The Gas Natural Fenosa Human Rights Policy
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Introduction

Gas Natural Fenosa aims to be an active agent working for the protection of human rights within its scope of influence and according to the degree of its impact. The Gas Natural Fenosa Human Rights Policy sets out its commitment on this question in line with its Code of Ethics and the ten principles of the UN Global Compact.

Gas Natural Fenosa bases its Policy on the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and its protocols, and the International Covenant on Economic, Social and Cultural Rights. The Policy also takes into account the eight fundamental covenants of the International Labour Organisation (ILO), the ILO Declaration on Fundamental Principles and Rights at Work and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Gas Natural Fenosa is unequivocally committed to respecting the above mentioned declarations in respect of all its activities and operations.

With regard to the rights of indigenous communities, this Policy is based on the United Nations General Assembly’s Declaration on the Rights of Indigenous Peoples and ILO Convention 169 concerning Indigenous and Tribal People in Independent Countries.

The policy on the use of security staff is based on the Voluntary Principles on Security and Human Rights.

Gas Natural Fenosa will interpret the above standards according to the criterion authorised in the special mechanisms of the Human Rights Council (including the Special Representative of the Secretary-General on Human Rights and Transnational Corporations and other Business Enterprises) and the bodies created under human rights treaties.

In defining its policy, Gas Natural Fenosa has carried out an analysis of the context and institutional strength on the question of human rights of the various countries in which it operates. This was done on the basis of external indicators published by relevant organisations and the perception with respect to the risk of non-compliance analysed by appropriate Company members of staff in the different spheres of its operation.

As a company committed to sustainable development, the welfare of its employees and the progress and prosperity of the communities where it operates, Gas Natural respects and promotes human rights as included in the above declarations and principles.
Over its hundred-year history, Gas Natural Fenosa has always stood out for operating according to the highest social and environmental standards. Even so, in order to guarantee global requirements on these matters and respond to the growing third-party demands, the Company has decided to put forward a policy that includes its commitments in the area of human rights. One reason for this is that international growth has led the Company to operate in some environments where protection is of particular importance.
Objective

This Policy lays down the principles inspiring Gas Natural Fenosa's commitment to human rights in all its activities and areas of operation. The company understands that private sector companies and organisations should make a commitment in this respect.

Gas Natural Fenosa wholeheartedly embraces the sentiment of the Special Representative of the Secretary-General of the UN’s report “on human rights and transnational corporations and other business enterprises”. The approach enshrined by this Policy is based on due diligence aimed at minimising the risk of infringing human rights. Gas Natural Fenosa understands that due diligence in this area includes the following elements:

- The analysis of the most important human rights risks, including potential impacts on vulnerable groups and gender-related issues.
- Establishment of commitments.
- Assignment of responsibilities with respect to the performance of the company in this area.
- Training people within the company.
- Supervision and monitoring of the implementation of the policy.
- Correction of any bad practices.

Gas Natural Fenosa understands that its commitment to human rights goes beyond the people forming part of the company and includes customers and those who collaborate throughout the supply chain, and those communities in the vicinity of its facilities and centres of activity.

In all its activities and in any part of the world, Gas Natural Fenosa undertakes to support respect for human rights and establish mechanisms that allow verification of compliance wherever the circumstances may advise such a move.
Scope of application

The Human Rights Policy of Gas Natural Fenosa is applicable to all the Group's activities, regardless of where in the world they are carried on. This policy shall be applicable in all companies in whose operations are controlled by Gas Natural Fenosa. In those companies in which Gas Natural Fenosa has a non-controlling interest, the company shall promote awareness and the application of this policy and will ensure the respect of human rights through its participation in the governing bodies of those companies.

All the Company's employees are obliged to know, understand and comply with the provisions contained in the Policy. Those members of staff who are responsible for managing others must also ensure on their part that the Policy is known and respected by the people they manage.

The practical application of Gas Natural Fenosa's Human Rights Policy is determined by the institutional and legal framework of each country. The different labour, social and cultural environments in which the Company operates should not prevent the transfer of the spirit and letter of this Policy or the rules, procedures and practices of the Company in all the areas of the world where it operates.
Commitments to Human Rights

Gas Natural Fenosa’s Human Rights Policy reflects the company’s formal commitment to the respect of human rights within its sphere of influence. At the same time, it aims to ensure that none of its policies, procedures, activities and operations lead to direct or indirect abuse or violations of the human rights of individuals in Gas Natural Fenosa or third parties related to it.

Gas Natural Fenosa’s commitment to human rights is deployed in two distinct areas:

- Commitment to the rights of individuals in Gas Natural Fenosa
- Commitment to third parties related to Gas Natural Fenosa. It includes suppliers, contractors, and collaborating companies and the local community, including the customers.
Commitment to the rights of individuals in Gas Natural Fenosa

Within the framework of its unequivocal commitment to respecting and complying with the declarations and conventions mentioned in the introduction to this document, Gas Natural Fenosa undertakes to:

**Commitment 1: Avoid discriminatory practices or those that demean people’s dignity**

People in Gas Natural Fenosa have the right to enjoy a decent, secure, safe and healthy working environment.

Gas Natural Fenosa undertakes to ensure that the working environment within the Company has no place for discriminatory activities for reason of gender, ethnic origin, belief, religion, age, disability, political affiliation, sexual orientation, nationality, citizenship, marital status or socioeconomic status.

The Company also undertakes to provide its employees with a working environment that is free of any form of harassment, intimidation or violence in any of its forms.

Gas Natural Fenosa scrupulously respects the right of individuals not to be victims of forced or obligatory labour.

**Commitment 2: Eradicate the use of child labour**

Gas Natural Fenosa undertakes to ensure that there are no cases of violation of the rights of children in any of its activities or operations in any part of the world; and to verify in all its recruitment processes that all its employees are above the minimum age to work.

The Company undertakes to comply scrupulously with all employment legislation current in each of the jurisdictions in which it operates, international conventions and agreements and any other legal or regulatory provisions of a labour nature covering child labour, and in those cases where it should be necessary, to implement measures to ensure its full and complete elimination.

**Commitment 3: Facilitate freedom of association and collective bargaining**
Regardless of the area in which it operates, Gas Natural Fenosa respects the right of its employees to freedom of association in trade unions and collective bargaining and publicly manifests this commitment.

Gas Natural Fenosa shall guarantee respect for freedom of association and collective bargaining through strict respect to the role and responsibilities of workers' representatives in accordance with current legislation.

The company shall make it possible for its employees to meet in order to freely discuss issues related to their working and employment conditions.

The company shall also defend and support its employees in the event that they are arbitrarily or unfairly arrested in the exercise of their professional duties.

In particular, Gas Natural Fenosa shall ensure that the safety of workers’ representatives is guaranteed by coordinating with the security forces of the countries in which it operates. When the situation so demands, the company shall urge the relevant authorities to take appropriate action in any cases of human rights violations suffered by workers’ representatives, shall proactively cooperate with the security forces in any ensuing investigations, and shall monitor those investigations.

**Commitment 4: Protect the health of individuals**

Gas Natural Fenosa undertakes to offer its employees a safe and healthy working environment by adopting advanced standards and procedures on the matter of occupational safety and health and prevention of occupational risks, based on scrupulous compliance with the legal requirements that may be applicable in any case.

Gas Natural Fenosa shall also endeavour to ensure that applicable health and safety standards are common to all its areas of activity and on a par with the highest standards applied by the company anywhere in the world.

**Commitment 5: Provide a decent job**

Gas Natural Fenosa provides a decent wage for its employees, which is adapted to their skills, responsibilities and duties and in line with the applicable legislation and the conditions of the markets in which it operates. This means they can satisfy their basic needs and those of their families.

Gas Natural Fenosa guarantees the right of its employees to rest and complies with the labour legislation current in all of the environments in which it operates in terms working hours and the right to rest and leisure. If there is no legal framework
establishing conditions in this area, Gas Natural Fenosa undertakes to maintain working conditions that guarantee the above right.

Gas Natural Fenosa shall as far as possible ensure that working practices are flexible and recognise the needs of its employees to balance their working life with other interests and responsibilities.

Gas Natural Fenosa shall also guarantee the right of individuals to the privacy of their personal data.
Commitment to the rights of third parties related to Gas Natural Fenosa

This Policy includes the commitments of Gas Natural Fenosa to ensure that none of its procedures, activities or operations affect the respect for human rights of people in the company or third parties who are related to it.

The company shall also establish specific treatment for groups which are especially vulnerable for reasons of poverty, gender, or due to a special dependence on their natural environment.

Commitment 6: Commitment with people linked to suppliers, contractors and other companies it works with

Gas Natural Fenosa shall promote the commitment to human rights throughout the supply chain - suppliers, contractors, and companies it works with - under the terms established in this policy.

Gas Natural Fenosa therefore undertakes to:

- Make this Human Rights Policy known to its suppliers, contractors and other companies it works with, particularly when their origin, activity or relevance for the Company recommends such a course.

- To encourage and incentivise suppliers, contractors, and collaborating companies to formalise their commitment to human rights and, if they have no policy of their own in this matter, to adopt Gas Natural Fenosa's policy. Specific clauses related to the respect for human rights shall be included in contracts, particularly in those areas where the company feels that the risk in this matter is highest.

- To establish mechanisms whereby any violations of human rights by any of its suppliers, contractors, or collaborating companies can be brought to light, particularly in those areas where the risk in this matter is highest.

- To collaborate with its suppliers, contractors, and collaborating companies in matters related to human rights practices and training in those areas and markets where it is advisable to do so.
Gas Natural Fenosa shall terminate business relations with any suppliers, contractors or companies it works with that have been verified as infringing human rights, in particular those related to child labour. Prior to such a step, and depending on the nature and severity of the breach, Gas Natural Fenosa shall initiate discussions with suppliers, contractors and companies it works with in order to improve their management of these matters, analyse the causes of the breaches and to promote the implementation of any corrective measures required, in order to avoid the termination of the contract.

Commitment to the rights of the local community

Gas Natural Fenosa contributes to the development of the societies in which it operates. It therefore defends an institutional setting that promotes respect for human rights.

Gas Natural Fenosa undertakes to promote respect for human rights, in particular in those areas where the institutional and legal framework of respect for human rights is weakest.

Gas Natural Fenosa understands that its commitment to human rights should also cover those individuals ho are affected, or could be affected, by its operations.

Gas Natural Fenosa therefore undertakes to:

Commitment 7: Publicly support and promote respect for human rights

Gas Natural Fenosa undertakes to work actively with government bodies, international organisations, organisations in civil society and other institutions to promote values that are in line with the International Charter on Human Rights and other principles and declarations relevant to this Policy within its sphere of influence. This Policy represents an express position taken by the Company in the matter of human rights in those areas in which it operates. If the situation should so require, Gas Natural Fenosa shall also expressly manifest its position on those questions of human rights that are relevant to the subject contained in its commitments under this Policy and within the scope of activity and impact of the Company.

The Company shall respect and promote the right to freedom of thought, conscience and religion and the freedom of opinion and expression, within the scope of its activities. In order to understand the reality of human rights in the different environments in which it operates, and for the purposes of successive revisions of this Policy, Gas Natural Fenosa shall analyse the context of human rights and their
performance and risks, particularly in those areas where the institutional environment is weakest.

At the same time, as established by its Corporate Responsibility Policy, the Company shall carry out actions and promote plans and activities, within the scope of its possibilities that have an impact on improving social rights of the communities where it operates, including the right to education, health and housing.

Gas Natural Fenosa also recognises the right of communities to enjoy a clean and healthy environment. To do so, and in line with the regulations that the Company has developed on this matter, it will develop its activities on the basis of minimising the environmental impact and preserving the health of individuals, and monitor its impact in this area. Taking into account that the General Assembly of the United Nations declared in 2010 that access to clean water is a human right, Gas Natural Fenosa undertakes to protect this right and minimise the impact of its activities in this respect. In developing its project in local environments, the prior assessment made of risks to human rights and subject to continuous revision shall also refer to the level of dependence of local communities on natural resources.

As established by its policies and rules in this respect, Gas Natural Fenosa undertakes to offer its services in such a way that it minimises risk for its customers, as well as offering true and complete information on them.

As set out in the internal regulations applicable to all its operations, the Company undertakes to establish the necessary security measures to ensure that its facilities and assets do not represent any risk to the local community or to the physical well-being of third parties. If necessary, the Company also undertakes to establish the mechanisms required to verify its impact in this respect and inform the authorities and population affected in a transparent manner.

If people are displaced during its activities or operations, Gas Natural Fenosa shall comply strictly with the United Nations Basic Principles and Guidelines on Movement and Displacement generated by Development. These highlight aspects such as the right to resettlement, which in turn includes the right to a different land of better or equal quality and an adequate home.

**Commitment 8: Respect indigenous communities and traditional ways of life**

Gas Natural Fenosa respects the rights of communities, including indigenous ones, in the areas where it operates. The company undertakes to provide the means so that its activities do not have a negative influence on traditional ways of life and the work of people who live in its areas of operation.
In accordance with the International Labour Organisation's (ILO) Convention No. 169 on Indigenous and Tribal Peoples and the UN General Assembly’s Declaration on the Rights of Indigenous People, Gas Natural Fenosa assumes its obligation to respect the fundamental rights and freedoms of indigenous communities in the areas in which it operates. The company also accepts its obligation to respect the right of indigenous communities to maintain their social customs and practices and the ownership of the territories they own or have been granted within the current legal framework; and to receive fair compensation in line with the spirit of international standards on the subject, for any damage that may be suffered as a result of Gas Natural Fenosa’s activities.

The Company undertakes to evaluate and minimise as far as possible the negative impact that its activity may generate on traditional ways of life and the work of people who live in its areas of operation, and in particular as a result of the environmental impact its activity may generate.

At the same time, the company recognises the right of communities to participate and be consulted, prior to the undertaking of such activities as may have an impact on traditional ways of life, in order to reach agreements that are satisfactory for all parties.

Participation by the communities means that the impact studies carried out by Gas Natural Fenosa, together with their conclusions, must be transparent and the communities must have access in due time and form, to the relevant information.

In the acquisition of land subject to the legal ownership laws, or used and occupied in accordance with tradition, Gas Natural Fenosa will provide fair compensation in accordance with local laws and social practices and the owners and users of such land will receive appropriate information prior to acquisition. At the same time, in cases of relocation, Gas Natural Fenosa will apply the UN's Basic Principles and Guidelines on Development-Based Evictions and Displacement.

On the question of relations with indigenous communities, Gas Natural Fenosa will promote compliance with current law and international agreements, particularly in terms of Article 16 of ILO Convention 169, which states that when relocation of these peoples is considered necessary as an exceptional measure, such relocation shall only take place with their free and informed consent. Where their consent cannot be attained, transfer and relocation shall only take place after all appropriate procedures under national laws and regulations have been taken, including public inquiries where appropriate, which provide the opportunity for effective representation of the peoples concerned.
If the authorities have not carried out prior free and informed consultation in the terms described in the UN Declaration on the Rights of Indigenous Peoples, Gas Natural Fenosa will enter into talks with the representatives of the communities to reach an agreement. It also undertakes to create a development plan together with the indigenous community in question that clearly reflects Gas Natural Fenosa’s commitment on this question. If it is not possible to reach an agreement, Gas Natural Fenosa will report its decision publicly to move ahead with the project and will inform about the steps that have to be taken to reach an agreement with the community involved.

Commitment 9: Protect facilities and people based on respect for human rights

With regards to security, the commitment of Gas Natural Fenosa is based on the Voluntary Principles on Security and Human Rights, which it has undertaken to respect, and are aimed at ensuring that the due security of its operations and activities are supervised in such a way that it respects the fundamental human rights and freedoms of the people who interact with the company. Therefore:

- It will evaluate the background and training received on human rights by the security staff that have been contracted to ensure the security of the Group’s facilities and activities, and avoid making use of persons who have been involved in the abuse of human rights. The company will ensure that the security staff receive appropriate training on the question of human rights.
- Under the terms of their employment contract, it will require that in their day-to-day activity, the security staff who have been recruited respect people’s human rights, including people against whom there is a suspicion of the commission of illegal actions, avoiding arbitrary treatment and any type of inhumane or degrading treatment. It will thus require compliance with the following, as the case may be: the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the United Nations Code of Conduct for Law Enforcement Officials. Gas Natural Fenosa will make available the clauses related to human rights applicable to contracts entered into with security staff to any third parties who request them.

In addition, Gas Natural Fenosa undertakes to ensure that the resources and assets of the company are not used to commit violations of human rights by security staff.

In areas such as the relationship with government security forces or trading partners, where its influence is limited, Gas Natural Fenosa will inform them of its position on this matter. At the same time, the company will inform the relevant authorities of any
incident of abuse of human rights committed by security staff and cooperate openly and proactively to resolve any possible incidents that may occur in this field.

**Commitment 10: Help fight corruption**

In accordance with Section 4.7 of its Code of Ethics, Gas Natural Fenosa condemns corruption in all its forms and has procedures and tools in place to ensure that its activities do not directly or indirectly incite or favour corruption.
Compliance procedures for the Policy

Training and awareness

Gas Natural Fenosa will make this Human Rights Policy public so that its content is known and compliance with it assessed by all the Company's stakeholders. In addition, Gas Natural Fenosa will develop initiatives to foster the knowledge of human rights within the scope of its activities by supporting international initiatives such as the United Nations Global Compact.

Gas Natural Fenosa understands that compliance with the commitments assumed in the area of human rights by its employees and managers is largely based on knowledge of these rights. The Group shall therefore include specific actions in this area in its training and communication plans, and foster training in this area by its suppliers, contractors and other collaborating companies.

Implementation and control

Gas Natural Fenosa undertakes to dedicate the human resources necessary to ensure the effective implementation of this Human Rights Policy. The Company shall regularly analyse questions related to human rights that are applicable to its activity and implement mechanisms that enable an assessment of the risk of violations of these rights in the areas in which it operates. This means that the Company shall regularly analyse the main factors affecting human rights in the areas where it operates, both within the country and the Company's own operations.

In the same way, the Company undertakes to review its internal regulations and adapt them to the contents of this Human Rights Policy. It shall also adopt any new internal regulations required to ensure the effective implementation of the commitments included in this Policy, including those related to indigenous communities and personal security and safety.

Also, during the initial processes of investment projects and in the social and environmental impact studies, the company shall take into consideration its impact on the protection and promotion of human rights and shall define indicators in this respect. Equally, the Company shall implement specific measures to manage all the potential impacts and risks related to human rights in its projects and investments and ensure that sufficient resources are allocated to implement any corrective measures that are identified.
In addition, during the due diligence processes prior to the conclusion of collaboration agreements, including with government agencies, the Company undertakes to evaluate the human rights policies and practices of the other parties and act in accordance with the principles established in this Policy.

Gas Natural Fenosa expects a high level of commitment from all its employees with regard to compliance with this policy. Any failure to comply, either with the policy or with any other aspect related to the respect of human rights, shall be analysed in accordance with internal procedures, current legislation and agreements in force and may give rise to such disciplinary measures as the company’s internal regulations and current legislation may determine.

Consultation and notification procedure

Gas Natural Fenosa employees also have the obligation to report to the Company, confidentially and without fear of reprisal, any breach noted of the commitments included in this Policy. Individuals who are not employees of the company may also report any potential bad practices in this area that they have observed.

For this purpose they may report to the Code of Ethics Committee, which is the body in Gas Natural Fenosa mandated by the Board of Directors to supervise the Company’s performance on the matter of ethics and integrity through codigoetico@gasnatural.com.

As in the rest of the questions related to ethics and integrity, the Code of Ethics Committee shall keep a detailed record of the consultations and notifications received on the question of human rights. It will handle all such consultations and notifications and propose mechanisms to resolve any incidents communicated to it, including such mechanisms for discussion and dialogue as may be appropriate.

Public reporting

Gas Natural Fenosa shall report the steps taken in the exercise of the implementation and application of this Human Rights Policy. For this purpose, it shall define specific indicators that reflect the implementation of the commitments under this Policy, as well as any possible controversies that have arisen in this field in the different areas in which it operates.

Review and updates
The Gas Natural Fenosa Human Rights Policy shall be approved by the Company’s Steering Committee and its contents shall be reviewed as often as indicated by the Committee to ensure that its content is adapted to the needs of Gas Natural Fenosa and best international practices on this matter.