

# With good energy

Sustainability  
Report **2023**



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# CEO's message

Welcome to our Sustainability Report 2023, a document that sets out our vision for a more sustainable future. Once again, we have demonstrated our commitment to people and planet, **consolidating our position as leaders in gas distribution and one of the main energy suppliers in Spain.**

2023 was a year of remarkable achievements. With more than **5.4 million supply points** and a network of **54,000 kilometres**, we demonstrated our ability to boost the economy and improve the quality of life of millions of people. Our **Sustainability Plan 2022-2025**, aligned with the UN Sustainable Development Goals, guides us towards decarbonisation, social justice and good governance.

It is worth noting that during this period we achieved an **annual** renewable gas injection capacity of **174 GWh**, enough to **supply more than 35,000 households**. This progress is a reflection of our dedication to innovative projects, such as the biomethane plant designed in collaboration with PreZero and Waga Energy and commissioned on 20 June 2023. The plant is the

first in Spain capable of producing 70 GWh of biomethane per year from the recovery of solid waste, avoiding the emission of more than 17,000 tonnes of CO<sub>2</sub>eq.

People are at the heart of Nedgia, which is why our commitment to diversity and equal opportunities has led to **31% of our management positions being occupied by women**. We also invested in the development of our team, providing more than **55,000 hours of training**. In terms of our commitment to customers, we are committed to continuous improvement in our service, proof of which is that this year we obtained a **satisfaction rating of 8.1/10**. We also strengthened our community relationships through more than **325 meetings with regional stakeholders**, building bridges that create shared value.

In terms of governance, we strengthened our structure to ensure that every decision is made with integrity, transparency and accountability.

Today we envision a future where renewable energy is accessible to all. Therefore, by 2025,



we aim to **increase our renewable gas injection capacity to 1,000 GWh/year**, making a decisive contribution to the energy transition in Spain.

Finally, I would like to take this opportunity to thank all of you who, with your support and collaboration, allow us to continue building a more sustainable energy future.

With good energy,



**Raúl Suárez**, Nedgia CEO



# Energy with a positive impact

## Main figures of the year

### Environment

**60,504** t CO<sub>2</sub> eq  
emissions in scope 1 and 2

**174** GWh/year  
renewable gas injection  
capacity

**5** initiatives with a  
positive impact on  
biodiversity

### Social

Team  
**874** employees  
**31%** of management positions occupied by women

Consumers and customers  
**8.1/10** overall satisfaction with the quality of service  
**24%** Net Promoter Score (NPS)

Suppliers  
**99%** purchase volume from local suppliers

### Governance

**5** meetings with  
shareholders on ESG issues

**22%** degree of  
digitalisation of operations

**3.34/5** cybersecurity  
maturity rating

## 2023 Milestones

**174 GWh**

Renewable gas injection capacity equivalent to the consumption of more than **35,000 households**.



Pioneering agreements with leading real estate companies to promote the use of **renewable gas in housing developments** in Spain.

Celebration of **Safety Day 2023**

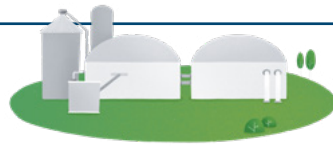
and the Employee Health and Safety Leadership Awards.



Connection of the gas distribution network to the **BioVO** biomethane plant in Granollers.



Nedgia is the **chair** of the European Association of Gas Distributors for Sustainability (**GD4S**).



Inauguration, together with PreZero and Waga Energy, of the **first biomethane production plant** using **waste** from a controlled landfill in Spain.

**55,062 hours of training** provided to staff.



Launch of **'Take the pulse'**, an initiative aimed at finding out about the working environment first hand.



**'Nedgia, What Else?'**

Small group dialogue sessions with the Management Committee.



More than **325 meetings** with **regional stakeholders**.



More than **300 requests** for grid connection from biomethane plant developers.



Launch of the new **Commercial Policy** aimed at installers to encourage new gas connections.



# Nedgia: with good energy

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## Main figures

<b>GAS</b>	<b>2023</b>	<b>2022</b>
Natural gas supply points (M)	5.4	5.4
Natural gas network (km)	54,290	54,196
Municipalities in Autonomous Regions	1,221	1,236
Market share in gas connections	70%	70%
Renewable gas injection capacity (GWh/year)	174	75
Vehicle energy (GWh/year)	164,062	169,940

**"We are leaders in the distribution of gas and the main energy supplier in Spain"**



# 1.1 A dynamic company

Nedgia is the Naturgy Group company specialising in the distribution of gas, which today provides energy to 70% of the supply points connected to the network, and also...

- ... operates in **10 autonomous communities** and more than **1,200 municipalities**,
- ... has more than **5.4 million supply points**,
- ... has a staff of **874 employees** located throughout the country.

In addition, the company's 54,000 kilometres of distribution network enable the supply of natural gas and renewable gas, such as biomethane and, in the future, green hydrogen, to be brought to consumers safely and efficiently.

The combination of all these factors makes Nedgia the leading energy carrier in Spain.

Nedgia is strongly committed to **sustainability** and the **energy transition**

The extensive **distribution network** is the equivalent of **1.5 trips around the world**

## The value of Nedgia

The great value of the organisation lies in the fact that it has a vocation for excellence-based service. Under this philosophy, Nedgia provides its services in three different areas:



Home



Industry



Business

Through its activity in Spain, Nedgia promotes economic and social stimulation, guaranteeing safe and quality access to energy for all its customers.



## 1.1.1 A story of growth and transformation

Although the Naturgy Group began its journey in the energy sector 180 years ago, activity dedicated to the distribution and expansion of natural gas in Spain began 54 years ago, in 1969. The name Nedgia was adopted in 2018 to continue this work.

Today, Nedgia's impact is reflected by both the volume of energy it distributes (148 TWh/year) and by its capacity to efficiently and effectively serve 5.4 million supply points throughout the country.

At this stage, Nedgia is committed to growth and transformation, aiming to guarantee the well-being of its customers by combining two core concepts: **innovation combined with experience** and the **solvency** that comes from **belonging to a group like Naturgy**.

### 180 years of experience

2023 was a special year for the **Naturgy Group**, as it celebrated **180 years** of activity **in the energy sector** as well as the **5th anniversary of the launch of Naturgy** (which took over from Gas Natural Fenosa) and **Nedgia**.

Innovation, digitalisation, simplicity and globality provide the building blocks for the company to continue its evolution and to be able to adapt to the most demanding global markets.

**1843**

The first gas company is founded with the City Council of Barcelona as the first customer

**1894**

Electricity comes on to the scene

**1958**

Start of industrial conversion

**1969**

Start of direct natural gas supply

**1996**

Start of international gas transport activities

**1991**

Creation of the gas sector in Spain

**1985**

Creation of a Memorandum of Understanding for the development of gas in Spain

**1998**

Liberalisation of the gas sector with the publication of the Hydrocarbons Law

**2004**

Inclusion of renewable energy into the energy mix

**2018**

The Naturgy and Nedgia brands are created

**2023**

Nedgia continues to work towards a more sustainable present and future

# 1.2 Business model

Nedgia is part of the gas value chain, focusing its activity on the development and management of gas distribution and transport infrastructures. As a regulated activity, its functions are described in Law 34/1998 on the Hydrocarbons Sector and in Royal Decree 1434/2002.

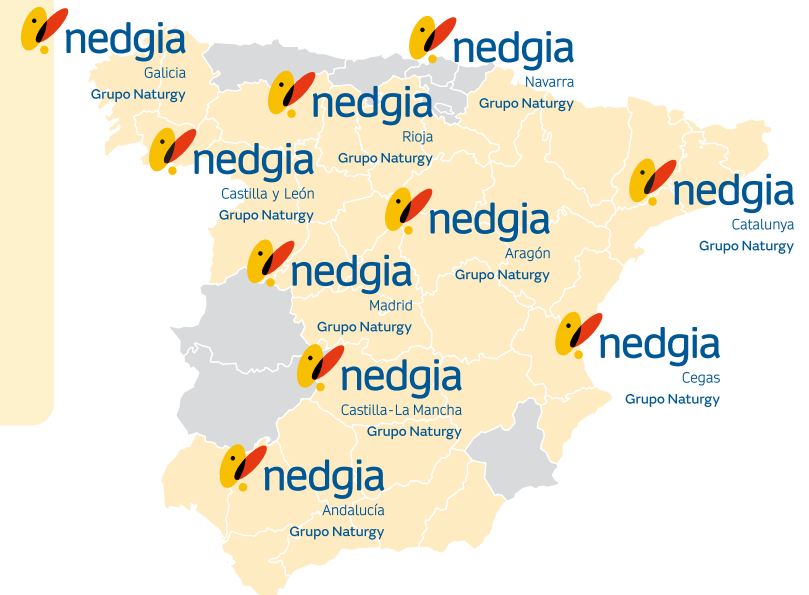
The company is present in **10 autonomous communities**, giving it great capillarity, and it extends **90% of the main homes in the territories where it operates**. This proximity to the end user translates into an unbeatable ability to provide a fast and efficient service, remaining attentive to their needs. In addition, the networks at its disposal allow for the distribution of large amounts of energy to where it is needed.

## Nedgia's share of gas supply


The process of getting gas to consumers is divided into three phases:

- Procurement and production management.
- Infrastructure development and management.
- Marketing in the wholesale and retail market.

Of the three, Nedgia is involved in the second phase of this chain, focusing on transport and distribution.



## 1.3 Guarantee and efficiency



Nedgia works every day to supply gas to homes, industries and businesses. Although it does not sell gas directly to consumers, it maintains a close relationship with them as it is responsible for the management and maintenance of the distribution networks.

Nedgia has  
**continuity  
of supply  
ratios** of  
more than  
**99.99%**

### Well-defined activity...

As a distribution company, the organisation's functions include:

- 1. Gas distribution:** through its infrastructure network, which includes gas pipelines, regulation stations and meters. The aim is to guarantee a safe and reliable supply of gas to end customers, ensuring compliance with applicable standards and regulations. Nedgia promotes the inclusion of renewable gases such as biomethane.
- 2. Network maintenance:** management, operation and management of its network of gas pipelines and regulating stations.
- 3. Expansion of the network:** this involves the planning and construction of new infrastructure, as well as obtaining the necessary permits and authorisations from the authorities.

### ... and committed to the consumer

Nedgia also promotes a direct relationship with the consumer, with responsibility for:

- **Commissioning** of individual gas installations, owned by consumers, connected to the distribution networks at the request of their marketer.
- **Bimonthly meter reading** for domestic consumers and small traders and monthly for industry and large customers.
- **Periodic inspection** of consumers' installations which are connected to its networks, carried out every five years for domestic customers.
- **Handling of emergency security alerts** related to the network.
- **Other operations:** checking the meter, closing the installation prior to refurbishment and cancelling the existing service connection, among others.

# 1.4 Sustainability the backbone of the company



Sustainability is at the heart of Nedgia's strategy to reduce its environmental impact and increase its involvement and commitment to its stakeholders and the energy transition.

In fact, sustainability has been a core part of the company since the very beginning. Thus, its **roadmap is based on:**

**Territorial approach,**  
active member of society.

Alignment with the **Sustainable Development Goals (SDGs)**.

**Tangible targets** to fulfil commitments.

At present, **sustainability within Nedgia** translates into:

## Nedgia today

Strong commitment to energy transition



**Environment (E):** decarbonisation of gas and commitment to renewable gases.



**Social (S):** fair transition, ensuring equal access to energy and strengthening stakeholder engagement.



**Governance (G):** rigour and transparency. Management mechanisms with all stakeholders.

### Sustainability Plan

#### Nedgia's Sustainability Plan 2022-2025

is defined and aligned with the Social Responsibility Policy and Environmental Policy of the Naturgy Group. This Plan seeks to improve the company's management and performance in relation to those Sustainable Development Goals (SDGs) to which it can contribute the most.

#### Sustainability in the Naturgy Group

- Aligned with the SDGs and the 2030 Agenda.
- The Naturgy Group is a member of the United Nations Global Compact Spain.
- The Sustainability Plan 2021-2025 has 6 axes, 21 lines of action and 79 indicators.

#### Nedgia's contribution

- As part of the Naturgy Group, Nedgia contributes directly or indirectly to all SDGs, with a special focus on SDGs 7, 9, 11 and 12.
- The Nedgia Sustainability Plan 2022-2025 has three axes, 13 lines of action and 17 key indicators.

## Nedgia's Sustainability Plan 2022-2025

	 <b>Environment (E)</b>	 <b>Social (S)</b>	 <b>Governance (G)</b>
<b>Lines of action</b>	<ul style="list-style-type: none"> <li>• Climate change and energy transition</li> <li>• Circular economy and eco-efficiency</li> <li>• Biodiversity and natural capital</li> </ul>	<ul style="list-style-type: none"> <li>• Customer experience</li> <li>• Digitalisation</li> <li>• Quality of service</li> <li>• Health and safety</li> <li>• Talent management</li> <li>• Diversity</li> <li>• Transformation and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting</li> <li>• Risk management</li> <li>• Compliance</li> </ul>
<b>SDGs</b>	     	     	    







## 1.4.1 SDGs: a real impact

As set out in its Sustainability Plan, Nedgia contributes to the Sustainable Development Goals (SDGs) established by the United Nations for the 2030 Agenda. These Goals are a roadmap for a more sustainable future for society and a **map for identifying how to deliver social, economic and environmental value.**

Nedgia's activities have a major impact on the achievement of **12 of the 17 SDGs:**




### Environment

<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p>Facilitates universal access to affordable, reliable, modern and clean energy by distributing natural gas and incorporating renewable gases such as biomethane.</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Commitment to resilient and inclusive infrastructure, promotion of sustainable industrialisation and innovation.</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Conducts activity with the aim of contributing to improving energy efficiency and air quality in cities.</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Contributes to securing all modes of production and promoting responsible consumption to ensure that future generations can maintain a similar lifestyle to that of today.</p>
<p><b>13</b> CLIMATE ACTION</p> 	<p>Aligned with the adoption of urgent measures to combat climate change and its effects.</p>
<p><b>15</b> LIFE ON LAND</p> 	<p>Nedgia is aware of the need to protect biodiversity and therefore acts to mitigate the potential impacts of its activities.</p>

 **Social**

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p>Naturgy Group's Strategy contributes to fostering a culture of health and safety throughout the organisation.</p>
<p><b>5</b> GENDER EQUALITY</p> 	<p>The more diverse the people in the teams, the better the performance and the more agile, flexible and innovative the company.</p>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Commitment to the territories in which it operates, creating value, business opportunities and local employment.</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Commitment to resilient and inclusive infrastructures, the promotion of sustainable industrialisation and innovation, contributing to social cohesion and equal opportunities.</p>
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p>The efficient distribution and security of gas supply over a large part of the national territory is essential for structuring the country, promoting social and economic development and mitigating social exclusion.</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Nedgia is aware of the need to protect biodiversity and therefore acts to mitigate the potential impacts of its activities. It seeks to promote cleaner and more environmentally friendly energy solutions.</p>

 **Governance**

<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Commitment to the territories in which it operates, creating value, business opportunities and local employment.</p>
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p>The efficient distribution and security of gas supply over a large part of the national territory is essential for structuring the country, promoting social and economic development and mitigating social exclusion.</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Working to contribute to the development of sustainable production and to promote responsible consumption of energy resources.</p>
<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>Aligned with the promotion of a peaceful society committed to the SDGs.</p>
<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 	<p>Promoting collaboration between different actors in society to carry out joint actions that contribute to achieving the SDGs.</p>

# 1.5 Attentive to stakeholders

From the very outset, Nedgia has stood out for its high commitment to the environment in which it operates, as well as for its strong roots and communication with its stakeholders. Thus, in line with the strategy developed by Naturgy, the company systematically incorporates the vision of stakeholders in its decision-making, through

the establishment of two-way relationship and dissemination channels. Building **relationships of trust based on transparency and the creation of shared value** is key to developing competitive advantages for the organisation and contributing to the development of the communities in which it operates.





## Relationship management

### GOVERNANCE

- Communications and Advocacy Directorate, reporting directly to the company's chief executive.
- The functioning of these liaison and disclosure channels and the results are regularly reported to the Board of Directors.
- Naturgy's Corporate Responsibility Policy, which establishes the common framework of action for the entire Group. The framework guides the socially responsible behaviour of the company, includes its commitments to its different cohorts and assumes the obligation to establish channels of dialogue.

### MANAGEMENT FRAMEWORK

## Communication channels

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

### SHAREHOLDERS AND INVESTORS

- Corporate **website** of Nedgia and also of the Naturgy Group, with the most important information and meetings with shareholders. Naturgy also has a shareholder service office.

### EMPLOYEES

- **Surveys** and commitment measurements.
- Information **meetings** and communications.

### SOCIETY

- **Participation in forums and debates** related to the energy sector.
- **Publications** on various subjects.
- **Awareness-raising campaign** on energy saving and gas promotion.

### CLIENTS AND RELATED GROUPS

- Quality **surveys** and reasons for dropping out.
- **Meetings and working groups** with associations.
- **Delivery** of informative content.

### SUPPLIERS

- **Audits, improvement plans and training** for supplier development.
- **Surveys, communications and contact channels.**

### AFFECTED COMMUNITIES

- **Actions to educate and raise awareness** among different audiences.
- **Training actions** to boost local employment.
- **Agreements and alliances** with various local collectives.

### Presence in associated enterprises

The enormous challenge of the energy transition cannot be tackled unilaterally. Involving other actors, such as business associations, is an important element in achieving the company's objectives. Under this premise, Nedgia, under Naturgy's guidelines, prioritises participation in initiatives that support the company's values and purpose in general, and that defend positions consistent with the Paris Agreement in particular.

In this regard, and in relation to gas sector associations, the company collaborates to promote the use of natural and renewable gas, contributing to the improvement of sustainability, promoting the development of the gas sector and disseminating its benefits, both nationally and internationally. Some of them are:

#### International



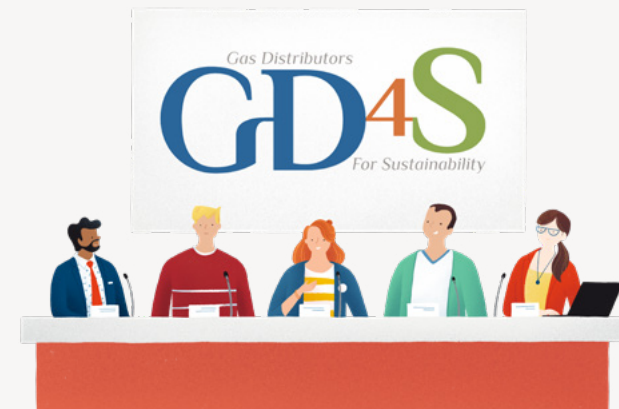
#### National



Working with industry associations enables the **exchange of knowledge**, the **implementation of best practices** and the **promotion of innovation**

### GD4S Chair

In 2023, Raúl Suárez, Nedgia's CEO, took over as chair of the European Association of Gas Distributors for Sustainability (GD4S), which represents the main gas distribution groups in France, Greece, Italy, Ireland, Spain, Portugal and Romania, with a total of 27.7 million customers in Europe.



# 1.6 Materiality

The materiality analysis combines the external view (which issues are considered relevant by the different stakeholders) and an internal view (which aspects are considered to be of most importance from the point of view of the company).

The entire organisation was involved in its preparation and it has been validated by the company's Management Committee, with a high degree of commitment. From this process, the following materiality matrix has been obtained:



# 1.7 Awards and recognition

During 2023, Nedgia once again offered a quality, approachable and innovative service. As a result of this effort, the company has been recognised with several awards endorsing its contribution to society:



Nedgia, winner of the 14th Edition of the Cegos con Equipos&Talento Awards for Best Practices, for its refocusing of the Visible Commitment to Health and Safety in the category 'Strategy and Transformation'.



PreZero Spain, Waga Energy Spain and Nedgia received the Neutral Transport Innovation Award for developing the largest biomethane injection project in the distribution network from waste from a controlled landfill site in Can Mata.



"For the past 18 years, I have been managing the taxes for the facilities, land and premises we own or lease. To do this I have to talk to the municipalities or county councils that issue the invoices and try to keep everything up to date. I also assist in the unit in logistics, purchasing and facilities, preparing reports every month that are needed by other colleagues and others that are needed for audits. The most positive aspect of all this is being able to carry out new tasks within the department that allow me to see the gas network throughout Spain and to see how necessary and important our business is".



**Ana Belén Blasco**

Logistics, Purchasing and Facilities

# Environmental impact

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## Main figures

	2023	2022
Carbon footprint (M t CO <sub>2</sub> eq)	35.9	37.8
Renewable gas injection capacity (GWh/year)	174	75
Initiatives to enhance biodiversity and natural capital	5	3



**"At Nedgia we have one goal: to promote a fair and inclusive energy transition, driving our environmental action around eco-efficiency"**



## 2.1 Responsible energy

Acting responsibly means working with the ambition of involving society in the commitment to a sustainable future and being a key player on the road to energy transition. Nedgia thus implements in its activity a comprehensive environmental management scheme which it also transfers to its teams.

With this target in mind, Nedgia's environmental strategy is based on Naturgy's Global Environmental

Policy and Corporate Responsibility Policy, which is oriented towards eco-efficiency, the rational use of natural and energy resources, minimising the impact on the environment, promoting innovation and the use of the best available technologies and processes.

To achieve these goals, Nedgia has its **Sustainability Plan 2022-2025**, which includes three lines of action associated with a series of key indicators that include:

Lines of action	Key Indicator	2022	2023	2024 Target	2025 Target
Climate change and energy transition	Scope 1 and 2 GHG emissions (t CO <sub>2</sub> eq)*	58,293	60,504	62,422	61,849
	Carbon footprint (t CO <sub>2</sub> e)	37,755,051	35,858,220	38,317,463	40,330,163
Circular economy and eco-efficiency	Renewable gas injection capacity (GWh/year)	75	174	233**	1,000
Biodiversity and natural capital	Initiatives to enhance biodiversity and natural capital	3	5	3	3

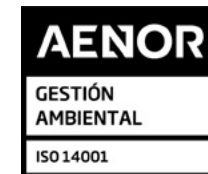
\* Due to the marginal impact, Scope 1 and 2 emissions are reported together. For the calculation of Scope 2 emissions, the IEA emissions factor is used from 2023 onwards, following the Naturgy Group guidelines for all BUs (The emissions factor in 2022 was from the CNMC).

\*\* 233 GWh/year of incremental gas injection capacity, totalling 407 GWh/year by 2024.

## 2.1.1. Firm commitments

Like all other companies, Nedgia faces the challenge of achieving decarbonisation of the economy by 2050. To drive this transformation, the company is committed to the following targets:

- **Reduce total emissions by Scope 1, 2 and 3**, setting intermediate targets aligned with the 1.5°C - 2°C reduction pathways of the Paris Agreement.  
**Drive decarbonisation** in line with fair transition principles and involve the supply chain, promoting actions that reduce the carbon footprint of partner companies.
- **Annually publish the carbon footprint** in all its scopes, verified by an independent third party, establishing systems for monitoring and reducing emissions.
- **Integrate the climate variable** into risk and opportunity management and strategic planning, in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).
- **Support international climate change negotiations** and market mechanisms that drive the development of the most appropriate technologies at each stage of the energy transition.
- Directly and through partnerships with other actors, promote **climate policies aligned with the Paris Agreement**, ensuring the permanence only of entities that meet this criterion and annually publishing the list of these entities



In order to ensure compliance with its commitments, the company has contracted AENOR to audit its Integrated Management System (IMS) for quality, environment, health and safety in 2023, certified in accordance with the requirements of the ISO 9001, ISO 14001 and ISO 45001 standards. From an environmental perspective, the IMS is certified in accordance with ISO 14001.



## 2.1.2. Risks and investments

The company has identified the **main environmental risks** to which it is exposed as an organisation, using the UNE 150008 standard as a basis:

- Damage to biodiversity.
- Environmental accidents.
- Impact of third party uses.

Nedgia also continuously monitors environmental regulations for advanced knowledge of the impact they have on its activity. This makes it easier to define their positioning and adapt to new requirements. This is monitored through consultation and public information processes, in the international, European and national contexts. In 2023, there were no significant environmental sanctions (over 10,000 euros).

### Investments

Environmental actions in the financial year 2023 totalled of twelve million euros. The main focus was on the replacement of plant components with others that use renewable energy (installation of solar panels), the transformation of coal and petroleum-based rooms into natural gas appliances, the repair of leaks and improvement of

networks to avoid greenhouse gas emissions, and the payment of environmental taxes.

Similarly, several initiatives have been carried out with the aim of increasing the use of renewable gas vehicles within the distribution networks, which will contribute to reducing CO<sub>2</sub> emissions.

**Nedgia promotes renewable gas vehicles within distribution networks to help reduce CO<sub>2</sub> emissions**



## 2.2 Climate change and energy transition

Climate change is one of the most important issues facing society today. Reducing greenhouse gas emissions into the atmosphere is therefore a challenge and an essential commitment for everyone, especially for companies in the energy sector.

Nedgia's strategy in this area includes the nature and people components, as they are complementary and mutually influential. Thus, the **lines of action, updated in 2023**, are as follows:

**Nature and people, two core components of Nedgia's strategy**

- Promote renewable energies and encourage their integration through the development of smart grids.
- Ensure security of supply in the energy transition to 100% renewable energy, using gas combined cycle power plants as back-up power. It is an eligible technology according to European taxonomy and with a reduced level of specificCO<sub>2</sub> emissions compared to conventional thermal generation.
- Develop renewable gases as a lever for the decarbonisation of natural gas and thus boosting the circular economy, through biomethane produced from organic waste and green hydrogen generated from surplus renewable electricity.
- Promote energy efficiency in own and customers' facilities.
- Promote sustainable mobility through CNG and NGV that reduces GHG emissions and atmospheric pollution, contributing to the improvement of air quality.

## 2.2.1 Risk management

Nedgia works to ensure that **significant risk factors are correctly identified, assessed and managed**. Identified emerging risks related to climate change include:

- Those arising from the energy transition (changes in regulation, market or technologies) and from the physical impacts of climate change (acute and chronic).

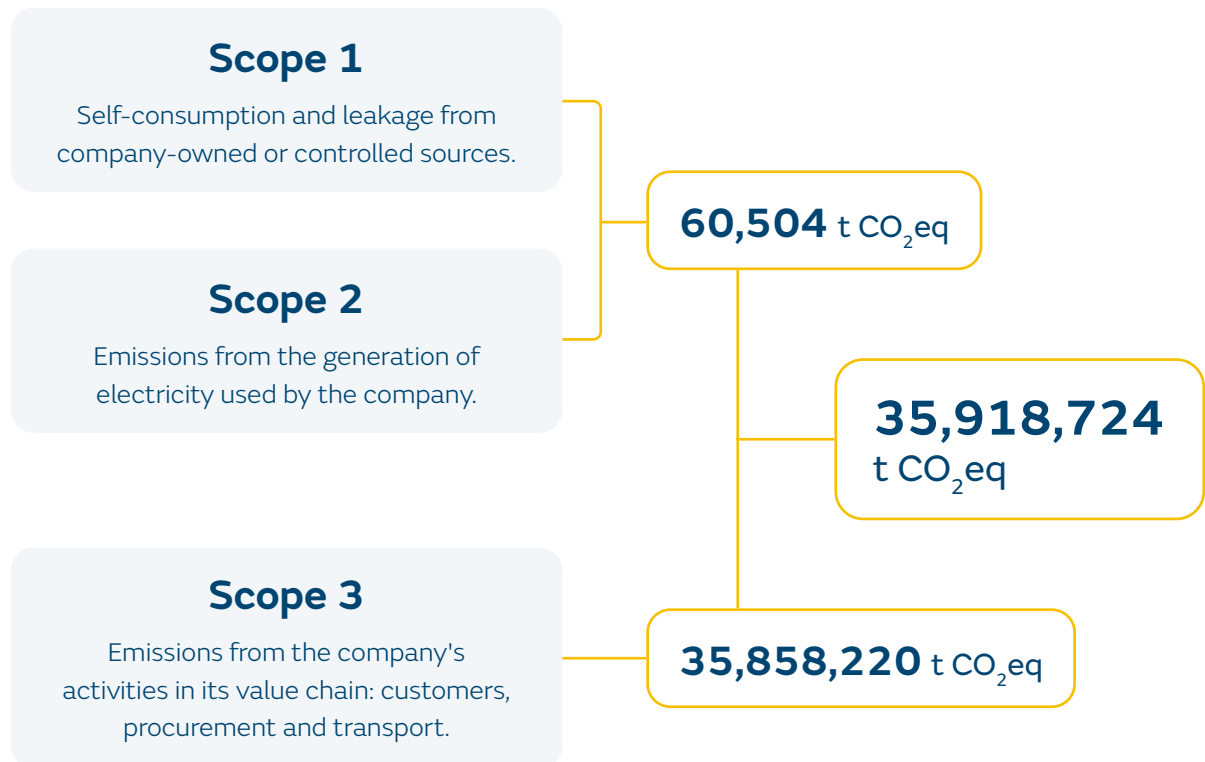
The identification, measurement and management of climate change risks and opportunities are carried out in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Climate change is a global environmental challenge in which **Nedgia plays a key role** for the energy transition

## 2.2.2 Carbon footprint

In the face of climate change, the company, following Naturgy's guidelines, seeks to become a **key player in the energy transition** towards a circular and decarbonised economy model, with the aim of achieving net zero greenhouse gas (GHG) emissions by 2050, in line with the Science Based Targets (SBT).



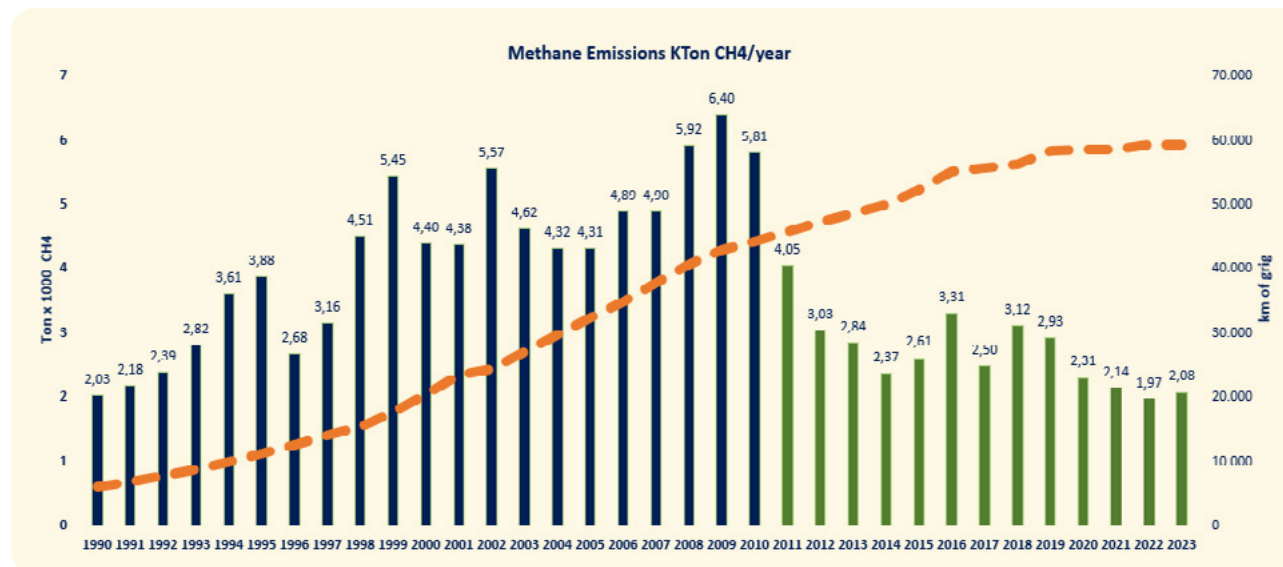
## Neutrality in direct GHG emissions

The organisation's goal for 2025 is to achieve direct emission neutrality by offsetting emissions that are a carryover from Scopes 1 and 2. Since 2009, as a result of network renewal policies carried out since the late 90s, there has been an exponential and sustained decline in methane emissions, bringing them to 1993 levels despite the fact that a network that is six times longer is now operating.

It is worth noting that Nedgia has a track record of direct emission reductions that places it as a leader in Europe and makes it possible to set a direct emission neutrality target of Scope 1 in 2025.

The initiatives launched to achieve such neutrality are:

- **Optimise leak detection campaigns** (LDAR Leak Detection and Repair) by implementing intelligent and predictive maintenance. A pilot study was carried out to test different technologies available on the market to optimise the emission quantification process. In this case, it was divided into two pilot studies with technologies adapted to each asset: underground assets and aerial assets. The first part was carried out with the driving of a vehicle adapted to the activity and the second part with QOGI Camera technologies.
- **Continue to replace obsolete materials** with sustainable materials within all infrastructure at territorial level.
- **Maintain improved response times** for urgent repairs to identified network leaks.
- **Infrastructure analysis** to implement best practices to drive sustainability consolidation in the maintenance plan.
- **Participation in international innovation projects and new methodologies** and leading the work with other European distributors.

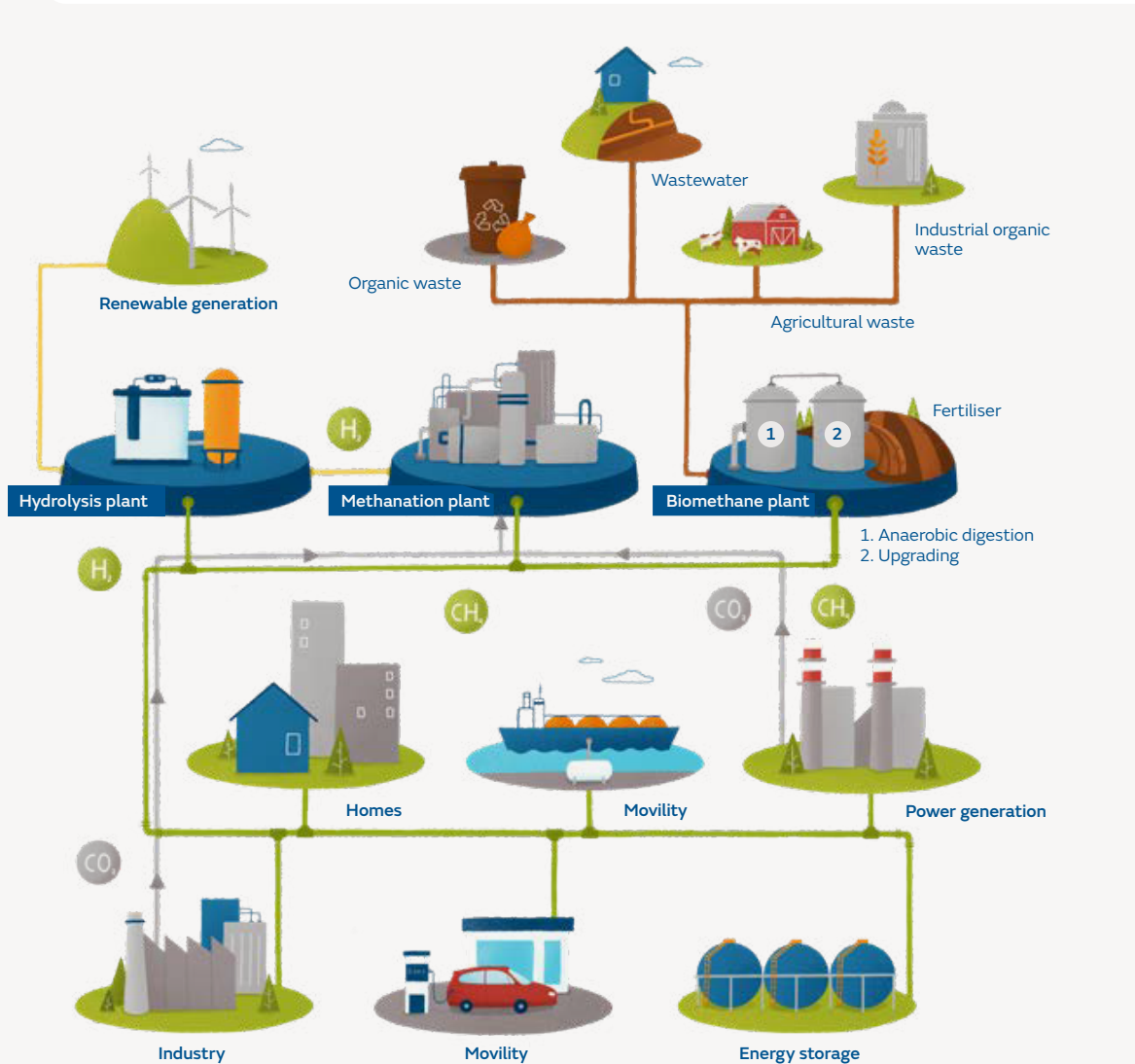


As a result of these efforts, in **2020 Nedgia entered OGMP**



**2.0**, the United Nations Environment Programme's flagship initiative for mitigating oil and gas emissions. OGMP 2.0 is the only comprehensive, measurement-based reporting framework for the oil and gas industry that improves the accuracy and transparency of methane emissions reporting. OGMP 2.0 has awarded Nedgia a Gold Standard rating again in 2023 for Nedgia's management of methane emissions.

## 2.3 Circular economy and eco-efficiency



Renewable gases play a crucial role in the decarbonisation of the economy, as they are gaseous fuels that are produced from renewable sources. Within the energy sector, biomethane, renewable hydrogen and synthetic gas are of particular note. One of the strategic lines of action of Nedgia and the Naturgy Group is to promote this type of fuel, with the aim of gradually replacing fossil gas, promoting a circular and decarbonised model, as they are neutral in greenhouse gas emissions.

**Accessible biomethane potential in Spain\***

**163 TWh/year**  
Equivalent to **40%** of annual demand.

**CO<sub>2</sub> emission abatement potential**

Above **50 M tCO<sub>2</sub>eq/year** assuming a carbon footprint abatement ratio of 0.31 M tCO<sub>2</sub>eq/TWh. This is equivalent to **23%** of the national 2030 target set in the National Integrated Energy and Climate Plan.

**Potential investment for plant development\***

**40,495 billion euros** for the whole country. Equivalent to **3.61%** of national GDP.

\* Source: 'Study of the biomethane production capacity in Spain' 2023, produced by the Spanish Gas Association, Sedigas, in collaboration with PwC and the specialised consultancy Biovic.

## 2.3.1 Nedgia's promotion of renewable gases

Nedgia is firmly committed to the energy transition and eco-efficiency. In this respect, in 2023, it **multiplied its capacity to transport renewable gas through its network**. The company already operates six injection modules located in Catalonia, Castile and Leon and Galicia, which allow 174 GWh of biomethane to be injected annually into its infrastructure, an amount equivalent to the annual consumption of more than 35,000 homes, thus reducing the emission of 32,000 tonnes of CO<sub>2</sub> into the atmosphere.

This strong growth will continue through 2024, as Nedgia has **290 project applications** in its pipeline that could inject a volume of renewable gas into its grid of more than 10.7 TWh, equivalent to the annual consumption of 4.3 million households. Of these projects, 18 are already at an advanced stage of development and will start distributing renewable gas to the grid in 2024 and 2025. These figures illustrate the great potential of this renewable energy in Spain.

The increased presence of renewable gas in Naturgy's network coincides with the development of new biomethane production projects, an energy derived from the treatment of waste from different sources that is key to achieving the

decarbonisation targets committed by Spain and the European Union. Through its network of more than 54,000 kilometres that **could bring renewable gas immediately to more than 5 million homes, Nedgia is playing a strategic role in driving the use of renewable gas.**

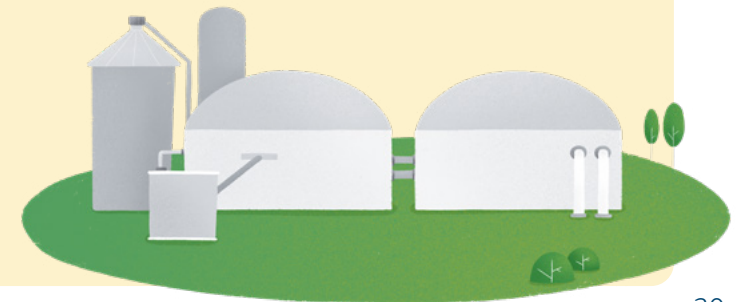
**Nedgia 2025 target:**  
achieve a renewable gas injection capacity of **1,000 GWh/year**

### Pioneering projects

PreZero, Waga Energy and Nedgia have launched the largest project to **inject biomethane into the distribution network from waste from a controlled deposit in Spain**. This facility, operational from June 2023, is located in Can Mata (Els Hostalets de Pierola, Barcelona) and thanks to WAGABOX® technology, developed by Waga Energy, 70 GWh of renewable gas will be injected annually into Nedgia's network (equivalent to the consumption of 14,000 homes), **thus avoiding the emission of 17,000 tonnes of CO<sub>2</sub> eq per year into the atmosphere.**

In addition, the **Biomethane Initiatives plant** in Toledo will inject 40 GWh of renewable gas through Nedgia, the equivalent of the consumption of 6,500 homes, which **will prevent the emission of 7,280 tonnes of CO<sub>2</sub> into the atmosphere per year**. The company has also started to inject renewable gas from the **BioVO project** in Granollers (Barcelona) into its grid.

These initiatives enable significant progress to be made in reducing greenhouse gas emissions, the penetration of renewable energy and the circular economy.



## Plants in operation

### Elena Landfill

Promoter Naturgy

Location: Cerdanyola del Vallés, Barcelona

- 15 GWh/year, enough to supply 3,000 households.
- Reduction of CO<sub>2</sub> emissions by 3,000 tonnes/year.
- Biomethane from landfill waste.

### Biogasnalía

Promoter UNUE

Location: Burgos

- 25 GWh/year, which implies the annual energy supply of 5,000 households.
- Reduction in emissions of 5,000 tonnes of CO<sub>2</sub>/year.
- Biomethane from industrial waste.

### Santamaria Tower

Developer Torre de Santamaría

Location: Vallfogona de Balaguer, Lleida

- 30 GWh/year of biomethane, enough to supply 6,000 households.
- Reduction of CO<sub>2</sub> emissions of 6,000 tonnes of CO<sub>2</sub>/year.
- Biomethane from organic livestock waste.

### EDAR Bens

Promoter Naturgy

Location: La Coruña

- 5 GWh/year of biomethane, enough to supply 1,000 households.
- It will avoid the emission of 1,000 tonnes of CO<sub>2</sub>/year.
- Biomethane from the Waste Water Treatment Plant.

### Can Mata

Promoter Naturgy

Location: Els Hostalets de Pierola, Barcelona

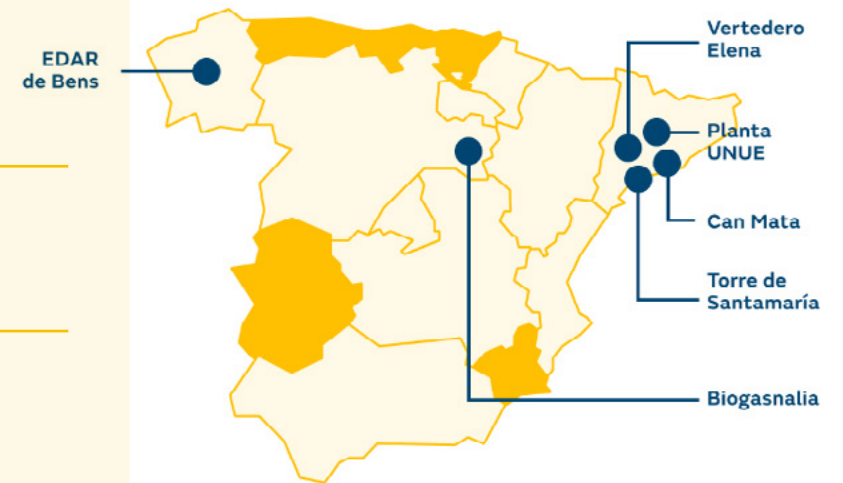
- It will produce 70 GWh/year of biomethane, equivalent to the annual consumption of 14,000 households.
- It will avoid the emission of 17,000 tonnes of CO<sub>2</sub>/year into the atmosphere.
- Biomethane from controlled landfill waste

### Granollers WWTP

Promoter Naturgy

Location: Granollers, Barcelona

- It will produce 27 GWh/year of biomethane, equivalent to the annual consumption of 4,800 households.
- It will avoid the emission of 9,700 tonnes of CO<sub>2</sub>/year into the atmosphere.
- Biomethane from the Waste Water Treatment Plant.



Commitment to the energy transition also involves raising awareness. That's why Nedgia has signed a **collaboration agreement with FEGECA**, the Association of Manufacturers of Heat Generators and Emitters, to promote dissemination activities on renewable gas, the promotion of efficient equipment and technical gas solutions. This alliance allows the promotion of innovative and efficient energy solutions, promoting the use of renewable gas and efficient equipment. To the same end, it has also reached an agreement with the **Madrid Group of Quantity Surveyors** to raise awareness in the building sector through technical seminars and training activities designed for its members.

## 2.4 Biodiversity and natural capital

Like the Naturgy Group, Nedgia integrates biodiversity with the axes of the energy transition towards decarbonisation: climate, nature and people. As these axes are complementary and mutually influential, this approach takes a holistic view, focusing on building natural capital and restoring ecosystems to maximise CO<sub>2</sub> capture and neutralise emissions, ensuring the protection of native fauna and flora and maximising benefits for local communities. Biodiversity is therefore integrated into strategic management as follows:

### Commitment and leadership

Target: to move towards no net loss of biodiversity by implementing best practices and promoting the creation of natural capital.

### Risks and opportunities

Assessment and management of impacts, dependencies, risks and opportunities related to nature in all its operations and activities.

### Preventive approach

In construction, operation and decommissioning, applying the mitigation hierarchy.

### Action in nature

GHG reduction, circular economy and biodiversity initiatives.

### Transparency and dialogue

With nature stakeholders.

### Monitoring and follow-up

By means of specialised, scorecard tools with targets and key indicators.



## Initiatives 2023

As part of its contribution to caring for the environment, the company set a target of at least three biodiversity-related initiatives by 2025. These are improvement initiatives that are developed throughout the life cycle of the installations (construction, operation, maintenance) in order to reduce and compensate for negative impacts on biodiversity.

In 2023, the **2025 target** was almost **doubled**, carrying out five actions related to biodiversity in which all Naturgy's businesses participated:

- **Reforestation of the 'Bosque Naturgy'** (more information in the section 'An involved team').
- **Restoration of the banks of the Jarama River.** Collaboration with the Natural Environment Service of the Toledo Provincial Delegation of Castilla-La Mancha to improve biodiversity through the recovery of the riverside woodland next to the Jarama River, in the municipality of Seseña.
- **Collaboration with GREFA** to carry out environmental awareness and training sessions for schools.
- **Restoration and adaptation of disused transformers** to provide breeding sites and refuge for different wild species in Navas de Riofrío (Segovia), Uña (Cuenca), and Murias de Pedrero (León).
- **Setting up of an emergency and recovery centre for injured animals** to provide the necessary first aid and ensure their survival, pending their transfer to the wildlife recovery centre.



## An involved team

The **Naturgy Foundation** carries out numerous initiatives to disseminate, train, provide information and raise awareness in society on environmental issues. For example, it collaborates with public administrations, universities, conservation associations, other companies in the sector and various entities in protection initiatives, as well as in the creation and dissemination of technical knowledge to improve the protection of biodiversity and the development of natural capital. It also organises environmental volunteering activities for the company's employees and their families, which encourage the development of individual attitudes and behaviours of respect and conservation of the natural environment.

In corporate environmental volunteering actions, **22 actions** were carried out **to care for the natural environment (five in Spain) in which Nedgia's staff volunteers also participated.** Volunteers planted trees and bushes to improve the selected habitats, removed invasive species, collected waste, built nesting boxes and learned how to nest birds, among other actions as part of the environmental volunteering activity for the year. In most of the activities, time is dedicated to training and raising awareness among volunteers on the themes worked on in each activity.

Likewise, in 2023, the reforestation initiative '**Bosque Naturgy**' was launched, the Group's first corporate forest, with the planting of five types of trees (cork oak, oak, chestnut, yew and holm oak) in an area of one hectare in the area of Cabañas, in A Coruña. The aim is to contribute to the creation of natural capital, generating indigenous ecosystems, in order to combat climate change. In addition, the foundation launched a second reforestation project, the 'Naturgy Foundation Forest'. The project has regenerated an seven-hectare area in the Community of Madrid which was affected by a forest fire in 2019 by planting 7,000 trees of different native species (Pinus pinaster, Quercus pyrenaica or Celtis australis). It is estimated that, after a development and maintenance period of 50 years, this corporate forest will contribute to the absorption of 2,220 tonnes of CO<sub>2</sub> equivalent and will enable carbon credits certified by the Climate Change Office to be obtained, while creating an area of biodiversity.

"We are driving the energy transition and decarbonisation and, to this end, we are working on our four strategic environmental axes: climate change and energy transition, circular economy and eco-efficiency, natural capital and biodiversity, and environmental governance and management.

Nedgia is continuously working on reducing methane emissions linked to third party damage to the grid or other defects. The actions we carry out are aimed at preventing such events through the monitoring, positioning and marking of pipelines on known construction sites. We also implement data-driven innovation. Through internal analysis, we assess the feasibility and emission reduction impact associated with different measures, as well as testing new emission detection and quantification technologies such as vehicle-based network tracking".



**Gerard Balleste**  
Gas Distribution

# Social impact

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## Main figures

Team	2023	2022
Employees	874	900
Women in managerial roles (%)	31	24
<b>Consumers and clients</b>		
Overall satisfaction with the quality of service (0-10)	8.1	8
Net Promoter Score (NPS) (%)	24	21



"We strive to pursue quality and innovation, always with a human touch"



# 3.1 The energy that moves people

People are undoubtedly a key factor in the sustainable development of both companies and society in general. Nedgia therefore puts its **team, customers and the communities in which it operates at the centre of its strategy**, taking them into account in its decision making.

**People are at the**  
at the heart of the  
company's strategy

Along these lines, Nedgia's Sustainability Plan 2022-2025 has well-defined lines of action, which include:

## Employees

Lines of action	Key Indicator	2022	2023	2024 Target	2025 Target
Health and safety	Frequency rate of accidents with sick leave*	0	0	>0.15	>0.12
	Severity rate of accidents with sick leave*	0	0	<6.15	<6.15
Talent management	Employee satisfaction. NPS (%)	27	35	40	>40
Diversity					
Transformation and innovation	Women in managerial roles(%)	24	31	35	>40

## Clients and consumers

Lines of action	Key Indicator	2022	2023	2024 Target	2025 Target
Customer experience	Overall satisfaction with the quality of service (0-10)	8	8.1	8.1	8.2
Digitalisation	Interaction with digital channels (%)	55	52	58	>60
Service Quality Management	Average response time priority 1 emergencies (minutes)	28	28	<30	<30
	NPS (%)	21	24	35	39

\*U.S. Occupational Safety and Health Administration (OSHA) criteria.

## 3.2 The best human team



Nedgia is aware of the value that people bring to companies. It therefore strives to provide its staff with a safe and comfortable workplace and to promote diversity, equality and inclusion. This philosophy is channelled through its **'360° Commitment'**, through which it evolves and transcends into the Group's culture and professional experience, where wellbeing and

sustainability are central concepts, leveraged by inclusive leadership, flexible models and environments for connecting talent and continuous learning, as promoters of motivation, recognition and transformation.

Vision/Strategic pillars  
2021-2025

- Growth
- Focus
- Best-in-class
- ESG
- Culture

Driving the  
**360° Commitment**  
of our teams



In this model, wellbeing is conceived as the framework and support for the strategy through a commitment to **safety, physical, mental and emotional health**, and the **deployment of training** in the areas of **wellbeing and the promotion of self-aware and healthy leadership**.

Through a **wide range of benefits and flexibility measures**, the company adapts to the diversity that exists in the organisation, facilitating work-life balance and encouraging professional development and balance. In this regard, the flexible remuneration model applied in Nedgia (and throughout the Naturgy group) stands out

as a benchmark in Spain, due to its scope and diversity of coverage.

Since the beginnings of the 360° Commitment strategy, diversity and inclusion have been strategic pillars for the company's transformation and sustainability schemes. In fact, the company wants to be recognised as a **diverse company in terms of gender, age and skills**, and for this purpose it has set medium and long-term targets that seek to accelerate, for example, the presence of women in managerial positions. In this respect, the Group is ahead of the energy sector average and aims

to have 40% of senior positions filled by female talent by 2025.

Furthermore, the professional experience is evolving through continuous listening and measurement, and by involving people in the improvement of initiatives and processes. A global model of *feedback* and measurement of satisfaction and commitment has been designed, integrating technology that provides online, global and segmented information on the perception of the different groups, in order to advance with greater assertiveness in the improvement and design of new experiences in the company.

## 3.2.1 Professional development and experience

Nedgia works for and with people. It therefore boosts the potential of its professional team and adapts the knowledge and the different profiles to the strategic targets of its activity.

### Promoting talent

The company seeks to attract and enhance the development of professionals. Key focus is placed on new generations, who bring flexibility, adaptability and innovation. As part of this commitment, Nedgia has various programmes

aimed at attracting young talent:

- **Flex Talent:** aimed at junior talent.
- **Lead Talent:** for young people with experience.
- **Internship:** traineeships.

On the other hand, the organisation also has programmes designed to identify capabilities, develop new skills and plan the succession of key roles within the company.



Nedgia's training plan focuses on retaining core knowledge, developing strengths, promoting transversality, polyvalence and creating new profiles. This plan focuses on technical knowledge and new technologies for sensorisation and technification of infrastructure data, improving management and services through data analysis. It promotes the growth of machine learning use cases and cybersecurity culture in the organisation.

### Training 2023

**55,062** hours

**733** courses delivered

**885** number of on-time participants

**24,319** number of repeat participants

**59%** NPS index

**8.71** (out of 10) degree of satisfaction

### Measurement for improvement

A culture of feedback is essential to reinforce employees' commitment. To this end, Nedgia implements the following models:

- **Measurement of employee satisfaction, engagement and well-being:** through the Happyforce app that ensures the anonymity of the responses.
- **360° Assessment Cycles:** a fundamental part of managing executive and managerial talent.
- **Nedgia... What else?** Around 200 people participated in online coffee breaks to exchange views directly with the Management Committee in informal meetings in small, diverse groups to discuss the business and staff concerns.
- **In-person interviews with employees** to assess the organisation both individually and collectively.
- **Ongoing communication and dialogue:** with workers' representatives.

In addition, various communication initiatives are implemented, both internally and externally, to give visibility and recognition to talent within the organisation (management team webinars, Open transformatiON, interviews, etc.).

### Take the Pulse

In 2023, the 'Take the pulse' tool was launched, aimed at finding out about the company's work climate first hand. This initiative, promoted by the People team, seeks to open up a space in which to gather *feedback* and concerns from the team. It should be noted that this is an entirely voluntary proposal.

In 2023, visits to the work centres and the first interviews began, with the Madrid and Barcelona System Operations team being the first to participate.





## 3.2.2 Equality and diversity

Like Naturgy, Nedgia considers it essential to promote diversity and equal opportunities among all employees who are part of the company. In this way, an **environment of respect, listening and permanent dialogue** is promoted in order to achieve the targets set in terms of gender and inclusion of people with disabilities.

The company's commitment is embodied in the global vision, in the sustainability and people strategy, as well as in the Corporate Responsibility Policy, the Code of Ethics, the Protocol for the Prevention of Harassment in the Workplace, and the Protocol for Sexual and Gender-based Harassment.

The signing of Naturgy's Equality Plan on 8 February 2023, which also includes Nedgia, identifies the company's strengths in this area and establishes a catalogue of specific measures and actions to maintain, correct and prevent deviations in gender equality.

**Nedgia Target 2025:** to have **40%** of managerial roles occupied by **women**



### Promoting female talent

While the advancement of women in the energy sector is gaining momentum, much remains to be done. Faced with this challenge, Nedgia has set itself the target of having 40% of managerial positions occupied by women in 2025. Thanks to the implementation of various programmes, the percentage currently sits at 31% in 2023, a figure confirming the company's steady progress towards its target.

Similarly, on International Women's Day, Nedgia presented the vision of women leaders in the company, showing how they contribute to moving towards a green economy. Through [seven videos published on LinkedIn](#), this initiative sought to give visibility to key women who lead and implement impactful projects on ESG issues.

Likewise, in 2023, the Talent Management area has carried out actions such as:

- **Succession plan:** a pool of three candidates is guaranteed to take over the position of the incumbent director, guaranteeing at least one woman per shortlist. The total number of female successors is 46 (43%) out of a total of 107.
- **Development plans** aimed at giving visibility to female talent.
- **Internal Talent:** technical talent 15 women (65%) with potential for development in the internal pool.
- **Participation in events to attract female talent:** WiDS (Women in Data Science), Sondersland and job fairs at universities.
- **Internship programme:** out of a total of 27 students, 15 were women with STEM profiles (56%) compared to 12 men (44%).

### 3.2.3 Together with external partners

The company has a large group of external collaborating companies to which it applies the same health and safety policies as for the rest of the staff. In this way, it promotes quality work in the various regions in which it operates.

### 3.2.4 Health and safety

The company is firmly committed to the health and safety of its people, in line with Naturgy's strategy in this area. It adopts its own Global Health and Safety Policy and implements its Occupational Health and Safety Management System (OHSMS), audited and certified in accordance with the ISO 45001 standard. This commitment is based on five principles that govern all its activity:

Thanks to the Group's Global Health and Safety Policy and Occupational Health and Safety Management System, at Nedgia there have been **zero serious or fatal accidents**



**1. Nothing is more important than health and safety**

... not production, nor sales, nor profits.

**2. Every accident can be avoided**

... there are no unavoidable accidents.

**3. Safety is a responsibility of Management**

... and, as such, it must be managed.

**4. Safety is an individual responsibility**

... and a condition of employment and recruitment for collaborating companies.

**5. All jobs must be planned and completed with safety in mind**

... ours, that of our employees, collaborating companies, visitors, customers and the community.

It should be noted that the company's Health and Safety policies apply to both in-house employees and external professionals.

### Serious Injuries and Fatalities Precursor Project

Nedgia has the Serious Injuries and Fatalities Precursor Project (SIFP), which, with an innovative approach, focuses on analysing the factors prior to fatal accidents for both in-house personnel and company contractors. It aims to detect and prevent risks that can lead to serious and fatal injuries in a comprehensive and proactive manner. To achieve this, a comprehensive programme for collaborating companies has been implemented, as well as a training programme to raise personnel awareness of the importance of the SIFP.

Actions to promote a culture of prevention include:

- **Risk prevention:** the company seeks to avoid the risks of the most serious incidents through a differentiated approach, identifying those that have the potential to cause serious or fatal injuries, even if they only result in minor injuries or consequences.
- **Reassessment of the safety management system:** situations with a high potential for seriousness are anticipated by investigating the root causes of all factors involved and establishing effective action plans.
- **Fostering a culture of safety:** a shared culture and awareness of the most important risks among all Nedgia employees is encouraged, improving risk perception through awareness of situations with the greatest potential for severity and the different safety measures to be taken.

### Recognition of commitment to safety

The company won an award at the 14th Edition of the **Cegos con Equipos&Talento Awards for Best Practices**, in the 'Strategy and Transformation' category, where Naturgy's **'Visible Commitment to Health and Safety Plan'** was recognised, and which has been reinforced in Nedgia by prioritising the management of Serious Injuries and Fatalities Precursor Project



### Safety Day

In order to promote the prevention of accidents and occupational diseases, Nedgia celebrates its annual Safety Day, a day on which various actions are organised to promote a culture of safety. In 2023, activities were launched such as the 'Rosco Pasapalabra de la Seguridad', and a series of videos on how to act in emergency situations based on the experience of different professionals. Likewise, David Talavera, Health and Safety at Work colleague, received recognition for his visible commitment to Naturgy's Health and Safety.

Xavier Claret was the winner of the 2nd Nedgia Health and Safety Leadership Award.

## 3.3 Customers satisfied with good service



Customer experience is strategic to Nedgia's business. The company strives to ensure that the service provided is fast and efficient and complies with legal requirements. To this end, it establishes **continuous and fluid communication with its customers** to find out their needs and expectations, and to deal with their complaints and requests.

Through **digitalisation**, Nedgia implements mechanisms to continuously improve the customer experience, offering multi-channel customer care updated with the latest technological innovations.

**Nedgia 2025 Target:** to achieve a score of **8.2** in terms of **overall satisfaction** with the quality of service. In **2023** a score of **8.1** was achieved



## 3.3.1 Customer service model

### Process automation

Ease and simplicity in management, looking for improvements and solutions

### Digitalisation

Encouraging the use of digital communications that have less impact on the environment

### Promoting self-management

Development and improvement of digital tools to facilitate immediate responses and resolve customer needs in a streamlined manner

### Standardisation of customer service across all channels

To offer a unique omni-channel experience

### Actions to optimise the customer experience

- **Implementation of the cross-cutting Customer Experience project:** this involves all areas of the business to create synergies in customer service, supported by digitalisation and process transformation.
- **Redefined complaint tracking model:** ensures a reduction in resolution times and provides a full picture of end-to-end management.
- **Process automation:** improves management and facilitates the search for simpler solutions.
- **Digitalisation project of the Regular Inspection process:** focused on improving customer self-management and extending opening hours.
- **Promotion of customer self-management:** develop and optimise digital tools that enable fast, two-way responses.
- **Promotion of digital communications:** this impacts positively on the environment.
- **Awareness-raising plan for phone support:** this includes adapting vocabulary and the customer service model according to the customer's circumstances.
- **Increased autonomy of the complaints management team:** avoids referrals to third parties and speeds up response times.
- **Review of the management model:** aiming for first contact complaint resolution, resulting in an optimal customer experience.



## 3.3.2 Quality as a priority

The promise of continuous and uninterrupted service is a fundamental pillar of Nedgia's value proposition to the customer. In 2023, **100% of customers connected to Nedgia's gas networks had continuity of supply.**

Emergency care is also a priority. Through digital tools such as **telesurveillance**, the actions of the teams in the field are monitored remotely in real time, improving the resolution of emergencies by means of an internally developed device.

**Nedgia Target 2025:**  
to achieve the **average response time in priority 1 emergencies** of <30 minutes.  
In **2023** this already stands at **28 minutes**



## 3.3.3 Proximity and innovation

### New commercial strategy

In 2023, Nedgia launched a new **Public Tender** aimed at professionals and installation companies in each autonomous community where the company is present. This Public Tender offers accredited installers to receive a financial incentive for processing new applications for connection to Nedgia's gas distribution network. In turn, installation companies can apply offers and discounts for the installation of natural gas to their customers.

#### Advantages for new gas CONSUMERS

- **Economic benefits:** segmented offers and campaigns including transfers to the customer's bank account after commissioning, minimising the initial investment.
- **Simplification of procedures:** the installer acts as a reference interlocutor, improving the speed and quality of the service.
- **Offers and discounts:** reduction of the cost of installation through specific promotions.

#### Advantages for installation companies

- **Competitiveness:** it allows customer loyalty to be built and creates additional income.
- **Commercial facilities:** financial compensation for handling connection requests, and access to tenders and financing for installations.
- **Access to Nedgia systems:** up-to-date information to accompany the customer during the commissioning process.
- **Nedgia Marketplace:** opportunity to publish a profile with fees for free in the User Area, and to receive gas registration requests.
- **Specialised attention:** support through a dedicated platform (900 500 405) and installer associations with agreements with Nedgia.

## Partnerships for the supply of biomethane in New Construction

Through agreements with different real estate companies, Nedgia promotes the decarbonisation of residential consumption through the installation of adapted systems that allow the supply of biomethane in new developments.

Thus, the company offers solutions for the distribution of renewable gas through existing networks without the need to modify supply infrastructure. In 2023, agreements were reached with AEDAS Homes, Hercesa | hi! Real Estate and Habitat Inmobiliaria.



### Commitment to customer safety

Safety first. For this reason, the company inspects the installations of domestic consumers connected to its networks every five years. Around **1 million periodic inspections** were carried out in 2023.

### Work&Track Mobility

The Work&Track mobility tool is designed to work in multi-operation, giving both the customer and partner companies an integrated solution that improves effectiveness and service excellence. The solution digitalises all operations in the territory.

In order to optimise its operation, customers and users of the tool have been actively listened to, achieving:

- **Improved customer care and service** by providing customers with accurate, real-time information, allowing visits to be arranged and modified online.
- **Increased digitalisation:** through an integrated platform, all operations throughout the territory are digitalised.
- **Efficiency in emergency care:** allows for greater accuracy and data autonomy, improving the quality of service, safety of operations and risk management.
- **Mitigation of climate change:** reducing the carbon footprint by optimising routes and journeys.

The implementation of **Work&Track** has helped Nedgia to become a **benchmark** in the management of its operations

"Together with other colleagues in the Marketing and Customer unit, we drive and define the commercial strategy of the Customer, the potential consumer that we want to attract and connect to the distribution network. We continuously monitor the results of Digital Marketing. We are working to make our service attractive to the potential user and to make them see that applying for a new natural gas installation today is a very good choice, because more and more renewable gas is and will be in circulation".



**Elena Torralbo**  
Marketing and Clients

## 3.4 In partnership with society



Through the Naturgy Foundation, actions are carried out aimed at the dissemination, training, information and awareness of society on energy and environmental issues through programmes related to the business and academic environment. It also develops social action programmes aimed primarily at alleviating energy vulnerability.

Throughout 2023, the Foundation developed the following initiatives:

- **Addition of new technical training courses to the catalogue:** 'Vocational training in the installation and maintenance of photovoltaic panels' and 'Vocational training in sustainability applied to the productive sector'.
- **Ten training courses** on sustainable mobility, building and rehabilitation, renewable gases, energy consultancy in vulnerable environments, digitalisation of electricity grids, gas grids: green and digital, sustainability applied to the production system, installation and maintenance of photovoltaic panels and maintenance of wind farms. A total of 32,137 people, including teachers and students, have joined this programme.

- **Publication of new volumes** of the series of theoretical and practical books 'Vocational Education and Training in Energy'. Vocational training for employability on the digitisation of electricity grids and sustainability applied to the productive sector.
- **Two e-learning scholarships** certified by the Universitat Oberta de Catalunya and the Naturgy Foundation on renewable gases and digitalisation of electricity grids **were held**.
- Launch of the **first professional training course on photovoltaic installations aimed exclusively at unemployed women**, in collaboration with the Institute for Fair Transition and the Platform for Green Jobs. The 210-hour theoretical and practical training course enabled 40% of the participants to find employment in the sector.
- **Joining the Dual Vocational Training Alliance** to boost technical training in the field of energy. The Alliance is an initiative promoted since 2015 by the Bertelsmann Foundation, the Princess of Girona Foundation, CEOE and the Spanish Chamber of Commerce.



## Corporate volunteering

Naturgy's corporate volunteering is another key part of the strategy followed by the company in its commitment to people and the environment. Overall, 87 one-off, temporary or continuous initiatives were carried out, 33 social volunteering actions, 22 environmental volunteering actions and 32 energy volunteering actions with 3,291 volunteer participants. The number beneficiaries rose to 33,387 in 2023.

## Energy vulnerability

In 2023, in Spain, Naturgy has signed new agreements with different administrations to **protect vulnerable customers and avoid supply cut-offs**. Thus, various measures have been taken to prevent, address, manage and facilitate the remediation of actual and potential negative impacts. Some of them are the Energy Rehabilitation Solidarity Fund or the Naturgy Foundation's Energy Volunteering. The latter consists of employees who wish, with their expert knowledge, to help people in vulnerable situations to reduce their energy costs. To this end, virtual and face-to-face advice workshops are organised to help users understand their bills, access the social bonus and learn about energy saving measures to improve their energy use. In 2023, **2,502 families were assisted with energy volunteering**.

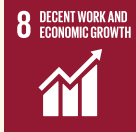


# Impact on governance

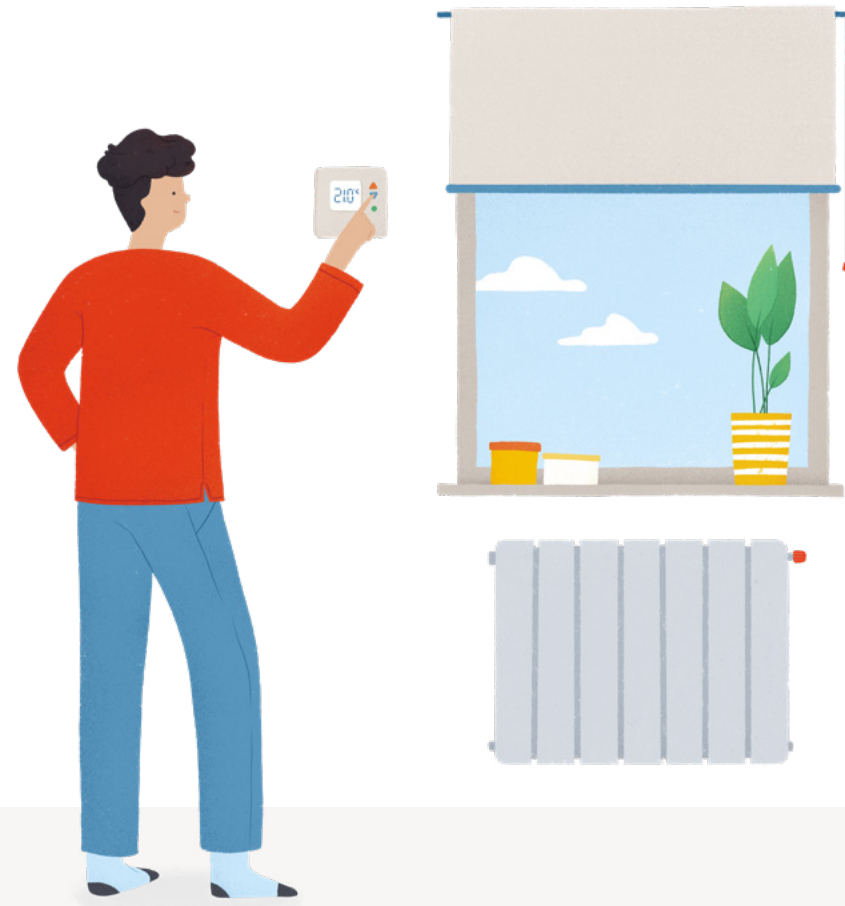
- **4.1** Good governance 52
- **4.2** Reporting 53
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## Main figures

	2023	2022
Meetings held with shareholders on ESG issues	5	3
Volume of purchases from local suppliers (%)	99	99



**"Integrity, trust, efficiency and transparency are the foundations of good governance at Nedgia"**



## 4.1 Good governance

Sustainability sits at the heart of all Nedgia's actions, also in governance-related aspects. Integrity, trust, efficiency and transparency are also the basis of the company's corporate governance.

The **Board of Directors** is responsible for ensuring the good governance of the company and, through the corresponding committees, supervises the analysis of

risks, including environmental, social and ethical aspects. Nedgia's risk management model seeks to ensure predictable performance in all aspects relevant to stakeholders.

The 2022-2025 Sustainability Plan establishes two lines of action associated with a series of key indicators that include:

### 4.1.1 A consolidated structure

Naturgy Energy Group, S.A. and its subsidiaries form a conglomerate dedicated to the generation, distribution and marketing of energy and services, with a presence in more than 20 countries. The Naturgy Group, which supplies gas and electricity to 16 million customers, has an installed electricity generation capacity of 16.2 GW and is characterised by a diversified generation mix.

Nedgia is part of the Naturgy Group, but has independent governing and management bodies. Its organisational structure is designed to ensure efficient management of gas distribution operations throughout the territory where it operates.

The Naturgy Group owns 80% of Nedgia's shares, while the remaining 20% are held by SGDI (Spanish Gas Distribution Investments S.A.R.L.), composed of the companies Allianz Capital Partners (40%) and CPP Investment Board (60%).

Lines of action	Key Indicator	2022	2023	2023 Target	2024 Target	2025 Target
<b>Reporting</b>	Meetings held with shareholders on ESG issues (no.)	3	5	4	5	5
	Volume of purchases from local suppliers (%)	99	99	95	95	>85
	Degree of digitalisation of operations (%)	18	22	19	24	62*
<b>Risk management Compliance</b>	Cybersecurity Maturity Index (0-5)	3.03	3.34	3	3.3	3.3

\* 2025 target under review, pending deployment of digital meters.

## 4.2 Reporting

At Nedgia, issues related to the environment, social responsibility and good governance are dealt with comprehensively and systematically with the control and transparency model. All employees can access the company's performance indicators, which include the 17 indicators of the Sustainability Plan that are reported to the Board. The commitment to transparency and decision-making based on ethical and sustainable aspects is materialised through information and accountability to all stakeholders.

Nedgia has a number of tools at its disposal for this reporting:

**Nedgia Target 2025** to achieve **62%** digitalisation of operations. In **2023** this was already at **22%**

### ESG MEETINGS WITH SHAREHOLDERS

In addition to regular board meetings, Nedgia holds Sustainability Plan meetings with its shareholders to ensure transparency and to keep them informed of progress on sustainability commitments.

### LOCAL SUPPLIERS

The company is committed to generating employment in each of the territories in which it operates, thereby contributing to local economic development. Nedgia favours purchasing from local suppliers who are part of the supply chain. It applies a responsible management policy with the aim of minimising risks and ensuring the best management in key areas such as environment, safety, human rights, labour practices and anti-corruption.

### DIGITALISATION OF OPERATIONS

The new digital meters improve the customer experience with a more accurate reading, and offer additional services such as consumption monitoring and more efficient processes. The increase of these meters drives the digital transformation of gas network management from network management and operation to the development of all operations.

## 4.3 Risk management

Advancing safety is one of Nedgia's priorities, whose risk management model, in line with that of the Naturgy Group, is aimed at ensuring that the relevant risk factors are correctly identified, assessed and managed.

The comprehensive risk management and control system consists of several elements:

### **Risk Governance & Management**

Establishes a risk governance and management mechanism for all types of risks and businesses.

### **Risk Assessment**

Methodology that identifies, assesses and measures risks through specific procedures.

### **Risk Appetite**

Defines risk tolerance by setting limits for the most relevant risk categories, taking into account the nature of the risk and the aims of the business.

### **Risk Reporting**

Systematic and regular reporting and monitoring of risk at different management levels: business units, corporate, Chairman's office and Board.

As part of the Naturgy Group, Nedgia has risk management bodies that integrate the vision of Governance, Risk and Compliance. These bodies have well-defined responsibilities that allow for an integrated view of the group's processes, existing controls and associated risks. Managing these factors contributes to the predictability and sustainability of the company's operational and financial performance.

## 4.3.1 Increasing cyber-security

In an increasingly digital world, opportunities are multiplying, but so are the risks. The management of cybersecurity and the protection of information and infrastructures is a priority for Nedgia. The increase in threats and risks and the greater number of devices connected to the network lead to a further increase in their defence systems. The company, like the entire Naturgy Group, has a global cybersecurity governance system.

**Nedgia's Cybersecurity Plan**, updated according to the latest cybersecurity requirements, is included in its Sustainability Plan 2022-2025. The aim is to increase prevention, protection and investigation of cyber-attacks. In this way, resilience in digital environments is strengthened to ensure the protection of all their assets.

Nedgia has three strategic priorities in cybersecurity:

- **To be a cyber-resilient organisation:** ensuring operational continuity in the face of any cyber-attack.
- Security in the **supply chain**.
- **Compliance with the different regulatory frameworks** applicable at national and international level.

In order to meet these priorities, action is being taken along four lines:

### Supply chain

Cybersecurity clauses integrated into the procurement process for the supply chain of services and materials

### People

Employee awareness and knowledge of the risks are the most important preventative measures

### Critical infrastructure

Reinforcement of protective measures on critical infrastructures and assets

### Resilience

To improve the organisation's resilience in case of cybersecurity incidents

**Nedgia Target 2025** to achieve cybersecurity **maturity index** of 3.3. In **2023** the figure of **3.34** was already achieved

To strengthen and improve its cybersecurity strategy, Nedgia conducts an annual **Cyber Assessment Check** of its degree of maturity in accordance with the objectives defined in its cybersecurity plan. This operation is carried out by an independent auditor, using the cybersecurity framework established by the National Institute of Standards and Technology (NIST) as a point of reference. The aim is to quantify the level of maturity in these concepts:

- **Identify.** Develop organisational understanding to manage cybersecurity risk for systems, assets, data and capabilities.
- **Protect.** Implement appropriate safeguards to ensure the delivery of critical infrastructure services.
- **Detect.** Implement appropriate activities to identify a cybersecurity event.
- **Reply.** Develop appropriate actions with regarding a detected cybersecurity event.
- **Recover.** Identify appropriate activities to maintain resilience plans and to restore any capacity or service that has been impaired due to a cybersecurity incident.

## 4.4 Compliance

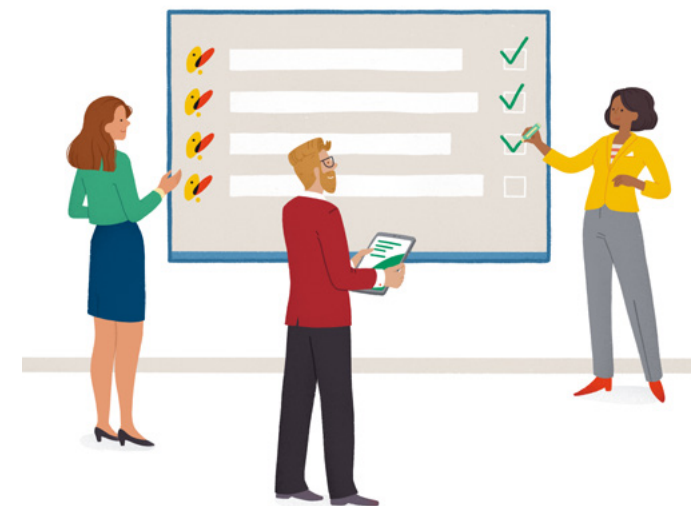


Regulatory compliance is essential to prevent and solve potential legal risks and malpractice in companies. Nedgia, as part of the Naturgy Group, is deeply committed to compliance. The group ensures that compliance in terms of integrity and trust is carried out in a coordinated manner. The company is guided by its **Code of Ethics** and has a compliance management model to ensure a consistent approach across the organisation.

The Code of Ethics is the basis of the group's regulatory body, which is complemented by other policies such as the **Supplier Code of Ethics, the Criminal Prevention Model, the Compliance Policy and the Anti-Corruption Policy**, among others. These standards and control models ensure effective operations in all areas of the company.

The company's control system and internal and external regulations are subject to an internal audit which assesses them independently and objectively.

Likewise, Nedgia, in line with the Naturgy Group, rigorously complies with its tax obligations through a tax strategy and a **Tax Risk Management and Control Policy**. Commitment to integrity also involves considering the potential risks that the company's activity may have on people and the environment. Therefore, the Naturgy Group's **Human Rights Policy** takes into account stakeholders and the most vulnerable.





**COMPLIANCE  
POLICY**

Establishes the roles and responsibilities of the compliance management system. The aim is to foster a culture of compliance, prevent non-compliance and protect the organisation from penalties, financial loss and reputational damage. In this respect, prevention, detection, monitoring, training and response activities are essential.

**ANTI-  
CORRUPTION  
POLICY**

Sets out the principles for all employees and managers of the Naturgy Group to ensure compliance with national and international law in this regard. The aim is to guide the conduct of company employees and managers in dealing with corrupt practices through prevention, detection, investigation and remediation.

**BUSINESS  
COURTESIES  
POLICY**

Sets the conditions for managers and employees to accept or offer business courtesies to business counterparties, within the framework of their professional duties. Seeks to avoid any inappropriate influence in its commercial, professional and administrative relations with both public and private entities. They must also comply with the principles set out in the Code of Ethics, the Compliance Policy and the Anti-Corruption Policy.

**CONFLICTS OF  
INTEREST POLICY**

The goal is to develop the guidelines set out in the Naturgy Group's Code of Ethics, which highlights the importance of employees acting with loyalty and defending the interests of the company.

**COUNTERPARTY  
DUE DILIGENCE  
PROCEDURES**

They ensure that all areas of the Naturgy Group efficiently and consistently carry out analyses, corruption and reputational risk assessments, as well as their monitoring, when third parties are involved in the business relations of the companies that comprise it.

**SUPPLIER CODE  
OF ETHICS**

Sets guidelines to promote ethical behaviour in suppliers, contractors and external collaborators. This code reflects the commitments of the United Nations Global Compact and establishes guidelines for conduct in the areas of social, labour, ethics, good governance, health and safety, environment and quality.

"Through my work, I have a lot of interactions with almost all the company's operating units, as well as contact with marketers. On top of that, I have to be up to date in terms of regulations and in close contact with systems for possible incidents... all these factors make management at Nedgia very dynamic and fun.



**Xavier Olivé**  
Revenue  
Management

# About this report

For the second consecutive year, Nedgia<sup>2</sup> presents its Sustainability Report in order to inform all stakeholders with full transparency about the most relevant facts and milestones related to environmental, social and governance aspects that occurred during the year 2023. Both the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) standards have been followed. The requirements established by Law 11/2018 on non-financial information have also been taken into account.

This Report, prepared on a voluntary basis, includes data presented in Naturgy's Sustainability Report and Statement of Non-Financial Information 2023.

2. Nedgia is 99.99% owned by Holding de Negocios de Gas, S.A., which comprises all the companies of the Naturgy Group that distribute and transport gas in Spain.





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