



reganosa 

# ANNUAL REPORT 2019

The ENERGY YOUR ENERGY NEEDS

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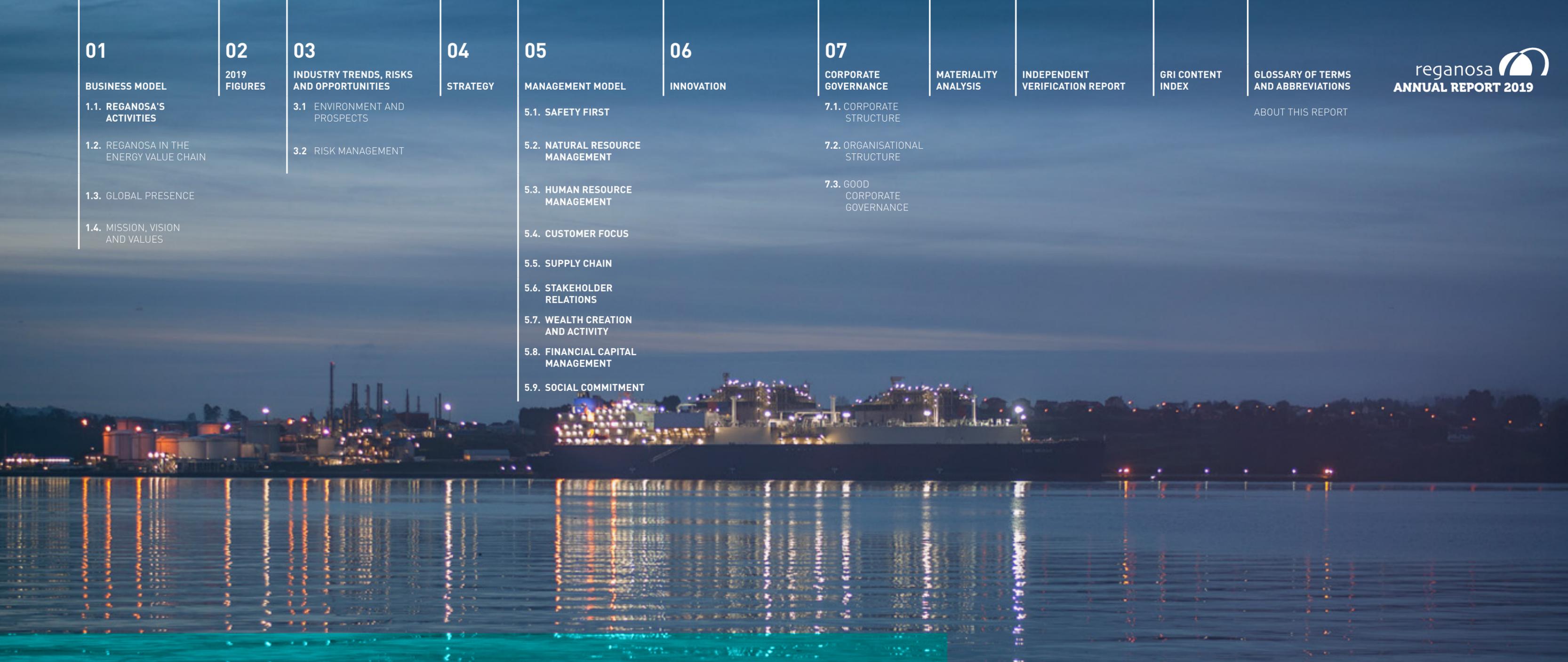
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## Letter from the President [102-14]

Nowadays, all social operators are clearly committed to doing whatever it takes to preserve our planet. Since the adoption of the Paris Agreement in 2015, national plans have set targets for renewable electricity generation that will steer us to a carbon-neutral scenario by 2050.

The energy mix of the future must guarantee a supply of safe, clean and efficient energy to all industries. To achieve this, we need to diversify energy sources, have flexible infrastructures and fully interconnected markets.

At Reganosa, developing and operating assets that will enable progressive decarbonisation is one of our core activities. In 2019 we launched several lines of research to define which projects will form part of the next generation of renewable energy technologies; coupling the electricity and gas industries, integrating surplus renewable electricity, and the use of gas infrastructures by means of storage in the form of hydrogen.

In Spain, the CNMC Circular issued in 2019 establishes the access and capacity allocation mechanisms to be applied in the natural gas system, and defined measures to improve the liquidity of the gas system à its liquidity, configuring a Community level "hub" with infrastructures available for the use of natural gas and renewable gas or hydrogen. In this context, Reganosa has included two renewable hydrogen projects in the European Development Plan (TYNDP 2020) to reduce greenhouse gas emissions from domestic and industrial uses.

To build this envisioned energy future, we have made changes to our GANESO© simulation software. This year we have started developing to develop a unit for the joint modelling of the operation of the electricity and gas networks, which will enable an for integrated planning purposes, while optimising joint operations by and reducing costs, and as well as guaranteeing security of supplies supply in sustainable conditions.

Liquefied natural gas (LNG) is also a crucial aspect of reducing emissions in heavy transport. Reganosa participates in the CORE LNGas Hive project, an initiative co-financed by the European Commission which is developing an integrated, competitive logistics chain to supply LNG as fuel to the maritime industry in the Iberian Peninsula. Throughout this year we have started working on the engineering to adapt the Mugardos terminal, and the first LNG supply operations to ships have already taken place in the Port of Ferrol.

In 2019, we were awarded contracts to provide services in four new countries, where we will contribute our knowledge and experience in infrastructures with a wide range of technologies. In 2020, we will continue working to ensure that the company's energy infrastructure management business lines and the integrated services provided meet the objectives set out in our Strategic Plan.

All the creative impulse is ultimately aimed at people; those who are part of Reganosa and the entire society for whom we work. The effort to configure what we will become is

accompanied by rigorous environmental monitoring programmes and consumption saving and efficiency measures. I am particularly pleased with the extension of the stakeholder communication plan, in which we have developed an extensive agenda of interviews and a detailed analysis of the relevant social factors detected.

This Annual Report, approved by Reganosa's Board of Directors and prepared according to the rigorous Global Reporting Initiative (GRI) Standards and the principles defined by the International Integrated Reporting Council (IIRC), reflects our contribution to achieving the United Nations Sustainable Development Goals and enables us to generate an effective improvement and communication tool.

Thank you all for your participation and trust. And thank you to all the professionals who form part of Reganosa, for their commitment and effort.

**Carlos Collantes Pérez-Ardá**  
Chairman

# 01

## Business model

- 1.1. REGANOSA'S ACTIVITIES
- 1.2. REGANOSA IN THE ENERGY VALUE CHAIN
- 1.3. PRESENCE IN THE WORLD
- 1.4. MISSION, VISION AND VALUES

# 1.1. Activities carried out by Reganosa

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

## ENERGY INFRASTRUCTURE MANAGEMENT

Reganosa develops, operates and maintains energy infrastructure that is key to structuring the energy systems of the future and decarbonising the economy. It operates two

key access points to the natural gas system in Europe; the Mugardos liquefied natural gas (LNG) terminal in Spain, and the Delimara regasification plant in Malta.



### TRANSMISSION SYSTEM OPERATOR (TSO)

Reganosa is certified as a European transmission system operator (TSO) and manages part of the basic gas pipeline network of the Spanish gas system. Its business guarantees diversification of supply and the correct operation and development of transmission infrastructures, which are prepared to act as a support for sustainable energy sources such as hydrogen and biogas.

The company is a member of Spanish and international organisations, among them GIE, Sedigás and the European Network of Transmission System Operators for Gas (ENTSOG) to guarantee an adequate, regulated and coordinated man-progress in Europe.



### LOW-CARBON ENERGY SOLUTIONS

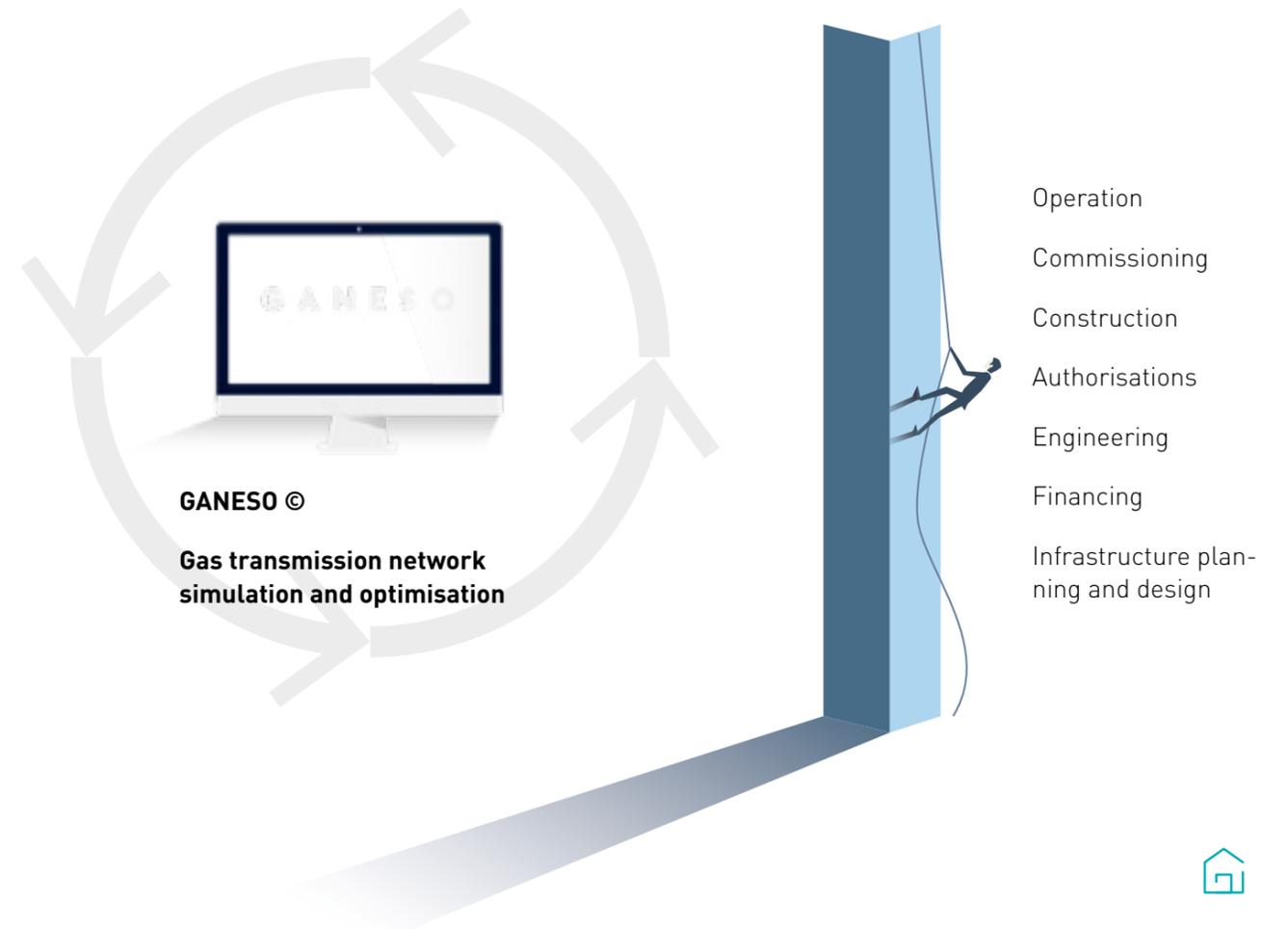
Reganosa drives the development of renewable energy sources. In the last year it included two projects in the energy transition category in the European Ten-Year Network Development Plan (TYNDP 2020), to integrate renewable gases into the energy mix and develop hydrogen as a key vector in decarbonisation.

The sustainable management and operation of infrastructures contributes to a competitive social and industrial climate. ”

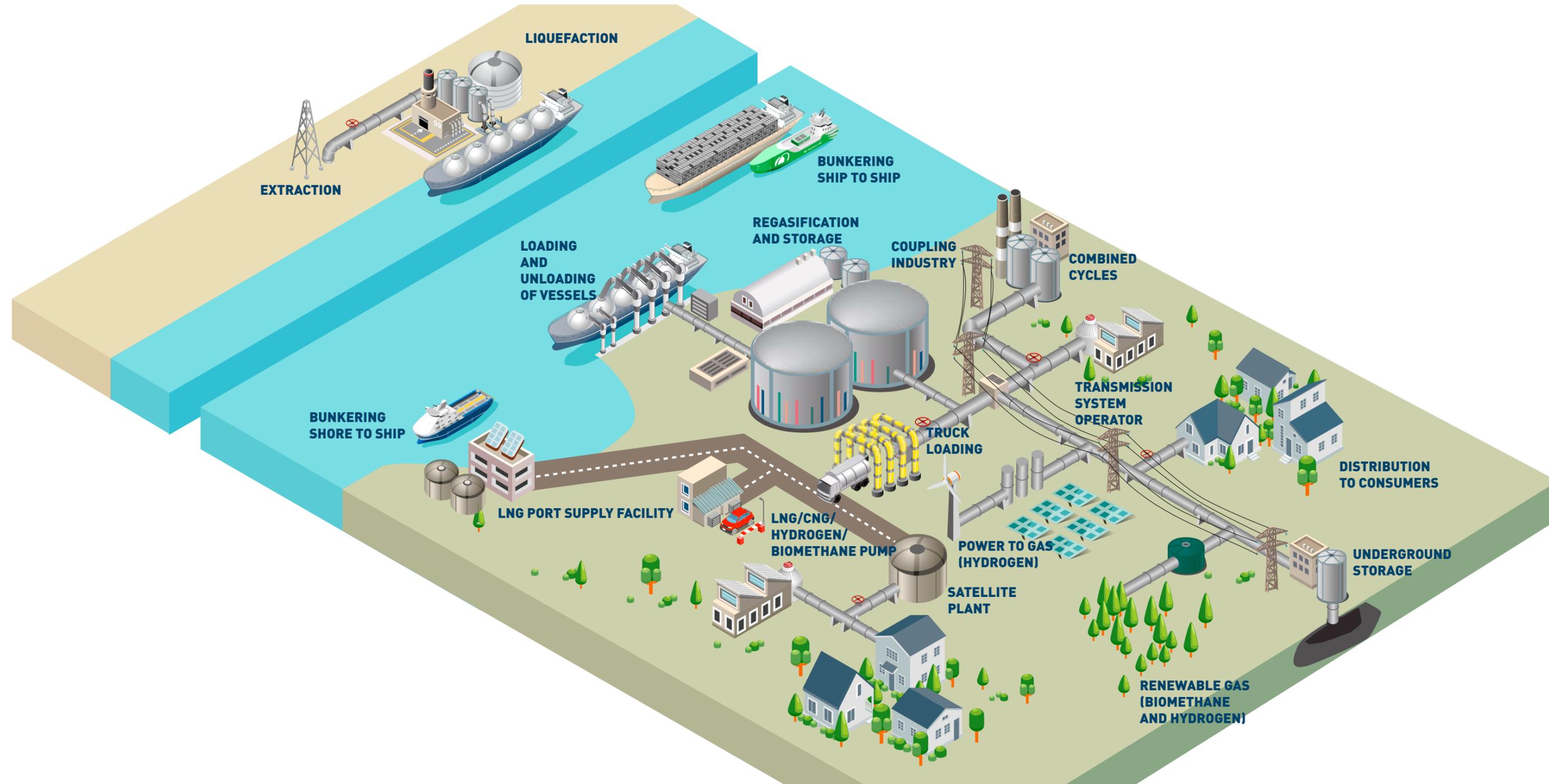
## PROVISION OF SERVICES

Reganosa provides operation and maintenance (O&M), network simulation, technical assistance, consultancy and training services for gas infrastructures.

It is present in all phases of the natural gas asset life cycle, from feasibility studies to the operation and maintenance of LNG terminals. Since 2016, Reganosa has provided services in 14 countries.



# 1.2. Reganosa in the energy value chain [102-2]



## Commercial Services [102-2]

The Mugardos LNG terminal is a logistics hub in the north west of Spain, in a strategic location with operational flexibility.

### LNG TRANSFER AND VESSEL LOADING AND UNLOADING

LNG is transported from the country of origin to the country of destination in vessels which transport lng at a temperature of -160°C. At the terminal, loading and transfer operations to vessels are carried out 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 final operating temperature (cool down).

### REGASIFICATION

The LNG, stored in the terminal tanks at -160°C, is transformed to its gaseous state and introduced into the gas pipeline network.

### STORAGE

The services provided include usage rights of any necessary operational storage, under the terms laid down in the facilities access regulations.

### TRUCK LOADING

The truck loading service allows LNG to be supplied to domestic consumers and industries in areas with little gas to be supplied through no access to the pipeline network through satellite plants.

### TRANSPORT OF NATURAL GAS

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

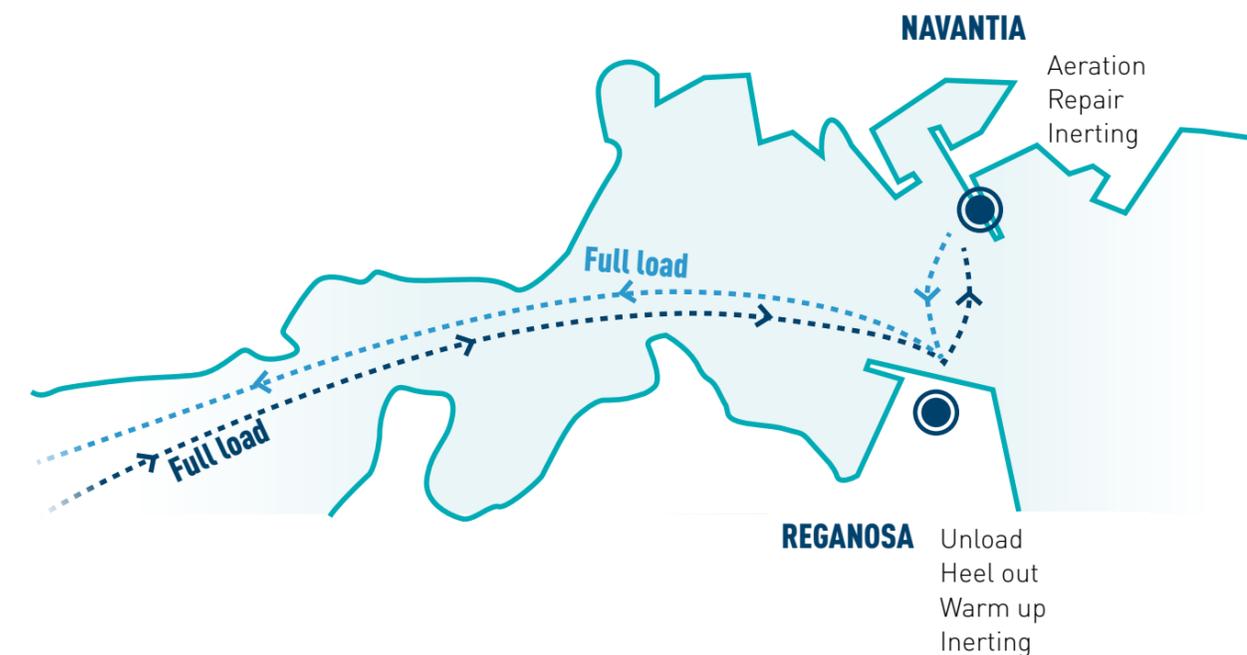
### LABORATORY ANALYSIS

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.

### COMPREHENSIVE REPAIR SERVICES

The Port of Ferrol is one of few in the world where a ship can arrive, unload, be repaired, cool down, load up and depart, covering a full repair cycle. Naturgy, Navantia and Reganosa are part of an operational agreement to provide integral gas tanker repair services.



### CONSULTANCY AND PROJECT MANAGEMENT

- Feasibility studies, cost estimates and simulations
- Due diligence
- Assistance in tendering procedures (FEED/EPC) and bid management
- Property engineering services, supervising the execution of FEED, EPC and operation and maintenance engineering
- Developing manuals and operating procedures
- Training the operation team

### COMPREHENSIVE OPERATION AND MAINTENANCE

- Commissioning assistance
- Comprehensive operation and maintenance of LNG terminals
- Optimisation of operation processes



# 1.3. Worldwide presence [102-4] [102-6]

## SPAIN

### LSO: Management of the Mugardos LNG terminal

On-shore, full containment storage.  
 ORV and SCV vaporisation technology.  
 Capacities:  
 -berth capacity: 7,500 m<sup>3</sup> / 266,000 m<sup>3</sup>  
 -storage capacity: 300,000 m<sup>3</sup>  
 -regasification capacity: 412,800 Nm<sup>3</sup>/h

### TSO: Transmission system operator

130 km of gas pipeline  
 80 bar design pressure



- Regulation and metering stations
- Network connection points
- 🏭 Combined cycle power station
- 🏭 Refinery
- 🚢 Port

## MALTA

### LSO: Operation of the Delimara regasification plant, basic infrastructure of the Environmental Improvement Plan of the Government of Malta

Storage with Float Storage Unit (FSU)  
 IFV Vaporisation Technology



- 🏭 Combined cycle power station
- 🏭 Regasification plant
- 🚢 Port



# 1.4. Mission, vision and values



## MISSION

Reganosa is a company that develops and manages energy infrastructures with the aim of improving the welfare of society and the competitiveness of the business industry, creating energy systems that use resources in a sustainable manner and meet the European Union's emission mitigation targets for the 2030 and 2050 horizon.



## VISION

To develop infrastructures that connect energy markets using the latest technological innovations, to deliver innovative services that provide integral solutions, 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

## REGANOSA IN THE ENVIRONMENT



### Our local communities

- Supply of clean and competitive energy
- Educational and cultural programmes
- Support provided to sport and artistic entities



### People

- Training and integral development of our professionals
- Culture and ethical values
- Permanent dialogue with the community



### Environment

- Emission Control
- Responsible consumption
- Safety of our operations



## Ethics and values [102-16] [103-2] [103-3] [205-1]

### CODE OF ETHICS AND CONDUCT

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]

It seeks to extend good management and governance practices to all group entities, third parties and suppliers that collaborate with the company. The Code can be accessed on the corporate website: [www.reganosa.com](http://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 includes a board member, the legal counsel to the Board of Directors as well as Management members. According to the Internal Regulations governing its operation, this Committee 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 made available to company stakeholders, accessible from the corporate website, which confidentially handles queries regarding the application of the Code and helps solve questions or concerns about ethical conduct in the workplace or in professional relationships. No requests for information or communications have been received through the Ethical Channel this year. All doubts were resolved during the welcome days for new employees and during site visits to the facilities. [102-17]

### TRAINING

During their welcome day, new recruits receive a copy of the Code of Ethics and Conduct, and training on its principles and tools, to foster a culture of values and encourage ethical behaviour in our day-to-day activities, and to ensure that the entire workforce understands the mechanisms made available to them. [412-2]

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]



# 02

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## 2019 figures

## 2. 2019 figures

### ECONOMIC AND OPERATIONAL PERFORMANCE

Projects underway in

**10 COUNTRIES**

Growth in production in Spain

**32%**

Growth in the service provision business

**26.28%**

On-site accidents

**0**

### SOCIAL PERFORMANCE

Employees

**+11.21%**

Female employees

**31%**

Training hours per employee

**+40.23%**

Performance evaluations of our employees

**97.67%**

### ENVIRONMENTAL PERFORMANCE

Recycled non-hazardous waste generated in Spain

**92%**

Reduction of emissions in Galicia

**42,533 tCO<sub>2</sub>eq**

<b>INDUSTRIAL CAPITAL</b> [102-7] [103-3]	<b>2019</b>	<b>2018</b>	<b>2017</b>
UNLOADING OF VESSELS (GWH)	<b>18,977</b>	17,087	14,794
PRODUCTION (GWH)	<b>18,504</b>	16,105	14,682
GAS TRANSPORTED IN THE GAS PIPELINE NETWORK (GWH)	<b>13,254</b>	11,219	11,535
AVAILABILITY OF INFRASTRUCTURES (%)	<b>99.86</b>	99.98	N.D.
INTERNATIONAL PRESENCE (Nº. OF COUNTRIES WHERE PROJECTS ARE UNDERWAY)	<b>10</b>	7	7

<b>FINANCIAL CAPITAL</b> [102-7] [201-1] [201-4]	<b>2019</b>	<b>2018</b>	<b>2017</b>
NET PROFIT (€)	<b>16,682,634</b>	12,485,458	14,204,778
EBITDA (€)	<b>38,164,269</b>	36,547,096	42,433,433
DIVIDENDS (€)	<b>8,806,521</b>	5,000,000	0
INVESTMENTS (€)	<b>1,218,883</b>	1,237,000	946,512
NET DEBT (€)	<b>31,175,387</b>	59,873,071	91,485,020
EQUITY (EUROS)	<b>153,310,305</b>	137,365,206	147,719,965
ASSETS (EUROS)	<b>192,659,262</b>	205,381,871	217,312,919
NET DEBT/EBITDA RATIO	<b>0.82</b>	1.64	2.15
FINANCIAL AID GRANTED BY THE AUTHORITIES (€)	<b>0</b>	0	59,798*

\*Grant awarded by the European Metrology Programme for Innovation and Research for the "Metrological support for LNG and LBG as transport fuel" project.



**SAFETY AND ENVIRONMENT** [GC13]

	2019	2018	2017
SAFETY DRILLS AND EXERCISES CARRIED OUT (Nº)	25	25	12
INVESTMENTS IN ENVIRONMENTAL IMPROVEMENTS (€)	299,561	262,230	245,300
EXPENDITURE FOR ENVIRONMENTAL CONTROL STUDIES (€)	116,408	104,240	109,041
INTERNAL AND EXTERNAL QUALITY AND SAFETY AUDITS (Nº)	14	17	14
SUPPLIERS WITH CONTRACTS REGISTERED IN THE APPROVAL DATABASE (%)	25	39	27
SUPPLIERS REGISTERED IN THE APPROVAL DATABASE WITH UNE 9001 CERTIFICATION (%)	85	85	85
REDUCTION OF EMISSIONS BY GALICIAN COMPANIES THROUGH SWITCHING TO NATURAL GAS (TCO2EQ)*	42,533	42,238.2	35,008.2
DEVELOPMENT OF NATURAL GAS IN GALICIA (GASIFICATION INDEX) **	10.73	10.21	9.95

\* This is an estimated figure, considering that the fuel consumed before the changeover to natural gas was diesel oil.

\*\* Index estimated based on data on no. of gas customers (source: Sedigas;) and population (source: INE).



**SHARE CAPITAL** [201-1] [203-2] [204-1]

	2019	2018	2017
SOCIAL EXPENDITURE RELATED TO THE COMPANY'S EBITDA (%)	0.64	0.77	0.52
SOCIAL EXPENDITURE RELATED TO THE COMPANY'S NET PROFIT (%)	1.46	2.25	1.56
TOTAL SOCIAL INVESTMENT (€)	243,642	280,686	221,210
DONATIONS AND SPONSORSHIP* (€)	242,000	277,913	186,810
AMOUNT ASSIGNED TO SCHOLARSHIPS (€)	1,642	2,773	13,400
PEOPLE PARTICIPATING IN ACTIVITIES SUPPORTED BY REGANOSA (NO.)**	49,066	39,277	36,534
GENERATED ECONOMIC VALUE (€)	58,097,205	56,835,063	60,144,460
DISTRIBUTED ECONOMIC VALUE (€)	35,631,558	32,977,175	26,769,837
PERCENTAGE OF CONTRACTED SUPPLIERS FROM GALICIA (%)	35.21	47.59	45.00
PERCENTAGE OF EXPENDITURE ON SUPPLIERS FROM GALICIA (%)	30.50	26.32	27.28
MAJOR INDUSTRIES IN GALICIA SUPPLIED WITH NATURAL GAS (NO.)	47	45	24
FINANCIAL SAVINGS FOR THESE COMPANIES THROUGH SWITCHING TO NATURAL GAS (€) ***	48,889,273	41,811,245	30,836,803

\* Including VAT

\*\* Includes attendees at cultural exhibitions run by Reganosa.

\*\*\* Index estimated based on data on no. of gas customers (source: Sedigas;) and population (source: INE).

**HUMAN CAPITAL** [102-7] [401-1] [404-1]

	2019	2018	2017
EMPLOYEES AS OF DECEMBER 31 (Nº)	129	116	124
TURNOVER RATE*	0.17	0.15	0.13
RATE OF NEW EMPLOYMENT CONTRACTS	0.21	0.11	0.37
WOMEN IN MANAGEMENT POSITIONS (%)	29	33	25
EMPLOYEES WITH PERMANENT CONTRACTS (%)	70.54	76.12	59.68
AVERAGE AGE OF WORKFORCE (YEARS)	38.81	38.71	37.84
PROFESSIONAL PROFILES (% OF EMPLOYEES WITH DIPLOMAS AND DEGREES)	96.90	94.83	67.74
TRAINING PER EMPLOYEE (HOURS/EMPLOYEE)	51.03	36.39	76.05

**CORPORATE GOVERNANCE AND TRANSPARENCY** [102-17] [102-22] [205-3]

	2019	2018	2017
BOARD MEMBERS IN THE TSO AS OF DECEMBER 31(Nº)	20	20	20
WOMEN ON THE BOARD OF DIRECTORS (%)	5	5	5
EMPLOYEES WHO HAVE RECEIVED THE CODE OF ETHICS (%)	100	100	100
COMMUNICATIONS RECEIVED THROUGH THE ETHICS CHANNEL (NO.)	0	0	0
INCIDENTS RELATED TO CORRUPTION (Nº)	0	0	0
NEWS ABOUT REGANOSA IN THE MEDIA (Nº)	234	412	229
PEOPLE WHO HAVE VISITED THE MUGARDOS TERMINAL (Nº)	447	550	622

\*Rotation rate: [(leavers in 2019 + joiners in 2019)/2] / employees at 31 December



## Reganosa's priority ODS



### ENSURING ACCESS TO SUSTAINABLE AND COMPETITIVE ENERGY

- We promote hydrogen generation projects for subsequent injection into gas transport networks.
- We promote the use of hydrogen for mobility.



### PROMOTE QUALITY EMPLOYMENT THAT CONTRIBUTES TO ECONOMIC GROWTH

- We work hard to attract and develop talent on attracting and retaining retain talent as a basis for attaining developing our strategic objectives and for a sustainable growth.



### DEVELOP SAFE AND EFFICIENT INFRASTRUCTURES THAT SUPPLY SUSTAINABLE ENERGY TO INDUSTRIES

- We are participating in initiatives to promote the use of liquefied natural gas for mobility, reducing the impact of greenhouse gas emissions. The project "LNG III: 'Metrological support for LNG and LBG as transport fuel'", developed by Reganosa in the European EMPIR programme, aims to enable large-scale use of liquefied natural gas (LNG) and liquefied biogas (LBG) as transport fuel and to develop smart metering traceability.
- We have added new functionalities to GANESO in order to jointly simulate electrical and gas networks the GANESO gas transmission network simulation software, to optimise the functioning and hybridisation of these infrastructures, opening the way for more enabling more sustainable energy solutions.



### TAKE MEASURES TO PROTECT THE PLANET FROM THE EFFECTS OF CLIMATE CHANGE

- We participate in the Climate Change Cluster, developing the roadmap for business transformation towards a low carbon economy, in accordance with 2030 Agenda for Sustainable Development Goals.



### MINIMISE THE IMPACT OF OPERATIONS THROUGH RESPONSIBLE ENERGY CONSUMPTION

- We analyse the carbon footprint of our activities, which we verify every year to monitor its evolution and set progressive reduction targets.
- We manage our waste responsibly through an authorised waste manager and allocate the maximum possible percentage for recycling or reuse.

# 03

## Industry trends, risks and opportunities

3.1. OPERATING ENVIRONMENT AND OPPORTUNITIES

3.2. RISK MANAGEMENT

# 3.1. Environment and perspectives

## The future of energy [102-2] [102-11] [102-15] [102-29] [201-2]

The evolution of the population and the way activities are carried out in the world require an energy transformation that addresses the climate challenge. The Paris Agreement reached in 2015 is the international response launched by 180 governments and has set binding decarbonisation and emissions targets reductions emission reduction targets for 2030, enshrined in national regulations.

There are many ways of meeting the objectives, although a basic measure to minimise climate impact is replacing coal and the highly polluting hydrocarbons with natural gas and LNG in companies' production processes, for domestic consumers and heavy transport.

In addition, gas infrastructures and networks, particularly in countries like Spain, where they have reached a high level of

development and flexibility, are a resource we already have today that will enable us to achieve emissions neutrality by 2050, as envisaged by the European Commission in its communication "The European Green Deal".

Natural gas infrastructures can transport and store renewable gases such as hydrogen or synthetic natural gas produced from renewable electricity or mixed with biomethane, which will be essential for decarbonisation as they are sustainable, competitive and storable energy sources.

Hydrogen can store surplus electricity from renewable sources and energy that is currently intermittent and variable, guaranteeing supply and environmental care.

## Demand forecasts

In 2019, demand in Spain grew by 14% compared to 2018, driven mainly by the increase in consumption for electricity generation, as coal-based power stations generation sources are gradually replaced.

The World Energy Outlook 2019 forecasts global natural gas demand in 2030 will be 6.84% higher than it is today in the "Sustainable Development" scenario.



## 3.2. Risk management [103-2] [103-3] [102-29] [102-30]



### Rules and procedures

The internal rules ensure that regulations to ensure that risks are dealt with adequately, to guarantee compliance with the regulations in force in different management areas and enable to take advantage of opportunities mitigate mitigating possible adverse effects

Main manuals, procedures and policies of Reganosa

- Code of Ethics and Conduct.
- Integrated Management System Manual.
- Safety, Health, Environment and Quality Policy.
- Criminal Risk Prevention Manual.
- Anti-corruption and Fraud Policy.
- Conflict of Interest Policy.
- Sponsorship policy.
- Confidentiality and privacy policy.
- Policy on the treatment of hospitality and gifts.
- Procedures for dealing with to manage project risks; compliance manual including operational, legal, tax and occupational contingencies labour matters.
- Quality, administration and finance procedures, operations control, supplier evaluation and approval, training and IT systems.

### Organisational model

Identification  
of risks

THOSE RESPONSIBLE  
FOR EACH DIVISION

Assessment

MANAGEMENT BOARD

Treatment

ETHICS COMMITTEE  
COMPLIANCE  
COMMITTEE

Follow-up and  
verification

BOARD OF DIRECTORS

### Main certifications



## Main risks

TYPE OF RISK [102-15] [102-34]	DESCRIPTION OF THE TYPE OF RISK	PREVENTIVE MEASURES AND CORRECTIVE ACTIONS
Regulatory	In Spain, Reganosa operates partly in a regulated industry, so changes in the regulatory framework could have an impact on its results [103-2]	<p>Fluent communication with regulatory bodies and national and international governments in a collaborative framework.</p> <p>Continuous monitoring of legal amendments approved at any given time and the drafting of regulatory development proposals.</p> <p>Participation in associations, discussion forums and working groups, as well as actively interacting with all other players in the industry.</p> <p>Legal defence of the company's interests in any cases where it is necessary.</p> <p>Design of an energy efficiency plan to allow the operation to be optimised and adequately meet the requirements of the remuneration framework.</p> <p>Addition of new functionalities to the Ganeso gas transmission network simulation software, to allow simulation of the application of a wide range of policies and to plan the development of gas infrastructure in accordance with the principles of efficiency, sustainability and guaranteed supply.</p> <p>Active participation in ENTSOG working groups for the development of the regulations and European Network Codes, which will allow the efficient operation and adequate development of the internal natural gas market.</p>
Business	<p><b>Safety, health and environment</b></p> <p>Management in this area must be strict to guarantee that impacts and risks are minimised or eliminated. [102-11]</p>	<p>Implementation and maintenance of an integrated quality, environmental and occupational health and safety management system (ISO 9001, OHSAS 18001, ISO 14001 and EMAS).</p> <p>The Occupational Hazards Prevention Plan sets out the preventive actions to be integrated into the entire organisational structure.</p> <p>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.</p> <p>Periodic review of the Self-Protection Plan and conducting simulations to establish the effectiveness of the actions planned.</p> <p>Contracting of an insurance package with companies of recognised prestige and international experience in the energy industry, to cover any contingencies that may arise.</p> <p>Implementation of cyber-security measures in IT systems, segregation of functions and access limitations.</p>
	<p><b>Market</b></p> <p>Uncertainty about the evolution of demand can affect the company's results.</p>	<p>Constant monitoring of the behaviour of demand.</p> <p>Participation in initiatives to promote the use of natural gas and hydrogen for mobility.</p> <p>Ongoing analysis of the natural gas market in Europe and the rest of the world, to assess possible impacts on Reganosa's future business.</p>

TYPE OF RISK	DESCRIPTION OF THE TYPE OF RISK	PREVENTIVE MEASURES AND CORRECTIVE ACTIONS
Business	<p><b>Operation</b></p> <p>It refers to risks arising from infrastructure, such as obsolescence, failure or unavailability</p>	<p>Development and implementation of procedures and actions according to quality, environmental and prevention criteria (ISO 9001, OHSAS 18001, ISO 14001 and EMAS certification).</p> <p>Analytical methods validated according to UNE ISO IEC 17025 for determining the composition and physical properties of natural gas and analysis of sulphur compounds. Preventive and predictive review of equipment, according to specific maintenance programmes.</p> <p>Use of the latest natural gas measurement technologies to enable adequate calculation of regasified quantities conveyed by gas pipeline</p> <p>In addition to the preventive actions, the industrial 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 recurrence of incidents.</p> <p>Establishment of a supplier approval procedure to hire services, projects and supplies; the procedure ensures that the best qualified suppliers are selected.</p>
	<p><b>New international projects</b></p> <p>Geopolitical and operational risks in countries where Reganosa carries out its activity.</p>	<p>Project selection based on a detailed analysis of the customer, country, business model, and margins and risks.</p> <p>Limitation of liability in projects.</p>
Financial	<p><b>Interest rate risk</b></p>	<p>A policy to hedge this risk, based on keeping fixed interest rates.</p> <p>Hiring of interest rate hedging systems to protect the business from high interest rate scenarios.</p> <p>Maintenance of the necessary liquidity to meet financial commitments.</p>
	<p><b>Cash flow</b></p>	<p>Maintain a solid balance sheet and adequate lines of financing to ensure solvency to take on projects.</p>
	<p><b>Financing risk in the project development</b></p>	<p>Fluid relationship with banks.</p> <p>Management of financing processes through consultants and specialist personnel.</p>
	<p><b>Tax</b></p>	<p>Tax procedures.</p> <p>Advice by tax experts on the taxation criteria for all of the company's operations.</p>
Reputational	<p><b>The company's reputation influences its results</b></p>	<p>Periodic tracking of information about the company in the media and on-line.</p> <p>Issuing press releases and periodic meetings with stakeholders</p> <p>Code of Ethics and Conduct and internal regulations to ensure compliance with legislation and that professionals behave ethically.</p>

# 04

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# Strategy



# Strategic Plan 2019-2023

[103-2] [103-3]

Reganosa's Board of Directors approved the Strategic Plan for the 2019 - 2023 period, which sets out the company's focus and lines of action to address future challenges.

## STRATEGIC LINES

### BUSINESS AS USUAL

Optimise the development, operation and maintenance of energy infrastructures, such as LSO and TSO, adapting them to the energy transition objectives and offering innovative services that respond to customers' logistic needs.

### INNOVATION

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

Participate in projects in the domestic and international markets, contributing its experience and knowledge, and will examine new gas asset investment opportunities.

Expansion of the business by developing activities related to the design, construction, operation and investment in gas infrastructure, participating in projects in Spain and other growing markets.

Fostering the development of a safe, efficient and flexible system ready to handle the challenges of the future in planning processes.

Promotion of the development of the infrastructure required to implement an LNG hub in the north-west of the Iberian Peninsula, providing access to a cleaner and more competitive fuel.

## MANAGEMENT PRINCIPLES

### SAFETY

Global approach and application of the most exhaustive standards.

### OPERATIONAL EFFICIENCY

Process optimisation and reduction in consumption.

### FLEXIBILITY

Constantly adapting to operational requirements and customer needs.

## STRATEGIC AREAS

### SUSTAINABILITY

- Configure, an energy mix that includes renewable energies that gradually decarbonises the economy and reduces emissions into the atmosphere.
- Contribute to cultural and educational development, through our social action plan.

### ENERGY EFFICIENCY PLAN

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

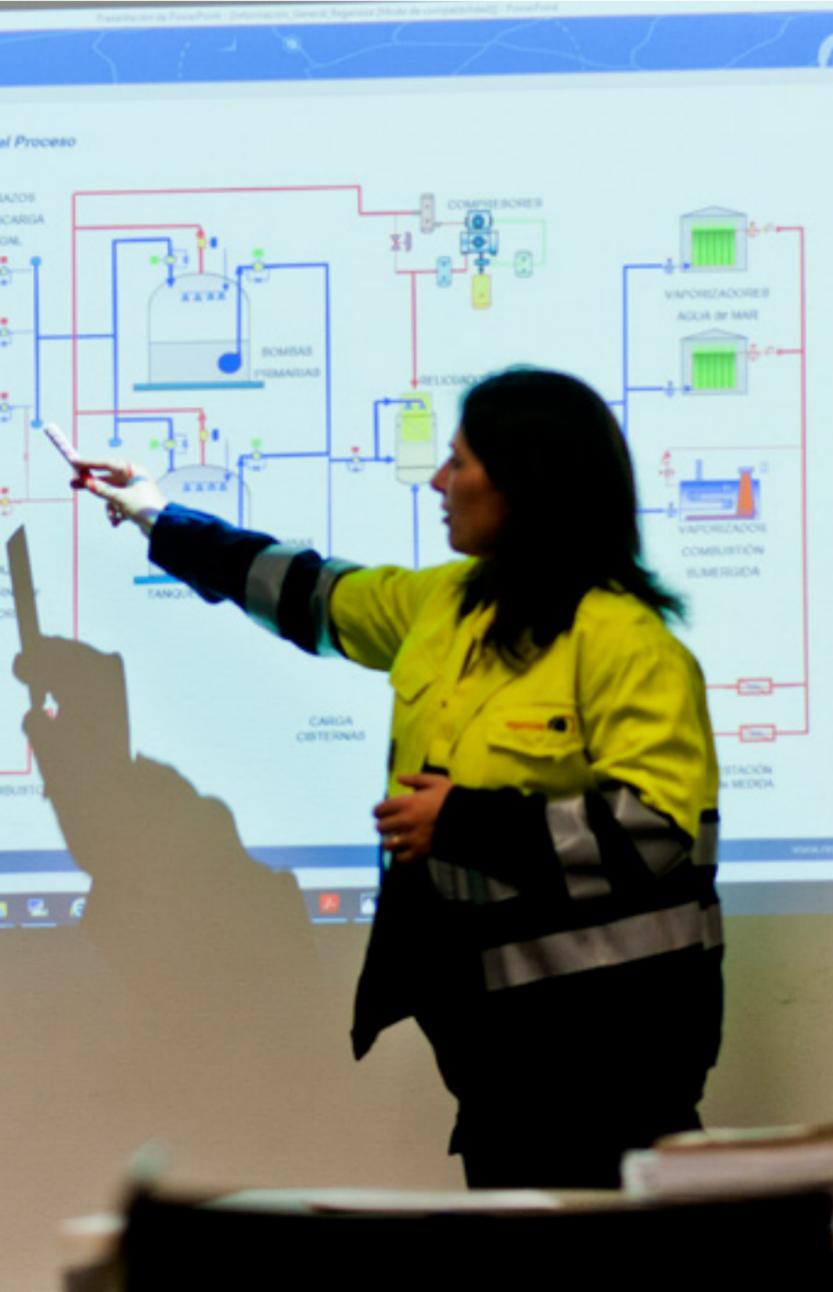
### INFORMATION SYSTEMS PLAN

Continuous improvements in the company's systems, developing platforms and modules that support business.

### HUMAN RESOURCES PLAN

- Hiring of professionals to perform the actions included in the Strategic Plan.
- Training and career plan.





## GOALS ACHIEVED IN 2019

### CORE BUSINESS

Collaboration with the rest of the TSOs in European energy planning.

Progress in the creation of transparent price signals and contribution to the conception of the LNG market rules, through the participation in the share capital and the Board of Directors of Mibgas, S.A. and Mibgas Derivatives, S.A.

Development of engineering to carry out investment projects and efficiency in small scale activities.

Development of projects in four new countries.

Awarded service projects with different technologies including: liquefaction plants, small scale membrane tanks and floating storage and regasification units (FSRU).

First operation to supply LNG to vessels from the Mugardos plant in the Port of Ferrol.

### RESOURCES

Metering improvements in infrastructure equipment using ultrasonic technology.

Addition of new functionalities to the GANESO© gas transmission network simulation software, including a new electricity grid interrelation module.

Development of recurrent neural networks to predict the state of the gas transmission network based on time series.

## 2020 TARGETS

### CORE BUSINESS

Maintain flexibility and efficiency as a LNG plant and TSO operator.

Continue providing services based on the capabilities and experience of Reganosa as a source of know-how and research.

Promote new projects that contribute to the energy transition and decarbonisation, and that enable strategic alliances.

Participate with an industrial role in international infrastructures in operation.

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 operates.

### RESOURCES

Investment in technological innovation, processes and the business model, to develop the key projects defined in the Strategic Plan.

Digitalisation progress.

# 05

## Management model

- 5.1. SAFETY FIRST
- 5.2. NATURAL RESOURCE MANAGEMENT
- 5.3. HUMAN RESOURCE MANAGEMENT
- 5.4. CUSTOMER FOCUS
- 5.5. SUPPLY CHAIN
- 5.6. STAKEHOLDER RELATIONS
- 5.7. WEALTH CREATION AND ACTIVITY
- 5.8. FINANCIAL CAPITAL MANAGEMENT
- 5.9. SOCIAL COMMITMENT

## 5.1 Safety first <sup>[103-2] [103-3]</sup>

### PERFORMANCE IN 2019

Development of the actions identified in the "Healthy and Active Company" project.

Development of a simulation plan for the Mugaros and Delimara terminals, to optimise technical action carried out by in-house and contractor personnel.

### GOALS FOR 2020

Certification of the Information Security Management System, according to the ISO 27001 standard.

Implementation and certification according to ISO 45001 (replacement of OHSAS 18001).

Inclusion of medical criteria, first aid practices and protocols for action in the event of workplace incidents.

Development of the actions identified in the "Healthy and Active Company" project.

Development of a simulation plan for the Mugaros and Delimara terminals, to optimise technical action carried out by in-house and contractor personnel.

## Integrated Management System

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, its facilities and the environment. All its activity is carried out in accordance with the Health and Safety, Environment and Quality Policy. <sup>[103-1]</sup>

Through its Integrated Management System, certified under ISO 9001, ISO 14001 y OHSAS 18001 standards, among others, the company ensures compliance with quality, environmental and health and safety legislation, to eliminate or minimise

risks associated with its activity. The scope of certification currently includes the operations of Reganosa, Reganosa Servicios and Reganosa Malta. <sup>[416-1]</sup>

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.

## Occupational risk prevention system <sup>[103-2] [103-3]</sup>

The Occupational Risk Prevention 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 the 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 formalising the contractual relationship, and during the course of the contract, the contractors' documents are

reviewed using an IT application; contractors are subsequently given an access course before carrying out their activities.

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 <sup>[403-1]</sup>



## Spain

[403-2] [103-3]	2019	2018	2017
TOTAL FREQUENCY RATE	15.03	4.87	0
TOTAL SEVERITY RATE	0.34	0.07	0
COMPANY STAFF FREQUENCY RATE	15.17	0	0
COMPANY STAFF SEVERITY RATE	0.42	0	0
FREQUENCY RATE FOR EXTERNAL WORKERS	14.77	13.72	0
OCCUPATIONAL DISEASE RATE	0	0	0
FATALITIES	0	0	0

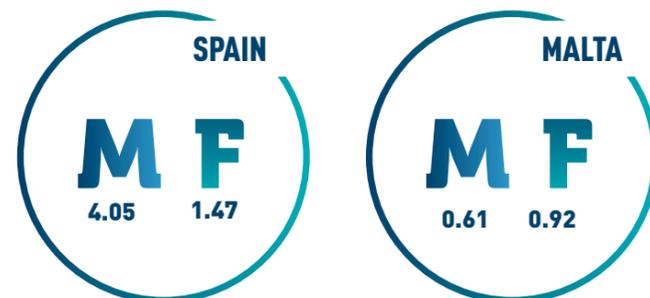
## Malta

[403-2] [103-3]	2019	2018	2017
TOTAL FREQUENCY RATE	0	26.48	0
TOTAL SEVERITY RATE	0	0.19	0
COMPANY STAFF FREQUENCY RATE	0	0	0
COMPANY STAFF SEVERITY RATE	0	0	0
FREQUENCY RATE FOR EXTERNAL WORKERS	0	92.27	0
OCCUPATIONAL DISEASE RATE	0	0	0
FATALITIES	0	0	0

Frequency rate = n° of accidents with sick leave x 1,000,000/hours worked.

Severity rate = n° of days lost x 1000/hours worked.

## Rate of absenteeism by gender and country <sup>[403-2]</sup>



Rate of absenteeism = hours lost/total theoretical hours worked x 100.



## Occupational health [103-2]

**82.8%**

of the workforce had medical examinations carried out in 2019.

**61.7 %**

of Mugaros' workers have received first aid training.

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

The following workshops were held in 2019: Promoting healthy lifestyle habits, Road Safety Simulators, and Prevention of musculoskeletal and sensory disorders.

Reganosa has adhered to the Luxembourg Declaration, and is committed to inclusion of include the basic principles of health promotion in the Workplace Health Promotion and in the health management of its professionals. [102-13]



## Safety of facilities [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 be taken in case of an emergency to 100% of external contractors working at its facilities. Likewise, 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 change management procedure in which needs for quantitative and qualitative risk studies are identified, in accordance with international standards of best practice.

During 2019, Reganosa also conducted six drills at the Mugaros 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 of the Port of Ferrol and the fire service also participated in these drills.

Likewise, personnel from the Ferrol Fire Service carry out periodic visits to the Mugaros terminal facilities to obtain information, 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 which forms part of the company's intervention team. [413-1]

## Information Security [103-

2] [103-3]

Reganosa has an ICT security policy that aims to develop efficient and secure management of information processed by IT systems. Access to sensitive information is protected through security protocols, logical measures and restricted access. All procedures that are part of the safety regulations are based on the ISO 20000 standard. During 2019, Reganosa made process progress on of the implementation of the integrated information security management system in accordance with the ISO 27000 standard.

### **25 Accident drills**

at the Mugaros and Delimara terminal facilities, some of them carried out with the participation of external groups. [OG13].

### **22.77 hours of**

training per employee in safety, health and environmental matters.



## 5.2 Natural resource management [103-2] [103-3]

### PERFORMANCE IN 2019

Update of the analysis of the carbon footprint of our activities in Spain. (Scopes 1 and 2).

Maintenance of the plan for monitoring sediments and organisms on the coast close to the Mugardos terminal.

Ongoing development of the energy efficiency plan through the installation of new equipment and actions to reduce consumption.

Participation in the Climate Change Cluster.

### GOALS FOR 2020

Carbon Footprint Verification (CFV) for regarding our activities in Spain.

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.

Development of the Energy Efficiency Plan, through the installation of new equipment, consumption reduction actions and determination of fugitive emissions.

Participation in the Climate Change Cluster.

## Natural resource management system

We are concerned about the natural resources that surround us, and we want to contribute to their maintenance and improvement through our actions.

As a result, Reganosa's companies have been certified according to 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 reflects the commitment to continuous improvement to prevent and minimise impacts associated with our activity.

The company establishes a control system that includes optional periodic studies and procedures carried out by authorised bodies, and training activities for the workforce employees.

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



## Consumption <sup>[103-2] [103-3]</sup>

The company uses resources - energy, water and auxiliary materials - to carry out in the activities and services delivered 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.

Since 2017, the figures of the Delimara terminal, which Reganosa started to operate in April, have been included.

## ENERGY CONSUMPTION

<sup>[302-1] [302-3] [302-4] [302-5]</sup>

### Natural gas

Natural gas consumption in Spain mainly takes place in the submerged combustion vaporiser (SCV) and in the combustor at the Mugaros plant, in Spain. The SCV is a heat exchanger where the LNG temperature is raised until its gaseous state is reached. 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 re-liquefier are burnt off.

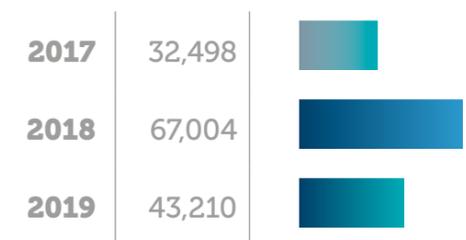
### Electricity

Electrical power is mainly used for the operation of LNG terminal equipment, lighting and air conditioning systems.

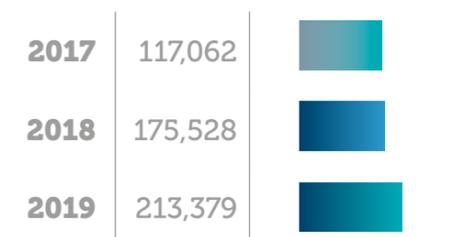
#### Energy intensity (GJ/t)



#### Natural gas consumption (GJ)



#### Electricity consumption (GJ)



### Diesel

Diesel is mainly used in fire extinguishing pumps, emergency generators and as fuel for the vehicle fleet at the Mugaros plant.

## CONSUMPTION OF MATERIALS <sup>[301-1]</sup>

### 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 process that is carried out.

### Nitrogen

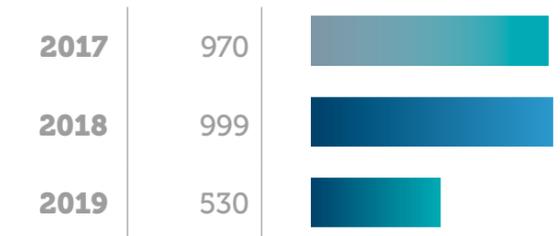
Nitrogen consumption is related to the inerting of equipment before and after maintenance tasks, as well as the sweeping and emptying of the arms upon completion of LNG loading and unloading operations of ships and tanker trucks at the Mugaros terminal.

### Sodium bisulphite

This compound is used at the Mugaros 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.

\* This consumption takes place at the Mugaros terminal.

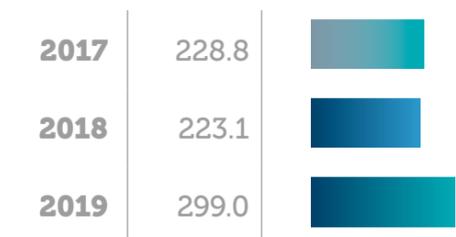
#### Diesel consumption (GJ)



#### THT consumption (t)\*



#### Nitrogen consumption (t)\*



#### Sodium bisulphite consumption (t)



## WATER CONSUMPTION\* [303-1] [303-2] [306-1]

### Water for services in the facilities

Water is mainly consumed for industrial and cleaning uses. This also includes sanitary and auxiliary uses.

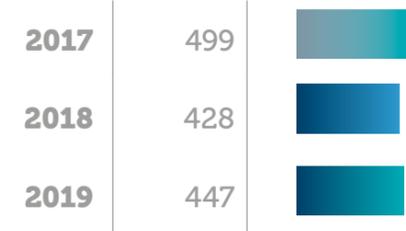
### Sea water

Sea water is used by the Mugardos LNG terminal for regasification processes to increase the temperature of LNG and achieve its liquid to gas phase change. The volume used is entirely returned in its entirety 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]

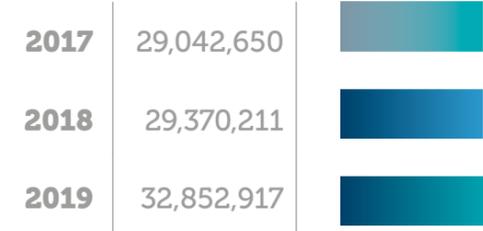
\* This consumption takes place at the Mugardos terminal.

\* There is no system for measuring water consumption at the Delimara plant, so the plant's current consumption is not known.

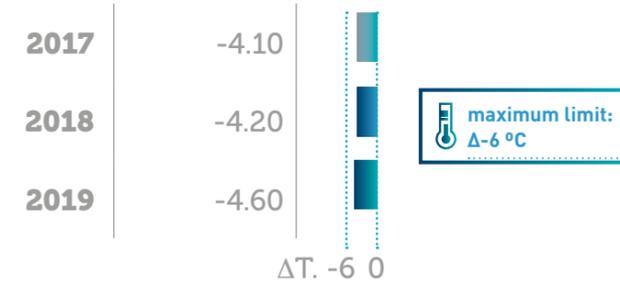
### Water consumption (m³)



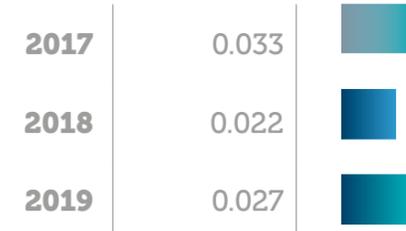
### Seawater intake (m³)



### Temperature decrease ΔT (°C)



### Residual chlorine (mg/l)



# Emissions [103-2] [103-3] [305-1] [305-2] [305-5]

## GREENHOUSE GAS (GHG) EMISSIONS

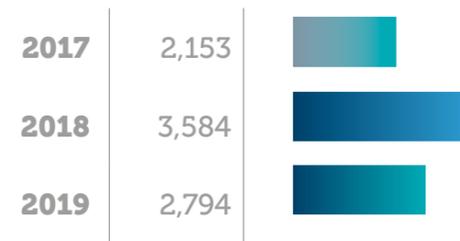
Reganosa analyses the carbon footprint of its activities in Spain and performs the annual atmospheric control verifications included in the EU Regulation 601/2012.

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

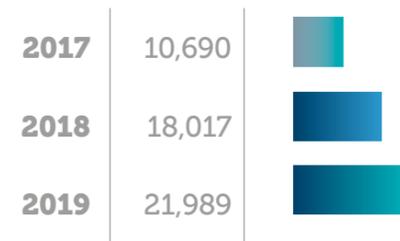
terminal equipment. Under the regulation, emissions are calculated based on fixed generation sources, so consumption by the vehicle fleet is not included.

Indirect emissions of greenhouse gases (Scope 2 under the GHG Protocol) correspond to the electricity consumed.

### Emissions scope 1 (t)



### Emissions scope 2 (t)



Emission factors used for the calculation: Mugardos: 0.29 kg CO2eq/MWh and Malta: 0.382 kg CO2eq/MWh

## EMISSIONS OF OTHER GASES [305-7]

In 2019, NOx emissions in the submerged combustion vaporiser at the Mugardos terminal decreased by 60.7%, due to the use of submerged combustion equipment.

Emissions of ozone-depleting substances (ODS) (tCO2eq) **0%**

### Emission rights [305-7]

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 2019 it had to purchase 1,340 t of emission rights for the Mugardos terminal.

### NOX emissions (kg)\*



\* Data related to the Mugardos terminal.

## Waste management [201-2] [306-2]

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

to the cleaning and management of the sanitary water treatment system. Where possible, the company sends the waste that it generates for recycling and reuse.

Total waste generated:

### WASTE GENERATED (T)

	2019	2018	2017
HAZARDOUS	8.03	34.04	52.55
NOT HAZARDOUS	293.55*	73.66	52.51

### FINAL DESTINATION OF THE WASTE (T)

	2019	2018	2017
RECYCLING	12.17	43.25	59.14
LANDFILL	289.41**	64.46	45.92

\* The increase is due to the removal of organic waste in Malta.  
\*\* In 2019, waste from electrical substation batteries will be reduced.



## Collaborative initiatives to improve our environmental performance

### BEST ENVIRONMENTAL BEST PRACTICES, SIGNED BETWEEN APFSC AND REGANOSA. [102-12]

An updated version of this Agreement was signed in 2019, 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 to compel the company, among other requirements, 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 through the execution of environmental investments.

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

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

This analysis allows to monitor 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 2019.

The results show that the spillage does not affect 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, where 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.



# 5.3 Human resource management [103-2] [103-3] [102-8]

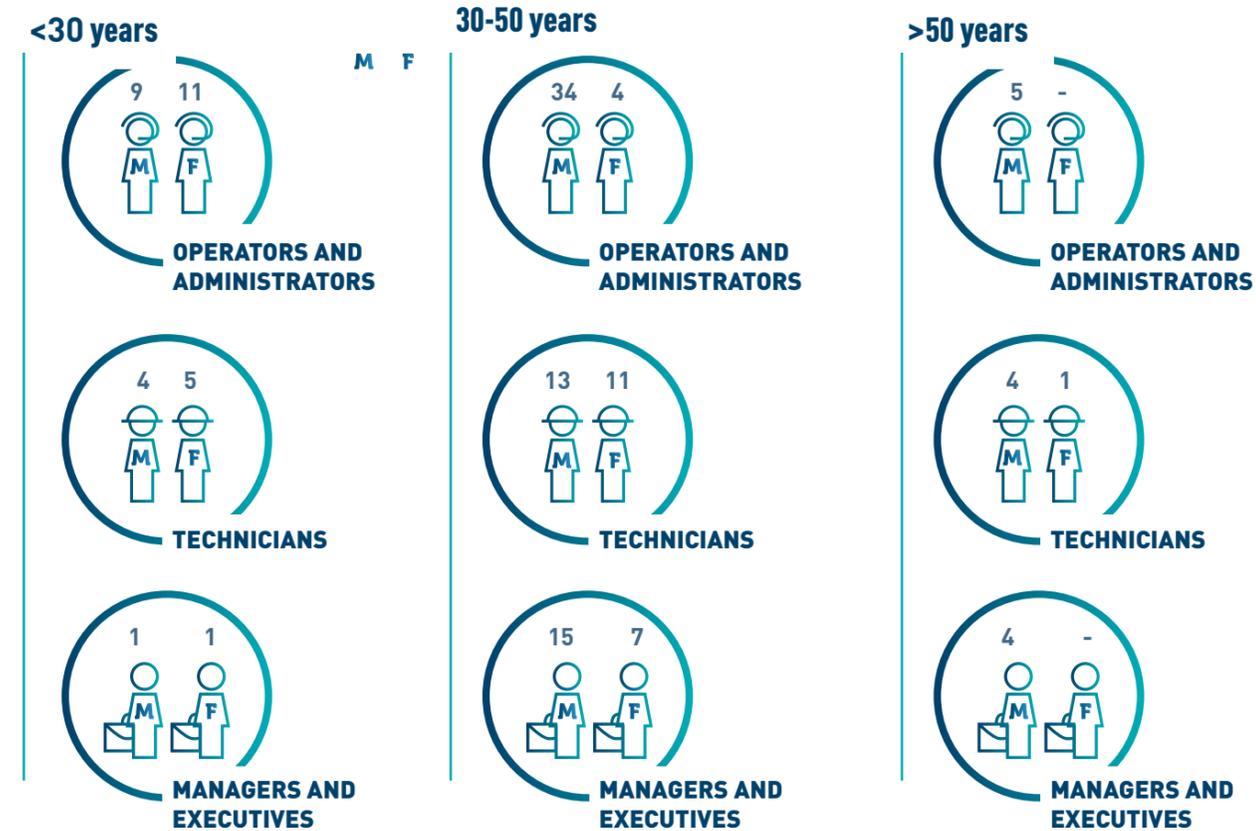
## PERFORMANCE IN 2019 AND OUTLOOK FOR 2020

During 2019, a programme was carried out to personalise customise worker training was carried out based on the performance evaluations carried out undertaken and an analysis of the profiles a study of the professional profiles.

During the financial year 2020, according to the provisions of the Strategic Plan 2019 - 2023, Reganosa will continue to develop and consolidate its comprehensive training plan whose main goal is to attract and retain talent.

REGANOSA PROMOTES A WORKING ENVIRONMENT BASED ON THE FUNDAMENTAL PRINCIPLES OF SAFETY, RESPECT FOR PEOPLE OTHERS, EQUAL OPPORTUNITIES, PROFESSIONAL DEVELOPMENT AND TALENT RETENTION. THE AVERAGE AGE OF THE COMPANY'S WORKFORCE IS CURRENTLY 38.81, WITH 96.90% BEING UNIVERSITY GRADUATES. ”

### Breakdown of the workforce [102-8] [405-1]



### SOCIAL WELFARE [401-2]

Reganosa offers its employees national and expatriate expat health insurance, life insurance and retirement insurance. It facilitates the obtention of maternity and paternity leave, including the modification and adaptation of working conditions, when necessary.

It also establishes mechanisms to achieve the work-life balance, through flexible working schemes such as working from home and continuous working hours have been introduced have been implemented for non-shift workers. [401-2]

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

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

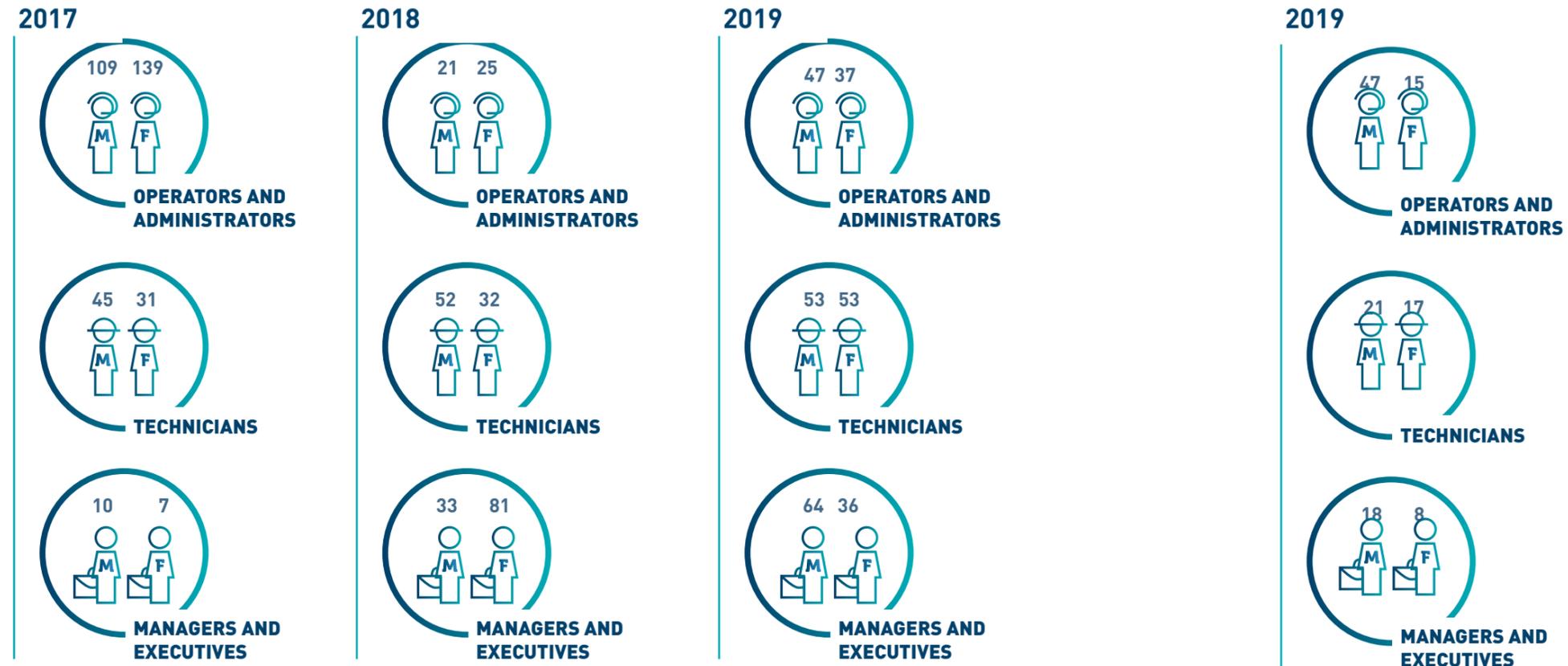
This training begins with the incorporation when of the junior professionals are incorporated, with external and internal training, which gives them a global business perspective of the business and enables them to establish consolidate their position in the company. New employees are encouraged to rotate and participate in the different projects developed by Reganosa. All employees receive specific training with the aim of further developing their skills. During the 2019 financial year, 18.60% of employees have received training in project management.

51.03 hours of training per employee in 2019

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

### Training and development [404-1]

#### TRAINING HOURS PER PERSON



### COMPETENCY ASSESSMENT SYSTEM [404-3]

The competency management system is an efficient tool that allows to guide professional careers and detects training needs in key competences and skills for each position and profile. [404-3]

97.67% of the workforce underwent performance assessments in 2019.

### Employees who have received performance evaluations [404-3]

The company uses competence-based management techniques in its main people-management processes. This is a management system that allows the identification of the best candidates in our selection processes, by ensuring a better match between the person and the position, professional career development and a fair and effective remuneration system. It also enables the detection of training needs to develop and improve the skills that make it possible to successfully perform the functions required by the position. The model also includes a 360-degree performance evaluation. [404-3]

Competence-based management also allows employees to be promoted based on their merits and abilities. This ensures equal career development opportunities, eliminating any discrimination based on sex, age, religion and any criteria other than performance.

### EQUAL OPPORTUNITIES

Respect for diversity and prevention of any kind of discrimination in our recruitment processes and throughout our employees' professional careers is regulated by the company's Code of Ethics and Conduct.

These criteria also extend to our remuneration policy, which establishes with the differentiating criteria being based on merit and level of responsibility within the organisation. Additionally, variable remuneration is also linked to the attainment of individual and corporate goals.

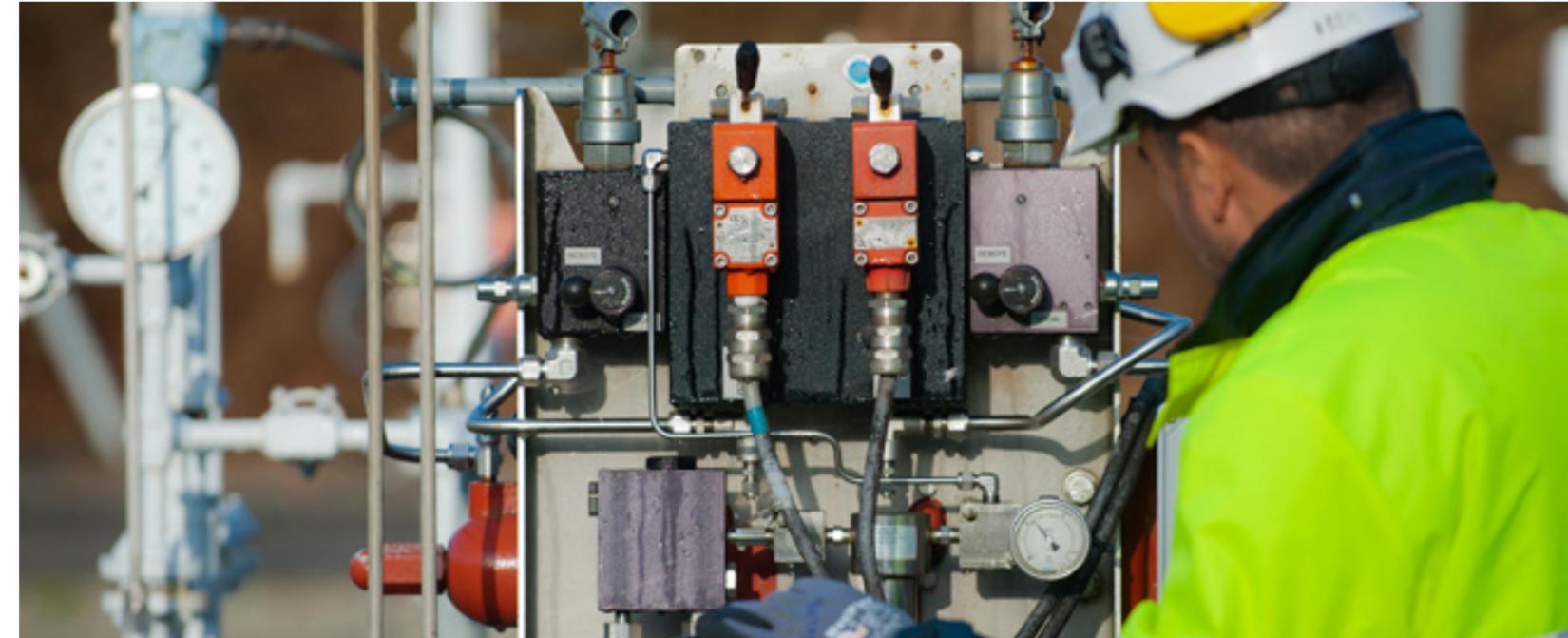
The average remuneration of Reganosa's employees is more than double the minimum wage, and salary brackets are in place to ensure internal fairness and competitiveness, fostering the recruitment and talent retention. [202-1]

### WAGE RATIOS COMPARED TO THE 2019 MINIMUM WAGE [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. The labour agreement covers 68.87% of employees in Spain (44.34% of operators, 20.76% of technicians and 3.77% of managers). [102-41]



## 5.4 Customer focus [103-2] [103-3]

Reganosa maintains a diversified customer portfolio in each business line. Ensuring customer satisfaction and repeat business is a priority established in the Quality Policy, which guides the company's strategic actions.

### Relationship model



The company adjusts its services to meet the needs of each customer, and focuses efforts on operational excellence and the continuous improvement of its processes.

Reganosa holds an ISO 9001 certification, which accredits the continuous implementation of the systems and resources necessary to verify and improve the performance and efficiency of all its activities. Additionally, ISO 17025 certification has been obtained, which verifies the adoption of the highest quality standards and requirements in the test and calibration laboratories.

### CUSTOMER TYPES [102-6]

#### NATURAL GAS INFRASTRUCTURE MANAGEMENT

The main customers are the sales energy trading companies and direct consumers. Reganosa's laboratory provides services to all types of companies related to the industry.

##### Customer satisfaction. [102-44]

Reganosa periodically runs satisfaction surveys aimed at finding out about customer opinions and needs relating to the operations and services provided. Based on the answers obtained, 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 its infrastructure customers in Spain.

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 regarding the management of the company's transmission network.

The capacity contracting hiring procedures are carried out in a simplified and agile way through a single telematics telematic platform in Spain, managed by the System's Technical Manager.

### PROVISION OF SERVICES

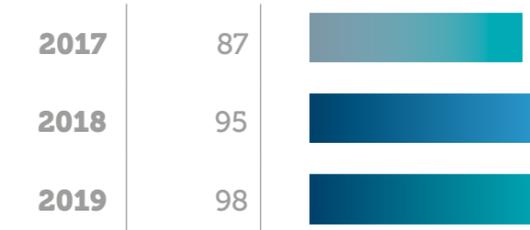
In 2019, the service provision business had customers distributed spread across three continents. Most of these clients contracted hired engineering services.

Customers are in constant contact with project managers, to whom any complaints about the service are referred 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 2019.

#### Level of satisfaction (%)



#### Level of satisfaction (%)



## 5.5 Supply chain [ 103-2] [103-3]

### APPROVAL [308-2] [414-2]

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 assessment process takes place through an external database (Repro), which analyses the following supplier characteristics:

- Availability of Quality management, safety and environmental Management Systems in place.
- Compliance with legal requirements.
- Technical capacities and credentials.
- Respect for the principles included in the United Nations Global Compact and the Universal Declaration of Human Rights.

### CONTROL OF THE SUPPLY CHAIN

Reganosa includes a clause in its general hiring terms and conditions that establishes the obligation of all suppliers to respect the principles contained in Reganosa's Code of Ethics and Conduct and in the United Nations Global Compact in its general contracting terms and conditions. All suppliers receive the Code of Ethics through the general contracting hiring terms and conditions, where the source is indicated for consultation reference. [205-1] [205-2] [412-1] [412-3]

### SELECTION

Contracts are awarded to the 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.

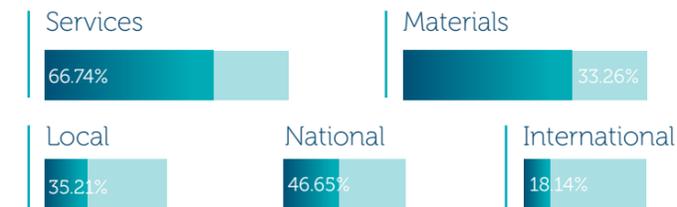
The general hiring terms and conditions, compliance clauses and respect for the principles included in of the United Nations Global Compact are public and can be downloaded from the Reganosa website: [www.reganosa.com](http://www.reganosa.com).

Likewise, the company provides a form and an email address is provided for suppliers to contact the company regarding any issues related to orders or contracts.

### SUPPLIER TYPES IN 2019 [102-9] [204-1]

Reganosa's supply chain consists of 463 suppliers classified as follows:

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

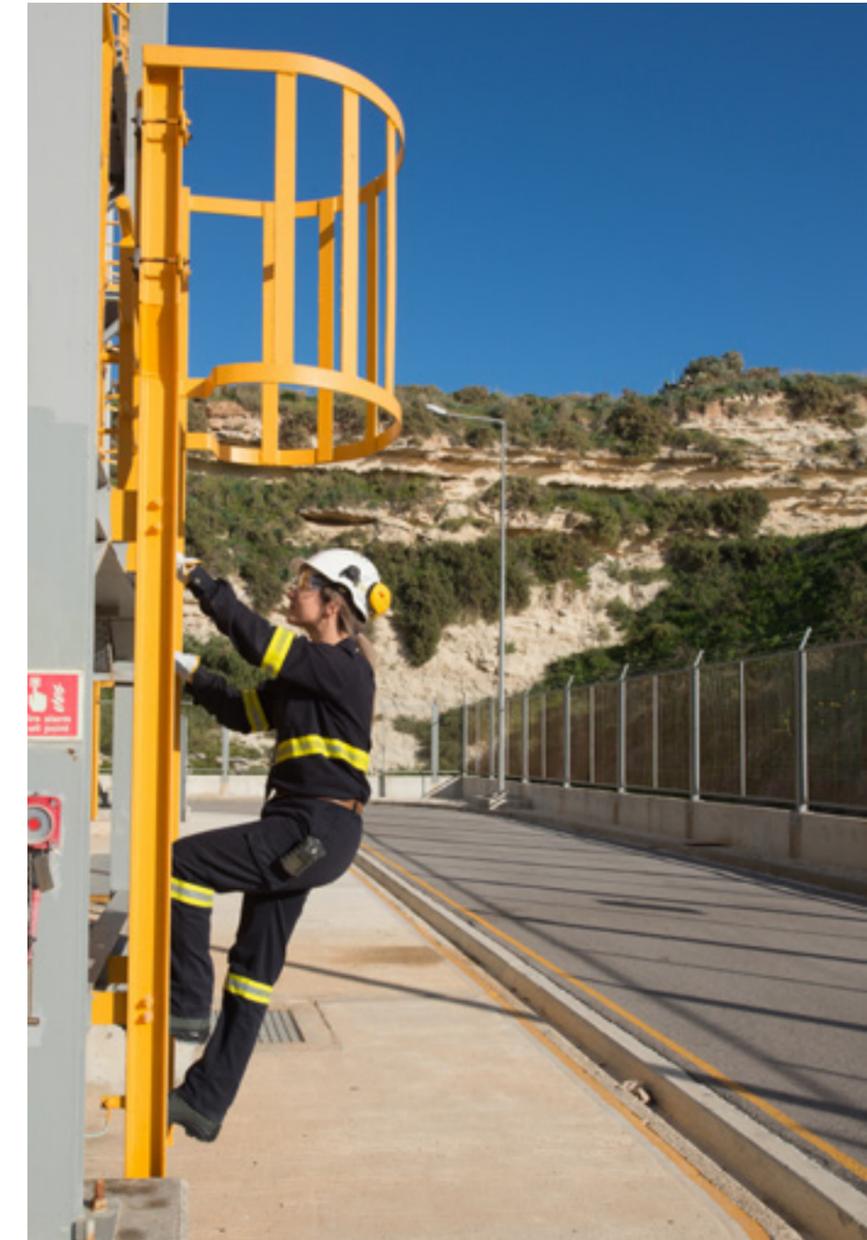


**45.04%** of transport activity suppliers in Spain are from Galicia.

**56.45%** of the suppliers hired in Malta are Maltese, with a percentage of expenditure of 13.55%.

### SUPPLIER APPROVAL [103-3]

Ten new suppliers were approved in 2019. In total, 24% of suppliers have been approved. In total Among these, 67% hold an ISO 14001 certification and 85% have an UNE 9001 certificates certification. [308-1] [412-1]



# 5.6. Stakeholder relations [103-2] [103-3]

## PERFORMANCE IN 2019

Development of the stakeholder communication plan.

Report the company's performance during the financial year in the 2019 Annual Report.

Maintenance of the visitors' programme to the terminal facilities.

Active participation in industry events, seminars and conferences.

## GOALS FOR 2020

Development of the stakeholder communication plan.

Report the company's performance during the financial year in the 2020 Annual Report.

Maintenance of the visitors' programme to the terminal facilities.

Active participation in industry events, seminars and conferences.

Reganosa is firmly convinced that one of the greatest values 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 seeks 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]



## STAKEHOLDER RELATIONSHIPS

Reganosa's commitment to its stakeholders is reflected in its effort to maintain fluid contact and to identify relevant issues for each one of them.

To manage communication processes with these groups, the company has developed specific channels adapted to their characteristics and needs. Through these channels, it deals with all relevant aspects for both parties, discussions take place and proposals are made. [102-21] [102-40] [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.
	Industry seminars and conferences.
	Information submitted to meet legal obligations.
Customers	Quality surveys.
	Periodic meetings to respond to all interests and needs.
	Corporate website.
	Ongoing monitoring of service provision through project managers.
	Industry seminars and conferences.
Employees	Meetings held periodically and upon request from workers sitting on the Company Committee.
	Human resources management platform.
	Communication campaigns in the company.
	Social networks.
	Ethical Channel.
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. Anyone can visit our facilities by sending a request to <a href="http://www.reganosa.com/es/antes-de-visitarnos">www.reganosa.com/es/antes-de-visitarnos</a> .
	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.

STAKEHOLDERS	RELATIONSHIP MECHANISMS
Suppliers	Suppliers have a direct point of contact with the contracting area procurement department, to whom which they can send any suggestions or queries.
	Corporate website.
Media	Reganosa maintains a relationship of based on trust and transparency with the media, to which it offers a point of contact an open dialogue at all times. Reganosa's management holds interviews with representatives of these media outlets media representatives, to whom it provides information about regarding the company's performance.
	Corporate website.
	Social networks.
Industry associations	Reganosa holds periodic meetings with representatives and members of associations of which it is a member, or of which its it forms part of its governing bodies form a part.
	Work groups.
	Open days, forums and conferences.
Financial entities	Public information surveys and procedures.
	Regular submission of information.
	Periodic meetings.
	Published financial information.

## 5.7. Wealth creation and activity

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]

Value contributed to society through tax

**6.42 M€**

Social investment in the community

**0.24 M€**

Value distributed to capital providers

**0.50 M€**

Value distributed to employees

**7.19 M€**

Value distributed to suppliers

**12.48 M€**

### 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.

Switching the fuel used in processes has led to improved competitiveness of the companies through cost savings, as well as a considerable reduction in CO2 emissions. For example, emission reductions related to the change of fuel amounted to 42,533 tCO2e in 2019.

#### INCREASE IN PORT TRAFFIC.

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

#### REINFORCES THE ACTIVITY OF OTHER INDUSTRIES.

Hiring suppliers creates indirect employment. In Spain, we strongly support the economic development of local communities: 45% of suppliers in 2019 were from Galicia.



## 5.8. Financial management [102-7] [103-2] [103-3] [201-1]

In 2019, EBITDA stood at 38.2 million euros and net profit amounted to 16.7 million euros. The net debt to EBITDA ratio procurement, placing the company in an increasingly solvent position to undertake the actions in the 2019 - 2023 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.

income	EBITDA	net profit
<b>58.1 M€</b>	<b>38.2 M€</b>	<b>16.7 M€</b>

INCOME (M EUROS)	2019	2018	2017
	58.1	56.5	60.1

EBITDA (M EUROS)	2019	2018	2017
	38.2	36.5	42.4

NET PROFIT (M EUROS)	2019	2018	2017
	16.7	12.5	14.2



## 5.9. Social Commitment [103-2] [103-3] [203-2] [413-1]

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 2019

Maintenance of the scholarship and Internship programme.

Maintenance of the sponsorship programme.

Cooperation with universities and education centres on training and research programmes.

Maintenance of the meetings and tours programme at the Mugardos terminal facility.

Partnership agreement between the local authorities in Mugardos and Reganosa to promote sociocultural activities.

Collaboration agreement between the Mugardos City Council and Reganosa to create a garden area surrounding the Mugardos city hall building.

### GOALS FOR 2020

Maintenance of the sponsorship programme.

Implementation of the corporate volunteering programme.

Maintenance of the scholarship and Internship programme.

Cooperation with universities and education centres on training and research programmes.

Maintenance of the meetings and tours programme at the Mugardos terminal facility.

## Knowledge support

The company works with a range of different universities, business schools and education centres in Galicia. 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 a continuous collaboration with Galician education centres and universities in Galicia. The company's directors and professionals teach in a 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 schools 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 professional training students access to company internships and scholarships. In 2019, 15 students and new graduates participated in this programme, in the areas of production, finance, legal consultancy, development, laboratory and procurement.



## Cultural and sports activities

### SPONSORSHIPS. [203-1]

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

Partner Projects are selected by identifying needs in the surrounding area, either in a proactive manner or following through requests received from the people involved interested parties. The Steering Management Committee takes is in charge of assessing the initiatives and approving any partnerships those collaborations in line with the company's principles and culture, and that could can create value and have a positive impact on the community. In 2019, Reganosa invested 242,000 euros in donations and sponsorships. The bodies entities benefiting from these contributions as part of the programme to encourage sport and healthy habits have 49,066 members and beneficiaries.

### MAIN ACTIVITIES AND ASSOCIATIONS SPONSORED BY REGANOSA IN 2019.

- Mugardos Sea Club.
- Racing de Ferrol Football Club.
- S.D.G. Galicia de Mugardos.
- Novoa Santos Foundation.
- Ferrol University Club.
- Mugardos municipal Tourist Office.
- Ferrol Soup Kitchen.
- Mugardos Housewives Association.
- EXPONAV.



# Equality Initiatives

## DIVERSITY BALL

The Ombre Infant Preschool and Primary Education School Ombre, in Pontedeume has launched an initiative that will runs throughout Galicia from since 2018. A ball symbolising equality, made with simple ropes and rags by students and their parents, collects the testimonies and learning experience of the people who are part of companies, public institutions, associations and cultural centres. It also visited the plant in Mugardos, where members of the Reganosa's management team were able to share their vision and experiences experience with the students.



## "THERE'S ONLY ONE ANSWER"

In 2019, Reganosa joined the Xunta de Galicia's campaign promoted through the Secretariat of Equality with the slogan "There's only one answer to gender violence. No doubt about it. NO".

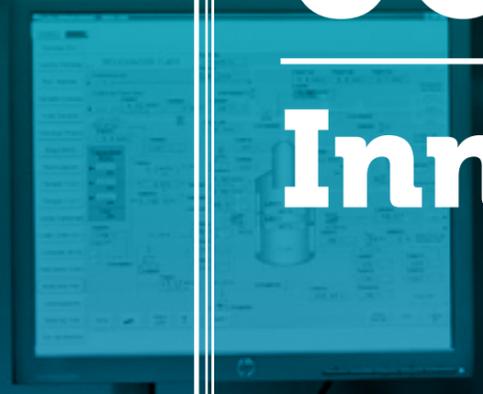


# 06 Innovation



Previsión Barcos

Id	Barco	Hora



## 6. Innovation [103-2] [103-3]

Investment in innovation allows Reganosa to acquire unique knowledge that it transfers to its customers, offering innovative and value-added 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 network of any country in the world.

This research project has been developed by Reganosa and the Department of Statistics and Applied Mathematics of the University of Santiago de Compostela (USC), through ITMATI.

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® enables the optimisation of infrastructure development. The software can calculate the most sustainable configuration from an economic point of view, in such way that covering the different demand scenarios are taken into

account, to guarantee the security of supply is guaranteed safety. 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 enables the analysis of the behaviour of shortages in the gas pipeline network to be analysed, which is essential for making decisions regarding the management of this aspect.

During 2019, the development of a new simulation module for interrelated electricity and gas networks began. This will enable for the joint planning and forecasting of the operation of both infrastructures, complying with the principles of efficiency, sustainability and guaranteed supply. Likewise, neural networks are also being developed that will allow different network analyses to be carried out based on time series data, are also being developed.



## LNG hub in the north west of the Iberian Peninsula [102-2] [203-2]

LNG is the most competitive alternative for maritime freight transport, due to its environmental sustainability and LNG price forecasts. As a fuel, LNG allows vessels to cut sulphur emissions by almost 100%, nitrogen oxide by 90% and carbon dioxide by 20%, compared to conventional fuels. This will therefore allow the provisions of Annex IV of the Marpol Convention to be met. This Convention reduces the sulphur content limit of shipping emissions from 2020 onwards, from 3.5% to 0.5%.

According forecasts, it is expected that annual maritime LNG consumption will be at least 89 million tonnes by 2025. Construction has currently been confirmed for 80 vessels propelled by LNG until 2022. In this context, the project "LNG Hub in the North West of the Iberian Peninsula" arises 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 fuel 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 logistics chain for the supply of LNG as a fuel in the transport industry, particularly in the maritime industry.

The overall aim of the project is to analyse the demand and the design of the facilities, infrastructure and procedures to guarantee LNG availability through the implementation of a distribution centre in the region. This represents an important leverage effect to promote growth in the region and puts places 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.

In 2019, Reganosa started developing the detail engineering and adaptation of the current jetty and development of a second jetty in the Mugardos plant for small scale ship loading. Currently, all the necessary infrastructure is included in the TYNDP.



Capacidad 10.000 m<sup>3</sup>  
Eslora Total 119,35 m  
Manga 20,5 m  
Sistema de generación gas/diesel-eléctrico  
Diseño Ghenova Ingeniería

**Prototype of an LNG supply vessel has been designed with financial assistance from the Regional Government of Galicia, which will allow vessels to be refuelled.**

## Work Permit to Work Management System

Reganosa has developed a software application that provides online and real time information on the work being carried out on the infrastructures, in accordance with the principle of operational efficiency. This tool:

- optimises the operation and maintenance of equipment and repairs by technical personnel on the facilities.
- extracts an itinerary of the operational actions developed.
- receives geolocated information on the operation and maintenance work carried out.
- obtains reliable information on any industrial incident.



# 07

## Corporate governance

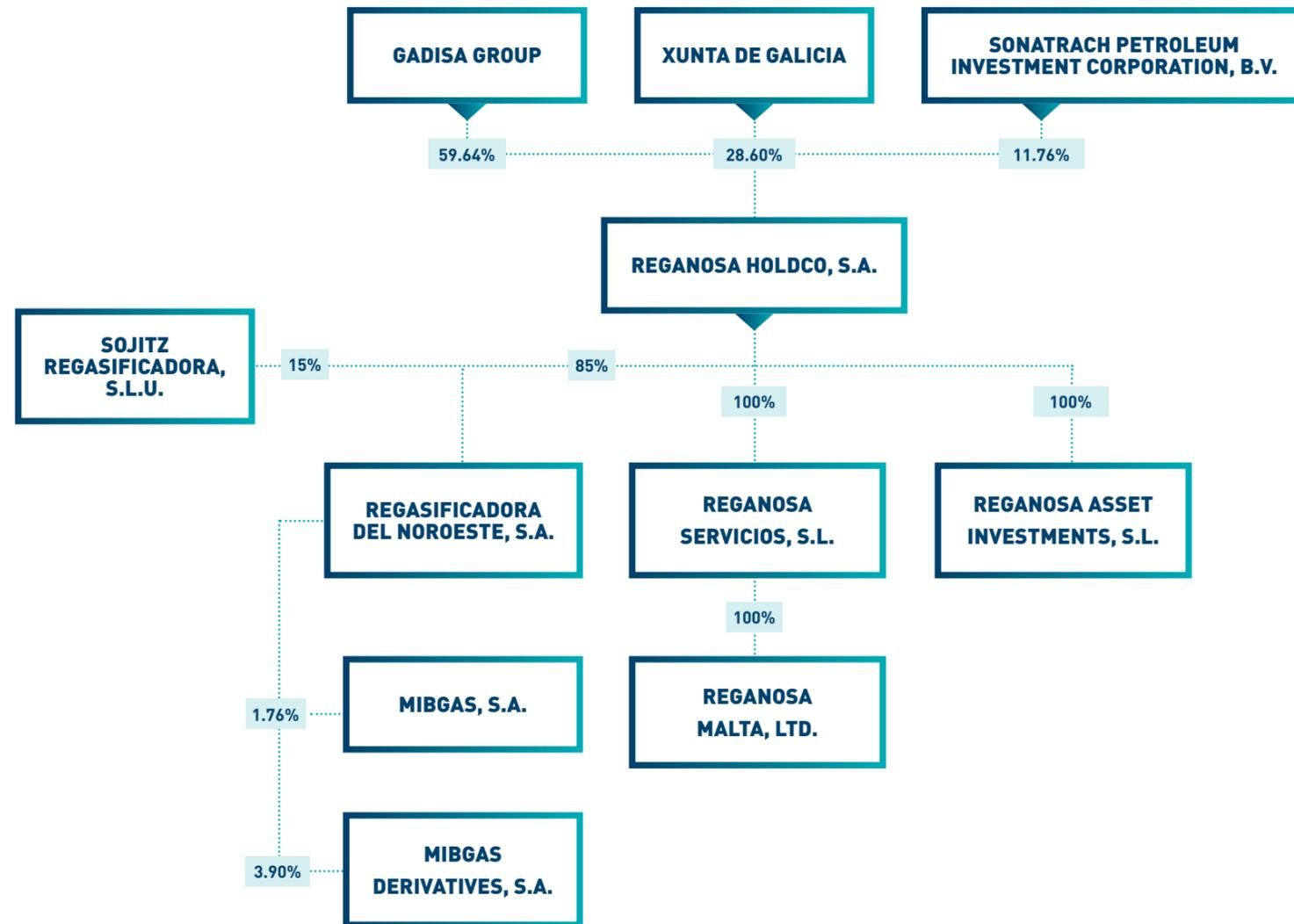
7.1 CORPORATE STRUCTURE

7.2 ORGANISATIONAL STRUCTURE

7.3 GOOD CORPORATE GOVERNANCE

# 7.1 Corporate structure [102-10]

Reganosa's corporate structure and shareholder structure composition is constitutes a significant asset, due to its diversity, robustness and industry knowledge of the industry.



## 7.2 Organisational Structure

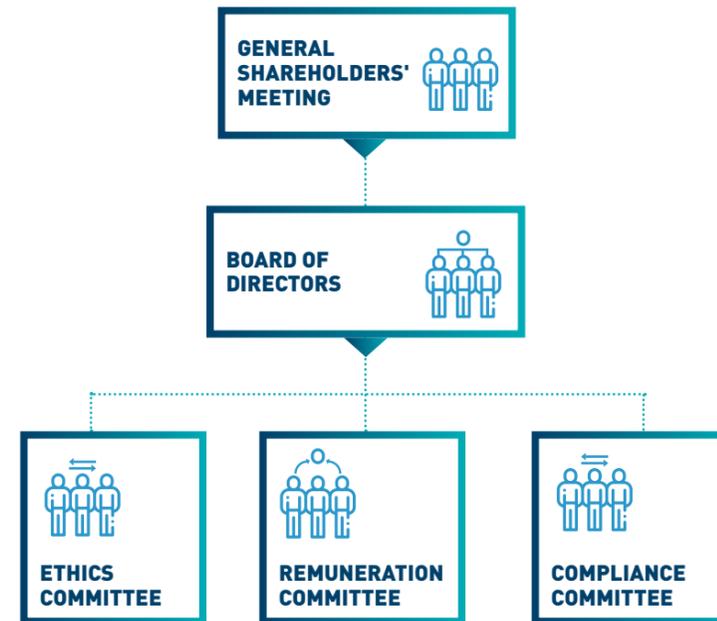
Reganosa's governing bodies are the General Shareholders' Meeting and the Board of Directors and the Executive Committee. Its activities are based on the principles of independence, specialisation and transparency [102-18]

### General Shareholders' Meeting

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

The meeting must be held during the first half of the financial year to assess 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 Shareholders' Meeting, and makes available to them adequate information to exercise their voting rights, pursuant to the Law and the Articles of Association.



### Board of Directors [103-2] [103-3]

The Board of Directors is the body that takes the company's main management decisions, with the exception of those reserved by law or by the Articles of Association for the General Shareholders' Meeting. It is at the core the management and supervision, and is responsible for approving the company's general policies and strategies, particularly the Strategic Plan, the Business Plan and the management model. Its composition and operation are regulated by the Articles of Association. [102-19][102-26] [102-29] [102-33]

The Board of Directors is periodically informed of all procedures, plans and proposals put forward by Management, which are submitted for its deliberation and, where appropriate, agreement approval, for the proper and adequate management and risk control of risks.

The board has 10 members, 10% 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 appropriate 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 seven times during 2019. [102-31]

Likewise, 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, whose principles and values of which have been promoted and developed by the Board of Directors. [102-25]



## Remuneration Committee

[102-35] [102-36] [102-37]

The Remuneration Commission Committee is responsible for proposing and approving, when necessary, the company's remuneration policies, as necessary.

## Ethics Committee

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.

## Compliance Committee

[103-2] [103-3]

The Compliance Committee is an independent body that oversees the compliance and effectiveness of the company's risk prevention model, ensuring that current legislation is complied with. It has the following main functions, set out in its Internal Regulations of the Compliance Committee:

- Monitor all risk prevention measures, policies and procedures adopted in the company.
- Prepare and implement suitable training programmes for all company personnel.
- Ensure that periodic verifications of the criminal risk prevention Manual are carried out, and regularly assess its compliance and effectiveness.
- Prepare 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 developments 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 the established controls and procedures established.



## 7.3 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 and they prohibit board members from sitting on management bodies of companies with stakes in production or commercialisation.
- The conflict of interest policy sets out a framework for action at Reganosa to deal with and prevent conflicts 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 the law criteria.
- 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 monitors the legality of the agreements and decisions adopted, and provides legal advice.
- The Ethics Committee and Compliance Committee provide information and advice to the Board of Directors within their respective spheres of competence, proposing such measures as they 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 established each year by resolution of the General Shareholders' Meeting, within the maximum limits established by the legislation in force at each given time.



## Materiality analysis

[102-43] [102-44] [102-46] [102-47]

Reganosa performs an annual materiality study to identify and update any key aspects that should be considered by the company due to their importance for the 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 the stakeholders.

The methodology used is based on the guidelines included in 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 where (coverage), with the aim of checking that the GRI exhaustiveness principles principle are followed and that no material issues identified by Reganosa are omitted.

## IDENTIFICATION OF ISSUES

[103-2]

First of all, in order to determine which issues should be considered relevant to Reganosa, an analysis of Firstly, the issues that concern stakeholders were analysed is carried out based on a range of external sources and an industry benchmark to determine which of them should be deemed relevant to Reganosa. The company's previous materiality studies are also taken into account.

### Material issues in 2019

#### BUSINESS RELATED ISSUES

1	Economic performance
2	International expansion
3	Ethics, Integrity and Transparency
4	Regulatory Compliance
5	Security of supply
6	Safety of the facilities
7	Risk management model
8	Driving force for growth in the region
9	Service quality and customer satisfaction
10	Responsible supply chain
11	Innovation
12	Energy regulation and political influence

#### ENVIRONMENTAL ISSUES

13	Environmental impact management
14	Environmental performance: operational efficiency
15	Climate change

## SOCIAL ISSUES

16	Attract and develop talent
17	Labour practices
18	Occupational health and safety
19	Social Commitment

## PRIORITISATION OF ISSUES

Once the relevant issues are identified, they are 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 news published in the media and press releases issued by the company in relation to sustainability aspects of sustainability

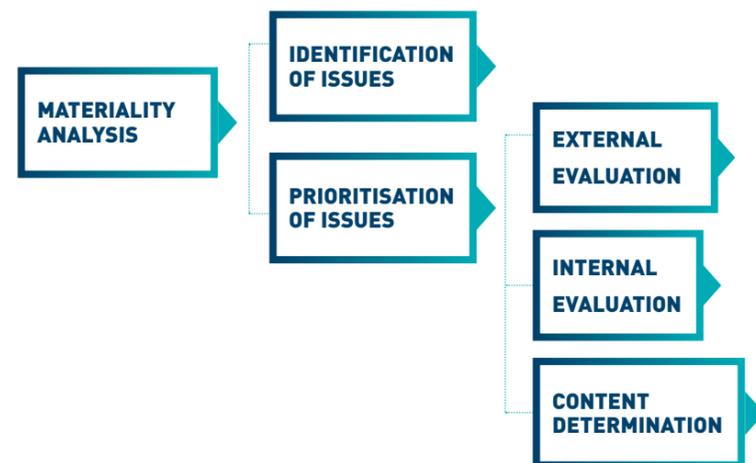
- Assessment of the industry context, through the identification of sustainability aspects that are critical to other companies with activities similar activities to those of Reganosa.
- Interviews with representatives of Reganosa's main stakeholders, to directly assess their main concerns and expectations directly.

### Internal evaluation

Interviews with directors and 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 enables to determine a list of material issues to be determined from which This list is used to identify the GRI standards and Sustainable Development Goals (SDG) related to each of its items one are identified.



# Independent verification report [102-56]



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

## Informe de Revisión Independiente sobre el Informe Anual de Reganosa del ejercicio 2019

A la Dirección de Reganosa Holdco, S.L.:

Hemos sido requeridos por la Dirección de Reganosa Holdco, S.L. (en adelante, Reganosa) para realizar una revisión independiente del Informe Anual de Reganosa del ejercicio anual finalizado el 31 de diciembre de 2019 (en adelante, "el Informe") con un nivel de aseguramiento limitado. La información revisada se circunscribe al contenido del "Índice de contenidos GRI" del Informe identificado con el símbolo "✓"

### Responsabilidades de la Dirección de la Sociedad

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, y con el Suplemento Sectorial de *Oil and Gas* de Global Reporting Initiative, 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 independencia y control de calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código de Ética para Profesionales de la Contabilidad emitido por el Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (IESBA, por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia profesional, diligencia, confidencialidad y profesionalidad.

Nuestra firma aplica la Norma Internacional de Control de Calidad 1 (NICC 1) y mantiene, en consecuencia, un sistema global de control de calidad que incluye políticas y procedimientos documentados relativos al cumplimiento de requerimientos de ética, normas profesionales y disposiciones legales y reglamentarias aplicables.



2

### 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 Revisada, *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.

### Procedimientos aplicados

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:

- 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.
- La comprobación, a través de entrevistas con la Dirección y con otros empleados relevantes, tanto a nivel de grupo como a nivel de las unidades de negocio seleccionadas, de la existencia de una estrategia y políticas de sostenibilidad y Responsabilidad Corporativa para atender a los asuntos materiales, y su implantación a todos los niveles de Reganosa.
- La evaluación de la consistencia de la descripción de la aplicación de las políticas y la estrategia en materia de sostenibilidad, gobierno, ética e integridad de Reganosa.
- 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* 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 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 diálogo con grupos de interés y 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.



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### Conclusión

Nuestra conclusión se basa, y está sujeta a los aspectos indicados en este informe de verificación independiente.

Consideramos que la evidencia que hemos obtenido proporciona una base suficiente y adecuada para nuestras conclusiones.

Basándonos en los procedimientos aplicados y en la evidencia obtenida, no tenemos conocimiento de ningún hecho que pueda llevarnos a pensar que el Informe no haya sido preparado, en todos los aspectos materiales, de acuerdo con los *Sustainability Reporting Standards* de Global Reporting Initiative (*GRI Standards*), en su opción exhaustiva, y el Suplemento Sectorial de *Oil and Gas* de *Global Reporting Initiative*, 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.

### 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 2019 y por tanto no tiene ningún otro propósito ni puede ser usado en otro contexto.

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

KPMG Asesores, S.L.

Patricia Reverter Guillot  
19 de junio de 2020

## GRI Table of Contents [102-55]

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
<b>GRI 101: FUNDAMENTALS 2016</b>				
<b>GENERAL CONTENT</b>				
<b>GRI 102: GENERAL CONTENT 2016</b>	<b>ORGANISATION PROFILE</b>			
	102-1 Name of the organisation.	Reganosa, 73		No
	102-2 Activities, brands, products and services	5 -7, 18, 48		No
	102-3 Location of headquarters.	The company's headquarters are located in Mugaros (A Coruña).		No
	102-4 Location of operations.	8		No
	102-5 Ownership and legal form.	73		No
	102-6 Markets served.	8, 37		No
	102-7 Size of the organisation.	12, 15, 42		Yes ✓
	102-8 Information on employees and other workers.	34 In 2019 the percentage of workers with permanent contracts was 70.54%. 55.00 % of women and 77.53 % of men have a permanent contract.		Yes ✓
	102-9 Supply chain.	38		Yes ✓
	102-10 Significant changes in the organisation and its supply chain.	50, 73		No
	102-11 Precautionary principle or approach.	18, 20		No
	102-12 External initiatives.	10, 33		No
	102-13 Membership of associations.	28, 33		No
	<b>STRATEGY</b>			
	102-14 Statement from senior decision-makers.	3		No
	102-15 Key impacts, risks and opportunities.	18, 20-21		No
	<b>ETHICS AND INTEGRITY</b>			
	102-16 Values, principles, standards and norms of behaviour.	9, 10		No
	102-17 Mechanisms for advice and concerns about ethics.	10, 15		No
	<b>GOVERNANCE</b>			
	102-18 Governance structure.	51		No

**GRI STANDARD**  
**GRI 101: FUNDAMENTALS 2016**  
**GENERAL CONTENT**

**CONTENTS****PAGE OR DIRECT RESPONSE****OMISSIONS****EXTERNAL VERIFICATION**

	102-19 Delegation of authority.	51		No																																										
	102-20 Executive-level responsibility for economic, environmental and social topics.	The management is directly accountable to the Board of Directors.		No																																										
	102-21 Consulting stakeholders on economic, environmental, and social topics.	39		No																																										
	102-22 Composition of the highest governance body	<p>15 The composition of the Board on 31 December 2019 is as follows:</p> <p><b>REGASIFICADORA DEL NOROESTE S.A.</b></p> <table border="1"> <thead> <tr> <th>NAME</th> <th>POSITION</th> </tr> </thead> <tbody> <tr><td>Carlos Collantes Pérez-Ardá</td><td>President</td></tr> <tr><td>Angel Bernardo Tahoces</td><td>Director</td></tr> <tr><td>Maria Del Socorro Martin Hierro</td><td>Director</td></tr> <tr><td>Manuel Galdo Perez</td><td>Director (Secretary)</td></tr> <tr><td>Jose Maria Paz Goday</td><td>Director</td></tr> <tr><td>Manuel Lara Coira</td><td>Director</td></tr> <tr><td>Marcos López García</td><td>Director</td></tr> <tr><td>Jesus Louro Carballeira</td><td>Director</td></tr> <tr><td>José Luis Méndez López</td><td>Director</td></tr> <tr><td>Ivan Seoane Abuin</td><td>Director</td></tr> <tr><td>Roberto Tojeiro Peleteiro</td><td>Director</td></tr> <tr><td>Roberto Tojeiro Rodriguez</td><td>Director</td></tr> <tr><td>Alfonso Rueda Valenzuela</td><td>Director</td></tr> <tr><td>Andrés Fuentes Martín-Corral</td><td>Director</td></tr> <tr><td>Luis Ramiro Díaz López</td><td>Director</td></tr> <tr><td>Valeriano Martínez García</td><td>Director</td></tr> <tr><td>Jin Nakayabu</td><td>Director</td></tr> <tr><td>Masakazu Hashimoto</td><td>Director</td></tr> <tr><td>Hidenobu Saito</td><td>Director</td></tr> <tr><td>Román Rodríguez González</td><td>Director</td></tr> </tbody> </table>	NAME	POSITION	Carlos Collantes Pérez-Ardá	President	Angel Bernardo Tahoces	Director	Maria Del Socorro Martin Hierro	Director	Manuel Galdo Perez	Director (Secretary)	Jose Maria Paz Goday	Director	Manuel Lara Coira	Director	Marcos López García	Director	Jesus Louro Carballeira	Director	José Luis Méndez López	Director	Ivan Seoane Abuin	Director	Roberto Tojeiro Peleteiro	Director	Roberto Tojeiro Rodriguez	Director	Alfonso Rueda Valenzuela	Director	Andrés Fuentes Martín-Corral	Director	Luis Ramiro Díaz López	Director	Valeriano Martínez García	Director	Jin Nakayabu	Director	Masakazu Hashimoto	Director	Hidenobu Saito	Director	Román Rodríguez González	Director		No
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**GRI STANDARD**  
**GRI 101: FUNDAMENTALS 2016**  
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GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION																						
GRI 101: FUNDAMENTALS 2016 GENERAL CONTENT	102-22 Composition of the highest governance body	<p><b>REGANOSA HOLDCO, S.A.</b></p> <table border="1"> <thead> <tr> <th>NAME</th> <th>POSITION</th> </tr> </thead> <tbody> <tr> <td>Carlos Collantes Pérez-Ardá</td> <td>President</td> </tr> <tr> <td>Maria Del Socorro Martin Hierro</td> <td>Director (Secretary)</td> </tr> <tr> <td>Manuel Galdo Perez</td> <td>Director</td> </tr> <tr> <td>Marcos López García</td> <td>Director</td> </tr> <tr> <td>Jesus Louro Carballeira</td> <td>Director</td> </tr> <tr> <td>Andrés Fuentes Martín-Corral</td> <td>Director</td> </tr> <tr> <td>Roberto Tojeiro Rodriguez</td> <td>Director</td> </tr> <tr> <td>Gallega de Distribuidores de Alimentación, S.A. (Roberto Tojeiro Rodríguez)</td> <td>Director</td> </tr> <tr> <td>Forestal Del Atlántico, S.A. (Roberto Tojeiro Rodríguez)</td> <td>Director</td> </tr> <tr> <td>José Mª Paz Goday</td> <td>Director</td> </tr> </tbody> </table>	NAME	POSITION	Carlos Collantes Pérez-Ardá	President	Maria Del Socorro Martin Hierro	Director (Secretary)	Manuel Galdo Perez	Director	Marcos López García	Director	Jesus Louro Carballeira	Director	Andrés Fuentes Martín-Corral	Director	Roberto Tojeiro Rodriguez	Director	Gallega de Distribuidores de Alimentación, S.A. (Roberto Tojeiro Rodríguez)	Director	Forestal Del Atlántico, S.A. (Roberto Tojeiro Rodríguez)	Director	José Mª Paz Goday	Director		
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	102-23 Chair of the highest governance body.	See 102 - 22		No																						
	102-24 Nominating and selecting the highest governance body.	53		No																						
102-25 Conflicts of interest.	51, 53		No																							
102-26 Role of highest governance body in setting purpose, values, and strategy.	51		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.	53		No																							
102-29 Identifying and managing economic, environmental, and social impacts.	18, 19, 51		No																							
102-30 Effectiveness of risk management processes.	19		No																							
102-31 Review of economic, environmental, and social topics.	51		No																							
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.	51		No																							

**GRI STANDARD**  
**GRI 101: FUNDAMENTALS 2016**  
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	102-34 Nature and total number of critical concerns	20-21 The Board of Directors has discussed the following matters of importance, among others: <ul style="list-style-type: none"> <li>• Strategic Plan.</li> <li>• Formulation of the Annual Accounts.</li> <li>• Definition of corporate objectives.</li> </ul>		No
	102-35 Remuneration policies.	52-53		No
	102-36 Process for determining remuneration.	52-53		No
	102-37 Stakeholders' involvement in remuneration.	52-53		
	102-38 Annual total compensation ratio.	Confidential information under agreement.		No
	102-39 Percentage increase in annual total compensation ratio.	Confidential information under agreement.		No
	<b>STAKEHOLDER ENGAGEMENT</b>			
	102-40 List of stakeholder groups.	39		No
	102-41 Collective bargaining agreements.	36		No
	102-42 Identifying and selecting stakeholders.	39		No
	102-43 Approach to stakeholder engagement.	39, 54		No
	102-44 Key topics and concerns raised.	37, 54		No
	<b>REPORT DRAFTING PRACTICES</b>			
	102-45 Entities included in the consolidated financial statements	73 e Annual Accounts relate to Reganosa Holdco S.L., Regasificadora del Noroeste S.A., Reganosa Servicios S.L., Reganosa Asset Investments S.L. and Reganosa Malta Ltd.		No
	102-46 Defining report content and issue boundaries.	54		No
	102-47 List of material issues.	54		No
	102-48 Restatements of information.	There have been no restatements of information.		No
	102-49 Changes in reporting	There has been no significant changes in the development of this report.		No
	102-50 Reporting period.	2019 (calendar year ending 31 December).		No
	102-51 Date of most recent report.	2018		No
	102-52 Reporting cycle.	Reganosa updates this report annually.		No

**GRI STANDARD**  
**GRI 101: FUNDAMENTALS 2016**  
**GENERAL CONTENT**

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	102-53 Point of contact for questions regarding the report.	Reganosa Punta Promontoiro s/n 15.620 Mugaros, A Coruña T. 981 930093 / F. 981 930092/ reganosa@reganosa.com		No
	102-54 Statement of compliance with GRI standards	This report has been prepared in accordance with GRI standards: comprehensive option.		No
	102-55 GRI Table of Contents.	57		No
	102-56 External verification.	55		No

**GRI STANDARD  
MATERIAL ISSUES**
**CONTENTS**
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**ECONOMIC PERFORMANCE**

GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	42		Yes ✓
	103-3 Evaluation of the management approach.	42		Yes ✓
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed.	12, 14, 41, 42		Yes ✓
	201-2 Financial implications and other risks and opportunities due to climate change	18, 32		Yes ✓
	201-3 Defined benefit plan and other retirement plans.	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 ✓
	201-4 Financial assistance received from the government.	12		Yes ✓

**INTERNATIONAL EXPANSION**

GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	23		Yes ✓
	103-3 Evaluation of the management approach.	23		Yes ✓
GRI 202: MARKET PRESENCE 2016	202-2 Proportion of senior management hired from the local community.	100%		Yes ✓

**ETHICS, INTEGRITY AND TRANSPARENCY**

GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	10		Yes ✓
	103-3 Evaluation of the management approach.	10		Yes ✓
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations evaluated for risks related to corruption	10, 38		Yes ✓
	205-2 Communication and training about anti-corruption policies and procedures	10, 38		Yes ✓
	205-3 Confirmed incidents of corruption and measures taken	15 During 2019, Reganosa did not record any cases of corruption among its employees.		Yes ✓
GRI 408: CHILD LABOUR 2016	408-1 Operations and suppliers with significant risk for incidents of child labour.	During 2019, no operations or suppliers with significant risk of child labour were detected through the available channels.		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
GRI 409: FORCED OR COMPULSORY LABOUR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	During 2019, no operations or suppliers with significant risk of forced or compulsory labour were detected through the available channels.		Yes ✓
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-1 Operations that have been subject to human rights reviews or impact assessments.	38		Yes ✓
	412-2 Employee training on human rights policies or procedures	10		Yes ✓
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights assessment	38		Yes ✓
<b>REGULATORY COMPLIANCE</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	52		Yes ✓
	103-3 Evaluation of the management approach.	52		Yes ✓
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1 Non-compliance with laws and regulations in the social and economic area.	During 2019, 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 ✓
<b>SECURITY OF SUPPLY</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	5		Yes ✓
	103-3 Evaluation of the management approach.	5, 12		Yes ✓
<b>SAFETY OF THE FACILITIES</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	28		Yes ✓
	103-3 Evaluation of the management approach.	12, 28		Yes ✓
<b>INDUSTRY SUPPLEMENT</b>				
	OG13 Number of safety incidents occurring in operations by activity.	13, 28		Yes ✓
<b>RISK MANAGEMENT MODEL</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	19		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	103-3 Evaluation of the management approach.	19		Yes ✓
<b>DRIVING FORCE FOR GROWTH IN THE REGION</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	41		Yes ✓
	103-3 Evaluation of the management approach.	41		Yes ✓
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported.	44, 47		Yes ✓
	203-2 Significant indirect economic impacts.	14, 41, 43, 48		Yes ✓
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers.	14, 38		Yes ✓
<b>SERVICE QUALITY AND CUSTOMER SATISFACTION</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	28, 37		Yes ✓
	103-3 Evaluation of the management approach.	28, 37		Yes ✓
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product or service categories.	Reganosa assesses the possible health and safety impacts of all the services it provides.		Yes ✓
	416-2 Cases of non-compliance relating to the health and safety impacts of product and service categories	During 2019, 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 ✓
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	In 2019 Reganosa received no complaints regarding customer privacy violations.		Yes ✓
<b>RESPONSIBLE SUPPLY CHAIN</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	38		Yes ✓
	103-3 Evaluation of the management approach.	38		Yes ✓
GRI 308: 2016 SUPPLIER ENVIRONMENTAL ASSESSMENT	308-1 New suppliers that were screened using environmental criteria.	38		Yes ✓
	308-2 Negative environmental impacts in the supply chain and actions taken.	38 Risk of environmental non-compliance by one supplier with purchase has been identified in the Repro tool. The company will take appropriate measures.		Yes ✓

GRI STANDARD	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
<b>MATERIAL ISSUES</b>				
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria.	38		Yes ✓
	414-2 Negative social impacts in the supply chain and actions taken.	38 The Repro tool has identified the risk of non-compliance by nine suppliers with purchases in 2019. The company will take appropriate measures.		Yes ✓
<b>INNOVATION</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	23, 47		Yes ✓
	103-3 Evaluation of the management approach.	47		Yes ✓
<b>ENERGY REGULATION AND POLITICAL INFLUENCE</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	5, 20, 39		Yes ✓
	103-3 Evaluation of the management approach.	5		Yes ✓
GRI 415: PUBLIC POLICY	415-1 Contributions to political parties and/or representatives	Reganosa does not make contributions to political parties and/or representatives.		Yes ✓
<b>ENVIRONMENTAL IMPACT MANAGEMENT</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	29 In compliance with Supreme Court sentence 1075/2019 of 16 July 2019, on 29 July 2019 Reganosa undertook an ordinary environmental impact assessment procedure for the Mugardos plant, in accordance with Additional Provision Sixteen of Law 21/2013 of 9 December on environmental assessment.		Yes ✓
	103-3 Evaluation of the management approach.	29		Yes ✓
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1 Non-compliance with environmental law and regulations	During 2019, Reganosa did not receive any significant fines (> €1000) or non-monetary sanctions for a failure to comply with environmental legislation and regulations.		Yes ✓
<b>ENVIRONMENTAL PERFORMANCE: OPERATIONAL EFFICIENCY</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	103-2 The management approach and its components	30		Yes ✓
	103-3 Evaluation of the management approach	30		Yes ✓
<b>GRI 301: MATERIALS 2016</b>	301-1 Materials used by weight or volume	30 Nitrogen is consumed at the Malta LNG terminal. It is obtained directly from ambient air and production and consumption is not currently measured.		Yes ✓
	301-2 Recycled inputs.	None of the materials consumed by Reganosa reported in the report are made of recycled components.		Yes ✓
	301-3 Reclaimed products and packaging materials		Not applicable. Reganosa does not sell products.	Yes ✓
<b>GRI 302: ENERGY 2016</b>	302-1 Energy consumption within the organisation.	30 Reganosa does not consume fuels or renewable energy sources.		Yes ✓
	302-2 Energy consumption outside the organisation.		Information not available. Reganosa is currently calculating its carbon footprint for scope 3. This is expected to be reported in the 2020 Annual Report.	Yes ✓
	302-3 Energy intensity.	30 The energy intensity calculation only takes into account internal energy consumption. The terminal's production has been used as a measurement for calculating intensity (Gj/t).		Yes ✓
	302-4 Reduction of energy consumption.	30		Yes ✓
	302-5 Reductions in the energy requirements of products and services	30		Yes ✓
<b>GRI 303: WATER 2016</b>	303-1 Water withdrawal by source.	31		Yes ✓
	303-2 Water sources significantly affected by withdrawal of water.	31		Yes ✓
	303-3 Water recycled and reused.	Reganosa does not reuse water in its operations.		Yes ✓
<b>GRI 304: BIODIVERSITY 2016</b>	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 2019, Reganosa's gas pipelines occupy an area of 217.424 m <sup>2</sup> in protected natural areas and Natura 2000 Network (lic); 187.55 m <sup>2</sup> of the Mugardos- As Pontes-Guitiriz gas pipeline, 18.3 m <sup>2</sup> of the Abegondo-Sabón gas pipeline and 11.5 m <sup>2</sup> of the Abegondo-Sabón gas pipeline.		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	304-2 Significant impacts of activities, products and services on biodiversity	31, 33		Yes ✓
	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 ✓
	304-4 Red List species and national conservation list species with habitats in areas affected by operations.	<p>Over 30 species of protected mammals, birds, amphibians and reptiles, fish and species with habitats in areas affected by operations. Invertebrates inhabit protected areas through which Reganosa's gas pipelines pass (see 304-1).</p> <p>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.</p> <p>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 <i>Posidonia oceanica</i>, the species <i>Cymodocea nodosa</i> and the sea urchin <i>Paracentrotus lividus</i> were also recorded.</p> <p>In the corresponding environmental impact assessment studies analysed</p> <p>the impact of the facilities on these habitats and established the measures necessary to minimise them.</p>		Yes ✓
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>	306-1 Water discharge by quality and destination.	31		Yes ✓
	306-2 Waste by type and disposal method	32 The source of reported data is the waste acceptance documentation and waste treatment contracts with the management companies.		Yes ✓
	306-3 Significant spills.	No significant spills occurred during the reporting period.		Yes ✓
	306-4 Transport of hazardous waste.	All waste is transported by authorised waste managers.		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	306-5 Water bodies affected by water discharges and/or run-off.	33 No body of water or habitat was affected by discharges or run-off from the organisation during 2019.		Yes ✓
<b>INDUSTRY SUPPLEMENT</b>				
	OG2 Total amount invested in renewable energy.	Reganosa does not use combustible fuels or other renewable energies.		Yes ✓
	OG3 Total amount of renewable energies generated by source.	Reganosa does not use combustible fuels or other renewable energies.		Yes ✓
	OG4 Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	33 Reganosa continually analyses all of its environmental impacts. Similarly, environmental impact assessments (EIA) are conducted for the company's new infrastructure construction projects with protected areas in the surroundings.		Yes ✓
	OG5 Volume and disposal of formation or produced water.	Not applicable to Reganosa's activity, as it does not continuously vent hydrocarbons.		Yes ✓
	OG6 Volume of flared and/or vented hydrocarbon.	During 2019 the volume of natural gas flared was 43,210.17; GJ 21,810.95 GJ in Mugardos and 21,399.22 GJ in Malta.		Yes ✓
	OG7 Drilling waste.	Not applicable as Reganosa's activity does not create drilling waste.		Yes ✓
<b>CLIMATE CHANGE</b>				
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	5, 32		Yes ✓
	103-3 Evaluation of the management approach.	32		Yes ✓
<b>GRI 305: 2016 EMISSIONS</b>	305-1 Direct (Scope 1) GHG emissions.	32 Reganosa does not produce emissions of a biogenic origin.		Yes ✓
	305-2 Energy indirect (Scope 2) GHG emissions.	32		

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION																																									
	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. Scopes 1 and 2 were calculated during 2019. This is expected to be reported in the 2020 Annual Report.	Yes ✓																																									
	305-4 Intensity of GHG emissions	The emission intensity is 0.006 tCO <sub>2</sub> /t. The terminal's production (tonnes) was used as the denominator.		Yes ✓																																									
	305-5 Reduction of GHG emissions.	32		Yes ✓																																									
	305-6 Emissions of ozone-depleting substances (ODS)	Reganosa neither consumes nor emits gases containing substances that significantly deplete the ozone layer.		Yes ✓																																									
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.	32		Yes ✓																																									
<b>ATTRACT AND DEVELOP TALENT</b>																																													
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓																																									
	103-2 The management approach and its components	34-35		Yes ✓																																									
	103-3 Evaluation of the management approach.	34-35		Yes ✓																																									
<b>GRI 202: MARKET PRESENCE 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	36 The minimum wages in Spain and Malta have been used as a reference.		Yes ✓																																									
<b>GRI 401: EMPLOYMENT 2016</b>	401-1 New employee hires and employee turnover	15 <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="6">2019</th> </tr> <tr> <th colspan="2">&gt;30 YEARS</th> <th colspan="2">30-50 YEARS</th> <th colspan="2">&gt;50 YEARS</th> </tr> <tr> <th></th> <th>F</th> <th>M</th> <th>F</th> <th>M</th> <th>F</th> <th>M</th> </tr> </thead> <tbody> <tr> <td>Spain</td> <td>7</td> <td>6</td> <td>4</td> <td>2</td> <td></td> <td>2</td> </tr> <tr> <td>Malta</td> <td></td> <td></td> <td>1</td> <td>5</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td>7</td> <td>6</td> <td>5</td> <td>7</td> <td></td> <td>2</td> </tr> </tbody> </table>		2019						>30 YEARS		30-50 YEARS		>50 YEARS			F	M	F	M	F	M	Spain	7	6	4	2		2	Malta			1	5			TOTAL	7	6	5	7		2		Yes ✓
	2019																																												
	>30 YEARS		30-50 YEARS		>50 YEARS																																								
	F	M	F	M	F	M																																							
Spain	7	6	4	2		2																																							
Malta			1	5																																									
TOTAL	7	6	5	7		2																																							
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	35		Yes ✓																																									

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	401-3 Parental leave.	Of the Reganosa workforce, 100% of employees who requested parental leave during 2019 were able to take it. Requests for parental leave were made by one man and no women. All workers requesting parental leave in 2017 and 2018, and 2019 rejoined the company at the end of the leave, and still work at the company.		Yes ✓
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes.	Reganosa is governed by the provisions of the Workers' Statute and its implementation regulations.		Yes ✓
GRI 404: TRAINING AND EDUCATION	404-1 Average hours of training per year per employee.	15, 35		Yes ✓
	404-2 Programmes for upgrading employee skills and career improvement programmes.	416 hours of English language training per year.		Yes ✓
	404-3 Percentage of employees receiving regular performance and career development reviews.	35-36		Yes ✓
<b>LABOUR PRACTICES</b>				
	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	34-36		Yes ✓
	103-3 Evaluation of the management approach.	34-36		Yes ✓
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees.	34, 51		Yes ✓
	405-2 Ratio of basic salary and remuneration of women to men.	The established salary brackets do not discriminate between men and women.		Yes ✓
GRI 406: NON-DISCRIMINATION 2016	406-1 Cases of discrimination and corrective measures adopted.	In 2019, Reganosa did not record any cases of discrimination through the channels available for this purpose.		Yes ✓
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	There are no suppliers whose right to freedom of association and collective bargaining may be at risk.		Yes ✓
<b>OCCUPATIONAL HEALTH AND SAFETY</b>				
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓

GRI STANDARD MATERIAL ISSUES	CONTENTS	PAGE OR DIRECT RESPONSE	OMISSIONS	EXTERNAL VERIFICATION
	103-2 The management approach and its components	26		Yes ✓
	103-3 Evaluation of the management approach.	26, 27		Yes ✓
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016</b>	403-1 Workers' representation in formal joint management-worker health and safety committees.	26		Yes ✓
	403-2 Types of injury and rates of occupational illnesses, lost days, and absenteeism, and number of work related fatalities.	27		Yes ✓
	403-3 Workers with a 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 ✓
	403-4 Health and safety topics covered in formal agreements with trade unions	There are no workers whose profession has a high risk of occupational illness.		Yes ✓
<b>SOCIAL COMMITMENT</b>				
<b>GRI 103: MANAGEMENT APPROACH 2016</b>	103-1 Explanation of the material issue and its Boundary.	54		Yes ✓
	103-2 The management approach and its components	43		Yes ✓
	103-3 Evaluation of the management approach.	43		Yes ✓
<b>GRI 413: LOCAL COMMUNITIES 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes.	28, 43 Reganosa implements these programmes in the environment of its facility in Mugardos.		Yes ✓
	413-2 Operations with significant actual and potential negative impacts on local communities.	Facility 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 2019.		Yes ✓
<b>INDUSTRY SUPPLEMENT</b>				
	OG10 Significant disputes with local communities and indigenous peoples.	See 102-44		Yes ✓
	OG11 Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	No Reganosa facilities were decommissioned during 2019.		Yes ✓

## Glossary of terms and abbreviations

### APFSC

Ferrol - San Cibrao Port Authority

### ECA

Emission Control Areas

### FSRU

Floating Storage and Regasification Units

### GASNAM

Spanish Natural Gas for Mobility Association

### LNG

Liquefied natural gas

### INEGA

Galicia Energy Institute

### O&M

Operation and maintenance

### BOIL OFF GAS

Gas produced by the evaporation of liquefied natural gas

### ENTSOG

European Network Transmission System Operator for gas

### FSU

Floating Storage Units

### GHG

Greenhouse Gases

### HSQE

Health, Safety, Quality and the Environment

### LSO

LNG System Operator

### PCIs

Projects of common interest

### SCV

Submerged combustion vaporiser

### TSO

Transmission System Operator - Transmission Network Manager

### SEDIGAS

Spanish Gas Association

### TYNDP

Ten Year Network Development Plan

## 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 (IR) Framework. Based on these criteria, the Report presents all matters reflecting the significant economic, environmental and social impacts for the Reganosa Group during the 2019 financial year, from 1 January to 31 December 2019.

This report has been verified by KPMG Advisers according to the ISAE 3000 standard.

The information that it contains may be supplemented with the information at [www.reganosa.com](http://www.reganosa.com)

## INFORMATION PERIMETER

[102-1] [102-5] [102-10]

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

The information perimeter contained in this report corresponds to the Consolidated Annual Accounts of Reganosa Holdco, S.L. and its dependent subsidiaries. [102-45]

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.