of the regulatory framework.

Innovation
The company's priority is to invest in innovation platforms and R&D projects that add value to the current business and continue to provide Reganosa with unique knowledge.

Domestic and international growth
Reganosa will continue to participate in projects in domestic and international markets, contributing its experience and knowledge, and will examine new gas asset investment opportunities.

Strategic actions:

- During planning processes, the development of a safe, efficient and flexible system ready for the challenges of the future.
- Fostering development of the infrastructure that will enable implementation of an LNG hub in the north west of the Iberian Peninsula, providing access to a cleaner and more competitive fuel.
- Expansion of the business by developing activities related to the design, construction, operation and maintenance of gas infrastructure, participating in projects in Spain and other growing markets.

STRATEGIC AREAS

Sustainability
A fundamental criterion for decision making in the company, ensuring that the business is both environmentally and economically sustainable.

Energy efficiency plan

- Progressive reduction in energy consumption and emissions.
- Adoption of technological improvements to minimise measurement uncertainties.

Information systems plan
Continuous improvement in support for business processes and regulatory and operational information processes.

Human resources plan

- Talent attraction according to strategic plan objectives.
- Training and education.

STRATEGIC PLAN 2016-2020.

[103-3]

PROGRESS MADE WITH ACHIEVING OUR STRATEGIC GOALS	GOALS FOR 2018
1.BUSINESS	
• Participation with different sector agents in the development of the gas market in Spain and taking a stake in the share capital of Mibgas Derivatives, S.A. • Cooperation with the rest of the TSOs on European energy planning; the Ten-Year Network Development Plan (TYNDP) 2017, published on 28 April and the Gas Regional Investment Plan (GRIP) South 2017, published on 27 July, which include the infrastructure that needs to be developed in the north west of the Iberian Peninsula to improve security of supply and safety, and to meet new logistical needs. • Shortlisting of the consortium comprising EBRD, Transgaz and Reganosa, as a finalist for the DESFA privatization process, the first international tender in which Reganosa is participating in the acquisition of major European infrastructure. • Commissioning of Malta *greenfield* regasification plant, with technology that is unique worldwide, achieving maximum efficiency in infrastructure design. • Receipt of the first Q-Flex vessel, with a capacity of 216,000 m^3, at the facilities of Mugardos LNG terminal.	• Maintain excellence and efficiency as a plant operator and TSO. • Continue with the service provision activity as a Reganosa source of knowledge and research. • Analysis of possible investments in energy assets either brownfiled or *greenfield* projects. • Develop the asset investment plan in accordance with budget forecasts and within the established period. • Promote the use of LNG as a fuel and take advantage of the growth opportunities that it generates in Reganosa's areas of operation.
2.RESOURCES	
• Progress with the development of the human resources plan. • Implementation of the systems plan.	• Implement the human resources plan, which establishes personalised development measures and training for the company's professionals. • Implement the new Performance Assessment System in 360º format. • Invest in technological innovation, processes and the business model, to develop the key projects defined in the Strategic Plan.
3.SUSTAINABLE MANAGEMENT	
• Analysis of the Carbon Footprint of our activities in Spain. • Contribute to cultural and educational development, through the social action plan.	• Maintain rigour in the company's activities and protect the safety of people and the environment. • Continue providing support to the social and economic environment in which Reganosa runs its business.

6
SUSTAINABLE MANAGEMENT: PERFORMANCE AND OBJECTIVES

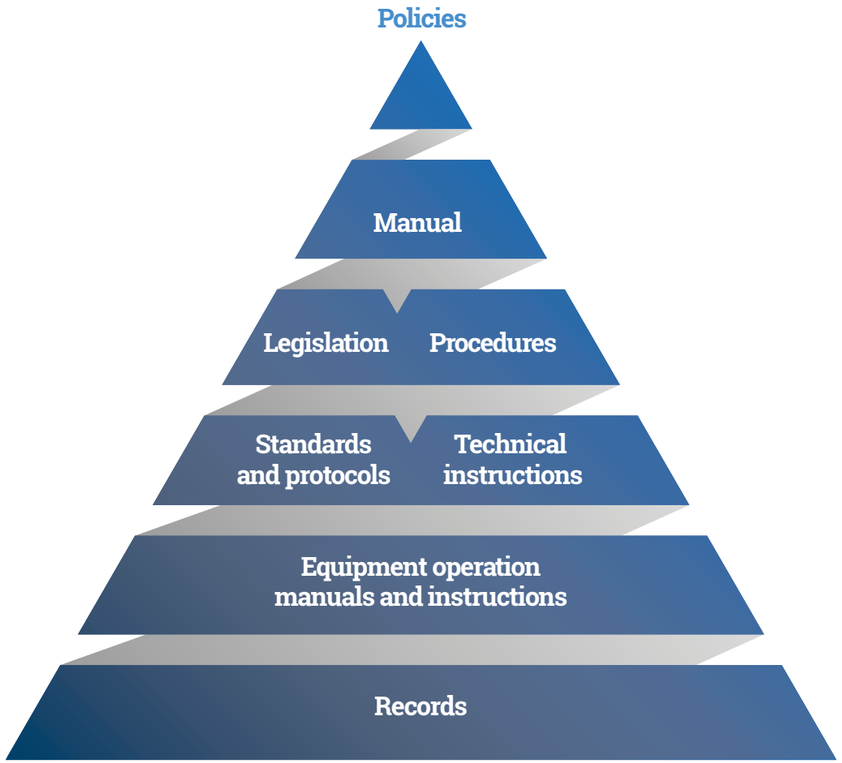
6.1. BUSINESS AS USUAL

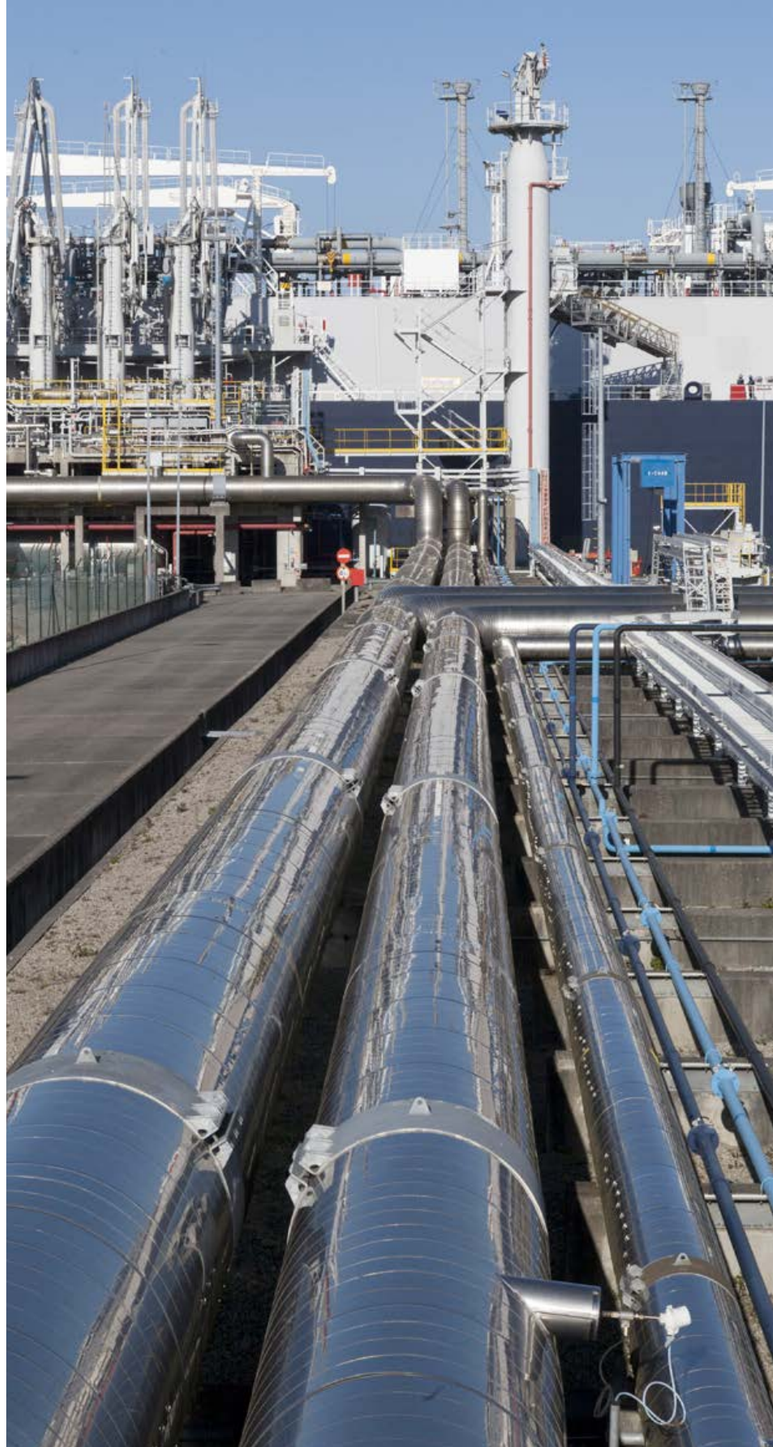
[103-2]

INTEGRATED MANAGEMENT SYSTEM

The company has an Integrated Management System that is audited on an annual basis and certified under the ISO 9001, ISO 14001 and OHSAS 18001 standards, among others, guaranteeing compliance with quality, environmental and health and safety legislation, and embodying the commitment to continuous improvement to prevent and minimise the impacts associated with its activity. This certification currently covers the operations of Reganosa and Reganosa Servicios.

Reganosa's Integrated Management System is set out in a number of internal and external documents, according to a structure that ensures the planning, operation and effective control of processes.





6.1.1. SAFETY FIRST

PERFORMANCE IN 2017	GOALS FOR 2018
• Zero accidents in our facilities. • Launch of the Information Security Management System (ISO 27001) implementation project. • Implementation of a project to improve corporate occupational health and safety policies and procedures, under the ISO 9001, ISO 14001 and OHSAS 18001 standards. • Review and update of the Self-Protection Plan for the Mugardos LNG terminal. • Development of the Drills Programme at Mugardos and Delimara LNG terminals.	• Gaining ISO 27001 certification for the Information Security Management System. • IT systems improvement plant for monitoring quality, health, safety and environmental processes. • Update of the occupational health and safety policy to include needs arising from the development of Reganosa's lines of activity. • Development of the "Healthy and Active Company" project. • Inclusion of medical criteria, first aid practices and protocols for action in the event of incidents in the workplace. • Development of a simulation plan for Mugardos and Delimara terminals, aimed at optimising technical actions by in-house and outsourced personnel in the event of incidents.

Safety is one of the company's basic management principles. Reganosa applies the most demanding international standards to each of its activities, and fosters the practices necessary to guarantee the safety of people, facilities and the environment. [103-1]

Through its Integrated Management System, certified to the OHSAS 18001 standard, among others, the company ensures compliance with health and safety legislation, its integration into the company's general system, a commitment to adapt and make continuous improvements, and risk control through the adoption of any necessary measures to eliminate or minimise risks. [416-1]

As part of the Integrated Management System procedures, Reganosa has developed a safety monitoring and observation method to allow the early detection of occupational and industrial improvement actions. This method includes the organisation's criteria for communicating, analysing and responding to any incidents detected.

The goal of zero accidents was achieved in 2017, through Reganosa's commitment to training and employee health and safety, and the development of the 2016 Health and Safety commitment plan.

OCCUPATIONAL HEALTH AND SAFETY SYSTEM [103-2] [103-3]

The Occupational Health and Safety Plans set out the measures to be integrated into operational processes, working conditions and the organisation of activities to ensure control over the risks at all facilities, complying with legislation in force at the locations where Reganosa has a presence.

Reganosa promotes a culture of safety among its contractors, by extending all measures and technical requirements to activities carried out at the facilities of partner companies. Prior to the formalisation of the contractual relationship, and during the course of the contract, the contractors' documentation is reviewed using an IT application; contractors are subsequently given an access course before carrying out their activities.

Commitment to the health and safety of people and strict compliance with our policies and procedures allowed us to achieve the goal of zero accidents in 2017 and to keep the rate of occupational illness at zero. [403-2]

These figures are also made possible through the efforts made in the areas of training, awareness and safety exercises, aimed both at Reganosa professionals and at external people and companies who carry out activities at the company's facilities.

- **22 hours** of health, safety and environment training per employee.
- **12 accident simulations** at Mugardos and Delimara terminals, some with the participation of external groups. [OG13]

Every work centre has its own Health and Safety representative or committee, on which prevention delegates representing the workers sit. The committees meet on a quarterly basis to review the company's occupational health and safety actions. [403-1]

[403-2]	2015	2016	2017
Frequency rate	9.68	10.01	**0**
Severity rate	0.59	0.09	**0**
Absenteeism rate*	1.48	4.67	**3.27**
Company staff frequency rate	8.17	8.29	**0**
Company staff severity rate	0.56	0.07	**0**
Frequency rate for external workers	11.87	12.65	**0**
Occupational illness rate	0	0	**0**
Fatalities	0	0	**0**

* The absenteeism rate remains at levels higher than 2015 due to the existence of certain long-term temporary incapacity processes.

OCCUPATIONAL HEALTH [103-2]

Reganosa promotes healthy habits among its professionals, by periodically conducting medical examinations and encouraging participation in health information campaigns and activities.

- **94.4%** of the workforce had medical examinations in 2017.
- **All** of our infrastructure operators have received first aid training.

FACILITY SAFETY [103-2] [103-3] [OG13]

Reganosa continuously monitors all of its facilities using the most advanced monitoring and control systems. In addition, it provides training on safety and actions to take in an emergency to 100% of external contractors working at its facilities. Similarly, the owners of works or sites over which the gas pipelines run are informed about the characteristics and safety measures that apply to the infrastructure.

All necessary technological adaptations to the facilities undergo a rigorous management of change procedure in which needs for quantitative and qualitative risk studies are identified, in accordance with international standards of best practice.

During 2017, Reganosa also conducted 4 drills at Mugardos terminal facilities, and 8 at Delimara facilities, as part of its intensive training programme. All of these drills verified the capacity to respond to risk scenarios, or scenarios set out in the Self-protection Plan and in the Port Facility Protection Plan. The police force and the fire service also participated in these drills.

Similarly, personnel from the Ferrol Fire Service make periodic visits to the Mugardos terminal facilities to find out about, and familiarise themselves with the products that are handled and the fire extinguishing systems that are installed. They also participate in fire training days, along with personnel forming part of the company intervention team. [413-1]

6.1.2. CARING FOR THE ENVIRONMENT

PERFORMANCE IN 2017

- Carbon Footprint analysis for our activities in Spain (Scopes 1 and 2)
- Maintenance of the plan for monitoring sediments and organisms on the coast close to Mugardos terminal.
- A 3,350 W saving at Mugardos LNG terminal thanks to the modification of the internal lighting system in the buildings.
- Reduction in CO2 emissions at Mugardos terminal by 6%. [305-5]
- Selection of "Reganosa initiatives that contribute to city sustainability" project to form part of the Climate Change Cluster's "Sustainable City Life" initiative.

GOALS FOR 2018

- Carbon footprint analysis for our activities in Spain (Scope 3).
- Updating of the environmental risk assessment according to the standard established in the environmental risk assessment guidelines for LNG plants, approved by the Ministry of Agriculture, Food and the Environment.
- Maintenance of the plan for monitoring sediments and organisms on the coast close to the Mugardos terminal.
- Continue with the development of the energy efficiency plan through the installation of new equipment and actions to reduce consumption.
- Determination of natural gas emissions from the Mugardos terminal.
- Participation in the Climate Change Cluster.

[103-2]

Reganosa cares for the environment. Our commitment goes beyond respect for environmental legislation. We are concerned about the natural resources that surround us, and we want to contribute to their maintenance and improvement through our actions.

Therefore, the different companies forming part of Reganosa have been certified according to the most demanding standards; the ISO 14001 international standard and the European Eco-Management and Audit Scheme (EMAS). The implementation of the Integrated Management System in accordance with these standards ensures advanced environmental management, compliance with all regulatory provisions and the systematisation of environmental procedures and guidelines, and enacts the commitment to continuous improvement to prevent and minimise impacts associated with our activity.

The company establishes a control system that includes optional periodic study and procedures and training activities for the workforce. Reganosa sets specific objectives in its annual Environmental Statement.

Environmental actions are carried out transparently. The company has put in place several communication channels to respond to requests for information from any parties interested in its activities. In addition, Reganosa publishes an Environmental Statement on its website, which explains performance data and includes specific goals for reducing its emissions and consumption of water, energy and materials, and the optimisation of waste management processes.

The savings and efficiency measures detected during the energy audit conducted in 2016 at Mugardos terminal were included in 2017 energy efficiency plan. As a result, changes were made to building lighting systems during the financial year, leading to 3,350W of power savings. [302-4]

CONTROL OF CONSUMPTION

The company uses resources - energy, water and auxiliary materials - in the activities and services in its facilities. On an annual basis, during audits of the Integrated Management System and EMAS, records of these consumptions are checked and compared with those from previous years to assess the trend, check the efficiency of the processes and establish the goals and measures necessary for the following years.

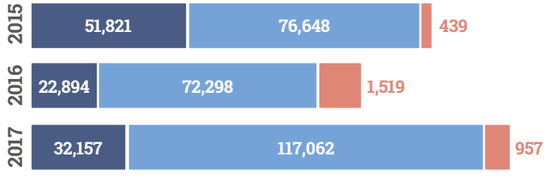
Delimara regasification plant was commissioned in Malta in April 2017. The reported data therefore include this infrastructure's consumption from the moment it entered into operation.

ENERGY CONSUMPTION

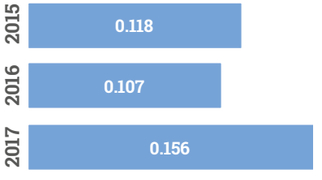
[103-3] [302-1] [302-5] [302-3]

Total energy consumption in the year was 150,176 GJ. Consumption at Mugardos terminal was 6% lower than during the previous period, thereby continuing the downward trend seen over recent years, mainly due to lower combustor use. The increase in the consumption figure is due to the inclusion of data from Delimara regasification plant.

TOTAL ENERGY CONSUMPTION
Natural gas (GJ)
Electricity (GJ)
Diesel (GJ)



ENERGY INTENSITY
(GJ/t)

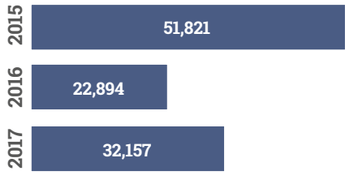


NATURAL GAS

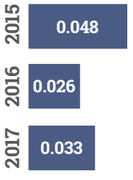
Natural gas consumption in Spain mainly takes place in the submerged combustion vaporiser (SCV) and in the combustor. The SCV is a gas heated exchanger where the LNG is vapourized. It operates at demand peaks and during maintenance periods of other vaporisers. The combustor or ground flare is a piece of equipment where the vapours generated by the evaporation of the LNG that cannot be recovered through the recondenser are burnt off.

Natural gas self-consumption during 2017 was 32,157 GJ. 70% of this consumption corresponds to the Mugardos terminal, which is stable compared to the previous year.

NATURAL GAS CONSUMPTION
Natural gas (GJ)



ENERGY INTENSITY
Natural gas (GJ/t)

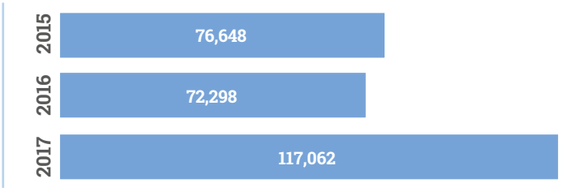


ELECTRICITY

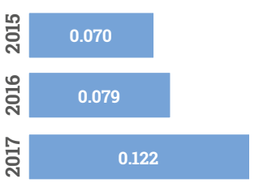
Electrical power is mainly used for the operation of LNG terminal equipment, lighting and air conditioning systems. In 2017, total consumption amounted to 117,062 GJ, with consumption at Mugardos terminal accounting for 58% of this total.

Consumption at Mugardos terminal has been reduced through the measures adopted under the energy efficiency plan, which included replacing light sources with LED technology and low consumption systems.

ELECTRICITY CONSUMPTION
Electricity (GJ)



ENERGY INTENSITY
Electricity (GJ/t)

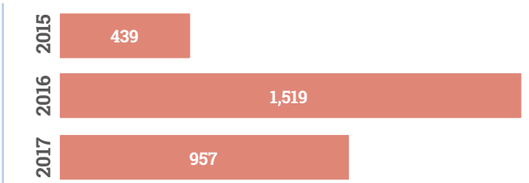


DIESEL

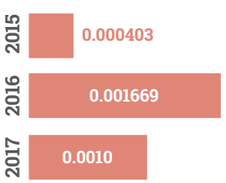
Use of diesel accounted for 0.6% of total energy consumption in 2017, including fire extinguishing pumps, emergency generators and fuel for the vehicle fleet.

High consumption at Mugardos terminal in 2017 was due to the start-up of the emergency generator during stoppages to allow maintenance work to be carried out on the electricity supply grid.

DIESEL CONSUMPTION
Diesel (GJ)



ENERGY INTENSITY
Diesel (GJ/t)



CONSUMPTION OF MATERIALS

[301-1]

THT (TETRAHYDROTHIOPHENE)

THT is a compound used as an odorant in the natural gas transmission network for safety reasons. Its concentration in gas pipelines is determined by regulations and its consumption is linked to the regasification that is carried out.

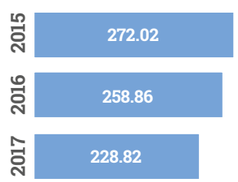
THT CONSUMPTION
Tetrahydrothiophene (t)

NITROGEN

Nitrogen consumption is related to the inerting of equipment before and after maintenance tasks, as well as the sweeping and emptying arms upon completion of LNG loading and unloading operations of ships and tanker trucks at Mugardos terminal. In 2017 there was a decrease in its consumption due to the type of services and the maintenance work carried out.

NITROGEN CONSUMPTION
Nitrogen (t)

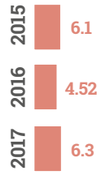
Data corresponding to consumption of the Mugardos terminal



SODIUM BISULPHITE

This compound is used at Mugardos LNG terminal to neutralise the sodium hypochlorite used in the seawater circuit. In turn, sodium hypochlorite is continuously generated in an electrochlorination plant and is used to prevent the development of micro-organisms inside pipes and equipment.

SODIUM BISULPHATE CONSUMPTION
Sodium bisulphate (t)



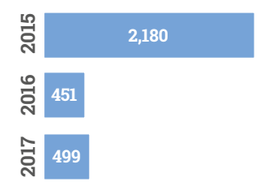
WATER CONSUMPTION

[303-1] [303-2] [306-1]

FRESH WATER FOR SERVICES IN THE FACILITIES

Water is mainly consumed for industrial and cleaning uses. This also includes sanitary and auxiliary uses. Consumption at Mugardos terminal was unchanged compared to the previous year . The increase in 2015 was mainly due to the use of back-up equipment for room air conditioning and pressurisation functions, which use a continuous flow of water as a coolant.

FRESH WATER CONSUMPTION
m^3

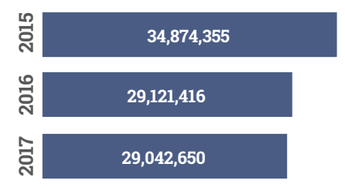


Data corresponding to consumption of the Mugardos terminal.

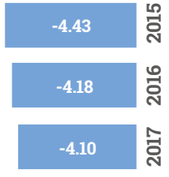
SEA WATER

Sea water is used by Mugardos LNG terminal for regasification processes to increase the temperature of LNG and achieve its liquid to gas phase change. The volume used is fully returned to the marine environment, with a slight temperature decrease. The chlorine and temperature parameters of the water returned to the sea are well below the established limits. [304-2]

SEA WATER INTAKE
m^3

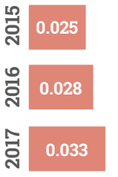


TEMPERATURE DECREASE
°C



Maximum limit: -6ºC

RESIDUAL CHLORINE
mg/l



Maximum limit: 0.1 mg/l

EMISSIONS

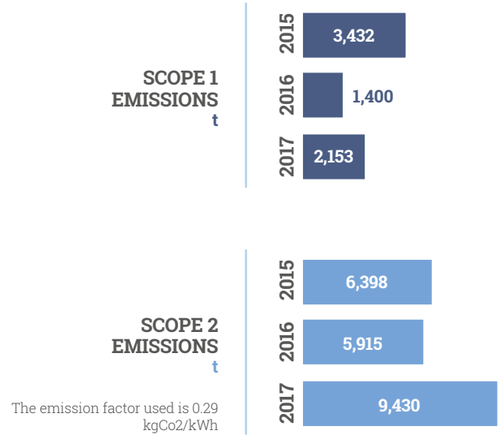
[103-2] [103-3] [305-1] [305-2]

GREENHOUSE GAS (GHG) EMISSIONS

In 2017, Reganosa analysed the carbon footprint of its activities in Spain, to: (i) identify the sources of greenhouse gas emissions as per GHG Protocol Scope 1, for direct emissions, and GHG Protocol Scope 2, for indirect emissions; (ii) obtain information for decisions when selecting resources, services or materials; and (iii) identify process phases where it is possible to generate greater consumption efficiency or emission reductions.

Reganosa also conducts the annual atmospheric control checks provided for in Regulation (EU) 601/2012. Direct emissions (Scope 1 under the GHG Protocol) are generated by the combustion of natural gas for self-consumption, and by the consumption of diesel in auxiliary engines of terminal equipment. Under the GHG Protocol, emissions are calculated based on fixed generation sources, so consumption by the vehicle fleet is not included. At Mugardos terminal, scope 1 emissions were the same as the previous year.

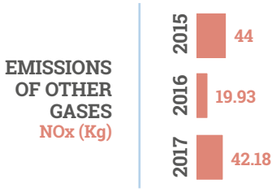
Indirect emissions of greenhouse gases (Scope 2 under the GHG Protocol) correspond to the electricity consumed. These emissions decreased at Murgados compared to the previous year, due to the effects of the energy efficiency plan and lower electricity consumption.



The emission factor used is 0.29 kgCo2/kWh

EMISSIONS OF OTHER GASES [305-7]

In 2017, NOx emissions in the submerged combustion vaporiser at the Mugardos terminal were 42.18 kg, similar to the 2015 level.



EMISSION RIGHTS [201-2]

Reganosa purchases long-term emission rights to cover its needs, in addition to the allocation of rights that it acquires from the European Union Emission Trading Scheme. During 2017 it had to purchase 846 t of emission rights for Mugardos terminal.

WASTE MANAGEMENT

[306-2]

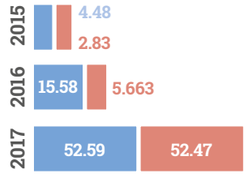
WASTE MANAGEMENT

Waste generated by the company's activity is very limited, and is mainly due to maintenance and cleaning of facilities and equipment.

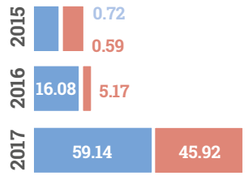
This year, the increase in the amount of hazardous waste generated is due to the removal of lead batteries at the end of their useful life from equipment at Mugardos LNG terminal. At the plant in Malta, waste mainly comes from cleaning work and the management of the waste water purification system.

Where possible, the company sends the waste that it generates for recycling and reuse. In 2017, 56% of total waste generated was recycled. At the Mugardos LNG terminal, 98% of waste was sent to recovery and recycling processes.

WASTE GENERATED
Non-hazardous waste (t)
Hazardous waste (t)



FINAL DESTINATION OF THE WASTE
Waste for recycling (t)
Waste for landfill (t)



COLLABORATIVE INITIATIVES TO IMPROVE OUR ENVIRONMENTAL PERFORMANCE

BEST ENVIRONMENTAL PRACTICES AGREEMENT, SIGNED BETWEEN THE PORT AUTHORITY OF FERROL-SAN CIBRAO (APFSC) AND REGANOSA. [102-12]

An updated version of this Convention was signed in 2017, in which Reganosa undertakes to comply with the stipulations of the Environmental Best Practices Guidelines approved by the Puertos del Estado port authority, and to implement continuous improvement systems for the control of operations and maintenance tasks.

To verify this, an annual monitoring and review process is carried out that requires the company to maintain the certification of its environmental management system according to the ISO 14001 international standard and the EMAS Regulations, and to develop its commitment to continuous improvement through environmental investment.

STUDY OF "PERIODIC MONITORING OF THE EVOLUTION OF THE INFRALITTORAL BENTHIC COMMUNITIES IN SANTA LUCÍA BAY" PERFORMED BY THE MARINE BIOLOGICAL STATION OF A GRAÑA, RUN BY THE UNIVERSITY OF SANTIAGO DE COMPOSTELA. [304-2] [306-5] [OG4]

Since 2006, Reganosa has prepared a two-monthly voluntary study monitoring the composition and structure of infralittoral benthic communities in Santa Lucía Bay.

This analysis allows monitoring of the development of these communities. It includes evaluations of the substrate, the amount of organic matter deposited and the hydrodynamic influence of Reganosa's discharge on sedimentation processes. The final analysis of the year was performed in December 2017.

The results show that the discharge affects neither the composition nor the structure of the benthic communities located in the vicinity of the terminal. Furthermore, comparisons of the state of micro-organism systems with historical data (prior to the presence of Reganosa) have also shown that the terminal has had no impact on the marine environment.

CLIMATE CHANGE CLUSTER [102-13]

Reganosa forms part of the Climate Change Cluster run by Forética. In this Cluster, it works with other leading Spanish companies to share strategies and participate in initiatives that allow the main trends and practices in the fight against climate change to be transposed into the Spanish context.

6.1.3. WORKING ENVIRONMENT

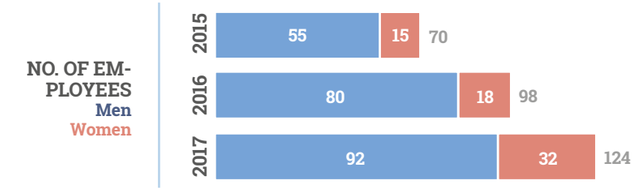
[103-2] [103-3] [102-8]

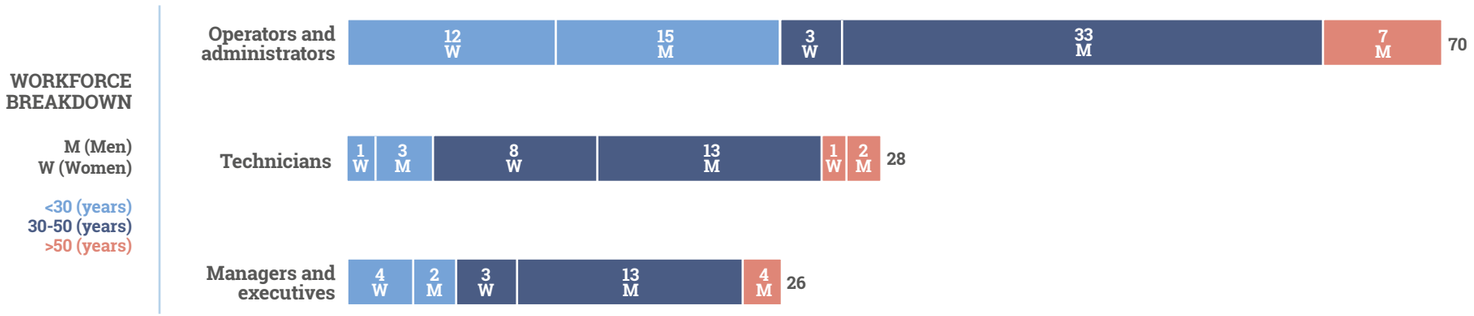
PERFORMANCE IN 2016 AND OUTLOOK FOR 2017

During 2017, Reganosa made progress with the development on its human resources plan to enhance the capacities of its human capital and to meet the needs of the company's growth. The actions carried out included the programme to recruit new professionals. Processes to attract and retain talent were run with the aim of assigning the most expert professional profiles to each project.

In 2018, according to the Strategic Plan, Reganosa will continue with its integral professional training and career development plan and will implement a 360º competence assessment.

REGANOSA PROMOTES A WORKING ENVIRONMENT BASED ON THE FUNDAMENTAL PRINCIPLES OF SAFETY, RESPECT FOR PEOPLE, EQUAL OPPORTUNITIES, PROFESSIONAL DEVELOPMENT AND RETENTION OF TALENT. THE COMPANY CURRENTLY HAS A WORKFORCE WITH AN AVERAGE AGE OF 37.84 YEARS, MADE UP OF 67.74% OF HIGHER AND MEDIUM LEVEL GRADUATES, WITH A TURNOVER RATE OF 0.13.





SOCIAL WELFARE

Reganosa offers its employees medical and life insurance and pension commitments, and facilitates the use of maternity and paternity leave, including the modification and adaptation of working conditions, and establishes reductions in working hours if necessary. In addition, work-life balance mechanisms are established through teleworking, and a continuous working schedule has been implemented for personnel not subject to shifts. [401-2]

PROFESSIONAL TRAINING AND DEVELOPMENT. [103-2] [103-3]

Training plans are a key part of the human resources policy. The aim is to maintain the level of training of our professionals, to update their general and specific knowledge, and to provide them with the skills to meet all of the needs that may arise in their job.

Reganosa professionals also receive language training throughout the year, attend specialisation courses and have access to Master's programmes.

COMPETENCE ASSESSMENT SYSTEM.

The company's competence-based assessment system is a useful tool that can give professional career guidance and detects key skills training needs for each job and profile. During 2017, work was done to develop the company's new competences based management system to include an integral 360º analysis. [404-3]

The competence-based management mechanism also allows workers to be promoted based on their merits and capabilities. This ensures equal professional development opportunities, eliminating any discrimination based on sex, age, religion and any criteria other than performance.

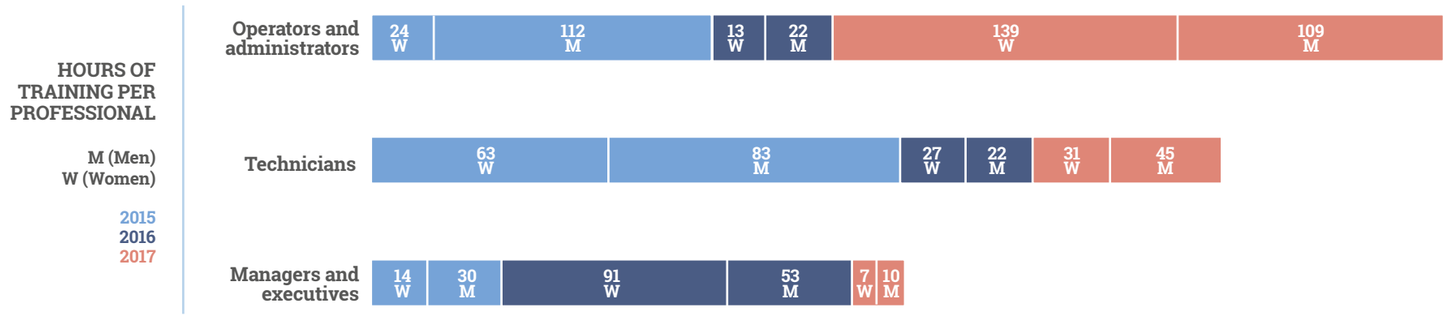
Respect for diversity and prevention of any kind of discrimination, during both the recruitment and hiring processes and over the course of professional careers, is regulated in the company's Code of Ethics and Conduct.

These same criteria also extend to the salary policy, the differentiating criteria of which are based on merit and the level of responsibility within the organisation. In addition, variable remuneration is linked to the achievement of individual and corporate goals.

The average salary received by Reganosa's employees is more than double the minimum wage, and salary brackets are in place to ensure internal equity and that salaries are competitive to encourage talent recruitment and retention. [202-1]

LABOUR AGREEMENT.

Reganosa has a labour agreement in place, and keeps a communication and collective bargaining channel open with employee representatives. It periodically analyses working conditions and mutual labour concerns. 65.2% of employees are included in the business agreement (53.3 % of operators and 12% of technicians). [102-41]



76.05 HOURS OF TRAINING PER PROFESSIONAL IN 2017.

6.1.4. CUSTOMER FOCUS

[103-2] [103-3]

Maintaining customer satisfaction is a priority set down in the Quality Policy. The company adjusts its services to meet customer needs, and focuses efforts on operational excellence and the continuous improvement of its processes.

The company holds an ISO 9001 certification, which demostrates the continuous implementation of the systems and resources necessary to verify and improve the performance and efficiency of all its activities. In addition, ISO 17025 certification was obtained during 2017, which verifies the adoption of the highest quality standards and requirements in Reganosa's test and calibration laboratories.

Customer types vary depending on the line of business: [102-6]

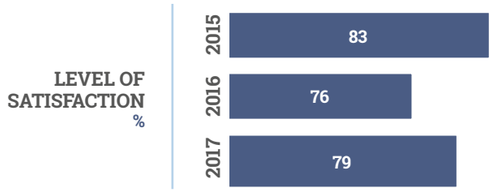
TRANSMISSION SYSTEM MANAGEMENT:
The main customers are the sales companies and direct consumers. Reganosa's laboratory provides services to all types of companies related to the sector.

Level of satisfaction. [102-44]
Reganosa periodically runs satisfaction surveys aimed at finding out about customer opinions and necessities relating to the operations and services provided. Based on the answers, aspects for improvement are identified and expectations are compared, allowing the company to adopt new measures and design actions that offer an increasingly satisfactory service.

Reganosa sends satisfaction surveys to all of its infrastructure customers in Spain. In 2017, In 2017, 27% of the companes replied the survey accounting for almost all the contracted volume.

In order to guarantee third party access to the network, Reganosa publishes clear and detailed information about the services that it offers on its website, specifying all necessary technical issues. Furthermore, it uses a tool common to all TSOs (transparency template) to provide information about the management of the company's transmission network.

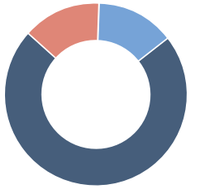
To simplify and streamline capacity contracting procedures, a Spain unified telematic platform has been implemented, managed by the Technical Manager of the Gas System.



PROVISION OF SERVICES

In 2017, the service provision business had customers distributed across 3 continents. Most of these customer contracted engineering services.

TYPE OF SERVICE
Engineering 72%
Construction and commissioning 14%
Operation 14%



Customers are in constant contact with project managers, to whom any complaints about the service are sent if necessary. When a complaint or claim is received, a quality process is opened and, if applicable, corrective actions are proposed as a response to customer needs. No significant complaints were received through project managers in 2017.

6.1.5.SUPPLY CHAIN MANAGEMENT

[103-2] [103-3]

APPROVAL

Reganosa has a supplier approval procedure that checks the occupational, environmental, technical, quality and safety performance of suppliers, as well as corporate social responsibility aspects, which verifies their suitability to participate in tendering procedures. The valuation process takes place through an external database (Repro), which analyses the following characteristics of suppliers:

- Disposal of management, quality, safety and environmental systems.
- Compliance with legal requirements.
- Technical capacities and credentials.
- Respect for the United Nations Global Compact and the Universal Declaration of Human Rights.

SELECTION

Contracts are awarded to suppliers with the highest technical and economic qualifications.
The availability of environmental management systems is taken into account during technical assessments.

ASSESSMENT

Once contracts are awarded, Reganosa performs assessments based on service level agreements, which measure factors such as service quality and the level of excellence. If any incidents are detected, corrective actions are proposed and a manager is assigned to ensure that the proposed measures are implemented.

The General Contracting Conditions, compliance clauses and respect for the principles of the United Nations Global Compact are public and can be downloaded from Reganosa website. www.reganosa.com.

Reganosa provides a form and an email address for suppliers to allow them to contact the company for any issues related to orders or contracts.

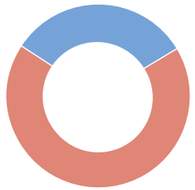
DIFFERENT TYPES OF SUPPLIERS [102-9]

Reganosa's supply chain consists of 439 suppliers classified as follows:

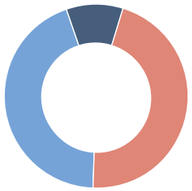
- Suppliers of materials and equipment.
- Suppliers of the work and services required for infrastructure construction, operation and maintenance.

46% OF TRANSPORT ACTIVITY SUPPLIERS IN SPAIN ARE FROM GALICIA.

Services 68%
Materials 32%



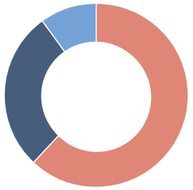
Local 46%
Domestic 44%
International 10%



10% OF SERVICE PROVISION ACTIVITY SUPPLIERS IN SPAIN ARE FROM GALICIA.

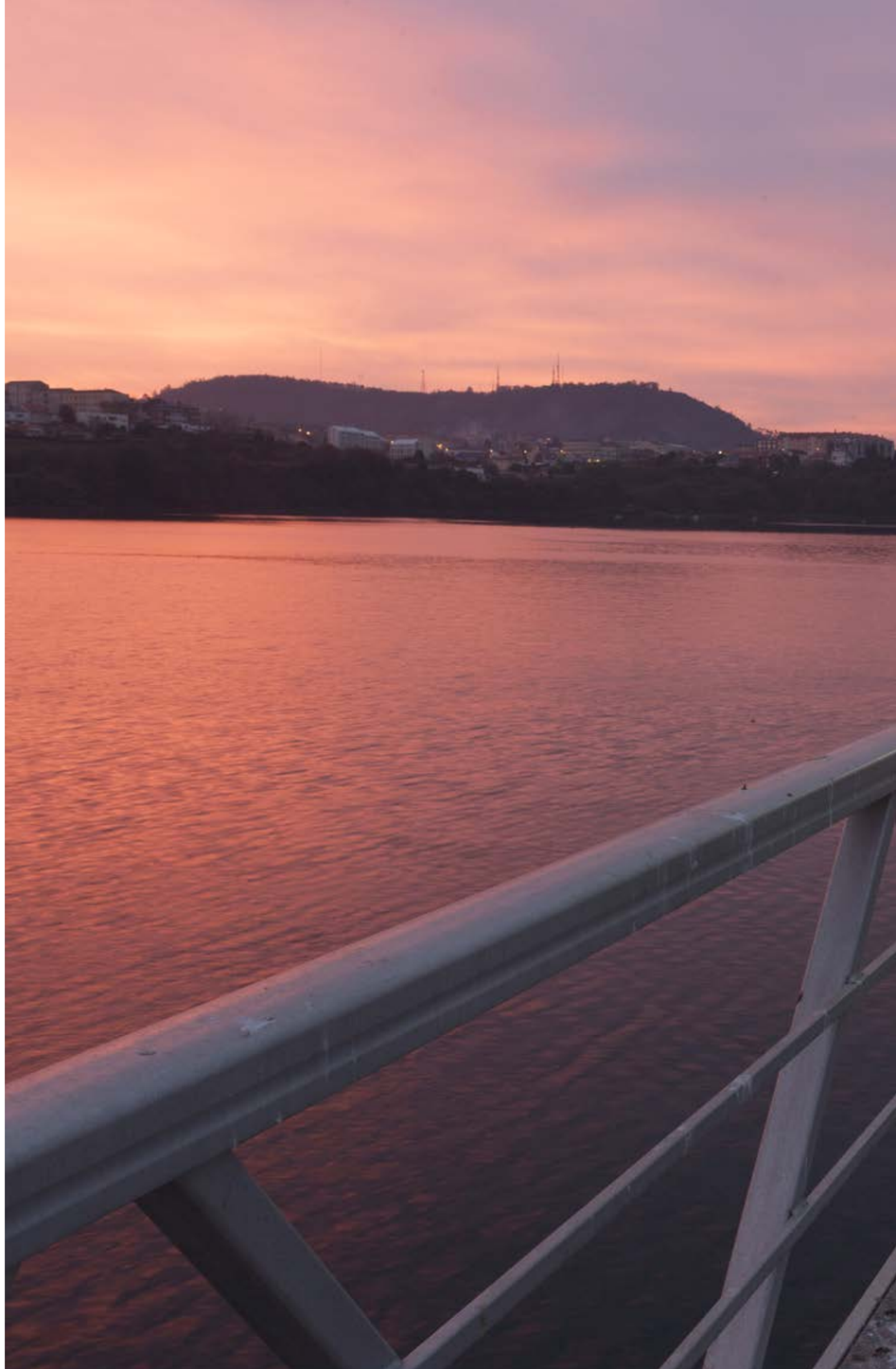
Services 100%
Materials 0%

Local 10%
Domestic 62%
International 28%



SUPPLIER APPROVAL [103-3]

24 new suppliers were approved in 2017. A total of 27% of suppliers are approved. Out of these 55z% hold ISO 14001 certificates and 85% have UNE 9001 certificates. [308-1] [414-1]



6.1.6. RELATIONSHIP WITH OUR STAKEHOLDERS

[103-2] [103-3]

PERFORMANCE IN 2017

- Drawing up of the 2017 Annual Report.
- Active participation in sector open days, seminars and conferences.
- 622 people visited our facilities.
- Involvement of stakeholder groups in defining the company's material topics.
- Drafting of the stakeholder communication plan.

GOALS FOR 2018

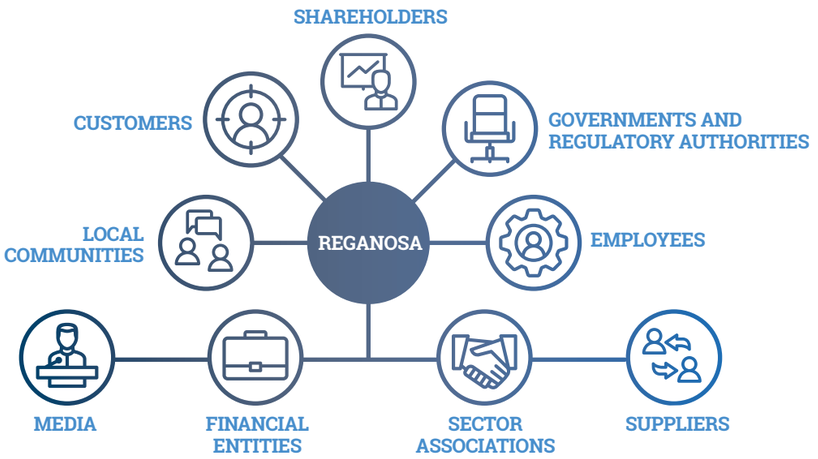
- Update of the stakeholder communication plan.
- Disclosure of the company's development during the financial year in the 2018 Annual Report.
- Continue with the visiting programme at Mugardos terminal.
- Active participation in sector open days, seminars and conferences.

Reganosa is firmly convinced that some of the greatest value that it can contribute to its stakeholders is building trust and providing them with the information they want to know. To do this, it establishes channels that allow easy, transparent and honest communication.

The company aspires to understand stakeholder needs and expectations. Based on this knowledge it develops an operational and sustainable strategy that responds to all of the interests of the groups, peoples and entities with which it has relations. Identifying the opinions and preferences of stakeholders is also a valuable assessment tool, making a continuous improvement process possible.

The company constantly identifies these stakeholders, analyses the issues relevant to them, establishes a continuous communication procedure and carries out periodic follow-up to ensure that their demands are adequately met. [102-42] [102-43]

[102-40]



RELATIONSHIP WITH OUR STAKEHOLDERS

Reganosa's commitment to its stakeholders is reflected in its effort to keep in fluid contact with them and to identify issues that are relevant to each of them.

relationship with our stakeholders communication processes with these stakeholders, the company has developed specific channels adapted to their characteristics and needs. These channels are used to deal with, discuss and make proposals relating to all aspects relevant to both parties. [102-21] [102-43]

STAKEHOLDERS	RELATIONSHIP MECHANISMS
Governments and regulatory authorities	The regulated nature of Reganosa's activity requires continuous contact with these institutions. Their queries and opinions are part of the company's day-to-day activities.
	Periodic meetings.
	Sector seminars and conferences.
	Information submitted to meet legal obligations.
Customers	Quality surveys.
	Periodic meetings to respond to all interests and needs.
	Reganosa's website contains information for carrying out operations.
	Ongoing relationship with customers from the service provision area through project managers.
	Sector seminars and conferences.
Employees	Meetings held periodically and upon request from workers sitting on the Company Committee.
	Intranet.
	Human resources area.
	Social networks.
	Ethical Channel

STAKEHOLDERS	RELATIONSHIP MECHANISMS
Local communities	Reganosa runs an open door policy. Guided tours around the terminal and informative meetings are held year-round with community associations and groups, to discuss and assess their particular concerns and needs. Anybody can visit our facilities by sending an application to http://www.reganosa.com/es/antes-de-visitarnos.
	Social networks.
	Corporate website.
	Press releases.
	Ethical Channel
Shareholders	Shareholders actively participate in the management of the company through its governing bodies and at regular meetings.
Suppliers	Suppliers have a direct point of contact with the contracting area, to whom they can send any suggestions or queries.
	Corporate website.
Media	Reganosa maintains a relationship of trust and transparency with the media, to which it offers a point of contact at all times. Reganosa's management holds interviews with representatives of these media outlets, to whom it provides information about company performance.
	Corporate website.
	Social networks.
Sector associations	Reganosa holds periodic meetings with representatives and members of associations of which it is a member, or of which its governing bodies form a part.
	Work groups.
	Open days, forums and conferences.
	Public information surveys and procedures.
Financial entities	Regular submission of information.
	Published financial information.

6.2. DOMESTIC AND INTERNATIONAL GROWTH

6.2.1. WEALTH CREATION AND ACTIVITY

[103-2] [103-3]

By running its business, Reganosa generates economic and social growth, and creates values for its stakeholders through the transformation of material, financial and social resources.

DIRECT ECONOMIC VALUE DISTRIBUTED BY REGANOSA [201-1]

€5.7 M of value distributed to society through taxation.
€6.5 M of value distributed to employees.
€0.2 M in social investment in the community.
€9.6 M of value distributed to suppliers.
€4.6 M of value distributed to capital providers.

INDIRECT ECONOMIC CONTRIBUTION OF OUR ACTIVITY [103-2][103-3] [203-2]

Reganosa's activity has the following major indirect impacts:

It promotes the productive efficiency of industries.

In Spain, 89% of truck loading operations were for industry and companies. Switching the fuel used in their processes has led to improved competitiveness through cost savings, as well as a considerable reduction in CO2 emissions. Specifically, emission reductions related to fuel switching amounted to 35,008 tCO2eq in 2017.

It increases port traffic.

Reganosa's activity increases maritime traffic in the ports where it is located, as well as the related contracting of goods and services.

It reinforcesΩ the activity of other sectors.

Contracting suppliers creates indirect employment. In Spain, the economic development of local communities is strongly supported: 46% of suppliers in 2017 were in Galicia.

6.2.2. BUSINESS GROWTH AND DEVELOPMENT

PERFORMANCE IN 2017

- Participation in gas infrastructure development projects on 3 continents, contributing the company's knowledge and experience.
- 9.5% increase in turnover of service provision activity.
- The consortium made up of EBRD, Transgaz and Reganosa, led by the last of these companies, has been selected as a finalist in the tender process for acquiring 66% of DESFA, the Greek gas transmission network operator.

GOALS FOR 2018

- Develop service provision activity, strengthening the company's knowledge.
- Take advantage of business opportunities in accordance with the criteria established in the Strategic Plan.
- Reinforce the company's international presence as a European LSO and TSO.

Reganosa Servicios contributes knowledge and experience with studies, design, consultancy, engineering and gas infrastructure management. Ever since its incorporation, the company has participated in projects on four continents, and has participated in all phases of the activity, from feasibility studies to management of commercial operations. Reganosa has contributed its knowledge and experience to all types of gas infrastructure - in gas pipelines and LNG terminals, with all types of technological configurations: Floating Storage and Regasification Units (FSRU), Floating Storage Units (FSU) and onshore plants.

Among the many projects in which Reganosa participated in 2017, of particular note was the commissioning of Delimara regasification plant in Malta, a fundamental facility in the government's plans to modernise Malta's energy model.

A process began in June 2017 to privatise the Greek gas transmission system's operator, DESFA, through the sale of a 66% share in the company. Reganosa has been selected as a finalist to participate in the binding bidding phase, as a potential buyer.

6.2.3. VALUE CREATION FOR OUR SHAREHOLDERS

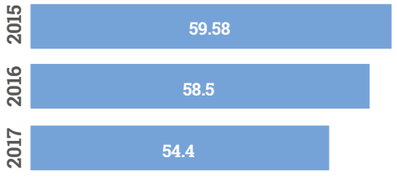
[102-7] [103-2] [103-3] [201-1]

Reganosa maintained its solvency and results in 2017. EBITDA reached a total of 42.4 million euros and net profit amounted to 14.2 million euros. The net debt to EBITDA ratio stood at 2.15, a reduction of 0.75, placing the company in an increasingly solvent position to take on the actions set out in the Strategic Plan.

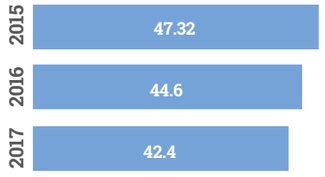
In line with previous financial years, efficiency efforts have been maximised through a plan for cost control and the optimisation of operational processes.

€54.4 M regulated income
€42.4 M EBITDA
€14.2 M net profit

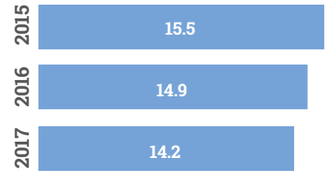
REGULATED REVENUE €M



EBITDA €M



NET PROFIT €M



6.2.4.SOCIAL COMMITMENT

[103-2] [103-3] [203-2]

Reganosa is a people-focused organisation and is committed to society.
As a result, it develops projects in the fields of education, culture and sport.

PERFORMANCE IN 2017

- Maintenance of the scholarship and training practices programme.
- Maintenance of the sponsorship programme.
- Cooperation with universities and education centres on training and research programmes.
- Continue with the visiting programme at Mugardos terminal.
- Organisation of the XVII Reganosa Art Event.
- Arrangement of family-friendly open days.

GOALS FOR 2018

- Maintenance of the sponsorship programme.
- Implementation of the corporate volunteering programme.
- Maintenance of the scholarship and training practices programme.
- Cooperation with universities and education centres on training and research programmes.
- Continue with the visiting programme at Mugardos terminal.
- Drafting of the sustainable management plan.
- Organisation of the XVIII Reganosa Art Event.

KNOWLEDGE SUPPORT

The company works with a range of different universities, business schools and study centres in Galicia. In this way it contributes to the development of research, the generation of technical knowledge and student training.

Training programmes with universities and education centres.

Reganosa maintains continuous collaboration with Galician education centres and universities. The company's managers and professionals teach classes for range of university Master's programmes (MBA and Master in Logistics and Transport at the University of A Coruña and the Inter-university Master in Statistical Techniques, at the universities of Vigo, A Coruña and Santiago), engineering degrees, professional training schools and at the Mathematical Institute of Industrial Technology (ITMATI), as well as at several secondary education institutes, among other institutions.

Scholarships and internship programme.

To attract talent and encourage training and job placement among young people, Reganosa runs an annual programme that gives university and vocational training students access to company internships and scholarships. During the 2015-2017 period, 47 students and new graduates participated in this programme, in the areas of production, finance, legal consultancy, development, laboratory and contracting.

CULTURAL AND SPORT ACTIVITIES

Sponsorships.

Reganosa supports and sponsors social activities and charity initiatives with three fundamental goals: social activities, encouraging sport and healthy habits, and the promotion of art and culture.

Partner projects are selected by identifying needs in the surrounding area, either in a proactive manner or following requests from the people involved. The Steering Committee takes charge of assessing the initiatives and approving any partnerships in line with the company's principles and culture, and that could create value and have a positive impact on the community. In 2017, Reganosa invested 186,810 euros in donations and sponsorships. The bodies benefiting from these contributions as part of the programme to encourage sport and healthy habits have 6,800 members and beneficiaries.

Main activities and associations sponsored by Reganosa in 2017.

- Club del mar de Mugardos.
- Racing de Ferrol Club de futbol.
- S.D.G. Galicia de Mugardos.
- Asociación de amas de casa de Mugardos.
- Fundación Novoa Santos.
- Club universitario de ferrol.
- Fundación Exponav.
- Promoción turística del municipio de Mugardos.
- Centro de Interpretación de Caldoval.
- Asociación Aspanaes de A Coruña.

The selected work, by Vari Caramés, has been added to the Reganosa Art Collection, and has been used to produce a limited series of copies.

XVII REGANOSA ART EVENT

The company again organised Reganosa Art Event, to which were invited a selection of Galician artists involved in painting, sculpture, collages and photography, selected based on their work and track records. The event's theme was Reganosa's surroundings.

CALDOVAL VISITORS' CENTRE OPENS ITS DOORS [203-1]

In September 2017, Reganosa handed Caldoval Visitors' Centre to Mugardos Local Government, at a ceremony presided over by the councillor for Culture, Education and University Planning, Román Rodríguez, attended by the mayoress of Mugardos, Pilar Díaz, and the chairman of Reganosa, José María Paz.

This initiative, developed jointly with Galicia's regional government and the district of Mugardos, showcases the Roman site's archaeological remains, which date back to the 2nd century. In 2010, a partnership agreement was signed with the Culture, Education and University Planning Council and with Mugardos Local Government, aimed at constructing Galicia's first piece of cultural infrastructure to present sporting activities in the Roman world, in the local community. Reganosa has invested over 3 million euros in this infrastructure.

The objective of the archaeological project is to study, excavate and showcase Caldoval site in Mugardos. The site features part of a seaside Roman Villa, baths and sporting facilities. The remains were subsequently removed and classified for display in a museum. This construction was designed by architect Alfonso Penela, who dreamed up original solutions to emphasise the value of the finds and allow visitors to appreciate them.

The reconstruction shows the archaeological remains just as they were discovered, with a range of recreations necessary to allow visitors to understand what the building was like and what it was used for. A total of 12,500 original pieces were recovered and classified, before being precisely relocated at their new site.

The centre welcomed 1,130 visitors between its opening and the end of the year, mainly from Mugardos itself and the Ferrol zone.

€3.1 M INVESTED BY REGANOSA IN THE PROJECT.

1,300 M²

12,500 ORIGINAL PIECES.

1,130 VISITORS IN 2017.

6.3. INNOVATION

[102-7] [103-2] [103-3]

Investment in innovation allows Reganosa to acquire unique knowledge that it transfers to its customers, offering innovative and added value services.

DEVELOPMENT OF THE GAS NETWORK MODELLING TOOL (GANESO) [203-1]

Mathematical modelling has been used to create a tool to simulate and optimise the physical behaviour of the high pressure gas pipeline network in Spain. The software can also simulate the gas transmission networks of any country in the world.

This research project has been developed jointly by Reganosa and the Department of Statistics and Applied Mathematics of the University of Santiago de Compostela (USC), and is directed by Professor of Applied Mathematics Alfredo Bermúdez de Castro.

The tool can replicate complex pipeline networks with all of their components (compression stations, valve positions, LNG and liquefaction plants, underground storage, etc.) and can consider any demand scenarios and operating conditions. Simulation results allow decisions to be made on energy planning and infrastructure development, system operation, regulatory policies and tariff methodologies.

GANESO fosters optimisation of infrastructure development. The software can calculate the most sustainable configuration from an economic point of view, such that different demand scenarios are taken into account to guarantee security of supply. This model has been integrated with the gas system's hydraulic simulation and optimisation functionalities, allowing economic and operational analyses to be combined. Furthermore, the tool allows shrinkage behaviour in the gas pipeline network to be analysed, which is essential for making decisions for the management of this aspect.

GANESO WAS DEVELOPED DURING THE 2017 FINANCIAL YEAR TO INCLUDE A STOCHASTIC PLANNING MODULE, WHICH ALLOWS INFRASTRUCTURE NEEDS TO BE ASSESSED IN DIFFERENT DEMAND SCENARIOS BASED ON FORECASTS AND THE EVOLUTION OF FACTORS THAT MAY AFFECT THEM.

LNG HUB IN THE NORTH WEST OF THE IBERIAN PENINSULA [203-1]

LNG is positioned as the best option to fuel maritime transportation, due to its economic and environmental sustainability. As a fuel, LNG allows vessel to cut sulphur emissions by almost 100%, nitrogen oxides by 90% and carbon dioxides by 20%, compared to conventional fuels. It will therefore allow the provisions of Annex IV of the Marpol Convention to be met. This Convention reduces the sulphur content limit of vessel emissions from 2020 onwards, from 3.5% to 0.5%. Furthermore, the forecast price path makes LNG the most competitive option.

According to forecasts by the Boston Consulting Group, it is expected that annual maritime LNG consumption will be at least 89 million tonnes by 2025. The worldwide LNG propelled fleet currently in operation is made up of 73 units, plus a further 80 whose construction is confirmed for 2022.

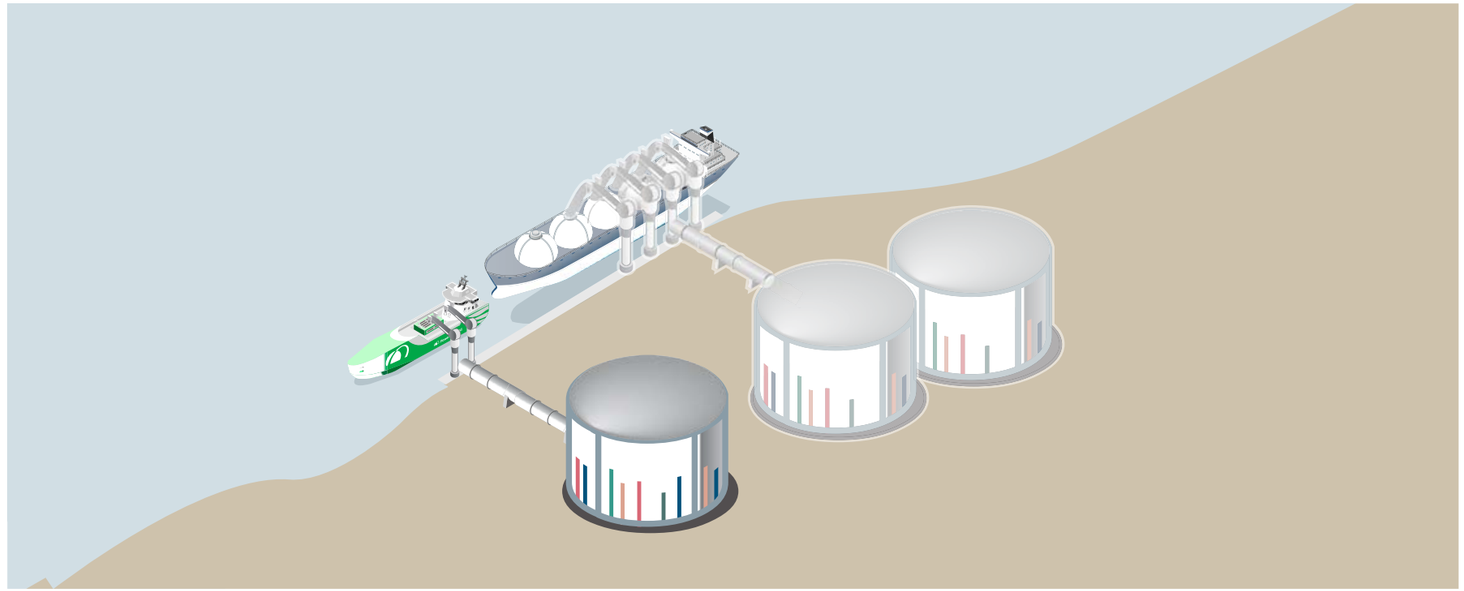
In this context, the "LNG Hub in the North West of the Iberian Peninsula" came about in 2013, promoted by the Regional Government of Galicia, the University of Santiago de Compostela, the Ferrol-San Cibrao Port Authority, Navantia and Reganosa, supported and funded by the European Commission as part of the TEN-T programme. This European support has been strengthened by another line of research, the project for promoting LNG as a CORE LNGas hive fuel, registered as part of the CEF (Connecting Europe Facility) programme. This initiative has a total budget of 33.3 million euros, of which 50% is financed by the European Commission. Reganosa is participating in conjunction with 41 other partners, with the aim of developing a secure and efficient supply chain for the supply of LNG as a fuel in the transport sector, particularly in the maritime sector.

The overall aim of the project is to analyse demand and the design of facilities, infrastructure and procedures to guarantee LNG availability through the implementation of a distribution centre in the region. This is leverage for the growth of The Galician Region and puts the port of Ferrol at the forefront of LNG supply.

Ferrol, the most protected port in the north of the Peninsula, is a strategic location for the project. Among other reasons, it is located at the centre of Atlantic routes and close to one of the largest LNG carrier repair centres in the world, thus increasing the possibility of refuelling at the terminal. LNG carriers would go for repairs and then refuel, then cool or fill their tanks at the terminal before setting off for their destinations.

All of the activities and studies required to develop the project were completed in 2016: market and demand, navigation conditions, transfer procedures, components to set up the supply chain, technical adaptations required in Mugardos terminal and the regulatory framework. All necessary infrastructure is currently included in the TYNDP.

The project requires investments in the current LNG terminal at Mugardos. The most significant investments are the construction of a third tank, as storage is a fundamental part of guaranteeing competitive prices, as well as a second berth to allow vessels of all sizes to be accepted, from the smallest to the biggest in the world. [103-2]



Capacity **10,000 m³**
Total Length **119.3 m**
Beam **20.5 m**
Generation system **gas/diesel-electric**
Design **Ghenova Engineering**

An LNG supply vessel has been designed with financial assistance from the Regional Government of Galicia, which will allows anchored or moored vessels to be refuelled, and gas to be transported to satellite terminals at other Galician ports.

The project has a wide range of potential customers, including the entire Galician fleet, large container ships and merchant vessels, as well as the many other vessels - 40,000 every year - that transit through the Finisterre corridor and other Atlantic routes. Reganosa has signed a partnership agreement with Ferrol Container Terminal and Gas Natural to perform detailed analysis of the specific needs that will be generated by the container traffic.

Reganosa is also part of the work group on "Directives for the design and operation of supply facilities of liquefied natural gas (LNG) as a fuel for ships and other port and similar vehicles", led by the Technical Association of Ports and Coasts (ATPYC). It is also participating in the development of R&D projects for small scale solutions (LNGPack)

As part of the European Union's strategy to promote the use of clean energies in land and sea transport, in 2017 Reganosa supplied the first European passenger train propelled by liquefied natural gas, which is being tested in Asturias.

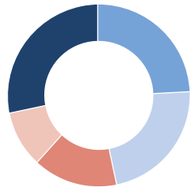
7 CORPORATE GOVERNANCE

7.1. SHAREHOLDER STRUCTURE

[102-10]

Reganosa's shareholder structure is a significant asset, due to its diversity, solidity and knowledge of the sector. At 31 December 2017, the company had the following shareholders

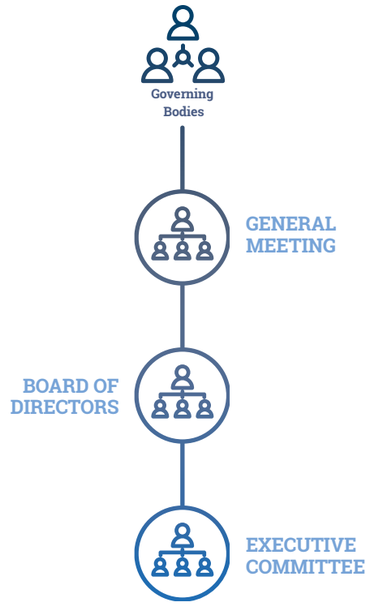
REGASIFICADORA DEL NOROESTE, S.A.
Autonomous Community of Galicia 24.31%
Forestal del Atlántico, S.A. 22.53%
Gallega de Distribuidores de Alimentación, S.A. 28.18%
Sojitz Corporation 15%
Sonatrach Petroleum Investment Corporation, B.V. 10%



REGANOSA SERVICIOS, S.L.
Regasificadora del Noroeste, S.A. 100%

7.2. GOVERNING BODIES

Reganosa's governing bodies are the General Meeting of shareholders, the Board of Directors and the Executive Committee. Its activities are based on the principles of independence, specialisation and transparency. [102-18]



7.2.1. GENERAL MEETING OF SHAREHOLDERS

The General Meeting of shareholders is the highest level governing body. As laid down in the Articles of Association, the Shareholders' will expressed at the General Meeting governs the life of the company, pursuant to the Law and to the Articles of Association themselves.

The meeting must be held during the first half of the financial year to evaluate the management of the company, approve the annual accounts and decide on the application of the results.

Reganosa helps its shareholders to exercise their rights to information, attendance and participation in the General Meeting, and makes available to them adequate information for exercising their voting rights, pursuant to the Law and the Articles of Association.

7.2.2. BOARD OF DIRECTORS

[103-2] [103-3] [203-2]

The Board of Directors is the body that takes the company's main management decisions, with the exception of decisions reserved by law or by the articles of incorporation for the Annual General Meeting. It is the essential core of management and supervision, is in charge of approving the company's general policies and strategies, particularly the Strategic Plan, the Business Plan and the management model. It is also responsible for supervising the activities of the Executive Committee, made up of board members, and the Management of Reganosa. Its composition and operation are regulated by the Articles of Incorporation.[102-19] [102-26] [102-29] [102-33]

The Board of Directors is periodically informed of all procedures, plans and proposals that are submitted to it by the Management for its consideration and, if applicable, agreement, for adequate risk control and management.

The board has 17 members, 6% of whom are women. Board members have the obligation to dedicate the time and effort necessary to carry out their role diligently and effectively, and to adopt any measures necessary for the proper management and control of the company. [405-1]

The Board of Directors meets as often as necessary to correctly perform its management and supervisory functions; in any case, it meets at least once per quarter. It met a total of 9 times during 2017. [102-31]

Similarly, board members carry out their duties with loyalty, avoiding situations of conflict of interest. They perform their duties in line with the Code of Ethics and Conduct, the principles and values of which have been promoted and developed by the Board of Directors. [102-25]

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2017

[102-22] [102-23]

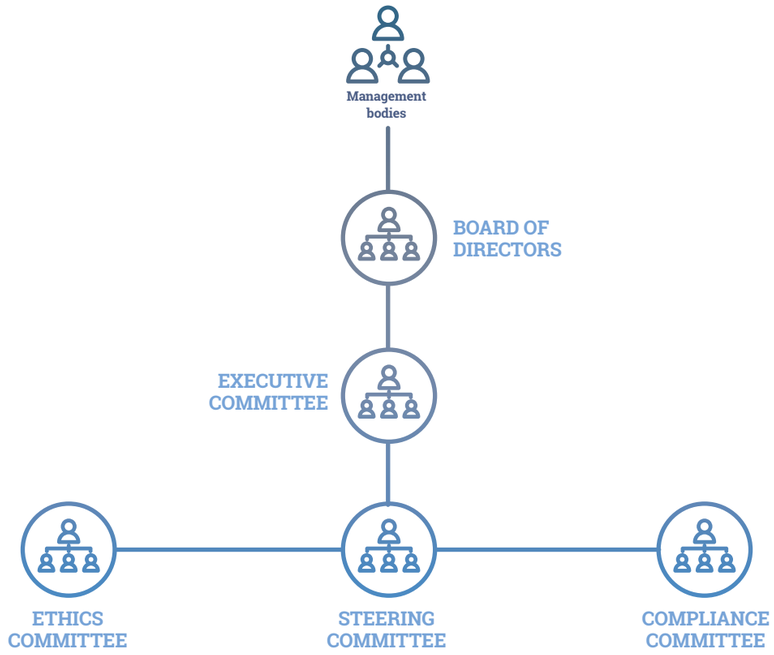
DIRECTOR'S NAME	POSITION	NATURE OF THE POSITION	POSITION ON THE EXECUTIVE COMMITTEE
José María Paz Goday	Chairman	Executive	Chairman
María Del Socorro Martín Hierro	External	nominee director	Secretary
Ángel Bernardo Tahoces	External	nominee director	
Manuel Galdo Pérez	External	nominee director	
Manuel Lara Coira	External	nominee director	
Marcos López García	External	nominee director	
Jesús Louro Carballeira	External	nominee director	
José Manuel Rey Varela	External	nominee director	
Valeriano Martínez García	External	nominee director	
Ivan Seoane Abuin	External	nominee director	
Roberto Tojeiro Peleteiro	External	nominee director	
Roberto Tojeiro Rodriguez	External	nominee director	
Alfonso Rueda Valenzuela	External	nominee director	
José Luis Méndez López	External	nominee director	
Forestal del Atlántico, S.A. (Andrés Fuentes Martín-Corral)	External	nominee director	
Impregnaciones Melamínicas Gallegas, S.A. (Carlos Collantes)	External	nominee director	
Gallega de Distribuidores de Alimentación, S.A. (Roberto Tojeiro Rodríguez)	External	nominee director	

7.2.2. EXECUTIVE COMMITTEE

The Board of Directors has set up an Executive Committee to with delegated powers, reserving for itself those set out in the Articles of Association under "Basic Agreements of the Board of Directors", which brings great flexibility to the company's management. [102-19] [102-20]

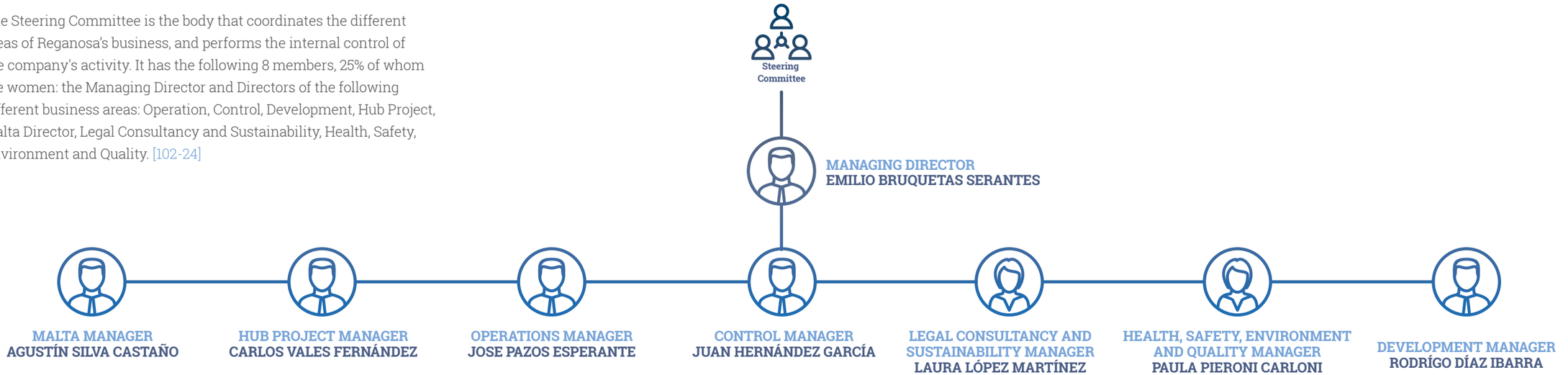
7.3. MANAGEMENT BODIES

Reganosa's management is structured into the following governing bodies, with executive or control competences, or certain specific functions:

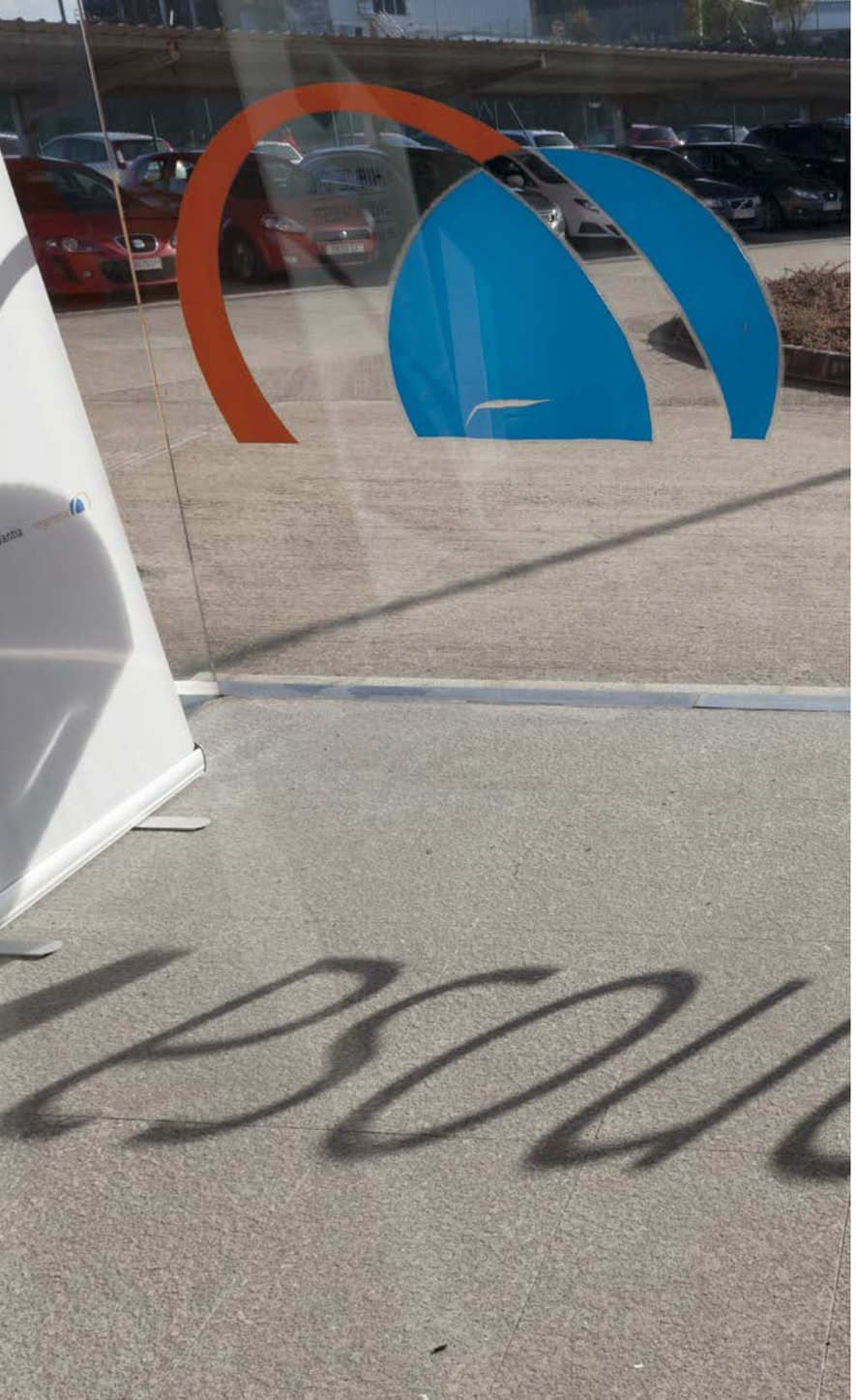


7.3.1. STEERING COMMITTEE

The Steering Committee is the body that coordinates the different areas of Reganosa's business, and performs the internal control of the company's activity. It has the following 8 members, 25% of whom are women: the Managing Director and Directors of the following different business areas: Operation, Control, Development, Hub Project, Malta Director, Legal Consultancy and Sustainability, Health, Safety, Environment and Quality. [102-24]



Its main functions include studying and proposing corporate goals and the annual budget, forwarding the primary concerns about the management to the Board of Directors, along with proposals for actions that need to be taken to develop the company's activity. The Steering Committee meets on a monthly basis, as well as whenever there is a decision that requires its discussion.

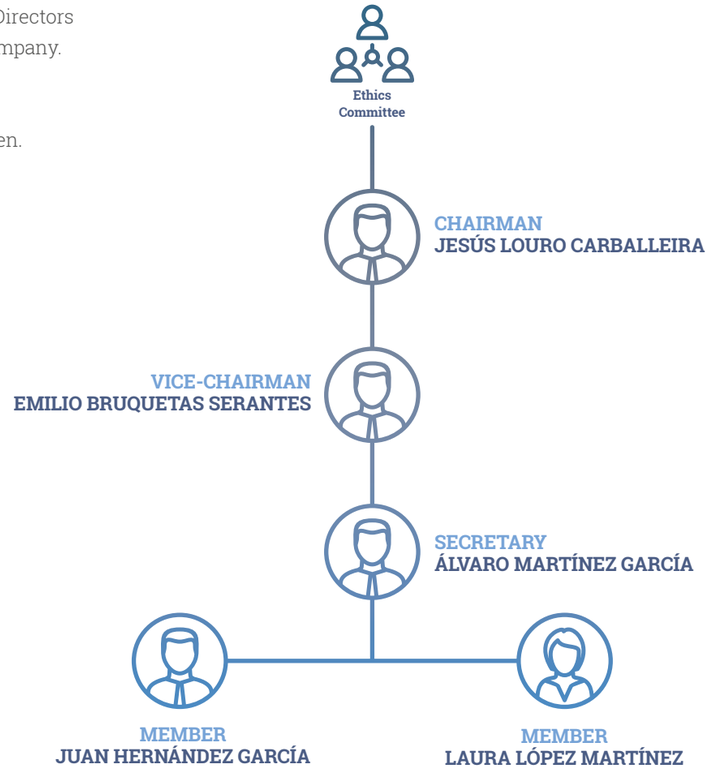


7.3.2. ETHICS COMMITTEE

[103-2]

The Ethics Committee is a standing consultancy and advisory body, whose mission is to ensure that the values and principles established in the Code of Ethics are followed in the organisation. It advises the Board of Directors on the adoption of policies to promote ethical behaviour in the company.

Its operation is governed by the internal regulations of the Ethics Committee. It is made up of five members, 20% of whom are women.



7.3.3.COMPLIANCE COMMITTEE

[103-2] [103-3]

An independent body that oversees the compliance and effectiveness of the company's risk prevention model.
It aims to correctly channel any non-observance and ensure that current legislation is complied with. It has the following main functions, set out in the Internal Regulations of the Compliance Committee:

- Monitor all of the risk prevention measures, policies and procedures adopted in the company.
- Prepare and implement suitable training programmes for all company personnel.
- Ensure that any necessary periodic verifications are made of the criminal risk prevention manual, and periodically assess its compliance and effectiveness.
- Draw up an annual report on the activity of the Compliance Committee, to be submitted to the Board of Directors.
- Analyse any changes in legislation and any other new features that could affect the prevention model.
- Work with the managers and directors of each area to maintain a periodic reporting system to ensure the effectiveness of established controls and procedures.

7.4. GOOD CORPORATE GOVERNANCE

MANAGEMENT PRACTICES OF THE REGANOSA BOARD OF DIRECTORS [102-25] [102-28]

- The Articles of Association ensure compliance with the principle of separation of activities. They prohibit board members from sitting on management bodies of companies with stakes in production or marketing.
- The conflict of interest policy sets out a framework for action at Reganosa for dealing with and preventing situations of conflict of interest in all of its bodies and areas of activity. It ensures that relations with third parties and stakeholders are coordinated in line with criteria of objectivity, transparency and respect for legality.
- The anti-corruption and fraud policy sets out Reganosa's commitments to identifying, preventing and sanctioning possible irregular situations or corruption.
- The Board of Directors is assisted by a legal advisor who controls the legality of agreements and decisions and provides legal advice.
- The Ethics Committee and Compliance Committee provide information and advice, within their respective spheres of competence, to the Board of Directors, and propose such measures as may be deemed necessary.
- The criteria for appointing directors are independence, diversity and specialisation. [102-24]

REMUNERATION OF THE BOARD OF DIRECTORS [102-35] [102-36] [102-37]

Remuneration paid to members of the Board of Directors, the system for which is detailed in the Articles of Association, consists of allowances for attending each meeting. The amount of this allowance is fixed each year by resolution of the Annual General Meeting, within the maximum limits established by legislation in force at any given time.

INDEPENDENT REVIEW REPORT

[102-56]

KPMG Asesores, S.L.
Pº. de la Castellana, 259 C
28046 Madrid

Informe de Revisión Independiente para la Dirección de Regasificadora del Noroeste S.A.

A la Dirección de Regasificadora del Noroeste, S.A.

De acuerdo con nuestra carta de encargo, hemos revisado la información no financiera contenida en el Informe Anual de Regasificadora del Noroeste S.A. (en adelante Reganosa) del ejercicio cerrado a 31 de diciembre de 2017 (en adelante, "el Informe"). La información revisada se circunscribe al contenido del "Índice de contenidos GRI" del Informe identificado con el símbolo "✓".

Responsabilidades de la Dirección

La Dirección de Reganosa es responsable de la preparación y presentación del Informe de conformidad con los *Sustainability Reporting Standards* de Global Reporting Initiative (*GRI Standards*), en su opción exhaustiva, según lo detallado en el punto 102-54 del Índice de contenidos GRI del Informe. La Dirección también es responsable de la información y las afirmaciones contenidas en el mismo; de la determinación de los objetivos de Reganosa en lo referente a la selección y presentación de información sobre el desempeño en materia de desarrollo sostenible, incluyendo la identificación de los grupos de interés y de los asuntos materiales; y del establecimiento y mantenimiento de los sistemas de control y gestión del desempeño de los que se obtiene la información.

Estas responsabilidades incluyen el establecimiento de los controles que la dirección considere necesarios para permitir que la preparación de los indicadores con un nivel de aseguramiento limitado esté libre de errores materiales debidos a fraude o errores.

Nuestra responsabilidad

Nuestra responsabilidad es llevar a cabo una revisión limitada y, basado en el trabajo realizado, emitir este informe. Hemos llevado a cabo nuestro trabajo de conformidad con la Norma ISAE 3000, *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, emitida por el International Auditing and Assurance Standard Board (IAASB) y con la Guía de Actuación sobre trabajos de revisión de Informes de Responsabilidad Corporativa emitida por el Instituto de Censores Jurados de Cuentas de España (ICJCE). Estas normas exigen que planifiquemos y realicemos nuestro trabajo de forma que obtengamos una seguridad limitada sobre si el informe está exento de errores materiales.

KPMG aplica la norma ISQC1 (*International Standard on Quality Control 1*) y de conformidad con la misma mantiene un sistema integral de control de calidad que incluye políticas y procedimientos documentados en relación al cumplimiento de los requerimientos éticos, estándares profesionales y requerimientos legales y regulatorios aplicables.

Hemos cumplido con los requerimientos de independencia y otros requerimientos éticos del *Code of Ethics for Professional Accountants* emitido por el International Ethics Standards Board for Accountants, el cual está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.

Revisión limitada sobre indicadores con nivel de aseguramiento limitado

Nuestro trabajo de revisión limitada se ha llevado a cabo mediante entrevistas con la Dirección y las personas encargadas de la preparación de la información incluida en el Informe, y la aplicación de procedimientos analíticos y otros dirigidos a recopilar evidencias, como:

KPMG Asesores S.L., sociedad española de responsabilidad limitada y firma miembro de la red KPMG de firmas independientes afiliadas a KPMG International Cooperative ("KPMG International"), sociedad suiza.

Reg. Mer. Madrid, T. 14.572, F. 53, Sec. 8 , H. M.-249.480, Inscrip. 1.ª N.I.F. B-82498650

- La comprobación de los procesos que dispone Reganosa para determinar cuáles son los aspectos materiales, así como la participación de los grupos de interés en los mismos.
- El análisis de riesgos, incluyendo búsqueda en medios para identificar asuntos materiales durante el ejercicio cubierto por el Informe.
- La revisión de la consistencia de la información que responde a los Universal Standards de GRI con los sistemas o documentación interna.
- El análisis de los procesos de recopilación y de control interno de los datos cuantitativos reflejados en el Informe, en cuanto a la fiabilidad de la información, utilizando procedimientos analíticos y pruebas de revisión en base a muestreos.
- La revisión de la aplicación de los requerimientos establecidos en los *Sustainability Reporting Standards* de Global Reporting Initiative (*GRI Standards*), de conformidad con la opción exhaustiva.
- La lectura de la información incluida en el Informe para determinar si está en línea con nuestro conocimiento general y experiencia, en relación con el desempeño en sostenibilidad de Reganosa.
- El contraste de la información financiera reflejada en el Informe con la incluida en las cuentas anuales de Reganosa, auditadas por terceros independientes.

Nuestro equipo multidisciplinar ha incluido especialistas en el desempeño social, ambiental y económico de la empresa.

Los procedimientos llevados a cabo en un encargo de aseguramiento limitado varían en naturaleza y tiempo empleado, siendo menos extensos que los de un encargo de revisión razonable. Consecuentemente, el nivel de aseguramiento obtenido en un trabajo de revisión limitado es inferior al de uno de revisión razonable. El presente informe en ningún caso puede entenderse como un informe de auditoría.

Conclusiones

Nuestra conclusión se basa, y está sujeta a los aspectos indicados en este Informe de Revisión Independiente. Consideramos que la evidencia que hemos obtenido proporciona una base suficiente y adecuada para nuestras conclusiones.

En base a los procedimientos realizados y a la evidencia obtenida, tal y como se describe anteriormente, no se ha puesto de manifiesto ningún aspecto que nos haga creer el Informe Anual de Regasificadora del Noroeste, S.A. del ejercicio cerrado a 31 de diciembre de 2017 no haya sido preparado, en todos los aspectos significativos, de acuerdo con los *Sustainability Reporting Standards* de Global Reporting Initiative (GRI Standards), en su opción exhaustiva, según lo detallado en el punto 102-54 del Índice de contenidos GRI del Informe, lo que incluye la fiabilidad de los datos, la adecuación de la información presentada y la ausencia de desviaciones y omisiones significativas.

En otro documento, proporcionaremos a la Dirección de Reganosa un informe interno que contiene todos nuestros hallazgos y áreas de mejora.

Propósito de nuestro informe

De conformidad con los términos y condiciones de nuestra carta de encargo, este Informe de Revisión Independiente se ha preparado para Reganosa en relación con su Informe Anual 2017 y por tanto no tiene ningún otro propósito ni puede ser usado en otro contexto.

KPMG Asesores, S.L.

José Luis Blasco Vázquez

30 de abril de 2018

MATERIALITY ANALYSIS

[102-43] [102-46] [102-49]

Reganosa performs an annual materiality study aimed at identifying and updating any key aspects that should be considered by the company, from the dual perspective of relevance to the organisation and to its stakeholders. These aspects include those that reflect the organisation's significant economic, environmental and social impacts, as well as those that have a substantial influence on the analysis and decisions of stakeholders.

The methodology used is based on the GRI standards directives, specifically GRI 101. A process has been designed to identify the aspects that are most important to the company and its stakeholders, and their coverage, with the aim of checking that the GRI exhaustiveness principles are followed and that no material issues identified by Reganosa are omitted.

Identification of issues

Firstly, the issues that concern stakeholders were analysed to determine which of them are relevant to the Reganosa group. This analysis was performed based on a range of different external sources and the material issues of companies with activities similar to those of Reganosa. Similarly, the company's previous materiality studies were also taken into account

Prioritisation of issues

Once identified, the relevant issues were prioritised from both the external perspective of stakeholders and the company's internal point of view. The following activities are carried out for this purpose:

External evaluation

- Analysis of stories published in the media and press releases issued by the company in relation to different sustainability-related variables.
- Assessment of the sector's context through the identification of sustainability aspects that are critical to other companies with activities similar to those of the Reganosa group.
- Interviews with representatives of Reganosa's main stakeholders, to assess their main concerns and expectations directly.

Internal evaluation

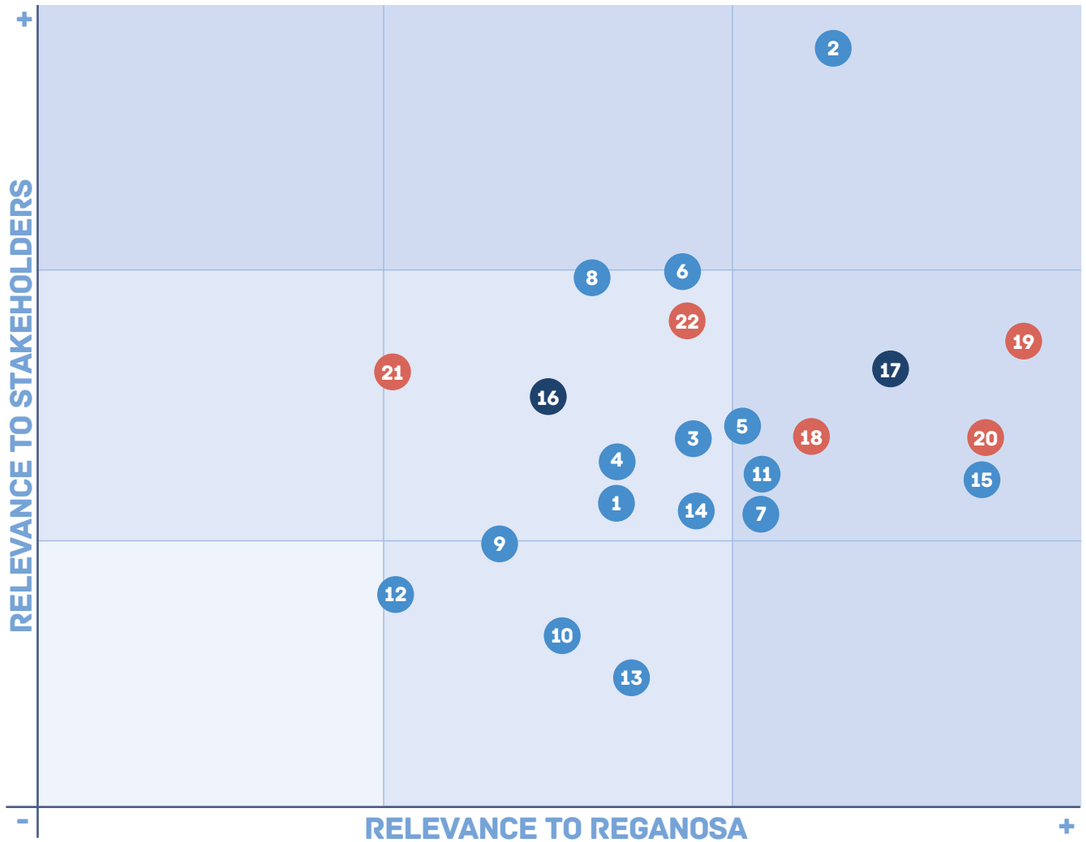
Interviews with managers to find out about the main risks and opportunities related to sustainability, as well as the company's priorities in the future.

Content determination

Based on the results of the previous phases a materiality matrix was created, which in turn allows a list of material issues to be determined. This list is used to identify the GRI standards and Sustainable Development Goals (SDG) related to each of its items.

MATERIALITY MATRIX

[102-44] [102-47]



1	Profitability and solvency
2	Investments
3	Ethics, integrity and transparency
4	Risk management model
5	Regulatory compliance
6	Portfolio of products and services
7	International presence
8	Driving force for growth in the region
9	Innovation
10	Supply safety
11	Service quality and customer satisfaction
12	Supply chain
13	Energy regulation and customer influence
14	Emergency response plan
15	Safety of facilities
16	Environmental impact
17	Climate change
18	High quality employment
19	Occupational health and safety
20	Training and education
21	Social actions
22	Stakeholder relationships

High relevance: Issues that Reganosa must report in comprehensive detail, as they are deemed to be very relevant from external and internal perspectives.

Medium relevance: Issues that Reganosa must report in a higher level of detail, due to their high external or internal relevance.

Low relevance: Matters for which Reganosa should at least report the management approach.

DETERMINATION OF GRI CONTENTS

[102-46] [103-1]

MATERIAL ISSUES	GRI STANDARD	CONTENTS	COVERAGE				RELATED SDG
			ORIGIN		INVOLVEMENT		
			Inside	Outside	Direct	Indirect	
1 Profitability and solvency	GRI 201 Economic performance 2016	201-1, 201-2, 201-4	●	●	●	●	SDG 8
2 Investments	GRI 203 Indirect economic impacts 2016	203-1	●	●	●	●	SDG 7, SDG 9, SDG 11
3 Ethics, integrity and transparency	GRI 102 General disclosures 2016	102-16, 102-17	●	●	●	●	SDG 8, SDG 12, SDG 16
	GRI 205 Anti-corruption 2016	205-1, 205-2, 205-3					
4 Risk management models	GRI 102 General disclosures 2016	102-11, 102-15, 102-30	●	●	●		n.a.
5 Regulatory compliance	GRI 307 Environmental compliance 2016	307-1	●	●	●		SDG 16
	GRI 419 Socio-economic Compliance 2016	419-1					
6 Portfolio of products and services	GRI 102 General disclosures 2016	102-2	●	●	●		SDG 7, SDG 11
7 International presence	GRI 102 General disclosures 2016	102-4, 102-6	●	●	●	●	n.a.

High relevance matters

Medium relevance matters

MATERIAL ISSUES	GRI STANDARD	CONTENTS	COVERAGE				RELATED SDG
			ORIGIN		INVOLVEMENT		
			Inside	Outside	Direct	Indirect	
8 Driving force for growth in the region	GRI 202 Market presence 2016	201-2	●	●	●	●	SDG 1, SDG 8, SDG 10
	GRI 203 Indirect economic impacts 2016	203-1					
	GRI 204 Procurement practices 2016	204-1					
9 Innovation	No applicable standard	n.a.	●	●	●	●	SDG 9
10 Security of supply	No applicable standard	n.a.	●	●	●		SDG 7, SDG 11
11 Service quality and customer satisfaction	418 Customer privacy 2016	418-1	●	●	●		SDG 12, SDG 17
12 Supply chain	GRI 102 General disclosures 2016	102-9	●	●	●	●	SDG 8, SDG 10, SDG 12
	GRI 204 Procurement practices 2016	204-1					
	GRI 308 Supplier environmental assessment 2016	308-1, 308-2					
	GRI 414 Supplier social assessment 2016	414-1, 414-2					
13 Energy regulation and political influence	No applicable standard	n.a.	●	●	●	●	SDG 17
14 Emergency response plan	No applicable standard	n.a.	●	●	●	●	SDG 3
15 Safety of facilities	Sector supplement: Asset integrity and process safety	OG13	●		●		SDG 3
16 Environmental impact	GRI 301 Materials 2016	301-1, 301-2	●	●	●	●	SDG 3, SDG 6, SDG 7, SDG 12, SDG 14, SDG 15
	GRI 302 Energy 2016	302-1, 302-2, 302-3, 302-4, 302-5					
	GRI 303 Water 2016	303-1, 303-2, 303-3					
	GRI 304 Biodiversity 2016	304-1, 304-2, 304-3, 304-4					
	GRI 306 Effluents and waste 2016	306-1, 306-2, 306-3, 306-4, 306-5					
	Sector supplement	OG2, OG3, OG4, OG5, OG6, OG7					
17 Climate change	GRI 305 Emissions 2016	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	●	●	●	●	SDG 13

High relevance matters

Medium relevance matters

MATERIAL ISSUES	GRI STANDARD	CONTENTS	COVERAGE				RELATED SDG
			ORIGIN		INVOLVEMENT		
			Inside	Outside	Direct	Indirect	
18 High quality employment	GRI 102 General disclosures 2016	102-8	•		•		SDG 1, SDG 5, SDG 8, SDG 10
	GRI 202 Market presence 2016	202-1					
	GRI 401 Employment 2016	401-1, 401-2, 401-3					
	GRI 402 Labour/management relations 2016	402-1					
	GRI 405 Diversity and equality of opportunity 2016	405-1, 405-2					
	GRI 406 Non-discrimination 2016	406-1					
19 Occupational health and safety	GRI 403 Occupational health and safety 2016	403-1, 403-2, 403-3, 403-4	•		•		SDG 3
20 Training and education	GRI 404 Training and education 2016	404-1, 404-2, 404-3	•		•		SDG 4
21 Social actions	GRI 203 Indirect economic impacts 2016	203-2					SDG 3, SDG 11
	GRI 413 Local communities 2016	413-1, 413-2	•	•	•		
	Sector supplement	OG10, OG11					
22 Stakeholder relations	GRI 102 General disclosures 2016	102-43	•	•	•		SDG 17

High relevance matters

Medium relevance matters

GRI TABLE OF CONTENTS

[102-55]

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 101: 2017 FUNDAMENTALS				
General Content				
GRI 102: 2017 General Content	**Profile of the organisation**			
	102-1 Name of the organisation.	3.		No
	102-2 Activities, brands, products and services.	7, 9, 14.		No
	102-3 Location of headquarters.	The company's headquarters are located in Mugardos (A Coruña).		No
	102-4 Location of operations.	10.		No
	102-5 Ownership and legal form.	Regasificadora del Noroeste, S.A. is a Private Corporation and Reganosa Servicios, S.L. and Reganosa Malta, Ltd are Limited Companies.		No
	102-6 Markets served.	10, 53.		No
	102-7 Size of the organisation.	19, 20, 22, 62, 67.		Yes. 84 ☑
	102-8 Information on employees and other workers.	51. During 2017, the percentage of workers with permanent contracts was 59,68%. 53,13% of women and 61,96% of men have permanent contracts. 26% of employees form part of Reganosa Malta, of which 75% are male.		Yes. 84 ☑
	102-9 Supply chain.	56.		Yes. 84 ☑
	102-10 Significant changes to the organization and its supply chain.	3, 72.		No
	102-11 Precautionary principle or approach.	30, 32.		No
	102-12 External initiatives.	27, 50.		No
	102-13 Membership of associations.	7, 50.		No
	Strategy			
	102-14 Statement from senior decision-makers.	4.		No
	102-15 Key impacts, risks and opportunities.	29, 32, 33.		No

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 102: 2017 General Content	**Ethics and integrity**			
	102-16 Values, principles, standards and norms of behaviour.	25, 27.		No
	102-17 Mechanisms for advice and concerns about ethics.	23, 27.		No
	Governance			
	102-18 Governance structure.	73.		No
	102-19 Delegating authority.	75, 77.		No
	102-20 Executive-level responsibility for economic, environmental, and social topics.	77. The management is directly accountable to the Board of Directors.		No
	102-21 Consulting stakeholders on economic, environmental, and social topics.	58.		No
	102-22 Composition of the highest governance body	23, 76. On 31 December 2017, the Board of Directors had 17 members. 100% are Spanish. Of these, 70% are aged between 40 and 60, and the remaining 30% are over 60.		No
	102-23 Chair of the highest governance body.	76.		No
	102-24 Nominating and selecting the highest governance body.	79, 82.		No
	102-25 Conflicts of interest.	75, 82.		No
	102-26 Role of highest governance body in setting purpose, values, and strategy.	75.		No
	102-27 Collective knowledge of highest governance body.	Each meeting of the Board of Directors is presented with an extensive report analysing all relevant economic, social and environmental impacts.		No
	102-28 Evaluating the highest governance body's performance.	82.		No
	Governance			
	102-29 Identifying and managing economic, environmental, and social impacts.	29, 31, 75.		No
	102-30 Effectiveness of risk management processes.	31.		No
	102-31 Review of economic, environmental, and social topics.	75.		No

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 102: 2017 General Content	102-32 Highest governance body's role in sustainability reporting.	The Board of Directors reviews and approves the Annual Report.		No
	102-33 Communicating critical concerns.	75.		No
	102-34 Nature and total number of critical concerns.	32, 33. The Board of Directors has discussed the following matters of importance, among others: • Strategic Plan • Formulation of the Annual Accounts. • Definition of corporate objectives.		No
	102-35 Remuneration policies.	82.		No
	102-36 Process for determining remuneration.	82.		No
	102-37 Stakeholders' involvement in remuneration.	82.		No
	102-38 Annual total compensation ratio.	The total annual remuneration of the employee with the highest salary is 4 times higher than the average annual remuneration of the workforce as a whole.		Yes. 84 ☑
	102-39 Percentage increase in annual total compensation ratio	The employee with the highest remuneration was not given a raise during 2017.		Yes. 84 ☑
	Stakeholder engagement			
	102-40 List of stakeholder groups.	57.		No
	102-41 Collective bargaining agreements.	52.		No
	102-42 Identifying and selecting stakeholders.	57.		No
	102-43 Approach to stakeholder engagement.	57.		No
	102-44 Key topics and concerns raised.	22, 53.		No
	Report drafting practices			
	102-45 Entities included in the consolidated financial statements.	The Annual Accounts correspond to Regasificadora del Noroeste, S.A, Reganosa Servicios S.L. and Reganosa Malta, Ltd.		No
	102-46 Defining report content and topic boundaries.	85, 87.		No
	102-47 List of material topics.	86.		No
	102-48 Restatements of information.	There have been no restatements of information.		No
	102-49 Changes in reporting.	85.		No

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 102: 2017 General Content	102-50 Reporting period.	2017 (calendar year ending 31 December).		No
	102-51 Date of most recent report.	2016.		No
	102-52 Reporting cycle.	Reganosa updates this report annually.		No
	102-53 Contact point for questions regarding the report.	**Reganosa:** Punta Promontoiro s/n, 15620 Mugardos, A Coruña Tel. 981 930093 / Fax. 981 930092/reganosa@reganosa.com		No
	102-54 Claims of reporting in accordance with the GRI Standards Disclosure	This report has been prepared in accordance with the GRI Standards: Comprehensive option.		No
	102-55 GRI contents index.	90.		No
	102-56 External assurance.	84.		No
MATERIAL ISSUES				
Profitability and solvency				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	35, 62.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	62.		Yes. 84 ☑
GRI 201: 2017 Economic Performance	201-1 Direct economic value generated and distributed.	20, 21, 23, 60, 62.		Yes. 84 ☑
	201-2 Financial implications and other risks and opportunities due to climate change.	30, 48.		Yes. 84 ☑
	201-3 Defined benefit plan obligations and other retirement plans.	In its labour agreement, Reganosa establishes the terms for contracting a retirement pension plan for its employees. The company makes an annual contribution in benefit of each worker.		Yes. 84 ☑
	201-4 Financial assistance received from government.	20.		Yes. 84 ☑
Investments				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	8, 35, 69.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	36.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
Ethics, integrity and transparency				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	27, 80.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	27.		Yes. 84 ☑
GRI 205: Anti-corruption 2017	205-1 Operations assessed for risks related to corruption.	27.		Yes. 84 ☑
	205-2 Communication and training about anti-corruption policies and procedures.	27.		Yes. 84 ☑
	205-3 Confirmed incidents of corruption and actions taken.	23. During 2017, Reganosa did not record any cases of corruption among its employees through the channels available for this purpose.		Yes. 84 ☑
Risk management model				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	31.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	31.		Yes. 84 ☑
Regulatory compliance				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	32, 81.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	81.		Yes. 84 ☑
GRI 307: 2017 Environmental Compliance	307-1 Non-compliance with environmental laws and regulations.	During 2017, Reganosa did not receive any significant fines (> €1000) or non-monetary sanctions for a failure to comply with environmental legislation and regulations.		Yes. 84 ☑
GRI 419: 2017 Socio-economic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area.	During 2017, Reganosa did not receive any significant fines (> €1,000) or non-monetary sanctions for a failure to comply with legislation or its associated regulations.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
Portfolio of products and services				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	7, 14.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	7.		Yes. 84 ☑
International presence				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	30, 35.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	36.		Yes. 84 ☑
Driving force for growth in the region				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	60.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	60.		Yes. 84 ☑
GRI 202: Market presence 2017	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	52. Spanish minimum wage has been used as a reference.		Yes. 84 ☑
	202-2 Proportion of senior management hired from the local community.	87.5%		Yes. 84 ☑
GRI 203: 2017 Indirect economic impacts	203-1 Infrastructure investments and services supported.	66, 67, 68.		Yes. 84 ☑
	203-2 Significant indirect economic impacts.	23, 60, 63.		Yes. 84 ☑
GRI 204: 2017 Procurement practices	204-1 Proportion of spending on local suppliers.	23.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
Innovation				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	35, 67.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	67.		Yes. 84 ☑
Supply safety				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	7, 35.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	36.		Yes. 84 ☑
GRI 416: 2017 Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories.	40. Reganosa assesses the possible health and safety impacts of all the services that it provides.		Yes. 84 ☑
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	During 2017, Reganosa did not record any incidents derived from non-compliance with regulations or voluntary codes related to the impacts of products and services on health and safety.		Yes. 84 ☑
Service quality and customer satisfaction				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	38, 53.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	53.		Yes. 84 ☑
GRI 418: Customer privacy 2017	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Reganosa received no complaints during 2017 regarding customer privacy violations.		Yes. 84 ☑
Supply chain				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	55.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	55, 56.		Yes. 84 ☑
GRI 308: Supplier environmental assessment 2017	308-1 New suppliers that were screened using environmental criteria.	56.		Yes. 84 ☑
	308-2 Negative environmental impacts in the supply chain and actions taken.	22. Reganosa detected no negative environmental impacts in the supply chain during 2017.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 308: Supplier environmental assessment 2017	308-1 New suppliers that were screened using environmental criteria.	56.		Yes. 84 ☑
	308-2 Negative environmental impacts in the supply chain and actions taken.	22. Reganosa detected no negative environmental impacts in the supply chain during 2017.		Yes. 84 ☑
GRI 414: 2017 Supplier social assessment	414-1 New suppliers that were screened using social criteria.	56.		Yes. 84 ☑
	414-2 Negative social impacts in the supply chain and actions taken.	Reganosa detected no negative social impacts in the supply chain during 2017.		Yes. 84 ☑
Energy regulation and political influence				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	7, 32.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	7.		Yes. 84 ☑
Emergency response plan				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	41.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	41.		Yes. 84 ☑
Safety of facilities				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	40.		Yes. 84 ☑
	103-2 The management approach and its components.	41.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	41.		Yes. 84 ☑
Environmental impact				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	35, 38, 43.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	44.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 301: 2017 Materials	301-1 Materials used by weight or volume.	46. Nitrogen is consumed at the Malta LNG terminal. This is obtained directly from ambient air and production and consumption is not currently measured.		Yes. 84 ☑
	301-2 Recycled input materials used.	None of the materials consumed by Reganosa, reported in the report, are made of recycled components.		Yes. 84 ☑
	301-3 Reclaimed products and their packaging materials.		Not applicable. Reganosa does not sell products.	Yes. 84 ☑
GRI 302: 2017 Energy	302-1 Energy consumption within the organisation.	44. Reganosa does not consume fuels or renewable energy sources.		Yes. 84 ☑
	302-2 Energy consumption outside of the organisation.		Information not available. Reganosa is currently calculating its carbon footprint for scope 3. Its reporting is expected in the 2018 Annual Report.	Yes. 84 ☑
	302-3 Energy intensity.	44. The terminal's production has been used as a measurement for calculating intensity (GJ/t).		Yes. 84 ☑
	302-4 Reduction of energy consumption.	43.		Yes. 84 ☑
	302-5 Reductions in energy requirements of products and services.	44.		Yes. 84 ☑
GRI 303: 2017 Water	303-1 Water withdrawal by source.	47.		Yes. 84 ☑
	303-2 Water sources significantly affected by withdrawal of water.	47.		Yes. 84 ☑
	303-3 Water recycled and reused.	Reganosa does not reuse water in its operations.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 304: 2017 Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	As of 31 December 2017, Reganosa's gas pipelines occupy an area of 217,424 m^2 in protected natural spaces and Red Natura 2000 (lic); 187.55 m^2 of Mugardos-As Pontes-Guitiriz gas pipeline, 18.3 m^2 of Abegondo-Sabón gas pipeline and 11.5 m^2 of Abegondo-Sabón gas pipeline.		Yes. 84 ☑
	304-2 Description of the most significant impacts of activities, products, and services on biodiversity.	50.		Yes. 84 ☑
	304-3 Habitats protected or restored.	No activity has been carried out in this sense during the reporting period considered in the report, as there are no identified habitats.		Yes. 84 ☑
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations.	Over 30 species of protected mammals, birds, amphibians and reptiles, fish and invertebrates inhabit protected areas through which Reganosa's gas pipelines pass (see 304-1). No animal species on the IUCN Red List, or on the Spanish list of animals at risk of extinction, are affected by the company's activity. Posidonia meadows were recorded at the facilities of the Malta LNG terminal. The country's Habitats Directive considers these to be priority habitats. In addition to the marine vegetation Posidonia oceanica, the species Cymodocea nodosa and the sea urchin Paracentrotus lividus were also recorded.The corresponding environmental impact assessment studies analysed the impact of the facilities on these habitats and established the measures necessary to minimise them.		Yes. 84 ☑
GRI 306: 2017 Effluents and waste	306-1 Water discharge by quality and destination.	47.		Yes. 84 ☑
	306-2 Waste by type and disposal method.	49. The source of reported data is the waste acceptance documentation and waste treatment contracts with the management companies.		Yes. 84 ☑
	306-3 Significant spills.	No significant spills occurred during the reporting period.		Yes. 84 ☑
	306-4 Transport of hazardous waste.	All waste is transported by authorised management companies.		Yes. 84 ☑
	306-5 Water bodies affected by water discharges and/or runoff.	50. No body of water or habitat was affected by discharges or run-off from the organisation during 2017.		Yes. 84 ☑
Climate change				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	30, 48.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	48.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 305: 2017 Emissions	305-1 Direct (Scope 1) GHG emissions.	48. Reganosa does not produce emissions of a biogenic origin.		Yes. 84 ☑
	305-2 Energy indirect (Scope 2) GHG emissions.	48.		Yes. 84 ☑
	305-3 Other indirect (Scope 3) GHG emissions.		Information not available. There are plans to determine Scope 3 emissions as part of the company's carbon footprint study. Scope 1 and 2 were calculated during 2017. This reporting is expected in the 2018 Annual Report.	Yes. 84 ☑
	305-4 GHG emissions intensity.	The emissions intensity is 0.008 tCO2/t. The terminal's production (tonnes) was used as the denominator.		Yes. 84 ☑
	305-5 reduction of GHG emissions.	42.		Yes. 84 ☑
	305-6 Emissions of ozone-depleting substances (ODS).	Reganosa neither consumes nor emits gases containing substances that significantly deplete the ozone layer.		Yes. 84 ☑
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.	48.		Yes. 84 ☑
High quality employment				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	35, 51.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	51.		Yes. 84 ☑
GRI 401: 2017 Employment	401-1 New employee hires and employee turnover.	46 people were hired in 2017 - 30 men and 16 women - of whom 25 are from Galicia and 21 from other Spanish regions and countries.		Yes. 84 ☑
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	52.		Yes. 84 ☑
	401-3 Parental leave.	Out of the Reganosa workforce, 100% of employees who requested parental leave during 2017 were able to enjoy it. Requested by 1 man. All workers requesting parental leave in 2016 and 2017 rejoined the company at the end of the leave, and still work at the company.		Yes. 84 ☑
GRI 402: Labour/management relations 2017	402-1 Minimum notice periods regarding operational changes.	Reganosa is governed by the provisions of the Workers' Statute and its implementation regulations.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 405: 2017 Diversity and equal opportunity	405-1 Diversity of governance bodies and employees.	75.		Yes. 84 ☑
	405-2 Ratio of basic salary and remuneration of women to men	The established salary brackets do not discriminate between men and women.		Yes. 84 ☑
GRI 406: 2017 Non-discrimination	406-1 Cases of discrimination and corrective measures adopted.	In 2017, Reganosa did not record any cases of discrimination through the channels available for this purpose.		Yes. 84 ☑
Health and safety				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	38, 40, 41.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	40.		Yes. 84 ☑
GRI 403: 2017 Occupational health and safety	403-1 Workers representation in formal joint management–worker health and safety committees.	40.		Yes. 84 ☑
	403-2 Types of injury and rates of injury, occupational illnesses, lost days, and absenteeism, and number of work-related fatalities.	22, 40. The overall absenteeism rate is 3,27; 3,32 of men and 3,11 of women.		Yes. 84 ☑
	403-3 Workers with high incidence or high risk of illnesses related to their occupation.	There are no workers whose profession has a high risk of occupational illness.		Yes. 84 ☑
	403-4 Health and safety topics covered in formal agreements with trade unions.	No formal agreements are in place with trade unions. Workers are represented on occupational health and safety matters through the Health and Safety Committee.		Yes. 84 ☑
Training and education				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	35, 52.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	52.		Yes. 84 ☑
GRI 404: Training and education 2017	404-1 Average hours of training per year per employee.	22.		Yes. 84 ☑
	404-2 Programmes for upgrading employee skills and transition assistance programmes.	649 hours of English language training per year.		Yes. 84 ☑
	404-3 Percentage of employees receiving regular performance and career development reviews.	22, 52. A new 360º competences based assessment system was developed in 2017.		Yes. 84 ☑

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
Social actions				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	60, 63.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	60, 63.		Yes. 84 ☑
GRI 413: 2017 Local communities	413-1 Operations with local community engagement, impact assessments, and development programmes.	41. Reganosa implements these programmes in the area around its Mugardos facility.		Yes. 84 ☑
	413-2 Operations with significant actual and potential negative impacts on local communities.	Gas pipeline construction can have significant effects on local communities. In this sense, the environmental impact assessments required by law include the preventive and corrective measures necessary to mitigate the impacts identified. No gas pipeline projects were carried out during 2017.		Yes. 84 ☑
Stakeholder relationships				
GRI 103: 2017 Management Approach	103-1 Explanation of the material topic and its Boundary.	87.		Yes. 84 ☑
	103-2 The management approach and its components.	57.		Yes. 84 ☑
	103-3 Evaluation of the management approach.	57.		Yes. 84 ☑

BASIC SPECIFIC CONTENT OF THE SECTOR SUPPLEMENT

CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
Energy			
OG2 Total amount invested in renewable energy.	Reganosa does not use fuels or other renewable energies.		Yes. 84 ☑
OG3 Total amount of renewable energies generated by source.	Reganosa does not use fuels or other renewable energies.		Yes. 84 ☑
Biodiversity			
OG4 Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	50. Reganosa continually analyses all of its environmental impacts. Similarly, environmental impact assessments are conducted for the company's new infrastructure construction projects with protected areas in the surroundings.		Yes. 84 ☑
Effluents and waste			
OG5 Volume and disposal of formation or produced water	Not applicable to Reganosa's activity, as it does not continuously vent hydrocarbons.		Yes. 84 ☑
OG6 Volume of flared and/or vented hydrocarbon.	During 2017, 22,509 GJ (625,209.02 Nm^3) of natural gas were flared in Mugardos, and 9,647.88 GJ in Malta.		Yes. 84 ☑
OG7 Drilling waste.	Not applicable, because Reganosa's activity does not create drilling waste.		Yes. 84 ☑
Local communities			
OG10 Significant disputes with local communities and indigenous peoples.	See 102-44		Yes. 84 ☑
OG11 Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	No Reganosa facilities were decommissioned during 2017.		Yes. 84 ☑
Asset integrity and process safety			
OG13 Number of process safety events, by business activity.	21, 40, 41.		Yes. 84 ☑

GLOSSARY OF TERMS AND ABBREVIATIONS

APFSC:
Ferrol - San Cibrao Port Authority

BOIL OFF GAS:
Natural gas vapour produced in regasification terminals in situations where the terminals are operating below technical minimums, and during vessel loading and unloading operations.

ENTSOG:
European Network Transmission System Operator for gas

FSRU:
Floating Storage and Regasification Units

FSU:
Floating Storage Units

GASNAM:
Spanish Natural Gas for Mobility Association

GHG:
Greenhouse Gases

LNG:
Liquefied Natural Gas

HSQE:
Health, Safety, Quality and the Environment

INEGA:
Galicia Energy Institute

LSO:
LNG System Operator

O&M:
Operation and Maintenance

PCIs:
Projects of Common Interest

SCV:
Submerged Combustion Vaporiser

SEDIGAS:
Spanish Gas Association

TSO:
Transmission System Operator

TYNDP:
Ten Year Network Development Plan

THE 2017 REGANOSA ANNUAL REPORT IS AVAILABLE ON-LINE AT:
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