ANNUAL REPORT

RELIABLE ENERGY FOR A DESCARBONIZED FUTURE

Our **purpose** is twofold: to **contribute to ensuring the security of energy supply**, an essential service for the well-being of society. **And to accelerate decarbonisation**, driving innovation and creating value for our stakeholders

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LETTER FROM THE CHAIRMAN
ANTONIO LLARDÉN

[GRI 2-22]

2022 was an extraordinarily intense year and one in which Enagás has faced equally extraordinary challenges. A year in which many of the things that were taken for granted - starting with peace in Europe - came into question, and undoubtedly a historic year for the sector and for Enagás.

Today, context is everything and our context is, more than ever, Europe. Until Russia's war against Ukraine threatened its energy security, the EU had not thought it would need a common energy policy that went beyond certain cross-cutting environmental and competition issues. In general, energy depended on the history and circumstances of each country. Security of supply was taken for granted and was not on the European agenda.

A NEW EUROPEAN ENERGY PARADIGM

With the outbreak of war, the situation took a 180-degree turn, and Europe became acutely aware of the importance of having a European energy policy. The European Commission's prompt response and corresponding actions have kept us in better standing than we had anticipated a year ago. Europe has managed to safeguard its energy security this winter and lay foundations for the future.

The REPowerEU European roadmap has laid the foundations for truly European energy around the three pillars on which any energy policy must be based: decarbonisation, on which significant collaborative work has been done through the Green Deal and the 'Fit for 55' package; security of supply, which has become a priority; and rising European energy prices, which had to be addressed in order to mitigate their harsh social and economic impact on citizens and industries.

European energy alignment will not be easy, but it is an opportunity to agree on the fundamentals, from both a strategic and long-term perspective. During these months, for the first time and with the full cooperation of the entire sector, the European Union has taken logical steps that are proving successful. One example is the target for filling European gas storage facilities, which has been exceeded with levels above 90%.

The goals set by REPowerEU are as ambitious as they are necessary. Europe faces a significant challenge in weaning itself off Russian gas by 2030, and all potential solutions must be considered. This includes promoting greater integration of European energy systems, as well as new energy vectors, such as hydrogen. The announcement of the H2Med corridor is a clear milestone in this European energy policy. It will also allow Spain to make an even more relevant and supportive contribution to Europe's energy security: we could contribute 10% of the 20 million tonnes of consumption that REPowerEU has set as a target for 2030.

THE STRATEGIC CONTRIBUTION OF SPAIN AND ENAGÁS

This important contribution by Spain, and by Enagás, to the supply of other European countries is possible because our energy model - which we chose 50 years ago for geographical reasons, among others - sets us apart. Today, we have 44% of the continent's LNG storage capacity and 33% of its regasification capacity.

The six LNG plants in operation in the Spanish Gas System are a strategic asset of the first order: they make it possible for Spain to have one of the most diversified and flexible - and therefore most secure - gas supplies in the world, and also for natural gas prices in our country to be among the lowest in the whole of the European Union since the outbreak of the war in Ukraine.
The message of reassurance that Spain has been able to provide about supply is based on this powerful infrastructure network, diversification and all the measures that we have been taking together with the Spanish Government over the last year.

[GRI 2-22]

In 2023, security of supply will continue to be a priority for Europe, which is already taking joint measures in this respect, in line with the pioneering measures proposed by Spain. At Enagás, in coordination with the Ministry for the Ecological Transition and the Demographic Challenge, we will continue to do what is necessary, with initiatives and operations that reinforce the commitments we made in our 2022-2030 Strategic Plan: to contribute to the security of supply in Spain and Europe and to decarbonisation.

In short, this is the truly exceptional context in which Enagás has worked and operated during the financial year reported in this Management Report, which includes financial and non-financial information. In this complex environment, we have achieved results that meet our goals for the 16th consecutive year.

I would like to thank all Enagás professionals for their dedication, effort and excellent work, and the members of our Board of Directors for their magnificent performance and the value they have brought to the company. And, of course, I thank our shareholders for trusting in us for another year: rest assured that the entire team is taking on 2023 with the firm intention of continuing to create value for you.

ANTONIO LLARDÉN
CHAIRMAN

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER ARTURO GONZALO

[GRI 2-22]

"Sustainability is one of Enagás' calling cards and a through-line across all our business"

2022 was marked by great global uncertainty and complexity for the energy sector. How would you say the year has gone for Enagás, now that you are also in your first year as the company's CEO?

I joined Enagás three days before Russia's invasion of Ukraine; indeed, the following months were truly difficult and exceptional for our sector, with Europe facing an energy crossroads that has proved to be a watershed moment.

2022 was a year in which energy was in the spotlight, in which we saw many disruptions around us and in which Spain, and also Enagás, were very visible. More than ever, our strategic role in Europe and the importance of the work we do stood out.

We quickly aligned ourselves with the priorities set by Europe through REPowerEU, and in the 2030 Strategic Plan we presented in July, we incorporated these priorities into our goals: contributing to security of supply and decarbonisation. Since then, we have been making progress, even more than expected, in the implementation of this Plan, responding reliably to the needs that have arisen both from Spain and from Brussels. This progress has included some significant milestones: we have increased the filling level of underground storage facilities to over 90%, increased the interconnection capacity with France through Irun by an additional 1.5 bcm and made every effort to facilitate the loading of LNG tankers at Spanish terminals bound for other European countries, such as Italy and Germany, which increased by 40% compared to the previous year.

We have had to operate in a tough context, and we have functioned at 100%, both in terms of the availability of our infrastructures and the coordination of the Gas System, which has met demand in all circumstances and functioned with total normality, with 100% availability, 24 hours a day, every day of the year.

The war has shown that accelerating decarbonisation through vectors such as renewable hydrogen is also key to advancing energy sovereignty and that it is essential to have a European infrastructure network for this purpose; this is something that Enagás has been working on for some time now, in collaboration with operators in other European countries.

"In 2022, Spain and Enagás were very visible. **More than ever, our strategic role in Europe** and the importance of the work we do stood out"

How is the company preparing for 2023?

We are starting 2023 with a lot of energy; we already held Enagás Hydrogen Day, which was very well received. Institutions and companies from the sector were represented, and we wanted to show that it is from synergies, collaboration and alliances that we focus our commitment to the development of this energy vector.

2022 was the year of security of supply, which will remain a priority, and 2023 will be the year of hydrogen. We have a lot of technical work ahead of us on the major H2Med hydrogen project in coordination with our counterparts in Portugal, France and Germany, and we hope to end the year with the addition of this corridor - as well as the backbones of the Spanish Hydrogen Backbone Network - to the EU list of Projects of Common Interest.

[GRI 2-22]

It will again be a very intense year, but we have a clear European roadmap in the REPowerEU plan. In Spain, an update of the PNIEC is scheduled for mid-year, which will also provide us with a framework.

At Enagás, we will continue along the path established in our Strategic Plan, tackling all the challenges we set out in it, such as the commissioning as a logistics centre of the El Musel Plant in Gijón, which will place another terminal at the service of Europe's security of supply, and the launch of the System of Guarantees of Origin of renewable gases, which has already started and is run by Enagás GTS. Both initiatives are included in the +Energy Security Plan of the Ministry for the Ecological Transition and the Demographic Challenge.

We are also continuing to make progress with our asset rotation plan; so far in 2023, we have already announced the expansion of our stake in Trans Adriatic Pipeline (TAP), a key infrastructure for Europe.

In relation to the arbitration process in Peru concerning GSP, ongoing according to the established procedural calendar, our legal advisors consider that the award should be rendered during the first half of 2023.

Returning to 2022, what would you highlight from the year's results?

We achieved a net profit of 376 million euros and met the targets we had set ourselves in a very difficult year worldwide and, in particular, in Europe and for the energy sector.

These results were made possible by the high level of execution of our Strategic Plan over the last eight months and by our emphasis on cost control in a challenging environment. Recurring operating expenses increased by only 3.8% compared to 2021, demonstrating the effectiveness of our 2022-2026 Efficiency Plan, which includes measures to minimise the impact of inflation as much as possible.

"We have met, for the 16th consecutive year, **all the targets we had set ourselves**, in a very difficult year for Europe and for the energy sector. That reliability is in our DNA"

I would also like to highlight the good performance of our subsidiaries, which contributed 39% of our profit.

What aspects of the year stand out from a financial perspective?

We continue, as announced, with our asset rotation process, which is strengthening our balance sheet and our solid financial position to enable us to take advantage of the new opportunities of the decarbonisation process in Spain and Europe, which is the focus of our Strategic Plan. The sale of our 45.4% stake in the GNL Quintero terminal in Chile resulted in a gross cash inflow of 639 million euros and generated net capital gains of 135 million euros.

We closed 2022 with an excellent liquidity position of 3.794 billion euros and net debt of 3.469 billion euros, 80% of which is at a fixed rate - which gives us a very solid position and shields us from interest rate turbulence - and with financing costs of 1.76%.

In addition, at the beginning of 2023, we signed a deal with twelve financial institutions to extend the maturity of our sustainable syndicated credit line of 1.55 billion euros to 2028, maintaining our commitment to link our economic conditions to the fulfilment of environmental targets. With this operation, which is in line with Enagás' sustainability strategy, we are reinforcing our goal of becoming a carbon-neutral company by 2040, demonstrating that financial and non-financial aspects increasingly go hand in hand.

[GRI 2-22]

What can you say in this context about the company's dividend policy?

Commitment to our shareholders and their remuneration is a priority for Enagás. And I would like to emphasise here our commitment to our minority shareholders, who are very important to us and who now represent 27% of Enagás shareholders.

In our Strategic Plan, we have reaffirmed the dividend policy established until 2026, thanks to the good visibility of the cash flows that we are going to generate in the period and the fact that these have sufficient slack to guarantee this dividend. In 2022, we increased it to 1.72 euros per share.

This dividend is consistent with our announced investment plan and our commitment to continue to maintain our credit ratings.

How did gas demand evolve in Spain?

In a context of energy conservation in Europe in the face of Russian extortion, thanks to the measures put forward by the Spanish Government and the effect of the price signals themselves, Spain managed to significantly reduce its gas consumption in 2022.

Specifically, household, commercial and industrial consumption fell by more than 20%, significantly above the target set for Spain by Brussels. It is also true that, as we have had a very dry year, this reduction was compensated, in part, by a notable increase in gas demand for electricity generation, which recorded in 2022 the highest figures since 2010. This is remarkable because it highlights the role of natural gas as a backup energy for renewables.

Another factor in the increase in gas demand for power generation are electricity exports to France and Portugal, which have helped strengthen the security of supply of the European electricity system.

We have also contributed to Europe's energy security by shipping gas, both through the loading of LNG tankers to other countries and exports through the two interconnections with France, which broke records.

This was possible thanks to Spain's regasification plants, which make our Gas System a leader in terms of diversification of supply - in 2022, we received gas from 19 different origins - and position Spain as a strategic entry point for LNG to Europe.

What were the main milestones for Enagás' international activity during the year?

In line with our purpose and through our international assets we have also contributed to guaranteeing security of supply and driving the energy transition in the countries in which we operate. In Greece, for example, with record gas demand (7.5 bcm) in 2022, the fundamental role of our affiliate DESFA, the Greek TSO, and its Revithoussa LNG terminal in securing energy supply in the country and in the Mediterranean region was highlighted.

Our Strategic Plan has a very clear focus on Europe, and this is where we are going to concentrate our international activity in the coming years. Our strategy is to seek synergies and alliances with other TSOs. Along these lines, in October, we signed an agreement with the Albanian operator AlbGaz for a potential entry into its shareholding and to study joint natural gas and renewable gas projects, currently under development in Albania and in the Mediterranean region.

The latest international operation we have announced, which I mentioned earlier, also goes in this direction: we have increased to 20% our stake in the Trans Adriatic Pipeline (TAP), a key pipeline for European security of supply, which in its first two years of operation has already transported 18 bcm of gas from Azerbaijan to Europe.

In the United States, our affiliate Tallgrass Energy met its 2022 targets and recently announced a major milestone: the acquisition of the Ruby pipeline, which connects to the California market, will support future decarbonised energy projects and brings significant growth to Tallgrass starting this year.

[GRI 2-22]

And with regard to the affiliate Enagás Renovable, with whose portfolio of projects the company also contributes to the global decarbonisation process, what progress was made this year?

It was an important year. We granted a 30% stake to the world's largest hydrogen fund, Hy24; a major shareholder in Enagás, Pontegadea, came in with 5%; and more recently, Navantia, a company owned by the SEPI Group, also acquired 5%. The commitment of all three shareholders to Enagás Renovable consolidates our subsidiary as a catalyst for the creation of a renewable gas market, through projects for the production and commercialisation of green hydrogen and biomethane, as envisaged in our Strategic Plan.

Enagás Renovable is backing more than 50 projects together with more than 60 public and private partners, some of which are already a reality. To name just one achievement of 2022, in March, we cut the ribbon on the first industrial-scale plant to produce green hydrogen in Spain, as part of our Power to Green Hydrogen Mallorca project, a pioneer in Southern Europe, which we are backing with Acciona and the collaboration of IDAE and Cemex. In the first half of this year, it will start serving its first consumers, ranging from the island's municipal buses to hotels belonging to the Iberostar group.

Another important milestone in 2022 was the CNMC's establishment of a framework for defining Enagás Renovable's activities.

What is the strategy for maintaining leadership in sustainability even in such difficult times?

Sustainability is one of Enagás' calling cards and a through-line across all our business, perfectly integrated into our strategy and culture.

In 2022, we updated our Sustainability Strategy in line with the new Strategic Plan and established, in addition to the decarbonisation of our operations and value chain, two other main lines of action: transformation with a focus on people and governance to ensure due diligence regarding human rights and the environment, with a focus on our supply chain and affiliates.

[GRI 2-22]

Moreover, we have integrated ESG risks into the company's overall risk model, and several indices and rankings have highlighted the high levels of transparency and quality of our reporting. This is an area in which we will continue to make progress in order to meet the requirements of the European Sustainability Reporting Directive and the new EFRAG (ESRS) reporting standards.

Rigorous measurement and transparent reporting of progress year on year is reflected in our leading position in the major sustainability indices. Two examples of this are the Dow Jones Sustainability Index (DJSI), where we are listed for the fifteenth consecutive year among the companies with the highest performance levels in the Gas Utilities sector, and FTSE4Good, which recognises us with the highest ESG rating in our sector.

"Our commitment to our shareholders and their remuneration is a priority for Enagás, and in our Strategic Plan, we have reaffirmed the dividend policy established until 2026"

What have been the main advances made by Enagás in terms of ESG?

We have a very strong ESG profile, and in 2022, we have continued to make progress in all three areas: environmental, social and governance.

In the environmental aspect, our main goal is to be a carbon neutral company by 2040, for which we have defined a very rigorous decarbonisation pathway with targets in line with the 1.5ºC scenario. We have raised our ambition to also contribute to decarbonising our value chain by setting targets to reduce Scope 3 emissions. In this area, we have achieved the highest rating (Gold Standard) from the OGMP 2.0 initiative, led by the United Nations Environment Programme (UNEP), for our methane emissions reduction plan.

In addition, our commitment to biodiversity has led us this year to set a target for 2050 to go beyond just conservation and have a positive impact on nature. In the social dimension, our priority is stable, quality employment. We want to accompany and prepare all our professionals for the major disruptions that our sector is undergoing, the digital transformation, the need for new ways of working, and so on. To this end, we are wrapped up in a Transformation Plan with which we can adapt as quickly and efficiently as possible to the challenges of our Strategic Plan.

For thirteen years, we have been awarded Top Employer recognition as one of the best companies to work for, and we are also the first energy company in Spain to earn the highest rating for work-life balance (A+ Level of Excellence) according to the Family-Friendly Company management model. This recognises [GRI 2-22] our comprehensive plan, which includes more than 120 measures to promote work-life balance, co-responsibility and equal opportunity. We have a diversity and inclusion strategy with six lines of action, and we have once again been recognised as the top company in the Utilities sector by the Bloomberg Gender Equality Index.

In the area of Corporate Governance, we follow the most advanced recommendations worldwide, starting by separating the figures of the non-executive Chairman and CEO and having a clear majority of Independent Directors on the Board of Directors.

This past year, we also reached 40% of women on our Board of Directors and 33% on the Management Committee. We are working to make further progress in this area and to extend this diversity to all levels of the organisation.

To finish, would you like to point out any other relevant topic or issue?

We are at a historic moment for the global energy sector and for Enagás, in which we have much to contribute through specific and transformative projects, with collaboration, innovation and digitisation as key levers, and thanks to the company's magnificent team.

The implementation of the Strategic Plan and the Transformation Plan will continue to require a great deal of adaptability and effort from all of us, and I would like to reiterate my thanks to all Enagás professionals. Thanks also to all our stakeholders and, especially in a report like this, to our shareholders.

My appreciation also goes to each and every member of the Enagás Board of Directors for their support and trust.

Lastly, I would like to mention that the Enagás Board of Directors has approved this Annual Report, which represents the renewal of our commitment to the ten principles of the Global Compact, and at the same time, reflects our [GRI 2-14] contribution to achieving the United Nations Sustainable Development Goals.

ENAGÁS IN 2022

SECURITY OF SUPPLY AND OPERATIONAL EFFICIENCY

432.4 TWH
NATURAL GAS DEMAND + EXPORTS TO EUROPE
(+4.4% In 2022)

364.4 TWH
domestic gas demand
(-3.7% vs. 2021)
[GRI 302-2]

100%
technical and commercial availability

93%
fill level of underground storage facilities (vs. European standard of 80%)

+38%
of vessel unloading usage vs. 2021 (171.9 TWh)

+49%
of regasification usage vs. 2021 (149.7 TWh)

+34%
of LNG (liquefied natural gas) in storage vs. 2021

1. In line with market guidance (380-390 million euros), which included the capital gains from the sale of the Morelos pipeline. The transaction is expected to close in the first quarter of 2023.
2. Scope 1 and 2 targets with respect to 2022.
Important circumstances arising after year-end: see 'Consolidated Annual Accounts', section '4.9 Subsequent events.'

SOUND FINANCIAL AND LIQUIDITY POSITION

376 M€
NET PROFIT[1]

39%
contribution to the net profit of affiliates

3,469 M€
Net debt

3,794 M€
Liquidity

>14%
leverage FFO/net debt

Rating

BBB
Standard & Poor's

BBB
Fitch

SUSTAINABILITY

1,365
PROFESSIONALS
[GRI 2-7]

+1.6%
vs. 2021 workforce

30%
WOMEN IN THE WORKFORCE

40%
women on the Board of Directors

33.3%
women in the Executive Committee

CO_2e emission reduction targets to achieve carbon neutrality by 2040[2] and degree of progress:

-32% CO_2 EMISSIONS IN 2022 VS 2014

-47%
in 2026

-61%
in 2030

-94%
in 2040

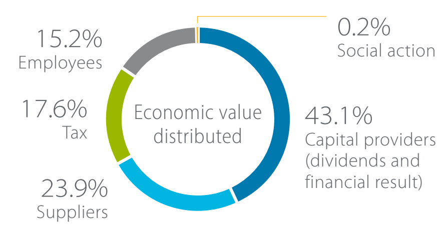
Sustainability indices

88/100
DJSI Score (Top 5% S&P Global ESG Score 2022)

87.6/100
Bloomberg GEI

B
CDP Climate Change and Water Rating

Contribution to society [GRI 201-1]



ATTRACTIVE AND SUSTAINABLE SHAREHOLDER REMUNERATION

1.72 €
DIVIDEND PER SHARE (+1% VS. 2021)

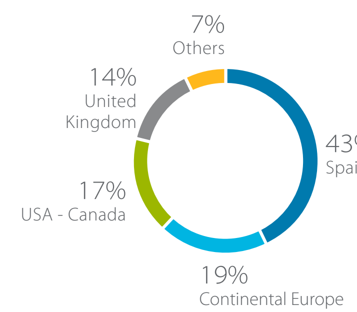
15.5 €
SHARE AT 12/31/2022

Distribution of capital

90%
FREE FLOAT

5%
Partler 2006 S.L.

5%
SEPI



OUR BUSINESS MODEL

OUR ACTIVITIES

Enagás, a midstream company with more than 50 years of experience and independent European TSO (Transmission System Operator), is an international reference in the development and maintenance of gas infrastructure and in the operation and management of gas networks. [GRI 2-6]

Energy infrastructures are a core element in the energy transition towards decarbonisation. In addition, natural gas and renewable gases are of great importance in the medium to long term, as they allow the introduction of efficient industrial technologies that improve the intensity of energy use and industry competitiveness, generating direct and indirect employment.

At Enagás we provide our experience to offer new energy solutions that contribute to a low-carbon economy: renewable hydrogen and biomethane (see the 'Renewable gases' sub-section).

Infrastructures are **a core element in the energy transition** towards decarbonisation

Major company milestones

- **1972**: Enagás is founded.
- **2000**: Enagás is appointed as Technical Manager of the Spanish Gas System.
- **2002**: Enagás is listed on the stock exchange.
- **2009**: Enagás is named the sole transporter for the primary gas transmission trunk network.
- **2010**: Acquisition of the Gaviota underground storage facility and 40% of the BBG Plant (Bilbao).
- **2011**: First international acquisition: TLA Altamira plant (Mexico).
- **2012**: International acquisition of the GNL Quintero plant (Chile) and Morelos Pipeline (Mexico). Certification as European TSO.
- **2013**: Acquisition of Naturgas. International acquisition of Soto La Marina Compressor Station (Mexico).
- **2014**: International acquisitions: TGP (Peru), TAP (Europe) and COGA (Peru).
- **2015**: Acquisitions: increased share in TGP (Peru) and Swedegas (Europe).
- **2016**: Acquisitions: increased share in TGP (Peru), Saggas (Spain) and Quintero (Chile).
- **2017**: Acquisitions: increased share in COGA (Peru).
- **2018**: International acquisition of the operator DESFA. Sale of stake in Swedegas.
- **2019**: International acquisition of Tallgrass Energy LP (USA).
- **2020**: Completion of the TAP construction (Europe). Acquisition: increase of Tallgrass Energy LP (USA).
- **2021**: Acquisition (through DESFA) of Gastrade (FSRU Alexandroupolis).
- **2022**: **Sale of 40% of the subsidiary Enagás Renovable. Sale of stake in Quintero Plant (Chile), Morelos Pipeline[1] (Mexico). Sale of stake in Compañía Operadora de Gas del Amazonas (Peru) to Transportadora de Gas del Perú (TgP).** [GRI 2-6]

1. At year-end, Morelos pipeline is pending closing of sale.

Activities carried out by Enagás on the gas value chain

[GRI 2-6]

Gas network operation

(Technical Manager of the Spanish Gas System, certified as independent European TSO)

Regasification

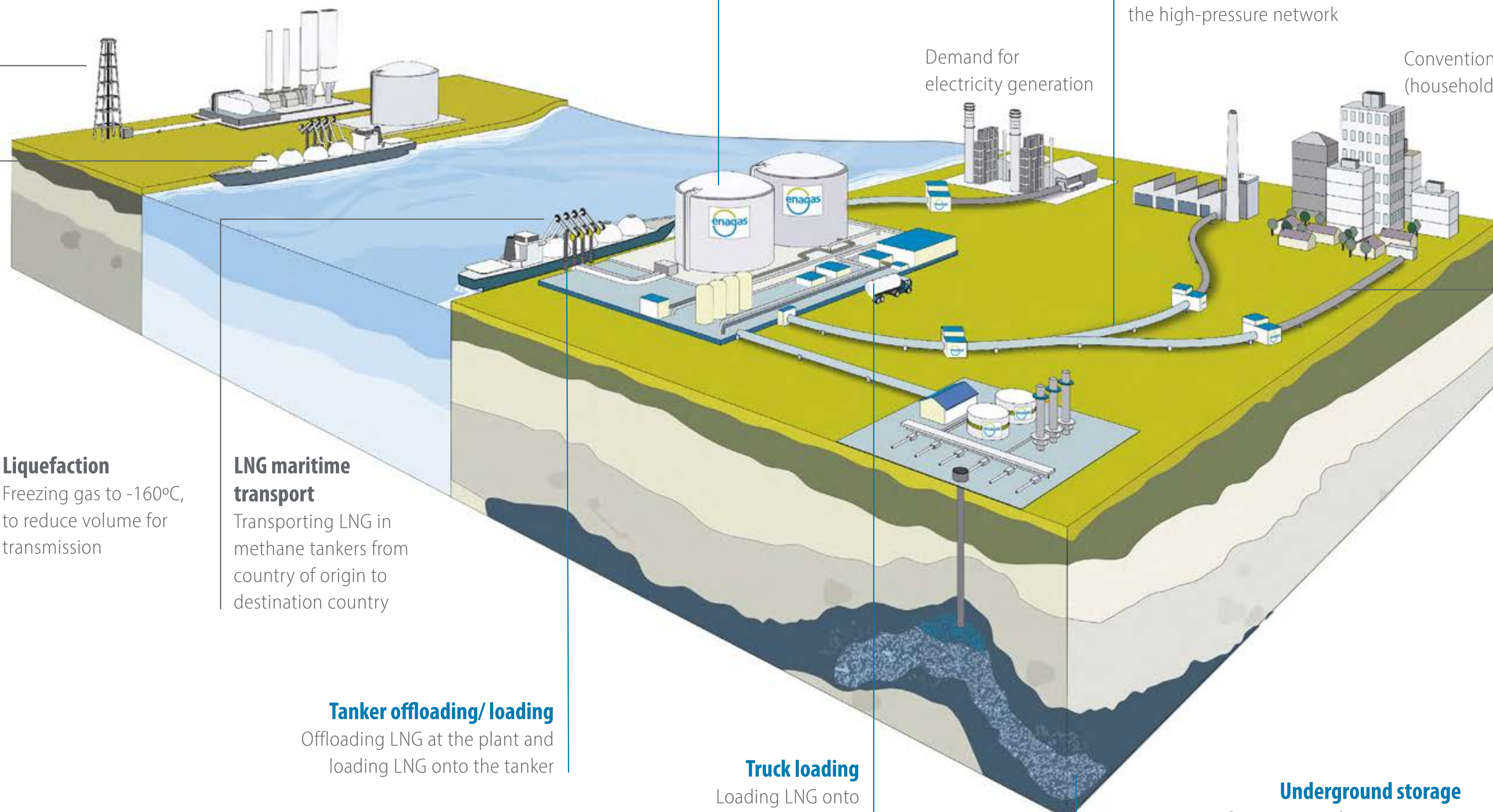
Returning gas to its original gaseous state

Natural gas transmission

Natural gas is transmitted through the high-pressure network

Demand for electricity generation

Conventional demand (household/commercial and industrial)



Extraction

Extracting natural gas from the gasfield

Liquefaction

Freezing gas to -160ºC, to reduce volume for transmission

LNG maritime transport

Transporting LNG in methane tankers from country of origin to destination country

Distribution to customers

Distributing natural gas to end customers for consumption

Tanker offloading/ loading

Offloading LNG at the plant and loading LNG onto the tanker

Truck loading

Loading LNG onto tank trucks

Underground storage

Storing natural gas in existing geological structures

More details about **Gas transmission** are available on the corporate website.

● Activities carried out by Enagás on the gas value chain

PURPOSE, VISION AND VALUES

The company's purpose, vision and values, as well as its policies and strategy, are reviewed and approved by the Board of Directors. [GRI 2-12]

Our **purpose** is twofold: to **contribute to ensuring the security of energy supply**, an essential service for the well-being of society. **And to accelerate decarbonisation**, driving innovation and creating value for our stakeholders

PURPOSE

Our purpose is twofold: to contribute to ensuring the security of energy supply, an essential service for the well-being of society. And to accelerate decarbonisation, driving innovation and creating value for our stakeholders.

2030 VISION

- To be the benchmark operator in the decarbonisation of gas infrastructure and to contribute to the security of supply in Spain and Europe.
- To become the future operator of dedicated hydrogen transmission infrastructure.
- To promote the deployment of renewable gases throughout the entire value chain.
- All this, developing innovative solutions in work organisation and technologies that will be key in a context of emission neutrality.

VALUES

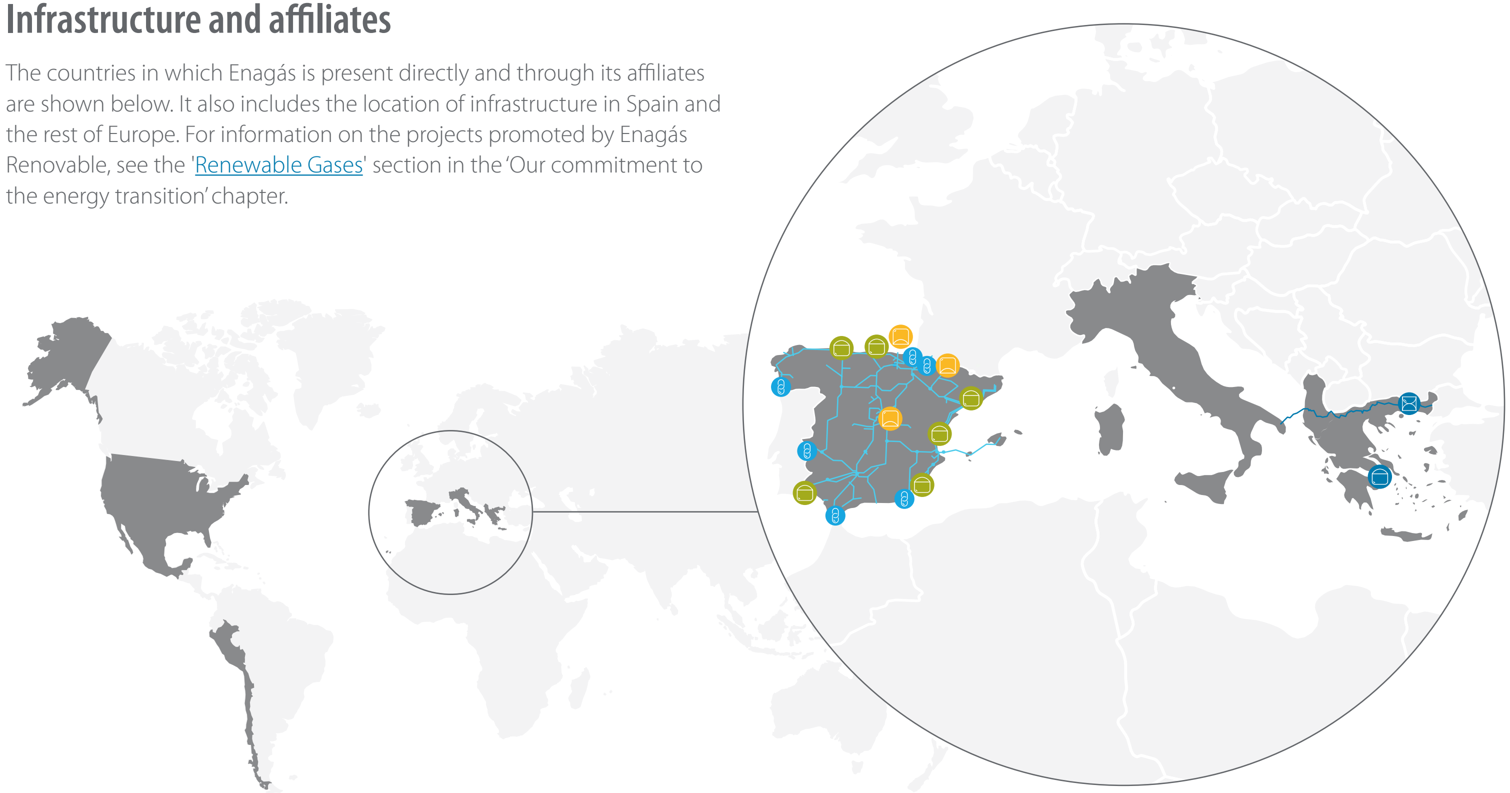
- Efficiency
- Transparency
- Innovation
- Integrity
- Sustainability
- Safety
- Teamwork

GEOGRAPHIES

[GRI 2-1, GRI 2-6]

Infrastructure and affiliates

The countries in which Enagás is present directly and through its affiliates are shown below. It also includes the location of infrastructure in Spain and the rest of Europe. For information on the projects promoted by Enagás Renovable, see the 'Renewable Gases' section in the 'Our commitment to the energy transition' chapter.



ENAGÁS IN SPAIN

~11,000 KM OF GAS PIPELINES

6 LNG PLANTS

- Barcelona Plant
- Huelva Plant
- Cartagena Plant
- El Musel Plant [3]
- Saggas Plant (72.5%) [1]
- BBG Plant (50%) [1]

3 UNDERGROUND STORAGE FACILITIES

- Gaviota storage facility
- Yela storage facility
- Serrablo storage facility

19 COMPRESSOR STATIONS

6 INTERNATIONAL CONNECTIONS

HEAD OFFICE (MADRID)

AFFILIATES [1] [2]:

- Tallgrass Energy (30.2%) (USA)
- TLA Altamira Plant (40%) (Mexico)
- Soto La Marina compressor station (50%) (Mexico)
- DESFA (11.88%) (Greece)
- Trans Adriatic Pipeline (TAP) (16%) (Greece, Albania and Italy)*
- Transportadora de Gas del Perú (TgP) (28.95%) (Peru)
- Enagás Renovable (60%) (Spain and Chile)
- Saggas Plant (72.5%) (Spain)
- BBG Plant (50%) (Spain)

* Between January 1, 2023, and the approval of this report, Enagás increased its stake in the affiliate Trans Adriatic Pipeline (TAP) to 20%.

(1) Affiliate without operational control. The percentage ownership is specified in brackets.
(2) Morelos gas pipeline (50%) pending closing of sale.
(3) In final stage of administrative processing.

Pipeline
GNL Plant
Underground storage facility
Compressor station
International connection
Head office

OUR COMMITMENT TO THE ENERGY TRANSITION

STRATEGY

New energy paradigm

Business context

Russia's invasion of Ukraine has put the EU's energy security at risk, highlighting the vulnerability of external energy dependence in terms of prices, reliability and availability of supply.

The Spanish Gas System had already demonstrated its robustness after the cessation of Algerian gas imports through the Maghreb pipeline in October 2021 after 25 years in service. And the new European context has brought the need for greater exports through interconnections via France, having reached a historic milestone of annual exports, contributing to the security of supply of other European countries. The same is true for the fulfilment of filling milestones in the national underground storage facilities to face the winter.

To this end, the response of shippers has been fundamental, expanding their supply basket, and of the gas system infrastructures, where the six operational LNG terminals in the System have guaranteed the supply of the Spanish System at all times and increased the number of LNG loading - with the third-highest historical value - to other terminals in the EU, such as Germany and Italy.

The plants have had to increase their production to compensate for the lower inflows from international connections, and thus their unloading regime. Coordinating the new logistical programmes and the high filling level at all terminals has challenged the system operation and has increased the compression requirements to make this possible.

Demand has decreased by 4% compared to 2021, in a context of high prices and cost-saving measures. The largest declines have been recorded in industrial consumption, most marked in the refining and cogeneration sectors. On the other hand, demand for electricity generation has partially offset this decline, registering its highest values since 2010, mainly due to low rainfall and high electricity exports to the Portuguese and French systems.

Europe, through the Green Deal, the Fit for 55 plan and, this year following the war in Ukraine, the REPowerEU plan to reduce dependence on Russia and accelerate the energy transition, is setting a path towards the integration of the European energy system to make it more resilient and autonomous. The main lines of action are:

- **Diversification of energy sources and commitment to efficiency.** This includes the ambitious goal of reducing, until its eventual elimination, dependence on Russian gas by diversifying sources, developing EU purchases of natural gas, LNG (liquefied natural gas) and hydrogen, as well as improving the resilience of the energy system with more interconnections.

- **Driving the energy transition,** in which renewable hydrogen will play a key role, reaching 20 million tonnes consumed in the European Union by 2030, half of which could be imported. It also aims to increase biomethane production to 35 bcm by 2030.

The materialisation of REPowerEU is supported by initiatives such as the European Hydrogen Backbone, in which 31 European TSOs (Transmission System Operator) are taking part, including Enagás, and which promotes the development of a network of hydrogen corridors in Europe, among which is the Iberian Corridor. A network based on reusing existing gas infrastructures by 60% to 75% to make the process efficient. TSOs are therefore best placed in Europe to adapt these infrastructures to hydrogen and to facilitate the necessary new ones to materialise.

The current proposal for EU legislation envisages a centralised hydrogen infrastructure in Europe by 2030, managed by Hydrogen Network Operators (HNOs), and it is envisaged that TSOs will be able to play this role. This makes us a key figure in realising REPowerEU's objectives.

Enagás is working to boost domestic production of renewable hydrogen in Spain as well as in the development of new hydrogen connections with France and Portugal by 2030.

Spanish TSO Enagás, French TSOs Teréga and GRTgaz and Portuguese TSO REN have signed a Memorandum of Understanding (MoU) ratifying their commitment to collaborate to develop the H2Med project, the first renewable hydrogen corridor in the European Union, in line with the mandate of the governments of the three countries announced at the Euro-Mediterranean Summit on December 9, 2022. The objective of this collaboration is for this infrastructure to be operational by 2030. The first step was the presentation on December 15 of the H2Med candidacy as a European Union Project of Common Interest, together with the first axes of the future national backbone network that will connect the renewable hydrogen production centres with domestic demand and with the two international interconnections with France and Portugal.

Enagás will play a key role, in collaboration with other European TSOs, **in the integration of the European energy system**

Alongside the critical importance of gas infrastructures, our Strategic Plan is built on the conviction that Europe will realise its commitment to the creation of a genuine market for renewable gases, for the following reasons:

- Europe has the industrial capacity to do so.
- Learning curves and economies of scale will drive down the price of hydrogen, making it competitive sooner than initially expected.
- The European Union has the political will and determination to make this happen and, to this end, is promoting a favourable regulation for the creation of a hydrogen market in Europe.

In short, Enagás is a leading TSO, and our Strategic Plan also positions us as a leading HNO (Hydrogen Network Operator) in the 2030 horizon, promoting the development of renewable gases, mainly renewable hydrogen, and making a significant contribution to the security of supply of the European energy system.

Regulatory vision to 2030

In Spain, the 2021-2026 regulatory framework is stable and transparent, and establishes a period of six-years without intermediate revision. This framework supports climate and energy targets by establishing incentives to keep the gas system infrastructure available, and to fulfil the role assigned by the Spanish National Integrated Energy and Climate Plan for natural gas and renewable gases in the energy transition process. This shows that the use of existing gas infrastructure is essential if advances are to be made in energy transition at the lowest cost.

However, this new paradigm requires regulatory action to speed up the energy transition and highlight the crucial role of Enagás' infrastructure for Europe's energy security:

- From 2022 to 2026, a period that requires maintaining regulatory stability and anticipating the new energy model.
  - Adapting CAPEX and OPEX standards to the current situation.
  - Recognising the costs of decarbonisation and those that increase the efficiency of the system.
  - Accelerating authorisations to anticipate the decarbonisation of our infrastructures.
  - Integrated planning of electricity, gas and the future hydrogen network.
- From 2027 to 2030, a period in which the regulatory foundations for new renewable gas networks, especially hydrogen, are laid.

- A framework that enhances the value of natural gas infrastructures and their subsequent adaptation to hydrogen.
- A stable regulatory framework that allows for:
  - Enagás to become a future HNO operator.
  - Ensuring return on investment and adequate profitability.
  - Temporary coexistence of natural gas and H_2 networks.
  - A framework for the development of research work on saline storages for H_2.

2030 Strategic Plan

Strategic priorities [GRI 2-23]

Our strategy has a clear purpose: to contribute to security of supply and decarbonisation, creating value, working towards sustainable and profitable growth and focusing on Spain and Europe.

TSO AND HNO OF REFERENCE IN EUROPE

Guaranteed supply | Decarbonisation | Value creation | Sustainable and profitable growth | Focus on Spain and Europe

RESILIENT STRATEGY FOR LONG-TERM SUSTAINABLE GROWTH IN SPAIN AND EUROPE

Sustainable and profitable growth	• Security of supply and decarbonisation. • Focus on Spain and Europe. • Promotion of renewable gas development. • Innovation, technology and digitalisation to accelerate decarbonisation. • Relevance of cybersecurity.
Transformation	• Focus on people, processes and new ways of working. • Digitalisation boost. • Strategic talent management. • Diverse and inclusive environment.
Operational excellence	• 100% technical and operational availability of our infrastructures. • Operational flexibility. • Efficiency plan to absorb inflation.
ESG (Environmental, Social, Governance)	• Sustainability/ASG due diligence. • Commitment to carbon neutrality.

Growth drivers

The four axes of company growth are presented below under a regulated or contractual business model approach, and discipline in required returns as well as capital allocation policy:

Core and adjacent businesses infrastructure	Innovation, tech-nology and digitalisation	International de-velopment	Projects of our subsidiary Enagás Renovable
• Gas and transition infrastructures for security of supply, decarbonisation, maintenance/life extension, efficiency and safety. • REPowerEU interconnections. • Renewable hydrogen infrastructures (transmission and storage). • Adjacent businesses (small-scale LNG).	• Incorporate the technology necessary for the competitive development of new activities in the field of energy transition. • Develop and promote new businesses adjacent to the core activities of Enagás: infrastructure operation and market development. • Transformation and digitalisation of the company to facilitate new ways of working.	Europe as a strategic focus of Enagás' investment plan: contributing to security of supply and decarbonisation in Europe.	• Develop projects for the production of renewable hydrogen to promote the decarbonisation of all sectors, favouring the dynamisation of the industrial fabric. • Develop projects for biomethane production to promote efficient waste management that contributes to the development of a circular economy.

Most of the investments included in this Strategic Plan have a business model that is currently regulated or will be regulated in the near future, or will have contracts that guarantee a security of returns comparable to that of regulated activity.

The investment plan included in the company's financial forecasts for the 2022-2030 period amounts to 2,775 million euros.

The Plan also includes the interconnection infrastructure projects that will be necessary for a real integration of the European energy market and which are currently being analysed by the EU.

On the other hand, the Efficiency Plan 2022-2026 to minimise the impact of inflation on the Company's manageable costs has been reinforced. This Plan presents the following levers:

- Efficiency in infrastructure management, both in terms of O&M and energy costs.
- Internalisation of infrastructure maintenance.
- Digitalisation boost.
- Exhaustive control of corporate expenses.
- Innovative solutions with a focus on efficiency and process improvement.
- Optimisation of the management structure while maintaining a commitment to employment.

With respect to this Plan, the company's high level of operational efficiency is noteworthy, with a highly optimised cost base. Furthermore, CEER (Council European Energy Regulator) and GTBI (Gas Transmission Benchmarking Initiative) have rated Enagás as one of the most efficient TSOs in Europe.

Targets linked to variable remuneration

[GRI 2-19, GRI 2-20, GRI 2-23, GRI 2-24]

Strategic priorities are established as company targets linked to the variable remuneration of all Enagás professionals, including the Chief Executive Officer, thus linking remuneration to environmental, social and economic targets.

Moreover, Enagás has a Long-Term Incentive Plan in place, requiring the fulfilment of objectives aligned with strategic priorities, thus linking remuneration to the commitment to long-term management.

We have achieved 86.4% compliance of our 2022 annual targets, and we are on track to achieve our long-term objectives.

See details of the 2022-2024 ILP targets, the 2022 yearly targets and the 2023 yearly targets in the Annual Report on Directors' Remuneration.

Sustainability is one of the **targets linked** to the **variable remuneration** of all employees

TARGETS LINKED TO VARIABLE REMUNERATION

Strategic priorities	2022–2024 Long-Term Incentive Plan targets (% weighting)	Yearly targets 2022 (% weighting)	Achievement of 2022 targets (%)
Shareholder remuneration	Total shareholder return (25%): • Relative TSR: Enagás position in the ranking of the Comparison Group. • Absolute TSR: share price target attainment in 2024.	Improving the company's financial results (25%) • Profit after tax at December 31, 2022.	81%
Regulated assets	Funds from operations (20%): • Accumulated results corresponding to the Company's Funds From Operations (FFO).	Strengthening regulated revenues (20%) • COPEX investments made in 2022 in infrastructure projects.	78%
International growth	Dividends (20%): • Dividends from international affiliates and other businesses.	Development of international activities (20%) • Subsidiary budget compliance. • Subsidiary business plan fulfilment and growth promotion. • Strategic market monitoring and stakeholder management.	99%
Sustainability	Decarbonisation, diversity and inclusion (20%): • Decarbonisation: • Reduction of CO_2 emissions in line with the decarbonisation pathway (emissions 2024 vs. emissions 2021). • Investment in renewable gases: investment and associated studies regarding the adaptation of infrastructures for the transmission of renewable gases. • Diversity and inclusion: • Percentage of women on the Board of Directors. • Percentage of women in managerial and pre-managerial positions. • Percentage of promotions that are women in managerial and pre-managerial positions.	Sustainability and decarbonisation: (20%) • Positioning Enagás vis-à-vis socially responsible investors. • Advancing the ecological transition. Climate action: reduction of greenhouse gas (scopes 1 and 2) and methane emissions. • Promote renewable H_2 and biomethane through the consolidation of identified projects and the promotion of mobility projects. • Promoting diversity and equal opportunity, people and cultural transformation. • Consolidation of Enagás' positioning as a key player committed to decarbonisation, the development of renewable gases and diversity and equal opportunity, through the media, digital assets and social networks, participation in forums and events, and internal communication.	82%
Digitalisation and diversification	Implementation of the Digital Transformation Strategy and improvement of indicators and strengthening the positioning of Enagás' digital assets (15%): • Development of priority initiatives from the Roadmap for the 2022-2024 Digital Transformation Framework and improvement to the 2022-2024 Digital Transformation indicators. • Development and execution of the company's digital asset strategy for the 2022-2024 period and improvement of indicators.	Boosting digitalisation, corporate innovation and service provision (15%).	95%
		TOTAL ACHIEVEMENT	**86.4%**

DECARBONISATION AND CARBON NEUTRALITY

Targets and roadmap to decarbonisation

[GRI 3-3, GRI 305-5]

Greenhouse gas emissions reduction targets

Enagás is committed to achieving carbon neutrality by 2040. To this end, it has outlined a decarbonisation pathway with emission reduction targets aligned with the 1.5ºC temperature increase scenario. In addition to these targets in 2022 we added a medium-term target for 2026.

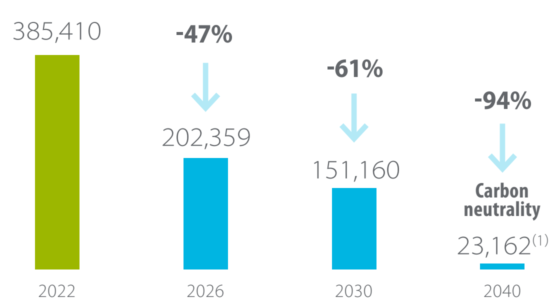
The Scope 1 and 2 emission reduction targets include the Global Methane Alliance methane emissions reduction commitment, which will reduce methane emissions from our business by 45% by 2025 and 60% by 2030, compared to 2015 levels.

In addition, we are keeping our emissions reduction targets linked to variable remuneration (see the 'Targets linked to variable remuneration' sub-section):

- Annual target management programme: Enagás sets annual targets linked to the reduction of energy consumption, as well as to its own generation of electricity from efficient, clean and renewable sources.
- Long-Term Incentive Plan: from 2016 Enagás includes emissions reduction targets in its Long-Term Incentive Plan. The 2022-2024 Long-Term Incentive Plan contains an emissions reduction target.

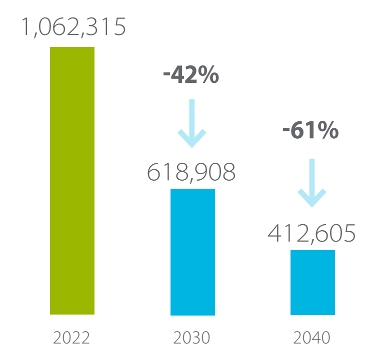
In addition, the company has set the following targets for the reduction of its indirect Scope 3 emissions:

UPDATE OF SCOPE 1 AND 2 EMISSIONS REDUCTION TARGETS (t CO_2e)



(1) Carbon neutrality will be achieved in 2040 with 23,162 tonnes of CO_2e offset by nature-based solutions projects (reforestation).

INDIRECT EMISSIONS REDUCTION TARGETS (SCOPE 3) (t CO_2e)[1]



(1) Targets corresponding to 100% of indirect Scope 3 emissions, the most significant of which include emissions derived from natural gas flowing on and off our infrastructure network, emissions from our affiliates and our main suppliers (GHG Protocol categories 1, 2, 3, 4, 5, 6, 7, 9, 11, 15).

These targets reinforce the commitments adopted through its adherence to various international climate action initiatives:

- Science Based Targets[1]: we are committed to setting out targets based in science.
- We Mean Business: we are committed to driving policies towards a low-carbon economy, setting a carbon price and reporting climate change information in corporate publications.
- Global Methane Alliance: we are committed to reducing methane emissions from our activity by 45% by 2025 and 60% by 2030 with respect to 2015 figures.
- Methane Guiding Principles: we have signed up to commitments on methane emissions reduction and transparency.
- Oil & Gas Methane Partnership (OGMP 2.0): we have joined the reporting framework initiative aimed at improving the quantification and reduction of methane emissions.

Decarbonisation of our operations

In order to meet the carbon neutrality and scope 1 and 2 emissions reduction targets established in the decarbonisation pathway, Enagás is applying the mitigation hierarchy by implementing specific actions that Enagás has identified and planned as part of its Energy Efficiency and Emissions Reduction Plan.

In this regard, Enagás is working on a plan to electrify turbocompressors in compressor stations and underground storage facilities by 2040. In 2022, this plan was updated in line with the new operating context (see the 'New energy paradigm' and 'Climate action and energy efficiency' chapters), taking into account the following factors when selecting facilities:

- Acton the facilities that are going to be more intensive in operation (higher CO_2 emissions).
- Make the most of the useful remunerative life of the facilities.
- Match interventions to the need for maintenance development to minimise costs.
- Act on facilities with restrictions, either due to atmospheric emissions (NO_x emission limits) or due to operational problems which could compromise their operation.
- Have H2-ready facilities distributed along the main axes of the gas system.

This plan foresees the electrification of 14 turbocompressors in the 2023-2031 period. The first electric engine is planned to be launched in 2023, followed by two in 2024 and six in 2026 until the plan is complete in 2031.

As a complementary measure to the implementation of the Turbocompressor Electrification Plan, Enagás proposes the use of biomethane as an operating gas. Taking into account the current conditions of biomethane supply on the market, the company estimates that it could start with the procurement of 280 GWh/year of biomethane on the market from 2025, increasing as necessary to meet the targets set.

Once the maximum technically possible reduction has been achieved at the facility level, with the above measures and those included annually in the Enagás Energy Efficiency and Emissions Reduction Plan, the subsequent neutralisation and compensation of residual emissions will be addressed. For this, carbon capture and storage solutions are being studied, as well as alternatives to reach carbon neutrality in the points where the previous options are not possible and/or profitable (offsetting - reforestation).
[GRI 3-3, GRI 305-5]

1. At the time of writing, SBTi has not yet defined a methodology for the Oil&Gas sector covering Enagás' midstream activities. However, Enagás incorporates SBTi's main recommendations in its target-setting methodology.

Decarbonisation of our value chain

To achieve the scope 3 emission reduction targets, namely 25% reduction by 2030 and 50% reduction by 2040 as compared to 2021, Enagás is working to:

- Developing renewable gases, renewable hydrogen and biomethane, both in their production and in the adaptation of existing infrastructures to transport them (see the 'Renewable gases' sub-section in this chapter).

- Promoting new uses for natural gas in mobility, mainly in maritime and rail transport (see the 'Sustainable mobility' sub-section in this chapter).

- Collaboration with the company's affiliates (see the 'Affiliates' section in the 'Environmental, social and governance (ESG) management' chapter), supply chain (see the 'Supply chain' section in the 'Environmental, social and governance (ESG) management' chapter) and companies and sectoral associations in the field of decarbonisation (see the 'Climate action and energy efficiency' section of the 'Environmental, social and governance (ESG) management' chapter). [GRI 3-3, GRI 305-5]

Renewable gases

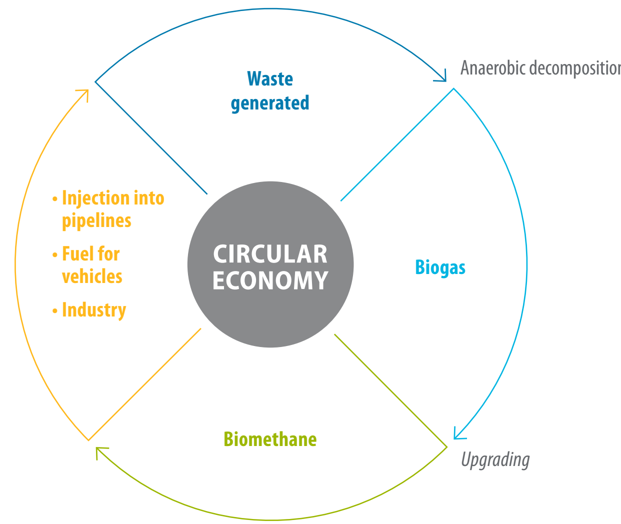
[GRI 201-2, GRI 203-1, GRI 203-2]

Security of supply and decarbonisation are the main axes on which the new European energy paradigm is based. These axes reinforce Europe's renewable energy and energy efficiency while allowing new infrastructure developments to be driven forward to integrate EU markets.

Spain occupies a privileged position thanks to its geographical location and its consolidated network of infrastructures and international connections. It is poised to become a leading country for the production and export of non-electrical renewable energies (hydrogen and biomethane), indispensable energy vectors that contribute to the development of a circular economy and to the energy transition process, as they enable progress towards a carbon-neutral economy.

See the **Enagás** informational video on renewable gases.

BIOMETHANE



Renewable hydrogen, which is obtained from electrical renewable energy, is an energy vector for the future and a key solution for storing renewable energy. It also has multiple applications, as it can be used in all energy sectors (industry, mobility, domestic-commercial and electricity generation).

Biogas obtained from waste is a source of renewable, local and storable energy, with a positive impact on employment and the rural economy. After a process of cleaning and CO_2 separation, the biogas transforms into biomethane: a totally renewable gas, of equivalent quality to natural gas, that can be injected into the transmission network.

At Enagás, we want to actively contribute to the energy transition process, promoting the integration of renewable gases in the Spanish and European Gas System.

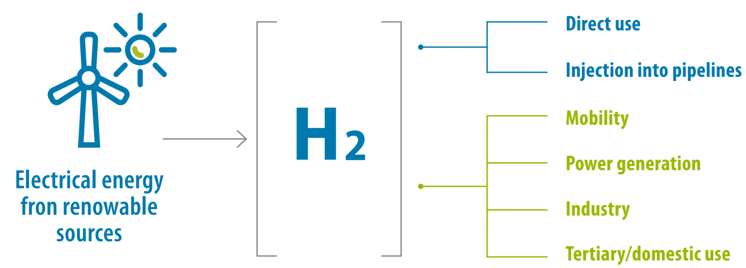
Enagás is working towards the **integration of a European energy system** through infrastructures, the promotion of a future hydrogen network in Europe and the creation of a market for renewable gases

Renewable hydrogen infrastructures

As a leading TSO in Europe, Enagás can and must be a key player in the decarbonisation process and contribute its experience and knowledge to the adaptation of existing infrastructures and the development of new ones.

In fact, Enagás is one of the 31 European gas infrastructure operators driving the European Hydrogen Backbone plan for the development of a dedicated hydrogen transmission infrastructure.

RENEWABLE HYDROGEN



In April 2022, Enagás set up the subsidiary Enagás Infraestructuras de Hidrógeno, through which the company is spinning off its functions as a natural gas infrastructure operator (TSO) for the possible future management of hydrogen infrastructures. Its objective is the development, construction and operation of infrastructures to meet the need for hydrogen transmission and storage, in line with national and European legislation, plans and roadmaps.

Through this subsidiary, we are already developing large-scale demonstration projects with pipeline hydrogen logistics as the core and main system. The technical specifications required for the construction of pure hydrogen pipelines are also being reviewed and modified.

With regard to the adaptation of existing infrastructures, Enagás is evaluating and testing equipment and materials, considering, among other factors, safety and regulatory matters. Enagás is also simulating the capacity for hydrogen injection of the current gas pipeline network, and analysing the possibility of transmitting pure hydrogen in existing pipeline network splits.

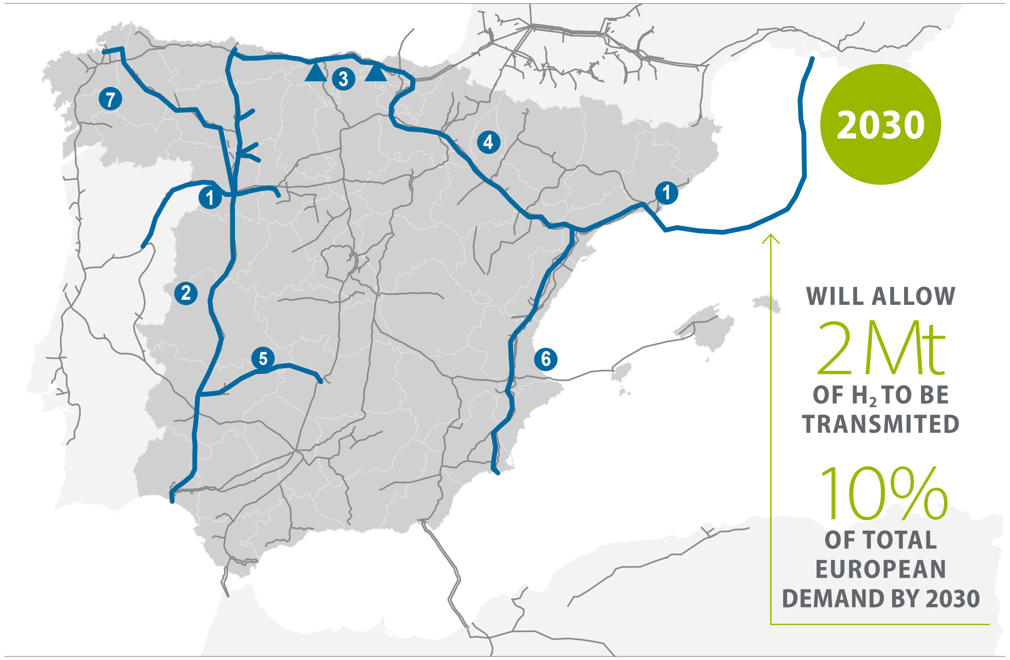
Work is also being done on identifying potential geological structures for seasonal underground storage of this new energy vector, and also on developing a roadmap to ensure that this infrastructure is viable.

We offer the energy market our experience and knowledge of energy infrastructures to address the challenge of creating a hydrogen infrastructure network in Spain and Europe and, with it, to reinforce and guarantee the security of supply of the European Gas System.

H2Med, first European green corridor

The first European green corridor (H2Med), submitted in December 2022 by the European TSOs Enagás, GRTgaz, Teréga and REN as a candidate for a European Union Project of Common Interest (PCI), includes two backbones for the national hydrogen network, with two possible underground storage facilities.
[GRI 201-2, GRI 203-1, GRI 203-2]

SPAIN, FIRST HUB IN EUROPE



Spanish H_2 Backbone by 2030*

Transmission and storage projects submitted to PCI call for proposals

HIGH H_2 PRODUCTION POTENCIAL CONNECTION WITH UNMET LOCAL DEMAND

1 H2Med (Barmar-CelZa)
2 Vía de la Plata Axis
3 Cornisa Cantábrica Axis
4 Valle del Ebro Axis

CONNECTION "H_2 VALLEYS" FOR SUPPLY GUARANTEE

5 Puertollano Connection
6 Levante Axis
7 A Coruña - Zamora Connection
Project submitted by Reganosa to the PCIs
▲ Underground storage facilities H_2

*This network is subject to what is defined in the Government's Binding Planning and prior cost-benefit analyses (CBA).

The implementation of the project will turn Spain into the first renewable hydrogen hub in the world. It will include the first axes of the national backbone network that will connect renewable hydrogen production centres with domestic demand and the two international interconnections with France and Portugal.

The design basis for these infrastructures is the so-called "Spanish hydrogen backbone", which Enagás has been designing for several years. Expansion and development is planned as production and demand for hydrogen from renewable energy sources grows.

Promoted by the governments of Spain, Portugal and France, H2Med includes two cross-border infrastructures, one between Celorico da Beira (Portugal) and Zamora, and the other, underwater, between Barcelona and Marseille (France). These are promoted by the respective gas system managers and transporters: Enagás on the Spanish side, REN on the Portuguese side, and GRTgaz and Teréga on the French side.

Together with the axes, two proposals have been submitted to assess the feasibility of two underground hydrogen storage facilities located in salt caverns in Cantabria and the Basque Country, with the aim of increasing the flexibility of the new system and guaranteeing continuity of supply throughout H2Med.

The two axes are considered as a single PCI candidate, but each warehouse has an independent candidacy, in which different promoters could participate. These projects fit into the framework of the PCIs, as they are thought to reinforce and facilitate international linkages.

Spanish Hydrogen Backbone

H2Med is the starting point for positioning Spain as Europe's leading hydrogen hub. The country has a high potential for renewable energy generation, a robust infrastructure network, industrial capacities, a favourable geographical position and a high level of collaboration with public administrations.

[GRI 201-2, GRI 203-1, GRI 203-2]

The estimated renewable hydrogen production potential in Spain in 2030 is between two and three million tonnes and in 2040, between three and four million tonnes.

As for the potential demand for renewable hydrogen, in 2030, it is estimated at:

- 1.3 million tonnes of domestic demand, which includes industries that are difficult to decarbonise (refining, chemicals, steel and ceramics). Likewise, heavy transport, which could be a potential additional demand, is not included.

- 2 million tonnes of exports via H2Med (BarMar, an underwater infrastructure between Barcelona and Marseille).

Nevertheless, the final renewable hydrogen targets will be defined in the PNIEC update.

The unequal distribution between production and demand in Spain justifies the need for a hydrogen transmission network. For this reason, different transmission and storage projects have been submitted to calls for PCIs (Spanish Hydrogen Backbone to 2030[1]).

Enagás also proposed the Spanish Hydrogen Backbone to 2040, taking into account the synergies with the gas network, with which it has more than 80% overlap in routes[2]. This entails a series of advantages, such as a reduction of up to 50% in processing times, more than 30% savings in costs or rights of way and passage, among others.

Enagás' current gas pipeline network is technically ready for hydrogen. Enagás has already identified more than 30% of reusable pipeline sections and the aim is to increase this percentage to 60-70%.

Management of the system of guarantees of origin of renewable gases

Enagás GTS has taken over the management of the system of guarantees of origin of gas from renewable sources, including renewable hydrogen. As established by the Spanish Government by Royal Decree, this system will allow producers, shippers and consumers to ensure the renewable origin of energy and differentiate it from fossil fuel gas. Thus, each megawatt-hour (MWh) of 100% renewable gas will result in the issuance of a guarantee of origin with information on where, when and how the gas was produced. Therefore, the guarantees will provide added value when it comes to shipping the gas, which will encourage its consumption and consequently benefit the environment.

In addition, the regulation will create a Registry of Renewable Gas Production Devices and a Committee of Subjects of the Guarantees of Origin System. Producers, shippers and retailers will be able to trade guarantees of origin in a transparent and secure way within the system, which will document the production, transfer (including import and export) and redemption of guarantees of origin.

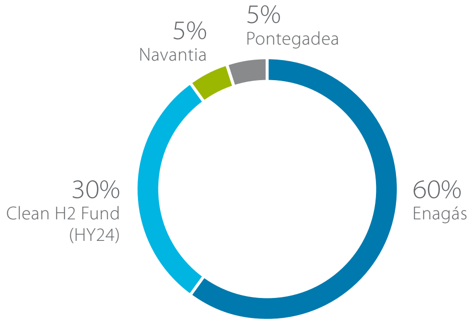
Production of renewable gas through the Enagás Renovable subsidiary

In addition, Enagás, through its subsidiary Enagás Renovable, is developing specific projects focused on producing renewable hydrogen. These are projects aimed at decarbonisation and a just and inclusive transition, drivers throughout its value chain, which promote the development of the industry, create sustainable jobs and, whenever possible, are developed jointly with other partners. The CNMC has defined an operating framework for the definition of Enagás Renovable activities.

Enagás Renovable has a portfolio of some 25 renewable hydrogen development projects and 21 biomethane development projects distributed throughout Spain, in collaboration with other partners.
[GRI 201-2, GRI 203-1, GRI 203-2]

1. This network is subject to what is defined in the Government's Binding Planning and prior cost-benefit analyses (CBA).
2. Contemplates backbone, excluding H2MED.

ENAGÁS RENOVABLE SHAREHOLDING



[GRI 201-2, GRI 203-1, GRI 203-2]

Sustainable mobility

[GRI 203-1, GRI 203-2]

Enagás is committed to decarbonising transport by promoting the use of natural gas and renewable gases in mobility.

Natural gas plays a highly relevant role in ensuring security of supply and competitiveness, while meeting the energy requirements of highly demanding sectors, such as intensive industry or segments that are difficult to electrify, where there are currently no solutions that can meet the requirements of the majority of users. In the field of heavy and maritime transport, natural gas is positioning itself as one of the most sustainable and realistic fuels in the short-term, key to reducing emissions and immediately improving air quality.

The use of natural gas as a fuel for transport would allow for NO_x emissions to be reduced by 80-90%, CO_2 emissions to be reduced by 20-30% and SO_x emissions and particles by practically 100% compared to traditional fuels. This makes natural gas a sustainable alternative for mobility and heavy, maritime and rail transport.

Its contribution is particularly important in the case of maritime transport, as it allows vessels to adhere to new environmental regulations set forth by the International Maritime Organisation (IMO) and European Directive 2016/802.

Enagás is committed to decarbonising transport by promoting the use of natural gas and renewable gases

As part of our commitment to innovation, at Enagás, we have made technical adaptations to our liquefied natural gas (LNG) plants which are now ready to offer new services related to the role of gas as a fuel, such as bunkering (supplying fuel for ships). In addition, we are promoting these new uses through our coordination in projects such as 'CORE LNGas hive' and 'LNGhive2', as well as through our participation in other projects with European CEF funds in the road and railway field, such as the ECO-net and RAILNG projects and the retrofitting of a freight locomotive to use LNG.

The European Union allocates around 45 million euros to the CORE LNGas hive and LNGhive2 projects, which Enagás is driving through the Connecting Europe Facility (CEF), which promotes more sustainable and efficient transport.

Among other projects, the European Commission supports with 20 million euros the development of two new projects for the supply of LNG to ships (bunkering) in the ports of Barcelona and Algeciras, coordinated by Enagás and developed by its subsidiary Scale Gas. These projects are part of the 'LNGhive2' institutional strategy, managed by Puertos del Estado, aimed at promoting the development of the LNG market as marine fuel and to ensure supply in ports, in compliance with European Directive 2014/94 on alternative fuels.

In the railway sector, Enagás was one of the companies to participate in the first pilot test in Europe for railway traction using LNG. And as part of the implementation of the Railway Roadmap set out with Renfe, it is working with all segments of rail traction to retrofit diesel vehicles for natural gas in business areas where electrification would be unprofitable.

Enagás is currently developing several projects: the 'BIORAIL' project, whose objective is to test different motorisation technologies with a mixture of renewable gas and hydrogen; the 'Dual mode H2 Train' project, together with Renfe and several partners, for the introduction of the fuel cell for railway traction and its supply chain; and finally, a railcar that has been converted to use LNG is also being adapted for use with biomethane.

Renewable hydrogen is a new energy vector that offers countless possibilities for energy consumption, storage and mobility. It is a real, clean and sustainable alternative to traditional energy sources and therefore, using it as a vehicle fuel also helps towards sustainable mobility.

Within the terrestrial field, the start-up 'Scale Gas' (see the 'Corporate innovation and technology' sub-section in this chapter) is participating in the EU-supported project 'ECO-net', for the construction of 15 LNG supply points integrated into the existing traditional fuel supply network, with the aim of integrating natural gas as another fuel in the energy mix. In addition, in 2021, Scale Gas unveiled the first hydrogen refuelling station in Spain in Madrid. It has a supply capacity of 700 bar and is currently supplying hydrogen to a range of users, including heavy-duty VTC vehicles. [GRI 203-1, GRI 203-2]

Corporate innovation and technology

Innovation and corporate venture

As key part of its strategy, which will be carried out within a future Innovation Plan, Enagás has put in place a programme of corporate entrepreneurship and open innovation for the purpose of supporting and fostering new ideas and business projects which, in accordance with our strategy for promoting decarbonisation and guaranteeing security of supply, will enable us to create value and diversify the business. This programme allows us to gain an early foothold in disruptive technologies and start-ups that are aligned with the improvement of efficiency, competitiveness and sustainability in the energy sector against the current backdrop of energy transition.

The 'Enagás Emprende' initiative seeks projects inside and outside the company related to Enagás' future strategy to drive the energy transition through new business models and disruptive technologies. It is structured along the following lines:

- **Corporate entrepreneurship/Venture Building:** development of business projects and ideas based on Enagás' technical, economic and market-related skills.
- **Venture Capital:** investment and support of start-ups, both directly and through investment funds.
- **Open Innovation:** incorporation of projects and technologies supported by capabilities external to Enagás, through origination tools, the entrepreneurial ecosystem, innovation radar and prospecting reports, among other strategies.

'Enagás Emprende' studies and analyses each proposal individually and offers incubation and acceleration programmes tailored to the needs of each project. These can include financial resources, technical pilots, co-development, support in commercial development, or other forms of support.

For the development of all these initiatives, whenever possible, subsidies, favourable financing and tax deductions will be sought to help facilitate innovation initiatives.

Enagás Emprende also promotes and coordinates cross-cutting projects to transform the company in key areas through innovation, such as the Flagship Projects (alliances between several organisations with the aim of promoting new technologies in an area of common interest using open innovation tools and public funding for innovation).

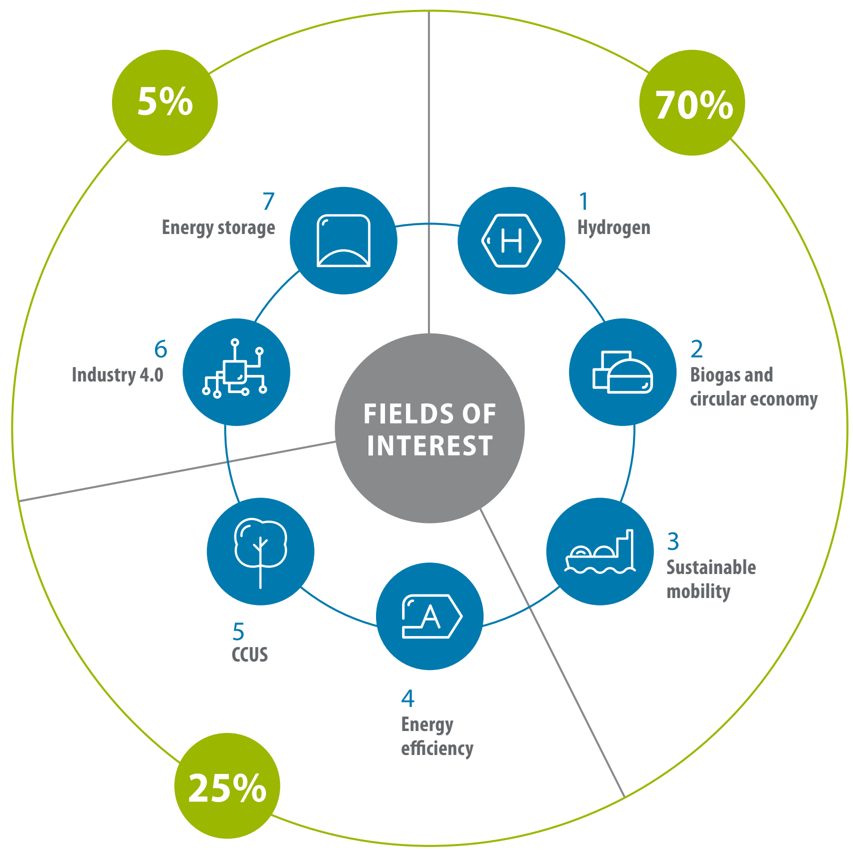
12/2022

Enagás was recognised as **Open Innovation Challenger** at the ICC (International Chamber of Commerce) "Corporate Start-up Stars Awards". The company was named among the top 100 in the world for its work in open innovation and start-up development.

Thanks to the support of 'Enagás Emprende', the following Corporate Entrepreneurship projects have become start-ups.

For further details on the **Enagás Emprende Programme**, visit the corporate website.

ENAGÁS EMPRENDE INVESTMENT VERTICALS IN 2022



START-UPS FROM OUR CORPORATE ENTREPRENEURSHIP/ VENTURE BUILDING PROGRAMME

VIRA GAS IMAGING www.viragasimaging.com	Start-up offering consulting services in high precision gas detection and quantification. It assists their customers to comply with environmental laws and regulations, improve their carbon footprint and achieve greater efficiency in their business operating processes. Since 2020, the technology engineering company INERCO has been its majority partner.
e4efficiency www.e4efficiency.es	Start-up with innovative patented technology based on environmentally-friendly cold recovery in the natural gas refrigeration process. Made to encourage large cold-consuming companies to locate themselves near LNG plants. Its ongoing projects notably include its work at the Barcelona regasification plant (together with the Barcelona City Council, Ecoenergies and Veolia as customers), the aim of which is to use the plant's LNG energy to supply the port and the nearby residential area with environmentally friendly cooling, which would result in economic savings of up to 50% and CO_2 savings of up to 90%.
SCALE GAS www.scalegas.com	A start-up that invests in small/medium-scale natural gas/LNG infrastructure (bunkering, service stations, vehicular natural gas, etc.) and renewable gas, as well as in design, execution, operation and maintenance for third parties, commercialising its experience and providing logistics services. This start-up has become a shareholder in the regasification plant in Ravenna (Italy) to collaborate in the development of small-scale LNG in the Mediterranean. It has launched 13 natural gas vehicle refuelling stations and one hydrogen refuelling station, with a development plan to reach 16 natural gas vehicle refuelling stations and 15 hydrogen refuelling stations by 2026. In 2022, this company was incorporated as a business line of the Enagás Group.
SERCOMGAS www.sercomgas.com	Support services to traders in the daily operations in MIBGAS (Iberian Gas Market), acting as the representative agent managing the integral operations of the shippers. Provides services throughout the value chain, ranging from obtaining a licence to ship gas in Spain to back office services, reporting to official entities and training on the gas system. It has more than 60 customers. Sercomgas is the leading company in the provision of consultancy and support services in the operation of the natural gas sector in Spain and Portugal.
H2GREEM GLOBAL SOLUTIONS www.h2greem.com	A start-up that develops, manufactures and markets small and medium-scale hydrogen generators by electrolysis using its own PEM (Proton Exchange Membrane) technology, and which also offers associated operation and maintenance services.

In addition to the aforementioned internal projects, 'Enagás Emprende' has also supported nine external start-ups as an investor and has backed the creation of two investment funds to promote the energy transition.

EXTERNAL START-UPS

SEaB energy www.seabenergy.com	English circular economy start-up that designs and markets small-scale biogas plants for installation in buildings, using organic waste generated on site to transform it into green energy, water and fertiliser.
DualMetha www.dualmetha.com	French start-up with proprietary patented technology for modular biogas plants that manage multiple types of waste, mainly agricultural; the objective of which is to generate biomethane to inject into the gas network.
HYGEN	Latvian start-up that has developed a compressed natural gas fuelling system that allows the rapid refuelling of vehicles in situ. Hygen's compressors are based on a patented technology that provides greater durability and reliability.
TROVANT www.trovanttech.com	Start-up with proprietary biomethane upgrading technology. Its aim is to develop technologies based on biological processes for the treatment and reuse of organic waste, to turn it into valuable products. It has partners such as Repsol, FACSA and Easo Ventures.
SOLATOM www.solatom.com	A start-up that designs, develops and installs solar modules that are easy to transport and install for industries. These give them the ability to provide a sustainable and economical alternative to the fossil fuel boilers currently used in factories.
SATLANTIS www.satlantis.com	Start-up which has developed a new generation of high-resolution binocular optical cameras for satellites. Its technological roadmap is focused on the creation of GEI-SAT constellation and the provision of value-added services to third parties based on the data and images obtained.

DUCTOR www.ductor.com	Finnish-Swiss start-up that has developed a microbiological method that uses waste with high energy potential and high levels of nitrogen to make biogas and organic fertiliser for sale
BASQUEVOLT www.basquevolt.com	Spanish public-private initiative start-up, backed by the Basque Government and CICenergiGUNE, that aims to become the first European gigafactory to develop solid-state batteries. It aims to cover 10% of the European market and was named as one of the "20 Most Innovative Companies to Watch" in 2022 by the Business Worldwide magazine.
sunrgyze www.sunrgyze.com	Start-up developed through venture building jointly with the company Repsol for the development, industrialisation and commercialisation of patented photoelectrocatalysis (PEC) technology for the generation of renewable hydrogen.

INVESTMENT FUNDS

Klima	Venture Capital Fund backed by Enagás and Alantra to boost the ecological transition and decarbonisation. In 2022, fundraising was definitively closed with a total commitment of 210 million euros, with the entry of investors such as the European Investment Fund, Fonditel and the Canadian fund CPPIB, among others.
Hy24	'Infra Venture' global hydrogen fund with the objective of accelerating global hydrogen development with industrial and energy investors. Enagás participated together with two other European TSOs: Snam and GRTgaz. In 2022, this fund purchased a 30% stake in Enagás Renovable.

2022

In 2022, the flagship project **Green2TSO** was launched with the aim of accelerating the hydrogen transformation of the transmission network through new technologies and innovation projects. This project is being carried out together with other TSOs such as REN, Teréga and GRTgaz.

Digital transformation

Enagás continues along the path of digital transformation, which it has been following for the last few years. In 2022, a new, more ambitious Global Digital Plan was drawn up in line with the company's strategy, with a special focus on security of supply and reinforcing cybersecurity.

In this regard, the development of digital products has been proposed; these will be used to continue modernising the systems through the construction of digital platforms that allow for the flexibility and scalability of these products. The architecture will be based on data, democratised and governed to improve the company's decision-making, and valuing these products as highly as any other industrial assets.

In addition, we will work on the technological innovation model that allows us to continuously improve our systems, adapting them to business needs and market standards in an agile way and capturing returns by scaling solutions. All this within a framework of collaboration with the company's internal innovation and the future Innovation Plan and in a way which, at the same time, allows us to attract funding for digitalisation.

Technological innovation

Technological innovation at Enagás is focused on two areas: [GRI 203-1]

- Evolution of the gas infrastructure in line with the decarbonisation of the energy system, considering the inclusion of hydrogen and other renewable gases in a pure or mixed state in the company's infrastructures. In this field, collaboration projects with other TSOs and companies such as 'GreenH2Pipes', 'HYREADY', 'The Next Pangea' and 'Opthycs' (part of the Green2TSO project) stand out.

64% of the investment in technological innovation corresponds to **projects** related to **energy efficiency**

- The improvement of various aspects of the company's current activity, such as natural gas and hydrogen metering, operational safety, the equipment and materials necessary for its activity, energy efficiency, technical efficiency, renewable gas or digitalisation. In 2022, the continuation of the project for new compressor units with the aim of reducing primary energy consumption and reducing greenhouse gas emissions (see the 'Targets and roadmap to decarbonisation' section in this chapter).

In 2022, the amount invested in technological innovation amounted to 8,8[1] million euros, an increase in investment of 38% over 2021. 64% of the investment in technological innovation corresponds to projects related to energy efficiency and 29% to renewable energy.

See the **Data Governance Policy** on the corporate website.

1. This figure comprises the costs associated with the approved projects (amount entered as R&D expenses in the 'Other operating expenses' section of the Consolidated Annual Accounts), procurement of R&D, personnel expenses and the purchase of equipment and instruments.
2. Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2022/1214.

Sustainable finance

Financing linked to sustainability

Enagás has part of its financing linked to decarbonisation targets. From 2019, the price of the syndicated loan has been linked to meeting the company's CO_2 emission reduction targets.

During 2022, work was carried out on the renewal of this loan, for which the emission reduction targets linked to the credit were revised and extended (changes validated through a Second Party Opinion):

- The 2025 targets have been revised in line with the new operating context brought about by the energy crisis (see the 'Climate action and energy efficiency' section in the 'Environmental, social and governance (ESG) management' chapter).

- Targets have been added to 2026 and 2027, in line with the objectives of the company's 2030 Strategic Plan (see the '2030 Strategic Plan' section in this chapter).

- Scope 3 emission reduction targets have been added in line with the targets set by the company for 2030 and 2040 (see the 'Targets and roadmap to decarbonisation' section in this chapter).

In this regard, Enagás has signed the extension of the maturity of this syndicated credit line of 1,550 million euros until 2028 with 12 financial institutions, maintaining its commitment to link the economic conditions to compliance with environmental indicators for the reduction of CO_2 emissions, in line with the targets and roadmap to decarbonisation (see the 'Targets and roadmap to decarbonisation' section in this chapter).

European Taxonomy for Sustainable Activities (contribution to climate change mitigation)

In the framework of the EU Sustainable Finance Action Plan, the EU Taxonomy for Sustainable Activities was developed (Regulation 2020/852 and associated legislation[2]). It aims to establish criteria for determining whether an activity is considered environmentally sustainable for the purpose of determining the degree of environmental sustainability of an investment and to facilitate the use of a common concept of socially sustainable investment by Member States and the European Union.

To date, the technical selection criteria for determining the conditions under which an economic activity is taken to represent a substantial contribution to climate change mitigation and climate change adaptation targets have been established, pending the publication of the delegated regulation detailing the technical criteria associated with the other four environmental objectives (sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems).

In addition, the European Commission has published several communications on the interpretation of the legal provisions (FAQs) included in the delegated regulations, which have contributed to the interpretation of the implementing legislation. However, the current regulatory framework is under development, which implies a continuous review of the criteria and methodologies established by the company to respond to the established requirements.

Eligibility and alignment concepts

An activity is considered eligible when it has the potential to substantially contribute to climate change mitigation or adaptation, while an activity is considered aligned when it meets the criteria of substantial contribution, do no significant harm (DNSH) and the minimum social safeguards set out in the taxonomy regulation, which ensure that the activity is carried out in compliance with characteristics that ensure a contribution to the environmental targets set by the European Union.

Assessment of the eligibility of Enagás' activities

The eligible activities identified by Enagás have the potential to contribute to the climate change mitigation objective and are associated with the area of renewable gases: mainly the adaptation of infrastructure to be able to transport these renewable gases, the construction of hydrogen transmission and distribution pipelines and hydrogen storage (see the 'Our commitment to the energy transition' chapter).

- **Activity 4.14. Transmission and distribution networks for renewable and low-carbon gases:** Enagás, an independent European TSO, is an international benchmark in the development and maintenance of gas infrastructures and the operation and management of gas networks. In line with one of the growth axes of the 2030 Strategic Plan, Enagás is working on the renewal of gas transmission and distribution infrastructures to promote the integration of hydrogen and other low-carbon gases and on the construction of new transmission and distribution networks for hydrogen and other low-carbon gases. Enagás considers all of its gas transmission activity eligible given the potential for such infrastructure to be dedicated to the transmission of renewable and low-carbon gases in the future.

- **Activity 4.12. Storage of hydrogen:** Enagás has three underground natural gas storage facilities. In line with one of the growth axes of the 2030 Strategic Plan, Enagás is currently working on the conversion of these infrastructures into hydrogen storage facilities and the construction of new facilities. Enagás considers all of its gas storage activity eligible given the potential for such infrastructure to be dedicated to the storage of renewable and low-carbon gases in the future.

- **Activity 6.15. Infrastructure enabling low-carbon road transport and public transport:** Enagás' subsidiary ScaleGas has a 700 bar HRS (Hydrogen Refuelling Station) with the capacity to supply hydrogen-powered electric vehicles in Madrid (Spain). This activity is eligible, as the hydrogen refuelling station is considered to be an infrastructure for the circulation of vehicles with zero CO_2 exhaust emissions.

- **Activity 4.1. Electricity generation using solar photovoltaic technology:** Enagás considers eligible projects aimed at generating electricity through photovoltaic panels for self-consumption at some of its facilities, thus improving energy efficiency and reducing greenhouse gas emissions.

- **Activity 3.10. Manufacture of hydrogen:** Enagás considers as eligible the renewable hydrogen manufacture projects for self-consumption that it develops at some of its facilities, thus enabling the improvement of energy efficiency and the reduction of greenhouse gas emissions.

In 2022 Enagás has identified eligible activities differently compared to 2021. This change is due to a different interpretation of the technical criteria established by the regulations for each activity following the new associated regulatory publications (clarifications issued by the European Commission regarding the non-consideration of activities linked to companies consolidated under the equity method), as well as the elimination of projects developed by the subsidiary Enagás Renovable, over which Enagás ceased to have control in 2022. Enagás has calculated, for the purpose of better comparability, the key performance indicators for 2021 using this new approach[1]. [GRI 2-4]

Once the eligible economic activities were identified, for each of them, the projects implemented during the year were identified[2].

Assessment of the alignment of Enagás' activities

To assess alignment, it has been analysed whether eligible projects comply with substantial contribution criteria defined in the Delegated Regulation (EU) 2021/2139: selection technical criteria, do not cause significant harm to any of the other environmental objectives, and comply with the established minimum social safeguards.

In order to assess compliance with the requirements set out by the Taxonomy, Enagás has assessed its existing policies, procedures and processes at a corporate level, as well as detailed documentation at project level.

In assessing the substantial contribution criteria of Taxonomy activities '4.14. Transmission and distribution networks for renewable and low-carbon gases' and '4.12. Storage of hydrogen', documents such as the technical reports of the projects have been assessed to ensure that the nature of the projects under consideration complies with the nature of the activity itself, which is the main requirement for assessing compliance. With regard to the projects associated with activity '3.10 Manufacture of hydrogen', it should be noted that these consist of the production of hydrogen for self-consumption. For these projects, the EU Taxonomy regulations requires threshold requirements to ensure greenhouse gas emission reductions. As these are early-stage projects, these requirements have been included in the investment plan to ensure that the design of the hydrogen manufacturing process meets the established thresholds. Activity '4.1. Electricity generation using solar photovoltaic technology' fulfils the criteria, as it is linked to the installation of solar panels to generate electricity for self-consumption. Likewise, activity '6.15 Infrastructure enabling low-carbon road transport and public transport', part of the work of our subsidiary ScaleGas, also meets the criteria, as it is related to enabling hydrogen refuelling stations.

With regard to compliance with the criteria of no significant harm to other targets (DNSH), Enagás has an analysis of the physical climate risks of its current infrastructure and has control and management measures in place to mitigate them, thereby complying with the DNSH criterion for the adaptation objective (see the 'Climate action and energy efficiency' section in the 'Environmental, social and governance (ESG) management' chapter). In relation to other DNSH matters (water and marine resources, circular economy, pollution and biodiversity), although the criteria differ by activity, in general, the company has an ISO 14001-certified environmental management system, takes specific actions in the field of the circular economy, and each project has its own waste management plan, as well as a management model for natural capital and biodiversity. All of this ensures compliance with the requirements of the Taxonomy (see the 'Natural capital and biodiversity' section in the 'Environmental, social and governance (ESG) management' chapter). In addition, most of the facilities where these projects are taking place have received an Integrated Environmental Authorisation or gone through an Environmental Impact Assessment.

Finally, the taxonomy regulation requires the company to carry out its activities in compliance with Minimum Safeguards in terms of human rights, corruption prevention, proper tax management and respect for fair competition. In this

1. The historical update of eligibility data for 2021 affected all activities reported in 2021. Considering the same reporting scope as in 2022, the recalculated 2021 eligibility values are the following. Associated with activity 4.14: 590.4 million euros turnover (59.6%), 18.2 million euros CAPEX (14.6%), 16.0 million euros OPEX (26.1%). Associated with activity 4.12: 104.4 million euros turnover (10.5%), 18.0 million euros CAPEX (14.4%) and 11.2 million euros OPEX (18.3%). Associated with activity 6.15: 0.1 million euros turnover (0.0%), 0 million euros CAPEX (0.0%) and 0 million euros OPEX (0.0%).
2. Enagás only reports activities related to fully consolidated companies in its financial statements. For the purposes of better comparability with future years, the taxonomical activities carried out by Enagás Renovable have not been included, as from June 2022 this subsidiary began to be consolidated under the equity method.

regard, the different mechanisms that the company has in place to ensure compliance with these requirements are described throughout this report (see the 'People' 'Ethics and compliance' 'Financial and operational excellence', and 'Human rights' sections in the 'Environmental, social and governance (ESG) management' chapter).

Calculation of key performance indicators

The identification of the key performance indicators for the projects associated with the taxonomic activities has been carried out after the closure of the annual accounting consolidation. Projects have been identified for accounting purposes by project code, thus eliminating the potential risk of double counting. In the analysis of the Enagás Group's key indicators 'Total (A+B)' and by business activity (eligibility and alignment of the activity '4.14. Transmission and distribution networks for renewable and low-carbon gases' and '4.12. Storage of hydrogen'), transactions between Enagás Group companies have not been considered.

It is worth noting that, in line with reporting requirements, in 2021 Enagás only reported information on the percentage of eligible activities of the taxonomic KPIs (revenue, CAPEX and OPEX) contributing to these two environmental objectives, while this year, the percentage of aligned activities of the taxonomic KPIs is also reported.

Based on the organisation's existing formal accounting and consolidation procedures, the different economic indicators detailed in the Taxonomy Regulation have been calculated and prepared, taking into account the considerations detailed below.

As for the denominator, the following information relates to eligibility and alignment.

- **Turnover:** revenues from regulated and non-regulated activities and other operating revenues of the Enagás Group (See 'Note 2.1.a. Operating profit, Income' of the Consolidated Annual Accounts).

- **Capital expenditure (CAPEX):** investments in material and intangible fixed assets of the Enagás Group, discounting the effect of IFRS16 accounting standards (See 'Note 2.4. Property, plant and equipment, Supplementary information on IFRS16' and 'Note 2.5. Intangible assets' in the Consolidated Annual Accounts), excluding non-current assets held for sale (8.9 million euros in 2022).

- **Operating expenses (OpEx):** non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs and other direct expenses related to the day-to-day maintenance of property, plant and equipment assets by the company or a third party to whom activities are outsourced and that are necessary to ensure the continued effective operation of such assets. Wages and salaries of personnel involved in the maintenance of the facilities related to the identified activities have not been included as it is not possible to separate them at the accounting level.

Regarding the numerator:

- **Eligible and aligned:** information related to projects that conform with the description of activities included in the taxonomy and comply with substantial contribution criteria, principles of no significant harm to other objectives (DNSH) and minimum social safeguards:

  - Turnover: revenues from regulated and non-regulated activities and other operating revenues associated with economic activities that conform to the taxonomy.

  - Capital expenditure (CAPEX): all allocations during the year to identified project assets associated with economic activities that conform to the taxonomy and those investments that are part of a plan to expand economic activities that conform to the taxonomy or to enable taxonomy-eligible economic activities to conform to the taxonomy. All this without considering amortisation, depreciation or value adjustments.

  - Operating expenses (OPEX): includes operating expenses associated with economic activities that conform to the taxonomy, specifically research and development and maintenance expenses.

The criteria applied for each activity are detailed below:

- **Activity 4.14. Transmission and distribution networks for renewable and low-carbon gases:**
  - Turnover: this includes revenues generated from the transmission of hydrogen and other low-carbon gases are allocated here. There is no income from this activity in 2022, as it has not yet started.
  - Capital expenditure (CAPEX): this includes additions to assets related to the renewal of gas transmission and distribution infrastructures to facilitate the integration of hydrogen (including the necessary auxiliary equipment) and other low-carbon gases and the construction of new transmission and distribution networks for hydrogen or other low-carbon gases by the companies Enagás Transporte S.A.U., Enagás S.A., Enagás Infraestructuras de Hidrógeno, S.L. and Enagás Transporte del Norte S.L. It also includes investment in the studies and research required to adapt the infrastructures. In line with the taxonomy, for those investments related to the retrofitting of auxiliary equipment to support hydrogen transmission, only the proportional volume of the investment that is related to the transmission capacity of hydrogen and low-carbon gases is considered. In relation to projects for the construction of new hydrogen transmission networks, Enagás has an investment plan for 2030 in line with its strategy, and has therefore considered investment in these assets despite their initial nature, as they will be aligned by then.
  - Operating expenses (OPEX): this includes research and development expenses related to the activities of Enagás S.A.

- **Activity 4.12. Storage of hydrogen:**
  - Turnover: this includes revenues generated from hydrogen storage are allocated here. There is no income from this activity in 2022, as it has not yet started.
  - Capital expenditure (CAPEX): this includes additions to assets related to the conversion of these infrastructures into hydrogen storage facilities and the construction of other hydrogen storage facilities of Enagás Transporte S.A.U. Investment in studies and research necessary for the development of the activity is also included. In line with the taxonomy, for those investments related to the retrofitting of auxiliary equipment to support hydrogen storage, only the proportional volume of the investment that is related to the storage capacity of hydrogen and low-carbon gases is considered.
  - Operating expenses (OPEX): there were no operating expenses associated with this activity during 2022.

- **Activity 6.15 Infrastructure enabling low-carbon road transport and public transport:**
  - Turnover: revenue generated by the HRS (Hydrogen Refuelling Station) of the company Scale Gas Solutions, S.L. is allocated here.[1]
  - Capital expenditure (CAPEX): this includes additions to assets related to the HRS, which in 2022 were zero.
  - Operating expenses (OPEX): this includes HRS operating expenses. The following items are included: maintenance, spare parts and telemetry management.

1. In line with the provisions of the 'About our Consolidated Management Report' section on the scope of financial and non-financial information, the financial information of this company is included.

- Activity 4.1. Electricity generation using solar photovoltaic technology:
  - Turnover: the electricity generated is self-consumed at the company's facilities, and there is no income from this activity.
  - Investments in fixed assets (CAPEX): this includes additions in assets related to solar photovoltaic technology that enable the generation of electricity by the companies Enagás Transporte S.A.U. and Efficiency for LNG Applications, S.L.[1]
  - Operating expenses (OPEX): this includes operating expenses associated with the maintenance and repair of photovoltaic power generation assets. There were no operating expenses associated with this activity during 2022.
- Activity 3.10. Manufacture of hydrogen:
  - Turnover: the renewable hydrogen generated is self-consumed at the company's facilities, and there is no income from this activity.
  - Capital expenditure (CAPEX): this includes additions in assets related to the renewable hydrogen production activity for self-consumption.
  - Operating expenses (OPEX): this includes operating expenses associated with the maintenance and repair of the renewable hydrogen production assets. There were no operating expenses associated with this activity during 2022.

  - Eligible and non-aligned: information relating to projects that fit the description of the activities included in the taxonomy, but after assessment are deemed not to comply with the criteria of substantial contribution or the principles of do no significant harm (DNSH) to other goals.
- Turnover, capital expenditure (CAPEX) and operating expenses (OPEX): proportion of the denominator of the company's activity that is eligible but does not meet the criteria to fit the taxonomy. This includes the part of the project KPIs associated with the activities 'Activity 4.14. Transmission and distribution networks for renewable and low-carbon gases' and 'Activity 4.12. Storage of hydrogen', both associated to the transmission and storage of natural gas and considered eligible given their potential for such infrastructure to be dedicated to the transmission and storage of renewable and low carbon gases in the future. However, these projects do not currently meet any of the technical criteria, and are therefore not aligned.

Details of the key performance indicators in the framework of the European Taxonomy for Sustainable Activities are given below.

In 2022, **Enagás allocated 52.9%** of its investment in fixed assets to activities with the potential to contribute to **climate change mitigation** (eligible activities)

1. In line with the provisions of the 'About our Consolidated Management Report' section on the scope of financial and non-financial information, the financial information of this company is included.

TURNOVER

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria: Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	DNSH: Climate change adaptation (12)	DNSH: Water and marine resources (13)	DNSH: Circular economy (14)	DNSH: Pollution (15)	DNSH: Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		Euros	%	%	%	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	%	F	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1.Environmentally sustainable activities (Taxonomy-aligned)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	0	0.0%	0.0%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	0.0%		
Storage of hydrogen	4.12	0	0.0%	0.0%	0.0%	N/A	Y	N/A	Y	Y	Y	Y	0.0%	F	
Infrastructure enabling low-carbon road transport and public transport	6.15	115,753	0.0%	100%	0.0%	N/A	Y	Y	Y	Y	Y	Y	0.0%	F	
Electricity generation using solar photovoltaic technology	4.1	0	0.0%	0.0%	0.0%	N/A	Y	N/A	Y	N/A	Y	Y	0.0%		
Manufacture of hydrogen	3.10	0	0.0%	0.0%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	0.0%		
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**115,753**	**0.0%**	**100%**	**0.0%**								**0.0%**		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	559,718,891	57.7%												
Storage of hydrogen	4.12	107,839,000	11.1%												
Turnover from taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**667,557,891**	**68.8%**												
TOTAL (A.1 + A.2)		**667,673,644**	**68.8%**										**0.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
Turnover of Taxonomy-non-eligible activities (B)		302,635,356	31.2%												
TOTAL (A + B)		**970,309,000**	**100.0%**												

CAPEX

Economic activities (1)	Code(s) (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Substantial contribution criteria: Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	DNSH: Climate change adaptation (12)	DNSH: Water and marine resources (13)	DNSH: Circular economy (14)	DNSH: Pollution (15)	DNSH: Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		Euros	%	%	%	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	%	F	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1.Environmentally sustainable activities (Taxonomy-aligned)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	3,398,741	5.8%	100%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	5.8%		
Storage of hydrogen	4.12	770,952	1.3%	100%	0.0%	N/A	Y	N/A	Y	Y	Y	Y	1.3%	F	
Infrastructure enabling low-carbon road transport and public transport	6.15	0	0.0%	0.0%	0.0%	N/A	Y	Y	Y	Y	Y	Y	0.0%	F	
Electricity generation using solar photovoltaic technology	4.1	1,379,271	2.4%	100%	0.0%	N/A	Y	N/A	Y	N/A	Y	Y	2.4%		
Manufacture of hydrogen	3.10	375,109	0.6%	100%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	0.6%		
CAPEX from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**5,924,073**	**10.1%**	**100%**	**0.0%**								**10.1%**		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	14,355,318	24.5%												
Storage of hydrogen	4.12	10,769,419	18.3%												
CAPEX from taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25,124,737	42.8%												
TOTAL (A.1 + A.2)		**31,048,810**	**52.9%**										**10.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CAPEX of Taxonomy-non-eligible activities (B)		27,666,103	47.1%												
TOTAL (A + B)		**58,714,913**	**100.0%**												

OPEX

Economic activities (1)	Code(s) (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Substantial contribution criteria: Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	DNSH: Climate change adaptation (12)	DNSH: Water and marine resources (13)	DNSH: Circular economy (14)	DNSH: Pollution (15)	DNSH: Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		Euros	%	%	%	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	%	F	T
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1.Environmentally sustainable activities (Taxonomy-aligned)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	40,937	0.1%	100%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	0.1%		
Storage of hydrogen	4.12	0	0.0%	0.0%	0.0%	N/A	Y	N/A	Y	Y	Y	Y	0.0%	F	
Infrastructure enabling low-carbon road transport and public transport	6.15	15,582	0.0%	100%	0.0%	N/A	Y	Y	Y	Y	Y	Y	0.0%	F	
Electricity generation using solar photovoltaic technology	4.1	0	0.0%	0.0%	0.0%	N/A	Y	N/A	Y	N/A	Y	Y	0.0%		
Manufacture of hydrogen	3.10	0	0.0%	0.0%	0.0%	N/A	Y	Y	N/A	Y	Y	Y	0.0%		
OPEX from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**56,519**	**0.1%**	**100%**	**0.0%**								**0.1%**		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Transmission and distribution networks for renewable and low-carbon gases	4.14	18,087,623	25.1%												
Storage of hydrogen	4.12	11,565,212	16.0%												
OPEX from activities eligible according to the taxonomy but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		**29,652,835**	**41.1%**												
TOTAL (A.1 + A.2)		**29,709,354**	**41.2%**										**0.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
OPEX of Taxonomy-non-eligible activities (B)		**42,489,717**	**58.8%**												
TOTAL (A + B)		**72,199,071**	**100.0%**												

The results of the taxonomy analysis reflect the company's potential to contribute to the climate change mitigation objective by transforming its business to conform to the taxonomy. In line with the aim of decarbonising the energy system and the company's new strategy, Enagás is investing in assets and projects (CAPEX) that enable the transmission and storage of hydrogen through the construction of new infrastructures and the adaptation of existing ones. All this with the aim of generating future income through activities that conform to the taxonomy.

Enagás is advancing with the development of hydrogen infrastructures and other sustainable activities with 10.1% of investment in fixed assets **aligned with the EU Taxonomy Regulation**

In addition, Enagás, through its affiliates over which it has no operational control, has the potential to contribute to climate change mitigation through other activities such as:

- Activity 3.10. Manufacture of hydrogen. Through projects such as Enagás Renovable's Power to Green Hydrogen Mallorca, among others.
- Activity 5.7. Anaerobic digestion of biowaste. Through projects such as Enagás Renovable's UNUE, among others.
- Activity 4.1. Electricity generation using solar photovoltaic technology. Through projects such as Enagás Renovable's Power to Green Hydrogen Mallorca, among others.
- Activity 4.3. Electricity generation from wind power: Through projects such as Windmusel.
- Activity 3.1. Manufacture of renewable energy technologies. Through start-ups such as DualMetha, SEAB Energy, Solatom and Trovant.
- Activity 3.2. Manufacture of equipment for the production and use of hydrogen. Through start-ups such as H2green.

Control measures established by Enagás in the framework of the EU Taxonomy Report

In order to meet all the reporting requirements defined in the Taxonomy Regulation, Enagás has defined an environmental taxonomy reporting procedure which sets out a methodology for preparing the annual eligibility and alignment exercise through the collection of the necessary information. In this process, and in order to ensure compliance with the disclosure standards, the financial area is mainly involved in extracting the financial information and ensuring its equivalence with the Consolidated Annual Accounts. The infrastructure and sustainability areas are mainly involved in identifying projects and assessing their compliance with the Taxonomy Regulation requirements.

In addition, Enagás has included in its Non-Financial Information Control System the reporting cycles for the key performance indicators required by the Taxonomy Regulation that are most relevant to Enagás (CAPEX and OPEX). This entails assigning responsibilities in the calculation and reporting of indicators, as well as defining and implementing controls that improve the segregation of duties and reduce the risk of completeness and accuracy of information as well as the risk of non-compliance with regulations.

SUSTAINABILITY

Sustainability Strategy

The Enagás Sustainability Strategy supports the company's strategy, and is linked to short and long-term variable remuneration of our professionals.

In 2022, Enagás updated its Sustainability Strategy, reflecting the central role of sustainability in its 2030 Strategic Plan through decarbonisation and the energy transition as key levers to move towards a more sustainable energy model. The new Sustainability Strategy identifies the following drivers:

SUSTAINABILITY DRIVERS

Decarbonisation of our operations and our value chain

We speed up climate action by focusing on the development of renewable gases, energy efficiency and emission reductions, while preserving natural environments and their biodiversity.

See the 'Climate action and energy efficiency' and 'Natural capital and biodiversity' sections of the 'Environmental, social and governance (ESG) management' chapter and the 'Renewable gases' and 'Sustainable mobility' sub-sections in this chapter.

Transformation with a focus on people

We promote cultural and people transformation through: the development of new profiles and capabilities; strategic talent management that promotes new values, diverse and inclusive ecosystems and ensures commitment; an organisation with professionals who promote new ways of working; and a culture of safety with mechanisms for flexibility, physical and emotional well-being for the professionals.

See the 'People' section of the 'Environmental, social and governance (ESG) management.' chapter.

Governance to ensure due diligence on human rights and the environment

We develop a governance model that ensures sustainability due diligence, with a focus on human rights and the environment, both in our activities and in those of our value chain, with a special focus on our affiliates and our supply chain.

See the 'Affiliates', 'Supply chain' and 'Human rights' sections of the 'Environmental, social and governance (ESG) management' chapter.

5 GENDER EQUALITY
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

Contribution to the SDG

Enagás, as a leading company in sustainability, is committed to the achievement of the Sustainable Development Goals, which represent the Agenda for Humanity 2030 and which address several fundamental human rights.

At Enagás, we have identified and prioritised the Sustainable Development Goals (SDG) to which we contribute directly, both through our key business activities and our Sustainability Strategy (see the 'Our commitment to the energy transition' chapter):

		OUR CONTRIBUTION
	Ensure access to affordable, reliable, sustainable and modern energy for all	We work on new energy solutions for a low-carbon economy, such as renewable gases: hydrogen and biomethane. We also work on energy efficiency and emissions reduction, promoting, among others, natural gas in transport.
	Build resilient infrastructure, promote inclusive and sustainable industrialisa-tion and foster innovation	Our purpose is to improve the competitiveness of the countries in which we operate, and contribute to the energy transition and decarbonisation process by developing and managing energy infrastructures, and by repurposing them to make them sustainable.
	Take urgent measures to combat cli-mate change and its impacts	Energy efficiency is a key area for Enagás. We continue to work and set targets for reducing emissions and energy intensity at each of our facilities.

TARGETS LINKED TO VARIABLE REMUNERATION, COMMITMENTS AND DEGREE OF PROGRESS

Targets

We have set targets for investment in the development of renewable gases and reduction of emissions linked to the variable remuneration of our professionals (see the 'Targets linked to variable remuneration' sub-section in this chapter). We have also set ambitious long-term emission reduction targets that constitute our path towards carbon neutrality in line with the European Union's commitment (see the 'Climate action and energy efficiency' section in the 'Environmental, social and governance (ESG) management' chapter).

Degree of progress and impact

The energy efficiency measures implemented in recent years enable us to minimise our carbon footprint. We have also contributed to the reduction of third-party emissions:

- The use of liquefied natural gas (LNG) in ships reduces CO_2 emissions by 18%. Within the framework of the LNGasHIVE project (see the 'Sustainable mobility' sub-section in this chapter), it is estimated between 2-4 million tonnes of CO_2 will be avoided in 2030.
- The use of natural gas in the rail sector will reduce transport emissions by 20% by recovering traffic from road transport.
- Enagás also promotes the development of renewable gases, which will contribute to the total decarbonisation of all these uses and increase the economic competitiveness derived from the use of existing infrastructures for hydrogen transmission (see the 'Renewable gases' sub-section in this chapter).

	OUR CONTRIBUTION	TARGETS LINKED TO VARIABLE REMUNERATION, COMMITMENTS AND DEGREE OF PROGRESS
5 GENDER EQUALITY Achieving gender equality and empowering all women and girls	We promote projects to identify and develop talent in women, which are gradually allowing the company to increase the presence of women in its workforce and in management positions.	**Targets** We have set targets for increasing the presence of women on the Board of Directors, in managerial and pre-managerial positions, and for the promotion of women to managerial and pre-managerial positions. All of these targets are linked to the variable remuneration of our professionals (see the 'Targets linked to variable remuneration' sub-section in this chapter). We also have clear commitments to people and diversity, which are reflected in our Human Capital Management Policy and our Diversity Policy. **Degree of progress and impact.** Our progress in these areas is reflected in the gradual increase in the percentage of women at different levels of the organisation as well as in the recognition obtained both in terms of gender equality and work-life balance, diversity and talent management (see the 'People' section in the 'Environmental, social and governance (ESG) management' chapter).
8 DECENT WORK AND ECONOMIC GROWTH Promote inclusive and sustainable economic growth, employment and decent work for all	We believe people and culture play a key role in allowing us to meet our targets. In this sense, we are focused on attracting and retaining the best talent, and creating working environments that enable us to continue to transform ourselves and bring about creative solutions in order to form part of a more sustainable future.	

09/2022

Enagás has launched a new initiative that encourages its professionals to build more sustainable habits through the completion of **weekly challenges aligned with the SDG.** This campaign aims to involve all its professionals and to promote and reinforce the culture of sustainability among employees.

Likewise, with our management models we contribute to the achievement of other SDG such as:

- **SDG 3 (Health and well-being):** The management of the health and well-being of our employees is a key area of action for the company. Enagás is certified as a Healthy Company according to the protocol of the World Health Organisation (see the 'Health and safety' section of the 'Environmental, social and governance (ESG) management' chapter).

- **SDG 15 (Terrestrial ecosystems):** Managing natural capital is one of the most relevant aspects for Enagás. We control and minimise our impact on the environment, improving the use of natural resources and developing measures aimed at biodiversity conservation (see the 'Natural capital and biodiversity' section in the 'Environmental, social and governance (ESG) Management' chapter).

Enagás encourages its professionals to build **more sustainable habits** through the completion of challenges aligned with the Sustainable Development Goals

- **SDG 17 (Partnerships):** Dialogue and collaboration with our stakeholders allow us to establish partnership for the creation of shared value and, therefore, to achieve the objectives set.

As a result of Enagás' commitment to achieving the SDG, the company conducts awareness campaigns on the subject and includes the SDG in several of its face-to-face training courses for professionals (Sustainability and Value Chain courses).

Throughout the 'Environmental, Social and Governance (ESG) Management', chapter, we include best practices aligned with the SDG mentioned in this chapter.

Ranking on indices and certifications

The recognitions awarded to the Enagás Strategy and Sustainable Management Model are detailed below.

Position

Sustainability

APOYAMOS EL PACTO MUNDIAL	Enagás has been a member of the United Nations Global Compact since 2003. The Progress Report has been reported since 2011. The company has also been listed on the Global Compact 100 index since 2013.	INTEGRATED REPORTING; SASB	Since 2008, the Annual Report has been externally audited and drafted under standard AA1000AP (2018) and the Global Reporting Initiative (GRI) Standards, including the Oil and Gas Sector Standard 2021. It also follows the principles of integrated reporting set out by the International Integrated Reporting Committee (IIRC) and the SASB (Sustainability Accounting Standards Board) reporting standard for the Oil & Gas - Midstream sector.
S&P Dow Jones Indices; 88/100	Enagás has been a member of the Dow Jones Sustainability Index World (DJSI) in the Gas Utilities sector since 2008. In addition, with 88 points out of 100, Enagás was ranked in the Top 5% of its sector in the S&P Global Sustainability Yearbook.	MSCI ESG RATINGS AA	Enagás has been a member of the MSCI Global Sustainability Indices since 2010, with an AA rating in 2022.
FTSE4Good	Enagás has been a member of the FTSE4Good index since 2006, and holds the highest ASG rating in its sector in 2023.	Corporate ESG Performance Prime, ISS ESG	Enagás has held ISS's B Prime rating since 2010.

Quality, excellence and innovation

CERTIFIED ISO 9001	Enagás holds ISO 9001 certification for its processes of technical management of the system, asset management, infrastructure development and information systems management. The company also holds SSAE 18 certification for Security of Supply of the System/Technical Management of Underground Storage Facilities Systems.	ilac-MRA; ENAC	Our Central Laboratory, whose objective is to contribute to the development of new technologies to improve Enagás' activity and the industry, has three specialised laboratories accredited by the Spanish National Accreditation Body, ENAC.
RESPONSABILIDAD FISCAL 2021	Enagás has been awarded the Haz Foundation's three-star seal, the highest category in Fiscal Responsibility.		

Environment

Enagás has been listed in CDP's Climate Change and Water Security rankings since 2009.

Enagás holds the ISO 14001 certification for its Gas Transmission and Storage Infrastructure Development processes, its asset management, the Enagás Central Laboratory and the corporate head office. In addition, the Huelva and Barcelona plants and the Serrablo and Yela storage facilities have EMAS verification.
Since 2019, the Energy Management System of the companies Enagás, S.A. and Enagás Transporte, S.A.U. is certified according to ISO 50001.
Since 2021, Enagás holds the Zero Waste certification in accordance with AENOR's specific regulations for Enagás, S.A. and Enagás Transporte, S.A.U. companies.

Social

Since 2007, we have been certified as a 'Family-Responsible Company' under the FRC management model of the Masfamilia Foundation. In 2022, we obtained the highest rating in work-life balance ('A+ Level of Excellence'), making us the first public utility company in Spain to receive this recognition.

Since 2009, Enagás has been recognised as a Top Employer in Spain, one of the best companies to work in.

Enagás has been included as leader in its sector in the 2023 Bloomberg Gender-Equality Index.

The Occupational Risk Prevention and Manage-ment System for the Enagás Group companies Enagás GTS, S.A.U., Enagás Internacional S.L.U., Enagás S.A. and Enagás Transporte S.A.U. is certified under ISO 45001.
Moreover, Enagás has held the healthy company certification since 2017 and has obtained the ISO 39001 road traffic safety management and the ISO 27001 information security management certification.

In 2015 Enagás received the Bequal seal for its commitment to the inclusion of the disabled in the company, having achieved the Plus category in 2019.

Enagás has held the Equality in the workplace Award since 2010, granted by the Spanish Ministry of Equality.

Enagás is part of Equileap's global ranking of the 100 leading companies in gender equality.

Enagás received AENOR's COVID-19 Action Protocol Certification, which recognises the efforts made by the company to protect the health and safety of its employees in the face of the pandemic.

Enagás maintains its leadership in the main sustainability indices, notably the Dow Jones Sustainability Index World, in which it remains for the 15th consecutive year with one of the highest scores in its sector and the Top 5% S&P Global ESG Score 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) MANAGEMENT

Sustainable Management Model

[GRI 2-14, GRI 2-12, GRI 2-13]

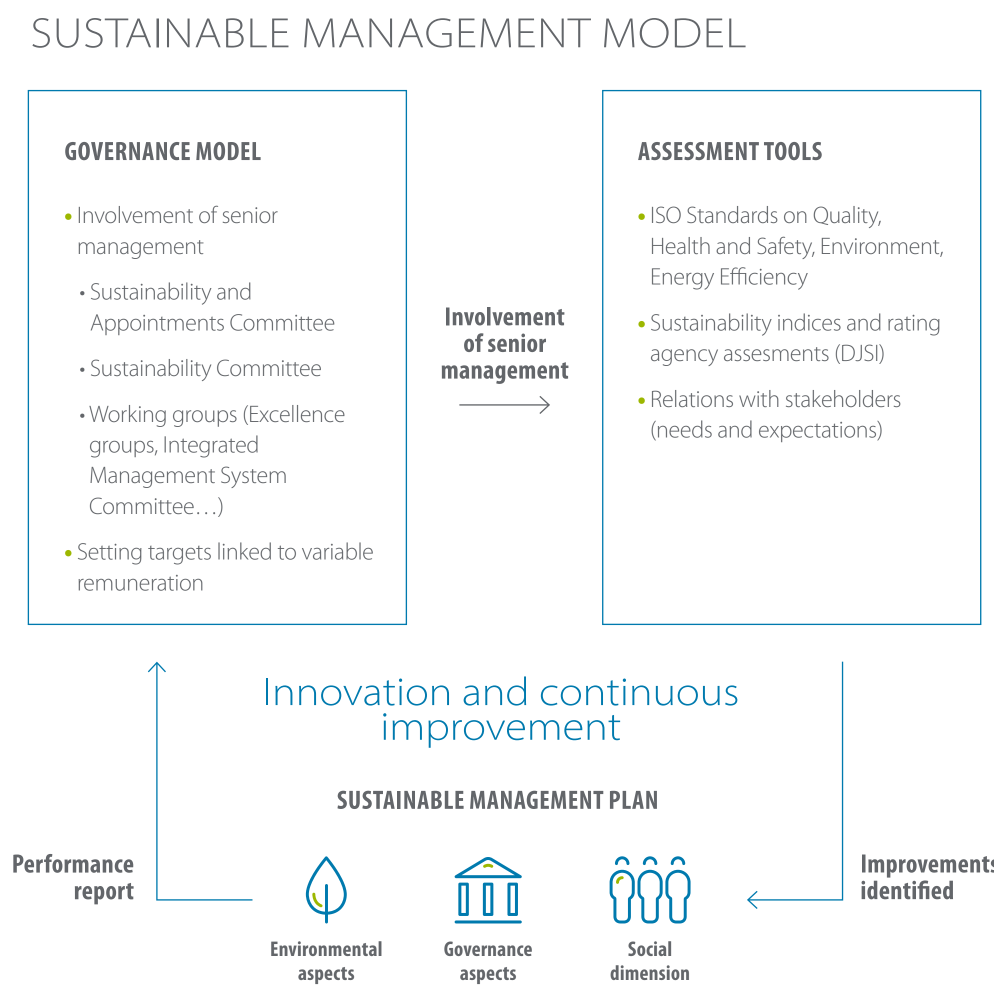
The Enagás Sustainable Management Model establishes the company's responsibilities as regards sustainability governance and defines the assessment tools for identifying the lines of action that are set out in the Sustainable Management Plan.

The Sustainability and Appointments Committee is the highest body with responsibility for sustainability (economic, environmental and social impacts). The Sustainability Committee, made up of members of the Executive Committee, reports to this committee and is responsible for approving initiatives in this matter (by delegation from the Sustainability and Appointments Committee). Both bodies meet at least twice a year.

At executive level, the Chief Executive Officer is responsible for managing the company's business, and is responsible for driving the company forward and the ongoing coordination of its activities.

Under the umbrella of the Chief Executive Officer and as a general rule, the Finance Department is responsible for managing financial matters, while the Energy Transition General Management handles climate and environmental matters, and the People and Transformation General Management, social matters.

See the **Sustainability and Good Governance Policy** on the corporate website.



Materiality analysis and stakeholder management

Enagás defines its stakeholder map by identifying the different groups that are influenced by and exert influence on the company's activities, based around the company's Strategy. Every year, internal supervisors at Enagás review these groups and their segmentation, the relationship channels with each of them, according to the company's strategy and organisational model. By this means, the stakeholder relationship model is defined: [GRI 2-29, GRI 3-1, GRI 207-3]

Enagás establishes processes of dialogue and collaboration with our **stakeholders** to identify their **needs** and **expectations**

Stakeholders	Relationship channels	
Regulatory bodies (state, local and international)	• Regular meetings (face-to-face, telephone, e-mail) • Corporate website	
Investors (investment fund managers, rating agencies, analysts)	• Regular meetings (face-to-face, telephone, e-mail) • *Roadshows* • Corporate website	• Shareholder Information Office • Free shareholder helpline • Electronic mailbox • Meetings with minor shareholders and analysts
Employees (professionals, social organisations)	• Regular meetings (face-to-face, e-mail) • Corporate Intranet • In-house magazine 'Azul y Verde' • Electronic newsletter 'Ráfagas'	• Internal communication campaigns • Ethics Channel • Opinion surveys and associated improvement plans
Customers (distribution companies, shippers, transmission companies, direct consumers in the market)	• Account managers • Regular meetings (face-to-face, telephone, e-mail) • Main Control Centre • SL-ATR • Spanish Gas System Monitoring Committee	• Corporate website: SL-ATR 2.0 portal and SITGAS portal • Customer newsletter • Meetings with customers (Shippers' Day) • Customer satisfaction surveys and associated improvement plans • Service desk
Partners (business partners, strategic business partners and company management)	• Coordinators of affiliated companies • Regular meetings (face-to-face, telephone, e-mail) • Governing Bodies	
Media (general, economic, specialised in the sector, specialised in sustainability)	• Regular meetings (face-to-face, telephone, online, e-mail) • Corporate website, social networks and blogs	• Media hotline • Media mailbox
Suppliers (critical and non-critical)	• Regular meetings (telephone, e-mail) • Corporate website: supplier portal • Supplier platform	• Contractor Access System • Supplier mailbox
Financial institutions	• Regular meetings (face-to-face, telephone, e-mail)	
Associations and foundations (from the energy/gas sector, from social, environmental, ethical, sustainability areas, in education and culture, health and development cooperation)	• Regular meetings derived from participation in groups and forums (face-to-face, telephone, e-mail)	

[GRI 2-29, GRI 3-1, GRI 207-2]

Materiality [GRI 3-1, GRI 3-2]

Enagás identifies and prioritises material topics in the company's direct operations, according to the level of importance these have for Enagás and its stakeholders. The perspective adopted is that of "dual materiality", i.e., the impact on the value of the company and the impact on the environment of each material topic.

The materiality analysis is based on the company's activities, the strategy and operating context, as well as on the needs and expectations of its stakeholders. All this with a focus on the short, medium and long term, considering both own operations and the value chain, and in a manner consistent with the company's risk analysis.

In addition, Enagás reinforces this dual materiality perspective with reporting based on the GRI standard, to cover the impact on the environment (impact materiality), and with reporting based on the SASB and TCFD standards, to cover the impact of the environment on the company's financial value (financial materiality). See the 'About our Consolidated Management Report' appendix.

Material topics in the Enagás value chain

In line with the 2030 Strategic Plan and the new Sustainability Strategy, Enagás has updated its material topics in the Governance, Social and Environmental dimensions and their prioritisation in the materiality matrix shown in the following section.

In this way, the human rights issue is highlighted as a specific material topic, as it is an essential part of sustainability due diligence. This issue was already included in the areas of Ethics and Compliance, People (labour rights), Local communities (rights of communities), Health and Safety and Management of natural capital and biodiversity (right to use natural resources) (see the 'Human rights' section in this chapter).

Enagás material topic	GRI 11 sectoral standard material topic: Oil and Gas Sector 2021
Good Governance	
Human rights People	• Labour practices • Non-discrimination and equal opportunity • Forced labour and modern slavery • Freedom of association and collective bargaining
Human rights Ethics and integrity	• Anti-competitive behaviour • Anti-corruption • Payments to governments • Public Policy
Financial and operational excellence	• Closure and rehabilitation • Asset integrity and critical incident management • Economic impacts
Human rights Health and safety	• Occupational health and safety
Human rights Natural capital and biodiversity management	• Atmospheric emissions • Biodiversity • Waste • Water and effluents
Climate action and energy efficiency	• GHG emissions • Climate adaptation, resilience and transition
Human rights Local communities	• Local communities • Land and resource rights • Rights of indigenous peoples • Conflict and security

Enagás ensures the company's sustainability by managing these aspects in its value chain, viz., both in its direct operations and in the operations of third parties with whom it has relationships: suppliers and affiliates.

Direct operations	Supply chain	Affiliates
Sustainable Management Model	**Evaluation of material topics (consultations and audits)**	**Evaluation of critical management standards (affiliates management model)**
	See the 'Supply Chain'	See section 'Affiliates'

The following chapters explain how we are creating value for our stakeholders through our performance in each material topic, including corporate governance, the supply chain and management of affiliates as key transversal aspects for value creation.

Update of the Enagás materiality matrix

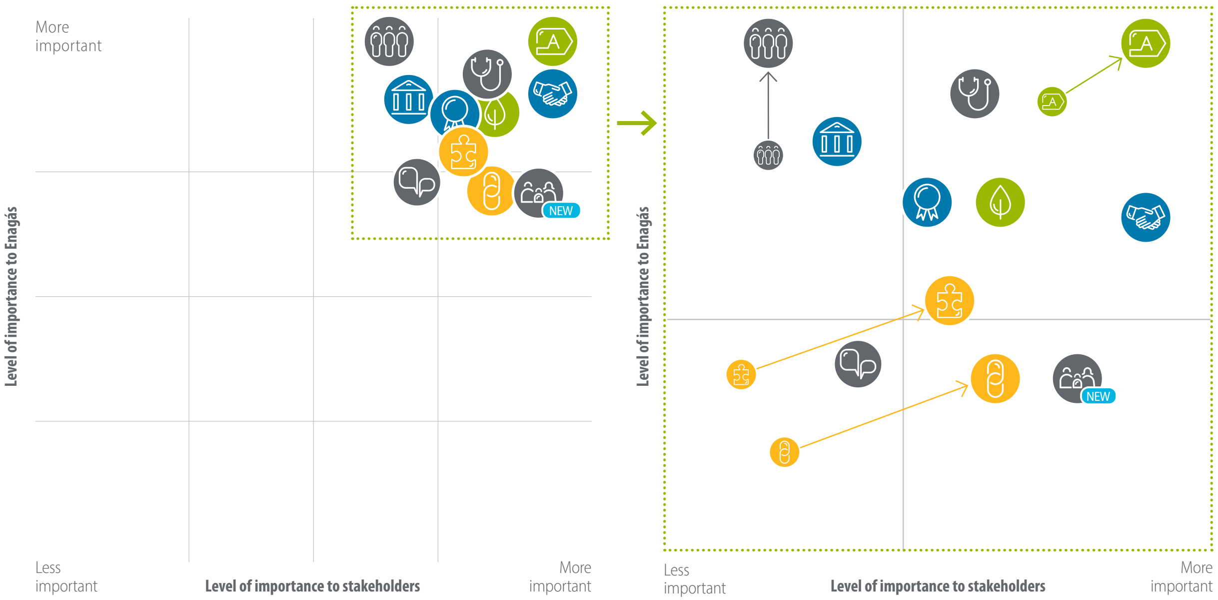
Enagás, through its Sustainability Committee, reviews and updates the company's material topics as follows:

- Updating of the materiality matrix at a global level for strategic updates or externalities with a significant impact. This update considers dual materiality, i.e., the impact on the value of the company and the impact on the environment of each material topic. This is the case of the update carried out in 2022 as a result of the 2030 Strategic Plan and the new Sustainability Strategy, which has considered the relevance that investors, through the main sustainability indices and rating agencies, and the regulator, through sustainability regulations, give to the different aspects of environmental, social and governance issues. The result is the variation in the prioritisation of the following material topics as follows (see graphical representation in the image below):

  - Decarbonisation as the focus of the strategic plan and the increased need to accelerate decarbonisation imply an increased importance both for stakeholders and for Enagás.
  - People are considered a fundamental axis for achieving the objectives set out in the new strategy. Therefore, the importance of the material topic of "people" has been increased for Enagás.
  - The importance for stakeholders and, to a lesser extent, for Enagás, of the due diligence in the value chain (affiliates and supply chain) is increased.
  - Human rights is highlighted as a specific material topic, as it is an essential part of sustainability due diligence, along with climate change. The level of importance for stakeholders would be equivalent to that of climate action, although somewhat lower, and for Enagás it would be at a level equivalent to that of value chain issues.

- Updating of the relevant issues for each of the material topics on the basis of the feedback received from our stakeholders through the channels indicated above. The result of this update can be seen in the topics included in the following sub-sections of this chapter corresponding to material topics. An example of a revision is the publication in 2021 of the GRI sector standard GRI 11: Oil and Gas Sector 2021. This allowed us to confirm that the relevant issues were those that the company had been reporting and additional issues have been included to complement what has already been reported (see the 'GRI Content Index' section in the 'Appendixes' chapter). [GRI 3-1, GRI 3-2]

ENAGÁS MATERIALITY MATRIX [GRI 3-2]



Enagás has updated its materiality matrix
in line with the 2022-2030 Strategic Plan and considering dual materiality

Internal control over non-financial reporting system

Enagás has implemented an internal control system over non-financial information that reinforces the reliability of this information, equivalent to the internal control system over financial reporting (see Appendix 'Audit Opinion on Internal Control over Financial Reporting ("ICFR")' of the 'Annual Corporate Governance Report'). This system covers the company's areas of sustainability (environmental, social and governance) through the most representative indicators of material topics.

Since its implementation, Enagás carries out a yearly review with a focus on continuous improvement of this internal control system, increasing its scope and improving the traceability of the associated databases.

In 2022, the scope of the internal control system over non-financial reporting included the following indicators:

Material topic	Indicators
Good Governance	The Council's abilities and experience assessment process
	Board remuneration
	Executive Committee remuneration
Ethics and integrity	communications received via the Ethics Channel
Climate action and energy efficiency	Scopes 1 and 2 greenhouse gas emissions
	Scope 3 greenhouse gas emissions (category 4: Upstream transmission and distribution)
	Energy consumption (self-consumption of natural gas)
	Taxonomic CAPEX of activities significantly contributing to climate change mitigation and adaptation objectives (eligible and aligned activity and eligible and non-aligned activity)
	Taxonomic OPEX of activities contributing significantly to climate change mitigation and adaptation objectives (eligible and aligned activity and eligible and non-aligned activity)
Natural capital and biodiversity management	Biodiversity (area restored/revegetated)
	Volume of waste generated and managed
	Water capture, consumption and discharge
People	Gender diversity (workforce, management positions and other professional categories)
	Pay gap
	Functional diversity (workforce with disabilities)
Health and safety	Accident rate indicators
Supply chain	Approved suppliers
	Suppliers assessed
Local communities	Social action contribution amounts
General	Receipt and external verification of the information points for the preparation of the Consolidated Management Report
	Review of the Consolidated Management Report

In 2022, the internal control system for non-financial information was externally reviewed by EY through an Agreed-Upon Procedures Report.

3.1 CLIMATE ACTION AND ENERGY EFFICIENCY

Improved energy efficiency and lower greenhouse gas emissions are major factors in reinforcing the vital role that natural gas will play in a low-carbon economy as a key element for achieving sustainable, safe and efficient energy. [GRI 3-3]

The most relevant aspects that we address in our climate change management model are public commitment and the setting of targets, emissions reduction and offsetting measures, as well as reporting on our performance and results, following TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

All of this is reported in a high level of detail in the CDP Climate Change questionnaire, available on the corporate website.

9,083 t CO_2e

AVOIDED IN 2022
through energy efficiency or emissions reduction measures launched in 2022

385,410 t CO_2e

GREENHOUSE GAS EMISSIONS
(scope 1) [GRI 305-1]
(-28% vs. 2014)

0 t CO_2e

GREENHOUSE GAS EMISSIONS
(scope 2) [GRI 305-2]
thanks to 100% Renewable Energy Guarantees of Origin contracts

35 GWh

SELF-GENERATION
of energy from renewable, clean and efficient sources

2,413 t CH_4

METHANE EMISSIONS
(-30% vs. 2015)

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- 2022 Energy Efficiency and Emissions Reduction Plan.
- Improvements to the software for recording venting at regasification plants, underground storage facilities and transmission.
- Continuity in the development of projects and analysis of top-down methane emissions measurement and quantification methodologies to advance the reconciliation of bottom-up technologies in order to improve data uncertainty.
- Annual campaign to detect, quantify and repair fugitive emissions in all our facilities.
- Definition of a long-term offsetting approach prioritising nature-based solutions in line with the evolution of voluntary carbon markets.
- Obtaining the OGMP2.0 (Oil and Gas Methane Partnership) Gold Standard, which recognises Enagás' commitment to reducing methane emissions and improving its data.

2023 lines

- 2023 Energy Efficiency and Emissions Reduction Plan.
- Plan for the electrification of renewable energy sources (replacement of natural gas turbocompressors with electric motors that consume electricity with guarantees of renewable origin).
- Renewal of the OGMP2.0 (Oil and Gas Methane Partnership) Gold Standard, which recognises Enagás' commitment to reducing methane emissions and improving its data.
- Annual campaign to detect, quantify and repair fugitive emissions in all our facilities.
- Internal audit of the quality of Carbon Footprint data and decarbonisation pathway targets.

Governance model for climate change management

[GRI 2-12, GRI 2-13]

At Enagás there is a governance structure led by the Board of Directors that supervises the company's climate change performance. The Board of Directors is informed on a quarterly basis about the risk control processes, where climate change risks and opportunities are integrated. The Sustainability and Appointments Committee, through the Sustainability Committee, approves and monitors the CO_2 emissions reduction targets linked to variable remuneration as well as initiatives that help achieve said reduction that are included in the Energy Efficiency and Emissions Reduction Plan.

Furthermore, the Audit and Compliance Committee supervises the efficiency of risk control and management systems and assesses the possible impact of climate change through the Executive Committee. The Executive Committee establishes the overall risk management strategy and global limits for the company, and also reviews the level of risk exposure and corrective actions.

The Sustainability Committee is made up of the company's main General Managements, including the new Energy Transition General Management, created in 2022. This General Management presides over the functions of Sustainability and Climate Action, Strategy and National and International Regulation, areas that provide the input for the definition of the decarbonisation strategy, as well as the identification of risks and opportunities derived from climate change.

The Health and Safety, Environment and Quality Committee periodically assesses and manages issues related to climate change associated with business processes, impact assessment studies and the evaluation of environmental aspects.

There are also various working groups reporting to these committees, such as the Energy Efficiency and Emissions Reduction Group, responsible for drafting and monitoring the Energy Efficiency Plan and setting the company's emissions reduction targets, among other matters.

See the Climate Action Policy on the corporate website.

In terms of risk management, business units are responsible for risk identification and measurement, the risk function controls and manages risks and the Internal Audit function supervises the effectiveness of the established controls to mitigate these risks (see the 'Risk management' chapter).

In 2022, **Enagás created the Energy Transition General Management**, with functions in the areas of Sustainability, Climate Action, Strategy and National and International Regulation

Management of risks and opportunities arising from climate change

[GRI 201-2]

Risks derived from climate change are evaluated comprehensively in the Company's risk management model over the short-term horizon (three years). In addition, to assess these risks in the long term, the time horizon is 2040 (according to the European taxonomy of sustainable activities).

In this way, risks from factors such as policies and regulatory measures that encourage the use of renewable energy sources, natural disasters or adverse weather conditions and volumes of CO_2 emissions and prices, as well as reputational risk, are identified and quantified.

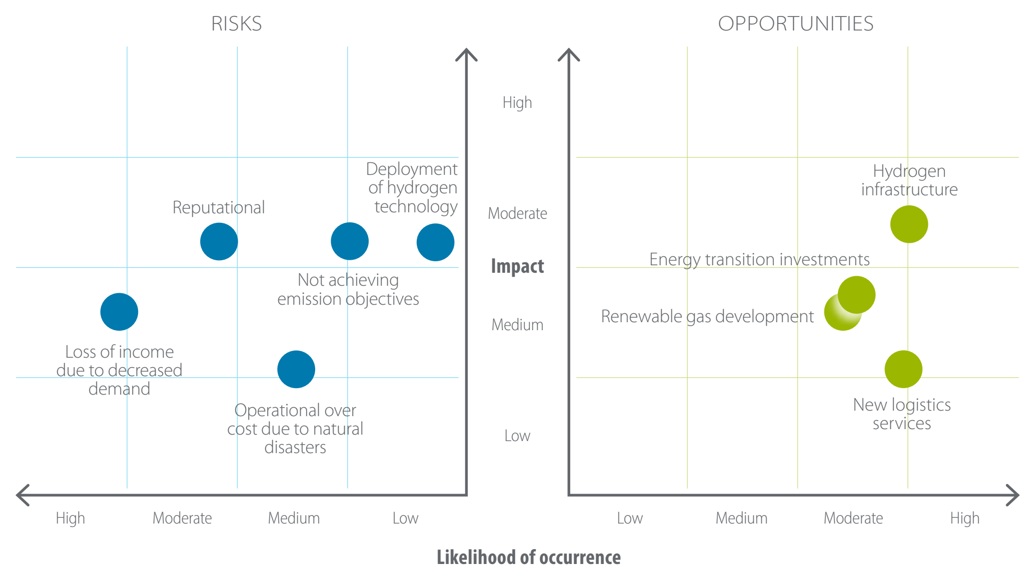
The physical risk assessment is based on short-, medium- and long-term horizons, considering the expected lifetime of the assets and the scale of activity. This analysis was based on an assessment of climate vulnerabilities and risks in the different asset types.

According to the assessment, the effects of these risks would have a low-moderate economic impact on the company in 2040 (around 10% of profit). However, these effects would be offset by the opportunities that have been identified in the areas of hydrogen infrastructure, energy transition investments, development of renewable gases through our affiliate Enagás Renovable, and new liquefied natural gas (LNG) logistics services.

For the assessment of climate change risks, the Stated Policies Scenario (STEPS) of the of the International Energy Agency (IEA) has been used as the baseline. For the transition risk assessment, two IEA scenarios were considered: Net Zero Emissions by 2050 Scenario (NZE), aligned with the 1.5°C increase, and the IEA's Sustainable Development Scenario (SDS) and the IPCC's RCP2.6 and RCP 6. For the physical risk assessment (natural disasters), the IPCC RCP 8.5 scenario was considered. In both cases, the worst-case scenario was used to calculate the impact and represent the risks on the map.
[GRI 201-2]

Risks derived from climate change are evaluated comprehensively in the Company's risk management model

CLIMATE CHANGE RISKS AND OPPORTUNITIES



CLIMATE CHANGE RISKS

Factors	Risk	Control and management measures [1]
Operating context Investment	**Failure to meet emissions targets**	• Commitment to climate neutrality by 2040. • Short and long-term emissions reduction targets linked to variable remuneration. • Energy Efficiency and Emissions Reduction Plan. • Assessment of the use of renewable gases for self-consumption at the company's infrastructure facilities.
Policies and regulatory measures encouraging the use of renewable energies	**Loss of revenue due to decrease in demand / increase in financing costs**	• Promotion of new services and uses of natural gas in the transportation (road, rail and sea), industrial and household sectors. • Promotion of the development of gas from renewable sources (biomethane and renewable hydrogen) and their integration in gas infrastructures. • Promotion of the development of new technologies and infrastructures for the capture, transmission and storage or use of CO_2 and small-scale liquefaction. • Monitoring of sustainable finance regulation and assessment of alternative financing models.
	Non-compliance with the business plan due to not achieving adequate deployment of hydrogen technology	• Agreement between the Spanish, French, Portuguese and German governments to create the future H2Med hydrogen corridor. • Joint Ventures for technological development and the promotion of renewable hydrogen production and transmission infrastructures. • Projects under consideration are focused on the methanisation of hydrogen for its injection into the network, use in mobility and application in auxiliary machinery. • Research and development of salt caverns for underground storage.
Natural disasters or adverse meteorological conditions (floods, landslides, etc.)	**Operational cost overruns due to natural disasters**	• Environmental certifications (ISO 14001 and EMAS). • Emergency response action plans. • Procedures for the investigation and monitoring of incidents. • Development of demand scenarios that determine the infrastructure to develop in order to guarantee security of supply. • Material damage policy. • Emergency response action plan. • Insurance policy covering catastrophic damage. • Review of plans for adaptation to climate change in infrastructures and the associated investments.
Negative public perception of companies operating in the fossil fuels industry	**Reputational**	• Fluent, direct communication with stakeholders. • Permanent monitoring of information published in the media and social networks.

(1) The estimated cost of managing the measures is 58 million euros per year.

[GRI 201-2]

CLIMATE CHANGE OPPORTUNITIES

Oportunidad	Líneas de Acción [1]
Energy transition investments	• Blending. • Carbon neutrality plan. • Adaptation of existing infrastructure. • Biomethane connections.
Hydrogen infrastructure	• Spanish hydrogen backbone. • Research and development of salt caverns for storage. • Joint Ventures for technological development and the promotion of renewable hydrogen production and transmission infrastructures. • Projects under consideration are focused on the methanisation of hydrogen for its injection into the network, use in mobility and application in auxiliary machinery.
Renewable gas production through Enagás Renovable	• Development of renewable hydrogen production projects. • Promoting the decarbonisation of all sectors, favouring the revitalisation of the industrial fabric. • Involvement in different European groups analysing the technical conditions for the introduction of hydrogen into gas networks. • Development of biomethane production projects. • Issuance of green certificates. • Measurement of gas quality: guaranteeing the quality of renewable gas before its injection into the gas network. • Stake in biomethane infrastructures (upgrading/connection to the transmission network).
New logistics services	• Design and development of new services in infrastructures, turning them into logistical centres for LNG supply. • Development of other new services: bunkering (refuelling LNG, between tanks or from a satellite plant to a tank), small scale (refuelling small LNG tanks), bulk breaking (refuelling LNG in medium-sized tanks and trucks), parking gas (long-term storage of gas in tanks). • Extension of the tank refuelling service. • Mobility: gas and hydrogen refuelling stations.

(1) The estimated cost of managing the lines of action is 106.4 million euros per year.

[GRI 201-2]

Our climate change performance

Enagás' carbon footprint is ISO 14064:2019 certified and is registered in the carbon footprint record of the Ministry for Ecological Transition and the Demographic Challenge with the "Calculate, reduce and offset" seal.

Enagás, from 2014 to 2021, has reduced more than half of its Scope 1 and 2 emissions thanks to the measures included in its Efficiency and Emissions Reduction Plan. However, from the end of 2021 and during 2022, there were very significant changes in the context of the operation of the Spanish Gas System that have had an impact on the company's carbon footprint (see 'the New energy paradigm' section in the 'Strategy' chapter). The main effects are highlighted below together with an estimate of their degree of impact on emissions:

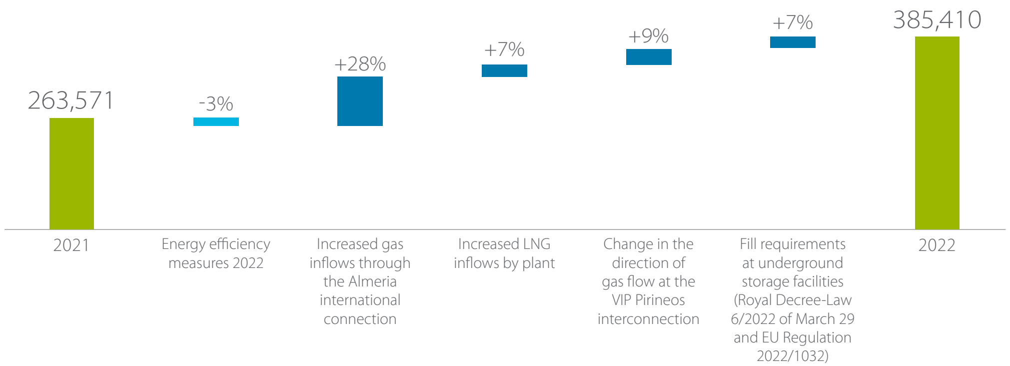
- Contextual changes resulting from the closure of the Maghreb to Europe pipeline (70% of the increase in emissions in 2022 compared to 2021 is due to this effect). The closure of the Tarifa international connection from November 2021, which already had an impact on emissions in 2021, has meant the Spanish Gas System has had to take on the compression work previously carried out from Tangier, through greater gas inflows through the Almeria international connection and greater LNG inflows to the regasification plants.
  - The increased inflows of gas through the Almeria international connection have meant greater operation of the compressor stations of Cordoba (to cover the demand of the Al-Andalus pipeline), Alcázar (to assist in the movement of gas flows) and, above all, Chinchilla, which was in daily use throughout 2022.
  - Higher LNG inflows to regasification plants have resulted in increased regasification activity to meet demand and increased use of certain Compressor Stations designed to evacuate high levels of regasification. All this implied an increase in emissions at both plants and compressor stations.
- Contextual changes due to the Russia-Ukraine conflict (30% of the increase in emissions in 2022 compared to 2021 is due to this effect):
  - Change in the direction of gas flow at VIP Pirineos, leading to increased operation of the compressor stations needed to meet the agreed delivery pressures.
  - Fill requirements at underground storage facilities (Royal Decree-Law 6/2022, of March 29 and Regulation (EU) 2022/1032)[1] to improve security of supply in winter, which implies greater demand for gas injection and therefore greater consumption of operating gas and self-consumption by compressor stations, which translates into higher emissions.

These changes in the operation have resulted in a notable overall increase in emissions compared to the previous year, 46.2% (385,410 tonnes of CO_2e), a situation that is expected to continue in the coming years.

- However, despite this new context, Enagás maintains its targets for 2026, 2030 and 2040, which it will achieve mainly thanks to the electrification of turbocompressors and the use of biomethane (see the 'Targets and roadmap to decarbonisation' section in the 'Decarbonisation and carbon neutrality' chapter).

1. Royal Decree-Law 6/2022, of March 29, increased the minimum security stock holding obligations for natural gas shippers and direct consumers in the market from 20 to 27.5 days of firm consumption. In addition, on June 29, 2022, the European Union adopted Regulation EU 2022/1032 of the European Parliament and of the Council of June 29 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage, imposing an obligation on Member States to reach a filling level of 80% of underground storage facilities by November 1, 2022, and 90% by the same date in 2023.

SCOPES 1 AND 2 CO_2 EMISSIONS (tonnes of CO_2e)
IMPACT OF THE NEW OPERATING CONTEXT



[GRI 305-1, GRI 305-2]

In a new operating context, **Enagás maintains its emission reduction targets** for 2026, 2030 and 2040

SCOPES 1 AND 2 CO_2 EMISSIONS (tonnes of CO_2e)[1] [GRI 305-1, GRI 305-2]

	2020	2021	2022
Scope 1 (1)	208,314	263,571	385,410
Scope 2 (2)	1,654	0	0
Scopes 1+2	209,968	263,571	385,410

(1) Corresponds to the gross value of direct greenhouse gas emissions. The amount of offset emissions is reported separately (see the 'Emissions offsetting' section in this chapter), and in 2022 amounted to 5,977 tonnes of CO_2e.
(2) Scope 2 calculated according to market-based methodology. Scope 2 data calculated according to location-based methodology are: 60,429 tonnes of CO_2e in 2020, 46,368 tonnes of CO_2e in 2021 and 59,653 tonnes of CO_2e in 2022.

Since 2021, Enagás has also reduced emissions from electricity consumption (Scope 2) by 100% at its facilities. This reduction has been possible thanks to:

- 100% of electricity supplied with Renewable Energy Guarantees of Origin in all facilities.
- Continually increasing power self-generation through efficient, clean and renewable sources with an emissions factor of zero. In 2022, 35 GWh were generated.

1. The emission factors used in the calculation of Scope 1 and 2 emissions are:
- Emission factors for stationary combustion sources: Spain, GHG Inventories Report 1990-2019 (2021 Edition) (https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/sistema-espanol-de-inventario-sei-/es-2021-nir_tcm30-523942.pdf) - Appendix 7 and the Organisational Carbon Footprint Calculator (Scope 1+2 v.20) (https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.aspx).
- Emission factors sources Organisational Carbon Footprint Calculator (Scopes 1 and 2) and Royal Decree 1088/2010 (http://www.boe.es/boe/dias/2010/09/04/pdfs/BOE-A-2010-13704.pdf).
- Methane to natural gas conversion factor: IPCC (http://www.ipcc-nggip.iges.or.jp/public/gp/bgp/2_6_Fugitive_Emissions_from_Oil_and_Natural_Gas.pdf).
- MGM methane: http://cdm.unfccc.int/methodologies/inputsconsmeth/MGM_methane.pdf.

Emission intensity (Scopes 1 and 2) [GRI 305-4]

Enagás evaluates efficiency in terms of emissions (emissions intensity) through indicators aligned with the emissions derived from the most significant energy consumption and activity data with which Enagás has identified correlation. In this regard, the ratios for each type of facility are included below, as well as the overall ratio of total Scope 1 and 2 emissions with respect to the sum of compressed, injected and regasified gas.

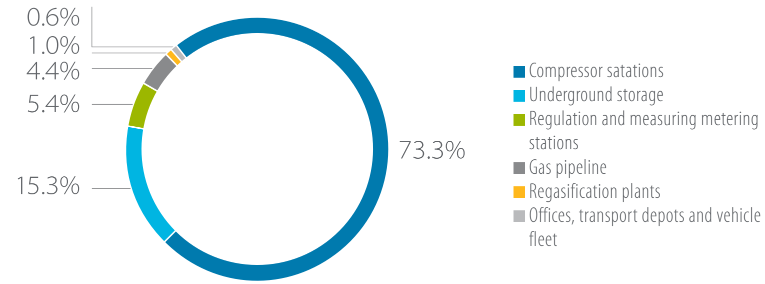
	2021	2022
Emissions at compressor stations with respect to compressed gas at compressor stations (tonnes of CO_2e at compressor stations/TWh)	632.9	557.9
Emissions in storage facilities with respect to gas injected into storage facilities (tonnes of CO_2e in storage facilities/TWh)	4,566.9	4,762.3
Emissions at plants with respect to gas regasified at plants (tonnes of CO_2e at plants/TWh)	0	0
Total emissions with respect to total compressed, injected and regasified gas (tonnes of CO_2e/TWh)	855.5	773.3

The emissions intensity indicator calculated with respect to net profit (1,683 tonnes of CO_2e/million euros in 2022 and 1,096 tonnes of CO_2e/million euros in 2021)[1], despite being a standard and widely used indicator, does not represent the most accurate unit for measuring our environmental performance, as 96.6% of our revenues come from regulated activities and the current regulatory framework (see the 'Strategic Plan 2030' section in the 'Strategy' chapter) establishes a methodology to determine such revenues. It does not include concepts related to the level of use of gas infrastructures, which is the parameter to which environmental impacts are related.

1. For the calculation of the intensity indicator, the adjusted net profit without considering the result of investments accounted for by the equity method was considered (in 2022, net profit after tax was 375.8 million euros, and the result of investments accounted for by the equity method was 146.8 million euros). The 2021 indicator has been recalculated with this criterion (403.8 million euros net profit and 163.3 million euros, respectively). [GRI 2-4]

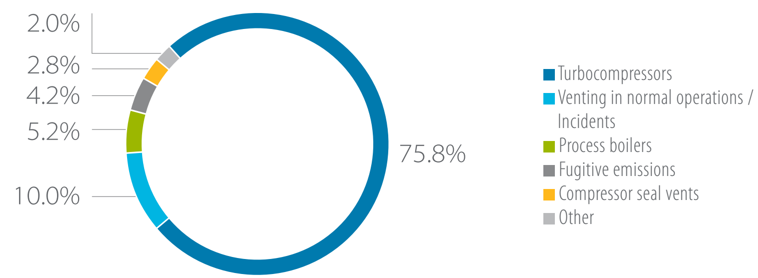
SCOPE 1 AND 2 EMISSIONS BY TYPE OF FACILITY IN 2022

[GRI 305-1, GRI 305-2]



SCOPE 1 AND 2 EMISSIONS BY SOURCE IN 2022

[GRI 305-1, GRI 305-2]

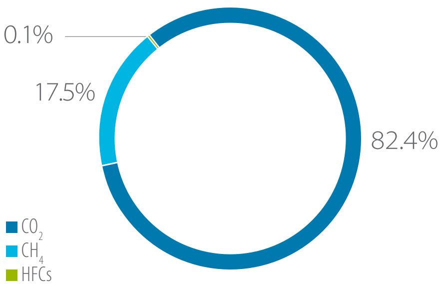


At a facility level, 73.3% of emissions are concentrated at compressor stations, followed by underground storage facilities, which account for 15.3%. In terms of emission sources, 75.8% of the total emission footprint (Scope 1 and 2) is generated by the self-consumption of natural gas in turbocompressors at compressor stations and underground storage facilities. In this regard, Enagás has an ambitious turbocompressor electrification plan to progressively replace natural gas compressors with electric compressors, thereby reducing emissions and helping to achieve the targets set out in the decarbonisation pathway (see the 'Decarbonisation and carbon neutrality' section).

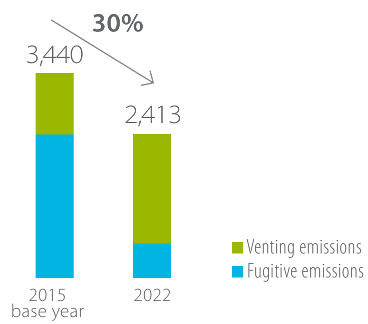
INFRASTRUCTURE ACTIVITY DATA [GRI 302-2]

		Unit	2021	2022	2022 vs. 2021 (%)
Regasification plants	Regasified gas, tank and ship loading at regasification plants	GWh	121,810	171,640	+ 40.91%
Compressor stations	Compressed gas at Compressor stations	GWh	207,869	346,451	+ 66.67%
Underground storage facilities	Total net injection underground storage facilities	GWh	7,989	14,130	+ 76.87%
	Total gross withdrawal from underground storage facilities	GWh	12,724	3,901	- 69.34%

SCOPE 1 AND 2 EMISSIONS BY GAS TYPE IN 2022 [GRI 305-1, GRI 305-2]



CHANGE IN METHANE EMISSIONS (tonnes of CH_4)



82.4% of Enagás' carbon footprint (scopes 1 and 2) corresponds to CO_2 emissions, generated mainly during the combustion of natural gas in stationary sources, i.e. turbocompressors, boilers, flares, etc.

Methane emissions, which account for 17.5% of the footprint (scopes 1 and 2), are mainly due to natural gas venting (76%) and fugitive emissions (24%). Venting may occur as a result of operation and maintenance, operating safety, pneumatic valves and analysis equipment such as chromatographs. For their part, fugitive emissions correspond to uncontrolled gas leaks in the equipment (flanges, connectors, etc.). The latter have decreased by 9% compared to the previous year. Globally, emissions of this gas (CH_4) have increased by 9%, mainly due to:

- Improved data recording on venting at regasification plants and underground storage facilities and during transmission thanks to the development of a computer application that improves data collection and consolidation.
- Improvements in the quantification methodology, incorporating the guidelines that are being developed at the international level.
- Improvements to incident detection, quantification and reporting.

Enagás' adherence to the methane emissions reporting framework of the Oil & Gas Methane Partnership 2.0 (OGMP2.0), together with significant efforts to reduce the uncertainty of this data, entail a constant review of our quantification methodology. In this regard, the Enagás Implementation Plan for maintaining the Gold Standard involves the review of all our methane sources and therefore, the possibility of incorporating possible new sources in the coming years. This comprehensive review may be extended until 2023, by which time Enagás expects to achieve the highest data quality in line with OGMP commitments and deadlines (see the 'Reduction of methane emissions' sub-section in this section).

EU Emissions Trading System

73.5% of emissions included in the Carbon Footprint (scopes 1 and 2) are included in the EU Emissions Trading System (EU ETS).

In 2022, 31,724 emission allowances were received through free allocation and 204,150 emission allowances were purchased to cover the period's emission rights needs. [GRI 201-2]

Energy Efficiency and Emissions Reduction Plan

At Enagás, energy efficiency plays a key role in emissions reduction and considerable efforts have been made in this regard. In recent years, starting in 2014, we reduced by 32% our CO_2 emissions thanks to the implementation of energy efficiency measures, in which we have invested around 90 million euros since 2008. [GRI 201-2]

During the 2015-2022 period, the Energy Efficiency and Emission Reduction Plan has enabled the avoidance of 804,280 tonnes of CO_2e.

These emissions include the accumulated emissions prevented as a result of the measures of the Energy Efficiency and Emissions Reduction Plan implemented from 2015 to 2022.

We are working to ensure the continuous improvement of the energy efficiency of our infrastructures. For this reason, we have an energy management system certified according to the ISO 50001 standard.

ENERGY EFFICIENCY MEASURES AND EMISSIONS REDUCTION MEASURES IMPLEMENTED [GRI 302-4, GRI 302-5, GRI 305-5]

Energy Efficiency and Emissions Reduction measures (1)	Savings type	Energy savings achieved in 2022 (GWh) (2)	Emission reductions achieved in 2022 (tonnes of CO_2e)
Installation of a frequency inverter on the GA-116-D seawater collection pump of the Huelva Plant	Electric consumption savings	0.02	- (3)
Installation of a frequency inverter on the GA-116-F seawater collection pump of the Huelva Plant	Electric consumption savings	0.1	- (3)
Installation of a frequency inverter on the GA-115-C primary pump of the Huelva Plant	Electric consumption savings	0.01	- (3)
Installation of a frequency inverter on the GA-115-H primary pump of the Huelva Plant	Electric consumption savings	0.01	- (3)
Replacement of pneumo-hydraulic actuators (XV-1901 F/G/H/I) with electric actuators (MOV-1901 F/G/H/I) in unit of measurement 72 b	Natural gas savings	0.0017	0.36
Recovery of part of the GB-103A/B/C; GB-123-A/B compressor seal venting	Natural gas savings	0.01	20.14
Withdrawal escape valves (VES) in six transmission zones (Alicante, Bañeras, Burgos, Asturias, Almendralejo, Toledo), modification of range, upgrade as-built	Natural gas savings	0.35	558.32
Improved heating systems in positions (improved control and change of boilers)	Natural gas savings	0.03	5.57
Reduction of venting emissions from the oxygen analysers in the tanks at the Huelva Plant	Natural gas savings	0.05	72.08
Reduction of venting emissions from the oxygen analysers in the tanks at the Barcelona Plant	Natural gas savings	0.04	58.2
2022 LDAR (Leak Detection and Repair) campaign at the Barcelona regasification plant	Natural gas savings	0.32	496.43
2022 LDAR (Leak Detection and Repair) campaign at the Huelva regasification plant	Natural gas savings	0.66	1,025.54
2022 LDAR (Leak Detection and Repair) campaign at the Cartagena regasification plant	Natural gas savings	0.27	422.94
2022 LDAR (Leak Detection and Repair) campaign at the Serrablo underground storage facility	Natural gas savings	0.21	319.38
2022 LDAR (Leak Detection and Repair) campaign at the Yela underground storage facility	Natural gas savings	0.03	43.99
2022 LDAR (Leak Detection and Repair) campaign at the Gaviota underground storage facility	Natural gas savings	0.03	77.39
2022 LDAR (Leak Detection and Repair) campaign in transmission	Natural gas savings	3.86	5,982.56
TOTAL		**6.0017**	**9,083**

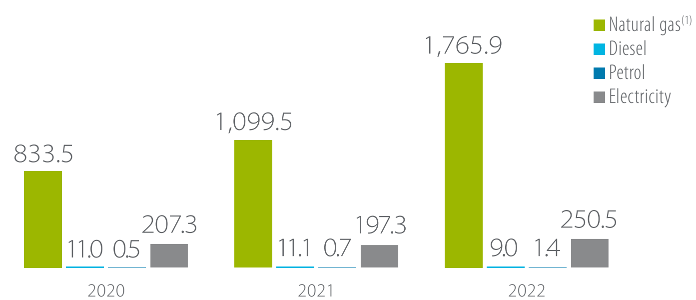
(1) Including those emissions reduction or efficiency measures verified in 2022 and completed in the last quarter of 2021 or before the last quarter of 2022, considering that sufficient time has elapsed for savings to be measured.
(2) The energy savings achieved are calculated on the basis of the energy consumption of the previous year.
(3) As we had a 100% Renewable Energy Guarantees of Origin contract in 2022, the reduction is not considered to be in emissions, but only in energy savings.

Enagás consumes **electricity with guarantees of renewable origin** in all its facilities

In 2022, the percentage of electricity with a guarantee of renewable origin over total electricity consumption from the grid was 100% in all facilities. In other words, all electricity consumed by Enagás has a zero emission factor.

In 2022, own electricity generation from renewable, clean or efficient sources reached 35 GWh, 56% more than in 2018, representing 14.1% of total electricity consumption. Part of the energy generated is delivered to the national grid and another part is consumed at Enagás' own facilities. The energy sent back to the grid (23.9 GWh) helps reduce 5,969 tonnes of CO_2 for third parties, contributes to reducing the national electricity mix factor and reinforces the principles of the circular economy, whereby Enagás' surplus electricity is used by third parties, thereby reducing their carbon footprint (see the 'Circular economy' sub-section in the 'Natural capital and biodiversity management' section).

ENERGY CONSUMPTION (GWh/YEAR) [GRI 302-1]



(1) Does not include fugitive emissions, analyser venting, pneumatic valves or compressor venting.

ENERGY CONSUMPTION (GWh/YEAR) [GRI 302-1]

	2020	2021	2022
Renewable energy consumed	201.1	197.3	250.5
Non-renewable energy consumed	851.2	1,111.3	1,776.3
TOTAL ENERGY CONSUMED	**1,052.3**	**1,308.6**	**2,026.8**

The increase in Enagás' activity, mainly at compressor stations, led to an increase in natural gas consumption (+60.6%) compared to last year. On the other hand, diesel consumption by emergency generators and fire-fighting tanks decreased by 10%. Gasoline consumption has increased (+109%) mainly due to the fact that in 2021, due to the post-pandemic situation, travel was more restricted than in 2022, which returned to a similar level as in previous years.

Energy intensity [GRI 302-3]

Enagás evaluates energy efficiency (energy intensity) through indicators aligned with the most significant energy consumption and activity data with which Enagás has identified correlation. In this regard, the ratios for each type of facility are included below, as well as the overall ratio of energy consumption with respect to the sum of compressed, injected and regasified gas.

	2021	2022
Natural gas consumed at Compressor Stations with respect to gas compressed at Compressor Stations (GWh of natural gas at Compressor Stations/TWh)	4.1	4.0
Natural gas consumed at Storage Facilities with respect to gas injected into storage facilities (GWh natural gas in storage facilities/TWh)	23.8	23.8
Electricity consumed with respect to gas injected into storage facilities with an electric motor (GWh electricity in storage facilities/TWh)	5.0	5.1
Natural gas consumed with respect to gas regasified at plants (GWh of natural gas in plants/TWh)	1.5	0.1
Total energy consumed with respect to compressed, injected and regasified gas (Tep/TWh)[(1)]	563.1	349.7

(1) All types of energy consumed in the company are included (electricity, petrol, diesel, natural gas, renewable energy and self-consumption).

The energy intensity indicator calculated with respect to net profit (8.85 GWh/million euros in 2022 and 5.44 GWh/million euros in 2021)[1], despite being a standard and widely used indicator, does not represent the most accurate unit to measure our environmental performance, as 96.6% of our revenues come from regulated activities and the current regulatory framework (see the '2030 Strategic Plan' section in the 'Strategy' chapter) establishes a methodology to determine such revenues. It does not include concepts related to the level of use of gas infrastructure, which is the parameter to which environmental impacts are related. [GRI 302-3]

Reduction of methane emissions [GRI 305-5]

During 2022, various methane reduction measures were implemented that enabled Enagás to achieve a 30% reduction in methane emissions compared to the 2015 base year considered for setting its targets aligned with the Global Methane Alliance initiative. These measures include:

- Detection, quantification and repair of fugitive emission points covering all our facilities, which enabled us to avoid the emission of 8,368 tonnes of CO_2e in 2022.
- Implementation of a vented gas recovery system at the Lumbier Compressor Station, which will lead to reductions of approximately 3,500 tonnes of CO_2e per year.
- Continued replacement of pneumatic actuators with electric actuators in the transmission network, which has prevented the emission of almost 210 tonnes of CO_2e into the atmosphere.
- Continued recovery of part of the compressor venting from the regasification plants, which has prevented the emission of approximately 112 tonnes of CO_2e.

In addition, the company continues to make progress in reducing the uncertainty of methane emissions data under the OGMP2.0 (Oil and Gas Methane Partnership) initiative, to which it adheres. This is an initiative for the reporting of methane emissions in line with the European Union Methane Emission Reduction Strategy. In 2022 Enagás obtained the "Gold Standard" seal, which recognises the company's commitment to reducing methane emissions, as well as the company's plan to improve the reliability of methane data both for the assets over which Enagás has operational control and for its affiliates.

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The International Methane Emissions Observatory (IMEO) has recognised Enagás with the highest rating, **'Gold Standard'**, for the second consecutive year, highlighting its methane emissions plan as one of the most robust and detailed in the framework of The Oil & Gas Methane Partnership 2.0 (OGMP 2.0).

1. For the calculation of the intensity indicator, the adjusted net profit without considering the result of investments accounted for by the equity method was considered (in 2022, net profit after tax was 375.8 million euros, and the result of investments accounted for by the equity method was 146.8 million euros). The 2021 indicator has been recalculated with this criterion (403.8 million euros net profit and 163.3 million euros, respectively). [GRI 2-4]

In this area, Enagás has carried out several actions applying continuous technological improvement, among which the following are noteworthy:

- Measurements with different top-down technologies (differential absorption lidar and drone use) for subsequent reconciliation with Enagás inventory data. These measurements were performed at all regasification plants, one underground storage facility and one compressor station.

- Development of a digital application to record venting in the transmission network. In 2022, this application allowed for the more detailed monitoring of venting at regasification plants and underground storage facilities and during transmission and to obtain the information broken down in accordance with the OGMP2.0 reporting framework.

- Leadership in the research project promoted by GERG (European Gas Research Group). Enagás coordinated and led, together with GERG, a pioneering global innovation project to provide guidelines on how reconciliation should be carried out at source and site level. After testing the performance of 12 cutting-edge technologies (nine top-down and three bottom-up), in order to assess their accuracy and reliability for methane emissions quantification in 2021, a first reconciliation pilot project was carried out in 2022, including testing of technologies at a site and source level at an operating compressor station in Belgium.

- In 2022, Enagás and SATLANTIS continued the calibration tests of high-precision optics in two compressor stations, which will be inserted in a constellation of space microsatellites, called GEISAT (Greenhouse Gases), to detect and quantify methane emissions on Earth.

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A group of energy operators and associations launched an innovative project under the auspices of the **European Gas Research Group** (GERG) to test different technologies to quantify methane emissions. The initiative aims to increase knowledge about the reconciliation process, a key step in improving the accuracy of methane emission estimates.

The company also maintained its high level of collaboration with regulators and international organisations, with the following actions being of particular note in 2022: [GRI S11.2.4]

- Active participation in various European Commission consultations on the legislative development roadmap, dealing with the content and monitoring, reporting and verification of methane emissions.

- Leadership in the meetings of the OGMP Mirror Group and support in the development of OGMP technical guidelines with the submission of comments.

- Participation in MARCOGAZ technical recommendations: Workshop on a regulatory approach on leak detection and repair of methane emissions in the oil and gas sectors, and Mitigating methane emissions: the role of the gas sector.

[GRI 305-5]

Emissions offsetting

Enagás' decarbonisation strategy is based on prioritising measures to reduce emissions and subsequently offsetting emissions that cannot be reduced for technical reasons.

Enagás follows certain criteria to offset its residual emissions:

- Mitigation hierarchy: only proceed to offset residual emissions once the maximum level of reduction has been achieved with the available technology.
- Offset against credits generated by projects that meet the following requirements:
  - Be located in geographic areas where the company is present.
  - Have quality certificates that guarantee the solvency and reliability of the projects.
  - Prioritise nature-based solutions.

Therefore, after applying these criteria, Enagás offset the emissions derived from its regasification plants, the Euskadour compressor station, the corporate fleet and headquarters (5,977 tonnes of CO_2e), maintaining the carbon neutrality achieved in 2017 (in the case of Euskadour, since 2020). This compensation was carried out with an avoided-deforestation project in Peru and a reforestation project in Spain.

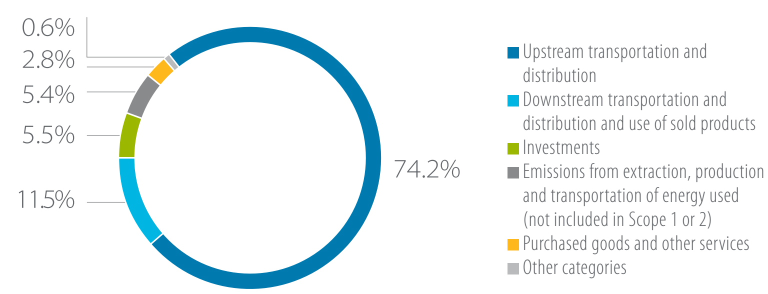
In addition, Enagás participates in the largest reforestation project in Spain, Motor Verde, developed by Repsol and Sylvestris, with which it will offset part of its residual emissions in the future.

Scope 3 emissions [GRI 305-3]

In addition to its activity chain's impact on emissions, Enagás includes the impact of the gas transported by the company in the natural gas value chain in its Scope 3 emissions. In this regard, it is important to note that the gas that Enagás transports through its infrastructures is not owned by the company; for this reason, the company includes in its Scope 3 emissions only the activities associated with the service it provides to its customers (gas transmission through company infrastructure), without including those associated with the product transported (natural gas), which include activities associated with conventional gas demand (domestic, commercial and institutional), among others.

The operating context of 2022, marked by the energy crisis (see 'the New energy paradigm' section in the 'Strategy' chapter), has not only had an impact on Enagás' Scope 1 and 2 emissions, but also on its Scope 3 emissions. In this regard, there was a significant increase in emissions from upstream transmission and distribution, specifically emissions from ships transporting natural gas arriving at Enagás' facilities. In 2022, the number of ship unloadings increased by 94% compared to 2021, increasing the associated emissions by 97%. Enagás also sold some of its holdings, such as the Chilean regasification plant GNL Quintero, the Morelos pipeline[1] and Compañía Operadora de Gas del Amazonas (COGA), which accounted for 82% of the investments made in the previous year.

SCOPE 3 EMISSIONS CLASSIFICATION IN 2022 [GRI 305-3]



1. Pending closing of sale.

SCOPE 3[(1)] [GRI 305-3]

ISO 14064: 2019 - Indirect emissions

Category		Subcategory	GHG Protocol - Scope 3		2021 (tonnes CO_2)	2022 (tonnes CO_2)	Change
Category 3: Emissions caused by transport		Upstream transport and distribution of goods	4	Upstream transmission and distribution	402,205	788,130	96%
		Downstream transport and distribution of goods	9	Downstream transmission and distribution	122,210	121,934[(2)]	-0.23%
		Cat. 5.1 Product use phase	11	Use of sold products			
		Employee commuting	7	Employee commuting	398	451	13%
		Customer and visitor travel	6	Business travel	19	93	>100%
		Business travel	6	Business travel	188	934	>100%
Category 4: Emissions caused by products used by the organisation	Goods purchased by the organisation	Purchased goods	1.1	Purchased goods and services – Purchased goods	20,709	28,423	37%
		Capital goods	2	Capital or production goods, for example equipment, machinery, vehicles, buildings, factories, etc.	6,197	4,615	-26%
	Services used by the organisation	Solid and liquid waste disposal	5	Waste generated during operation	172	55	-68%
		Use of assets that are generated through equipment leased by the organisation	8	Upstream leased assets		NA[(3)]	
			1.2	Purchased goods and services - Other services	1,385	1,892	37%
Category 5: Indirect GHG emissions associated with the use of the organisation's products		Downstream leased assets	13	Downstream leased assets		NA[(3)]	
		End-of-life phase of the product	12	End-of-life treatment of sold products		NA[(4)]	
		Investment	15	Investment	235,261	58,262[(5)]	-75%
Category 6: Indirect GHG emissions from other sources			3	Fuel and energy related activities not included in scope 1 and 2	36,467	57,526	58%
			10	Processing of sold products		NA[(4)]	
			14	Franchises		NA[(6)]	
TOTAL					**825,211**	**1,062,315**	**29%**

(1) In addition to the emission factors used in the calculation of Scope 1 and 2 emissions, the following emission factors have been considered for the calculation of Scope 3 emissions:
• Maritime transport: DEFRA, Pestaña Fuels, Maritime Oil. 2020. version 2.
• Air transport: Aviation: COMMISSION IMPLEMENTING REGULATION (EU) 2018/2066 of December 19, 2018, on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R2066&rid=1). Using emission factor (Annex 3.2 Table 1) 3.10/ 3.10/ 3.15 tonnes of CO_2/tonnes of fuel for the density provided by the same source of 0.8 kg/litre (Article 53).
(2) Emissions from Cat. 11 (Use of sold products) correspond to the same emissions as GHG Protocol Cat. 9 emissions from distribution companies. This is due to the nature of our business, as Enagás does not own or sell natural gas, and therefore we consider distribution companies to be end customers of our services, and their emissions to be the final ones linked to the natural gas we transport.
(3) This category is not applicable to Enagás as we do not operate any upstream or downstream leased assets.
(4) These categories are not applicable to Enagás as our activity is limited to the transmission of natural gas, classified within the midstream segment. Enagás is not the owner of the gas at any stage of the value chain and is not responsible for emissions related to the end-of-life treatment of products or the processing of products for sale.
(5) Includes emissions from Enagás' affiliates, specifically the Bahía de Bizkaia Gas (BBG) Regasification Plant; Soto la Marina compressor station; Sagunto Regasification Plant (Saggas); LNG Regasification Plant from the operator DESFA; Trans Adriatic Pipeline (TAP) and TLA Altamira regasification plant. Does not include Tallgrass Energy emissions due to lack of data. The decrease is very high because three affiliates (COGA, Quintero (pending closing of sale) and Morelos) have been sold and were therefore not considered.
(6) This category is not applicable to Enagás because the company does not have franchises.

Enagás has reviewed the indirect emissions relevance analysis according to the criteria set out by the ISO 14064:2019 standard, namely: volume of emissions in each category with respect to the total, level of influence, access to information, data accuracy and relevance. As a result of the significance analysis, the categories corresponding to upstream transmission and distribution of goods, downstream transmission and distribution, purchased goods, investments and fuel and energy related activities not included in scope 1 and scope 2 have been classified as relevant. It should be noted that, although only five categories were identified as significant, Enagás is aware of the importance of emissions linked to the value chain and reports all categories in a bid for transparency.

Reduction of Scope 3 emissions [GRI 305-3]

Enagás addresses the reduction of Scope 3 emissions throughout its value chain, especially those included in the company's carbon footprint, through the following actions:

- Development of renewable gases. Enagás is strengthening its participation in the development of renewable gas projects (renewable hydrogen and biomethane) that will allow for their progressive incorporation into the energy model (see the 'Renewable Gases' sub-section) for the decarbonisation of the entire natural gas value chain.

- Promotion of the use of liquefied natural gas (LNG) in mobility (maritime transport) (see the 'Sustainable Mobility' sub-section).

- Collaboration with industry and associations on decarbonisation (see the 'Reduction of methane emissions' sub-section in this section).

- Promotion of decarbonisation at Enagás affiliates: emissions reduction and energy efficiency measures are among the critical management standards that Enagás extends to its affiliates (see the 'Affiliates' section). In addition, a climate action due diligence analysis has been performed on all our affiliates, which has allowed us to verify the progress of the companies in terms of setting emission reduction targets, as well as in terms of calculating and reporting methane emissions and evaluating best practices for reducing methane emissions. Regarding this last point, Enagás will continue to monitor methane emissions through the OGMP2.0 reporting framework (see the 'Reduction of methane emissions' sub-section in this section).

- Promotion of decarbonisation in the supply chain: Enagás has several platforms for the approval and evaluation of its suppliers' performance. In this way, Enagás evaluates its main suppliers in terms of climate action and identifies working areas aimed at reducing its carbon footprint (see the 'Supply chain' section).

3.2 PEOPLE

[GRI 3-3]

People management is a key area for the company, since, as reflected in our Human Capital Management Policy, it enables Enagás to equip itself with the resources required for the deployment of its strategy.

The key aspects that we address in our people management model are the structure and sizing of our organisation (workforce), the stability and quality of employment, our professional development programmes and compliance with labour rights and special attention to the areas of diversity and inclusion, work-life balance and shared responsibility, and equal opportunity.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Review of the prevention and action protocol for all workplace harassment situations.
- Development and approval of a diversity and inclusion policy for the company.
- Launch of the climate survey as part of the Global Listening strategy.
- Dissemination of the 2nd Enagás Equality Plan.
- Recertification of the Bequal seal as part of Enagás' commitment to the inclusion of people with disabilities.
- Establishment of a diversity and inclusion governance model.
- Launch of initiatives to attract female talent in operational positions.
- Launching of upskilling and reskilling initiatives to boost skills acquisition processes with the aim of fostering the employee employability.

2023 lines

- Beginning of the negotiations of the fourth collective bargaining agreement of the Enagás Group.
- Global Employee Listening by establishing an action plan derived from the climate survey and launching a survey focused on the evaluation of work-life balance measures and an internal follow-up survey on the 2022 results.
- Start of the actions established in the Diversity and Inclusion Master Plan.
- Launch of a specific programme on bias to strengthen the Diversity and Inclusion model.

1.6%
INCREASE IN WORKFORCE compared to 2021
[GRI 203-2]

55.1
AVERAGE TRAINING HOURS per employee (€1,239 investment per employee)
[GRI 404-1]

78.9%
OF THE WORKFORCE underwent a performance assessment[1]
[GRI 404-3]

51
INTERNAL PROMOTIONS (41% women)

40.3%
WOMEN MANAGERS AND PRE-MANAGERS[2]

1. Performance evaluation linked to their professional development and the increase in their fixed remuneration. For employees outside the collective bargaining agreement, this performance evaluation is also linked to variable remuneration.
2. In the management career.

Our professionals

[GRI 2-7]

The following outlines the distribution of Enagás' 1,365 professionals[1] (1,358.1 FTEs[2]) by country, age group, professional group and gender at year-end.

NUMBER OF PROFESSIONALS PER COUNTRY AT YEAR-END[3]

Country	2020	2021	2022
Spain	1,314	1,327	1,353
Other countries (1)	16	17	12
Kuwait	0	4	4
Peru	3	3	3
Belgium	4	3	3
Greece	1	2	1
Mexico	6	3	1
France	0	1	0
Switzerland	1	0	0
Chile	1	1	0
TOTAL	**1,330**	**1,344**	**1,365**

(1) 100% of employees outside Spain have a permanent full-time contract.

NUMBER OF PROFESSIONALS AND MANAGERS BY NATIONALITY AT YEAR-END(1)

Country	2020		2021		2022	
	No. of managers	Total no. of employees	No. of managers	Total no. of employees	No. of managers	Total no. of employees
Spain	144	1,283	144	1,299	128	1,319
Venezuela	1	7	1	9	1	10
Germany	0	5	0	5	0	5
France	0	4	0	4	0	5
Peru	0	3	0	3	0	3
Italy	0	2	0	3	0	3
Other nationalities (2)	2	26	2	21	0	20
TOTAL	**147**	**1,330**	**147**	**1,344**	**129**	**1,365**

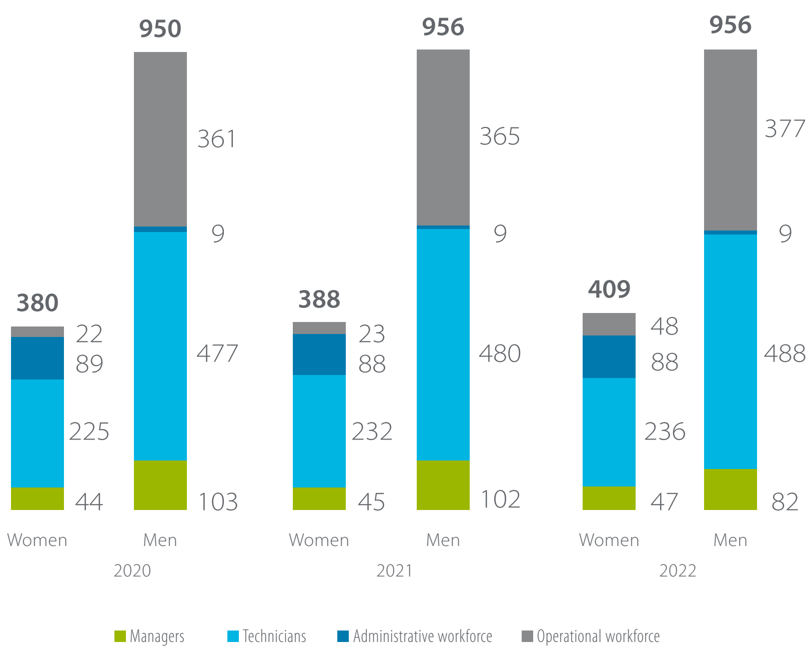
(1) The country of birth is considered.
(2) In 2022, these nationalities pertained to the following countries: Argentina, Belgium, Brazil, Colombia, Cuba, Dominican Republic, Ecuador, Mexico, Paraguay, Romania, South Africa, Switzerland and Uruguay.

In addition, at the end of 2022, 9 professionals were hired through temporary employment agencies and 45 interns were working at Enagás in Spain[4]. [GRI 2-8]

1. Enagás does not have any zero-hours contracts.
2. Full-time equivalent.
3. Including the employees at start-ups that are fully consolidated in the financial information and that have been excluded from the scope of the non-financial information (see the 'About our Consolidated Management Report' appendix), the number of employees would rise to 1,396 (421 women and 975 men) See section '2.1 Operating profit, b) Personnel Expenses' of the Consolidated Annual Accounts.
4. At the end of 2021, 17 professionals were hired through temporary employment agencies and 68 interns were working at Enagás.

NUMBER OF EMPLOYEES BY PROFESSIONAL GROUP AND GENDER AT YEAR-END

[GRI 2-7, GRI 405-1]



Stable and quality employment

[GRI 2-7]

Enagás maintains stable, quality employment levels with high percentages of permanent and full-time contracts.

NUMBER OF PROFESSIONALS BY TYPE OF CONTRACT, WORKING DAY AND GENDER AT YEAR-END[1]

		Mujeres	Hombres	Total	Total %
2020					
Type of workday	Full-time	360	943	**1,303**	**98.0%**
	Part-time	20	7	**27**	**2.0%**
Type of contract	Permanent	366	917	**1,283**	**96.5%**
	Temporary	14	33	**47**	**3.5%**
2021					
Type of workday	Full-time	367	945	**1,312**	**97.6%**
	Part-time	21	11	**32**	**2.4%**
Type of contract	Permanent	371	926	**1,297**	**96.5%**
	Temporary	17	30	**47**	**3.5%**
2022					
Type of workday	Full-time	387	944	**1,331**	**97.5%**
	Part-time	22	12	**34**	**2.5%**
Type of contract	Permanent	386	929	**1,315**	**96.3%**
	Temporary	23	27	**50**	**3.7%**

(1) Enagás does not have any zero-hours contracts.

AVERAGE ANNUAL NUMBER OF PERMANENT AND TEMPORARY CONTRACTS BROKEN DOWN BY SEX, BOTH FULL-TIME AND PART-TIME

	Permanent contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
2020						
Women	337	22	**359**	13	0	**13**
Men	912	5	**917**	29	1	**30**
2021						
Women	346	24	**370**	15	0	**15**
Men	919	3	**922**	33	1	**34**
2022						
Women	909	13	**922**	31	0	**31**
Men	355	20	**375**	18	0	**18**

AVERAGE ANNUAL NUMBER OF PERMANENT AND TEMPORARY CONTRACTS BROKEN DOWN BY AGE, BOTH FULL-TIME AND PART-TIME

	Permanent contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
2020						
<=35 years	237	1	**238**	36	1	**37**
36-55 years	798	25	**823**	6	0	**6**
>55 years	214	1	**215**	0	0	**0**
2021						
<=35 years	186	0	**186**	36	1	**37**
36-55 years	852	26	**878**	12	0	**12**
>55 years	227	1	**228**	0	0	**0**
2022						
<=35 years	185	1	**186**	35	0	**35**
36-55 years	828	29	**857**	14	0	**14**
>55 years	251	3	**254**	0	0	**0**

[GRI 2-7]

AVERAGE ANNUAL NUMBER OF PERMANENT AND TEMPORARY CONTRACTS BROKEN DOWN BY PROFESSIONAL GROUP, BOTH FULL-TIME AND PART-TIME

	Permanent contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
2020						
Management	138	2	**140**	0	0	**0**
Technicians	671	10	**681**	17	0	**17**
Administrative workforce	92	7	**99**	0	1	**1**
Operational workforce	348	8	**356**	25	0	**25**
2021						
Management	146	1	**147**	0	0	**0**
Technicians	686	9	**695**	14	0	**14**
Administrative workforce	86	10	**96**	1	1	**2**
Operational workforce	347	7	**354**	33	0	**33**
2022						
Management	139	3	**142**	0	0	**0**
Technicians	689	10	**699**	13	0	**13**
Administrative workforce	87	8	**95**	2	0	**2**
Operational workforce	349	12	**361**	34	0	**34**

See the **Human Capital Management Policy** on the corporate website.

The commitments undertaken by Enagás in its Human Capital Management Policy, and the measures and actions implemented, translate into high levels of satisfaction and motivation, as reflected by the low turnover rate, the results of the survey on workplace climate and the awards received by the company in this area.

In 2022, there were 216 new recruitments, 66.7% being people aged under 35 and 42.1% women[1]. [GRI 401-1]

Fifty of these new hires are in preparation for the commissioning of the El Musel LNG terminal (Gijón, Spain), of which 53% are women and 78% are from the region (Asturias). [GRI 203-2]

NUMBER OF NEW HIRES DURING THE FINANCIAL YEAR BY AGE GROUP, PROFESSIONAL GROUP AND GENDER [GRI 401-1]

		<=35 years	36-55 years	>55 years	Total
Management	Women	0	1	0	**1**
	Men	0	1	1	**2**
Technicians	Women	21	7	0	**28**
	Men	20	10	0	**30**
Administrative workforce	Women	1	9	0	**10**
	Men	1	0	0	**1**
Operational workforce	Women	44	8	0	**52**
	Men	57	35	0	**92**
TOTAL		**144**	**71**	**1**	**216**

[GRI 2-7]

1. 32.8% to professionals aged between 36 and 55, 0.5% to professionals over 55 and 57.9% to men.

HIRING RATE (1) BY AGE GROUP, PROFESSIONAL GROUP AND GENDER

[GRI 401-1]

		<=35 years	36-55 years	>55 years	Total
Management	Women	0.0%	2.3%	0.0%	**2.1%**
	Men	0.0%	1.6%	5.6%	**2.4%**
Technicians	Women	30.4%	5.4%	0.0%	**12.4%**
	Men	24.1%	3.3%	0.0%	**6.1%**
Administrative workforce	Women	20.0%	15.3%	0.0%	**11.4%**
	Men	50.0%	0.0%	0.0%	**11.1%**
Operational workforce	Women	137.5%	50.0%	0.0%	**108.3%**
	Men	76.0%	16.6%	0.0%	**24.4%**
TOTAL		**53.9%**	**8.6%**	**0.4%**	**15.8%**

(1) Hiring rate calculated as the ratio of new hires made during the year to the headcount at year-end (both include permanent and temporary contracts).

NUMBER OF ABSENCES DURING THE FINANCIAL YEAR BY AGE GROUP, PROFESSIONAL GROUP AND GENDER [GRI 401-1]

		<=35 years	36-55 years	>55 years	Total
Management	Women	0	3	1	**4**
	Men	0	15	10	**25**
Technicians	Women	16	10	1	**27**
	Men	11	11	3	**25**
Administrative workforce	Women	0	5	3	**8**
	Men	0	1	0	**1**
Operational workforce	Women	13	2	0	**15**
	Men	34	15	5	**54**
TOTAL		**74**	**62**	**23**	**159**

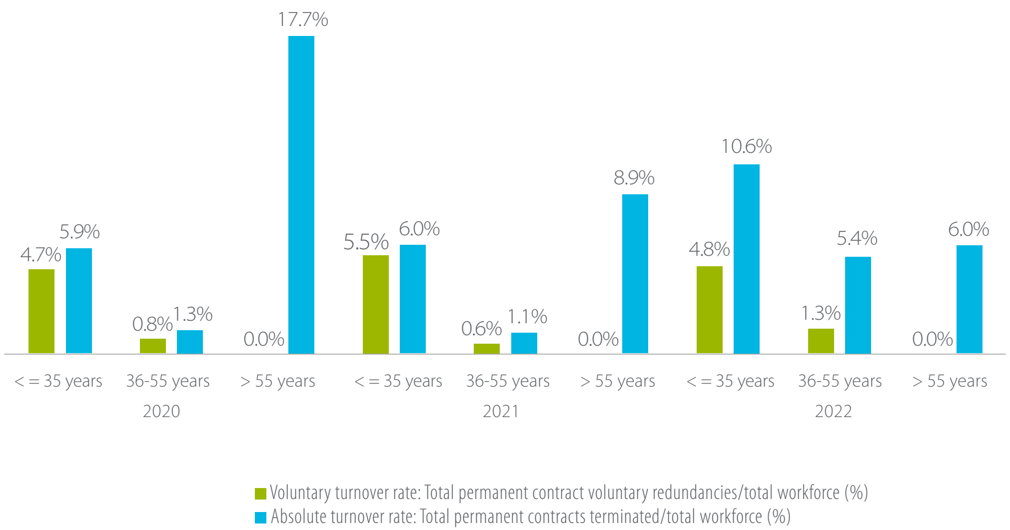
VOLUNTARY AND ABSOLUTE TURNOVER RATE BY GENDER [GRI 401-1]

	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Voluntary turnover rate (1)	3.0%	0.8%	**1.4%**	1.9%	0.9%	**1.2%**	3.4%	1.0%	**1.67%**
Absolute turnover rate (2)	4.6%	5.1%	**5.0%**	3.0%	3.3%	**3.2%**	9.1%	6.0%	**6.9%**

(1) Voluntary turnover rate calculated as the ratio of voluntary departures during the year to the workforce with permanent contracts at year-end.
(2) Absolute turnover rate calculated as the ratio of all professional departures (regardless of their nature) during the year to the workforce with permanent contracts at year-end.

The increase in the absolute turnover rate is partly explained by the separation of 35 professionals from Enagás following the loss of control of the company Enagás Renovable and by the organisational change in the management team carried out during the year to align the company's structure with the new corporate strategy. [GRI 2-7]

VOLUNTARY AND ABSOLUTE TURNOVER RATE BY AGE GROUP
[GRI 401-1]



Enagás has not carried out any restructuring in recent years, nor does it plan to do so. The company ensures the appropriate transmission of expert knowledge through planned and voluntary departures. In 2022, no involuntary redundancies[1] took place at the company.
[GRI 2-7]

Transformation Plan

In order to respond to the company's strategic challenges in accordance with the new 2030 Strategic Plan, Enagás has set out a Transformation Plan which, through the promotion of initiatives with cross-cutting impact, enables it to drive cultural change and the internal transformation of the company with a focus on people. All of this is underpinned by pillars such as talent, diversity, new ways of working and digitalisation, among others.

This plan focuses on the following areas:

- Roles, profiles and resource planning model, based on skills and capabilities to successfully cope with an environment that demands new skills and knowledge. [GRI 404-2]
- Strategic management of diverse and inclusive talent, which places the professional at the centre, promotes self-driven growth and learning, and ensures the commitment, engagement and development of key talent.
- An agile, flexible and more adaptable organisation, with a more cross-cutting, fluid structure, oriented towards adding value and characterised by the adoption of agile values and new ways of working.
- Digitalisation and efficiency of processes, boosting customer orientation, improving response time and data-driven decision making. Promoting a security culture that equips professionals with resilience tools.
- New spaces and forms of intelligent work that provide greater flexibility in the current hybrid context, leveraging the use of new technological tools and promoting a culture of health that guarantees the physical and emotional well-being of professionals.

All of this is complemented by a Change Management Programme, which activates the transformation by placing the professional as an active part of the action plan and ensures the success and measurement of the impact on results.

1. In 2021, there was one involuntary departure (a man in the operational workforce professional group and the age range 36-55). In 2020, there were two involuntary departures (two men, one in the technician professional group and aged <=35, and the other a member of the operational workforce in the age range 36-55).

The following are some of the projects carried out in 2022: new approaches to skills-based resource planning, a culture diagnostic, mentoring and coaching programmes, listening and improvement of the employee experience, actions within the agility framework and the adaptation of spaces around the new hybrid context.

Enagás has Corporate Guidelines on the Right to Digital Switch-Off, which moderate possible effects of permanent connectivity and promote a positive impact on people's productivity and well-being. In 2022, the company launched an action plan to raise awareness among all professionals in this area. Through various initiatives, it aims to promote work-life balance. It has also developed a training programme aimed at managers to facilitate the effective management of teams in a hybrid environment and to raise awareness of best practices related to remote working.

Agility and new ways of working

In addition, Enagás is leading a programme of agility and new ways of working that aims to adopt agile principles throughout the company through specific actions in three areas:

- Adapt the organisation using a more cross-cutting and flexible approach and simplify processes.
- Promote the use of methodologies that seek to adopt collaborative frameworks with early value delivery.
- Promote new behaviours and attitudes that foster communication, transversality and agility training for professionals.

In 2022, from the "Agility Hub", the company continued its commitment to agility and the adoption of new ways of working at the company, highlighting the launch and execution of the following initiatives:

- Development of an agile challenge resolution event focusing on how to evolve Enagás' hybrid model and adopt efficient day-to-day management.
- Promotion of agile project management office communities in different areas of the company ensuring strategic alignment, prioritisation and adoption of agile principles.
- Promotion of the scrum projects community of practice to provide methodological support to project teams in the adoption of scrum frameworks and share best practices.

See the **Corporate Directives on the Right to Digital Switch-Off** on the corporate website.

In addition, in order to continue disseminating agility and new ways of working to all Enagás professionals, a training plan on new methodologies was set out for all company workforce, which will be rolled out throughout 2023 (see the 'Training' sub-section in this section).

Knowledge of internal talent [GRI 404-3]

Evaluation of the performance and skills of our professionals means that we can know our internal talent and guide their training and professional development effectively. Performance assessment allows the identification of strengths and areas of development of professionals regarding the performance of their work and on which the different development plans are developed. The competences and behaviours of professionals are evaluated annually, among others, based on corporate values. The results of these evaluations are linked to their professional development and the increase in their fixed remuneration and, in the case of professionals outside the collective bargaining agreement, in their variable remuneration. In recent years, the performance evaluation model was updated to simplify the process, allow for greater differentiation and increase its frequency (every six months).

The performance evaluation process for professionals not included in the collective bargaining agreement is carried out under a 360º approach. In addition to the manager's evaluation, this includes a peer evaluation by the employee's peer group and, in the case of the management team, a bottom-up evaluation through which the teams evaluate their managers. In the case of Directors, an assessment is also made by the Executive Committee. In 2022, 633 employees (354 in 2021) have been evaluated under this 360º approach.

Moreover, competencies are evaluated through Development Centre workshops, in which participants get feedback on the strengths and areas for development. In 2022, in response to the company's organisational needs during the year, 79 professionals (311 in 2021) participated in a talent identification programme and 51 (237 in 2021) received a skills-based assessment for possible promotion to management positions.

With the aim of continuing to promote the culture of feedback and fostering open communication, Enagás has set up an online platform so that all employees can give and receive feedback from other employees, thus helping identify improvements and highlight achievements.

PERCENTAGE OF PROFESSIONALS WHO HAVE RECEIVED PERFORMANCE ASSESSMENT BY PROFESSIONAL GROUP AND GENDER (1) [GRI 404-3]

		2020	2021	2022(2)
Management	Women	97.7%	100%	100%
	Men	100%	100%	100%
Technicians	Women	92.9%	96.6%	100%
	Men	70.0%	72.1%	69.9%
Administrative workforce	Women	64.0%	64.8%	64.8%
	Men	77.8%	77.8%	77.8%
Operational workforce	Women	40.9%	39.1%	18.8%
	Men	91.4%	90.4%	87.5%
TOTAL		**82.0%**	**82.6%**	**78.9%**

(1) Performance evaluation linked to their professional development and the increase in their fixed remuneration. For employees outside the collective bargaining agreement, this performance evaluation will also be linked to variable remuneration. The Chief Executive Officer and the General Secretary are not included, as they are not covered by the performance evaluation.
(2) The data of the performance evaluation of the group of professionals included in the collective bargaining agreement refer to the 2021 financial year, as the 2022 evaluation campaign ended after the approval of this report.

Professional development programmes

The information obtained from the different evaluations of professionals is used to design customised development plans adapted to the needs identified. On the one hand, development programmes are promoted through on-the-job experience. With this in mind, internal rotation programmes are fostered so that new knowledge can be applied to real situations, and participation in transversal projects or temporary assignments can also be taken advantage of. In 2022, there were 163 internal movements (71 in 2021), of which 47 were promotions, 115 horizontal movements and one expatriation. 43% of hirings selected internal candidates (35% in 2021). 31 interns also stayed on at the company (17 in 2021).

On the other hand, there is also potential to carry out internal and/or external coaching and mentoring programmes.

- In 2022, six employees participated in coaching programmes (six employees in 2021). In addition, professionals in the company have received training and are certified in coaching; they are therefore qualified to carry out internal coaching processes.

- In 2022, Enagás continued to strengthen its internal mentoring programme, aimed at all company employees. In 2022, 83 employees participated in the internal mentoring programme and 16 participated in the external mentoring programme.

Lastly, in order to promote the professional development of employees, an extensive programme of training actions are available on the corporate training portal and these are offered both face-to-face as well as via e-learning.

In addition, there have been two career models at the company. On the one hand, there is the management career, where you are promoted vertically to positions of greater responsibility and based on team management. On the other hand, there is the technical career, aimed at creating and identifying experts in those areas of knowledge that are critical for Enagás.

Training [GRI 404-2]

Enagás is committed to training its professionals from when they join the company and throughout their professional career.

Training begins with the Enagás Welcome Plan, which includes communication and training activities. It includes e-learning training on aspects such as the Code of Ethics, a crime prevention model, a corruption prevention model, human rights and equality, among others, which are compulsory for all professionals, and face-to-face training on the Enagás value chain that offers professionals a global vision of the Company's business.

Besides, depending on the type of work carried out by the new employee, a training plan has been designed in areas related to operations, maintenance and administrative management.

The company's face-to-face training is offered at the Enagás Training School where over 10% of the workforce participate as trainers in different programmes. This face-to-face training in the classroom and in the workplace is complemented by e-learning, mobile training, communities of practice, etc.

Enagás' commitment to training all its employees is evidenced by a training penetration rate[1] of 97.1% in 2022 (96.9% in 2021), an average of 55.1 hours of training per employee (45.1 hours in 2021) and an average investment of 1,239 euros per employee (874 euros in 2021)[2].

Enagás assesses the satisfaction of professionals who have received training, which in 2022 remained the same as the previous year, 8.7 out of 10.

Enagás has given **over 1,200 training courses** in 2022

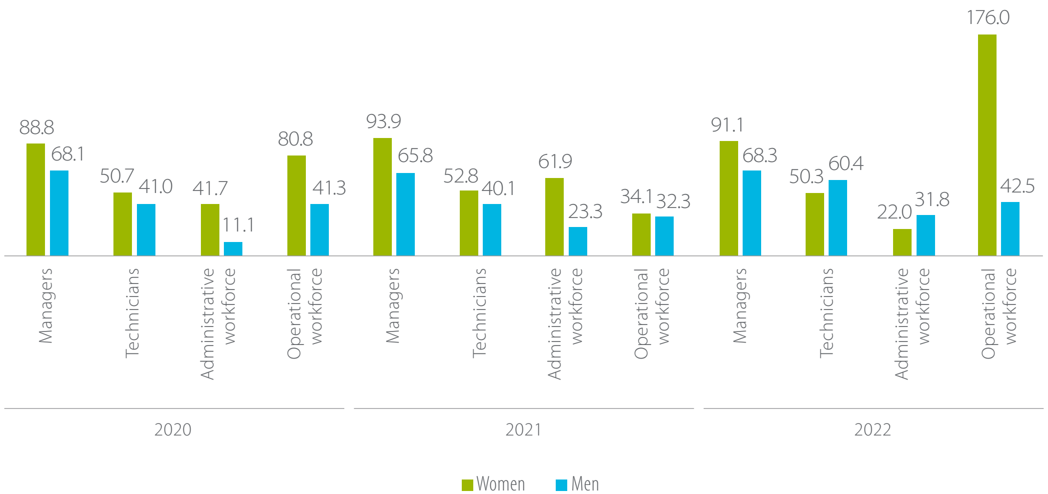
As part of Enagás' strategy to promote the continuous training of our employees to guarantee success in the performance of their duties, there are customised training schedules for each of the company's profiles and levels. These schedules are set out to generate progressive improvements in employees' qualification levels, anticipating their short- and long-term needs, and include corporate, operation and maintenance, environmental and health and safety training. The training associated with these training schedules (training counted as compulsory) represents 22% of the training hours and 12% of the economic investment per employee.

There are also training programmes available to employees to develop skills and learn new ways of working. We have programmes based on the skills and behaviours defined for each profile, associated to our leadership model. We also have programmes to learn about and develop behaviours in line with new methodologies such as Agile, Kanban, Lean, Kaizen, Devops or Design Thinking, thus preparing employees to participate in projects and initiatives where these methods are applied.

Within the framework of the Enagás Knowledge Management Model, with the aim of promoting the dissemination and transfer of critical knowledge generated within the company, especially in Infrastructure, the company has continued to work on a series of initiatives, including the promotion of social learning so that employees can earn and share knowledge through the 'Expert Talk' programme. In this programme, experts and company leaders share their knowledge with the rest of the company's professionals through monthly lectures on relevant topics in the gas sector, and the creation of lessons on different subjects that other professionals can consult. Likewise, in order to minimise knowledge loss, we continue with the critical knowledge transfer plans linked to the relay plans.

1. The training penetration rate is the number of employees who have received at least one training activity during the year out of the total number of employees at year-end.
2. In 2022, following a review of the cost items associated with training and an improvement in the traceability of information due to the introduction of new platforms, new cost items associated with training have been included, such as those associated with training platforms and development of e-learning courses, among others.

HOURS OF TRAINING[1] RECEIVED BY PROFESSIONAL, BY PROFESSIONAL GROUP AND GENDER [GRI 404-1]



(1) Average training hours out of total hours completed during the financial year in relation to the average number of employees.

TOTAL HOURS OF TRAINING COURSES COMPLETED DURING THE FINANCIAL YEAR BY PROFESSIONAL GROUP [GRI 404-1]

	2020	2021	2022
Management	10,381	10,932	10,788
Technicians	30,797	31,494	40,688
Administrative workforce	3,831	5,654	2,225
Operational workforce	16,497	12,583	20,512
TOTAL	**61,506**	**60,663**	**74,213**

[GRI 404-2]

See the **Diversity and Inclusion Policy** on the corporate website.

Diversity and inclusion [GRI 3-3]

The Enagás Diversity and Inclusion Policy sets out the commitments and lines of action to position diversity management and inclusion as key elements of Enagás' global strategy. The company promotes a culture that ensures a diverse and inclusive environment, and fosters a working environment in which trust and mutual respect prevail and where integration and recognition of individual merit are hallmarks of Enagás.

This policy promotes equal opportunities as the central axis around which human resources policies should be oriented, with the aim of creating strategic assets and promoting the full personal and professional development of company employees at all times, thus consolidating the right of all employees to truly equal opportunities and equal treatment.

It also includes the integration of diversity in the main human resources processes such as access to employment, personal progress and professional development and promotion, all while guaranteeing a management free of bias associated with differences.

Enagás expressly rejects any discrimination based on gender, age, disability, nationality or culture, race, religious beliefs, thought and sexual orientation, or any other personal, family, economic or social condition among its employees, fostering work environments free of direct and indirect discrimination, harassment or other forms of intolerance at all levels of the organisation.

The company is determined to create diverse and inclusive work environments, where each and every person feels that they can be themselves and that they are valued, without prejudice, for their work and their talent.

It also reflects the company's commitment to the promotion of policies and measures to enhance shared responsibility and work-life balance of its professionals. In the same way, and safeguarding freedom of management, Enagás extends this commitment to all its stakeholders, paying special attention to suppliers and contractors as indispensable partners in achieving the company's business objectives (see the 'Supply chain' section in this chapter).

2022

#EllasTeLoCuentan (means, "They tell you", referring to women) is a campaign to showcase the talent of Enagás women through their testimonies. The campaign was launched in February 2022, on the International Day of Women and Girls in Science, and will continue throughout 2023. It is in line with the company's commitment to increase the presence of women in the workforce, with special emphasis on technical profiles.

In order to achieve this commitment, Enagás, aware of the richness that the confluence of different knowledge, skills and experiences brings to the organisation, bases its Diversity and Inclusion Strategy on the following pillars:
[GRI 3-3]

Gender

To guarantee equal treatment and opportunities in the hiring, development and growth of men and women; to promote an environment and conditions in which all people aspire to, and are able to, achieve positions of responsibility.

Functional

To make progress in the integration of people with disabilities (physical, sensory, intellectual) into the workplace.

Generational

To encourage different generations to work together in a favourable environment, to mix, to find common ground and to contribute their best, being true to themselves, both as individuals and as high-performing teams.

Cultural

To take advantage of the multiculturalism inherent to companies (different nationalities) to improve the employee experience, using the differences in habits, language and thinking that this implies, rather than letting these be a barrier to achieving team integration and goals.

Thinking

To create a culture and professional environment where the uniqueness of beliefs, education, skills, thinking and preferences contributes to enhancing employee innovation, sound decision-making and commitment.

LGBTQI+

To make visible, integrate and normalise LGBTQI+ groups in the professional environment, improving their inclusion regardless of their sexual orientation, gender identity and gender expression.

06/2022

As part of **International LGBTQ+ Pride Day**, Enagás organised an initiative to raise awareness of this group in the workplace. This initiative is part of the company's collaboration agreement with REDI (Business Network for Diversity and LGBTQ+ Inclusion).

Gender diversity

In the area of gender diversity, Enagás guarantees equal opportunities for men and women.

To this end, it has an Equality Plan that sets out a framework for action to promote effective equality, equity, merit, personal progress, shared responsibility and work-life balance among all professionals.

06/2022

Enagás signed its **2nd Equality Plan** in 2022, continuing the company's commitment to equal opportunities for women and men. This plan tackles the challenges of the current context through specific measures in the following areas of action: awareness-raising and communication; recruitment and hiring; training, promotion and professional development; remuneration; risk situations for women at work: harassment; gender-based violence; under-representation of women; co-responsible exercise of the rights of personal, family and working life and working conditions and occupational health.

Consult the **2nd Gender Equality Plan** on the corporate website.

Enagás promotes measures aimed at increasing the participation of women in positions of responsibility, such as the 'Women with Talent' development programme, the 'Promociona' project and the 'Progresa' project. The latter ones are being developed in collaboration with the CEOE, and aim to create networking groups to provide high-potential women with the tools and skills necessary to boost their professional careers and take on positions of high responsibility in the future. 2022 saw the launch of the Management Development Programme 'Women with High Potential', together with the EOI and the mentoring programme for managers, AED Lead Mentoring.

In 2022, Enagás participated in the 2nd Target Gender Equality programme of the United Nations Global Compact in Spain, sharing best practices and collaborating in the development of the programme. It has also collaborated with the Equality Platform of the Energy Sector to promote equality and inclusion in the energy sector in Europe.

06/2022

In June 2022, Enagás entered the **IBEX Gender Equality Index**. This index, coordinated by BME (Spanish Stock Exchanges), was launched in November 2021 to promote gender equality. It identifies listed companies in Spain that meet the criteria for the representation of women in management bodies.

Consult the **Prevention and action protocol for any workplace harassment situation** on the corporate website.

Enagás has a prevention and action protocol for any situation of harassment in the workplace, the aim of which is to set out guidelines for identifying a situation of harassment, whether psychological or moral, sexual, or gender-based, among others, in order to resolve a discriminatory situation, ensuring that the rights of the victims are guaranteed at all times.

05/2022

Enagás has promoted an initiative in which several professionals took part in a **meeting with women trained in STEM careers**, with the aim of attracting female talent to join Enagás' operational areas.

PERCENTAGE OF WOMEN IN THE WORKFORCE AND IN MANAGEMENT POSITIONS AT YEAR-END [GRI 405-1]

	2020	2021	2022
Women managers[1]	29.9%	30.6%	36.4%
Women in the Executive Committee (One level of reporting to the Chief Executive Officer)	18.2%	16.7%	33.3%
Women senior managers (Two levels of reporting to the Chief Executive Officer)	26.8%	28.2%	39.4%
Other women managers (Three levels of reporting to the Chief Executive Officer)	32.6%	33.3%	35.6%
Women managers and pre-managers (<= four levels of reporting to the Chief Executive Officer)[1]	37.1%	37.3%	40.3%
TOTAL WOMEN IN THE WORKFORCE	**28.6%**	**28.9%**	**30.0%**

(1) In 2019, a new career model, the technical career, was implemented aimed at creating and identifying experts in those areas of knowledge that are critical for Enagás. Therefore, for the purpose of calculating the percentage of women in management and pre-management positions, the workforce included in that technical career are excluded.

In relation to gender diversity in the company's organisational structures, 22.3% of organisational positions considered to be STEM[1]-related and 22.9% of positions that directly contribute to revenue generation are filled by women.

The Enagás remuneration model factors in considerations of equality and non-discrimination, establishing differences due solely to the worker's position in the organisation and professional experience. Furthermore, the Enagás Collective Bargaining Agreement sets out different salary levels based exclusively upon objective work criteria. In 2022, Enagás' minimum wage, established by the Collective Bargaining Agreement, was 1.6 times the national minimum wage in Spain, regardless of gender (1.5 times in 2021). [GRI 202-1]

EVOLUTION OF THE RELATIONSHIP BETWEEN BASE SALARY OF WOMEN AND MEN BY PROFESSIONAL GROUP[1] [GRI 405-2]

		2020	2021	2022
Management	Chief Executive Officer[2]	N.A.	N.A.	N.A.
	Other members of the Executive Committee	0.89[3]	0.93[3]	1.00
	Other managers	0.90	0.91	0.95
Technicians		1.00	1.00	1.00
Administrative workforce		1.08	1.06	1.07
Operational workforce		0.87	0.89	0.80
TOTAL	**RATIO**	**0.97**	**0.98**	**1.01**
	PERCENTAGE[4]	**2.54%**	**2.12%**	**-1.21%**

N.A. Not applicable
(1) Ratio of average base salary of women to average base salary of men. Base salary is defined as the fixed gross annual salary at December 31. This takes into consideration all professionals in Spain with a permanent or temporary contract, both full-time and part-time (99.7% of the workforce). In the case of part-time workforce, the base salary has been extrapolated to a full-time salary for comparability.
(2) There are no women in this professional group.
(3) Unrepresentative data, as there are less than three employees in this group for one of the genders.
(4) Figure calculated as the difference between the average base salary of men and women divided by the average base salary of men.

1. Science, Technology, Engineering and Mathematics.

EVOLUTION OF THE RELATIONSHIP BETWEEN AVERAGE REMUNERATION[1] OF WOMEN AND MEN BY PROFESSIONAL GROUP

[GRI 405-2]

		2020	2021	2022[2]
Management	Chief Executive Officer [3]	N.A.	N.A.	N.A.
	Other members of the Executive Committee	0.90 [4]	0.95 [4]	0.87 [4]
	Other managers	0.87	0.89	0.93
Technicians		0.93	0.95	0.95
Administrative workforce		1.12	1.09	1.07
Operational workforce		0.85	0.85	0.86
TOTAL	**RATIO**	**0.88**	**0.90**	**0.98**
	PERCENTAGE [5]	**12.16%**	**10.14%**	**1.88%**

N.A. Not applicable
(1) Ratio of average remuneration of women to average remuneration of men. Average remuneration that includes: base year salary at December 31, variable remuneration, allowances, payments to long-term savings plans and any other item, such as overtime. Only the transfer allowance is excluded, as it is not considered remuneration as such; it accounts for less than 0.1% of the total amount of remuneration.
All professionals in Spain with permanent and temporary contracts, both full and part-time, who have remained in the company throughout the year (90.5% of the workforce) are considered, with the exception of the Chief Executive Officer. In the Chief Executive Officer's case, to facilitate comparability (appointment in February 2022), the annual base salary was considered together with the actual remuneration received during the year. In the case of part-time workforce, the base salary has been extrapolated to a full-time salary for comparability.
(2) In 2022, the long-term incentive plans (2019-2021) were settled, significantly increasing the remuneration of the company's employees. The allocation of these incentive plans was structured according to the professional group's degree of contribution to the established targets.
(3) There are no women in this professional group.
(4) Unrepresentative data, as there are less than three employees in this group for one of the genders. Although there were three women on the Executive Committee in 2022, only two were considered for the wage gap calculation, as one of them was not with the company for the whole year.
(5) Figure calculated as the difference between the average remuneration of men and women divided by the average remuneration of men.

In 2022, there was a significant decrease in the wage gap due to the greater presence of women in managerial and pre-management positions and due to the exclusion of the non-executive Chairman. The wage gap in 2022, considering total remuneration was 0.98 (1.88% difference between men's and women's base salary).

When analysing the wage gap by professional group, the increase in 2022 in the category "Other Executive Committee members" is explained by the changes made to the Committee during the year, in line with the new corporate strategy and by the differences in seniority in management positions of the members of the Committee. This has led to differences in other remuneration without identifying a wage gap in relation to the basic salary in this professional group (1.00).

The difference in the professional group "Other executives" (0.93) has decreased in recent years, in line with the development and promotion of female talent (women managers and pre-managers). Nevertheless, the current difference is due to a greater presence of men in this group (63%), as well as a greater seniority of males in these groups with respect to women.

The difference in salary in the professional group of administrative workforce (1.07) is due to the fact that this is a category made up mostly of women (91%), in which some positions have function-related bonuses.

Similarly, the difference in the category of operational workforce (0.86) is explained by a greater presence of men (89%) with an average seniority greater than that of women (an average of 14.8 years for men compared to 3.6 years for women). In this regard, Enagás promotes the incorporation of women in the technical specialist professional group through initiatives such as the search for female recruits at vocational schools, as was done in the new hires for the El Musel LNG terminal, where 53% of the professionals hired are women.

CHANGES IN AVERAGE REMUNERATION(1) BY PROFESSIONAL GROUP, AGE AND GENDER [GRI 2-19, GRI 405-2]

		2020	2021	2022 (year of settlement of long-term incentive plans)(2)
PROFESSIONAL GROUP				
Management	Chief Executive Officer(3)	1,603,997	1,592,399	1,377,688(4)
	Other members of the Executive Committee	597,860	561,410	595,687
	Other managers	145,614	150,128	176,791
Technicians		64,713	66,243	73,404
Administrative workforce		45,089	46,414	51,109
Operational workforce		52,957	53,067	58,686
AGE RANGE				
<=35 years		51,541	51,074	55,556
36-55 years		75,514	76,611	83,893
>55 years		96,597	95,912	93,164
GENDER				
Women		68,159	70,493	80,573
Men		77,598	78,451	82,116

(1) Average remuneration that includes: base year salary at December 31, variable remuneration, allowances, payments to long-term savings plans and any other item, such as overtime. Only the transfer allowance is excluded, as it is not considered remuneration as such; it accounts for less than 0.1% of the total amount of remuneration.
All professionals in Spain with permanent and temporary contracts, both full and part-time, who have remained in the company throughout the year (90.5% of the workforce) are considered, with the exception of the Chief Executive Officer. In the Chief Executive Officer's case, to facilitate comparability (appointment in February 2022), the annual base salary was considered together with the actual remuneration received during the year. In the case of part-time workforce, the base salary has been extrapolated to a full-time salary for comparability.
(2) In 2022, the long-term incentive plans (2019-2021) were settled, significantly increasing the remuneration of the company's employees. The allocation of these incentive plans was structured according to the professional group's degree of contribution to the established targets.
(3) Data for 2020 and 2021 are the average remuneration of the Executive Chairman and the Chief Executive Officer. The figure for the 2022 financial year does not include the Chairman, as he became non-executive Chairman in April 2022.
(4) This amount differs from the amount reported in the Annual Report on Directors' Remuneration 2022, as the information reported in this table excludes interim income (30.6 thousands of euros for the Chief Executive Officer) and considers the annual base salary for comparison purposes.

CHANGES IN REMUNERATION(1) BY PROFESSIONAL GROUP AND GENDER [GRI 2-19, GRI 405-2]

			2020	2021	2022 (year of settlement of long-term incentive plans)(2)
Management	Chief Executive Officer(3)	Women	N.A.(4)	N.A.(4)	N.A.(4)
		Men	1,603,997	1,592,399	1,377,688(5)
	Other members of the Executive Committee	Women	549,740(6)	539,303(6)	540,091
		Men	611,609	566,937	617,925
	Other managers	Women	132,106	138,519	168,460
		Men	151,781	155,737	181,614
Technicians		Women	61,657	63,862	71,043
		Men	66,130	67,333	74,445
Administrative workforce		Women	45,548	46,798	51,419
		Men	40,808	42,788	48,014
Operational workforce		Women	45,158	45,520	50,599
		Men	53,314	53,472	59,097
TOTAL		**WOMEN**	**68,159**	**70,493**	**80,573**
		MEN	**77,598**	**78,451**	**82,116**

N.A. Not applicable
(1) Average remuneration that includes: base year salary at December 31, variable remuneration, allowances, payments to long-term savings plans and any other item, such as overtime. Only the transfer allowance is excluded, as it is not considered remuneration as such; it accounts for less than 0.1% of the total amount of remuneration.
All professionals in Spain with permanent contracts, both full and part-time, who have remained at the company for the entire year (90.5% of the workforce) are considered, with the exception of the Chief Executive Officer. In the Chief Executive Officer's case, to facilitate comparability (appointment in February 2022), the annual base salary was considered together with the actual remuneration received during the year. In the case of part-time workforce, the base salary has been extrapolated to a full-time salary for comparability.
(2) In 2022, the long-term incentive plans (2019-2021) were settled, significantly increasing the remuneration of the company's employees. The allocation of these incentive plans was structured according to the professional group's degree of contribution to the established targets.
(3) Data for 2020 and 2021 are the average remuneration of the Executive Chairman and the Chief Executive Officer. The figure for the 2022 financial year does not include the Chairman, as he became non-executive Chairman in April 2022.
(4) There are no women in this professional group.
(5) This amount differs from the amount reported in the Annual Report on Directors' Remuneration 2022, as the information reported in this table excludes interim income (30.6 thousands of euros for the Chief Executive Officer) and considers the annual base salary for comparison purposes.
(6) Non-representative data, as there are less than three professionals in this professional group.

Generational diversity

The company is a partner of the Generation and Talent Observatory which encourages innovation and promotes active policies of generational diversity based on values and ethics. Enagás also collaborates in the dissemination of best practices in this area through Capital Radio's Human Resources forum, and has sponsored and collaborated in various studies such as 'Diagnosis of generational diversity: analysis of intergenerational talent in companies', 'Intergenerational leadership' and 'Intergenerational health and well-being'.

Additionally, Enagás employees have been provided with online training on generational diversity, deepening the intergenerational culture present at the company.

2022

Enagás has collaborated with the **Generation and Talent Observatory** on the Diversity 360º model, the aim of which is to establish a tool for comprehensive diversity management in the workplace.

PERCENTAGE OF PROFESSIONALS BY PROFESSIONAL GROUP, AGE GROUP AND GENDER AT YEAR-END [GRI 405-1]

2020

	Management		Technicians		Administrative workforce		Operational workforce	
Categories	Women	Men	Women	Men	Women	Men	Women	Men
<35 years	2.3%	1.9%	39.1%	17.8%	10.1%	11.1%	59.1%	20.8%
36-55 years	93.2%	75.7%	52.0%	63.9%	68.5%	55.6%	40.9%	60.9%
>55 years	4.5%	22.3%	8.9%	18.2%	21.3%	33.3%	0.0%	18.3%

2021

	Management		Technicians		Administrative workforce		Operational workforce	
Categories	Women	Men	Women	Men	Women	Men	Women	Men
<35 years	0.0%	0.0%	27.6%	14.6%	4.5%	11.1%	56.5%	17.5%
36-55 years	95.6%	77.5%	62.5%	66.7%	71.6%	55.6%	0.0%	62.2%
>55 years	4.4%	22.5%	9.9%	18.8%	23.9%	33.3%	43.5%	20.3%

2022

	Management		Technicians		Administrative workforce		Operational workforce	
Categories	Women	Men	Women	Men	Women	Men	Women	Men
<35 years	2.1%	0.0%	30.5%	17.0%	5.7%	22.2%	66.7%	19.9%
36-55 years	93.6%	77.1%	57.1%	61.7%	67.0%	44.5%	33.3%	56.0%
>55 years	4.3%	22.9%	12.4%	21.3%	27.3%	33.3%	0.0%	24.1%

NUMBER OF PROFESSIONALS BY AGE GROUP AND PROFESSIONAL GROUP AT YEAR-END [GRI 2-7, GRI 405-1]

	2020				2021				2022			
	<=35 years	36-55 years	>55 years	Total	<=35 years	36-55 years	>55 years	Total	<=35 years	36-55 years	>55 years	Total
Management	3	119	25	**147**	0	122	25	**147**	1	108	20	**129**
Technicians	173	422	107	**702**	134	465	113	**712**	152	430	132	**714**
Administrative workforce	10	66	22	**98**	5	68	24	**97**	7	63	27	**97**
Operational workforce	88	229	66	**383**	77	227	84	**388**	107	227	91	**425**
TOTAL	**274**	**836**	**220**	**1,330**	**216**	**882**	**246**	**1,344**	**267**	**828**	**270**	**1,365**

Disability

Enagás has procedures and policies in place to promote equal opportunities and non-discrimination for people with disabilities. The company works towards social and labour inclusion through direct hiring (seven people in the workforce at year-end[1]) and indirect job creation for severely disabled profiles, through collaboration agreements with foundations and special employment centres.

The company also supports corporate volunteering initiatives to promote the social integration of people with disabilities and to raise awareness among Enagás professionals of the needs of this group (see the 'Corporate volunteering programme' sub-section in the 'Local communities' section in this chapter), as well as training and disability awareness measures.

In addition, Enagás has taken action to improve accessibility for people with disabilities, such as the progressive elimination of architectural barriers at our facilities and the 'AA' accessibility level of our corporate website.

12/2022

The Certification Committee of the **Bequal Foundation**, a non-profit organisation that recognises organisations that are socially responsible towards people with disabilities, has renewed Enagás' certification in the PLUS category. This certification recognises the company's commitment to people with disabilities as one of the main lines of action included in its Diversity and Inclusion policy. The Bequal certificate verifies not only companies' legal compliance, but also the integration of disability-inclusive policies across various areas of the company.

Bequal's certification demonstrates a commitment to the 2030 Agenda, specifically SDG 8 "Decent Work and Economic Growth" and SDG 10 "Reduce Inequality".

Equality at Work accolade since 2010

bequal plus

Bequal Plus Seal for the company's commitment to the social inclusion of people with disabilities

CARTA DIVERSIDAD 2022 2024

Adherence to the Diversity Charter (plurality at the company)

In support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

Endorsement of the UN Women's Empowerment principles

1. At the end of the 2021 and 2020 financial years, there were six and seven persons with disabilities, respectively.

Work-life balance and shared responsibility [GRI 401-2]

For Enagás, work-life balance means reconciling employees' needs and interests with those of the company.

The company has new working day and time parameters for the distribution of its 1,674 annual working hours. There are two periods, summer and non-summer, with a divided or continuous working day, flexible in both cases, to be chosen by the professionals depending on the area of activity to which they are assigned[1]. In addition, Enagás has established a teleworking system that allows it to respond to the current context, in which 91% of professionals whose position is compatible with this type of work voluntarily participate.

Enagás has been certified as an Family-Friendly Company since 2007; in 2022, it obtained the highest rating (A+ Level) for excellence in work-life balance from the Más Familia Foundation. Work-life balance is a voluntary commitment that Enagás has made to contribute to the professional and personal success of its workforce.

To this end, the company has more than 130 measures aimed at reconciling the different aspects of people's lives. They support professional and personal development and facilitate a balance between the different dimensions of each person's life, as well as those of their immediate family. Work-life balance becomes a key instrument to guarantee equality of opportunity.

Enagás believes that the Family-Friendly Company model is integrated into the management of the business and is a valuable tool that has also allowed the company to be perceived as an excellent place to work. The Family-Friendly Company model is subject to an external audit, which evaluates, among other aspects, the return on investment of work-life balance and obliges the company to always be in a process of continuous improvement.

06/2022

excelencia +A efr
certificado en conciliación 1000-1
ES – 016 / 2007 / DNV

Family-Friendly Company certificate,

A+ Level of Highest Excellence

Enagás has obtained the highest rating for excellence in work-life balance, A+ Level, according to the Family-Friendly Company model of the **Más Familia Foundation**, making it the first company in the energy sector in Spain to achieve this category. This acknowledgement highlights the commitment made by the company to ensuring that our employees achieve a balance between their professional, personal and family lives, and to a business culture based on flexibility, responsibility and mutual respect and commitment.

Some of the relevant reconciliation measures available to our employees[2] are as follows:

Family

- Flexible Remuneration Plan: includes health insurance, childcare, travel card and training.
- Study allowance for children of professionals covered by the collective agreement.
- 80% subsidy on special schooling expenses for employees who have children with disabilities.
- 'Día sin Cole' (No School Day) programme and subsidised urban summer camps in Madrid for employees' children on workdays throughout the school year[3].
- Specific measures for female workers who are victims of gender-based violence.
- Subsidy for the purchase or rental of vehicles powered by compressed natural gas (CNG).

1. Except shift personnel.
2. Unless the scope is specified, these measures are aimed at 100% of the workforce of the category to which they apply, including both full- and part-time employees.
3. At corporate headquarters, where 44% of the company's professionals and 70% of its women are located.

- Alares Family Support Programme:
  - 'Mi Asistente' (My Assistant) personal manager, which takes care of all necessary day-to-day procedures and information.
  - Free assistance with various administrative processes, such as procedures for vehicle purchase and sale, procedures for the birth of a child, renewal of driving licences, applications for or renewal of licences and visas, applications for certificates and reports and procedures involving municipal records.
  - Free service for selecting domestic helpers and healthcare personnel.
  - Services for making online wills and living wills, expert legal advice, signings before a notary public and registrations.
  - Specialised treatment (physiotherapy, speech therapy) and 56 free hours of home help service in the event of convalescence, illness or accident.
  - Digital erasure service to remove personal information from the Internet.
  - "My mediator" service, offering the assistance of a person authorised by the Ministry of Justice for conflict resolution.
  - Ecological washing of the employee's personal vehicle[1].

Work flexibility
- Flexibility in start times and lunch break.
- Flexible working (teleworking)[2].
- Shorter workday during the summer and every Friday throughout the year.
- Division of annual leave into a maximum of four periods.

Enagás has **over 130 work-life balance measures** that favour the **professional and personal development** of its workforce

Quality employment
- Annual medical check-up and flu vaccine campaigns.
- 90% subsidy on the cost of private medical healthcare insurance for employees and 100% for their children. Medical cover on international trips.
- Meal subsidies (canteens, financial aid, restaurant vouchers).
- Temporary disability allowance: payment of 100% of the fixed gross annual salary in the event of illness, accident or parental leave and childcare.
- Extension of the period during which a reduction in working hours for childcare purposes can be requested (until the child is 14).
- Access to a programme of discounts and exclusive prices on a wide range of online products, services and leisure.
- Pension plans for employees with two years' effective or recognised service.
- Healthy food corner[1].
- Help towards sports activities.
- Lactation room[1].

[GRI 401-2]

1. At corporate headquarters, where 44% of the company's professionals and 70% of its women are located.
2. For all positions compatible with this type of work.

SOCIAL BENEFITS MOST USED BY EMPLOYEES [GRI 401-2]

	% of costs borne by the company	% of workforce taking advantage of benefits
Meal subsidies (financial assistance and restaurant vouchers)	100%	90.7%
Group death and disability insurance [1]	100%	100%
Healthcare insurance for employees and their dependants	92.1%	91.2%
Pension plans [2]	89.1%	88.3%

(1) Social benefit for newly recruited employees, with less than two years' service. Subsequently, this benefit was included in the Pension Plan.
(2) Benefit for employees with at least two years' service at the company.

Furthermore, Enagás improves and extends paid leave beyond the provisions of current labour regulations (death of a close relative, illness, special circumstances, etc.). With respect to childcare, in addition to the maternity/paternity leave established by law (currently 16 weeks for each parent), employees of both genders can take fifteen working days of paid leave to care for a child under nine months of age (breastfeeding). Enagás has also extended the period during which a reduction in working hours for childcare purposes can be requested (formerly until the child is 12; now until the child is 14). [GRI 401-3]

PARENTAL LEAVE [GRI 401-3]

	Women	Men	Total
No. of professionals entitled to parental leave in 2022	22	55	77
No. of professionals taking parental leave in 2022	22	55	77
No. of professionals who returned to work in 2022 after the end of parental leave	19	54	73
No. of professionals who returned to work after the end of parental leave in 2021 and who were still employed 12 months after returning to work	13	38	51
Return-to-work rate [1]	86.4%	98.2%	94.8%
Retention rate [2]	81.3%	92.7%	89.5%

(1) Total number of professionals who returned to work after parental leave divided by the total number of professionals who were required to return to work after parental leave.
(2) Total number of professionals retained 12 months after returning to work from parental leave among the total number of professionals who returned from parental leave in the previous period.

In 2022, Enagás launched the Reconexión (Reconnection) programme, a support programme designed for Enagás employees who return to the company after parental leave, a leave of absence to care for a child or dependent family member, or prolonged temporary disability, with the aim of facilitating their adaptation and return.

06/2022

For the sixth consecutive year, Enagás is offering its training programme **'Aliados con la educación'** (Education Allies) together with the NGO 'Educar es Todo' (Education is Everything). This programme consists of four online training sessions, in which various multidisciplinary experts share their experiences and advice with Enagás professionals on how to face day-to-day challenges related to education.

Collective bargaining [GRI 2-30]

In 2020, the company signed the Enagás Group's third collective bargaining agreement to provide the company with a framework of employment stability over a three-year period in line with the current socio-economic context and the needs and development of the company. This collective bargaining agreement covers, among other matters, the health and safety of all Enagás Group employees (see the 'Health and safety' section of this chapter).

In addition, Enagás enters into collective bargaining and carries out regular consultations with the workers' legal representation regarding working conditions, remuneration, dispute resolution, internal relations and issues of mutual concern. In 2022, various working group meetings were held with social representatives, including the constitution of the negotiating table for the Enagás Group's fourth Collective Bargaining Agreement, meetings to negotiate the Equality Plan and ordinary meetings of the joint committees established in the Collective Bargaining Agreement. All of this has led to various agreements, including the signing of the 2nd Enagás Group Equality Plan.

For employees not included in the Enagás Group's collective bargaining agreement, the regulations governing working conditions in general are those outlined in the Spanish Workers' Statute. However, those conditions of the Enagás Group collective bargaining agreement that improve on those established in the Workers' Statute are applicable to 100% of the workforce.

In 2022, the Negotiating Committee for the Enagás Group's 4th Collective Bargaining Agreement was set up.

See the **Enagás Group 2020-2022 Collective Bargaining Agreement** on the corporate website.

PERCENTAGE OF EMPLOYEES COVERED BY THE COLLECTIVE BARGAINING AGREEMENT BY PROFESSIONAL GROUP AT YEAR-END[1]

	2020	2021	2022
Technicians	28.8%	25.4%	26.2%
Administrative workforce	84.7%	84.5%	84.5%
Operational workforce	100.0%	100.0%	100.0%
TOTAL	**50.2%**	**48.4%**	**50.8%**

(1) These data refer to professionals in Spain.

Employee satisfaction and motivation [GRI 2-29]

As part of the Global Listening Strategy, and in line with the Company's Transformation Plan, Enagás has launched a new edition of the climate survey in 2022 with the aim of gathering the views of Enagás professionals on various issues that will enable the company to improve and advance as a whole. These surveys are carried out regularly every two years.

This year, participation by our professionals increased compared to the previous survey, reaching 77% (73% in 2020). Overall employee satisfaction stood at 72% (82% in 2020) and the sustainable engagement index at 82% (91% in 2020), the latter remaining in line with external benchmarks.

As conclusions of the results of the climate survey, 94% of employees consider Enagás a good place to work, and most of them understand how their work contributes to the business objectives. In addition, the categories of 'stakeholder orientation', 'sustainable engagement' and 'internal relations' are highly rated. The categories 'inclusion and diversity', 'well-being' and 'stakeholder orientation' are the most stable categories compared to the previous survey.

In 2023, the Global Listening Strategy will be continued through specific surveys, and action plans will be defined based on the areas of improvement detected through the climate survey.

In 2023, Enagás received the Top Employer certification for the thirteenth consecutive year.

3.3 HEALTH AND SAFETY

[GRI 3-3]

Health and safety is one of Enagás' values, as is reflected in the Company's Health and Safety, Environment and Quality Policy. From an overall safety perspective, the Company seeks the involvement of leaders and the development of a behavioural model for health and safety that guarantees the operation and maintenance of the facilities, processes and equipment, in safe conditions, so that people can carry out their work in optimal health and safety conditions. The key aspects that we address in our approach to overall health and safety are the management of occupational risk prevention, including road safety, crisis management, industrial safety and major accidents and emergencies, information security and the health and well-being of professionals.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Preparation of lessons learned from incidents; dissemination of the same among Enagás professionals and contractors.
- Minimisation of risks derived from digital transformation, promoting the right to digital switch-off through awareness-raising tools.
- Assessment and verification of Crisis Manual effectiveness through simulations.
- Improvement of cyber risk management in the supplier life cycle.
- Enhancement of cybersecurity measures in industrial information systems.
- Performance of a black box - white box penetration test to evaluate the maturity level of security controls on the newly-developed SAP version.

2023 lines

- Enhancing physical and mental well-being: 'Hello Health!' campaigns
- Guide Project: Improvement in the accident rate indicators for own workforce and contractors.
- Consolidation of resilience culture at the company through different lines of action.
- Development of health and safety requirements for the transformation of existing or new infrastructures for new energy (hydrogen) projects.
- Training, sensitivity-raising and awareness-raising for professionals regarding cybersecurity in order to enhance and improve their ability to detect and respond to possible cyberattacks.
- Increase the cybersecurity maturity levels of industrial and corporate systems.

0.05
LOST TIME INJURY SEVERITY RATE
(own workforce + contractors)
[GRI 403-9]

100%
OF ACTIVITY CERTIFIED UNDER ISO 45001
[GRI 403-1]

2.02
LOST TIME INJURY FREQUENCY RATE
(own workforce + contractors)
[GRI 403-9]

13,955
TRAINING HOURS
in health and safety
[GRI 403-5]

3.58%
RATE OF ABSENTEEISM
[GRI 403-9]

Health and Safety Management [1]

Health and safety management system [GRI 416-1]

The Enagás Group health and safety management system is certified under ISO 45001 and has procedures and systems that seek to prevent injuries and illnesses caused by working conditions in addition to the protection and health promotion of employees. This system, which is subject to internal audits and externally certified, covers 100% of the professionals and contractors (more than 4,150 people in 2022) who carry out work on Enagás infrastructures. [GRI 403-1, GRI 403-7, GRI 403-8]

Enagás also has a Road Traffic Safety Management System certified in accordance with ISO39001. In this area, the company has a Mobility and Road Safety Plan, Road Safety Guidelines and a protocol for vehicle use. There is also a Sustainable and Safe Fleet Management Manual and a Guide to Good Road Safety Practices for fleet management.

Enagás promotes safety throughout its supply chain and requires ISO 45001 certification as part of its approval process for suppliers of certain families of products or services. Furthermore, in order to guarantee the coordination of business activities and the coordination of health and safety on building projects, the company has the Enagás Contractor Access System (SACE) to manage the safety of its suppliers, contractors and the whole subcontracting chain. This system offers contractors the operating safety procedures applicable to the possible risks involved in the works they perform. [GRI 403-7]

Employees and contractors have access to various channels through which they can participate in and consult the operation, implementation and assessment of the management system. These include the bulletin board, workforce letters, forms, meetings, internal memos, informational pamphlets, posters and/or electronic communications, as well as any other method that can be documented and guarantees receipt by the intended recipient. Additionally, there are cross-company and cascading communication channels that also cover health and safety issues. Enagás also has a chatbot (virtual assistant) to answer questions at a company level, highlighting questions about health and safety issues and COVID-19, among others. [GRI 403-4]

Enagás has various employee representative bodies where employees may exercise their participation and consultation rights. Different committees comprise health and safety officers and management representatives. The Health and Safety Committees[2] meet every three months, while the Group and Enagás Transporte SAU Intercentre Health and Safety Committees meet with a frequency set out in the Collective Bargaining Agreement. There is also a suggestion box on the Intranet, which is available to all employees. [GRI 403-4]

As part of its COVID-19 crisis management framework, Enagás has an action protocol aimed at ensuring the health and safety of its employees, the integrity of its infrastructures and security of supply. Enagás holds AENOR COVID-19 Action Protocol certification, as well as the ISO 45005 certification for occupational health and safety management - General guidelines for safe working during the COVID-19 pandemic - recognising the company's COVID-19 management model.

Awareness-raising [GRI 403-5]

In 2022, a total of 13,955 hours of health and safety training were provided (15,301 hours in 2021); 69% of employees received training (75% in 2021).

Health and Safety training is a key part of any preventative action to improve worker protection from the hazards that may be present in daily operations. This is why Enagás has designed a training schedule for all different job profiles at the company that sets out the specific training activities needed for each risk group. In 2022, these actions will notably include training in safety at electrical facilities, work with exposure to natural radiation, instrumentation in explosive atmospheres and general training in occupational risk prevention, health and safety, the health and safety management system, hygiene and ergonomics and first aid.

1. All information in this chapter on health and safety refers to Enagás Group employees included in the Group's Joint Prevention Service (99.7% of the workforce), excluding employees of the companies Enagás México, S.A. de C.V. and Enagás Perú, S.A.C.
2. The Health and Safety Committees are statutorily established for centres with more than 50 workers. In centres with fewer than 50 workers in which there is a Prevention Delegate, health and safety meetings are held regularly.

07/2022

Enagás promotes **World Road Safety Day**. The main objectives of this initiative are to raise awareness among professionals of the importance of using safety systems while driving and to inform them of the latest developments in traffic regulations.

See the Health and Safety, Environment and Quality Policy, as well as the Prevention of Major Accidents Policy and the Corporate Road Safety Directives on the corporate website.

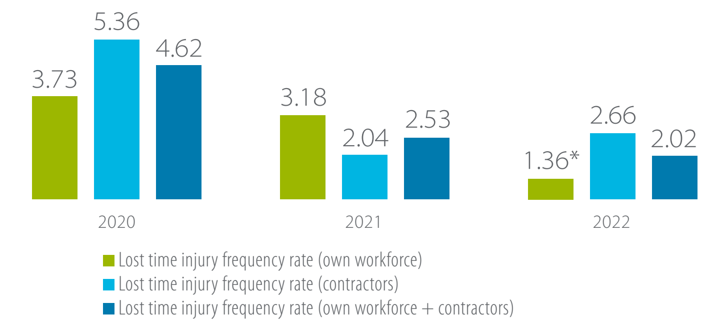
In 2022, more than 55 informational messages have been sent to all Enagás personnel through the corporate mailbox with info bites about COVID-19, promotion of health programmes (steppers challenges, vaccines, etc.), procedures, and so on. [GRI 403-4, GRI 403-6]

Enagás is also providing training to all its contractors through the SACE platform. This training is complementary to the face-to-face chats at infrastructure facilities where particularly hazardous work may be carried out. In 2022, 5,656 hours of training (2,119 hours in 2021) were delivered through the SACE platform to 2,828 contractors from 718 contractor companies. [GRI 403-5]

Safety indicators[1] [GRI 403-9]

Lost time injury frequency rate

Number of accidents causing injuries and sick leave per million hours worked. (Number of accidents leading to sick leave x 10^6 / number of hours worked).



* The lost time injury frequency rate by gender was 1.94 for males and 0.00 for females in 2022, 3.79 and 1.62 respectively in 2021, and 5.18 and 0.00 respectively in 2020.

In 2022, there were three lost-time accidents among our own workforce[2] (all of them in men). All were categorised as minor accidents by the Social Security Mutual Society, the main causes being falls and blows and posture / ergonomic issues. In relation to contractor personnel, in 2022 there were seven lost-time accidents[3], of which six were categorised as minor accidents (the main causes being falls, blows and mechanical hazards). One was a major accident, as it led to the death of a contractor at the Cartagena regasification plant. Thus, in 2022 the death rate for employees and contractors per million hours worked was 0.00 and 0.44, respectively (in 2021, 0.00 and 0.34).

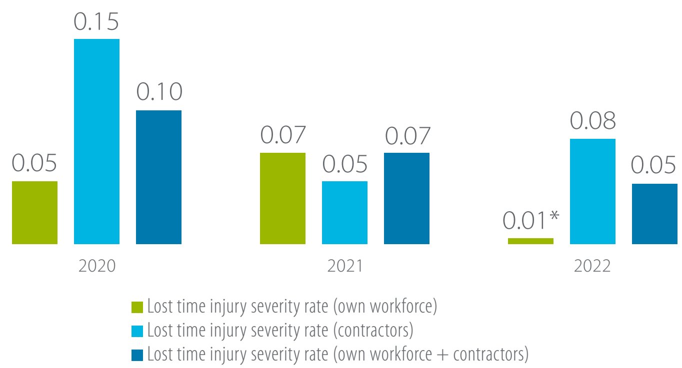
Enagás has a procedure of lessons learned where the method of dissemination is established that uses a cascade approach so that it reaches all personnel at the company.

1. From 2022, in order to improve the comparability of data, Enagás will align its accident recording criteria with those of the Occupational Safety and Health Administration (OSHA), considering the concept of activity-relatedness as a determining factor in its recordability.
2. In 2021, there were seven accidents (six in men and one in women), and in 2020, there were eight accidents (all of them in men). In both years, all accidents were categorised as minor accidents.
3. There were six lost-time accidents in 2021 and fourteen lost-time accidents in 2020. In both years, all accidents were categorised as minor accidents, except for one accident in 2021 that resulted in the death of a contractor.

In 2022, the number of hours worked was 2,203,622 hours for own workforce and 2,255,910 hours for contractors (in 2021, 2,198,889 and 2,936,596, respectively).

As regards reported workplace injuries, the rate per million hours worked in 2022 is 4.54 for own workforce and 5.76 for contractors (in 2021, 8.19 and 4.77, respectively)[1]. In addition, the injury rate for occupational accidents with major consequences (not including fatalities) is zero for both own workforce and contractors.

Lost time injury severity rate [GRI 403-9]
Number of days lost due to accidents per thousand hours worked. (Number of working days lost x 10^3 / number of hours worked).

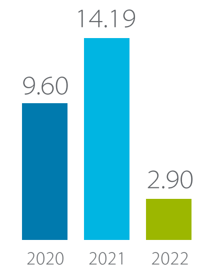


* The lost time injury frequency rate by gender was 1.94 for males and 0.00 for females in 2022, 3.79 and 1.62 respectively in 2021, and 5.18 and 0.00 respectively in 2020.

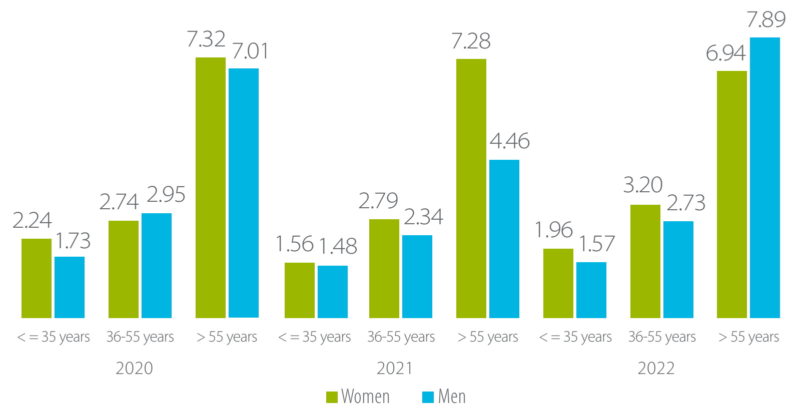
Enagás' **accident rates are below the** energy sector **average**

1. In 2022, there were 10 recordable occupational injuries for own staff and 13 for contractor staff. In 2021, there were 18 recordable occupational injuries for own workforce and 14 for contractors.

Lost day rate [GRI 403-9]
Total cases with lost days (own workforce) / Total hours worked per 200,000.



Absenteeism rate by age and gender [GRI 403-9]
Absenteeism hours x 100 / Theoretical hours (collective workforce x 1,674 hours).



The increase in the absenteeism rate in the last year is mainly due to long-term sick leave among men and women over 55 years of age.

Occupational illnesses [GRI 403-10]

Through its evaluation systems for health and safety-related risks, Enagás has not identified workers at risk of work-related diseases. Enagás has therefore not identified any cases of occupational illnesses either for its own workforce or for subcontractors in the last three years.

Risk assessments and incident handling

[GRI 403-2, GRI 403-9]

Within its Health and Safety Management System, Enagás has a procedure for the identification of occupational hazards and subsequent risk assessment. Additionally, the following procedures are available:

- An internal procedure for occupational risk assessment using a method based on the Simplified Accident Risk Assessment System from the National Occupational Safety and Hygiene Institute, which assesses risks associated with both positions and the workplace. This methodology is used for both routine and non-routine work. In the latter case, the methodology is associated with a special operational instruction that makes it possible to quantify the magnitude of the existing risks and to define their correction priority.

- Procedures for the assessment of industrial risks based on different methodologies, such as HAZOP (Hazard and Operability Study), a risk and operability assessment technique that permits the identification of potential and operational risks produced by system deviations from design conditions; SIL (Safety Integrity Level), a technique for assessing safety levels by assigning the required safety integrity level to each instrumented safety function and verifying that it meets the safety requirements of that level; 'What If', a technique for easily identifying potential hazards, assessing the significance of hazards and the adequacy of existing safeguards; risk analysis methodology for facilities under the SEVESO Directive, a methodology for assessing explosion risk which enables the assessment of both the existence and likelihood of the formation of an explosive atmosphere and the existence and likelihood of activation for all possible sources of ignition.

  For routine work, in addition to the general risk assessment, specific risk assessments are available for newly implemented maintenance ranges.

- Safety inspections (planned observations and safety visits) and work permits are other procedures that make up the Enagás management system, in which hazards are identified and risks evaluated.

These risk assessments are reviewed when there is a change that requires it or every five years, according to the associated procedures. These assessments are carried out by competent technicians according to national regulations, and the process is verified through internal and external health and safety audits.

The most representative risks of our activity are those related to work in classified areas (areas where there is a potential for explosion and/or fire due to the presence of gases, vapours or dusts in the atmosphere) and those associated with driving.

Following any risk assessment, corrective actions are established to mitigate the relevant identified risks, and the effectiveness of the action is subsequently evaluated. These results are reviewed by management and may lead to improvements in the management system.

In addition, during 2022, jobs and locations have remained subject to COVID-19 risk analyses, as indicated by the relevant procedure from the Spanish Ministry of Health, as well as periodic self-monitoring checks to monitor the measures implemented.

Enagás has an internal procedure for reporting risks or anomalies that any worker may detect during the course of their activity. There are various channels for establishing these communications, such as Health and Safety Committees and meetings, workers' representatives, an electronic mailbox available to all employees, and coordination meetings with contractors, through the prevention service or those directly responsible, and a specific mailbox enabled on the SACE platform for contractors and suppliers. Along these lines, continuous sensitivity-raising and awareness-raising campaigns are carried out with the aim of promoting a culture of risk observation and hazard warnings where necessary.

If a situation involving an imminent, major risk is identified, professionals are obligated to stop working, remain in a safe location and notify their direct supervisor of the situation. In addition, Enagás has a procedure for safety visits and observations carried out by internal professionals, through which hazards and situations that could cause harm can be reported.

Enagás has a procedure for action, notification, investigation and statistical analysis of all incidents.

If the following circumstances arise, a specialised investigation using a cause analysis methodology is carried out, which generates a specific register:

- Incidents with a risk score above a specific level, established according to the method included in the procedure.
- By request of the Intercentre Health and Safety Committee and/or the Health and Safety Committee of the facility, the chain of command or the Prevention Service.
- Major or fatal accidents.
- Major accidents according to RD 840/2015.

See the Health and Safety, Environment and Quality Policy, the General Policy on the Integrated Security of Strategic Infrastructures and the Prevention of Major Accidents Policy on the corporate website.

Following the investigation, a report is produced including the causes of the incident, the potential risk assessment, the corrective actions identified, the persons responsible for carrying out and monitoring the corrective measures (including those that affect the risk assessment review or changes to the management system), as well as resources and timelines, following the procedure for managing corrective actions.

The criteria used for recording and consolidating reported accident data is based on the OSHA standard.

In 2022, the evaluation of psychosocial risks at the company was finalised, with the most unfavourable areas being the pace of work and role clarity; the most favourable areas were recognition and vertical trust. Also during this year, different corrective actions were identified and began to be implemented in order to manage the areas with the greatest room for improvement identified in this evaluation. These measures include actions aimed at stress management and stress reduction. [GRI 403-2, GRI 403-9]

Resilience: crisis management, business continuity and emergencies

Enagás is moving towards a resilient management model, promoting improvements in different areas such as crisis management, business continuity management and accident and emergency management. This model makes it possible to increase the company's capacity to adapt to a changing environment, reducing the time required to act and recover from the possible appearance of a disruptive situation.

Enagás periodically updates its Crisis Management Manual, adapting it to new risks, policies and emerging businesses, establishing various action committees to control incidents depending on the degree of severity and consequences of each scenario. As part of its Global Security Plan, the company organises annual crisis management drills, which enable it to train its professionals at both the technical and highest executive level. Likewise, to facilitate its response capacity, Enagás has maps of both corporate and local stakeholders so that, in the event of a hypothetical crisis situation, both the key people and the communication channels are identified, enabling efficient management.

During the year 2022, the focus has been placed on business continuity, establishing different actions within the company's Transformation Plan that will enable it to achieve improvements in this area.

Enagás also periodically reviews its emergency and self-protection plans and establishes emergency collaboration agreements with the authorities in each Autonomous Community through the signing of agreements in order to achieve a rapid, effective response in the event of a possible crisis situation.

Enagás is moving towards a resilient management model, promoting improvements in different areas such as crisis management, business continuity management and accident and emergency management

See the Cybersecurity Policy on our corporate website.

Information security

Enagás has a Cybersecurity Policy approved by the Board of Directors and targeted at efficiently managing the security of information processed by the company's IT systems, as well as the assets involved in these processes. This policy is implemented at the company through internal procedures and controls.

The Enagás information security management model is applicable to cybersecurity, based on international and national regulations and the continued assessment of cyber risk. This provides, through all means within its reach and in proportion to the threats detected, the resources required so that the organisation has an environment that is aligned with business targets and the cybersecurity targets established. The Audit and Compliance Committee of the Board of Directors is responsible for supervising the company's cybersecurity, and therefore periodically reports to this Committee on the established cyber risk indicators and other relevant matters. [GRI 2-13]

Additionally, as enhanced protection for the critical infrastructures operated by Enagás, a General Policy on the Integrated Security of Strategic Infrastructures has been defined in which the processes of physical and logical security have been combined for compliance with the Laws governing the Protection of Critical Infrastructure (LPIC) and the security of network and information systems (NIS). Also, the requirements of the new EU Directive 2022/2555 on measures for a high common level of cybersecurity across the Union.

Enagás has a cybersecurity management model with segregation of duties between government and operation, as well as a Cybersecurity Master Plan. This Plan has been updated in accordance with the requirements of Royal Decree 43/2021; it has designated a Chief Information Security Officer (CISO) with the relevant administrative body.

In 2022, Enagás approved its 2022-2024 Strategic Cybersecurity Plan, which establishes the policies to be followed to help ensure a secure, reliable cyberspace, using a 360º approach. For this reason, in 2022, the company carried out different informative and training actions that contributed to greater awareness and involvement among all professionals, aimed at improving employees' detection and reaction skills.

The Enagás 2022-2024 Security Master Plan also facilitates secure teleworking without affecting the company's normal operations, discusses the inertia towards digitalisation and the growing migration to cloud solutions. This Master Plan is based on the results of the risk analysis and focuses on improving the resilience of Enagás' information systems.

In 2022, Enagás approved its **2022-2024 Strategic Cybersecurity Plan**

Currently, Enagás has renewed the ISO 27001:2013 certification for its logistics and commercial systems, gas pipeline control systems and industrial control systems for each type of infrastructure that it operates.

In 2022, the company made progress in managing cyber risks in the supplier life cycle and in enhancing cybersecurity measures in industrial information systems.

Cybersecurity incidents

Enagás has a Security Operations Centre which serves to detect, analyse, report and resolve actual and potential cybersecurity incidents without interruption, 24/7. As in previous years, Enagás' IT systems were not subjected to any successful attacks in 2022.

Healthy Company [GRI 403-3, GRI 403-6]

Enagás is certified as a Healthy Company according to the protocol of the World Health Organization. The Integrated Healthy Management System encompasses aspects and information regarding the physical working environment, the psychosocial environment, personal health resources and community participation.

At Enagás, all job-specific risks with health impacts are assessed, and there are associated medical protocols to prevent and/or mitigate these impacts. [GRI 403-7]

In addition, there is an agreement with an external prevention service to provide coverage to the occupational medicine and health monitoring speciality at all centres.

The Enagás head office is staffed by two doctors, two qualified occupational nurses and one administrative assistant. The Gaviota platform also has a qualified occupational nurse and remote assistance from a medical service. Enagás also offers its employees private health insurance at a subsidised rate, and a physiotherapy service is offered for shift workers at regasification plants.

In 2022, Enagás carried on the "Guide Project" campaign to guide employees towards a culture of health and safety through the acquisition of knowledge and good habits that enable people to maintain their well-being in the

05/2022

The third edition of the Enagás **Steppers Challenge**, part of the company's 'Hello Health!' project, began last May for four weeks with the aim of overcoming sedentary lifestyles and improving health. This year, the number of participants increased compared to previous years, reaching 264 professionals, who were divided into 44 different teams.

The **"Guide Project"** campaign aims to help professionals acquire **knowledge and good habits for their well-being** at work and in their personal lives

professional and personal spheres. The actions launched within the framework of this project include informative videos on digital switch-off, best practices for day-to-day work in the office, emergency actions and work permit management.

As part of the 'Hello Health!' project, the company has a specific Emotional Well-being programme whose main objective is to provide professionals with tools to improve their emotional management and prevent stress at work. This programme includes a range of actions, such as stress management workshops (involving 80% of the company), a mindfulness programme, a digital well-being programme, emotional management improvement programme, interventions by a specialised psychologist to bring together work teams and awareness of digital switch-off.

Medical service actions [GRI 403-3, GRI 403-6]

Besides the specific medical check-up for each position, Enagás also carries out voluntary basic analytics, a cholesterol breakdown, prostate cancer check-ups for men over 45 years of age, an electrocardiogram and a colon cancer diagnostic test. Enagás has also implemented a programme to encourage professionals to gather the necessary knowledge to become promoters of their own health.

- 1,139 medical consultations for Enagás personnel (898 related to COVID-19), and ten for external personnel.
- 1,243 health examinations.
- 1,170 examinations for high blood pressure and cardiovascular risk (including 73 blood tests and 49 blood pressure measurements in the medical service, both at specific times and in follow-up).
- 470 tests of early diagnosis of prostate cancer.
- 292 tests of early diagnosis of colon cancer.
- 2,338 COVID-19 tests for Enagás personnel and 612 tests for external personnel. In addition, 449 follow-ups on cases (possible and confirmed) of COVID-19 among the company's workforce.
- 423 cases of vaccinations against flu, and six against pneumococcus, hepatitis A and B, tetanus and typhoid.

With the aim of promoting a healthy lifestyle among employees, Enagás provides professionals with healthy and natural food at the head office and in infrastructure canteens. It also offers online activities related to health and exercise through virtual classes in yoga, Pilates and mindfulness. Enagás also has a locker room, showers and bicycle parking facilities on its premises[1].
[GRI 401-2, GRI 403-6]

1. Activities and services available to all professionals (both full and part-time).

3.4 NATURAL CAPITAL AND BIODIVERSITY

[GRI 3-3]

Natural capital and biodiversity management is one of the key areas for Enagás, as is reflected in the company's Health and Safety, Environment and Quality Policy. The control and minimisation of our impacts on the environment also produces direct internal benefits by improving the use of resources, ensuring the sustainability of our business and generating confidence in our stakeholders.

The key aspects that we address in our natural capital and biodiversity management model are as follows: an assessment of natural capital and biodiversity's impacts and dependencies, process circularity (circular economy), monitoring and control of environmental issues (atmospheric emissions, spills and waste control, noise control, light pollution, water management, biodiversity) and the implementation of impact prevention and mitigation measures.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Programmes of environmental objectives and targets 2022.
- Plan to minimise waste generation and increase recovery/recycling treatments.
- Expansion of linear infrastructure areas with vegetation control through the use of extensive cattle raising.
- Transparency in risk and water management (CDP Water).
- Water monitoring plan for transport activity.

2023 lines

- Programmes of environmental objectives and targets 2023.
- Automation of waste management to improve the quality of information.
- Transparency in risk and water management (CDP Water).
- Biodiversity and nature reporting aligned with the international framework Taskforce on Nature-related Financial Disclosures (TNFD).
- Assessment of the impact of the use of range livestock for vegetation control in gas pipelines.

100%
OF ACTIVITY CERTIFIED IN ACCORDANCE WITH ISO 14001

90.6%
OF WASTE RECOVERED / RECYCLED
(AENOR Zero Waste Certification)

100%
OF FACILITIES WITH BIODIVERSITY IMPACT ASSESSMENTS
(2.1 km^2)

100%
SPILLS RECOVERED
through corrective actions

10%
REDUCTION
in municipal water consumption

Natural capital and biodiversity management model

[GRI 3-3]

Natural capital and biodiversity impacts and dependencies

Enagás, in line with Natural Capital Coalition's Natural Capital Protocol, assesses natural capital's dependencies and impacts in order to identify actions that enable us to minimise our environmental impact.

The environmental impacts are shown below, ordered by relevance and their origin, as well as the main actions Enagás carries out to prevent and reduce them.

		Environmental aspects	Impacts	Origin of impacts	Main preventative actions and impact mitigation
Most relevance	**Gas emissions**	• CO_2 emissions • CH_4 emissions • NO_x, HCFCs, CO, SO_x emissions	Reduction or deterioration of the quality of the atmospheric environment	Energy consumption for the operation, construction and maintenance of infrastructures (transmission, storage, regasification)	• Energy efficiency • Emissions offsetting • Preventive maintenance • Emission reduction targets linked to variable remuneration paid to employees
Medium relevance	**Waste**	• Non-hazardous waste • Hazardous waste • Spillage	Decrease in resources and soil and water quality	Infrastructure maintenance	• Recycling and re-use • Spillage prevention measures • Waste recycling and re-use targets
Least relevance	**Seawater withdrawal** (returning the water in similar conditions)		Deterioration in seawater volume and/or quality	Regasification plant operations	Use of cold before seawater is returned to the sea
	Land occupation		Impact on biodiversity	Construction and operation of infrastructures	Restoration and preservation of ecosystems to avoid deforestation
	Consumption of water from the municipal network and ground or surface water sources		Reduction of natural resources	• Firefighting systems • Irrigation • Sanitation	General plan to reduce the consumption of water in facilities
	Noise pollution		• Noise pollution around the facility • Impact on biodiversity	Infrastructure operation	Silencers, insulation
	Light pollution		• Light pollution around the facility • Impact on biodiversity	Infrastructure operation	Reduction of night-time lighting

See the Health and Safety, Environment and Quality Policy and the Corporate Biodiversity Directives on the corporate website.

With regard to natural capital dependencies, Enagás depends on the ecosystems in which its infrastructures are located, so that alterations to these - such as earth movements, flooding, etc. caused by extreme temperature phenomena - constitute a physical risk.

On an environmental aspect level, energy consumption (natural gas and electricity) is key to carrying out our work and is therefore our main natural capital dependency, alongside the land on which our infrastructures are located. They are also the source of our main environmental impact, greenhouse gas emissions. Within the framework of its ISO 50001-certified energy management system, Enagás analyses the most significant energy consumption in terms of facilities and equipment, as well as their dependence on the main variables, enabling us to establish and prioritise the energy efficiency initiatives with the greatest impact (see the 'Climate Action and Energy Efficiency' section).

Construction projects generate the company's main impacts on biodiversity. During these projects, Enagás carries out activities for the protection and conservation of flora and fauna species, in accordance with the impact mitigation hierarchy, aimed at preserving ecosystems and their biodiversity. Such activities start with on-site reconnaissance before any work commences in order to check for the presence or absence of species along the route. After construction work is complete, Enagás restores all the affected areas and reforests the area.

In 2022, a number of construction projects were carried out using the corridors of other existing infrastructures and existing accesses to the work area were also used, thus reducing the damage to soil and waters. These projects restored 100% of the affected land, returning it to its previous state as soon as possible after its alteration. This minimises the risk of erosion and helps re-establish the land's natural watershed, as well as the state of affected habitats and the landscape. In 2022, progress was made in the restoration of 536,619 m^2 and the revegetation of 174,920 m^2 of the 1,679,201 m^2 disturbed[1]. In 2023, Enagás will continue to work towards the reclamation of the remaining surface area. [GRI 304-2, GRI 304-3]

In 2022, Enagás' infrastructures occupied a surface area of 7.4 km^2 of land located in Protected Natural Spaces: Natura 2000 Network (LIC/ZEPA), Ramsar wetlands and Biosphere Reserve, representing 16.1% of the total area occupied by the company's facilities. Of the facilities located within critical biodiversity protection areas, the Gaviota and Serrablo underground storage facilities stand out, both of which have a specific biodiversity management plan covering the entire surface area of both facilities (0.16 km^2). [GRI 304-1]

Enagás conducts biodiversity impact assessments at all of its aboveground facilities (57 operational sites, which occupy a surface area of 2.1 km^2), as well as at construction projects carried out at the facilities and in pipeline areas. During the last five years, this entire area was assessed regarding these concerns (facilities and construction projects).

Risks arising from nature and its biodiversity [GRI 3-3]

From these impacts and dependencies, Enagás, in an integrated manner with the company's materiality analysis and risk assessment processes, identifies and assesses the risk level of each of the risks associated with nature and biodiversity with a scope based on the location of its infrastructure (for more information on ESG risks and their integration in the company's global risk model, see the 'Risk management' chapter). Thus, the physical risks identified are associated with dependence on ecosystems; the regulatory and reputational risks identified are associated with impacts on ecosystems, and some of them are associated with specific environmental aspects such as greenhouse gas emissions or protected species, as shown in the table below.

The scope of this analysis is limited to areas where our own operations are conducted, as well as adjacent areas. Enagás has based this analysis on the TNFD (Taskforce on Nature-related Financial Disclosures) framework. [GRI 3-3]

1. In 2021, progress was made towards restoring 801,539 m^2 of the 1,479,980 m^2 disturbed.

RISKS ARISING FROM NATURE AND ITS BIODIVERSITY

Type of risk

<table>
<tr><th>Type of risk</th><th>Enagás Risk Taxonomy</th><th>Risks</th><th>Level of risk</th><th>Main mitigating actions</th></tr>
<tr><td>Physical risks</td><td>Operational and technological</td><td>Incidents affecting infrastructures, equipment and systems due to operational failures related to natural capital</td><td>Significant</td><td rowspan="9">• Forecast contingencies associated with infrastructure development projects.
• Monitoring of infrastructure development projects to identify potential cost overruns, detours or contingencies.
• Previous experience in resolving this type of contingency.
• Enagás' Health and Safety, Environment and Quality Policy, the principles of which are embodied in the Enagás Environmental Management System, certified in accordance with ISO 14001.
• Environmental Impact Assessment (EIA) according to the typology and applicable regulations (subject to public record with stakeholder consultation processes).
• Carrying out actions aimed at avoiding, minimising, restoring and rehabilitating, compensating for environmental impacts.
• Sustainable Management Model, Sustainable Management Plan with lines of action for Natural Capital and Biodiversity Management.</td></tr>
<tr><td rowspan="7">Regulatory risks</td><td rowspan="4">Strategic and business</td><td>Failure to meet decarbonisation targets</td><td>Tolerable</td></tr>
<tr><td>Environmental impact associated with the development of renewable gas projects</td><td>Tolerable</td></tr>
<tr><td>Delays or failure to obtain authorisations, licences or permits due to negative environmental impacts</td><td>Acceptable</td></tr>
<tr><td>Cost overruns, delays or unavailability due to preservation of protected species or biodiversity</td><td>Acceptable</td></tr>
<tr><td rowspan="2">Compliance and model</td><td>Non-compliance with the company's internal policies, principles, guidelines and procedures related to climate change and natural capital</td><td>Tolerable</td></tr>
<tr><td>Regulatory and legal non-compliance (environmental regulation), including liability for contractor non-compliance</td><td>Tolerable</td></tr>
<tr><td>Criminal liability</td><td>Criminal liability for offences committed by employees or managers against natural resources and the environment</td><td>Tolerable</td></tr>
<tr><td>Reputational risks</td><td>Reputational</td><td>Negative stakeholder perception of the natural capital and biodiversity management</td><td>Acceptable</td></tr>
</table>

In addition, Enagás carries out assessments of environmental risks associated with accident scenarios.

As a result of the environmental risk assessments associated with accidental scenarios and their economic quantification (Law 26/2007), Enagás has provided a financial guarantee for the El Musel plant (hypothetical scenario of oil spillage into surface waters) and the underground storage facilities at Serrablo and Yela (the main hypothetical risk scenario is fire affecting wild species and habitats).

Enagás has an environmental liability policy that covers the costs of preventing and remedying any damage to the environment inside or outside the company's facilities, with an annual aggregate liability limit of 20 million euros per claim. It also has an industrial liability policy that covers compensation payments to third parties arising from sudden, accidental and unforeseen pollution or contamination with a limit of 300 million euros per claim. [GRI 3-3]

Environmental management

Enagás undertakes its environmental commitments (as outlined in the Health and Safety, Environment and Quality Policy) via its environmental management system. 100% of Enagás activity is ISO 14001 certified.

Furthermore, the Serrablo and Yela storage facilities and the Huelva and Barcelona regasification plants are EMAS certified.

In line with the ISO 14001 standard, Enagás analyses environmental impacts through assessments of environmental aspects for construction, operation and maintenance activities. Environmental monitoring is carried out through audits, environmental surveillance programmes, assessments of legal compliance at all facilities and monitoring of environmental indicators and improvement plans.

What is more, for infrastructure construction projects, and based on their type and on applicable regulations, environmental impact studies are carried out which include both the impacts themselves and the measures taken to mitigate them. All of this involves establishing consultation processes with stakeholders (see the 'Local communities' section).

All of this enables us to identify the natural capital assets in which we have the greatest impact at facility level and to therefore prioritise environmental actions based on them.

Natural capital management

Enagás has conducted an assessment of natural capital based on an analysis of environmental materiality at infrastructure level. In certain cases, a more detailed assessment is conducted to analyse the ecosystem services of the environment. This is the case of the Landscape Integration Study that was carried out prior to the construction of the Euskadour Compressor Station and which resulted in the identification of revegetation and recovery measures for soils, vegetation and water courses, with more than 900 species planted. [GRI 3-3]

Natural capital valuation study at the Euskadour Compressor Station [GRI 304-2]

Enagás has carried out a study to value and monetise environmental impacts at the facility. The project consisted of the following activities and conclusions:

- Identification of the ecosystem services present in the environment and their indicators: mainly regulating services and, to a lesser extent, supply and cultural services.
- Quantification of the variation of these services at three points in time: during construction, after the implementation of recovery and compensation measures, and after the permit period (25 years). It was found that the impact of construction on the ecosystem services provided by the environment was low thanks to the design and construction criteria used (as established in the Enagás Corporate Biodiversity Directives). In addition, measures implemented after construction and in the operating phase have resulted in a significant impact reduction, 64%, in regulating services, a percentage that will increase to 70% by the end of the period due to the effect of the measures.
- Monetisation of residual debt, with a result of 1,457.55 euros and 1,234.38 euros at the beginning and end of the concession period, respectively.
- Proposed compensation actions to neutralise this debt, which have been included in the company's biodiversity plan.

Biodiversity targets and strategy [GRI 3-3, GRI 304-2]

Nature and biodiversity targets	
2040	No net loss of biodiversity for energy infrastructure construction and operation projects
	No net deforestation
2050	Positive impact on nature

Strategic drivers for biodiversity
Valuation and assessment of ecosystems and environmental matters that allow us to set out and prioritise our actions.
Adopting nature-based solutions to preserve, restore and manage ecosystems and species, contributing to climate change mitigation, resilience and adaptation with benefits for nature.
Collaboration with organisations, associations and companies to create shared value and maximise the impact of our actions.
Raise awareness to encourage action both individually and collectively, helping to bring other companies and entities on board.

Enagás' biodiversity strategy establishes the **objective of no net loss of biodiversity by 2040** and net positive impact on nature by 2050

Collaborative projects and nature-based solutions

Since 2016, Enagás has been working on collaborative projects with different stakeholders (environmental companies, other companies, Public Administrations and farmers) to carry out vegetation control through the pasturing of range livestock (horses) along gas pipelines. [GRI 304-3]

The results obtained over the years have demonstrated the effectiveness and benefits of the use of livestock, for example in the growth of plant cover resulting from the animals' activity.

This is the case for gas pipeline sections located in the province of Huesca, attached to the Caspe Transmission Centre and the Sabiñánigo Transmission Centre, and the sections located in the Alto Bernesga Biosphere Reserve (León). In these sections, regular grazing is used as the most sustainable solution for vegetation control, due to its high positive impact on the environment and the community:

- Fertilisation and soil disturbance by livestock has a favourable effect on flora and fauna, increasing biodiversity. For this reason, the International Union for Conservation of Nature (IUCN) is assessing its classification as a nature-based solution.
- It provides an extra income for farmers and provides them with areas to graze their livestock, and clearing efficiency is improved.

During 2023, Enagás will evaluate and assess the impact on natural capital of these actions.

2022

Enagás signed a **collaboration agreement** with the environmental company Agrovidar and Red Eléctrica to replace the usual pruning and felling methods for biomass control with the use of extensive livestock pasturing. Two female farmers and their herds of cattle and horses will maintain 17 hectares of the Alto Bernesga biosphere reserve through which a Red Eléctrica and an Enagás line run.

Regular grazing was shown to be the most sustainable alternative to regular logging and pruning because of its high positive impact on the environment and the community.

The project is open to other companies, administrations, agricultural firms and agricultural schools for replication in other natural areas affected by infrastructure.

Circular economy

[GRI 306-2]

At Enagás, we have signed the 'Circular Economy Pact', committing ourselves to promoting the transition towards a circular economy. To this end, we are working along the following lines:

ACTIONS AIMED AT PROCESS CIRCULARITY [GRI 306-2]

Energy use and reducing the carbon footprint of our own and third-party production processes	• Enagás' Energy Efficiency and Emissions Reduction Plan, which has enabled us to reduce our carbon footprint by 32% compared to 2014 (see the 'Climate action and energy efficiency' section). • Electricity generation projects for our own and third-party consumption, using renewable energies, cleaner technologies and more efficient processes, through which we generated 14.1% of the electricity consumed in 2022 (see the 'Climate Action and energy efficiency' section). • A project to make use of the residual cold produced by liquefied natural gas (LNG), making it possible for the residual cold produced in the regasification process of the plants to be used in third-party air conditioning installations or industrial processes, producing energy savings in energy costs and a reduction in the carbon footprint.
Use of renewable energy	• Integration of renewable gases into the Spanish and European Gas Systems through infrastructures, the promotion of a future hydrogen network in Europe and the creation of a renewable gas market (see the 'Decarbonisation and carbon neutrality' chapter). • Enagás, through its subsidiary Enagás Renovable, has a portfolio of some 25 renewable hydrogen development projects and 21 biomethane development projects distributed throughout Spain, in collaboration with other partners. (see the 'Decarbonisation and carbon neutrality' chapter). • 100% of electricity consumption from guaranteed renewable energy beginning in 2021 (see the 'Climate action and energy efficiency' section).
Life cycle optimisation for products and facilities. Recovery and extension of the useful life of auxiliary substances and incorporation of eco-design principles	• Reclamation plant for water with methanol at the Serrablo underground storage facility; depending on the amount of methanol present and under certain operating conditions, this will allow us to recover up to 98% of the water containing methanol, thus avoiding the generation of a substantial volume of hazardous waste. • Extension of the useful life of oils and lubricants used in the equipment of its facilities by cleaning and filtering these products. • Recycling of triethylene glycol (TEG) used in the gas drying process at underground storage facilities by subjecting it to a distillation process that optimises the life cycle of this product. • Incorporation of eco-design criteria in construction projects. • Use of the gas pipeline network route to install fibre optics.
Water saving and efficiency	• Rainwater capture systems in facilities used for fire suppression and irrigation. • Replacement of lawns with native vegetation at facilities for more responsible water use, which will allow us to reduce water consumption by up to 80% at two of the facilities with the highest consumption.
Ecological remediation and ecosystem restoration	• Biodiversity Strategy: adopt nature-based solutions to preserve, restore and manage ecosystems and species, contributing to climate change mitigation, resilience and adaptation with benefits for nature. • Reclamation and revegetation at 100% of infrastructure development projects with impacts on biodiversity.
Waste recovery and recycling	• Waste recovery and recycling treatments required of waste managers, enabling us to recover 90.6% of waste in 2022.
Product reuse	• Signing of a collaboration agreement with Oroel to research the development of new personal protective clothing from material already in use in order to give them a second useful life. • Donation of 32 unused laptops and mobile devices for later reuse in 2022.
Raising awareness on the importance of moving towards a circular economy	• Introduction of the concept of circular economy in environmental training courses. • Awareness-raising campaigns for contractors and Enagás professionals about separating and managing waste.

Consumption of auxiliary materials

Enagás does not consume raw materials in its production process; only ancillary materials are used. Enagás is committed to promoting the circular economy through the efficient use of these materials, reducing consumption, pollution, waste generation and its impact on the environment while encouraging innovation.

CONSUMPTION OF MAIN AUXILIARY MATERIALS

Auxiliary material	2020	2021	2022
Tetrahydrothiophene (THT) (kg)	432,700	432,202	440,839
Sodium hypochlorite (kg)	646,921	541,327	523,537
Chlorine dioxide (kg)	43,503	26,940	45,695
Methanol (litres)	417,368	589,247	265,030
Triethylene glycol (TEG) (litres)	41,084	9,369	2,050

As can be seen, the consumption of tetrahydrothiophene (THT) used in the gas odorisation process increased in 2022 (by 2% compared to 2021) due to the increase in activity. The sum of the consumption of chlorine dioxide and sodium hypochlorite, substances used as biocides in regasification plants, did not change significantly compared to the previous year.

Waste generation and management [GRI 3-3, GRI 306-1]

The waste generated by Enagás is mostly associated with the maintenance of facilities and equipment, and is mainly liquid waste.

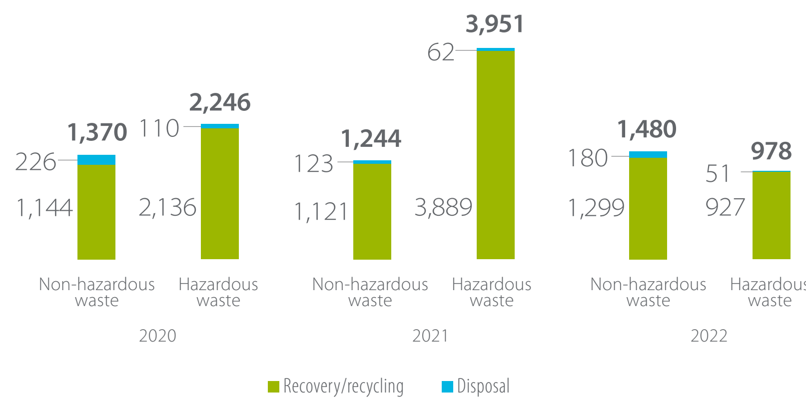
Enagás has implemented a system of segregation, management, storage and delivery to authorised managers of hazardous and non-hazardous waste, who manage the waste outside the company's facilities.

Enagás has recycled/recovered **90.6% of all waste generated**

In 2022, Enagás obtained the Zero Waste certification from AENOR[1], which recognises the company's progress in maximising the volume of waste recycled or recovered, as well as minimising the waste generated. Therefore, in its various contracts with waste managers, the company has set out the treatments to be applied to each waste product in line with applicable legislation and its commitments, which include the target of treating (recycling/recovering) a percentage equal to or greater than 90% of all hazardous and non-hazardous waste. In addition, Enagás has a plan with actions aimed at increasing the percentage of waste recovery at infrastructure facilities and minimising waste generation. [GRI 306-2, GRI 306-4, GRI 306-5]

WASTE GENERATED AND MANAGED BY TYPE OF WASTE (tonnes)

[GRI 306-3, GRI 306-4, GRI 306-5]



1. Waste management certificate 2021. The Barcelona plant is outside the scope of this certification.

90.6% of the waste generated was recycled/recovered, reaching 94.8% for hazardous waste. Waste that has been disposed of is of different types, many of which are difficult to recover (waste with THT and contaminated soils). Enagás continues to work with waste managers to increase this percentage as much as possible.

In 2022, there was a significant reduction in hazardous waste generated linked to the decrease in methanol water waste (an 80% reduction compared to 2021). The generation of this waste is directly related to the level of extraction activity of the underground storage facilities in accordance with the requirements of the Technical System Manager. In 2022, gas extraction at these storage facilities was reduced by 69% compared to the previous year.

On the other hand, the volume of non-hazardous waste generated increased by 19% compared to the previous year, mainly due to the increase in the generation of debris from maintenance works, the generation of sludge from catchment pools associated with pool cleaning and the generation of wood waste from the supply of industrial equipment. The main non-hazardous waste was household waste, of which more than 98% was recycled/recovered in 2022, and septic tank sludge (non-industrial liquid waste), 100% of which was recycled/recovered.

WASTE GENERATED AND MANAGED BY TYPE OF WASTE AND BY WASTE DESTINATION (tonnes) [GRI 306-3, GRI 306-4, GRI 306-5]

Type of waste	Waste destination		2020	2021	2022
Non-hazardous	Recovery / recycling	Preparation for re-use	0.00	0.00	0.00
		Recycling	972.98	1,068.10	1,285.05
		Other recovery operations	171.35	52.41	14.39
		TOTAL RECOVERY / RECYCLING	**1,144.33**	**1,120.51**	**1,299.44**
	Disposal	Incineration (with energy recovery)	0.00	0.00	0.00
		Incineration (without energy recovery)	0.12	0.00	0.00
		Transfer to a landfill	48.13	25.07	28.53
		Other disposal operations	177.52	98.27	151.87
		TOTAL ELIMINATION	**225.77**	**123.34**	**180.40**
	TOTAL WASTE		**1,370.10**	**1,243.85**	**1,479.84**

Type of waste	Waste destination		2020	2021	2022
Hazardous	Recovery / recycling	Preparation for re-use	0.00	0.42	0.09
		Recycling	2,128.23	3,855.95	893.57
		Other recovery operations	7.52	32.61	33.32
		TOTAL RECOVERY / RECYCLING	**2,135.75**	**3,888.98**	**926.98**
	Disposal	Incineration (with energy recovery)	0.00	0.00	0.00
		Incineration (without energy recovery)	10.25	0.80	0.49
		Transfer to a landfill	7.42	6.61	4.91
		Other disposal operations	92.75	54.72	45.73
		TOTAL ELIMINATION	**110.42**	**62.13**	**51.13**
	TOTAL WASTE		**2,246.17**	**3,951.11**	**978.11**

SOLID WASTE GENERATED AND MANAGED BY TREATMENT (tonnes)[1]

[GRI 306-3, GRI 306-4, GRI 306-5]

Operation/Treatment		2020	2021	2022
Recovery / recycling[2]		**525.41**	**542.37**	**722.30**
Disposal	Incineration (with energy recovery)	0	0	0
	Incineration (without energy recovery)	0.98	0.80	0.45
	Transfer to a landfill	55.39	30.03	33.32
	Other disposal operations	5.84	5.37	7.63
	TOTAL ELIMINATION	**62.21**	**36.20**	**41.40**
TOTAL SOLID WASTE		**587.62**	**578.57**	**763.70**

(1) Excludes contaminated soils produced by accidents and soaked sepiolite (clean-up material for small spills).
(2) Includes energy recovery, capture, recycling and other recovery treatments.

Spillage control [GRI 306-3]

Enagás has preventive measures in place to avoid spills, such as the placement of containment buckets and trays. The following accidental spills occurred in 2022[1].

MAIN SPILLS IN 2022

Spilled material	Spill volume (litres)	Location of the spill
Fuel	60.7	Spills at the Cartagena Regasification Plant (50 litres of diesel), Yela Underground Storage Facility (8 litres of diesel) and Gaviota Underground Storage Facility (0.2 litres of diesel and 2.5 litres of liquid containing hydrocarbons).
Chemicals	2	2-litre coolant spill at the Cartagena Regasification Plant.
Other (oil)	751	Oil spills at the Huelva Regasification Plant (4 spills of 8 litres in total), the Yela Underground Storage (1 spill of 3 litres), the Paterna Compressor Station (2 spills of 40 litres in total) and the Almendralejo Compressor Station (2 spills of 700 litres in total).

In case of a spill, Enagás carries out corrective actions that include, among others, damage assessment, land decontamination and replenishment if necessary, removal and treatment by the waste management company and preparation of the incident report. In 2022, 100% was recovered thanks to these corrective measures, and there was therefore no environmental impact.

Water management [GRI 3-3, GRI 303-1]

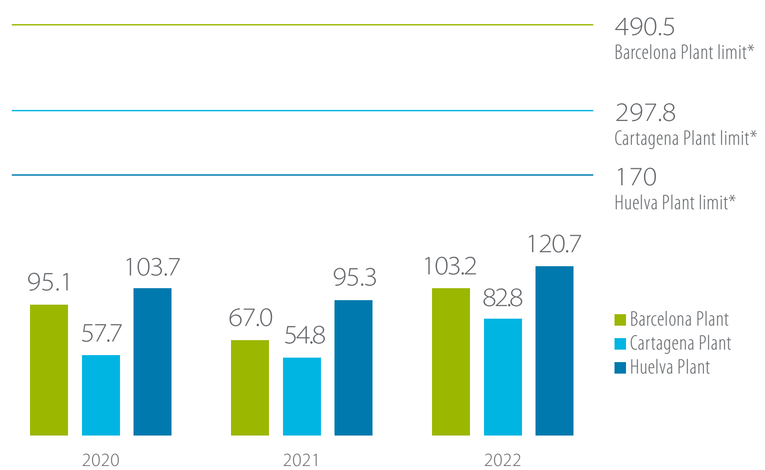
At Enagás, we do not consume water in our production processes. The company has therefore not stated significant aspects linked to water shortages in the yearly assessments that are conducted in line with the environmental management model.

The main withdrawal of water that Enagás carries out is that of seawater for use in floodwater vaporisers or at regasification plants. The volume of water taken is directly proportional to the quantity of gas regasified. This seawater

1. The following accidental spills occurred in 2021: four fuel spills (225.10 litres in total), two chemical spills (23 litres in total) and four oil spills (262.5 litres in total).

accounts for 99.9% of the total water withdrawn and is returned in such a way that its nature is maintained (the decrease in temperature is minimal and does not affect the marine ecosystem). [GRI 303-3, GRI 303-4]

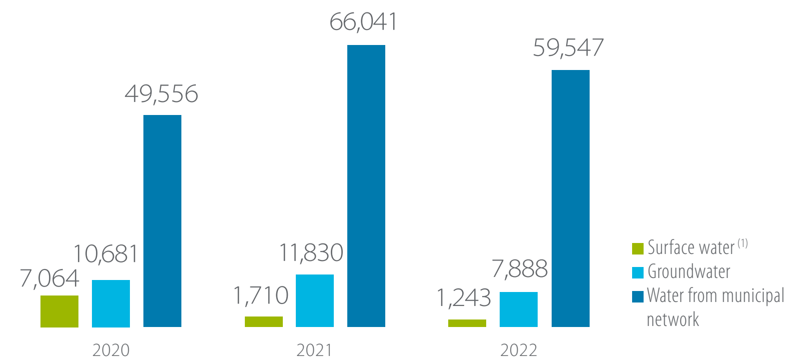
SEAWATER WITHDRAWN AND RETURNED TO ITS SOURCE (hm^3)
[GRI 303-3]



* Legal extraction limit established for each Regasification Plant

In 2022, seawater withdrawn at regasification plants was more than 40% higher than in the previous year, in line with the higher level of regasification activity at these facilities, which was 49% higher than in 2021.

WATER WITHDRAWN FROM OTHER SOURCES (m^3) [GRI 303-3]



(1) In 2022, the use of water from the municipal network and surface water from previous years was recalculated due to the separation of flows of water supplying the plant and the Gaviota underground storage platform (until this year, it was all considered water form the municipal network).

The company has various measures aimed at reducing water consumption such as better techniques for irrigation and consumption of grey water. In 2022 we have managed to reduce the amount of water drawn from the municipal network by 10%, surpassing our own target (5%). Enagás has been implementing measures to reduce water consumption for years, as well as carrying out regular campaigns to raise awareness and disseminate information about water conservation (of particular note is the quarterly consumption control carried out at the Transmission Centres, as well as the measures to reduce consumption in the event of a drought at the Barcelona Plant).

In 2022, Enagás **reduced its consumption of municipal water by 10%**

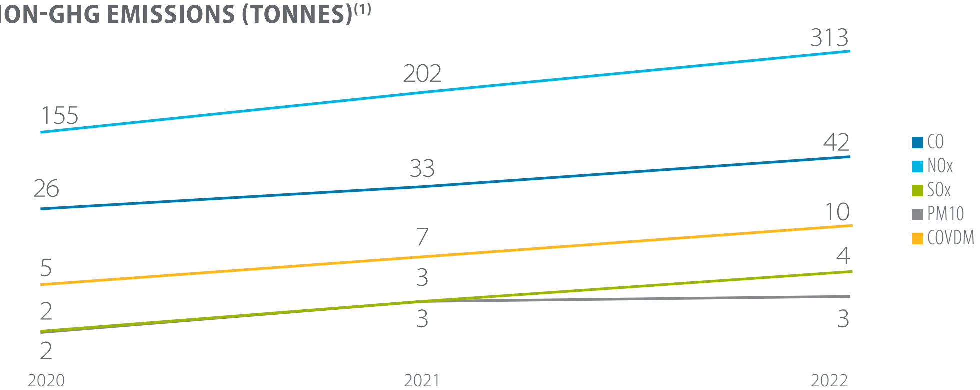
Enagás also draws water from other sources, mainly for sanitary use, irrigation and fire-fighting equipment. Of the 68,678 m^3 withdrawn in 2022 for these uses, 16,602 m^3 have been discharged, meaning that water consumption has totalled
[GRI 3-3, GRI 303-2, GRI 303-4, GRI 303-5]

53,426 m^3 (an amount that includes the 1,350 m^3 of seawater pumped at the Barcelona Plant for desalination)[1]. This amount of water consumed represents only 0.02% of the total amount of water withdrawn. [GRI 303-2, GRI 303-4, GRI 303-5]

Air pollution [GRI 3-3, GRI 305-7]

The main non-greenhouse gases emitted at our facilities are CO, SO_x, NO_x, PM_{10} particles and Non-Methane Volatile Organic Compounds (NMVOC). These emissions are produced by the consumption of natural gas and diesel by various pieces of equipment and, therefore, are directly related to CO_2 emissions. Energy efficiency measures and CO_2 emission reduction targets (see the 'Climate action and energy efficiency' section) are directly related to the reduction of these atmospheric emissions.

NON-GHG EMISSIONS (TONNES)(1)



(1) Enagás does not emit the following compounds: Persistent Organic Pollutants (POPs) and Hazardous Air Pollutants (HAPs). The source of the emission factors used for the calculation of these emissions is the EMEP/EEA air pollutant emission inventory guidebook 2019, by the European Environment Agency.

1. In 2021, of the 79,581 m^3 withdrawn for these uses, 14,365 m^3 were discharged, so water consumption was 69,770 m^3 (including the 4,554 m^3 of seawater used at the Barcelona Plant for desalination).

In 2022, the increase in non-greenhouse gas emissions compared to the previous year was directly related to the increase in natural gas consumption due to significant changes in the operating context of the Spanish Gas System (see the 'Climate action and energy efficiency' section).

However, despite this context, Enagás has set a target of reducing its NO_x emissions by 5% by 2023 compared to 2022, which it will achieve mainly thanks to the electrification of turbocompressors.

Enagás carries out regulatory and voluntary atmospheric checks (self-checks) at all its combustion sites. The control actions are as follows:

- Periodic regulatory inspections (conducted by an authorised inspection organisation (AIO)).
- Annual TESTO check (carried out with their own resources (Analysing team and Enagás employees)).

Both the regulatory inspections and the internal TESTO checks are planned annually for every facility as part of the 'Atmospheric Monitoring Programme'.

Noise at Enagás' facilities is produced by the operation of regulators, turbines, vaporisers and pumps, among others. All facilities carry out regular environmental noise measurements around their perimeter to ensure that noise levels remain within the limits established in applicable legislation. In those cases where deviations are found, corrective actions are implemented (acoustic screens, silencers, soundproofing, etc.).

With regard to light pollution, Enagás has also reduced night-time lighting at its facilities by switching off the lighting at night, with the exception of regasification plants, where minimum perimeter lighting is maintained.

3.5 GOOD CORPORATE GOVERNANCE

Good Corporate Governance is a primary concern for the company, as is reflected in the Enagás Sustainability and Good Governance Policy. This policy confirms that a good governance model allows us to create value in the short, medium and long-term for shareholders, customers, suppliers and other stakeholders. It also strengthens the company's control environment, reputation and credibility for third parties.

The key areas on which our governance model is structured are the company's strategy and objectives (see the 'Our commitment to the energy transition' chapter), the structure and functioning of our governing bodies (independence, diversity, etc.), performance and the system of incentives for decision-making.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- 2022 Board renewals, considering Good Governance recommendations regarding the number of Board members and gender diversity on the Board.
- Re-election of the Chairman, Mr Antonio Llardén Carratalá, who will cease to carry out his executive duties and will become another External Director.
- Ratification and appointment of Mr Arturo Gonzalo Aizpiri as Chief Executive Officer of the Company.
- Division of the Sustainability, Appointments and Remuneration Committee into two separate committees: the Sustainability and Appointments Committee and the Remuneration Committee.
- Certifying, for the third consecutive year, the General Shareholders' Meeting of 2022 as a sustainable event in accordance with the ISO 20121 standard.

2023 lines

- Planning for the 2023 Board renewals, considering Good Governance recommendations regarding the number of Board members and gender diversity on the Board.
- Maintaining the Board's level of independence.
- Renewing the certification of the 2023 General Shareholders' Meeting as a sustainable event in accordance with ISO 20121.

40%
WOMEN
on the Board of Director
[GRI 405-1]

33.3%
WOMEN
in the Executive Committee
[GRI 405-1]

15
MEMBERS
of the Board of Directors

66.7%
INDEPENDENT DIRECTORS

46%
QUORUM
at 2022 GSM

Board of Directors and Committees [GRI 2-9, GRI 2-11]

Mr Antonio Llardén Carratalá has been Executive Chairman of Enagás since 2007. The 2022 General Shareholders' Meeting re-elected him as Chairman, relieving him of his executive duties and giving him the status of another External Director, in line with international corporate governance best practices. This coincided with the ratification and appointment of Mr Arturo Gonzalo Aizpiri as Chief Executive Officer of the Company.

In line with industry best practices, the Sustainability, Appointments and Remuneration Committee has been split into two separate committees in 2022: the Sustainability and Appointments Committee and the Remuneration Committee. This improves the level of independence of the previous committee.

03/2022

The **General Shareholders' Meeting** approved the 2021 accounts, the management report and all the items on the Agenda, as well as the re-election of Antonio Llardén as Chairman and the ratification of Arturo Gonzalo as Executive Director. During the event, Enagás highlighted security of supply in Spain and Europe and decarbonisation as strategic priorities.

Enagás' 2022 General Shareholders' Meeting was held in person and online and has been certified as a sustainable event in accordance with the ISO 20121 standard for the third consecutive year.

Name of the Director	Position on the Board of Directors	Type of Director	Position on the Audit and Compliance Committee	Position on the Sustainability and Appointments Committee	Position on the Remuneration Committee
Antonio Llardén Carratalá	Chairman	Other External			
Arturo Gonzalo Aizpiri	Chief Executive Officer	Executive			
Ana Palacio Vallelersundi	Independent Leading Director	Independent		Chairwoman	
José Montilla Aguilera	Director	Independent	Chairman		
María Teresa Arcos Sánchez	Director	Independent			Chairwoman
Santiago Ferrer Costa	Director	Proprietary		Member	
SEPI - Sociedad Estatal de Participaciones Industriales (represented by Bartolomé Lora Toro)	Director	Proprietary	Member		
José Blanco López	Director	Independent		Member	
Natalia Fabra Portela	Director	Independent	Member		
Cristóbal José Gallego Castillo	Director	Independent		Member	
Clara Belén García Fernández Muro	Director	Independent			Member
Manuel Gabriel González Ramos	Director	Independent			Member
David Sandalow	Director	Independent		Member	
Patricia Úrbez Sanz	Director	Independent	Member		
María Teresa Costa Campi	Director	Other external		Member	
Rafael Piqueras Bautista	General Secretary		Secretary	Secretary	Secretary

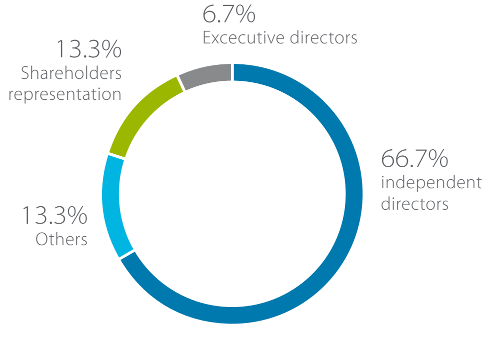
See the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás and the Regulations of its Committees on the corporate website.

Board structure: independence and diversity

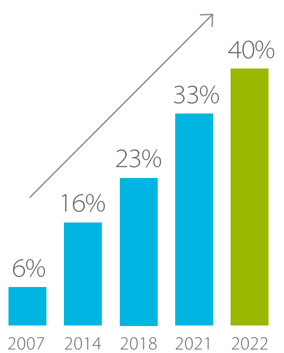
[GRI 2-9, GRI 2-10, GRI 405-1]

The Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás includes conditions which must be met by Board members in order for them to be considered independent. An additional target has been defined to have at least half of the Board consisting of independent directors.

BOARD OF DIRECTORS



PERCENTAGE OF WOMEN ON THE BOARD OF DIRECTORS



See the **Board Diversity and Director Selection Policy** on the corporate website.

PERCENTAGE OF BOARD MEMBERS BY AGE RANGE AND GENDER

	Women	Men	Total
<=35 years	-	-	-
36-55 years	66.7%	22.2%	40%
>55 years	33.3%	77.8%	60%
TOTAL	**40%**	**60%**	**100%**

In 2022, the Enagás Board of Directors has 15 directors, 66.7% of whom are independent. The average age of the directors is 58.5 years old and their average tenure is 4.5 years.

The Board Diversity and Director Selection Policy sets out the principles on which the selection processes for members of the Board of Directors are based:

- Principle of diversity in the composition of the Board.
- The principle of non-discrimination and equal treatment, so that the selection procedures for members of the Board of Directors are not subject to implicit bias which could entail any discrimination of any kind, whether due to race, sex, age, disability, etc.
- Compliance with laws in force and with the Enagás corporate governance system; likewise, with the recommendations and principles of good governance adopted by the Company.

In 2022, and in line with its commitment to promote gender diversity and the recommendations of the National Securities Market Commission (CNMV), Enagás'

Board of Directors was 40% women, thus meeting the target of 40% women on the Board by 2024 included in the 2022-2024 Long-Term Incentive Plan.
[GRI 2-9, GRI 2-10, GRI 405-1]

Enagás' Board of Directors is now 40% women, meeting the target set out in the 2022-2024 Long-Term Incentive Plan

Functioning of the Board

[GRI 2-12, GRI 2-18]

Enagás' Sustainability and Good Governance Policy establishes compliance with national and international recommendations and best practices in the area of corporate governance, in aspects such as the training and assessment of Directors, as one of its commitments.

See the **Sustainability and Good Governance Policy** on the corporate website.

See the **Conflict of Interest Policy** on the corporate website.

Enagás has established the necessary mechanisms to detect and resolve possible conflicts of interest in which directors and shareholders of the Group, as well as their respective related parties, may find themselves. This is all in accordance with the Conflict of Interest Policy, the provisions of current corporate and regulatory regulations and the Enagás Corporate Governance System, with the ultimate aim of avoiding potential conflicts of interest and ensuring full transparency in this regard. For more details on these mechanisms, see the 'Annual Corporate Governance Report', section D.6.

Every year, an assessment of the Board is performed with the participation of an independent external expert. This assessment is performed objectively and from a best-practice viewpoint by means of questionnaires completed by all members of the Board. The conclusions of this phase are checked in interviews with the same Directors. The aim is to sustain and bolster the performance of the Board of Directors. For more details on the results of the assessment carried out during 2022, see the 'Annual Corporate Governance Report', sections C.1.17 and C.1.18.

In accordance with the priorities identified by the members of the Board of Directors in the previous year's performance review, the following lines of action were pursued in 2022:

- Increase the frequency and duration of sessions.
- Strengthen oversight of the risk model. This is why risk reporting has evolved, increasing the information in the corporate risk map and integrating ESG risks as a cross-cutting risk.
- Specific monitoring of cybersecurity risk and associated mitigation actions.
[GRI 2-17, GRI 2-18]

KNOWLEDGE, SKILLS AND PROFESSIONAL EXPERIENCE OF THE BOARD OF DIRECTORS

[GRI 2-9, GRI 2-17]

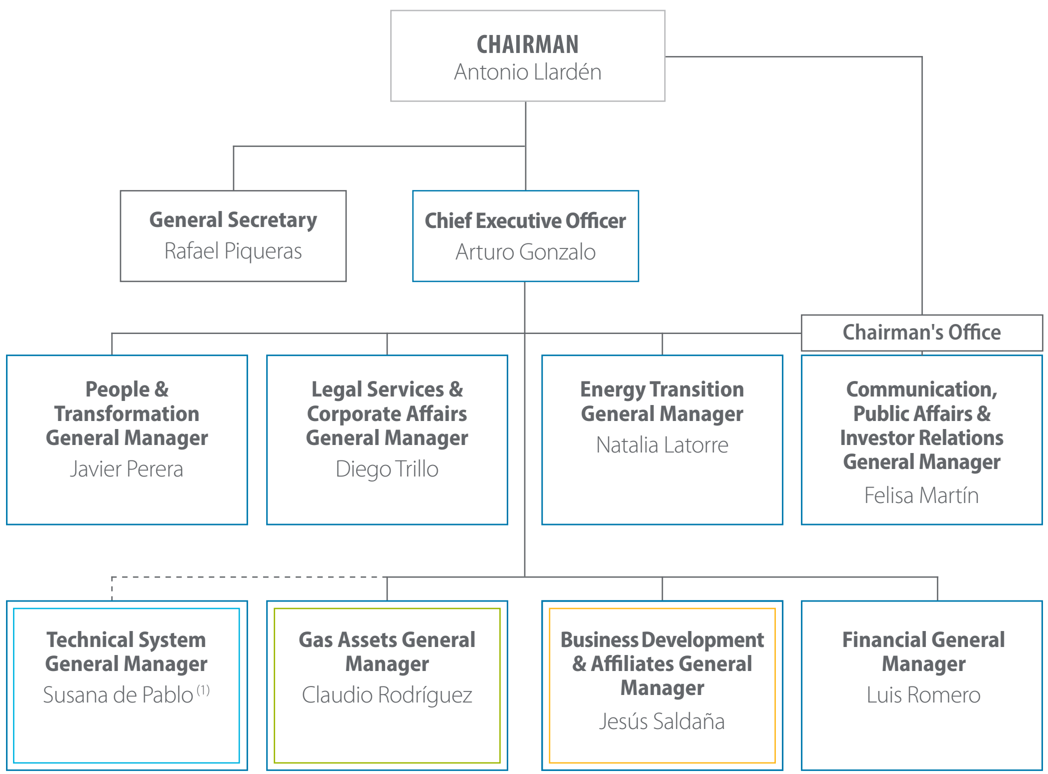
			Audit and Compliance Committee				Sustainability and Appointments Committee						Remuneration Committee		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Senior management	x	x	x	x	x				x		x				x
Industry experience	x	x		x		x		x	x			x	x		
International experience	x	x	x	x	x	x	x		x	x	x		x		
Audit and finance	x	x		x				x							
Risk management		x	x	x	x			x							
Strategy		x	x	x	x	x	x	x	x		x	x			x
Institutional experience and public service	x	x	x	x	x		x	x	x		x			x	x
Legal, regulatory and corporate governance				x	x		x							x	x
Technology		x	x	x				x		x		x			x
Innovation		x	x	x				x	x	x					
Cybersecurity			x	x											x
People, culture, talent and human rights management	x	x	x	x	x				x						
Sustainability, climate change and environment	x	x	x		x	x	x	x	x	x	x	x	x	x	

Among the issues addressed in 2022 by the Board of Directors are those related to **environmental, social and good governance aspects**

14 meetings of the Board of Directors were held in 2022 with an average attendance of 100%, and the following critical issues were addressed. [GRI 2-16]

Topic	Type	Resolution
Transparency in non-financial information and diversity	Corporate Governance, Environmental and Social	Unanimously approved
Annual Corporate Governance Report and Consolidated Management Report (Non-Financial Information Statement)	Corporate Governance	Unanimously approved
Evaluation of the Board	Corporate Governance	Unanimously approved
Decarbonisation strategy: update of the decarbonisation pathway to meet Scopes 1 and 2 emission reduction targets	Environmental	Unanimously approved
Positioning in sustainability indices and Sustainable Management Plan	Corporate Governance, Environmental and Social	Unanimously approved
Regulatory aspects with ESG impact	Corporate Governance, Environmental and Social	Unanimously approved

MANAGEMENT TEAM [GRI 2-13, GRI 405-1]



Enagás GTS S.A.U. | Enagás Transporte S.A.U. | Enagás Internacional S.L.U., Enagás Emprende S.L., Enagás Service Solutions S.L. | Members of the Executive Committee

(1) The Technical System General Manager will have her participation in the Executive Committee delimited according to the aspects to be dealt with.

PERCENTAGE OF PROFESSIONALS WHO ARE MEMBERS OF THE EXECUTIVE COMMITTEE BY AGE RANGE AND GENDER

	Women	Men	Total
<=35 years	0.0%	0.0%	0.0%
36-55 years	100.0%	66.7%	77.8%
>55 years	0.0%	33.3%	22.2%
TOTAL	**33.3%**	**66.7%**	**100.0%**

06/2022

The Enagás Board of Directors has approved a new organisational structure to realise the company's new 2022-2030 Strategic Plan. The new organisation is a response to the goal of focusing on energy transition and security of supply in Spain and Europe. It promotes innovation to aid in the decarbonisation process.

The **Enagás Executive Committee**, headed by the Chief Executive Officer, is being reduced from 11 to 9 members, 33.3% of whom are women.

Remuneration of the Board of Directors [GRI 2-19, GRI 2-20]

The Enagás Board of Directors is empowered to adopt resolutions on Directors' remuneration. The Remuneration Committee proposes the remuneration criteria, within the limits set forth in the Articles of Association and pursuant to the decisions taken at the General Shareholders' Meeting. The Committee also monitors the transparency of remuneration. Thus, in 2021, the General Shareholders' Meeting approved the new Directors' Remuneration Policy 2022-2024, which is of a continuing nature, maintaining the fundamental premises of the previous ones in terms of independence, stakeholder involvement (the remuneration report is submitted to a consultative vote at the General Shareholders' Meeting) and internal and external advice, and adding technical improvements.

Remuneration of the Board of Directors in 2022 [GRI 2-19, GRI 2-20]

The remuneration of the members of the Board of Directors for their Board membership and those corresponding to the Chairman, the former Chief Executive Officer and the current Chief Executive Officer for the exercise of their executive functions during the 2022 financial year were approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", approved as Item 10 of the Agenda and modified by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda.

The Group has outsourced its pension commitments with respect to its Senior Managers through a mixed group insurance policy for pension commitments, including benefits in the event of survival, death, and employment disability. The Executive Chairman and the former Chief Executive Officer are part of the group covered by this policy and of the total premium paid for this during the year, 345 thousands of euros corresponded to them. The new Chief Executive Officer (Mr Arturo Gonzalo Aizpiri) does not have a pension commitment instrument, as he does not have an employment relationship with the company, but rather a commercial relationship. The new CEO maintains an assimilated individual savings insurance at a cost of 191 thousands of euros.

The members of the Senior Management also form part of the group insured under the mixed group insurance policy for pension commitments. The total premium paid for the same during the financial year amounts to 747 thousands of euros.

The two former Executive Directors (Mr Antonio Llardén Carratalá and Mr Marcelino Oreja Arburúa) were beneficiaries of the 2019-2021 Long-Term Incentive Plan approved by the General Shareholders' Meeting on March 29, 2019 under Item 8 of the Agenda. During 2022, the aforementioned incentive was paid out under the terms established by the General Shareholders' Meeting. As a result of this settlement, a total of 50,122 gross shares were delivered to the two executive directors, which they will not be able to sell within two years.

Members of Senior Management (members of the Management Committee) are equally beneficiaries of the 2019-2021 Long-Term Incentive Plan. In the terms approved at the General Shareholders' Meeting, in the settlement of this incentive in the 2022 financial year, 52,538 gross shares and a cash incentive amount of 335 thousands of euros corresponded to them.

The current Chief Executive Officer is beneficiary of the 2022-2024 Long-Term Incentive Plan approved by the General Shareholders' Meeting on March 31, 2022 as Item 9 of the Agenda. In said meeting, a total of 96,970 rights relating to shares were assigned to him. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

Members of Senior Management (members of the Executive Committee) are equally beneficiaries of the 2022-2024 Long-Term Incentive Plan. As approved at the General Shareholders' Meeting, the Board has assigned them a total of 145,764 rights relating to shares as well as an incentive in cash amounting to approximately 1,000 thousands of euros. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

The aforementioned remuneration, broken down for each member of the Board of Directors, without considering insurance premiums, is as follows:

REMUNERATION OF THE BOARD OF DIRECTORS (THOUSANDS OF EUROS)

[GRI 2-19]

Director	2022 (6)	2021
Mr Antonio Llardén Carratalá (Chairman) (1)	1,594	1,881
Mr Arturo Gonzalo Aizpiri (Chief Executive Officer) (3) (4) (5)	969	0
Sociedad Estatal de Participaciones Industriales (Proprietary Director) (4)	160	160
Mr José Blanco López (Independent Director) (4)	160	160
Ms Ana Palacio Vallelersundi (Independent Leading Director) (4)	190	190
Mr José Montilla Aguilera (Independent Director) (3) (4)	175	166
Mr Cristóbal José Gallego Castillo (Independent Director) (4)	160	160
Ms Eva Patricia Úrbez Sanz (Independent Director) (4)	160	160
Mr Santiago Ferrer i Costa (Proprietary Director) (4)	160	160
Ms Natalia Fabra Portela (Independent Director) (3) (4)	160	85
Ms María Teresa Arcos Sánchez (Independent Director) (3) (4)	170	85
Mr David Sandalow (Independent Director) (3) (4)	114	0
Ms Clara García Fernández-Muro (Independent Director) (3) (4)	113	0
Ms María Teresa Costa Campi (Independent Director) (3) (4)	114	0
Mr Manuel Gabriel González Ramos (Independent Director) (3) (4)	113	0
Mr Ignacio Grangel Vicente (Independent Director) (3) (4)	44	160
Mr Gonzalo Solana González (Independent Director) (3) (4)	44	160
Mr Antonio Hernández Mancha (Independent Director) (3) (4)	44	160
Ms Isabel Tocino Biscarolasaga (Independent Director) (3) (4)	44	168
Mr Marcelino Oreja Arburúa (former Chief Executive Officer) (2) (3)	431	952
Mr Luis García del Río (Independent Director)	0	73
Mr Martí Parellada Sabata (External Director)	0	73
Ms Rosa Rodríguez Díaz (Independent Director)	0	73
TOTAL	**5,119**	**5,026**

(1) The remuneration of the Executive Chairman for the exercise of his executive duties during 2022 was that approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years" as approved as Item 10 of the Agenda as amended by the General Shareholders' Meeting held on March 31, 2022 under Item 8 of the Agenda to cover his remuneration as non-executive Chairman as from that date. During 2022, the Chairman, both in his post as Executive Chairman and, starting March 31, 2022, as non-Executive Chairman, received fixed remuneration in the amount of 700 thousands of euros and variable remuneration in the amount of 731 thousands of euros (linked to the 2021 and 2022 Company Targets); he also received 130 thousands of euros for Board membership and other remuneration in kind amounting to 33 thousands of euros (the changes in remuneration in kind with respect to previous years is exclusively a result of measurement differences without there having been any additional items included in the remuneration). Thus, the combined amounts totalled 1,594 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 0 thousands of euros for the year. The Group has outsourced its pension commitments with respect to its senior managers through a mixed group insurance policy for pension commitments, including benefits in the event of survival, death and employment disability. The Executive Chairman is one of the beneficiaries covered by this policy, and of the total premium paid during the year, 321 thousands of euros correspond to the Executive Chairman.

(2) The remuneration for the former Chief Executive Officer in 2022 was approved in detail by the General Shareholders' Meeting on March 31, 2022 as part of the proposal to modify the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years". In 2022, he received fixed remuneration in the amount of 73 thousands of euros and variable remuneration in the amount of 335 thousands of euros (linked to the 2021 and 2022 Company Targets); he also received 18 thousands of euros for Board membership and other remuneration in kind amounting to 5 thousands of euros. Thus, the combined amounts totalled 431 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 0 thousands of euros for the year. The former Chief Executive Officer is also beneficiary of the mixed group insurance policy for pension commitments, and the share of the premium corresponding to the Chief Executive Officer for this policy amounted to 24 thousands of euros for the year.

(3) On February 21, 2022 the Board of Directors co-opted Mr Arturo Gonzalo Aizpiri as Executive Director to fill the vacancy caused by the resignation of the former Chief Executive Officer, Mr Marcelino Oreja Arburúa, on that date. On March 31, 2022, Mr Antonio Hernández Mancha, Mr Gonzalo Solana González, Mr Ignacio Grangel Vicente and Ms Isabel Tocino Biscarolasaga stepped down from their posts, while Mr David Sandalow, Mr Manuel González Ramos, Ms Clara García Fernández-Muro and Ms María Teresa Costa Campi were appointed as new Directors.

(4) The remuneration for these Directors relating to Board and committee membership was approved in detail by the General Shareholders' Meeting on March 31, 2022 as part of the proposal to modify the "Directors' Remuneration Policy for the 2022, 2023, and 2024 financial years".

(5) The remuneration of the current Chief Executive Officer for the 2022 financial year has been approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", approved as Item 10 of the Agenda and modified by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda. During 2022, the CEO received fixed remuneration in the amount of 804 thousands of euros; he received 112 thousands of euros for Board membership and other remuneration in kind amounting to 53 thousands of euros (the changes in remuneration in kind with respect to previous years are exclusively a result of measurement differences without there having been any additional items included in the remuneration). Thus, the combined amounts totalled 969 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 46 thousands of euros for the year. The Chief Executive Officer is a beneficiary of the 2022-2024 Long-Term Incentive Plan approved at the General Shareholders' Meeting held on March 31, 2022. Item 9 of its Agenda states that the meeting assigned him a total of 96,970 performance shares or rights relating to shares. These rights do not entail the acquisition of shares for the time being, since the right to accrue the final incentive, which depends on the degree of achievement of the programme's targets will be generated within thirty (30) days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025. Also, the CEO maintains an individual savings insurance at a cost of 191 thousands of euros.

(6) The remuneration of Directors in 2022, broken down by sex, amounted to 402 thousands of euros for men and 170 thousands of euros for women (calculated as the average remuneration. For comparative purposes, the calculation does not include new Directors or those who resigned from their positions in 2022, since they were not active during the entire fiscal year). The difference in remuneration is due to the fact that the Chairman is a man.

3.6 ETHICS AND INTEGRITY

[GRI 3-3]

Ethics and integrity are of the utmost importance to our stakeholders and also to the company, as reflected in the Code of Ethics and Compliance Policy. Guaranteeing the honest behaviour of our professionals, and of the third parties with whom we form relationships; even when this behaviour is not set out in the legislation, is one of our priorities. This commitment allows us to guarantee appropriate decisions are made, creating trust in our stakeholders and facilitating the sustainability and good governance of the business.

The key aspects of our ethics and integrity model are the policies, standards and procedures applicable at Enagás, with the Group's Code of Ethics being the framework that establishes the principles of action necessary to promote ethics and integrity as well as a culture of compliance at Enagás.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Certification of the Corruption Prevention Programme under Standard ISO 37001: Anti-Bribery Management System.
- Approval and publication of a Corporate Defence.
- Approval and publication of a Conflict of Interest Policy.
- Development of a penalties procedure in relation to third party due diligence (within the framework of the Compliance Management System).
- Update to the Code of Conduct of the GTS (Technical Manager of the System) in line with the recommendations of the Supervisory Report on the implementation of measures for the separation of GTS activities, issued by the National Commission on Markets and Competition.
- Internal review to monitor the correct operation of the Compliance Management System.

2023 lines

- Internal communication campaign to reinforce the Enagás whistleblowing line (Ethics Channel).
- Adaptation of the company's whistleblowing line to the requirements of the new whistleblower protection regulations.
- Awareness-raising for contractors and suppliers on the Code of Ethics.
- Promotion and monitoring of the development of Compliance Programmes in Enagás affiliates.
- Anti-corruption training for the Board of Directors.

3
COMMUNICATIONS
received via the Ethics Channel

98%
OF PROFESSIONALS
received training on the Code of Ethics

91%
OF PROFESSIONALS
have undergone training on the Corruption Prevention Programme [GRI 205-2]

96%
OF PROFESSIONALS
have received training on the Corporate Defence Programme

100%
OF COMMUNICATIONS RECEIVED HAVE BEEN RESOLVED

Code of Ethics

[GRI 2-23, GRI 2-24, GRI 2-25]

The Enagás Code of Ethics (Enagás Group Code of Ethics and Enagás Gestor Técnico del Sistema (GTS) Code of Conduct) sets out the conduct that is expected from all professionals in the company, irrespective of their responsibilities and their geographical or functional location.

- The Enagás Group's Code of Ethics is structured in accordance with the company's values and includes Enagás' principles in matters related to each of its values.
- The purpose of the Enagás GTS Code of Conduct is to ensure that the duties of the Technical Manager of the System are carried out independently of the rest of the Group's activities.

98% of the workforce has confirmed, by signing, that they have read, are familiar with and understand the contents of the Enagás Group Code of Ethics.

The Enagás Group's Code of Ethics is implemented through policies, guidelines, standards and procedures. As for the corporate policy management model, the Board of Directors is responsible for approving said policies, while the organisational units involved in the different matters are responsible for ensuring the implementation of the various commitments and their integration into internal procedures. [GRI 2-12, GRI 2-13, GRI 2-24]

Enagás has the following procedures in place associated with the Code of Ethics:

- Procedure for the functioning of the Ethical Compliance Committee. The Committee, functionally and directly dependent on the Board of Directors' Audit and Compliance Committee, has competencies relating to the Code of Ethics.
- Procedure for managing the offering and acceptance of gifts, which states that professionals who offer or receive gifts are obligated to report them. This procedure establishes as a general rule that payments in kind - or any other benefit that, due to its value, properties or circumstances, is more than purely symbolic (estimated value in excess of 50 euros) - may not be made, offered or received.
- Procedure for management of consultations and reporting regarding irregularities or breaches of the Code of Ethics in order to encourage compliance with the Code of Ethics and the regulations that govern its implementation. For this purpose, the company enables Enagás employees and the company's suppliers, contractors and those who collaborate with it or act on its behalf, including business partners, to resolve any doubts or to report any irregularities or breaches through one of the following channels or any other means the company may set up in the future (Whistleblowing line), informing the party who made the report of the status of their report at all times. [GRI 2-26, GRI 207-2]

ETHICS CHANNEL CONTACT INFORMATION

[GRI 2-26, GRI S11.15.4]

Electronic mailbox: canal.etico@enagas.es

Post addressed to the Chairman of the Ethical Compliance Committee, sent to Paseo de los Olmos 19, 28005 - Madrid, Spain

Form available on the corporate Intranet

In addition to the formal channels indicated above, Enagás employees can always:

- Go to their immediate hierarchical superior.
- Contact the person in charge of specific Compliance functions in their area.
- Personally address the Compliance area (compliance@enagas.es).

The company's whistleblowing line (Ethics Channel) management procedure lays out the phases in the management of the reports received:

- Receipt of report: all reports are received by the Secretary and the Chairman of the Ethical Compliance Committee simultaneously.
- Prior analysis of the report and study of the information provided: the Secretary and Chairman of the Ethical Compliance Committee shall assess whether the report is to be accepted or rejected.
- Deliberation on notification and information to the reporter: the Secretary and Chairman of the Ethics Compliance Committee shall respond to the reporter within the legally established time frame on the decision taken on the report.
- Analysis and assessment of the message: carried out by the Ethical Compliance Committee, together with the Enagás managements or bodies that it considers appropriate in each case. It may be supported by third parties.
- Resolution and notification: The Ethical Compliance Committee will take the relevant decisions regarding the notified case. The Secretary and/or chairman of the committee will communicate the conclusions.

See the **Code of Ethics and Policies section** on the corporate website.
[GRI 2-23, GRI 2-24, GRI 2-25]

Enagás is committed to resolving all notifications received. In 2022, the average time for handling notifications submitted to the whistleblowing line, from the time the reporter sends the report to the time the reporter is notified of the agreed resolution and the conclusions and actions reached, was less than 45 days.

Any non-compliance with the Code and with the regulations that implement it shall be analysed by the Ethical Compliance Committee. When it is found that a person has contravened the Code, the Ethical Compliance Committee, together with the People and Transformation General Management, will propose the corresponding disciplinary measures based on the regulations in force and the applicable labour framework.

In 2022, three notifications were received (seven communications in 2021) through the different modalities of the whistleblowing line: [GRI 205-3]

- A report received through the whistleblowing mailbox concerning a case of possible harassment in the workplace, which, after due analysis and the launch of an investigation to gather more information, was shelved at the request of the reporter after some time had elapsed since the report was made. The ongoing investigation had not reached any relevant conclusions as to any possible breach.
- A report made directly to the Compliance department by the Business Development and Affiliates General Management, regarding a breach of the Code of Conduct by one of our affiliates. This was managed by the affiliate itself, having been concluded in accordance with its own whistleblower management procedure, as it is an affiliate without effective control by the Enagás Group, in accordance with the provisions of our Code of Ethics.
- A report received through the whistleblowing mailbox regarding a case of possible discrimination and actions contrary to the principle of equal opportunity, as set out in the company's Code of Ethics. After verifying that the internal rules and procedures were complied with at all times, the proceedings were closed without finding any irregularities.

The commitments to responsible business conduct set out in the Code of Ethics are translated into specific policies and corporate guidelines. These policies, which are approved at the highest Company level, by the Board of Directors, apply to all employees, executives and administrators of all companies that make up the Enagás Group, including those affiliates over which it holds effective control, within the limits set out under applicable regulations. For those affiliates in which the Enagás Group does not hold effective control, the company shall encourage principles and guidelines that are consistent with those set out in this policy. With regard to third parties with which Enagás maintains business relations (regular suppliers and national or international business partners), Enagás shall promote principles and guidelines consistent with its Code of Ethics and its Policies, so that third parties have a framework of ethics and integrity aligned with that existing at Enagás.

No breaches of the Code of Ethics or other company policies were identified in 2022, as in the previous two years.

Compliance Management System [GRI 2-23, GRI 2-24, GRI 2-25]

The Enagás Compliance Management System is overseen by a specific functional area, which is supported by synergistic functions and other corporate support areas including the participation of local compliance officers located in certain countries where Enagás operates.

The Legal Services and Compliance Department, as the essential core of Compliance functions, is organically assigned to the Chief Executive Officer and functionally assigned to the Audit and Compliance Committee of the Board of Directors, to which it communicates and reports on its activities, making it a high-level body within Enagás. The Compliance Function is autonomous, carrying out its tasks in accordance with the Compliance Policy and the standards and procedures that implement it. It is endowed with the utmost independence, so that its judgement and its way of proceeding are not conditioned by issues that prevent or hinder it from freely carrying out its essential tasks in order to achieve Compliance objectives. [GRI 2-13]

The appointment and eventual dismissal of the Director of Compliance shall be carried out through Enagás' existing procedures for such purposes, also requiring the approval of the Audit and Compliance Committee.

The Enagás Compliance Management System is built around the Compliance Policy and the rules and procedures that implement it.

See the **Compliance Policy** on the corporate website.

The Compliance Function is in charge of managing the Compliance System in accordance with the provisions of the Policy and the General Compliance Standard, also identifying those responsible for other synergistic areas or areas that may regulate matters subject to monitoring on its part, in order to coordinate with their managers the prevention, detection and management of any non-compliance risks associated with their activities. The Compliance Function also assumes other responsibilities related to the System, including but not limited to training and raising awareness in compliance matters and the management of non-compliance risks.

The **Enagás Compliance Management System** is built around the Compliance Policy and the rules and procedures that implement it

The Management System also sets out a double reporting line for the Compliance Function: one through the corporate areas and the other managed by Compliance Officers at the different subsidiaries in countries in which they have been appointed. The Compliance Function thus coordinates compliance risks globally, avoiding information losses and inconsistencies.

In 2022, Enagás strengthened its Compliance Management System by incorporating a sanctions procedure in its General Regulations to implement the most important aspects of external due diligence at Enagás with regard to embargoes and sanctions imposed by international bodies that may be imposed on third parties with which Enagás has a relationship.

Corporate defence

As part of in the Compliance Management System, Enagás has a Corporate Defence Programme. It acts as the core of the company's criminal compliance, notwithstanding the existence of policies, procedures and controls that illustrate its content and contribute to preventing crimes being committed by any person who is part of Enagás as well as, in their respective areas of relation, by contractors, suppliers, business partners and any third party that collaborates with or acts on their behalf. In this regard, in 2022, the Board of Directors approved the company's Corporate Defence Policy, which includes commitments on crime prevention that reflect the company's resolute opposition to the commission of any criminal offences and its will to combat such acts, in line with the company's principle of "zero tolerance" towards the commission of crimes.

The Corporate Defence Programme in Spain includes the following elements:

- Criminal risks, considering the activities carried out by the company and its exposure to the commission of different crimes. These include Money Laundering, establishing specific controls to prevent and detect possible acts that could cause this risk to become a reality.

- Roles and responsibilities defined by a governance structure aligned with Art. 31 bis 2.1 and 2 of the Spanish Criminal Code. In this respect, the role of the Audit and Compliance Committee of the Board of Directors has been defined as the Crime Prevention Body.

- Map of criminal risks and activities exposed to those risks.

Within this map, Enagás has considered some particularly important risks and included them in the Bribery and Corruption Risk in a broad sense (such as bribery, corruption in business and money laundering), so as to ensure special vigilance and control of activities that could lead to conducts related to these crimes, without falling under the specific criminal type. In this regard, Enagás has updated its risk map in 2022, adapting it to the regulatory changes that have modified the Criminal Code and expanded the catalogue of offences attributable to legal entities.

See the **Corporate Defence Policy** on the corporate website.

- Inventory of controls, both general and specific, that help prevent potential crimes from being committed at Enagás.

- Disciplinary system articulated around compliance with the Code of Ethics which ensures compliance with the model via disciplinary measures.

In addition to its Corporate Defence Programme, in line with the Spanish Criminal Code, Enagás has specific Corporate Defence Programmes for Mexico and Peru, adapted to each country's local regulations governing the liability of legal entities for the commission of crimes.

Anti-fraud, corruption and bribery

Enagás has an Anti-Fraud, Corruption and Bribery Policy in place which reflects the company's vehement opposition to the committing of illicit or unlawful acts and its firm will to combat and prevent them, for the purpose of fulfilling its zero tolerance principles. It is the Board of Directors that approves the Anti-Fraud, Corruption and Bribery Policy, and therefore 100% of the Board members are informed about the commitments set out in the Policy and the rules and procedures that implement it. [GRI 205-2]

All activities have been analysed for these possible corruption risks and the company has put in place a framework of controls in order to prevent and mitigate them. In particular, the risk of corruption in relations with public officials or other third parties with which Enagás has dealings. In this context, Enagás has established clear guidelines for action: to accurately record all payments to third parties and not to accept or make inappropriate payments, such as facilitation payments, payments in kind or commissions, or advantages or privileges of any kind for unethical purposes. These measures also contribute to the prevention of potentially more serious acts, such as money laundering. Of course, in order to avoid any appearance of money laundering, both the offer and the acceptance of payments in cash or equivalent are expressly prohibited. Enagás pays special attention to suspicious payments from third parties, such as payments by bearer cheques, payments in currencies other than agreed currencies, payments from persons or entities

See the **Anti-fraud, Corruption and Bribery Policy** on the corporate website.

domiciled in tax havens, payments from entities where it is not possible to identify the parties or the final beneficiaries, among others.

Enagás also collaborates with the authorities if they require help to investigate possible cases in the markets in which Enagás operates. It also provides the information they may request in a transparent manner. [GRI 205-1]

In 2022, Enagás **certified its Corruption Prevention Programme**, based on ISO 37001

The Enagás Corruption Prevention Programme is based on the ISO 37001 standard on anti-bribery management systems, and is laid out in the Enagás Anti-Fraud, Corruption and Bribery Policy, and the internal regulations which implement it. In 2022, Enagás has externally certified its Corruption Prevention Programme based on ISO 37001, the anti-bribery management system standard.

In 2022, no cases of corruption were identified in the company, as in the previous two years. [GRI 205-3]

Antitrust

As part of the Company's Compliance Management System, Enagás developed an Antitrust Programme whose purpose is not only to avoid or reduce administrative sanctions on the company, but also to promote a corporate culture of ethics and compliance that respects the regulations that defend free competition.

The pillars of the Antitrust Programme are:

See the **Antitrust Policy** on the corporate website.

- The Antitrust Policy establishes the bases and mechanisms to promote a culture of business ethics that is conscious and respectful of the principles of free competition, and sets out the essential guidelines for corporate and employee behaviour in this regard.
- The Antitrust General Standard describes in a structured manner the elements that Enagás has established for the prevention, detection and management of risks, in order to comply with the provisions of antitrust regulation and to achieve the company's strategic and operational goals and objectives where Compliance is concerned.

  This Standard is aligned with the recommendations in this area of the National Commission on Markets and Competition. In this regard, the main purpose of the Standard is to structure an environment of prevention, detection and early management of antitrust risks, as well as to reduce any undesired effects in the event that they do materialise, contributing to the creation of a culture of ethics and respect for the law among all employees in all applicable areas, so that all can reflect it in their daily conduct.

Responsible tax practice

[GRI 207-1, GRI 207-2, GRI 207-3]

Enagás adopts a focus of responsible tax practice based on prudence and aligned with the recommendations set out in the OECD Guidelines for Multinational Enterprises.

The Responsible Tax Practice Policy, approved by the Board of Directors, sets out the strategy and principles that must guide the conduct of all employees, senior managers and directors of Enagás, as well as third parties with whom the company has relationships.

Enagás adheres to the Code of Good Tax Practices, and presents a Fiscal Transparency Report in line with the company's commitment to tax transparency. The Board of Directors reviews and approves this report on an annual basis.

Moreover, in accordance with the public reporting commitments set out in the Fiscal Policy, the company publishes in this report the total tax contribution and the taxes paid in the different jurisdictions where the company operated through affiliates (see the '<u>Financial and operational excellence</u>' section in this chapter).

With regard to tax havens, and in accordance with the Tax Policy, Enagás does not use opaque structures in order to reduce its tax burden, nor does it carry out artificial operations not linked to its business activity to reduce taxation.

Enagás adopts a focus of **responsible tax practice** based on prudence and **aligned with** the recommendations set out in **the OECD Guidelines** for Multinational Enterprises.

Likewise, it will not make investments in or through territories classified as tax havens according to current Spanish tax regulations in order to reduce its tax burden. The Enagás Group does not currently have a presence or carry out any activities in territories classified as tax havens in accordance with current Spanish legislation.

As for audits of applicable taxation, at the end of 2022, audits were pending for the years 2019 to 2022 for the taxes applicable to the Group, with the exception of corporate income tax, which is pending audit for the years 2018 to 2022. During financial year 2021, Enagás, S.A. and Enagás Transporte, S.A.U. were notified that the Central Economic Administrative Court (TEAC) had rejected the claims filed in relation to the assessments signed challenging the Corporate Income Tax for the years 2012 to 2015. A contentious-administrative appeal has been filed against these findings of the TEAC before the National Court. However, it is not expected that any liabilities will arise that will significantly affect the Enagás Group's equity situation.
[GRI 207-1, GRI 207-2, GRI 207-3]

See the **Fiscal Policy** on the <u>corporate website</u>.

06/2022

In 2022, Enagás obtained the seal of the highest category of Fiscal Responsibility awarded by the **Haz Foundation** (t* * * Seal). This seal certifies that Enagás meets the highest standards of fiscal transparency and responsibility among the IBEX 35 companies.

European Transparency Register

[GRI 2-28, GRI S11.2.4]

The company is enrolled in the European Transparency Register, to which it periodically reports information on its activities and resources in order to contribute to the improvement and progress of European Union legislative and regulatory frameworks, especially in those developments that have a direct or indirect impact on the gas transmission and storage business, liquefied natural gas, renewable gases and the Spanish and European gas industry in general. Enagás has adhered to the Code of Conduct of the European Transparency Register, compliance with which is mandatory in order to be included in the register.

Enagás has four professionals participating part-time in different activities related to the transparency register, including a permanent representative in Brussels. Annual costs in 2022 were between 200,000 and 300,000 euros (slightly over 200,000 euros in 2021), distributed as follows: personnel expenses (68%), membership fees (21%), consultancy costs (7%), office and administrative costs (2%), representation, communication and public relations costs (2%) and operating costs (<1%).

Similarly, Enagás is a member of and participates in commercial associations, business associations and groups such as chambers of commerce and think tanks. The amount allocated in 2022 was 393 thousands of euros (328 thousands of euros in 2021).

In relation to lobbying at a European level, the main associations in which Enagás participates and which carry out this activity are:

- GIE (Gas Infrastructure Europe): European Association of Gas Infrastructure Operators, which also promotes the use of renewable and low-carbon gases (contribution of 20,000 euros).
- Hydrogen Europe: Association representing companies and organisations with an interest in different parts of the hydrogen value chain, dedicated to promoting policies and initiatives at European level for the better development of the hydrogen sector (total contribution of 18,000 euros).
- ENTSOG: European TSO Network that aims to facilitate and enhance cooperation between national gas transmission system operators across Europe, fulfilling the tasks entrusted to them by European regulation, and ensuring the development of a pan-European gas system aligned with European energy and climate objectives (total contribution of 596,405 euros, of which approximately 9,400 euros are earmarked for lobbying).

In addition, financial contributions were made to the following initiatives:

- Gas for Climate: Consortium of European TSOs and other associations promoting the development of renewable and low-carbon gases (total contribution of 80,000 euros, of which approximately 24,000 euros are earmarked for lobbying).
- European Hydrogen Backbone (EHB): an initiative made up of more than thirty gas energy infrastructures with the aim of accelerating Europe's decarbonisation process by setting out the key role of hydrogen infrastructure (total contribution of 30,000 euros, of which approximately 8,000 euros are earmarked for lobbying).

Enagás also contributes actively to other associations and groups active in Europe, such as, for example: Marcogaz, NGVA, GasNaturally, ERGaR, EASEE-gas, CEOE and CCE, among others. [GRI 2-28, GRI S11.2.4]

Training in and dissemination of ethics and compliance

[GRI 205-2]

Enagás professionals are provided with the opportunity to undergo training on the Code of Ethics. The training is structured according to the company's values and covers issues of particular relevance such as the fight against fraud, corruption and bribery, fiscal responsibility and respect for human rights, among other topics. In 2022, online training on the Code of Ethics was completed by 97.8% of employees (96.9 % in 2021). It is a tool to prevent irregularities, including those that could involve the commission of crimes.

In recent years, Enagás has provided specific training on:

- Corporate Defence Programme: in 2022, this training has been completed by 95.9% of employees (94.4 % in 2021). The course includes general information on the Corporate Defence Programme and practical cases related to the most relevant crimes related to the company's activity.
  - Corruption Prevention Programme: in 2022, this training has been completed by 91.4%[1] of employees (81.8 % in 2021). As part of the Compliance Plan, specific training on corruption prevention is planned for the members of the Board of Directors is planned for 2023 (37.5% of the Board has already received this training).
  - Antitrust Programme: all employees involved in competition-related activities received training on the model. This training is not carried out on an annual basis; it was carried out for the last time in 2021 (for 69 professionals).

Enagás also regularly carries out awareness campaigns on matters related to ethics and compliance, such as the company's own values and principles of action, management of the acceptance and offering of gifts and Ethics Channel contact information and channels of communication. [GRI 205-2]

1. The breakdown by professional group is as follows: 92.3 % of managers, 92.0 % of technicians, 87.6 % of administrative workforce and 90.8 % of operators.

3.7 FINANCIAL AND OPERATIONAL EXCELLENCE

[GRI 3-3]

Financial and operational excellence is one of our main material topics, given that the efficient management of the company's assets is one of the key strengths for the sustainability of the business in the short, medium and long-term.

The key aspects on which we focus are sustaining our excellent results over time, a financing strategy based on diversification, and driving operational excellence through continuous improvement programmes, digitalisation, corporate entrepreneurship and the efficiency plan.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- 376 million euros net profit[2].
- Control of recurring operating expenses, as a consequence of the implementation of the company's 2022-2026 Efficiency Plan.
- 39% of the contribution to the net profit comes from affiliates[2].
- FFO/Net debt >14%[1], leverage compatible with credit metrics set by S&P and Fitch for a BBB rating.
- 1.72 €/share dividend (+1% vs. 2021).
- 100% technical and commercial availability.

2023 lines

- 1.74 €/share dividend (+1% vs. 2022).
- Net profit ~ 310-320 million euros (includes capital gains from the sale of the Morelos pipeline and the contribution from the increased stake in the Trans Adriatic Pipeline).
- EBITDA ~ 770 million euros.
- Implementation of the Efficiency Plan for operational and financial expenses in line with the 2022-2030 Strategic Plan.
- Financial structure: FFO/ND >14% (compatible with BBB credit rating from S&P and Fitch).

1.72 €
DIVIDEND
per share in 2022

375.8 M€
NET PROFIT[2]

3,468.9 M€
NET DEBT[2]
(4.8x net debt/adjusted EBITDA[1]

>14%
FFO/NET DEBT[1]

(1) These figures are included in the Alternative Performance Measures Report, available at https://www.enagas.es/en/investor-relations/financial-information/alternative-performance-measures-apm/.
(2) Figures from the income statement of the Consolidated Annual Accounts of the Enagás Group for financial year 2022.

Financial excellence

2022 Results

[GRI 201-1, GRI 207-4]

Results are in line with the targets set for 2022.

In M€	2021	2022	% variation
Total revenue(1)	991.2	970.3	-2.1%
EBITDA(2)	895.3	797.4	-10.9%
EBIT(2)	583.4	478.2	-18.0%
Net profit(1)(3)	403.8	375.8	-6.9%

(1) Figures from the income statement of the Consolidated Annual Accounts of the Enagás Group for financial year 2022.
(2) These figures are included in the Alternative Performance Measures Report, available at: https://www.enagas.es/en/investor-relations/financial-information/alternative-performance-measures-apm/.
(3) 375.8 million euros net profit, which includes the result of investments accounted for using the equity method, which is recorded net of tax effect. The breakdown of net profit per country is as follows: Chile 200.2 million euros, Spain 190.0 million euros, Peru 56.2 million euros, Switzerland 46.9 million euros, Mexico 9.6 million euros, Greece 8.1 million euros, United Kingdom -0.1 million euros and USA -135.1 million euros. [GRI S11.21.7]

Evolution of the share price

At the close of the 2022 financial year, the Enagás share stood at 15.5 euros, representing a market cap of 4,067.5 million euros.

During 2022, the Enagás share reached a maximum closing high of 22.11 euros per share (May 25) and a minimum closing low of 14.475 euros per share (October 13). Enagás' average daily trading volume in 2022 was approximately one million shares per day.

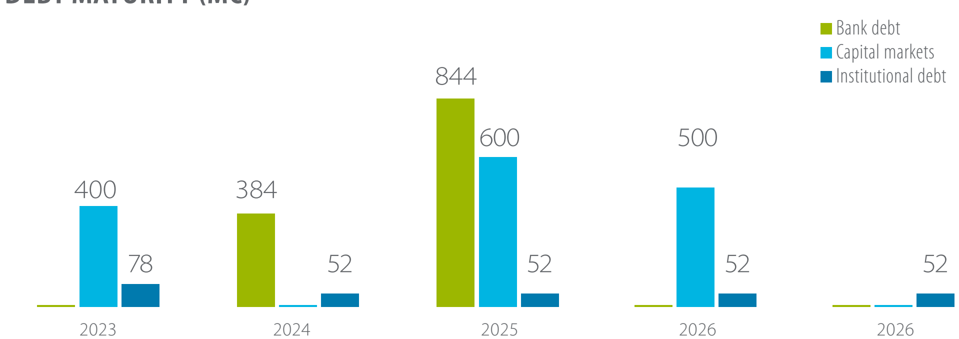
Financing strategy

Enagás has maintained its policy of improving the financial expenses associated with debt, seeking to lengthen the average life of the debt and hedge interest rate and foreign currency risks.

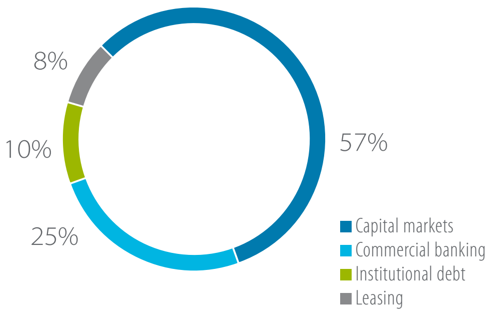
Leverage and liquidity	2021	2022
Net debt (2)	4,276.8 M€	3,468.9 M€
Net debt/EBITDA (adjusted) (1) (3)	5.1x	4.8x
FFO/Net debt (3)	16.4%	17.6%
Financial cost of debt(2)	1.7%	1.8%
Liquidity(2)	3,299.5 M€	3,793.8 M€

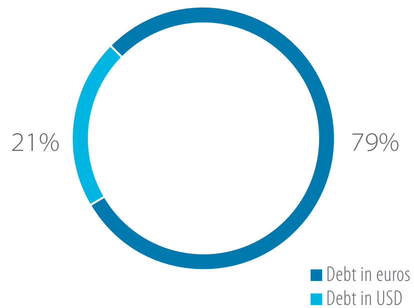
(1) EBITDA adjusted by dividends received from affiliates.
(2) Figures from the income statement of the Consolidated Annual Accounts of the Enagás Group for financial year 2022.
(3) These figures are included in the Alternative Performance Measures Report, available at: https://www.enagas.es/en/investor-relations/financial-information/alternative-performance-measures-apm/.

DEBT MATURITY (M€)



DEBT STRUCTURE





Over 80% of Enagás debt is fixed rate

Total tax contribution

[GRI 203-2, GRI 207-4]

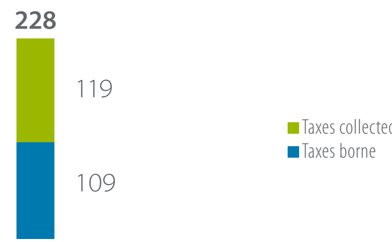
The total tax contribution made by Enagás in 2022 amounted to 228 million euros (220 million euros in 2021), of which 48% corresponded to input taxes (109 million euros) and 52% to taxes collected[1] (119 million euros) (in 2021, 114 and 106 million euros, respectively).

The total tax contribution is calculated using the cash method and taking into account the globally integrated entities and joint operations (see the 'Consolidation principles, a) Consolidation methods' de las Cuentas Anuales Consolidadas).

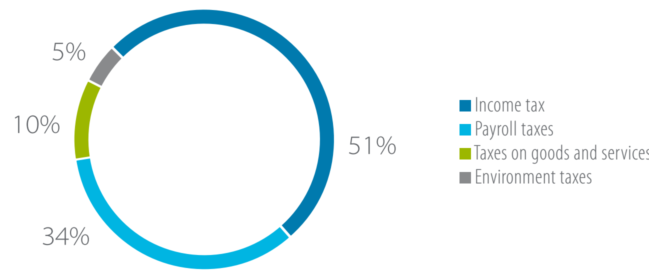
Tax paid in 2022 corresponded almost entirely to tax paid in Spain[3].

TOTAL TAX CONTRIBUTION OF THE ENAGÁS GROUP

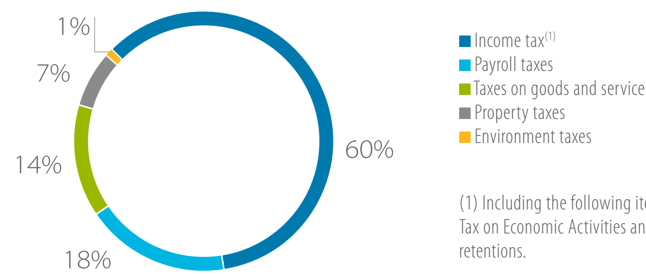
ENAGÁS TOTAL TAX CONTRIBUTION (M€)



TAXES COLLECTED



TAXES BORNE



(1) Including the following items: Corporate income tax, Tax on Economic Activities and movable capital income retentions.

1. Input taxes are those taxes that the company has paid to Public Administrations of the different states in which it operates. These taxes are those that have entailed an effective cost for Enagás, such as corporate income tax and environmental taxes.
2. Taxes collected are those that have been paid on behalf of other taxpayers as a result of Enagás' economic activity, without entailing a cost to the Company other than its management.
3. The additional contribution of national and international affiliates accounted for using the equity method was 125 million euros, of which input tax was 82 million euros and tax collected was 43 million euros.

Country-by-country contribution

[GRI 203-2, GRI 207-4, GRI S11.21.7]

Below is a breakdown of the Enagás Group's tax contribution country by country in 2022 including the tax jurisdictions of Spain, Mexico, Peru, Chile and the United States, companies that are fully consolidated (see the 'Consolidation principles, a) Consolidation methods' section of the Consolidated Annual Accounts).

TAX CONTRIBUTION BY COUNTRY IN 2022 (€)

Jurisdiction	Average number of employees	Foreign intercompany	Domestic third parties	Foreign third parties											
				Germany	Belgium	Colombia	France	Greece	Italy	Morocco	Mexico	Norway	Peru	United Kingdom	Switzerland
Spain	1,373	0	965,811,047	40,832	343,568	42,099	182,230	830,135	125,431	70,895	95,883	28,288	747,790	176,480	293,457
Mexico	2	0	111,599	0	0	0	0	0	0	0	0	0	0	0	0
Peru	3	0	828,507	0	0	0	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chile	1	0	579,976	0	0	0	0	0	0	0	0	0	0	0	0

Jurisdiction	Profit before corporate income tax	Corporate Income Tax paid (cash basis)	Corporate income tax accrued in the current year [1]	Tangible assets other than cash and cash-equivalent instruments
Spain	285,356,290	92,961,539	79,966,677	4,217,213,146
Mexico	-1,000,837	0	7,919	145,473
Peru	-186,624	6,654	4,118	358,592
USA	-9,598,663	0	1,398,241	0
Chile	237,294,626	0	68,610,667	0

(1) In Spain, the existing increase in the effective rate vs. the nominal rate is mainly due to the limitation of the dividend exemption to 95%. In the other jurisdictions (Mexico, Peru, United States and Chile), this difference is due to i) their status as holding companies, with exempt income (dividends); or ii) companies with an immaterial level of income. Taxation in these jurisdictions is carried out through equity-accounted affiliates, the details of which are not included in this scope.

Operational excellence

Commercial logistics hub

Due to its geo-strategic location, Spain is in a privileged position in terms of the liquefied natural gas (LNG) market, as it has a wide range of origins, both for domestic consumption and for exporting natural gas to Europe. Spain has the highest number of regasification plants of any European country, and has a meshed network of gas pipelines. This gives the country great capacity for storage, transmission and operational flexibility.

Given this situation, and after more than fifty years of experience in developing, maintaining and operating regasification plants and transmission pipelines, Enagás positions itself as one of the most reputable transmission companies in Europe in terms of facility efficiency. Our terminals are now recognised as among the most efficient in Europe, with availability of over 99%.

At Enagás, we make our facilities available to customers and provide traditional LNG logistics services such as tanker unloading, regasification, transferring LNG to tankers and truck loading, as well as new small-scale and bunkering services. For the latter, we are adapting our terminals, implementing the latest technologies that will position the Spanish Gas System as a ‘logistics hub' for Europe in the gas market. With respect to small scale operations, a total of 41 operations were carried out at our terminals during 2022, an increase of more than 41% compared to the number of operations carried out in 2021. It should be noted that Enagás is a pioneer in PTS (Pipe to Ship) operations, which are carried out at the Cartagena terminal. A total of nine such operations were carried out during 2022, with a loaded energy of 15.1 GWh.

The Spanish Gas System

See the **Annual Report on the Spanish Gas System** on our corporate website.

Enagás was certified as an independent network operator (TSO: Transmission System Operator) by the European Commission in 2012, securing its positioning as a European sector leader. It also works as the Technical Manager of the System following the publication of the Hydrocarbons Law. This means it is responsible for the operation and technical management of the Basic Network and the secondary transmission network, guaranteeing the continuity and security of the natural gas supply as well as proper coordination between access points, storage facilities, transmission and distribution.

Enagás has been carrying out the majority of its activities in Spain since its founding in 1969. It has built up a meshed network of more than 12,000 km of high-pressure gas pipelines, facilitating access to gas from almost every point on the Iberian Peninsula. Enagás holds stakes in six of the seven regasification plants in the Iberian Peninsula (four wholly-owned terminals and two part-owned), and has three underground storage facilities. As the main transmission company, Enagás has developed the main infrastructure facilities of the Spanish Gas System, making it a leader in security and diversification of supply and consolidating its presence on the international stage.

LNG terminals

Enagás is one of the companies with the most LNG terminals in the world. We are pioneers in the development, maintenance and operation of this type of infrastructure, and our knowledge and experience have made us international leaders in the sector.

Our terminals have a unique logistical position: their placement between the Atlantic, Cantabrian and Mediterranean catchment areas favours sea transmission and the diversification of LNG sources and destinations. In addition, as regards emissions, Spain is the entry point for a possible ECA (Emission Control Area), an area that could be declared particularly vulnerable to pollution, and where the growth of the small-scale market could be a solution.

At Enagás, we offer a vetting service for the assessment and inspection of methane tankers, both in the large and small-scale sectors.

AT THE FOREFRONT OF TECHNOLOGY AND EFFICIENCY

- **100% commercial availability** at all LNG terminals
- **Load rate higher than 3,500 m³/h** in all our plants.
- **Zero operational losses from boil-off** during tanker loading operations.
- **Minimum coefficient of shrinkage** in operations.
- **Maximum flexibility in the allocation and adjustment of slots** for tanker offloading and loading.
- **Terminals ready to receive the largest LNG** tanker ships in the world **Q-Max with up to 266,000 m³ LNG**[1]**.**

Commercial services in Spain [GRI 2-6]

At Enagás, we are working to provide our customers with the set of services we provide, in accordance with current regulations. The Third-Party Network Access (ATR) services that we provide at our facilities are fundamentally classified as:

- Individual services:
  - Tanker unloading
  - Regasification
  - LNG storage
  - Truck loading
  - LNG terminal-to-tanker bunkering
  - LNG ship-to-ship transfer
  - Ship cooling
  - Virtual liquefaction
  - Entry to the Virtual Balancing Point
  - Storage at the Virtual Balancing Point
  - Departure from the Virtual Balancing Point
  - Departure from the Virtual Balancing Point to a consumer
  - Natural gas storage in basic underground storage facilities
  - Injection
  - Extraction

1. Except for the Huelva terminal, which can only moor vessels of up to 180,000 m³.

The sale of these services is carried out through a framework access contract and through standard capacity products, i.e. through the signing of annual, quarterly, monthly, daily or intraday contracts.

- Bundled services.
  - Vessel unloading, LNG storage and regasification.
  - Vessel unloading, LNG storage, regasification and flow on to the Virtual Balancing Point.
  - LNG storage and regasification.
  - LNG storage, regasification and flow on to the Virtual Balancing Point.
  - Vessel unloading, LNG storage and LNG loading from plant to vessels.
  - Underground natural gas storage, injection and extraction.

As our work is carried out in a regulated environment, the Regulation and its implementation form the basis of our plans moving forward. For this reason, it is worth noting that in the last few years, the last regulatory pieces necessary to establish the new regulatory framework that applies to the Spanish Gas System have been released:

- Royal Decree 1184/2020, of December 29, establishing the methodologies for calculating charges in the gas system, the regulated remuneration of basic underground storage facilities and the fees applied for their use.
- Order TED/65/2021, of January 11, 2021, establishing the methodology for calculation of the last resort natural gas tariff, in order to adapt it to the new toll structure of the gas system.
- Circular 9/2021 of the CNMC of December 15, 2021, setting out the methodology and conditions for access and capacity allocation in the natural gas system.

Find out more about **commercial services in Spain** on our corporate website.

- On March 24, 2022, the CNMC's resolution on procedures, congestion management mechanisms and anti-capacity hoarding in the natural gas system was published.
- Resolution of the National CNMC of May 19, 2022, establishing the access tolls to the transmission networks, local networks and regasification for the 2023 gas year.
- Order TED/929/2022, of September 27, 2022, establishing the gas system charges and the remuneration and fees for basic underground storage facilities for the 2023 year.
- And on November 10, 2022, the CNMC published a resolution establishing the technical management regulations for the gas system on scheduling, nominations, allocations, balancing, the management and use of international connections and self-consumption.

This body of regulations establishes the basic foundation for an important change in the management and commercialisation model of the Spanish Gas System. It also includes changes in the gas balance management model, in an attempt to minimise operators' risks in the event of fraudulent movements by any shipper; capacity is allocated through market mechanisms, mainly auctions

In 2022, commercial availability was at 100% and technical availability was at 99.72% (in 2021, 100% and 99.75 %, respectively). This year, Enagás terminals unloaded a gas volume of 172 TWh (125 TWh in 2021); regasification amounted to 150 TWh (100 TWh in 2021). [GRI 2-6]

Customer management

[GRI 2-6]

Our customers are transmission companies, shippers, distributors and the direct consumers in the market (consumers which connect directly to our facilities), to which we supply a wide range of LNG services, transmission and underground natural gas storage.

Enagás regularly evaluates the satisfaction of its customers and professionals (see the 'People' section) through satisfaction surveys, the results and associated improvement plans being reported to those same stakeholders. In the case of customers, the results obtained in 2022 were as follows:

255 shippers

Spain	76%
United Kingdom	6%
Switzerland	5%
Denmark	3%
Italy	2%
Belgium, France, the Netherlands, Germany and Portugal	1% each country
Other	3%

RESULTS OF CUSTOMER SATISFACTION SURVEYS [GRI 2-29]

		Services	Customer	Number of responses out of the total (2021)	Assessment of services rendered (out of 10) (2021)	Number of responses out of the total (2022)	Assessment of services rendered (out of 10) (2022)
Business operation	Enagás as transmission company(1)	Capacity management and viability analysis, infrastructure operation and programming, etc.	Shippers	30 / 46	9.0(2)	33 / 50	8.8(2)
			System operators (transmission and distribution companies)	4 / 8	9.4	3 / 8	8.3
	Enagás as Technical Manager of the System(3)	Programming, operations, distribution and balances, etc.	Shippers	35 / 150	8.3	52 / 172	8.4
			System operators	7 / 14	9.6	8 / 14	8.6

(1) See the improvement plans associated with satisfaction surveys on the corporate website.
(2)The satisfaction target set for 2021 and 2022 was 8.3.
(3) Survey conducted in accordance with the guidelines of the National Commission on Markets and Competition (CNMC) established in the Incentives Circular (Circular 6/2021, June 30). The remuneration received by the Technical System Manager is linked to the participation rate of customers in the survey.

See the **list of our customers** on the corporate website.

In 2022, Enagás resolved 100% of the 78 formal complaints it received from customers . These complaints were received in connection with Enagás' activity as Technical Manager of the System (GTS). Their quantity falls within normal bounds given its processes and nature, as well as the regulatory changes of the last few years. In December 2022, a specific tool for the management of complaints, queries and incidents was implemented to automate the process and provide traceability.

In terms of managing customer's information privacy, Enagás has a Privacy Policy and complies with the General Data Protection Regulation (GDPR). In 2022, Enagás did not receive any complaints related to privacy or loss of customers' personal data (nor did it receive any complaints in this area in 2021 and 2020). [GRI 2-6]

Asset management: business continuity and resilience [GRI 3-3]

Enagás has basic principles and guidelines for action in the face of possible threats and adverse situations that give it an increasingly solid structure for managing a crisis.

During 2022, Enagás promoted the implementation of its global resilience model among various peer companies, in order to establish a comparison of both adaptive and structural resilience, which will enable Enagás to apply current best practices.

Likewise, Enagás is moving towards an increasingly in-depth analysis of all critical processes aimed at business continuity, establishing the identification of procedures for action and recovery in the event of any incident in this area.

In 2023, Enagás will continue to focus on improving business continuity and company resilience, implementing the actions of all the analyses carried out in 2022.

See the **Information Privacy Policy** on the corporate website.

All of this is complemented with the promotion and acceleration of other identified initiatives that already form part of other company programs. This will allow us to provide a better response to the new needs arisen (definition of ISO 55001 Asset Management, Digitalisation Plan, Knowledge Management, etc.).

Pipeline integrity

Enagás carries out inspection and maintenance work to ensure the integrity of its gas infrastructures, making sure they remain in proper condition. The company sets out integrity plans each year based on the risk involved in the activities to be carried out in the gas pipelines. These activities include:

- Internal inspections with smart tools to find potential anomalies in gas pipelines. During 2022, more than 9.3% of Enagás' gas pipeline network was inspected internally (10% in 2021).

- Indirect external inspections to locate defects in the anti-corrosive coating of gas pipelines.

- Excavations (test pits) for the direct evaluation of anomalies identified through inspections (internal and/or external indirect).

- Complementary safety activities to detect incidents within the gas pipeline right-of-way (observation by car, observation by foot, aerial observation and leak detection). In 2022, more than 89,500 km of gas pipelines were monitored.

1. In 2021 and 2020, 76 and 166 formal complaints were received respectively (in both years, 100% of them were resolved during the year).

Closure and rehabilitation [GRI 3-3, GRI S11.7.4, GRI S11.7.5, GRI S11.7.6]

Enagás facilities have a useful life set out during their design and construction. Enagás makes investments and technical improvements to extend the useful life of its assets while maintaining the required levels of safety, quality, environmental protection and efficiency. However, Enagás establishes closure and rehabilitation plans that consider the possible impacts on the environment and local communities once the useful life of the plant has ended. Enagás has recorded financial provisions for the dismantling of all its regasification plants and underground storage facilities, amounting to more than 293,000 euros.

Enagás establishes closure and rehabilitation **plans that consider the possible impacts** on the environment and local communities

Although the useful life of the underground storage facilities has not yet ended, these infrastructures already have detailed closure and rehabilitation plans as required by the Hydrocarbons Law.

In 2021 and 2022, no Enagás facilities were closed down.

Continuous improvement programmes

Enagás uses methodologies such as *Lean-Kaizen* and *Design Thinking*, among others, to identify innovative solutions focused on efficiency and process improvement, thus generating disruptive results in the short-term.

In this line and in order to face new challenges, in the area of infrastructures, the implementation of the Strategic Plan for Continuous Improvement has continued with the aim of identifying and prioritising cross-cutting initiatives with an impact on strategic drivers of continuous improvement, which encourage the development of people and the use of new methodologies and which promote the culture of continuous improvement and operational excellence.

In 2022, the operation of this Strategic Programme for Continuous Improvement was published internally under a procedure integrated into the company's documentary structure that has made it possible to publicise and activate the identification of improvement initiatives among all professionals through the creation of a Continuous Improvement mailbox.

Within the Continuous Improvement Programme, the "Daily Kaizen" continued being promoted. The programme focuses on people and on strengthening team communication and collaboration. Teams are equipped with lean tools in order to generate autonomous teams, thus allowing for a sustainable cultural change over time (Kanban boards, 5S, standards and problem solving).

In recent years, progress in this area has centred on boosting the coordination and communication between different teams through the development and implementation of digital Kaizen boards and promoting best practice sessions involving the different teams.

In addition, and with a view to facing new challenges for the company, cross-cutting Kaizen projects are being launched to provide innovative solutions focused on the efficiency of specific processes.

3.8 LOCAL COMMUNITIES

[GRI 3-3, GRI 413-1]

Relations with local communities are of importance to the company, since our activities impact the areas in which we operate. They encourage competitiveness in the industry, enhance energy supply security, contribute to decarbonisation and create direct and indirect employment. We carry out our activity guaranteeing the safety of infrastructure, minimising impacts on ecosystems and the population.

The most relevant aspects of managing relations with local communities are the identification of local stakeholders, the information and consultation processes we carry out in infrastructure development activities and action plans (social investment).

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Update of the Enagás Group's Social Action Strategy.
- Joining the LBG (*London Benchmarking Group*) working group and adoption of the associated methodology.
- Volunteer activities focused on team cohesion and improving the social and labour integration of vulnerable groups (women, persons with disabilities, etc.).
- Contribution of equipment to repair Ukraine's gas transmission network and financial donation to UNHCR to assist in the relief of refugees from Ukraine.

2023 lines

- Alignment of partnerships with the Social Action Strategy approved in 2022 to meet the new targets within the framework of the company's 2022-2030 Strategic Plan.
- Digitisation of the monitoring of the strategy and the impact of partnerships on communities.
- Active listening to find possible new collaborations in the areas in which Enagás is present.
- Advancement in the fulfilment of the 2030 Agenda (SDG) through corporate volunteering with a focus on initiatives linked to improving the employability and social inclusion of vulnerable groups.

1.9
MILLION EUROS
of investment in social action

0.52%
SOCIAL ACTION INVESTMENT
with respect to net profit

21
CORPORATE VOLUNTEERING INITIATIVES

438
PROFESSIONALS
took part in corporate volunteering initiatives

Local community management

[GRI 2-25, GRI 2-29, GRI 3-3, GRI 413-1, GRI S11.15.4]

Identification of local stakeholders

In local communities where Enagás develops and operates infrastructure, the company's priority is to contribute to their social and economic development and to minimise environmental and social impact while guaranteeing safety.

For this purpose, the first stages of building, operation and maintenance projects involve analysis of the area in terms of social, economic and environmental aspects, from which local stakeholders are identified.

This enables stakeholder maps to be created for the management of crises and emergencies affecting infrastructure, in which key collectives, communication channels and relevant issues are identified (see the 'Health and safety' section).

Furthermore, the needs analysis of the area enabled the identification of key collectives and associations (NGOs, local councils, etc.) which are an important source of information for understanding the local context and for the establishment of partnerships (see the 'Social investment' sub-section in this section).

Information and consultation processes

Enagás conducts environmental impact studies (which also asses social aspects) for construction projects and assesses environmental aspects for infrastructure operation and maintenance projects. Environmental impact studies are open to public information and are also subject to processes of consultation in which stakeholders may voice their opinion and even propose modifications to a project. EMAS-certified facilities publish an annual report (Barcelona and Cartagena regasification plants and Yela and Serrablo underground storage facilities).

In the case of gas pipeline construction projects, the route design already considers criteria for minimising the impact on local plant and animal wildlife, and for avoiding the occupation of private property. Where the latter is concerned, a regulated procedure is applicable in Spain which includes public

One of Enagás' priorities is **to contribute to socio-economic development in the local communities** where it develops and operates its infrastructure

information and consultation with the entities affected, which also guarantees transparency in the construction of infrastructure and equal treatment before the law. [GRI 413-2]

In matters related to infrastructure safety, Enagás develops internal emergency plans, which include information on stored chemical substances, human and material resources, scenarios, emergency plans, liability, etc. These plans are registered with the local government authorities, which are responsible for communicating them to the community and creating an associated action plan.

Enagás also holds information sessions in local areas for the purpose of explaining details of projects that are being executed locally, and safety and environment-related issues, among others.

COMMUNICATION CHANNELS WITH LOCAL COMMUNITIES

Environmental inbox | **Informative sessions** | **Corporate website** | **Consultation processes**

Social action

[GRI 413-1]

In 2022 Enagás joined the London Benchmarking Group (LBG) initiative, reviewing and updating its Social Action Strategy to align it with the targets set out in the company's 2022-2030 Strategic Plan.

Thus, the overall social action target for 2023-2030 is to contribute to security of supply and decarbonisation, promoting a just energy transition through socio-economic development projects and initiatives across the land. Enagás is therefore committed to allocating around 60% of its social contribution to security of supply, decarbonisation and the just transition through socio-economic development projects and initiatives. In addition, the company will allocate 20% to actions focused on education, culture, health and aid to vulnerable groups in areas where it operates. The remaining funds will be used for actions categorised as 'Institution building' and 'Strengthening active citizenship' according to the LBG methodology.

In terms of geographical scope, at least 15% of contributions will be allocated to local communities in which Enagás has infrastructure facilities.

The amount committed to social action is 0.4% of annual profit, which will be distributed between social investment and social action initiatives aligned with the business, limiting one-off contributions in accordance with the LBG methodology.

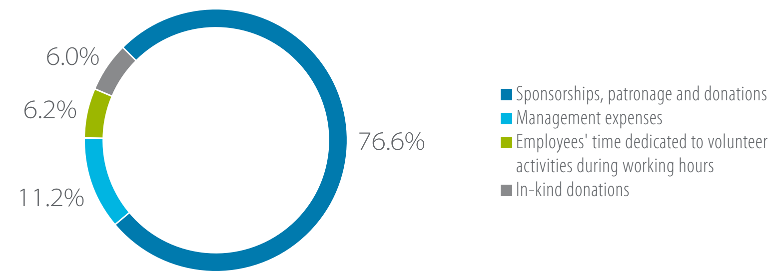
Through dialogue and collaboration with stakeholders, we maximise the positive social impact of our initiatives, whether through volunteering, sponsorships, patronage or donations.

In 2022, the total amount of this social investment reached 1.9 million euros, distributed as follows:

	2020	2021	2022
Amount allocated for social investment (million euros)	3.89(1)	1.81	1.94

(1) Extraordinary monetary contributions totalling 2.1 million euros were made in 2020 to address the COVID-19 health crisis.

TYPES OF CONTRIBUTIONS



The amount allocated to sponsorships, patronage and donations was 1,485,945 euros (see the 'Sponsorships, patronage and donations' sub-section of this section), while general management expenses (cost of employees dedicated to the management of social investment and cost of the volunteer programme) amounted to 217,460 euros. The costs of employees' dedication during their working day to volunteer activities amounted to 120,467 euros and donations in kind amounted to 115,191 euros.

COMPANY COMMITMENT TO SUSTAINABLE DEVELOPMENT (EUROS)
[GRI 201-1]

	2020	2021	2022
Contributions to foundations and non-profit organisations (charitable donations: monetary and in kind[1])	2,244,500	81,500	151,031
Association and sponsorship actions (sponsorship and patronage activities)	1,480,349	1,565,722	1,450,105

(1) With regard to donations in kind, Enagás donates computer equipment, mobile phones and discontinued promotional material to associations that use this material solely for charitable purposes.

Enagás is committed to **allocating** around **60% of its social contribution to security of supply, decarbonisation and the just transition** through socio-economic development projects and initiatives

Types of social investment [GRI 413-1]

INVESTMENT IN COMMUNITIES

Enagás promotes the development of long-term collaboration initiatives, which contribute to the social and economic development of local communities, giving priority to those areas in which the company operates. For this purpose, it contributes economically and with time to social welfare, economic development, education and youth, health, art and culture, and the environment.

8 DECENT WORK AND ECONOMIC GROWTH

Sustained, inclusive and sustainable economic growth, full and productive employment and decent work

The initiatives implemented in this field cover the following aspects targeted by Sustainable Development Goal 8.
- Employment
- Economic inclusion
- Non-discrimination
- Development of abilities

2022

In 2022, Enagás has held various training workshops to help women in vulnerable situations boost their employability. These workshops were carried out in collaboration with the **Randstad Foundation** and the **José María de Llanos Foundation**. The latter collaboration involved women in vulnerable situations who had been victims of gender-based violence.

In addition, Enagás contributed in 2022 to the socio-economic development and social well-being of the communities in which it operates through various projects, such as the following:
- In Brihuega, it collaborated with the **NGO ACCEM** to improve the accessibility of dependent people and promote their personal autonomy in rural areas, and has also supported projects promoted by public institutions to foster social welfare.
- In Lumbier, Enagás once again collaborated with the **Municipal Music School** to promote culture and education among the rural population.

COMMERCIAL INITIATIVES IN THE COMMUNITY

Within the scope of its social actions, Enagás includes initiatives aimed at supporting research and the development of the gas sector, since natural gas is of great importance for improving competitiveness of industry, and therefore aids the creation of direct and indirect employment. It also promotes initiatives associated with the development of renewable gases, in line with the company's commitment to energy transition and decarbonisation. For this purpose, economic contributions are made in the fields of economic development, education and youth, art and culture, and the environment.

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote sustainable industrialisation and foster innovation

The initiatives implemented in this field cover the following aspects targeted by Sustainable Development Goals 7 and 9.

- Energy efficiency
- Investments in infrastructure
- Environmental investments

04/2022

Enagás took part in the European **Hydrogen Energy Conference** (EHEC), organised by the Spanish Hydrogen Association (AeH2), to continue promoting the use of hydrogen technologies. Enagás professionals shared the company's progress in different hydrogen projects with the more than 1,000 attendees.

The company also renewed its collaboration with the **Isaac Peral Foundation**, which contributes to the development and strengthening of the industrial and technological ecosystem, as well as providing support and advice to the regional government in the development, implementation and improvement of Industrial and Technological Progress for the Region of Murcia.

Enagás' **social investment** is **aligned** with the **Sustainable Development Goals**

DONATIONS TO CHARITY

Enagás engages in a number of specific collaborations as a reaction to emergencies taking place both in Spain and internationally. For this purpose, it makes contributions in cash and kind in the fields of social welfare, economic development, education and youth, health and the environment.

17 PARTNERSHIPS FOR THE GOALS

Revitalise the global partnership for sustainable development

In the international context, the initiatives are implemented in collaboration with local partners. In Spain, these initiatives are carried out in collaboration with entities and associations, for the purpose of fulfilling Sustainable Development Goal 17. In this way, and through partnerships with different stakeholders, Enagás contributes to achieving:

- Poverty
- Hunger
- Health
- Education
- Gender equality
- Energy
- Infrastructure
- Reducing inequality
- Climate change
- Terrestrial ecosystems

[GRI 413-1]

04/2022

Enagás has supported Ukraine after the invasion of the country through various actions. The company has contributed financially to the **UNHCR's** "Ukraine Emergency" campaign, providing humanitarian aid for refugees, and has promoted the campaign to its professionals. Enagás has also donated emergency material to its counterpart in Ukraine, the Ukranian Transmission System Operator, to repair the gas network (emergency couplings to eliminate leaks, mobile compressors and portable lighting equipment, among others).

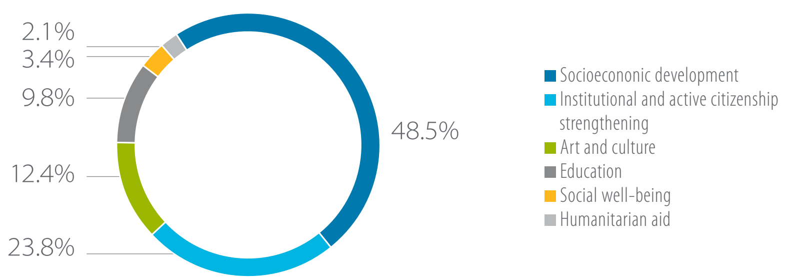
Sponsorships, patronage and donations [GRI 413-1]

Enagás collaborates economically with social welfare projects through sponsorships, patronage and donations activities.

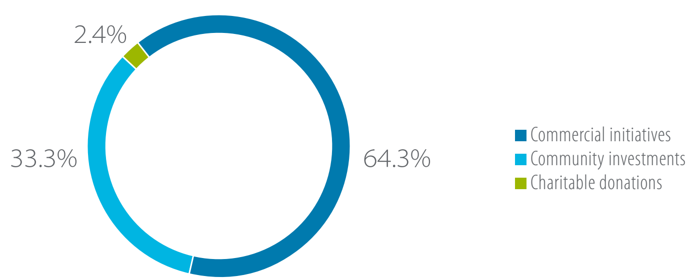
The company's procedure for managing sponsorships, patronage and donations establishes the criteria for the reception, approval and follow-up of collaboration requests (financial contributions).

In 2022, monetary contributions of more than 1.5 million euros were made (1.6 million in 2021), distributed as follows:

AREAS OF CONTRIBUTION



TYPE OF CONTRIBUTION



In addition to financial contributions, Enagás made various donations in kind. Amounting to 115,000 euros, these included the shipment to Ukraine of emergency material for the repair of gas infrastructure, the donation of computers and mobile phones to non-profit educational organisations and the donation of our left over shareholder gifts at the 2022 General Shareholders' Meeting to the Madrid Food Bank Foundation and Mensajeros de la Paz (Messengers of Peace).

Corporate volunteering programme [GRI 413-1]

Enagás employees participate in the company's Corporate Volunteering programme 'En nuestras manos' ('In Our Hands'), giving up their time and bringing their skills and talent. There are two forms of cooperation:

- **On-site corporate volunteering directly managed by Enagás:** activities carried out in collaboration with associations and third-sector organisations, supervised by the company. These on-site corporate volunteering initiatives are carried out during working hours and respond to the needs of the local communities in which Enagás is present. The company, in line with its commitment to equal opportunity and non-discrimination, guarantees that participation in volunteering activities will not lead to work-related discrimination.

- **On-site and virtual volunteering platform** the company connects with volunteering opportunities through different associations and third-sector organisations by means of the corporate volunteering portal, a platform that strengthens and extends the existing programme. It encompasses special days organised by the company as well as over 1,200 national and international collaboration opportunities, both face-to-face and virtual, put forward by NGOs.

Enagás commits to:

- Undertaking at least seven volunteering initiatives per year.
- Encouraging the participation of middle and senior management in volunteering through actions and initiatives aimed especially at these groups.
- Implementing volunteer initiatives aimed at specific professional profiles, so that Enagás professionals can contribute their experience and knowledge to help lift up disadvantaged groups

In 2022, Enagás has encouraged more face-to-face and collective activities, and the number of activities and participation therein has increased compared to the last two financial years.

2022

Through the "**Euro Solidario**" Project, Enagás offers its employees a new form of social collaboration in addition to the Corporate Volunteering programme. The objective is to collect voluntary micro-donations through payroll to finance a social project led by a non-governmental organisation with a non-profit social purpose. The selected projects are linked to the protection of youth and children.

	2020(1)	2021(1)	2022
Number of initiatives	14	12	21
Number of participating professionals	287	170	438
Total number of hours	625	403	2,210

(1) In 2020 and 2021, and with the aim of ensuring the safety of all participants, Enagás encouraged virtual volunteering activities and those carried out individually by employees.

The company carries out a satisfaction survey of the professionals who participate in social initiatives in order to volunteer experience as much as possible, and to find out their satisfaction and assessment of the achievement of the targets of each action.

Volunteering typology

In 2022, our volunteering included environmental activities carried out to promote the protection and reclamation of natural spaces, initiatives related to the promotion of the social inclusion of people with disabilities, training workshops to boost the employability of women in vulnerable situations, participation in social sports tournaments to promote social projects for the benefit of people at risk of social exclusion and campaigns to collect toys and food for vulnerable families. [GRI 413-1]

3.9 HUMAN RIGHTS

[GRI 3-3]

Respect for human rights

[GRI 2-23, GRI 2-25]

By acting on each material topic, Enagás ensures that human rights are upheld where applicable to the context and activities of the company. For this purpose, the company follows the roadmap set out by United Nations through its Sustainable Development Goals.

Enagás sets out its commitments to ensure compliance with human rights in its Human Rights Policy. These commitments are developed in the Enagás' Code of Ethics and the corporate policies that comprise it, aligning them with, inter alia:

- United Nations International Charter of Human Rights.
- The International Labour Organisation (ILO) Declaration as well as the fundamental conventions (freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation) and the conventions concerning indigenous and tribal peoples.
- OECD Guidelines for Multinational Enterprises.
- The European Convention on Human Rights.

Enagás provides an online training programme for all employees so that they can learn the company's methods for ensuring compliance with human rights.

Consult the **Human Rights Policy** on the corporate website.

Identification of rights and risk assessment

Human rights management is addressed using a continuous improvement approach aligned with our Sustainable Management Model. Enagás has a global system in place to identify human rights violation risks and impacts on a regular basis.

The identification of these violation risks and impacts is carried out for different points of the company's value chain (Enagás activities with management control, affiliates without management control and supply chain and customers), considering international standards based on location and activity[1], communications and consultations with stakeholders, as well as consultations with external experts in human rights. The human rights identified include labour rights, safety, the environment, ethics and integrity, as well as fundamental rights

The evaluation of the identified violation risks is carried out through the following assessments:

- Assessment of country-specific risks.
- Corporate Risk Map (see the 'Risk management' chapter).
- Safety risk assessments in posts and facilities (see the 'Health and safety' section in this chapter).
- Environmental impact assessments / environmental risk assessments (see the 'Natural capital and biodiversity' section in this chapter).
- Supply chain assessments (see the 'Supply chain' section in this chapter).

In the assessments carried out in 2022, Enagás considers the level of violation risk to be low across the boards due to the measures that the company has implemented as part of its Sustainable Management Model. Thus, Enagás has human rights risk prevention and mitigation plans in all the geographical

1. The World Bank, UNICEF, The Economist Intelligence Unit, IPIECA, The Danish Institute for Human Rights, etc.

areas in which the company operates (see the '[Geographies]' section in the '[Our business model]' chapter). These plans include the following main measures for each of the main issues identified and target the identified vulnerable groups[1]. These measures have been set out according to the company's capacity to influence the different points of its value chain.

It is the responsibility of the different areas of the company to establish, within their management scope (people, supply chain, local communities, etc.), action plans, objectives and monitoring indicators to ensure compliance with the commitments established in the policy and to mitigate the risks and negative impacts identified. They are also responsible for periodically evaluating possible changes in risks and impacts.

During 2022, and as in the previous two years, Enagás did not find any human rights violations, so no remediation actions had to be carried out.

In addition to human rights violation risks, Enagás, in an integrated manner with the company's risk assessment processes, identifies and assesses the risk level of each of the risks associated with human rights (for more information on ESG risks and their integration in the company's global risk model, see the 'Risk management' chapter). These identified risks relate to human rights related to labour practices and to society and local communities:

- **Work practices:** operational and technological risks and criminal liability.
- **Society and local communities:** strategic, business, compliance and model risks.

Human rights due diligence assessment at affiliates[2]

[GRI 411-1, GRI S11.17.3, GRI S11.17.4]

Enagás has carried out a human rights risk assessment for Enagás' affiliates. It established that all the companies have commitments to human rights included in their codes of ethics or specific policies, though in some cases, it is necessary to continue making progress to reinforce these commitments by making them public and providing training to their employees.

In general, there is also an advanced level of management regarding the handling of communications and complaints. Due to the importance of this area, the companies received a recommendation to continue with the actions in which they are already involved.

One of the areas in which a higher country risk was identified in several companies is employee relations and working conditions. In this area, the level of management is generally advanced, through room for improvement was found at some companies in terms of formalising procedures related to working hours, breaks and vacations. Likewise, the area of public and private security, which also presents a higher country risk at practically all the companies, stands out for its high level of management in all of them. In the area of community relations, there is an advanced level of management at all the companies, though room for improvement was found at some companies in terms of formalising procedures for managing queries and complaints.

Enagás also notes that this year has had a very positive effect on the companies, so that most of them have implemented improvement projects.

In 2023 Enagás will review its Due Diligence Processes in relation to third parties, focusing on the protection of Human Rights and the Environment, in line with the proposed new European Directive on this issue.
[GRI 2-23, GRI 2-25, GRI 3-3]

1. Within the framework of the risk assessments that Enagás carries out each year, vulnerable groups have been identified among the stakeholders (employees, local communities and suppliers). In these cases, action is focused.
2. Affiliates consolidated by the equity method and over which Enagás has no operational control, as they are managed autonomously.

Human rights assessed in Enagás activities

[GRI 2-25]

Human rights assessed	Assessment result	Measures to reduce the level of risk
LABOUR PRACTICES		
The right to decent work and the rejection of forced, compulsory and child labour	Low risk of violation	Enagás guarantees stability and quality of employment, a commitment that is reflected in its Human Capital Management Policy. The Enagás Collective Bargaining Agreement prohibits the company from employing minors of under 16 years of age (Article 28 of the Collective Bargaining Agreement). [GRI 409-1]
Right to rest and leisure	Low risk of violation	Enagás improves and extends the periods and conditions of rest and leisure established in current legislation (flexibility in start times and lunch break, intensive working days during the summer and every Friday throughout the year, division of annual leave into a maximum of four periods, etc.).
Right to family life	Low risk of violation	Enagás improves and extends paid leave beyond the provisions of current labour regulations (death of a close relative, illness, reduced working hours for childcare, special circumstances, etc.).
Freedom of association	Low risk of violation	Enagás employees can freely exercise their right to belong to trade unions in order to promote and defend their economic and social interests without this being the basis for discrimination, and any agreement or decision by the company contrary to this principle is deemed null and void (Article 64 of the Collective Bargaining Agreement). [GRI 407-1]
Collective bargaining	Low risk of violation	Enagás has in place a collective bargaining agreement, in line with its Human Capital Management Policy (see the 'People' section in this chapter), which enters into collective negotiations and carries out regular consultations with authorised employee representatives. [GRI 407-1]
Workplace non-discrimination and diversity	Low risk of violation	The company has in place a Diversity and Inclusion Strategy, a Diversity and Inclusion Policy, an Equality Plan and a Prevention and Action Protocol at the disposal of its employees for any situation of workplace harassment. This protocol provides a confidential channel for reporting workplace harassment (canal.etico@enagas.es).
Fair and favourable remuneration	Low risk of violation	Part-time employees receive remuneration that is proportional to the salary of full-time employees, with identical employee benefits. In addition, in 2022, Enagás' minimum salary was 1.6 times the minimum inter-professional salary in Spain. [GRI 202-1]
Living wage	Low risk of violation	Enagás is committed to establishing a salary high enough for all its employees to have a decent standard of living, sufficient to cover basic needs in accordance with the local cost of living.

Human rights assessed	Assessment result	Measures to reduce the level of risk
Right to a safe working environment	Low risk of violation	Enagás' occupational risk prevention management system, certified under ISO 45001, provides mechanisms for identifying and preventing incidents (see the 'Health and safety' section in this chapter).
Right to life, liberty and security of person	Low risk of violation	The company exercises due diligence when rendering its services in order to prevent errors or omissions that could harm the life, health or safety of consumers or others who may be affected. It also complies with national laws and relevant international guidelines.
Right to freedom of opinion, expression and information	Low risk of violation	Enagás has various clear and transparent internal communication channels that allow workers to communicate with senior management.
SOCIETY AND LOCAL COMMUNITIES		
Right to use natural resources	Low risk of violation	The Enagás environmental system, certified under ISO 14001 and EMAS, provides the mechanisms to mitigate the environmental impacts derived from the company's activities (see the 'Natural capital management and biodiversity' section in this chapter).
Rights of communities and indigenous people	Low risk of violation	Through its social action strategy, Enagás contributes to the socio-economic development of local communities, prioritising those areas where the company operates, through sustainable social action models, paying special attention to the most vulnerable communities such as indigenous or tribal populations.
Property rights, resettlement and compensation	Low risk of violation	Enagás' procedures relating to the development of infrastructure construction projects include criteria aimed at avoiding the occupation of privately owned areas and minimising potential relocation of local communities, applying procedures for information, consultation and fair compensation that guarantee transparency and equal treatment. [GRI S11.16.2]
Prevention of abuse by security forces and prevention of cruel, inhuman or degrading treatment	Low risk of violation	Enagás ensures compliance with principles on respect for human rights by requesting to the security companies proof of membership to associations that promote respect for human rights and train their employees in this issue. [GRI 410-1]
Privacy of information	Low risk of violation	Enagás has adapted its personal data control and management systems to the latest requirements incorporated by EU regulation 679/2018 (GDPR) and Law 3/2018 (LOPDGDD), in order to continue processing the personal information of its professionals with the maximum guarantees of respect for privacy and legal compliance.

[GRI 2-25]

Human rights assessed in the supply chain

[GRI 2-25]

Human rights assessed	Assessment result	Risk Management
• General human rights • Labour • Safety • Environment • Ethics and integrity	Low risk of violation	Enagás ensures that its suppliers, and especially those with workers operating within Enagás' facilities, respect these human rights. We demand a commitment from them, we ask them for the necessary documentation and we conduct audits. (See the 'Supply chain' section in this chapter). [GRI 409-1]
Basic rights / Confidentiality of information	Low risk of violation	Enagás has adapted its personal data control and management systems to the latest requirements incorporated by EU Regulation 679/2018 (GDPR) and Law 3/2018 (LOPDGDD), in order to continue processing the personal information of its suppliers with the maximum guarantees of respect for privacy and legal compliance.

Human rights assessed in affiliate companies without management control [GRI 2-25, GRI S11.17.3, GRI S11.17.4]

Human rights assessed	Assessment result	Risk Management
• General human rights • Labour • Safety • Environment • Ethics and integrity • Basic rights • Local communities[1]	Low risk of violation	In our business agreements we promote compliance with corporate policies (according to the degree of influence). Our management model for affiliate companies is based on the transfer of critical standards of management (see the 'Affiliates' section in this chapter), which include the necessary areas in order to guarantee respect for the following human rights: • People management • Ethics and Compliance • Health and safety • Local communities • Environment • Supply chain Likewise, these areas are evaluated as critical aspects in due diligence processes.

(1) Indigenous communities and populations have been identified in affiliates without management control in Peru, Mexico and Chile.

Human rights assessed in customers

[GRI 2-25]

Human rights assessed	Assessment result	Risk Management
Basic rights / Confidentiality of information	Low risk of violation	The Enagás Code of Ethics sets out diligent management of information as one of its guidelines of conduct. The company keeps a record of what information may be accessed by each person and for what purpose. In addition, Enagás has adapted its personal data control and management systems to the latest requirements incorporated by EU Regulation 679/2018 (GDPR) and Law 3/2018 (LOPDGDD), in order to continue processing its customers' personal information with the maximum guarantees of respect for privacy and legal compliance.

Repair procedures and mechanisms [GRI 2-25, GRI S11.15.4]

Enagás also has in place procedures for redress should there be non-compliance with any of the previously mentioned human rights, such as:

- Procedure for the management of consultations and reporting regarding irregularities or breaches of the Code of Ethics (see the 'Ethics and integrity' section in this chapter).
- Self-protection and interior emergency plans, the incident and transmission network emergency response action plan and the procedures regulating it, the accident and incident management procedure and procedure for reporting them to stakeholders (crisis manual, incident reporting, etc.). (See the 'Health and safety' and 'Natural capital and biodiversity' sections in this chapter).
- Procedure for compensation and indemnity for the passage of gas pipelines on private property (see the 'Local communities' section in this chapter).

Additionally, as mechanisms for redress, Enagás has in place an ethics channel (accessible to all stakeholders) and an Ethical Compliance Committee (see the 'Ethics and integrity' section in this chapter). There are also corporate mailboxes available for specific areas.

3.10 AFFILIATES

The sustainable management of affiliates is an increasingly important matter, as reflected in the materiality analysis. Proper management of, among others, environmental, social and governance matters in our value chain allows us to anticipate risks and take advantage of opportunities for long-term value creation.

The most significant aspects of affiliate management are set out through the critical management standards and the internal audits that we carry out in our affiliates.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Review of the Corporate Defence Programme at the BBG Regasification Plant.
- Evaluation of the adequacy of existing internal controls for processing social projects, land access negotiations and emergency response plans at Transportadora de Gas del Perú.
- Internal audit to evaluate internal procedures and regulations in relation to wage and salary cycles and financial closing at the SAGGAS Regasification Plant.
- Internal audit of contract management with a specific supplier at the TLA Altamira regasification plant.

2023 lines

- Partner audit to ensure the existence of an adequate control framework for physical and logical security and a penetration test of the Distributed Control System at the BBG Regasification Plant.
- Partner audit to evaluate internal procedures and regulations in relation to cash cycles, derivatives and debt management at the SAGGAS Regasification Plant.
- Partner audit of the effectiveness of the controls identified in the Internal Control Matrix for the tax, personnel and corporate governance process cycles at Soto La Marina Compressor Station.
- Partner audit of corporate governance, health and safety, quality, environment, information technology, human resources and procurement processes at DESFA.
- Implementation of the action plan to adapt Transportadora de Gas del Perú's compliance model to the company's new processes following the integration of Compañía Operadora de Gas in Peru.
- Review of the Crisis Management Plans with a focus on security aspects at Transportadora de Gas del Perú.

Management model for affiliates

[GRI 2-12, GRI 2-13]

Enagás affiliates are managed autonomously. The Shareholders' Agreements regulate, among other things, decisions that require joint decision-making by shareholders. Enagás' influence and decision-making is exercised through leadership on Boards of Directors and other governing bodies (e.g. Remuneration Committee, etc.), appointing directors with extensive experience in the sector and the country.

However, Enagás has developed a management model for these companies that seeks to guarantee compliance with the business plans and their long-term sustainability, contributing Enagás' experience, knowledge and best practices as an industrial partner, while at the same time allowing affiliates to contribute to Enagás' growth, ensuring the objectives communicated to the market.

Enagás has an internal management team in each affiliate, as well as the support of specific working groups for the corporate and business areas in their areas of expertise. In addition, Enagás guarantees the suitability of the managers of the affiliates for their positions by analysing and evaluating their profiles, as well as by appointing specialised profiles from the company to key positions in the affiliates (seconded personnel).

Critical management standards

Enagás actively manages its relations with partners and managers of affiliates in order to mitigate the risks associated with their management. In this regard, Enagás, in its ESG risk assessment, has identified risks classified according to the Enagás taxonomy as reputational, strategic and business, criminal liability and compliance and model risks (see the 'Risk management' chapter).

The company has set out critical management standards, based on its material topics, which it extends to its affiliates according to their level of influence, and monitors them by setting out a plan of objectives for each affiliate to be implemented over a five-year horizon.

Critical management standards are transferred through working groups led by the specific managers of each affiliate, involving members of the General Management of Enagás who co-lead matters falling under their remit. These working groups are instrumental in aligning positions and ensuring the operability of the Board of Directors of the affiliate, where the decisions taken by consensus will be concluded in the groups.

Enagás has an Internal Monitoring Committee, established at the management level, which supervises the critical decisions of affiliates and reports quarterly on key matters to the Enagás Board of Directors.

Enagás has defined **critical management standards** based on its material topics; it requires its affiliates to comply with these standards in order **to ensure** that they are **managed sustainably**

CRITICAL MANAGEMENT STANDARDS

Financial and operational excellence

Financial excellence:
- Financial and cash planning and management
- Insurance
- Management control
- Taxation
- Financial reporting
- Accounting and administration

Operational excellence:
- Quality management system
- Operational efficiency
- Prioritisation of assets
- Maintenance management system
- Operation
- Warehouse management
- Customer service
- Affiliate programming management
- Measurement
- Distribution and balances

Good Governance
- Procedure rules
- Board of Directors Remuneration Policy
- Company governance (agreements, working groups, etc.)

Ethics and Compliance
- Code of conduct
- Corporate Defence Programme
- Whistleblowing channel

Other management standards
- Risk Map: identification and monitoring of risks
- Internal control (general control and process control)
- Internal audit

Supply chain
- Contracting and reporting (procurement processes)
- Suppliers approval

People
- Remuneration policy
- Contractual relations and trade union rights
- Negotiation and representation
- Human Resources Policy
- Human resource development (training and recruitment)
- Workplace climate

Health and safety
- Asset protection
- Health and safety management system
- Emergency plan
- Risk analysis
- Health monitoring
- Cybersecurity

Local communities
- Stakeholder management model
- Local development actions

Natural capital and biodiversity management
- Environmental management system
- Conducting environmental impact assessments

Climate action and energy efficiency
- Energy efficiency measures and emissions reduction

Human rights
- Human rights due diligence

Internal control in affiliates

Enagás, together with its business partners, is conducting internal audits of its affiliates in order to verify the solidity of internal controls associated with the processes at greatest risk for fraud, corruption and bribery, and is establishing control activities to strengthen these processes wherever necessary. It also monitors the established local internal audit plans, focusing in 2023 on the most relevant issues, such as physical security, cybersecurity, local community management and procurement. The aim is to ensure that the main risks of the affiliate are covered by internal audits.

During 2022, we continued with the continuous process of complying with the audit plans approved by the different Committees to ensure maximum coverage of the processes with the highest risk. Examples include partner audits to assess the adequacy of internal control in social project processes. For example, land access negotiations and emergency response plans at Transportadora de Gas del Perú, in the wage and salary cycles and financial closure at the SAGGAS Regasification Plant and the Corporate Defence Programme at the BBG Regasification Plant.

For further information on Enagás' affiliates, see their corporate websites:

USA
- Tallgrass Energy

Mexico[1]
- TLA Altamira Regasification Plant
- Soto La Marina Compressor Station

Peru
- Transportadora de Gas del Perú (TgP)

Greece, Albania and Italy
- Trans Adriatic Pipeline (TAP)

Greece
- DESFA

Spain
- SAGGAS Regasification Plant
- BBG Regasification Plant
- Enagás Renovable

(1) Pending the closing of the sale of the Morelos Pipeline (50%).

Most significant actions carried out in our affiliates

The following is a list of the most significant actions carried out in our affiliates in 2022; all of them are aligned with the Enagás' strategy and Sustainable Management Model.

Management standard	Actions
Health and safety	• Progress in the implementation of the Cybersecurity Plan at Transportadora de Gas del Perú. • Implementation of key cybersecurity initiatives at DESFA. • Update of the Trans Adriatic Pipeline Cybersecurity Management System. • Implementation of health and safety measures (blocking and tagging, working at height, work permits and reports) and cybersecurity at the TLA Altamira Regasification Plant.
Climate action and energy efficiency	• Establishment of a Carbon Emission Reduction Plan, fugitive emissions measurement and control campaigns and adherence to OGMP 2.0 at the Trans Adriatic Pipeline. • Preparation of diagnosis and action plan on climate action in line with the OGMP report at Transportadora de Gas del Perú. • Renewal of the Gold Standard classification as a member of DESFA's OGMP 2.0 initiative. • Approval of the Hydrogen and CO2 capture Plan, and cooperation with other actors at DESFA. • Preparation of a diagnostic and an associated action plan to improve reporting in the framework of the OGMP 2.0 initiative at the TLA Altamira Regasification Plant. • Plan for the installation of methane destruction equipment (flaring) at the TLA Altamira Regasification Plant.
Operational and financial excellence	• Implementation of measures on the progress of commissioning, operation and management of spare parts at the TLA Altamira Regasification Plant.
People	• Update to the internal work regulations and the main human resources policies of Transportadora de Gas del Perú. • Development of the Trans Adriatic Pipeline's diversity and inclusion policies. • Drawing up the Remuneration Policy and setting up the Appointments and Remuneration Committee at Enagás Renovable.
Ethics and Compliance	• Development of a Dashboard with the main Risk indicators at DESFA. • Addition of a Legal & Compliance Officer at the TLA Altamira Regasification Plant.
Local communities	• Improvement of the individual complaint management process at Transportadora de Gas del Perú to achieve a more agile response and improve relations with local communities. • Implementation of a social investment plan and a communication and community outreach strategy at the Soto La Marina Compressor Station.

3.11 SUPPLY CHAIN

[GRI 3-3]

Supply chain management is an increasingly relevant issue in the company's management, and this is reflected in the materiality analysis. Appropriate supply chain management allows us to identify and manage the risks (regulatory, operational, reputational, etc.) associated with it, and to make good use of opportunities for collaboration and value creation shared with our suppliers.

SUSTAINABLE MANAGEMENT PLAN

Main lines in 2022

- Update of the supplier approval procedure.
- Supplier reliability assessment update.
- Launch of a supplier satisfaction survey with Enagás.
- Continue to externally audit our suppliers in financial, ethical, environmental and social aspects.

2023 lines

- Review of the company's current supplier assessment process in the areas of human rights, ethics, social and environmental issues, in line with best practices in sustainability and supply chain due diligence.
- Improved identification of critical non-direct suppliers (non-tier 1) and their sustainability risk assessment.
- Update of the long-term strategy for external audits in the financial, ethical, environmental and social fields.

1,523
APPROVED SUPPLIERS

1,459
APPROVED SUPPLIERS ASSESSED
regarding human rights, ethics, social and environmental matters

96
APPROVED SUPPLIERS AUDITED
externally in financial, ethical, environmental and social aspects in the last two years

193
APPROVED SUPPLIERS EVALUATED
for climate action in the last two years

Our supply chain

[GRI 2-6]

In order to work with Enagás, suppliers must undergo a strict approval process. The company currently works with 1,523 approved suppliers (1,526 in 2021), which are classified in families according to the products or services they offer:

- Suppliers of works and services: IT & communication suppliers, engineering, etc. In 2022, 2,820 persons belonging to 529 service providers carried out work at Enagás facilities (in 2021, 2,942 persons belonging to 484 service providers). [GRI 2-8]
- Suppliers of supplies: electrical equipment suppliers, piping manufacturers, rotary machine manufacturers, manufacturers of instrumentation and control devices, among others.

90% of the amount of expenditure in our supply chain is **local** in nature

[GRI -204-1]

Critical suppliers are considered to be those belonging to families of products or services whose failure or malfunction would have a high economic impact, or those that are of high criticality for the business (critical components or services) that have a low number of suppliers (difficulty of substitution). Enagás has 233 approved critical suppliers (236 in 2021), which means that 15.3% of its approved suppliers are critical (15.5% in 2021).

In 2022, work began with 92 new suppliers (79 in 2021), of which 100% have undergone an approval process and meet the established social and environmental criteria. The company has also stopped working with 53 suppliers (3 in 2021) for not complying with Enagás' approval criteria. In no cases were these in relation to social or environmental criteria[1].

[GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2]

SUPPLY CHAIN COST ANALYSIS[2] [GRI 203-2, GRI 204-1]

Indicator	Geographical distribution	Geographical distribution		
		Domestic	International	Total
2021				
Number of orders	Works and services	3,845	121	3,966
	Supplies	6,542	80	6,622
	TOTAL	**10,387**	**201**	**10,588**
Number of contracted suppliers	Works and services	1,017	91	1,108
	Supplies	1,126	43	1,169
	TOTAL	**2,143**	**134**	**2,277**
Order value (million euros)	Works and services	105.2	20.1	125.3
	Supplies	95.5	25.3	120.8
	TOTAL	**200.7**	**45.4**	**246.1**
2022				
Number of orders	Works and services	5,292	166	5,458
	Supplies	7,837	100	7,937
	TOTAL	**13,129**	**266**	**13,395**
Number of contracted suppliers	Works and services	1,295	109	1,404
	Supplies	1,405	42	1,447
	TOTAL	**2,700**	**151**	**2,851**
Order value (million euros)	Works and services	178.5	14.9	193.4
	Supplies	39.5	9.9	49.4
	TOTAL	**218.0**	**24.8**	**242.8**

1. Of the suppliers identified as having significant negative environmental and/or social impacts, no relationships with the same have been terminated as a result of social or environmental criteria (0%).
2. Local purchases are considered to be purchases made domestically in Spain.

In 2022, a satisfaction survey was launched for the first time with the main approved suppliers who have received an order or contract in the last three years. The main results were a positive NPS (Net Promoter Score), that suppliers were satisfied with the different purchasing processes and that they considered transparency to be one of the strong points of the Enagás purchasing process. [GRI 2-29]

Supply chain risk management

Enagás has identified the areas of supply chain management in which there may be risks to the business and to our stakeholders (risks identified in its ESG risk assessment, classified according to Enagás' taxonomy as reputational, strategic and business, criminal liability, compliance and model, and operational and technological (see the 'Risk management' chapter). These areas, which cover both economic, ethical, environmental and social aspects, form the basis for the assessments we perform on our suppliers in the different procurement processes. The areas analysed are : [GRI 308-2, GRI 414-2]

- Product and/or service quality.
- Financial situation, civil liability, economic dependence on Enagás.
- Health and safety.
- Ethics and compliance: criminal risks, ethical compliance, legal compliance, responsible tax practice.
- Human rights: labour rights (diversity, work-life balance, gender equality), respect for the principles of the United Nations Global Compact and the Universal Declaration of Human Rights, human rights compliance in the supply chain (see the 'Human rights' section).
- Environment: emission intensity, environmental impact (resource consumption, waste generation, noise emissions, gas emissions, etc.), environmental safety (discharges, spills, pollution, etc.).

Consult the **Ethical principles and guidelines for suppliers of the Enagás Group** on the corporate website.

Enagás has a supplier management model that considers the company's goals in order to guarantee supply chain sustainability. These goals are translated into approval requirements depending on the level of risk in the economic, ethical, compliance, social and environmental aspects of the family of products and services to which each supplier belongs.

The requirements established in the supplier approval process are:

- For all suppliers:
  - Capacity and resources to meet the quality, ethics and compliance, financial, labour, environmental, safety and technical requirements established by Enagás; as well as the long-term maintenance of these requirements within the satisfactory levels defined by Enagás.
  - Acceptance of the Enagás Code of Ethics.

    The company's Code of Ethics establishes Enagás' ethical culture and is applicable in its corresponding areas of relation with the company, for contractors, suppliers and for those who collaborate with Enagás or act on its behalf. This Code incorporates guidelines for behaviour in the areas of integrity, transparency, safety, respect for people and diversity, and the environment, among others.

    All Enagás suppliers and contractors are bound by the Code and expressly confirm their commitment to be familiar with it, comply with it and enforce it through acceptance of the general contracting conditions.

  - Respect the principles of the United Nations Global Compact and the Universal Declaration of Human Rights.

    - Compliance with the quotas set out in the Spanish Rights of Persons with Disabilities Act[1].
    - Implementation of a Gender Equality Plan[1].

- For suppliers of specific families of products or services:
    - Quality, environmental and/or occupational risk prevention certification requirements for suppliers (required from 60.4%, 20.0% and 24.0% of Enagás suppliers, respectively).
    - Policies or measures to promote work-life balance of employees or Family-Responsible Company certificate.

During the execution of the contract, Enagás evaluates its suppliers in the aforementioned areas through different evaluation methodologies, considering criteria such as criticality, ESG (environmental, social and governance) risks and turnover, among others.

Enagás evaluates its suppliers in environmental, social, ethical and human rights matters using different methodologies

The results of these assessments allow monitoring of the degree by which suppliers meet the target scores, audit results and legal compliance established for each assessment area, and to identify suppliers that pose a high risk to sustainability or with significant social or environmental impacts (risks related mainly to the management of it value chain, health and safety, equality and waste management). For the latter providers with potential or real risk or impact, action plans are set out to mitigate and monitor such risks. In case of non-compliance with certain ESG criteria, a period of 12 months is provided to implement corrective actions, after which they lose their approved status until such time as they pass the approval procedure again.

The Executive Committee is the body with the highest level of responsibility for sustainable supply chain management.
[GRI 308-2, GRI 414-2]

1. Requisite set for companies with a workforce greater than that indicated by the applicable laws.

SUPPLIER ASSESSMENTS

Methodology and areas of evaluation		Number of suppliers assessed [GRI 308-2, GRI 414-2]		Definition of high risk	Number of suppliers identified as high risk [GRI 308-2, GRI 414-2]	
		2021	2022		2021	2022
Internal assessment	Evaluation in the areas of human rights, ethics, social matters and the environment(2) (systematic assessment with review of documentation)	1,250	1,459	Suppliers with a score less than 30/100	30	237
	Evaluation on climate action(1) (2) (systematic assessment with review of documentation)	181	193	Suppliers that do not measure or report their emissions	109	98
	Documentary and on-site safety audits carried out by company professionals or external consultants on suppliers carrying out work at company facilities(1)	102	118	Suppliers with unfavourable audits	27	21
	Reliability assessment(1) (systematic assessment with review of documentation)	117	101	Suppliers with a score less than 50/100	27	15
	On-site environmental audits carried out by company professionals or external consultants at construction sites(1) (2)	3	3	Suppliers with non-conformities	1	1
External assessment (by an independent third party)	Consultation on human rights, ethics and compliance on reputational analysis platforms(3)	1,566	1,959	Suppliers involved in legal violations	67	121
	On-site audits on financial, ethical, environmental and social aspects(1) (2)	127	96	Suppliers with non-conformities	64	48
	Cybersecurity scoring	662	701	Suppliers with high or very high risk of non-compliance and/or financial losses	130	133
	Financial, reputational, ethical, environmental and social assessment(2)	668	713	Suppliers with a score less than 50/100	126	146

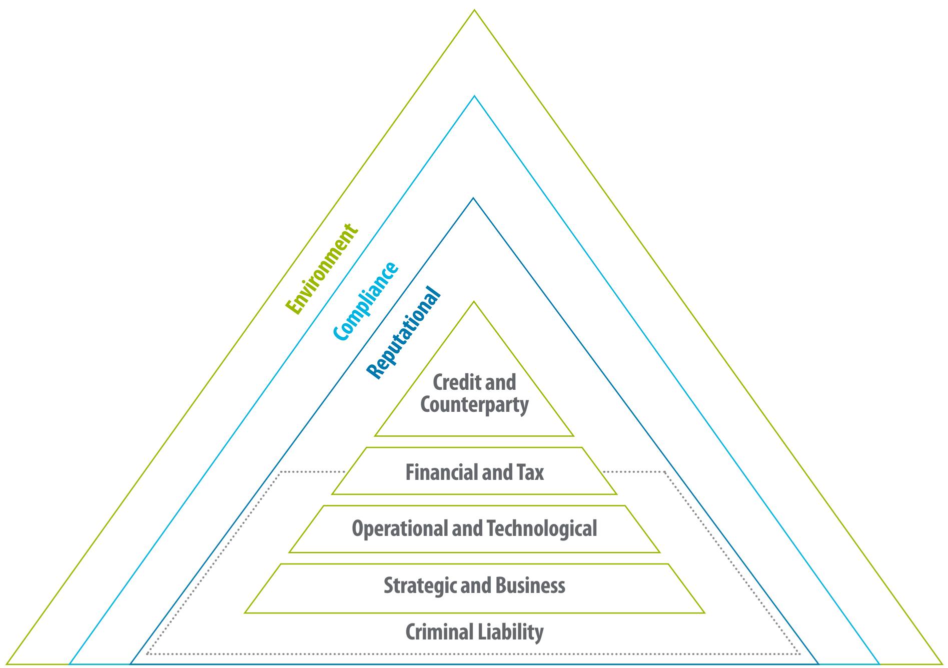
(1) The results of the assessments are considered to have a validity of two years.
(2) For 100% of the assessed suppliers identified as high ESG risk, action plans have been established to mitigate this. [GRI 308-2, GRI 414-2]
(3) This assessment also includes non-approved suppliers that are in the process of being approved and suppliers that have been stripped of approval.

RISK MANAGEMENT

ENAGÁS RISK MODEL

[GRI 201-2]

Enagás has established a risk control and management model aimed at ensuring the achievement of the objectives of the company in a predictable manner and with a medium-moderate profile for all of its risks. This model is perfect for adapting to the complexity of a globalised competitive environment and a complex economic backdrop. This model is based on five aspects:



1. The consideration of a risk taxonomy, which sets out standard typologies of risks according to their nature. The taxonomy comprises the following categories: Strategic and Business, Operational and Technological, Financial and Tax and Credit and Counterparty. There are other cross-domain types of risk: Reputational, Compliance and Criminal Liability.

The Enagás Group is also exposed to cross-domain risks that do not correspond to a single risk category, but rather may be correlated with multiple. These are the risks related to the three ESG pillars of sustainability: environmental, social and governance.

The taxonomy defined is taken as a reference point for the identification of the risk inventory to which society is exposed. It should also be noted that the methodologies used for risk measurement differ depending on each type.

2. The segregation and independence of the functions of risk control and management at the company, in three 'lines of defence':

- On the one hand, the business units that are responsible for the risks they take on when conducting their ordinary business activities, and are therefore responsible for identifying and measuring them.
- Moreover, there is a risk control and management area responsible for: (i) ensuring that the risk control and management system functions properly, (ii) active participation in the development of the risk strategy and definitions of impacts on their management, and iii) ensuring that the control and management systems adequately mitigate risks.
- Lastly the internal audit function is responsible for monitoring the efficiency of controls in relation to identified risks.

INTERNAL RISK CONTROL AND MANAGEMENT FRAMEWORK

	1st line of defence - Business units	2nd line of defence - Risk area	3rd line of defence - Internal audit
Governance		Define the regulatory framework and governance.	
Risk profile	**Identify the risks they assume in their ordinary activity.**	Define a taxonomy of risks and advise the business units on identifying risks.	
	Assess and measure risks following the established measurement methodologies.	Establish the risk measurement methodologies and the risk consolidation and reporting system.	
		Validate the measurements made by the business units.	
	Define risk control and management measures.	Ensure that management controls and measures are aligned with the company's strategy.	Verify and monitor the risk function and established control activities.
	Define actions to correct failure to comply with risk limits.	Provide a global and homogeneous vision of risks, reporting to Senior Management and Governing Bodies.	
Risk appetite		Inform the Governing Bodies of the risk appetite and its associated limit structure.	
		Validate measures and strategies for correcting any non-compliance.	

Enagás is also exposed to risks of a cross-domain nature, which are **risks related to the three ESG sustainability pillars**

See the **Risk Control and Management Policy** on the corporate website.

3. The existence of certain governing bodies with responsibilities in the process of risk control and management in the company: [GRI 2-12, GRI 2-13]

Governing Bodies	
Board of Directors	The Board of Directors is responsible for approving the Risk Control and Management Policy. Other responsibilities with respect to risks are delegated in the Audit and Compliance Committee.
Audit and Compliance Committee	The Audit and Compliance Committee mainly monitors the efficiency of the risk control and management systems and evaluates the risks to the company (identification, measurement and establishment of measures for their management).
Executive Committee	The Executive Committee establishes the overall strategy for risks, the limits of global risk for the company, and reviews the level of exposure to risk and the corrective actions, should there be any non-compliance

4. Establishing a risk appetite framework which defines the risk levels considered acceptable and that is in line with established business objectives and the market environment in which the company's activities are carried out.

5. The transparency of information supplied to third parties, to guarantee its reliability and accuracy.

The Model complies with international best practice standards in terms of risk control and management, primarily referring to ISO 31000 Risk Management Standard and 2nd COSO Report[1]: ERM (Enterprise Risks Management). It is also fully aligned with the national regulatory framework in this area (requirements of the Spanish Corporate Enterprises Act and the recommendations of the CNMV's Good Governance Code of Listed Companies and Technical Guide 3/2017 on Audit Committees for Public Interest Entities). [GRI 201-2]

1. Committee of Sponsoring Organizations of the Treadway Commission.

This risk model includes a comprehensive analysis and regular monitoring of all risks to which the company is exposed, enabling them to be adequately controlled and managed. The risk identification and assessment process include the following sub-processes:

Risk monitoring

Corporate risks are continuously monitored through different channels and a wide variety of reports. Substantial changes in risk are promptly communicated to decision-makers.

Risk identification →	Risk assessment →	Risk Control and Mitigation Measures
• Identification of those risks to which the company is exposed in the ordinary course of business on a continuous and systematic basis. • Risks are classified according to the risk taxonomy set out by the company. • The risk inventory is dynamic and is conditioned by changes in the corporate environment; this is due to the strategic approach taken for the performance of ordinary activities.	• Qualitative and quantitative assessment of the level of each of the risks identified in the risk inventory; potential negative impacts are calculated and the probability that they will manifest within a given time horizon is estimated. • Different methodologies are used to measure risk, taking into account the characteristics of each risk and the information available. This allows risk scenarios to be built.	• Required control and management activities are designed for each risk according to the risk management strategy that has been set out. • These activities are based on: • The nature of the risks. • The agreed risk strategy: assume the risk, transfer it to a third party, mitigate it or eliminate it, as appropriate. • Business operating plans.

The impact of risks is assessed in the different dimensions indicated below, including ESG aspects, so that risk levels are determined from the perspective of dual materiality, impact on the company's value and impact on the environment (environmental, security, reputational and social):

- Economic: evaluation according to impact on company results.
- Health and safety: assessment according to severity of incidents.
- Reputational: assessment according to the impact on stakeholder expectations.
- Security of supply: assessment according to the degree to which the gas system is affected and the time for which infrastructure is unavailable. [GRI 201-2]
- Environment: depending on the type of environmental impact (biodiversity or emissions), assessment according to the level of environmental damage and impact on protected areas, the energy efficiency indicator, and/or the volume of methane emissions

The existing model is completed by carrying out specific risk analyses that facilitate the decision-making process based on risk-profitability criteria in those strategic Enagás Group initiatives, new businesses or initiatives of special relevance. Risk Control carries out this analysis on an independent, transversal (covering all types of risks) and homogeneous basis (following the same methodologies as in the global risk measurement).

The Risk Map includes the main risks to which the Enagás Group is exposed, including those associated with climate change

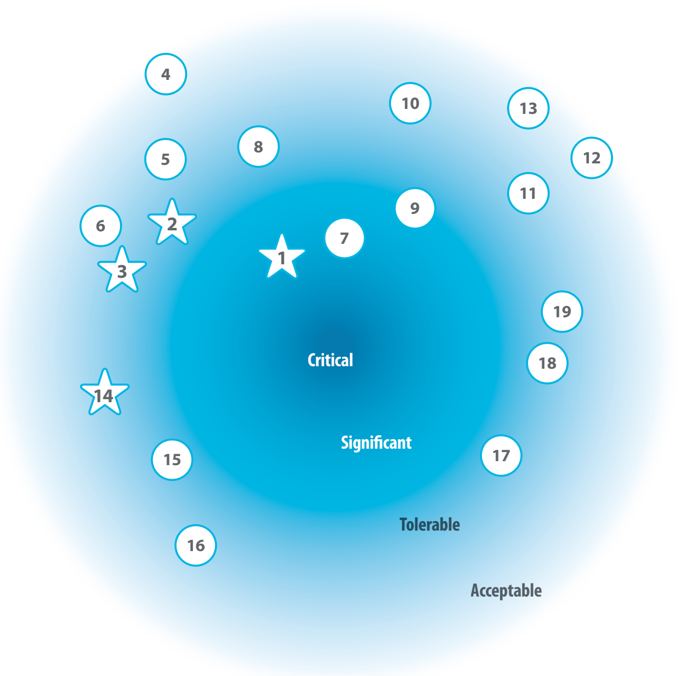
The Enagás risk map is shown below, detailing the risks to which the Enagás Group is exposed, represented in aggregate (in accordance with level 2 of the company's risk taxonomy).

This map includes aggregate Sustainability (ESG) risks, defined as the effects of non-compliance with commitments and objectives in the company's material topics. Enagás has identified and assessed these risks based on the company's materiality analysis (see the 'Materiality analysis and stakeholder management' section in the 'Environmental, Social and Governance (ESG) [GRI 201-2]

Management' chapter). The result is risks with ESG factors or impacts for each of the material topics. Details of those arising from the material topics of Climate Action and Natural Capital are published in this report (see the 'Climate action and energy efficiency' and 'Natural capital and biodiversity management' sections of the 'Environmental, Social and Governance (ESG) Management' chapter, respectively). The typology of risks identified in the areas of human rights, supply chain and affiliates is also indicated (see the 'Human rights', 'Supply chain' and 'Affiliates' sections in the 'Environmental, social and governance (ESG) management' chapter).

The main emerging long-term risks are also represented; these relate to uncertainty about the "role of natural gas in the future energy mix", the "development of growth projects (Enagás Strategic Plan)", the "deployment of hydrogen technology" and the "worsening of the company's financing conditions". These risks are due, among other factors, to climate change.
[GRI 201-2]

CORPORATE RISK MAP [GRI 201-2]



☆ Long-term effect

1. Role of natural gas in the future energy mix
2. Growth projects
3. Technological deployment of hydrogen
4. Global environment
5. Sustainability (ESG)
6. Regulatory and remuneration
7. Legal risks
8. Affiliates – International business
9. Industrial risks in infrastructure operation
10. Cybersecurity (Industrial and corporate systems)
11. Non-availability of gas at source
12. Suppliers and Counterparties
13. Unintentional failures or errors in corporate processes
14. Worsening of the company's financing conditions
15. Financial risks (interest rate, exchange rate and liquidity)
16. Tax risks
17. Direct reputational risks
18. Compliance risk
19. Criminal liability risk

DETAIL OF THE MAIN RISKS [GRI 201-2]

Type of risk	Risk description	Risk level (1)	Control and management measures
STRATEGIC AND BUSINESS RISKS			
1. Role of natural gas in the future energy mix (long-term effect)	• The policies and regulatory measures for decarbonising the energy models of the countries where the Enagás Group operates introduce uncertainty regarding the role of natural gas in the future energy mix in the medium and long term.	Significant	• The company is actively working to mitigate this risk by encouraging new uses where natural gas contributes significantly to decarbonisation: marine, rail and heavy road transport. • In addition, the company is committed to renewable gases (biomethane and hydrogen) to move towards carbon neutrality and decarbonise sectors that are difficult to electrify, such as transport or high-temperature industry and energy storage. See the 'Our commitment to the energy transition' chapter.
Growth projects (Enagás Strategic Plan) (long-term effect)	• The delay of or failure to execute the growth projects foreseen in the medium and long term in the Strategic Plan could have a negative impact on the company's results and on its commitments to its shareholders.	Significant	• Continuous monitoring is carried out for the portfolio of investment opportunities and project execution. • Work teams search for new opportunities in order to meet established objectives. See the 'Our commitment to the energy transition' chapter.
3. Deployment of hydrogen technology (long-term effect)	• Achieving the necessary technology deployment could be compromised in the event that the market is able to prioritise other energies.	Tolerable	• Agreement between the Spanish, French, Portuguese and German governments to create the future H2Med hydrogen corridor. • Joint Ventures for technological development and the promotion of renewable hydrogen production and transmission infrastructures. • Projects under consideration are focused on the methanisation of hydrogen for its injection into the network, use in mobility and application in auxiliary machinery. • Research and development of salt caverns for underground storage.
4. Global environment	• A higher-than-expected increase in inflation can lead to cost variances.	Acceptable	• Efforts are being made within the company to minimise this effect through greater control and cost containment.
5. Sustainability (ESG)	• Effects of non-compliance with commitments and targets on the company's material topics: decarbonisation, environmental impact, human rights, discrimination/ diversity/vulnerability, loss of talent/lack of human capital, health and safety, and non-compliance with governance principles.	Tolerable	• Health and safety, environmental and quality policy, the principles of which are embodied in the Enagás Environmental Management System, certified in accordance with ISO 14001 and EMAS. • Sustainable Management Plan with lines of action in the field of natural capital and biodiversity management. • Presence in the S&P Global's sustainability rankings, the Dow Jones Sustainability Index and other sustainability indices. • Compliance, Sustainability and Good Governance policies that establish the general principles governing the company's management in this area, as well as a specific area in the company to manage diversity and inclusion. See the 'Health and safety', and 'Natural capital and biodiversity management' sections in the 'Environmental, social and governance (ESG) management' chapter.
6. Regulatory and remuneration	• Admissibility of CAPEX investment costs, adjustment of CAPEX and OPEX standards for inflation.	Tolerable	• Promotion of the use of natural gas and dissemination of analyses of the economic and financial sustainability of the system. • Ongoing relationship with regulatory bodies and Public Administrations. • Active participation in the development of proposals for regulatory development and the consultation phase.

(1) The risk map represents the residual risk, i.e. the risk considering the effectiveness of the established management and control measures (risk transfer to insurance companies or mitigation measures). Level of Risk: Acceptable / Tolerable / Significant / Critical.

Type of risk	Risk description	Risk level (1)	Control and management measures
7. Legal risks	• The company's results may be affected by the outcomes of administrative or legal actions and proceedings in which it is involved, as well as by the uncertainties that arise from differing interpretations of contracts, laws or regulations that the company and third parties may have. • Effects on Enagás' income statement arising from the resolution of arbitration, criminal and legal proceedings, and/or the evolution of its business plans and growth projects.	Significant	• Management and follow-up of existing situations in legal proceedings and/or with the relevant administrative authorities. • Hiring specialised legal counsel for the process.
8. Affiliates – International business	• Effects on Enagás' income statement derived from the evolution of its business plans and growth projects.	Significant	• Follow-up and monitoring of the evolution of the business, the portfolio of opportunities and the project execution at the different companies.
OPERATIONAL AND TECHNOLOGICAL RISKS			
9. Industrial risks in infrastructure operation	• In the operation of the infrastructure for transmission, regasification plants and underground storage facilities, accidents, damage or incidents involving loss of value or lost profits may occur.	Acceptable	• Emergency, maintenance and continuous improvement plans, the existence of control systems and alarms that guarantee service continuity and quality. • Quality, prevention and environmental certifications and redundancy of equipment and systems. • Insurance policy contracts. See the 'Financial and operational excellence', 'Health and safety' and 'Natural capital and biodiversity' sections of the 'Environmental, social and governance (ESG) management' chapter.
10. Cybersecurity (industrial and corporate systems)	• Damage to corporate and industrial systems as a result of attacks by third parties.	Tolerable	• Cybersecurity Master Plan with specific action measures. • Good relative position in the sector in terms of cyberattack mitigation and control measures. • Cybersecurity Committee and quarterly report to the Audit and Compliance Committee on actions taken to mitigate risk. • Definition of BIA (Business Impact Analysis) to respond to different cyberattack scenarios. See the 'Health and safety' section of the 'Environmental, social and governance management (ESG)' chapter.
11. Non-availability of gas at source	• Interruption of supply in the Spanish Gas System due to non-availability of gas at source (sabotage, geopolitical decisions, among others).	Tolerable	• Establishment of a preventive action plan for the Spanish gas system to prevent its materialisation (investment in new gas infrastructures, flexibility of entry points, organised market, etc.).
12. Suppliers and Counterparties	• Contractual disputes, poor quality of services or information received, non-compliance with sustainability criteria and delays in administrative decisions.	Acceptable	• Process and regulations and internal procedures for purchasing and supplier approval. • Reputational analysis and ESG assessments of suppliers. • Close and continued relationship with stakeholders.
13. Unintentional failures or errors in corporate processes	• Non-industrial (invoicing, formalisation of contracts, legal and/or administrative formalities, etc.).	Acceptable	• Processes with specific validation and monitoring controls. • External and internal audits. • Internal policies, standards, training and procedures. • Automation of processes and updating and review of systems.

[GRI 201-2]

(1) The risk map represents the residual risk, i.e. the risk considering the effectiveness of the established management and control measures (risk transfer to insurance companies or mitigation measures). Level of Risk: Acceptable / Tolerable / Significant / Critical.

Type of risk	Risk description	Risk level [1]	Control and management measures
FINANCIAL AND FISCAL RISKS			
14. Worsening of the company's financing conditions (long-term effect)	• The push for sustainable finance by regulators and investors (EU taxonomy, EIB investment policy, European Green Deal, and other similar measures) could affect the company's financing conditions in the medium and long term.	Tolerable	• Development of renewable gas projects aligned with the EU Taxonomy and the ESG requirements of regulators and investors. • Assessment of alternative financing models. See the 'Sustainable finance' section in the 'Our commitment to the energy transition' chapter.
15. Financial risks (interest rate, exchange rate and liquidity)	• Volatility of interest and exchange rates, as well as movements in other financial variables that could negatively affect the company's liquidity.	Tolerable	• Hedging through derivative contracts to establish an optimal debt structure. • Natural hedging through financing in the business's functional currency. • Taking out credit lines with unconditional availability and temporary financial investments. See the 'Financial and operational excellence' section of the 'Environmental, social and governance (ESG) management' chapter.
16. Tax risks [GRI 207-2]	• Possible changes to tax legislation that could affect the company's results. • Possible differences in interpretation of the tax legislation in force in the countries in which the Group is present that may diverge from the criteria held by Enagás and its tax advisors. Possible defects of form.	Tolerable	• Consultancy services provided by tax specialists. • Monitoring of Principles of action that govern compliance with tax obligations, avoiding risks and tax inefficiencies. See thes 'Materiality analysis and stakeholder management' and 'Financial and operational excellence' sections of the 'Environmental, social and governance (ESG) management' chapter.
REPUTATIONAL RISKS			
17. Direct reputational risks	• Possible deterioration of the perception or image of the Enagás Group from the different stakeholders.	Tolerable	• Fluent, direct communication with stakeholders. • Permanent monitoring of information published in the media and social networks. • Internal communication regulations. See the 'Materiality analysis and stakeholder management' y 'Financial and operational excellence' sections of the 'Environmental, social and governance (ESG) management' chapter.
COMPLIANCE RISKS AND MODEL			
18. Compliance risk	• Non-compliance with external regulations (sanctions), fraud, corruption and anti-trust.	Tolerable	• Internal policies and procedures relating to the Code of Ethics, Asset Security, Compliance, etc. • Continuous monitoring of new rules/regulations. See the 'Ethics and integrity' section of the 'Environmental, social and governance (ESG) management' chapter.
CRIMINAL LIABILITY RISK			
19. Criminal liability risk	• Offences set out in the Spanish Criminal Code that may be committed by persons related to Enagás which entail criminal liability for the company.	Tolerable	• Corporate Defence Programme. • Internal policies, rules and procedures from different areas of the company. • Code of conduct and code of ethics. See the 'Ethics and integrity' section of the 'Environmental, social and governance (ESG) management' chapter.

[GRI 201-2]
Credit and Counterparty Risks: In application of IFRS 9 since January 2018, a provision has been made for the expected loss from this type of risk.
(1) The risk map represents the residual risk, i.e. the risk considering the effectiveness of the established management and control measures (risk transfer to insurance companies or mitigation measures). Level of Risk: Acceptable / Tolerable / Significant / Critical.

All the risks arising from climate change are explained in detail in the 'Climate action and energy efficiency' section of the 'Environmental, Social and Governance (ESG) Management' chapter, in line with the recommendations of the TCFD. [GRI 201-2]

KEY INDICATORS

ECONOMIC INDICATORS

ECONOMIC PERFORMANCE AND COST EFFICIENCY

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EBITDA (million euros)(1)	596.0	636.2	701.3	780.8	885.5	934.3	995.9	939.8	900.5	948.8	1,110.3	1,060.7	994.8	942.9	895.3	**797.4**
EBIT (million euros)(1)	408.3	433.1	484.7	530.9	585.9	618.4	649.8	589.6	602.0	651.7	732.1	691.0	657.4	614.6	583.4	**478.2**
BDI (million euros)(2)	238.3	258.9	298.0	333.5	364.6	379.5	403.2	406.5	412.7	417.2	490.8	442.6	422.6	444.0	403.8	**375.8**
Dividends (million euros)(2)(3)	143.0	155.3	178.8	200.1	237.0	265.7	302.4	310.4	315.1	331.4	348.1	354.8	371.3	426.7	441.4	**450.0**
Net investment (million euros)(2)	508.6	776.9	901.6	796.3	781.4	761.4	531.4	625.0	530.2	912.2	328.5	-262.8	706.2	859.2	59.7	**-548.6(6)**
Net debt (million euros)(2)	1,942.7	2,351.3	2,904.0	3,175.3	3,442.6	3,598.6	3,772.7	4,059.1	4,237.0	5,088.7	5,007.7	4,274.7	3,755.0	4,287.7	4,276.8	**3,468.9**
Shareholders' equity (million euros)(2)	1,344.8	1,456.1	1,593.4	1,738.8	1,867.4	2,014.9	2,118.4	2,218.5	2,318.9	2,373.7	2,585.6	2,658.7	3,170.1	3,192.7	3,158.4	**3,076.5**
Assets (million euros)(2)	3,976.0	4,717.8	5,779.9	6,829.1	7,717.4	8,083.4	7,043.5	7,711.8	7,751.9	9,248.0	9,649.6	9,526.2	8,844.2	9,008.9	9,873.8	**9,398.6**
Net debt/EBITDA ajustado(1)(4)	3.3x	3.7x	4.1x	4.1x	3.9x	3.8x	3.7x	4.2x	4.5x	5.2x	4.4x	4.0x	3.9x	4.8x	5.1x	**4.8X**
Financial cost of debt(2)	4.3%	4.7%	3.3%	2.7%	2.8%	2.5%	3.0%	3.2%	2.7%	2.4%	2.2%	2.3%	2.1%	1.9%	1.7%	**1.8%**
Headcount (December 31)(5)	985	1,008	1,046	1,047	1,126	1,178	1,149	1,206	1,337	1,337	1,307	1,320	1,306	1,330	1,344	**1,365**

(1) These figures are included in the Alternative Performance Measures Report, available at https://www.enagas.es/en/investor-relations/financial-information/alternative-performance-measures-apm/.
(2) Figures reported in the Notes to the Consolidated Annual Accounts of the Enagás Group for each financial year.
(3) The figures reflect total dividends for the year (interim dividend + complementary dividend).
(4) EBITDA adjusted by dividends received from affiliates.
(5) In order to facilitate data comparability, the "number of employees" indicator for 2017.
(6) Result of 698.8 million euros of divestments and 150.2 million euros of investments.

STOCK MARKET PERFORMANCE

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Share price (31 Dec) (€)	20.0	15.6	15.4	14.9	14.3	16.1	19.0	26.2	26.0	24.1	23.9	23.6	22.7	18.0	20.4	15.5
Dividend (€/share)	0.6	0.7	0.8	0.8	1.0	1.1	1.3	1.3	1.3	1.4	1.5	1.5	1.6	1.7	1.7	1.7 (1)
Market capitalisation (million euros)	4,771.6	3,714.7	3,682.5	3,560.7	3,411.0	3,852.6	4,534.8	6,251.3	6,207.1	5,759.4	5,698.6	5,636.5	5,967.7	4,706.7	5,344.6	4,067.5
Number of shares (million)	238.7	238.7	238.7	238.7	238.7	238.7	238.7	238.7	238.7	238.7	238.7	238.7	262.0	262.0	262.0	262.0

(1) Distribution of the 2022 gross dividend of 1.72 euros per share is subject to approval at the General Shareholders' Meeting

ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Economic value generated (EVG) (millions of euros)	901.5	1,000.8	1,154.8	1,199.3	1,261.9	1,227.2	1,221.6	1,218.3	1,384.6	1,342.2	1,182.7	1,084.0	991.2	970.3
Economic value distributed (EVD) (millions of euros)	565.7	617.5	727.6	769.2	845.4	801.5	862.0	894.0	942.7	969.7	926.3	916.1	975.7	924.2
Suppliers	137.2	147.3	193.1	168.1	184.6	198.3	193.4	203.9	209.6	229.8	184.4	176.3	167.5	220.6
Society (tax and social action investment)	127.7	144.3	164.9	179.8	172.2	102.6	166.3	136.3	144.8	138.8	128.0	118.7	113.3	165.0
Investment in social action	0.8	1.3	2.2	1.6	1.6	1.6	1.9	2.2	2.0	2.0	2.0	3.9	1.8	1.9
Tax	126.9	143.0	162.6	178.2	170.6	101.0	164.4	134.1	142.8	136.8	126.0	114.8	111.4	163.1
Employees (personnel expenses)	60.7	67.2	67.0	79.0	82.3	84.7	96.3	108.8	128.9	131.2	125.2	126.7	129.7	140.4
Capital providers	240.0	258.7	302.6	342.4	406.3	415.9	406.0	445.1	459.5	469.8	488.7	494.4	524.8	398.2
Dividends paid to shareholders	178.8	200.1	237.0	265.7	302.4	310.4	315.1	331.7	348.6	365.3	371.3	426.7	441.4	446.4
Financial result	61.2	58.6	65.6	76.7	103.9	105.5	90.9	113.4	110.9	104.6	117.4	67.7	83.4	-48.2
Economic value retained (EVR) (millions of euros)	335.9	383.3	427.2	430.1	416.5	425.7	359.6	324.3	441.9	372.5	256.4	167.9	55.8	46.1

FINANCIAL AND NON-FINANCIAL RATINGS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Standard & Poor's	AA-	AA-	AA-	AA-	AA-	BBB	BBB	BBB	A-	A-	A-	A-	BBB+	BBB+	BBB+	**BBB**
Fitch	A2	A2	A2	A2	A2	A-	A-	A-	A-	A-	A-	A-	A-	BBB+	BBB+	**BBB**
Dow Jones Sustainability Index (1)	67	77	75	78	88	83	85	84	85	91	86	85	85	87	85	**88**
CDP Climate change (transparency / performance)	-	-	-	70/B	83/B	85/B	83/B	91/B	99/B	A	A-	B	A	A	A	**B**

(1) Enagás has been a member of the Dow Jones Sustainability Index since 2008.

Social indicators

CORPORATE GOVERNANCE

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Directors	15	13	15	15	13	13	13	13	13	16	15	**15**
Independent Directors (%)	53.3%	61.5%	60.0%	60.0%	62.0%	62.0%	54.0%	54.0%	62.0%	69.0%	73.3%	**66.7%**
Board gender diversity (%)	13.4%	15.4%	20.0%	20.0%	23.0%	23.0%	23.0%	23.0%	31.0%	25.0%	33.3%	**40.0%**
Non-Audit Fees (%)	27.0%	14.0%	3.0%	3.0%	4.0%	53.0%	18.0%	36.0%	34.0%	39.0%	33.0%	**31.0%**
General Shareholders' Meeting quorum (%)	57.0%	55.8%	53.1%	52.9%	54.8%	50.8%	45.6%	45.6%	51.0%	48.2%	49.0%	**46.3%**

SUPPLY CHAIN

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Approved suppliers (no.)	1,989	2,010	1,875	1,745	1,781	1,800	1,356	1,382	1,458	1,483	1,526	**1,523**
Critical/approved suppliers (%) (1)	52.1%	51.8%	54.4%	59.1%	59%	59%	69.5%	65.3%	58.3%	61.3%	15.5%	**15.3%**
Suppliers audited externally in financial, ethical, environmental and social aspects (No.)	-	31	51	61	33	39	55	95	129	149	127	**96**
Percentage of approved suppliers assessed in human rights, ethics, social and environmental aspects (%) (2)	-	-	25.1%	27.1%	26.6%	27.1%	52.4%	53.5%	65.1%	70.3%	81.9%	**95.8%**

(1) In 2021, Enagás updated its criteria for classifying a supplier as critical, so the values are not comparable with previous years.
(2) From 2011 to 2018, reference is made to the external assessment carried out by Enagás and from 2019 onwards to the internal assessment carried out by the company.

ETHICAL COMPLIANCE AND HUMAN RIGHTS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Whistleblowing notifications (Ethics Channel) (No.)	-	2	2	4	4	3	2	5	1	5	7	**3**
People trained in issues related to ethical compliance (cumulative figure) (No.)	-	-	128	200	1,217	1,214	1,206	1,228	1,223	1,260	1,302	**1,335**

HUMAN CAPITAL [GRI 2-7]

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employees (No.)	1,126	1,118	1,149	1,206	1,337	1,337	1,307	1,320	1,306	1,330	1,344	**1,365**
Voluntary employee turnover (%)	0.8%	0.5%	0.5%	0.7%	0.5%	0.6%	1.4%	1.3%	1.3%	1.4%	1.2%	**1.7%**
Absenteeism (%)	3.7%	2.3%	2.5%	2.5%	2.5%	2.9%	3.1%	3.3%	3.6%	3.4%	2.7%	**3.6%**
Workforce gender diversity (%)	22.5%	22.5%	22.8%	23.9%	26.8%	27.5%	27.2%	27.7%	28.1%	28.6%	28.9%	**30.0%**
Board gender diversity (%)	14.1%	15.9%	18.8%	20.0%	25.4%	24.8%	26.8%	27.2%	29.0%	29.9%	30.6%	**36.4%**
Average investment in training per employee (€)	956	898	1,192	1,041	894	920	1,071	1,162	1,091	818	874	**1,239**
Training per employee (hrs)	48.9	45.8	52.0	59.6	49.8	61.8	65.6	61.6	51.9	46.6	45.1	**55.1**

CUSTOMER SATISFACTION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rate of satisfaction of shippers with transmission	80%	82.5%	83%	82.2%	82.7%	84.3%	85.7%	89.4%	87.8%	88.3%	89.9%	**87.5%**
Rate of satisfaction of transmission companies and distributors with transmission	76.7%	78.3%	79%	77.1%	89.2%	84.7%	85.0%	81.2%	79.5%	85.6%	93.5%	**83.3%**
Rate of satisfaction of shippers with the technical management of the Spanish Gas System	76.7%	83.5%	80.5%	78.6%	78.3%	86.2%	83.9%	90.1%	84.8%	84.8%(1)	83.0%	**83.9%**
Rate of satisfaction of transmission companies and distributors with the technical management of the Spanish Gas System	76.7%	78.7%	81.2%	72.6%	83.3%	79.2%	82.3%	89.4%	90.0%	90.0%(1)	96.0%	**85.7%**

(1) Data from the customer satisfaction survey sent out in December 2019.

OCCUPATIONAL HEALTH AND SAFETY [GRI 403-9]

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lost time injury frequency rate (own workforce) (1)	7.5	9.0	5.3	4.7	3.9	1.8	7.8	2.3	5.1	3.7	3.2	**1.4**
Lost time injury frequency rate (contractors) (1)	7.1	6.4	9.3	3.0	2.3	10.4	0.5	1.1	3.2	5.4	2.0	**2.7**
Lost time injury severity rate (own workforce) (1)	0.1	0.4	0.3	0.5	0.1	0.1	0.4	0.1	0.1	0.1	0.1	**0.0**
Lost time injury severity rate (contractor workforce) (1)	0.2	0.3	0.4	0.1	0.1	0.1	0.0	0.0	0.1	0.2	0.1	**0.1**
Work-related fatalities of own workforce (No.)	0	0	0	0	0	0	0	0	0	0	0	**0**
Work-related fatalities of contractor workforce (No.)	0	0	0	0	0	0	0	0	0	0	1	**1**

(1) From 2022, in order to improve the comparability of data, Enagás will align its accident recording criteria with those of the Occupational Safety and Health Administration (OSHA), considering the concept of activity-relatedness as a determining factor in its recordability.

IMPACT ON LOCAL COMMUNITIES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Social action investment/net profit (%)	0.6%	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	0.9%	0.5%	**0.5%**
Participation of employees in corporate volunteering initiatives (% of workforce)	-	5%	8.5%	9%	15.1%	16.7%	26.9%	27.5%	25.0%	21.6%	12.6%	**32.1%**
Time spent on volunteer work (hrs)	-	400	640	866	1,404	1,475	2,395	2,430	2,483	625	403	**2,210**

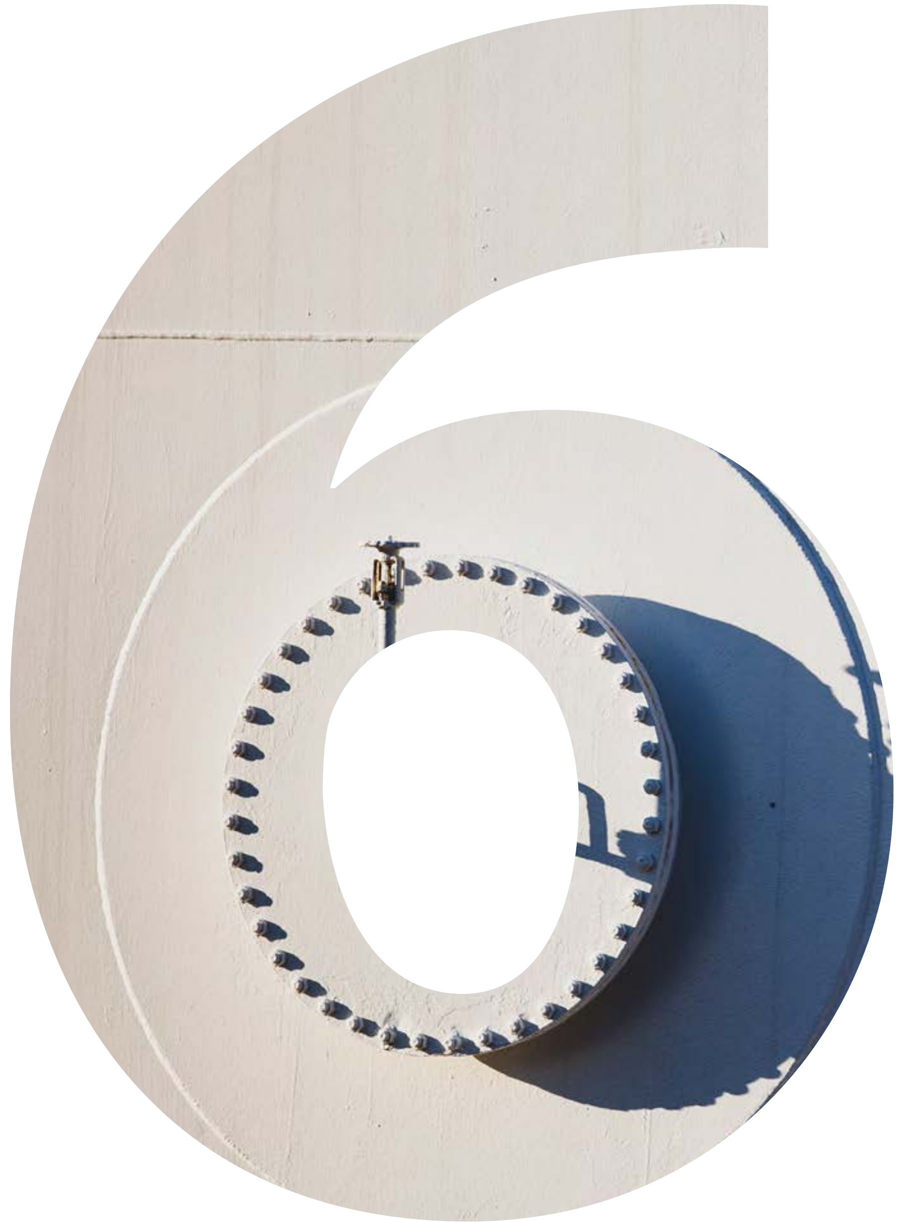
ENVIRONMENTAL INDICATORS

ENVIRONMENTAL MANAGEMENT AND FIGHTING CLIMATE CHANGE

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Scope CO_2 emissions (tonnes of CO_2e) [GRI 305-1]	264,679	387,651	479,175	537,092	272,728	263,540	266,357	274,458	275,889	208,314	263,571	**385,410**
Scope CO_2 emissions (tonnes of CO_2e) [GRI 305-2]	52,752	61,377	36,079	33,941	32,444	27,010	22,979	30,300	34,273	1,654	0	**0**
Self-consumption of natural gas (GWh) [GRI 302-1]	1,025	1,672	1,932.1	2,338.1	963.0	919.3	1,030.4	1,055.7	1,120.2	833.5	1,098	**1,764**
Electricity consumption (GWh)(1) [GRI 302-1]	201.5	186.7	150.0	143.1	148.3	160.5	192.0	181.2	214.3	207.3	197.3	**250.5**
Electricity generation/consumption (%)	1.9%	5.4%	6.8%	4.7%	8.0%	12.5%	11.0%	12.5%	17.1%	19.2%	16.7%	**14.1%**
Waste generated (tonnes) [GRI 306-3]	3,722	3,913	3,455	2,189	3,823	3,981	2,813.8	4,136.2	2,807	3,616	5,195	**2,458**
Waste recovered / recycled (%) [GRI 306-4]	59%	48%	63%	15%	40%	61%	73%	83%	89%	91%	96%	**91%**
Area occupied in protected areas (km^2)(2) [GRI 304-1]	-	-	3.7	4.0	4.0	4.0	4.0	6.7	6.7	6.7	6.7	**7.4**

(1) Includes consumption from the network and from own generation sources.
(2) The increase in the surface area of protected natural areas in 2022 was due to the redrawing of the boundaries of these areas, increasing the area of protection and including Enagás facilities already present in these locations. The protected natural areas considered are: Natura 2000 Network (LIC/ZEPA), Ramsar wetlands and Biosphere Reserve. The last two protection figures indicated are not included in the data prior to 2018.

APPENDICES



ABOUT OUR CONSOLIDATED MANAGEMENT REPORT

[GRI 2-1, GRI 2-3]

Standards and principles used

The Consolidated Management Report of Enagás, S.A. (parent company) and its subsidiaries (the Group) is prepared annually and includes the non-financial information statement that was prepared by the Board of Directors on February 20, 2023, complying with the requirements of: [GRI 2-14]

a. Directive 2014/95/EU on non-financial information and diversity, as well as with the associated Spanish legislation (Law 11/2018). See Appendix 'Non-financial and diversity reporting requirements (Law 11/2018) and the EU Taxonomy for sustainable activities Regulation'.

b. Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investments and its delegated acts, which establish the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives. See Appendix 'Non-financial and diversity reporting requirements (Law 11/2018) and the EU Taxonomy for sustainable activities Regulation'.

The Annual Corporate Governance Report and the Annual Report on Directors' Remuneration form an integral part of this Consolidated Management Report. Both documents are available on the corporate website or on the CNMV website.

The following standards and principles were used in preparing this 2022 Annual Report:

- In accordance with the GRI Standards, including the 2021 updated version of the global standards and the sector standard GRI 11: Oil and Gas Sector 2021. Enagás, in addition to the GRI Standards content associated with the material topics indicated in this sectoral standard, identifies other GRI Standards relevant to the company's activity and nature. The Management Report is submitted to the GRI Content Index-Advanced Service. See appendix 'GRI table of contents'.
- The principles of standard AA1000: inclusivity, materiality, responsiveness and impact.
- The SASB (Sustainability Accounting Standards Board) reporting standard for the Oil & Gas - Midstream sector. See Appendix 'SASB content index'.
- Recommendations of the Task Force on Climate Related Disclosures (TCFD). See Appendix 'TCFD content index'.
- The Sustainable Development Goals approved by the United Nations General Assembly, which Enagás integrates in its strategy and are set out in the 'Contribution to the SDG' sub-section.
- The ten principles of the UN Global Compact, as set out in the Appendix 'Global Compact content index'.
- The main contents and metrics defined by the World Economic Forum in the report to measure "stakeholder capitalism".
- Recommendations included in the 'Guide for the preparation of management reports of listed companies' of the CNMV.

See the **Annual Corporate Governance Report** on the corporate website.

See the **Annual Report on Directors' Remuneration** on the corporate website.

External verification [GRI 2-5]

The Non-Financial Information Statement was verified by an independent third party, in this case EY, in order to comply with the requirement of Law 11/2018 for external verification and in line with Enagás' commitment to transparency, reliability and rigour of the information. For the scope of this verification, see the Appendix 'External verification report'.

Scope of the financial and non-financial information

The scope of this report includes the information on 2022 financial year of the Enagás Group (hereinafter 'Enagás'). The following criteria have been applied to the information reported herein:

- The financial information is presented in accordance with the consolidation principles applied in the annual accounts.
- Non-financial information relates to operations over which Enagás maintains control (companies consolidated in the Consolidated Annual Accounts in accordance with the full consolidation method). These companies are mainly located in Spain. Start-ups[1], are excluded from the scope, as their non-financial impact is not considered relevant. [GRI 2-2]

For further details on the scope of the financial information, refer to the 'Consolidated Annual Accounts', section 1.3 'Basis of consolidation'.

For further details on the ownership structure of Enagás, see the 'Annual Corporate Governance Report', section A. Ownership structure'.
[GRI 2-1, GRI 2-3]

1. These start-ups and subsidiaries (Efficiency for LNG applications S.L., Scale Gas Solutions S.L. and Sercomgas Gas Solutions. See the 'Corporate innovation and technology'chapter) are in the early stages of developing their businesses, so their impact is not very significant (for example, they account for 2% of Enagás' workforce). Enagás will assess the impact of operations as its business and representation evolves, incorporating them into the scope of the non-financial information if relevant.

EXTERNAL VERIFICATION REPORT

ENAGÁS, S.A. AND SUBSIDIARIES

Independent Assurance Report on the Consolidated Non-Financial Statement and Information on Sustainability for the year ended December 31, 2022

[GRI 2-5]

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Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT AND INFORMATION ON SUSTAINABILITY

To the shareholders of ENAGÁS, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2022 of ENAGÁS, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the "Non-financial and diversity reporting requirements (Law 11/2018) and the EU Taxonomy for sustainable activities Regulation" table and in conformity with the "GRI content index" and "SASB content index" included in the accompanying Consolidated Management Report.

Responsibility of the directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of ENAGÁS, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the GRI Sustainability Reporting Standards (GRI standards), in accordance to GRI, as well as other criteria, including the sector supplement "GRI 11: Oil and Gas Sector 2021" and the criteria of the Sustainability Accounting Standards Board (SASB standards) in its sector supplement "Oil & Gas - Midstream 2018-10", described as explained for each subject matter in the "Non-financial and diversity reporting requirements (Law 11/2018) and the EU Taxonomy for sustainable activities Regulation" table, in conformity with the "GRI content index" and "SASB content index" of said report, and in accordance with principles stated in AA1000AP (2018) issued by AccountAbility (Institute of Social and Ethical Accountability).

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of ENAGÁS, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.
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Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions on the Independent Assurance Report with limited assurance, based on the work performed. We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements (ISAE) 3000 (revised), "Assurance Engagements Other than Audits and Review of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guidelines on performing non-financial statement assurance engagements issued by Spain's Institute of Auditors and AA1000AS V3, with a moderate level of type 2 assurance.

In a limited assurance engagement, the procedures carried out vary in their nature and timing, and are less in extent than those carried out for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is also substantially lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the processes for compiling and validating the information presented therein, and applying certain analytical procedures and sampling review tests as described below:

- Meetings with Group personnel to gain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters, as well as to gather the information needed to perform the independent assurance work.
- Analysis the scope, relevance, and integrity of the contents of the 2022 NFS, based on the materiality assessment performed by the Group and described under "Materiality analysis and stakeholder management", in light of the content required under prevailing company law.
- Analysis of the processes used to compile and validate the data presented in the 2022 NFS.
- Analyzing the documents from the Non-financial internal control system.
- Review of the disclosures relating to the risks, policies, and management approaches applied with respect to the material matters presented in the 2022 NFS.
- Check, via tests of a selected sample, the information underlying the contents of the 2022 NFS and the satisfactory compilation of the NFS based on data taken from information sources.
- Obtaining of a representation letter from the directors and management.

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In addition, with respect to GRI disclosures GRI 2-30, GRI 401-1, GRI 403-2, GRI 404-1 y GRI 405-1, our responsibility is to express an opinion, for which we have carried out reasonable assurance work. The work entailed understanding the internal control system relevant to the aforementioned indicators contained in the NFS, assessing the risk of material errors that the indicators might contain, testing and evaluating their content, as well as performing other procedures we considered necessary in the circumstances. We consider that our examination provides a reasonable basis for our opinion.

In addition, we reviewed the adequacy of the structure and content in accordance with the principles established in standard AA1000AP (2018), with a moderate level of type 2 assurance.

Emphasis paragraph

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on setting up a framework to facilitate sustainable investments establishes the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and climate change adaptation objectives the first time for the financial year 2021 provided that the non-financial information statement is published as of 1 January 2022. Consequently, the accompanying Consolidated Management Report does not include comparative information with respect to previous years on this issue. In addition, information has been included for which the directors of ENAGÁS, S.A. have chosen to apply the criteria which, in their opinion, best enable compliance with the new obligation and which are defined in the section "European Taxonomy for Sustainable Activities (contribution to climate change mitigation)" of the attached Consolidated Management Report. Our conclusion has not been modified in relation to this issue.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group's NFS for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria established by the GRI standards, in accordance to GRI, as well as other criteria, including the sector supplement "GRI 11: Oil and Gas Sector 2021" and the "Oil & Gas - Midstream 2018-10" sectoral supplement to SASB standards described as explained for each subject matter in the "Non-financial and diversity reporting requirements (Law 11/2018) and the EU Taxonomy for sustainable activities Regulation" table and in conformity with the "GRI content index" and "SASB content index" of the Consolidated Management Report.

In addition, in our opinion, GRI 2-30, GRI 401-1, GRI 403-2, GRI 404-1 y GRI 405-1, reviewed with a reasonable level of assurance, are prepared and presented, in all material respects, in accordance with the GRI Sustainability Reporting Standards (GRI standards), in accordance to GRI, described as explained for each subject matter in the "GRI content index" of said report and which includes the reliability of the data, the adequacy of the information presented and the absence of significant deviations and omissions.

With regard to the application of the principles established in standard AA1000AP (2018), no matter has come to our attention that would cause us to believe that the Group has not applied the principles of inclusivity, materiality, responsiveness, and impact, as explained under "About our consolidated Management Report."

[GRI 2-5]

Recommendations

We presented our recommendations to the Group management regarding areas of improvement related to the application of standard AA1000AP (2018). The most significant recommendations are summarized below:

- Inclusivity: the Group continues to deepen the identification and diagnosis through the management model of its stakeholders, including investee companies through the appointment of sustainability managers and the determination of critical management standards. In line with the progress, it is recommended to continue working on the dialogue with the interest groups, carrying out periodic consultations, especially locally in the geographies in which the Group operates.
- Materiality: the company carries out the process of identifying and assessing material issues that are relevant for its stakeholders and for the company based on the impact on the value of the company and on the environment and in a manner consistent with the risks of the company, which has served to define its Sustainability Strategy focused on its strategic levers. Regarding this principle, the Group is recommended to continue working on the evaluation of the results obtained, thus integrating the most relevant issues identified in the company's internal management and decision-making processes.
- Responsiveness: the stakeholder relationship model allows, after identifying relevant issues, design responses to their expectations and monitor them through the Sustainable Management Plan. In relation to this principle, the Group is recommended to continue working on the development of action plans that take into account the most relevant issues identified at a global and local level.
- Impact: Enagás' Sustainability Strategy defines the three levers on which the company relies to address the energy transition process. In this sense, it is recommended to continue advancing in the registration of the information collected at a global level, assessing the impact in the short, medium and long term of the Group, to evaluate and manage the real and potential impacts of the organization in the different areas in which those who have influence.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

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000-59 / V3-1CF30

February 20, 2023

[GRI 2-5]

NON-FINANCIAL AND DIVERSITY REPORTING REQUIREMENTS (LAW 11/2018) AND THE EU TAXONOMY FOR SUSTAINABLE ACTIVITIES REGULATION

The following are the requirements established by Law 11/2018 and the EU Taxonomy Regulation that are responded to in the Non-Financial Information Statement and in the Annual Corporate Governance Report included in the Consolidated Management Report:

NON-FINANCIAL INFORMATION STATEMENT

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
GENERAL		
Description of the business model: business environment, organi-sation and structure, markets in which it does business, objec-tives and strategies and main factors and trends that might affect its future progress and materiality analysis	GRI 2-1, GRI 2-2, GRI 2-6, GRI 2-9, GRI 2-23, GRI 3-1, GRI 3-2	13-14, 16-18, 24, 50-54, 115-119, 134-139, 157, 178-179
Description of the Group's policies with respect to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those related to personnel	GRI 2-23, GRI 2-24, GRI 3-3 for all material topics	23-25, 56, 71, 81-82, 93, 102, 109, 111-113, 122-125, 130, 138-140, 147-150
The results of the Group's policies applied to environmental and social issues, respect for human rights and the fight against cor-ruption and bribery, as well as those related to personnel	GRI 2-23, GRI 2-24, GRI 3-3 for all material topics	23-25, 56-57, 71, 81-93, 102-105, 109, 111-113, 122-125, 130, 138-140, 147-148
The main risks related to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as those related to personnel, linked to the activities of the Group	GRI 2-23, GRI 2-24, GRI 2-25, GRI 201-2	25-29, 57-59, 63, 105, 123-125, 141, 147-150, 162-168
Non-financial key performance indicators	GRI 2-6, GRI 2-7, GRI 2-8, GRI 3-3 for all material topics	11, 16, 23-25, 56, 71-77, 84-85, 87, 93, 102-105, 109, 111-113, 122, 130, 135-140, 147-148, 157, 171-176

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
I. INFORMATION ON ENVIRONMENTAL ISSUES		
Detailed information on the current and foreseeable ef-fects of the company's activities on the environment		
Detailed information on the current and foreseeable effects of the company's activities on the environment and, as the case may be, on health and safety	GRI 3-3 for all material topics related to the environment, GRI 303-1, GRI 304-2, GRI 306-1, GRI 306-3, GRI 308-2	23-30, 56, 59, 102-113, 157-160
Environmental assessment or certification procedures	GRI 3-3 for all material topics related to the environment, GRI 303-1, GRI 306-2, GRI 308-1, ISO:14001 Standard, EMAS Regulation	23-25, 47-48, 56, 102-109, 111-113, 157, 160
Resources dedicated to the prevention of environmental risks	GRI 201-2, GRI 303-1, GRI 303-2, GRI 304-2, GRI 306-2, GRI 308-1	25-29, 58-59, 64, 104-109, 111-113, 157-168
Application of the precautionary principle	GRI 3-3 for all material topics related to the environment	56, 102, 106, 109, 111-113, 122, 147-150
The amount of provisions and guarantees for environmental risks	GRI S11.7.6	105, 139
Pollution		
Measures to prevent, reduce or rectify carbon emissions that seriously harm the environment; considering any activity-specific form of air pollution, including noise and light pollution	GRI 3-3 on the material topics 'GHG emissions', 'Climate adaptation, resilience, and transition' and 'Air emissions' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 305-1, GRI 305-2, GRI 305-5	52, 56, 61-70, 102-103, 108, 113, 192
Circular economy and waste prevention and management		
Circular economy and waste prevention and management: measures of prevention, recycling, reuse and other forms of recovery and elimination of waste	GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5	108-111, 176
Actions to combat food waste	GRI 3-3 on the material topic 'Waste' identified by the sector standard GRI 11: Oil and Gas Sector 2021	Given the company's activity and the material topics identified, food waste is not a relevant issue for the company.
Sustainable use of resources		
Sustainable use of resources: water consumption and supply according to local restrictions	GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5	111-113
Consumption of raw materials and the measures adopted to improve efficiency in their use	GRI 3-3	109
Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy	GRI 302-1, GRI 302-3, GRI 302-4, GRI 302-5, GRI 305-5	64-67, 176
Climate change		
Climate change: the important elements of greenhouse gas emissions generated as the result of the company's activities, including the use of the goods and services produced	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4	56, 61-63, 68-70, 176
The measures adopted in order to adapt to the consequences of climate change	GRI 3-3 on the material topics 'GHG emissions' and 'Climate adaptation, resilience, and transition' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 201-2	23-30, 56-60, 161-168

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
The voluntarily established long and short-term emission reduction targets to reduce greenhouse gas emissions and the measures implemented for this purpose	GRI 3-3 on the material topics 'GHG emissions' and 'Climate adaptation, resilience, and transition' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 203-1, GRI 203-2, GRI 302-4, GRI 305-5	23-25, 56, 64, 66-67
Biodiversity protection		
Biodiversity protection: measures taken to preserve or restore biodiversity	GRI 3-3 on the material topics 'Biodiversity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 304-3	102-105
Impacts caused by activities or operations in protected areas	GRI 3-3 on the material topics 'Biodiversity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 304-2, GRI 304-3, GRI 304-4	102-105, 193
II. INFORMATION ON SOCIAL AND PERSONNEL-RELATED ISSUES		
Employment		
Total number and distribution of employees by gender, age, country and professional group	GRI 2-7, GRI 405-1	72-73, 87
Total number and distribution of work contract modalities	GRI 2-7	73
Yearly average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional group	GRI 2-7	74-75
Number of dismissals by gender, age and professional group	GRI 401-1	76-77
Average remuneration and its evolution by gender, age and profes-sional group or equivalent	GRI 2-19, GRI 2-21, GRI 405-2	86
Gender pay gap, remuneration for equal work or average for the company	GRI 405-2 Ratio of the difference between the average remuneration of men compared to women among the average remuneration of men. Average remuneration including basic salary at December 31, variable remuneration, allowances, payments to long-term savings plans and any other item, such as overtime.	85-86
The average remuneration of directors and managers, including variable remuneration, expenses, compensation, payments to long-term savings plans and any other item by gender	GRI 2-19, GRI 2-20, GRI 405-2	86, 119-121
Implementation of policies related to the disconnecting from work	GRI 3-3 on the material topics 'Labour practices' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 401-2	71, 77-78, 89-91
Employees with disabilities	GRI 405-1	88
Organisation of work		
Organisation of work hours	GRI 3-3 on the material topics 'Labour practices' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 401-2	71, 89
Number of hours lost to absenteeism	Internal reporting framework: Number of hours of absenteeism including hours lost to common illness and accidents at work	93-96 79,761.2 hours' absenteeism in 2022 (60,999.1 in 2021, and 74,848.1 in 2020).

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
Measures aimed at providing work-life balance and promoting their shared use by both parents	GRI 401-2, GRI 401-3	89-91
Health and safety		
Health and safety conditions in the workplace	GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8	93-101
Work-related accidents	GRI 403-9	93, 95-96
Frequency and severity, by gender	GRI 403-9	93, 95-96
Occupational illnesses, by gender	GRI 403-10	97 Enagás has not identified occupational illnesses over the last three years
Social relations		
Organisation of social dialogue, including procedures for notifying and consulting employees and negotiating with them	GRI 2-26, GRI 2-29, GRI 2-30, GRI 403-1, GRI 403-4	50-53, 92, 94-95, 123-124, 137
Percentage of employees covered by collective bargaining agreements by country	GRI 2-30	92
Results of collective bargaining agreements, particularly in relation to occupational health and safety	GRI 2-30, GRI 403-4	92, 94
Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	GRI 2-26, GRI 2-29, GRI 403-4, GRI 407-1	50-53, 92, 94-95, 123-124, 137
Training		
Training policies implemented	GRI 404-2	80-81
Total number of hours of training courses by professional group	GRI 404-1	80-81
Universal accessibility for persons with disabilities		
Universal accessibility for persons with disabilities	GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 405-1	71, 81-82, 88
Equality		
Measures adopted to promote equal treatment and opportunities for men and women	GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 401-3, GRI 406-1	71, 81-86, 89-91
Equality plans (Chapter III of Spanish Constitutional Act 3/2007 of March 22, for Effective Equality between Women and Men)	GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 405-1	71, 81-83, 92, 149
Measures adopted to promote employment	GRI 2-7, GRI 2-23, GRI 203-2	71-81
Protocol against sexual harassment and harassment on the grounds of sex	GRI 2-23, GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021,	71, 81-83, 149

1. Requirement derived from the amendment of the Spanish Commercial Code in Law 5/2011

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
Integration and universal accessibility for persons with disabilities	GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 405-1	71, 81-82, 88
Policy against any type of discrimination and, where appropriate, for managing diversity	GRI 3-3 on the material topics 'Non-discrimination and equal opportunity' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 406-1	71, 81-88, 123-125, 149
III. Information on respect for human rights		
Application of due diligence procedures in relation to human rights	GRI 2-23, GRI 2-25, GRI 410-1	147-150
Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and rectify any possi-ble abuses committed	GRI 3-3 on the material topics 'Employment practices', 'Non-discrimination and equal opportunity', 'Forced labor and modern slavery', 'Freedom of association and collective bargaining', 'Land and resource rights', 'Rights of indigenous peoples' identified by the sector standard GRI 11: Oil and Gas Sector 2021	71, 81-82, 147-148
Formal complaints for cases of violation of human rights	GRI 2-26	123-125, 147-150
Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organisation in relation to respect for freedom of association and the right to collective bargaining	GRI 407-1	92, 123-124, 147-150, 158-160
Elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour and the effective elimination of child labour	GRI 409-1	92, 123-124, 147-150, 158-160
IV. Information relating to the fight against corruption and bribery		
Measures adopted to prevent corruption and bribery	GRI 2-23, GRI 2-24, GRI 205-1, GRI 205-2, GRI 205-3	122-126, 129
Measures to combat money laundering	GRI 205-2	122-126, 129
Contributions to foundations and not-for-profit organisations	GRI 201-1, GRI 413-1	142-146
V. Information about the company		
The company's commitment to sustainable development		
The impact of the company's activity on employment and local development	GRI 3-3 on the material topics 'Local communities' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 413-1, GRI 413-2	140-146
The impact of the company's activity on local communities and on the region	GRI 3-3 on the material topics 'Local communities' identified by the sector standard GRI 11: Oil and Gas Sector 2021, GRI 413-1, GRI 413-2	140-146
Relations with key figures of local communities and modalities of dialogue with them	GRI 2-26, GRI 411-1, GRI 413-1	51, 109, 141-143
Association and sponsorship actions	GRI 2-28, GRI 413-1	128-129, 142-146
Subcontracting and suppliers		
Inclusion in the procurement policies regarding social issues, gender equality and environment	GRI 2-6, GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2	156-160

Requirements established by Law 11/2018 and the EU Taxonomy Regulation	Reporting framework	Page numbers, URL and/or direct response
Consideration in supplier and subcontractor relations of their social and environmental responsibilities	GRI 2-6, GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2	156-160
Systems for supervision and auditing and their results	GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2	156-160
Consumers		
Measures for the health and safety of consumers	GRI 403-7	94
Complaint systems	GRI 2-6, GRI 418-1	51, 138
Complaints received and their resolution	GRI 2-6, GRI 418-1	138
Tax information		
Profits obtained by country	GRI 201-1, GRI 207-4	131
Tax paid on profits	GRI 207-4	133
Public subsidies received	GRI 201-4	202 In 2022, 156 thousands of euros of public subsidies corresponding to gas infrastructure investments were received, 3,509 thousands of euros in 2021 and 1,197 thousands of euros in 2020 (in all three years, 100% were received in Spain).
European Sustainable Finance Taxonomy		
Net sales volume eligible and aligned with the Taxonomy	Regulation (EU) 2020/852, Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2022/1214	34-43
CAPEX eligible and aligned with the Taxonomy		34-43
OPEX eligible and aligned with the Taxonomy		34-43

INFORMATION FROM THE ANNUAL CORPORATE GOVERNANCE REPORT

Information from the Annual Corporate Governance Report	
Ownership structure	Annual Corporate Governance Report
General Shareholders' Meeting	
Company management structure	
Related party and intragroup transactions	
Risk control and management systems	

GRI CONTENT INDEX

Statement of use	Enagás has prepared its Consolidated Management Report in accordance with GRI Standards for the period from January 1, 2022, to December 31, 2022. [GRI 2-3]
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	GRI 11: Oil and Gas Sector 2021

GENERAL DISCLOSURES

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GENERAL DISCLOSURES				
	The organization and its reporting practices			
GRI 2: General disclosures 2021	2-1 Organizational details	16, 178-179		
	2-2 Entities included in the organization’s sustainability reporting	179		
	2-3 Reporting period, frequency and contact point	178-179, 189, 208		
	2-4 Restatements of information	36, 62, 66		
	2-5 External assurance	179-182		
	Activities and workers			
	2-6 Activities, value chain and other business relationships	13-14, 16, 135-138, 157		
	2-7 Employees	11, 72-77, 87, 174	Regarding requirement d), Enagás does not consider it relevant to publish this information broken down by region, as 99.1% of its workforce is located in Spain.	
	2-8 Workers who are not employees	72, 157		
	Governance			
	2-9 Governance structure and composition	115-118 Section ‘C) Company Management Structure’ of the 'Annual Corporate Governance Report'.		
	2-10 Nomination and selection of the highest governance body	116		
	2-11 Chair of the highest governance body	115 Section D.6 of the 'Annual Corporate Governance Report'.		

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
	2-12 Role of the highest governance body in overseeing impact management	15, 50, 57, 117, 123, 152, 163		
	2-13 Delegation of responsibility for managing impacts	50, 57, 99, 119, 123, 125, 152, 163		
	2-14 Role of the highest governance body in sustainability reporting	10, 50, 178		
	2-15 Conflicts of interest	117 Enagás Internal Code of Conduct in Matters Relating to Securities Markets (pages 10-19) Articles 13 and 25 of the Regulations of the Enagás Board of Directors Section D.6 of the Annual Corporate Governance Report		
	2-16 Communication of critical concerns	118		
	2-17 Collective knowledge of the highest governance body	117-118		
	2-18 Evaluation of the performance of the highest governance body	117		
	2-19 Remuneration policies	22, 86, 119-121 2022 Directors' Remuneration Report		
	2-20 Process to determine remuneration	22, 119-120		
	2-21 Annual total compensation ratio	In 2022, the Chief Executive Officer's total annual remuneration was 21.5 times the median total annual remuneration of the workforce. In 2022, the increase in the Chief Executive Officer's total annual remuneration (+24.6%) was 5.3 times the increase in the median total annual remuneration of employees (+4.6%).[1]		

1. The following criteria have been taken into consideration for the calculation of this indicator:
–In February 2022, a new Chief Executive Officer, Mr Arturo Gonzalo Aizpiri, was appointed. Therefore, in the calculation of his total annual remuneration, his annual base salary has been considered together with the actual remuneration received during the year.
–In 2022, the long-term incentive plans (2019-2021) were settled, significantly increasing the remuneration of the company's employees. As the current Chief Executive Officer did not receive this remuneration, for comparative purposes, the calculation has been made without considering the long-term incentive for any of the groups.

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
	Strategy, policies and practices			
	2-22 Statement on sustainable development strategy	3-10		
	2-23 Policy commitments	20, 22, 123-124, 147-148		
	2-24 Embedding policy commitments	22, 123-124		
	2-25 Processes to remediate negative impacts	123-124, 141, 147-150		
	2-26 Mechanisms for seeking advice and raising concerns	123		
	2-27 Compliance with laws and regulations	Enagás has not received any significant fines or penalties during 2022 (neither did it in 2021). To be classified as significant, they must have a significant impact from a financial or reputational point of view.		
	2-28 Membership associations	128-129		
	Stakeholder engagement			
	2-29 Approach to stakeholder engagement	50-51, 92, 137, 141, 158		
	2-30 Collective bargaining agreements	92		

MATERIAL TOPICS

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	50-53		
	3-2 List of material topics	52-54		
GHG EMISSIONS				
GRI 3: Material Topics 2021	3-3 Management of material topics	23-25, 56		S11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	65, 176		S11.1.2
	302-2 Energy consumption outside of the organization	11, 63		S11.1.3
	302-3 Energy intensity	65-66		S11.1.4
	302-4 Reduction of energy consumption	64		
	302-5 Reductions in energy requirements of products and services	64		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56, 61-63, 176		S11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	56, 61-63, 176		S11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	68-70		S11.1.7
	305-4 GHG emissions intensity	62		S11.1.8
CLIMATE ADAPTATION, RESILIENCE AND TRANSITION				
GRI 3: Material Topics 2021	3-3 Management of material topics	23-25, 56		S11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	25-29, 57-59, 63-64, 162-168		S11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	23-25, 64, 66-67		S11.2.3
Additional sector disclosures	Describe the organization’s approach to public policy development and lobbying on climate change	67, 128-129		S11.2.4
AIR EMISSIONS				
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103, 113		S11.3.1

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Enagás does not emit substances that deplete the ozone layer (chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons or methyl bromide).		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	113		S11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	94 100% of the activities and services of the companies under the Enagás Group's Joint Prevention Service are assessed in terms of health and safety in order to make improvements.		S11.3.3
BIODIVERSITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	102-105		S11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	104, 176		S11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	104-106		S11.4.3
	304-3 Habitats protected or restored	104, 107		S11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Enagás' infrastructures are spread throughout Spain, including 19 compressor stations, 6 LNG plants, 3 underground storage facilities, 6 international connections and a meshed network of more than 11,000 km of gas pipelines. This is why the species taken into account are those present in Spain: species included in the IUCN (International Union for Conservation of Nature) Red List and national conservation list with habitats in areas affected by operations. Along these lines, Enagás has identified the different species with the aim of prioritising and defining programmes of biodiversity protection.		S11.4.5

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
WASTE				
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103, 109		S11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	109		S11.5.2
	306-2 Management of significant waste-related impacts	108-109		S11.5.3
	306-3 Waste generated	109-111, 176		S11.5.4
	306-4 Waste diverted from disposal	109-111, 176		S11.5.5
	306-5 Waste directed to disposal	109-111		S11.5.6
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	157		
	308-2 Negative environmental impacts in the supply chain and actions taken	157-160		
WATER AND EFFLUENTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103, 111-113		S11.6.1
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	111-112		S11.6.2
	303-2 Management of water discharge-related impacts	112-113 Enagás' main discharges are seawater used in regasification plants - which is returned in a way that does not change its nature (minimum temperature change) - and wastewater. In all cases, the quality standards of our discharges are established by the Environmental Authorisations applicable to each facility.		S11.6.3
	303-3 Water withdrawal	112 Although all Enagás' facilities are located in Spain, a country considered to be highly water-stressed (40-80%), almost 100% of the water withdrawn is seawater[1].		S11.6.4
	303-4 Water discharge	112-113		S11.6.5
	303-5 Water consumption	112-113		S11.6.6

1. World Resources Institute (WRI), Aqueduct 3.0: Country Risk. 2019.

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
CLOSURE AND REHABILITATION				
GRI 3: Material Topics 2021	3-3 Management of material topics	139		S11.7.1
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Should there be substantial changes to working conditions, the individual changes are communicated 15 days in advance and collective changes are preceded by a period of consultation with the Workers' Legal Representatives lasting no more than 15 days.		S11.7.2
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programmes	77, 80		S11.7.3
Additional sector disclosures	List the operational sites that: • Have closure and rehabilitation plans in place; • have been closed; • are in the process of being closed	139		S11.7.4
	List the decommissioned structures left in place and describe the rationale for leaving them in place.	139		S11.7.5
	Report the total monetary value of financial provisions for closure and rehabilitation made by the organization, including post-closure monitoring and aftercare for operational sites.	139		S11.7.6
ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	109, 138		S11.8.1
GRI 306: Effluents and waste 2016	306-3 Significant spills	111 There have been no oil or waste spills in the last three years.		S11.8.2

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
Additional sector disclosures	Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity.	In 2022, 43 containment loss incidents were recorded according to the API RP 754 standard (3 classified as Tier 2 and 40 as Tier 3). In 2021, there were 28 such incidents (all of them classified as Tier 3); in 2020, there were 34 (1 classified as Tier 1, 2 as Tier 2 and 31 as Tier 3).		S11.8.3
	Additional sector disclosures for organizations with oil sands mining operations.		Not applicable. As shown in the graph in the 'Our business model' section, Enagás does not carry out oil sands mining operations.	S11.8.4
OCCUPATIONAL HEALTH AND SAFETY				
GRI 3: Material Topics 2021	3-3 Management of material topics	93		S11.9.1
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	93-94		S11.9.2
	403-2 Hazard identification, risk assessment and incident investigation	97-98		S11.9.3
	403-3 Occupational health services	100-101		S11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	94-95		S11.9.5
	403-5 Worker training on occupational health and safety	93-95		S11.9.6
	403-6 Promotion of worker health	95, 100-101		S11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relations	94, 100		S11.9.8
	403-8 Workers covered by an occupational health and safety management system	94		S11.9.9
	403-9 Work-related injuries	93, 95-98, 175		S11.9.10
	403-10 Work-related ill health	97		S11.9.11
WORK PLACEMENTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	71		S11.10.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	84, 149		

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	75-77	Enagás does not consider it relevant to publish this information broken down by region, as 99.1% of its workforce is located in Spain.	S11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	89-91, 101		S11.10.3
	401-3 Parental leave	91		S11.10.4
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Should there be substantial changes to working conditions, the individual changes are communicated 15 days in advance and collective changes are preceded by a period of consultation with the Workers' Legal Representatives lasting no more than 15 days.		S11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	71, 81		S11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	77, 80-81		S11.10.7
	404-3 Percentage of employees receiving regular performance and career development reviews	71, 78-79		
GRI 414: : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	157		S11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	157-160		S11.10.9
NON-DISCRIMINATION AND EQUAL OPPORTUNITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	71, 81-82		S11.11.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	100% of senior managers in Spain are local. At the end of 2022, there were no executives hired outside Spain. Employees with the nationality of the country in which they work are considered local.		S11.11.2
GRI 401: Employment 2016	401-3 Parental leave	91		S11.11.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	71, 81		S11.11.4

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	73, 84, 87, 114, 116, 119	99.1% of the workforce is located in Spain, and the breakdown of the indicators by region is not relevant.	S11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	84-86		S11.11.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	In 2022, there have been no discrimi-nation cases in the company.		S11.11.7
FORCED LABOUR AND MODERN SLAVERY				
GRI 3: Material Topics 2021	3-3 Management of material topics	147-148		S11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	149-150		S11.12.2
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers that were screened using social criteria	157		S11.12.3
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 3: Material Topics 2021	3-3 Management of material topics	147-148		S11.13.1
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	149		S11.13.2
ECONOMIC IMPACTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	130		S11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11, 131, 143, 171		S11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	100% of senior managers in Spain are local. At the end of 2022, there were no executives hired outside Spain. Employees with the nationality of the country in which they work are considered local.		S11.14.3
GRI 203: Indirect Economic Im-pacts 2016	203-1 Infrastructure investments and services supported	25-30, 34		S11.14.4
	203-2 Significant indirect economic impacts	25-30, 71, 75, 132, 157		S11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	157		S11.14.6
LOCAL COMMUNITIES				
GRI 3: Material Topics 2021	3-3 Management of material topics	140		S11.15.1

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	140-146	Enagás reports this content qualitatively. Enagás is working to be able to report it in full in future years.	S11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	141		S11.15.3
Additional sector disclosures	Report the number and type of grievances from local communities identified.	123, 141, 150 In 2022, as in 2021, no complaints have been received from local communities associated with the approval process for projects.		S11.15.4
LAND AND RESOURCE RIGHTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	147-148		S11.16.1
Additional sector disclosures	List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how people's livelihoods and human rights were affected and restored.	149 Enagás has not carried out and does not carry out involuntary resettlement of local communities or individuals.		S11.16.2
RIGHTS OF INDIGENOUS PEOPLES				
GRI 3: Material Topics 2021	3-3 Management of material topics	147-148		S11.17.1
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	148 No incidents of violations involving rights of indigenous peoples were identified in 2022, as in the two previous years.		S11.17.2
Additional sector disclosures	List locations of operations where indigenous peoples are present or affected by activities of the organization.	148, 150 Enagás has not identified any location among its direct operations (operational control) where indigenous populations are present or affected.		S11.17.3
	Report if the organization has been involved in a process of seeking free, prior and informed consent (CLPI) from indigenous peoples for any of the organization's activities.	148, 150 Enagás has not identified any location among its direct operations (operational control) where indigenous populations are present or affected.		S11.17.4
CONFLICT AND SECURITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	147-148		S11.18.1

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	149 The security personnel present at Enagás Group facilities are authorised security guards and belong to private security companies. Enagás requires these companies to train security personnel in human rights (100% of security personnel trained).		S11.18.2
ANTI-COMPETITIVE BEHAVIOUR				
GRI 3: Material Topics 2021	3-3 Management of material topics	122		S11.19.1
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022, as in the previous two years, Enagás did not receive any penalties, nor is there any legal action pending in matters of unfair competition, monopolistic practices and abuse of free competition.		S11.19.2
ANTI-CORRUPTION				
GRI 3: Material Topics 2021	3-3 Management of material topics	122		S11.20.1
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	127		S11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	122, 126, 129		S11.20.3
	205-3 Confirmed incidents of corruption and actions taken	124, 127		S11.20.4

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
Additional sector disclosures	Describe the approach to contract transparency.	Contracts subject to civil law are not public due to their confidential terms. However, they include an anti-corruption clause to prevent and combat corruption. In addition, as Enagás is an entity operating in the energy sector, its procedures for awarding works, supply and service contracts are subject to the provisions of Royal Decree-Law 3/2020 on public procurement. Activities related to regasification, storage and transmission of natural gas carried out by Enagás are regulated activities; consequently, their economic and operating regime is governed by the provisions of Law 34/1998 of October 7, on the hydrocarbons sector and its implementing provisions, as well as applicable environmental and urban planning regulations. In addition, all of them provide in each case for the procedure to be followed by each specific procedure carried out and resolved by the public administrations and, where appropriate, the submission of the different phases of the same to the corresponding public entity or publication.		S11.20.5
	List the organization's beneficial owners and explain how the organization identifies the beneficial owners of business partners, including joint ventures and suppliers.		Not applicable. As shown in the graph in the 'Our business model, section, the company's activity commences with tankers offloading at any of its regasification plants or at international connections in the pipeline network.	S11.20.6

GRI Standard	Content	Page numbers, URL and/or direct response	Omissions	Reference no. for GRI sector standard
PAYMENTS TO GOVERNMENTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	122		S11.21.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11, 131, 143, 171		S11.21.2
	201-4 Financial assistance received from government	In 2022, 156 thousands of euros of public subsidies corresponding to gas infrastructure investments were received. 100% of these public subsidies were received in Spain.		S11.21.3
GRI 207: Tax 2019	207-1 Approach to tax	127-128		S11.21.4
	207-2 Tax governance, control and risk management	51, 123, 127-128, 168		S11.21.5
	207-3 Stakeholder engagement and management concerns related to tax	50, 127-128		S11.21.6
	207-4 Country-by-country reporting	131, 133	Partially reported information. For learn more about this information, see the 'Consolidated Annual Accounts'.	S11.21.7
Additional sector disclosures	For oil and gas purchased from the state, or from third parties appointed by the state to sell on their behalf, report: • volumes and types of oil and gas purchased; • full names of the buying entity and of the recipient of the payment; • payments made for the purchase.		Not applicable. As shown in the graph in the 'Our business model' section, Enagás does not purchase natural gas or oil.	S11.21.8
PUBLIC POLICY				
GRI 3: Material Topics 2021	3-3 Management of material topics	122		S11.22.1
GRI 415: Public Policy 2016	415-1 Political contributions	The financing of political parties is expressly prohibited, and this is one of the risks that Enagás has defined in its crime prevention model. In 2022, Enagás did not make political contributions of any kind.		S11.22.2

SASB CONTENT INDEX *(SUSTAINABILITY ACCOUNTING STANDARDS BOARD)*

OUTREACH TOPICS ON SUSTAINABILITY AND ACCOUNTING STANDARDS

Topic	Accounting metric	Category	Unit of measure	Code	Page numbers and/or direct response
Greenhouse gas emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons (t) CO_2e, percentage (%)	EM-MD-110a.1	56, 61-63 Methane emissions account for 17.5% of Scope 1 emissions.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and analysis	n/a	EM-MD-110a.2	23-25, 60-63
Air quality	Air emissions of the following pollutants: NO_x (excluding N_2O), SO_x, volatile organic compounds (VOCs) and particulate matter (PM_{10})	Quantitative	Metric tons (t)	EM-MD-120a.1	113
Ecological impacts	Description of environmental management policies and practices for active operations	Discussion and analysis	n/a	EM-MD-160a.1	102-113 Enagás' policies and practices are aligned with the January 2012 Performance Standards on Environmental and Social Sustainability of the International Finance Corporation (IFC).
	Percentage of land owned, leased and/or operated within areas of protected conservation status or endangered species habitat	Quantitative	Percentage (%) per area	EM-MD-160a.2	104 Enagás' infrastructures occupy a surface area of 7.4 km2 (6.7 km2 in 2021 and 2020) of land located in Protected Natural Spaces (Natura 2000 Network (LIC/ZEPA), Ramsar wetlands and Biosphere Reserves), which represents approximately 16.1% of the total surface area occupied by Enagás (14.5% in 2021 and 2020). The increase in the surface area of protected natural areas in 2022 was due to the redrawing of the boundaries of these areas, increasing the area of protection and including Enagás facilities already present in these locations.
	Terrestrial area disturbed, percentage of impacted area restored	Quantitative	m^2, percentage (%)	EM-MD-160a.3	104 In 2022, 42.4% of the disturbed area was restored (54.2% in 2021 and 37.0% in 2020), and in 2023 Enagás will continue to work on restoring the remaining area.

Topic	Accounting metric	Category	Unit of measure	Code	Page numbers and/or direct response
	Number and aggregate volume of oil spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Quantitative	Number, litres	EM-MD-160a.4	111 In 2022, as in the previous two years, there were no oil spills as defined by the SASB (spill greater than 159 litres). However, the following smaller oil spills occurred in 2022: 50 litres of diesel fuel at the Cartagena Regasification Plant, 8 litres of diesel at the Yela Underground Storage Facility and 0.2 litres of diesel and 2.5 litres of liquid with hydrocarbons at the Gaviota Underground Storage Facility. 95.6% of the volume of these spills has been recovered. None of these spills occurred in the Arctic or unusually sensitive areas (as defined by SASB).
Competitive behavior	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Quantitative	Reporting currency (€)	EM-MD-520a.1	In 2022, as in the previous two years, Enagás did not incur any monetary losses or receive any penalties or fines as a result of legal proceedings relating to competitive behaviour.
Operational safety, emergency preparedness and response	Number of reportable pipeline incidents, percentage significant	Quantitative	Number, percentage (%)	EM-MD-540a.1	During 2022 there were no incidents in accordance with the SASB definition of an incident. However, based on the criteria established by API RP 754, there were 43 containment loss incidents: 3 classified as Tier 2 and 40 as Tier 3. In 2021, there were 28 such incidents (all of them classified as Tier 3); in 2020, there were 34 (1 classified as Tier 1, 2 as Tier 2 and 31 as Tier 3).
	Percentage of natural gas and hazardous liquids pipelines inspected	Quantitative	Percentage (%)	EM-MD-540a.2	138
	Number of accident releases and non-accident releases (NARs) from rail transportation	Quantitative	Number	EM-MD-540a.3	Not applicable. As shown in the graph in the 'Our business model' section, the company's activity does not include rail transport.
	Discussion of the management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and project lifecycles	Discussion and analysis	n/a	EM-MD-540a.4	94-95, 97-99

ACTIVITY METRICS

Topic	Activity metric	Category	Unit of measure	Code	Page numbers, URL and/or direct response
Activity	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Quantitative	Metric ton (t), kilometers	EM-MD-000.A	11, 63 In 2022, Enagás transported 25,846,758 tonnes of natural gas through its network of nearly 11,000 km of gas pipelines (25,048,324 tonnes in 2021 and 23,884,366 tonnes in 2020).

TCFD CONTENT INDEX

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) RECOMMENDATIONS

Areas	Recommendations	Page numbers, URL and/or direct response
Governance	Describe the board's oversight of climate-related risks and opportunities.	57 See the 'Governance model for climate change management' sub-section in the 'Climate action and energy efficiency' section, where the supervisory functions of the Board of Directors are detailed.
	Describe management's role in assessing and managing climate-related risks and opportunities.	57 See the 'Governance model for climate change management' sub-section in the 'Climate action and energy efficiency' section, which describes, among other matters, the risk assessment and management functions of the Audit and Compliance Committee and the Sustainability Committee consisting of the company's main management teams.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	57-59, 161-168 See the 'Risk management' chapter which describes Enagás' global risk management framework as well as the Corporate Risk Map which includes the "Role of natural gas in the future energy mix" and "Sustainability (ESG)" as emerging risks; these are risks due to climate change, among other factors. In addition, the 'Risk management and opportunities arising from climate change' sub-section in the 'Climate action and energy efficiency' section includes the specific map of Risks and Opportunities of climate change, as well as a descriptive table of the factors associated to each risk and its control and management measures.
	Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	57-59 As detailed in the 'Risk management and opportunities arising from climate change' sub-section in the 'Climate action and energy efficiency' section, based on the assessment carried out, the effects of the risks of climate change would have a low-medium economic impact on the company in 2040 (around 10% of profit). However, these effects would be offset by the opportunities that have been identified, both in the areas of hydrogen infrastructures, energy transition investments, development of renewable gases through our affiliate Enagás Renovable and new liquefied natural gas (LNG) logistics services.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	20-21, 23-25, 57-59 See the 'Risk management and opportunities arising from climate change' sub-section in the 'Climate action and energy efficiency' section, which sets out the different scenarios considered in the risk assessment, together with the result of the impact and probability of occurrence. The '2030 Strategic Plan' sub-section also includes information on Enagás' strategic growth areas in the context of decarbonisation and energy transition. Specifically, the role of new uses of natural gas as well as the development of renewable gases (biomethane/hydrogen), which are key elements of the fight against climate change. In addition, the 'Decarbonisation and carbon neutrality' section details our decarbonisation strategy and the priority focus on the promotion of renewable gases and new uses of natural gas in mobility, reinforcing the resilience of Enagás' strategy for tackling climate change.

Areas	Recommendations	Page numbers, URL and/or direct response
Risk management	Describe the organization's processes for identifying and assessing climate-related risks.	57-59, 161-168
	Describe the organization's processes for managing climate-related risks.	See the 'Risk management' chapter for details of the 'three lines of defence' for risk control and management including the identification, assessment and management of company risks, a process that includes climate change related risks.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	In addition, in the 'Risk management and opportunities arising from climate change' sub-section in the 'Climate action and energy efficiency' section, the process of managing risks and opportunities arising from climate change is explained in more detail.
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	57-59 See the 'Risk management and opportunities arising from climate change' sub-section in the 'Climate action and energy efficiency' section for the Climate Change Risks and Opportunities map and the metrics (e.g. probability, benefit impact) used for the assessment of climate change related risks and opportunities.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	60-63, 68-70 See the 'Our climate change performance' and 'Scope 3 emissions' sub-sections on the 'Climate change and energy efficiency' section'.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	23-25 See the 'Targets and roadmap for decarbonisation' sub-section in the 'Our commitment to the energy transition' section, where the reduction targets are included, as well as the degree of achievement.

GLOBAL COMPACT CONTENT INDEX

The Global Compact is an ethical commitment initiative designed so that entities from all countries can adhere to, as an integral part of their strategy and operations, ten universal principles governing conduct and action on matters concerning human rights, labour, the environment and the fight against corruption.

Enagás has been a member of the United Nations Global Compact since 2003 and regularly renews its commitment, maintaining a public and transparent record of the progress it has made in this field in an annual report published on the Global Compact website (www.pactomundial.org).

The links between the ten principles of the Global Compact and the GRI standards considered in this report are listed in the table below, and the United Nations Global Compact Communication on Progress, published by the United Nations Global Compact Office in May 2007.

To make it easier to recognise the activities most directly related to the principles of the Global Compact, Enagás has singled out the GRI standards that have a direct bearing on these principles. The table below indicates the pages of this report in which this information is contained.

GC	Human rights	GRI Standards Contents	Pages
Human Rights			
1	Companies must support and protect internationally acknowledged basic human rights within their sphere of influence	GRI 407-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 414-1, GRI 414-2	92, 123-124, 147-150, 157-160, 199-200
2	Companies must ensure they are not a party to human rights infringements	GRI 410-1	149, 200
Labour standards			
3	Companies must support the freedom of association to trade unions and accept in actual practice the collective bargaining process	GRI 2-30, GRI 407-1	92, 149
4	Companies must support all steps to eradicate forced or coerced labour	GRI 409-1	149-150
5	Companies must support the eradication of child labour	GRI 409-1	149-150
6	Companies must support the abolition of discriminatory practices in employment and occupation	GRI 401-1, GRI 405-1, GRI 405-2, GRI 406-1	73, 75-77, 84-86, 114, 116, 119, 198
Environment			
7	Companies must uphold a preventive approach that helps protect the environment	GRI 305-5, Management approach Natural Capital and Biodiversity Management	23-25, 64, 66-67, 102
8	Companies must promote initiatives that foster greater environmental responsibility	GRI 302-4, GRI 302-5, GRI 304-3, GRI 304-4, GRI 305-5, GRI 306-1, GRI 306-2	23-25, 64, 66-67, 102, 104-109, 193
9	Companies must foster the development and dissemination of environmentally friendly technology	GRI 302-4, GRI 302-5, GRI 304-3, GRI 304-4, GRI 305-5, GRI 306-1, GRI 306-2	23-25, 64, 66-67, 102, 104-109, 193
Anti-corruption			
10	Entities must work against corruption in all its forms including extortion and bribery	GRI 205-1, GRI 205-3	124, 127

CONTACT

[GRI 2-1, GRI 2-3]

Please address any comments, requests for clarification or suggestions in connection with this report to:

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APMs

Enagás' financial information contains aggregates and measurements prepared in accordance with applicable accounting regulations, as well as another series of measures prepared in accordance with the reporting standards established and developed in-house, known as Alternative Performance Measures (APMs).

These APMs are considered to be adjusted versions of the figures presented in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which is the accounting framework applicable to the Enagás Group's consolidated financial statements, and should therefore be considered by the reader as additional to, but not a substitute for, these standards.

The APMs are important for financial information users because they are the measures used by the Enagás management to assess the Group's financial performance, cash flows and financial position for making operational and strategic decisions. These APMs are consistent with the main indicators used by the investment and analyst community in the capital markets.

In this regard, and in accordance with the provisions of the Guidelines issued by the European Securities and Markets Authority (ESMA), in force since July 3, 2016, regarding the transparency of Alternative Performance Measures, below Enagás provides information on those APMs set forth in the management information for Q4 of the financial year 2022 that it considers to be significant.

Furthermore, in line with what was reported in 2021 and 2020 in relation to the general situation arising from Covid-19 and in order to comply with the ESMA recommendations issued in 2020, it is indicated that no significant effects have arisen as the Enagás Group has continued to operate normally during this situation. On this basis, it was not necessary to introduce new APMs or to modify or adjust the APMs currently presented in these financial years.

1. Alternative Performance Measures related to the Income Statement

EBITDA

EBITDA (*Earnings Before Interest, Tax, Depreciation and Amortization*) is an indicator that measures the company's operating profit before deducting interest, taxes, impairment and depreciation. By dispensing with financial and tax amounts, as well as accounting expenses that do not involve cash outflows, it is used by management to evaluate results over time, enabling comparison with other companies in the sector.

EBITDA is calculated as operating profit, increased by depreciation and amortization, impairment losses, if any, and other items that do not represent cash inflows or outflows from Enagás' operations (such as capital gains or losses on disposals, provisions, etc.).

The reconciliation based on the Operating Income shown in the Consolidated Financial Statements as at December 31, 2022 is shown below:

	Q4 2022
Operating income	970.3
Results of affiliates	201.2(*)
Operating expenses	-374.1
EBITDA	**797.4**

*For management purposes, the concept of 'Results of Affiliates' presented as part of operating income, in the amount of 201.2 million euros, does not include the effect of the amortisation of the PPAs, amounting to 54.4 million euros, which is considered to be a higher amortisation expense and therefore excluded from EBITDA. Considering the above two items together, the amount would be 146.8 million euros.

Adjusted EBITDA

Adjusted EBITDA is an indicator that measures the company's operating profit before the deduction of interest, taxes, impairment and amortization, and includes both dividends received and interest on subordinated debt collected from associates that are included in the financial statements of the Enagás Group using the equity method.

This indicator is used by Management to calculate the leverage ratios described in the section 'Alternative Performance Measures related to the Balance Sheet and leverage ratios', allowing comparison with other companies in the sector. The reconciliation of Adjusted EBITDA for financial year 2022, which is subsequently used in the leverage ratios, is shown below:

	Q4 2022
EBITDA	797.4
Dividends(*)	121.5
Results of affiliates(**)	-201.2
ADJUSTED EBITDA	**717.6**

(*) Se trata fundamentalmente de los dividendos recibidos de las sociedades que se contabilizan por el método de puesta en equivalencia. Asimismo, se incluyen los intereses de deuda subordinada cobrados a las sociedades que se contabilizan por el método de puesta en equivalencia.
(**) Como se consideran los dividendos recibidos procedentes de las sociedades participadas, debe excluirse el resultado de las mismas, el cual se encuentra integrado dentro del EBITDA tal y como se ha descrito en el apartado anterior.

EBIT

EBIT (Earnings Before Interest and Taxes) is an indicator that measures a company's operating income before the deduction of interest and taxes. As with the previous indicator, it is used by Management to evaluate results over time, allowing comparison with other companies in the sector.

EBIT is calculated as EBITDA, less depreciation and amortization, impairment losses, if any, and other items that do not represent cash inflows or outflows from Enagás' operations (such as capital gains or losses on disposals, provisions, etc.).

EBIT for financial year 2022 amounted to 478.2 million euros. This amount matches the operating profit at that date.

2. Alternative Performance Measures related to the Balance Sheet and Leverage Ratios

Net Debt

Net financial debt is the main indicator used by Management to measure the Group's debt level. It is comprised of gross debt less cash in hand.

To calculate the **gross debt**, the balance sheet items "Debts with credit institutions", "Debentures and other marketable securities" valued at amortised cost and "Other financial liabilities" include loans other than to credit institutions as well as the adjustment derived from the application of IFRS 16 are added.

The cash amount is obtained from 'Cash and cash equivalents' in the Consolidated Balance Sheet.

The reconciliation between the APM and the figures corresponding to the consolidated balance sheet for the period ending December 31, 2022, are shown below (in million euros):

	Q4 2022
Cash and cash equivalents	1,359.3
Debts with credit institutions	-1,690.6
Debentures and other marketable securities	-2,736.6
Other financial liabilities(1)	-401
NET DEBT	**-3,468.9**

(1) The amount included in this heading relating to the recognition of the financial liability for the application of IFRS16 amounts to 399.9 million euros. Additionally, the debt granted by bodies other than credit institutions amounts to 1.1 million euros.

Ratios linked to Net Debt

Management uses two ratios to analyse the leverage and the Group's ability to meet its financial obligations over time, enabling comparison with other companies in the sector.

The **leverage ratio** is calculated as Net Debt/Adjusted EBITDA, as shown below:

	Q4 2022
Net debt	3,468.9
Adjusted EBITDA	717.7
NET DEBT/EBITDA (ADJUSTED)	**4.8x**

The **ratio linked to the capacity to generate cash flows over net debt** is calculated as FFO for the last twelve months (LTM) / Net Debt, as shown below:

	Q4 2022
FFO(*)	612.0
Net debt	3,468.9
FFO/NET DEBT	**17.6%**

(*) This amount is explained below in the section on Alternative Performance Measures related to Cash Flow and Investments.

3. Alternative Performance Measures related to Cash Flow and Investments

Funds from Operations ('FFO')

FFO is the main cash generation indicator analysed by Enagás' management, as it measures both the cash generated by the domestic regulated and non-regulated business, as well as the cash generated for the Group from its international business, either through dividends from affiliates or interest payments on subordinated debt granted to these companies, after deducting both tax payments and interest related to the Group's financial debt.

It is calculated as:

FFO = EBITDA discounting the results of affiliates +/- tax collection/payment +/- interest collection/payment + dividends received from affiliates + interest on subordinated debt collected from affiliates.

The reconciliation between this APM and the amounts observable in the Consolidated Financial Statements as of December 31, 2022 is shown below:

	Q4 2022
Operating profit	478.2
Amortisation allowances (*) (***)	319.2
EBITDA	**797.4**
Tax collection / (payment)	-48.2
Collection / (payment) of interest (**)	-59
Dividends (**)	121.5
Other adjustments	1.5
Results of affiliates(*)	-201.2
FFO	**612**

(*) For management purposes, 'Amortisation allowances' includes, in addition to the depreciation and amortisation allowances for fixed assets, the effect of the amortisation of the PPAs, amounting to 54.4 million euros at December 31, 2022.
(**) For management purposes, interest on subordinated debt collected from affiliates is included under 'Dividends'.
(***) Includes impairment losses and result from disposal of fixed assets recognised in the year.

Operating cash flow ('OCF')

Operating Cash Flow measures the capacity to generate operating cash after changes in working capital. It is calculated on the basis of FFO and includes the change in working capital.

OCF amounted to 847.4 million euros in Q4 2022. The reconciliation between this APM and the figures seen in the Consolidated Financial Statements for the period ended December 31, 2022, is shown below (in million euros):

	Q4 2022
FFO	**612**
Change in operating working capital	235.3
OPERATING CASH FLOW (OCF)	**847.4**

Free Cash Flow ('FCF')

Free cash flow measures cash generation from operating and investment activities and is considered by Enagás to be an essential APM as it is the indicator used to assess the funds available both to pay dividends to shareholders and to service debt.

Reported **FCF** for Q4 2022 amounted to 1,395.9 million euros. The reconciliation between this APM and the figures seen in the Consolidated Financial Statements for the period ended December 31, 2022, is shown below (in million euros):

	Q4 2022
OPERATING CASH FLOW (OCF)	**847.4**
Payments for investments	-150.3
Proceeds from disposals	698.8
FREE CASH FLOW (FCF)	**1395.9**

Discretionary Cash Flow ('DCF')

Discretionary cash flow is an APM used by management to manage existing funding needs. It is defined as free cash flow (FCF) less dividends paid to shareholders and certain exchange differences related to net debt.

The reported **DCF** for Q4 2022 stood at 991 million euros. The reconciliation between this APM and the figures seen in the Consolidated Financial Statements for the period ended December 31, 2022, is shown below (in million euros):

	Q4 2022
Free Cash Flow (FCF)	**1395.9**
Dividend payments	-446.7
Effect of exchange rate variations	41.8
DISCRETIONARY CASH FLOW (DCF)	**991**

BOARD OF DIRECTORS - STATEMENT

Pursuant to Article 253 of the Corporate Enterprises Act and Article 37 of the Commercial Code, and remaining applicable standards, on February 20, 2023, the Board of Directors of Enagás, S.A. authorised the Consolidated Management Report which, in accordance with the provisions of Law 11/2018 of December 28 on non-financial information and diversity, includes the Consolidated Non-Financial Information Statement for the year ended December 31, 2022, consisting of the accompanying documents preceding this document.

DECLARATION OF RESPONSIBILITY: For the purposes of Article 118.2 of the consolidated text of the Securities Market Act and Article 8.1.b) of Royal Decree 1362/2007, of October 19, the directors state that, to the best of their knowledge, the Consolidated Management Report includes a true and fair analysis of the performance and results of the businesses and the situation of the Company, together with the description of the main risks and uncertainties faced, and includes the Non-Financial Information Statement in accordance with the provisions of Law 11/2018, of December 28, on non-financial information and diversity. They additionally state that, to the best of their knowledge, the directors not signing did not express dissent with respect to the Consolidated Management Report.

Chairman:	**Chief Executive Officer:**
Mr Antonio Llardén Carratalá	Mr Arturo Gonzalo Aizpiri
Directors:	
Sociedad Estatal de Participaciones Industriales- SEPI (Representada por Mr Bartolomé Lora Toro)	Mr Jose Montilla Aguilera
Ms Ana Palacio Vallelersundi	Ms María Teresa Arcos Sánchez
Ms Eva Patricia Úrbez Sanz	Ms Natalia Fabra Portela
Mr Santiago Ferrer Costa	Ms Clara Belén García Fernández-Muro
Mr David Sandalow	Mr José Blanco López
Ms María Teresa Costa Campi	Mr Manuel Gabriel González Ramos
Mr Cristóbal José Gallego Castillo	

DILIGENCE to record that, in accordance with the call of the Board of Directors, having been held at the registered office, allowing the Directors to participate telematically, the Consolidated Management Report has been drawn up with the agreement of all members of the Board of Directors, which is certified by the Secretary to the Board with his signature below, and with the signatures of those Directors who have physically participated in the Board of Directors

Electronic signature of the Secretary to the Board:

Secretary to the Board of Directors
Mr Rafael Piqueras

ANNUAL CORPORATE GOVERNANCE REPORT

enagas

ISSUER'S PARTICULARS

Financial year-end:

31/12/2022

CORPORATE TAX CODE:

A-28294726

Corporate name:

ENAGÁS, S.A.

Registered office:

PASEO DE LOS OLMOS, 19 MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, if applicable, those corresponding to shares with loyalty voting rights, as of the closing date of the year:

Indicate whether the Company's articles of association contain a provision for double voting for loyalty:

[ ] Yes

[√] No

Date of last change	Share capital (€)	Number of shares	Number of voting rights
20/12/2019	392,985,111.00	261,990,074	261,990,074

Indicate whether different types of shares exist with different associated rights:

[ ] Yes

[√] No

A.2. List the company's significant direct and indirect shareholders at year-end, including directors who hold a significant stake:

Name or corporate name of shareholder	% of voting rights assigned to shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC	0.00	3.68	0.00	1.31	4.99
STATE STREET CORPORATION	0.00	3.01	0.00	0.00	3.01
BANK OF AMERICA CORPORATION	0.00	3.61	0.00	0.00	3.61
MUBADALA INVESTMENT COMPANY PJS	0.00	3.10	0.00	0.00	3.10
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	5.00	0.00	0.00	0.00	5.00
PARTLER PARTICIPACIONES, S.L.U.	5.00	0.00	0.00	0.00	5.00

Detail of indirect stake:

Name or corporate name of the indirect holder	Name or corporate name of the direct holder	% of voting rights assigned to shares	% of voting rights through financial instruments	% of total voting rights
STATE STREET CORPORATION	STATE STREET CORPORATION	3.01	0.00	3.01
BANK OF AMERICA CORPORATION	BANK OF AMERICA CORPORATION	3.61	0.00	3.61
MUBADALA INVESTMENT COMPANY PJS	MUBADALA INVESTMENT COMPANY PJS	3.10	0.00	3.10
PARTLER PARTICIPACIONES, S.L.U.	DON AMANCIO ORTEGA GAONA	5.00	0.00	5.00
BLACKROCK INC	BLACKROCK INC	3.68	1.31	4.99

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements

The list of direct and indirect holders of significant stakes set out in section A.2 of this Report includes those significant shareholders who on December 31, 2022 qualified as such in the relevant official register of the Spanish National Securities Market Commission (CNMV).

Mr Amancio Ortega Gaona is the direct holder of 99.99% of the voting rights of Partler 2006, S.L. Partler 2006, S.L. is in turn the direct holder of 100% of the voting rights of Partler Participaciones S.L.U.

A.3. List, regardless of the percentage, the shareholding at year-end of the members of the Board of Directors who hold voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Name or corporate name of director	% of voting rights assigned to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total % of voting rights assigned to shares, indicate, if applicable, the % of additional votes assigned to loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
DON ANTONIO LLARDÉN CARRATALÁ	0.03	0.00	0.03	0.00	0.06	0.00	0.00
DON ARTURO GONZALO AIZPIRI	0.00	0.00	0.03	0.00	0.03	0.00	0.00

% of total voting rights held by the members of the Board of Directors	5.09

Detail of indirect stake:

Name or corporate name of director	Name or corporate name of the direct holder	% of voting rights assigned to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total % of voting rights assigned to shares, indicate, if applicable, the % of additional votes assigned to loyalty voting shares
No data					

Detail the total percentage of voting rights represented on the Board:

% of total voting rights represented by the Board of Directors	5.09

A.4. Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except for those entered in section A.6:

Related party name or corporate name	Type of relationship	Brief description
No data		

A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its Group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related party name or corporate name	Type of relationship	Brief description
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Corporate	Dividends and other benefits paid: 22,374 thousands of euros.
BANK OF AMERICA CORPORATION	Corporate	Dividends and other benefits paid: 16,172 thousands of euros.
BLACKROCK INC	Corporate	Dividends and other benefits paid: 18,056 thousands of euros.
MUBADALA INVESTMENT COMPANY PJS	Corporate	Dividends and other benefits paid: 13,885 thousands of euros.
PARTLER PARTICIPACIONES, S.L.U.	Corporate	Dividends and other benefits paid: 22,374 thousands of euros.
STATE STREET CORPORATION	Corporate	Dividends and other benefits paid: 13,460 thousands of euros.

A.6. Describe the relationships, unless they are scarcely relevant to the two parties, between the significant shareholders or those represented on the board and the directors, or their representatives, in the case of legal entity directors.

Explain, where appropriate, how significant shareholders are represented. Specifically, those directors who have been appointed on behalf of significant shareholders, those whose appointment has been put forward by significant shareholders, or who are bound to significant shareholders and / or entities of their group, with a specification of the nature of such binding relationships, will be indicated. In particular, where appropriate, the information shall mention the existence, identity and position of board members or representatives of directors, if any, of the listed company, who are, in turn, members of the governing body, or their representatives, in companies that hold significant stakes in the listed company or in entities of the group of said significant shareholders:

Name or corporate name of related director or representative	Name or corporate name of related significant shareholder	Corporate name of the group's company of the significant shareholder	Description of relationship/role
MR SANTIAGO FERRER COSTA	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Proprietary Director of Enagás S.A., appointed at the suggestion of Sociedad Estatal de Participaciones Industriales.
MR BARTOLOMÉ LORA TORO	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Vice Chairman.

A.7. Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprise Act ("LSC"). Provide a brief description and list the shareholders bound by the agreement, as applicable:

[ ] Yes

[√] No

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable:

[ ] Yes

[√] No

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

N/A

A.8. Indicate whether any individuals or legal entity currently exercise control or could exercise control over the company in accordance with article 5 of the Securities Market Act. If so, identify:

[ ] Yes

[√] No

A.9. Complete the following tables on the company's treasury share:

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
821,375		0.31

(*) Through:

Name or corporate name of the direct shareholder	Number of shares held directly
No data	

Explain any significant changes during the year:

Explain any significant changes

In the second quarter of 2022, Enagás S.A. proceeded to settle the 2019-2021 Long-Term Incentive Plan (2019-2021 ILP) by transferring 145,571 shares, bringing the number of treasury shares to 356,375 at April 5, 2022.

On July 11, 2022 Enagás S.A. finalised the process of acquiring 465,000 of its own shares, which accounts for 0.18% of the total shares in the Group, for a total cost of 9,678 thousands of euros (including associated costs of 9.7 thousands of euros). This acquisition took place within the framework of the Temporary Share Buy-Back Scheme, whose exclusive aim was to meet the obligations of delivering shares to the Executive Director and members of the Enagás management team under the current remuneration scheme according to the terms and conditions of the 2022-2024 Long-Term Incentive Plan (2022-2024 ILP) and the 2022-2024 Remuneration Policy approved at the General Shareholders' Meeting.

The shares were purchased in compliance with the conditions set out in Article 5 of Regulation EC/2273/2003 and subject to the terms authorised at the General Shareholders' Meeting held on March 31, 2022. Management of the Temporary Share Buy-Back Scheme was entrusted to Banco Bilbao Vizcaya Argentaria (BBVA), which carried out the transaction on behalf of Enagás, S.A. independently and without exercising influence on the process.

A.10. Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury shares:

The Ordinary General Shareholders' Meeting held on June 30, 2020 adopted the following resolution:

"To authorise and empower the Board of Directors, with power of substitution, for the derivative acquisition of the Company's own shares in accordance with Article 146 of the Corporate Enterprises Act, in the following terms:

1. The acquisitions may be carried directly by Enagás, S.A. or indirectly by subsidiaries under the same terms as those set out herein.
2. The acquisitions may be carried out through a purchase and sale, exchange or any other transaction permitted by law.
3. The maximum number of shares to be acquired shall be the maximum number permitted by law.
4. The acquisition price shall not be more than 15% higher or lower than the average weighted share price of the session prior the acquisition.
5. The authorisation is granted for a maximum of five years from adoption of this resolution.

In accordance with article 146 of the Corporate Enterprises Act, it is hereby expressly stated that the shares acquired pursuant to this authorisation may, in whole or in part, be directly awarded to employees or directors of the company or of companies belong to its Group, or that the purchase is the result of the exercise of employee or director options.

Likewise, the shares acquired as a result of this authorisation may be used, in full or in part, both for their disposal or redemption and for the achievement of potential corporate or business operations or decisions, as well as for any other legally possible purpose."

Also, the Ordinary General Shareholders' Meeting held on April 19, 2021 adopted the following resolution:

"To delegate to the Board of Directors, for a maximum of five years and with express replacement powers, the power to resolve issuing, one or more times, any fixed-income securities or analogous convertible debt instruments or those which give the right to subscribe to Company shares or which can be exchanged or give the right to buy shares of the Company or of other companies, for a maximum of one billion euros (€1,000,000,000); and to increase share capital by the necessary amount and exclude, where applicable, the pre-emptive subscription right up to a limit of 10% of share capital at the time of this delegation of powers".

The Ordinary General Shareholders' Meeting held on March 31, 2022 adopted the following resolution: "To authorise the Board of Directors to decide to increase in the share capital in the terms and within the limits of articles 297.1 b) and 506 of the Corporate Enterprises Act, one or several times, for a maximum amount equal to half the capital existing at the time of the authorisation, within a period of five years counting from the Board's resolution, rendering null and void the unused portion of the authorisation granted as item 5 on the Ordinary General Shareholders Meeting held on March 31, 2017; and to exclude, if applicable, the pre-emptive subscription rights up to the limit of 10% of the share capital at the time of this authorisation."

A.11. Estimated floating capital:

	%
Estimated floating capital	90.00

A.12. Give details of any restriction (statutory, legislative or otherwise) on the transferability of securities and/or any voting right restriction. In particular, the existence of any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares in the market, as well as authorisation or prior notice arrangements that, on acquisitions or transfers of financial instruments of the company are applicable by sectoral regulations.

[√] Yes

[ ] No

Description of restrictions

Restrictions under law:

Additional Provision 31 of Law 34/1998, of October 7, on the Hydrocarbons Sector, in force since the enactment of Act 12/2011, of May 27, governing civil liability for nuclear damage or damage caused by radioactive materials, specifies in section 2 that:

"No natural person or legal person may hold, directly or indirectly, an interest in the parent company (ENAGÁS, S.A.) representing more than 5% of share capital or exercise more than 3% of its voting rights. Under no circumstances may such shareholdings be syndicated. Any party operating within the gas sector, including natural or legal persons that directly or indirectly own equity holdings in the former of more than 5%, may not exercise voting rights over 1%. These restrictions do not apply to direct or indirect interests held by public sector enterprises. Under no circumstances may share capital be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40% (...)". (continues in Chapter H."OTHER INFORMATION OF INTEREST": EXPLANATORY NOTE ON SECTION A.12.)

A.13. Indicate whether the general shareholders' meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

[ ] Yes

[√] No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted:

A.14. Indicate whether or not the company has issued securities not traded in a regulated market of the European Union.

[ ] Yes

[√] No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

B. GENERAL MEETING

B.1. Indicate whether the quorum required for constitution of the General Shareholders' Meeting differs from the system of minimum quorums established in the Corporate Enterprises Act and specify any such:

[ ] Yes

[√] No

B.2. Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework established in the Corporate Enterprises Act:

[ ] Yes

[√] No

B.3. Indicate the rules governing amendments to the company's Articles of Association. In particular, indicate the majorities required to amend the Articles of Association and, if applicable, the rules for protecting shareholders' rights when changing the Articles of Association.

Article 18 of the Consolidated Text of the Articles of Association states that:

"The shareholders, when constituted as a duly summoned General Meeting, shall by a majority of votes, as determined by law, decide upon the matters that fall within the powers of the General Meeting. The General Meeting is responsible for addressing and agreeing upon the following issues: (...) and states in section d) the amendments to the Articles of Association".

Likewise, article 26 states that:

"An ordinary or extraordinary General Meeting may validly resolve to increase or reduce capital, make any other alterations to the Articles of Association, issue bonds, remove or restrict the pre-emptive subscription right for new shares, and restructure, merge or split the company, transfer all the assets and liabilities thereof, or move the registered office to outside Spain, if, at the original date and time specified in the notice of meeting, there are present, in person or by proxy, shareholders representing at least fifty percent of voting subscribed capital.

At second call, the attendance or representation of shareholders holding at least twenty-five percent of subscribed voting capital shall be sufficient". Likewise, article 13.3 of the Rules and Regulations of the General Shareholders' Meeting states that:

"However, an absolute majority of shareholders holding at least fifty percent of the subscribed capital with voting rights is required to validly adopt resolutions to increase or decrease capital, make any other amendment to the Articles of Association, issue bonds, eliminate or restrict pre-emptive subscription rights for new shares, transform, merge, spin off or globally assign assets and liabilities, and transfer the registered office abroad. However, the favourable vote of shareholders representing two-thirds of the share capital present or represented is required when, on second call, shareholders holding at least twenty-five percent of the subscribed capital with voting rights are present and the aforementioned fifty percent threshold is not reached".

B.4. Indicate the attendance figures for the General Shareholders' Meetings held during the year referred to in this report and those of the two previous years:

	Attendance data				
Date of general meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic means	Other	
30/06/2020	0.00	42.55	0.00	5.62	48.17
Of which floating capital	0.00	38.29	0.00	5.06	43.35
27/05/2021	0.00	43.23	0.04	5.69	48.96
Of which floating capital	0.00	38.91	0.03	5.11	44.05
31/03/2022	0.16	40.30	0.10	5.70	46.26
Of which floating capital	0.14	36.27	0.09	5.13	41.63

B.5. Indicate whether there has been any item on the agenda of general meetings during the year that, for any reason, was not approved by the shareholders:

[ ] Yes

[√] No

B.6. Indicate whether the articles of association impose any minimum requirement on the number of shares required to attend the General Shareholders' Meeting or for remote voting:

[ ] Yes

[√] No

B.7. Indicate whether or not it has been established that certain decisions, other than those established by Law, involving an acquisition, disposal, contribution of essential assets to another company or other similar corporate operations, must be submitted for the approval of the general shareholders' meeting:

[ ] Yes

[√] No

B.8. Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on general meetings which must be made available to shareholders on the:

All information on Enagás, S.A.'s Corporate Governance and General Meetings is available to the public on its website (www.enagas.es).

The links to this information can be found easily through the company's web browser and are as follows:

• In Spanish:

i) Página principal/ Quién eres/ Accionistas minoritarios

ii) Página principal/ Accionistas e Inversores/ Gobierno Corporativo:

- Junta General de Accionistas.
- Política de Gobierno Corporativo.
- Informe Anual de Gobierno Corporativo.

iii) Página principal/Conócenos/ Sostenibilidad/ Buen Gobierno

• In English:

i) Home/ Who you are/ Minority Shareholders

ii) Home/ Investors Relations/Corporate Governance:

- General Shareholders´ Meeting
- Corporate Governance Policy
- Annual Corporate Governance Report

iii) Home/ About us/ Sustainability/ Good Governance

C. COMPANY MANAGEMENT STRUCTURE

C.1. Consejo de administración

C.1.1. Maximum and minimum number of directors included in the articles of association and the number set by the general meeting:

Maximum number of directors	16
Minimum number of directors	6
Number of directors set by the shareholders' meeting	15

C.1.2. Complete the following table with Board members' details:

Name or corporate name of director	Representative	Director category	Position on the board	Date first appointment	Date last appointment	Election procedure
MS ANA PALACIO VALLELERSUNDI		Independent	INDEPENDENT LEADING DIRECTOR	25/03/2014	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS NATALIA FABRA PORTELA		Independent	DIRECTOR	27/05/2021	27/05/2021	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR SANTIAGO FERRER COSTA		Proprietary	DIRECTOR	15/10/2018	29/03/2019	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS MARIA TERESA ARCOS SÁNCHEZ		Independent	DIRECTOR	27/05/2021	27/05/2021	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR CRISTOBAL JOSE GALLEGO CASTILLO		Independent	DIRECTOR	30/06/2020	30/06/2020	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS PATRICIA URBEZ SANZ		Independent	DIRECTOR	29/03/2019	29/03/2019	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR JOSE MONTILLA AGUILERA		Independent	DIRECTOR	30/06/2020	30/06/2020	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR JOSE BLANCO LOPEZ		Independent	DIRECTOR	30/06/2020	30/06/2020	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR ANTONIO LLARDÉN CARRATALÁ		Other External	CHAIRMAN	22/04/2006	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	MR BARTOLOMÉ LORA TORO	Proprietary	DIRECTOR	25/04/2008	30/06/2020	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR ARTURO GONZALO AIZPIRI		Executive	CHIEF EXECUTIVE OFFICER	21/02/2022	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS MARÍA TERESA COSTA CAMPI		Other External	DIRECTOR	31/03/2022	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS CLARA BELÉN GARCÍA FERNÁNDEZ- MURO		Independent	DIRECTOR	31/03/2022	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR MANUEL GABRIEL GONZÁLEZ RAMOS		Independent	DIRECTOR	31/03/2022	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR DAVID BLAKE SANDALOW		Independent	DIRECTOR	31/03/2022	31/03/2022	VOTE AT GENERAL SHAREHOLDERS' MEETING

Total number of Directors	15

Indicate any board members who left during the reporting period, whether due to resignation or by resolution of the general meeting:

Name or corporate name of director	Status of director upon resignation	Date of last appointment	Date of departure	Specialised commissions of which she/he was a member	Indicate if the termination occurred before the end of the mandate
MR GONZALO SOLANA GONZÁLEZ	Independent	22/03/2018	22/03/2022	Sustainability and Appointments Committee	NO
DON ANTONIO HERNÁNDEZ MANCHA	Independent	22/03/2018	22/03/2022	Sustainability and Appointments Committee	NO
DON MARCELINO OREJA ARBURÚA	Executive	22/03/2018	21/02/2022		YES
DON IGNACIO GRANGEL VICENTE	Independent	22/03/2018	22/03/2022	Sustainability and Appointments Committee	NO
DOÑA ISABEL TOCINO BISCAROLASAGA	Independent	22/03/2018	22/03/2022	Audit and Compliance Committee	NO

Reason for removal, if before the end of the term of office, and other remarks; information on whether the director sent a letter to the other members of the board and, in the case of removals of non-executive directors, explanation or opinion of the director removed by the general meeting

At the meeting held on February 21, 2022, the Enagás Board of Directors agreed to remove Mr Marcelino Oreja Arburúa as Chief Executive Officer.

D. Marcelino Oreja Arburúa sent a letter dated February 21, 2022 informing the other members of the Board of Directors of his resignation as Director.

C.1.3. Complete the following tables on board members and their respective categories:

EXECUTIVE DIRECTORS

Name or corporate name of director	Position held in the company	Profile
MR ARTURO GONZALO AIZPIRI	Chief Executive Officer	Doctor 'cum laude' in Chemical Sciences from the Complutense University of Madrid, Gonzalo has a long track record in the energy and environmental sectors. During his career, he has held senior positions in both the private and public sectors. He joined Enagás as Chief Executive Officer in February 2022. Previously, he was part of the Repsol team, where, from 1990, he held senior management positions, including General Director of People and Organisation and General Director of Communications, Institutional Relations and Presidency, and was also responsible for the areas of Audit, Control and Risks. In addition, over the course of his long career, he has been responsible for Research, Environment and Quality. He has been a member of the company's Executive Committee since 2016. In the public sector he served as Director of the Environmental Agency of the Community of Madrid, Director General of Environmental Policy and Secretary General for the Prevention of Pollution and Climate Change at the Ministry of Environment of the .Spanish Government. He has served as Chairman of the Spanish Committee of the World Energy Council and Vice-President of the Spanish Energy Club. He has also been awarded the Cross of Military Merit with White Distinction. In addition, he has a distinguished literary career. He has published three historical novels: 'El heredero de Tartessos' (Imágica 2009, Evohé 2013), 'El cáliz de Melqart' (Evohé 2014, Hislibris Award for Best Spanish Historical Novel 2014) and 'La cólera de Aníbal' (Evohé 2018), for which he won the Hislibris Award for Best Spanish Author of Historical Novel in 2019. He has also translated travel books and published a collection of poems. He is a member of the editorial team of the El Periscopio and Intravagantes collections published by Ediciones Evohé.

Total number of Executive Directors	1
% of the Board	6.67

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder represented or proposing appointment	Profile
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	• Vice Chairman of SEPI. • A graduate in Economic and Business Sciences through CUNEF, specialising in Finance and Executive MBA through the Business Institute. • He started his professional career at Bankinter and held positions in the financial area at Enfersa and Ferrovial. • He joined the National Institute of Industry (INI) in 1990. • He was appointed Director of Planning in 2000 and Director of Subsidiaries in 2002, joining SEPI's Management Committee. • He has been a member of the Boards of Directors of NAVANTIA, ALESTIS, ITP and TRAGSA.
MR SANTIAGO FERRER COSTA	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Graduate in Economics and Business Administration. - Director of the Economic and Social Council (CES) of the Balearic Islands. - Member of the Economic Committee of the Economic and Social Council (CES) of the Balearic Islands. - Sole Director of Morna Assessors, associated with Grupo Tax Economistes i Advocats; - Practising economist with No. 981 of the Association of Economists of the Balearic Islands.

Total number of proprietary directors	2
% of the Board	13.33

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
MS ANA PALACIO VALLELERSUNDI	• Lawyer, founder of Palacio & Asociados law firm. • Independent Leading Director of Enagás, Director of Ecoener and of Emissions Reduction Corp. • Member of the External Advisory Council of Energy Future Initiative (EFI). • Member of the Executive Board of the Atlantic Council of the United States. • Member of the Industry Advisory Council of the International Energy Forum (IEF) • Member of the governing bodies of a number of research centres and public institutions: the MD Anderson Cancer Center, the Science Board of Real Instituto Elcano and the Global Leadership Foundation. • Guest lecturer at Edmund A. Walsh School of Foreign Service at Georgetown University and at the Mohamed VI Polytechnic University. • She writes regularly for "Project Syndicate" and El Mundo among other media. • Regular participant as panellist in international conferences and forums; in the energy sector, among others, the Istanbul G-20 International Energy Forum; the Atlantic Council Energy & Economic Summit, Atlantic Council Energy Forum and the Schlessinger Awards Energy Security Conference. She was invited as a speaker by the International Energy Agency (IEA) (2017). • Holder of equivalent master's degrees in law, political science and sociology. • Honorary doctorate in humanities from Georgetown University and winner of the 2016 Sandra Day O'Connor Justice Prize granted the title of Officier de la Légion d'Honneur by the Republic of France (2016). • Elective member of the Spanish Council of State (2012-2018). • Member of the European advisory council of The European House - Ambrosetti (2015-2016). • Coordinator of the Trans-European Transport Network (2014). • Member of the Advisory Council of Foreign Affairs and Security (2010-2014) and of the Committee for the Appointment of Judges and Advocates-General of the European Union Court of Justice and the General Court (2010-2013). • Advisor to the European Commission on justice, fundamental rights and citizenship (2010-2012). • Vice President and member of the Executive Committee of AREVA (2008-2009). • Senior Vice President and General Counsel of the World Bank (2006-2008). • Secretary General of the International Center for the Settlement of Investment Disputes (2006-2008). • Member of the Spanish Parliament, Chairwoman of the Joint Committee of the Two Houses for EU affairs (2004-2006). • Spain's first woman Minister of Foreign Affairs (2002-2004). • Member of the Presidium of the Convention for the Future of Europe: She participated in the debate and the drafting of the European Constitution project (2001-2003). • Member of the European Parliament, Chairwoman of the Legal Affairs and Internal Market, Citizen Rights, Justice and Internal Affairs Committees, and Chairwoman of the Conference of Committee Chairmen (1994-2002).
MS NATALIA FABRA PORTELA	Academic positions. 2018 Professor of Fundamentals of Economic Analysis, Universidad Carlos III de Madrid. 2018 Director of EnergyEcoLab, Universidad Carlos III. 2018 Associate Member, Toulouse School of Economics (TSE). 2020 Research Fellow, Center for Monetary and Financial Studies (CEMFI). 2016 Research Fellow, University of Cambridge Energy Policy Group. 2013 Research Fellow, Center for Economic Policy Research (CEPR). 2020 Member, Economic Affairs Advisory Council, Ministry of Economic Affairs and Digital Transformation. 2020 Member, Forum for Just and Inclusive Energy Transition, Ministry for the Ecological Transition and the Demographic Challenge. 2013 Member, Economic Advisory Group, DG-COMP, European Commission. 2021 Vice President, Spanish Economic Association. 2019-2020 Member, Committee of Experts, Basque Energy Pact, Basque Parliament. 2017-2018 Member, Advisory Council for the Ecological Transition (CAPTE), Education. 2001 PhD in Economics, European University Institute, Florence. 1993-1997 Degree in Economics, Universidad Carlos III. Academic awards. 2018 European Association of Environmental and Resource Economics Award. 2014 Sabadell Herrero Award (best Spanish economist under 40). 2014 Julián Marías Award, Community of Madrid. Ms Fabra is the author of numerous publications, gives seminars, lectures and teaches in the fields of Energy Economics, Energy Transition, Competition Policy and Regulation, among others.
MS MARIA TERESA ARCOS SÁNCHEZ	Degree in Economics and Business Studies, Monetary Policy and Public Sector. In 1995 she joined the Corps of Spanish State Economists and Trade Experts. She has completed her training in the field of Governance and Public Agenda (ESADE), in Compliance, Corporate Governance and Transparency (Transparency International) and Good Corporate Governance (KPMG). 2020-2021 Managing Director of Telecommunications and Audiovisual Services Organisation (Ministry of Economic Affairs and Digital Transformation). In this position, she was responsible for the design of the regulation and promotion of the telecommunications and audiovisual sector, as part of the development of the Digital Spain 2025 Strategy. 2020-2021 Member of the Boards of Directors of Red.es, ICEX, Hisdesat, Aucals, SEGIPSA. 2014-2020 Director of International Relations and Public Policy Manager of Orange, at that time the second largest company in the Spanish telecommunications sector. 2007-2013 Secretary General of REDTEL, the first sectoral association in defence of investments in new generation networks. 2004-2007 Director of International Affairs of the Telecommunications Market Commission (now part of the National Commission on Markets and Competition). 2001-2004 Director of the Office of the Secretary of State for Telecommunications (Ministry of Industry).

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
MR CRISTOBAL JOSE GALLEGO CASTILLO	He holds a degree in Aeronautical Engineering from the Polytechnic University of Madrid. International Doctorate, with the qualification cum laude, by the same University. - During his doctoral studies he was part of the research team at the Department of Energy - Wind Energy Division - of CIEMAT (Centre for Energy, Environmental and Technological Research). - He is currently an Associate Professor and Doctorate at the Universidad Politécnica de Madrid, Department of Aircraft and Space Vehicles. - During his professional career he has actively participated in numerous projects related to energy transition and renewable energies: - Journal referee (IEEE Transactions on Power Systems, Wind Energy, Journal of Renewable and Sustainable Energy, Applied Energy, Sustainable Energy, Grids and Networks. - Member of the Scientific Committee that prepared the tenth Seminar on Wind Energy in Europe. (Orleans, France 2014). - Member in AENOR of the National Committee (AEN/CTN) 206 "ELECTRICAL ENERGY PRODUCTION" and of the Sub-committee (SC) 88 "WINDTURBINES" (2014). - Member of the National Association of Wind Engineering (ANIV). 2014. - It is worth highlighting his participation as a member of the "National Commission of Experts on Energy Transition" created by the Council of Ministers by means of an Agreement of July 7, 2017, with the task of preparing a report analysing the possible proposals that could contribute to the definition of the Spanish strategy for Energy Transition. - He has participated in numerous seminars and conferences in his technical speciality and in others related to renewable energies and energy transition. Author of numerous scientific articles on the same subjects.
MS PATRICIA URBEZ SANZ	Head of Public Sector at Fujitsu Spain. Member of the Executive Committee of Fujitsu Iberia. She holds a degree in Telecommunications Engineering from the University of Zaragoza, complemented by several exclusive management programmes: Transformational Leadership Program, ICLD, Fundación CEDE, Spain (2016); Atos Executive GOLD (Talent Development Programme), HEC Paris, France (2014); Masters in Logistics (APICS) - CEL (Spanish Logistics Centre), Spain (2000) and the ESADE Programme for Directors. With more than 24 years of professional experience in the world of Information and Communication Technologies (ICT), she has developed her professional career in multinational companies: Accenture (Spain), as Manager (different areas - Banking, Telecommunications, Utilities, Public Sector - and responsibilities). Mercedes Benz (Germany and the Netherlands), as Director of the SAP Logistics Consulting Department in the Daimler Chrysler Solution Center. Everis España (currently NTT) as Senior Manager of Public Sector and Director of the employment area in Spain. Atos Origin (Spain) as Consulting Director and Market Director- Public Sector Spain. Atos Corporation (France) as Vice President Head of Public Sector, Health and Transport Vertical Portfolio - Worldwide. Fujitsu Technology Solutions (Spain) where she holds her current position. She is a member of the AED (Spanish Association of Directors) and collaborator of the ILCD alumni group. She actively participates in media outreach activities, being co-founder of the think-tank #somosmujerestech and author of numerous articles in business communication. She contributes to business associations on a voluntary basis in the area of sustainability.
MR JOSE MONTILLA AGUILERA	Mayor of Cornellá de Llobregat (1985-2004). He held various posts in the Barcelona Provincial Council, of which he was Chairman (2003-2004). - Member of Parliament (2004-2006). - Minister for Industry, Trade and Tourism with full powers in the field of Energy (2004-2006). - During his time as Minister he launched the Renewable Energy Plan 2005-2010, the Energy Saving and Efficiency Strategy 2005-2007, and the National Coal Restructuring Plan 2006-2012. He also stood out for promoting the adoption of legislative reforms to strengthen the powers of the National Energy Commission and to liberalise the energy sector, as well as reforms of the internal gas and electricity markets. - President of the Catalan Government and Member of the Catalonia Parliament (2006-2010). - Senator representing the Catalonia Parliament (2011-2019). As Senator, he has been Chairman of the Budget Committee and Spokesman for the Economy and Competitiveness, Finance and Public Administration, and Industry, Energy and Tourism Committees. He has been behind the following Bills: Audit of Accounts; Independent Authority for Fiscal Responsibility; Corporate Tax; Urgent Measures in Bankruptcy Matters; Fiscal Measures for Energy Sustainability; Guarantee of Supply and Increase of Competition in the Insular and Extrapeninsular Electrical Systems; Fiscal Measures for Energy Sustainability.

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
MR JOSE BLANCO LOPEZ	- Senator (1989-1996) and a Member of the Spanish Parliament (1996-2015). - Minister of Development of the Government of Spain (2009-2011), he was also at that time Chairman of the Transport Council of the European Union and President of the World International Transport Forum. - Spokesperson for the Spanish Government (2011). - (Member of the European Parliament (2015-2019) taking part in the follow-up and participation in various legislative dossiers and reports on parliamentary initiatives. He has been a member of the Committee on Industry, Research and Energy; Member of the Committee of Inquiry into the Measurement of Emissions from the Automobile Sector; Vice-Chairman of the delegation to the EU-Mexico Joint Parliamentary Committee and Rapporteur on the Renewable Energy Directive (REDII 2020-2030). - As head of the European Parliament for the renewable energy directive, he has participated as a speaker in more than 100 conferences, forums and congresses in recent years. Among the most recent: "Energy Transition, between all of us. Self-consumption as a key to change"; "Participation in the GASNAM Congress as a conference speaker: European Renewable Energy Directive" and the "Transition to a new energy model in Europe". He has been a speaker in the European capital at various conferences: the Solar Power Summit, the III Energy Summit, the European Sustainable Energy Week, the Annual High-Level Experts Conference and the European Commission's Clean Energy Financing, at the presentation of the REMAP study by the International Renewable Energy Agency, the Global Sustainability Conference, the IV Energy Summit and at the conferences organised in Sofia by the Bulgarian Presidency of the European Union. In Spain, he has participated as a speaker at the 3rd Spanish Wind Energy Congress, the National Renewable Energy Congress, the 4th Solar Forum, the 1st Canary Islands Wind Energy Congress, the Conference on renewable energies organised by the Murcia Association of Engineers, the Spanish Energy Club, the OCU Self-Consumption Conference, the UNEF Conference on Power Purchase Agreements and the Renewable Energy Directive. He led the convening of two round tables on biofuels and on bioenergy organised by the S&D Group at Parliament's HQ in Brussels and has sponsored the organisation of several round tables at the Parliament with various EU associations from the sectors concerned, including EREF, Euroelectric, Ecofys and RE100. - Author of articles on energy issues in different media. Author of the chapter "Paris Agreement, Winter Package, Energy and Climate Strategy 2030 and 2050. Historical Vision of the European Union's Climate and Energy Policies" published in the Workbook on Energy Transition in Spain. "A proposal from social democracy". - He is currently CEO and Founder of ACENTO PUBLIC AFFAIRS.
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Graduate (1997) and PhD (2002) in Economics and Business Sciences, Complutense University of Madrid (UCM). Specialisation in International Economics and Development. Associate Professor, Applied Economics, Structure and History Department, Faculty of Economics and Business Sciences, UCM. Research activity: Three research periods (2003-2008, 2009-2014 and 2016-2021) recognised by the National Commission for the Evaluation of Research Activity (CNEAI). Research on the energy industry, productive development and financial systems. Her work has been published in leading academic journals and publications and she has contributed to numerous conferences and seminars. Visiting researcher for a total of two years at the Center for China Studies, Berkeley Roundtable on the International Economy and Haas School of Business at the University of California-Berkeley, as well as at the Political Economy Research Institute at the University of Massachusetts Amherst. And short work periods at organisations such as the Research Center for Sustainable Development and the Chinese Academy of Social Sciences, Beijing. University management positions in the Faculty of Economics and Business Sciences, UCM: first a member and then Deputy Coordinator of the Academic Committee of the PhD Programme in Economics, between 2014 and 2022. Member of the Academic Committee of the Master's Degree in International Economics and Development (2008-2011 and 2015-2018). Vice-Dean of Quality Assessment and Undergraduate Studies, from 2014 to 2016. Coordinator of the Bachelor's Degree in Economics, from 2012 to 2014. Between November 2018 and March 2022, Independent Director of the General Council of the Official Credit Institute (ICO). In 2021, member as external advisor of the Qualifying Tribunal in the competitive examinations to the Senior Corps of Commercial Technicians and Economists of the State.

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
MR MANUEL GABRIEL GONZÁLEZ RAMOS	PhD in Agricultural Engineering (2003) by the UCLM, Degree in Economics (2008) by the UNED, Master's Degree in Business Administration (2009) by the UNED, Degree in Business Administration (2010) by the UNED, Degree in Law (2019) by the UNED, Master's Degree in Management and Public Policy Analysis (2010) by the Universidad Carlos III. Master's Degree in Environmental Management and Sustainable Development (2011) by UNED. Inter-university Master's Degree in Sustainability and CSR (2014) UNED and UJI. Postgraduate Degree in Stock Exchanges and Markets (2014), University of Alicante (2018) and Master's Degree in History of Contemporary Spain in the International Context (2020), UNED. Tutor professor at UNED. Member of the Spanish Congress of Deputies of the X, XI, XII, XIII and XIV Legislatures (2017-2022). Government Delegate in the Autonomous Community of Castilla-La Mancha (2018-2019). Subdelegate of the Government in Albacete (2007-2011). Provincial Delegate of the Junta de Comunidades de Castilla-La Mancha (2004-2007). Provincial Delegate of Agriculture and Environment (2002-2004). Civil servant of the Superior Corps of the Junta de Comunidades de Castilla-La Mancha and of the General Administration of the State.
MR DAVID BLAKE SANDALOW	Graduated from the University of Michigan Law School and Yale College. David Sandalow is an inaugural fellow at the Centre for Global Energy Policy and co-directs the Energy and Environment Concentration at Columbia University's School of Public and International Affairs. He founded and directs the U.S.-China Program at this Centre and is the author of the *Guide to China's Climate Policy*. Distinguished Visiting Professor in the "Schwarzman Scholars Program" at Tsinghua University. He has chaired the "ICEF Innovation Roadmap_Project" since 2015, where he has led the development of roadmaps on carbon removal and biomass storage, industrial decarbonisation, direct air capture and carbon dioxide utilisation, among other topics. In 2020, he co-founded the Food-Climate Partnership and is lead author of the *Food and Climate Change InfoGuide*. Director of Fermata Energy and Senior Advisor to APL. He lectures on energy and climate policy and has published extensively on this subject. He has held senior positions in the White House and the U.S. Departments of State and Energy. Specifically, he served as Secretary of Energy (acting) and Assistant Secretary for Policy and International Affairs. He has been a senior fellow at the Brookings Institution. He has also served as Assistant Secretary of State for Oceans, Environment and Science and Senior Staff Director of the National Security Council.

Total number of Independent Directors	10
% of the Board	66.67

List any independent director who receives from the company or group any amount or payment other than standard director remuneration or who maintains or has maintained during the period in question a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

If applicable, include a statement from the board detailing the reasons why the said director may carry on his duties as an independent director.

Name or corporate name of director	Description of the relationship	Motivated statement
MS ANA PALACIO VALLELERSUNDI	Not applicable	Not applicable
MS NATALIA FABRA PORTELA	Not applicable	Not applicable
MS MARIA TERESA ARCOS SÁNCHEZ	Not applicable	Not applicable
MR CRISTOBAL JOSE GALLEGO CASTILLO	Not applicable	Not applicable
MS PATRICIA URBEZ SANZ	Not applicable	Not applicable
MR JOSE MONTILLA AGUILERA	Not applicable	Not applicable
MR JOSE BLANCO LOPEZ	Not applicable	Not applicable
MS CLARA BELÉN GARCÍA FERNÁNDEZ- MURO	Not applicable	Not applicable
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Not applicable	Not applicable
MR DAVID BLAKE SANDALOW	Not applicable	Not applicable

OTHER EXTERNAL DIRECTORS

Identify all other external directors and explain why these cannot be considered proprietary or independent directors and detail their relationships with the company, its senior managers or shareholders:

Name or corporate name of director	Reasons	Company, executive or shareholder with whom the relationship is maintained	Profile
MR ANTONIO LLARDÉN CARRATALÁ	Pursuant to article 529 duodecies.4 of the Corporate Enterprises Act, persons who have been employees or Executive Directors of Group companies may not hold the position of Independent Director unless 3 or 5 years, respectively, have elapsed since they ceased to be employees or Executive Directors. Mr Antonio Llardén Carratalá was last re-elected as Executive Director on March 22, 2018, for which reason his re-election as a Director on March 31, 2022 was as Other External Director.	ENAGÁS, S.A.	Antonio Llardén has been the Chairman of Enagás since 2007. In addition, he currently holds the office of Chairman of the Foundation for Energy and Environmental Sustainability (Funseam), formed by the major companies operating in the energy market in Spain; he is member of the CEOE Business Action Council and of the Business Leadership Forum. He is a Trustee of the Elcano Royal Institute of International and Strategic Studies (chaired by His Majesty King Felipe VI of Spain), of the Princess of Girona Foundation (whose Honorary President is H.R.H. Princess of Asturias and Girona), of the Spain-Peru Council Foundation, of Aspen Institute Spain, of the Spain-United States Council Foundation and of the Foundation of Studies of Applied Economics (FEDEA). Antonio Llardén collaborates with different institutions related to the world of music. He is a Trustee of the Reina Sofía School of Music and a member of the Board of Protectors of the Teatro Real and of its Monitoring Committee. He is an Industrial Engineer and studied at the Higher Technical School of Industrial Engineering of the Polytechnic University of Catalonia in Barcelona, and has wide experience in the business sector. Throughout his career he has held various senior positions in the infrastructure and energy sectors. He has been Chairman of the gas employer Sedigas, and also a member of the Board of Directors of Eurogas and of the Executive Committee of the International Gas Union (IGU). He has been a Director in several companies. In 2007 he chaired the LNG World Congress, which periodically brings together the main players in the natural gas sector every three years. He has also been Dean of the College of Engineers; member of the Social Council of the Autonomous University of Barcelona and Chairman of its Economic Commission. He is a Knight of the National Order of the Legion of Honour, the highest award granted by France for eminent merits in service to the country. He is currently a visiting professor at several universities and business schools.
MS MARÍA TERESA COSTA CAMPI	Enagás, at the request of the National Securities Market Commission (CNMV), proceeded to change Director Ms María Teresa Costa Campi to the status of "Other External Director," given her recent relationship with the Sociedad Estatal de Participaciones Industriales (SEPI) as Proprietary Director of Red Eléctrica Corporación, S.A. (REC). One year after her resignation as a Proprietary Director of REC, Ms Costa may be changed to the status of independent director.	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Degree in Economics (1973) and PhD in Economics Cum Laude (1980) from the University of Barcelona. She was Professor in Economics (1987), Director of the Chair of Energy Sustainability (2012), Coordinator of the Energy Economics program in the Master's in Renewable Energy (2017) and Emeritus Professor at the University of Barcelona (UB). In her professional career, she was President of the National Energy Commission (CNE) from 2005 to 2011, the regulatory body for the energy sectors in Spain. She was previously President of ARIAE (2005-2011). Vice President of MEDREG (2010-2011). President of the MEDREG Scientific Committee (2014-2016). Member of CEER (2005-2009). President of the Board of MIBEL (2006-2007). Member of the Advisory Committee of the CSN (2013-2015). She was Director of Red Eléctrica Corporación (IBEX35 company) from 2018 to 2022 and a member of its Sustainability Committee. Director of EDPR (PSI), and member of the Audit, Control and Parties Committee. Director of Abertis (IBEX35) from 2013 to 2018, member of the Executive Committee for the financial valuation of investments, Chair of the CSR Committee, member of the Audit Committee and member of the Appointments and Remuneration Committee. She has also held positions on Boards of Directors and Advisory Councils in public and non-listed companies: IC Advisor of Finance (2004-2005). President of the Board of Directors of APLICSA (2004-2005). Director of INCASOL (2004-2005). Director of DIADA 2004-2005. Since 2012, and at present, she is a corresponding member of the Royal Academy of Moral and Political Sciences. She also received the (2019) Victoriano Reinoso National Energy and Society Award (Spanish Energy Club) and since 2022 she is Independent Director of Unicaja Banco, S.A. She has more than 180 publications in books and specialised Spanish and international academic journals on energy and economics.

Total number of other external directors	2
% of the Board	13.33

List any changes in the category of each director which have occurred during the year:

Name or corporate name of director	Date of the change	Former category	Actual category
MR ANTONIO LLARDÉN CARRATALÁ	31/03/2022	Executive	Other External
MS MARÍA TERESA COSTA CAMPI	25/04/2022	Independent	Other External

C.1.4. Complete the following table with information regarding the number of female directors over the last four financial years, and their category:

	Number of female directors				% of total directors of each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	5	5	4	4	50.00	45.45	36.36	50.00
Other external	1				50.00	0.00	0.00	0.00
Total	6	5	4	4	40.00	33.33	25.00	30.77

C.1.5. Indicate whether or not the company has diversity policies in relation to the board of directors of the company with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized entities, in accordance with the definition contained in the Accounts Auditing Law, must provide information, at least, on the policy they have established in relation to gender diversity.

[√] Yes

[ ] No

[ ] Partial policies

If the answer is yes, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results in the financial year. The specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse mix of directors must also be indicated.

If the company does not apply a diversity policy, explain the reasons why it does not do so.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The Board Diversity and Director Selection Policy, approved by the Board of Directors on December 21, 2020, establishes that in the procedure for the selection of new Directors it should be ensured that the proposals for appointment or re-election promote diversity in the Board, so they should be oriented to a preferential incorporation of women into the Board and of persons who, because of their nationality or experience, have an international professional projection, in accordance with the strategy of the Company. The Director appointment or re-election proposals should pursue the goal of having at least 40% of total Board places occupied by female Directors by the year 2022.

In addition, the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás, S.A. establishes that the Board is responsible for evaluating the report submitted by the Sustainability and Appointments Committee, the quality and efficiency of the Board's operation, in addition to the diversity in its composition and competences.

In turn, in relation to the appointment of the Director, the rules establish that the Board of Directors must ensure that the procedures for selecting its members promote diversity of age, gender, disability, experience and knowledge, that do not suffer from implicit biases that entail any discrimination and, in particular, that facilitate the selection of female directors on the board to guarantee an even balance between men and women.

The number of directors on the Board decreased to 15 after the resolutions agreed at the Enagás' General Shareholders' Meeting on May 27, 2021, and the percentage of the less-represented gender reached 40% after the resolutions agreed at the Enagás' General Shareholders' Meeting on March 31, 2022.

Enagás maintains a solid corporate governance policy that has been endorsed by its shareholders at successive General Meetings to which it submits its proposals.

The Board of Directors complies with all the recommendations in terms of size and composition currently set out in the CNMV's Good Governance Code for Listed Companies and has reached the target of 40% of women on the Board recommended by the Code by 2022.

C.1.6. Explain the measures taken, if applicable, by the appointments committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select female directors, and whether the company makes a conscious effort to search for female candidates who have the required profile to guarantee an even balance between men and women. Also state whether these measures include calling on the company to have a significant number of female senior managers:

Explanation of measures

In order to select Directors, the Sustainability and Appointments Committee adheres to the provisions of the Board Diversity and Director Selection Policy, approved by the Board of Directors at the request of this Committee on December 21, 2020. In application of this policy, the selection of a new Director takes into account at least the following criteria: Suitable professional knowledge and experience; appointments are limited to persons of recognised prestige and who possess knowledge and experience suited to the exercise of their functions.

Requirements derived from the Hydrocarbons Sector Law: candidates must be able to satisfy the independence requirements demanded by Enagás' appointment as independent manager of the gas transmission network .

Requirements for Independent Directors: in addition to the previous criteria, which shall be applied to all Directors, regardless of their category, the persons selected in the category of Independent Directors must meet the requirements for independence under the provisions of the applicable law at all times, and the additional conditions for independence, as the case may be, stipulated in the company's internal regulations.

Commitment to fulfilling the duties and obligations of Directors: proposals for re-election of current members of the Board of Directors shall take into account the commitment demonstrated by the Directors during the year in which they held office, in fulfilling the duty of diligence and the duty of loyalty, and all the regulations to which, in their condition of Directors and, where applicable, as shareholders or high-ranking member of the company, they are subject under the Internal Code of Conduct in Matters Relating to Securities Markets, the Enagás Group Code of Ethics, the Code of Conduct of the Technical Manager of the Spanish Gas System and other laws or procedures derived from their application. Likewise, it will be judged whether their actions in the exercising of their office has been in good faith and in the best company's interest.

The Board of Directors shall ensure that the appointments encourage diversity within the Board, whereby they must focus on preferably incorporating women and people who due to their nationality or experience have an international professional profile, in accordance with the company's strategy. The Director appointment or re-election proposals shall promote the achievement of the goal of having at least 40% of total Board places occupied by female Directors in 2022, a goal that has been reached in 2022. In addition to the above requirements, the selection processes for Enagás Directors shall at all times take into account any other conditions, where applicable, determined by the company's Sustainability and Appointments Committee and the applicable laws.

Under the Board Diversity and Director Selection Policy, it is stipulated that efforts will be made to adopt measures that encourage the company to have a significant number of female senior managers.

In addition, for the presentation of the proposed candidates, the Sustainability and Appointments Committee receives support from prestigious executive recruitment and development firms.

When, despite the measures taken, there are few or no female senior managers or directors, explain the reasons:

Explanation of reasons

Enagás is aware that it must continue to encourage and facilitate the presence of women in the event of any vacancy arising on the Board, particularly in the case of members with the status of Independent, as well as in senior management positions. In this regard, Enagás complies with article 8 of the Regulations of the Organisation and Functioning of the Board of Directors, which prescribes that selection procedures must be free of any implied bias against women candidates, and that the company shall seek out and include women with the target profile among the candidates for Board places.

At present, six (6) of the fifteen (15) members of the Board of Directors of Enagás are women:

MS ANA PALACIO VALLELERSUNDI, MS PATRICIA URBEZ SANZ, MS MARIA TERESA ARCOS SANCHEZ, MS NATALIA FABRA PORTELA, MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO AND MS MARIA TERESA COSTA CAMPI. In addition, MS NATALIA FABRA PORTELA and MS PATRICIA URBEZ SANZ are members of the Audit and Compliance Committee, MS ANA PALACIO VALLELERSUNDI and MARIA TERESA COSTA CAMPI are members of the Sustainability and Appointments Committee, and MS ANA PALACIO VALLELERSUNDI is Independent Leading Director and chairs the Sustainability and Appointments Committee.

MS CLARA BELEN GARCIA FERNANDEZ- MURO and MS MARIA TERESA ARCOS SANCHEZ are members of the Remuneration Committee, the latter being the Chairwoman of the Committeenagás follows the guidelines set out in the Board Diversity and Director Selection Policy, which the Board of Directors approved on December 21, 2020, and which stipulates that efforts will be made to adopt measures that encourage the company to have a significant number of female senior managers. There are currently three (3) female members of Enagás' senior management: MS FELISA MARTIN VILLAN, Communication, Public Affairs & Investor Relations General Manager; MS NATALIA LATORRE ARRANZ, Energy Transition General Manager and MS SUSANA DE PABLO GARCIA, Technical Management of the System General Manager.

C.1.7. Explain the conclusions of the Appointments Committee on the verification of compliance with the policy aimed at encouraging an appropriate composition of the Board of Directors.

The Board Diverty and Director Selection Policy approved by the Board of Directors on December 21, 2020, established that the Board of Directors should ensure that the proposals for appointment or re-election of Directors promote diversity in the Board, so they should be oriented to a preferential incorporation of women into the Board and of persons who, because of their nationality or experience, have an international professional projection, in accordance with the strategy of the Company. The Director appointment or re-election proposals have been focused on achieving the goal of having at least 40% of total Board places occupied by female directors in 2022.

Enagás' Directors selection processes shall at all times take into account any other conditions, where applicable, determined by the company's Sustainability and Appointments Committee and the applicable laws.

In addition, for the presentation of the proposed candidates, the Sustainability and Appointments Committee receives support from prestigious executive recruitment and development firms.

The report by the Sustainability and Appointments Committee of February 21, 2022, justifying the proposed appointment and re-election of Directors for the 2021 General Shareholders' Meeting included the following:

Following the proposed appointments, the Board maintains the number of members at 15. The percentage of Independent Directors remains at 73.33% (11 out of 15), while the percentage of female directors increases to 40% (6 out of 15).

Subsequently, following the request of the CNMV, on April 25, 2022, the director Ms Maria Teresa Costa Campi was changed from Independent Director to "Other External Director," given her recent relationship with the Sociedad Estatal de Participaciones Industriales (SEPI) as a proprietary director of Red Eléctrica Corporación, S.A.

Thus, the Board of Directors complies with all the recommendations in terms of size and composition currently set out in the CNMV's Good Governance Code for Listed Companies, having reached in 2022 the target of 40% of women on the Board recommended by the Code by 2022.

C.1.8. Explain, if applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 3% of the share capital:

Name or corporate name of shareholder	Justification
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of Proprietary Directors. If so, explain why these requests have not been entertained:

[ ] Yes

[√] No

C.1.9. Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or corporate name of director or committee	Brief description
ARTURO GONZALO AIZPIRI	Pursuant to the resolution passed by the Board of Directors of Enagás, S.A. on March 31, 2022, MR ARTURO GONZALO AIZPIRI was delegated 39 joint and several powers and 13 joint powers. These powers are those which the Board of Directors considered had to be delegated to the Chief Executive Officer within statutory limits, in accordance with Article 43 of the company's Articles of Association and Article 19 of the Board Regulations. These powers delegated to the Chief Executive Officer, MR ARTURO GONZALO AIZPIRI, by Enagás' Board of Directors, were granted in the public deed dated May 25, 2022 and executed before the Notary Public of Madrid Mr Francisco Calderón Alvarez, with number 2743 in his notarial archive and is recorded in Volume 42241, Book 0, File 190; Sheet M-6113; Entry 859 of the Madrid Companies Registry. Further details on the powers delegated by the Board of Directors are provided in section H) "OTHER INFORMATION OF INTEREST". (EXPLANATORY NOTE ON SECTION C.1.9 of this Report).

C.1.10. List the board members, if any, who hold office as directors, representatives of directors or senior managers in other companies belonging to the listed company's group:

Name or corporate name of director	Corporate name of the group company	Position	Do they have executive duties?
MR ARTURO GONZALO AIZPIRI	Enagás TRANSPORTE DEL NORTE, S.L.	CHAIRMAN	YES

C.1.11. List any directorships held by directors or representatives of directors who are members of the board of directors of the company in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
MR DAVID BLAKE SANDALOW	FERMATA ENERGY	DIRECTOR
MR JOSE BLANCO LOPEZ	ACENTO PUBLIC AFFAIRS	CHIEF EXECUTIVE OFFICER
MR SANTIAGO FERRER COSTA	MORNA ASSESSORS, S.L.	SOLE DIRECTOR
MS ANA PALACIO VALLELERSUNDI	GRUPO ECOENER	DIRECTOR
MS MARÍA TERESA COSTA CAMPI	UNICAJA BANCO	DIRECTOR
MS ANA PALACIO VALLELERSUNDI	EMISSIONS REDUCTION CORP.	DIRECTOR

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Identity of the director or representative	Other remunerated activities
MS ANA PALACIO VALLELERSUNDI	Lawyer, founder of Palacio & Asociados law firm; Independent Leading Director of Enagás, Director of Ecoener and Emissions Reduction Corp.; Member of the External Advisory Council of Energy Future Initiative (EFI); Member of the Executive Board of the Atlantic Council of the United States; Member of the Industry Advisory Council of the International Energy Forum (IEF); Member of the governing bodies of a number of research centres and public institutions: the MD Anderson Cancer Center, the Science Board of Real Instituto Elcano and the Global Leadership Foundation; Guest lecturer at Edmund A. Walsh School of Foreign Service at Georgetown University and at the Mohamed VI Polytechnic University; She writes regularly for "Project Syndicate" and El Mundo among other media. Regular participant as panellist in international conferences and forums; in the energy sector, among others, the G-20 International Energy Forum; the Atlantic Council Energy & Economic Summit,
MR SANTIAGO FERRER COSTA	Director of the Economic and Social Council (CES) of the Balearic Islands; Member of the Economic Committee of the Economic and Social Council (CES) of the Balearic Islands.
MR CRISTOBAL JOSE GALLEGO CASTILLO	Associate Professor and Doctorate at the Universidad Politécnica de Madrid, Department of Aircraft and Space Vehicles.
MS PATRICIA URBEZ SANZ	Head of Public Sector at Fujitsu Spain; Member of the Executive Committee of Fujitsu Iberia.
MR JOSE BLANCO LOPEZ	CEO and Founder of ACENTO PUBLIC AFFAIRS.
MS NATALIA FABRA PORTELA	Gives seminars, lectures and teaches in the fields of Energy Economics, Energy Transition, Competition Policy and Regulation, among others.
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Associate Professor, Applied Economics, Structure and History Department, Faculty of Economics and Business Sciences, UCM.
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Tutor professor at UNED.
MR DAVID BLAKE SANDALOW	Inaugural fellow at the Centre for Global Energy Policy and co-directs the Energy and Environment Concentration at Columbia University's School of Public and International Affairs. He founded and directs the U.S.-China Programme. He is a Distinguished Visiting Professor in the "Schwarzman Scholars Program" at Tsinghua University. He has chaired the "ICEF Innovation Roadmap_Project" since 2015, where he has led the development of roadmaps on carbon removal and biomass storage, industrial decarbonisation, direct air capture and carbon dioxide utilisation, among other topics. Director of Fermata Energy and Senior Advisor to APL. He lectures on energy and climate policy.

C.1.12. Indicate and, where appropriate, explain whether the company has established rules about the maximum number of company boards on which its directors may sit and indicate where this is regulated, if applicable:

[√] Yes

[ ] No

Explanation of the rules and identification of the document where it is regulated

Under article 35 of the Articles of Association the following cannot be Directors or, if applicable, natural person representatives of a legal person Director:

(i) Natural or legal persons who hold the post of Director in more than five (5) companies whose shares are admitted to trading on national or foreign markets.

(ii) Natural or legal persons whose circumstances render them incompatible or prohibited from serving on the board under any of the general provisions in law, including those persons who in any manner have interests that run contrary to those of the Company or its Group.

C.1.13. Indicate the amounts of the following items relating to the overall remuneration of the board of directors:

Remuneration accrued in the year by the board of directors (thousands of euros)	7,888
Amount of funds accumulated by current directors for long-term savings systems with vested economic rights (thousands of euros)	3,788
Amount of funds accumulated by current directors for long-term savings systems with non-vested economic rights (thousands of euros)	
Cumulative amount of rights of former directors in pension scheme (thousands of euros)	1,003

C.1.14. List any members of senior management who are not Executive Directors and indicate total remuneration paid to them during the year:

Name or corporate name	Position/s
MS ROSA SANCHEZ BRAVO	Audit, Control and Risk Manager
MR CLAUDIO PEDRO RODRÍGUEZ SUÁREZ	Gas Assets General Manager
MR JESÚS LUIS SALDAÑA FERNÁNDEZ	Affiliates & Business Development General Manager
MS FELISA MARTÍN VILLAN	Communication, Public Affairs & Investor Relations General Manager
MR JAVIER PERERA DE GREGORIO	People and Transformation General Manager
MR DIEGO TRILLO RUIZ	Legal Services and Corporate Affairs General Manager
MS NATALIA LATORRE ARRANZ	Energy Transition General Manager
MR LUIS ROMERO URRESTARAZU	Financial General Manager
MS SUSANA DE PABLO GARCIA	Technical System General Manager

Number of female senior managers	3
Percentage of total members of senior management	37.50

Total remuneration received by senior management (thousands of euros)	9,558

C.1.15. Indicate whether any changes have been made to the board regulations during the year:

[√] Yes

[ ] No

Description of amendments

Recommendation 48 of the Good Governance Code for Listed Companies ("CBG") provides that companies with large market capitalisations —for these purposes those belonging to IBEX 35 are considered as such— should have a separate appointments committee and a separate remuneration committee.

In turn, the CNMV's Technical Guide 1/2019 of February 20, on appointments and remuneration committees (the "Technical Guide") considers that listed companies whose organisation and activities, director and senior management selection procedures or remuneration system present a certain degree of complexity, even if they cannot be classified as large market capitalisation companies or are not required to do so by sectoral regulations, should at least consider the possibility of having two separate committees. It also indicates that the appropriateness of separating the two committees may also be justified by the different nature and potential conflicts that may arise between the tasks related to the selection and proposal for the appointment of directors and senior managers and the tasks related to their evaluation and remuneration.

In turn, Article 45 of the current Articles of Association of Enagás, S.A. (the "Company") provides that the Board of Directors can resolve to separate the Sustainability, Appointments and Remuneration Committee into a Remuneration Committee and a Sustainability and Appointments Committee, sharing out their functions and powers envisaged in Article 45 depending on the subjects and governed by the rules of composition, organisation and functioning established in the Board Regulations in accordance with the Articles of Association and the applicable regulations.

In light of the above, at its meeting of April 25, 2022, the Board of Directors resolved to separate the Sustainability, Appointments and Remuneration Committee into a Remuneration Committee and a Sustainability and Appointments Committee.

In coordination with the above, at its meeting of December 19, 2022, it agreed to amend the Regulations on the Organisation and Functioning of the Board of Directors, and, in addition to the aforementioned provisions, agreed to complete the powers of the Audit and Compliance Committee in matters of risk control and management, and regulatory compliance, as well as to incorporate certain technical or phrasing amendments.

The amendments were as follows:

a) Adaptation of certain articles to the existence of two separate Sustainability and Appointments and Remuneration Committees. It is proposed that the reference to the "Sustainability, Appointments and Remuneration Committee" be replaced with "Sustainability and Appointments Committee" or "Remuneration Committee", depending on the powers assigned to each committee, in the current Articles 5 ("Duties of the Board"), 8 ("Appointment of Directors"), 9 ("Appointment of Independent Directors"), 11 ("Re-election of Directors"), 12 ("Removal of Directors"), 13 ("Duties of Directors"), 16 ("Remuneration of Directors"), 18 ("The Independent Leading Director"), 20 ("The Secretary of the Board"), 21 ("The Vice Secretary of the Board"), 23 ("The Committees of the Board") and 25 ("The Sustainability, Appointments and Remuneration Committee").

It is also proposed to insert a new article 25 bis ("The Remuneration Committee"), assigning to this Committee tasks related to the proposal and monitoring of the remuneration policy for the members of the Board of Directors and Senior Managers, as well as their contractual terms, while maintaining the rules on composition and functioning previously assigned to the Sustainability, Appointments and Remuneration Committee.

b) Introduction of certain sections in Article 26 to ensure the functional dependency of the risk control and management and compliance units:

It is proposed to add sections p), q), y) and w) to Article 26 ("The Audit and Compliance Committee") to ensure the functional dependency of the risk and compliance units and the persons responsible for them.

c) Technical or phrasing amendments:

• Amendment of Article 7 ("Meeting Proceedings")

It is proposed to add to section 3 that, without prejudice to the obligation to attend Board meetings "in those cases where they are unable to do so", Directors must delegate their representation to another Director, in accordance with Recommendation 27 of the Good Governance Code and in coordination with the provisions of Article 13.a) of the Regulation.

• Amendment to Article 14 bis ("Related-Party Transactions")

It is proposed to add new sections 2 and 3 to this Article, relating to transactions that are not considered related party transactions and to the bodies responsible for approving them respectively, in accordance with the provisions of Articles 529 vicies, sections 2 and 3 and 529 duovicies of the Corporate Enterprises Act, as amended by Law 5/2021 of April 12.

• Amendment to Article 28 ("Relations with the markets")

It is proposed to rephrase section 1 by deleting the words "of information".

C.1.16. Indicate the procedures for selection, appointment, re-election and removal of directors. List the competent bodies and the processes and criteria to be followed for each of these procedures.

Pursuant to article 8 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás:

1.- Directors shall be appointed at the General Shareholders' Meeting or by the Board of Directors in conformity with the provisions of the Corporate Enterprises Act and the company's Articles of Association.

2.- Candidates must be persons who, in addition to satisfying the legal and statutory requirements of the post, have recognised prestige and appropriate professional knowledge and experience to perform their duties. The Sustainability and Appointments Committee is responsible for proposing the appointment of Independent Directors. The proposals for the appointment or re-election of Non-independent Directors which the Board of Directors submits to the General Shareholders' Meeting, as well as appointments adopted by the Board by virtue of its powers of co-option, must be made subject to a report from the Sustainability and Appointments Committee. When the Board of Directors does not agree with the Committee's recommendations, it must explain its reasons and duly record them in the minutes. The appointment proposals shall be accompanied by a report from the Board justifying the competencies, experience and merits of the proposed candidate. This report shall be attached to the minutes of the General Meeting or of the Board. The foregoing will also be applicable to natural persons appointed as representatives of a legal person Director. The proposal for a natural person representative must be submitted to the Sustainability and Appointments Committee. Only legal entities belonging to the public sector may be appointed to the Board of Directors, and they may be appointed to the Board in representation of a portion of the share capital.

3.- The Board of Directors must ensure that the procedures for the selection of its members favour diversity in aspects relating to training and professional experience, age, gender or disability, and that they are not implicitly biased in such a way as to imply any kind of discrimination and, in particular, that they facilitate the selection of female directors in a number that makes it possible to achieve a balanced presence of women and men.

(Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTE ON SECTION C.1.16).

C.1.17. Explain, if applicable, to what extent the annual evaluation of the board has prompted significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

Every year, the Company carries out the annual assessment of the Board through a self-assessment process. The format and content are adapted each year to the needs and situation of the Company and to the best practices of good governance.

The results obtained from these board assessment processes are taken into account by the Company to improve the internal functioning, deliberation and decision-making of both the Board of Directors as a whole and its Committees.

Describe the evaluation process and the areas evaluated by the board of directors assisted, where applicable, by an external consultant, regarding the operation and membership of the board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated

The annual assessment of the Board consisted of a self-evaluation process in which, with the assistance of the advisory firm KPMG, the directors completed a written questionnaire and have held an interview with KPMG. This process results in a report of findings and a work plan.

The matters on which directors are consulted originate in:

The provisions of the recommendations of the Good Governance Code of Listed Companies of the National Securities Market Commission and its technical guides on audit committees and appointments and remuneration committees, as well as the Corporate Enterprises Act.

The duties assigned to the Board and its committees by law, the Articles of Association and the Rules and Regulations of the Board.

The assessment exercises carried out by the company in previous years and the areas for improvement detected.

The questionnaire includes two sections. Section I on overall assessment in relevant areas, and section II on assessment of the functioning of the Board of Directors, which in turn is subdivided into seven sections on i) the Board of Directors, ii) the Audit and Compliance Committee, iii) the Sustainability and Appointments Committee, iv) the Remuneration Committee, v) Chairman of the Board of Directors, vi) Chief Executive Officer and vii) Secretary to the Board.

C.1.18. Explain, for those financial years in which the evaluation has been assisted by an external adviser, the business relationship that the adviser or any group company maintains with the company or any group company.

or the 2022 assessment of the Board, the Company contracted the same external advisory firm that assisted the Board in this area in 2021.

Thus, 2022 has been the third year in which the advisory firm KPMG has assisted the Company in assessing the Board. The Company's (and its group's) contracts with KPMG amounted to 802 thousands of euros in 2022 for consulting and advisory services.

C.1.19. Indicate the cases in which Directors must resign.

In accordance with the Good Governance recommendations, article 12.2 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás stipulate that:

12.2.- Directors must place their offices at the Board of Directors' disposal, and tender their resignation, if the Board deems fit, in the following cases:

a) When they are affected by instances of incompatibility or prohibitions laid down in Law, the Articles of Association, and in these Regulations.

b) When they are in serious breach of their obligations as Directors.

c) When they may put the interests of the Company at risk or damage its credibility and reputation. In particular, a Director must inform the Board of Directors of any criminal case in which he or she appears as being under investigation, along with any procedural developments.

d) When the reason for which they were appointed as Directors no longer exists.

e) When Independent Directors cease to meet the conditions required under Article 9.

f) When the shareholder represented by a Proprietary Director sells its entire interest. They shall also do so, in the appropriate number, when that shareholder reduces its stake to a level requiring a reduction in the number of its Proprietary Directors.

Should the Board of Directors not deem it advisable to have a Director tender their resignation in the cases specified under d), e) and f), the Director must be included in the category that, in accordance with these Rules and Regulations, is most appropriate based on their new circumstances.

When, either through resignation or by resolution of the General Meeting, a Director leaves their position before the end of their mandate, they shall properly explain the reasons for their resignation. Non-executive directors shall write down their opinion on the reasons why, if applicable, the General Shareholders' Meeting relieves them of their duties, in a letter to be sent to all members of the Board of Directors. Aside from reporting such facts in the Annual Corporate Governance Report, insofar as it is relevant for investors, the Company shall announce the Director's departure as soon as possible, including sufficient reference to the reasons or circumstances provided by the Director.

C.1.20. Are qualified majorities other than those prescribed by law required for any type of decision?:

[ ] Yes

[√] No

If applicable, describe the differences.

C.1.21. Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed chairman of the board of directors:

[ ] Yes

[√] No

C.1.22. Indicate whether the articles of association or the board regulations set any age limit for directors.

[ ] Yes

[√] No

C.1.23. Indicate whether the articles of association or the board regulations set a limited term of office or other stricter requirements for independent directors different to the one established in the regulations:

[√] Yes

[ ] No

Additional requirements and / or maximum number of years in office

Article 3 section c) of the Rules and Regulations of the Organisation and Functioning of the Board of Directors establishes that:

c) Directorships may not be exercised by natural persons or legal persons that exercise control or rights in a company carrying out functions of production or commercialisation of natural gas, or by any other natural persons or legal person the presence of whom on the Board, pursuant to the legislation applicable to the hydrocarbons sector, may affect the Company's status as transmission system operator.

This article applies to all directors, irrespective of their category, although it is a stricter requirement in addition to those laid down in law for independent directors.

C.1.24. Indicate whether the articles of association or board regulations stipulate specific rules on appointing a proxy to the board of directors, the procedures thereof and, in particular, the maximum number of proxy appointments a director may hold. Also indicate whether there are any restrictions as to what categories may be appointed as a proxy other than those stipulated by law. If so, give brief details.

According to article 39 of the Consolidated Text of the Articles of Association, the Board of Directors shall be validly constituted when the majority of its members are in attendance or represented at it. The Directors must attend the meetings of the Board in person. Without prejudice to the foregoing, Directors may grant a proxy to another Director. Non-Executive Directors may only grant a proxy to other Non-Executive Director.

In addition, according to Article 7.3 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors, Directors must attend the meetings in person. Without prejudice to the foregoing, in those cases where they are unable to do so, Directors must grant a proxy to another Director. Non-Executive Directors may only grant a proxy to other Non-Executive Director. Proxies for the representation of absent Directors may be granted by e-mail or by any other means that provides proof of receipt addressed to the Chairperson or Secretary of the Board.

C.1.25. Indicate the number of board of directors meetings held during the year. Indicate, where appropriate, how many times the board has met without the chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	14
Number of board meetings held without the chairman's attendance	0

Indicate the number of meetings held by the leading director with the rest of the directors, without the assistance or representation of any executive director:

Number of meetings	1

Indicate the number of meetings of the various board committees held during the year:

Number of meetings of the SUSTAINABILITY AND APPOINTMENTS COMMITTEE	13
Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	8
Number of meetings of the REMUNERATION COMMITTEE	4

C.1.26. Indicate the number of board meetings held during the year and details of members in attendance:

Number of meetings with physical attendance of at least 80% of board members	14
% of physical attendance as a total of the votes cast during the year	100.00
Number of meetings with physical attendance or proxies appointed with specific instructions from all the directors	14
% of votes cast with physical attendance and representations with specific instructions out of total votes during the year	100.00

C.1.27. Indicate whether the consolidated and individual annual accounts submitted for authorisation for issue by the board are certified previously:

[√] Yes

[ ] No

Identify, where applicable, the person(s) who certified the company's individual and consolidated annual accounts prior for their authorisation for issue by the board:

Name	Position
MR ANTONIO LLARDÉN CARRATALÁ	CHAIRMAN
MR LUIS ROMERO URRESTARAZU	FINANCIAL GENERAL MANAGER

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the annual accounts presented by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Board of Directors ensures that the Annual Accounts and the Management Report provide a true and fair view of the Company's equity, financial position and results of operations, in accordance with the law, as stipulated in article 5) of its Regulations.

The Board of Directors endeavours to present the Annual Accounts in such a way that there are no grounds for qualifications by the company's Accounts Auditor, by taking into account all comments or recommendations that the Audit and Compliance Committee may have made previously in its report. However, if the Board of Directors determines that it must stand by a contrary view, it shall publicly explain the content and extent of the discrepancy.

As an internal committee of the Board, the Audit and Compliance Committee is assigned certain competences that are effective mechanisms to ensure that the Annual Accounts prepared by the Board are drawn up in accordance with accounting standards, as stipulated in article 26 of the Rules and Regulations of the Board of Directors and in Article 8 of its Regulations, the details of which can be consulted on section 2 of the Annual Activity Report of the Audit and Compliance Committee.

During the financial year, the Audit and Compliance Committee shall meet at least quarterly with the accounts auditor in order to obtain their conclusions regarding the quarterly revision prior to the publication of results. Likewise, the Interim Condensed Consolidated Financial Statements are subject to a limited revision by the Accounts Auditor with the issuance of the corresponding report.

These competences of the Audit and Compliance Committee are designed to minimise the impact of any accounting aspect that becomes evident throughout the financial year, introducing, if necessary, the appropriate measures to avoid them, and enabling the Board members to be kept informed of the most relevant aspects of the audit throughout the year.

In fact, the audit reports on the annual accounts have historically been issued without qualifications, as reflected in the information submitted to the National

Securities Market Commission and published on its website.

During 2022, the Audit and Compliance Committee presented to the Board, together with the Accounts Auditor:

- On February 14, 2022, the report on the conclusions of the audit of the annual accounts at December 31, 2021 of Enagás, S.A. and its consolidated group.
- On July 21, 2022, the report with the results of the limited review performed on the interim condensed consolidated financial statements of Enagás and its subsidiaries as of June 30, 2022.
- On February 20, 2023, the report on the conclusions of the audit of the annual accounts at December 31, 2022 of Enagás, S.A. and its consolidated group.

The Audit and Compliance Committee also informed the Board of Directors of the reports presented by the auditor to the Audit and Compliance Committee, corresponding to the interim financial statements of March 31, 2022, September 30, 2022, as well as the planning report on the closure at December 31, 2022.

C.1.29. Is the secretary of the board also a director?

[ ] Yes

[√] No

Complete if the Secretary is not also a Director

Name or corporate name of the secretary	Representative
MR RAFAEL PIQUERAS BAUTISTA	

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditor, as well as any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

As a general rule, the Enagás Code of Ethics serves as a code of conduct for all employees in their professional activities and in relation to all the company's stakeholders. Enagás has the necessary procedures to ensure due diligence in the issues related to this area, as well as an Ethical Compliance Committee, which is a collegiate body to which the Audit and Compliance Committee delegates management of the notifications and consultations concerning this matter.

Compliance with the Code of Ethics is mandatory for all employees, managers and directors of Enagás, as well as its suppliers, contractors and collaborators or business partners in their respective areas of relationship with the Company. Affiliates have an ethics and compliance model that is appropriate for the environment they operate in.

In relation to the mechanisms established to preserve the independence of the external auditors, the Enagás Audit and Compliance Committee oversees the independence of the External Auditor, based on the development of the functions established in Article 8 iv) of its Regulations, the details of which are included in section 2 of the Annual Activity Report of the Audit and Compliance Committee.

In accordance with the provisions of the Internal procedure for engagement and relationship with the auditor (section 8.3.1.):

"The Audit and Compliance Committee shall assure the independence of Enagás' accounts auditor. In this regard, it must authorise, prior to its formalisation, any contract it intends to enter into with the auditor or with any member of its network for the provision of services other than auditing services to the Company or to any of the companies in its Group, in order to be able to analyse individually and globally any points which could undermine its independence arising from such contracts, before formalising them."

In turn, the Audit, Control and Risk Department, in accordance with the functions entrusted to it by the Audit and Compliance Committee and as specified in the General Internal Audit Regulations, oversees compliance with the Accounts Auditing Law 22/2015 and European Regulation 2014/537 and Directive 2006/43/EC, carrying out the following supervisory activities to guarantee the auditor's independence:

- Before issuing the accounts audit report, assisting the Audit and Compliance Committee in preparing the report, expressing an opinion on the independence of the accounts auditors, which will include a review of the declaration of independence issued by the auditors.
- Coordinating with the various business areas of Enagás and its subsidiaries, as well as with the relevant affiliates (through the Audit Committees), the process of contracting non-audit services required of the accounts auditor at Enagás, in order to analyse whether such engagements could undermine the independence of the accounts auditor.
- Analysing any question that could jeopardise the independence of the accounts auditor and its company, calling upon it to provide Enagás with information on any such issues that could undermine its independence, as well as the possible safeguards to be adopted.
- Examining, for subsequent approval by the Audit and Compliance Committee, the services requested from the auditor other than those prohibited.

(Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTE ON SECTION C.1.30).

C.1.31. Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor:

[ ] Yes

[√] No

Explain any disagreements with the outgoing auditor and the reasons for the same:

[ ] Yes

[√] No

C.1.32. Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage that the above amount represents of the fees invoiced for audit work to the company and/or its group.

[√] Yes

[ ] No

	Company	Group companies	Total
Amount of non-audit work (thousands of euros)	336	0	336
Amount of non-audit work / Amount of audit work (%)	31.00	0.00	25.00

C.1.33. Indicate whether the audit report on the previous year's annual accounts is qualified. If applicable, indicate the reasons given to the shareholders in the General Meeting by the Chairman of the Audit Committee to explain the content and scope of those qualifications.

[ ] Yes

[√] No

C.1.34. Indicate the number of financial years during which the current audit firm has been auditing the individual and/or consolidated annual accounts of the company and/or its group without interruption. Likewise, indicate for how many years the current firm has been auditing the annual accounts as a percentage of the total number of years over which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
No. of years audited by current audit firm / No. of years the company or its group have been audited (%)	14.00	14.00

C.1.35. Indicate and, where appropriate, give details of whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies:

[√] Yes

[ ] No

Details of procedure

Article 6 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors establishes that:

1.- The Board of Directors shall meet at least once every two months and, in any case eight times a year, and on the motion of the Chairman, whenever the Chairman deems it fit for the proper running of the Company. A call must be issued when so requested by a majority of the Directors, as set forth in Article 39 of the Articles of Association.

Directors who represent at least one third of the members of the Board of Directors may call the meeting, stating its agenda, to be held in the locality where the registered office is located, if they have requested the Chairman to convene the meeting, and the meeting has not been called within one month without reasonable cause.

Except in cases where the Board has been constituted or has been convened exceptionally on account of urgent circumstances, the Directors must have the requisite information at their disposal sufficiently in advance to be able to deliberate and adopt resolutions on the business to be transacted. To this end, the Agenda of the meetings shall clearly indicate those points on which the Board of Directors must take a decision or resolution. The Chairman of the Board of Directors, in collaboration with the Secretary, must ensure that this obligation to provide information is fulfilled.

In those cases in which, exceptionally, for reasons of urgency, the Chairman wishes to submit to the approval of the Board decisions or resolutions not appearing in the Agenda, this shall require the express prior consent of the majority of the Directors present at the meeting, which will be duly recorded in the minutes.

Ordinary meetings of the Board shall transact general business relating to the Group's performance, earnings, balance sheet, investments, the company's cash position and how it compares to the adopted budget, the business referred to in Article 5, if applicable, and the business listed on the Agenda, to be drawn up pursuant to these Regulations.

At these regular meetings the Board shall receive timely information on the movements of the shareholders and of the opinion that significant shareholders, investors and rating agencies hold regarding the Company and its Group. Similarly, the Board of Directors shall receive timely information on the main operational achievements and difficulties and any foreseeable circumstances which may prove critical for the company's affairs, and shall consider the course of action proposed by company management in response.

2.- Notices convening ordinary sessions shall be issued by the Chairman or the Secretary, or by the Vice Chairman on order of the Chairman, may be effected by any channel, and shall specify the meeting venue and agenda. The Chairman shall call the Board to meet when so requested by the Independent Leading Director in accordance with Article 18 of these Board Regulations.

The notice of meeting, which other than in exceptional circumstances shall be issued at least three days in advance of the intended date of the meeting, shall contain all information and documents thought appropriate or relevant for Directors to be properly informed. Directors shall further be furnished with the minutes of the previous meeting, whether or not such minutes have been adopted. The power to set the agenda of a meeting rests with the Chairman, but any Director may request in advance of the calling of such meeting that there be added to the agenda any items which in their view ought to be addressed by the Board.

The Board shall be properly constituted without need of prior notice if, all Directors being present in person or by proxy, the Directors unanimously consent to the holding of the meeting.

3.- The meetings of the Board of Directors shall normally be held at the registered office, but may also be held in any other place determined by the Chairman and indicated in the notice of meeting, and by any means determined by the Chairman in accordance with the provisions of article 39 of the Company's Articles of Association.

C.1.36. Indicate and, where appropriate, give details of whether the company has established rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions at the company itself, which could damage the credit and reputation of the company:

[√] Yes

[ ] No

Detail the rules

Pursuant to Good Governance Recommendations, article 12 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors establishes that Directors must place their offices at the Board of Directors' disposal, and tender their resignation, if the Board deems fit, when, inter alia, they may put the interests of the Company at risk or damage its credibility and reputation. In particular, a Director must inform the Board of Directors of any criminal case in which he or she appears as being under investigation, along with any procedural developments.

When, either through resignation or by resolution of the General Meeting, a Director leaves their position before the end of their mandate, they shall properly explain the reasons for their resignation. Non-executive directors shall write down their opinion on the reasons why, if applicable, the General Shareholders' Meeting relieves them of their duties, in a letter to be sent to all members of the Board of Directors. Aside from reporting such facts in the Annual Corporate Governance Report, insofar as it is relevant for investors, the Company shall announce the Director's departure as soon as possible, including sufficient reference to the reasons or circumstances provided by the Director.

C.1.37. Indicate, unless there are special circumstances that have been set down in the minutes, whether the Board has been informed of or has otherwise learned of any situation that affects a director, whether or not it is related to their actions in the company itself, and which could damage the company's good name and reputation:

[ ] Yes

[√] No

C.1.38. List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the Company due to a takeover bid, and their effects.

There are no such significant agreements.

C.1.39. Identify, individually when referring to directors, and in aggregate form in other cases and provide detailed information on agreements between the company and its officers, senior managers and employees that provide indemnities for the event of resignation, unfair dismissal or termination as a result of a takeover bid or other type of operations.

Number of beneficiaries	9
Type of beneficiary	Description of the agreement
Chief Executive Officer and Senior Management	The company has an agreement with the Chief Executive Officer and EIGHT (8) of its senior managers that include express severance pay clauses. The clauses in each case are applicable in cases of company termination of the contract, unfair disciplinary dismissal, dismissal for the reasons outlined under article 52 of the Workers' Statute or as decided by the senior manager citing one of the reasons outlined under article 50 of the Workers' Statute provided the resolution is certified by means of conciliation between the parties, court judgement, arbitration award, or resolution by a competent administrative body. They are not applicable if the resolution is the result of a unilateral decision made by the Director without just cause. The termination benefits to which the Chief Executive Officer is entitled are equivalent to two years of his fixed and variable remuneration. The termination benefits to which the EIGHT (8) Senior Managers are entitled depend on their length of service at the company and their age. All such contracts have been approved by the Board of Directors following a report by the Remuneration Committee.

Indicate whether, other than in the cases provided for in law, these agreements must be reported to and/or authorised by the governing bodies of the company or its group. If they must, specify the procedures, assumptions provided and the nature of the bodies responsible for their approval or making the communication:

	Board of Directors	General Meeting
Body authorising clauses	√	

	Yes	No
Is the General Shareholders' Meeting informed of such clauses?	√	

C.2. Board committees

C.2.1. Give details of all the board committees, their members and the proportion of proprietary directors, independent directors and other external:

SUSTAINABILITY AND APPOINTMENTS COMMITTEE

Name	Position	Category
MS ANA PALACIO VALLELERSUNDI	CHAIRWOMAN	Independent
MR SANTIAGO FERRER COSTA	MEMBER	Proprietary
MR CRISTOBAL JOSE GALLEGO CASTILLO	MEMBER	Independent
MR JOSE BLANCO LOPEZ	MEMBER	Independent
MS MARÍA TERESA COSTA CAMPI	MEMBER	Other External
MR DAVID BLAKE SANDALOW	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	16.67
% of independent directors	66.67
% of other external directors	16.67

Explain the functions, including, where appropriate, those additional to those legally provided, assigned to this body, and describe the procedures and rules of organisation and operation thereof. For each of these roles, indicate the most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the articles of association or other corporate agreements.

The Sustainability and Appointments Committee, is governed by applicable legislation, the Consolidated Text of the Articles of Association and the Rules and Regulations of the Organisation and Functioning of the Board of Directors, the latest amendment of which was approved by the Board of Directors on December 19, 2022, and the Regulations of the Sustainability and Appointments Committee, which was approved by the Board of Directors on December 19, 2022.

The Sustainability and Appointments Committee is composed of six (6) Directors, appointed by the Board of Directors, which is within the limits established in article 45 of the Consolidated Text of the Articles of Associations, article 25 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors and article 3 of the Regulations of the Sustainability and Appointments Committee, which set a minimum of three (3) and a maximum of seven (7) Directors. It consists of six (6) Directors, of which four (4) are Independent Directors, including the Chairwoman, one (1) is a Proprietary Director and one (1) is an Other External Director.

Article 3 of the Regulations of the Sustainability and Appointments Committee sets out that Directors who are members of this Committee shall be appointed by the Board of Directors, ensuring that they have knowledge and experience in areas such as human resources, selection of Directors and Senior Managers, corporate governance and sustainability in environmental and social matters.

The Sustainability and Appointments Committee must comprise a majority of Independent Directors and Executive Directors cannot sit on this committee. In addition, gender diversity and other diversity criteria of its members must be encouraged.

As set out in article 4 of the Regulations of the Sustainability and Appointments Committee, the Board of Directors shall elect the Chairperson of the Committee from among the Independent Directors of the Committee. The Chairperson shall not have a casting vote.

As established in article 5 of the Regulations of the Sustainability and Appointments Committee, the term of a Committee member shall be the same as the term of office for a Director. A member of the Sustainability and Appointments Committee shall vacate that office if he loses his status as Director of the Company or if so decided by the Board of Directors.

The remuneration of Committee members, as provided for in Article 6 of the Committee Regulations, will be approved as established in the Articles of Association and the Board Regulations for the setting of remuneration to Directors, subject to the same requirements of public disclosure.

In the exercise of their office, a member of this Committee shall, according to Article 7 of the Committee regulations, be under the same duties and subject to the same principles of action as those prescribed for Directors in the Articles of Association, the Board Regulations and current legislation.

Pursuant to article 9 of the Regulations of the Sustainability and Appointments Committee, said committee must meet at least four (4) times a year. In 2022, the Enagás Committee met thirteen (13) times.

In addition, meetings shall be called by its Chairperson. The Committee may seek advice both internally and externally and request the attendance of senior management personnel of the Company and its Group, as deemed necessary in the execution of its duties. Each Committee meeting shall be reported at the first subsequent meeting of the full Board, and a copy of the minutes of the Committee proceedings shall be sent to every Director.

Pursuant to Article 8 of its Regulations, the basic objectives of the Committee are to select Directors, Senior Managers and positions on the Board of Directors, to ensure the adequate composition of the Board, to examine and organise the succession of the Chairperson of the Board and the Chief Executive Officer, to evaluate the Board and its Committees and to ensure the application of best practises in the areas of sustainability, environment and social matters and good corporate governance".

The duties of the Sustainability and Appointments Committee are set out in article 45 of the Consolidated Text of the Articles of Association and expanded in article 25 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors and article 8 of the Regulations of the Sustainability and Appointments Committee. For more information see Appendix I ("Explanatory notes") to this Report.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
MS NATALIA FABRA PORTELA	MEMBER	Independent
MR JOSE MONTILLA AGUILERA	CHAIRMAN	Independent
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	MEMBER	Proprietary
MS PATRICIA URBEZ SANZ	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	75.00
% of other external directors	0.00

Explain the functions, including, where appropriate, those additional to those legally provided, assigned to this body, and describe the procedures and rules of organisation and operation thereof. For each of these roles, indicate the most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the articles of association or other corporate agreements.

The Audit and Compliance Committee is governed by applicable legislation, the Consolidated Text of the Articles of Association and the Rules and Regulations of the Organisation and Functioning of the Board of Directors, the latest amendment of which was approved by the Board of Directors on December 19, 2022, and the Regulations of the Audit and Compliance Committee, the latest amendment of which was approved by the Board of Directors on December 19, 2022.

This Committee comprises four (4) members, which is within the limits established in article 44 of the Consolidated Text of the articles of Association, article 26 of the Board Regulations, and article 3 of the Audit and Compliance Committee Regulations, which set a minimum of three (3) and maximum of seven (7) members, appointed by the Board of Directors based, in particular, on their knowledge and experience on accounting, auditing, and financial and non-financial risk management. Overall, the members of the Audit and Compliance Committee shall have the pertinent technical knowledge of the gas industry.

No Executive Director may sit on the Audit and Compliance Committee and the majority of its members must be independent. Three (3) of its members are Independent, among them, the Chairman of the Committee, MS JOSE MONTILLA AGUILERA as well as MS NATALIA FABRA PORTELA and MS PATRICIA URBEZ SANZ; one (1) of the committee members, SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) is Proprietary Director. MR JOSE MONTILLA AGUILERA, SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI) and MS NATALIA FABRA PORTELA were appointed by the Board of Directors of Enagás based on their knowledge and experience on accounting, auditing or both, as provided for in articles 44 of the Consolidated Text of the Articles of Association and 26 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors.

According to Article 4 of the Audit and Compliance Committee Regulations, the Committee Chairperson shall be selected from among the Independent Directors by the Board of Directors, and shall not have a casting vote.

As established in Article 5 of the Committee Regulations, the term of a Committee member shall be the same as the term of office for a Director. Members of the Audit and Compliance Committee shall vacate that office if they lose their status as Directors of the Company or if so decided by the Board of Directors. The foregoing notwithstanding the Committee Chairman shall be replaced every four (4) years. A former Chairman may be re-elected after the lapse of one year from his vacating office. The foregoing shall be without prejudice to an outgoing Chairman remaining on the Committee if so resolved by the Board of Directors on adequately reasoned grounds.

The remuneration of Committee members, as provided for in Article 6 of the Committee Regulations, will be approved as established in the Articles of Association and the Board Regulations for the setting of remuneration to Directors, and will be subject to the same requirements of public disclosure.

In the exercise of his office, a member of this Committee shall, according to Article 7 of the Committee regulations, be under the same duties and subject to the same principles of action as those prescribed for Directors in the Articles of Association, the Board Regulations and current legislation.

In keeping with Article 9 of the Committee Regulations, this Committee must meet at least four (4) times a year and the Chairperson shall call as many further meetings as they believe are required for the Committee to discharge its duties. In 2022, the Committee met eight (8) times. Each Committee meeting shall be reported at the first subsequent meeting of the Board in full. Any company employee or executive of the Company deemed relevant may be called to attend the Committee meetings, even ordering their appearance without the presence of another executive. In addition, according to Article 13 of the Committee Regulations, a copy of the minutes of Committee proceedings shall be sent to every Director.

The chief purposes of the Committee, according to article 8 of its Regulations, is to see to the proper operation of internal control, internal audit, risk management systems and the process of preparing and presenting the mandatory financial information, to formulate proposals for selecting, appointing, re-electing and replacing the external auditor, as well as to ensure their independence, to safeguard the transparency of information and to ensure compliance with the internal Code of Conduct and the legislation in force, and to report to the General Meeting in the area of their competence.

To achieve these objectives, the Audit and Compliance Committee, in addition to the functions established by law for this Committee, shall carry out those detailed in Appendix I (Explanatory notes) to this Report.

Identify the directors who are members of the audit committee who have been appointed on the basis of their knowledge and experience of accounting or auditing, or both and state the date of the appointment of the chairperson of this committee to that role.

Names of directors with experience	MS NATALIA FABRA PORTELA / MR JOSE MONTILLA AGUILERA / SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)
Date of the appointment of the chairperson to that role	21/06/2021

REMUNERATION COMMITTEE

Name	Position	Category
MS MARIA TERESA ARCOS SÁNCHEZ	CHAIRWOMAN	Independent
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	MEMBER	Independent
MR MANUEL GABRIEL GONZÁLEZ RAMOS	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Explain the functions, including, where appropriate, those additional to those legally provided, assigned to this body, and describe the procedures and rules of organisation and operation thereof. For each of these roles, indicate the most important actions during the year and how they have exercised in practice each of the functions attributed to them, whether in the law or in the articles of association or other corporate agreements.

The Remuneration Committee is governed by applicable legislation, the Consolidated Text of the Articles of Association and the Rules and Regulations of the Organisation and Functioning of the Board of Directors, the latest amendment of which was approved by the Board of Directors on December 19, 2022, and the Regulations of the Remuneration policy approved, which was approved by the Board of Directors on December 19, 2022.

The Remuneration Committee is composed of three (3) Directors, appointed by the Board of Directors, which is within the limits established in article 45 of the Consolidated Text of the Articles of Associations, article 25 bis of the Rules and Regulations of the Organisation and Functioning of the Board of Directors and article 3 of the Regulations of the Remuneration Committee, which set a minimum of three (3) and a maximum of seven (7) Directors. It is composed of three (3) members, all of whom are Independent Directors.

Article 3 of the Regulations of the Remuneration Committee provides that the members of the Committee shall be appointed by the Board of Directors, ensuring that they have knowledge and experience in areas such as human resources, design of remuneration policies and plans, etc.

The Remuneration Committee shall be composed of a majority of independent directors and may not include executive directors, and efforts shall be made to achieve a balanced representation of gender and other forms of diversity.

As set out in article 4 of the Regulations of the Remuneration Committee, the Board of Directors shall elect the Chairperson of the Committee from among the Independent Directors of the Committee. The Chairperson shall not have a casting vote.

As established in Article 5 of the Remuneration Committee Regulations, the term of a Committee member shall be the same as the term of office for a Director. A member of the Remuneration Committee shall vacate that office if they lose their status as Director of the Company or if so decided by the Board of Directors.

The remuneration of Committee members, as provided for in Article 6 of the Committee Regulations, will be approved as established in the Articles of Association and the Board Regulations for the setting of remuneration to Directors, subject to the same requirements of public disclosure.

In the exercise of their office, a member of this Committee shall, according to Article 7 of the Committee regulations, be under the same duties and subject to the same principles of action as those prescribed for Directors in the Articles of Association, the Board Regulations and current legislation.

Pursuant to article 9 of the Regulations of the Remuneration Committee, said committee must meet at least four (4) times a year. In 2022, the Enagás Committee met thirteen (11) times.

In addition, meetings shall be called by its Chairperson. The Committee may seek advice both internally and externally and request the attendance of senior management personnel of the Company and its Group, as deemed necessary in the execution of its duties. Each Committee meeting shall be reported at the first subsequent meeting of the full Board, and a copy of the minutes of the Committee proceedings shall be sent to every Director.

According to Article 8 of its Regulations, the basic objectives of the Committee are to propose and monitor the remuneration policy and the contractual conditions of Directors and senior management.

The duties of the Remuneration Committee are set out in article 45 of the Consolidated Text of the Articles of Association and expanded in article 25 bis of the Rules and Regulations of the Organisation and Functioning of the Board of Directors and article 8 of the Regulations of the Remuneration Committee. For more information see Appendix I ("Explanatory notes") to this Report.

C.2.2. Complete the following table on the number of female directors on the various board committees at the closure of the past four years:

	Number of female Directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
SUSTAINABILITY AND APPOINTMENTS COMMITTEE	2	33.33	2	28.57	2	28.57	2	33.33
AUDIT AND COMPLIANCE COMMITTEE	2	50.00	3	0.00	2	28.57		40.00

	Number of female Directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
REMUNERATION COMMITTEE	2	66.66	0	0.00	0	0.00	0	0.00

C.2.3. Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. In addition, indicate whether on a voluntary basis any of the board committees has produced an activity report.

The Regulations of the Audit and Compliance Committee are available for consultation at the registered office of Enagás and on its website at www.enagas.es/en/ or www.enagas.com/en/. At its meeting on December 19, 2022, the Board of Directors of Enagás, S.A. approved the amendment of the regulations with the aim o introducing certain articles relating to guaranteeing the functional dependency of the risk control and management unit: by amending paragraphs a), b), c) and d) and adding paragraphs g) and h) of Article 8 (v) ("Powers relating to the Company's risk control and management function").

Drafting improvements were also included in Article 8 (vii) ("Powers relating to the compliance function").

The amendments also aim to explicitly include cybersecurity risk oversight, amending paragraph b) of article 8 (v) ("Powers relating to the Company's risk control and management function") to include a paragraph that specifically sets out the risk oversight functions and control measures implemented in relation to cybersecurity.

The Audit and Compliance Committee prepared a report on its activities in 2022, which will be published on the website sufficiently in advance of the General Shareholders' Meeting and is included in this Report in Appendix II.

Recommendation 48 of the Good Governance Code for Listed Companies ("CBG") provides that companies with large market capitalisations —for these purposes those belonging to IBEX 35 are considered as such— should have a separate appointments committee and a separate remuneration committee.

In turn, the CNMV's Technical Guide 1/2019 of February 20, on appointments and remuneration committees (the "Technical Guide") considers that listed companies whose organisation and activities, director and senior management selection procedures or remuneration system present a certain degree of complexity, even if they cannot be classified as large market capitalisation companies or are not required to do so by sectoral regulations, should at least consider the possibility of having two separate committees. It also indicates that the appropriateness of separating the two committees may also be justified by the different nature and potential conflicts that may arise between the tasks related to the selection and proposal for the appointment of directors and senior managers and the tasks related to their evaluation and remuneration.

In turn, Article 45 of the current Articles of Association of Enagás, S.A. (the "Company") provides that the Board of Directors can resolve to separate the Sustainability, Appointments and Remuneration Committee into a Remuneration Committee and a Sustainability and Appointments Committee, sharing out their functions and powers envisaged in Article 45 depending on the subjects and governed by the rules of composition, organisation and functioning established in the Board Regulations in accordance with the Articles of Association and the applicable regulations."

In light of the above, at its meeting of April 25, 2022, the Board of Directors resolved to separate the Sustainability, Appointments and Remuneration Committee into a Remuneration Committee and a Sustainability and Appointments Committee.

In coordination with the above, at its meeting of December 19, 2022, it agreed on new Regulations of the Sustainability and Appointments Committee, superseding the Regulations of the Sustainability, Appointments and Remuneration Committee of Enagás, S.A. approved by the Board of Directors of the Company on December 20, 2021.

The Regulations of the Sustainability and Appointments Committee are available for consultation at the registered office of Enagás and on its website at www.enagas.es or www.enagas.com/en/. At its meeting of December 19, 2022, the Board of Directors of Enagás, S.A. approved new regulations entrusting the committee with tasks relating to the selection of Directors, Senior Managers and positions on the Board of Directors, ensuring the appropriate composition of the Board, examining and organising the succession of the Chairman of the Board and the chief executive, evaluating the Board and its Committees and ensuring the application of good practices in sustainability, environmental and social matters and good corporate governance. In addition, its duties were completed including the verification of "whether the information disseminated by the Company through its website on matters within its remit is sufficient and appropriate and complies with the recommendations on good corporate governance adopted by the Company", in accordance with the provisions of the Technical Guide.

The rules governing the composition and functioning of the former Sustainability, Appointments and Remuneration Committee are maintained in a similar form.

The Sustainability and Appointments Committee prepared a report on its activities in 2022, which will be published on the website sufficiently in advance of the General Shareholders' Meeting.

(Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTE ON SECTION 2.3).

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intragroup transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to article 14 bis of the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás S.A.:

1. The Board of Directors shall be responsible for the knowledge and approval, following a report from the Audit and Compliance Committee, of the transactions that the Company or its subsidiaries carry out with Directors, or with shareholders holding 10% or more of the voting rights, or represented on the Board of Directors of the Company, or with any other persons who are considered related parties under the terms set out in the Law ("Related-Party Transactions"), unless their approval corresponds to the General Shareholders' Meeting. The affected Directors or those who represent or are related to the affected shareholders must refrain from participating in deliberating and voting on the resolution in question in accordance with the provisions of the law. The provisions of this section shall be understood to be without prejudice to the limitations on the ownership interest in the Company's share capital set out in the special sectoral regulations applicable to Enagás, S.A.
2. For the purposes of the provisions of the foregoing section, transactions between the Company and its directly or indirectly wholly-owned affiliates shall not be deemed to be related party transactions, nor shall the approval by the Board of Directors of the terms of any contract to be entered into between the Company and any Director who is to perform executive functions, including, where applicable, the Chief Executive Officer, or senior managers, or the determination by the Board of the specific amounts or remuneration to be paid under such contracts.

The transactions carried out by the Company with its subsidiaries or affiliates shall not be considered as Related-Party Transactions, provided that no other party related to the Company has an interest in such subsidiaries or affiliates.

3. The General Shareholders' Meeting shall be responsible for the approval of related party transactions whose amount or value of which equals or exceeds 10% of the total assets according to the last annual balance sheet approved by the Company. The approval of all other related party transactions shall be the responsibility of the Board of Directors, which may not delegate this power, except for transactions between Group companies carried out in the ordinary course of business and at arm's length, and transactions with related parties entered into under contracts whose standard terms and conditions apply to a large number of customers, which are made at prices or rates generally fixed by the party acting as supplier of the good or service in question, and the amount of which does not exceed 0.5% of the Company's turnover.
4. The Audit and Compliance Committee shall issue a report prior to the approval of a Related-Party Transaction by the General Shareholders' Meeting or by the Board of Directors. In this report, the Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used.

The members of the Audit and Compliance Committee affected by the Related-Party Transaction cannot participate in the preparation of the report.

This report shall not be mandatory in connection with the execution of Related-Party Transactions whose approval has been delegated by the Board of Directors in the cases legally permitted and provided for in these Regulations.

5. In those cases in which, in accordance with the provisions of section 3 of this article, the Board of Directors delegates the approval of Related-Party Transactions, the Board of Directors itself shall establish an internal reporting and periodic control procedure to verify the fairness and transparency of these transactions and, if applicable, compliance with the applicable legal criteria.
6. In relation to Related-Party Transactions whose approval corresponds to the General Shareholders' Meeting, the proposed approval resolution adopted by the Board of Directors shall be submitted to the General Shareholders' Meeting with the indication of whether it has been approved by the Board of Directors with or without the vote against of the majority of the Independent Directors.
7. The Board of Directors shall ensure public disclosure of the performance of Related-Party Transactions entered into by the Company or companies of its Group, the amount of which reaches or exceeds either 5% of total assets or 2.5% of the annual amount of the Company's turnover.

To this end, an announcement, with the legally stipulated content, must be published in an easily accessible place on the Company's website and, in turn, it must be communicated to the National Securities Market Commission. The announcement shall be published and notified, at the latest, at the time the Related-Party Transaction is entered into and shall be accompanied by the issued report, if applicable, by the Audit and Compliance Committee.

Likewise, Related-Party Transactions shall be reported in the Annual Corporate Governance Report and in the periodic public information under the terms set forth in the applicable regulations.

8. To determine the amount of a Related-Party Transaction, the transactions entered into with the same counterpart in the last twelve months shall be taken into account in aggregate.

D.2. List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, indicating the competent body for their approval and whether any shareholder or director affected abstained. In the event that the meeting was responsible, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Name or corporate name of the shareholder or of any of its subsidiaries	% Stake	Name or corporate name of the company or subsidiary	Amount (in thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
No data						

Name or corporate name of the shareholder or of any of its subsidiaries	Nature of the relationship	Type of transaction and other information necessary for its evaluation
No data		

D.3. List individually the significant transactions, due to their amount or relevant due to their subject matter, carried out by the company or its subsidiaries with the directors or senior management of the company, including those transactions carried out with entities that the director or executive controls or jointly controls, and indicating the competent body for their approval and whether any shareholder or director affected abstained. In the event that the meeting was responsible, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Name or corporate name of the directors or officers or of their controlled or jointly controlled entities	Name or corporate name of the company or subsidiary	Relationship	Amount (in thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it
No data						

Name or corporate name of the directors or officers or of their controlled or jointly controlled entities	Nature of the transaction and other information necessary for its evaluation
No data	

D.4. Report on an individual basis on significant intragroup transactions due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens:

Corporate name of the group entity	Brief description of the transaction and other information necessary for its evaluation	Amount (in thousands of euros)
No data		

D.5. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the previous headings.

Corporate name of related party	Brief description of the transaction and other information necessary for its evaluation	Amount (in thousands of euros)
TRANS ADRIATIC PIPELINE AG	Guarantees and sureties granted.	557,000
PLANTA DE REGASIFICACIÓN DE SAGUNTO, S.A. (SAGGAS)	Financial revenue on the loan.	151
NAVANTIA, S.M.E. S.A.	Purchase and sale of shares.	3,571
POWER TO GREEN HYDROGEN MALLORCA, S.L.	EPC contract for the construction of a green hydrogen plant	16,747

Corporate name of related party	Brief description of the transaction and other information necessary for its evaluation	Amount (in thousands of euros)
ENAGÁS RENOVABLE, S.L.	Contract for the provision of engineering, advisory and consultancy services.	1,387
ENAGÁS RENOVABLE, S.L.	Office sublease agreement.	392
ENAGÁS RENOVABLE, S.L.	Guarantees and sureties granted.	5,040
ENAGÁS TRANSPORTE DEL NORTE, S.L.	Financial revenue on the loan.	1,802
ENAGÁS TRANSPORTE DEL NORTE, S.L.	Rendering of services.	3,184
GASODUCTO DE MORELOS, S.A.P.I DE C.V	Guarantees and sureties granted.	9,378
LLEWO MOBILITY, S.L.	Guarantees and sureties granted.	3,215

D.6. List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, senior managers, significant shareholders or other related parties.

Article 13 of the Regulations of the Organisation and Functioning of the Board of Directors establishes that Directors shall perform their positions with the loyalty of a reliable representative, acting in good faith and in the best interest of the company. In particular, the duty of loyalty requires that Directors:

[...]

c) Refrain from participating in deliberating and voting on resolutions or decisions in which they or a related person have a direct or indirect conflict of interests. Resolutions or decisions that affect them in their capacity as Director, such as their appointment to or removal from posts on the governing body or others of a similar nature, will be excluded from the preceding obligation.

d) Perform their functions according to the principle of personal responsibility with freedom of judgement or judgement and independence relating to instructions from and links with third parties.

e) Adopt the measures required to avoid becoming involved in situations in which their interests, either for their own personal reasons or those of another party, may conflict with the Company's interest or with their duties with the Company.

In particular, the obligation to avoid conflicts of interest referred to in the preceding paragraph requires that Directors refrain from:

a) Conducting transactions with the Company, except for those that are subject to waiver in accordance with the provisions of Article 14 of these Regulations, or approved in accordance with the provisions of the Law and Article 14 bis of these Regulations in relation to Related-Party Transactions.

b) Using the name of the Company or invoking their position as director to improperly influence the conducting of private transactions.

c) Using the corporate assets, including the Company's confidential information, for private purposes.

d) Taking advantage of the Company's business opportunities.

e) Obtaining benefits and remunerations from third parties other than the Company and its Group associated with the performance of their duties, except for acts of mere courtesy.

f) Conducting activities for themselves or for another party that, actually or potentially, entail effective competition with the company or that, in any other manner, place them in permanent conflict with the Company's interests.

The above provisions will also be applicable if the beneficiary of prohibited acts or activities is a person related to the Director.

In any event, Directors must inform the other Directors and the Board of Directors of any direct or indirect situation of conflict that they or persons related to them may have with the company's interests.

Direct and indirect conflicts of interest affecting Directors shall be disclosed in the Annual Report. (Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTES ON SECTION D6).

D.7. Indicate whether the company is controlled by another entity according to the definition set forth in article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them.

[ ] Yes

[√] No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Describe the scope of the Company's Risk Control and Management system for financial and non-financial risks, including fiscal.

The Enagás Group has established a risk control and management model aimed at ensuring the continuity of the business and the achievement of the objectives of the company in a predictable manner and with a medium-moderate profile for all of its risks.

This model allows you to adapt to the complexity of your business activity in a competitive environment globalised, in a complex economic context, where the materialisation of risks is faster and with a contagious effect evident.

The model is based on the following aspects:

- the consideration of standard risk typologies to which the company is exposed (see details in section E.3);
- the existence of governance bodies with responsibilities for overseeing the company's level of risk (see section E.2);
- the segregation and independence of the functions of risk control and management at the company, in three lines of 'defence';
- the transparency of information supplied to third parties, to guarantee its reliability and accuracy;
- the establishment of a risk appetite framework, which defines the risk levels considered acceptable, that is consistent with the stated business targets and the market context within which the company carries out its activities (see details in section E.4).

The risk control and management function is articulated around three lines of defence, with differentiated roles and responsibilities, as follows.

These lines are the following:

- First line of defence: made up from the organisational units which assume the risks in the ordinary course of their activities. They are the owners of the risks and are responsible for identifying them.
- Second line of defence: the Risk Unit, in charge mainly of ensuring that the risk control and management system works correctly, defining the regulatory framework and approach, and performing periodic monitoring and overall control of the company's risks.
- Third line of defence: the Internal Audit Unit, in charge of supervising the efficiency of the risk controls in place.

The integral analysis of all risks permits the appropriate control and management thereof, an understanding of the relationships between them and facilitates their joint assessment. This is accomplished by taking into account, inter alia, the differences of each type of risk in terms of its nature, handling capacity and risk measurement tools.

Enagás has established a regulatory framework for risk through the "Risk Control and Management Policy" and the "General Regulations for Risk Control and Management" setting out the basic principles governing the risk function and identifying the roles of the various decision-making bodies and the constituent parts of the risk management system.

According to the nature of the events and the triggers, monitored risks are classified as: strategic and business risks, operational and technological risks, financial and fiscal risks, credit and counterparty risks, compliance and model risks, reputational risks and criminal liability risks. Enagás is also exposed to cross-cutting risks that do not correspond to a single risk category but may be correlated with several of them, namely risks related to the three pillars of sustainability: environmental, social and governance (ESG).

E.2. Identify the governing bodies of the company responsible for preparing and implementing the Risk Control and Management system for financial and non-financial risks, including fiscal.

(Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTES ON SECTION E2)

The main bodies responsible for the Risk Management System and their main functions are:

A. Board of Directors: The Enagás Group Board of Directors is responsible for approving the risk control and management policy. Other responsibilities with respect to risks are delegated in the Audit and Compliance Committee.

B. Audit and Compliance Committee: The mission of this Committee is to assist the Board of Directors in all matters related to the company's risks. Its functions related to risk control and management are:

1) Overseeing and assessing the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and its Group, including operational, technological, legal, social, environmental, political and reputational risks or corruption and anti-bribery risks, so that any such risks are adequately mitigated within the framework of the Company's internal policy. Submitting recommendations or proposals to the Board of Directors to improve these systems along with the corresponding deadline for dealing with them.

2) Oversee the risk control and management unit, which shall, among other functions, ensure the proper functioning of the risk control and management systems and, in particular, identify, manage and adequately quantify all material risks affecting the Company; actively participate in the development of the risk strategy and major decisions on its management; and ensure that the risk control and management systems adequately mitigate risk under the policy defined by the Board of Directors, and ensure that they are effectively implemented in practice.

3) Assessing the company's risks and examining the analyses of risks that affect the business, the types of which are set out in the internal risk policies. This periodic information is prepared in accordance with internal rules, including the identification, measurement and establishment of management measures for the key risks affecting the company.

4) Reporting to the Board of Directors on any risks uncovered, with an assessment thereof, and any key issues concerning risks. In particular, it shall reassess, at least every year, the list of the most significant financial and non-financial risks and assess their tolerance level, proposing an adjustment of these to the Board, if necessary.

5) Holding at least one meeting annually with the senior managers of the business units in which they explain business trends and the associated risks.

C. Executive Committee: It coordinates the set of strategic and operational activities to maximise the profitability of the business with certain degrees of uncertainty. Part of the duties of this committee are:

1) Approve the overall risk framework and define the risk strategy.

2) Periodically review the risk profile determined for the main corporate risks and verify that they are at levels acceptable to the company. In cases where they exceed acceptable levels, review the proposed management and control measures, ensuring that they are aligned with corporate strategy and objectives.

3) In relation to the company's risk appetite, approve its limits annually, before presenting them to the Audit and Compliance Committee, and ensure that risks remain within the established limits.

4) Ensure that the risk control and management model operates effectively within the organisation.

E.3. Indicate the main financial and non-financial risks, including fiscal risks and, to the extent that they are significant, those derived from corruption (the latter being interpreted under the scope of Royal Decree-Law 18/2017), which may affect the achievement of business objectives.

The main risks affecting the Enagás Group in the development of its business can be classified as follows:

(i) Strategic and Business Risks: These are risks which are inherent to the gas sector and are linked to potential losses of value or results derived from external factors, strategic uncertainties, economic cycles, changes to the environment, changes to patterns of demand, competition and market structure or changes to the regulatory framework, as well as those derived from taking the incorrect decisions in relation to business plans and company strategies. The activities carried out by the Enagás Group are mainly affected by risks associated with variations in the regulatory framework, obtaining licences and administrative authorisations, delays and cost overruns in the development of infrastructure projects, deployment of renewable gases and commercial risk.

(ii) Operational and Technological Risks: During the operation of the infrastructures of the Enagás Group, losses of value or deterioration of results can occur due to the inadequacy, failures of physical equipment and computer systems, errors of human resources or derived from certain external factors. The main operational and technological risks to which the Group is exposed are: industrial risks (conditioned by the nature of the fluid handled), risks related to the security of supply in the Spanish Gas System, risks related to incidents during the operation of transmission infrastructure, regasification plants and underground storage facilities, which could cause major damage, and cybersecurity.

(iii) Financial and Fiscal Risks: The Enagás Group is subject to risks deriving from the volatility of interest and exchange rates, as well as movements in other financial variables that could negatively affect the company's liquidity. Interest rate fluctuations affect the fair value of assets and liabilities that accrue interest at fixed rates, and the future cash flows from assets and liabilities that accrue interest at floating rates. Exchange rate fluctuations may affect positions held with regard to debt denominated in foreign currency, certain payments for services and the purchase of capital goods, income and expenses relating to companies whose functional currency is not the euro and the effect of converting the financial statements of those companies whose currency is not the euro during the consolidation process. This risk arises from the Group's international presence, as well as for intragroup loans in currencies other than the euro, mainly the US dollar. The Enagás Group maintains a liquidity policy that is consistent in terms of contracting credit facilities that are unconditionally available and temporary financial investments in an amount sufficient to cover the projected needs over a given period of time. As regards the execution of large projects, the Group is exposed to uncertainties owing to the effective procurement of finance in conditions similar to those forecast in its business plans. This risk may be associated sometimes to other risks derived from the agreement terms that set out the conditions of service. It is also exposed to potential changes in legal frameworks for taxation and uncertainty arising from the possible different interpretations of prevailing tax laws, which could have a negative impact on results.

(iv) Credit and Counterparty Risks: Credit risk relates to the possible losses arising from the non-payment of monetary or quantifiable obligations of a counterparty to which the Enagás Group has granted net credit which is pending settlement or collection.

Credit risk in connection with trade receivables arising from its commercial activity is historically very limited as the main company of the Group operates in a regulated environment under planned scenarios. However, regulations have been developed establishing standards for managing guarantees in the Spanish gas system and which oblige shippers to provide guarantees for: (i) contracting capacity in infrastructure with regulated third-party access and international connections, (ii) settlement of imbalances; and (iii) participation in the organised gas market.

The Company is also exposed to the risk of its counterparties not complying with obligations in connection with financial derivatives and placement of surplus cash balances. In order to mitigate this risk, these transactions are carried out in a diversified manner with highly solvent entities.

In accordance with IFRS9 international accounting standards, provision has been made for expected credit losses.

(v) Reputational Risks: Refers to any action, event or circumstance that could have a harmful effect on the Group's reputation among its stakeholders.

(Continues in section H) OTHER INFORMATION OF INTEREST.- EXPLANATORY NOTES ON SECTION E3).

E.4. Identify if the company has a risk tolerance level, including fiscal.

The Enagás Group Risk Control and Management Model defines the risk appetite framework, which corresponds to the maximum level of risk the company is willing to take on in order to meet its objectives, and which is expressed by means of risk limits. The level of risk tolerance is the result of the deviation in the level of risk the company takes on at a specific moment in relation to the Company's risk appetite.

The Enagás Group has defined a set of limits for the main types of risk that the company may present (strategic and business risks, operational and technological, including cibersecurity, financial and fiscal and compliance and model risks), with the establishment of the maximum acceptable level of risk. These limits are specified by a set of indicators that are regularly monitored throughout the year. These limits are reviewed annually and approved by the Board of Directors through the Audit and Compliance Committee, as representative in its functions in the risk area.

E.5. Identify any financial and non-financial risks, including fiscal, which have occurred during the year.

The company had a medium-moderate risk profile over the course of 2022, partly due to the existence of corporate risk control and management systems.

During the course of the year, some significant risks have materialised for the company, such as the case of Tallgrass, where the value of the investment in the company was impaired in the first half of the year; and the cost overruns for the purchase of emission rights in the third quarter.

In addition, new risks related to the Strategic Plan have been included and, in the international sphere, with regard to the recovery of the investment in GSP, taking into account the political context in Peru, it was decided for reasons of prudence to consider half of the recovery in 2024 and the rest beyond 2030, maintaining the estimated date of the award as the first half of 2023.

E.6. Explain the response and supervision plans for the main risks of the entity, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise.

A series of control activities defined by each of the business units and corporate departments are associated with the main risks identified by the company to ensure that it can respond adequately and in a timely manner. The Audit and Compliance Committee and the Executive Committee oversee the implementation of these

control activities and monitor the action plans.

The type of controls in place vary considerably depending on the nature of the risk. For instance:

(i) Regarding strategic and business risks related to international asset management, controls include monthly monitoring of planning for international assets and returns on investments, among others. In particular, regulatory risks, controls and mitigating actions include, inter alia, active participation in regulatory development through the elaboration of proposals, ongoing cooperation with (domestic and European) regulators and public administrations.

(ii) Regarding infrastructure operation (e.g. damage, incidents), risks are mitigated through the design of maintenance and continuous improvement plans, the definition and monitoring of quality indicators, and control systems and alerts, which ensure service continuity and quality. Likewise, there is an insurance schedule in place for transferring these risks to a third party.

The company has various measures in place to control and manage cybersecurity risks, such as the Cybersecurity Master Plan with specific preventive action measures, indicators and alarm and detection and blocking systems, and specific contingency and remediation plans. Specific insurance policies and coverage for cyberattacks are in place. Note that there is a Cybersecurity Committee to monitor the preventive and corrective measures carried out, and these are supervised by the Board of Directors through the Audit and Compliance Committee.

(iii) Credit and counterparty risks are mitigated via establishment of guarantee mechanisms, in accordance with specific regulatory requirements, such as continuous monitoring of the main counterparties' credit profiles. In addition, in accordance with IFRS9 international accounting standards, provision has been made for expected credit losses.

(iv) Financial and tax risks have associated controls and mitigating measures, among others, such as contracting hedging instruments such as derivatives to mitigate interest rate risks, natural hedges consisting of contracting financial instruments in the same currency in which the investment is made to mitigate exchange rate risks, conservative tax strategy and hiring expert advisors to control tax risks.

(v) To prevent the materialisation of compliance risk, the Group has a Code of Ethics, an ethics channel and an Ethics Committee, among other measures.

(vi) To prevent criminal liability risk from materialising, the Enagás Group approved the Crime Prevention Model and has implemented the measures needed to prevent corporate crime and to avoid liability for the Company.

(vii) To prevent and control reputational risks, among other actions, there are different communication and action measures with stakeholders (media, investors, regulator, etc.).

(viii) With regard to ESG risks, the company has various measures in place to avoid or mitigate the effects of these risks, including, at a general level: policies, plans, procedures and integrated internal systems for the control and management of health and safety, the environment, quality and operational excellence, good governance and ethics, diversity and equality, among other areas of sustainability.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management systems at the company.

F.1. The entity's control environment.

Specify at least the following components with a description of their main characteristics:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

As part of the ICFR responsibilities at Enagás, S.A. and Subsidiaries (hereinafter the "Group"), the following bodies and/or functions develop, maintain and oversee the preparation of the Group financial information:

Board of Directors

Pursuant to Article 5 b) of the Rules and Regulations of the Organisation and Functioning of the Board of Directors, the Board is responsible for "the determination of the company's tax strategy and of its risk control and management policy, including tax risks, and the oversight of its internal information and control systems", and is ultimately responsible for guaranteeing an internal control environment conducive to complete, reliable and timely, financial reporting.

Pursuant to Article 26 of the said regulations, the Audit and Compliance Committee has been delegated the duty of overseeing the internal information and control systems.

Audit and Compliance Committee

The Audit and Compliance Committee is responsible for "overseeing and assessing the preparation and presentation of financial and non-financial information on the Company and the Group, checking compliance with regulatory requirements, the due definition of the consolidation scope and the correct application of accounting principles and in particular to know, understand and monitor the efficiency of the internal control over financial reporting system (ICFR)." It must also "report to the Board of Directors on recommendations or comments it deems necessary on the application of accounting criteria, internal control systems and any other relevant matter, and in particular, to present recommendations or proposals to the Board of Directors to safeguard the integrity of such financial information", according to article 8, sections 2 i) a) and 2 i) c), of the Regulations of the Audit and Compliance Committee of Enagás, S.A.

Likewise, article 44 of the Consolidated Articles of Association states that the Audit and Compliance Committee is responsible for seeing to the proper operation of the company's, and its Group's, internal control, internal audit function, if applicable, and risk management systems. In addition to discussing any significant weaknesses in the internal control system detected in the course of audit with the auditors without impinging on its independence.

To carry out its duty of oversight of the effectiveness of internal control, the Audit and Compliance Committee has the support of the Audit, Control and Risk Department, as established in the General Internal Audit Regulations.

Finance Department

The Finance Department is responsible for designing, implementing and ensuring there is a suitable and efficient ICFR system. The Internal Control over Financial Reporting Unit assists it in these duties. This function is key to managing ICFR and has the following tasks:

- Guaranteeing the integrity and internal coherence of the ICFR.
- Monitoring of the updating and documentation of the sub-cycles/processes that have an impact on the financial information (this is performed by the owners of each sub-cycle/process), closing the quarterly ICFR report in systems and publishing it on the corporate Intranet.
- Overseeing the updating and maintenance of the ICFR management tools.
- Managing the self-assessment of the ICFR system and monitoring the results.
- Coordinating the assessment of financial reporting risks and their periodic review by updating the ICFR Risk Matrix.
- Carrying out an annual evaluation of the requirements to update the document attributing the accounts to ICFR areas, in order to maintain the required standard of financial information.
- Drawing up and updating the Enagás Group Internal Control over Financial Reporting System Manual ("Enagás Group ICFR Manual").
- Updating and disseminating applicable ICFR system regulations, both internal and external.
- Identifying the training needs and organisational/execution needs for courses relating to ICFR or other related issues (these are channelled via the Training School programme included in the Training Plan and Training Procedure).
- Annual update of the "ICFR Scope Definition Model", defining the materiality threshold according to the Enagás Group's main figures.
- Collaborating with the Audit, Control and Risk Department, ensuring independence at all times.

- Collaborating in classifying any deficiencies detected during reviews of the ICFR system (material weaknesses, significant deficiencies, insignificant deficiencies).
- Collaborating in implementing corrective measures detected in the reviews of the ICFR.

Audit, Control and Risk Department

The Audit, Control and Risk Department reports to the Audit and Compliance Committee as per the General Internal Audit Regulation. It is responsible for "assessing and improving the efficiency of risk management processes, internal control and corporate governance".

Its main ICFR duties, which are coordinated by, overseen and supervised by the Audit and Compliance Committee, include:

- Performing tests and assessments of the design, implementation and operational effectiveness of the ICFR system.
- Conducting a series of limited checks on the documentation of cycles and sub-cycles to achieve a preliminary understanding of whether the documentation prepared by Enagás is up to date and to detect which potential control activities should be designed.
- Conducting a series of limited checks to gain a preliminary understanding of the degree of compliance and formalisation of the (manual and automated) controls established by Enagás.
- Collaborating with the Audit and Compliance Committee in fulfilling its duties, particularly with regard to the supervision of the internal control system and the risk control and management process, to relations with the external auditor and to supervision of the financial information preparation process.
- Participating in the review of the Internal Control over Financial Reporting (ICFR) system established by the company for its subsequent certification.

Departments and Business Units involved in preparing financial information Owners of the sub-cycles/processes involved in the preparation of financial information and whose main duties are:

- Assist in the identification, design, documentation and implementation of the ICFR sub-cycles/processes within its remit, making sure that the established targets are achieved. Once the subcycle/process is defined, communicate changes in its procedure that have an impact on financial information.
- Establish, monitor and evaluate the continuous operation of the control activities of the sub-cycles/processes under its remit, primarily with regard to the assigning of responsibilities, separation of functions (including the management of access to information and other critical resources) and the correct operation of support systems.
- Keep the ICFR team informed of updates to standards, procedures, instructions, manuals or any other type of document for which they are responsible (either because it is published for the first time or because a new version has been created) as long as they have an impact on the financial information, working alongside the Organisation and Talent Department.
- Ensure that all documentation concerning the process is kept up to date (who, what, how, rules, proof, etc.) as well as that concerning the ICFR system control and risk objectives.
- Reporte, formally and periodically on the outcome of the self-assessments carried out.
- Assist with the ICFR Audit Plan carried out by the Audit, Control and Risk Department to test the continuous operation and effectiveness of the controls established (walkthrough and review of control activities).
- Implement and promote the implementation of corrective actions in the area of ICFR.

The allocation of ICFR responsibilities is reflected in the positions within the Group's organisational structure, and included in the job analysis and description sheets containing the description of the assigned tasks. Any changes in the allocation of responsibilities are made to the organisational structure and these sheets, as set forth in the company's "Organisational Development and Processes" procedure.

F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- **Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company:**

The design and review of the organisational structure, as well as the definition of the lines of responsibility, falls to the Board of Directors, through the Sustainability and Appointments Committee. As stipulated in the Regulations of the Sustainability and Appointments Committee of Enagás S.A., article 8 2 (ii) f): "to submit proposals regarding the organisational structure of the Company and the creation of Senior Management positions that it considers necessary for a better and more efficient management of the Company to the Board of Directors, as well as guidelines regarding the appointment, selection, career, promotion and dismissal of Senior Managers, in order to ensure that the Company has, at all times, highly qualified personnel suitable for the management of its activities."

Likewise, the People and Transformation General Management is responsible for designing, implementing and updating the organisational structure within the Group. The internal mechanisms used by this department, to clearly define the lines of responsibility, are enumerated in:

- "Job Analysis and Description Sheets"
- The "Human Resources Development Procedure"
- The "Organisational Development and Processes Procedure"

which, among other matters, establishes and develops the overall management model for processes and job descriptions, in accordance with the company's strategy and business and operating needs, the organisational structure of the Departments/Units.

The particular features of the ICFR lines of responsibility and authority are regulated by the "Enagás Group ICFR Manual" as well as various rules and regulations concerning the key governing bodies and Senior Management. Meanwhile, specific ICFR-related responsibilities are considered in the design of the model, aligned with those defined in the "Job Analysis and Description Sheets". Versions of the ICFR model are generated periodically to reflect the changes over time in job responsibility.

Also worth noting is the "Powers of Attorney and Electronic Signature Certificates Management" procedure, which sets out the actions to ensure that responsibilities are given appropriately.

The organisational structure is available to all employees on the Intranet in the form of an organisational chart and is regularly updated. In addition, the specific rules and procedures detailing the related responsibilities are published on the Intranet, as stipulated in the "General Regulations for Rules and Process Management".

- **Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary actions:**

The following documents are available to all employees as part of the Group's Sustainability and Good Governance Policy and other corporate policies:

Enagás Group Code of Ethics

The "Enagás Group Code of Ethics" was approved in 2008 and revised in 2012 and 2014. The current version in force was approved by the Company's Board of Directors at its meeting held on December 16, 2019. It is available on the external website and Intranet, and aims to formalise "[…] the Enagás' ethics and compliance model and is developed through policies, standards, processes and controls […]". "The Code of Ethics reflects Enagás' ethical culture and sets out the guidelines that determine the behaviour of its employees, managers and directors and of third parties that have connections with the group.

"[…] The Code will be reviewed as often as necessary to ensure that its content is aligned with applicable law and best practices, and to guarantee the effectiveness of the ethics and compliance model.

All Enagás professionals must understand and comply with the Code of Ethics and the rules that develop it. When so required by Enagás, they must accept knowledge of the Code and confirm compliance with it […]".

Its values address issues related to financial reporting:

- Transparency and reliability of information: "With regard to the recording, elaboration and review of financial and non-financial information, we ensure its reliability and rigour, and apply the accounting policies, control systems and supervisory mechanisms defined by Enagás".
- Anti-fraud, corruption and bribery policy: "[…] We must not offer or accept, either directly or indirectly, gifts or hospitality from third parties, including public representatives, which go beyond the purely symbolic or which could be interpreted as an attempt to influence our will or to obtain undue advantage […]". In this regard, in 2013 the "Procedures for Managing the Offering and Acceptance of Gifts" was approved and it was reviewed in 2020; in 2015 the "Anti-Fraud, Corruption and Bribery Policy" was approved and it was reviewed in 2019 and 2022.
- Information confidentiality: "[…] The information that we handle in our professional activity, except when its disclosure is expressly authorised, must be considered confidential and treated as such. We are all responsible for protecting the confidentiality of information, whether it relates to Enagás or to third parties, such as customers, suppliers or business partners, potential job applicants or any third party with whom we have a relationship in the course of our business. […]"

The Code states that "[…] the Board of Directors is the body with ultimate responsibility for ensuring Enagás' ethical culture and the effectiveness of the ethics and compliance model. The Ethical Compliance Committee, which reports to the Audit and Compliance Committee, assumes the competences related to the ethics and compliance model. For its part, the Audit and Compliance Committee is responsible for supervising the implementation of the ethics and compliance model and for ensuring that the Ethical Compliance Committee has sufficient resources, autonomy and independence […]".

In addition, there is also a Compliance Policy to oversee the commitment to: "[…] uphold conduct that complies with both regulations and ethical standards. […]" and "[…] promote a culture of integrity and respect for the law and ethical standards that takes into consideration not only the interests of Enagás but also the needs and expectations of its stakeholders […]". This policy is reinforced by the General Compliance Standard.

Code of Conduct for the Technical Manager of the Spanish Gas System

The Code of Conduct for the Technical Manager of the Spanish Gas System approved by the Board of Directors at its meeting on December 15, 2014, and reviewed in 2021 and at its meeting on October 24, 2022, available on the external website and Intranet, aims"[…] to guarantee that the functions of the Technical Manager of the Spanish Gas System are carried out independently from the other activities of the Enagás Group, in compliance with the legally established criteria in the Hydrocarbons Sector Law 34/1998 of October 7 […]".

As set out in the Code: "It is the obligation of Enagás GTS to keep the list of the individuals subject to this Code of Conduct updated at all times and to send each of these a copy of the Code, requiring them to furnish a letter in which they confirm they have received the Code and declare that they know and accept compliance with the obligations contained therein".

It also provides that: "[…] The Ethical Compliance Committee is entrusted with ensuring compliance with this Code of Conduct and the effectiveness hereof. It will therefore report periodically to the Audit and Compliance Committee of the Board of Directors of Enagás, S.A. on the results of its assessment and on any deficiencies detected. However, the Managing Director of the Technical Manager of the System will address any queries that may be raised by the employees of Enagás GTS and any other signatory of the Code of Conduct […]".

The Ethical Compliance Committee, pursuant to Article 63.4 d) of the Hydrocarbons Sector Law, shall prepare a report containing the following information:

- The measures adopted to guarantee the segregation of activities.
- The conflicts of interest reported and the measures adopted to resolve them […]."

Internal Audit Code of Ethics

The Internal Audit Code of Ethics, available on the corporate Intranet, approved in 2017 and updated in 2021, establishing the ethical culture in the function of Internal Audit as an independent activity. It includes:

1. Principles relevant for the profession and practice of the internal audit:
   - Integrity
   - Objectivity and independence
   - Confidentiality
   - Competition
2. The Rules of Conduct which describe the behaviour expected from all internal auditors. These rules serve to assist with the interpretation of the Principles in their practical application. Their aim is to guide the ethical conduct of internal auditors.

Once a year all internal auditors must sign a declaration stating that they are cognisant of, understand and uphold these rules. In turn, professionals who work with the Audit, Control and Risk Department must also sign this declaration, when they start to provide their services.

Enagás Internal Code of Conduct in matters relating to Securities Markets

As stipulated in article 5 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás, S.A., the company has an Internal Code of Conduct in matters relating to Securities Markets which was drawn up and approved by the Board. These regulations aim to protect the interests of investors in the company's securities and its Group and to prevent and avoid any situation of abuse by establishing the rules for:

- The management and control of Privileged Information and the handling of such information;
- The trading of Affected Securities of Enagás or companies in its business Group;
- The performance of treasury share transactions;
- The obligations of publication and dissemination of privileged information to the market;
- Generally, compliance with securities market regulations.

Persons subject to the obligations established in the Internal Code of Conduct will receive a copy of the regulations and must sign a statement acknowledging receipt and declaring that they are aware of their obligations.

The Audit and Compliance Committee is responsible for ensuring compliance with the regulations and for making suggestions, as necessary, to improve them (article 8 of the Regulations of the Audit and Compliance Committee of Enagás, S.A.). The Head of Legal Counsel and Compliance will ensure accurate and true compliance with the obligations contained therein, with the requirement to regularly report to the Audit and Compliance Committee on the degree of compliance and any incidents detected in relation to its application for evaluation by the Committee, as stipulated by article 19.2 of the Internal Code of Conduct.

- **Whistleblowing channel, for reporting any irregularities of a financial or accounting nature to the audit committee, as well as breaches of the code of conduct and malpractice within the organisation, stating, if applicable, whether reports made through this channel are confidential and whether it is possible to make anonymous reports, respecting the rights of the whistleblower and the accused:**

The company has a whistleblowing channel, the "Ethics Channel", for consultation and reporting of irregularities or breaches of the Enagás Group Code of Ethics and the Code of Conduct of the Technical Manager of the Spanish Gas System.

The processing of such queries and notifications is the responsibility of the Ethical Compliance Committee, which functionally reports and is accountable for its performance to the Audit and Compliance Committee. This Committee shall respond to all reports and periodically prepare a report to be submitted to the Audit and Compliance Committee. However, according to the "Procedure for the management of consultations and reporting regarding irregularities or breaches of the Code of Ethics", if the consultation or notification is of a financial or accounting nature or concerns internal control or fraud, it shall be forwarded directly to the Audit and Compliance Committee.

- **Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management:**

The Organisation and Talent Department, which reports to the People and Transformation General Management, has a "Training School" which manages and plans all the training programmes and other instruction initiatives for all employees included in the Training Plan and in the Training Procedure.

In coordination with the Finance Department, the Audit, Control and Risk Department and the Organisation and Talent Department, identifies and analyses the specific training needs of all personnel involved in preparing and reviewing financial reporting, including issues concerning accounting, internal control and risk management.

In 2022, the Finance Department and the Audit, Control and Risk Department, took part in various training programmes, including: Cybersecurity Detection and Response capabilities, COSO ERM accreditation programme, accounting and valuation of PPAs and complex financial instruments.

In addition, since 2019 the Enagás Group, together with other relevant companies, participates in a collaborative space on the ICFR to share experiences, knowledge and best practices in this area.

F2. Risk assessment in financial reporting.

Report at least:

F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- **The process exists and is documented:**

Identifying risk is one of the core fundamentals in risk analysis with regards to the preparation of financial information. The process follows the COSO 2013 (Committee of Sponsoring Organisations of the Treadway Commission) framework. One of the objects is to help ensure that transactions are recorded faithfully in accordance with the related accounting framework so it can provide reasonable assurance regarding the prevention or detection of errors that could have a material impact on the information contained in the consolidated annual accounts.

The "Enagás Risk Control and Management Policy" provides a reference in the area of risk identification, as it states the company's policies on how to deal effectively with uncertainty, risks and the associated opportunities, thereby improving its capacity to generate value in order to achieve the aims of the Group, such as reliable financial reporting.

The principles set out in the "Enagás Risk Control and Management Policy" are articulated in the "General Regulations for Risk Control and Management", providing an organisational and methodological framework that ensures the risk control and management process is implemented appropriately and effectively.

Specific risks related to the company's Internal Control over Financial Reporting System are classified in this framework under the Group's operational risk category. The identification and measurement of these risks are performed as set out in the Internal Control over Financial Reporting System Manual.

- **If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency:**

Pursuant to the "Enagás Group ICFR Manual", the risk identification process covers all financial reporting objectives to ensure the accuracy and completeness of the same. The manual describes the risks related to the financial reporting process as follows:

- Completeness: the risk that not all transactions, and other circumstances and events are recorded.
- Rights and obligations: the risk that not all financial information at any given date does reflect the rights and obligations through the corresponding assets and liabilities in accordance with applicable standards.

- Existence and occurrence: the risk that not all transactions, circumstances and events exist or not all are recorded at the appropriate time.
- Valuation: the risk that not all transactions, circumstances and events are recorded and valued in conformity with applicable standards.
- Presentation, disclosure and comparability: the risk that not all transactions, circumstances and events are classified, presented and disclosed in the financial information in accordance with applicable standards.
- Internal fraud risk: includes the risk of manipulation of files, software and information, and the risk of unauthorised activities (involving employees) leading to intentional financial statement misstatements and misappropriation of funds and assets due to inappropriate use of corporate assets.

Periodically, the ICFR Unit fully evaluates all control processes and corresponding specific risks mitigation measures in place, and at the same time, assesses whether new risks need to be added.

- **A specific process is in place to define the consolidation scope, with reference to the possible existence of complex corporate structures, special purpose vehicles or holding companies:**

The Finance Department operates a management and updating process to identify those companies which should be included in the consolidation scope. This process is detailed in the "Period-End Procedures for Consolidated Financial Statements and Annual Accounts".

In compliance with article 8 of the Regulations of the Audit and Compliance Committee, and with regards to the Financial Statements, the Committee's duties and competencies include "overseeing and assessing the preparation and presentation of financial and non-financial information on the Company and the Group, checking compliance with regulatory requirements, the due definition of the consolidation scope and the correct application of accounting principles and, in particular, to know, understand and monitor the efficiency of the internal control over financial reporting system (ICFR)."

In determining the companies covered by the ICFR scope, the Group considers those in which it has direct or indirect control, and so for all other consolidated companies, the Group includes controls to ensure consistency, validity and reliability of the financial information provided for inclusion in the consolidated financial statements.

- **Whether the process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements:**

The process of identifying risks associated with achieving the financial reporting objectives takes into account the possible effects derived from the materialisation of other types of risks contained in the risk control and management model described in section e) of this document. These effects would arise, as the case may be, through strategic and business risks, operational and technological risks, financial and fiscal risks, credit and counterparty risks, reputational risks, criminal liability risks, compliance and model risks and cybersecurity.

- Which of the entity's governing body oversees the process:

The Audit and Compliance Committee is responsible for "[…] Overseeing and evaluating the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and its Group, including operational, technological, legal, social, environmental, political, fiscal and reputational risks or corruption and anti-bribery risks, so that any such risks are adequately mitigated within the framework of the Company's internal policy. Submitting recommendations or proposals to the Board of Directors to improve these systems along with the corresponding deadline for dealing with them.

In particular, if justified by its relevance, supervise the control and management measures implemented in relation to cybersecurity risk, including cyberattack response and recovery plans"; according to article 8.2 section (v) b) of the Enagás, S.A. Audit and Compliance Committee Regulations.

F.3. Control activities.

Indicate the existence of at least the following components, and specify their main characteristics:

F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the securities markets, stating who is responsible in each case and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Procedures for reviewing and authorising financial information to be disclosed to the markets.

The following documents are available to safeguard the reliability of the financial information to be disclosed to the securities markets:

- The "Manual of Accounting Policies (PGC)" and the "Manual of Accounting Policies (IFRS)", which establish and provide clear information on the accounting policies required for performing accounting estimates and preparing the Company's Individual and Consolidated Financial Statements and Annual Accounts, to ensure that these provide a true and fair view of its equity, financial position, results of operations, changes in net equity and changes in cash flows.
- "Period-end procedures for the Individual Financial Statements and Annual Accounts" and "Period-end procedures for the Consolidated Financial Statements and Annual Accounts" approved by the Financial General Manager establishing the process of preparing, processing, reviewing and authorising the financial information at the closing of accounts by the persons in charge. These also establish the controls of judgements, estimates and evaluations which may materially affect the financial statements.
- "Procedure on the provision of Regular Reports to Securities Market Regulators" which establishes the process to be followed when preparing periodic financial information to be disclosed to the regulated markets regarding interim financial reports, interim management reports and, if applicable, quarterly financial reports, and defines the persons responsible of approval of said financial information.

At this level, with regard to the preparation and subsequent disclosure of financial reporting, the Communication, Public Affairs & Investor Relations General Management, the Finance Department, the Legal Services and Corporate Affairs General Management, the Board of Directors and the Chairman of the Board all play a key role at the various levels within the Organisation in the validation and approval of all financial information.

Description of ICFR: Control and Activities

The Group's ICFR control structure is based on the five components of the COSO Model included in the Internal Control-Integrated Framework report (2013):

1. Control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring of the system

Likewise, the recommendations of the report on "Internal Control over Financial Reporting at Listed Companies" prepared by the CNMV's Internal Control Working Group (ICWG) (2010) are taken into consideration.

In this regard, the ICFR model states a number of key control objectives which, if fully implemented, allow reliability and transparency in preparing financial reporting. The implementation of these objectives is intrinsically tied to the effectiveness of "Control activities" at each stage of their execution.

In this context, the control structure defined is based on two classes of control:

- General controls
- Process controls

The General Controls form the basis of the ICFR model. These are interlinked controls that directly affect the organisational structure and procedures. These are known as the "control environment" in the CNMV and COSO recommendations.

At the end of 2022, there were 46 ICFR general controls in operation. Senior Management is responsible for overseeing these controls, which are split between the following departments:

- Secretariat of the Board of Directors
- Legal Services and Corporate Affairs General Management
- Finance Department
- People and Transformation General Management
- Communication, Public Affairs & Investor Relations General Management
- Energy Transition General Management

These controls are assessed once a year to incorporate any updates and to identify new control components.

Process controls

Process Controls (control activities) are controls over an organisation's operating processes that are more specific than general controls. These are part of each of the main cycles and sub-cycles comprising the ICFR procedures, guaranteeing the reliability and transparency of Enagás financial reporting. These are factors which mitigate the risks inherent in the financial reporting procedure mentioned above to ensure the established control objectives are met.

These control activities are used throughout all the ICFR model and the eight Areas which affect financial reporting:

- Acquisitions
- Fixed assets
- Inventories
- Revenue
- Payroll and personnel
- Financial management
- Support services
- Financial reporting

These Areas in turn affect a further 28 cycles and 61 subcycles and are formally documented in a corporate IT tool.

These process controls can be classified with the following different characteristic attributes:

- According to their nature:
  - Preventive: Preventing errors or any irregularities which may affect the information, i.e. preventing the impact of financial risks.
  - Detective: Identifying errors or irregularities which may affect the financial information, i.e. identifying errors when they arise.

- Corrective: Correcting errors or irregularities which may affect the financial information, i.e. rectifying errors when they arise.
- According to level of automation:
  - Manual: control mechanisms directly executed by people.
  - Semi-automated: control mechanisms executed by people and validated by "IT support" or vice-versa.
  - Automated: control mechanisms with "IT support".

The quarterly self-assessment process carried out by the ICFR unit allows to confirm the validity of the description of these controls by the people responsible, identifying any updates (new process controls, elimination, automation, etc.).

At year-end 2022, there were 215 ICFR process controls, approximately 27% of which were automated.

Operating activities

In addition to the controls we have mentioned above, when designing the ICFR subcycles a series of operating activities are defined to establish a flow chart showing how these impact financial reporting. Likewise, these activities are included in a corporate IT tool which establishes the models for the ICFR subcycles.

At year-end 2022, there were 714 operating activities, approximately 17% of which were automated.

F.3.2. Internal control policies and procedures for Information Technology (IT) systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

IT systems play an important role and are configured to support the preparation, processing and extraction of the financial information to be disclosed. This is why they are included in the ICFR actions and configuration.

All actions concerning information systems are regulated in the Cybersecurity Policy which defines the principles to effectively manage information security in the IT systems, as well as the assets involved in the processes.

Based on the principles of this policy, Enagás has designed the "General Rules for Management of IT Systems" establishing the responsibilities and the relationship between the requesting units and the Digitalisation and Technology Department.

We also have General Computer Controls ("GCCs"). These provide a control framework designed to offer a reasonable level of security in IT systems used for financial reports, guaranteeing, to the greatest degree possible, that the information is confidential, available and complete. At year-end there were 46 General Computer Controls included in the "IT INFORMATION TECHNOLOGY" area, broken down into the following cycles:

- Logical and physical security cycle.
- Application development and maintenance cycle.
- Operating and support of networks, databases and operating systems cycle.
- Management and planning of information systems cycle.
- Fraud prevention and detection cycle.

Here we would note that within the operation and support of networks, databases and operating systems cycle is the GCC relating to the Business Continuity and Disaster Recovery Plan.

The objectives established within the framework of General Computer Controls help achieve control objectives related to the processing of computer generated information, through the defining, development, implementation and reviewing of control activities such as user and authorisation management, administrator management, access control, incident management, change management, business continuity, information storage and recovery, operations monitoring, etc.

Integral to the objectives of control of IT systems is the need to establish an appropriate segregation of duties, which is a prerequisite for an ICFR system to function efficiently and effectively. It is therefore of vital importance that there is a clear distinction between who has to execute actions related to the treatment of financial information, and who has to review and/or approve them. For this reason, correctly allocating profiles, both in IT systems and in terms of positions and functions, is critical to the success of the process.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Enagás is particularly vigilant about any activities carried out by third parties which may significantly impact the financial statements to ensure maximum control over key procedures that may be outsourced, and that the activities are carried out to a standard that the Group demands.

The internal rules regulating this can be found in the Identification and Treatment for Service Organisations Procedure.

The Group also has the following regulations and internal procedures regulating the contracting process and ensuring quality control of third parties:

- The "General Regulations for Management of Awarding and Contracting"
- General Standard for Hiring External Advisors
- The "Purchase Management Procedure"
- The "Supplier Registration and Approval Procedure"
- The "Procedure for Ensuring Supplier Reliability"

When the Group engages the services of independent experts for appraisal, calculation or valuation services, we request that they certify they are reputable firms in their field and are independent. This helps ensure that the Group's management is able to supervise and take the ultimate decisions on the estimate processes which may impact accounting records.

F.4. Information and communication.

Indicate the existence of at least the following components, and specify their main characteristics:

F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the company's operating units.

The Accounting Policies Department is responsible for keeping all accounting policies regularly updated and communicating these to all personnel involved in the financial reporting process.

It has therefore drawn up the "Accounting Policies Manual (PGC)" and the "Accounting Policies Manual (IFRS)", internal documents which outline all procedures and the accounting policies required for performing accounting estimates and preparing the Company's Individual and Consolidated Financial Statements and Annual Accounts, to ensure that these provide a true and fair view of its equity, financial position, results of operations, changes in net equity and changes in cash flows. Those employees involved in the process are informed of any updates to the policies via the Intranet.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the Entity or Group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

The preparation, review and approval of all financial information in standard format is regulated by the "Period-end procedures for the Individual Financial Statements and Annual Accounts" and the "Period-end procedures for the Consolidated Financial Statements and Annual Accounts", as well as the "Accounting Policies Manual (PGC)" and the "Accounting Policies Manual (IFRS)", which serve as guides to carrying out these tasks.

Furthermore there is a specific mechanism for the process of preparing the Annual Accounts, where the Audit and Compliance Committee, as a Board Committee, takes on a special relevance, overseeing this process (e.g. monitoring the supervision work of the Internal Audit unit, being cognisant of the internal control over financial reporting system (ICFR) as well monitoring the work performed by the external auditor) before the annual accounts are certified by the Board of Directors. The functions of the Audit and Compliance Committee in this regard are detailed in article 8 of the "Regulations of the Audit and Compliance Committee of Enagás, S.A.".

The Group has an IT tool to record and treat all financial information which satisfies the needs of both individual and consolidated reporting.

F.5. Monitoring of the system.

Indicate the existence of at least the following components, describing their main characteristics:

F.5.1. The ICFR monitoring activities undertaken by the audit committee and an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

In this context, one of Enagás' top priorities is to take a proactive, and thereby preventative role during a phase of constantly overseeing the model, to ensure that the model is updated and aligned with both the business and the best regulatory practices.

Constant analysis of and follow up of ICFR, detecting possible flaws and making sure the corresponding improvements and adjustments are achieved by taking the following measures:

- A regular evaluation of the design and effectiveness of current anti-fraud programmes and controls. Its scope and frequency depends on the importance of the associated risk and the demonstrated effectiveness of the controls in place.
- The participation of the Audit, Control and Risk Department, through the supervision functions attributed by the ICFR model through the "General Internal Audit Regulations", the "Enagás Group ICFR Manual" and the "Regulations of the Audit and Compliance Committee of Enagás, S.A.".
- Effective supervision by the Audit and Compliance Committee, relative to overall control of the ICFR model, delegated by the Board of Directors, and instrumented by Internal Audit.
- Reporting on weaknesses found, taking corrective measures to solve them, establishing mechanisms to track them and assigning the necessary resources to achieve them, according to the instructions in the "Enagás Group ICFR Manual".
- The Audit, Control and Risk Department, will support the ICFR area in the implementation of the improvements detected in each Annual Certification, incorporating certain auditing work to promote and ensure the implementation of such improvements before the end of the following financial year.
- Finally, once finalised, and subsequent to the implementation of the proposed measures, a design and final validation process will be undertaken, which will eventually be incorporated into the ICFR model.

Key throughout this oversight process is the function of Internal Audit which, as set out in the "General Internal Audit Regulations", is responsible for:

- Collaborating with the Audit and Compliance Committee in fulfilling its duties, particularly with regard to the supervision of the effectiveness of the internal control system and the risk control and management process, to relations with the accounts auditor and to supervision of the financial and non-financial information preparation and publication process.

Regarding relations with the external auditor, there is an Accounts Auditor Contracting and Relationship Procedure, which will be monitored for the maintenance of an objective, professional and continuous relationship with the auditor of the Company, respecting at all times its independence.

- Participating in the review of the Internal Control over Financial Reporting (ICFR) system established by the Company for its subsequent certification.

In order to ensure that these objectives are met, there is an "Internal Audit Annual Plan", which is overseen and approved by the Audit and Compliance Committee, and includes a review of the ICFR system.

The Group's management conducted an internal assessment of the ICFR system and concluded that the system in place for Enagás, S.A. and Subsidiaries at December 31, 2022 is effective and contains no significant deficiencies.

F.5.2. If a discussion procedure is in place, whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the annual accounts or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

Article 8 of the Regulations of the Audit and Compliance Committee of Enagás, S.A. details the objectives and functions of the Committee, including "[…] liaise with the external auditor to obtain information on any issues that could compromise the latter's independence. Specifically, the discrepancies that may arise between the auditor of accounts and the Company's management, for review by the Committee, and any other discrepancies relating to the audit process, as well as the possible safeguard measures to be adopted, discussing the significant weaknesses detected in internal control with the auditor of accounts, and never jeopardising the independence of the audit, concluding on the level of confidence and reliability of the system […]".

The Committee is also in charge of supervising compliance with the "Internal Code of Conduct in matters relating to Enagás' Securities Markets". The reports on the activities of the Audit and Compliance Committee contain important information about communication procedures and the conclusions reached at the end of each year.

F.6. Other relevant information.

There is no other relevant information regarding ICFR at the Group to add to that which we have provided above.

F.7. External auditor report.

State whether:

F.7.1 The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The Group has voluntarily subjected its ICFR to review since 2008. All reviews have been carried out by the accounts auditor of Enagás, S.A. and Subsidiaries.

The report for the financial year 2022 is attached as Appendix III.

G. DEGREE OF IMPLEMENTATION OF CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the company's compliance with the recommendations of the good governance code of listed companies.

In the case where a recommendation is not implemented or only partially implemented, a detailed explanation of the reasons for this is to be included so that shareholders, investors and the market in general have sufficient information in order to evaluate the company's course of action. General explanations are not acceptable.

1. The Articles of Association of publicly listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Compliant [ ]   Explain [X]

Additional Provision 31 of Law 34/1998, of October 7, on the Hydrocarbons Sector, in force since the enactment of Act 12/2011, of May 27, governing civil liability for nuclear damage or damage caused by radioactive materials, specifies in section 2 that:

"No natural or legal person may hold, directly or indirectly, an interest in the parent company (ENAGÁS, S.A.) representing more than 5% of share capital or exercise more than 3% of its voting rights. Under no circumstances may such shareholdings be syndicated. Any party operating within the gas sector, including natural or legal persons that directly or indirectly own equity holdings in the former of more than 5%, may not exercise voting rights over 1%. These restrictions do not apply to direct or indirect interests held by public sector enterprises. Under no circumstances may share capital be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.

For the purposes of calculating the stake in that shareholding structure, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by article 4 of Act 24/1988, dated July 28, on the Securities Market, stakes shall be attributed to one and the same natural or legal person when they are owned by:

a) Those parties who act in their own name but on behalf of that natural or legal person in a concerted fashion or forming a decision-making unit with them. Unless proven otherwise, the members of a governing body shall be presumed to act on account of or in concert with that legal person.

b) Partners with those with which one of them exercises control over a dominant company in accordance with article 4 of Securities Market Act 24/1988, of July 28.

In any event, regard shall be had to the proprietary ownership of the shares and other securities and the voting rights attached to each.

Non-compliance with the limit on interests in the share capital referred to in this article shall be deemed a very serious breach in accordance with the terms set out in article 109 of this Law. Responsibility shall lie with the natural or legal persons found to be the owners of the securities or whoever the excess interest in the share capital or in the voting rights can be attributed to, pursuant to the provisions of the preceding paragraphs. Whatever the case, the penalty system stipulated herein will apply.

Enagás, S.A. may not transfer the shares of the subsidiaries carrying out regulated activities to third parties." Meanwhile, section 3 of Additional Provision 31 of this law states that:

"The restrictions of shareholding percentages and non transfer of the shares referred to in this provision are not applicable to other subsidiaries that ENAGÁS, S.A. may constitute for business activities other than transmission regulated by Article 66 of Act 34/1998, of October 7, on the hydrocarbons sector, management of the transmission network and technical management of the national gas system".

Meanwhile, article 6 bis of the company's Articles of Association ("Limitations on holdings in share capital") establishes that:

"No natural or legal person may hold a direct or indirect stake of more than 5% in the equity capital of the company, nor exercise voting rights in such company of over 3%. Under no circumstances may such shareholdings be syndicated. Those parties that operate within the gas sector, including those natural or legal persons that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the company of over 1%. These restrictions do not apply to direct or indirect interests held by public sector enterprises. Under no circumstances may share capital be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.

For the purposes of calculating the stake in that shareholding structure, the Hydrocarbons Industry Act shall apply.

Enagás may not transfer to third parties shares of the subsidiaries included in its Group that undertake transmission and technical management activities, which are regulated businesses under Hydrocarbons legislation."

2. When the company is controlled by another entity according to the definition set forth in Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it must make accurate public disclosures about:

   a) The respective areas of activity and any business relationships between the listed company or its subsidiaries on the one hand and the parent company or its subsidiaries on the other.

   b) The mechanisms in place to resolve possible conflicts of interest.

Compliant [ ]   Partially compliant [ ]   Explain [ ]
Not applicable [X]

3. During the ordinary general meeting the Chairman of the Board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

   a) Changes taking place since the previous ordinary general meeting.

   b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Compliant [X]   Partially compliant [ ]   Explain [ ]

4. The company should draw up and implement a policy on communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisers, that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Notwithstanding legal obligations to disclose inside information and other types of regulated information, the company must also have a general policy regarding the reporting of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social media or other channels) to enhance the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [X]   Partially compliant [ ]   Explain [ ]

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When the Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Compliant [X]   Partially compliant [ ]   Explain [ ]

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the ordinary general meeting, even if their distribution is not obligatory:

   a) Report on auditor independence.

   b) Reports of the operation of the audit committee and the appointments and remuneration committee.

   c) Report of the audit committee on related party transactions.

Compliant [X]   Partially compliant [ ]   Explain [ ]

7. The company should broadcast its general meetings live on the corporate website.

The company must have mechanisms in place to enable proxy voting and remote voting and also, if they are large-caps and to the extent proportionate, to attend and to actively participate in the General Shareholders' Meeting.

Compliant [X]   Partially compliant [ ]   Explain [ ]

8. The Audit Committee must make sure that the annual accounts which the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In those cases where the auditor has included any qualification in its audit report, the Chairman of the Audit Committee must clearly explain the opinion of the Audit Committee in terms of its content and scope at the General Shareholders' Meeting. A summary of this opinion will be made available to the shareholders at the time of publication of the notice of the meeting, along with other Board proposals and reports.

Compliant [X]   Partially compliant [ ]   Explain [ ]

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant [X] Partially compliant [ ] Explain [ ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

11. In the event that a company plans to pay for attendance at the general meeting, it should establish a general, long-term policy in this respect.

Compliant [ ] Partially compliant [ ] Explain [ ]
Not applicable [X]

12. The board of directors should perform its duties with unity of purpose and independent judgement, affording the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interests, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, customers and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Compliant [X] Partially compliant [ ] Explain [ ]

13. The Board of Directors should be of an optimal size to promote its efficient functioning and maximise participation. The recommended range is between five and fifteen members.

Compliant [X] Explain [ ]

14. The Board of Directors must approve a policy aimed at encouraging an appropriate composition of the Board of Directors and which:

a) Is concrete and verifiable.

b) ensures that proposals for appointment or re-election are based on a prior analysis of the skills required by the Board of Directors; and

c) that it encourages diversity of knowledge, experience, age and gender. Measures that encourage the company to have a significant number of senior female managers are considered to favour gender diversity.

The results of the prior analysis of the skills required by the board should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The appointments committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Compliant [X] Partially compliant [ ] Explain [ ]

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

The number of female directors should represent at least 40% of the members of the Board of Directors by the end of 2022 and onwards, and before that it must not be less than 30%.

Compliant [X] Partially compliant [ ] Explain [ ]

16. The percentage of proprietary directors out of all non-executive directors should not be greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Compliant [X] Explain [ ]

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of capital, independent directors should occupy, at least, a third of Board places.

Compliant [X] Explain [ ]

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the Director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a board member and subsequent re-elections.

e) Shares held in the company, and any options on the same.

Compliant [X] Partially compliant [ ] Explain [ ]

19. The Annual Corporate Governance Report, with prior verification by the Appointments, Remuneration and CSR Committee is to provide an explanation for the reasons Proprietary Directors were appointed at the behest of shareholders whose stake in the company is less than 3% of share capital, and reasons given for the rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of Proprietary Directors.

Compliant [ ] Partially compliant [ ] Explain [ ]
Not applicable [X]

20. Proprietary directors are to submit their resignation when the shareholder whom they represent fully disposes of their stake. They shall also do so, in the appropriate number, when that shareholder reduces their stake to a level requiring a reduction in the number of its proprietary directors.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the articles of association, except where just cause is found by the board, based on a report from the appointments and remuneration committee. In particular, it shall be understood that there is just cause when the director takes on new offices or assumes new obligations that prevent him from devoting the time necessary to perform the duties of the office of director, breaches the duties inherent to his position or is affected by one of the circumstances that cause him to lose his independent status in accordance with the provisions of applicable law.

The removal of independent directors may also be proposed as a consequence of offers for the takeover, merger or similar corporate actions affecting the company that may involve a change in the company's capital structure, whenever such changes in the board of directors arise under application of the proportionality criterion pointed out in Recommendation 16.

Compliant [X] Explain [ ]

22. Companies are to stipulate rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions at the company itself, that may harm the credit and reputation of the company. In particular, they are to inform the Board of Directors of any criminal cases for which they are under investigation, and of their legal proceedings.

If it has been informed of or has otherwise learned of any of the situations mentioned in the preceding paragraph, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide, after a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, asking the director to step down from their duties or propose their dismissal. It must be reported in the annual corporate governance report, unless special circumstances warrant it, in which case the details must be put down in the minutes. This is without prejudice to the company' disclosures, where appropriate, when the relevant measures are taken.

Compliant [X] Partially compliant [ ] Explain [ ]

23. All directors are to clearly express their opposition when they consider than any proposal subject to the decision of the board of directors may be detrimental to corporate interests. The independent directors and other directors who are not affected by the potential conflict of interest are to voice their opposition in a special manner whenever such decisions may be of detriment to shareholders not represented on the board of directors.

When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if he or she is not a director.

Compliant [ ] Partially compliant [ ] Explain [ ]
Not applicable [X]

24. When, either through resignation or by resolution of the general meeting, a director leaves their position before the end of their mandate, they shall properly explain the reasons for their resignation. Non-executive directors shall write down their opinion on the reasons why, if applicable, the General Shareholders' Meeting relieves them of their duties, in a letter to be sent to all members of the Board of Directors.

Aside from reporting such facts in the annual corporate governance report, insofar as it is relevant for investors, the Company must announce the departure as soon as possible, including sufficient reference to the reasons or circumstances provided by the Director.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

25. The Appointments Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve.

Compliant [X] Partially compliant [ ] Explain [ ]

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Compliant [X] Partially compliant [ ] Explain [ ]

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Compliant [X] Partially compliant [ ] Explain [ ]

28. When Directors or the secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Compliant [X] Partially compliant [ ] Explain [ ]

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant [X] Partially compliant [ ] Explain [ ]

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Compliant [X] Partially compliant [ ] Explain [ ]

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant [X] Partially compliant [ ] Explain [ ]

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the Board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so advise.

Compliant [X] Partially compliant [ ] Explain [ ]

34. When an independent leading director has been appointed, the articles of association or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairman give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those that have to do with the company's corporate governance; and coordinate the chairman's succession plan.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the good governance code of relevance to the company.

Compliant [X] Explain [ ]

36. The Board in full should conduct an annual assessment, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the Board's operation.

b) The performance and membership of its committees.

c) The diversity of board membership and competences.

d) The performance of the chairman of the board of directors and the company's chief executive.

e) The performance and contribution of individual directors, with particular attention to the chairman of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the appointments committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the assessment process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant [X] Partially compliant [ ] Explain [ ]

37. When there is an executive committee, it should include at least two non-executive directors, at least one of whom should be independent; and its Secretary should be the Secretary to the Board of Directors.

Compliant [ ] Partially compliant [ ] Explain [ ]
Not applicable [X]

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Compliant [ ] Partially compliant [ ] Explain [ ]
Not applicable [X]

39. All members of the audit committee, particularly its chairperson, should be appointed with regard to their knowledge and experience on accounting, auditing, and financial and non-financial risk management.

Compliant [X] Partially compliant [ ] Explain [ ]

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Compliant [X] Partially compliant [ ] Explain [ ]

41. The head of the unit responsible for the internal audit function should present the annual work plan to the audit committee for approval by the committee or the Board, report directly to it on its implementation, including any issues and limitations on scope arising in the course of its implementation, the results and follow-up of its recommendations, and submit an activities report at the end of each year.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Oversee and evaluate the preparation and integrity of financial and non-financial information, and the control and management systems for financial and non-financial risks relating to the Company and, as applies, its group, including operational, technological, legal, social, environmental, political and reputational risks or corruption and anti-bribery risks, making sure that regulatory requirements are met, that the consolidation scope is properly defined, and that accounting criteria are correctly applied.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, and removal of the head of the internal audit service; propose the service's budget; approve or propose approval to the Board of the annual internal audit orientation and work plan, ensuring that it focuses primarily on the main risks the company is exposed to (including reputational risks); receive regular report-backs on its activities; and verify that senior management is acting on the findings and recommendations of its reports.

c) Prepare and oversee a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors to report potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, concerning the company and which come to light within the company or its group. These mechanisms must guarantee confidentiality and, invariably, cover situations where cases may be reported anonymously, respecting the rights of the whistleblower and the accused.

d) In general, see to it that the policies and systems established for internal control are effectively implemented in practice.

2. With regard to the external auditor:

a) In the event of resignation of any external auditor, the committee should investigate the issues giving rise to the resignation.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the board in full to inform them of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X] Partially compliant [ ] Explain [ ]

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant [X] Partially compliant [ ] Explain [ ]

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

45. The risk control and management policy should identify or determine at least:

a) The different types of financial and non-financial risks the company is exposed to (including operational, technological, legal, social, environmental, political, reputational and those related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) A multi-tier risk control and management model, which will include a specialised risk committee where required according to industry regulations or where the company deems it appropriate.

c) The risk level the company sees as acceptable.

d) The measures in place to mitigate the impact of risk events should they occur.

e) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant [X] Partially compliant [ ] Explain [ ]

46. That under the direct supervision of the audit committee or, as the case may be, of a specialised committee of the board of directors, there is an internal function of risk control and management exercised by a unit or internal department of the company that has been assigned expressly the following functions:

a) Ensure the proper functioning of the risk control and management systems and, in particular, that all important risks affecting the company are identified, managed and quantified adequately.

b) Participating actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems mitigate risks adequately within the framework of the policy defined by the board of directors.

Compliant [X] Partially compliant [ ] Explain [ ]

47. Members of the Appointments and Remuneration Committee - or of the appointments committee and remuneration committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Compliant [X] Partially compliant [ ] Explain [ ]

48. Large cap companies should operate separately constituted appointments committees and remuneration committees.

Compliant [X] Partially compliant [ ] Explain [ ]

49. The appointments committee should consult with the board's chairman and chief executive officer, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the appointments committee to propose candidates that it might consider suitable.

Compliant [X] Partially compliant [ ] Explain [ ]

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the board the standard conditions for senior managers contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior managers in the company.

d) Ensure that possible conflicts of interest do not undermine the independence of any external advice offered to the committee.

e) Verify the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration.

Compliant [X] Partially compliant [ ] Explain [ ]

51. The remuneration committee should consult with the chairman and chief executive, especially on matters relating to executive directors and senior managers.

Compliant [X] Partially compliant [ ] Explain [ ]

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board Committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) Committees should be chaired by an independent director.

c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide reports on their activities and work at the first board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be recorded/notified in the minutes and a copy made available to all board members.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

53. The task of supervising compliance with the company's policies and rules on environmental, social and corporate governance issues and internal codes of conduct should be assigned to one board committee or split between several, which could be the audit committee, the appointments committee, the sustainability committee or the corporate social responsibility committee or any other specialised committee that the Board of Directors, in exercise of its powers of self-organisation, has decided to create. Such a committee must be made up solely of non-executive directors, the majority of whom should be independent and should be specifically assigned the minimum functions indicated in the following recommendation.

Compliant [X] Partially compliant [ ] Explain [ ]

54. The minimum functions referred to in the above recommendation are as follows:

a) Overseeing compliance with corporate governance rules and the company's internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) Overseeing the application of the general policy for reporting economic-financial, non-financial and corporate information, reporting to shareholders and investors, proxy advisers and other stakeholders. Oversight of the way in which the company communicates with and relates to small and medium sized shareholders.

c) Evaluation and periodic review of the corporate governance system and the company's environmental and social policies, to confirm that they fulfil its mission of promoting the corporate interest and catering, as appropriate, to the legitimate interests of other stakeholders.

d) Monitoring that the company's practices in environmental and social matters are aligned with the set strategy and policies.

e) Monitor and assess the processes of liaising with different stakeholders.

Compliant [X] Partially compliant [ ] Explain [ ]

55. Ensure that sustainability policies in environmental and social matters identify at least:

a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) Mechanisms for monitoring non-financial risk, including those related to ethics and business conduct.

d) Channels for stakeholder engagement, participation and dialogue.

e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Compliant [X] Partially compliant [ ] Explain [ ]

56. Directors' remuneration should be sufficient to attract and retain individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant [X] Explain [ ]

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Compliant [X] Partially compliant [ ] Explain [ ]

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

59. For variable remuneration components to be paid it must be properly verified that the performance or other pre-defined conditions have been effectively met. In the annual report on directors' remuneration, companies shall include the criteria for the time required and the methods for such verification, depending on the nature and characteristics of each variable component.

Companies must also consider introducing a malus clause based on the deferral for a sufficient period of time of the payment of a part of the variable components, in which they are totally or partially forfeited if an event occurs prior to the time of payment whereby it is deemed advisable to do so.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduce their amount.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

62. Once the shares, options or financial instruments which are part of the remuneration systems have been allocated, executive directors should not be able to transfer ownership or exercise them until at least three years have elapsed.

This is unless the director maintains, at the time of the transfer or exercise, a net economic exposure to share price changes of a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

This exception shall not apply to shares that the director may need to dispose of to cover the costs related to their acquisition or to cope with extraordinary situations that require it, in this latter case depending on the favourable opinion of the Appointments and Remuneration Committee.

Compliant [ ] Partially compliant [X] Explain [ ]
Not applicable [ ]

In accordance with the request dated October 6, 2022, addressed by the Corporate Financial Reporting Department of the National Securities Market Commission to Enagás, S.A. to respond to the points raised regarding clarifications and rectifications of the information contained in the ACGR, Enagás clarified in its letter dated October 27, 2022, that it partially complies since its Directors' Remuneration Policy includes a retention period of two years.

The Policy also requires the executive director to maintain an exposure equivalent to twice his annual fixed remuneration by holding shares, options or other financial instruments. The Policy sets a time limit of 5 years from the approval of the Policy to reach this amount.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Compliant [X] Partially compliant [ ] Explain [ ]
Not applicable [ ]

64. Payments for termination or expiry of the contract should not exceed an amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that said director has met the conditions or criteria established for their collection.

For the purposes of this recommendation, termination or contractual termination payments include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant [ ] Partially compliant [X] Explain [ ]
Not applicable [ ]

In accordance with the request dated October 6, 2022, addressed by the Corporate Financial Reporting Department of the National Securities Market Commission to Enagás, S.A. to respond to the points raised regarding clarifications and rectifications of the information contained in the ACGR, Enagás clarified in its letter dated October 27, 2022 that it partially complies with the recommendation given that 80% of the fixed annual remuneration for each of the two years corresponding to the post-contractual non-competition agreement should be added to the two years' total annual remuneration for termination or extinction. The latter amount will not be paid if at the time of termination of the contract the Executive Director had vested an equivalent or higher amount in the Directors' Social Security Plan.

H. OTHER INFORMATION OF INTEREST

1. **If you consider that there is any material aspect or principle relating to corporate governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.**

2. **You may include in this section any other information, clarification or observation related to the above sections of this report.**

Specifically, indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. **Also state whether the company voluntarily subscribes to other international, sectoral or other ethical principles or standard practices. If applicable identify the code and date of adoption. In particular, it will mention whether or not it has adhered to the Code of Good Tax Practices, of July 20, 2010:**

The Board of Directors of Enagás, S.A., unanimously agreed to the Company signing up to the Code of Good Tax Practices, promoted by the Large Companies Forum and the AEAT. The company joined on April 21, 2017 and the Company complies with its contents.

This report includes the following Appendices in an attached document.

APPENDIX I. - Explanatory notes.

APPENDIX II.- Activity Report of the Audit and Compliance Committee, 2022.

APPENDIX III.- Audit opinion on Internal Control over Financial Reporting ("ICFR"), 2022.

APPENDIX IV.- Audit opinion on the Annual Corporate Governance Report, 2022.

APPENDIX V.- Annual Corporate Governance Report, 2022 (English version).

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on:

20/02/2023

List whether any directors voted against or abstained from voting on the approval of this Report.

[ ] Yes

[√] No

APPENDIX I, EXPLANATORY NOTES

Explanatory note on section A.2.-

The list of direct and indirect holders of significant stakes set out in section A.2 of this Report includes those significant shareholders who on December 31, 2022 qualified as such in the relevant official register of the Spanish National Securities Market Commission (CNMV). The foregoing is independent of the question of whether or not the issuer received timely notice from any relevant shareholder in pursuance of Article 23 of Royal Decree 1362/2007, of October 19.

Explanatory note on section A.3.-

The table for this section uses information published in the Official Registers of the CNMV, in accordance with the communication filed by the Company's Directors.

Explanatory note on section A.6.-

This refers to Mr Bartolomé Lora Toro as the natural person representative of the Director of the Sociedad Estatal de Participaciones Industriales (SEPI).

Explanatory note on section A.8.-

At the date of preparation of this report, the SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI), in addition to having a seat on the Board, also had a significant holding (5%) in the share capital of Enagás, S.A.

SEPI cannot exercise control over Enagás, S.A. as it is not in any of the circumstances set out in Article 5 of the Spanish Securities Market Act 24/1988, of July 28 (hereinafter "LMV").

Accordingly, no natural or legal person exercises or could exercise control over Enagás, S.A in accordance with Article 5 of the LMV.

Explanatory note on section A.12.-

Further text of section 2 of the 31 additional provision of the Hydrocarbons Sector Law 34/1998, of October 7 (hereinafter, also called "LSH"):

(...) "For the purposes of calculating the stake in that shareholding structure, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by Article 4 of Act 24/1988, of July 28, on the Securities Market, stakes shall be attributed to one and the same natural or legal person when they are owned by:

a) Those parties who act in their own name but on behalf of that natural or legal person in a concerted fashion or forming a decision-making unit with them. Unless proven otherwise, the members of a governing body shall be presumed to act on account of or in concert with that legal person.

b) To partners with whom it exercises control over a dominant company in accordance with Article 4 of the LMV".

In any event, regard shall be had to the proprietary ownership of the shares and other securities and the voting rights attached to each.

Non-compliance with the limit on interests in the share capital referred to in this Article shall be deemed a very serious breach in accordance with the terms set out in Article 109 of this Law. Responsibility shall lie with the natural or legal persons found to be the owners of the securities or whoever the excess interest in the share capital or in the voting rights can be attributed to, pursuant to the provisions of the preceding paragraphs. Whatever the case, the penalty system stipulated herein will apply.

Enagás, S.A. may not transfer the shares of the subsidiaries carrying out regulated activities to third parties".

Meanwhile, section 3 of Additional Provision 31 of this law states that:

"The restrictions of shareholding percentages and non-transfer of the shares referred to in this provision are not applicable to other subsidiaries that ENAGÁS, S.A. may constitute for business activities other than transmission, regulated by Article 66 of Law 34/1998, of October 7, on the Hydrocarbons Sector, management of the transmission network and technical management of the national gas system".

Restrictions under the Company's Articles of Association:

In accordance with the aforementioned legal provision, Article 6 bis of Enagás' Articles of Association ("Limitations on holdings in share capital") establishes that:

"No natural or legal person may hold a direct or indirect stake of more than 5% in the equity capital of the company, nor exercise voting rights in such company of over 3%. Under no circumstances may such shareholdings be syndicated. Those parties that operate within the gas sector, including those natural or legal persons that directly or indirectly possess equity holdings in the former of more than 5%, may not exercise voting rights in the Company of over 1%. These restrictions do not apply to direct or indirect interests held by public sector enterprises. Under no circumstances may share capital be syndicated.

Likewise, the combined total of direct or indirect holdings owned by parties that operate within the natural gas sector may not exceed 40%.

For the purposes of calculating the stake in that shareholding structure, the Hydrocarbons Industry Act shall apply.

Enagás may not transfer to third parties shares of the subsidiaries included in its Group that undertake transmission and technical management of the system, which are regulated businesses under Hydrocarbons legislation".

Explanatory note on section C.1.3.-

In the table relating to External Proprietary Directors, in the SEPI profile, it lists its natural person representative as Mr Bartolomé Lora Toro.

Explanatory note on section C.1.9.-

The Chief Executive Officer, Mr Arturo Gonzalo Aizpiri, has been delegated, among others, the following powers:

JOINT AND SEVERAL POWERS OF REPRESENTATION

Powers exercisable jointly or severally and without limit of amount:

1. Carry out all kinds of acts, legal transactions and contracts, acts of administration, obligations and disposal, and acquisition of property in fee simple, with any natural or legal person, including but not limited to those listed below.

(…)

14. Collect whatever is payable to him for any reason, in bills, cheques, promissory notes, or by deposit in a bank account, by public or private bodies in the European Union, other international organisations, by central, regional, provincial, local government authorities, executive agencies, government depositaries and, in general, by any private natural or legal person in the public or private sectors; establish and settle balances, determine the form of payment of amounts owed to the Company, grant extensions of deadlines, set payment terms and conditions; cash orders of payment from the central, regional or local government tax authorities, including receiving from central government tax offices or other agencies money in cash or any means that represents it and accept the refund of amounts paid in tax.

14. BIS. Individually represent the Company, both in and out of court.

15. Represent the Company in dealings with third parties, whether natural or legal, public or private, and before all kinds of authorities, public officials, boards and collegiate bodies, chambers, committees, associations, public property registers, companies registers, or public registers of any other kind, trade unions, mutual insurance companies, executive or non-executive agencies, whether autonomous or otherwise, directorates, regional offices of any kind of central, regional, provincial or local government authorities and any other public entities of any level or jurisdiction, whether Spanish or otherwise, whatever their name or nature; exercise any rights, remedies, claims and defences relating to the Company; formulate petitions and in connection with all types of proceedings, file claims and appeals of any kind, including motions for reconsideration and appeals for review, in which the Company has an interest, either in proceedings initiated by the Company or in those of others that directly or indirectly affect the Company; file them, take part in the processing of them; formulate and respond to representations, propose and examine evidence; apply for stays and adjournments; discontinue and abandon or in any other way withdraw from them, at any stage of the proceedings; execute and enforce agreements, detachments and return of documents; request and respond to certificates and summonses, be they governmental, notarial or of any other nature; request certificates, depositions and authentic copies; take delivery from public authorities, including post and telegraph offices and customs officers, of all kinds of papers, objects, goods and consignments in general addressed to the company, executing any notarial instruments or documents under hand required for such withdrawal or dispatch.

15. BIS. Represent the Company at all assemblies and/or meetings of the management bodies of companies, with the power to speak at them, take the decisions they deem appropriate, and exercise the rights of the Company thereat.

16. Make formal appearances in representation of the company before courts and tribunals of any branch or level, whether in the civil, criminal, administrative, social or labour or any other jurisdiction, and before any arbitrator or arbitration body, of all levels, both domestic and foreign, whatever their territorial scope, and before any other authority, justice system, prosecutor's office, boards, centres, offices, departments, panels, bodies and officers belonging to the judiciary and the administration of justice, of any branch and level, and before them make sworn or ordinary statements and respond to interrogatories in court under non-determinative oath; initiate, pursue and complete as principal, defendant, partner in joinder of parties, coadjutor or in any other capacity, all types of judicial proceedings before any jurisdiction; file, pursue and waive appeals of any kind, including governmental and administrative appeals, and motions for reconsideration, rehearing, appeals for review to the same or a higher court, applications to the Supreme Court on the ground of manifest injustice of a previous decision, appeals against refusal of leave to appeal, actions to have decisions declared void, appeals on the ground on lack of jurisdiction, actions for enforcement of rights or any other legally permitted ordinary or extraordinary appeals, and the abandonment, discontinuance or any other form of withdrawal from proceedings in which the company has an interest, as well as all kinds of proceedings, including conciliation proceedings, with or without a pre-trial settlement, proceedings of voluntary jurisdiction, governmental, notarial, mortgage and tax proceedings and, accordingly, to bring, respond to and pursue through all their formalities and levels until their conclusion all kinds of actions, claims, complaints, criminal actions, accusations, pleas and defences, and exercise any other causes of action, ratifying them whenever personal ratification is required; choose venues and submit implicitly or explicitly to jurisdictions; give evidence as a legal representative at any of the aforementioned proceedings, petition for stays of proceedings; make, request, receive and comply with summonses, notifications, citations and service of process; apply for joinders, attachments, cancellations, enforcements, dispossessions, filings, auctions of assets, statements and assessments of costs; raise issues of jurisdiction and preliminary issues; challenge witnesses; furnish and challenge evidence, waive evidence and the transfer of proceedings to another court; agree to favourable rulings; provide and withdraw payment bonds and deposits as and when required by the court; provide sureties, make judicial deposits and, in both cases, request they be refunded as and when appropriate, and execute and enforce court rulings.

17. Attend, speak and vote at meetings that are held in bankruptcy proceedings, whether fault-based or otherwise, and in temporary receivership proceedings and arrangements with creditors while they remain in force, approve and challenge creditors' claims and their ranking, appoint and accept appointments as receivers and administrators, appoint representatives; accept and reject debtors' proposals and appoint members of conciliation bodies.

18. Confer powers on court representatives and counsel, freely chosen by him, with general powers for litigation and special powers freely established in each case, including those of responding to interrogatories in court, reaffirming positions, withdrawing and abandoning actions, signing such public or private documents as may be necessary for the exercise of such powers.

19. Enter into contracts of any kind with central, regional, provincial and local government authorities and executive agencies and, in general, with any natural or legal person in the public or private sectors, including contracts for works, supplies and services (excluding regasification, gas transmission and storage, and gas supply contracts); arrange auctions, calls for bids, competitive tendering, direct procurement or any other legal form of procurement; sign proposals and procurement specifications, award contracts and accept contract awards, sign the related contracts and any public and private documents that may be required for their formalisation, fulfilment or performance and discharge.

19. BIS.

A.- Sign confidentiality agreements;

B.-Bid and take part in all kinds of auctions and procurement processes and any other form of tender issued in relation to the provision of engineering, operation and maintenance and work execution services. To this end, submit the appropriate tenders, including jointly with other entities, and sign any public or private instruments necessary in relation to the aforementioned tenders.

C.- Enter into, assign, amend and terminate contracts with any natural or legal person whose purpose is the execution or provision by the Company of training, engineering, operation and maintenance and work execution services (the "Services").

D.- Enter into memorandums of understanding, and partnership and consortium agreements with other entities in relation to the Services.

E.- Sign contracts and documents for the engagement of the services of external advisors in relation to the Services.

19. Take the necessary steps to establish arrangements with central, regional, provincial and local government authorities and their agencies concerning all kinds of public prices, levies, whether they be charges, taxes or rates, that affect the Company, agree to such arrangements and for this purpose approve, agree to and sign any covenant, contract or accord referring thereto.

20. Buy, sell, lease, purchase under a preferential right, assign, subrogate, contribute, encumber, exchange unconditionally or subject to conditions, at a declared price, deferred or paid in cash, all kinds of goods and real estate; establish, accept, modify, acquire, dispose of, defer, terminate and cancel, fully or partially, payment bonds, pledges and other security interests in favour of third parties.

21. Lease property as the lessor or lessee thereof.

22. Enter into finance lease agreements, subject to such terms and conditions as he may freely determine.

23. Buy, sell, lease, purchase under a preferential right, assign, subrogate, contribute, encumber, exchange unconditionally or subject to conditions, at a declared price, deferred or paid in cash, all kinds of real estate; establish, accept, modify, acquire, dispose of, defer, terminate and cancel mortgages, easements and other rights in rem over real estate, whether of common law or foral law (administrative law particular to the Basque Country and Navarre), and also prohibitions, conditions and all kinds of restrictions on real estate; provide real estate collateral guarantees in favour of third parties.

25. File declarations of construction and cultivation, definition and demarcation of boundaries, grouping together, aggregation, segregation and division of property, and organise buildings under condominium arrangements.

26. Apply for official franchises and authorisations, permits and licences, and complete all the formalities to obtain them, and to renew, amend or cancel them as may be necessary or appropriate.

27. Negotiate and establish with owners affected by future gas installations, whether or not there are compulsory purchase proceedings pending, the imposition of rights of way for pipelines and ancillary components and the purchase of land on which to install gas distribution and regulation chambers or other components that depend on or belong to the networks of the Company granting the power of attorney, arranging for this purpose such mutually agreed transactions, clauses and prices that he considers to be fair, and signing public and private documents of any kind, regardless of the amount involved, and cancel rights of way fully or partially.

28. Initiate any proceedings for compulsory purchase in which the Company has an interest, make formal appearances thereat and make the representations that he considers appropriate, request and conduct expert appraisals, request and receive compensation and, in general, participate in such proceedings in all formalities and appeals related thereto without limitation, executing and signing for the purpose public or private documents of any kind.

29. With regard to proceedings for compulsory purchase, imposition of rights of way and temporary occupation governed by the Law and Regulations on Compulsory Purchase that are instituted by the Company granting power of attorney for the construction of gas pipelines, networks and branches and ancillary installations, they may:

    a) Formulate requests and petitions, request and respond to certificates and summonses of all kinds, request affidavits, certificates and certified copies in which the Company has an interest, in dealings with natural and legal entities in the public or private sectors, without any exception.

    b) Make and withdraw deposits of any kind, including cash, at public entity depositaries of any kind and those held by natural or legal persons, at any of their offices and agencies.

    c) Attend the drawing up of official records of facts and events prior to and after the completion of compulsory purchase actions.

    d) Group together, aggregate, segregate and divide real estate, making the filings relating thereto with the relevant Property Registers.

    e) Arrange for the imposition of rights of way and title restrictions and for the acquisition and occupation by mutual agreement of property and rights affected by the laying of gas pipelines, their networks and branches and ancillary installations, fixing prices and conditions.

    f) Discharge or redeem any charges or liens affecting the properties, fixing the price and conditions of such redemption.

    g) Authorise, and as appropriate, empower by granting power of attorney to such persons as he considers appropriate to represent the Company at the official recording of facts and events prior to and at the time of the occupation of properties affected by compulsory purchase proceedings.

30. Enter into contracts with any natural or legal persons in the public or private sectors for the long-term provision of services of regasification, transmission and storage, procurement of points of entry to the Company's gas system, gas supply and any other contract for the provision of services connected with the gas business and ancillary activities.

31. Enter into contracts with any natural or legal persons in the public or private sectors for the short-term provision of services of regasification, transmission and storage, procurement of points of entry to the Company's gas system, gas supply, connection to installations and any other contract for the provision of services connected with the gas business and ancillary activities.

32. Set up, merge, change the corporate form, dissolve and wind up, take part in the enlargement or modification, of any kind of companies, partnerships, Economic Interest Groupings, European Economic Interest Groupings and joint ventures, represent the Company in them, attend or take part in all kinds of meetings, holding office and appointing officers and representatives as he considers appropriate; contribute to commercial companies all kinds of assets, receiving in payment the relevant shares, equity interests, scrip certificates, convertible or non-convertible debentures, option rights or shares and, in the case of dissolution, the relevant assets. Establish share syndication agreements.

33. Apply for entries to be made at the Property and Companies Registers; send, receive and respond to summonses and notifications and request notarial certificates of all kinds, signing certificates of attendance and any other formality connected with them.

34. Apply for the registration of trademarks and trade names, patents of invention and introduction, utility models and other modalities of industrial property, or challenge and denounce any attempted or effective misappropriation of the name, trademarks and countersigns of Company products and counterfeits of them, initiating and pursuing the appropriate proceedings and making formal appearances in proceedings initiated by others, making statements, providing proof and petitioning as appropriate.

35. Acquire and dispose of intellectual and industrial property rights.

36. Act as senior manager of all the services of the Company. Organise, direct and inspect all of the Company's services and installations and verify audits of Company funds.

37. Hire and dismiss personnel employed by the Company, of whatever kind and category, appoint and remove them from their duties, stipulating their pay, duties and tasks, and the remuneration payable for extraordinary services.

37. BIS. Enter into contracts, assign, amend and terminate them with third parties, natural or legal persons, for the purpose of labour relations and human resources management, including but not limited to:

    (i) contracts for the receipt of services by the personnel of the Company and its Group; (ii) contracts with advisors and consultants; (iii) covenants and partnership agreements with companies, associations, foundations and NGOs in the field of corporate volunteering and actions of a similar nature; (iv) confidentiality agreements.

38. Grant loans and credits to Company staff and agree subsequent renewals, alterations, subrogations and cancellations thereof.

39. Grant payment bonds and personal and in rem guarantees to Company staff as surety for the fulfilment of personal and mortgage loan contracts granted to Enagás personnel.

40. Negotiate and sign on behalf of the Company any kind of general or partial collective agreements and any other type of pact, agreement or arrangement with the Company staff, trade unions or administrative or judicial authorities that are competent in matters of labour and social security.

41. Issue any kind of certificates, identity cards and other documents with the details of Company staff that are contained in the company record books and files.

42. Sign all documentation to do with social security, accidents at work insurance, enrolments and dis- enrolments, filings and changes; initiate and pursue claims before the Spanish National Institute of Social Security and offices thereof, mutual insurance companies, benefit societies and insurance companies.

43. Make formal appearances and represent the Company in dealings with the regional traffic department and offices thereof, in order to register, transfer and scrap any type of vehicle belonging to the Company and to register and de-register them as appropriate.

44. Take delivery of letters, certificates, dispatches, parcels, postal orders and declared value items from communications offices, and of goods and property shipped from shipping companies, customs and agencies. Receive, open, answer and sign any kind of correspondence and keep the Company's books in accordance with the law.

45. Sign any public or private documents that may be necessary in order exercise the powers granted hereunder as effectively as possible.

46. Request and obtain electronic signature certificates from authorised providers of certification services and use the electronic signature whenever he considers it appropriate in accordance, at all times, with the applicable rules on electronic signatures.

47. Grant such powers of attorney as he considers necessary, being able to confer each and every one of the aforementioned powers granted hereunder or part of them on such person or persons as he considers appropriate. He may also revoke the powers granted by the Board of Directors, by himself or by other Company bodies.

JOINT POWERS.

The Chief Executive Officer, without prejudice to the provisions of Article 234 of the Corporate Enterprises Act in relation third parties, shall exercise the powers included in this section, it being understood for these purposes as part of Group A, jointly with a proxy of the Group B company up to a limit of 30 million euros or with a proxy of the Group C company up to a limit of 20 million euros. Except for powers 12 and 13, which may be exercised jointly or severally:

1. Enter into all types of banking arrangements including: factoring, leasing, lease financing, reverse factoring and any other similar banking arrangements with any Spanish or foreign bank, including the Bank of Spain and the branches thereof, the European Investment Bank, the Spanish Official Credit Institute, registered savings banks, savings banks, post office savings banks, the Confederation of Spanish Savings Banks, the General Deposit Fund or any other similar Spanish or foreign trading, transfer, exchange or credit institution.

2. Open, monitor, cancel or drawn down from ordinary current accounts or credit, sight or fixed-term deposit accounts, secured through a security interest, personal guarantee, pledged securities or trade notes, with or without a guarantee.

3. In relation to ordinary current or credit accounts, at sight or fixed-term, opened by the Company, draw, draft, accept, endorse, take, sign, check, protest, pay and negotiate all kinds of bills of exchange, financial bills, credit or non-credit policies, promissory notes, cheques and other bank, trade, draft or exchange bills; make drafts and transfers, or any other accepted system or mechanism, deposit and withdraw amounts and voluntary or necessary deposits of money or securities, signing the necessary documents for their formalisation.

4. Obtain and award loans or credits, with or without collateral or personal guarantees, including the pledging of securities, and arrange subsequent renewals, amendments, subrogations and cancellations. Acquire and extend credits.

5. Grant, accept, request, obtain, cancel and withdraw bonds, sureties and guarantees, both personal and in rem, in favour of third parties to guarantee its own obligations or those of other Enagás Group companies.

6. Enter into discounting arrangements for promissory notes issued by the company with banks and financial institutions authorised to perform discounting, and enter into a loan or other financing arrangements represented by promissory notes with these entities; arrange subsequent renewals, amendments, subrogations and cancellations and contract agency services to facilitate such financing arrangements.

7. Buy and sell shares, debentures, bonds, stakes and any other type of security or instrument, and collect any yield from these.

8. Pay in bearer cheques paid to the Company, signing the reverse, for the sole purpose of paying them into the current accounts held with the Bank of Spain, and other banks, credit institutions and savings banks.
9. Arrange transfers between current and credit accounts or loan accounts set up in the Company's name through bank transfers, bank cheques or any other accepted payment system or mechanism in all types of banks, including the Bank of Spain, savings banks and other credit institutions, both Spanish and foreign.
10. Grant and accept loans between Enagás Group companies, and agree on successive renewals, alterations, subrogations and repayments.
11. Make payments to settle invoices for gas purchases and settle taxes by personal cheque, bank giro or transfer, bank cheque or any other accepted payment system or mechanism from ordinary current accounts and credit, sight or fixed-term deposit accounts opened by the Company, to which end any type of document may be signed.
12. Authorise employees of the Company to withdraw funds from company accounts.
13. Grant such powers of attorney as he considers necessary, being able to confer each and every one of the aforementioned powers granted hereunder or part of them on such person or persons as he considers appropriate. He may also revoke the powers granted by the Board of Directors, by himself or by other Company bodies.

LIMIT TO THE EXERCISE OF POWERS.

The aforementioned powers (whether joint and several or joint) may not be exercised in any of the following circumstances:

a) Making investments or transactions of any type that, due to their high amount or special characteristics, represent a strategic or special fiscal risk for the Company.

b) Carry out any action that, in accordance with the Corporate Enterprises Act, is a non-delegable power either of the Board of the Company or of the Board of Directors of the Company.

c) Creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a similar type that, by their nature, might impair the transparency of the Company or the Group.

d) Carrying out transactions with related parties, except in the case of delegation as referred to in Article 529 duovicies paragraph 4 of the Corporate Enterprises Act.

Explanatory note on section C.1.10.-

The Director Mr Arturo Gonzalo Aizpiri also holds the position of Director of Tallgrass Energy G.P., a company that is not part of the Enagás Group and in which Enagás S.A. holds a 30.2% indirect stake.

Explanatory note on section C.1.14.-

During financial year 2022, the total remuneration of the Senior Management of the Company amounted to 9,558 thousands of euros.

This amount includes the remuneration received by the Technical System General Manager (Mr Diego Vela Llanes from January 1, 2022 to June 30, 2022 Ms Susana de Pablo García from June 20, 2022 to December 31, 2022.

This amount includes the remuneration received by the Chief Financial Officer (Mr Borja Garcia-Alarcón Altamirano from January 1, 2022 to June 20, 2022 and Mr Luis Romero Urrestarazu from June 20, 2022 to December 31, 2022).

This amount includes the remuneration received by the Strategy General Manager (Ms María Sicilia Salvadores since January 1, 2022 to June 19, 2022 and the Energy Transition General Manager, Ms Natalia Latorre Arranz from June 21, 2022 to December 31, 2022).

This includes the remuneration received by the secretary to the Board, Mr Rafael Piqueras Bautista from January 1, 2022 to June 19, 2022 and the Legal Services and Corporate Affairs General Manager, Mr Diego Trillo Ruiz, from June 20, 2022 to December 31, 2022.

This amount includes the remuneration received by the Deputy General Manager (Mr Juan Andrés Díez de Ulzurrun Moreno from January 1, 2022 to June 30, 2022).

This amount includes the remuneration received by the General Manager of Enagás Renovable y Servicios (Mr Antonio Martínez Rodriguez from January 1, 2022 to June 19, 2022).

This includes the remuneration received by the Director of Audit, Control and Risk (Ms Rosa Sánchez Bravo).

Explanatory note on section C.1.16.-

DURATION IN CHARGE AND CO-OPTION:

Article 10 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors stipulates that Directors may hold office for a period of four years, and may be re-elected for similar periods. Directors appointed by co-option will perform their duties until the date of the first General Meeting, or until the date of the following meeting, if the vacancy arises after the General Meeting has been convened and before it is held.

RE-ELECTION OF DIRECTORS:

Article 11 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors stipulates that the Sustainability and Appointments Committee, responsible for evaluating the quality of work and dedication to their offices of the Directors proposed during the previous term of office, shall provide the information required to assess proposals for re-election of Non-Independent Directors presented by the Board of Directors to the General Meeting and proposals for the re-election of Independent Directors.

Proposals for re-election shall always be accompanied by a report from the Board justifying the competencies, experience and merits of the candidate. This report shall be attached to the minutes of the General Meeting or of the Board.

As a general rule, appropriate rotation of Independent Directors should be ensured. For this reason, when an Independent Director is proposed for re-election, the circumstances making this Director's continuity in the post advisable must be justified.

REMOVAL:

Directors shall leave their post after the first General Meeting following the end of their term of appointment and in all other cases in accordance with the law, the Articles of Association and the Board's Regulations (Article 12.1 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors).

The Board of Directors shall not propose the removal of Independent Directors before the expiry of their tenure as established on the Articles of Association, except where just cause is found by the Board, based on a report from the Sustainability and Appointments Committee. In particular, it shall be understood that there is just cause when the Director takes on new offices or assumes new obligations that prevent them from devoting the time necessary to perform the duties of the office of Director, breaches the duties inherent to their position or is affected by one of the circumstances that cause them to lose their independent status in accordance with the provisions of applicable legislation (Art. 12.3 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors).

Explanatory note on section C.1.30.-

In relation to the financial year 2022:

Enagás' Audit Committee, in accordance with section 4.e) of article 529 quaterdecies of the Corporate Enterprises Act, has established the appropriate relations with the Accounts Auditor, in order to receive all the information necessary to assess its independence, as well as to evaluate the process of carrying out the audit of the accounts. The External Auditor has not informed Enagás of any issue concerning lack of independence. In turn, the Accounts Auditor appeared before the Board of Directors on the occasion of the approval of the six-monthly interim Financial Statements and of the preparation of the Annual Accounts. The External Auditor did not inform of any issue concerning lack of independence.

Likewise, the Audit, Control and Risk Department submitted each and every one of the services provided by the auditor of Enagás, S.A. and its tax consolidation group during the financial year 2022 to the Audit and Compliance Committee, in its different meetings, for its approval:

- On February 14, 2022, the Audit, Control and Risk Department submitted the amount of fees to be received for those recurrent services that Ernst & Young will provide to Enagás, S.A. and its consolidated group during financial year 2022 to the Audit and Compliance Committee for its approval.
- At all Committee meetings held in 2022, the Audit, Control and Risk Department submitted to the Committee for approval the update of the itemised fees for recurring services, due to adjustments in fees during the year; reporting in its quarterly activity report on the total fees for services contracted with the external auditor approved during the year, the adjustments made, as well as the progress of the ratio of non-audit services.

The Auditor also informed the Audit and Compliance Committee at its various sessions in 2022 about independence issues:

- At the meeting of the Audit and Compliance Committee on February 14, 2022, the External Auditor presented its conclusions on the audit of the annual accounts of Enagás, S.A. and its consolidated group at December 31, 2021, and submitted the Letter of Independence to the Audit and Compliance Committee.
- At the meeting of the Audit and Compliance Committee on April 21, 2022, the external auditor presented the auditor independence report on the individual financial statements of Enagás Financiaciones, S.A.U. for the year ended December 31, 2021, given its status as a Public Interest Entity and in accordance with applicable auditing standards; and, in the presentation of the conclusions of the limited review of the first quarter, expressed his compliance with the independence requirements, identifying no circumstances which, individually or as a whole, could pose a significant threat to his independence and which, therefore, would require the application of safeguard measures or which could constitute grounds for incompatibility.
- At the meeting of the Audit and Compliance Committee on July 21, 2022, the external auditor presented in the limited review report on the Interim Condensed Consolidated Financial Statements of Enagás and its Subsidiaries at June 30, 2022, his compliance with the independence requirements, identifying no circumstances which, individually or as a whole, could pose a significant threat to his independence and which would, therefore, require the application of safeguard measures or which could constitute grounds for incompatibility.

- At the meeting of the Audit and Compliance Committee on October 20, 2022, the external auditor, in the presentation of the conclusions of the limited review of the third quarter, expressed his compliance with the independence requirements, identifying no circumstances which, individually or as a whole, could pose a significant threat to his independence and which, therefore, would require the application of safeguard measures or which could constitute grounds for incompatibility.
- At the meeting of the Audit and Compliance Committee on December 19, 2022, the external auditor, in the presentation of the preliminary findings for the year-end 2022, expressed compliance with the regulations governing the auditing of accounts in terms of ethics and independence, compliance with the regulations applicable to the auditing of annual accounts in Spain, in line with the provisions of article 6.2b) of the European Regulation 2014/537, the performance of an examination with the Audit and Compliance Committee of the threats to its independence and the safeguard measures adopted to mitigate them, as well as compliance with the procedures that the auditing firm EY has implemented to identify and assess any threats that may arise from circumstances related to audited entities, including those that may involve causes of incompatibility and, where appropriate, apply the necessary safeguard measures. Finally, in relation to the annual accounts of Enagás, S.A. and its consolidated group, he stated that all audit and non-audit services to be performed are subject to presentation to and pre-approval by the Audit and Compliance Committee.
- On February 20, 2023, the External Auditor sent the Committee a written confirmation of its independence in connection with the audit of the accounts for the financial year 2022, stating that:

"The audit engagement team, the statutory auditor or audit firm and, where appropriate, other persons within the audit firm and, where applicable, other firms in the network, with any applicable extensions, have complied with the applicable independence requirements in accordance with the provisions of Law 22/2015 of July 20, on the Audit of Accounts and Regulation (EU) No. 537/2014 of April 16".

They conclude by stating "...No circumstances have been identified that, either individually or as a whole, could prove a significant threat to our independence and would require the application of safeguards or could prove to be causes of incompatibility."

Lastly, the Audit and Compliance Committee of Enagás, S.A. and its subsidiaries, pursuant to the provisions of article 529 quaterdecies 4.f) of the Corporate Enterprises Act, issued its report on the independence of the auditor of Enagás S.A. and its subsidiaries during the financial year 2022 on February 20, 2023, prior to issuing the Audit Report. This report expresses an opinion on the independence of the accounts auditors, and contains a reasoned assessment of the provision of each and every one of the services rendered by the External Auditor, assuring that these do not impair its independence, under prevailing law and regulations for the auditing of accounts.

This report was duly published on the Company's website, in accordance with recommendation 6. A) of the Good Governance Code of Listed Companies.

With regard to the **mechanisms introduced to preserve the independence of financial analysts, investment banks and ratings agencies**, we should mention that Enagás regulates the framework for its relations with shareholders, analysts, investors, proxy advisers and other stakeholders through its Policy on Communication of information, contacts and involvement with shareholders, institutional investors, proxy advisers and other Enagás stakeholders, approved by the Board of Directors. Specifically, this policy, in line with the principles of good governance and corporate values, is developed through general principles of action such as: transparency and truthfulness of the information, continuity, accessibility and immediacy, the implementation of a general communication strategy for financial, non-financial and corporate information, promoting the trust of shareholders, protecting their rights and promoting their participation, equal treatment and non-discrimination and compliance with current legislation and the Enagás Corporate Governance System and the assumption and updating of the good governance recommendations, principles and best practices, etc.

In line with Enagás' Corporate Governance System, the Board of Directors has put in place systems allowing for regular information exchange with shareholders on topics such as investment strategy, assessment of performance figures, the composition of the Board of Directors and management efficiency. Under no circumstances can this information create situations of privilege or attribute special advantages with regard to the other shareholders. In addition, within the scope of its activities the Finance Department provides investment banks with the information they need.

To this end, Enagás has an Investor Relations Area, to permanently deal with enquiries or suggestions from analysts and institutional investors, professionals or qualified persons, rating agencies, bondholders, as well as those from socially responsible investors (SRI), by providing a telephone number and email address for this purpose.

Shareholders, institutional investors, analysts and other Enagás stakeholders have access to complete and updated information through the following communication channels: Communication, Public Affairs & Investor Relations General Management, the Shareholder Information Office, Enagás corporate website (www.enagas.es), Shareholders, institutional investors, analysts and other Enagás stakeholders have (www.cnmv.es), social media, Sustainable General Shareholders' Meeting, briefing sessions (road shows), access to corporate content via RSS (Really Simple Syndication) technology, the media and Investor Agenda. Without prejudice to the information channels available to the Company, Enagás establishes dialogue and collaboration processes with other stakeholders (regulatory bodies, employees, suppliers, customers, etc.) to identify their needs and expectations..

As stipulated in article 5 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás, the Board shall adopt and execute all acts and measures required to ensure transparency of the company with regard to the financial markets, uphold the proper formation of prices for the company's and its subsidiaries' shares, and perform all functions attending the company's status as a listed company pursuant to current laws and regulations.

Finally, Article 8 of the Regulations of the Audit and Compliance Committee of Enagás, in relation to Corporate Governance, Internal Codes and Regulatory Compliance establishes that this Committee is responsible for supervising compliance with the rules of corporate governance and the Internal Codes of Conduct, ensuring that the corporate culture is in line with its purpose and values and, in particular, with the Internal Code of Conduct on matters relating to the Securities Markets in force at any given time and these Regulations, and for making the necessary proposals for their improvement. In fulfilling this duty, the Audit and Compliance Committee liaises with the Sustainability and Appointments Committee in considering Company Directors' and senior managers' compliance with the Code.

It also assists with drafting the Annual Corporate Governance Report, especially in areas concerning transparency of information and conflicts of interests.

Explanatory note on section C.1.32.-

As disclosed in note 4.6 c) to the Annual Accounts, Law 22/2015 on the Audit of Accounts establishes that non-audit services provided by the auditor must be less than 70% of the average fees paid for audit services for four consecutive years. In this regard, the amount of non-audit services rendered by the auditor of accounts (Ernst & Young, S.L.) amounts to 31% of the audit service fees invoiced during 2022 (25% for the Group).

Explanatory note on section C.1.39.-

In accordance with Article 529 octodecies of Corporate Enterprises Act, the Board is informed of the main terms and conditions of Director's contracts in the Remuneration Policy and Remuneration Report that is submitted to the Board every year.

Explanatory note on section C.2.1.-

Audit and compliance committee (continued):

The duties and responsibilities of the Audit and Compliance Committee are:

(i) With regards to the financial statements and other accounting information

a) Overseeing and assessing the preparation and presentation of financial and non-financial information on the Company and the Group, and checking compliance with regulatory requirements, the due definition of the consolidation scope and the correct application of accounting standards and, in particular, knowing, understanding and monitoring the efficiency of the Internal Control over Financial Reporting (ICFR) system.

b) Examining the information on activities and results of the Company which is prepared and published periodically in accordance with the prevailing regulations relating to the securities markets, seeking to ensure transparency and exactness in the information.

c) Reporting to the Board of Directors on recommendations or comments it deems necessary on the application of accounting criteria, internal control systems and any other relevant matter, and in particular, to present recommendations or proposals to the Board of Directors to safeguard the integrity of such financial information.

d) Informing the Board of Directors, prior to their preparation, on the Annual Accounts and the Management Report, which shall include the mandatory non-financial information, as well as on financial and non-financial information which the Company must periodically disclose.

e) Ensure that the Annual Accounts presented by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In those cases where the auditor has included any qualification in its audit report, the Chairman of the Committee should clearly explain the opinion of the Audit and Compliance Committee at the General Shareholders' Meeting in terms of its content and scope. A summary of this opinion will be made available to the shareholders at the time of publication of the notice of the meeting, along with other Board proposals and reports.

f) The Board of Directors must properly explain any departure from the Audit and Compliance Committee's prior Report in the Annual Accounts finally authorised for issue.

g) Assessing any proposals made by senior managers regarding changes in accounting practices.

(ii) Powers relating to legality

a) Reporting to the Board of Directors prior to it approving the creation or acquisition of shares in special purpose vehicles and/or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a similar nature that, by their nature, might impair the transparency of the company or the Group.

b) To report on related-party transactions that must be approved by the General Shareholders' Meeting or the Board of Directors under the terms provided for in Article 14 bis of the Rules and Regulations on the Board of Directors and supervise the internal procedure established by the Company for transactions whose approval has been delegated by the Board.

c) Preparing a report on related-party transactions, for posting on the Company's website, sufficiently in advance of the Ordinary Shareholders' Meeting.

d) Receiving and analysing information on the fiscal criteria applied by the Company during the year, particularly with regard to the degree of compliance with corporate tax policy, prior to the preparation of the Annual Accounts.

(iii) Powers relating to the Internal Audit unit

a) Seeing to the proper operation of the internal audit as well as ensuring the independence of the unit that performs internal audit functions, which reports functionally to the Chairman of the Committee. It also ensures the smooth running of internal control and information systems submitting recommendations and proposals to the Board of Directors, with related monitoring periods, as it deems appropriate.

The head of the unit responsible for the internal audit function shall submit to the Committee its annual work plan, report directly to it on its implementation, including any incidents and limitations to the scope of its implementation, the results and the follow-up of its recommendations, and submit a report on its activities at the end of each financial year.

b) Ensuring the unit has sufficient resources and suitably qualified personnel for optimum performance of the function.

c) Approving the Internal Audit Plan and related work plans, and proposing the annual budget for this, ensuring that activity focuses mainly on the most significant risks facing the Company (including reputational risks).

d) Supervising the Company's Internal Audit services, receiving regular information on its activities and verifying that senior management takes its conclusions and recommendations into account.

e) Making proposals to the Board of Directors on the selection, appointment and removal of the head of Internal Audit.

f) Assessing annually the functioning of the internal audit unit and the performance of their duties by its head, for which purpose the opinion of the executive management will be sought.

(iv) Powers relating to the relationship with the external auditor

• With regards to the appointment, re-election and replacement of the accounts auditor::

a) Taking responsibility for the selection process, pursuant to applicable legislation, and, for this purpose it shall:

1) define the procedure for selecting the auditor;

2) issue a reasoned proposal containing at least two alternatives for the selection of the auditor, except in the case of re-election.

b) Report on the remuneration of the external auditors and other contract conditions.

c) Propose the selection, appointment, re-election or replacement of the external auditors of the Enagás Group to the Board of Directors for presentation at the General Shareholders' meeting.

d) As applicable, ensure that the Company notifies any change of external auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

• With regard to the independence of the external auditors and absence of causes for prohibition and incompatibility:

a) Regularly gather information from the external auditor on the auditing plan and its implementation, in addition to preserving their independence in the exercise of their duties.

b) Liaise with the external auditors to obtain information on any issues that could compromise the latter's independence. Specifically, the discrepancies that may arise between the auditor of accounts and Company management for review by the Committee, and any other discrepancies relating to the audit process, as well as the possible safeguard measures to be adopted, discussing the significant weaknesses detected in internal control with the auditor of accounts, and never jeopardising the independence of the audit in order to be able to conclude on the level of confidence and reliability of the system.

c) Receive those other communications provided for in audit legislation and audit standards.

d) Proceed with the authorisation of services other than those prohibited, in accordance with prevailing regulations.

e) Ensure that the Company and the External Auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other requirements concerning auditor independence.

f) Ensure that the fees of the external auditor do not threaten their quality and independence, and are not based on any form of contingency, as well as establish an indicative limit on the fees that the auditor may receive annually for non-audit services.

g) In the event of resignation of the Accounts Auditor, the Committee should investigate the issues giving rise to the resignation.

h) Receive the annual statement from the external auditors on their independence with respect to the Enagás Group (included in the delivery of the supplementary report) or entities directly or indirectly related to it, in addition to detailed and individual information on additional services of any kind rendered to these entities by the external auditor or by persons or entities related to it, in conformity with audit regulations.

i) Issue an annual report, prior to the issue of the audit report, giving an opinion on whether the independence of the auditors is compromised. This report shall include in all cases a reasoned assessment of each additional service rendered, as referred to in the previous section, that could comprise the independence of the Accounts Auditor, considered separately and in their totality, other than statutory audits and how they relate to the requirement of independence or to the audit regulations and shall be published on the website of the Company sufficiently in advance of the date of the Ordinary General Shareholders' Meeting.

j) Establish a maximum term of auditor engagement, ensuring a gradual rotation with the main audit partners.

• With regard to audit reports:

a) Review the content of audits, limited review reports of interim financial statements and other required reports of statutory auditors prior to their issue in order to prevent qualifications.

b) Supervise the responses of senior management to its recommendations, mediating and arbitrating in the event of any disagreement with regard to the principles and criteria applicable to the preparation of the financial statements.

c) Foster and ensure that the external auditor who audits the individual and/or consolidated Annual Accounts takes full responsibility for the audit report issued, even when the annual accounts of affiliates are audited by other external auditors.

d) Report to the General Shareholders' Meeting on the audit results, explaining that this process contributes to the reliability of the financial information, and on the role performed by the Committee in this process.

e) Ensure that the external auditors have a yearly meeting with the Board of Directors in full to inform them of the work undertaken and developments in the Company's risk and accounting positions.

f) Make a final assessment of the external auditors' performance and how they have contributed to the quality of the audit and the integrity of the financial reporting.

(v) Powers relating to the Company's risk control and management function

a) Ensuring the independence of the risk control and management function.

b) Overseeing and assessing the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and its Group, including operational, technological, legal, social, environmental, political, tax and reputational risks or corruption and anti-bribery risks, so that any such risks are adequately mitigated within the framework of the Company's internal policy. Submitting recommendations or proposals to the Board of Directors to improve these systems along with the corresponding deadline for dealing with them.

c) Oversee the risk control and management unit, which shall, among other functions, ensure the proper functioning of the risk control and management systems and, in particular, identify, manage and adequately quantify all material risks affecting the Company; actively participate in the development of the risk strategy and major decisions on its management; and ensure that the risk control and management systems adequately mitigate risk under the policy defined by the Board of Directors, and ensure that they are effectively implemented in practice.

d) Assessing the Company's risks and examine the analyses of risks that affect the business, which are set out in the internal risk policies. This periodic information is prepared in accordance with internal rules, including the identification, measurement and establishment of management measures for the material risks affecting the Company.

e) Reporting to the Board of Directors on any risks uncovered, with an assessment thereof, and any key issues concerning risks. In particular, it shall reassess, at least every year, the list of the most significant financial and non-financial risks and assess their tolerance level, proposing an adjustment of these to the Board, if necessary.

f) Holding at least one meeting annually with the senior managers of the business units in which they explain business trends and the associated risks.

g) Ensuring that the risk control and management unit has the human and material resources needed for optimum performance of its functions.

h) Report and propose to the Board of Directors on the selection, appointment, renewal and replacement of the head of the risk control and management function.

(vi) In relation to Corporate Governance, Internal Codes and Compliance

a) Reporting in advance to the Board of Directors on structural and corporate changes that the Company plans to carry out, their economic conditions and their accounting impact and, in particular, where appropriate, the proposed exchange ratio.

b) Overseeing compliance with corporate governance rules and with the Internal Codes of Conduct, ensuring that the corporate culture is aligned with its purpose and values, and, in particular, with the Internal Code of Conduct in matters relating to the Securities Markets in force at any given time and with these Regulations, and making the necessary proposals to improve them. In fulfilling this duty, the Audit and Compliance Committee liaises with the Sustainability and Appointments Committee in considering Company Directors' and senior managers' compliance with the Code.

c) Overseeing a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to report potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, concerning the Company and which may come to light within the Company or its Group. These mechanisms must guarantee confidentiality and, invariably, cover situations where cases may be reported anonymously, respecting the rights of the whistleblower and the accused, providing regular information about how the mechanisms function, being able to propose appropriate actions to improve them and reduce the risk of irregularities in the future, always observing prevailing data protection regulations and the basic rights of the parties concerned.

d) Preparing an Annual Activity Report of the Audit and Compliance Committee, which will form part of the corporate governance report, and which will be published on the Company's website sufficiently in advance of the Ordinary General Meeting.

e) Assisting with drafting the Annual Corporate Governance Report, especially in areas concerning information transparency and conflicts of interests.

(vii) Powers relating to the compliance function

a) Ensuring the independence of the Compliance unit.

b) Ensuring that the compliance unit performs its mission and competences with regard to regulatory compliance and the prevention and correction of behaviour that is illegal or fraudulent or otherwise breaches the Enagás Group Code of Ethics.

c) Ensuring that the compliance unit has the human and material resources needed for optimum performance of its functions.

d) Providing information and putting forward proposals to the Board of Directors regarding the selection, appointment, reappointment and dismissal of the head of Compliance.

(viii) In relation to shareholders

a) Providing information on issues within the scope of its duties at the General Meeting.

Sustainability and appointments committee

(continued):

The duties and powers of the Sustainability and Appointments Committee are:

(i) Powers relating to the composition of the Board:

a) To evaluate the skills, knowledge and experience needed on the Board of Directors. To this end, it shall determine the functions and capacities required of the candidates to fill each vacancy, and evaluate the precise amount of time and degree of dedication necessary for them to effectively perform their duties, while ensuring that Non-Executive Directors have sufficient time available to properly perform their functions, in accordance with the Board Diversity and Director Selection Policy.

To this end, the Committee will prepare and regularly update a matrix with the necessary competencies of the Board that defines the skills and knowledge of the candidates for Directors, especially those of the Executive and Independent Directors.

b) Reviewing the structure of the Board of Directors, as well as the criteria that must be reported, the statutory renewal of Directors, the incorporation of new members, guaranteeing that their access to the Board does not affect the Company's status as transmission grid operator, in accordance with the provisions of the applicable regulations on hydrocarbons. Likewise, any other aspect related to its composition that it considers appropriate will be reviewed, making the necessary proposals to the Board of Directors.

c) Establishing a representation objective for the underrepresented gender on the Board of Directors and to draw up guidelines on how to achieve this objective, also proposing to the Board of Directors the policy of diversity of directors, based on the criteria of age, disability, training, professional experience and gender, among others.

d) Reviewing periodically the category of the Directors.

(ii) Powers relating to the selection of Directors and Senior Managers

a) To forward to the Board of Directors proposed appointments of Independent Directors for their designation by co-option or subject to the decision of the General Shareholders' Meeting, as well as on proposals for their re-election or removal by the General Shareholders' Meeting.

b) To report on proposed appointments of the remaining Directors for them to be designated by co-option or subject to the decision of the General Shareholders' Meeting, as well as on proposals for their re-election or removal by the General Shareholders' Meeting.

c) To report to the Board of Directors concerning proposals for the removal of Directors when situations arise that affect them and which may compromise the good name and reputation of the Company, according to prevailing laws or the internal regulations of the Company.

d) The Committee shall verify on an annual basis compliance with the Board Diversity and Director Selection Policy approved by the Board of Directors.

e) To report on proposals for the appointment and removal of Senior Managers.

f) To submit proposals to the Board of Directors regarding the Company's organisational structure and the creation of Senior Management positions that it considers necessary for better and more efficient management of the Company, as well as the guidelines regarding the appointment, career selection, promotion and dismissal of Senior Management, to ensure the Company has, at all times, highly qualified personnel suitable for the management of its activities.

(iii) Powers relating to the offices of the Board

a) To report on the appointment of the Chairman and Vice Chairman of the Board of Directors.

b) To report on the appointment and dismissal of the Secretary and Vice Secretary of the Board of Directors.

c) To propose the appointment of the Independent Leading Director.

d) To examine and organise the succession of the Board of Director's Chairperson and the Company's CEO and, if appropriate, to make proposals to the Board to ensure the succession is smooth and well planned, drawing up and regularly reviewing a succession plan to that effect.

(iv) Powers relating to the corporate governance of the Company and sustainability

a) To report to the Board on general policy concerning Sustainability and Good Corporate Governance, ensuring the adoption and effective application of best practices, both those which are compulsory and those that are in line with generally accepted recommendations. To this end, the Committee shall be responsible for the following functions:

(i) To submit to the Board the initiatives and proposals it deems appropriate and provide information on proposals submitted to the Board and information the Company releases to shareholders annually regarding these issues.

(ii) Assess and periodically review the Company's corporate governance system and the Company's environmental and social policy to ensure that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.

(iii) Oversee the application of the general policy for reporting economic-financial, non-financial and corporate information, reporting to shareholders and investors, proxy advisers and other stakeholders. Oversight of the way in which the Company communicates with and relates to small and medium sized shareholders.

(iv) (See to it that the Company's practices in environmental and social matters are aligned with the set strategy and policies.

(v) To oversee and assess the processes of liaising with different stakeholders.

In particular, the Committee shall ensure that sustainability policies in environmental and social matters identify at least:

- Principles, commitments and targets in matters relative to shareholders, employees, customers, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
- Methods or systems for monitoring compliance with policies, associated risks and their management.
- Mechanisms for monitoring non-financial risk, including those related to ethics and business conduct.
- Channels for stakeholder engagement, participation and dialogue.
- Responsible communication practices that prevent the manipulation of information and protect the Company's honour and integrity.

b) To report to the Board of Directors on measures to be taken in the event of breach of these Board Regulations or the Internal Code of Conduct on matters relating to the securities markets on the part of Directors or other persons subject to those rules. In performing this duty, the Sustainability and Appointments Committee shall work in coordination with the Audit and Compliance Committee wherever appropriate.

c) Ensure that the information disseminated by the Company via its website on matters within its remit is sufficient and appropriate and complies with the recommendations on good corporate governance adopted by the Company.

d) To prepare an Annual Report on the activities of the Sustainability and Appointments Committee, which shall be published on the Company's website sufficiently in advance of the Ordinary General Meeting.

(v) Other powers

a) To spearhead, where appropriate, together with the Independent Leading Director, the annual evaluation of the performance of the Board and its Committees, and to provide the Board with the results of its assessment together with a proposal for an action plan or with recommendations to correct possible deficiencies detected or to improve performance.

b) To design and organise regular programmes to update Directors' knowledge.

c) To ensure that any conflicts of interest do not impair the independence of external advisers to the Committee in connection with the performance of its duties.

Remuneration committee

(continued):

The duties and powers of the Remuneration Committee are:

(i) Powers relating to the remuneration of Directors and Senior Managers

a) To propose to the Board of Directors the remuneration policy for Directors and Senior Managers, verifying that this is observed. To this end, the committee will periodically review the remuneration policy for Directors and Senior Management and ensure that their individual remuneration is proportional to that paid to the other Directors and Senior Management of the Company.

b) To propose to the Board of Directors the individual remuneration and other contractual conditions of the Executive Directors, verifying that they are consistent with the remuneration policies in force.

c) To report to the Board of Directors, in advance, on the individual determination of the remuneration of each Director in their capacity as such within the statutory framework and the remuneration policy, as well as for the performance of the executive functions attributed to them in the remuneration policy and in accordance with the provisions of their contract.

d) To propose to the Board of Directors the basic conditions of the Senior Management contracts, verifying that they are consistent with the remuneration policies in force.

e) To verify information on remuneration of Directors and senior managers contained in the various corporate documents, including the Annual Report on Directors' Remuneration.

(ii) Other powers

a) To submit to the Board the initiatives and proposals on remuneration it deems appropriate and provide information on proposals submitted to the Board and information the Company releases to shareholders annually regarding this issue.

b) Ensure that the information disseminated by the Company via its website on matters within its remit is sufficient and appropriate and complies with the recommendations on good corporate governance adopted by the Company.

c) To prepare an Annual Report on the Remuneration Committee's activities, which will be published on the Company's website sufficiently in advance of the Ordinary General Meeting.

d) To ensure that any conflicts of interest do not impair the independence of external advisers to the Committee in connection with the performance of its duties.

Explanatory note on section C.2.3-

(continued):

The Regulations of the Remuneration Committee are available for consultation at the registered office of Enagás and on its website at www.enagas.es/en/ or www.enagas.com/en/. At its meeting of December 19, 2022, the Board of Directors of Enagás, S.A. approved the new Regulations of the Remuneration Committee, entrusting the Committee with tasks relating to the proposal and monitoring of the remuneration policy for Directors and Senior Managers. In addition, its duties were completed including the verification of "whether the information disseminated by the Company through its website on matters within its remit is sufficient and appropriate and complies with the recommendations on good corporate governance adopted by the Company", in accordance with the provisions of the Technical Guide.

The rules governing the composition and functioning of the former Sustainability, Appointments and Remuneration Committee are maintained in a similar form.

The Remuneration Committee prepared a report on its activities in 2022, which will be published on the website sufficiently in advance of the General Shareholders' Meeting.

Explanatory note on section D.5.-

Since accounting and corporate regulations may differ, the transactions carried out in 2022 and reported in section D.5, which, although they do not meet the requirements to be considered as related-party transactions from a corporate perspective, would be considered as such under current accounting regulations, are detailed below:

Corporate name	Brief description of the transaction	Amount (thousands of euros)
TRANS ADRIATIC PIPELINE AG	Guarantees and sureties granted	557,000
PLANTA DE REGASIFICACIÓN DE SAGUNTO, S.A. (SAGGAS)	Financial revenue on the loan.	151
ENAGÁS TRANSPORTE DEL NORTE, S.L.	Financial revenue on the loan.	1,802
ENAGÁS TRANSPORTE DEL NORTE, S.L.	Rendering of services.	3,184
LLEWO MOBILITY S.L.	Guarantees and sureties granted	3,215
GASODUCTO DE MORELOS, S.A.P.I DE C.V.	Guarantees and sureties granted.	9,378
ENAGÁS RENOVABLE, S.L.	Guarantees and sureties granted.	5,040

Explanatory note on section D.6.-

(continued):

In addition, and pursuant to article 14 bis of the Rules and Regulations of the Organisation and Functioning of the Board of Directors the Company must adopt the following measures concerning transactions carried out with related parties:

"…4. The Audit and Compliance Committee shall issue a report prior to the approval of a Related-Party Transaction by the General Shareholders' Meeting or by the Board of Directors. In this report, the Committee must assess whether the transaction is fair and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used.

The members of the Audit and Compliance Committee affected by the Related-Party Transaction cannot participate in the preparation of the report.

This report shall not be mandatory in connection with the execution of Related-Party Transactions whose approval has been delegated by the Board of Directors in the cases legally permitted and provided for in these Regulations.

5. In those cases in which, in accordance with the provisions of section 3 of this Article, the Board of Directors delegates the approval of Related-Party Transactions, the Board of Directors itself shall establish an internal reporting and periodic control procedure to verify the fairness and transparency of these transactions and, if applicable, compliance with the applicable legal criteria.

6. In relation to Related-Party Transactions whose approval corresponds to the General Shareholders' Meeting, the proposed approval resolution adopted by the Board of Directors shall be submitted to the General Shareholders' Meeting with the indication of whether it has been approved by the Board of Directors with or without the vote against of the majority of the Independent Directors.

7. The Board of Directors shall ensure public disclosure of the performance of Related-Party Transactions entered into by the Company or companies of its Group, the amount of which reaches or exceeds either 5% of total assets or 2.5% of the annual amount of the Company's turnover.

To this end, an announcement, with the legally stipulated content, must be published in an easily accessible place on the Company's website and, in turn, it must be communicated to the National Securities Market Commission. The announcement shall be published and notified, at the latest, at the time the Related-Party Transaction is entered into and shall be accompanied by the issued report, if applicable, by the Audit and Compliance Committee.

Likewise, Related-Party Transactions shall be reported in the Annual Corporate Governance Report and in the periodic public information under the terms set forth in the applicable regulations…".

With regard to possible conflicts of interest, all those described as being subject to this Internal Code of Conduct must:

- *Notify the Board of Directors, through the Secretary, of any possible conflicts of interest to which they may be subject due to family relationships, their personal assets and liabilities or any other reason. Communications must be made within fifteen (15) days and, in any case, before the decision that may be affected by the potential conflict of interest is taken.*
- *Keep the information updated, taking into account any modification or cessation of previously reported situations as well as the emergence of new conflicts of interest.*
- *Refrain from participating in any decision-making process that may be affected by such a conflict of interest with the Company.*

The Audit and Compliance Committee is the body responsible for regulating and resolving any conflicts of interest that may arise and, pursuant to Article 26 of the Rules and Regulations of the Organisation and Functioning of the Board of Directors, is assigned the following duties:

3.e.) Reporting on Related-Party Transactions that must be approved by the General Shareholders' Meeting or the Board of Directors under the terms provided for in Article 14 bis of these Regulations and supervise the internal procedure established by the Company for transactions whose approval has been delegated by the Board.

3.x) Overseeing compliance with corporate governance rules and the company's Internal Codes of Conduct, also ensuring that the corporate culture is aligned with its purpose and values.

In turn, article 14.bis.8 of the Board's Regulations establishes that to determine the amount of a Related-Party Transaction, the transactions entered into with the same counterpart in the last twelve months shall be taken into account in aggregate.

Explanatory note on section E.2.-

(continued):

D. Internal Audit, Control and Risk Department (Risk area): The Risk Unit is in charge of the overall management of all regulations related to risk, supervising that risk management is applied correctly, disclosed, monitored and improved continuously so that it is aligned with the business needs at all times. Part of their duties are:

1) Ensuring that the risk control and management systems are functioning correctly. Defining the framework of rules and methodologies for the identification, measurement and management of the main risks affecting the company.

2) Participating actively in the preparation of risk strategies and in key decisions about their management.

3) Reporting to the Executive Committee on the company's risk appetite and tolerance proposed by the specialist areas, and the structure of the related limits.

4) Analysing, from a risk perspective, the most important operations.

5) Monitoring and controlling all the company's risks, validating the measurements made by the business units and/or departments.

6) Advising the company's departments in risk assessment.

7) Supervising that the risk control and management actions proposed by the business units are mitigating risks effectively in the frame of the policy and strategy drawn up.

8) Proposing a global and consistent view of the company's risk through an internal information and control system.

9) Disclosing the Group's risks and reporting on the key matters relating to risks to the Senior Management and Governing Bodies.

E. Business and corporate units: These are the various business and corporate units that assume risk in the ordinary course of their activities. Part of their duties are:

1) Identifying risks in their activity on a regular and systematic basis through the year.

2) Assessing and measuring risks following the established identification and assessment approaches.

3) Defining risk-management and risk-mitigation and impact control actions in accordance with the defined strategy and the nature of the risks.

4) Passing down risk limits and thresholds to lower levels.

Explanatory note on section E.3.-

(continued):

6) Compliance and Model Risks: The Company is exposed to compliance risks, which include the cost associated with potential penalties for breaches of laws and legislation, or penalties resulting from the materialisation of operational events, the use of improper business practices or the breach of internal company policies and procedures. The Company may also be affected by risks associated with corruption, antitrust and internal and/or external fraud. It is exposed as well to risks associated with the improper use of assessment models and/or risk measurement, and hypotheses that are outdated or do not have the necessary precisions to be able to correctly evaluate their results.

7) Criminal Liability Risks: Organic Law 5/2010 reformed the Criminal Code, introducing the criminal liability of legal persons in Spain. In 2022, the Criminal Code was modified to increase the number of criminal offences for which legal persons can be held accountable. In 2015 and 2019, the Criminal Code was updated by developing and technically improving this regulation. In this context, Enagás could be held criminally liable in Spain for certain offences that may be committed within the company. To prevent this risk from materialising, the Group has approved a Crime Prevention Model, which was updated after the aforementioned reform and includes the Criminal Code's requirements, and has implemented the measures needed to prevent corporate crime and to avoid liability for the company. In addition, Enagás has specific Crime Prevention Models for Mexico and Peru, adapted to local regulations governing the criminal liability of legal persons.

8) ESG risks: The company is also exposed to cross-cutting risks that do not correspond to a single risk category but may be correlated with several of them, namely risks related to the three pillars of sustainability: environmental, social and governance (abbreviated as ESG). Regarding climate change risk, further details are included in the Group's management report, chapter 'Climate Action and Energy Efficiency'.

9) Other risks: Given the dynamic nature of the business and its risks, and despite having a risk control and management system that responds to the best international recommendations and practices, it is not possible to guarantee that some risk is not identified in the risk inventory of the Company.

APPENDIX II
REPORT ON THE ACTIVITIES OF THE AUDIT AND COMPLIANCE COMMITTEE, 2022

Annual Activity Report
Audit and Compliance Committee

20/02/2023

1. Composition, attendance and operation

On December 31, 2022, the composition of the Audit and Compliance Committee was as follows:

CHAIRMAN
Mr José Montilla Aguilera
Independent
Appointment: 2021

MEMBER
Ms Patricia Úrbez Sanz
Independent
Appointment: 2022

MEMBER
Ms Natalia Fabra Portela
Independent
Appointment: 2021

MEMBER
Sociedad Estatal de Participaciones Industriales (SEPI),
represented by its Vice President
Mr Bartolomé Lora Toro
Proprietary
Appointment: 2014

SECRETARY
Mr Rafael Piqueras Bautista

During 2022, due to the reorganisation of the Board's Committees, the following changes have taken place in the composition of the Audit and Compliance Committee, which were approved by the Board of Directors on April 25, 2022:

- Stepping down of Mr José Blanco López, who became a member of the Sustainability and Appointments Committee, as an Independent Director.
- Stepping down of Ms María Teresa Arcos Sánchez, who became Chair of the Remuneration Committee.
- Appointment of Ms Patricia Úrbez Sánz as independent director, to fill the existing vacancy. Ms Patricia has a strong background in information technology and all cybersecurity-related issues.

The Board of Directors appointed the new members of the Audit and Compliance Committee taking account of their knowledge, skills and experience in accounting, auditing and financial and non-financial risk management.

All the information on the Directors, including their work experience, is available on the [Enagás corporate website.](#)

Attendance

In accordance with the provisions of the Regulations of the Audit and Compliance Committee, the Committee held its meetings in accordance with the Annual Calendar of Activities approved by the Committee at the beginning of the year.

During 2022, nine meetings were held: four ordinary, three preparatory and two extraordinary.

These meetings were attended by all members of the Audit and Compliance Committee, except in one case at the meeting held on July 21, when the absence of one of its members was duly justified.

Committee operation

The Committee conducted its activity in 2022 following the best practices of Corporate Governance and the recommendations of both the Good Governance Code of Listed Companies of June 2020, and the Technical Guide 3/2017 on Audit Committees in public interest entities dated June 27, 2017.

In accordance with the provisions of the corporate texts, the Audit and Compliance Committee was assisted by the Head of Audit, Control and Risk, Ms Rosa Sánchez Bravo, in her duties as advisor to the Committee.

In addition, during 2022, at the invitation of the Chairman of the Committee, the Committee requested the presence of certain Company senior managers to discuss matters within their competence in accordance with the agenda. In particular, it was attended by the Chief Financial Officer, Mr Luis Romero, as well as by the Head of Legal Counsel and Compliance, Ms Sofía de las Cuevas, and the Head of Digitalisation and Technology, Mr César Corachán.

Likewise, the representatives of the external auditor, Ernst & Young, S.L., attended the ordinary and preparatory meetings of the Committee.

The documentation relative to each meeting, as well as the agenda and the minutes from the previous meeting, were given to Committee members sufficiently in advance.

Ordinarily, after each Audit and Compliance Committee meeting, the Chairman of the Committee reported to the Board of Directors in a meeting held the same day, with regard to the actions taken and matters addressed in each Committee meeting.

2. Audit and Compliance Committee regulation

The Audit and Compliance Committee is governed by the provisions of applicable laws and regulations, the provisions contained in the Articles of Association, the Rules and Regulations for the Organisation and Functioning of the Board of Directors of Enagás, S.A., as well the Regulations of the Audit and Compliance Committee, dated on December 19, 2022.

These documents are available on the website.

The main functions and tasks performed during 2022 by the Audit and Compliance Committee are summarised in the following basic categories, which are set out in detail in article 8 of the Committee Regulations:

2.1. Annual accounts and other financial and non-financial information

i. Overseeing and assessing the preparation and presentation of financial and non-financial information on the Company and the Group, and checking compliance with regulatory requirements, the due definition of the consolidation scope and the correct application of accounting standards and, in particular, knowing, understanding and monitoring the efficiency of the Internal Control over Financial Reporting (ICFR) system.

ii. Examining the information on activities and results of the Company which is prepared and published periodically in accordance with the prevailing regulations relating to the securities markets, seeking to ensure transparency and exactness in the information.

iii. Informing the Board of Directors of any recommendations or comments that it deems necessary on the application of accounting criteria, internal control systems, submitting recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the financial and non-financial information.

iv. Informing the Board of Directors, prior to their preparation, on the Annual Accounts and the Management Report, which shall include the mandatory non-financial information, as well as on financial and non-financial information which the Company must periodically disclose.

v. Certifying that the Annual Accounts presented by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

vi. Assessing any proposals made by senior managers regarding changes in accounting practices.

2.2. External auditor

With regard to their independence:

i. Regularly gather information on the auditing plan and its implementation, in addition to preserving their independence in the exercise of their duties.

ii. Establishing appropriate relations with the external auditor to receive information on any matters that may threaten its independence, in particular any discrepancies that may arise between the accounts auditor and Company management, for consideration by the Committee, and any others related to the process of implementation of the accounts audit, as well as any possible safeguards to be adopted.

iii. Proceeding with the authorisation of services other than those prohibited, in accordance with prevailing regulations.

iv. Ensuring that the Company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other requirements concerning auditor independence.

v. Ensuring that the fees of the external auditor do not threaten their quality and independence, and are not based on any form of contingency, and establish an indicative limit on the fees that the auditor may receive annually for non-audit services.

vi. Receiving the annual statement from the external auditor on their independence with respect to the Enagás Group or entities directly or indirectly related to it, in addition to detailed and individual information on additional services of any kind rendered to these entities, and the corresponding fees received, by the external auditor or by persons or entities related to it. All of this is in accordance with the provisions of the regulations governing the accounts auditing activity.

vii. Issuing an annual report, prior to the issue of the audit report, giving an opinion on whether the independence of the auditors is compromised.

This report contains a reasoned assessment of the provision of each and every one of the services rendered by the auditor, ensuring that they do not compromise the independence of the auditor, both individually and overall, in accordance with the provisions of the regulations governing the auditing of accounts.

This report will be published on the Company's website sufficiently in advance of the Ordinary General Meeting of the Company.

viii. Establishing a maximum duration for the audit task, guaranteeing a gradual rotation of the signing partner in accordance with the Audit Act.

With regard to the accounts audit process and other limited reviews of interim financial statements:

i. Reviewing the contents of audit reports, reports on limited review of interim financial statements and other statutory reports required of the auditors of accounts prior to their issuance, in order to prevent qualifications.

ii. Supervising the responses of senior management to its recommendations, and mediating and arbitrating in the event of any disagreement with regard to the principles and criteria applicable to the preparation of the financial statements.

iii. Fostering and ensuring that the external auditor who audits the individual and/or consolidated annual accounts takes full responsibility for the audit report issued, even when the annual accounts of affiliates are audited by other external auditors.

iv. Reporting to the General Shareholders' Meeting on the audit results, explaining that this process contributes to the reliability of the financial information, and on the role performed by the Committee in this process.

v. Ensuring that the external auditor has a yearly meeting with the Board of Directors to inform them of the work undertaken and developments in the Company's risk and accounting positions.

vi. Conducting an annual assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of the financial reporting.

2.3 Internal audit

i. Overseeing the proper operation of internal audit and ensuring the independence of the Company's internal audit function, ensuring the provision of sufficient resources and suitably qualified personnel for the optimum performance of its duties.

ii. Approving the Internal Audit Plan, their related work plans and the annual budget for this, ensuring that the activity focuses mainly on the most significant risks facing the Group, including reputational risks.

iii. Supervising the internal audit services, receiving regular information on their activities and verifying that senior management takes their conclusions and recommendations into consideration.

iv. Annually assess the internal audit function and the performance of its functions by its manager, for which purpose it shall seek the opinion of executive management.

2.4 Risk control and management

i. Ensuring the independence of the risk control and management function.

ii. Overseeing and assessing the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and its Group, including operational, technological, legal, social, environmental, political, cibersecurity and reputational risks or corruption and anti-bribery risks, so that any such risks are adequately mitigated within the framework of the Company's internal policy. In particular, if warranted by its importance, overseeing the control and management measures implemented in relation to cybersecurity risk, including cyber-attack response and recovery plans. Submitting recommendations or proposals to the Board of Directors to improve these systems along with the corresponding deadline for dealing with them.

iii. Supervising the Risk Control and Management Unit, whose functions will include ensuring the proper functioning of the risk control and management systems. Participating actively in the preparation of risk strategies and in key decisions about their management.

iv. Evaluating the Company's risks and examining the analyses of risks that affect the activities of the Company.

v. Reporting to the Board of Directors on the risks detected and the assessment thereof, as well as any other relevant risk-related matters, reassessing the most significant financial and non-financial risks at least once a year.

vi. Ensuring that the compliance function is provided with the necessary staff and material resources needed for the optimum performance of its duties.

2.5 Competencies relating to legality

i. Reporting to the Board of Directors prior to it approving the creation or acquisition of shares in special purpose vehicles or entities resident in tax havens.

ii. Reporting on related-party transactions that must be approved by the General Shareholders' Meeting or the Board of Directors in accordance with Article 14 bis of the Board's Regulations and supervise the internal procedure established by the Company for transactions whose approval has been delegated by the Board.

iii. Preparing a report on related-party transactions, for posting on the Company's website, sufficiently in advance of the Ordinary Shareholders' Meeting.

iv. Receiving and analysing information on the tax-related criteria applied by the Company during the year, particularly with regard to the degree of compliance with the corporate tax policy, prior to the preparation of the Annual Accounts.

2.6 Corporate governance, internal codes and compliance

i. Reporting in advance to the Board of Directors on operations involving structural and corporate modifications planned by the Company.

ii. Supervising compliance with the rules of corporate governance and the Internal Codes of Conduct, ensuring that the corporate culture is aligned with its purpose and values and, in particular, with the Internal Code of Conduct on matters relating to the securities markets, acting in coordination with the Sustainability and Appointments Committee.

iii. Overseeing a mechanism that allows employees and other persons related to the Company to report potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, concerning the Company and which may come to light within the Company or its Group. Such mechanisms must guarantee confidentiality of the parties concerned.

iv. Preparing this Annual Activity Report of the Audit and Compliance Committee that will form a part of the Annual Corporate Governance Report.

v. Assisting with drafting the Annual Corporate Governance Report, especially in areas concerning information transparency and conflicts of interest.

2.7 Compliance

i. Ensuring the independence of the compliance function.

ii. Ensuring that the compliance function performs its mission and competencies with regard to regulatory compliance and the prevention and correction of behaviour that is illegal or fraudulent or otherwise breaches the Enagás Code of Ethics.

iii. Ensuring that the compliance function is provided with the necessary staff and material resources needed for the optimum performance of its duties.

2.8 Shareholders

i. Providing information on issues within the scope of its duties at the General Meeting.

3. Activities of the Audit and Compliance Committee in 2022

During 2022, the Audit and Compliance Committee effectively executed its schedule of actions, in accordance with the recommendations of the Technical Guide and the Good Governance Code of Listed Companies.

The most relevant activities conducted by the Audit and Compliance Committee in 2022 are summarised below.

With regard to financial and non-financial information

Information to the board of directors on enagás' annual accounts for financial year 2021

In its meeting held on February 14, 2022, the Committee analysed and debated the 2021 annual accounts, reporting favourably on them to the Board of Directors, which proceeded to prepare the annual accounts for the year ending December 31, 2021 under the terms set out by the Committee.

The Committee also verified that the Non-Financial Information Statement, which is included in the Management Report of the Consolidated Annual Accounts, included all the reporting required by Law 11/2018, of December 28 on non-financial information and diversity, reporting in this regard to the Board of Directors.

Finally, the consolidated accounts for 2021, together with the Management Report, were approved by the General Shareholders' Meeting on March 31, 2022.

Monitoring of the 2022 interim financial statements

Throughout 2022, in accordance with the recommendations on good governance, the Committee has reviewed the interim financial statements on the occasion of the quarterly and half-yearly closing, based on the reports provided by the Chief Financial Officer and the external auditor.

The Committee views this activity to be of vital importance in maintaining strict control of the Company's accounts and thus to facilitate the issuance of an unqualified audit report at year-end.

As a result of its work, the Committee presented at its meetings in April and October 2022 reports to the Board of Directors regarding the interim economic and financial information of Enagás, and the economic and financial information for the first half of 2022, at its meeting held on July 2022.

Monitoring of the financial aspects of the 2022-2030 strategic plan

At the extraordinary meeting on July 4, 2022, the Committee was informed of the financial aspects of the 2022-2030 Strategic Plan, carrying out an analysis of the financial alternatives included therein, which was subsequently submitted to the Board of Directors for approval.

Internal control over financial reporting system ("ICFR")

During 2022, the Committee monitored, through the information provided by the external auditor, internal auditor and the Finance Department, the effectiveness of the Internal Control over Financial Reporting System (ICFR).

Specifically, on February 14, 2022, the external auditor issued a favourable report to the Committee on the ICFR Certification as of December 31, 2021, not detecting any significant weaknesses.

During 2022, the Finance Department and the Audit, Control and Risk Department reported on the implementation of minor improvement recommendations detected in the 2021 ICFR certification.

On February 20, 2023, the auditor reported to the Audit and Compliance Committee that, in its opinion, the Group had an effective ICFR system in place in 2022.

The Committee subsequently informed the Board of Directors of this certification, and of the non- existence of relevant recommendations.

Internal control over non-financial reporting system ("ICNFR").

On February 14, 2022, the external auditor informed the Committee of the issuance of a Report on Agreed Procedures on the Internal Control over Non- Financial Reporting ("ICNFR") System, not having detected any material event.

Likewise, and in relation to 2022, the auditor has reported an agreed-upon procedures report on the ICNFR, not having detected the existence of relevant recommendations.

Formulation and approval of the enagás annual accounts for 2022

With regard to the approval of the 2022 individual and consolidated annual accounts, the accounts auditor gave a favourable report to the Audit and Compliance Committee on February 20, 2023, leading to their subsequent preparation by the Board of Directors.

On February 20, 2023, the Committee reported favourably to the Board on the consolidated Non-Financial Information Statement, which was included in the Enagás Group's Management Report for 2022.

The consolidated accounts for 2022, together with the management report, will be submitted for approval at the General Shareholders' Meeting, which is expected to be held in the coming months.

Finally, the Committee verified that the published financial and non-financial information for 2022 was in line with the approved information.

Other financial information

During 2022, the Committee assessed and monitored other financial information such as the follow-up of the 2022 budget, the progress of the financial statements, the progress of the 2023 budget and certain reports related to key audit issues.

With regard to the external auditor

Audit process

In accordance with the established agenda, the external auditor participated in the four ordinary meetings held by the Committee, and in the preparatory meetings held in 2022 to prepare for the end of the accounting period, which has allowed the Committee to adequately perform its duty to serve as a communication channel between the Board of Directors and the external auditor.

In addition, the external auditor reported to the Board of Directors in its meetings on two occasions: February 14, 2022 and July 21, 2022.

At the meetings held by the Committee in 2022, the external auditor provided detailed information on the planning and progress of their work.

On March 31, 2022, the Chairman of the Committee informed the General Shareholders' Meeting of the favourable outcome of the audit of the 2021 annual accounts, explaining how this had contributed to ensure the integrity of the financial information, as well as the functions that the Committee has performed during this process.

Analysis of the independence of the accounts auditor by the audit and compliance committee

During the meetings held in 2022, the Committee:

- Reviewed and approved all the services rendered by the external auditor, to check that they complied with the requirements established in the Regulations of the Audit and Compliance Committee, the Audit Act 22/2015, the European Regulation 537/2014, and in the procedure for the contracting and relations with the external auditor.
- Verified the relationship between the fees received by the auditor during the fiscal year for non-audit services and that those related to audit services do not exceed 70% of the average fees paid for audit services in the last three years.

At December 31, 2022, the percentage of non-audit services out of the amount of audit fees was 31% for the Enagás consolidated group (25% including services rendered by other group auditors).

Likewise, the external auditor EY informed the Committee that it had not detected any circumstance that could constitute grounds for incompatibility in terms of independence in accordance with the provisions of the Accounts Auditing Law 22/2015 and European Regulation 537/2014.

At the meeting held on February 14, 2022, the external auditor delivered to the Audit and Compliance Committee their Accounts Auditor Independence Report certifying fulfilment of the independence requisites set out in the applicable laws.

On February 20, 2023, the Audit and Compliance Committee issued the Accounts Auditor Independence Report in which a favourable opinion was expressed as to the independence of the external auditor. This report is available on the website.

External auditor performance assessment

In February 2023, the Committee carried out an assessment of the external auditor's performance during financial year 2022 and of its contribution to the integrity of the financial and non-financial information, considering, among other matters, its performance before the Committee, as well as the opinion gathered from the different areas.

With regard to the internal auditor

The Committee supervised the Company's Internal Audit services, ensuring their independence and effectiveness throughout 2022. At its meeting on February 14, 2022, the Committee evaluated and approved the Internal Annual Audit Plan and Budget for 2022, verifying how the plan covered the Company's most relevant risks and ensuring that the function had sufficient and adequate resources to carry out its duties and to execute that plan.

Likewise, in this session, the Audit, Control and Risk Department presented the Annual Activity Report of internal audit carried out during 2021.

At all meetings held during 2022, the Committee received regular information on the internal audit activity, allowing it to have exhaustive control over the recommendations identified in its Audit Reports and verifying the degree of progress of the Annual Plan and the degree of implementation of its recommendations by the areas.

In 2022, the Committee worked with a quarterly internal audit plan, proposing and approving the addition of new work to the Plan. This ensured that the existing control framework was adequately covered at all times in relation to emerging and key risks, thereby maximising the contribution of Internal Audit to the achievement of the objectives and Strategic Plan.

The Committee informed the Board of Directors after each Audit and Compliance Committee meeting. In December 2022, the Committee approved an update of the General Internal Audit Standard to adapt it to new organisational changes.

Lastly, it carried out an assessment of the performance of the duties and responsibilities assumed by both the Audit, Control and Risk Department and the internal audit function as a whole. The evaluation questionnaire assesses aspects such as the strategic positioning of the function, good governance and auditor independence, as well as performance in the execution of its duties through the year, in its dual role as internal auditor and trusted advisor to the Committee.

With regard to risk control and management

The Audit and Compliance Committee monitored the effectiveness of the risk control and management systems.

The Head of Audit, Control and Risk informed the Committee about the status of the Company's risk control and management, as well as the level of compliance with the defined risk limits at its four ordinary meetings, as well as at the preparatory meetings.

The Audit and Compliance Committee has monitored the reports submitted by the Audit, Control and Risk Department, taking into account emerging risks, as well as different stressed scenarios of probability of occurrence and impact, and no relevant impacts have been detected at any time.

These analyses were updated at least quarterly during 2022.

In addition, the Audit, Control and Risk Department informed the Committee on the risks associated with each of the possible relevant transactions occurring during 2022.

During 2022 the Committee was informed of the following improvements about the Risk Control and Management Model: incorporation of new risk impact dimensions (environment and security of supply), integration of ESG Risks in the Enagás Risk Control and Management Model, and definition of a specific ESG Risk Matrix.

The Chairman of the Committee reported to the Board of Directors on all these matters after each Committee meeting

With regard to cybersecurity competencies

On a quarterly basis, the Committee has been informed by the Digitalisation and Technology Department of the actions taken by the Company to mitigate cybersecurity risk.

Among the reinforcement actions implemented, we highlight the creation of the Cybersecurity Committee and the figure of the "security leader", as well as the increase in the frequency of the simulation exercises carried out.

With regard to the competences relating to legality

Related-party transactions

On July 21, 2022 and December 19, 2022, the Audit and Compliance Committee issued, in accordance with the applicable regulations in force, supporting reports on related-party transactions, which it submitted to the Board of Directors for approval.

On February 20, 2023, the Committee was informed of the related-party transactions carried out in 2022, in accordance with the provisions of the Protocol on Related Party Transactions and the new regulation established in the consolidated text of the Corporate Enterprises Act in relation to this matter.

Fiscal transparency report

In 2017, the Board of Directors approved Enagás' accession to the Code of Good Tax Practises (CBPT) adopted in the Forum for Large Companies, in which the State Tax Administration Agency (AEAT) participates, as Enagás acted in compliance with this Code in 2022.

In accordance with the recommendations of the CBPT, on October 20, 2022, the Committee was informed by the Chief Financial Officer of the Annual Tax Transparency Report as well as of the policies applied in 2021 and compliance with the tax strategy. This Report describes in particular: the company's tax strategy, main business areas, corporate structure, dividend policy, the group's financial position and other matters of particular tax importance that arose during the year.

This report was approved by the Board on October 24 and presented to the AEAT on October 25, 2022.

With regard to corporate governance and communications with the regulator

Annual corporate governance report

The Committee reported favourably to the Board of Directors on the Annual Corporate Governance Report (ACGR) for 2021, dated February 10, 2022, and on the ACGR for 2022, dated February 20, 2023.

With regard to compliance

On February 14, 2022, the Committee approved the Compliance Department's budget for 2022 and assessed the Compliance Report and the Antitrust Policy Report for 2021.

At the February meeting, the Committee was also informed of the details of the communicationsreceived through the Ethics Channel, as well as the operational compliance report and the Report on the operation and supervision of the Crime Prevention Model for the second half of 2021.

At the February meeting, the Committee also approved the modification of the company's Crime Prevention Policy.

On July 21, 2022, the Committee was informed that the company had obtained the ISO 37001-Anti- Bribery Management Systems certification and the update of the Anti-Fraud, Corruption and Bribery Policy, for subsequent approval by the Board of Directors. This policy was approved in the same Committee.

In addition, at the meeting of October 24, 2022, the update of the Manager's Code of Conduct was reported on, which the Committee agreed to submit to the Board for approval.

In accordance with article 20.2 of the Internal Code of Conduct, the Secretary of the Board of Directors informed the Audit and Compliance Committee of the degree of compliance and incidents relating to the application of the Internal Code of Conduct in matters of the securities market.

Every quarter, the Committee was informed of the Activity Report by the former Head of Compliance and the current Head of Legal Counsel and Compliance.

Finally, at its meeting of February 16, 2023 the Audit and Compliance Committee approved the Budget and Compliance Plan for 2023.

With regard to the activity of the audit and compliance committee

On February 10, 2022, the Committee approved the Annual Activity Report of the Committee for 2021, and reported to the Board on the same date.

Communication between the Audit and Compliance Committee, the external auditor, the internal auditor and the other areas has been continuous and fluid.

Likewise, on December 19, 2022, the Board of Directors approved the update of the Regulations governing the activity of the Audit and Compliance Committee, to incorporate the organisational changes in the Company's Management, as well as the reporting to the Committee of issues associated with cybersecurity risk by the Digitalisation and Technology Department.

4. Performance assessment of the Audit and Compliance Committee

Pursuant to the provisions of the Regulations of the Audit and Compliance Committee, the Board of Directors and the Audit and Compliance Committee underwent a quality and efficiency assessment of the performance of their functions and competencies during 2022, by an external consultant, using the applicable regulations and best practices in corporate governance as the evaluation reference framework.

The result of this assessment highlighted the fact that the Audit and Compliance Committee performs its duties in accordance with the best corporate governance practices. The results of this assessment were approved by the Board of Directors on February 20, 2023.

5. Progress made in 2022 and priorities for 2023

The Audit and Compliance Committee has made progress in its performance during financial year 2022, in accordance with best practices.

During 2022, a training session was given to the incoming Board Member on the following matters:

- Main duties and responsibilities of the Audit and Compliance Committee.
- Internal Audit Plan and main activities.
- Risk Control and Management Model.
- Most relevant financial aspects.

The Committee has made progress during 2022, implementing certain improvements:

- Significant increase in the duration of meetings.
- Inclusion on the Committee's agenda of the report from the Digitalisation and Technology Department, to oversee monitoring of the actions carried out to mitigate cybersecurity risk.

During 2023, work will continue in a cross-cutting and coordinated manner, with the objectives of digital transformation, strengthening internal control in relation to cybersecurity risks and sustainability.

6. Conclusions

As reflected in this report, during the course of financial year 2022, the Audit and Compliance Committee addressed the analysis and assessment of the main issues and aspects within its remit, in accordance with the best practices of Corporate Governance and the recommendations of both the Good Governance Code of Listed Companies, revised in June 2020, and the Technical Guide 3/2017 on Audit Committees of public interest entities, dated June 27, 2017, reporting on the most relevant issues to the Board of Directors of the Company.

This report was drawn up by the Audit and Compliance Committee on February 20, 2023 and approved by the Board of Directors on the same day.

The Secretary to the Board of Directors of Enagás S.A.

Rafael Piqueras Bautista

APPENDIX III
AUDIT OPINION ON INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR"), 2022

Independent Assurance Report on the "Information Regarding Internal Control over Financial Reporting (ICFR) System"

ENAGÁS, S.A.

2022

EY
Building a better working world

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INDEPENDENT ASSURANCE REPORT ON THE "INFORMATION REGARDING THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) SYSTEM"

To the shareholders of
ENAGÁS, S.A.:

Scope

We have been engaged by ENAGÁS, S.A. to perform a "reasonable assurance engagement" to report on design and effectiveness of the Internal Control over Financial Reporting (ICFR) system (the "Subject Matter") of ENAGÁS S.A., contained in the accompanying Section F of the Annual Corporate Governance Report for the year ended December 31, 2022 (the "Report").

Criteria applied by ENAGÁS S.A.

In preparing the Subject Matter, ENAGÁS, S.A. applied the rules and policies defined by the Boards of Directors of ENAGÁS, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report (Criteria).

A system of internal control over financial reporting is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the accounting principles and standards applicable to it. A system of internal control over financial reporting includes policies and procedures that: (i) enable the records reflecting the transactions performed to be kept accurately and with a reasonable level of detail, (ii) guarantee that these transactions are performed only in accordance with the authorizations established; (iii) provide reasonable assurance that transactions are recognized appropriately to enable the preparation of the financial information in accordance with the accounting principles and standards applicable to it; and (iv) provide reasonable assurance in relation to the prevention or timely detection of unauthorized acquisition, use or sale of the company's assets that could have a material effect on the financial information. In view of the limitations inherent to any system of internal control over financial reporting, certain errors, irregularities, or fraud might not be detected. Also, the projection to future periods of an evaluation of internal control is subject to risks, including the risk that internal control may be rendered inadequate as a result of future changes in the applicable conditions or that there may be a reduction in the future of the degree of compliance with the policies or procedures established.

Directors' Responsibility

The Directors of ENAGÁS, S.A. are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

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EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the work performed by us and on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this engagement as agreed with ENAGÁS, S.A. on September 22, 2022. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reasonable assurance work includes comprehension of internal control over financial information contained in the financial statements; risk evaluation regarding possible material errors within them; tests and evaluations on design and daily effectiveness of the system and the use of any other procedures we considered necessary.

Description of procedures performed

Our procedures included:

- Conducted interviews with relevant personnel.
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.
- Analysis of the evidence obtained to support the reasonableness of the data.
- Identified and tested assumptions supporting calculations.

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- Tested, on a sample basis, underlying source information to check the accuracy of the data.
- Inspected relevant documentation of the systems and processes for compiling, analyzing, and aggregating data in the reporting period and testing such documentation on a sample basis.

We also performed such other procedures as we considered necessary in the circumstances.

Opinion

In our opinion, the Internal Control over Financial Reporting (ICFR) system as of December 31, 2022, is presented, in all material respects, in accordance with the rules and policies defined by the Board of Directors of ENAGÁS, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013) report. Also, the disclosures contained in section F of the Annual Corporate Governance Report at December 31, 2022 comply, in all material respects, with the requirements established in article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 3/2021, of September 28, which amends Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV).

Restriction on distribution and use

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain. Nevertheless, in accordance with prevailing audit regulations in Spain, we have audited the consolidated financial statements of Enagás, S.A. and subsidiaries for the year ended December 31, 2022, prepared by the directors in accordance with the International Financial Reporting Standards as adopted by the European Union, and other financial reporting framework provisions applicable to the Enagás Group in Spain and our report issued on February 20, 2023 on the consolidated financial statements expressed an unqualified opinion.

ERNST & YOUNG, S.L.

José Agustín Rico Horcajo

February 20, 2023

APPENDIX IV
AUDIT OPINION ON THE ANNUAL CORPORATE GOVERNANCE REPORT, 2022

Independent Assurance Report on the "Information Regarding the Annual Corporate Governance Report"

ENAGÁS, S.A.

2022

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INDEPENDENT ASSURANCE REPORT ON THE "INFORMATION REGARDING THE ANNUAL CORPORATE GOVERNANCE REPORT"

To the shareholders of ENAGÁS, S.A.:

Scope

We have been engaged by ENAGÁS, S.A. to perform a "reasonable assurance engagement", as defined by International Standards on Assurance Engagements to report on ENAGÁS' Annual Corporate Governance Report (the "Subject Matter") as of December 31, 2022.

Criteria applied by ENAGÁS, S.A.

In preparing the Subject Matter, ENAGÁS, S.A. applied the article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 3/2021, of September 28, which amends Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV). (Criteria).

ENAGÁS's responsibilities

The directors of ENAGÁS, S.A. are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this engagement as agreed with ENAGÁS S.A. on September 22, 2022. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

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For those recommendations of the Unified Good Corporate Governance Code that have not been implemented by the Company, the Directors of ENAGÁS, S.A. offer the explanations that they consider appropriate. In relation to said explanations, we have verified that the assertions contained in the Annual Corporate Governance Report do not contradict the evidence obtained from the application of the procedures described above.

Also, as regards the system of Internal Control over Financial Reporting (ICFR) (see section F of the accompanying Annual Corporate Governance Report), we verified the existence of the corresponding report issued by the Company's auditor. That report stated that the work was performed in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for the issuance of reasonable assurance reports.

Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reasonable assurance work includes comprehension of the Annual Corporate Governance Report contained in the financial statements; risk evaluation regarding possible material errors within it; tests and evaluations on design and the use of any other procedures we considered necessary. We consider that our audit provides a reasonable basis for our opinion.

Description of procedures performed

- Conducted interviews with relevant personnel.
- Undertook analytical review procedures to support the reasonableness of the data.
- Inspected relevant documentation.

We also performed such other procedures as we considered necessary in the circumstances.

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Opinion

In our opinion, the content of the accompanying Annual Corporate Governance Report as of December 31, 2022 is presented, in all material respects, in accordance with the requirements established in article 540 of the Corporate Enterprises Act, ECC order /461/2013 of March 20, Circular 3/2021, of September 28, which amends Circular 1/2020, of October 6, which amends Circular 7/2015, of December 22, Circular 5/2013, of June 12, and Circular 2/2018 of June 12 of the Spanish National Securities Market Commission (CNMV).

Restriction on distribution and use

This report can under no circumstances be considered an audit report carried out in accordance with prevailing audit regulations in Spain.

ERNST & YOUNG, S.L.

José Agustín Rico Horcajo

February 20, 2023

A member firm of Ernst & Young Global Limited

CONSOLIDATED ANNUAL ACCOUNTS

enagas

Audit Report on Financial Statements
issued by an Independent Auditor

ENAGÁS, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2022

Building a better working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 5)

To the shareholders of ENAGÁS, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of ENAGÁS, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2022, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Recovery of financial assets related to Gasoducto Sur Peruano, S.A.

Description

On January 24, 2017, the Directorate General for Hydrocarbons of the Ministry for Energy and Mines terminated the "Improvements to the National Energy Security and Development of the South Peruvian Pipeline" concession agreement and on December 4, 2017, the National Institute for the Defense of Competition and Intellectual Property requested that Gasoducto del Sur Peruano, S.A. file for bankruptcy, as explained in Note 3.3.a to the consolidated financial statements.

The Enagás Group holds financial assets amounting to 275.3 million US dollars relating to the investment in Gasoducto Sur Peruano, S.A. and accounts receivable pertaining to executed guarantees totaling 226.8 million US dollars, interest of 1.9 million US dollars, as well as various invoices for professional services rendered amounting to 7.6 million US dollars. These items represent recorded assets at December 31, 2022 of 474 million euros (Note 3.3.a to the accompanying consolidated financial statements).

Due to the termination of the concession contract, the Enagás Group entered into an ongoing dispute with the Peruvian Government related to the recovery of the investment. On July 2, 2018, a request was filed with the ICSID (International Centre for Settlement of Investment Disputes) to initiate arbitration against the Peruvian State regarding its investment in Gasoducto Sur Peruano, S.A. Subsequently, Enagás' claim memorial was submitted to the ICSID, as were the corresponding responses and replies by both the Peruvian government and Enagás. The pre-trial hearing was held in September 2022, and the written conclusions were presented in November 2022. Issuance of the arbitration award is estimated for around June 30, 2023

Given the significance of the amounts involved and the uncertainty regarding the final outcome of the resolution of complex, long-term processes of this type from a legal and economic standpoint, we have determined this to be a key audit matter since, primarily, the Group's legal advisors believe that the estimates made by Enagás' directors may vary in the future.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding the Enagás Group's process for assessing the recoverability of these assets and reviewing the design and operating effectiveness and implementation of key controls.
- Evaluating compliance with the terms and conditions of the contracts and agreements between shareholders of Gasoducto Sur Peruano, S.A
- Analyzing recent relevant notifications between Peruvian official bodies and Gasoducto Sur Peruano, S.A., as well as the documents included in the claim filed by Enagás with the ICSID and the Peruvian government's and Enagás' various replies, responses, and rejoinders.
- Holding meetings with external and independent experts in Peruvian and international law engaged by the Enagás Group.

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- Reviewing the analysis reports of this matter prepared by various Peruvian and international law experts (bankruptcy, criminal and administrative law, inter alia) and the Enagás Group's internal legal consultants.
- Reviewing the Enagás Group's accounting estimate processes used to analyze the recovery of the aforementioned financial assets and the basis for the report prepared by an external accounting expert and the report prepared by an independent expert to determine the net carrying amount of these financial assets that have been included in the dispute filed with the ICSID.
- Assessing the financial asset recovery analysis prepared by Enagás Group Management based on various scenarios (sensitivity analysis).
- Reviewing the disclosures included in the notes to the accompanying consolidated financial statements in conformity with the applicable financial reporting framework.

Regulatory framework including recognition of income and amounts receivables from the gas system

Description

The Enagás Group's main revenues as explained on note 2.1 of the Consolidated Financial Statements, are derived from regasification, storage, and transportation of natural gas that are regulated under the framework that started as of January 1, 2021 until 2026 (as explained on Appendix III of the accompanying consolidated financial statements). Consequently, the Group's activities are notably affected by the current regulation (local, regional, national, and European).

The abovementioned factors have caused us to consider this issue a key audit matter.

Our response

Our audit procedures in this regard included, among other, the following:

- Understanding the Enagás Group's process for recognizing revenue from regulated activities and receivable balances, as well as reviewing the design and operating effectiveness and implementation of key controls.
- Reviewing the regulations from January 1, 2021 and evaluating the degree of compliance therewith.
- Testing revenue recognition, verifying its reasonableness in terms of each year's regulatory developments.
- Verifying the gas system's accounts payable and receivable by examining conclusions and final settlements with the CNMC during the year.
- Reviewing the disclosures included in notes 2.1, 2.2, and Appendix III to the accompanying consolidated financial statements in conformity with the applicable financial reporting framework.

Impairment analysis of equity method investments

Description

The Enagás Group makes significant estimates when analyzing the impairment of investments accounted for using the equity method, the balance of which at December 31, 2022 amounts to 2,552.6 million euros and contain significant implicit goodwill. The possible loss of value is determined by analyzing the recoverable value of the investment accounted for using the equity method.

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The principal figures and the criteria and hypotheses used in the related valuation of these assets are described in Note 1.6 and 2.7 to the consolidated financial statements.

We have determined these estimates and valuations to be a key audit matter since, given the amount of the assets affected, small changes in the hypotheses could have a material impact on the Enagás Group's consolidated financial statements.

Our response

Our audit procedures consisted, among others, the following:

- Understanding the Enagás Group's process for assessing the recoverability of these assets and reviewing the design and operating effectiveness and implementation of key controls.
- Reviewing, in collaboration with valuation specialists, the reasonableness of the methodology used by Management for preparing the discounted cash flow statements of each investment accounted for using the equity method, focusing particularly on the discount rate and long-term growth rate applied.
- Analyzing the financial information projected in the business plan of each investment accounted for using the equity method by analyzing historical financial information, current conditions, and expectations regarding their future performance.
- Checking the mathematical accuracy of impairment models and reviewing the sensibility analysis performed by the Management.
- Reviewing the information disclosed by the Group with respect to these estimates to the accompanying consolidated financial statements in accordance with the applicable financial reporting framework.

Other information: consolidated Management report

Other information refers exclusively to the 2022 consolidated Management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated Management report. Our responsibility for the consolidated Management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated Management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated Management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

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Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated Management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of ENAGÁS, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of ENAGÁS S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). For this reason, the Annual Report on Remuneration of Directors have been included in the consolidated management report for reference.

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Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 20, 2023.

Term of engagement

The ordinary general shareholders' meeting held on March 31, 2022 appointed us as auditors for three years, commencing on December 31, 2022.

Previously, we were appointed as auditors by the shareholders for two periods of 3 years and we have been carrying out the audit of the financial statements continuously since December 31, 2016

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

José Agustín Rico Horcajo
(Registered in the Official Register of Auditors under No. 21920)

February 20, 2023

ENAGÁS, S.A. AND SUBSIDIARIES

ENAGÁS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2022

(In thousands of euros)

ASSETS	Notes	31.12.2022	31.12.2021
NON-CURRENT ASSETS		**7,412,967**	**7,957,452**
Intangible assets	2.5	83,169	86,624
Goodwill		17,521	23,203
Other intangible assets		65,648	63,421
Investment properties	4.1	17,410	18,660
Property, plant, and equipment	2.4	4,164,912	4,428,552
Investments accounted for using the equity method	1.6	2,552,584	2,789,684
Other non-current financial assets	3.3.a	593,198	632,621
Deferred tax assets	4.2.f	1,694	1,311
CURRENT ASSETS		**1,985,610**	**1,916,266**
Non-current assets held for sale	2.6	40,460	29,669
Inventories	4.8	35,200	26,359
Trade and other receivables	2.2.b	513,031	382,709
Current tax assets	4.2.a	453	12,357
Other current financial assets	3.3.a	29,180	13,466
Short-term accruals		8,002	7,555
Cash and cash equivalents	3.8.a	1,359,284	1,444,151
TOTAL ASSETS		**9,398,577**	**9,873,718**

EQUITY AND LIABILITIES	Notes	31.12.2022	31.12.2021
EQUITY		**3,218,302**	**3,101,650**
SHAREHOLDERS' EQUITY		**3,076,477**	**3,158,421**
Sharecapital	3.1.a	392,985	392,985
Issue premium	3.1.b	465,116	465,116
Reserves	3.1.d	2,036,921	2,080,241
Treasury shares	3.1.c	(18,366)	(12,464)
Profit /(loss) for the year		375,774	403,826
Interim dividend	1.8.a	(179,684)	(177,812)
Other equity instruments	4.4	3,731	6,529
ADJUSTMENTS FOR CHANGES IN VALUE	**3.1.e**	**125,804**	**(72,991)**
MINORITY INTERESTS (EXTERNAL PARTNERS)	**3.2**	**16,021**	**16,220**
NON-CURRENT LIABILITIES		**4,417,833**	**5,299,828**
Non-current provisions	2.9.a	295,893	292,356
Financial debt and non-current derivatives	3.3.b	3,935,797	4,808,928
Deferred tax liabilities	4.2.f	150,445	160,317
Other non-current liabilities	2.8	35,698	38,227
CURRENT LIABILITIES		**1,762,442**	**1,472,240**
Current provisions	2.9.a	11,564	717
Financial debt and current derivatives	3.3.b	970,440	1,056,128
Trade and other payables	2.3	710,234	412,790
Current tax liabilities	4.2.a	70,204	2,605
TOTAL EQUITY AND LIABILITIES		**9,398,577**	**9,873,718**

The accompanying Notes 1 to 4.10 constitute an integral part of the Consolidated Balance Sheet at December 31, 2022

ENAGÁS, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2022

(In thousands of euros)

	Notes	31.12.2022	31.12.2021
Revenue	2.1.a	957,100	975,686
Income from regulated activities		950,440	967,607
Income from non-regulated activities		6,660	8,079
Other operating income	2.1.a	13,209	15,487
Personnel expenses	2.1.b	(140,414)	(129,747)
Other operating expenses	2.1.c	(233,746)	(183,672)
Depreciation and amortisation	2.4 and 2.5	(264,122)	(262,837)
Impairment losses on disposal of fixed assets	2.4, 2.5 and 4.1	(607)	5,201
Result of investments accounted for using the equity method	1.6	146,820	163,251
OPERATING PROFIT		**478,240**	**583,369**
Financial income and similar	3.5	37,525	19,524
Financial expenses and similar	3.5	(100,348)	(103,009)
Impairment and gains (losses) on disposals of financial instruments	3.5	110,891	—
Exchange differences (net)	3.5	70	144
Change in fair value of financial instruments	3.5	20	(71)
FINANCIAL RESULT		**48,158**	**(83,412)**
PROFIT /(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**526,398**	**499,957**
Income tax	4.2.c	(149,984)	(95,318)
PROFIT /(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**376,414**	**404,639**
Profit attributable to minority interests	3.2	(640)	(813)
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		**375,774**	**403,826**
BASIC EARNINGS PER SHARE (in euros)	**1.7**	**1.4379**	**1.5443**
DILUTED EARNINGS PER SHARE (in euros)	**1.7**	**1.4379**	**1.5443**

The accompanying Notes 1 to 4.10 constitute an integral part of the Consolidated Income Statement at December 31, 2022.

ENAGÁS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT DECEMBER 31, 2022

(In thousands of euros)

	Notes	31.12.2022	31.12.2021
CONSOLIDATED PROFIT FOR THE YEAR		**376,414**	**404,639**
Attributed to the parent company		375,774	403,826
Attributable to minority interests		640	813
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		**199,817**	**118,024**
From companies accounted for using the full consolidation method		**(51,223)**	**(67,098)**
From cash flow hedges	3.1.e	(414)	(6,924)
From translation differences	3.1.e	(50,913)	(61,905)
Tax effect	3.1.e	104	1,731
From companies accounted for using the equity method		**218,391**	**184,588**
From cash flow hedges	3.1.e	81,172	23,741
From translation differences	3.1.e	148,901	164,597
Tax effect	3.1.e	(11,682)	(3,750)
Non-current assets held for sale		**30,397**	**—**
From translation differences		30,397	—
Of equity instruments at fair value, net	**3.1.e**	**2,252**	**534**
AMOUNTS TRANSFERRED TO THE INCOME STATEMENT		**(1,022)**	**11,705**
From companies accounted for using the full consolidation method		**33,509**	**9,432**
From cash flow hedges	3.1.e	3,627	12,576
From translation differences	3.1.e	30,789	—
Tax effect	3.1.e	(907)	(3,144)
From companies accounted for using the equity method		**2,890**	**2,273**
From cash flow hedges	3.1.e	3,715	3,219
Tax effect	3.1.e	(825)	(946)
Non-current assets held for sale		**(37,421)**	**—**
From translation differences		(37,421)	—
TOTAL OTHER COMPREHENSIVE INCOME		**198,795**	**129,729**
TOTAL RECOGNISED INCOME AND EXPENSES		**575,209**	**534,368**
Attributed to minority interests		**640**	**813**
From attributable to results	3.2	640	813
Attributed to the parent company		**574,569**	**533,555**

The accompanying Notes 1 to 4.10 constitute an integral part of the Consolidated Statement of Comprehensive Income at December 31, 2022

IAS 1 requires that items to be reclassified in the Consolidated Income Statement are broken down separately from those that will not be reclassified. All of the aforementioned cases are considered susceptible to reclassification in the income statement.

ENAGÁS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY AT DECEMBER 31, 2022

(In thousands of euros)

	Share capital (Note 3.1.a)	Issue premium and reserves (Note 3.1.b and Note 3.1.d)	Other equity instruments (Note 4.4)	Treasury shares (Note 3.1.c)	Profit /(loss) for the year	Interim dividend (Note 1.8.a)	Adjustments for changes in value (Note 3.1.e)	Equity attributable to the Parent Company	Minority interests (Note 3.2)	Total Equity
BALANCE AT DECEMBER 2020 AND AT THE BEGINNING OF 2021	**392,985**	**2,539,540**	**4,402**	**(12,464)**	**444,002**	**(175,720)**	**(202,720)**	**2,990,025**	**16,959**	**3,006,984**
Total recognised income and expenses	—	—	—	—	403,826	—	129,729	**533,555**	813	**534,368**
Transactions with shareholders	—	—	—	—	(263,580)	(177,812)	—	**(441,392)**	(3,559)	**(444,951)**
- Distribution of dividends	—	—	—	—	(263,580)	(177,812)	—	**(441,392)**	(3,559)	**(444,951)**
Other changes in equity	—	5,817	2,127	—	(180,422)	175,720	—	**3,242**	2,007	**5,249**
- Payments based on equity instruments	—	—	2,127	—	—	—	—	**2,127**	—	**2,127**
- Transfers between equity items	—	4,702	—	—	(180,422)	175,720	—	**—**	—	**—**
- Differences due to changes in consolidation scope	—	(56)	—	—	—	—	—	**(56)**	(223)	**(279)**
- Other changes	—	1,171	—	—	—	—	—	**1,171**	2,230	**3,401**
BALANCE AT DECEMBER 2021 AND AT THE BEGINNING OF 2022	**392,985**	**2,545,357**	**6,529**	**(12,464)**	**403,826**	**(177,812)**	**(72,991)**	**3,085,430**	**16,220**	**3,101,650**
Total recognised income and expenses	—	—	—	—	375,774	—	198,795	**574,569**	640	**575,209**
Transactions with shareholders	—	—	—	—	(266,718)	(179,684)	—	**(446,402)**	(820)	**(447,222)**
- Distribution of dividends	—	—	—	—	(266,718)	(179,684)	—	**(446,402)**	(820)	**(447,222)**
Transactions with treasury shares	—	—	—	(9,677)	—	—	—	**(9,677)**	—	**(9,677)**
Other changes in equity	—	(43,320)	(2,798)	3,775	(137,108)	177,812	—	**(1,639)**	(19)	**(1,658)**
- Payments based on equity instruments	—	—	(2,798)	3,775	—	—	—	**977**	—	**977**
- Transfers between equity items	—	(40,704)	—	—	(137,108)	177,812	—	**—**	—	**—**
- Differences due to changes in consolidation scope	—	—	—	—	—	—	—	**—**	268	**268**
- Other changes	—	(2,616)	—	—	—	—	—	**(2,616)**	(287)	**(2,903)**
BALANCE AT DECEMBER 31, 2022	**392,985**	**2,502,037**	**3,731**	**(18,366)**	**375,774**	**(179,684)**	**125,804**	**3,202,281**	**16,021**	**3,218,302**

The accompanying Notes 1 to 4.10 constitute an integral part of the Consolidated Statement of Total Changes in Equity at December 31, 2022

ENAGÁS, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT AT DECEMBER 31, 2022

(In thousands of euros)

	Notes	31.12.2022	31.12.2021
CONSOLIDATED PROFIT BEFORE TAX		**526,398**	**499,957**
Adjustments to consolidated profit		**71,270**	**173,809**
Amortisation of fixed assets	2.4 and 2.5	264,122	262,837
Other adjustments to profit		(192,852)	(89,028)
Change in operating working capital		**235,342**	**39,474**
Inventories		(9,037)	(4,990)
Trade and other receivables		(67,285)	(85,714)
Other current assets and liabilities		—	(1,596)
Other non-current assets and liabilities		(3,188)	(620)
Trade and other payables		314,852	132,394
Other cash flows from operating activities		**(106,979)**	**(133,306)**
Interest paid		(70,923)	(82,473)
Interest received		12,138	13,291
Income tax receipts (payments)	4.2.c	(48,194)	(64,124)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**726,031**	**579,934**
Payments for investments		**(150,238)**	**(114,011)**
Subsidiaries and associates	1.6	(23,012)	(10,641)
Fixed assets and real estate investments	2.4 and 2.5	(90,786)	(69,854)
Other financial assets		(36,440)	(33,516)
Proceeds from disposals		**698,810**	**54,327**
Subsidiaries and associates		38,618	52,093
Non-current assets held for sale		659,629	2,234
Other financial assets		563	—
Other cash flows from investing activities		**121,268**	**160,268**
Other receipts (payments) from investing activities	1.6	121,268	160,268
NET CASH FLOWS FROM INVESTING ACTIVITIES		**669,840**	**100,584**
Proceeds from and (payments) on equity instruments		**(8,423)**	**—**
Acquisition of equity instruments		(9,677)	—
Sales of equity instruments		1,254	—
Proceeds from and payments on financial liabilities		**(1,031,499)**	**377,572**
Issues	3.8.c	2,247,980	3,892,937
Repayment and amortisation	3.8.c	(3,279,479)	(3,515,365)
Other cash flows from investing activities		**(38,175)**	**(36,481)**
Other receipts (payments) from financing activities	3.4	(38,175)	(36,481)
Dividends paid	**1.8.a**	**(446,686)**	**(444,040)**
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(1,524,783)**	**(102,949)**
EFFECT OF CHANGES IN CONSOLIDATION METHOD		**2,273**	**—**
Effect of exchange rate fluctuations		41,772	2,927
TOTAL NET CASH FLOWS		**(84,867)**	**580,496**
Cash and cash equivalents at beginning of period		1,444,151	863,655
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3.8.a**	**1,359,284**	**1,444,151**

The accompanying Notes 1 to 4.10 constitute an integral part of the Consolidated Cash Flow Statement at December 31, 2022.

1. Group activities and presentation bases

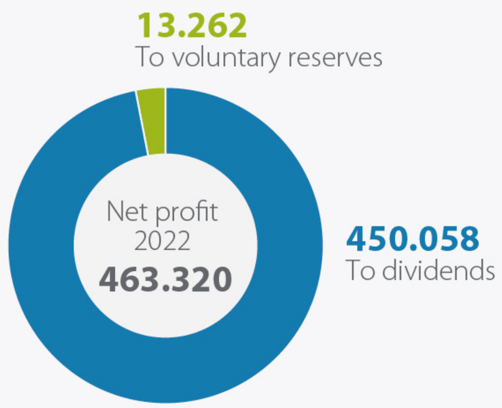
RELEVANT ASPECTS

Results

- The net profit attributed to the parent company amounted to 375,774 thousands of euros (Note 1.7).

  This amount includes several non-recurring events, such as the closing of the transfer of the stake in GNL Quintero, for which the Enagás Group recorded a net profit of 135 million euros, the impairment of the stake in Tallgrass Energy for 134 million euros, and the change of control to joint control of the Enagás Renovable subgroup and consequent recognition as investments accounted for using the equity method at fair value, generating a profit of 50 million euros.

- Basic earnings per share and diluted earnings per share at December 31, 2022 were the same and amounted to 1.4379 euros per share. At December 31, 2021, basic earnings per share amounted to 1.5443 euros, which coincided with diluted earnings per share (Note 1.7).
- The proposed dividend payment for 2022 amounts to 1.72 euros per share (1.70 euros per share in 2021) (Note 1.8).
- The Board of Directors has proposed the following distribution of net profit corresponding to 2022 for the Parent company, Enagás, S.A. (Note 1.8.a):



International economic situation

- In 2022, both Enagás and its Group companies have operated normally, ensuring continuity of natural gas supply both in Spain and in the countries where these companies operate. This Group's main activity takes place within a stable regulatory framework.
- As in 2021, in 2022 there were no significant equity effects as a result of the Covid-19 situation, as detailed in Note 1.11. Also, there have been no significant effects as a result of the international situation caused by the war in Ukraine.

Working capital

At December 31, 2022 the Consolidated Balance Sheet presents a positive working capital of 223,168 thousands of euros (positive working capital of 444,026 thousands of euros at December 31, 2021).

Other information

The Enagás Group has made a net divestment of 548,572 thousands of euros in 2022, as reflected in the Cash Flow Statement. The most noteworthy transactions are the following:

- In July 2022, the conditions precedent were fulfilled and the Enagás Group completed the transfer of the GNL Quintero interest, for which it received 655 million dollars (638.8 million euros) (Note 1.5).
- Investments were made in regasification, transmission and storage facilities, with the aim of expanding and improving them to adapt to future demand forecasts amounting to 90,786 thousands of euros in relation to the investment additions indicated in Note 2.4.

1.1 Group activity

Enagás, S.A. (hereinafter the Company or the Parent Company), a company incorporated in Spain on July 13, 1972 in accordance with the Spanish Corporate Enterprises Act, is the head of a group of companies (Appendix I and II) that form the Enagás Group (hereinafter the Group or the Enagás Group) and which are engaged in the transmission, storage and regasification of natural gas, as well as the development of all functions related to the technical management of the gas system.

a) Corporate purpose

i. Regasification, basic and secondary transmission as well as storage of natural gas, via the corresponding gas infrastructure or facilities, of its own or of third parties, and also the performance of auxiliary activities or others related to the aforementioned activities.

ii. Design, construction, start up, exploitation, operation, and maintenance of all types of complementary gas infrastructure and facilities, including telecommunications networks, remote control and control of any nature, and electricity networks, whether its own or of third parties.

iii. Development of all functions relating to technical management of the gas system.

iv. Transmission and storage activities for carbon dioxide, hydrogen, biogas, and other energy-related fluids, via the corresponding facilities, of its own or of third parties, as well as the design, construction, start up, exploitation, operation, and maintenance of all types of complementary infrastructure and installations necessary for said activities.

v. Activities for making use of heat, cold, and energies associated with its main activities or arising from them.

vi. Rendering of services of a diverse nature, among them, engineering, construction, advisory, and consultancy services in connection with the activities relating to its corporate purpose as well as participation in natural gas markets management activities to the extent they are compatible with the activities permitted for the Company by law.

The above activities can be carried out by Enagás, S.A. itself or through companies with an identical or analogous corporate purpose in which it holds interest, provided they remain within the scope and limitations established by legislation applicable to the hydrocarbons sector. In accordance with said legislation, the activities related to transmission and technical management of the system which are of a regulated nature must be carried out by two subsidiaries entirely owned by Enagás, S.A. (Enagás Transporte, S.A.U. and Enagás GTS, S.A.U., respectively). Consequently, the corporate purpose includes:

i. Management of the corporate group comprised of the interest held in share capital of companies belonging to the group.

ii. Rendering of assistance or support services to affiliates, including the provision of appropriate guarantees and reinforcement for them.

b) Other information

Its registered address is located at Paseo de los Olmos, 19, 28005, Madrid. The Articles of Association and other public information about the Company and its Group may be consulted on its web page, www.enagas.es and at its registered office. The name of the Parent Company has not changed with respect to the previous year..

1.2 Basis of presentation

The Consolidated Annual Accounts of the Enagás Group for 2022 were prepared based on the accounting records of the Parent Company and remaining entities comprising the Group, in accordance with International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Union, in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council.

The Consolidated Annual Accounts have been prepared applying all mandatory accounting principles, standards, and measurement criteria in order to give a true and fair view of the equity and financial position of the Group at December 31, 2022, as well as of the results of its operations, changes in equity, cash flows, and changes in recognised income and expenses, which have arisen in the Group for the year then ended.

The Consolidated Annual Accounts of the Enagás Group for 2022 were authorised for issue by the Directors at their Board meeting held on February 20, 2023. The Consolidated Annual Accounts for 2021 were approved at the General Shareholders' Meeting of Enagás, S.A. held on March 31, 2022 and were subsequently filed at the Madrid Companies Registry. The Group's Consolidated Annual Accounts and those of each entity belonging to the Group, corresponding to financial year 2022, are pending approval at their respective Ordinary General Shareholders' Meeting. It is expected that they will be approved without modification.

These Consolidated Annual Accounts are presented in thousands of euros (unless otherwise stated).

International economic situation

Continuing with the application of the recommendations of the European Securities and Markets Authorities (ESMA) provided in 2020 and 2021 regarding the economic situation generated by COVID-19, we provide in Note 1.11 below a summary of the main aspects of this situation considered by the Enagás Group in relation to the consolidated annual accounts at December 31, 2022.

Note 1.11 below also includes a reference to the armed conflict in Ukraine, which began on February 24, 2022, and indicates that it did not have a negative impact on the consolidated financial statements as of December 31, 2022.

a) Materiality criteria

The accompanying Consolidated Annual Accounts do not include the information or disclosures which the Group did not consider of material significance or important relative to the concept of materiality as defined in the conceptual framework of IFRS, taking into account the Consolidated Annual Accounts as a whole.

b) Comparison of information

The information included in these consolidated notes relating to 2021 is presented solely and exclusively for purposes of comparison with the information relating to 2022.

1.3 Consolidation principles

The Consolidated Financial Statements include the Financial Statements of the Parent Company, Enagás, S.A., and its subsidiaries, associates, jointly controlled operations and joint ventures at December 31, 2022.

Subsidiaries are considered to be those entities with respect to which the Enagás Group fulfils the following criteria:

- The capacity to use its interest to influence the amount of revenue to be obtained from said subsidiary.
- The Group has power over the affiliate, in so far as a company has rights which permit it to direct relevant activities, understood as those which significantly affect the revenue generated by the subsidiary.
- It maintains exposure or the right to variable revenue arising from its involvement in the subsidiary.

Subsidiaries are consolidated using the full consolidation method.

The share of minority shareholders in the equity and profit of consolidated subsidiaries of the Enagás Group is recognised in "Minority interests (External partners)" under "Equity" in the Consolidated Balance Sheet and "Profit/(loss) attributable to minority interests" in the Consolidated Income Statement, respectively. Subsidiaries are consolidated starting on the acquisition date, i.e., the date on which the Group obtains control, and they continue to be consolidated until such control is lost.

The financial statements of subsidiaries are prepared for the same reporting period as those of the Parent. With respect to the joint agreements, that is, those by virtue of which the Enagás Group maintains joint control with one or more other partners, a distinction is made between joint operations and joint ventures. Joint control is understood as control shared by virtue of a contractual agreement which requires unanimous consent from all involved parties for decision-making regarding relevant activities.

Thus, joint operations are considered to be those in which, based on a contractual arrangement, a company enjoys the rights to assets and assumes obligations with respect to liabilities. The interest held in joint operations is consolidated using the proportionate consolidation method.

In addition, joint ventures are considered to be those in which, based on a contractual arrangement, a company exercises rights with respect to the net assets of the joint venture. Shareholdings in joint ventures are consolidated using the equity method. In those cases in which the Enagás Group acquires control over companies previously considered as joint ventures, a new estimate is made for the fair value of the interest held previously in equity at the acquisition date, recognising income or losses in the Consolidated Income Statement for the reporting period. Furthermore, associates are considered to be those entities over which the Enagás Group holds significant influence, that is, the power to intervene in decision-making regarding financial policies and operational matters, without attaining full control or joint control. The interest held in associates is consolidated using the equity method.

If appropriate, adjustments are made to the financial statements of subsidiaries, affiliates, joint ventures, and joint operations in order to unify their accounting policies with those of the Enagás Group.

a) Consolidation methods

Consolidation method/Company	Functional currency
Full consolidation	
Enagás Transporte, S.A.U.	Euro
Enagás GTS, S.A.U.	Euro
Enagás Internacional, S.L.U.	US dollar
Enagás Financiaciones, S.A.U.	Euro
Enagás U.S.A., L.L.C.	US dollar
Enagás Perú, S.A.C.	US dollar
Enagás México, S.A. de C.V.	US dollar
Enagás Emprende, S.L.U.	Euro
Enagás Chile, SpA.	US dollar
Enagás Transporte del Norte, S.L. (1)	Euro
Infraestructuras del Gas, S.A. (1)	Euro
Enagás Holding USA, S.L.U.	US dollar
Enagás Infraestructuras de Hidrógeno, S.A.U.	Euro
Efficiency for LNG Aplications, S.L. (1)	Euro
Enagás Services Solutions, S.L.	Euro
Sercomgas Solutions, S.L. (1)	Euro
Scale Gas Solutions, S.L.	Euro
Equity method	
Gasoducto de Morelos, S.A.P.I. de C.V. (2)	US dollar
Morelos O&M, S.A.P.I. de C.V. (2)	US dollar
Estación de Compresión Soto La Marina, S.A.P.I. de C.V.	US dollar
Soto de la Marina O&M, S.A.P.I de C.V.	US dollar
Bahía de Bizkaia Gas, S.L.	Euro
Trans Adriatic Pipeline AG	Euro
Terminal de LNG de Altamira, S. de R.L. de C.V.	US dollar
Transportadora de Gas del Perú, S.A.	US dollar
Planta de Regasificación de Sagunto, S.A.	Euro
Iniciativas del Gas, S.L.	Euro
Mibgas, S.A.	Euro
Tallgrass Energy L.P.	US dollar

Consolidation method/Company	Functional currency
Llewo Mobility, S.L. (previously "Gas to Move, S.L.")	Euro
Tecgas, Inc.	US dollar
Mibgas Derivatives, S.A.	Euro
Senfluga Energy Infraestructure	Euro
Hellenic Gas Transmission System Operator, S.A.	Euro
Seab Power Ltd.	Sterling pound
Vira Gas Imaging, S.L.	Euro
Alantra Energy Transition, S.A.	Euro
Knutsen Scale Gas, S.L.	Euro
Green Ports Project, S.L.	Euro
Enagás Renovable, S.L. (Subgrupo)	Euro
Solatom CSP, S.L.	Euro
Sunrgyze, S.L. (antes "SUN2HY, S.L.")	Euro
Scale Gas Med Shipping, S.L.U.	Euro
Trovant Technology, S.L.	Euro
Basquevolt, S.A.	Euro
H2Greem Global Solutions, S.L.	Euro
Axent Infraestructuras de Telecomunicaciones, S.A.	Euro

(1) For these companies the Enagás Group recognises interest corresponding to minority interests under "Minority interests (External partners)" in Equity in the Consolidated Balance Sheet at December 31, 2022.
(2) The shareholdings of Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. remain classified as "Non-Current Assets Held for Sale" as of December 31, 2022 (Note 2.6).

b) Consolidation process

Consolidation of the Enagás Group was carried out in accordance with the following process:

i. Transactions between companies included in the consolidation scope. All balances, transactions, and results between companies consolidated under the full consolidation method were eliminated upon consolidation. For joint operations, the balances, transactions and results of operations with other Group companies were eliminated in the proportion at which they were consolidated. With respect to gains and losses generated through operations among Group companies and companies consolidated under the equity method, the percentage of interest held by the Group in the latter was eliminated.

ii. Harmonisation of criteria. For affiliates which apply different accounting and measurement criteria to those of the Group, the consolidation process included the corresponding adjustments, provided the effect was significant, with a view to presenting the Consolidated Financial Statements based on harmonised measurement standards.

iii. Translation of Financial Statements denominated in foreign currency. The translation to euros of the Financial Statements of the aforementioned companies in the Enagás Group consolidation process was carried out in accordance with the following procedures:

- Assets and liabilities of each corresponding balance sheet denominated in foreign currency are translated at the spot rate prevailing at the balance sheet date.
- Income and expense items making up each income statement heading are translated at the average exchange rate for the year in which the related transactions are carried out.
- The historical exchange rate for Equity is maintained.
- Exchange gains (losses) arising as a result of net assets are recognised as a separate component of equity under "Adjustments for changes in value" and in the income statement under "Translation differences."

When disposing of a company whose functional currency is not the euro; or when disposals are carried out as a result of losing control; or result from business combinations with respect to previously held interest, translation differences recognised as a component of equity relating to said investment are recognised in the Consolidated Income Statement as soon as the effect arising from said disposal is recognised.

The exchange rates with respect to the euro of the main currencies used by the Group during 2022 and 2021 were as follows:

Currency	Average exchange rate applicable to the headings of the income statement	Exchange rate applicable to the balance sheet headings (1)
2022		
US dollar	1.05361	1.06635
Peruvian Nuevo Sol	4.03416	4.04623
Sterling pound	0.85261	0.88455
2021		
US dollar	1.18439	1.1375
Peruvian Nuevo Sol	4.57224	4.5474
Sterling pound	0.86091	0.83964

(1) Equity excluded.

The effect on the main headings of the Group's Consolidated Financial Statements of applying the translation process to the net assets of companies consolidated using the full consolidation method and whose functional currency is the US dollar is as follows:

2022	Consolidated total	Contribution of companies using the euro as functional currency	Contribution of companies using the US dollar as functional currency	Amount in US dollars
Fixed assets and investment properties	4,265,491	4,264,865	626	668
Other non-current financial assets	593,198	590,717	2,481	2,646
Trade and other receivables	513,031	512,352	679	724
Other current financial assets	29,180	8,110	21,070	22,468
Cash and cash equivalents	1,359,284	830,400	528,884	563,975
Financial debt and non-current derivatives	3,935,797	3,521,784	414,013	441,483
Financial debt and current derivatives	970,440	574,113	396,327	422,623
Trade and other payables	710,234	605,967	104,267	111,185

iv. Elimination of dividends. Internal dividends are considered to be those a Group company recognises as income for the year and that have been distributed by another Group company.

During the consolidation process, dividends received by subsidiaries and joint operations are eliminated by considering them to be reserves of the recipient company, which consequently recognises them under "Reserves". In the case of minority interests in companies consolidated using the full consolidation method, the amount of the dividend corresponding to said minority interests is eliminated from the consolidated equity heading "Minority interests (External partners)".

v. Equity method. The investment is initially recognised at cost and subsequently adjusted by the share corresponding to the investor of the changes in net assets of the affiliate. In addition, dividends received are accounted for as a lower amount under "Investments accounted for using the equity method".

Also, when the associate or joint venture is acquired, any difference between the cost of the investment and the share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is accounted for as follows:

- The capital gain related to these companies or joint ventures is included in the carrying amount of the investment. This capital gain cannot be amortised.
- Any excess of the share of the net fair value of the identifiable assets and liabilities over the cost of the investment is included as income to determine the share of profit or loss of the associate or joint venture in the period in which the investment is acquired.

The consolidated profit for the year includes participation in the results of the affiliates under "Results of investments accounted for using the equity method" in the accompanying Consolidated Income Statement. If the participation in losses of an associate or joint venture equals or exceeds participation in said entities, the loss will no longer be recognised under additional losses. Once interest in an entity is reduced to zero, the additional losses will be maintained and a liability will only be recognised to the extent the corresponding entity incurred legal or implicit obligations or made a payment on behalf of an associate or joint venture. If the associate or joint venture subsequently reports profits, the entity will once again recognise its interest only after its participation in said profits equals its participation in unrecognised losses.

1.4 Estimates and accounting judgements made

In the Group's Consolidated Annual Accounts for 2022, estimates and judgements were occasionally made by the Senior Management of the Group and of the consolidated companies, subsequently ratified by the Directors, in order to quantify certain assets, liabilities, income, expenses, and commitments reported herein. Basically:

Estimates

- The useful life of PP&E assets (Note 2.4).
- Provisions for dismantling/abandonment costs, other provisions and contingent liabilities (Note 2.9).
- The measurement of investments accounted for using the equity method, and non-financial assets to determine the possible existence of impairment losses (Notes 1.6 and 2.7).
- The fair value of financial instruments (Notes 3.3 and 3.6).
- Impairment losses on financial assets measured at amortised cost (Notes 2.2 and 3.3).
- The calculation of income tax and deferred tax assets (Note 4.2).
- The fair value of equity instruments granted under the Long-Term Incentive Plan (ILP)" (Note 3.1.c).
- Assumptions on the calculation of the term of lease contracts in application of IFRS 16 (Note 2.4.b).
- Determination of the expected loss associated with receivables (Note 2.2).

Judgements

- The recognition of investments accounted for using the equity method (Note 1.6).
- Compliance with conditions for classifying assets and liabilities as non-current assets and liabilities held for sale (Note 2.6).

Although these estimates were made on the basis of the best information available at December 31, 2022, future events may require these estimates to be modified prospectively in the coming years (upwards or downwards). In accordance with IAS 8, this would be done prospectively, recognising the effects of any change of estimate in the Consolidated Income Statement.

1.5 Changes in the consolidation scope

The following changes in the consolidation scope of the Enagás Group occurred during 2022:

	Amount (thousands)		Stake percentage		
Entity	In local currency	In euros	At 12.31.2022	At 12.31.2021	Description / Type of control
Entries into the scope					
Enagás infraestructuras del Hidrógeno, S.L.	9,451	9,451	100.0 %	— %	Admission to the scope by incorporation of the company, which Enagás consolidates globally.
Basquevolt, S.A.	1,500	1,500	14.6 %	— %	Capital increase subscribed by the Enagás Group. With the shareholding structure and how decision-making is articulated, the Enagás Group integrates this investment through the equity method.
Enagás Renovable Chile, SpA	25	24	60.0 %	— %	Incorporation of this company, in which the Enagás Group held a 100% stake through Enagás Renovable. As a result, control was subsequently lost, as it belongs to the Enagás Renovable, S.L.U. subgroup (see below).
Changes in the method					
Enagás Renovable, S.L. (subgrupo)	—	—	60.0 %	100.0 %	Capital increase subscribed by another shareholder which becomes a shareholder. With the new shareholders' agreement, the Enagás Group now accounts for this investment using the equity method, with a positive impact of 50 million euros on the income statement at the time the fair value was first recognised. Subsequently, Enagás transferred two shareholdings of 5% each to bring in two new shareholders, and these transfers had no material impact on the income statement.
H2Greem Global Solutions, S.L.	—	—	34.0 %	79.8 %	Capital increase subscribed by another shareholder, and with the new shareholders' agreement, the Enagás Group is now integrating this investment using the equity method, with a non significant effect on the Income Statement.
Trovant Technology, S.L.	—	—	12.5 %	4.0 %	Capital increase and entry of new shareholders. With the change in the shareholders' agreement and the way the decisions are articulated, the Enagás Group is now integrated into this company using the equity method.
Exits from the perimeter					
GNL Quintero, S.A.	—	—	— %	45.4 %	Once the conditions precedent had been met, the transaction was effectively completed, with a positive impact of 135 million euros on the net profit of the Enagás Group.
Compañía Operadora de Gas del Amazonas ("COGA")	—	—	— %	51.0 %	At the end of December 2022, the transaction was effectively closed, which had a non-significant positive effect on the Enagás Group's income statement.

Enagás Infraestructuras de Hidrógeno, S.L.

On April 21, 2022, Enagás Infraestructuras de Hidrógeno, S.L., a company wholly owned by Enagás, S.A., was incorporated. Its corporate purpose is to carry out transmission and storage activities for green hydrogen and other renewable gases related to hydrogen, as well as to carry out ancillary or related activities, including logistics systems for the transmission and temporary storage of green hydrogen.

GNL Quintero, S.A.

On July 20, 2022, Enagás Internacional, S.L.U. (from its affiliate Enagás Chile) and OMERS Infrastructure jointly sold their stakes in the Chilean company GNL Quintero, S.A. to the consortium formed by EIG and Fluxys, S.A. for a total of 655 million dollars, (amount attributable to Enagás Group) approximately 638.8 million euros (adjusted for dividends received between the signing and the aforementioned final closing) (Note 1.6). This transaction is part of Enagás' ongoing divestment in Chile.

The closing of this transaction resulted in an after-tax gain of approximately 135 million euros, including a non-recurring income tax effect of 70 million euros (Note 4.2).

Enagás Renovable, S.L.

On July 20, 2022, the preconditions for the entry of Hy24 (a joint venture between Ardian and FiveT Hydrogen) in the capital of Enagás Renovable were met through a capital increase whereby it became a 30% shareholder of this company, with Enagás holding 70%. By virtue of this agreement and the decision-making regime established in the corporate resolutions, Enagás now has joint control of Enagás Renovable subgroup, which is accounted for using the equity method. As a result of the transaction and the initial recognition of the fair value as a consequence of the loss of control in Enagás Renovable, a capital gain of 50 million euros has arisen (Note 1.6).

Subsequently, the Enagás Group sold an additional 10% of the share capital it held in Enagás Renovable, with no impact on the income statement.

Compañía Operadora de Gas del Amazonas ("COGA")

At the end of December 2022, Enagás finalised the sale of its stake in Compañía Operadora de Gas del Amazonas ("COGA") (Note 1.6). This transaction has had an insignificant positive impact on the group's net profit.

1.6 Investments accounted for using the equity method

ACCOUNTING POLICIES

- **The Group assesses the existence of joint agreements as well as significant influence with respect to associates, taking into account the shareholder agreements which require a scheme of increased majorities for taking relevant decisions**
- **In order to classify the joint agreements among joint ventures and joint operations, the Group assesses the rights and obligations of the involved parties as well as the remaining circumstances stipulated in said agreements.**
- **The Group presents the profit for the period of the companies accounted for using the equity method as part of the Group's operating profit, since these companies carry out the same activity as the corporate purpose of the Enagás Group described in** Note 1.1.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **At year-end, or when there are indications of impairment, the Group analyses the recoverable amounts of investments accounted for under the equity method to determine the possibility of impairment.**

Opening balance	New acquisitions / Increases (1)	Dividends	Profit /(loss) for the year	Translation differences	Operaciones de cobertura	Changes into the scope/ Decreases (2)	Valuation adjustments (3)	Other adjustments	Balance at year-end
2022									
2,789,684	23,012	(129,454)	146,820	148,901	72,382	(359,598)	(138,808)	(355)	**2,552,584**
2021									
2,658,396	10,301	(162,881)	163,251	164,597	22,264	(64,127)	—	(2,117)	**2,789,684**

(1) "New acquisitions/increases" in 2022 mainly includes increases in the investments in Power to Green in the amount of 13,043 thousands of euros, Sunrgyze in the amount of 4,456 thousands of euros, in Axent in the amount of 2,205 thousands of euros and in Basquevolt in the amount of 1,500 thousands of euros. (Note 1.5).
(2) "Changes into the scope/Decreases" in 2022 mainly includes the reclassifications the reclassifications of the shareholdings in the companies GNL Quintero and COGA to non-current assets held for sale and their subsequent sale before December 31, 2022 (Note 1.5). In addition, there is an increase due to a change in the scope of consolidation of the Enagás Renovable, S.L. subgroup (Note 1.5).
(3) "Valuation adjustments" includes the amount corresponding to the valuation adjustment of the investments in Tallgrass Energy (see below) and Sunrgyze.

Dividends

The dividends approved during the 2022 and 2021 financial years were as follows:

	2022	2021
TgP	72,591	64,148
Saggas	2,538	20,010
GNL Quintero	—	26,383
BBG	7,000	17,500
Grupo Altamira	20,626	2,621
Senfluga	3,654	7,578
Tallgrass Energy	21,506	22,645
Otras entidades	1,539	1,996
Total	**129,454**	**162,881**

Appendix II to these consolidated annual accounts provides disclosure on data relating to joint ventures, joint operations, and associates of the Enagás Group at December 31, 2022 and December 31, 2021.

The recoverable amount of investments in associates or business combinations is evaluated for each associate or business combination, unless the associate or business combination does not generate cash flows for continuous use which are largely independent of the cash flows arising from other Group assets. Note 2.7 details how the recoverable amount is estimated.

With respect to the impairment analysis for affiliates, the discount rate applied (cost of equity) in 2022 ranged from 5.5%-9.5%, depending on the country (5%-9% in 2021). Considering that all the affiliates have been operating normally during 2022 (see Note 1.11), the sensitivity analysis of the discount rate has been performed using a range of +0.5% and -0.5%. From this analysis, no significant associated risks other than those explained below have been identified in respect of Tallgrass Energy. Thus, the Group management considers that, within the specified ranges, there would be no changes in the impairment calculation.

Tallgrass Energy ("TGE")

Tallgrass Energy ("TGE")
In relation to investment in TGE, in 2022 the Company has adopted a strategy focused on energy decarbonisation, promoting projects for the production and transmission of hydrogen and ammonia, both for consumption in the United States and for export.

This strategy involves significant short and medium-term investment in various projects, with the Company's priority being to use the cash flows generated to finance the new investment projects, and therefore no more dividend distribution is expected in the 2023-2025 period.

In 2022, interest rates in the United States have risen, which has led to an increase in the risk-free component of the discount rate used, to between 8.3% and 8.7%.

As a result of the aforementioned elements that entail a delay in the dividend schedule as well as a higher discount to be applied to dividends, the negative impact on the recoverable value of the investment accounted for using the equity method in TGE has been analysed, resulting in a valuation adjustment of 133.8 million euros; the net value of said investment amounts to 1,414 million euros. This result has been recorded as Financial Result in the 2022 Consolidated Income Statement, and is presented separately from the equity-accounted result, which corresponds to the contribution to the result of this investment. In addition, and considering the key elements of the energy decarbonisation strategy, a sensitivity analysis has been conducted for possible variations in the key assumptions (new investments, timing and profitability of these investments, as well as availability of returns and discount rate), considering an improved performance scenario and a worsened performance scenario. As a result, a range would be determined between a higher recoverable amount of 123 million euros and a lower recoverable amount of 104 million euros compared to the equity method at December 31, 2022.

1.7 Earnings per share

	2022	2021	Change
Net result of the financial year attributed to the parent company (thousands of euros)	375,774	403,826	(6.9)%
Weighted average number of shares outstanding (thousands of shares)	261,344	261,488	(0.1)%
Basic earnings per share (in euros)	**1.4379**	**1.5443**	**(6.9)%**
Diluted earnings per share (in euros)	**1.4379**	**1.5443**	**(6.9)%**

As there are no potential ordinary shares at December 31, 2022 and December 31, 2021, the basic earnings and the diluted earnings per share are the same.

For the calculation of the weighted average number of shares outstanding, both the shares delivered under the previous 2019-2021 ILP and the shares acquired in connection with the new 2022-2024 ILP were taken into account for the days on which they were actually outstanding in 2022.

1.8 Dividends distributed and proposed

a) Proposed distribution of profit attributable to the parent

The appropriation of 2022 profit corresponding to the parent Enagás, S.A. proposed by the Board of Directors and which will be submitted for approval by the General Shareholders' Meeting is as follows (in thousands of euros):

	2022
Dividends	450,058
Voluntary reserves	13,262
TOTAL	**463,320**

The dividend is subject to approval by the ordinary General Shareholders' Meeting and is not included as a liability in these Annual Accounts. This gross complementary dividend will amount to a maximum of 270,374 thousands of euros.

At a meeting held on November 21, 2022, the Board of Directors of Enagás, S.A. agreed to distribute an interim dividend charged against 2022 profit, based on the necessary liquidity statement, expressed in thousands of euros, amounting to 179,684 thousands of euros (0.688 euros gross per share), in accordance with Article 277 of the Spanish Corporate Enterprises Act.

The aforementioned interim dividend was paid on December 21, 2022.

The provisional accounting records prepared by the parent of the Group, in accordance with legal requirements and which presented balances sufficient for the distribution of the interim dividend in 2022, were as follows:

Interim accounting statement formulated on October 31, 2022	
Net accounting result	(29,207)
10% legal reserve	—
Interim dividend received from Group companies	485,539
Profit "available" for distribution	**456,332**
Forecast interim dividend	**(179,684)**
Forecast cash balance for the period from October 31 to December 31:	
Cash balance	27,850
Projected collection for the period considered	406,723
Credit lines and loans available from financial institutions	1,712,591
Payments projected for the period under consideration (including the interim dividend)	(181,896)
Estimated available financing after dividend distribution	**1,965,268**

b) Total dividends paid

In addition to the aforementioned interim dividend for 2022, during 2022 Enagás, S.A. distributed the gross complementary dividend for 2021.

This dividend amounted to 266,718 thousands of euros (1.02 euros per share) and was paid on July 7, 2022.

1.9 Commitments and guarantees

ACCOUNTING POLICIES

▶ A financial guarantee contract is a contract which requires that the issuer makes specific payments to repay the holder for losses incurred when a specific debtor does not fulfil payment obligations at maturity, in accordance with the original or modified conditions of a debt instrument. The rights and obligations associated with a financial guarantee will be considered as financial assets and financial liabilities. For subsequent valuation, a contract will be recognised as the greater amount of a) the amount resulting from standards relating to provisions (IAS 37) or b) accumulated amortisation of the initial measurement and possible accrued income.

▶ An investment commitment corresponds to that obligation contracted with a related party which can give rise to outflows of funds or other resources in the future. The following is included among these: commitments not recognised in connection with contributing funds or resources as a consequence of incorporation agreements, capital intensive projects carried out by a joint venture, commitments not recognised in connection with providing loans or other financial support to the joint venture, or commitments not recognised in connection with acquiring a stake, regardless of whether a specific future event occurs or not.

Commitments and guarantees	Group Personnel, Companies or Entities (Note 4.3)	Third parties	Total
2022			
Guarantees for related parties debt	557,000	—	**557,000**
Guarantees and sureties granted - Other	17,754	142,869	**160,623**
Investment commitments	—	89,725	**89,725**
2021			
Guarantees for related parties debt	609,205	—	**609,205**
Guarantees and sureties granted - Other	9,263	345,896	**355,159**
Investment commitments	—	97,529	**97,529**

a) Guarantees for related parties debt

The "Guarantees on debt of related parties" heading includes the corporate guarantee granted by Enagás S.A. for financial institutions acquired in the Financing Agreement of November 30, 2018 in the company TAP, through which the following items are basically guaranteed:

- Principal and interest of the Financing Agreement provided by TAP at any time;
- Market value of the hedging instrument over the interest rate of the Financing Contract.

TAP reached the "Financial Completion Date" on March 31, 2021, a milestone that allowed the partners to replace the guarantees provided on the company's debt during the construction phase of the infrastructure with a mechanism for shareholder support for the repayment of the TAP loan (Debt Payment Undertaking), which will be in effect until its maturity, and which would be activated in the event of certain extraordinary events.

This support mechanism has been granted jointly by each of TAP's shareholders, so that Enagás would only be liable, in a hypothetical case, for the amount corresponding to it in accordance with its stake in TAP's share capital.

This support mechanism during the operating period is contractually limited by a cap in force throughout the life of the financing arrangement, so that the amounts claimed from Enagás may never exceed a total amount of 903,322 thousands of euros, regardless of the market value of the derivative or any other contingency.

At December 31, 2022 the amount guaranteed by Enagás, S.A. to the creditors of TAP amounted to 557,000 thousands of euros (609,205 thousands of euros at December 31, 2021)..

b) Guarantees and sureties granted - Others

The following items are mainly included:

Group Personnel, Companies or Entities

- Guarantees and sureties granted to Group companies at December 31, 2022 include financial guarantees granted to third parties by Llewo Mobility, S.L., in the amount of 172 thousands of euros, counter-guaranteed by Enagás, S.A. (359 thousands of euros at December 31, 2021), and a corporate guarantee granted to a financial institution to support a credit facility arranged by the same company in February 2022, in the amount of 3,043 thousands of euros at December 31, 2022.
- Guarantees granted before the Federal Electricity Commission ("FEC") in connection with the service contracts relating to the Gasoducto de Morelos and Estación de Compresión Soto La Marina projects in the amount of 9,378 thousands of euros and 121 thousands of euros, respectively (8,791 thousands of euros and 105 thousands of euros respectively at December 31, 2021 within the heading "Other related parties", see Note 4.3).
- Guarantee of access to the electricity transmission grid, granted by Enagás Renovable, S.L.U. amounting to 5,040 thousands of euros (9,360 thousands of euros in 2021).

Third parties

The following items, mainly, are included:

- Technical guarantees granted by financial entities to third parties in the amount of 116,158 thousands of euros (100,802 thousands of euros in 2021) to cover certain responsibilities which may arise during the execution of the contracts constituting the activity of the Enagás Group.
- Guarantees and sureties granted by Enagás, S.A. totalling 23,900 thousands of euros to cover technical and operational risks related to the projects of the affiliate Efficiency for LNG Applications, S.L.
- Guarantee granted by Enagás Internacional S.L.U. covering its obligations in the contract with Sound Energy Morocco for the development of a project in Morocco, amounting to 633 thousands of euros (593 thousands of euros at December 31, 2021).
- In addition, there is an insurance policy with a bid bond for the port concession in Colombia for the Buenaventura project amounting to 1,412 thousands of euros (1,319 thousands of euros at December 31, 2021).
- A guarantee granted by a financial institution to third parties in the amount of 730 thousands of euros to support the application for an advance payment due to a subsidy granted by the Institute for Energy Diversification and Saving (IDAE).
- In 2022, the financial guarantees granted by financial institutions to secure loans granted by the European Investment Bank to Enagás Financiaciones, S.A.U. were cancelled, as was the financial guarantee to secure a loan granted by CDTI to Enagás Services Solutions, which amounted to 233,333 thousands of euros and 193 thousands of euros, respectively, at December 31, 2021.

No guarantees had been granted with respect to tender processes at December 31, 2022 and at December 31, 2021.

c) Investment commitments

The following items are included:

- The Enagás Group has firm investment commitments in Economic Interest Groupings (EIG) amounting to 10,345 thousands of euros, to be disbursed during 2022 and later years (36,529 thousands of euros at December 31, 2021).
- The Enagás Group has investment commitments for its shareholdings in two investment funds amounting to approximately 57,974 thousands of euros: (61,000 thousands of euros in 2021): (i) KLIMA Energy Transition Fund, which seeks investment opportunities through the acquisition of minority stakes in companies with high growth potential in energy transition sectors such as green hydrogen, biogas, energy efficiency, batteries, sustainable transport or digitalisation of electricity grids; and (ii) Clean H2 Infra Fund, which aims to develop the green hydrogen infrastructure sector and have a positive impact on the use and development of hydrogen transmission networks.
- The Enagás Group has investment commitments in other projects amounting to approximately 21,406 thousands of euros.

The Directors consider that no additional significant liabilities will arise in connection with the transactions disclosed in this note other than those already recognised in the accompanying Consolidated Balance Sheet.

1.10 New accounting standards

a) Standards and interpretations adopted by the European Union in force for the current financial year

The accounting policies used to prepare these Consolidated Annual Accounts are the same as those used to prepare the Consolidated Annual Accounts for the year ended December 31, 2021, as none of the rules, interpretations or amendments applicable for the first time this financial year have had a significant impact on the Group's accounting policies.

b) Standards and interpretations issued by the IASB but not effective for the current year

The Group has not applied in advance the standards, interpretations and amendments to the standards approved by the European Union that have not entered into force at the date of these Consolidated Annual Accounts. Although the Group is currently analysing its impact, based on the analyses carried out to date, the Group does not expect the initial application to have a material impact on its Consolidated Annual Accounts.

1.11 Aspects relating to the international situation

Covid- 19

During the overall adverse economic situation of the previous year caused by the Covid-19 pandemic, both Enagás and its Group companies implemented contingency plans to ensure normal operation and continuity of natural gas supply both in Spain and in all the countries where these companies operate. Thus, during these years, including 2022, the going concern principle has continued to be fully applied in the preparation of these consolidated annual accounts.

With regard to the Enagás Group's main activity relating to the operation and maintenance of the Spanish gas system, it should be noted that this takes place within a stable regulatory framework and in the 2022 financial year, as in the previous year, no effects or changes have been identified as a result of the situation caused by Covid-19 that could lead to capital losses for the Group.

With regard to the liquidity situation, as indicated in Note 3.8, the Group has a solid liquidity situation and liquid assets of 3,793,773 thousands of euros at December 31, 2022 (3,299,544 thousands of euros at December 31, 2021), thus maintaining the liquidity strategy and the credit and exchange rate risk policies. During the 2022 financial year, as in the 2021 financial year, there have been no impairment of financial assets or non-financial assets, as well as no significant extraordinary expenses corresponding to this situation or provisions or contingent liabilities that have been included in the consolidated financial statements of the Enagás Group as of December 31, 2022.

Based on the Group's analysis, no impact was evidenced by the Covid-19 situation that needed to be recorded at December 31, 2022.

War in Ukraine

On February 24, 2022, Russia started an armed conflict in Ukraine, which continues at the date of authorisation for issue of these Consolidated Annual Accounts. Also, on March 29, 2022, Royal Decree-Law 6/2022 was published, adopting urgent measures within the framework of the National Response Plan to the economic and social impact of the invasion of Ukraine. As a consequence of this conflict, significant instability, uncertainty and volatility are being generated in world markets, as well as higher inflation and other negative effects on the world economy, with the energy sector being particularly affected. At the date of the Consolidated Annual Accounts, there have been no negative impacts on the Group's business or financial position as a result of this situation, although the Directors and management of the Group continue to monitor developments on an ongoing basis.

2. Operational performance of the group

RELEVANT ASPECTS

Operating profit

- Operating profit amounted to 478 million euros.

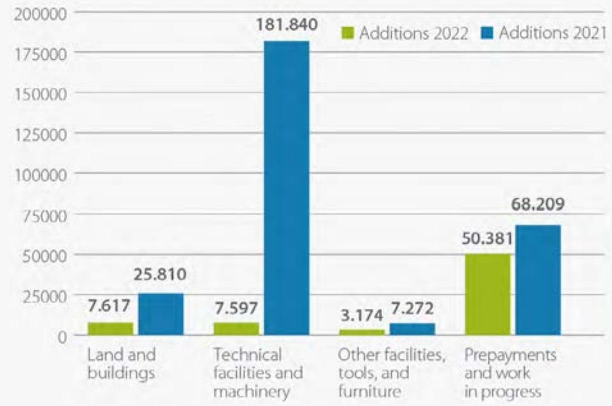
Trade receivables

- "Other receivables - Current" includes the balance pending settlement corresponding to the remuneration of regulated regasification, transmission and underground storage activities for 453 million euros corresponding to the 2022 financial year (284 million euros at December 31, 2021). (Note 2.2).

Property, plant, and equipment

This heading involves, at December 31, 2022, 44% of total assets (45% of total assets at December 31, 2021) (Note 2.4). The change is mainly due to:

- Additions of 69 million euros, corresponding mainly to the renewal of equipment and complementary measures at the Barcelona, Cartagena and Huelva plants and the construction of a motor-compressor unit for the Coreses and Almendralejo Compressor Stations.
- The provision for amortisation for the period, in the amount of 249 million euros (250 million euros in 2021).



Current status of the Castor storage collection rights

- Regarding the Castor storage facility, on November 8, 2019, the Council of Ministers Agreement was published, ending the hibernation of the Castor underground storage facility and agreeing on its dismantling in phases, assigning the work to Enagás Transporte. This Agreement confirmed the Group's obligation to continue to carry out all operations necessary for maintenance and operation of the facilities referred to in article 3.2 of Royal Decree-Law 13/2014 until the final phase of dismantling has been completed, obligations that have been fulfilled up to the date of preparation of these Annual Accounts.
- As a result of the 2018 Supreme Court rulings that annulled various regulations establishing the terms of remuneration for the obligations related to the management of infrastructures, and in view of the need to establish an alternative mechanism to obtain the corresponding remuneration for the aforementioned tasks with which the Group is legally entrusted and which it still currently performs, on December 18, 2018, the Group, through Enagás Transporte, filed a claim for property liability with the Ministry for the Ecological Transition, which, after being rejected due to the administrative silence, has been pursued before the National High Court through the filing of the corresponding contentious administrative claim on October 3, 2019 (in the second half of 2022, the contentious administrative chamber of the National High Court filed a question of jurisdiction in the Supreme Court, a date for the voting and decision not having been set at the time of the preparation of this document).
- Thus, the damages lawsuit consists of continuing in the jurisdiction of the claim that has already been filed by the Company to recover the amounts deducted, in accordance with the legal conclusions of the external and internal advisors. Based on the above, the account receivable for the right of Enagás Transporte, S.A.U., to be paid for the Castor underground storage administration, is maintained in the balance sheet, the conclusion being that there is no negative impact on the Group's financial statements for the financial year (Note 2.2 and 4.9 (Note 2.2 and 4.9).

Current status of the El Musel Port regasification plant (Gijón)

- Regarding the situation of the regasification plant in the Port of El Musel (Gijón), on July 1, 2022, the decision of the Directorate General of Energy Policy and Mines was published on June 28, 2022, granting Enagás Transporte, SAU, the administrative authorisation and approval of the project for the execution of the facilities for the reception, storage and regasification of liquefied natural gas in the Port of El Musel, Gijón (Asturias).The Group continues to make progress in the process of obtaining the commissioning and specification of the corresponding remuneration model, so that the infrastructure can enter into operation in the gas system in accordance with the regulatory framework established in Royal Decree 335/2018 (Note 2.4 and 4.9).
- Article 19 of Circular 9/2019, as well as the CNMC Resolutions of February 11, 2021 and May 20, 2021 regulate the remuneration of the facility for the 2021-2026 regulatory period.

2.1 Operating profit

ACCOUNTING POLICIES

Recognition of income

- **The Enagás Group measures revenue at the fair value of the consideration received or receivable and represents balances receivable for goods delivered and services provided in the normal course of business, net of discounts and amounts received from third parties such as VAT reimbursements.**

- **Ordinary revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided the result of the transaction can be estimated reliably.**

- **Specifically, income relating to Technical Management of the System (GTS) is regulated by a public body (Appendix III). They are calculated annually on the basis of Enagás GTS, S.A.U.'s remuneration methodology, currently in force for the 2021-2023 and 2024-2026 regulatory periods. Only the revenues from the regulatory account and guarantees of origin are calculated on the basis of the substantiated cost. The monthly attribution of this income to the Income Statement is almost entirely carried out on a straight-line basis.**

- **Income arising from regasification, storage, and transmission activities in Spain is calculated based on a regulated remuneration system (Appendix III). Remuneration is made up of several terms that aim to remunerate investment, operation and maintenance costs and other items related to improved productivity and efficiency. The return on investment is the sum of amortisation and financial remuneration, calculated by applying the annual net value of the investment and the financial remuneration rate set for each regulatory period.**

  The remuneration for productivity and efficiency gains includes the term of the continuity of supply remuneration set in the 2014 regulatory reform. As of 2021, this term will be calculated on the basis of the value established for 2020, adjusted by coefficients that no longer depend on fluctuations in demand.

  Once the regulatory useful life of the facilities has elapsed, and in those cases in which the asset remains operational, the operating and maintenance costs are established as fixed remuneration, increased by a coefficient based on the number of years by which the facility exceeds the regulatory useful life, not accruing any amounts as investment remuneration.

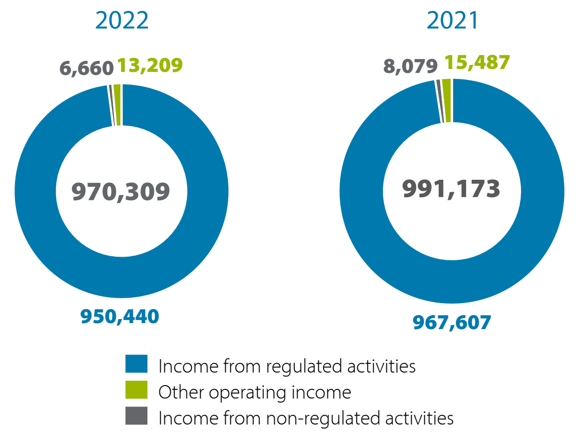
- **On January 1, 2021, the new regulatory and remuneration framework came into force with the publication of Circulars 9/2019 of December 12, 2019 and 8/2020 of December 23, 2020 and Royal Decree 1184/2020 of December 29, 2020. The main items of this regulatory reform are set out in Appendix III.**

- **The Group's deferred income mainly corresponds to the accrual of amounts received for connecting the basic network infrastructure of Enagás Transporte, S.A.U. and Enagás Transporte del Norte, S.L. with networks of distribution companies, secondary transmission companies, gas shippers, and qualified customers. Said income is recognised based on the useful life of the assigned facilities.**

  Based on the types of contractual agreements supporting this type of income, it has been determined that there is an implicit financing component which, under the new regulatory requirements, must be recognised as a liability in the Consolidated Balance Sheet.

a) Income

The breakdown of Revenue is as follows:



The details of revenues with the breakdown of revenues from customer contracts at December 31, 2022 and December 31, 2021 is as follows:

Revenue	2022	2021
Regulated activities:	**950,440**	**967,607**
Other	950,440	967,607
Non-regulated activities:	**6,660**	**8,079**
From customer contracts	4,390	6,215
Others	2,270	1,864
Total revenue	**957,100**	**975,686**

Other operating income	2022	2021
From customer contracts	8,850	8,601
Others	4,359	6,886
Total Other operating income	**13,209**	**15,487**

The distribution of the Revenue based on the Group Companies from which it comes for 2022 and 2021 is as follows:

Revenue	2022	2021
Regulated activities:	**950,440**	**967,607**
Enagás Transporte, S.A.U.	900,194	917,024
Enagás Transporte del Norte, S.L.	21,008	24,051
Enagás GTS, S.A.U.	29,238	26,532
Non-regulated activities:	**6,660**	**8,079**
Enagás Transporte, S.A.U.	2,007	2,889
Enagás Internacional, S.L.U.	235	525
Enagás México	1	128
Enagás Transporte del Norte, S.L.	447	447
Enagás Perú	3	831
Remaining companies	3,967	3,259
Total	**957,100**	**975,686**

The Management of the Enagás Group considers that there is no collection uncertainty relating to the income indicated above and therefore has not ceased to recognise any type of income for this reason.

b) Personnel expenses

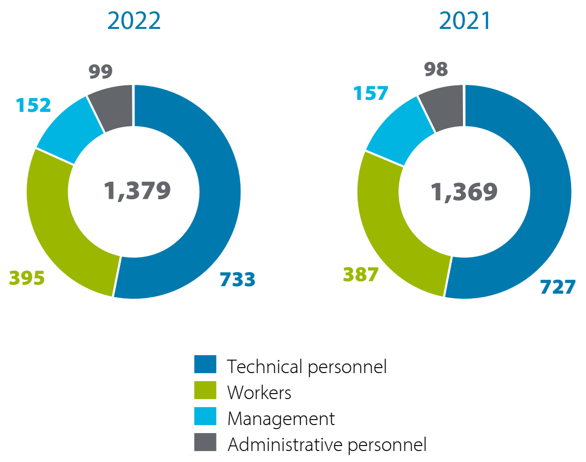
Personnel expenses	2022	2021
Wages and salaries	98,646	97,382
Termination benefits	11,267	3,644
Social Security	21,625	20,866
Other personnel expenses	10,384	10,510
Contributions to external pension funds (defined contribution plan)	2,939	2,025
Works for fixed assets (Note 2.4)	(4,447)	(4,680)
Total	**140,414**	**129,747**

In 2022, wages and salaries include the fair value of services received as consideration for equity instruments granted, in the amount of 1,279 thousands of euros at December 31, 2022 corresponding to the portion of the Long-Term Incentive Plan payable in Enagás, S.A. shares and approved on March 31, 2022 for the Executive Director and senior management, thus representing a share-based transaction. At December 31, 2021, it included 2,127 thousands of euros corresponding to the portion of the Long-Term Incentive Plan payable in Enagás, S.A. shares (2019-2021) approved on March 29, 2019. Services rendered corresponding to the portion of the incentive plan payable in cash were also recognised with a credit to "Provisions" under non-current liabilities, in the amount of 573 thousands of euros at December 31, 2022, corresponding to the Long-Term Incentive Plan (2022-2024). The amount recognised at December 31, 2021 amounted to 747 thousands of euros and corresponded to the same item regarding the Long-Term Incentive Plan in force at that time, i.e. for the period 2019-2021. In addition, the employee benefits expense arising from the bonus payable every three years for contribution to results for the 2022-2024 period and corresponding to the remaining personnel of the Group was also included in the amount of 1,740 thousands of euros. The amount of 2,011 thousands of euros was included in 2021, derived from the bonus payable every three years corresponding to the previous period, 2019-2021.

The Enagás Group contributes, in accordance with the Pension Plan signed and adapted to the Law on Pension Plans and Funds, to an "Enagás Pension Fund" defined contribution plan, managed by Gestión de Previsión y Pensiones, S.A. with Banco Bilbao Vizcaya Argentaria, S.A. as custodian, which covers the Group's commitments to the workforce in question. The aforesaid plan recognises certain vested rights for past service and undertakes to make monthly contributions averaging 4.24% of eligible salary (4.18% in 2021). It is a mixed plan covering retirement benefits, disability and death. The total number of people adhered to the plan at December 31, 2022 totalled 1,219 participants (1,192 participants at December 31, 2021). The contributions made by the Group in this heading each year are recorded under "Personnel expenses" of the Consolidated Income Statement. At 2022 year-end there were no amounts pending payment with respect to this item.

In addition, the Group has outsourced its pension commitments with respect to its senior managers through a mixed group insurance policy for pension commitments, including benefits in the event of survival, death, and employment disability.

The average number of Group employees broken down by professional category is as follows:



As at December 31, 2022, the Group's workforce consists of 1,396 employees (1,376 employees in 2021) whose distribution by professional group and gender is as follows:

	2022		2021	
Categories	**Women**	**Men**	**Women**	**Men**
Management	47	91	45	112
Technical personnel	236	498	242	491
Administrative personnel	90	9	89	9
Workers	48	377	23	365
Total	**421**	**975**	**399**	**977**

"Management" includes senior executive management of the Group, comprising ten persons (seven men and three women).

The average number of staff during 2022 and 2021 employed by Group companies with disabilities greater than or equal to 33%, broken down by categories, is as follows:

Categories	2022	2021
Technical personnel	1	1
Administrative personnel	2	2
Workers	4	3
Total	**7**	**6**

c) Other operating expenses

Other operating expenses	2022	2021
General and Administrative Expenses:		
R+D expenses	549	585
Leases and royalties (1)	3,844	3,319
Repairs and conservation	51,650	49,054
Freelance professional services	22,155	29,654
Transport	545	284
Insurance premiums	8,878	8,025
Banking and similar services	352	304
Advertising, publicity and public relations	4,340	3,271
Supplies	57,480	33,688
Other services	38,624	19,675
General and Administrative Expenses	**188,417**	**147,859**
Taxes	**13,050**	**16,124**
Other current management expenses	**20,255**	**9,258**
Other external expenses	**11,924**	**10,304**
Change in traffic provisions	**100**	**127**
Total	**233,746**	**183,672**

(1) This account includes expenses for leases, which are excluded from IFRS 16 as they relate to assets of low value or with a term of less than one year, amounting to 2,768 thousands of euros at December 31, 2022. (2,954 thousands of euros at December 31, 2021).

2.2 Trade and other non-current and current receivables

ACCOUNTING POLICIES

- **Financial assets are recognised in the Consolidated Balance Sheet at the transaction date when the Group becomes party to the contractual terms of the instrument.**

Financial assets measured at amortised cost

- **This heading comprises financial assets arising from the sale of goods or the rendering of services in the course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives with fixed or determinable payments and are not traded in an active market.**
- **The said financial assets are initially recognised at fair value of the consideration paid, plus transaction costs directly attributable to the acquisition. They are subsequently measured at amortised cost and related interest accrued at the corresponding effective interest rate is recognised in the Consolidated Income Statement.**
- **Receivables which do not bear explicit interest are recognised at their face value whenever the effect of not discounting the related cash flows is not significant. Subsequent measurement in this instance is still carried out at face value**
- **The Group derecognises financial assets when the contractual rights to the cash flows from the financial asset expire or are transferred, which implies transferring substantially all the risks and rewards inherent in ownership of the financial asset; this is the case in firm asset sales, trade receivable factoring transactions in which the Group retains neither credit risk nor interest rate risk, sales of financial assets with an agreement to repurchase them at their fair value, and securitisations in which the Group neither retains subordinated financing, grants any form of guarantee nor assumes any other type of risk.**
- **In contrast, the Group does not derecognise financial assets, but rather recognises a financial liability at an amount equal to the consideration received, in the transfer of financial assets in which it retains substantially all the risks and rewards incidental to ownership, such as discounted bills, recourse factoring, disposals of financial assets under repurchase agreements at fixed prices or at the sales price plus interest, and securitisations of financial assets in which the Group retains subordinate liability or grants other types of guarantees which would substantially absorb all possible losses**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **An impairment loss on financial assets measured at amortised cost arises when there is objective evidence that the Group will not be able to recover all the corresponding amounts in accordance with the original terms established. The impairment loss is recognised as an expense in the Consolidated Income Statement and is determined as the difference between the carrying amount and the present value of future cash flows discounted at the effective interest rate.**
- **If, in subsequent periods, the value of the financial asset measured at amortised cost recovers, then the impairment loss is reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds the carrying amount had the impairment not been recognised. The reversal is recognised in the Consolidated Income Statement.**
- **From January 1, 2018, with the application of IFRS 9, the Group recognises an impairment loss for expected credit losses on financial assets.**
- **The Group assess the expected credit losses of a financial instrument in a way that reflects:**

a) an amount weighted based on probability and not biased, determined by evaluating a series of possible outcomes;

b) the temporal value of money; and

c) reasonable and well-founded information available on the date of information, without cost or disproportionate effort, on past events, current conditions and forecasts of future economic conditions.

Under the new standard, an entity will measure the value correction for losses of a financial instrument in an amount equal to the expected credit losses during the life of the asset, if the risk of that financial instrument has increased significantly since its initial recognition.

Conversely, that is, if the credit risk of a financial instrument has not increased significantly since the initial recognition, an entity will measure the value correction for losses at an amount equal to the expected credit losses in the next 12 months.

The gain or loss resulting from impairment of value, the amount of the expected credit losses (or reversals) by which it is required that the value adjustment for losses be adjusted on the posting date to reflect the amount to be recognised under this standard will be recorded in the profit for the period.

In the case of the Enagás Group, practically all financial assets present a low credit risk at the date of posting, and their exposure to events that generate credit losses during the next 12 months is therefore calculated.

	31.12.2022	31.12.2021
Customer receivables for sales and services rendered	16,271	49,608
Accounts receivable from contracts with customers	2,600	1,842
Accounts receivable from contracts with customers and associates	3,660	2,073
Associate Companies	9,345	10,153
Other receivables	456,917	302,468
Subtotal	**488,793**	**366,144**
Value added tax	24,238	16,565
Trade and other current receivables	**513,031**	**382,709**
Trade and other non-current receivables (Note 3.3.a)	**54,197**	**150,833**

a) Trade and other non-current receivables

This section includes, inter alia, information on:

- Account receivable related to the claim of asset liability presented before the Council of Ministers to recover the costs incurred in the project of the LNG Regasification Plant of the Port of Granadilla (GASCAN) for an amount of 18,929 thousands of euros (see detail below).
- The year 2021 included receivables related to the administration and operations tasks necessary for the maintenance and operation of the Castor Storage Facility. These receivables have been reclassified to short-term during 2022, as it is estimated that a judgement will be passed and enforced in less than 12 months (see Note 2.2.b).
- The amount corresponding to facilities pending recognition is recorded in the long term as the Directors estimate that they will be recognised in a time horizon of more than one year and will result in a higher future collection of 6,923 thousands of euros (at December 31, 2021 the amount of facilities pending recognition in the long term represented a lower collection of 2,270 thousands of euros).

Financial investment in the Gascan project

In relation to the situation of the regasification assets of the Gascan project in the Canary Islands, on February 21, 2022, the High Court of Justice was notified of the ruling rejecting the contentious-administrative appeal against the rejection by silence of the application for new administrative authorisation of the LNG regasification plant project.

Once the aforementioned ruling became final, on July 6, 2022, a claim for asset liability was submitted to the Council of Ministers, with the aim of implementing an alternative mechanism to recover the costs incurred in said project, considering, based on the legal conclusions, that the recovery of the assets associated with the project is highly probable.

Since the filing of this claim, the assets and liabilities associated with the project have been reclassified as long-term receivables, for an initial amount of 18,655 thousands of euros, as well as late-payment interest, with no impact on the Enagás Group's income statement.

b) Trade and other current receivables

In the "Other receivables" heading, under current assets, the Enagás Group mainly records the outstanding balance corresponding to the remuneration of regulated regasification, transmission and underground storage activities at the end of financial years 2022 and 2021, in the amount of 452,695 thousands of euros and 284,329 thousands of euros, respectively. It should be noted that, in accordance with the regulations described in Appendix III, the "2023 gas year" began in October, and the amount pending collection for that year is 238,941 thousands of euros. At December 31, 2021, the balance pending settlement for the 2022 gas year amounted to 184,490 thousands of euros.

In relation to the balance pending settlement of the 2022 gas year, the best estimate of the surplus for that year amounting to 239,461 thousands of euros has been reclassified to short-term liabilities, leaving only an amount of 109,032 thousands of euros corresponding to facilities pending recognition under the heading of other receivables for the "2022 gas year".

The heading "Other receivables" also includes accounts receivable related to the administration and operations tasks necessary for the maintenance and operation of the Castor Storage Facility, reclassified under this heading during the 2022 financial year, amounting to 94,283 thousands of euros at December 31, 2022 (83,269 thousands of euros at December 31, 2021), the specific circumstances of which are set out in the following heading.

"Accounts receivable from contracts with customers" include the following items, broken down in accordance with IFRS 15:

	31.12.2022	31.12.2021
Accounts receivable from contracts with customers	2,565	1,812
Accounts receivable from contracts with customers and associates	2,119	665
Accounts receivable invoices to be issued from contracts with customers	35	30
Outstanding accounts receivable invoices to be issued from customer contracts, group companies and associates	1,541	1,408

The Company has not registered assets under contracts at December 31, 2022 or December 31, 2021.
At December 31, 2022, the Company did not have significant impairment losses on balances receivable from contracts with customers, either registered as accounts receivable or as unissued invoices.

Situation of Castor Storage Facility

As explained in Note 9.1 to the 2014 Annual Accounts of Enagás Transporte S.A.U. on October 4, 2014 the Official State Gazette published Royal Decree-Law 13/2014 of October 3, by virtue of which urgent measures were adopted in connection with the gas system and title to the nuclear power plants, with a view to guaranteeing the security of people, goods, and the environment with respect to the Castor natural gas underground storage facility, which establishes, among other matters, the following:

- The termination of the operating concession for the Castor underground storage facility, granted by Royal Decree-Law 855/2008, of May 16.
- The hibernation of the facilities associated with said concession.
- The appointment of Enagás Transporte, S.A.U. for administration of said facilities, for the sole purpose of carrying out the necessary measures for maintenance and operability during the hibernation period, prioritising the goal of guaranteeing the security of the facilities for persons, goods, and the environment, while ensuring compliance with applicable regulations. Likewise, the decision included the stipulation that the maintenance and operational costs be paid to Enagás Transporte, S.A.U. with a charge to income from tolls and royalties of the gas system.
- The recognition of the investment made for the storage facility by the titleholder of the concession which was extinguished with 1,350,729 thousands of euros, and the establishment of a payment obligation for said amount by Enagás Transporte, S.A.U. to the titleholder of the extinguished concession. As a result of assuming the payment obligation, Enagás Transporte, S.A.U. enjoys the right to collect access tolls and royalties from the gas system's monthly invoicing for 30 years, for the amount paid to the titleholder of the extinguished concession plus the financial remuneration which the Royal Decree-Law expressly recognises. Likewise, this Royal Decree-Law contains the necessary measures to guarantee full effectiveness of this collection right, that said right could be freely available to Enagás Transporte, S.A.U. or its third party titleholders, and could consequently be totally or partially ceded, transferred, discounted, pledged, or taxed in favour of any third parties, including securitisation funds or other special purpose vehicles or companies, either domestic or international. The cession of the collection right will be effective with respect to the gas system, which will pay the new titleholder the corresponding amounts.

In light of the above, on October 4, 2014, Enagás Transporte, S.A.U. signed an agreement with various financial entities by virtue of which it ceded the collection right charged to the gas system awarded by the aforementioned Royal Decree-Law, with said entities assuming the payment obligation imposed on Enagás Transporte, S.A.U. In this manner, on November 11, 2014, said financial entities made a payment of 1,350,729 thousands of euros to the titleholder of the extinguished concession.

Furthermore, Enagás Transporte, S.A.U. transferred the aforementioned contractual obligations and rights inherent to ownership of the financial asset to said financial entities, thus derecognising it from the balance sheet as the Sole Director of the Company considers that all associated risks and benefits have been transferred.

On December 21, 2017 the Constitutional Court handed down sentence No. 152/2017 declaring various provisions of Royal Decree-Law 13/2014 as unconstitutional and null and void due to formal errors. Specifically, (i) acknowledgement of the investment made by the renouncing concessionaire and costs accrued up to the date of said norm becoming effective, and thus the consideration in the amount of 1,350,729 thousands of euros, as well as (ii) recognition of the correlated collection right of Enagás Transporte, S.A.U. with respect to the gas system for the amount of consideration cited, considering that in both cases the reasons given for the urgency were not justified and therefore said measures should be excluded from the ordinary legislative procedure.

Notwithstanding the foregoing, the Constitutional Court did declare the following as constitutional and valid: (i) adoption of the decision to hibernate the underground storage facility; (ii) the declaration of the extinction of the concession; and (iii) the appointment of Enagás Transporte, S.A.U. for administration of the facilities to the extent the hibernation is prolonged; as well as (iv) recognition of the right to obtain remuneration for the maintenance and operability costs for Enagás Transporte, S.A.U., including any costs incurred for the administration and other related work which said Royal Decree-Law established as a requirement.

In accordance with the analysis carried out by the Company's external legal advisors, the purchase-sale contract for the collection rights signed by Enagás Transporte, S.A.U. with the financial entities represents the transfer of rights and obligations to the financial entities and in no case does it enable the buyers (or their possible transferees) the possibility of claiming reimbursement for the price received or payment of any other amounts from the seller. Thus, in no case can adverse effects arise in connection with the financing of the operation for the Company due to the sentence of the Constitutional Court, as Enagás Transporte, S.A.U. is not titleholder to the collection right which was annulled nor is it obliged to pay the titleholder of the extinguished concession.

In addition, in relation to the above, the Supreme Court issued a ruling on October 27, 2020 partially upholding the contentious-administrative appeal filed by the financial institutions against the alleged rejection by the Council of Ministers of the claim for liability of the Legislature for the partial unconstitutionality of Royal Decree-Law 13/2014, recognising the right of these appellant banks to compensation, by way of liability of the Legislature, of the total debt recognised in their favour, in the amount of 1,350,729,000 euros plus the corresponding legal interest accrued.

Likewise, in accordance with the analysis carried out and the conclusions drawn by the Company's legal advisors and external legal advisors, the aforementioned sentence of the Constitutional Court does not give rise to any negative effect on the right of Enagás Transporte, S.A.U. to obtain remuneration for the administration and operations necessary for maintenance and operability of the infrastructure, as the Royal Decree-Law was not affected in such a manner by the declaration of unconstitutionality. Similarly, on the basis of these same conclusions, it is not believed that there has been any negative effect from the process that targets the liability of the Legislator State to financial institutions, since all the risks and benefits of the financial asset have been contractually transferred to the latter and the Supreme Court has also issued a final ruling in their favour.

During 2022, no judicial or regulatory pronouncements have taken place in relation to the various rulings of previous years referring to the declaration of unconstitutionality of certain articles of Royal Decree-Law 13/2014, beyond those associated with the ordinary procedural actions of the proceedings that remain in progress.

Notwithstanding the above, it should be noted that since 2014 Enagás Transporte, S.A.U. has been performing the functions of administrator of the Castor storage facility, which it was legally obliged to do in accordance with the provisions of sections 1 and 2 of Article 3 of Royal Decree-Law 13/2014, which imposed on it the assumption of the administration of the facilities and of the ownership of all the rights and obligations associated with them during the entire period up to the end of the hibernation period through an agreement of the Council of Ministers referred to in Article 1.2 of the aforementioned Royal Decree-Law 13/2014.

In relation to the Castor storage facility, on November 8, 2019, the Council of Ministers published an agreement ending the hibernation of the Castor underground storage facilities and agreeing to dismantle them in phases, assigning the work to Enagás Transporte and including all the operations required for the maintenance and operation of the facilities referred to in Article 3.2 of Royal Decree-Law 13/2014 until the last phase of dismantling is completed.

With all of the above, in practice, the adoption of the aforementioned Agreement has not meant that Enagás Transporte has ceased to attend to the tasks it had been carrying out to guarantee the safety of people, property and the environment but, on the contrary, it has confirmed its obligation to continue to carry out all of the operations required for the maintenance and operation of the facilities referred to in Article 3.2 of Royal Decree-Law 13/2014 until the last phase of dismantling is completed.

And given that, due to carrying out these tasks, formerly as a storage administrator, and now as a dismantling manager, Enagás Transporte, S.A.U., has so far been assuming the costs derived from the operations maintenance and operations imposed, as well as those for the full assumption of the administration and dismantling of the storage; and given that, in addition, the right of this company to obtain remuneration for the functions entrusted by Royal Decree-Law 13/2014 and developed in relation to Castor storage remains in force, since it does not derive from Article 6, annulled by the Constitutional Court, but is expressly recognised in Article 3.2 of the former, which subsists, it is considered that the right of Enagás Transporte, S.A.U. to receive the remuneration for the costs incurred is beyond any doubt, with only the specific terms in which this right is specified remaining in doubt, since Article 6 has been annulled.

In view of the foregoing and as it is necessary to implement an alternative mechanism to receive the remuneration for said tasks, legally entrusted to Enagás Transporte and which the company is still currently carrying out, on December 21, 2018, Enagás Transporte, S.A.U. filed a claim for damages with the Ministry for Ecological Transition, requesting (i) the right of Enagás Transporte, S.A.U. to obtain compensation, for the damages sustained as a result of the administration tasks of the facilities, plus the pertinent interests, (ii) payment of the amounts corresponding to the remuneration for the costs assumed by Enagás Transporte, S.A.U., up to the moment when the resolution is issued, plus the pertinent interests, and (iii) the right of Enagás Transporte, S.A.U. to obtain compensation for the damages that may be caused to it as a consequence of the tasks of administering the facilities until such time as the Council of Ministers adopted an agreement that would put an end to the storage hibernation situation.

The aforementioned claim for liability filed on December 21, 2018 was rejected by a presumptive resolution of the Ministry for Ecological Transition. On October 3, 2019 action was pursued before the National High Court through the filing of the corresponding contentious-administrative appeal against the aforementioned presumptive resolution in order to recover all amounts corresponding to the tasks entrusted, which Enagás has continued to provide to date. With regard to this contentious-administrative appeal, in the second half of 2022, the Administrative Chamber of the National High Court filed a question of jurisdiction with the Supreme Court, which, at the date of drafting these accounts, is pending a date for voting and ruling.

According to the legal conclusions of the external and internal advisors, it is considered that this damages lawsuit is the mechanism initiated by the Company for recovering both the amounts deducted from the remuneration corresponding to financial year 2017, the amounts not paid referring to financial years 2018 and the following, and the amounts that have been refunded as a result of the review actions by the CNMC in relation to the settlements corresponding to 2014, 2015 and 2016, included in the final approved settlements of the 2015 and 2016 years, as well as their possible interests. Based on the above, the account receivable for the right of Enagás Transporte, S.A.U. to be paid for the performance of the works and for the administration of the Castor underground storage is maintained in the balance sheet, the conclusion being upheld that there is no negative impact on the Company's financial statements as a result of the judgements of the Constitutional Court or the Supreme Court mentioned above.

Based on the above, the account receivable for the right of Enagás Transporte, S.A.U. to be paid for the performance of the works and for the administration of the Castor underground storage is maintained in the balance sheet, the conclusion being upheld that there is no negative impact on the Group's financial statements as a result of the judgements of the Constitutional Court or the Supreme Court applied in previous years (Note 2.2).

At December 31, 2022, the amount recognised as Group revenue during 2014 to 2022 relating to the activities and work associated with the Castor storage facility infrastructure by the Enagás Group that are pending collection amounts to 94,283 thousands of euros.

2.3 Trade and other payables

ACCOUNTING POLICIES

Trade and other payables are financial liabilities that do not accrue explicit interest and are recognised at their face value provided the effect of financial discounting is not significant.

The heading "Trade and other payables" includes balances payable to suppliers under reverse factoring arrangements where the financial terms are not materially different from those of other suppliers or creditors. In this regard, it should be noted that payments corresponding to reverse factoring payments to suppliers are presented as part of operating activities in the Cash Flow Statement.

The breakdown of the heading "Trade and Other Payables" for 2022 and 2021 is as follows:

Trade and other payables	31.12.2022	31.12.2021
Debts with related companies	1,800	658
Rest of suppliers	615,272	358,319
Other creditors	12,668	18,535
Subtotal (Note 3.3.b)	**629,740**	**377,512**
Value added tax (Note 4.2.)	670	768
Public Treasury, payable for withholdings and other (Note 4.2.)	79,824	34,510
Total	**710,234**	**412,790**

Information on the average payment period

Below follows the information required by the Additional provision three of Law 15/2010 of July 5 (amended by Final provision two of Law 31/2014 of December 3) prepared in accordance with the Resolution of the ICAC of January 29, 2016, as well as by Law 18/2022, of September 28, on the creation and growth of companies, together with ICAC Consultation 1-132 of October 2022, regarding information to be included in the notes to the Annual Accounts in relation to the average payment period to suppliers in commercial operations.

The maximum payment term applicable to Group companies in 2022 under Law 3/2004, of December 29, establishing measures to combat late payments in commercial transactions, is 60 days. In order to obtain the foregoing information, payment obligations that have been the object of withholdings as a result of embargoes, enforcement orders, administrative compensation proceedings, or other similar acts handed down by legal or administrative bodies were excluded.

Days	2022
Average payment period to suppliers (1)	14

Amount	2022
Total payments made in a period shorter than the maximum period (2) (3)	1,665,008
Number of invoices paid in a period shorter than maximum period	49,607

Percentage	2022
% Volume of payments in a period shorter than the maximum period	91 %
% Invoices paid in a period shorter than the maximum period	70 %

(1) The Enagás Group's average payment period in 2021 was 25 days.
(2) Total volume of payments in 2021 amounted to 553,556 thousand of euros
(3) This amount includes payments related with the transactions that Enagas Group performs as a Technical Management of the System (GTS).

2.4 Property, plant, and equipment

ACCOUNTING POLICIES

- **The cost model is applied, that is, the corresponding assets are measured at acquisition or production cost less the corresponding accumulated amortisation and any impairment losses.**
- **Acquisition or production cost includes:**
- **Finance expenses relating to the financing of infrastructure projects accrued only during the construction period, when the building work lasts for more than one year. In 2022 and 2021, no financial expenses were capitalised for this item.**
- **Personnel expenses directly related to work in progress, lowering personnel expenses in the amount of 4,447 thousands of euros at December 31, 2022 (4,680 thousands of euros at December 31, 2021)** (Note 2.1.b).
- **The book value of these assets includes an estimate of the current value of the costs to the Group for the dismantling tasks, credited to the "Long-term provisions" heading (Note 2.9.a) of the accompanying Consolidated Balance Sheet. This provision is subject to periodic review, in order to monitor possible changes in any of the hypotheses used to estimate decommissioning costs, in this case assuming the corresponding change in book value, which would be made prospectively, as has been previously indicated in Note 2.9.a to the Consolidated Annual Accounts.**
- **Non-extractable gas required for exploitation of underground natural gas storage (cushion gas) is recognised under PP&E, depreciated over the specific prevailing useful life (20 years) or over the leasing period if less.**
- **Natural gas required for minimum levels in gas pipelines and minimum operating levels for regasification plants, (also called "heel gas") is recognised as PP&E that cannot be amortised given that it is not available for sale as indicated under current regulations. It is measured at the purchase price as indicated in Order ITC/3993/2006 an Order IET/2736/2015.**
- **The restatement of assets recognised under PP&E in accordance with Royal Decree-Law 7/1996 of June 7, on balance sheet restatements, has an effect of 3,271 thousands of euros on amortisation charges in 2022 (3,276 thousands of euros in 2021).**
- **On January 1, 2021, the new regulatory and remuneration framework came into force with the publication of Circulars 9/2019 of December 12, 2019 and 8/2020 of December 23, 2020 and Royal Decree 1184/2020 of December 29, 2020.** (Anexo III)**.**

Grants

- **The official grants relating to the assets recognised under PP&E lower the acquisition cost of said assets and are taken to the income statement over the foreseen useful lives of the corresponding assets, decreasing the related amortisation.**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **PP&E items are amortised using the straight-line method, applying annual amortisation rates that reflect the estimated useful lives of the corresponding assets.**
- **The Directors consider that the carrying amounts of the assets do not exceed the recoverable amounts which result from calculating discounted future cash flows generated by said assets based on foreseen remuneration under current regulations.**
- **For lease assets arising from the application of IFRS 16 as of January 1, 2019, the average term considered in each of the leases has been determined on the basis of both the economic substance and the contractually agreed duration as well as the assumptions on the extension/early termination of the contracts.**
- **Depreciation is carried out on a straight-line basis in accordance with the following useful lives**

	Annual rate	Useful life (years)
Buildings	2% - 5%	50 – 20
Technical facilities (transmission network)	2.5% - 5%	40 – 20
Tanks	5%	20
Underground Storage Facilities	5% - 10%	20 – 10
Cushion gas	5%	20
Other technical facilities and machinery	2.5% - 12%	40 – 8.33
Equipment and tools	30%	3,33
Furniture and fixtures	10%	10
Information technology equipment	25%	4
Transport equipment	16%	6.25

2022	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Land and buildings	496,537	7,617	—	(40)	504,114
Technical facilities and machinery	9,388,489	7,597	39,222	(60,313)	9,374,995
Other facilities, tools, and furniture	194,304	3,174	—	(145)	197,333
Prepayments and work in progress	610,024	50,381	(39,222)	(41,257)	579,926
Capital grants	(605,776)	(156)	—	4,140	(601,792)
Total cost	**10,083,578**	**68,613**	**—**	**(97,615)**	**10,054,576**
Land and buildings	(238,193)	(15,324)	—	14	(253,503)
Technical facilities and machinery	(5,672,778)	(231,808)	—	9,480	(5,895,106)
Other facilities, tools, and furniture	(83,392)	(10,893)	—	87	(94,198)
Capital grants	450,936	9,181	—	(3)	460,114
Total amortisation	**(5,543,427)**	**(248,844)**	**—**	**9,578**	**(5,782,693)**
Technical facilities and machinery	(14,962)	(367)	—	—	(15,329)
Prepayments and work in progress	(96,637)	(812)	—	5,807	(91,642)
Total impairment	**(111,599)**	**(1,179)**	**—**	**5,807**	**(106,971)**
Land and buildings	258,344	(7,707)	—	(26)	250,611
Technical facilities and machinery	3,700,749	(224,578)	39,222	(50,833)	3,464,560
Other facilities, tools, and furniture	110,912	(7,719)	—	(58)	103,135
Prepayments and work in progress	513,387	49,569	(39,222)	(35,450)	488,284
Capital grants	(154,840)	9,025	—	4,137	(141,678)
Net carrying amount of property, plant, and equipment	**4,428,552**	**(181,410)**	**—**	**(82,230)**	**4,164,912**

2021	Opening balance	Inputs or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Land and buildings	477,181	25,810	—	(6,454)	496,537
Technical facilities and machinery	9,213,934	181,840	19,628	(26,913)	9,388,489
Other facilities, tools, and furniture	187,859	7,272	—	(827)	194,304
Prepayments and work in progress	563,978	68,209	(19,628)	(2,535)	610,024
Capital grants	(602,268)	(3,508)	—	—	(605,776)
Total cost	**9,840,684**	**279,623**	**—**	**(36,729)**	**10,083,578**
Land and buildings	(222,545)	(15,654)	—	6	(238,193)
Technical facilities and machinery	(5,440,849)	(234,809)	—	2,880	(5,672,778)
Other facilities, tools, and furniture	(76,116)	(10,267)	—	2,991	(83,392)
Capital grants	440,561	10,375	—	—	450,936
Total amortisation	**(5,298,949)**	**(250,355)**	**—**	**5,877**	**(5,543,427)**
Technical facilities and machinery	(14,962)	—	—	—	(14,962)
Prepayments and work in progress	(96,362)	(1,047)	-	772	(96,637)
Total impairment	**(111,324)**	**(1,047)**	**—**	**772**	**(111,599)**
Land and buildings	254,636	10,156	—	(6,448)	258,344
Technical facilities and machinery	3,758,123	(52,969)	19,628	(24,033)	3,700,749
Other facilities, tools, and furniture	111,743	(2,995)	—	2,164	110,912
Prepayments and work in progress	467,616	67,162	(19,628)	(1,763)	513,387
Capital grants	(161,707)	6,867	—	—	(154,840)
Net carrying amount of property, plant, and equipment	**4,430,411**	**28,221**	**—**	**(30,080)**	**4,428,552**

The increase in the year in the "Technical facilities and machinery" heading is mainly due to the Valencia - Alicante and Pos. 31 Villar de Arnedo CS - Haro CS twin-tube pipeline laying for an amount of 1,640 thousands of euros, the renewal of equipment for an amount of 1,047 thousands of euros and the modification in position 15.03A BVV gas pipeline (La Galera) for an amount of 283 thousands of euros.

The increases in "Prepayments and work in progress" are mainly due to the renewal of equipment and complementary measures in the Barcelona, Cartagena and Huelva plants for the optimal use of infrastructure in the amount of 13,666 thousands of euros, the construction of a motorcompressor unit for the Coreses and Almendralejo compressor stations in the amount of 8,551 thousands of euros, the Selva and Top Network twin-tube pipeline projects in the amount of 5,014 thousands of euros, the regasification facilities at the El Musel plant in the amount of 3,764 thousands of euros, the projects to reduce self-consumption at the Barcelona and Cartagena plants in the amount of 3,571 thousands of euros and the route at position 62 of the León Oviedo gas pipeline in the amount of 1,359 thousands of euros.

The most significant disposals relate to the "Technical facilities and machinery" heading, mainly for the twin-tube pipelines of the Selva and Top Network projects, amounting to 12,044 thousands of euros, and obsolete equipment at the Serrablo facilities amounting to 7,821 thousands of euros.

The most significant disposals under Prepayments and work in progress relate to the sale of pipelines.

In the 2022 financial year, Enagás Renovable changed control to joint control (Note 1.5), entailing the derecognition of the different fixed asset items.

In addition, the investment associated with the regasification plant project in the Port of Granadilla (GASCAN), following the presentation of the request for a Patrimonial Claim filed in July 2022, has been classified as a non-current financial asset, and the tangible assets have been derecognised in the amount of 15,297 thousands of euros (Note 2.2).

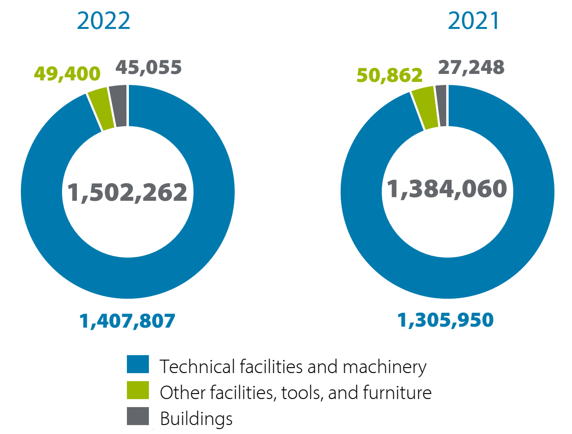
The main transfers in property, plant and equipment correspond to the Technical facilities and machinery heading, the most representative being the projects to reduce self-consumption at the Barcelona and Cartagena regasification plants, and in the Serrablo, Gaviota and Yela underground storage facilities in the amount of 14,560 thousands of euros, the Selva and Top Network projects for twin-tube pipelines in the amount of 10,403 thousands of euros and the renewal of equipment and complementary actions at the Barcelona, Cartagena and Huelva plants, in the amount of 5,568 thousands of euros.

In addition, during 2022, the effect of the signing of new addenda to the fibre optic contract (Lyntia), which temporarily reduce the scope of the contract, has been recorded, and its fees have been updated to the CPI. This resulted in a net reduction of the right-of-use asset of 40,758 thousands of euros. In addition, the lease contract for the Titán offices has been renewed and several sea-land occupancy fees have been revised, resulting in an increase in the right of use asset of 4,172 thousands of euros and 2,732 thousands of euros respectively.

There are no mortgages or encumbrances of any type on assets recorded as property, plant, and equipment.

The Group's policy is to provide sufficient insurance coverage for its assets so as to avoid any significant losses. In addition, the Group has contracted the corresponding insurance policies to cover third party civil liabilities.

Fully amortised PP&E assets recognised by the Enagás Group and still in use at 2022 and 2021 year-end are broken down as follows:



a) Capital Grants

Accumulated capital grants received at year-end which correspond to investments in gas infrastructure are broken down as follows:

	Grants received	Released to income	Balance at year-end
Regasification plants	80,987	(78,316)	2,671
Gas transmission infrastructure	483,079	(344,188)	138,891
Underground storage facilities	37,726	(37,610)	116
2022	**601,792**	**(460,114)**	**141,678**
Regasification plants	84,511	(80,555)	3,956
Gas transmission infrastructure	500,215	(352,873)	147,342
Underground storage facilities	17,508	(17,508)	—
Other items of property, plant and equipment	3,542	—	3,542
2021	**605,776**	**(450,936)**	**154,840**

The breakdown at year-end of said capital grants by public body which grants them is as follows:

	Grants received	Released to income	Balance at year-end
Structural funds of the European Union	436,038	(319,726)	116,312
Official bodies of the Spanish Autonomous Regions	51,905	(36,388)	15,517
Spanish Government	113,849	(104,000)	9,849
2022	**601,792**	**(460,114)**	**141,678**
Structural funds of the European Union	440,022	(312,547)	127,475
Official bodies of the Spanish Autonomous Regions	51,906	(35,320)	16,586
Spanish Government	113,848	(103,069)	10,779
2021	**605,776**	**(450,936)**	**154,840**

The breakdown by timing criteria of the balance pending application at December 31, 2022 is as follows:

	years		
	<1	2 to 5	>5
Government grants	1,058	3,866	4,925
Autonomous Regions grants	943	3,686	10,888
FEDER grants	6,895	27,112	82,305
Total grants	**8,896**	**34,664**	**98,118**

b) Supplementary information on IFRS 16

The activity during the 2022 and 2021 financial years in rights of use by category included under "Property, plant and equipment" was as follows:

	Balance at 12.31.2021	Additions (1)	Disposals (1)	Amortisation	Write-offs	Balance at 12.31.2022
Land and natural assets	161,241	2,732	(667)	(8,580)	601	155,327
Buildings	12,466	5,442	(1,270)	(3,815)	—	12,823
Technical facilities	239,639	12,949	(53,707)	(9,598)	—	189,283
Machinery	101	293	(119)	(123)	336	488
Furniture	98	161	(26)	(40)	83	276
Transport equipment	20,483	1,656	(609)	(6,823)	631	15,338
Total	**434,028**	**23,233**	**(56,398)**	**(28,979)**	**1,651**	**373,535**

(1) The main reason behind additions and disposals during 2022 is the effect of the signing of new addenda to the fibre optic contract (Lyntia), which temporarily reduce the scope of the contract, has been recorded, and its fees have been updated to the CPI. This resulted in a net reduction of the right-of-use asset of 40,758 thousands of euros. In addition, the lease contract for the Titán offices has been renewed and several sea-land occupancy fees have been revised, resulting in an increase in the right of use asset of 4,172 thousands of euros and 2,732 thousands of euros respectively.

	Balance at 12.31.2020	Additions	Disposals	Amortisation	Write-offs	Balance at 12.31.2021
Land and natural assets	150,595	25,376	(6,545)	(8,190)	5	161,241
Buildings	16,001	30	—	(3,565)	—	12,466
Technical facilities	119,792	138,669	(7,682)	(11,140)	—	239,639
Machinery	275	22	(35)	(196)	35	101
Furniture	60	63	(81)	(25)	81	98
Transport equipment	19,627	13,422	(9,233)	(6,086)	2,753	20,483
Total	**306,350**	**177,582**	**(23,576)**	**(29,202)**	**2,874**	**434,028**

Likewise, the maturity of financial liabilities for IFRS 16 leases is as follows:

Maturity	12.31.2022	12.31.2021
Up to 3 months	9,222	9,107
Between 3 and 12 months	28,261	27,683
Between 12 months and 5 years	121,901	122,775
More than 5 years	354,375	366,685
Total without deduction	**513,759**	**526,250**
Updating effect	(113,856)	(66,700)
Total Debt IFRS 16 Leases (Note 3.4b)	**399,903**	**459,550**

Regasification plant - Port of El Musel (Gijón)

Regarding the situation of the regasification plant in the Port of El Musel (Gijón), on July 1, 2022, the decision of June 28, 2022 of the Directorate General of Energy Policy and Mines was published, granting Enagás Transporte, SAU, the administrative authorisation and approval of the project for the execution of the facilities for the reception, storage and regasification of liquefied natural gas in the Port of El Musel, Gijón (Asturias).

Regarding the situation of the regasification plant in the Port of El Musel (Gijón), on July 1, 2022, the decision of June 28, 2022 of the Directorate General of Energy Policy and Mines was published, granting Enagás Transporte, SAU, the administrative authorisation and approval of the project for the execution of the facilities for the reception, storage and regasification of liquefied natural gas in the Port of El Musel, Gijón (Asturias). (Note 4..9).

At December 31, 2022 the carrying amount of said investment totalled 382,896 thousands of euros (378,981 thousands of euros at 2021).

Likewise, in accordance with Royal Decree-Law 13/2012, said regasification plant received both financial remuneration as well as remuneration for operating and maintenance costs in connection with the actions carried out by the Group to maintain the plant ready for service. Both remunerations have been recognised annually by the successive Ministerial Orders of the Directorate General for Energy Policy and Mines on remuneration and tolls until 2020. In addition, Article 19 of Circular 9/2019 of December 12 of the National Commission on Markets and Competition, which establishes the methodology for determining the remuneration of natural gas transmission facilities and liquefied natural gas plants, continues to explicitly contemplate the remuneration methodology applicable to the El Musel plant for the 2021-2026 regulatory period. Thus, the recognition of this remuneration for the El Musel plant has been explicitly included by the CNMC in its Resolutions of February 11, 2021 and May 20, 2021, and May 19, 2022, establishing the remuneration of the companies that carry out the regulated activities of liquefied natural gas plants, transmission and distribution for the "2021 gas year", "2022 gas year" and "2023 gas year", respectively.

Thus, the Directors of the Group, based on the legal opinions of internal advisors, do not consider it necessary to recognise any valuation adjustments.

2.5 Intangible assets

ACCOUNTING POLICIES

Goodwill and business combinations

- **The acquisition of control of a subsidiary by the parent constitutes a business combination, which is recognised using the acquisition method.**
- **Goodwill or negative goodwill arising on the combination is calculated as the difference between the fair value of the assets acquired and liabilities assumed which meet the relevant recognition criteria and the cost of the business combination, all measured at the acquisition date.**
- **Goodwill that arises upon acquisition of companies whose functional currency is not the euro is recognised in the functional currency of the acquired company, translating to euros at the exchange rate prevailing at the balance sheet date.**
- **Goodwill is not amortised and is subsequently measured at cost less any impairment losses. Goodwill impairment losses are not reversed in subsequent periods.**

Other intangible assets

- **The cost model is applied, that is, the corresponding assets are measured at acquisition or production cost less the corresponding accumulated amortisation and any impairment losses.**
- **Development costs are capitalised by amortising on a straight-line basis over the corresponding useful life, provided they are specifically itemised by project, their amounts can be clearly established, and technical success and economic and commercial feasibility of the project are reasonably assured.**

The Group recognises all research expenses in the Consolidated Income Statement, including those development costs for which technical and commercial viability cannot be established. The amount recognised in the accompanying Consolidated Income Statement in connection with research expenses totals 549 thousands of euros in 2022 (585 thousands of euros in 2021).

- **Concessions can only be included under assets when acquired for consideration separately by the Company and corresponding to concessions that can be transferred, or in the amount of expenses incurred to acquire them directly from the corresponding State or Public Authority. Should circumstances involving non-compliance with stipulated conditions arise which lead to the loss of rights related to a concession, the corresponding carrying amount for the concession will be written down in order to cancel the net value. These concessions are amortised on the basis of their useful lives.**
- **Acquisition and development costs incurred with respect to basic IT systems used for management are recognised with a charge to "Intangible assets" in the Consolidated Balance Sheet. Maintenance costs of IT systems are recognised in the Consolidated Income Statement for the year in which they are incurred. They are measured at the amount disbursed for ownership or right-of-use of the IT programs, as well as their production cost if they are developed by the Group.**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **Amortisation of intangible assets is carried out on a straight-line basis in accordance with the following useful lives:**

	Annual rate	Useful life (years)
IT applications	10% - 25%	10 - 4
Development costs	5% - 50%	20 - 2
Port concessions	1.28% - 7.6%	78 - 13

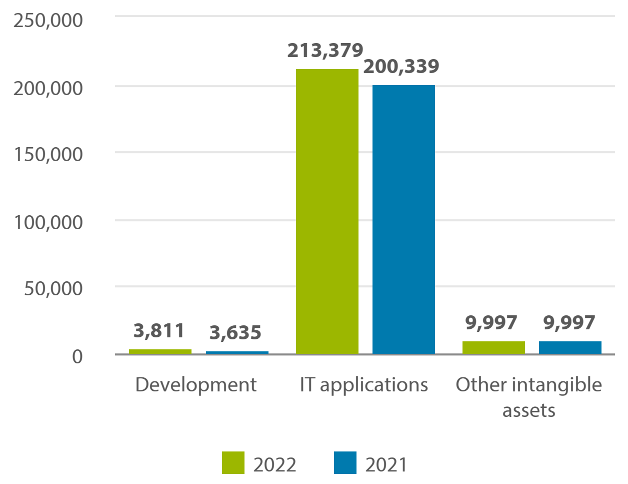
2022	Opening balance	Additions or allocations (2)	Increases or decreases due to transfers	Decreases, disposals or reductions (3)	Balance at year-end
Goodwill (1)	25,812	—	—	(8,291)	17,521
Other intangible assets					
Development	12,818	500	—	(4,161)	9,157
Concessions	5,871	—	—	—	5,871
IT applications	276,461	21,717	—	—	298,178
Other intangible assets	9,815	—	—	(1,562)	8,253
Total cost	**330,777**	**22,217**	**—**	**(14,014)**	**338,980**
Other intangible assets					
Development	(6,404)	(502)	—		(6,906)
Concessions	(4,159)	(48)	—	—	(4,207)
IT applications	(222,134)	(14,728)	—	—	(236,862)
Other intangible assets	(7,836)	—	—	—	(7,836)
Total amortisation	**(240,533)**	**(15,278)**	**—**	**—**	**(255,811)**
Goodwill (1)	(2,609)	—	—	2,609	—
Other intangible assets	(1,011)	—	—	1,011	—
Total impairment	**(3,620)**	**—**	**—**	**3,620**	**—**
Total Goodwill	23,203	—	—	(5,682)	17,521
Total Other intangible assets	63,421	6,939	—	(4,712)	65,648
Net carrying amount of intangible assets	**86,624**	**6,939**	**—**	**(10,394)**	**83,169**

(1) Corresponds to the goodwill arising on the acquisition of ETN.
(2) Among the additions in the year, the most important are the computer applications for the implementation of Sap4Hana (2,121 thousands of euros), the implementation of the Scada Monarch system (2,098 thousands of euros), the implementation of the Purchase-to-pay tool (342 thousands of euros), the Platiom- ISA tanks application (775 thousands of euros), the adaptation to the regulatory developments in billing (480 thousands of euros) and the improvement in the control of the measurement process (399 thousands of euros).
(3) Disposals in the year relate mainly to goodwill of GASCAN (5,682 thousands of euros). The investment associated with the regasification plant project in the Port of Granadilla (GASCAN), following the presentation of the request for a claim for asset liability filed in July 2022, has been classified as a non-current financial asset, and goodwill amounting to 5,682 thousands of euros have been derecognised (Note 2.2).

2021	Opening balance	Additions or provisions	Increases or decreases due to transfers	Decreases, disposals or reductions	Balance at year-end
Goodwill (1)	25,812	0	0		25,812
Other intangible assets					
Development	8,686	967	3,165	0	12,818
Concessions	5,871	0	0	0	5,871
IT applications	254,362	11,462	10,637		276,461
Other intangible assets	14,050	10,647	(13,802)	(1,080)	9,815
Total cost	**308,781**	**23,076**	**0**	**(1,080)**	**330,777**
Other intangible assets					
Development	(5,715)	(689)	0	0	-6,404
Concessions	(4,111)	(48)	0	0	-4,159
IT applications	(210,389)	(11,745)	0	0	-222,134
Other intangible assets	(7,836)	0	0	0	-7,836
Total amortisation	**(228,051)**	**(12,482)**	**0**	**0**	**(240,533)**
Goodwill (1)	(2,609)	0		0	-2,609
Other intangible assets	(3,530)	(1,011)		3,530	-1,011
Total impairment	**(6,139)**	**(1,011)**		**3,530**	**(3,620)**
Total Goodwill	23,203	0	0	0	23,203
Total Other intangible assets	51,388	9,583	0	2,450	63,421
Net carrying amount of intangible assets	**74,591**	**9,583**	**0**	**(2,450)**	**(3,620)**

Fully amortised elements

Fully amortised intangible assets recognised by the Enagás Group and still in use at 2022 and 2021 year-end are detailed as follows:



2.6 Non-current assets held for sale

ACCOUNTING POLICIES

- **An entity classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered through a sale transaction rather than through continuing use.**
- **For the above classification, the asset (or disposal group) must be available, in its present condition, for immediate sale, subject only to current terms customary for the sale of such assets (or disposal groups), and its sale must be highly probable.**
- **An entity shall measure non-current assets (or disposal groups) classified as held for sale at the lower of their carrying amount and fair value less costs to sell.**

Enagás Internacional, S.L.U. and Elecnor, S.A. reached an agreement dated December 17, 2021 to jointly and equally sell to MIP V International AIV, L.P. (a wholly-owned subsidiary, indirectly, of the Macquarie Infrastructure Partners V, L.P. fund managed by Macquarie Asset Management ("MAM")) the total shareholding they hold in the Mexican nationality companies Gasoducto de Morelos, S.A.P.I. de C.V. and Morelos O&M, S.A.P.I. de C.V. for a total of 173.8 million dollars (approximately 163 million euros at current exchange rates). Both holdings are included in the "Other activities" segment of the Enagás Group.

The transaction is subject to compliance with the conditions precedent for this type of operation. Enagás estimates that the closure will occur during the first half of the 2023 financial year, due to the extension in the fulfilment of these conditions precedent.

As a result of the foregoing, the Group classified the investments accounted for using the equity method in these companies and the loan granted to Gasoducto de Morelos, S.A.P.I. de C.V. which form part of the transaction, for a total amount of 30,452 thousands of euros (28,547 thousands of euros at 2021 year-end), corresponding to their carrying amount, under "Non-Current Assets Held for Sale". For the purpose of determining the fair value, the information relating to the bids received has been used. These bids exceed the carrying amount. Therefore, no valuation adjustments have been recorded as a result of the above.

2.7 Impairment of non-financial assets

ACCOUNTING POLICIES

- **With respect to goodwill, at the closing of each year, or more frequently if certain circumstances or changes arise which indicate that the net value of said goodwill may not be entirely recoverable, and when there are indications of impairment losses on the remaining non-current assets, the Company analyses the corresponding recoverable amounts to determine the possibility of impairment.**
- **The potential impairment loss is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates at the time it arises.**
- **The period used by the Enagás Group to determine the projected cash flows of the cash-generating units corresponds to the period in which the asset accrues revenue associated with the investment** (Anexo III). **At the closing of this period, the Enagás Group considers residual values based on the cash flows of the last period with a growth rate equal to zero.**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

Determination of impairment losses on non-current assets other than financial assets is based on fulfilment of a series of hypotheses which are described below in this note and are revised annually. The Group identifies its operating segments based on internal reports relating to the companies comprising the Group which are regularly reviewed, discussed, and evaluated in the decision-making process, as indicated in Note 4.7.

To the extent that assets grouped within a segment are at the lowest level at which independent cash flows can be identified, the segment is identified as a cash generating unit (CGU).

The CGUs identified by the Enagás Group in 2022 are shown below:

- Infrastructure activity in Spain (includes transmission, regasification, and storage).
- Technical Management of the System.

In addition, as explained in Note 1.6, for investments accounted for by the equity method, each associate or joint venture is considered as a CGU.

The goodwill presented in the balance sheet is allocated to the Infrastructure Activity CGU in Spain.

To estimate value in use, the Enagás Group prepares forecasts regarding future cash flows after taxes based on the most recent budget approved by the Directors. The best estimates available for income, costs, investment and dividends (in the case of investments accounted for using the equity method) relating to CGUs are used for said forecasts, making use of past experience, sector forecasts, and future expectations, in accordance with the prevailing regulatory framework and corresponding contracts.

With regard to infrastructure activities, once the current regulatory period has expired (2026), from the time at which the regulatory useful life of the facilities comes to an end, and in those cases where the asset remains in operation, the fixed remuneration for O&M and remuneration for the extension of useful life, calculated as a financial remuneration based on the replacement value of the assets, which is shared 50/50 with the Spanish Gas System, with no amount accruing as remuneration for investment, depreciation or financial remuneration. This criterion is in line with that used in the economic and financial projections included in the update of the Group's Strategic Plan. In addition, the remuneration for continuity of supply ("RCS") has been ruled out as fixed remuneration, as from the next regulatory period this concept of income will not continue, in line with what the Ministry has already indicated for the activity of Underground Storage in the Royal Decree on Underground Storage and Charges. Despite the fact that, to date, the CNMC has not issued a statement regarding the RCS after 2027 for Regasification and Natural Gas Transmission activities, the Directors understand that, based on a prudent criterion, the evolution of Regasification and Natural Gas Transmission activities will be aligned with that of Underground Storage.

Thus, when determining residual value, the following is taken into consideration:

- The projection of remuneration for operating and maintenance costs for the last financial year as well as the forecast remuneration for extension of useful life, applying the aforementioned criterion (which was financially applicable during the period 2002-2008, calculated on the replacement value of the assets).
- Financial remuneration, as a component to be received in the long term, associated with: i) the existence of a large number of assets that are still in useful life; and ii) additionally, the existence of an incremental investment plan to be developed as part of the update of the strategic plan.
- Financial remuneration or remuneration related to amortisation was not taken into account as said remuneration will end when the regulatory useful life of the facilities elapses.

The last period considered for projections is the one corresponding to the year in which the regulatory useful life ends, based on the age of the facilities at the time.

With respect to the activities corresponding to Technical Management of the System, residual values were calculated based on the cash flows of the last financial year, using a zero growth rate and no normalisation adjustments. This is due to the fact that, as indicated in Anexo III, revenue corresponding to this activity is meant to settle the obligations of Enagás GTS, S.A.U. as Technical Manager of the System. This is calculated according to the applicable remuneration methodology for the 2021-2023 and 2024-2026 regulatory periods (see Note 2.1) For the last period, the same criteria were applied as those used for infrastructure activity, under the understanding that while the gas infrastructure is operational and there is demand for gas, technical management of the gas system will continue.

As mentioned in Note 2.1 and developed in Anexo III, on January 1, 2021, the new regulatory and remuneration framework came into force with the publication of Circulars 9/2019 of December 12, 2019 and 8/2020 of December 23, 2020 and Royal Decree 1184/2020 of December 29, 2020.

The modifications in the remuneration model incorporated in these have been taken into account in the calculation of the projected flows from January 1, 2021.

The Directors consider that their projections are reliable and that past experience, taken together with the nature of the business, make it possible to predict cash flows for the periods under consideration.

The most representative hypotheses used in the projections, based on business forecasts and past experience, are the following:

- Regulated remuneration was estimated in accordance with the remuneration approved by CNMC Circulars and RD 1184/2020 for the years in which it is available, while for subsequent years the same updating mechanisms established by law have been used and a better estimate has been made for the costs paid based on audited costs.
- Investment: the best available information on investment plans for assets and maintenance of infrastructures and systems has been used, based on the one hand on the history of investment in maintenance and systems and, on the other, in new projects that are highly likely to be executed in accordance with the work in progress being developed with the Ministry and the CNMC.
- Operating and maintenance costs were estimated considering the prevailing operation and maintenance contracts, as well as remaining estimated costs based on sector knowledge and past experience. The projections made were consistent with the growth expected as a result of the investment plan.
- Other revenue and costs were projected based on sector knowledge, past experience, consistent with the growth expected as a result of the investment plan.
- Future dividends have been projected based on the company's knowledge, past experience and activity in free cash flows.
- In addition, lease liabilities have not been taken into account in the value in use of the CGU or in its carrying amount.
- In order to calculate present value, projected future cash flows are discounted at an after-tax rate which reflects the weighted average cost of capital (WACC) corresponding to the business and the geographical area in which the business is carried out. For its calculation, the time value of money is taken into consideration together with the risk-free rate and risk premiums generally used by analysts of the business and geographic area in question. The risk-free rate corresponds to the sovereign bonds issued by each country in the corresponding market, with sufficient depth and solvency. However, associated country risk is also taken into consideration for each geographical area. The risk premium of the asset corresponds to the risks specific to the asset, calculated taking into consideration the estimated betas in accordance with the selection of comparable businesses dedicating themselves to a similar main activity.
- In addition, lease liabilities have not been taken into account in the value in use of the CGU or in its carrying amount. The after-tax discount rate for regulated activities in Spain will be between 3.8% and 5.8% in 2022 (between 2.87% and 4.85% in 2021), while the pre-tax rate will be between 4.6% and 6.5% in 2022 (between 4.1% and 6% in 2021).
- Considering that all the CGUs have been operating normally during 2022 (Note 1.11), the sensitivity analysis of the discount rate has been performed using a range of +0.5% and -0.5%. No significant associated risks have arisen from this analysis. Thus, the Group management considers that, within the specified ranges, there would be no changes in the impairment calculation.

2.8 Other non-current liabilities

The heading "Other current liabilities" includes mainly liabilities under contracts with customers, in accordance with IFRS 15, the breakdown and changes of which are shown below:

Other non-current liabilities	Connections to basic network	Other	Total
Balance at December 31, 2020	**39,075**	**796**	**39,871**
Additions	1,058	10	1,068
Recognised in profit and loss	(676)	—	(676)
Reclassifications	(1,057)	—	(1,057)
Recognised in profit and loss	(1,010)	—	(1,010)
Effect of financial restatement IFRS 15	31	—	31
Balance at December 31, 2021	**37,421**	**806**	**38,227**
Additions	761	203	964
Disposals	(999)	—	(999)
Reclassifications	(675)	(796)	(1,471)
Recognised in profit and loss	(1,023)	—	(1,023)
Balance at December 31, 2022	**35,485**	**213**	**35,698**
Of which: Liabilities from short-term customer contracts			
Liabilities from long-term customer contracts	35,485	—	35,485
Other non-current liabilities	—	213	213

At December 31, 2022, the heading "Customer contract liabilities" includes performance obligations pending execution with an estimated term of more than one year, amounting to 1,743 thousands of euros (1,059 thousands of euros at December 31, 2021).

At December 31, 2022, the Enagás Group had no refund or reimbursement rights associated with contracts with customers.

2.9 Provisions and contingent liabilities

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- The Consolidated Annual Accounts include all significant provisions when the Group considers that it will more likely than not have to settle the related obligations. Contingent liabilities are not recognised in the Consolidated Annual Accounts, but rather are disclosed, unless the possibility of an outflow of resources embodying economic benefits is considered remote.
- Provisions, which are quantified taking into consideration the best available evidence on implications of obligating events and that are re-estimated at each balance sheet date, are used to cover the specific obligations for which they were originally recognised and are partially or fully reversed when said obligations decrease or cease to exist.
- The compensation to be received from a third party when an obligation is settled is recognised as an asset, provided it is certain that reimbursement will be received, unless there is a legal relationship whereby a portion of risk has been externalised as a result of which the Group is not liable, in which case, reimbursement will be taken into consideration in estimating the amount of any provisions.

The policy followed with respect to the recognition of provisions for risks and expenses is to recognise the estimated amount required to settle probable or certain liabilities arising from litigation underway, pending indemnities or liabilities, sureties and similar guarantees. They are recognised upon emergence of the liability or obligation determining the indemnity or payment.

- At year-end 2022 and 2021, several legal proceedings were underway against business groups in connection with matters relating to the normal course of their activities. The Group's legal advisors and Directors consider that the final outcome of these proceedings and claims will not have a significant effect on its future Consolidated Annual Accounts.
- Decommissioning provisions are subject to periodic review, in order to monitor possible changes in any of the assumptions used, assuming in that case the corresponding change in book value, applied prospectively.

a) Provisions

The movements during the period under the heading "Non-current provisions" and "Current provisions" were as follows:

Current and non-current provisions	Opening balance	Additions and provisions	Updates	Reclassifications	Amounts used	Balance at year-end
Personnel remuneration	1,029	2,231	6	15	(944)	2,337
Other long-term provisions	401	199	—	—	(172)	428
Dismantling	290,926	—	2,202	—	—	293,128
Total non-current provisions	**292,356**	**2,430**	**2,208**	**15**	**(1,116)**	**295,893**
Other short-term provisions	717	6,669	—	4,178	—	11,564
Total current provisions	**717**	**6,669**	**—**	**4,178**	**—**	**11,564**
Total current and non-current provisions	**293,073**	**9,099**	**2,208**	**4,193**	**(1,116)**	**307,457**

Decommissioning provisions correspond to the underground storage facilities of Gaviota, Yela, and Serrablo, as well as the regasification plants of Barcelona, Cartagena, Huelva, and El Musel (Gijón) in accordance with the prevailing regulatory framework (Note 2.4 and Appendix III).

Decommissioning provisions are subject to periodic review, in order to monitor possible changes in any of the assumptions used, assuming in that case the corresponding change in book value, applied prospectively.

As part of this periodic review, at December 31, 2021, the value of decommissioning was re-estimated, resulting in an increase in the amount of 39,615 thousands of euros.

Additionally, this provision has been updated in the periods following its incorporation, applying a discount rate before taxes that reflects the current assessments that the market is making of the temporal value of money, and those specific risks related to the actual obligation subject provision. The discount rate used during 2022 ranges from 0.4% to 1% depending on the remaining time period in which the dismantling work is expected to be carried out.

As a result of the effect of this financial restatement, at December 31, 2022 an increase of 2,202 thousands of euros was registered in the dismantling provision.

Lastly, the Group has proceeded to perform the corresponding sensitivity analyses, showing that a change in the discount rate f 5 basis points and a variation in estimated dismantling costs of 2.5%, would result in a change in the value of this provision in the range of (3.30%)-3.40%.

"Personnel remuneration" includes the cash portion of the Long-Term Incentive Plan ("ILP") for the executive directors and senior management (Note 4.4) as well as the bonus payable every three years for contribution to results aimed at the remaining personnel of the Group, payable on 2025.

The Directors of the Company consider that the provisions recognised in the accompanying Consolidated Balance Sheet for litigation and arbitration risk as well as other risks described in this note are adequate and, in this respect, they do not expect any additional liabilities to arise other than those already recorded. Given the nature of the risks covered by these provisions, it is not possible to determine a reasonably reliable schedule of payment dates, if any.

b) Contingent liabilities

At December 31, 2022, there are no events in the Enagás Group that could be considered as contingent liabilities further to those indicated in Note 3.3.a in relation to the GSP project in Peru, as well as in Note 4.2.

3. Capital structure, financing and financial result

RELEVANT ASPECTS

Financial leverage

- Financial leverage at December 31, 2022 amounted to 53.0% (57.5% in 2021) (Note 3.7).
- On September 9, 2022, the credit rating agency Fitch Ratings maintained Enagás' outlook at stable, and placed Enagás' rating at BBB. On January 26, 2022, the credit rating agency Standard & Poor's placed Enagás' credit rating at BBB, with a stable outlook (Note 3.7).

Equity

- At December 31, 2022, equity has increased by 4% compared to the previous year, to a total of 3,218 million euros.
- The share price of the parent company, Enagás, S.A. recognised at December 31, 2022 amounted to 15.525 euros.
- No individual or legal entity can invest directly or indirectly in a proportion in excess of 5% of the share capital of Enagás, S.A., nor exercise political rights in this company above 3% (1% for those subjects who, directly or indirectly, perform activities in the gas sector). These restrictions are not applicable to direct or indirect holdings corresponding to the public business sector (Note 3.1.a).

Net financial debt

- Net financial debt is the main indicator used by Management to measure the Group's debt level. At December 31, 2022 net financial debt amounted to 3,469 million euros (4,277 million euros in 2021) (Note 3.4.a).
- The average annual interest rate during 2022 for the Group's gross financial debt amounted to 1.8% (1.7% in 2021). (Note 3.4.a).
- The percentage of fixed rate net financial debt at December 31, 2022 and December 31, 2021 amounted to more than 80%, with the average maturity period of the debt at December 31, 2022 being 4.4 years (4.5 years at December 31, 2021) (Note 3.4.a).

Available funds

- The Group has available funds in the amount of 3,794 million euros at December 31, 2022 (3,300 million euros in 2021) (Note 3.8.b).

Financial result

- Financial expenses and similar decreased from 103 million euros in 2021 to 100 million euros in 2022. (Note 3.5).
- Finance income and similar increased from 20 million euros in 2021 to 38 million euros in 2022. (Note 3.5).

Derivative financial instruments

- At December 31, 2022, the net fair value of the Group's derivatives, including assets and liabilities derivatives, was 21 million euros of liabilities (88 million euros of liabilities at December 31, 2021) (Note 3.6). During 2022, the Group maintains cash-flow hedges and net investment hedges.

Gasoducto Sur Peruano, S.A. ("GSP")

- In relation to the situation of the investment in GSP, as a result of the termination of the concession contract on January 24, 2017, the dispute between the Peruvian State and Enagás regarding the application of the investment recovery mechanism established in the GSP Concession contract continues. In this regard, an international arbitration was initiated in 2018 under the Reciprocal Investment Promotion and Protection Agreement (hereinafter, APPRI) Spain-Peru, as detailed in Note 3.3.a submitted to the International Centre for Settlement of Investment Disputes (hereinafter ICSID). This proceeding continues to take its regular course, and once hearings have been held and briefs filed in the second half of 2022, the award is expected. The anticipated date of June 30, 2023 for an arbitration award that is fair to Enagás' interests will be maintained.
- In order to enforce the application of TGP's Legal Stability Agreements against the prohibitions on the transfer abroad of the dividends collected on said investment, after initiating direct treatment on February 24, 2021 with the Peruvian State, on December 23, 2021 the request for arbitration proceedings was submitted to the ICSID under the Spain-Peru APPRI (Reciprocal Promotion and Protection Agreement (Note 3.3.a) This procedure continues its regular course.
- At December 31, 2022, the total amount to be recovered by GSP amounted to 473,999 thousands of euros (433,604 thousands of euros at December 31, 2021) relating to both the recovery of the financial investment in this company and the credit rights associated with the recovery of the guarantees executed against the Enagás Group as a result of the termination of the concession contract in GSP (Note 3.3.a).

3.1 Equity

a) Share capital

At both 2022 and 2021 year-end the share capital of Enagás S.A. amounted to 392,985 thousands of euros, represented by 261,990,074 shares with a face value of 1.5 euros each, fully subscribed, and paid in.

All shares of the parent company Enagás, S.A. are listed on the four official Spanish Stock Exchanges and are traded on the continuous market. At the closing of December 31, 2022 the quoted share price was 15.525 euros, having reached a maximum of 22.11 euros per share on May 25, 2022.

It is worth noting that, subsequent to publication of Additional Provision 31 of Hydrocarbon Sector Law 34/1998, in force since enactment of Law 12/2011, of May 27,"no natural or legal person can participate directly or indirectly in the shareholder structure of Enagás, S.A with a stake exceeding 5% of share capital, nor exercise political rights in said parent company exceeding 3%. These shares cannot be syndicated under any circumstances." Furthermore, "any party operating within the gas sector, including natural persons or legal entities that directly or indirectly own equity holdings in the former of more than 5%, may not exercise voting rights over 1%. Said limitations shall not be applicable to direct or indirect interest held by the public corporate sector."

At December 31, 2022 and 2021 the most significant shareholdings in the share capital of Enagás, S.A. were as follows (from the information published by the National Securities Market Commission (CNMV in Spanish) (1) at December 31, 2022):

	Investment in share capital (%)	
Company	12.31.2022	12.31.2021
Sociedad Estatal de Participaciones Industriales	5.000	5.000
Partler 2006 S.L.	5.000	5.000
Bank of América Corporation	3.614	3.614
BlackRock Inc.	4.988	3.383
State Street Corporation	3.008	3.008
Mubadala Investment Company PJSC	3.103	3.103

(1) The information obtained from the CNMV was based on the last notification that each entity thus obliged must send to said body, in connection with the stipulations of Royal Decree 1362/2007, of October 19 and Circular 2/2007, of December 19.

b) Issue premium

At December 31, 2021 and 2022 the Parent Company's issue premium amounted to 465,116 thousands of euros.

The Consolidated Text of the Corporate Enterprises Act expressly permits the use of the issue premium account balance to increase capital and does not establish any specific restrictions as to its use.

c) Treasury shares

At December 31, 2022, Enagás, S.A. has finalised the process for delivering and acquiring treasury shares, which amounted to 821,375 shares, representing 0.31% of the total shares issued by Enagás, S.A. at December 31, 2022, for a total of 9,676 thousands of euros (including associated expenses of 10 thousands of euros). This acquisition took place within the framework of the "Temporary Treasury Share Buy-Back Scheme", whose exclusive aim was to meet the obligations of delivering shares to the Executive Director and members of the Enagás Group management team under the current remuneration scheme according to the terms and conditions of the 2022-2024 Long-Term Incentive Plan (ILP) and the Remuneration Policy approved at the General Shareholders' Meeting held on March 31, 2022. The shares were purchased in compliance with the conditions set out in Article 5 of Regulation EC/2273/2003 and subject to the terms authorised at the General Shareholders' Meeting held on March 31, 2022. Management of the Temporary Treasury Share Buy-Back Scheme was entrusted to Banco Bilbao Vizcaya Argentaria (BBVA), which carried out the transaction on behalf of Enagás, S.A. independently and without exercising influence on the process (Note 4.4).

During the period from January 1, 2022 to December 31, 2022, the following movements in treasury shares have taken place:

No. of shares as at January 1, 2022	No. of shares acquired new target	No. of shares implemented for the target	No. of shares as at December 31, 2022
501,946	465,000	(145,571)	821,375

d) Reserves

The Corporate Enterprises Act stipulates that 10% of profit for the year must be transferred to the legal reserve until it represents at least 20% of share capital. At 2022 and 2021 year-end, the legal reserve was fully allocated and totalled 78,597 thousands of euros.

The legal reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase. Except for this purpose, until the legal reserve exceeds the limit of 20% of capital, it can only be used to compensate losses provided there are no other reserves available.

e) Income and expenses recognised directly in equity

	Opening balance	Change in value	Recognised in profit and loss	Balance at year-end
2022				
Cash flow hedges	(11,531)	(414)	3,627	(8,318)
Tax recognised in equity	2,890	104	(907)	2,087
Translation differences	(110,119)	(50,913)	30,789	(130,243)
Fully-consolidated companies	**(118,760)**	**(51,223)**	**33,509**	**(136,474)**
Cash flow hedges	(11,667)	81,172	3,715	73,220
Tax recognised in equity	2,157	(11,682)	(825)	(10,350)
Translation differences	54,745	148,901	—	203,646
Companies accounted for using the equity method	**45,235**	**218,391**	**2,890**	**266,516**
Translation differences	—	30,397	(37,421)	(7,024)
Non-current Assets Held for Sale	**—**	**30,397**	**(37,421)**	**(7,024)**
Assets at fair value with changes in Other Comprehensive Income	**534**	**2,252**	**—**	**2,786**
Total	**(72,991)**	**199,817**	**(1,022)**	**125,804**
2021				
Cash flow hedges	(17,183)	(6,924)	12,576	(11,531)
Tax recognised in equity	4,303	1,731	(3,144)	2,890
Translation differences	(48,214)	(61,905)	—	(110,119)
Fully-consolidated companies	**(61,094)**	**(67,098)**	**9,432**	**(118,760)**
Cash flow hedges	(38,627)	23,741	3,219	(11,667)
Tax recognised in equity	6,853	(3,750)	(946)	2,157
Translation differences	(109,852)	164,597	—	54,745
Companies accounted for using the equity method	**(141,626)**	**184,588**	**2,273**	**45,235**
Assets at fair value with changes in Other Comprehensive Income	**—**	**534**	**—**	**534**
Total	**(202,720)**	**118,024**	**11,705**	**(72,991)**

3.2 Result and variation in minority interests

ACCOUNTING POLICIES

- **Minority interests are those that can be attributed to shareholders who have no control over the subsidiary.**
- **They are recognised under equity as a line item separate from the equity attributable to the parent.**
- **In business combinations, minority interests are measured at fair value or the proportional part of net assets acquired.**
- **The amount corresponding to minority interests relating to the change in equity of the subsidiary is attributed based on the percentage of interest held in the subsidiary.**
- **Changes in the percentage of ownership interest held by the parent in the subsidiary which do not represent a loss of control are recognised as equity transactions.**
- **The amount corresponding to minority interests is calculated for the whole Enagás Group based on the carrying amounts of the companies in which minority interests is held.**

	Minority interests holding	Opening balance	Changes in the consolidation scope	Dividends distributed	Other adjustments[(1)]	Distribution of results	Balance at year-end
2022							
ETN, S.L.	10,0%	15,660	—	(568)	—	616	15,708
Remaining		560	(306)	(252)	287	24	313
Total 2022		**16,220**	**(306)**	**(820)**	**287**	**640**	**16,021**
2021							
ETN, S.L.	10,0%	15,583	—	(746)	—	823	15,660
Remaining		1,376	(223)	(2,813)	2,230	(10)	560
Total 2021		**16,959**	**(223)**	**(3,559)**	**2,230**	**813**	**16,220**

(1) In 2022 and 2021, "Other adjustments" includes mainly the amounts recorded in Gas Infrastructure Reserves for dividends from Group companies received and not distributed.

The summarised financial information of these affiliates is shown below. This information is based on the amounts recognised before eliminations among Group companies:

	2022	2021
Condensed income statement	**ETN S.L.**	**ETN S.L.**
Ordinary revenue	21,461	24,507
Cost of sales	(7,656)	(7,647)
Administrative expenses	(4,123)	(4,191)
Financial expenses	(2,066)	(2,332)
Profit /(loss) before tax	**7,616**	**10,337**
Income tax expense	(1,456)	(2,109)
Profit /(loss) for the year from continuing operations	6,160	8,228
Total results	**6,160**	**8,228**
Attributable to minority interests	616	823
Dividends paid to minority interests	568	746

	12.31.2022	12.31.2021
Condensed balance sheet	**ETN, S.L.**	**ETN, S.L.**
Inventories, treasury, and current accounts (current)	14,980	20,178
PP&E and other assets (non-current)	219,625	226,420
Suppliers and payables (current)	14,039	12,570
Loans, credits, and deferred tax liabilities (non-current)	63,459	77,381
Total equity	**157,108**	**156,647**
Attributable to:		
Shareholders of the Parent	141,400	140,987
Minority interests	15,708	15,660

Cash flow statement	2022	2021
	ETN, S.L.	**ETN, S.L.**
Operating income	26,679	13,121
Investment	(137)	(400)
Financing	(18,679)	(14,256)
Total net cash flows	**7,863**	**(1,535)**

3.3 Financial assets and liabilities

ACCOUNTING POLICIES

Financial assets

- Financial assets are recognised in the Consolidated Balance Sheet at the transaction date when the Group becomes party to the contractual terms of the instrument.
- Financial assets are classified under "Financial assets measured at amortised cost" except for the investments accounted for using the equity method (Note 1.6) and derivative financial instruments (Note 3.6) and financial assets measured at fair value through other comprehensive income.

Financial assets measured at amortised cost

- Items recognised under this heading are initially recognised at fair value of the consideration paid, plus transaction costs directly attributable to the acquisition. Subsequently, they are measured at amortised cost.
- Receivables which do not bear explicit interest are recognised at their face value whenever the effect of not discounting the related cash flows is not significant. Subsequent measurement in this instance is still carried out at face value.

Financial assets measured at fair value with changes in other comprehensive income

- Equity instruments are measured by default at fair value through profit or loss, but there is an option at initial recognition to present changes in fair value in profit/loss. This decision is irrevocable and is made for each asset individually.

Fair value measurement

- In accordance with IFRS 13, for purposes of financial disclosure, the measurement of fair value is classified as Level 1, 2, or 3, based on the degree that the inputs applied are observable and their importance in measuring fair value in its totality, as described below:
  - Level 1 – Inputs are based on quoted prices (unadjusted) for instruments of an identical nature traded in active markets.
  - Level 2 – Inputs are based on valuation models for which all significant inputs are observable in the market or can be corroborated by observable market data.
  - Level 3 – Inputs are not generally observable and generally reflect estimates regarding market movements for determining the price of the asset or liability.

Trade and other payables

- Trade and other payables that do not accrue explicit interest are measured at their face value when the effect of financial discounting is not significant.

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- In accordance with the requirements established under IFRS 9, the Group regularly calculates the effect of the expected loss on financial assets. This has had an effect on the Consolidated Income Statement for the current year of 152 thousands of euros (44 thousands of euros at December 31, 2021), with the cumulative effect on the Consolidated Balance Sheet amounting to 657 thousands of euros at December 31, 2022 (505 thousands of euros at December 31, 2021).

a) Financial assets

	Class							
	Amortised cost		Fair Value with changes in the income statement (*)		Fair value through profit / loss		Total	
Categories	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Equity instruments	—	—	—	—	22,147	16,249	22,147	16,249
Loans	20,822	18,175	—	—	—	—	20,822	18,175
Trade and other receivables (Note 2.2)	54,197	150,833	—	—	—	—	54,197	150,833
Other	496,032	447,364	—	—	—	—	496,032	447,364
Total non-current financial assets	**571,051**	**616,372**	**—**	**—**	**22,147**	**16,249**	**593,198**	**632,621**
Loans	198	1,925	—	—	—	—	198	1,925
Derivatives (Note 3.6)	—	—	3,166	—	—		3,166	—
Other	25,816	11,541	—	—	—	—	25,816	11,541
Total current financial assets	**26,014**	**13,466**	**3,166**	**—**	**—**	**—**	**29,180**	**13,466**
Total financial assets	**597,065**	**629,838**	**3,166**	**—**	**22,147**	**16,249**	**622,378**	**646,087**

(*) In the specific case of those derivatives to which cash flow hedges or net investment are attributed, the accumulated amounts in equity are transferred to the Consolidated Income Statement in the periods when the covered items affect the Consolidated Income Statement.

The Directors estimate that the fair value of the financial assets at December 31, 2022 does not differ significantly with respect to their carrying amount.

Equity instruments

This heading includes the Enagás Group's investments in companies over which it does not have control, joint control or significant influence on the basis of the way in which the relevant decision-making is established.

At December 31, 2022, this mainly includes the Enagás Group's investments in 19% of the company Depositi Italiani GNL and the investments in the company Satlantis Microsats, S.L. (7.59%) and the funds Klima Energy Transition Fund, F.C.R. and Clean H2 Infra Fund. The change compared to 2021 is mainly due to the change in the fair value of these investments, as well as additional investments made by the Enagás Group during 2022.

Loans

This mainly includes loans granted to group companies consolidated using the equity method and therefore not eliminated in the consolidation process.

The detail of current and non-current loans to Group companies is detailed in Note 4.3.

Other

"Other non-current financial assets" include an amount of 6,505 thousands of euros (3,847 thousands of euros at December 31, 2021) corresponding to the investment made by the Group in Economic Interest Groupings (EIG) whose activity is the leasing of assets managed by another entity unrelated to the Group and which retains both the majority of profits as well as the risks related to the activities, with the Group only availing itself of the regulated tax incentives in Spanish legislation. The Group attributes the carry-forward tax losses generated by these EIGs against shares and taking into account the debt registered with the Tax Authorities, recognising the corresponding financial income.

Dividends approved for distribution from affiliates, but not yet received at December 31, 2022, are also included under the current heading.

In addition, receivables from the termination of the GSP concession contract are included. At December 31, 2022, the total amount to be recovered by GSP amounted to 473,999 thousands of euros (433,604 thousands of euros at December 31, 2021) relating to both the recovery of the financial investment and the credit rights associated with the recovery of the guarantees executed against the Enagás Group as a result of the termination of the concession contract in GSP, the amount being updated and considering June 30, 2023 as the date of recognition of the award that allows such recovery.

Gasoducto Sur Peruano ("GSP")

In relation to the investment in Gasoducto Sur Peruano, S.A. (hereinafter "GSP") as indicated in the Consolidated Annual Accounts of the Enagás Group for 2016, on January 24, 2017 the Directorate General of Hydrocarbons of the Peruvian Government's Ministry of Energy and Mines (hereinafter the "State of Peru") sent an official letter to GSP stating "the termination of the concession agreement owing to causes attributable to the concession holder", in accordance with the terms of Clause 6.7 of the "Improvements to the Energy Security of the Country and the Development of the Gasoducto Sur Peruano" (hereinafter "the Project") concession agreement, because the financial close had not been evidenced within the period established in the agreement (January 23, 2017), and proceeded to the immediate enforcement of the totality of the guarantee for full compliance given by GSP (262.5 million dollars), to ensure fulfilment of the obligations relating to the concession, which in the case of Enagás generated a payment of 65.6 million dollars. Also in January 2017, they paid GSP bank financing sureties to Enagás amounting to 162 million dollars, including both principal and interest pending payment. In December 2017, the process for delivering the Concession Assets held by GSP was substantially completed with the Peruvian State assuming control over them.

As a result of the termination of the concession contract, in accordance with the opinion of external and internal legal advisors, the Peruvian State had the obligation to apply Clause 20 of the Concession Contract, calculating the Net Carrying Amount (hereinafter NCA) of the Concession Assets, calling up to a maximum of three auctions to award the Concession, with the auction result being to pay GSP the NCA. With the amount that GSP would have received for the NCA of the Concession Assets, it would have proceeded to settle its obligations to third parties and, if appropriate, reimburse the capital contributions made by its shareholders.

As a result of inaction by the State of Peru in relation to the aforementioned procedure, on December 19, 2017, Enagás notified the Peruvian State about the existence of a dispute relating to the investment in GSP with a view to reaching an amicable agreement on the terms of Article 9.1 of the Agreement for the Reciprocal Promotion and Protection of APPRI in Spanish signed by the Republic of Peru and the Kingdom of Spain. This notification represented the beginning of the six-month period for direct contact prior to initiating international arbitration in which the APPRI acts as the mechanism for recovering the investment in GSP. Once the required six months of direct contact between Enagás and the Peruvian State had elapsed without it being possible to reach an amicable settlement of this dispute, on July 2, 2018, Enagás filed an application for the initiation of arbitration against the Peruvian State regarding its investment in GSP with the ICSID.

Through this arbitration procedure, it is expected that the Peruvian State will reimburse Enagás for its investment in GSP, this being the mechanism by which the financial assets recorded in the balance sheet would be recovered. Thus, it is expected that the Arbitration Court hearing the arbitration procedure in the ICSID will uphold the arguments of Enagás, issuing an award recognising that the Peruvian State has not protected Enagás' investment under the APPRI and, therefore, it must compensate it by paying it the value of that investment.

With respect to this ICSID arbitration procedure, the Arbitration Court was constituted on July 18, 2019, and Legal Resolution No. 1 was issued on September 24, 2019, establishing the procedural rules that govern the arbitration procedure until the award is handed down.

In accordance with this Resolution, Enagás filed its claim on January 20, 2020, and the Peruvian State replied on July 17, 2020. Subsequently, the documentary exhibition phase took place in which the parties requested each other to provide documents that each of them considered relevant. This was followed by the presentation of the reply by Enagás on May 31, 2021 and the rejoinder by the Peruvian State on October 20, 2021, with Enagás finally presenting its rejoinder on preliminary objections on January 17, 2022. The hearing phase continued in September 2022, and briefs were filed in November 2022. Currently, the award is expected to be issued around June 30, 2023.

Also with regard to the ICSID, on January 21, 2020, Odebrecht filed a request to initiate arbitration against the Republic of Peru to recover its investment in GSP.

Regarding the Enagás' statement of claim, the main argument maintained by Enagás is that, if the Peruvian State had complied with its obligation under the Concession Contract, it would have calculated the NCA and organised the three auctions, which it was obliged to do, to award the Concession, and the proceeds of the auction would have been delivered to GSP, which would have applied the amount delivered to pay its creditors and return the capital to its shareholders. Enagás' claim is based on the fact that the Peruvian State must pay 100% of the NCA to GSP, since on January 24, 2018, one year has passed since the end of the concession contract and in that time there have been no calls for auctions. The absence of an auction means that the legal advisors of Enagás believe that it should be considered that GSP would have received 100% of the NCA because it was deprived of the possibility of receiving it when not even the first auction was convened. Therefore, starting from the NCA considered, a certain payments waterfall would have been applied.

Enagás considers that, taking into account the NCA of the Concession Assets determined by an independent expert, and also taking into account the payment waterfall as per the terms of the insolvency legislation, as well as the contracts between Enagás and the members and creditors of GSP relating to subordination and credit agreements, if the State had satisfied its obligations, and thus paid GSP the amount obtained in the auction, Enagás would have recovered its investment.

With respect to the amount of the NCA, there have been no variations other than the evolution of the exchange rate for certain items in Peruvian soles, maintaining at December 31, 2022 the valuation performed by a firm of independent appraisers hired by Enagás for a total updated value of the NCA of 1,953 million dollars (1,943 million dollars at December 31, 2021).

Taking into account this updated NCA, if the payment waterfall were to be applied to it as per the terms of the insolvency laws, the subordination and the assignment of credit agreements entered into by Enagás and its partners in GSP, Enagás would recover the total value of its investment claim with the ICSID in the amount of 511 million dollars.

In relation to the aforementioned contracts for the subordination of rights and assignment of credits, their effectiveness and form of application has been successively called into question by Enagás' partners in GSP through different arbitration proceedings, with the Peruvian legal advisors considering these agreements to be fully valid and enforceable. Likewise, the INDECOPI authority has recognised the full effectiveness of the aforementioned agreements in GSP's bankruptcy process. In relation to the arbitration proceeding still in process filed by Negocios de Gas, subsidiary from Aenza (formerly Graña y Montero) questioning the legitimacy of Enagás to claim its credits against GSP, on July 13, 2021, Negocios de Gas communicated to the Court its withdrawal of the claim, thus requesting the end of the arbitration proceeding without the issuance of an award.

As regards the arbitration proceedings against the State of Peru, based on the conclusions determined by Enagás' external and internal legal advisors, the recoverability of the totality of the Enagás investment in GSP, consisting of receivables in relation to the aforementioned enforced guarantees to the total of 226.8 million dollars, interests of 1.8 million dollars, various invoices for professional services rendered to the amount of 7.6 million dollars and the share capital contributed to GSP for the amount of 275.3 million dollars, is considered likely.

With regard to the recovery periods, assessing the time taken to resolve a dispute of this complexity in an international arbitration as well as the periods considered in the aforementioned ICSID Resolution No. 1, and the review of the planned actions, June 30, 2023 is maintained as the estimated date for obtaining an award favourable to Enagás' interests.

Based on this, the amounts outlined in the preceding paragraph are recorded at their updated value in the Consolidated Balance Sheet at December 31, 2022 for a total amount of 473,999 thousands of euros (433,604 thousands of euros at December 31, 2021).

Other related matters

On March 12, 2018, Law No. 30737 was published "guaranteeing immediate payment to the Peruvian State to repair civil damage caused by corruption and related crimes". On May 9, 2018, Supreme Decree 096-2018-EF was published, enacting the regulations of the aforementioned Law.

In accordance with Article 9 of Law No. 30737, legal persons and legal entities in the form of partnerships, consortiums and joint ventures who may have benefited from the awarding of contracts, or subsequent to it, jointly with persons who have been convicted or who may have acknowledged having committed crimes against the public administration, asset laundering or related crimes, or their equivalents against the State of Peru, in Peru or abroad are classified as Category 2, and therefore fall within its scope of application.

In June 2019, the Peruvian Judiciary approved the Effective Partnership Agreement reached between the Odebrecht Group and the Peruvian Public Prosecutor's Office, and the GSP project was not included as one of the projects affected by corruption-related events. Subsequently, on October 15, 2019, Enagás Internacional received notification from the Peruvian Public Prosecutor's Office informing it of the existence of an extension of this effective partnership agreement with Odebrecht, in which it would be acknowledging that it had made illegal payments - according to the Public Prosecutor's Office - with respect to the GSP project, although there are still no facts known or consistent or proven links between GSP and corruption in the awarding of the project.

With regard to other processes of effective collaboration with other third parties, in the second quarter of 2022, the judicial approval of those relating to José and Hernando Graña took place, with the remaining ones pending approval. From the information contained in the tax record, there is no consistent or proven element linking GSP to corruption in the awarding of the project.

In this regard, no new facts were presented in the arbitration before ICSID, neither in the statement of defence nor in the rejoinder, nor in the hearings held, which demonstrably and irrefutably link the GSP to corruption.

Notwithstanding the above comments on the extension of the initial Effective Collaboration Agreement signed by Odebrecht and the Public Prosecutor of Peru, there have been no significant developments regarding the actions of the Public Prosecutor of Peru on the investigation of Odebrecht's activities in Peru and other investigations carried out by the Special Team of the Peruvian Prosecutor's Office for alleged crimes that could somehow be related to the awarding of the project. In this regard, two investigations are known to be in progress:

- The first one signed with Folder 321-2014, related to aggravated collusion between a former Odebrecht employee and a public official, whose control and clean-up phase has been resumed on June 28, 2019, after the Supreme Court rejected the request of the Ad Hoc Attorney's Office of Peru to include one of Odebrecht's subsidiaries as a civil third party. At this stage it is expected that a decision on the opening of the oral proceedings will be taken. Based on the opinions of Enagás external legal advisors for the Peruvian criminal code, the possibility of sentencing Odebrecht's former employee is considered to be remote. In this same case, the preparatory investigative court has declared the incorporation of GSP as a liable third party as wrongful.
- In relation to the second investigation opened, sealed with Folder 12-2017, being that those under investigation include two employees of Enagás and Enagás Internacional, S.L.U., on February 27, 2020, it was decided to move to the preliminary investigation stage. Based on the opinion of our external legal advisors in Peruvian criminal law, it is maintained that to date there is no indication that the investigations could be detrimental to Enagás.

In relation to this second file, on December 30, 2020, the Peruvian Public Prosecutor's Office requested its incorporation as a civil plaintiff in the criminal proceedings in order to request the payment of a possible reparation in the aforementioned proceedings once a final judgement has been handed down, as well as in order to request possible precautionary measures that seek to ensure the eventual reparation. The initial request was rejected on formal grounds on June 4, 2021. On November 23, 2021, the Attorney's Office submitted a new request for 1,107 million dollars for the GSP project, which was formally admitted on January 26, 2022.

The inclusion of Enagás Internacional as one of the civilly liable third parties, if applicable, is therefore pending. The amount will be determined in detail by the criminal judge in charge once the final sentence has been handed down. According to both external and internal lawyers, the amount requested has not been duly supported nor does it comply with the possible civil liability that could be claimed on the basis of the offences referred to in the indictment. An objective reference for the calculation is the one established by Law No. 30737, which assures payment of civil compensation to the Peruvian State. Considering the very preliminary stage of the criminal process, taking into account the elements of knowledge available to date and based on the conclusions of the specialist local lawyers, it is considered that the probability of the imposition of this compensation in any case does not exceed 50% (possible), and therefore it is not appropriate to register any provision, as it is considered a contingent liability. Likewise, in the event that it could eventually be declared well-founded, and the amount of the compensation could not be reliably estimated, the reference amount to be considered would be between 0 and 242 million dollars.

Moreover, with regard to civil compensation, even without evidence of a criminal conviction or a confession of the commission of crimes, as required under Article 9 of Law No. 30737, on June 28, 2018, the State of Peru classified Enagás Internacional on the "List of Contracts and Subjects of Category 2 indicating the legal person or legal entity included under Section II of Law No. 30737" in relation to the concession contract awarded to GSP. The application of the mentioned standard involves different measures to contribute to the payment of potential civil compensation, such as setting up an escrow account, reporting information, limiting transfers to other countries or preparing a compliance programme.

The total amount of the escrow account that would correspond to Enagás, estimated at 50% of the total average net equity, corresponding to its stake in GSP, confirmed with the Ministry of Justice, amounts to 65.5 million dollars. It is currently being determined, if applicable, how this amount would be provided, potentially through the granting of a bank bond letter.

In addition, the Peruvian State has also affirmed that the measure prohibiting companies included in Category 2 from making transfers outside of Peru, pursuant to Law No. 30737, is applicable. Based on the conclusions of Enagás' external and internal legal advisors, it is maintained that this measure would be applicable to the investment in GSP and should not restrict the dividends received from TGP (amounting to 345.2 million dollars), also considering that this investment is protected by the Legal Stability Agreements in force in Peru, a regulation whose prevalence and application has been formally requested to the Peruvian state.

In order to put into practice the application of these Legal Stability Agreements, direct negotiations with the Peruvian State were initiated on February 24, 2021, followed by the submission by Enagás of a request for international arbitration under the Spanish-Peruvian APPRI on December 23, 2021, with the ICSID arbitral tribunal for these proceedings being established in December 2022. In this regard, on February 9, 2023, Procedural Resolution no. 1 was issued, which establishes the procedural rules governing the arbitration procedure until the award is rendered. In addition, Enagás Internacional has pledged its TGP shares in favour of Enagás Financiaciones, S.A.U. and Enagás, S.A. to guarantee the payment of its present or future obligations and debts.

In view of the above, it is still maintained that these regulations do not have a negative effect on the recovery of accounts receivable through the international arbitration process indicated above recorded on the balance sheet at December 31, 2022.

Based on all of the above, the directors of Enagás, in line with the opinion of their external and internal legal advisors, and of an independent expert and independent expert accountant, consider these facts to have no bearing on the estimation for recovery of the investment in the stake in GSP and the previously mentioned receivables to the amount of 473,999 thousands of euros (433,604 thousands of euros at December 31, 2021).

Impairment losses on assets

At December 31, 2022, the impact resulting from analysis of the expected loss in accordance with IFRS 9 for the financial assets of the Enagás Group explained in previous paragraphs amounts to 433 thousands of euros (217 thousands of euros at December 31, 2021).

b) Financial liabilities

Details of current and non-current "Financial Liabilities" of the Enagás Group at December 31, 2022 and December 31, 2021 are as follows:

	Class							
	Fair Value with changes in Profit and Loss		Amortised cost		Derivatives designated as hedging instruments		Total	
Categories	2022	2021	2022	2021	2022	2021	2022	2021
Debts with credit institutions (Note 3.4)	—	—	1,224,172	1,668,541	—	—	1,224,172	1,668,541
Debt settlement costs and accrued interest payable (Note 3.4)	—	—	(4,080)	(3,701)	—	—	(4,080)	(3,701)
Debentures and other marketable securities (Note 3.4)	—	—	2,350,000	2,750,000	—	—	2,350,000	2,750,000
Debt settlement costs and accrued interest payable (Note 3.4)	—	—	(34,014)	(49,970)	—	—	(34,014)	(49,970)
Derivatives (Note 3.6)	—	—	—	—	19,340	2,178	19,340	2,178
Trade payables	—	—	14	376	—	—	14	376
Other financial liabilities (Note 3.4)	15,600	15,600	364,765	425,904	—	—	380,365	441,504
Total non-current financial liabilities	**15,600**	**15,600**	**3,900,857**	**4,791,150**	**19,340**	**2,178**	**3,935,797**	**4,808,928**
Debts with credit institutions (Note 3.4)	—	—	462,284	111,742	—	—	462,284	111,742
Debt settlement costs and accrued interest payable (Note 3.4)	—	—	8,224	1,318	—	—	8,224	1,318
Debentures and other marketable securities (Note 3.4)	—	—	400,000	750,000	—	—	400,000	750,000
Debt settlement costs and accrued interest payable (Note 3.4)	—	—	20,588	31,782	—	—	20,588	31,782
Derivatives (Note 3.6)	—	—	—	—	4,790	86,086	4,790	86,086
Trade payables (*) (Note 2.3)	—	—	629,742	377,512	—	—	629,742	377,512
Other financial liabilities (Note 3.4)	—	—	74,554	75,200	—	—	74,554	75,200
Total current financial liabilities	**—**	**—**	**1,595,392**	**1,347,554**	**4,790**	**86,086**	**1,600,182**	**1,433,640**
Total financial liabilities	**15,600**	**15,600**	**5,496,249**	**6,138,704**	**24,130**	**88,264**	**5,535,979**	**6,242,568**

(*) The amount of "Trade payables" does not include the balance with the Public Administrations as it is not a financial liability.

The detail by maturity of non-current financial debt for 2022 and 2021, respectively, is as follows:

Maturities at the end of 2022	2024	2025	2026	2027 and later years	Total
Debentures and other marketable securities	—	600,000	500,000	1,250,000	2,350,000
Debts with credit institutions	51,742	895,468	51,886	225,076	1,224,172
Total	**51,742**	**1,495,468**	**551,886**	**1,475,076**	**3,574,172**

Maturities at the end of 2021	2023	2024	2025	2026 and later years	Total
Debentures and other marketable securities	400,000	—	600,000	1,750,000	2,750,000
Debts with credit institutions	899,724	56,984	434,907	276,926	1,668,541
Total	**1,299,724**	**56,984**	**1,034,907**	**2,026,926**	**4,418,541**

The amounts and characteristics of the main instruments included under the headings "Debentures and other marketable securities" and "Debts with credit institutions" at December 31, 2022 are detailed below:

	Instrument	Nominal Interest	Currency of issue	Maturity	Nominal outstanding (thousands of euros)
Institutional debt (EIB and ICO)	Loan	EURIBOR + Margin	EUR	2031	210,000
	Loan	Fixed rate	EUR	2031	112,500
	Loan	EURIBOR + Margin	EUR	2027	29,545
	Loan	Fixed rate	EUR	2030	80,000
	Loan	EURIBOR + Margin	EUR	2023	25,000
	Loan	EURIBOR + Margin	EUR	2023	1,000
	Loan	Fixed rate	EUR	2026	193
Banking debt	Loan	EURIBOR + Margin	EUR	2025	450,000
	Loan	LIBOR + Margin	USD	2025	393,729
	Loan	TSOFR + Margin	USD	2023	384,489
				Nominal outstanding	1,686,456
				Debt settlement expenses	(4,080)
				Accrued interest payable	8,224
				Total financial debts with credit institutions	**1,690,600**

	Instrument	Coupon	Currency of issue	Maturity	Nominal outstanding (thousands of euros)
Bond issue and Private Placements	EMTN bonus	1.25%	EUR	2025	600,000
	EMTN bonus	1.00%	EUR	2023	400,000
	EMTN bonus	1.38%	EUR	2028	750,000
	EMTN bonus	0.75%	EUR	2026	500,000
	EMTN bonus	0.38%	EUR	2032	500,000
				Nominal outstanding	2,750,000
				IFRS 9 and others	(31,057)
				Accrued interest payable	17,631
				Total debentures and other marketable securities	**2,736,574**

The amounts and characteristics of the main instruments included under the headings "Debentures and other marketable securities" and "Debts with credit institutions" at December 31, 2022 are detailed below:

	Instrument	Nominal Interest	Currency of issue	Maturity	Nominal outstanding (thousands of euros)
Institutional debt (EIB and ICO)	Loan	EURIBOR + Margin	EUR	2031	233,333
	Loan	Fixed rate	EUR	2031	125,000
	Loan	EURIBOR + Margin	EUR	2027	35,455
	Loan	Fixed rate	EUR	2030	90,000
	Loan	EURIBOR + Margin	EUR	2022	10,000
	Loan	EURIBOR + Margin	EUR	2023	75,000
	Loan	EURIBOR + Margin	EUR	2023	1,000
	Loan	Fixed rate	EUR	2026	200
Banking debt	Credit line	LIBOR + Margin	USD	2024	1,820
	Credit line	LIBOR + Margin	USD	2024	3,226
	Loan	LIBOR + Margin	USD	2023	197,802
	Loan	LIBOR + Margin	USD	2023	140,659
	Loan	LIBOR + Margin	USD	2024	383,164
	Loan	LIBOR + Margin	USD	2024	483,516
	Loan	Fixed rate	EUR	2031	108
				Nominal outstanding	1,780,283
				Debt settlement expenses	(3,701)
				Accrued interest payable	1,318
				Total financial debts with credit institutions	**1,777,900**

	Instrument	Coupon	Currency of issue	Maturity	Nominal outstanding (thousands of euros)
Bond issue and Private Placements	EMTN bonus	2.50%	EUR	2022	750,000
	EMTN bonus	1.25%	EUR	2025	600,000
	EMTN bonus	1.00%	EUR	2023	400,000
	EMTN bonus	1.38%	EUR	2028	750,000
	EMTN bonus	0.75%	EUR	2026	500,000
	EMTN bonus	0.38%	EUR	2032	500,000
				Nominal outstanding	3,500,000
				IFRS 9 and others	(49,432)
				Accrued interest payable	31,244
				Total debentures and other marketable securities	**3,481,812**

3.4 Financial debts

ACCOUNTING POLICIES

- **Financial liabilities are initially measured at the fair value of the consideration received less directly attributable transaction costs.**
- **Subsequently, financial liabilities are recognised at amortised cost, except for derivative financial instruments, which are recognised at fair value.**
- **Financial liabilities are derecognised when the related contractual obligations are cancelled or expired. The Group also derecognises financial liabilities when there is a material change in cash flows or debt terms and conditions.**
- **Options on interest held by minority shareholders are accounted for by recognising the minority interests arising in a business combination and recognising a financial liability against equity. The changes in fair value of the financial liability are accounted for in the Consolidated Income Statement.**

	2022	2021
Debentures and other marketable securities	2,736,574	3,481,812
Debts with credit institutions	1,690,600	1,777,900
Other receivables	454,220	516,704
Total financial debts	**4,881,394**	**5,776,416**
Non-current financial debts (Note 3.3)	3,916,443	4,806,374
Current financial debts (Note 3.3)	964,951	970,042

The fair value of debts owed to credit entities as well as debentures and other marketable securities at December 31, 2022 and 2021 is as follows:

	2022	2021
Debts with credit institutions	1,745,420	1,790,482
Debentures and other marketable securities	2,472,921	3,621,028
Fair value total	**4,218,341**	**5,411,510**
Carrying amount total	**4,427,174**	**5,259,712**

a) Net financial debt

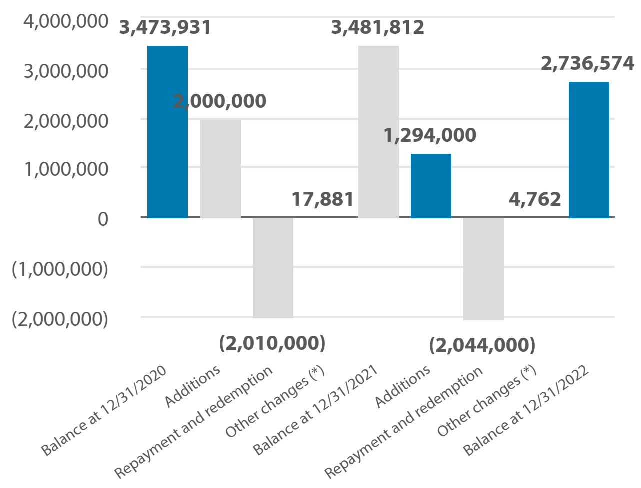
Net financial debt is the main indicator used by Management to measure the Group's debt level. It is comprised of gross debt less cash in hand:

	2022	2021
Debts with credit institutions (Note 3.3)	1,690,600	1,777,900
Debentures and other marketable securities (Note 3.3)	2,736,574	3,481,812
Loans from the General Secretariat of Industry, the General Secretariat of Energy, Oman Oil and ERDF E4E	1,112	1,745
Leases (IFRS 16)	399,903	459,550
Gross financial debt	**4,828,189**	**5,721,007**
Cash and other cash equivalents (Note 3.8)	(1,359,284)	(1,444,151)
Net financial debt	**3,468,905**	**4,276,856**

The gross financial cost during 2022 for the Group's financial debt amounted to 1.8% (1.7% in 2021). The percentage of financial debt at fixed interest rate at December 31, 2022 amounted to more than 80%, while the average maturity period at that date amounted to 4.4 years (4.5 years at December 31, 2021). The gross financial costs are determined by dividing gross financial expenses by the average gross debt multiplied by the number of effective days in the year (360 days) divided by the natural days of the period (365 days), where gross financial expenses correspond to interest on financial debt and hedges. Further, average gross debt is calculated as the daily average of nominal amounts of financial debt.

b) Debentures and other marketable securities

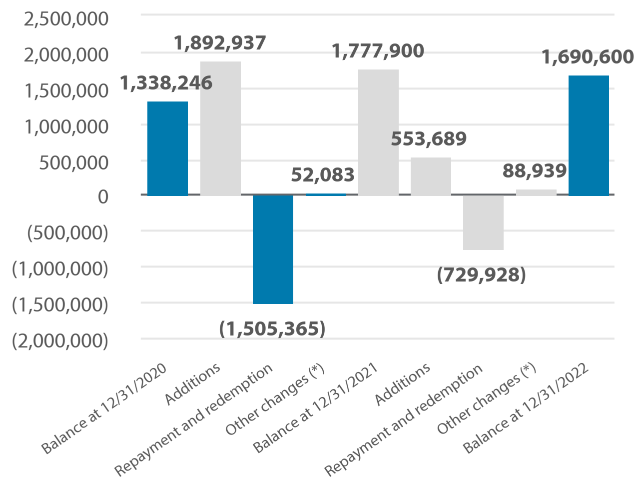
The most significant events of the 2022 financial year include:



(*) Includes interest paid, accrued interest, valuations, and other.

- On April 11, 2022, the 750 million euros bond held by Enagás Financiaciones, S.A.U. matured.
- On April 7, 2022, the Cross Currency Swap derivative associated with the previous bond matured.
- On May 27, 2022, Enagás Financiaciones, S.A.U. renewed the Euro Medium Term Note (EMTN) programme for a maximum amount of 4,000 million euros, registered in the Luxembourg Stock Exchange in 2012, with Enagás, S.A. as guarantor.
- In addition, on May 27, 2022, Enagás Financiaciones, S.A.U. renewed the Euro Commercial Paper (ECP) programme for a maximum amount of 1,000 million euros, registered in the Irish Stock Exchange on May 4, 2017, with Enagás, S.A. as guarantor.

c) Debts with credit institutions



(*) Includes interest paid, accrued interest, valuations, and other.

The most significant events of the 2022 financial year include:

- On December 28, 2022, Enagás Financiaciones SA extended the maturity of the Revolving Credit Facility from April 2023 to October 2024, and increased its amount from 250 million euros to 550 million euros.
- On December 22, Enagás Internacional repaid 140 million dollars (132 million euros) on the loan contracted in December 2021 and maturing in January 2023.
- On December 27, Enagás International repaid the 160 million dollars (150 million euros) loan contracted in December 2021 and maturing in January 2023.
- On December 28, Enagás, S.A. repaid the 225 million dollars (211 million euros) loan contracted in January 2021 and maturing in January 2023.
- On December 28, Enagás Financiaciones has taken out a new loan in the amount of 450 million euros, maturing in January 2025.

At December 31, 2022, the Group had access to credit lines in the amount of 2,434,489 thousands of euros (1,860,440 thousands of euros in 2021), of which 2,434,489 thousands of euros had not been drawn down (1,855,393 thousands of euros in 2021) (Note 3.8). Along these lines, a sustainable syndicated credit line amounting to 1,500,000 thousands of euros is included, the price of which is linked to the reduction of CO_2 emissions. This credit line is held by 12 national and international financial institutions.

In the opinion of the Directors of the Company, this situation allows for sufficient funding to meet possible liquidity requirements in the short-term considering its current obligations.

d) Other financial liabilities

	2022	2021
Loans from the General Secretariat of Industry, the General Secretariat of Energy, Oman Oil and ERDF E4E	1,112	1,745
Fair value of sales option on interest held by EVE	15,600	15,600
Leases (NIIF 16) (Note 2.4)	399,903	459,550
Others	37,605	39,809
Total other financial liabilities	**454,220**	**516,704**

At December 31, 2022 and December 31, 2021, "Other receivables" mainly includes the financial liability associated with IFRS 16 on leases. Payments for this item amounted to 38,175 thousands of euros in 2022 (36,481 thousands of euros in 2021). "Other" includes accounts payable to suppliers of fixed assets amounting to 33,123 thousands of euros at the end of 2022.

3.5 Financial results

	2022	2021
Income from associates	252	893
Finance revenue from third parties	24,394	19,548
Income/expenses in cash and other cash equivalents	12,879	(942)
Others	—	25
Financial income	**37,525**	**19,524**
Financial expenses and similar	(2,354)	(2,134)
Loan interest	(95,096)	(95,363)
Capitalised interest	(16)	(9)
Others	(2,882)	(5,503)
Financial expenses	**(100,348)**	**(103,009)**
Gains (losses) on hedging instruments	**20**	**(71)**
Exchange differences	**70**	**144**
Impairment and result from disposal of financial instruments (Notes 1.5 and 1.6)	**110,891**	**—**
Financial result	**48,158**	**(83,412)**

3.6 Derivative financial instruments

ACCOUNTING POLICIES

- **The Enagás Group contracts derivative financial instruments to cover its exposure to financial risk arising from fluctuations of interest rates and/or exchange rates, and does not use derivative financial instruments for speculative purposes. All derivative financial instruments are measured, both initially and subsequently, at fair value. The differences in fair value are recognised in the Consolidated Income Statement except in the case of specific treatment under hedge accounting.**
- **The measurement and recognition criteria for derivative financial instruments in keeping with the different types of hedge accounting are as follows:**
  - **Cash flow hedges**

    Hedges for exposure to changes in cash flows that: (i) are attributed to a specific risk associated with an asset or liability recognised for accounting purposes, with a highly likely expected transaction or with a firm commitment if the hedged risk is an exchange rate and (ii) may affect profit for the period. The effective portion of the changes in fair value of the hedging instrument are recognised under Equity, and the gains and losses relating to the ineffective portion are recognised in the Consolidated Income Statement. The accumulated amounts under Equity are transferred to the Consolidated Income Statement in the periods in which the hedged items affect the Consolidated Income Statement.
  - **Net investment hedging in a foreign operation**

    These instruments hedge the foreign currency risk arising from net investments in foreign operations.

    The hedges for net investments in transactions carried out abroad are accounted for in a similar manner to cash flow hedges, though the valuation changes in these transactions are accounted for as translation differences under "Adjustments for changes in value" in the accompanying Consolidated Balance Sheet.

    These translation differences are taken to the Consolidated Income Statement when the gain or loss on disposal of the hedged item occurs.
- **In order for these derivative financial instruments to be classified as hedges they are initially designated as such, and the relationship between the hedging instrument and the hedged items is documented, together with the risk management objective and the hedge strategy for the various hedged transactions. In addition, the Group verifies initially and then periodically throughout the life of the hedge (and at least at the end of each reporting period) that the hedging relationship is effective, i.e., that it is prospectively foreseeable that the changes in fair value or in the cash flows from the hedged item (attributable to hedged risk) are almost entirely offset by those of hedging instrument.**

  Any remaining loss or gain from the hedging instrument will represent an ineffectiveness of the hedge to be recognised in income of the period.
- **Hedge accounting is discontinued when the hedging instrument expires, or when it is sold, or exercised, or when it no longer qualifies for hedge accounting (after taking into account any rebalancing of the hedging relationship, if applicable). At that time, any accumulated gain or loss on the hedging instrument recognised in equity is retained in equity until the hedged transaction occurs.**
- **In accordance with IFRS 13, for purposes of presenting financial information, the measurements of fair value are classified as Level 1, 2, or 3, as indicated in** Note 3.3.

SIGNIFICANT ESTIMATES

- **The Group has determined that most of the inputs employed to determine the fair value of the derivative financial instruments are in Level 2 of the hierarchy, but that the adjustments for credit risk use Level 3 inputs such as credit estimates based on a credit rating or comparable companies to evaluate the likelihood of the bankruptcy of the company or of the company's counterparties.**
- **The Group evaluated the relevancy of the inputs and recognised the corresponding adjustments to credit risk in the total valuation of derivative financial instruments, which were not significant.**
- **Thus, the entire portfolio of derivative financial instruments is classified under Level 2 of the hierarchy.**

					Income and expenses recognised directly in equity		Amounts transferred to the income statement			
Category	Type	Maturity	Notional contracted	Fair value 12.31.2021	Hedging transactions	Translation differences	Changes in results	Counterparty risks and other	Other changes (*)	Fair value 12.31.2022
Cash flow hedges										
Interest rate swap (***)	Floating to fixed	Dec-22	141,268	(14)	14	—	—	—	—	—
Interest rate swap (***)	Floating to fixed	Dec-22	198,658	(36)	36	—	—	—	—	—
Interest rate swap (***)	Floating to fixed	Dec-22	198,658	(36)	36	—	—	—	—	—
Interest rate swap (**)	Floating to fixed	Dec-22	25,000	—	6	—	—	—	—	6
Interest rate swap (**)	Floating to fixed	Dec-22	955,111	—	7,377	(73)	(4,799)	(34)	—	2,471
Interest rate swap (**)	Floating to fixed	July- 24	281,334	—	234	(3)	—	—	—	231
Net investment hedging										
Cross Currency Swap (***)	Fixed to fixed	Apr-22	400,291	(81,728)	(2,420)	(24,619)	3,507	—	105,260	—
Cross Currency Swap	Fixed to fixed	May-28	237,499	(6,450)	(5,697)	(16,444)	4,919	—	—	(23,672)
Total			**2,437,819**	**(88,264)**	**(414)**	**(41,139)**	**3,627**	**(34)**	**105,260**	**(20,964)**

(*) Includes interest accrued and not paid, other commissions relating to derivative financial instruments, as well as changes in the fair value of the hedging derivative.
(**) Derivative financial instruments arranged in the year 2022. (See Note 3.6 a).
(***) This financial instrument matures in 2022. (See Note 3.6 a).

a) Cash flow hedges

The following rate hedges were arranged in 2022:

- In the company Enagás Financiaciones, S.A.U. hedges amounting to 580 million euros maturing in December 2023.
- In Enagás Internacional, S.L.U. hedges for 400 million dollars (375 million euros) maturing in December 2023.
- In Enagás Holding USA, S.L.U. hedges for 300 million dollars (281 million euros) maturing in July 2024.

With respect to cash flow hedges, the breakdown by period in which the related cash flows will arise is as follows:

Contracted amount (thousands of euros)	Total	2023	2024	2025 and later years
375,111	257	257	—	—
25,000	6	6	—	—
580,000	2,215	2,215	—	—
281,334	231	689	(458)	—
1,261,445	**2,709**	**3,167**	**(458)**	**—**

b) Net investment hedging in foreign operations

Upon maturity of one of the financial instruments of this type during 2022 (Note 3.4), the main characteristics of the derivative financial instrument contracted as a hedge of the net investment are as follows:

Category	Contracted amount in Euros	Contracted amount in USD	Type	Maturity
Cross Currency Swap	237,499	270,000	Fixed to fixed	May 2028
Total	**237,499**	**270,000**		

The investment considered as a hedged item in the aforementioned hedging relationship is as follows:

Project	Investments hedged in USD
TgP	270,000
Total	**270,000**

As explained in Note 3.7 As explained in Note 3.7 below, the Enagás Group directly finances part of the foreign investments with foreign currency, which is then designated as a net foreign investment. .

By this means, the Enagás Group tries to designate exchange rate hedges to cover fluctuations in the exchange rates of its investments in foreign currency. As required by IFRS 9, an eligible hedged item and hedging instrument have to be designated. By this means, the exchange fluctuations of the investment in foreign currency are associated with the fluctuations due to the debt obtained to finance the acquisition, which is also in that currency (Note 3.7), in such a way that there is no impact on the income statement.

With respect to net investment hedging in foreign operations, the breakdown by period in which the related cash flows will arise is as follows:

2022	2023	2024	2025	2026	2027 and later years	Total
Derivatives	(4,790)	(4,396)	(4,198)	(4,026)	(6,262)	**(23,672)**

2021	2021	2022	2023	2024	2025 and later years	Total
Derivatives	(86,086)	(4,210)	(4,093)	(3,975)	10,186	**(88,178)**

3.7 Financial and capital risk management

The Enagás Group is exposed to certain risks which it manages with a risk control and management model which is directed towards guaranteeing achievement of the Company's objectives in a predictable manner with a medium-moderate risk profile. This model allows to adapt to the complexity of the business activity in a competitive environment globalised, in a complex economic context, where the materialisation of risks is faster and with an evident contagion effect.

The model is based on the following:

- The consideration of some standard types of risk to which the Company is exposed.
- Separation and independence of risk control and management functions articulated in three lines of "defence".
- The existence of Governing Bodies responsible for matters relating to risk exposure.
- Establishing a risk-prone framework which defines the risk levels considered acceptable and that are in line with established business objectives and the market environment in which the Group carries out its activities.
- The transparency of information supplied to third parties, to guarantee its reliability and accuracy.

The integral analysis of all risks allows the appropriate control and management thereof, an understanding of the relationships between them and facilitates their joint assessment. Enagás has established a regulatory framework through its "Risk control and management policy" and "General risk control and management standard," which define the basic principles governing the risk function and identify the responsibilities of the company's various governing bodies.

The risk control and management function is articulated around three lines of defence, each presenting different responsibilities:

- First line of defence: organisational units which assume risks in the normal course of their activities. They are the owners of the risks and are responsible for identifying and measuring their respective risk exposure.
- Second line of defence: the Risk Unit, in charge mainly of ensuring that the risk control and management system works correctly, defining the regulatory framework and approach, and performing periodic monitoring and overall control of the company's risks.
- Third line of defence: the Internal Audit Department, in charge of supervising the efficiency of the risk controls in place.

The Governing Bodies responsible for risk control and management are the following:

- The Board of Directors is responsible for approving the risk control and management policy. Other responsibilities with respect to risks are delegated in the Audit and Compliance Committee.
- Audit and Compliance Committee: the main function is to ensure the independence of the risk control and management function, supervise the efficacy of the risk control and

management systems as well as evaluating the Group's risk exposure (identification, measurement, and establishment of management measures).

- Executive Committee: responsible for approving the general risk framework, defining the Group's strategy and risk appetite, and monitoring risk levels.

The main risks of a financial and tax nature to which the Group is exposed are as follows:

Credit risk

Credit risk relates to the possible losses arising from the non-payment of monetary or quantifiable obligations of a counterparty to which the Enagás Group has granted net credit which is pending settlement or collection.

Credit risk in connection with trade receivables arising from its commercial activity is historically very limited as the Group operates in a regulated environment (Note 1.1). However, regulations have been developed establishing standards for managing guarantees in the Spanish gas system and which oblige shippers to provide guarantees for: (i) contracting capacity in infrastructure with regulated third-party access and international connections, (ii) settlement of imbalances; and (iii) participation in the organised gas market.

The Enagás Group is also exposed to the risk of its counterparties not complying with obligations in connection with financial derivatives and placement of surplus cash balances. In order to mitigate this risk, these transactions are carried out in a diversified manner with highly solvent entities.

Interest rate risk

Interest rate fluctuations affect the fair value of those assets and liabilities that accrue interest at fixed rates, and the future cash flows from assets and liabilities that accrue interest at floating rates.

The objective of interest rate risk management is to create a balanced debt structure that minimises financial costs over a multi-year period while also reducing volatility in the Consolidated Income Statement.

Based on the Enagás Group's estimates and debt structure targets, hedges are put in place using derivatives that reduce these risks (Note 3.6).

Exchange rate risk

Exchange rate fluctuations may affect positions held with regard to debt denominated in foreign currency, certain payments for services and the purchase of capital goods in foreign currency, income and expenses relating to companies whose functional currency is not the euro and the effect of converting the financial statements of those companies whose currency is not the euro during the consolidation process. With a view to mitigating said risk, the Group can avail itself of financing obtained in US dollars, as well as contracting derivative financial instruments which are subsequently designated as hedging instruments (Note 3.6). In addition, the Enagás Group tries to balance the cash flows of assets and liabilities denominated in foreign currency in each of its companies.

Liquidity risk

Liquidity risk arises as a consequence of differences in the amounts or payment and collection dates relating to the different assets and liabilities held by the Group.

The liquidity policy followed by the Enagás Group is oriented towards ensuring that all short-term payment commitments acquired are fully met without having to secure funds under burdensome terms. For this purpose, different management measures are taken such as maintenance of credit facilities ensuring flexibility, sufficient amounts and sufficient maturities, diversified sourcing for financing needs via access to different markets and geographical areas, as well as the diversification of maturities in debt issued.

The financial debt of the Group at December 31, 2022 has an average maturity of 4.4 years (4.5 years at December 31, 2021) (Note 3.4).

Tax risk

The Enagás Group is exposed to possible modifications in tax regulatory frameworks and uncertainty relating to different possible interpretations of prevailing tax legislation, potentially leading to negative effects on results.

The Enagás Group has a Board-approved tax strategy, which includes the policies governing compliance with its tax obligations, attempting to avoid risks and tax inefficiencies

Climate change risk

The Enagás Group is exposed to certain risks arising from climate change. These risks are managed and assessed in an integrated manner within the risk management model described in the management report.

Risks are identified and quantified which arise from factors such as political and regulatory measures to promote the use of renewable energy, natural disasters or adverse weather conditions, the volume of CO2 emissions and prices, the use and technological development of renewable gases, and reputational risks.

The impact of climate-related risks and how management assesses these risks to incorporate them into the judgements, estimates and uncertainties that affect the consolidated financial statements are described in Note 4.6.a.

Other risks

Given the dynamic nature of the business and its risks, and despite having a risk control and management system that responds to the best international recommendations and practices, it is not possible to guarantee that some risk may exist that is not identified in the risk inventory of the Enagás Group.

In addition, the internationalisation process carried out by the Enagás Group in recent years means that a part of its operations are carried out by companies over which it does not exercise control and which perform their activities within different regulatory frameworks and with different business dynamics, so that potential risks may arise relating to financial investment.

Also, there are uncertainties related to the deployment of renewable gases in the company and its future role in the energy sector.

The Enagás Group is also exposed to the cross-cutting risks that do not correspond to a single category but may be correlated with several; these are risks related to the three pillars of sustainability: environmental, social and governance, ESG (for more detail on climate change risks, see the 'Climate action and energy efficiency') chapter.

a) Quantitative information

Interest rate risk

The percentage of debt at fixed interest rates at December 31, 2022 and December 31, 2021, amounted to more than 80%. Taking into account these percentages of financial debt at fixed rates, and after performing a sensitivity analysis to changes in market interest rates, the Group considers that, according to its estimates, the impact on results of such variations on financial costs relating to variable rate debt could be as follows:

	Interest rate change			
	2022		2021	
	25 bps	-10 bps	25 bps	-10 bps
Change in financial costs	591	(236)	2,612	(1,045)

In addition, the aforementioned changes would not produce any significant changes in the Company's equity position in connection with contracted derivatives.

Exchange rate risk

The Enagás Group obtains financing fundamentally in euros, although it maintains certain financing in US dollars. The currency that generates the greatest exposure to exchange rate changes is the US dollar.

The exposure of the Group to changes in the US dollar/ euro exchange rate is mainly determined by the effect of translating the financial statements of the companies whose functional currency is the US dollar. In addition, there are Group companies whose functional currency is the Peruvian nuevo sol and pound sterling. Further, the Group also holds loans denominated in US dollars granted by Enagás Internacional, S.L.U. to companies in which it does not control a majority stake.

The sensitivity of profit /(loss) for the year and equity to exchange rate risk, via appreciation or depreciation of exchange rates and based on the financial instruments held by the Enagás Group at December 31, 2022, is shown below:

	Thousands of euros			
	Appreciation / (Depreciation) of the euro against the dollar			
	2022		2021	
	5.00%	-5.00%	5.00%	-5.00%
Effect on net profit	3,028	(3,028)	3,407	(3,407)
Effect on equity	11,422	(11,422)	7,000	(7,000)

b) Capital management

The Enagás Group carries out capital management at corporate level and its objectives are to ensure financial stability and obtain sufficient financing for investments, optimising the cost of capital in order to maximise the value created for the shareholder while maintaining its commitment to solvency.

The Enagás Group uses its leverage ratio as an indicator for monitoring its financial situation and capital management. The ratio is defined as the result of dividing consolidated net financial debt by net consolidated assets (understood as the sum of net financial debt and consolidated own funds).

The Group's financial leverage, calculated as the ratio of net financial debt and total financial net debt plus own funds at December 31, 2022 and 2021, is as follows:

	2022	2021
Net financial debt (Note 3.4)	3,468,905	4,276,856
Shareholders' equity	3,076,477	3,158,421
Financial leverage	**53.0 %**	**57.5 %**

On September 9, 2022, the credit rating agency Fitch Ratings maintained Enagás' rating outlook at stable, and placed Enagás' rating at "BBB". On January 26, 2022, the credit rating agency Standard & Poor's placed Enagás' credit rating at "BBB", with a stable outlook.

3.8 Cash flows

ACCOUNTING POLICIES

Under the Cash and other cash equivalents heading of the Consolidated Balance Sheet the Group recognises cash in hand, sight deposits, and other highly liquid short-term investments that can be readily converted into cash and are not exposed to the risk of changes in value.

a) Cash and cash equivalents

	12.31.2022	12.31.2021
Treasury	562,474	1,294,105
Other cash and cash equivalents	796,810	150,046
Total	**1,359,284**	**1,444,151**

"Other liquid assets" includes those deposits that have a maturity of less than three months.

Generally, the banked cash accrues interest at rates similar to daily market rates. The deposits maturing in the short-term are easily convertible into cash, and accrue interest at the going market rates. There are no significant restrictions on cash drawdown other than those indicated in Note 3.3.a) in relation to the GSP project in Peru..

b) Available funds

In order to guarantee liquidity, the Enagás Group has arranged loans and credit lines which it has not drawn down. Thus, liquidity available to the Enagás Group is broken down as follows:

Available funds	31.12.2022	31.12.2021
Cash and cash equivalents	1,359,284	1,444,151
Other available funds (Note 3.4)	2,434,489	1,855,393
Total available funds	**3,793,773**	**3,299,544**

In the opinion of the Directors of the Company, this situation allows for sufficient funding to meet possible liquidity requirements in the short-term considering its current obligations.

c) Reconciliation of movements in liabilities arising from financing activities and cash flows

		Debts with credit institutions	Debentures and marketable securities	Total
12.31.2021		**1,777,900**	**3,481,812**	**5,259,712**
Cash flows	Issues	953,980	1,294,000	**2,247,980**
	Repayment and redemption	(1,235,479)	(2,044,000)	**(3,279,479)**
	Interest paid	(25,023)	(45,900)	**(70,923)**
Without an impact on cash flows	Interest expense	34,422	50,695	**85,117**
	Changes due to exchange rates and other	184,800	(33)	**184,767**
12.31.2022		**1,690,600**	**2,736,574**	**4,427,174**

The information for the 2021 financial year is detailed below:

		Debts with credit institutions	Debentures and marketable securities	Total
31.12.2020		**1,338,246**	**3,473,931**	**4,812,177**
Cash flows	Issues	1,892,937	2,000,000	**3,892,937**
	Repayment and redemption	(1,505,365)	(2,010,000)	**(3,515,365)**
	Interest paid	(11,290)	(45,981)	**(57,271)**
Without an impact on cash flows	Interest expense	11,416	63,918	**75,334**
	Changes due to exchange rates and other	51,956	(56)	**51,900**
31.12.2021		**1,777,900**	**3,481,812**	**5,259,712**

4. Other information

RELEVANT ASPECTS

Remuneration for Board of Directors and Senior Management

- **Remuneration to the Board of Directors, without taking into account insurance premiums and termination benefits, amounted to 5,119 thousands of euros (5,026 thousands of euros in 2021) (Note 4.4).**
- **Remuneration to the Senior Managers, without taking account of pension plans, insurance premiums and termination benefits, amounted to 4,593 thousands of euros (4,485 thousands of euros in 2021) (Note 4.4).**

4.1 Investment properties

ACCOUNTING POLICIES

Investment properties

- **The cost model is applied for measuring investment property, that is, the corresponding assets are measured at acquisition cost less the corresponding accumulated amortisation and any impairment losses. However, as one plot of land is not currently in use, it was measured at its recoverable amount, calculated as the fair value less the necessary costs for its sale.**
- **The market appraisal was performed by the independent expert in accordance with the Governing Rules of the Royal Institution of Chartered Surveyors (RICS), set out in the so-called "Red Book" - RICS Valuation - Professional Standards, January 2014. Said market valuations defined by RICS are internationally recognised by advisors and accountants providing services for investors and corporations that own investment properties, as well as by The European Group of Valuers (TEGoVA) and The International Valuation Standards Committee (IVSC).**

	Balance at December 31, 2020	Impairment allowances 2021	Balance at December 31, 2021	Impairment allowances 2022	Balance at December 31, 2022
Cost (1)	47,211	—	47,211	—	47,211
Impairment	(28,191)	(360)	(28,551)	(1,250)	(29,801)
Net value	**19,020**	**(360)**	**18,660**	**(1,250)**	**17,410**

(1) Corresponds entirely to a plot of land located at km 18 of the A-6 motorway in Las Rozas (Madrid). The independent company Jones Lang LaSalle España, S.A. issued a valuation report dated December 31, 2022, which concluded that the recoverable amount of the plot at that date amounted to 17,410 thousands of euros (18,660 thousands of euros at December 31, 2021). It is worth noting that the aforementioned independent expert's report did not include any scope limitations with respect to the conclusions reached. There are no mortgages or encumbrances of any type on said property. In addition, the Group has contracted the corresponding insurance policies to cover third party civil liabilities.

4.2 Tax situation

ACCOUNTING POLICIES

- **Income tax expense for the year is calculated as the sum of current tax, resulting from applying the corresponding tax rate to taxable income for the year (after applying any possible deductions) and any changes in deferred tax assets and liabilities.**
- **Corporate income tax is recognised in the Consolidated Income Statement or in equity accounts in the Consolidated Balance Sheet depending on where the related profits or losses were recognised.**
- **Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include the temporary differences, identified as those amounts expected to be payable or recoverable, arising from the difference between the book value of assets and liabilities and their tax bases, as well as any unused tax credits. These amounts are measured by applying the tax rate to the corresponding temporary differences or tax credits at which they are expected to be recovered or settled.**
- **Deferred tax assets are only recognised when the Group expects sufficient future taxable profits to recover the deductible temporary differences. Deferred tax liabilities are recognised for all taxable temporary differences except for those arising from the initial recognition of goodwill.**
- **Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made when there are doubts as to their future recoverability.**
- **The Group offsets deferred tax assets and deferred tax liabilities corresponding to one and the same tax authority, as established in IAS 12.74.**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **In accordance with prevailing legislation in Spain, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. However, the four-year period can vary in the case of Group companies subject to other fiscal regulations. The Directors consider that the income tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, if any, would not have a material impact on these Consolidated Annual Accounts.**
- **The deferred tax assets were recognised in the balance sheet as the Directors believe, based on the best estimate of future profits and reversals of deductible temporary differences, that it is probable that these assets will be recovered.**

a) Balances with Tax Authorities

	2022	2021
Debit balances		
Deferred tax assets (Note 4.2.f)	**72,969**	**78,547**
Income tax and other taxes (1)	453	12,357
Value added tax	24,238	16,565
Total current assets	**24,691**	**28,922**
Credit balances		
Deferred tax liabilities (Note 4.2.f)	**221,720**	**237,553**
Income tax (1)	70,204	2,605
Value added tax	670	768
Tax Authorities creditor for withholdings and other (2)	79,824	34,510
Total current liabilities	**150,698**	**37,883**

(1) Corresponds mainly to the Corporate Income Tax of the 2022 Tax Group, amounting to 453 thousands of euros of balances receivable (12,327 thousands of euros at December 31, 2021 for the 2020 financial year). Corporate income tax of the Tax Group for the year 2021 amounted to 630 thousands of euros in current tax liabilities. The remaining amount is for the capital gains tax payable, mainly for the GNL Quintero, S.A. transaction (Note 1.5).

(2) The variation is due mainly to the retention pending payment and derived from the divestment process in Chile following the sale of GNL Quintero, S.A.

b) Tax returns

Enagás S.A. has been the parent company of the Tax Consolidation Group 493/12 for Corporate Income tax from January 1, 2013, comprising the following subsidiaries at December 31, 2022:

- Enagás Transporte, S.A.U.
- Enagás GTS, S.A.U.
- Enagás Internacional, S.L.U.
- Enagás Financiaciones, S.A.U.
- Enagás Emprende S.L.U.
- Infraestructuras del Gas, S.A.
- Scale Gas Solutions, S.L.
- Efficiency for LNG Applications, S.L.
- Enagás Services Solutions, S.L.
- Sercomgas Gas Solutions, S.L.
- Enagás Holding USA. S.L.U.
- Enagás Infraestructuras de Hidrógeno, S.L.

The Group's remaining companies file individual income tax returns in accordance with the applicable tax laws.

c) Corporate income tax

	2022	2021
Before-tax consolidated accounting results	**526,398**	**499,957**
Permanent differences and consolidation adjustments (1)	10,654	(149,061)
Consolidated tax base	**537,052**	**350,896**
Tax rate	**25 %**	**25 %**
Adjusted result by tax rate (2)	(134,263)	(87,724)
Effect of applying different rates to tax base	(10,672)	805
Tax base	**(144,935)**	**(86,919)**
Effect of deductions	6,137	1,027
Other adjustments to corporate income tax (3)	(11,186)	(9,426)
Corporate income tax for the period	**(149,984)**	**(95,318)**
Current income tax (4)	(131,255)	(76,394)
Deferred income tax	7,953	2,597
Adjustments to income tax rate	(26,682)	(21,521)

(1) The permanent differences mainly correspond to the elimination of the results of companies consolidated under the equity method, as well as other consolidation adjustments relating to, among others, the reconciliation of local regulations and IFRS, as well as the impairment losses recognised.

(2) In order to determine income tax, a 25% rate was applied to all Spanish companies, except for those that file tax returns under the special regime of Vizcaya (Enagás Transporte del Norte, S.L) where a 24% rate is applied. For both 2021 and 2022, the tax rates applicable to the foreign companies Enagás Perú, S.A.C.; Enagás Chile S.P.A.; Enagás México, S.A. de C.V. and Enagás USA, L.L.C. were 29.5%, 27%, 30% and 24%, respectively.

(3) "Other Corporate Income Tax Adjustments" includes, among others, the effect of the limitation on the deductibility of dividends (as from January 1, 2021, in accordance with prevailing Spanish legislation, the exemption on dividends and capital gains associated with holdings in both resident and non-resident entities is 95% of the amount thereof).

(4) In 2022, 58,432 thousands of euros were paid (73,562 thousands of euros in 2021) in connection with the amount to be disbursed for settling 2022 Corporate Income Tax, of which 57,955 thousands of euros correspond to the Tax Consolidation Group (72,979 thousands of euros in 2021). 12,288 thousands of euros corresponding to the 2020 corporate income tax of the Tax Consolidation Group have been received. In addition, a one- off impact of 70 million Euro due to the taxation of the gain in Chile after divestment in GNL Quintero.

d) Tax recognised in equity

	2022			2021		
	Increases	Decreases	Total	Increases	Decreases	Total
Income and expenses recognised directly in equity						
Tax effect on cash flow hedges	—	(11,578)	(11,578)	—	(2,019)	(2,019)
Amounts transferred to the income statement						
Tax effect on cash flow hedges	—	(1,732)	(1,732)	—	(4,090)	(4,090)
Total income tax recognised in equity	**—**	**(13,310)**	**(13,310)**	**—**	**(6,109)**	**(6,109)**

e) Periods open for inspection and tax audits

In accordance with prevailing legislation in Spain, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period has elapsed. However, the four-year period can vary in the case of Group companies subject to other fiscal regulations.

During financial year 2021, Enagás S.A. and Enagás Transporte S.A.U. were notified that the Central Economic Administrative Court (hereinafter TEAC) had rejected the claims filed in relation to the assessments signed challenging the Corporate Income Tax for the years 2012 to 2015. During the 2022 financial year, a lawsuit has been filed before the National High Court, against the rulings of the TEAC. In the event that this appeal were ultimately contrary to the interests of the Group, it would result in a disbursement of approximately 11.7 million euros (not including any late payment interest that may be applicable), giving rise to the recognition of a deferred tax asset of 7.5 million euros and a negative effect on net profit /(loss) of approximately 4.2 million euros.

The appeal is expected to be resolved in more than one year.

Likewise, at the end of 2022, the years 2019 to 2022 are pending review for the applicable taxes, with the exception of income tax, which is pending review for the years 2018 to 2022.

The Directors consider that all taxes mentioned have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied to transactions, the resulting potential tax liabilities, if any, would not have a material impact on the accompanying Consolidated Annual Accounts.

f) Deferred tax assets and liabilities

	Initial measurement	Recognised on profit and loss	Recognised in equity	Reclassifications	Translation differences	Final value
Deductible temporary differences						
Capital grants and others	872	(107)	—	—	—	765
Amortisation deduction limit R.D.L. 16/2012 (1)	12,553	(4,184)	—	—	—	8,369
Provisions for personnel remuneration	5,395	(1,350)	—	—	21	4,066
Fixed assets provision	34,674	(970)	—	—	85	33,789
Provisions for litigation and other	19,340	1,630	—	—	292	21,262
Derivatives	1,471	—	(383)	—	103	1,191
Carry-forward tax losses	**1,730**	**—**	**—**	**—**	**115**	**1,845**
Deductions pending and others (2)	**2,512**	**(830)**	**—**	**—**	**—**	**1,682**
Total deferred tax assets	**78,547**	**(5,811)**	**(383)**	**—**	**616**	**72,969**
Accelerated amortisation (3)	(216,485)	12,058	—	—	—	(204,427)
Derivatives	(117)	—	(496)	—	1	(612)
Deferred expenses	(4,857)	2,287	—	—	—	(2,570)
Other	(16,094)	(581)	—	2,564	—	(14,111)
Total deferred tax liabilities	**(237,553)**	**13,764**	**(496)**	**2,564**	**1**	**(221,720)**
Net value	**(159,006)**	**7,953**	**(879)**	**2,564**	**617**	**(148,751)**

(1) Arises from the limitation to tax deductible amortisation with respect to the corporate income tax for the years 2013 and 2014. Said amortisation is recoverable from a tax point of view from 2015 on a straight line basis over 10 years.
(2) In addition, it includes the deduction to be applied from 2015 in accordance with the thirty-seventh transitory provision of Law 27/2014, by virtue of which those contributors for whom limited amortisation was applicable in 2013 and 2014 will have the right to a 5% deduction of the tax base with respect to the amounts included in the taxable income for the corresponding period.
(3) Arising from application of accelerated amortisation of certain assets for tax purposes during the period 2009-2014.

The Enagás Group offset deferred tax assets in the amount of 71,275 thousands of euros from the Tax Consolidation Group in Spain (77,236 thousands of euros in 2021) against deferred tax liabilities in its consolidated statement of financial position in accordance with IAS 12..

	Final value of assets and deferred tax liabilities by nature	Offset of deferred tax assets and liabilities - Tax Group	Final value
Deferred tax assets	78,547	(77,236)	1,311
Deferred tax liabilities	(237,553)	77,236	(160,317)
Net value 2021	**(159,006)**	**—**	**(159,006)**
Deferred tax assets	72,969	(71,275)	1,694
Deferred tax liabilities	(221,720)	71,275	(150,445)
Net value 2022	**(148,751)**	**—**	**(148,751)**

The Enagás Group has unregistered deferred tax assets and liabilities amounting to 33,387 thousands of euros and 35,010 thousands of euros, respectively, at the end of 2022 (27,583 thousands of euros and 41,978 thousands of euros, respectively, at the end of 2021). These correspond mainly to taxable temporary differences associated with investments in companies that are accounted for using the equity method and that meet the requirements established in IFRS to apply the accounting exception.

4.3 Related party transactions and balances

ACCOUNTING POLICIES

▶ In addition to subsidiaries, associates, and multigroup companies, the Group's "related parties" are considered to be its "key management personnel" (members of the Board of Directors and Senior Managers, along with their close relatives), and the entities over which key management personnel may exercise significant influence or control, considering the definitions indicated in the commercial and reference regulations for listed companies.

▶ The terms of transactions with related parties are equivalent to those made on an arm's length basis and the corresponding remuneration in kind has been recorded.

Income and expenses	Directors and Senior Managers	Group Personnel, Companies or Entities	Other related parties	Total (1)
2022				
Expenses:				
Services received (2)	—	133,085	—	133,085
Other expenses	13,959	—	—	13,959
Total Expenses	**13,959**	**133,085**	**—**	**147,044**
Income:				
Financial income	—	195	—	195
Rendering of services	—	4,039	—	4,039
Total income	**—**	**4,234**	**—**	**4,234**
2021				
Expenses:				
Services received	—	60,421	351	60,772
Other expenses	9,701	—	—	9,701
Total Expenses	**9,701**	**60,421**	**351**	**70,473**
Income:				
Financial income	—	893		893
Rendering of services	—	4,097	—	4,097
Other income	—	58	—	58
Total income	**—**	**5,048**	**—**	**5,048**

(1) No transactions were carried out during 2022 and 2021 with significant shareholders.
(2) Includes the operations that Enagás GTS has carried out with Mibgas.

Other transactions	Significant shareholders	Group Personnel, Companies or Entities	Total
2022			
Guarantees for related parties debt (Note 1.9)	—	557,000	557,000
Guarantees and sureties granted - Other (Note 1.9)	—	17,754	17,754
Dividends and other earnings distributed	106,321	—	106,321
2021			
Guarantees for related parties debt (Note 1.9)	—	609,205	609,205
Guarantees and sureties granted - Other (Note 1.9)	—	9,263	9,263
Dividends and other earnings distributed	102,193	—	102,193

The detail of current and non-current loans to related parties is as follows:

	Interest rate	Maturity	12.31.2022	12.31.2021
Non-current credits to related parties (*)			**20,217**	**18,392**
Planta de Regasificación de Sagunto, S.A.	Eur6m + Diferencial	Jun.-2025	7,876	16,392
Knutsen Scale Gas, SL	7,00%	Aug.-2027	2,000	2,000
Scale Gas Med Shipping	3,00%	Jun.-2028	7,784	—
Scale Gas Med Shipping	4,9% (revisable in 2024)	Jun.-2028	2,557	—
Current loans to related parties			**198**	**1,925**
Planta de Regasificación de Sagunto, S.A.	Eur6m + Diferencial	Jun.-2025	14	6
Llewo Mobility, S.L (previously "Gas to Move, S.L.")	2,58%	Oct - 2023	4	1,860
Seab Power Ltd.	4,00%	Jun - 2022	—	10
Scale Gas Med Shipping	3,00%	Jun.-2028	50	—
Scale Gas Med Shipping	4,9% (revisable in 2024)	Jun.-2028	81	—
Knutsen Scale Gas, SL	7,00%	Aug.-2027	49	49
Total			**20,415**	**20,317**

(*) Unaffected by the expected loss.

4.4 Remuneration for the Board of Directors and Senior Management

ACCOUNTING POLICIES

Share-based payments

- **The Group classifies its share-based settlement plan for the Executive Director and senior management according to the manner of settling the transaction:**
  - **With Company shares: Personnel expense is determined based on the fair value of the shares to be delivered at the grant date, taking into account the degree to which the objectives relating to said plan have been fulfilled. This expense is recognised over the stipulated period during which employee services are rendered with a credit to "Other equity instruments" in the accompanying balance sheet.**
  - **In cash: personnel expenses are determined based on the fair value of the liability at the date recognition requirements are met. Personnel expenses are recognised over the stipulated period during which services are rendered in the stipulated period (Note 2.9) and are entered in "Long-term provisions" in the accompanying Balance Sheet, until it is estimated that they will be settled within less than one year, at which time the associated provision is reclassified to the Personnel line under "Trade and other payables" on the liability side of the accompanying Balance Sheet. The liability is subsequently measured at fair value at each balance sheet date, up to and including the settlement date, with changes in fair value recognised in the Income Statement.**
  - **The Enagás Group used the Monte Carlo model to evaluate this programme. The fair value of the equity instruments at the granting date is adjusted to include the market conditions relating to this plan. Likewise, the Company takes into account the fact that the dividends accrued during the plan period are not paid to the beneficiaries as they do not become shareholders of the Company until the plan has effectively been settled.**

SIGNIFICANT ESTIMATES AND JUDGEMENTS

- **The Enagás Group estimates fair value of the equity instruments granted on an accrual basis over the corresponding plan period, plus the deferral and loyalty periods of approximately four months for full disbursement. In the 2022 financial year, both the 2019-2021 ILP Plan and the 2022-2024 ILP Plan are considered.**
- **As for that part of the plans payable in shares, the Enagás Group estimates the fair value of the amount payable in cash on an accrual basis over the plan period (January 1, 2019 to December 31, 2021 for the 2019-2021 ILP and January 1, 2022 to December 31, 2024 for the 2022-2024 ILP), plus the deferral and loyalty periods of approximately four months for full disbursement.**
- **On September 29, 2022, the National Commission on Markets and Competition (CNMC) approved its supervisory report on the application of the measures to separate the activities of Enagás GTS, S.A.U., with the following requirements:**
  - **The multi-year variable remuneration that may be assigned to Enagás GTS managers must be independent of parameters associated with transmission and other incompatible activities.**
  - **The Executive Director of Enagás GTS and other persons responsible for the management of this company who are beneficiaries of long-term variable remuneration shall not receive shares in the share capital of Enagás as payment for such remuneration.**
- **In view of the above, it has been necessary to align the 2022-2024 Long-Term Incentive Plan with the requirements of the CNMC, developing two Plans and their respective Regulations, one for the Enagás Group (with the exception of Enagás GTS, S.A.U. senior managers), and another specific Regulation for Enagás GTS so that senior managers belonging to Enagás GTS will receive their variable remuneration in cash instead of receiving it in Enagás S.A. shares.**

Remuneration received	Salaries	Per diems	Other items	Pension plans	Insurance premiums	Termination benefits
2022						
Board of Directors	2,645	2,382	92	—	44	1,630
Senior Management	4,412	—	181	82	37	2,454
Total	**7,057**	**2,382**	**273**	**82**	**81**	**4,084**
2021						
Board of Directors	2,382	2,453	191	—	57	—
Senior Management	4,289	—	196	75	58	—
Total	**6,671**	**2,453**	**387**	**75**	**115**	**—**

The remuneration of the members of the Board of Directors for their Board membership and those corresponding to the Chairman, the former Chief Executive Officer and the current Chief Executive Officer for the exercise of their executive functions during the 2022 financial year were approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", approved as Item 10 of the Agenda and modified by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda.

The Group has outsourced its pension commitments with respect to its Senior Managers through a mixed group insurance policy for pension commitments, including benefits in the event of survival, death, and employment disability. The Executive Chairman and the former Chief Executive Officer are part of the group covered by this policy and of the total premium paid for this during the year, 345 thousands of euros corresponded to them. The new Chief Executive Officer (Mr Arturo Gonzalo Aizpiri) does not have a pension commitment instrument, as he does not have an employment relationship with the company, but rather a commercial relationship. The new CEO maintains an assimilated individual savings insurance at a cost of 191,000 euros.

The members of the Senior Management also form part of the group insured under the mixed group insurance policy for pension commitments. The total premium paid for the same during the financial year amounts to 747 thousands of euros.

The two former Executive Directors (Mr Antonio Llardén Carratalá and Mr Marcelino Oreja Arburúa) were beneficiaries of the 2019-2021 Long-Term Incentive Plan approved by the General Shareholders' Meeting on March 29, 2019 under Item 8 of the Agenda. During 2022, the aforementioned incentive was paid out under the terms established by the General Shareholders' Meeting. As a result of this settlement, a total of 50,122 gross shares were delivered to the two former executive directors, which they will not be able to sell within two years.

Members of Senior Management (members of the Management Committee) were equally beneficiaries of the 2019-2021 Long-Term Incentive Plan. In the terms approved at the General Shareholders' Meeting, in the settlement of this incentive in the 2022 financial year, 39,454 gross shares and a cash incentive amount of 243 thousands of euros corresponded to them.

The current Chief Executive Officer is beneficiary of the 2022-2024 Long-Term Incentive Plan approved by the General Shareholders' Meeting on March 31, 2022 as Item 9 of the Agenda. In said meeting, a total of 96,970 rights relating to shares were assigned to him. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

Members of Senior Management (members of the Executive Committee) are equally beneficiaries of the 2022-2024 Long-Term Incentive Plan. As approved at the General Shareholders' Meeting, the Board has assigned them a total of 145,764 rights relating to shares as well as an incentive in cash amounting to approximately 1,000 thousands of euros. These rights do not entail the acquisition of shares for the time being, since the termination of the programme and the right to accrue the final incentive, which depends on the degree of achievement of the programme's objectives, will be generated within thirty days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

The aforementioned remuneration, broken down for each member of the Board of Directors, without taking into account insurance premiums, is as follows:

	2022	2021
Mr Antonio Llardén Carratalá (Executive Chairman) (1)	1,594	1,881
Mr Arturo Gonzalo Aizpiri (Chief Executive Officer) (3) (4) (5)	969	—
Sociedad Estatal de Participaciones Industriales (Proprietary Director) (4)	160	160
Mr José Blanco López (Independent Director) (4)	160	160
Ms Ana Palacio Vallelersundi (Independent Leading Director) (4)	190	190
Mr José Montilla Aguilera (Independent Director) (3) (4)	175	166
Mr Cristóbal José Gallego Castillo (Independent Director) (4)	160	160
Ms Eva Patricia Úrbez Sanz (Independent Director) (4)	160	160
Mr Santiago Ferrer Costa (Proprietary Director) (4)	160	160
Ms Natalia Fabra Portela (Independent Director) (3) (4)	160	85
Ms María Teresa Arcos Sánchez (Independent Director) (3) (4)	170	85
Mr David Sandalow (Independent Director) (3) (4)	114	—
Ms Clara García Fernández-Muro (Independent Director) (3) (4)	113	—
Ms María Teresa Costa Campi (Independent Director) (3) (4)	114	—
Mr Manuel Gabriel González Ramos (Independent Director) (3) (4)	113	—
Mr Ignacio Grangel Vicente (Independent Director) (3) (4)	44	160
Mr Gonzalo Solana González (Independent Director) (3) (4)	44	160
Mr Antonio Hernández Mancha (Independent Director) (3) (4)	44	160
Ms Isabel Tocino Biscarolasaga (Independent Director) (3) (4)	44	168
Mr Marcelino Oreja Arburúa (former Chief Executive Officer) (2) (3)	431	952
Mr Luis García del Río (Independent Director)	—	73
Mr Martí Parellada Sabata (External Director)	—	73
Ms Rosa Rodríguez Díaz (Independent Director)	—	73
Total	**5,119**	**5,026**

(1) The remuneration of the Executive Chairman for the exercise of his executive duties during 2022 was that approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years" as approved as Item 10 of the Agenda as amended by the General Shareholders' Meeting held on March 31, 2022 under Item 8 of the Agenda to cover his remuneration as non-executive Chairman as from that date. During the 2022 financial year, the Chairman, both in his position as Executive Chairman and, as of March 31, 2022, in the position of non-executive Chairman, received a fixed remuneration of 700 thousands of euros and a variable remuneration of 731 thousands of euros (associated with the Company's 2021 and 2022 targets). He also received 130 thousands of euros for Board membership and other remuneration in kind amounting to 33 thousands of euros (the changes in remuneration in kind with respect to previous years are exclusively a result of measurement differences without there having been any additional items included in the remuneration). Thus, the combined amounts totalled 1,594 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 0 thousands of euros for the year. The Group has outsourced its pension commitments with respect to its Senior Managers through a mixed group insurance policy for pension commitments, including benefits in the event of survival, death, and employment disability. The Executive Chairman is one of the beneficiaries covered by this policy, and of the total premium paid during the year, 321 thousands of euros correspond to the Executive Chairman.

(2) The remuneration for the former Chief Executive Officer in 2022 was approved in detail by the General Shareholders' Meeting on March 31, 2022 as part of the proposal to modify the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years". During the 2022 financial year, he received a fixed remuneration of 73 thousands of euros and a variable remuneration of 335 thousands of euros (associated with the Company's 2021 and 2022 objectives). He also received 18 thousands of euros for Board membership and other remuneration in kind amounting to 5 thousands of euros. Thus, the combined amounts totalled 431 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 0 thousands of euros for the year. The former Chief Executive Officer is also beneficiary of the mixed group insurance policy for pension commitments, and the share of the premium corresponding to the Chief Executive Officer for this policy amounted to 24 thousands of euros for the year.

(3) On February 21, 2022 the Board of Directors co-opted Mr Arturo Gonzalo Aizpiri as Executive Director to fill the vacancy caused by the resignation of the former Chief Executive Officer, Mr Marcelino Oreja Arburúa, on that date.
On March 31, 2022, Mr Antonio Hernández Mancha, Mr Gonzalo Solana González, Mr Ignacio Grangel Vicente and Ms Isabel Tocino Biscarolasaga stepped down from their posts, while Mr David Sandalow, Mr Manuel González Ramos, Ms Clara García Fernández-Muro and Ms María Teresa Costa Campi were appointed as new Directors.

(4) The remuneration for these Directors relating to Board and committee membership was approved in detail by the General Shareholders' Meeting on March 31, 2022 as part of the proposal to modify the "Directors' Remuneration Policy for the 2022, 2023, and 2024 financial years".

(5) The remuneration of the current Chief Executive Officer for the 2022 financial year has been approved in detail by the General Shareholders' Meeting held on May 27, 2021 as part of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", approved as Item 10 of the Agenda and modified by the General Shareholders' Meeting held on March 31, 2022, as Item 8 of the Agenda. During 2022, the CEO received fixed remuneration in the amount of 804 thousands of euros; he received 112 thousands of euros for Board membership and other remuneration in kind amounting to 53 thousands of euros (the changes in remuneration in kind with respect to previous years are exclusively a result of measurement differences without there having been any additional items included in the remuneration). Thus, the combined amounts totalled 969 thousands of euros. In addition, he was also the beneficiary of a life insurance policy with a premium of 46 thousands of euros for the year. The Chief Executive Officer is a beneficiary of the 2022-2024 Long-Term Incentive Plan approved at the General Shareholders' Meeting held on March 31, 2022. Item 9 of its Agenda states that the meeting assigned him a total of 96,970 performance shares or rights relating to shares. These rights do not entail the acquisition of shares for the time being, since the right to accrue the final incentive, which depends on the degree of achievement of the programme's targets will be generated within thirty (30) days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025. Also, the CEO maintains an individual savings insurance at a cost of 191 thousands of euros.

Share-based payments

As reported in the Annual Accounts since 2019, on March 29, 2019, the General Shareholders' Meeting of the Parent of the group, Enagás S.A,. approved a Long-Term Incentive Plan ("ILP") aimed at the then Executive Directors and senior management of the Company and its Group, with a view to maximising motivation and loyalty as well as promoting the good results achieved by the Enagás Group, aligning its interests with the long-term value of shareholders. In this regard, and as previously reported, the aforementioned programme has been 50% settled during the first half of 2022.

On March 31, 2022, the Enagás, S.A. General Shareholders' Meeting approved the 2022-2024 Long-Term Incentive Plan (ILP) aimed at the Executive Director, the members of the Executive Committee and the senior management of the Parent Company and its Group. The objective of the Plan is to (i) encourage the sustainable achievement of the objectives of the Company's Strategic Plan, (ii) give the opportunity to share the creation of value with participants, (iii) foster a sense of belonging to the Company and shared destiny, (iv) be competitive, and (v) align with the requirements of institutional investors, proxy advisors, and best Good Corporate Governance practices and, especially, those resulting from the recommendations of the CNMV's new Good Governance Code.

The plan consists of an extraordinary mixed multi-year incentive which will permit the beneficiaries to receive, after a certain period of time, a bonus payable in (i) Enagás, S.A. shares and (ii) cash; provided that certain strategic objectives of the Enagás Group are met.

On September 29, 2022, the National Commission on Markets and Competition (CNMC) approved its supervisory report on the application of the measures to separate the activities of Enagás GTS, S.A.U., with the following requirements:

- The multi-year variable remuneration that may be assigned to Enagás GTS managers must be independent of parameters associated with transmission and other incompatible activities.
- The Executive Director of Enagás GTS and other persons responsible for the management of this company who are beneficiaries of long-term variable remuneration shall not receive shares in the share capital of Enagás as payment for such remuneration.

In view of the above, it has been necessary to align the 2022-2024 Long-Term Incentive Plan with the requirements of the CNMC, developing two Incentive Plans and their respective Regulations, one for the Enagás Group (with the exception of Enagás GTS, S.A.U. senior managers), and another specific Regulation for Enagás GTS so that senior managers belonging to Enagás GTS will receive their variable remuneration in cash instead of receiving it in Enagás S.A. shares.

With respect to the portion payable in shares, a maximum of 679,907 shares are deliverable, all of which will come from the Company's treasury shares. Furthermore, the beneficiaries of the plan are not guaranteed any minimum value for the assigned shares. The cash part of the Plan is limited to an estimated payment of approximately 3.3 million euros should all the objectives be fully met.

This plan is aimed at persons who, due to their level of responsibility on their position in the Enagás Group, contribute decisively to achieving the Company's objectives. The Plan initially designated 53 beneficiaries, notwithstanding the possibility that new recruitments due to mobility or professional level changes may include new beneficiaries during the measurement period.

The objectives determined to evaluate the achievement of the Enagás S.A. Long-Term Incentive Plan are as follows:

- Accumulated results corresponding to the Funds for Operations ("FFO") of the Enagás Group. This metric shows the financial soundness and net profit growth, which are the cornerstones of the Strategic Plan. This takes into account both the EBITDA of the regulated business and the dividends received from the subsidiaries that are not controlled by Enagás. It is a benchmark indicator for investors. Fulfilling this objective will satisfy the Company forecasts for the distribution of Group, investment and debt amortisation dividends. It accounts for 20% of the total objectives.
- Accumulated cash flows received from international affiliates and other businesses ("Dividend"). This shows the focus on international growth and a realistic and profitable investment plan as the cornerstones of the Strategic Plan. It measures the profitability of the international business compared with the annual remuneration objective which measures the year's international investment volume. It accounts for 20% of the total objectives.
- Total shareholder return ("TSR"). To ensure appropriate, competitive shareholder remuneration. It takes into account share performance and the dividend policy. This objective comprises two components, each with a relative importance of 12.5% of the total objectives:

  a) Absolute TSR: this is measured as the acquisition of a target share price in 2024. The target price has been established by investing estimated share dividends and is based on profitability and market parameters.

  b) Relative TSR: this is measured with respect to the Peer Group of fifteen companies.
- The Company's commitment to long-term sustainable value creation ("Sustainability"). The target will have five indicators:

▶Decarbonisation:

- Reduction of CO_2 emissions in line with the decarbonisation pathway (emissions 2024 vs. emissions 2021). It accounts for 6% of the total objectives.
- Investment in renewable gases: 2022-2024 investment associated with the adaptation of infrastructure for the transmission of renewable gases and the development of infrastructure dedicated to the transmission and storage of renewable gases. It accounts for 6% of the total objectives.

▶Diversity and inclusion:

- Percentage of female members on the Board of Directors. It accounts for 2% of the total objectives.
- Percentage of women in managerial and pre-managerial positions. It accounts for 3% of the total objectives.

- Percentage of promotions that are women in managerial and pre-managerial positions. It accounts for 3% of the total objectives.
- Digitalisation of the company. The target will consist of 2 indicators:
- Implementation of the Digital Transformation Strategy and improvement of the associated indicators.
- Strengthening the positioning of Enagás' digital assets in the company's strategic areas.

It accounts for 15% of the total objectives (7.5% for each indicator respectively).

Regarding the measurement period, although it will occur during the period from January 1, 2022 to December 31, 2024, its settlement will take place on the following dates:

a. The beneficiary will receive 50% of the incentive within thirty (30) days following approval of the 2024 Annual Accounts by the General Shareholders' Meeting. This 50% will apply to the assets part of the incentive as well as the cash part of the incentive;

b. The beneficiary will receive the remaining 50% of the incentive once a period of one year has elapsed from the first payment date.

In this regard, and since the Enagás S.A. ILP Regulation establishes the obligation for the beneficiaries to continue to provide their services to the Enagás Group until the first payment date in order to receive 50% of the incentive, and until the second payment date in order to receive the remaining 50%, the Enagás Group accrues the estimated fair value of the equity instruments granted taking account both of the target measurement period (January 1, 2022 to December 31, 2024) and the service conditions established for the period required to consolidate the remuneration.

The portion of said plan to be settled in Enagás, S.A. shares is considered a share-based transaction payable in equity instruments in accordance with IFRS 2 and, in keeping with said standard, the fair value of services received, as consideration for the equity instruments granted, is included in the Consolidated Income Statement at December 31, 2022, under "Personnel expenses" in the amount of 1,279 thousands of euros and a credit to "Other equity instruments" in the consolidated balance sheet at December 31, 2022 (2,127 thousands of euros at December 31, 2021).

For the valuation of this programme, the Enagás Group used the Monte-Carlo model, widely used in financial practice for the valuation of options, in order to include the effect of market conditions in the valuation of the equity instruments granted. The fair value of the equity instruments at the granting date is adjusted to include the market conditions relating to this plan. Likewise, the Company takes into account the fact that the dividends accrued during the plan period are not paid to the beneficiaries as they do not become shareholders of the Company until the effective delivery of the Company's shares.

The breakdown and fair value of the shares at the granting date of the ILP of the Enagás Group are as follows:

	ILP 2022-2024
Total shares at the concession date (1)	679,907
Fair value of the equity instruments at the granting date (EUR)	20.15
Dividend yield	7.94%
Expected volatility	26.15%
Discount rate	0.48%

(1) This number of shares reflects the maximum number of shares to be delivered under the plan, and includes both the possibility of achieving the maximum degree of fulfilment of objectives established in the plan (125%), as well as the possibility that new hiring, staff mobility, or changes in professional levels, lead to the inclusion of new beneficiaries during the measurement period.

In addition, in respect of the cash incentive, the Enagás Group has recognised the provision of services corresponding to this incentive as a personnel expense amounting to 573 thousands of euros with a credit to "Provisions" under "Non-current liabilities" in the consolidated balance sheet at December 31, 2022, as well as to "Personnel" under "Current Liabilities" in accordance with the payment schedule established in the Plan (50% of which will be paid in 2023) (747 thousands of euros at December 31, 2021). As in the case of the share-based payment plan component, the Enagás Group accrues the estimated fair value of the cash-settled amount over the term of the plan (from January 1, 2022 to December 31, 2024) and the service conditions established for the period of time required for the consolidation of the remuneration.

The objectives set to assess the achievement of the Enagás GTS, S.A.U. Long-Term Incentive Plan are as follows:

- The Company's commitment to long-term sustainable value creation. It accounts for 25% of the total objectives.
- Digitalisation of the Company. It accounts for 30% of the total objectives.
- Improvement of the GTS income statement. It accounts for 25% of the total objectives.
- Security of supply. It accounts for 20% of the total objectives.

As for the measurement period, although it will take place during the period from January 1, 2022 to December 31, 2024, it will be settled on the basis of the payment dates set out in the Regulation.

4.5 Other information concerning the Board of Directors

The information included below as required by Article 229 and subsequent of the Spanish Corporate Enterprises Act was prepared considering that they are companies with similar or complementary activities to those carried out by Enagás, that is, natural gas transmission, regasification, distribution, and commercialisation activities regulated by Law 31/1198 of the Hydrocarbons Sector.

At December 31, 2022 and December 31, 2021, there were no holdings in the share capital of companies with the same, similar or complementary type of activity reported to the Company by the Directors.

Positions held or duties performed by Group Directors at companies whose corporate purpose is the same, similar or complementary disclosed to Enagás, S.A. at December 31, 2022 and 2021, are as follows:

DIRECTOR	COMPANY	POSITIONS
2022		
Arturo Gonzalo Aizpiri	Enagás Transporte del Norte, S.L.	Chairman
Arturo Gonzalo Aizpiri	Tallgrass Energy G.P.	Director

DIRECTOR	COMPANY	POSITIONS
2021		
Marcelino Oreja Arburúa	Mibgas Derivatives, S.A.	Director
Marcelino Oreja Arburúa	Enagás Emprende, S.L.U	Joint Director
Marcelino Oreja Arburúa	Enagás Services Solutions, S.L.U	Joint Director
Marcelino Oreja Arburúa	Enagás Transporte del Norte, S.L.	Chairman
Marcelino Oreja Arburúa	Enagás Renovable, S.L.U	Joint Director
Marcelino Oreja Arburúa	Tallgrass Energy G.P.	Director
Antonio Llardén Carratalá	Enagás GTS, S.A.U.	Representative of the Sole Director of Enagás, S.A.
Antonio Llardén Carratalá	Enagás Transporte, S.A.U.	Representative of the Sole Director of Enagás, S.A.

There are no activities of the same, similar or complementary nature to those carried out by Enagás which are performed by its Board members, on their own behalf or on behalf of third parties, not included in the above section.

At 2022 year-end, neither the members of the Board of Directors of the Company nor any parties related to them, as defined in Article 229 of the Corporate Enterprises Act, had notified the remaining Board members of any conflicts of interest, direct or indirect, with those of the Company.

4.6 Other information

a) Information on the impact and management of climate change

Activities for protection of the environment and biodiversity, energy efficiency, reduction in emissions, and the responsible consumption of resources are essential elements in the Enagás Group's environmental management to mitigate the impact of its activities.

The Enagás Group remains firmly committed to energy transition and has set a target to be carbon neutral by 2040. To achieve this, the following milestones have been set out in the roadmap presented in the Strategic Plan:

- Decarbonisation of infrastructures by defining a plan to replace natural gas turbocompressors with electric compressors; the reduction of methane emissions and the use of biomethane for own consumption instead of fossil fuels.
- Decarbonisation of the gas sector by adapting our infrastructure to transport renewable gases and by promoting hydrogen and biomethane projects that encourage their use through Enagás Renovable.

Management has considered the impact of these measures together with the Risks and Opportunities identified in the context of climate change, which are described in more detail in the "Management of risks and opportunities arising from climate change" section of the Non-Financial Information Statement, both in the preparation of these Consolidated Annual Accounts and in the disclosures in the Management Report.

The main aspects that the Group has considered when incorporating them are described below:

- Impairment of non-financial assets: In the short and medium term (horizon up to 2030) a limited impact is estimated. Revenues for regasification, storage and transportation assets in Spain are calculated on the basis of a regulated remuneration system, which is made up of different terms aimed at remunerating the investment for the indicated useful lives, operating and maintenance costs, and other items associated with improving productivity and efficiency. As of today, the flows considered for the impairment test are calculated on the basis of this stable regulatory framework and are not affected by demand risk. Nor do forecasts include flows from European projects promoting the use of renewable gases. The possible uses of hydrogen arising from these projects for the development and use of new infrastructures as well as the adaptation of existing infrastructures will be taken into account from the definition and approval of the regulatory framework for investment and remuneration, including, if applicable, the utilisation factor to be applied to existing infrastructures. The Group is monitoring the regulatory developments being undertaken at European level in this respect.
- Property, plant and equipment: With regard to possible new investments derived from the natural gas turbocompressors replacement plan, no significant impact is expected considering that the different replacements will be progressive until 2030

and the acquisition cost is between 10 and 20 million euros for each turbocompressor, depending on the power.

- Provisions and contingencies: Physical risks caused by natural disasters or adverse weather conditions (floods, landslides, etc.) may cause damage to our infrastructures in Spain and in other countries in which Enagás participates. The need for additional provisions for these items or regulatory changes associated with the remuneration of decommissioning costs is reviewed at regular intervals in order to monitor possible changes in the assumptions used.
- Impairment of investments accounted for using the equity method No significant impacts have been identified in the calculation of the recoverable value associated with the risk of a possible fall in demand for natural gas resulting from compliance with the targets set out in the Paris Agreement. As far as non-financial assets are concerned, revenue projections for each of the investments have been taken into account for their infrastructure, most of which correspond to long-term stable contracts with off-takers, concessions, regulated revenues, etc..

Other measures related to the energy transition include: the inclusion of sustainability as an objective in the variable remuneration of all the Group's professionals, the weight of which has increased in recent years; the Enagás Group incorporates environmental criteria in its relationships with suppliers and contractors, as well as in decision-making when awarding contracts for the provision of services and products. As indicated in Note 3.4, the Group has entered into a sustainable credit line with an interest rate linked to the reduction of CO_2 emissions.

During 2022, environmental actions were carried out in the amount of 8,012 thousands of euros, recognised as investments under assets in the Balance Sheet (3,117 thousands of euros in 2021). The Company also assumed environmental expenses amounting to 20,459 thousands of euros in 2022, recognised under "Other operating expenses" (10,993 thousands of euros in 2021).

The Group has arranged sufficient civil liability insurance to meet any possible contingencies, compensation and other risks of an environmental nature which it might incur.

The Group did not benefit from any tax incentives during 2022 as a consequence of activities relating to the environment.

b) Greenhouse gas emission rights

Some of the Enagás Group's facilities are included within the scope of Law 1/2005 of March 9, which regulates the commercial regime for greenhouse gas emission rights.

Directive 2018/410 of the European Parliament and of the Council of March 14, 2018, reformed the scheme with a view to the 2021-2030 period, dividing it into two periods of free allocation of emission allowances for fixed facilities: 2021-2025 period and 2026-2030 period. The calculation of the allocations subject to public consultation has been carried out by applying the allocation methodology set out in Delegated Regulation (EU) 2019/331.

On July 13, 2021, the Council of Ministers approved the final assignation of free greenhouse gas emission rights to institutions subject to the greenhouse gas emission allowance trading regime for the period 2021-2025, among which certain facilities of the Enagás Group are included.

The rights assigned for 2022 and 2021 were measured at 83.52 euros/right and 33.55 euros/right, respectively, the spot price on the first working day of 2022 and 2021 of SENDECO2, Sistema Europeo de Negociación de CO2, a company engaged in the purchase and sale of emission rights on its own account and in providing technical and administrative advice on industrial facilities subject to the Trade Directive (EU ETS). The rights consumed at the end of the year are taken to income, resulting in additions for the year of 2,650 thousands of euros (1,099 thousands of euros at 2021).

In addition, in 2022, 204,150 emission allowances were acquired for consideration for a total of 16,170 thousands of euros, distributed as follows: 31,500 emission allowances in the amount of 2,840 thousands of euros for emissions in 2021 and 172,650 allowances in the amount of 13,330 thousands of euros for emissions in 2022 (in 2021, 78,000 allowances were acquired for consideration in the amount of 5,609 thousands of euros).

The Enagás Group consumed 283,402 greenhouse gas emission rights during 2022 (168,297 rights during 2021).

During the first quarter of 2022, the Enagás Group presented the verified emissions reports of 2021 by the accredited entity (SGS) to the corresponding Autonomous Communities, which validated the emissions. In the second quarter of 2022, the Enagás Group delivered greenhouse gas emission allowances equivalent to the verified emissions in 2021 for all the facilities referred to.

During 2021 and 2022, the Enagás Group did not engage in any negotiations for future contracts relating to greenhouse gas emission rights, nor were there any contingencies relating to penalties or provisional cautionary measures in the terms established by Law 1/2005.

c) Audit fees

"Other operating expenses" includes the fees for audit and non-audit services provided by the auditor of the Group, Ernst & Young, S.L., or by a company belonging to the same group or related to the auditor, broken down as follows:

	2022		2021	
Categories	Services rendered by the accounts auditor and related companies	Services provided by other auditors of the Group	Services rendered by the accounts auditor and related companies	Services provided by other auditors of the Group
Audit services (1)	1,090	253	1,031	316
Other assurance services (2)	336	—	345	—
Total audit and related services	**1,426**	**253**	**1,376**	**316**
Total professional services (3)	**1,426**	**253**	**1,376**	**316**

(1) Audit services: This heading includes services rendered for the performance of statutory audits of the Group's annual accounts and the limited review work performed with respect to the Interim and Quarterly Consolidated Financial Statements as well as the Certification of the Internal Control over Financial Reporting (ICFR) System.
(2) Other audit-related assurance services: This heading includes the work relating to the Annual Corporate Governance Report, the review of non-financial information included in the Management Report, the agreed-upon procedures report on the ICFR, the Audit Report for the Renewal of the Comfort letter, as well as the issuing of Agreed-Upon Procedures in relation to the regulatory costs information sent to the CNMC on June 30, 2022.
(3) Law 22/2015 on the Audit of Accounts establishes that non-audit services provided by the auditor must be less than 70% of the average fees paid for audit services for three consecutive years. The amount of non-audit services rendered by the accounts auditors (Ernst & Young, S.L.) amounts to 31% of the audit service fees invoiced (25% for the Group).

4.7 Information by segments

ACCOUNTING POLICIES

Basis of segmentation

▶ Segment reporting is structured based on the Group's various business lines as described in Note 1.1.

- **The Group identifies its operating segments based on internal reports relating to the companies comprising the Group which are regularly reviewed, discussed and evaluated in the decision-making process.**

a) Main business segments

Regulated activities - Infrastructure Activity

Gas transmission: Represents the main activity, consisting in the delivery of gas via its transmission network, comprised of primary transmission pipelines (with maximum design pressure equal to or greater than 60 bars) and secondary transmission pipelines (with maximum design pressure ranging from 16 to 60 bars) up to the distribution points, as owner of most of the gas transmission network in Spain.

Regasification: The gas is transported from the producing countries in methane tankers at 160ºC below zero in its liquid state (LNG) and is unloaded at the regasification plants where it is stored in cryogenic tanks. At these facilities, via a physical process which normally makes use of seawater vaporisers, the temperature of the liquefied gas is increased until it is transformed into its gaseous state. The natural gas is injected into the gas pipelines for transmission to the whole peninsula.

Storage of gas: The Enagás Group operates the following underground storage facilities: Serrablo (located between Jaca and Sabiñánigo - Huesca), Gaviota (offshore storage, located close to Bermeo - Vizcaya), and Yela (Guadalajara). Likewise, the Company carries out all the operations necessary for the maintenance and operation of the facilities until the last phase of the decommissioning of the Castor storage facility is completed.

Regulated activities - Activity of the Technical Manager of the System

The Enagás Group continued carrying out its functions as Technical Manager of the System in 2022 in compliance with Royal Decree 6/2000 of June 23 and Royal Decree 949/2001 of August 3, with a view to guaranteeing supply continuity and safety, as well as the correct coordination among the access points, storage, transmission, and distribution points.

Non-regulated activities

Includes all non-regulated activities, as well as transactions related to investments in associates and joint ventures, except those corresponding to BBG, Saggas, MIBGAS and Iniciativas del Gas, S.L.

The above activities can be carried out by Enagás, S.A. itself or through companies with an identical or analogous corporate purpose in which it holds interest, provided they remain within the scope and limitations established by legislation applicable to the hydrocarbons sector. In accordance with said legislation, the activities related to transmission and technical management of the system which are of a regulated nature must be carried out by two subsidiaries entirely owned by Enagás, S.A. (Enagás Transporte, S.A.U. and Enagás GTS, S.A.U., respectively).

The structure of this information is designed as if each business line were an independent business, with its own resources, distributed on the basis of the assets assigned to each line in accordance with an internal system of cost allocation by percentages.

INCOME STATEMENT	Infrastructures		Technical Management of the System		Other activities		Adjustments (1)		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating income	930,360	958,249	29,353	28,918	58,882	61,882	(48,286)	(57,876)	**970,309**	**991,173**
· Third parties	930,111	955,018	29,352	26,545	6,383	5,414	—	215	**965,846**	**987,192**
· Group	249	3,231	1	2,373	52,499	56,468	(48,286)	(58,091)	**4,463**	**3,981**
Provisions for amortisation of fixed assets	(245,967)	(247,540)	(8,732)	(6,468)	(9,608)	(9,020)	185	191	**(264,122)**	**(262,837)**
Return on investments accounted for using the equity method	14,457	17,295	132	134	132,231	145,822	—	—	**146,820**	**163,251**
Operating profit	405,287	483,351	140	2,687	70,844	97,191	1,969	140	**478,240**	**583,369**
Financial income	7,150	1,929	8	263	554,114	481,174	(523,747)	(463,842)	**37,525**	**19,524**
Financial expenses	(19,207)	(20,408)	(1,680)	(128)	(86,487)	(91,143)	7,026	8,670	**(100,348)**	**(103,009)**
Income tax	(95,533)	(113,767)	439	(866)	(54,814)	19,344	(76)	(29)	**(149,984)**	**(95,318)**
Net profit	297,018	350,239	(1,096)	1,956	300,344	506,692	(220,492)	(455,061)	**375,774**	**403,826**

(1) "Adjustments" includes the eliminations of inter-company transactions (rendering of services and credits granted).

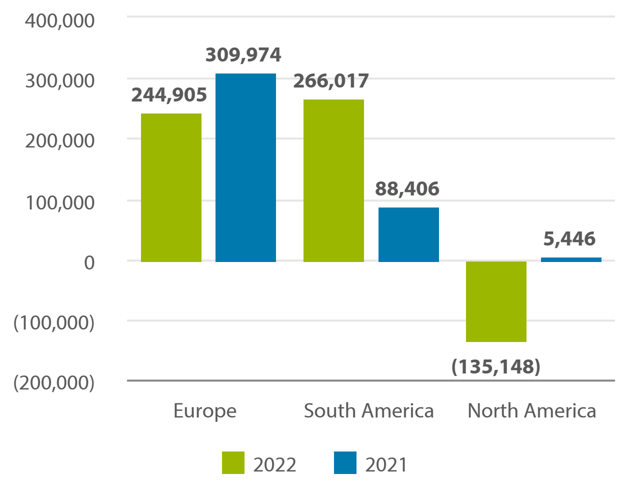
BALANCE SHEET	Infrastructures		Technical Management of the System		Other activities		Adjustments (1)		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total assets	5,105,631	5,515,885	261,696	224,538	7,348,602	8,324,574	(3,317,352)	(4,191,279)	**9,398,577**	**9,873,718**
Acquisition of fixed assets	61,941	263,403	9,210	9,222	19,679	30,074	—	—	**90,830**	**302,699**
Investments accounted for using the equity method	158,060	148,388	761	613	2,393,763	2,640,683	—	—	**2,552,584**	**2,789,684**
Non-current liabilities (2)	487,616	495,348	(434)	(877)	(5,194)	(3,082)	48	(489)	**482,036**	**490,900**
- Deferred tax liabilities	157,560	166,471	(712)	(969)	(6,451)	(4,696)	48	(489)	**150,445**	**160,317**
- Provisions	294,568	291,457	278	92	1,047	807	—	—	**295,893**	**292,356**
- Other non-current liabilities	35,488	37,420	—	—	210	807	—	—	**35,698**	**38,227**
Current liabilities (2)	503,101	411,465	240,034	208,559	327,474	63,837	(360,375)	(271,071)	**710,234**	**412,790**
-Trade and other payables	503,101	411,465	240,034	208,559	327,474	63,837	(360,375)	(271,071)	**710,234**	**412,790**

(1) "Adjustments" includes the eliminations of inter-company transactions (rendering of services and credit granted) as well as the elimination of Investments-Shareholders equity.
(2) Financial liabilities are not included.

b) Segments by geographical information

The majority of companies in the Enagás Group operating outside Europe are consolidated under the equity method, with the corresponding expenses and income thus recognised under "Profit/(loss) from investments consolidated under the equity method" in the Consolidated Income Statement. In view of this, the information relating to geographical markets is based on net revenue.

The distribution of consolidated results for 2022 and 2021, broken down by geographical markets, is as follows:



North America includes the impairment recorded related to TGE . (Note 1.6).

4.8 Stocks

As established in Order IET/2736/2015 of December 17: "From October 1, 2016, the quantity of working gas is zero." At December 31, 2015, the Enagás Group, as Technical Manager of the System, maintained control of approximately 755 GWh of working gas necessary for enabling operation of the gas system as established in the fifth additional provision to Order ITC/3863/2007 of December 28. This gas is not reflected in the financial statements as it is gas available for the System and therefore not owned by the Enagás Group.

4.9 Subsequent events

On January 26, 2023, the Enagás Group, through Enagás Internacional S.L.U., agreed with the Swiss company Axpo to purchase 4% of Trans Adriatic Pipeline (TAP) for 168 million euros, in addition to the 16% previously held. After the closing of the transaction, TAP's shareholding will be 20% owned by Enagás, the same percentage as the British BP, the Azeri SOCAR, the Italian Snam and the Belgian Fluxys. The purchase transaction is subject to compliance with the conditions precedent for this type of operation.

On January 25, 2023, Enagás, S.A. signed with 12 financial institutions an extension of the maturity of its syndicated credit line of 1,550 million euros until 2028, maintaining its commitment to link economic conditions to compliance with environmental indicators, in line with the objective of achieving carbon neutrality by 2040, in accordance with the strategic plan presented by the company in July 2022.

On February 3, 2023, the CNMC notified the Resolution establishing a special temporary economic regime for the El Musel regasification plant.

Since January 1, 2023, until the date on which these Consolidated Annual Accounts were drawn up, no events have occurred that would significantly affect the profit (loss) of the Group or its equity, in addition to those described in these Annual Accounts.

5. Explanation added for translation to English

- **These Consolidated Annual Accounts are a translation of financial statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the EU, in conformity with Regulation (EC) No. 1606/ 2002. In the event of a discrepancy, the Spanish-language version prevails.**
- **These Consolidated Annual Accounts are presented on the basis of the regulatory financial reporting framework applicable to Enagás Group** (Note 1.2). **Certain accounting practices applied by the Group that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.**

Appendix I. Subsidiaries at December 31, 2022

Subsidiaries	Country	Activity	% stake and Voting Rights controlled by the Enagás Group	Amount of Share Capital in functional currency
Enagás Transporte, S.A.U.	Spain	Regasification, storage, and transmission of gas	100.00 %	532,089,120 euros
Enagás GTS, S.A.U.	Spain	Technical Management of the Gas System	100.00 %	5,914,451 euros
Enagás Internacional, S.L.U.	Spain	Holding	100.00 %	196,258,077 dollars
Enagás Financiaciones, S.A.U.	Spain	Financial management	100.00 %	890,000 euros
Enagás Transporte del Norte, S.L.	Spain	Gas transmission	90.00 %	38,501,045 euros
Enagás Chile, S.P.A.	Chile	Holding	100.00 %	383,531,442 dollars
Enagás México, S.A.	Mexico	Holding	100.00 %	4,473,133 dollars
Enagás Perú, S.A.C.	Peru	Holding	100.00 %	4,794,417 dollars
Enagás USA, LLC	USA	Holding	100.00 %	253,412,959 dollars
Enagás Intern. USA, S.L.U.	Spain	Holding	100.00 %	121,530,445 euros
Infraestructuras de Gas, S.A.	Spain	Holding	85.00 %	340,000 euros
Enagás Emprende, S.L.U.	Spain	Holding	100.00 %	22,303,953 euros
Efficiency for LNG Aplications, S.L.	Spain	Development of industrial projects and activities relating to LNG terminals.	98.27 %	416,556 euros
Scale Gas Solutions, S.L.	Spain	Development and implementation of facilities for the supply of natural gas as fuel for vehicles, including its design, construction and maintenance.	100.00 %	5,944,944 euros
Enagás Services Solutions, S.L.	Spain	Holding	100.00 %	7,217,560 euros
Sercomgas Gas Solutions, S.L.	Spain	Provision of commercial services for the purpose of improving the daily operational management of gas shippers.	84.00 %	88,536.00 euros
Enagás Infraestructuras de Hidrógeno, S.L.	Spain	Design, construction, operation and maintenance of hydrogen and other gas production facilities	100.00 %	2,838,300 euros

Appendix II. Joint ventures and associates

				% of voting rights controlled by the Enagás Group	Thousands of euros (1)		Net carrying amount in functional currency	
Company	Country	Activity	%		Net carrying amount	Dividends received	Thousands of euros	Thousands of dollars
Joint ventures								
Bahía de Bizkaia Gas, S.L.	Spain	Storage and regasification	50.00%	50.00%	54,884	7,000	54,884	—
Subgrupo Altamira LNG, C.V. (3)	Netherlands/ Mexico	Holding/Regasification	40.00%	40.00%	46,878	20,626	—	52,423
Morelos EPC, S.A.P.I. de C.V.	Mexico	Engineering and construction	50.00%	50.00%		—	—	
Tecgas, Inc.	Canada	Holding	51.00%	51.00%	1,251	—	—	1,344
EC Soto la Marina O&M SAPI de CV	Mexico	Operation and maintenance	50.00%	50.00%	—	—	—	—
Iniciativas de Gas, S.L. (4)	Spain	Holding	60.00%	60.00%	46,648	—	46,648	—
Planta de Regasificación de Sagunto, S.A. (4)	Spain	Storage and regasification	72.50%	72.50%	1,500	2,538	1,500	—
Grupo Senfluga Energy Infraestructures, S.A.	Greece	Holding	18.00%	18.00%	29,794	3,654	34,157	—
Axent Inf. Tel., S.A.	Spain	Construction, maintenance and operation of a telecommunications network.	49.00%	49.00%	13,923	—	13,923	—
Vira Gas Imaging, S,L.	Spain	Development and commercialisation of technological activities	40.00%	40.00%	—	—	—	—
Sunrgyze, S.L. (Antes Sun2Hy, S.L.)	Spain	Development and scale-up of artificial photosynthesis technology for hydrogen production	50.00%	50.00%	—	—	—	—
Scale Gas Med Shipping, S.L.U.	Spain	Construction, design, commissioning, start-up and O&M of energy structures	50.00%	50.00%	2	—	2	—
Green Ports Project, S.L.	Spain	Small scale in ports	50.00%	50.00%	30	—	30	—
Llewo Mobility, S.L. (antes "Gas to Move, S.L.")	Spain	Development of industrial projects related to LNG	68.42%	68.42%	—	—	—	—
H2Greem Global Solutions, S.L.	Spain	Development of industrial projects and activities to promote hydrogen production and transmission infrastructures.	34.00%	34.00%	216	—	216	—
Knutsen Scale Gas, SL	Spain	Bunkering	50.00%	50.00%	502	—	502	—
Associates								
Transportadora de gas del Perú, S.A.	Peru	Gas transmission	28.94%	28.94%	441,166	72,591	—	577,257
Tallgras Energy LP.	USA	Oil & Gas transmission and extraction	28.42%	28.42%	1,335,898	21,506	—	1,491,433
Trans Adriatic Pipeline, A.G. (3)	Switzerland (2) and (3)	Gas transmission	16.00%	16.00%	174,417	—	200,440	—
Mibgas Derivatives, S.A.	Spain	Operation of the (organised) gas market	28.34%	28.34%	268	—	268	—
Seab Power Ltd.	United Kingdom	Development of systems to transform waste into energy	10.39%	10.39%	—	—	—	—
Enagás Renovable, S.L. (Subgrupo)	Spain	Development of projects to promote the role of renewable gases in the energy transition.	60.00%	60.00%	8,717	—	8,717	—
Alantra Energy Transition, S.A.	Spain	Promotion of projects in the field of energy transition	25.00%	25.00%	185	175	185	—
Solatom CSP, S.L.	Spain	Use of heat as an energy source	8.48%	8.48%	317	—	317	—
Mibgas, S.A.	Spain	Operation of the (organised) gas market	13.34%	13.34%	417	—	417	—
Trovant Technology, S.L.	Spain	Upgrading from biogas to biomethane for bioenergy production	12.47%	12.47%	487	—	487	—

(1) For those companies whose local currency is different to that of the Group, the euro (Note 1.3), the "net carrying amount" of the financial investment is shown in historic euros and includes the capitalised acquisition costs.
The euros corresponding to "dividends received" are translated at the exchange rate corresponding to the transaction date.

(2) This company has three permanent establishments in Greece, Italy, and Albania.

(3) Both companies are owned together with other international industrial partners. Their activity consists in the development and operation of infrastructure projects, such as the regasification plant already operational in Altamira and the TAP project (declared Project of Common Interest by the European Union).

(4) Iniciativas de Gas, S.L. and Infraestructuras de Gas, S.L. each hold a 50% stake in Planta de Regasificación de Sagunto Gas, S.A. Both companies are in turn affiliates of the Enagás Group, which holds a 60% stake and an 85% stake in them, respectively. Thus, the indirect interest held by the Enagás Group in Planta de Regasificación de Sagunto Gas, S.A. amounts to 72.5%. The dividend distribution is carried out by Planta de Regasificación de Sagunto Gas, S.A.

Balance sheet figures 2022

	Thousands of euros								
	Figures for affiliate (1)(2)								
	Assets			Equity		Liabilities			
	Long-term	Short-term				Long-term		Short-term	
Company		Cash and cash equivalents	Remaining short-term assets	Other results	Remaining equity	Financial liabilities	Remaining liabilities	Financial liabilities	Remaining liabilities
Bahía de Bizkaia Gas, S.L.	162,411	48,715	17,480	1,225	60,162	90,260	26,417	21,611	28,932
Subgrupo Altamira LNG, C.V.	294,205	12,512	31,106	—	222,571	25,597	77,960	1,740	9,955
EC Soto La Marina SAPI de CV	64,065	8,878	2,059	—	20,323	46,824	865	4,100	2,889
Transportadora de gas del Perú, S.A.	2,623,680	216,419	99,686	—	1,589,308	795,713	416,774	48,770	89,219
Trans Adriatic Pipeline, A.G.	5,141,493	477,697	412,655	336,452	1,962,614	3,039,701	146,258	6,304	540,517
Iniciativas de Gas, S.L.	843	1,004	—	—	1,841	—	—	—	7
Planta de Regasificación de Sagunto, S.A.	304,689	48,661	42,453	(330)	174,874	112,344	43,104	65,044	768
Mibgas, S.A.	413	507,753	5,269	—	4,379	—	451	508,557	48
Llewo Mobility, S.L. (antes "Gas to Move, S.L.")	5,455	247	608	—	(692)	766	—	5,245	990
Axent Inf. Tel., S.A.	52,578	1,143	2,423	—	21,962	1,594	22,815	1,799	7,974
Grupo Senfluga Energy Infrastructures, S.A.	903,785	208,219	149,630	15,604	554,874	415,432	19,481	244,419	11,824
Grupo Tallgrass Energy LP	8,940,935	27,051	610,927	—	4,672,851	4,184,085	62,343	—	659,635
SEaB Power Ltd.	1,649	17	568	—	1,646	277	—	241	70
Mibgas derivatives, S.A.	1	562	9,992	—	570	—	1	60	9,924
Solatom CSP	165	212	122	—	112	349	3	35	—
Knutssen Scale Gas, S.L.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Sunrgyze, S.L. (Antes Sun2Hy, S.L.)	8,228	1,326	476	—	9,714	—	—	301	15
Scale Gas Med Shipping, S.L.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Green Ports Projects, S.L.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Enagas Renovable S. L. (Subgrupo)	62,267	3,050	2,337	(7)	65,713	—	11	—	1,937
Alantra Enagás Energy Transition, S.A.	9	78	2,696	—	1,868	—	—	111	804
Trovant Technology, S.L.	—	1,464	52	—	1,464	—	—	2	14

(1) Data provided as though companies were 100% invested, in accordance with IFRS.
(2) For those companies whose functional currency is different to the Group's functional currency, the euro (Note 1.3), the balance sheet figures were translated at the exchange rate prevailing at year-end.

Income Statement figures 2022

	Thousands of euros						
	Figures for affiliate (1)(2)						
	Income statement						
Company	Revenue	Amortisation	Interest income	Interest expense	Income tax	Other expenses and income	Net profit / (loss)
Bahía de Bizkaia Gas, S.L.	58,866	(14,874)	156	(7,275)	(3,239)	(24,453)	9,181
Subgrupo Altamira LNG, C.V.	52,179	(1,315)	56	(3,650)	(8,074)	(15,449)	23,747
EC Soto La Marina S.A.P.I. de C.V.	13,100	(5,066)	377	(3,262)	423	(2,889)	2,683
Transportadora de gas del Perú, S.A.	704,742	(146,620)	2,289	(56,729)	(105,276)	(208,748)	189,658
Trans Adriatic Pipeline, A.G.	874,323	(193,888)	5,006	(111,026)	(60,971)	(221,298)	292,146
Tecgas, Inc.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Grupo Senfluga Energy Infrastructures, S.A.	278,776	(54,834)	95	(15,611)	(26,024)	(97,745)	84,657
Grupo Tallgrass Energy LP	664,952	(179,158)	21,735	(261,472)	7,295	(222,902)	30,450
Iniciativas de Gas, S.L.	1,750	—	—	—	(13)	(80)	1,657
Planta de Regasificación de Sagunto, S.A.	81,686	(27,585)	—	(7,283)	(6,632)	(27,213)	12,973
Mibgas, S.A.	5,385	—	183	—	(262)	(4,598)	708
(Llewo Mobility, S.L. (Antes Gas to Move Transport Solutions, S.L.)	9,677	(718)	—	(95)	1,054	(13,081)	(3,163)
Vira Gas Imaging, S.L.	394	(42)	—	—	—	(318)	34
Axent Inf. Tel., S.A.	4,968	(2,538)	—	(569)	—	(3,916)	(2,055)
SEAB Power Ltd.	577	—	—	—	—	(997)	(420)
Solatom CSP, S.L.	70	(28)				(213)	(171)
Green Ports Project, S.L.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Mibgas Derivatives	407	—	24	—	(24)	(209)	198
Knutsen-Scale Gas, S.L.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Scale Gas Med Shipping, S.L.U.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Sunrgyze, S.L. (Antes Sun2Hy, S.L.)	—	(777)	—	(5)	284	(717)	(1,215)
Enagas Renovable S. L. (Subgrupo)	907	—	202	(102)	119	(14,018)	(12,892)
Alantra Enagás Energy Transition, S.A.	3,261	(1)	—	—	(376)	(1,529)	1,355
Trovant Technology, S.L.	—	(6)	—	—	—	(235)	(241)

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(2) For those companies whose local currency is different to the Group's functional currency, the euro (Note 1.3), the income statement figures were translated at the average exchange rate for the reporting period.

Balance sheet figures 2021

Company	Thousands of euros								
	Figures for affiliate (1)(2)								
	Assets			Equity		Liabilities			
	Long-term	Short-term				Long-term		Short-term	
		Cash and cash equivalents	Remaining short-term assets	Other results	Remaining equity	Financial liabilities	Remaining liabilities	Financial liabilities	Remaining liabilities
Bahía de Bizkaia Gas, S.L.	178,500	25,377	13,122	(4,725)	63,813	103,683	32,466	14,230	7,532
Subgrupo Altamira LNG, C.V.	296,698	21,206	26,660	—	235,169	21,035	80,188	304	7,868
Gasoducto de Morelos, S.A.P.I. de C.V.	226,678	10,023	6,442	(4,028)	51,402	113,731	67,979	294	13,765
GNL Quintero, S.A.	1,652,387	418,975	40,395	16,004	764,090	794,545	369,455	131,297	36,366
EC Soto La Marina SAPI de CV	60,584	5,500	1,707	—	13,116	47,383	3,374	3,003	916
Transportadora de gas del Perú, S.A.	2,561,673	150,864	88,817	—	1,546,480	848,906	307,345	9,287	89,335
Trans Adriatic Pipeline, A.G.	4,624,662	231,957	319,058	(62,289)	1,333,332	3,270,114	219,682	254,360	160,478
Compañía Operadora de Gas del Amazonas, S.A.C.	42,439	11,296	22,560	—	27,762	—	2,374	—	46,159
Tecgas, Inc.	—	40	—	—	40	—	—	—	—
Morelos O&M, S.A.P.I de CV	94	25	288	—	398	—	—	—	10
Iniciativas de Gas, S.L.	976	491	5,000	—	6,461	—	—	—	6
Planta de Regasificación de Sagunto, S.A.	330,140	32,594	23,792	(3,618)	165,861	125,574	57,720	22,867	17,981
Mibgas, S.A.	179	1,855	53,417	—	2,973	—	—	—	52,478
Gas to Move Transport Solutions, S.L.	5,926	487	1,128	—	1,602	2,615	5	332	3,320
Axent Inf. Tel., S.A.	38,853	959	2,648	—	19,615	16,524	—	—	6,321
Grupo Senfluga Energy Infrastructures, S.A.	815,968	114,227	86,420	(3,163)	513,450	349,606	26,975	31,580	98,167
Grupo Tallgrass Energy LP	9,886,915	139,669	571,046	—	4,823,202	4,131,981	1,036,658	—	605,788
SEaB Power Ltd.	1,649	17	568	—	1,646	277	—	241	70
UNUE Gas Renovable, S.L.	2,088	166	327		2,136	—	—	93	353
Mibgas derivatives, S.A.	—	380	2,575	—	358	—	—	—	2,597
Solatom CSP	72	360	111	—	216	—	289	—	38
Knutssen Scale Gas	54,059	1,065	1,706	—	908	20,000	35,747	170	4
SUN2HY, S.L.	147	793	22	—	828	—	—	—	134
Scale Gas Med Shipping, S.L.	—	2	1	—	3	—	—	—	—
The Green Vector, S.L.	9	11	—	—	17	—	—	—	3

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Income Statement figures 2021

Company	Thousands of euros						
	Figures for affiliate (1)(2)						
	Income statement						
	Revenue	Amortisation	Interest income	Interest expense	Income tax	Other expenses and income	Net profit / (loss)
Bahía de Bizkaia Gas, S.L.	61,668	(15,307)	69	(6,522)	(4,568)	(17,414)	17,926
Subgrupo Altamira LNG, C.V.	51,817	(10,518)	5,355	(417)	(36,054)	19,327	29,511
Gasoducto de Morelos, S.A.P.I. de C.V.	10,835	(11,580)	24	(8,837)	—	20,392	10,835
EC Soto La Marina S.A.P.I. de C.V.	11,668	(4,485)	21	(1,487)	(402)	(3,705)	1,611
Transportadora de gas del Perú, S.A.	570,584	(147,303)	438	(51,066)	(64,474)	(159,533)	148,647
Trans Adriatic Pipeline, A.G.	761,870	(195,048)	162	(110,689)	(49,330)	(121,965)	285,000
Compañía Operadora de Gas del Amazonas, S.A.C.	108,033	(4,079)	14	(557)	(939)	(100,755)	1,716
Tecgas, Inc.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.	N.D.
Morelos O&M, S.A.P.I de C.V.	1,485	(27)	—	—	1	(1,399)	60
GNL Quintero, S.A.	199,373	(52,380)	608	(42,846)	(15,425)	(36,017)	53,314
Grupo Senfluga Energy Infrastructures, S.A.	203,069	(52,599)	68	(6,788)	(20,725)	(56,202)	66,823
Grupo Tallgrass Energy LP	591,212	(181,789)	16,474	(242,425)	11,802	(153,232)	42,042
Iniciativas de Gas, S.L.	—	—	—	—	—	(72)	(72)
Planta de Regasificación de Sagunto, S.A.	72,781	(29,492)	254	(8,056)	(4,243)	(19,743)	11,501
Mibgas, S.A.	5,129	(10)	—	—	(22)	(4,876)	221
Gas to Move Transport Solutions, S.L.	11,456	(920)	—	(135)	879	(13,918)	(2,638)
Vira Gas Imaging, S.L.	232	(12)	—	—	—	(270)	(50)
Axent Inf. Tel., S.A.	2,884	(969)	—	(76)	—	(3,018)	(1,179)
SEAB Power Ltd.	709	165	—	23	—	(1,022)	(126)
Solatom CSP, S.L.	122	(26)	—	—	—	(448)	(352)
Green Ports Project, S.L.	—	—	—	—	—	(1)	(1)
Mibgas Derivatives	401	—	—	—	—	(270)	131
UNUE Gas Renovable, S.L.	294	(29)	—	(5)	1	(266)	(4)
Knutsen-Scale Gas, S.L.	—	—	—	(4)	—	(91)	(95)
Bioenergía Els Vents, S.L.	—	—	—	—	1	(2)	(2)
Bioenergía Gas Renovable IV, S.L.	—	—	—	—	1	(2)	(2)
Bioenergía Gas Renovable V, S.L.	—	—	—	—	—	(1)	(1)
Sun2Hy, S.L.	—	—	—	—	31	(123)	(92)
The Green Vector, S.L.	—	—	—	—	1	(3)	(2)

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Appendix III. Regulatory framework

a) Adequacy of powers between the Government and the Regulator: Second regulatory period (2021-2026)

In 2019, the basis for determining the framework of the gas system applicable during the 2021-2026 regulatory period were established. The process began with the publication in the Official State Gazette (BOE) of Royal Decree-Law 1/2019 on urgent measures to adapt the CNMC's powers, where the basic legislation of the electricity and gas sectors is modified in order to perform a distribution of powers between the Government and the CNMC to adapt them to the requirements of EU law.

In this distribution of powers, the CNMC receives the transfer of all powers related to:

- Toll and remuneration methodologies in transmission, distribution and LNG plants, as well as the establishment of their values.
- Remuneration parameters and asset bases.
- Methodology and remuneration of the Technical Manager of the System, i.e., Enagás GTS, S.A.U.
- Methodology on the conditions of access and connection to gas infrastructures.
- Approving the Technical Management of the Gas System Regulations (NGTS) in relation to the balance system, programming, international connections and shrinkage.

On the other hand, the Ministry for the Ecological Transition (MITECO) will be in charge of:

- Establishing energy policy guidelines (Order TEC/406/2019).
- Methodology for calculating royalties and remuneration of basic services for access to Underground Storage Facilities and approval of their values.
- Determining the last resort tariffs (TUR).
- Structure and methodology of the charges for costs of facilities not associated with the use of these facilities (CNMC rate, deficit annuities, regulated remuneration of Mibgas, S.A., etc.).
- Approving the Technical Management of the Gas System Regulations related to security of supply, emergency, gas quality and input/output control.

In order to guarantee the proper functioning of both institutions, a Cooperation Committee is created between the Ministry and the CNMC, a transitional regime is established to ensure an orderly transfer of functions and to avoid affecting the legal security of the parties operating in the sectors, and the bases for the next gas and electricity remuneration period are developed.

The CNMC, within the scope of its regulatory powers, must take into account the strategic priorities established by the Government, which are embodied in energy policy guidelines adopted by order of the head of MITECO.

In these energy policy guidelines the government:

- Is committed to regasification plants, promoting their competitiveness with respect to other international plants, favouring international connections and committing to a deep and liquid LNG market.
- Is positioned in favour of biomethane and other renewable gases, with special mention of the injection of hydrogen generated from renewable electricity.
- Encourages the extension of the operation of those facilities that have exceeded their useful life in terms of remuneration.
- Discourages investment in new infrastructure except for assets that are necessary to ensure the supply of the whole system or that are strategic for meeting energy policy objectives.

As regards remuneration, the CNMC published the following circulars to update, for the second regulatory period, the current remuneration model, as well as the system of access tolls for each of the services provided by the facility, taking into account the infrastructures involved in the provision of each service:

- Circular 2/2019, of November 12, establishing the methodology for calculating the financial remuneration rate for power transmission and distribution, and natural gas regasification, transmission and distribution.
- Circular 9/2019, of December 12, establishing the methodology for the remuneration of regulated natural gas transmission and regasification activities.
- Circular 6/2020 of July 22, establishing the methodology for the calculation of tolls for the regasification, transmission and distribution of natural gas.
- Circular 8/2020, of December 2, establishing the unitary benchmark values for investment and operation and maintenance for the 2021-2026 regulatory period and the minimum requirements for audits of investments and costs in natural gas transmission facilities and liquefied natural gas plants.

In the operational field, it published the following circulars with the aim of encouraging and facilitating competition, promoting greater use of gas infrastructure, harmonising, simplifying and establishing a transparent and competitive mechanism for the allocation and use of capacity, making the operations of agents more flexible and resolving situations of congestion at regasification plants, as well as contemplating measures to regularise the physical imbalance of LNG at regasification plants and in underground storage:

- Circular 8/2019, of December 12, establishing the access and capacity allocation mechanisms to be applied in the natural gas system.
- Circular 2/2020, of January 9, setting out the natural gas balance rules.
- Circular 7/2021 of July 28, of the National Commission on Markets and Competition, establishing the methodology for the calculation, supervision, valuation and settlement of shrinkage in the gas system.
- Circular 9/2021, of December 15, of the National Commission on Markets and Competition, amending Circular 8/2019, of December 12, establishing the methodology and conditions for access and capacity allocation in the natural gas system.

b) Remuneration of LNG transmission, regasification and storage activities in the second regulatory period 2021-2026

In accordance with the aforementioned adequacy of powers between the Government and the Regulator, the CNMC published, at the end of 2019, Circular 9/2019 establishing the remuneration system for transmission and regasification activities. The methodology opts to maintain the principles established in the current regulatory framework, defined in Law 18/2014, adapting them to current gas market conditions, while establishing an orderly and progressive transition between the two remuneration frameworks.

The review of the remuneration framework established by this Circular was completed with the approval by the CNMC, on December 2, 2020, of Circular 8/2020, establishing the unit reference values for investment and operation and maintenance for the period 2021-2026, as well as the minimum criteria for audits of investments and costs at natural gas transmission facilities and LNG plants.

The basic principles maintained in the new remuneration framework are as follows:

- Establish remuneration appropriate to a low-risk activity.
- Ensure the recovery of the investments made by the titleholders during their useful life.
- Allow a reasonable return on financial resources invested.
- Determine the operating costs remuneration system in a way that encourages effective management and improvement of productivity that should be partly passed on to users and consumers.
- Contribute to the economic and financial sustainability of the natural gas system.
- Consider the costs necessary for performing the activity by an efficient and well-managed company in accordance with the principle of performing the activity at the lowest cost to the gas system with homogeneous criteria throughout Spain, notwithstanding the specific arrangement provided for island and extra-peninsular territories.

From a methodological perspective, the following aspects are maintained in the new framework:

- The regulatory periods run consecutively for a period of six years.
- The remuneration parameters for the regulated activities are set for the entire 6-year regulatory period, taking into account the cyclical nature of the economy, gas demand, the development of costs, efficiency improvements, the economic and financial balance of the system, and the reasonable profitability of these activities.
- Remuneration continues to be calculated individually for each facility.
- The net value of the asset is maintained as the basis for calculating the return on investment.
- Any procedure for automatic adjustment of values and remuneration parameters according to price indices is removed.
- Depreciation continues to be calculated on a straight-line basis and the useful lives of the assets are maintained.
- The operating and maintenance costs of facilities that are individually remunerated continue to be calculated on the basis of the unit costs in force established in Circular 8/2020 for the facilities to which these unit reference values apply and on the basis of the audited costs for the individual facilities.

One of the most significant novelties, although it has practically no material impact, is that in order to allow the temporary coordination of remuneration with the methodology of tolls and royalties, in accordance with the European Commission Regulation the remuneration is now calculated per gas year. The gas year for which the remuneration of the facilities is determined runs from October 1 of year "n-1" to September 30 of year "n", both inclusive, with the exception of 2021 which started on January 1, 2021.

The remuneration accrued in one year for gas by each company that owns natural gas transmission facilities and liquefied natural gas plants will be the result of adding up the following remuneration components for each of its facilities:

- Return on investment (RINV) which aims to recover the investments made and to obtain a reasonable return.
- Remuneration for operation and maintenance of the facility (RO&M).
- Productivity and efficiency remuneration adjustments (ARPE).
- Remuneration for facilities in special administrative situations (RSAE).
- Return on investment in facilities with cross-border impacts resulting from the application of Article 12 of Regulation (EU) No. 347/2013, (RIIT).

Each of these components is presented below:

b.1) Return on investment (RINV).

It is determined for each of the assets in production entitled to individual remuneration and is intended to provide return on investment costs incurred. The return on investment includes remuneration for depreciation and financial remuneration for assets and minimum fill level, which remain practically the same as in the current framework, and, if applicable, remuneration based on the gas transported.

Remuneration for investment costs is comprised of the following:

- Value of assets recognised. The values recognised in the current framework for assets brought into operation are maintained. For facilities commissioned before 2002, the corresponding amounts are calculated based on the carrying amounts of the assets once the accounting restatement of 1996 is taken into account (Royal Decree-Law 7/1996), less grants received for the purpose of financing said assets, applying a restatement coefficient comprised of the adjusted average Consumer Price Index (CPI) and Industrial Price Index (IPRI) to this difference.

  For the new facilities commissioned from 2002, the standard value of each investment as established by the regulator is used, while for those which require expansion, the real cost is used.

  Transmission facilities commissioned from 2008 are measured by taking the average of the standard value and real cost.

  Regasification facilities commissioned from 2006 are measured at real cost plus 50% of the difference between the standard value and said real cost, up to a maximum of the standard value.

  The new framework does present a novelty for the regasification facilities to be launched from 2020 as they will be valued as transmission facilities. That is, at the average cost between the standard value and the actual cost, without limiting it to the standard cost.

  The resulting value is reduced by the amounts transferred and financed by third parties, 90% of the amounts obtained from the sale of dismantled equipment and the subsidies received (90% if they come from the European Union).

  Another aspect of the new framework, applicable to transmission and regasification facilities, is that the unit investment reference values in force at the time of obtaining authorisation for the facilities will be applicable to new facilities that come into operation from 2021 onwards. Previously, these were the unit values in force when the commissioning certificate was obtained.

- Remuneration for amortisation of system assets (A). The value of the resulting amount recognised for the investment is amortised applying a rate corresponding to its useful life, obtaining the related income in this manner.

  In the new framework, the useful lives of the assets in the current framework are maintained, except for the secondary pumps of the regasification plants (which go from 20 to 10 years). In addition, for new facilities, the remuneration for amortisation starts to accrue from the date of commissioning of the facility. This is different from the current framework, as the accrual for transmission facilities started on January 1 of the year following the commissioning. The remuneration is accrued until the facility is depreciated.

  Depreciation is calculated for the facilities of the trunk network and regasification plants commissioned prior to January 1, 2021 and for primary transmission pipelines of local influence with administrative authorisation prior to January 1, 2021.

- Financial remuneration of the amount invested (FR). It is calculated by applying a financial remuneration rate to the net values of the assets without restatement and accrues until the net value is zero.

  For the second regulatory period, the remuneration rate on the transmission and regasification assets is no longer indexed to the government bonds, and it is calculated on the basis of the average WACC capital cost of the transmission and regasification activity. For the second period (2021-2026), the rate was established in Circular 2/2019 and was set at 5.44%.

  The financial remuneration is calculated for facilities with individualised remuneration with the right to remuneration by amortisation and begins to accrue from the same date as the latter.

- Financial remuneration for heel gas and minimum fill (RFNMLL). The calculation method of the current framework is maintained. The remuneration is calculated by applying the financial remuneration rate to the purchase value of the gas and has no amortisation. It starts to accrue from the later of the date of purchase of the gas and the date of commissioning of the facility until the closure of the facility or the delivery of the gas to the GTS for use as operating gas.

- Remuneration based on the gas transmitted or processed (RGV). This remuneration is applied to the primary transmission facilities in the local area of influence awarded by competition and to new regasification plants and primary gas pipelines in the area of influence directly authorised after December 31, 2020. The annual remuneration is that which results from multiplying a unit remuneration coefficient by the gas transmitted or processed annually and is accrued from the date of commissioning. In no case may the RGV remuneration, in each gas year, be greater than the amounts invoiced for tolls and royalties.

  For facilities awarded by competition, the unit remuneration (ROC) is that offered by the company awarded the contract, while for facilities awarded directly (RUM), the unit remuneration is the average remuneration calculated as the sum of the amortisation and financial remuneration during the useful life of the project divided by the sum of the annual gas volumes forecasted by the owner of the facility when the economic justification of the project was presented for award. For these facilities, given that the remuneration risk is greater than for the trunk facilities, the financial remuneration rate is increased by a differential provisionally set at 0.39%, resulting in a rate of 5.83%.

  The RGV remuneration is accrued until the present value of the sum of the recognised annual remuneration, discounted at the previous remuneration rate, is equal to the present value of the recognised investment.

b.2) Remuneration for operation and maintenance of the facilities (RO&M).

For transmission and regasification assets to which the standard unit costs apply, the remuneration for operation and maintenance is calculated by applying the reference unit costs of operation and maintenance in force, regardless of the date of commissioning of the fixed asset (COMVU).

For the second regulatory period 2021-2026, the standard unit costs are those published in Circular 8/2020.

For one-off assets, costs are calculated on the basis of actual audited costs (COMsing).

Apart from the above costs, other costs not included in the unit reference values (OCOM) are also recognised and will be recognised on the basis of their audited cost. These costs include:

- Direct and indirect capitalised operating expenses. When the capitalised expenses exceed 250,000 euros, they will be recognised with amortisation and financial remuneration based on their audited investment value, considering a useful life of 2 years. In these cases, the accrual will occur from January 1 of the year following their commissioning. Capitalised expenses below this limit will be recognised as an expense for the year up to the limit established by the CNMC.
- The acquisition cost of the operating gas for transmission and of the odorant.
- The cost of electricity supply for LNG plants and for electric motors in compressor stations. In the case of the regasification plants this audited cost replaces the variable remuneration existing in the current framework.
- The cost increases from January 1, 2021 for municipal fees for public domain occupancy and for port fees for port domain occupancy.

b.3) Remuneration for adjustments to productivity and efficiency (ARPE).

Under this item, facilities that are at the end of their useful life (REVU) are remunerated, as are the transitional remuneration for continuity of supply (RCS), the remuneration for efficiency in operating and maintenance costs (RMP) and the remuneration for incentives to shrinkage reduction (IM) and promote gas in maritime and land transport. The items included are the following:

- Remuneration for extension of useful life for fully depreciated assets (REVU). Once the regulatory useful life of each fixed asset finalises, if the asset is still in use, the remuneration accrued for said facility corresponding to remuneration for investment, amortisation, and financial remuneration will be nil. In contrast, remuneration for operation and maintenance of the asset "i" each year "n" will be increased. In this manner, the value recognised will be the amount corresponding to it multiplied by a coefficient for increasing its useful life, µin. This coefficient is gradually increasing, the starting value being higher than the current remuneration framework, from 0.15 to 0.3.
- Remuneration for continuity of supply (RCS). A transitional remuneration is established for the RCS during the 2021-2026 regulatory period. The RCS is no longer indexed to the variation in demand or regasification but is calculated on the basis of the RCS recognised in the year 2020, adjusted by the following coefficients for the different gas years of the second regulatory period. ¾ of 95% for 2021, 80% for 2022, 65% for 2023, 50% for 2024, 35% for 2025 and 20% for 2026.
- Remuneration for productivity improvements in operating and maintenance costs in regulatory periods (RMP). This item intends to allow the carrier to retain part of the operating and maintenance cost efficiencies achieved over the previous regulatory period and is calculated per company, which is currently set at 50%. Under this item, the company is attributed 50% of the reduction in costs in the current regulatory period with respect to the unit costs of the previous regulatory period.
- Shrinkage reduction incentive (IM). Until September 30, 2021, the same methodology is applied as at present, while as from October 1, 2021, the new methodology established in Circular 7/2021 of July 28 comes into force.
- Incentive remuneration for the development of natural gas in maritime and land transport (IDS). This incentive aims to promote the use of natural gas as a fuel in maritime and land transport and is calculated by multiplying the gas invoiced for service stations connected to the transmission network and the LNG invoiced in regasification plants for use as maritime fuel by unit coefficients, which in both cases is 0.50 euros/MWh.

b.4) Remuneration for facilities in special administrative situations (RSAE).

This remuneration is applicable to the El Musel regasification plant, whose authorisation processing is currently suspended and corresponds to a transitional remuneration sum of the financial remuneration calculated on the standard investment value and the actual audited operation and maintenance costs.

It also applies to regasification plants with a unique and temporary financial regime such as the provision of LNG logistics services, in accordance with Article 60.7 of Law 18/2014, which will be defined by the CNMC in due course.

b.5) Remuneration for investments with cross-border impacts (RIIT).

This item is aimed at remunerating any costs that a carrier may incur as a result of the cross-border distribution of investment costs for a project of common European interest, as established in Article 12 of Regulation (EU) 347/2013 of the European Parliament and of the Council, of April 17, 2013.

Pipelines which affect reverse flow capacities or change the capacity to transport gas across the borders of the Member States concerned by at least 10% compared to the situation prior to the project is put into service may, in the case of natural gas, be considered as a project of common interest as set out in Appendix II to this Regulation. In the case of storage of natural gas, liquefied natural gas (LNG) or compressed natural gas (CNG), they will be considered as a project of common interest when the project is intended for the direct or indirect supply of at least two Member States or for compliance with the infrastructure standard (n-1) at regional level, in accordance with European Regulation 2017/1938 on Security of Supply.

b.6) Introduction of the principle of financial prudence

For the purpose of incorporating a principle of financial prudence required of the holders of transmission assets and liquefied natural gas plants, a penalty is established for companies whose ratios are outside the recommended value ranges set forth in the CNMC Communication 1/2019.

Accordingly, a company's annual remuneration in calendar year n could be reduced by up to 1% if the overall ratio defined in that communication, calculated on the basis of the financial statements for year n-2, is less than 0.9. However, this penalty would not be applicable until 2024, based on the 2022 financial statements.

c) Remuneration for underground storage activity

In accordance with Royal Decree 1184/2020, of December 29, which establishes the methodologies for calculating charges in the gas system, the regulated remuneration of basic underground storage facilities and the royalties applied for their use, the remuneration of the owners of basic underground storage facilities shall be determined per gas year, prior to the start of the gas year and in accordance with the methodology established in this Royal Decree 1184/2020, of December 29, following a report by the National Commission on Markets and Competition and the agreement of the Government's Delegated Commission for Economic Affairs.

In general, the remuneration methodology for underground storage is consistent with that established by the CNMC for transmission activities and LNG plants, although there are some differences due to the specific nature of underground storage facilities.

Other differences include the absence of unit reference values for investment and operation and maintenance, as well as the fact that the starting coefficient established for calculating the remuneration for the extension of useful life remains at 15%, compared to 30% for other activities. This difference is justified precisely because the operation and maintenance costs of each underground storage facility are established on the basis of their real audited costs and not on the basis of a reference unit value.

The annual remuneration of each company will be obtained as the sum of the individual remunerations of all the storage facilities it owns. The titleholders of basic underground storage facilities shall be entitled to the following remuneration:

- Remuneration for investment in facilities with individualised remuneration and in the purchase of gas for use as cushion gas.
- Provisional remuneration for operation and maintenance costs.
- Remuneration for life extension.
- Remuneration for productivity improvements.
- Transitional remuneration for continuity of supply, in accordance with the second transitional provision.
- Review, if applicable, of the provisional operation and maintenance remuneration.

Another novelty of the new remuneration framework is that it establishes a greater level of detail in the definition of the useful life of investments in underground storage facilities. Thus, previously a useful life of 20 years was established for all investments, but now a distinction is made between useful lives of 10 years for research and vehicles, 20 years for facilities, off-shore platforms, vessels, helicopters and cushion gas, 40 years for gas pipelines and 50 years for onshore civil works.

The remuneration of each holder will be reduced according to the related income obtained, and by application of the penalty for insufficient financial prudence, calculated in accordance with Article 27 of Circular 9/2019, of December 12, of the National Commission on Markets and Competition, which establishes the methodology for determining the remuneration of natural gas transmission facilities and liquefied natural gas plants.

d) Income corresponding to Technical Management of the System (GTS)

Remuneration recognised in the 2021-2023 and 2024-2026 regulatory periods

In accordance with the adequacy of powers between the Government and the Regulator, the CNMC published, at the beginning of 2020, Circular 1/2020, establishing the methodology for the remuneration of the Technical Manager of the System.

This establishes a methodology that allows the remuneration of the GTS to be set on the basis of known criteria and parameters, thus giving the remuneration framework the transparency, security and visibility in the medium-term that it lacked.

The Circular establishes regulatory periods of 3 years for the GTS, as opposed to 6 years for transmission and regasification activities.

The new remuneration methodology is based on the following principles:

- Obtaining a reasonable return for a low-risk activity.
- Consideration of the costs incurred by an efficient and well-managed company.

The methodology takes into account that the activity of the GTS requires few assets, basically in software and applications, that its costs correspond mainly to personnel and external services costs, and that its activity is strongly conditioned by European regulations and projects, in a changing and evolving environment, to which it must continuously adapt.

The remuneration is the sum of a basic remuneration (Bret), an incentive remuneration (RxInc), a remuneration for new obligations (CR and Guarantees of Origin) and a remuneration (D) for the difference, positive or negative, between the amounts received by the technical manager of the system for the application of the quota for the financing of the remuneration and the annual remuneration to be established for year n and for the difference between the estimate of the incentive remuneration term and the amount resulting from the level of compliance with it (the National Commission on Markets and Competition will determine by resolution the level of compliance with the incentives for year n).

The basic remuneration is made up of:

- Remuneration for OPEX, (BOpex): based on financial and regulatory accounting.
- Margin on recognised OPEX, (BMarg_Opex), set at 5%.
- Remuneration for depreciation, (BAmort), based on the depreciation of financial and regulatory accounting.
- Financial remuneration, (BRF) by applying a remuneration rate to the net asset value. The rate is the same as for transmission and regasification activity, 5.44% for the period 2021-2026.

Remuneration for incentives that can be up to +- 5% of the basic remuneration, depending on the incentive mechanism established by the CNMC for each regulatory period. However, for the regulatory period 2021-2023 the limits are set at +/-2%. At the end of 2020, the Circular establishing these incentives was being processed, and was published in the Official State Gazette in July 2021, effective as of October 1, 2021.

The remuneration for new obligations is established on the basis of a regulatory account, the balance of which is established for each regulatory period, divided by 3, for each of the years of the regulatory period. For the regulatory period 2021-2023, the regulatory account is 5 million euros.

Thus, for the regulatory period 2021-2023, the basic remuneration is set at 25,007 million euros and the remuneration of the regulatory account at 1,667 million euros.

For 2022, the remuneration of the GTS amounts to 27,943 million euros.

As in the current framework, the remuneration of the GTS will be recovered through the application of a fee, calculated as a percentage of the turnover from tolls and royalties.

e) Tolls and royalties relating to third party access to the gas system

The revenues collected from the application of tolls for third party access to gas facilities are exclusively used to support the remuneration of regulated activities for gas supply. As gas system revenues are used to finance all gas system costs, they must be sufficient to meet the full costs of the gas system.

The tolls and royalties are established so that their setting responds as a whole to the following principles:

- Ensure the recovery of the investments made by the titleholders during their useful life.
- Allow a reasonable return on financial resources invested.
- Determine the operating costs remuneration system in a way that encourages effective management and improvement of productivity that should be partly passed on to users and consumers.

In addition, tolls and royalties will take into account the costs incurred by the use of the network in a way that optimises the use of infrastructures and can be differentiated by pressure levels, consumption characteristics and duration of contracts.

The values applicable from October 1, 2022 to September 30, 2023 have been published in the Resolution of May 19, 2022, of the National Commission on Markets and Competition, which establishes the access tolls to the transmission networks, local networks and regasification for the 2023 gas year.

Similarly, the Ministry of Ecological Transition and Demographic Challenge is responsible for setting the remuneration and fees for access to underground storage facilities. From October 1, 2022 to September 30, 2023, the values of the access charges published in the Order TED/929/2022 of September 27, which establishes the gas network charges and the remuneration and charges for underground base storage for the gas year 2023, shall apply.

f) System of settlement of costs and regulated revenues

Until September 30, 2021, the billing and collection of the remuneration of regulated activities were subject to the settlement procedure established in Ministerial Order ECO 2692/2002, of October 28, regulating the settlement procedures for the remuneration of regulated activities, charges and fees with specific destinations in the gas sector.

From October 1, 2021, the settlement procedures established in Ministerial Order TED/1022/2021, of September 27, regulating the settlement procedures of the regulated activities remunerations, charges and fees with specific destinations of the gas sector, are applicable.

The update of the settlement procedure was motivated to adapt it to the European Commission Regulation 2017/460 of March 16, 2017, establishing a network code on harmonised transmission tariff structures for gas. This Regulation determines the need for a regulatory account for the transmission activity that reflects the difference between the recognised remuneration and the revenues actually obtained in the tariff period, a principle that, in order to avoid discrimination, must also be applied to other activities.

It is also necessary to incorporate changes to adjust the calendar for sending information and approving settlements to adapt it to the gas year (from October 1 to September 30 of the following year).

Thus, 5 separate settlement procedures are established for the following activities:

a. Trunk transmission.

b. Local networks, which will include distribution, secondary transmission and primary transmission activities of local influence and any other facility determined by the regulations in force.

c. Liquefied natural gas plants.

d. Basic underground storage facilities.

e. Gas system charges. It will include the revenues from application of the unit charges defined in Royal Decree 1184/2020, of December 29, establishing the methodologies for calculating the gas system charges, the regulated remuneration of basic underground storage facilities and the fees applied for their use, and the costs listed in Article 59.4.b) of Law 18/2014, of October 15. Basically, the costs to be recovered through charges are: CNMC fee, differential cost of supply of liquefied or manufactured natural gas in island territories, annuity of the deficit for 2014 and subsequent years (until 2020), demand management measures that are recognised by regulation, the approved remuneration of the natural gas Market Operator and any other cost that is legally established.

It is understood that annual mismatches between revenues and costs of the gas system occur if the difference between revenues and settlement costs in each of the settlement procedures of a gas year results in a negative amount.

As from October 1, 2021, with the entry into force of Order TED/1022/2021, the provisional annual mismatches between revenues and costs for the year for each settlement procedure are determined in the provisional settlement 14 of each year. The provisional annual mismatch of each subject, whether positive or negative, will be recognised in the form of a lump sum payment in the first available settlement of the gas year following the provisional settlement 14.

The final settlement will determine the final annual mismatch between revenues and costs for each obligated party. The difference between the final and provisional deviation, whether positive or negative, will be settled as a one-time payment in the first available settlement of the following gas year.

Additionally, in accordance with the provisions of Article 61.3 of Law 18/2014 of October 15, 2014, as long as there is an accumulated deficit as of December 31, 2014 or mismatches between revenues and expenses of subsequent years pending amortisation, any surplus or deficit in collection under charges shall be applied in accordance with the provisions of the aforementioned article, without being able to reduce the amount thereof. Once there are no outstanding deficits and mismatches to be amortised, any deficit/surplus in the collection of charges will be applied in the calculation of charges for the following year.

Law 18/2014, of October 15, establishes the principle of economic and financial sustainability in the gas system. In accordance with this principle, revenues from the system will be used exclusively to sustain own remuneration of the regulated activities concerning the supply of gas and, furthermore, the revenues must be sufficient to satisfy all of the costs incurred by the gas system. In addition, in order to ensure economic sufficiency and avoid the appearance of new deficits ex ante, all regulatory measures relating to the gas system which involve an increase in costs for the system or a reduction of income must incorporate an equivalent reduction in other cost items or an equivalent increase in income which ensures equilibrium for the system.

Also, the previous remuneration framework established a specific methodology for resolving temporary imbalances between revenues and costs of the system, with a series of measures aimed at definitively ending the deficit of the gas system, such as:

- As long as there are annual amounts pending payment from previous years, tolls and royalties cannot be revised downwards, but will be increased if there are negative mismatches that exceed a set limit.
- A period of several years is established for the recovery of imbalances, also recognising financial costs to the companies regulated by the financing of these imbalances, in such a way that the subjects shall recover:
    - The accumulated deficit of the gas system at December 31, 2014 during the fifteen years following the date of approval of the final settlement of that financial year, recognising an interest rate in conditions equivalent to those of the market.
    - And the temporary imbalances between income and expenses resulting for 2015 during the following five years, also recognising an interest rate in conditions equivalent to those of the market.

If the annual mismatch between revenues and recognised remuneration is positive, the amount will be used to settle the outstanding annual payments relating to mismatches from previous years. This amount will be applied first to the temporary imbalances between revenues and costs of the system and then to those annual payments relating to the accumulated deficit of the gas system at December 31, 2014.

Since 2018, positive annual mismatches between income and remuneration have been generated (surplus), so that the 2015 and 2017 financial years were amortised on an accelerated basis against the surplus of this 2018 financial year. Similarly, in 2019, the annual mismatch between income and remuneration resulted in a surplus of 353,859 thousands of euros, with the collection right pending receipt for the 2016 (33,475 thousands of euros) mismatch being fully amortised, and the 2014 mismatch being partially amortised (320,384 thousands of euros).

From that date, the annual mismatch between revenues and remuneration is used to cover the negative mismatch pending from 2014, partially amortising 186,691 thousands of euros against the surplus for 2020 and 81,127 thousands of euros against the surplus for 2021, whose resolution was approved by the CNMC on July 28, 2022.

Thus, the 2014 mismatch remaining to be amortised at January 1, 2023 amounts to 58,832 thousands of euros, which is much lower than the 1,025,053 thousands of euros accumulated at December 31, 2014.

With regard to the Company's share of the deficit generated by the system during 2014, it should be noted that, as reported in the 2017 annual accounts, on December 1, 2017 the receivables from the accumulated deficit rights at December 31, 2014 were assigned. Said rights represented an amount of 354,751 thousands of euros, corresponding to the nominal amount plus accrued interest pending collection at the date of cession. Through the above operation Enagás Transporte, S.A.U. transferred the obligations and contractual rights involved in the ownership of the transferred financial asset to the Santander Group, and proceeded to derecognise that financial asset from the Balance Sheet, as the Sole Director of Enagás Transporte, S.A.U. deemed that all the risks and benefits associated with it had been substantially transferred, together with control of the aforementioned financial asset.

g) Development of the regulatory framework in 2022

The main regulatory developments applicable to the gas sector, approved in the course of 2022, were the following:

1. Supranational regulations

Gas regulation

TEN-E

Regulation (EU) 2022/869 of the European Parliament and of the Council of May 30, 2022 on guidelines for trans-European energy infrastructures and amending Regulations (EC) No 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944 and repealing Regulation (EU) No 347/2013

Commission Delegated Regulation (EU) 2022/564 of November 19, 2021 amending Regulation (EU) No 347/2013 of the European Parliament and of the Council with regard to the Union's list of projects of common interest

RePowerEU

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. REPowerEU: Joint action for more affordable, secure and sustainable energy

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. REPowerEU Plan

Commission Staff Working Document Implementing the Repower EU Action Plan: investment needs, hydrogen accelerator and Achieving the bio-methane targets.

Renewable energies

Commission Delegated Regulation (EU) 2022/342 of December 21, 2021 supplementing Regulation (EU) 2021/1153 of the European Parliament and of the Council with regard to the specific selection criteria and the details of the process for selecting cross-border projects in the field of renewable energy

Commission Recommendation of May 18, 2022 on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements

Commission Delegated Regulation (EU) 2022/2202 of August 29, 2022 supplementing Regulation (EU) 2021/1153 of the European Parliament and of the Council by establishing a list of selected cross-border renewable energy projects

Commission Notice. Guidance on Cost-Benefit Sharing in Cross-border Renewable Energy Cooperation Projects

Council Regulation (EU) 2022/2577 of December 22, 2022 laying down a framework to accelerate the deployment of renewable energy

Intervention measures energy markets

Council Regulation (EU) 2022/428 of March 15, 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. Security of supply and affordable energy prices: options for immediate measures and preparing for next winter

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Energy emergency: united in preparedness, procurement and EU protection

Council Regulation (EU) 2022/1854 of October 6, 2022 on an emergency intervention to address high energy prices

Council Regulation (EU) 2022/2576 of December 19, 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders

Council Regulation (EU) 2022/2578 of December 22, 2022 establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices

Security of Supply and Storage

Regulation (EU) 2022/1032 of the European Parliament and of the Council of June 29, 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage

Commission Implementing Regulation (EU) 2022/2301 of November 23, 2022 setting the filling trajectory with intermediary targets for 2023 for each Member State with underground gas storage facilities on its territory and directly interconnected to its market area

Reduction of gas demand

Joint Communication to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions. EU energy commitment in a changing world

Communication from the Commission to the European Parliament, the European Economic and Social Committee and the EU Committee of the Regions. Saving energy

Council Regulation (EU) 2022/1369 of August 5, 2022 on coordinated demand-reduction measures for gas

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Save gas for a safe winter

Sustainable Financing

Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

National Energy and Climate Plans

Communication from the Commission on guidance to Member States for the update of national energy and climate plans for the period 2021-2030

Commission Implementing Regulation (EU) 2022/2299 of November 15, 2022 laying down rules for the application of Regulation (EU) 2018/1999 of the European Parliament and of the Council as regards the structure, format, technical details and process for the integrated national energy and climate progress reports

Digitisation and Cybersecurity

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Digitising the energy system: the EU action plan

Directive (EU) 2022/2555 of the European Parliament and of the Council of December 14, 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive)

Resilience of critical entities

Directive (EU) 2022/2557 of the European Parliament and of the Council of December 14, 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC

2. Spanish Regulation

In relation to the general framework of the gas system and its facilities

Energy policy

Resolution of January 27, 2022 from the Board of Directors of E.P.E. Institute for the Diversification and Saving of Energy (IDAE), M.P. establishing the first call for the programme of incentives for pioneering and unique renewable hydrogen projects (H2 PIONEROS Programme).

Informative Circular 1/2022, of January 25, of the National Commission on Markets and Competition, on supply prices for natural gas and renewable energy.

Order TED/132/2022, of February 21, adopting the First Work Programme of the National Climate Change Adaptation Plan 2021-2030.

Royal Decree-Law 6/2022, of March 29, adopting urgent measures in the framework of the National Response Plan to the economic and social consequences of the war in Ukraine.

Resolution of May 5, 2022, of the National Commission on Markets and Competition, which establishes the value of the Global Ratios Index for 2022 of the companies that carry out the activities of transmission and distribution of electrical energy and the activities of transmission, regasification, underground storage and distribution of natural gas.

Royal Decree 376/2022 of May 17, which regulates the criteria for sustainability and reduction of greenhouse gas emissions from biofuels, bioliquids and biomass fuels, as well as the system of guarantees of origin of renewable gases.

Royal Decree-Law 10/2022 of May 13, which temporarily establishes a production cost adjustment mechanism to reduce the price of electricity on the wholesale market.

Resolution of June 16, 2022, of the CNMC, on the certification of Enagás Transporte, SAU, with respect to participation in a biogas enrichment project for the subsequent injection of biomethane into the natural gas distribution network.

Royal Decree-Law 11/2022, of June 25, adopting and extending certain measures to respond to the economic and social consequences of the war in Ukraine, to address situations of social and economic vulnerability, and for the economic and social recovery of the island of La Palma.

Order TED/706/2022 of July 21, approving the regulatory bases and incentive programmes for the granting of aid to singular projects for biogas installations, within the framework of the Recovery, Transformation and Resilience Plan.

Order TED/707/2022 of July 21, establishing the regulatory bases for the calls for the incentive programmes for heating and cooling network projects using renewable energy sources, within the framework of the Recovery, Transformation and Resilience Plan.

Royal Decree-Law 14/2022 of August 1, on economic sustainability measures in the field of transport, grants and study aids, as well as energy saving and efficiency measures and measures to reduce energy dependence on natural gas.

Royal Decree-Law 17/2022 of September 20, adopting urgent measures in the field of energy, in the application of the remuneration system for cogeneration facilities and temporarily reducing the rate of Value Added Tax applicable to deliveries, imports and intra-Community acquisitions of certain fuels.

Royal Decree-Law 18/2022 of October 18, approving measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption in application of the "Plan + seguridad para tu energía (+SE)", as well as measures regarding the remuneration of public sector staff and the protection of temporary agricultural workers affected by the drought.

Order TED/1026/2022 of October 28, approving the procedure for the management of the system of guarantees of origin of gas from renewable sources.

Resolution of November 10, 2022 of the CNMC, on the certification of Enagás Transporte, SAU, with respect to the participation of Enagás, SA, in a project to develop a green hydrogen generation plant.

Order TED/1211/2022 of December 1, which establishes the regulatory bases for the promotion of the circular economy and calls for the granting of aid for the year 2022.

Royal Decree-Law 20/2022 of December 27, on measures in response to the economic and social consequences of the war in Ukraine and support for the reconstruction of the island of La Palma and other situations of vulnerability-

Remuneration framework, tolls, charges and settlement system

Resolution of May 19, 2022, of the National Commission on Markets and Competition, establishing remuneration for the 2023 gas year of the companies that carry out the regulated activities of liquefied natural gas plants, transmission and distribution.

Resolution of May 19, 2022, of the National Commission on Markets and Competition, establishing the access tolls to the transmission networks, local networks and regasification for the gas year 2023.

Order TED/929/2022, of September 27, establishing the gas system charges and the remuneration and fees for basic underground storage facilities for gas year 2023.

Resolution of December 22, 2022, of the National Commission for Markets and Competition, which provisionally establishes for the financial year 2023 the remuneration and the quota destined to the financing of the technical manager of the gas system.

Resolution of December 22, 2022 of the Directorate General of Energy Policy and Mines, publishing the last resort natural gas tariff applicable during the first quarter of 2023.

Spanish gas system operation

Resolution of January 12, 2022, approving the reference prices for calculating the value of gas, oil and condensate extraction for 2021.

Resolution of January 19, 2022, publishing the assigned and available capacity in basic underground natural gas storage facilities for the period April 1, 2022 to March 31, 2023.

Resolution of March 24, 2022, of the National Commission on Markets and Competition, establishing the detailed procedure for the development of congestion management mechanisms and mechanisms to avoid the hoarding of capacity in the gas system.

Resolution of March 28, 2022, of the Directorate General of Energy Policy and Mines, publishing the last resort natural gas tariff.

Resolution of May 5, 2022, from the Directorate General of Energy Policy and Mines, determining the incentive for the reduction of transmission shrinkage in 2019.

Resolution of July 28, 2022, of the National Commission for Markets and Competition, which establishes the destination of natural gas stocks in the gas system shrinkage balance account.

Resolution of November 10, 2022 of the National Markets and Competition Commission, which establishes the technical management regulations of the gas system on scheduling, nominations, allocations, balances, the management and use of international connections and self-consumption.

Order TED/1295/2022, of December 22, establishing the values of the remuneration for the operation corresponding to the second calendar semester of the year 2022, applicable to certain facilities for the production of electricity from renewable energy sources, cogeneration and waste.

On February 20, 2023, the Board of Directors of Enagás, S.A. prepared the Consolidated Annual Accounts for the year ended December 31, 2022, consisting of the accompanying documents attached hereto, in accordance with the provisions of Article 253 of the Corporate Enterprise Act and Article 37 of the Code of Commerce, and remaining applicable standards.

DECLARATION OF RESPONSIBILITY: For the purposes of article 118.2 of the Consolidated text of the Securities Market Act and article 8.1 b) of Spanish Royal Decree 1362/2007, of October 19, 2007, the directors state that, to the best of their knowledge, the Consolidated Annual Accounts, prepared in accordance with applicable accounting principles, provide a true and fair view of the equity, financial position and results of the Group. They additionally state that, to the best of their knowledge, the directors not signing below did not express dissent with respect to the Consolidated Annual Accounts.

Chairman: (Signed the original in Spanish)

Mr Antonio Llardén Carratalá

Chief Executive Officer: (Signed the original in Spanish)

Mr Arturo Gonzalo Aizpiri

Directors: (Signed the original in Spanish)

Sociedad Estatal de Participaciones Industriales-SEPI
(Represented by Mr Bartolomé Lora Toro)

Mr José Montilla Aguilera

Ms Ana Palacio Vallelersundi

Ms María Teresa Arcos Sánchez

Ms Eva Patricia Úrbez Sanz

Ms Natalia Fabra Portela

Mr Santiago Ferrer Costa

Ms Clara Belén García Fernández-Muro

Mr David Sandalow

Mr José Blanco López

Ms Maria Teresa Costa Campi

Mr Manuel Gabriel González Ramos

Mr Cristóbal José Gallego Castillo

DILIGENCE to record that, in accordance with the call of the Board of Directors, having been held at the registered office, allowing the directors to participate telematically, the Consolidated Annual Accounts have been drawn up with the agreement of all members of the Board of Directors, which is certified by the Secretary of the Board with his signature below, and with the signatures of those Directors who have physically participated in the Board of Directors.

Electronic signature of the Secretary to the Board:

Mr Rafael Piqueras Bautista

ANNUAL REPORT ON DIRECTORS' REMUNERATION

2022

ISSUER'S PARTICULARS

Financial year-end:

31/12/2022

CORPORATE TAX :

A-28294726

Corporate name:

ENEGÁS, S.A.

Registered office:

PASEO DE LOS OLMOS, 19 MADRID

A. COMPANY REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current directors' remuneration policy applicable to the current financial year. As far as is relevant, certain information referring to the remuneration policy approved by the general shareholders' meeting can be included, provided that it is clear and specific.

Descriptions must be provided of the specific resolutions for the current financial year, both for the directors' remuneration for the role itself and for the Board's performance of executive functions in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the general meeting.

In all cases the following must be provided:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and if necessary explain whether or not comparable companies were taken into account in setting the company's remuneration policy.

c) Information on whether or not any external advisor was involved and their personal details.

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The Rules and Regulations of the Organisation and Functioning of the Board of Directors of Enagás confers the Board the power to adopt decisions on the remuneration of Directors and Senior Management. Specifically, the Remuneration Committee (hereinafter the "RC") is responsible for supporting the Board on matters relating to remuneration of Directors and Senior Management. The RC is composed of three Independent Directors: María Teresa Arcos Sánchez (Chairwoman), Clara Belén García Fernández-Muro and Manuel González Ramos.

The General Shareholders' Meeting held on May 27, 2021 approved the Director's Remuneration Policy for the 2022, 2023 and 2024 financial years as Item 10 of its Agenda, with a percentage of votes in favour of 83.283%.

(i) The General Shareholders' Meeting held on March 31, 2022, approved the modification of the Directors' Remuneration Policy for the 2022-2024 period, with a percentage of votes in favour of 82.69%. This amendment, which was approved by the 2022 GSM as item 8 on the agenda, was justified for the following reasons: The General Shareholders' Meeting held on March 31, 2022 approved, following the voluntary cessation of his executive duties by the Chairman, his re-election as Other External Director and, as of that date, he became the non-executive Chairman of the Board of Directors. It was therefore necessary to modify the Policy, removing references to the Executive Chairman as an executive director of the Company, establishing his new remuneration conditions as a Non-Executive Chairman.

(ii) As a result of the decisions adopted by the Board of Directors of Enagás on February 21, 2022, the Chief Executive Officer was replaced, and it was therefore necessary to establish the remuneration conditions of the new Chief Executive Officer.

(iii) The maximum annual limit on the remuneration of directors in their capacity as such was modified.

(iv) A new target was included in the long-term variable remuneration described in the Policy.

In addition, the Enagás General Shareholders' Meeting of March 31, 2022 also agreed to implement a 2022-2024 Long-Term Incentive Plan (hereinafter, the "Plan" or the "ILP"), aimed at the Executive Director and members of the management team of the Company and its group of companies. Subsequently, on October 24, 2022, the Board of Directors adapted the objectives of the ILP to the commitments of the 2022-2030 Strategic Plan in the terms set out in Appendix I of this report. In addition, on December 19, 2022, the Board approved the Regulations of the 2022-2024 Long-Term Incentive Plan.

The 2022-2024 ILP aims to (i) encourage the sustainable achievement of the objectives of the Company's Strategic Plan, (ii) give the opportunity to share the creation of value with participants, (iii) foster a sense of belonging to the Company and shared destiny, (iv) be competitive, and (v) align with the requirements of institutional investors, proxy advisors, and best Corporate Governance practices and, especially, those resulting from the recommendations of the CNMV's new Good Governance Code.

To prepare the Policy, an analysis of the appropriateness of Directors' remuneration positioning, considering three comparator groups was considered. Specifically, the main comparison group of Ibex-35 energy companies (Acciona, Endesa, Iberdrola, Naturgy, REE, Repsol and Siemens Gamesa) was maintained, in line with previous policies. By way of contrast, the analyses was supplemented with the remuneration information of the Ibex-35 companies (also considered in previous policies), as well as European Transmission System Operators (TSOs) and companies with regulated revenues (Red Eléctrica, Indra, Snam, National Grid, REN, Gasunie, Fluxys Belgium, Open Grid Europe and Aena). For these purposes, known public data for financial year 2020 were used. These analyses were prepared with regard to the remuneration of the Directors in their capacity as such, the remuneration of the Executive Director and the members of the Management Committee and other Company directors.

In terms of external advice, the RC received independent external advice from the firm Willis Towers Watson, which carried out the market analyses indicated above and presented alternatives for the design of the Policy. The RC also relied on the firm Garrigues, which advised on the legal aspects set out in the Policy.

In relation to temporary exceptions, the 2022-2024 Policy states that the Board of Directors, at the proposal of the RC, may approve the application of temporary exceptions to the Remuneration Policy in situations where it is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability. In this regard, the Board of Directors shall be required to have a prior report from the RC assessing the circumstances that make it necessary to apply the temporary exceptions and the specific remunerations that should be subject to exception or modification. The Board, after reviewing the RC's previous report, will determine whether the application of the temporary exceptions is appropriate, as well as the components that are affected by it. In any case, the Company shall include in the Annual Report on Directors' Remuneration information on the exceptional situation that has led the Board to approve the application of the temporary exception, as well as the remuneration affected.

A.1.2 Relative importance of the variable remuneration components compared to the fixed items (remuneration mix) and the criteria and objectives considered when setting them and to guarantee an adequate balance between the fixed and variable remuneration components. In particular, indicate the actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, including, where appropriate, measures provided to ensure that the remuneration policy addresses the company's long-term results, measures adopted in relation to categories of personnel whose professional activities have a material impact on the risk profile of the entity and measures provided to avoid conflicts of interest.

Please also indicate whether or not the company has established any period for accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral in the payment of amounts or delivery of already accrued and consolidated financial instruments or whether there is any agreed clause on reducing the deferred remuneration not yet consolidated or requiring the director to return the remuneration received, when the remunerations have been based on data subsequently clearly shown to be inaccurate.

In the Remuneration Policy, variable remuneration is limited to the Chief Executive Officer. Specifically, for variable remuneration set out in the Policy, the annual variable must be differentiated from the long-term variable.

As variable annual remuneration, the Chief Executive Officer is entitled to receive a variable cash bonus for fulfilling the objectives set forth by the Board of Directors at the proposal of the RC for the corresponding year. The variable bonus cannot exceed 60% of the annual fixed monetary remuneration in any case.

The Board of Directors also proposed to the meeting held in financial year 2022 the proposed resolution relating to the plan referred to in Article 219 of the Corporate Enterprises Act so that the latter may contain the detail required by current legislation and good governance best practices, all in accordance with the provisions of this Policy.

Malus and clawback clauses.

In certain circumstances, the Board, at the proposal of the RC, may cancel ("malus") any variable components of the variable remuneration that are pending payment and/or may reclaim ("clawback") part or all of the variable components of the remuneration paid, when there are certain exceptional circumstances that affect the Company's results, or that derive from inappropriate conduct by the Executive Director. The clawback clauses shall be applicable for a period of two years from the date of payment of the variable remuneration. Among other circumstances, the variable remuneration may be cancelled and/or its return demanded in the following cases:

- If the Company's financial statements have to be restated for a reason other than the modification of the applicable accounting standards.
- If the Executive Director is sanctioned due to serious breach of the code of conduct and other applicable internal regulations.
- When any component of variable remuneration has been totally or partially settled and paid based on information which subsequently is clearly proven to be false or seriously inaccurate.
- Other circumstances not foreseen or assumed by the Company that have a material negative effect on the income statements for any of the years of application of the clawback clauses.
- When the Company's external auditor makes qualifications in the audit report that reduce the results taken into consideration to determine the amount of variable remuneration to be paid.

Minimum permanent shareholding requirement.

This requirement, to which the former Executive Directors were already committed, is formalised to reinforce the alignment of the Chief Executive Officer's interests with those of shareholders and the alignment of the Policy with corporate governance recommendations. The Chief Executive Officer is required to reach and maintain a certain number of shares in Enagás, S.A. The requirement amounts to 2 years' fixed remuneration. The deadline for meeting this requirement is five years from approval of this Remuneration Policy. For new appointments, the period shall run from the date of appointment. In order to achieve this target, the actions of non-vested incentives plan are not considered. The RC shall periodically review compliance with this requirement.

A.1.3 Amount and nature of the fixed components that are expected to accrue in the year to the directors in their capacity as such.

In the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years" modified at the 2022 GSM, the amount of the fixed components of the directors' remuneration during the three years that the policy is in force remains unchanged.

Individual remuneration of Directors in their capacity as such.-

The individual remuneration of Directors for 2023, as set out in the 2022-2024 Policy, based on the positions they hold and their attendance at meetings of the Board and its Committees is as follows: (i) a fixed annual amount of 100,000 euros for Board membership; (ii) an annual variable amount of up to 30,000 euros, depending on attendance to Board meetings; (iii) a fixed annual amount for membership in Board Committees of 25,000 euros; (iv) a variable annual amount of up to 5,000 euros, depending on attendance to Committee meetings; (v) a fixed annual amount of 15,000 euros for serving as Chairperson of each Committee; and (vi) a fixed annual amount of 15,000 euros for serving as Independent Leading Director.

The non-executive Chairman of the Board shall receive an additional fixed annual remuneration of 600,000 euros for discharging this duty. This additional remuneration is justified by the particular obligation that the exercise of the functions associated with the position of Chairman, as set out in the Corporate Enterprises Act and in particular in article 46 of the Articles of Association, entails in a group of the size and complexity of Enagás, together with the institutional representation associated with the position.

These amounts would be maintained throughout the term of this Remuneration Policy (2022-2024), despite the fact that they could be revised, in all cases, observing compliance with the maximum reference indicated above, based on the Group's results and in certain circumstances such as, but not limited to, material changes in the business, mandate or responsibilities and exceptional performance of the Company. In these circumstances, the Board, at the proposal of and after a reasoned report from the Remuneration Committee, may decide to apply variations limited to 10%. This would be detailed and explained in the relevant Annual Report on Directors' Remuneration.

Thus, the maximum amount of annual remuneration to be paid to all the Directors in their capacity as such for the year 2023 amounts to 3,200,000 euros, subject to review in the event that certain variations limited to 10% are applied on the terms set out in the Policy.

To determine this limit, the additional fixed remuneration of the non-executive Chairman, the maximum number of Directors determined by article 35 of the Articles of Association, which is sixteen, as well as the membership of all Directors (with the exception of the Chairman and the Executive Director) in a committee, have been taken into account. The number of ordinary meetings of the Board shall be eleven per year and there will be four meetings of each Committee.

A.1.4 The amount and type of the fixed components will accrue in the financial year for the performance of senior management functions by the executive directors.

The annual fixed remuneration of the Chief Executive Officer amounts to 1,000,000 euros.

A.1.5 The amount and type of any remuneration component in kind accrued during the year, including, but not limited to, the insurance premiums paid to the director.

In accordance with the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years" and the terms of the contracts approved by the Board, the Chief Executive Officer receives a fixed annual remuneration in kind for common items for this type of services and similar to those received by the entire Company' management team (vehicle, medical insurance, etc.). In addition, the Chief Executive Officer is an insured participant in a Pension Plan. It is a Mixed Plan with a defined contribution for the contingencies of retirement and permanent disability and with a defined benefit for death in active service of the participant, the contributions being a percentage of the participant's Fixed Remuneration.

The Chief Executive Officer received in 2022 (from February 21, the date of his appointment) the following amounts for the following items: benefits in kind amounting to 53 thousands of euros; life insurance premium amounting to 46 thousands of euros and contributions to the Directors' Pension Plan amounting to 191 thousands of euros.

In this way, the Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years does not provide for variations in the items that make up the annual fixed remuneration in kind for 2023 and any differences in their amount will be the result of the fact that the Chief Executive Officer was appointed on February 21, 2022, or the result of applying the price increases at all times and, where applicable, the valuation rules that apply to them.

A.1.6 Amount and type of the variable components, differentiating between those established in the short and long- term. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to set the variable remuneration in the current financial year, explanation of the extent to which the parameters relate to the performance of both the director and the entity and to its risk profile, and the methodology, necessary term and techniques provided for ascertaining the effective

degree of compliance with the parameters used in the design of the variable remuneration at the end of the financial year, explaining the criteria and factors it applies in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and consolidation of each component of variable remuneration was linked have been effectively met.

Indicate the range, in monetary terms, of the different variable components based on the degree of compliance with the established objectives and parameters and whether or not there is a maximum monetary amount in absolute terms.

The Executive Director is the only Director that receives variable remuneration.

Variable annual remuneration.-

In accordance with the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", the Chief Executive Officer has a recognised right to receive a variable annual bonus for meeting the targets set forth by the Board of Directors at the proposal of the RC for the corresponding year. The variable bonus cannot exceed 60% of the annual fixed monetary remuneration in any case.

At the beginning of each year, and contemplated in the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", the Board will approve the targets applicable to the Chief Executive Officer for these purposes. At year-end, the RC will appraise the extent to which the targets have been fulfilled and decide the variable annual remuneration for the Executive Director.

On February 20, 2023 the Board, at the proposal of the RC, established the targets applicable to the Chief Executive Officer for 2023, which are set out in Appendix II to this report and which, broadly speaking, refer to:

1. Improvement of the economic results of the Company in the form of an increase in net profit.
2. Consolidation of the Company's regulated revenue.
3. Consolidation of the Company's strategic plan, specifically as regards the development of international activity and the company's line of diversification.
4. Sustainability and energy transition
5. Drive the transformation that will enable the organisation's strategic challenges to be met.

Long-term variable remuneration (2022-2024 Long-Term Incentive).-

In accordance with the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", the Board, following a report from the RC, proposed a 2022- 2024 ILP for approval at the 2022 GSM that would also apply to the members of the Management Committee and the rest of the Company's management team, under the terms explained in section A.1.2 of this report.

The Chief Executive Officer is a beneficiary of the 2022-2024 ILP and is entitled to a number of equivalent shares up to 50% of their fixed annual remuneration for each of the three years included in the Plan, under the terms set out in the draft of the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years". An achievement scale is established for each goal with:

- A minimum achievement level, below which no remuneration is paid.
- A 100% achievement level, for which 100% of the initial target remuneration is paid.
- A maximum total incentive which cannot exceed 125% of the initial target Incentive.
- Intermediate levels are calculated using linear interpolation.

The Long-Term Incentive does not have a direct effect on the remuneration in 2022, 2023 and 2024, without prejudice to how the accounting is handled by the Company for the proportional part of the theoretical maximum of the same in each year.

The specific number of Enagás shares to be handed over on the Payment Dates, if the conditions established for this are met, will be established in accordance with the Level of Attainment of the following indicators during the target measurement period: (i) Total Shareholder Return (hereinafter, "TSR"). It will comprise two components: the absolute TSR and the relative TSR. The absolute TSR is measured as the acquisition of a target share price in 2024. The target price has been established by investing estimated share dividends and is based on profitability and market parameters. Relative TSR is measured in comparison with a group of 15 companies (Centrica, Enel, Engie, E.oN, Naturgy, Iberdrola, National Grid, Pennon Group, Ren, Red Eléctrica, RWE, Severn Trent, Snam, Terna and United Utilities). (ii) Funds from Operations. (iii) Dividends from international affiliates and other businesses (iv), Sustainability measured through metrics focused on (a) Decarbonisation and (b) Diversity and inclusion and (v) Digitalisation. Details of the specific indicators that measure these targets are included in Appendix 1.

The Long-Term Incentive will be settled in 2025 and the Chief Executive Officer will receive up to 50% of the incentive that corresponds to the degree of achievement of the targets over the multi-year period and the remaining 50% in 2026. He will receive all this Incentive in the form of shares, and will be obliged to hold the shares received in 2025 for two years, and those received in 2026 for one year. If the targets are not met at the minimum expected level, no incentive will be paid.

In 2023, in accordance with the "2019-2021 Remuneration Policy", the second payment of the 2019-2021 ILP will be settled, subject to the relevant approvals and authorisations, with the Chairman entitled to 25,061 shares corresponding to 50% incentive, based on the 82.2% achievement of the 2019-2021 ILP targets, reported in last year's Report. In addition, he will be entitled to receive, in the form of shares, the net dividends, if any, that he would have received between the First and Second Payment Dates if he had received all the shares on the First Payment Date. He will receive all this Incentive in the form of shares, and will be obliged to hold the shares received in 2022 for two years, and those received in 2023 for one year.

A.1.7 Main properties of long-term savings schemes. Among other information, the contingencies covered by the system will be indicated, whether it is by contribution or a defined benefit, the annual contribution that must be made to defined contribution schemes, the benefit to which beneficiaries are entitled in defined benefit schemes, the conditions of consolidation of the economic rights for directors and their compatibility with any type of payment or compensation for early termination or dismissal or arising from severance of the contractual relationship, in the terms provided, between the company and the director.

It should be indicated whether the accrual or consolidation of any of the long-term savings plans is linked to meeting certain objectives or parameters related to the director's short and long-term performance.

The Directors' Pension Plan, in which the Chief Executive Officer has been included, is a Mixed Plan with a defined contribution for the contingencies of retirement and permanent disability and with a defined benefit for death in active service of the Participant, the contributions being a percentage of the Participant's Fixed Remuneration. This Plan establishes that the Chief Executive Officer will not have economic rights if his termination results from a decision of the policyholder due to wilful or gross misconduct in the exercise of the functions of this role, that damages the interests of the policyholder. The insured party will nevertheless have economic rights if the termination takes place by decision of the policyholder for any reason unrelated to any serious or culpable breach of the duties of the Chief Executive Officer. The accrual or consolidation of rights is not linked to any type of achievement of targets or performance assessment.

A.1.8 Any type of payment or compensation for early termination or dismissal resulting from severance of the contractual relationship in the terms provided between the company and the director, whether at the behest of the company or the director, as well as any agreements entered into, such as exclusivity, post-contractual non-competition and seniority or loyalty arrangements, which give the director the right to any type of receipt.

Enagás is not required to pay out any compensation in the event of termination of the appointment as non-executive director. For the Chief Executive Officer, see section A.1.9 of this report.

A.1.9 Indicate the conditions to apply to the contracts of executive directors exercising senior management functions. Among them, disclose the duration, limits on the amount of termination payments, seniority requirements, notice periods, payments related to the duration of a notice period ("garden leave") and any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual arrangement between the company and the executive director. Include, inter alia, non-competition, exclusivity, seniority or loyalty and post-contractual non-competition agreements or arrangements, unless they have been explained in the previous section.

Main conditions of the Chief Executive Officer's contract.-

The relationship between Enagás and the Chief Executive Officer is governed by a "Contract for services associated with the position of Chief Executive Officer" approved by the Board of Directors with all the requirements set forth in Article 249.3 of the Corporate Enterprises Act. The contract is aimed at regulating the rights and obligations for the parties as a result of the position of Chief Executive Officer, which corresponds to Mr Arturo Gonzalo Aizpiri since his appointment by the Board on February 21, 2022. The contract stipulates the period during which the Chief Executive Officer performs his duties as such. The contract regulates the duties of the Chief Executive Officer and those of the Company. The sections above describe the corresponding remuneration in detail. The contract also regulates the circumstances for termination. In the event that the Company freely decides to terminate the contract for whatever reason, as long as this is not due to a breach or being guilty of any actions by the Chief Executive Officer or because the Company has failed to comply with its contractual obligations, the Chief Executive Officer will be entitled to an indemnity equivalent to two years' salary of his annual remuneration, understood as that held by the Chief Executive Officer at the time of the termination of employment plus the remuneration in kind and the last annual variable remuneration received.

The contract establishes an exclusivity arrangement for the Chief Executive Officer, through which he cannot provide services of any nature to third parties or participate in or form part of another company or legal entity without the Board's express authorisation. No economic compensation for the Chief Executive Officer is envisioned for this concept. The contract includes a non-competition arrangement after its termination, which expires two years afterwards.

As compensation for this non-competition agreement, the Company shall pay the Chief Executive Officer 80% of the fixed annual remuneration for each of the years contemplated by the agreement. Nonetheless, the resulting amount shall be subtracted from the amount in his favour in the Pension Plan established by the Company. The Chief Executive Officer's permanence and loyalty are incentivised through his participation in the aforementioned Pension Plan established by the Company.

A.1.10 The nature and estimated amount of any other supplementary remuneration accrued by the directors in the current year as payment for services rendered other than those integral to their role.

Enagás Directors are not expected to receive any remuneration for this item in the current financial year.

A.1.11 Other remuneration items such as those resulting, where applicable, from the company granting the director advances, loans and guarantees and other remunerations.

Enagás Directors are not expected to receive any remuneration for this item in the current financial year.

A.1.12 The nature and estimated amount of any other expected supplementary remuneration not included in the previous sections, whether paid by the entity or another group entity, accrued by the directors in the current year.

Enagás Directors are not expected to earn additional remuneration in the current financial year.

A.2. Explain any relevant change in the remuneration policy applicable in the current year derived from:

a) A new policy or change to the policy already approved by the Board.

b) Significant changes in the specific board resolutions for the current financial year in respect of the current remuneration policy compared to those of the previous year.

c) Proposals applicable to the current financial year that the board of directors would have agreed to submit to the general shareholders' meeting to which this annual report will be submitted.

The General Shareholders' Meeting held on May 27, 2021 approved the Director's Remuneration Policy for the 2022, 2023 and 2024 financial years as Item 10 of its Agenda, with a percentage of votes in favour of 83.283%.

The General Shareholders' Meeting held on March 31, 2022 approved the Director's Remuneration Policy for the 2022, 2023 and 2024 financial years, with a percentage of votes in favour of 82.69%. This amendment, which was approved by the 2022 GSM as item 8 on the agenda, was justified for the following reasons:

(i) At the General Shareholders' Meeting held on March 31, 2022, following the voluntary cessation of his executive duties by the Chairman, the shareholders approved his re-election as Other External Director and, as of that date, he became the non-executive Chairman of the Board of Directors. It was therefore necessary to modify the Policy, removing references to the Executive Chairman as an executive director of the Company, establishing his new remuneration conditions as a Non- Executive Chairman.

(ii) As a result of the decisions adopted by the Board of Directors of Enagás on February 21, 2022, the Chief Executive Officer was replaced, and it was therefore necessary to establish the remuneration conditions of the new Chief Executive Officer.

(iii) The maximum annual limit on the remuneration of directors in their capacity as such was modified.

(iv) A new target was included in the long-term variable remuneration described in the Policy.

The Company does not intend to modify the current Remuneration Policy in the current financial year.

A.3. Identify the direct link to the document that outlines the current remuneration policy of the company, which must be available on the company's website.

https://www.enagas.es/es/accionistas-inversores/gobierno-corporativo/remuneracion-consejeros/

A.4. Explain, in the light of the information provided in section B.4, how the shareholders' vote in the general meeting to which the annual remuneration report of the previous year was submitted for a vote, in an advisory capacity was taken into account.

In view of the vote taken at the previous GSM on the annual remuneration report, during the Corporate Governance and Sustainability Roadshows in January and February 2023, the communication of the main features of the remuneration policy in force for the 2022-2024 period has been reinforced, with emphasis on the following aspects: 1. The total remuneration limit for the whole period (and its more restrictive nature compared to the previous policy); 2. The comparison groups used for both information and benchmarking purposes (the same group as in the previous policy - Ibex 35 utility - is retained in this respect by Committee decision). 3. The annual limitations on salary revisions, which in each case must be submitted to the specific approval of the Remuneration Committee, 4. The main features of the long-term incentive (ILP) which is applicable for the same period as the remuneration policy (2022-2024) and which was also submitted for approval at the last GSM. Regarding this last point, the adjustments that have been made to the values of two of the ILP indicators (FFO & Dividends) were also described during these Roadshows. These adjustments resulted from the implementation of the new strategic plan and were approved by the Board of Directors. Details of these changes are also included in this Remuneration Report in Appendix I.

In addition, as described in the previous remuneration report, some of the improvements included in the current 2022-2024 remuneration policy are also the result of the analysis of the recommendations of investors and benchmark indices that are consulted on an annual basis. This is the case, for example, of the inclusion of a specific chapter dedicated to the shareholding requirements for Executive Directors. During this year's Roadshows, it has been explained how the incorporation of the new Chief Executive Officer during the last year complies with this specific requirement (for which a 5-year plan has been defined), as well as with the rest of the requirements defined in the 2022-2024 Remuneration Policy. It was also explained how the category change to non-executive Chairman was carried out in compliance with best corporate governance practices in the area of remuneration.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remunerations reflected in section C of this report. This information will include the role performed by the remuneration committee, the decisions taken by the board of directors and, where appropriate, the identity and role of the external advisors whose services have been used in the process of applying the remuneration policy in the year closed.

On February 21, 2022, the Board of Directors of the Company adopted the following resolutions, following a favourable report from the RC:

1. The removal of Mr Marcelino Oreja Arburúa as Chief Executive Officer of the Company.
2. Following the removal of Mr Marcelino Oreja Arburúa as a director of the Company, the appointment of Mr Arturo Gonzalo Aizpiri as Chief Executive Officer.
3. The termination of the Chairman's executive duties on March 31.
4. The proposal for amendment of the 2022-2024 Remuneration Policy for the purpose of determining and adapting the remuneration of the Chairman and Chief Executive Officer to the changes in the Company's executive functions as of March 31, 2022.

On October 24, 2022, the Board of Directors of the Company, following a favourable report from the RC, adapted the targets of the 2022-2024 ILP to adapt them to the 2022-2030 Strategic Plan. Subsequently, on December 19, 2022, the Board of Directors, following a favourable report from the RC, approved the Regulations of the 2022-2024 ILP applicable to the CEO and management team.

On February 20, 2023, the Board of Directors of the Company, following a favourable report from the RC, approved the degree of achievement of the Company's 2022 targets, which determines the amount of the CEO's variable remuneration. The CEO's variable remuneration is applicable from February 21, 2022, the date of his appointment. The degree of achievement of the targets is 86.38%, as can be seen in Appendix III of this report.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

N.A.

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

N.A.

B.2. Explain the different actions taken by the company with respect to the remuneration scheme and how they have contributed to reducing exposure to excessive risks and adjusting it to the company's long-term objectives, values or interests, including a reference to: measures in place to guarantee that the remuneration accrued takes account of the long-term results of the company and achieves an appropriate balance between the fixed and variable components of the remuneration; the measures adopted with respect to categories of personnel whose professional activities have a material effect on the entity's risk profile and what measures have been taken to avoid conflicts of interest, if any.

The 2022 General Shareholders' Meeting approved the Remuneration Policy for the 2022-2024 period. The Policy for the 2022-2024 period is in line with previous policies and therefore maintains the fundamental premises on which the previous policies approved for the 2016-2018 and 2019-2021 periods were based.

One of the premises of this Policy is the commitment made by the Board to shareholders at the Ordinary General shareholders' Meeting held in 2015 to introduce a Long-Term Incentive (ILP) in the remuneration structure of Executive Directors, which will also be applicable to the Company's management team, and which complies with recommendations 56 to 64 of the CNMV's Good Governance Code and with the most generally accepted criteria regarding these types of remuneration.

The Chief Executive Officer is a beneficiary of the 2022-2024 Long-Term Incentive Plan in the terms indicated in section A) of the Policy and which are reproduced herein as they affect him. It must be remembered that the Long-Term Incentive will not have a direct effect on the remuneration of the Chief Executive Officer in 2022, 2023 and 2024, without prejudice to how the accounting is handled by the Company for the proportional part of the theoretical maximum of the same in each year.

On October 24, 2022, the Board of Directors, at the proposal of the RC, agreed to adapt the targets of the 2022-2024 ILP to the commitments adopted by the Company in the 2022-2030 Strategic Plan.

In 2025, within 30 days following the approval of the 2024 Annual Accounts at the GSM, 50% of the ILP will be settled. The other 50% will be deferred to the year 2026, with the Chief Executive Officer thus receiving their corresponding Incentives in accordance with the Degree of Achievement of the multi-year targets foreseen. He will receive all this Incentive in the form of shares, and will be obliged to hold the shares received in 2025 for two (2) years, and those received in 2026 for one (1) year. In 2027, the Chief Executive Officer may freely dispose of the shares received.

The maximum total remuneration may not exceed 125% of the initial target remuneration. The annualised incentive under the 100% achievement level scenario would be up to 50% of the Chief Executive Officer's annual fixed remuneration in 2022, with a total of 96,970 shares allocated during that year.

Clawback clauses. If certain circumstances occur which show, at a later date, that targets have not in fact been met, then the Board may, at the proposal of the RC, claim back part or all of the Incentive paid. These clauses will apply to all Beneficiaries and will have an application period of two years starting from the date of each of the payment dates.

Specifically, and among other circumstances, the return of the Incentive delivered may be required in the following cases:

- If the Company's financial statements have to be restated for a reason other than the modification of the applicable accounting standards.
- Penalty to the Beneficiary for a serious breach of the code of conduct and other applicable internal regulations.
- When the Incentive has been totally or partially settled and paid based on information which is subsequently clearly proven to be false or seriously inaccurate.
- Other circumstances not foreseen or assumed by the Company that have a material negative effect on the income statements of any of the years of the clawback period.

Malus clauses. Malus clauses are included to allow for partial or total cancellation of deferred amounts pending payment. The deferral period will be one (1) year for 50% of the unpaid Incentive, with the causes of application being the same as those referred to in the previous section for the return clauses.

B.3. Explain how the remuneration accrued and consolidated over the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Disclose the relationship between remuneration obtained by directors and the company's profits or some other performance measures, short- and long-term, explaining, as appropriate, how changes in the company's performance may have influenced the variation in directors' remuneration, including accruals whose payment has been deferred and how they contribute to the short and long-term results of the company.

In accordance with the 2022-2024 Remuneration Policy applicable to financial year 2022 and amended by the 2022 General Shareholders' Meeting, the maximum amount of annual remuneration payable to all the Directors in their capacity as such for that year amounts to 3,200,000 euros.

In accordance with the information reported in section C.1 of this report, the remuneration amounts actually received by the Directors for this item in 2022 amount to 2,835 thousands of euros.

As regards the Chief Executive Officer, the 2022-2024 Remuneration Policy mentions the specific amounts accrued in the years in which the Policy is in force as monetary and in kind fixed remuneration, as well as the percentages of annual variable remuneration due to them and the parameters to set them, linked to financial, sustainability and development ratios of the Company's strategic plan. The variable bonus cannot exceed 60% of the annual fixed monetary remuneration in any case. The amount accrued for this concept in 2022 corresponds to the degree of achievement of the 2022 company's targets (86.38% approved by the Enagás Board of Directors at its meeting held on February 20, 2023). The Chief Executive Officer has accrued 51.83% of 60% of his annual fixed monetary remuneration in this respect, amounting to 416 thousands of euros since February 21, 2022, the date of his appointment.

The variable remuneration of the Chairman for the period from January 1 to March 31, the date on which he stepped down from his executive duties, as well as that of the former CEO (Mr Oreja), for the period from January 1 to February 21, were determined on the basis of the degree of achievement of the Company's 2021 targets, the latest available value approved by the Board of Directors.

Likewise, the 2022-2024 Remuneration Policy establishes that the Chief Executive Officer is also a beneficiary of the 2022-2024 ILP in the terms already indicated in section B.2 of this report, which aims to link long-term remuneration of the Chief Executive Officer and the management team with the performance of a set of parameters (dividend, sustainability, etc.) guaranteeing the long-term sustainable growth of the Company. Under the terms of the 2022-2024 Remuneration Policy, the Chief Executive Officer has been allocated a total of 96,970 shares. These rights do not entail the acquisition of shares for the time being, since the right to accrue the final incentive, which depends on the degree of achievement of the programme's targets will be generated within thirty (30) days following the approval of the 2024 annual accounts by the General Shareholders' Meeting to be held in 2025.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	121,234,870	100
	Number	**% of votes cast**
Votes against	7,245,613	6.24
Votes in favour	94,503,930	81.48
Blank ballots		0.00
Abstentions	14,245,526	12.28

Observations

B.5. Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year

Insofar as concerns the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years" approved in the 2022 General Shareholders' Meeting, the fixed remuneration amounts for the members of the Board of Directors for 2021 and 2022 shall be as follows:

Individual remuneration of Directors in their capacity as such.-

During 2022, the amounts corresponding to individual remuneration for 2021 were maintained. The allocation by item and the remuneration amount for each of them for each Director is as follows: (i) a fixed annual amount of 100,000 euros for Board membership; (ii) an annual variable amount of up to 30,000 euros, depending on attendance to Board meetings; (iii) a fixed annual amount for membership in Board Committees of 25,000 euros; (iv) a variable annual amount of up to 5,000 euros, depending on attendance to Committee meetings; (v) a fixed annual amount of 15,000 euros for serving as Chairperson of each Committee; (vi) a fixed annual amount of 15,000 euros for serving as Independent Leading Director.

For 2022, the modification of the 2022-2024 Remuneration Policy respected the amounts referred to in the previous paragraph with respect to 2021 and introduced a new concept of fixed annual remuneration of 600 thousands of euros per annum for the non-executive Chairman.

The application of these criteria results in the maximum amount of annual remuneration to be paid to all Directors in their capacity as such for 2021 amounted to 2,600 thousands of euros and, for 2022, to 3,200 thousands of euros.

The remuneration actually received by the Board Members for this item in 2021 amounted to 2,453 thousands of euros. In 2022, this amounted to 2,835 thousands of euros. This increase is due to the incorporation of an additional fixed annual remuneration for the non-executive Chairman, who ceased to hold executive office on March 31, 2022.

B.6. Explain how the salaries accrued and consolidated during the closed financial year were determined for each of the executive directors for the performance of management functions and how they varied with respect to the previous year.

The remuneration earned by the Chairman in 2022 was as approved in the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years". Until March 31, 2022 the Policy in its original version was applied and, from this date onwards, the same Policy as amended by the GSM held on March 31, 2022, applied.

As such, during 2022, the Chairman received a fixed remuneration of 700 thousands of euros (250 thousands of euros corresponding to his position as Executive Chairman until March 31 and 450 thousands of euros corresponding to his role as non-executive Chairman from March 31) and accrued variable remuneration of 146 thousands of euros and other remuneration in kind in the amount of 33 thousands of euros (the variations in remuneration in kind with respect to previous years are due exclusively to differences in the valuation of such remuneration, without having received remuneration in kind for new items) which correspond to the three months of 2022 in which he exercised executive functions; he also received remuneration for membership of the Board amounting to 130 thousands of euros, totalling 1,009 thousands of euros.

The remuneration accrued by the Chief Executive Officer in 2022 was as approved in the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years". From the date of his appointment on February 21 until March 31, 2022 the original version of this Policy applied and from this date onwards the same Policy as amended by the GSM held on March 31, 2022 applied.

During financial year 2022, the Chief Executive Officer accrued and received fixed remuneration of 804 thousands of euros and accrued variable remuneration of 416 thousands of euros. The annual variable remuneration (up to 60% of annual fixed remuneration) was approved by the Board of Directors at its meeting held on February 20, 2023, following a report by the RC, and is in proportion to the level of attainment of the 2022 company's targets reported in Appendix III of this report. Likewise, he accrued and received remuneration for membership of the Board in the amount of 112 thousands of euros, as well as other remuneration in kind in the amount of 53 thousands of euros (the variations in remuneration in kind with respect to previous years is exclusively due to valuation differences in the remuneration without receipt of remuneration in kind for new items), with an aggregate total of 1,385 thousands of euros.

Besides, in 2022, Mr Marcelino Oreja Arburúa (the Company's Chief Executive Officer until February 21, 2022) received 73 thousands of euros of fixed remuneration and accrued 43 thousands of euros of variable remuneration. Likewise he was paid 18 thousands of euros in attendance fees (fixed remuneration plus fee for attending Board meetings) and 5 thousands of euros of remuneration in kind, with an aggregate total of 139 thousands of euros.

During 2021, the Chairman (who performed executive duties) accrued and received a fixed remuneration of 1,000 thousands of euros and accrued variable remuneration in the amount of 584 thousands of euros. Similarly, he accrued and received remuneration for membership of the Board in the amount of 130 thousands of euros, as well as other remuneration in kind in the amount of 163 thousands of euros (the variations in remuneration in kind with respect to previous years is exclusively due to valuation differences in the remuneration without receipt of remuneration in kind for new items), with an aggregate total of 1,877 thousands of euros.

During 2021, Mr Marcelino Oreja Arburúa (Chief Executive Officer of the Company during 2021) accrued and received 500 thousands of euros of fixed remuneration and variable remuneration in the amount of 292 thousands of euros (in accordance with the degree of fulfilment of the Company's 2021 targets), which were approved by the Board; he also received attendance fees for attending Board of Directors in the amount of 130 thousands of euros (fixed remuneration plus fee for attending Board meetings), as well as other items of remuneration in kind amounting to 28 thousands of euros, with an aggregate total of 950 thousands of euros.

B.7. Explain the nature and main features of variable components of the remuneration schemes accrued and consolidated in the closed financial year.

In particular:

a) Identify each of the remuneration plans that have set the different variable remunerations accrued by each of the directors during the year, including information on their scope, their approval date, implementation date, conditions of consolidation (if any), accrual periods and validity, criteria used for the evaluation of performance and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time needed for suitable measurement of all the stipulated conditions and criteria. The criteria and factors it has applied in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and consolidation of each component of variable remuneration was linked have been effectively met must be explained in detail.

b) In the case of share option plans or other financial instruments, the general characteristics of each plan shall include information on the conditions both for acquiring unconditional ownership (consolidation), and for the exercise of such options or financial instruments, including the price and period in which they can be exercised.

c) Each of the directors, and their class (executive, external proprietary, external independent or other external directors) that are entitled to schemes or plans that include variable remuneration.

d) Disclose, where applicable, the periods of accrual or deferral of payment established and/or any holding or lock-up periods of the shares or other financial instruments.

Explain the short-term variable components of the remuneration schemes:

During 2022, the Chairman received variable remuneration for the three months (until March 31) in which he performed executive duties during the 2022 financial year. The former Chief Executive Officer (Mr Marcelino Oreja), for his part, received remuneration for this item until February 21, 2022.

The Chief Executive Officer is the only Director who receives variable remuneration.

Variable annual remuneration.-

In accordance with the 2022-2024 Remuneration Policy, the annual variable remuneration of the Chief Executive Officer involves receipt of a variable annual bonus for meeting the objectives set forth by the Board of Directors at the proposal of the RC for the corresponding financial year. The variable bonus cannot exceed 60% of the annual fixed monetary remuneration in any case.

At the beginning of each year, and contemplated in the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", the Board will approve the targets applicable to the Chief Executive Officer for these purposes. At year-end, the RC will appraise the extent to which the targets have been fulfilled and decide the variable annual remuneration for the Executive Director.

1. Improvement of the economic results of the Company in the form of an increase in net profit.
2. Consolidation of the Company's regulated revenue.
3. Consolidation of the Company's strategic plan, specifically as regards its international development through the consolidation of international assets.
4. Sustainability and decarbonisation.
5. Promote digitalisation, entrepreneurship and the rendering of services.

The amounts accrued by the Chief Executive Officer in 2022 since his appointment in this respect amount to 416 thousands of euros. For his part, the Chairman received 146 thousands of euros for the three months (until March 31) in which he performed executive duties during 2022. The former Chief Executive Officer (Mr Marcelino Oreja) received 43 thousands of euros for this item until February 21, 2022.

Explain the long-term variable components of the remuneration schemes:

The Chief Executive Officer is the only Director who receives variable remuneration. Long-term incentive (2022-2024 ILP).

The RC and the Board deemed it convenient to include an ILP as part of the Directors' Remuneration Policy for the 2022-2024 period. This also applies to the members of the Executive Committee and the rest of the Company's management team.

These are the objectives of the ILP:

- Boost the sustainable achievement of the targets set out in the Company's Strategic Plan.
- Provide the opportunity of sharing the creation of value by the participants.
- Enhance the sense of pertaining to the Company and a common destiny.
- Be competitive.
- Be aligned with the requirements of the institutional investors and proxy advisors and with the best Good Corporate Governance practices, particularly those based on the recommendations of the Code of Good Governance approved by the CNMV.

The Chief Executive Officer is a beneficiary of the 2022-2024 Long-Term Incentive Plan in the terms set forth in the "Directors' Remuneration Policy for the 2022, 2023 and 2024 financial years", which are understood. It must be remembered that the ILP will not have a direct effect on the remuneration in 2022, 2023 and 2024, without prejudice to how the accounting is handled by the company for the proportional part of the theoretical maximum of the same in each year. The ILP will be distributed in 2025 once the GSM approves the annual accounts for 2024 and the Chief Executive Officer will receive the incentive that corresponds to the degree of achievement of the objectives over the multi-year period. This incentive will be received, in full, in shares, with the obligation to hold them for two (2) years on the first Payment Date and for one (1) year on the second Payment Date.

B.8. Indicate whether there has been a reduction or claim for the return of certain variable components accrued when, in the first case, the payment of amounts not consolidated was deferred or, in the second case, was consolidated and paid, based on data which has subsequently proved to be manifestly inaccurate. Describe the amounts reduced or returned under the reduction (malus) or clawback clauses, why they have been enforced and the financial years to which they correspond.

No amount was reduced or reclaimed.

B.9. Explain the main characteristics of long-term savings schemes whose amount or annual equivalent cost is shown in the tables in Section C, including retirement and any other survival benefit, which are partially or totally funded by the company, whether gifted internally or externally, indicating the type of plan, whether it is contribution- based or defined benefit, the contingencies it covers, the conditions for consolidating economic rights for the directors and their compatibility with any type of compensation for early termination or severance of the contractual relationship between the company and the director.

The Directors' Pension Plan is a Mixed Plan with a defined contribution for the contingencies of retirement and permanent disability and with a defined benefit for death in active service of the Participant, the contributions being a percentage of the Participant's Fixed Remuneration. The accrual or consolidation of rights is not linked to any type of achievement of targets or performance assessment.

The Directors' Pension Plan, in which the Chief Executive Officer has been included, establishes that the Chief Executive Officer will not have economic rights if their termination results from a decision of the policyholder due to wilful or gross misconduct in the exercise of his functions of these roles that damages the interests of the policyholder. The insured party will nevertheless have economic rights if the termination takes place by decision of the policyholder for any reason unrelated to any serious or culpable breach of the Chief Executive Officer.

In 2022, the Company contributed 321 thousands of euros to the Chairman in this respect for the three months in which he held executive office. As a result of Mr Llardén's resignation from his executive duties, on March 31, 2022, the Company ceased to make contributions to the Directors' Pension Plan.

The Company contributed 191 thousands of euros to the Chief Executive Officer in this respect accrued since his appointment on February 21, 2022.

In addition, the Company contributed 24 thousands of euros for this item to Mr Marcelino Oreja Arburúa, accrued until his resignation as Chief Executive Officer on February 21, 2022.

B.10. Explain, where appropriate, compensation or any other type of payment derived from the early termination, whether decided by the company or the director, or cancellation of contract, in the terms provided therein, accrued and/or received by the directors during the year closed.

On February 21, 2022, the Board of Directors, following a report from the RC, dismissed Mr Marcelino Oreja Arburúa as Chief Executive Officer of the Company.

Mr Oreja' s contract stipulated that, in the event that the Company freely decides to terminate the contract for whatever reason, as long as this is not due to a breach or being guilty of any actions by the Chief Executive Officer or because the Company has failed to comply with its contractual obligations, the Chief Executive Officer will be entitled to an indemnity equivalent to two years' salary of his annual remuneration, understood as that held by the Chief Executive Officer at the time of the termination of employment plus the remuneration in kind and the last annual variable remuneration received.

The contract also included a non-competition arrangement after its termination, which expires two years afterwards. As compensation for this non-competition agreement, the Company pledged to pay the Chief Executive Officer 80% of the fixed annual remuneration for each of the years contemplated by the agreement. Nevertheless, the amount in his favour from the "Directors' Pension Plan" would be deducted from the resulting amount. The permanence and loyalty of the Chief Executive Officer were motivated by the participation in the "Directors' Pension Plan", described in Section B.9 of this report.

As a consequence of the foregoing, following the termination of the Contract by decision of the Company, Mr Marcelino Oreja Arburúa received compensation in the amount of one million six hundred and twenty-nine thousand nine hundred and thirty euros gross (€1,629,930 gross).

Since the existing amount in favour of Mr Oreja in the Directors' Pension Plan is greater than the result of multiplying 80% of the gross annual fixed remuneration at the date of termination of the contract by each of the two years of the term of the agreement, no amount was paid to Mr Oreja for compliance with the non-competition agreement provided for in the contract.

On March 31, 2022, the Executive Chairman stepped down from his executive duties and has since then been the non-executive Chairman of the Company. On the same day, Mr Llardén's commercial contract with the company was terminated, which did not result in any compensation in his favour.

B.11. Indicate whether there have been significant changes in the contracts of those with senior management functions as executive directors and, where appropriate, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

On February 21, 2022, the Company's contract with Mr Marcelino Oreja Arburúa, Chief Executive Officer of the Company until that date, was terminated. Under the terms of his contract, Mr Oreja received the compensation explained in section B. 10 of this report.

On February 21, 2022, the Company entered into an agreement with Mr Arturo Gonzalo Aizpiri in his capacity as Chief Executive Officer of the Company, which was amended on March 31, 2022 to adapt it to his status as the Company's chief executive officer in accordance with the modification of the 2022-2024 Remuneration Policy and with the Chairman stepping down from his executive functions. The main terms of the Chief Executive Officer's contract are described in section A.1.9 of this report.

On March 31, 2022, the Company's contract with Mr Antonio Llardén Carratalá, until that date Executive Chairman of the Company, was terminated. Since that date, the Chairman has assumed non-executive duties. The termination of this contract has not resulted in any compensation for the Chairman.

B.12. Explain any supplementary remuneration accrued by directors as compensation for services provided other than those inherent in their post.

The Enagás Directors did not receive any remuneration under this item.

B.13. Explain any remuneration derived from advances, loans or guarantees granted, along with the rate of interest, essential features and any amounts returned, as well as the obligations assumed on their behalf in the form of guarantees.

The Enagás Directors did not receive any remuneration under this item.

B.14. Detail the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the different salary components.

Chairman.-

In accordance with the 2022-2024 Remuneration Policy and with the terms of the contract approved by the Board, until March 31, 2022 (date in which his executive duties were terminated) the Chairman received an annual fixed remuneration in kind for items that are normal in these cases and similar to those of the entire management team of the Company (vehicle, medical insurance, etc., including the account deposits that correspond to personal income tax). Until March 31, 2022, the Executive Chairman was also an insured participant in the "Directors' Pension Plan", established by the company for its management team by means of a mixed group insurance policy for pension commitments, including benefits in the event of survival, death and disability, which the company has signed with an insurance firm.

In 2022, the Chairman received the following amounts for these items: payments in kind amounting to 33 thousands of euros (variations in remuneration in kind in relation to previous years are exclusively the result in differences in valuation of said remuneration, with no further remuneration in kind paid for other items, as well as to the applicable period). In addition, contributions were made to the Directors' Pension Plan amounting to 321 thousands of euros. Until the termination of his executive duties, the Executive Chairman was a member of the group insured by the civil liability policy that covers the contractual and non- contractual responsibilities that correspond to the activities undertaken in their posts.

The Company compensates the Non-Executive Chairman for the amounts incurred as travel, accommodation, board and other similar expenses as a result of carrying out the functions of the post, in accordance with the expense and travel policy prevailing at the Company at any given time.

Chief Executive Officer.-

In the terms of the contract approved by the Board, the Chief Executive Officer receives an annual fixed remuneration in kind for items that are normal in these cases and similar to those of the entire management team of the company (vehicle, medical insurance, etc., including the account deposits that correspond to personal income tax). In addition, the Chief Executive Officer is an insured participant in the "Pension Plan" through a mixed insurance contract that includes benefits in the event of survival, death and incapacity for work, which the Company has entered into with an insurance company.

The Chief Executive Officer received the following amounts for these items in 2022 (since his appointment on February 21, 2022): payments in kind amounting to 53 thousands of euros; a life insurance premium amounting to 46 thousands of euros and contributions to the Directors' Pension Plan amounting to 191 thousands of euros. The Chief Executive Officer forms part of the group insured by the civil liability policy that covers the contractual and non-contractual liabilities that correspond to the activities undertaken in their posts.

The Company will compensate the Chief Executive Officer for the amounts incurred as travel, accommodation, board and other similar expenses as a result of carrying out his functions, in accordance with the expense and travel policy prevailing at the Company at any given time.

In addition, Mr Marcelino Oreja Arburúa, Chief Executive Officer of the Company until February 21, 2022, received the following amounts in 2022 for these items: benefits in kind, amounting to 5 thousands of euros, and contributions to the Directors' Pension Plan, amounting to 24 thousands of euros. Until his termination, Mr Oreja was a member of the group insured by the civil liability policy that covers the contractual and non-contractual responsibilities that correspond to the activities undertaken in their posts.

B.15. Explain the remuneration accrued by the director by virtue of payments made by the listed company to another entity at which the director is employed where such payments are designed to remunerate the services provided by the director at the listed company.

Enagás Directors have not accrued any remuneration for this item.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

Enagás Directors have not accrued any remuneration for this item.

C. ITEMISED INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	2022 accrual period
MR ANTONIO LLARDÉN CARRATALÁ	Chairman Other External	From 01/01/2022 to 31/12/2022
MS ANA PALACIO VALLELERSUNDI	Independent Director	From 01/01/2022 to 31/12/2022
MR SANTIAGO FERRER COSTA	Proprietary Director	From 01/01/2022 to 31/12/2022
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Proprietary Director	From 01/01/2022 to 31/12/2022
MS EVA PATRICIA ÚRBEZ SANZ	Independent Director	From 01/01/2022 to 31/12/2022
MR JOSÉ BLANCO LÓPEZ	Independent Director	From 01/01/2022 to 31/12/2022
MR JOSÉ MONTILLA AGUILERA	Independent Director	From 01/01/2022 to 31/12/2022
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Independent Director	From 01/01/2022 to 31/12/2022
MS NATALIA FABRA PORTELA	Independent Director	From 01/01/2022 to 31/12/2022
MS MARÍA TERESA ARCOS SÁNCHEZ	Independent Director	From 01/01/2022 to 31/12/2022
MR ARTURO GONZALO AIZPIRI	Chief Executive Officer	From 21/02/2022 to 31/12/2022
MS MARÍA TERESA COSTA CAMPI	Other External Directors	From 22/03/2022 to 31/12/2022
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Independent Director	From 22/03/2022 to 31/12/2022
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Independent Director	From 22/03/2022 to 31/12/2022
MR DAVID SANDALOW	Independent Director	From 22/03/2022 to 31/12/2022
MR MARCELINO OREJA ARBURÚA	Chief Executive Officer	From 01/01/2022 to 21/02/2022
MR ANTONIO HERNÁNDEZ MANCHA	Independent Director	From 01/01/2022 to 22/03/2022
MS ISABEL TOCINO BISCAROLASAGA	Independent Director	From 01/01/2022 to 22/03/2022
MR GONZALO SOLANA GONZÁLEZ	Independent Director	From 01/01/2022 to 22/03/2022
MR IGNACIO GRANGEL VICENTE	Independent Director	From 01/01/2022 to 22/03/2022

C.1. Complete the following tables regarding the individual remuneration accrued by each director (including remuneration received for the discharge of executive duties) during the year.

a) Remuneration accrued at the reporting company:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2022	Total 2021
MR ANTONIO LLARDÉN CARRATALÁ	450	130		250	146				976	1,714
MS ANA PALACIO VALLELERSUNDI	115	30	45						190	190
MR SANTIAGO FERRER COSTA	100	35	25						160	160
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	100	35	25						160	160
MS EVA PATRICIA ÚRBEZ SANZ	100	35	25						160	160
MR JOSÉ BLANCO LÓPEZ	100	35	25						160	160
MR JOSÉ MONTILLA AGUILERA	100	35	40						175	166
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	100	35	25						160	160
MS NATALIA FABRA PORTELA	100	35	25						160	85
MS MARÍA TERESA ARCOS SÁNCHEZ	100	35	35						170	85
MR ARTURO GONZALO AIZPIRI	85	27		804	416				1,332	
MS MARÍA TERESA COSTA CAMPI	72	22	20						114	
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	72	22	19						113	
MR MANUEL GABRIEL GONZÁLEZ RAMOS	72	22	19						113	
MR DAVID SANDALOW	72	22	20						114	
MR MARCELINO OREJA ARBURÚA	15	3		73	43		1,630		1,764	922
MR ANTONIO HERNÁNDEZ MANCHA	27	8	9						44	160
MS ISABEL TOCINO BISCAROLASAGA	27	8	9						44	168
MR GONZALO SOLANA GONZÁLEZ	27	8	9						44	160
MR IGNACIO GRANGEL VICENTE	27	8	9						44	160

Observations

Long-term variable remuneration: as a result of the 2019-2021 Incentive settlement process, the Chairman and CEO received in cash the amount associated with the adjustments for the differences generated by the evolution of the market value of the shares during the settlement process.

ii) Table of movements in remuneration systems based on shares and gross profit of shares or consolidated financial instruments.

		Financial instruments at the beginning of 2022		Financial instruments granted during financial year 2022		Financial instruments consolidated during the financial year				Instruments maturing but not exercised	Financial instruments at the end of 2022	
Name	Name of the Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / consolidated shares	Price of the consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR ANTONIO LLARDÉN CARRATALÁ	2019-2021 Long-Term Incentive Plan	79,090	79,090	25,061	25,061	25,061	25,061	20.00	509		25,061	25,061
MS ANA PALACIO VALLELERSUNDI	Plan							0.00				
MR SANTIAGO FERRER COSTA	Plan							0.00				
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Plan							0.00				
MS EVA PATRICIA ÚRBEZ SANZ	Plan							0.00				
MR JOSÉ BLANCO LÓPEZ	Plan							0.00				
MR JOSÉ MONTILLA AGUILERA	Plan							0.00				
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Plan							0.00				
MS NATALIA FABRA PORTELA	Plan							0.00				
MS MARÍA TERESA ARCOS SÁNCHEZ	Plan							0.00				
MR ARTURO GONZALO AIZPIRI	2022-2024 Long-Term Incentive Plan	96,970	96,970					0.00				96,970
MS MARÍA TERESA COSTA CAMPI	Plan							0.00				
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Plan							0.00				
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Plan							0.00				
MR DAVID SANDALOW	Plan							0.00				
MR MARCELINO OREJA ARBURÚA	2019-2021 Long-Term Incentive Plan	39,545	39,545	25,061	25,061	25,061	25,061	20.00	509		25,061	25,061
MR ANTONIO HERNÁNDEZ MANCHA	Plan							0.00				

		Financial instruments at the beginning of 2022		Financial instruments granted during financial year 2022		Financial instruments consolidated during the financial year				Instruments maturing but not exercised	Financial instruments at the end of 2022	
Name	Name of the Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / consolidated shares	Price of the consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MS ISABEL TOCINO BISCAROLASAGA	Plan							0.00				
MR GONZALO SOLANA GONZÁLEZ	Plan							0.00				
MR IGNACIO GRANGEL VICENTE	Plan							0.00				

Observations

The Company's 2019-2021 Remuneration Policy determined that the executive directors of the Company were beneficiaries of the 2019-2021 ILP. On February 21, 2022, the Company determined that the degree of compliance with the plan targets amounted to 82.2%. The Chairman was allocated 25,061 shares in 2022, corresponding to 50% of the total number of shares to which he is entitled, and in 2023 he will receive the other 50%. In addition, he will be entitled to receive, in the form of shares, the net dividends, if any, that he would have received between the First and Second Payment Dates if he had received all the shares on the First Payment Date. For its part, in 2022, the Company granted Mr Oreja 25,061 shares corresponding to 100% of the shares corresponding to him under the aforementioned Plan as a result of his resignation as Chief Executive Officer. The shares granted under this plan cannot be sold until 2024. The Company has also implemented a 2022-2024 ILP of which the current Chief Executive Officer is a beneficiary and whose settlement will take place as of 2025, under the terms explained in this report.

iii) Long-term savings schemes.

Name	Remuneration through consolidation of rights to savings schemes
MR ANTONIO LLARDÉN CARRATALÁ	321
MS ANA PALACIO VALLELERSUNDI	
MR SANTIAGO FERRER COSTA	
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	
MS EVA PATRICIA ÚRBEZ SANZ	
MR JOSÉ BLANCO LÓPEZ	
MR JOSÉ MONTILLA AGUILERA	
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	
MS NATALIA FABRA PORTELA	
MS MARÍA TERESA ARCOS SÁNCHEZ	
MR ARTURO GONZALO AIZPIRI	191
MS MARÍA TERESA COSTA CAMPI	
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	
MR MANUEL GABRIEL GONZÁLEZ RAMOS	
MR DAVID SANDALOW	
MR MARCELINO OREJA ARBURÚA	24
MR ANTONIO HERNÁNDEZ MANCHA	
MS ISABEL TOCINO BISCAROLASAGA	
MR GONZALO SOLANA GONZÁLEZ	
MR IGNACIO GRANGEL VICENTE	

	Contribution by the company in the year (thousands of euros)				Cumulative amount of funds (thousands of euros)			
	Savings schemes with consolidated economic rights		Savings schemes with unconsolidated economic rights		Savings schemes with consolidated economic rights		Savings schemes with unconsolidated economic rights	
Name	2022	2021	2022	2021	2022	2021	2022	2021
MR ANTONIO LLARDÉN CARRATALÁ	321	210			3,618	3,502		
MS ANA PALACIO VALLELERSUNDI								
MR SANTIAGO FERRER COSTA								
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)								
MS EVA PATRICIA ÚRBEZ SANZ								
MR JOSÉ BLANCO LÓPEZ								
MR JOSÉ MONTILLA AGUILERA								
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO								
MS NATALIA FABRA PORTELA								
MS MARÍA TERESA ARCOS SÁNCHEZ								
MR ARTURO GONZALO AIZPIRI	191				170			
MS MARÍA TERESA COSTA CAMPI								
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO								
MR MANUEL GABRIEL GONZÁLEZ RAMOS								
MR DAVID SANDALOW								
MR MARCELINO OREJA ARBURÚA	24	159			1,003	920		
MR ANTONIO HERNÁNDEZ MANCHA								
MS ISABEL TOCINO BISCAROLASAGA								
MR GONZALO SOLANA GONZÁLEZ								
MR IGNACIO GRANGEL VICENTE								

Observations

The Pension Plan establishes that the Chief Executive Officer will not have economic rights if his termination results from a decision of the policyholder due to wilful or gross misconduct in the exercise of the functions of these roles, that damages the interests of the policyholder. The Chief Executive Officer will nevertheless have economic rights if the termination takes place by decision of the policyholder for any reason unrelated to any serious or culpable breach of the duties of the Chief Executive Officer. On the other hand, in 2022 Mr Llardén vested economic rights amounting to 3,618 thousands of euros, of which 3,543 thousands of euros correspond to the Directors' Pension Plan and 75 thousands of euros to the Enagás Employees' Pension Plan. In 2021, Mr Llardén vested economic rights in the amount of 3,502 thousands of euros of which 3,421 thousands of euros correspond to the Directors' Pension Plan and 81 thousands of euros to the Enagás Employees' Pension Plan.

In 2022, Mr Oreja vested economic rights in the amount of 1,003 thousands of euros, of which 995 thousands of euros correspond to the Directors' Pension Plan and 8 thousands of euros to the Enagás Employees' Pension Plan. In 2021, Mr Oreja vested economic rights amounting to 920 thousands of euros, of which 911 thousands of euros relate to the Directors' Pension Plan and 9 thousands of euros to the Enagás Employees' Pension Plan.

iv) Details of other items

Name	Category	Remuneration amount
MR ANTONIO LLARDÉN CARRATALÁ	Life insurance premium	
MS ANA PALACIO VALLELERSUNDI	Category	
MR SANTIAGO FERRER COSTA	Category	
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Category	
MS EVA PATRICIA ÚRBEZ SANZ	Category	
MR JOSÉ BLANCO LÓPEZ	Category	
MR JOSÉ MONTILLA AGUILERA	Category	
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Category	
MS NATALIA FABRA PORTELA	Category	
MS MARÍA TERESA ARCOS SÁNCHEZ	Category	
MR ARTURO GONZALO AIZPIRI	Category	
MR ARTURO GONZALO AIZPIRI	Life insurance premium	46
MS MARÍA TERESA COSTA CAMPI	Category	
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Category	
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Category	
MR DAVID SANDALOW	Category	
MR MARCELINO OREJA ARBURÚA	Category	
MR MARCELINO OREJA ARBURÚA	life insurance premium	
MR ANTONIO HERNÁNDEZ MANCHA	Category	
MS ISABEL TOCINO BISCAROLASAGA	Category	
MR GONZALO SOLANA GONZÁLEZ	Category	
MR IGNACIO GRANGEL VICENTE	Category	

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accrued in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2022	Total 2021
MR ANTONIO LLARDÉN CARRATALÁ										
MS ANA PALACIO VALLELERSUNDI										
MR SANTIAGO FERRER COSTA										
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)										
MS EVA PATRICIA ÚRBEZ SANZ										
MR JOSÉ BLANCO LÓPEZ										
MR JOSÉ MONTILLA AGUILERA										
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO										
MS NATALIA FABRA PORTELA										
MS MARÍA TERESA ARCOS SÁNCHEZ										
MR ARTURO GONZALO AIZPIRI										
MS MARÍA TERESA COSTA CAMPI										
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO										
MR MANUEL GABRIEL GONZÁLEZ RAMOS										
MR DAVID SANDALOW										
MR MARCELINO OREJA ARBURÚA										
MR ANTONIO HERNÁNDEZ MANCHA										
MS ISABEL TOCINO BISCAROLASAGA										
MR GONZALO SOLANA GONZÁLEZ										
MR IGNACIO GRANGEL VICENTE										

Observations

ii) Table of movements in remuneration systems based on shares and gross profit of shares or consolidated financial instruments.

		Financial instruments at the beginning of 2022		Financial instruments granted during financial year 2022		Financial instruments consolidated during the financial year				Instruments maturing but not exercised	Financial instruments at the end of 2022	
Name	Name of the Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / consolidated shares	Price of the consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR ANTONIO LLARDÉN CARRATALÁ	Plan							0.00				
MS ANA PALACIO VALLELERSUNDI	Plan							0.00				
MR SANTIAGO FERRER COSTA	Plan							0.00				
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Plan							0.00				
MS EVA PATRICIA ÚRBEZ SANZ	Plan							0.00				
MR JOSÉ BLANCO LÓPEZ	Plan							0.00				
MR JOSÉ MONTILLA AGUILERA	Plan							0.00				
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Plan							0.00				
MS NATALIA FABRA PORTELA	Plan							0.00				
MS MARÍA TERESA ARCOS SÁNCHEZ	Plan							0.00				
MR ARTURO GONZALO AIZPIRI	Plan							0.00				
MS MARÍA TERESA COSTA CAMPI	Plan							0.00				
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Plan							0.00				
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Plan							0.00				

		Financial instruments at the beginning of 2022		Financial instruments granted during financial year 2022		Financial instruments consolidated during the financial year				Instruments maturing but not exercised	Financial instruments at the end of 2022	
Name	Name of the Plan	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / consolidated shares	Price of the consolidated shares	Gross profit of consolidated shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
MR DAVID SANDALOW	Plan							0.00				
MR MARCELINO OREJA ARBURÚA	Plan							0.00				
MR ANTONIO HERNÁNDEZ MANCHA	Plan							0.00				
MS ISABEL TOCINO BISCAROLASAGA	Plan							0.00				
MR GONZALO SOLANA GONZÁLEZ	Plan							0.00				
MR IGNACIO GRANGEL VICENTE	Plan							0.00				

Observations

iii) Long-term savings schemes.

Name	Remuneration through consolidation of rights to savings schemes
MR ANTONIO LLARDÉN CARRATALÁ	
MS ANA PALACIO VALLELERSUNDI	
MR SANTIAGO FERRER COSTA	
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	
MS EVA PATRICIA ÚRBEZ SANZ	
MR JOSÉ BLANCO LÓPEZ	
MR JOSÉ MONTILLA AGUILERA	
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	
MS NATALIA FABRA PORTELA	
MS MARÍA TERESA ARCOS SÁNCHEZ	
MR ARTURO GONZALO AIZPIRI	
MS MARÍA TERESA COSTA CAMPI	
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	
MR MANUEL GABRIEL GONZÁLEZ RAMOS	
MR DAVID SANDALOW	
MR MARCELINO OREJA ARBURÚA	
MR ANTONIO HERNÁNDEZ MANCHA	
MS ISABEL TOCINO BISCAROLASAGA	
MR GONZALO SOLANA GONZÁLEZ	
MR IGNACIO GRANGEL VICENTE	

	Contribution by the company in the year (thousands of euros)				Cumulative amount of funds (thousands of euros)			
	Savings schemes with consolidated economic rights		Savings schemes with unconsolidated economic rights		Savings schemes with consolidated economic rights		Savings schemes with unconsolidated economic rights	
Nombre	2022	2021	2022	2021	2022	2021	2022	2021
MR ANTONIO LLARDÉN CARRATALÁ								
MS ANA PALACIO VALLELERSUNDI								
MR SANTIAGO FERRER COSTA								
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)								
MS EVA PATRICIA ÚRBEZ SANZ								
MR JOSÉ BLANCO LÓPEZ								
MR JOSÉ MONTILLA AGUILERA								
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO								
MS NATALIA FABRA PORTELA								
MS MARÍA TERESA ARCOS SÁNCHEZ								
MR ARTURO GONZALO AIZPIRI								
MS MARÍA TERESA COSTA CAMPI								
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO								
MR MANUEL GABRIEL GONZÁLEZ RAMOS								
MR DAVID SANDALOW								
MR MARCELINO OREJA ARBURÚA								
MR ANTONIO HERNÁNDEZ MANCHA								
MS ISABEL TOCINO BISCAROLASAGA								
MR GONZALO SOLANA GONZÁLEZ								
MR IGNACIO GRANGEL VICENTE								

Observations

iv) Details of other items

Nombre	Concepto	Importe retributivo
MR ANTONIO LLARDÉN CARRATALÁ	Category	
MS ANA PALACIO VALLELERSUNDI	Category	
MR SANTIAGO FERRER COSTA	Category	
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Category	
MS EVA PATRICIA ÚRBEZ SANZ	Category	
MR JOSÉ BLANCO LÓPEZ	Category	
MR JOSÉ MONTILLA AGUILERA	Category	
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Category	
MS NATALIA FABRA PORTELA	Category	
MS MARÍA TERESA ARCOS SÁNCHEZ	Category	
MR ARTURO GONZALO AIZPIRI	Category	
MS MARÍA TERESA COSTA CAMPI	Category	
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	Category	
MR MANUEL GABRIEL GONZÁLEZ RAMOS	Category	
MR DAVID SANDALOW	Category	
MR MARCELINO OREJA ARBURÚA	Category	
MR ANTONIO HERNÁNDEZ MANCHA	Category	
MS ISABEL TOCINO BISCAROLASAGA	Category	
MR GONZALO SOLANA GONZÁLEZ	Category	
MR IGNACIO GRANGEL VICENTE	Category	

a) Summary of remuneration (in thousands of euros):

Should include amounts for all remuneration components referred to in the present report accrued by the director, in thousands of euros.

	Remuneration accrued in the Company					Remuneration accrued in group companies					
Name	Total remuneration in cash	Gross profit of consolidated shares or financial instruments	Remuneration through savings schemes	Remuneration for other items	Total 2022 company	Total remuneration in cash	Gross profit of consolidated shares or financial instruments	Remuneration through savings schemes	Remuneration for other items	Total 2022 group	Total 2022 company + group
MR ANTONIO LLARDÉN CARRATALÁ	976	509	321	33	1,839						1,839
MS ANA PALACIO VALLELERSUNDI	190				190						190
MR SANTIAGO FERRER COSTA	160				160						160
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	160				160						160
MS EVA PATRICIA ÚRBEZ SANZ	160				160						160
MR JOSÉ BLANCO LÓPEZ	160				160						160
MR JOSÉ MONTILLA AGUILERA	175				175						175
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	160				160						160
MS NATALIA FABRA PORTELA	160				160						160
MS MARÍA TERESA ARCOS SÁNCHEZ	170				170						170
MR ARTURO GONZALO AIZPIRI	1,332		191	99	1,622						1,622
MS MARÍA TERESA COSTA CAMPI	114				114						114
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	113				113						113
MR MANUEL GABRIEL GONZÁLEZ RAMOS	113				113						113
MR DAVID SANDALOW	114				114						114
MR MARCELINO OREJA ARBURÚA	1,764	509	24	5	2,302						2,302
MR ANTONIO HERNÁNDEZ MANCHA	44				44						44
MS ISABEL TOCINO BISCAROLASAGA	44				44						44
MR GONZALO SOLANA GONZÁLEZ	44				44						44
MR IGNACIO GRANGEL VICENTE	44				44						44
TOTAL	6,197	1,018	536	137	7,888						7,888

Observations

The 33 thousands of euros of remuneration "for other items" received by Mr Antonio Llardén Carratalá correspond to remuneration in kind received during the first three months of 2022 during the performance of executive functions. In the case of Mr Arturo Gonzalo Aizpiri, of the 99 thousands of euros of remuneration "for other items", 53 thousands of euros correspond to remuneration in kind and 46 thousands of euros to the life insurance premium. In the case of Mr Marcelino Oreja Arburúa, of the 1,635 thousands of euros of remuneration "for other items", 1,630 thousands of euros correspond to severance pay and 5 thousands of euros to remuneration in kind.

C.2. Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation									
	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018
Executive directors									
MR ARTURO GONZALO AIZPIRI	1,622	-	0	-	0	-	0	-	0
MR MARCELINO OREJA ARBURÚA	2,302	107.39	1,110	1.46	1,094	-33.86	1,654	78.81	925
External directors									
MS ANA PALACIO VALLELERSUNDI	190	0.00	190	0.00	190	0.00	190	0.00	190
MS MARÍA TERESA ARCOS SÁNCHEZ	170	100.00	85	-	0	-	0	-	0
MR JOSÉ BLANCO LÓPEZ	160	0.00	160	131.88	69	-	0	-	0
MS NATALIA FABRA PORTELA	160	88.24	85	-	0	-	0	-	0
MR DAVID SANDALOW	114	-	0	-	0	-	0	-	0
MR MANUEL GABRIEL GONZÁLEZ RAMOS	113	-	0	-	0	-	0	-	0
MS CLARA BELÉN GARCÍA FERNÁNDEZ-MURO	113	-	0	-	0	-	0	-	0
MR JOSÉ MONTILLA AGUILERA	175	5.42	166	140.58	69	-	0	-	0
MS ISABEL TOCINO BISCAROLASAGA	44	-73.81	168	-4.00	175	0.00	175	1.74	172
MS MARÍA TERESA COSTA CAMPI	114	-	0	-	0	-	0	-	0
MR SANTIAGO FERRER COSTA	160	0.00	160	0.00	160	0.00	160	332.43	37
MR IGNACIO GRANGEL VICENTE	44	-72.50	160	0.00	160	0.00	160	37.93	116
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	160	0.00	160	131.88	69	-	0	-	0
MR GONZALO SOLANA GONZÁLEZ	44	-72.50	160	0.00	160	0.00	160	0.00	160
MS EVA PATRICIA ÚRBEZ SANZ	160	0.00	160	0.00	160	39.13	115	-	0
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	160	0.00	160	0.00	160	0.00	160	3.23	155
MR ANTONIO HERNÁNDEZ MANCHA	44	-72.50	160	0.00	160	0.00	160	1.91	157
MR ANTONIO LLARDÉN CARRATALÁ	1,839	-14.19	2,143	-2.06	2,188	-37.34	3,492	84.18	1,896
Consolidated results of the company									
	526,398	**5.29**	**499,957**	**-8.58**	**546,895**	**1.27**	**540,033**	**-7.91**	**586,435**
Average employee remuneration									
	75	**2.74**	**73**	**1.39**	**72**	**-6.49**	**77**	**13.24**	**68**

Observations

The remuneration accrued during 2019 for the Executive Directors is not comparable with the rest of the years, due to the accrual of the last long-term incentive (2016-2018) in that year.
The amount accrued in this area for Executive Directors: Executive Chairman 1,399 thousands of euros and Chief Executive Officer 557 thousands of euros, showing the following evolution of the total accrued and its variation during the last years (thousands of euros):
Executive Chairman (1,793, 1,896, 2,093, 2,188, 2,143) presenting a % annual change from 2017 of (5.74; 10.39; 4.55; -2.06).
Chief Executive Officer (818, 925, 1,097, 1,094, 1,110) presenting a % annual change from 2017 of (13.08; 18.59; -0.27; 1.46).

D. OTHER INFORMATION OF INTEREST

If any material aspect of directors' remuneration exists that has not been addressed in this report, which you feel is necessary to provide a fuller view of the company's director remuneration practices, please explain these details briefly.

The amounts referring to the variable remuneration of Executive Directors are reported in this report on an accrual basis so that the amounts are recognised in the year in which they are accrued and not in the year in which they are actually received.

This Annual Report on Directors' Remuneration was approved by the company's board of directors at its meeting held on:

20/02/2023

List whether any directors voted against or abstained from voting on the approval of this Report.

[√] Yes

[ ] No

Name or corporate name of board members who voted against or abstained from voting on the approval of this report	Reasons (voted against, abstention, non-attendance)	Explain the reasons
MR CRISTÓBAL JOSÉ GALLEGO CASTILLO	Abstention	Mr Cristóbal José Gallego Castillo abstained from voting on this report, stating that he has no experience in remuneration issues in the private sector.
MR SANTIAGO FERRER COSTA	Abstention	Mr Santiago Ferrer Costa, Proprietary Director at the proposal of the shareholder Sociedad Estatal de Participaciones Industriales (SEPI), abstained from voting on the current report, expressing that the SEPI Board of Directors must determine whether SEPI´s vote, as an Enagás, S.A. shareholder, matters on this and other proposals for discussion at the 2023 General Shareholders' Meeting.
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Abstention	Mr Bartolomé Lora Toro, representative, who is a natural person, of the legal person Sociedad Estatal de Participaciones Industriales (SEPI), abstained from voting on the current report, expressing that the SEPI Board of Directors must determine whether SEPI's vote, as an Enagás, S.A. shareholder, matters on this and other proposals for discussion at the 2023 General Shareholders' Meeting.

2022-2024 ILP Targets – Enagás S.A.

Targets	Long-term targets	Indicators	Target value (100%)	Supertarget value (125%)	Weight (*)
1. Shareholder remuneration	**Total shareholder return ("TSR")**	a) Relative TSR: Enagás position in the ranking of the Comparison Group b) Absolute TSR: share price target attainment in 2024	a) 4th (100%) b) 18.5 €/share	a) 1st - 2nd (125%) b) 19.1 €/share	25% (12.5%/ 12.5%)
2. Global Business	**Funds from Operations**	Accumulated results for the Company's Funds from Operations (FFO)	1,725 M€	1,810 M€	20%
3. International and Diversification	**Dividends**	Dividends from international affiliates and other businesses	380 M€	440 M€	20%
4. Sustainability	**a) Decarbonisation** **b) Diversity and inclusion**	**a) Decarbonisation:** a_1) **CO_2 emissions reduction** in line with the decarbonisation pathway (2024 emissions vs. 2021 emissions) a_2) **Investment in renewable gases:** Investment and studies associated with the adaptation of infrastructure to transmit renewable gases and the development of infrastructure dedicated to the transmission and storage of renewable gases **b) Diversity and inclusion:** b_1) Percentage of **women** on the **Board of Directors** b_2) Percentage of **women** in **managerial and pre-managerial positions** b_3) Percentage of **promotions** which involve **women** in managerial and pre-managerial positions	a_1) 13.5% vs. 2021 a_2) 53 M€ b_1) 40% b_2) 40% b_3) 50%	a_1) 18.4% vs. 2021 a_2) 73 M€ b_1) 43% b_2) 43% b_3) 55%	20% (6%-6%/ 2%-3%-3%)
5. Digitalisation	**a) Implementation of Digital Transformation Strategy and improvement of indicators** **b) Strengthen the positioning of Enagás' digital assets**	a) Development of priority initiatives from the **Roadmap of the 2022- 2024 Digital Transformation Framework** and improvement of the 2022-2024 Digital Transformation **indicators** b) Development and execution of the company's **Ddigital Asset Strategy** for the 2022-2024 period and improvement of indicators	a) 100% / 10% b) 100% / 10%	a) 100% + 25% non-priority / 15% b) 100% + 25% non-priority / 15%	15% (7.5%/ 7.5%)

(*) NB: Non-compliance with the absolute TSR target cannot be offset by over-compliance with the rest of the indicators above 100%, so that the maximum Final Incentive would go from 125% to 87.5% of the sum of the Performance Shares and Target Cash Incentive..

2023 Company Targets – Enagás S.A.

Targets	Annual targets	Indicators	Target value	Weight
C1: Economic Results	**a) Net profit**	a) Net profit at 31.12.2022 aligned with budget b) Net profit at 31.12.2022 considering potential extraordinary impacts	a) 321.6 M€ b) 321.6 M€	25%
C2: Regulated Revenues	**a) Regulated revenue from eligible COPEX projects**	a) Amount of capitalisation on eligible COPEX projects associated with their accrued start-up date b) Revenue foreseen in the annual budget	a) 35.87 M€ b) 22.96 M€	20%
C3: International and Diversification	**a) Management of Affiliates** (9%) **b) Business Development** (6%) **c) Innovation and corporate entrepreneurship** corporativo (2%) **d) Diversification** (3%)	a) Compliance with the subsidiaries' **yearly budgets** b_1) **Origination** and identification of **new business opportunities** in accordance with the Strategic Plan b_2) Compliance **international investment and development opportunities** according to the Strategic Plan c_1) Adaptation of the **portfolio** to the targets of the Strategic Plan c_2) Obtention of **public funding** to leverage new technologies and infrastructure use through adjacent business development d) Degree of achievement of the activities contributing to **diversification**	a) 90% b_1) 100% b_2) 100% c_1) 100% c_2) 100% d) 100%	20%
C4: Sustainability and Energy Transition	a) **Proposal for actions and investments to boost the Energy Transition framework** (14%) b) Promoting **Sustainability**, maintaining Enagás' position with **socially responsible investors** and making progress in **decarbonisation** of **operations** (5%) c) **Communication plan** with public opinion and investors with the company's story of growth strategy based on decarbonisation (renewable hydrogen) (1%)	a) Degree of implementation of planned actions and investments b_1) Positioning in the leading global sustainability index (DJSI) $b_{2.1}$) Total greenhouse gas emission reductions (Scopes 1 and 2) $b_{2.2}$) Methane emissions reduction c) Degree of compliance with the communication plan and effectiveness of communication actions	a) 100% b_1) Continued presence on the DJSI $b_{2.1}$) -8.9% vs 2022 (351,174 t CO_2e) $b_{2.2}$) -7.3% vs 2022 (2,238 t CH_4) c) 100% and effectiveness of actions (KPIs report)	20%
C5: Transformation	a) 2023 **Transformation** Plan (7.5%) b) Promoting **diversity** and **equality** of opportunities and people (3.75%) c) Promote the **digitalisation** in the face of new business challenges (3.75%)	a_1) Fulfilment of the lines established in the 2023 Plan a_2) Implementation of the Communication Plan b_1) % of women candidates on short-list of external processes b_2) Continued presence on benchmarks (Bloomberg Gender Equality Index) c) Compliance with established procedures	a_1) 100% a_2) 100% b_1) 50% b_2) Continued presence in the top 5 of Spanish companies' ranking c) 100%	15%

2022 Company Targets – Enagás S.A.

Targets	Annual targets	Indicators	Target value	Weight	Result	Percentage achieved
C1: Economic Results	a) **Net profit growth**	a) **Net profit at** December 31, 2022	a) 429.3 M€	25%	a) 375.8 M€	81%
C2: Regulated Revenues	a) **COPEX investments in infrastructure projects**	a) **COPEX investments made** in 2022 in infrastructure projects	a) 28.2 M€ (*)	20%	a) 25.5 M€	78%
C3: International	a) **Development of international activity**	a_1) Compliance with subsidiaries' **budgets** a_2) Subsidiaries' **business plan** fulfilment and growth promotion a_3) Strategic **market** monitoring and **stakeholder** management	a_1) 100% a_2) 100% a_3) 100%	20%	a_1) 97% a_2) 100% a_3) 100%	99%
C4: Sustainability and Decarbonisation	a) **Positioning** Enagás vis-à-vis **socially responsible investors** b) Advancing the **Ecological Transition**: Climate action c) **cGreen H2 and biomethane:** c_1) Promotion of identified projects c_2) Actions associated with projects related to mobility with renewable gases in the port and railway sectors d) **People and cultural transformation:** d_1) Diversity and equal opportunity d_2) Fostering people and cultural transformation e) **Consolidation of Enagás' positioning** as a **key player committed** to decarbonisation, the development of renewable gases and diversity and equal opportunity, through the media, digital assets and social networks, participation in forums and events, and internal communication	a) Continued presence in sustainability indices (DJSI) b_1) Greenhouse gas emissions reduction (Scopes 1 and 2) b_2) Methane emissions reduction: quantitative /qualitative c_1) Degree of compliance with identified projects c_2) Promotion and boosting of mobility projects d_1) Percentage of women in managerial and pre-managerial positions and degree of achievement regarding the associated action plan on diversity and equal opportunity d_2) Degree of compliance with the People and Resources Plan and the Agility and New Ways of Working Programme e_1) Degree of compliance with the action plan e_2) Improvement of positioning through indicators	a) Sustained presence on DJSI b_1) 253,559 t CO_2e b_2) 2,113 t CH_4 / 100% c_1) 100% c_2) 100% d_1) 35% / 100% d_2) 100% /100% e_1) 100% e_2) Average increase 10%	20%	a) Sustained presence on DJSI b_1) 385,410 t CO_2e / b_2) 2,413 t CH_4 / 100% c_1) 50% c_2) 88% d_1) 40% / 100% d_2) 92% /100% e_1) 100% e_2) 100%	82%
C5: Digitalisation and Diversification	a) **Promote digitalisation** b) **Corporate Innovation** c) **Rendering of services**	a_1) Strategic update on **Digital Transformation** and **Enagás Data Driven** a_2) Degree of compliance of the **Annual Digitalisation Initiatives Plan** and improvement of indicators b) Degree of compliance with the **Open Innovation and Corporate Entrepreneurship** strategic plan c) Development of other actions to contribute to **diversification**	a_1) Approval Committee / 100% a_2) 100% / 100% b) 100% c) 100%	15%	a) Approved / 100% b) 86% c) 100%	95%

Total attainment: 86.38%

(*) The base is modified in accordance with the justification approved by the Board, at the proposal of the Remuneration Committee, in the terms set out in the target.