



# Sustainability and good governance policy

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This policy sets out commitments in relation to Sustainability and Good Governance to generate value in the short, medium and long term for shareholders, customers, suppliers and other stakeholders, boosting the company's control environment and its reputation and credibility vis-à-vis third parties.

Enagás adheres to the spirit and letter of the obligations and regulations of the various legal jurisdictions in which it operates, and to any others it has undertaken voluntarily.

This policy applies to all employees, managers and directors of all companies making up the Enagás Group, including any investees effectively controlled by it, within the limitations established in the regulations applicable. In the case of investees not effectively controlled by the Enagás Group, the company will undertake principles and directives that are consistent with those established in this policy.

## **Commitments**

Enagás establishes the following commitments in relation to sustainability and good governance:

- Strengthening its management systems by means of responsible practices in key areas such as the prevention of illegal conduct, tax, respect for human rights and diversity, among others, in a bid to achieve excellence and improve the results of investors, customers, suppliers, employees and society in general.

- Fostering state-of-the-art management practices in its supply chain in terms of environmental, social or ethical issues, and supervising their implementation.
- Establishing procedures for relations, dialogue and participation in connection with the local area, in order to facilitate social acceptance and integrate Enagás in the communities in which it operates.
- Providing regular, transparent, opportune and reliable information for stakeholders concerning the main sustainability issues relevant to the company, the targets set and the results achieved, by means of responsible communication practices that avoid any manipulation of data and protect integrity and honour.
- Updating this policy on a regular basis to ensure it includes international best practices and recommendations, in keeping with the recommendations of the OECD Guidelines for Multinational Enterprises and those of the International Corporate Governance Network.

Enagás also establishes the following specific commitments in connection with good governance:

- Maximising on a sustained basis, the Company's value, considering shareholders' interests and the principles and values included in Enagás Group Code of Ethics.
- Communicating to shareholders and the market in general all the information of their interest related to the Company and share prices, under the principles of transparency and information accuracy.
- Promoting and enabling shareholders participation ensuring an equal treatment and protecting the exercise of their rights.
- Ensuring the good proceeding, professionalism and independence of board members and management team criteria, as well as compliance of internal and external regulation in terms of market abuse, especially of the Internal Code of Conduct in Matters Relating to Securities Markets.
- Complying with the recommendations and national and international best practices in corporate governance, particularly those related to: presence of independents, boosting diversity, recruiting, training and board assessment, independence of the auditor, etc.

The company also establishes the following social responsibility commitments:

- Preventing occupational hazards by addressing employee health and safety in the work place, and also in the supply chain.

- Demanding observance of and compliance with the Code of Ethics by employees, and by parties dealings with the company in its various relationships.
- Protecting the human rights of employees, of those working with the company and of those who are affected by its activity.
- Deploying a talent management model based on acknowledgement of merit, equal opportunities and diversity, striving to propitiate the personal development of company employees.
- Developing a culture of innovation and corporate entrepreneurship, encouraging efficient work methods, making use of the knowledge, talent, capacities and experience of those forming part of the company and those dealing with it.
- Contributing to the social and economic development of local communities, giving priority to those regions in which the company operates, by means of sustainable social action models.

Enagás establishes the following commitments in connection with environmental responsibility:

- Combating climate change through efficient use of energy, extending our commitment to the supply chain.
- Minimising the adverse environmental impacts arising from our activities in terms of atmospheric pollution, generation of waste, noise, dumping and spillages, water consumption and impacts on biodiversity.

### **Management model**

Enagás has established a management model based on the due-control principle and focusing on adherence to the commitments set out in this policy, which may be summarised as follows:

- The responsibility of the Board of Directors in terms of the orientation, supervision and control of company strategy, policies, risks, objectives and results in connection with sustainability and good governance.
- The responsibility of the Sustainability Committee for controlling and monitoring sustainability and good governance, and reporting in turn to the Appointments, Remuneration and CSR Committee created at Board level.
- Assignment of responsibility for establishing courses of action, objectives and follow-up indicators to various company departments.

- Reflection of the company's commitments in its regulations, constituted by the Enagás Group Code of Ethics, in its policies and procedures for their effective implementation.
- Compliance with the internal and external regulations applicable by company employees and, as the case may be, by any third parties dealing with them.
- Training and information to ensure that company employees are aware of and comprehend the regulations and commitments to enable them to carry out their tasks.
- The existence of safeguard mechanisms such as the Ethical Compliance Committee, which reports to the Board's Audit and Compliance Committee and, among other tasks, is responsible for ensuring that the company's commitments set forth in its Code of Ethics and policies are known, understood and adhered to.
- Transparency of information supplied to third parties, to guarantee its reliability and accuracy.
- The implementation of processes for the purposes of participation, dialogue and consultation with stakeholders, in order to guarantee that their needs and expectations are known to the company and, where appropriate, added to its regulations.

**This policy was approved by the Enagás Board of Directors on 21/12/2015.**