



# Global Human Rights Policy

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## 1. Introduction

Through this policy, NATURGY accepts its responsibility to respect the Human Rights of everyone with whom it has dealings, be they employees or third parties, in accordance with the United Nations Guiding Principles on Business and Human Rights (2011), the OECD Guidelines for Multinational Enterprises (2011) and the OECD Guide to Due Diligence (2018).

This commitment is more expansive than the individuals who form part of the company and includes those who work with it along the value chain. It also includes communities that live where the company works, including indigenous peoples.

To create this policy, NATURGY has analysed the overall climate, using external indicators published by relevant organisations. It has also included the risk perception identified by the management team, as well as its institutional strength in human rights in the different countries in which it operates. In addition, NATURGY will take special care with vulnerable groups.

## 2. Objective

Establish principles and guidelines for action through a due-diligence human rights process to identify, prevent, mitigate and repair possible negative impacts - actual or potential - that might be caused by the company and its business partners, as well as to increase the positive consequences of its operations.

Due diligence includes continual analysis of risks and their human rights consequences, covering the company's own activities and those of its business partners; establishing commitments and assigning responsibilities at all levels of the company; supervising and monitoring policy implementation; training company personnel; and correcting any bad practices that may emerge.

Naturgy is committed to taking special care in dealing with vulnerable groups.

## 3. Scope

NATURGY's Human Rights Policy applies to all companies belonging to the group in which NATURGY ENERGY GROUP, S.A., as the leading company of the Group, has a direct or indirect majority stake, as well as all companies or entities for whose operations and or/maintenance it is responsible.

## **4. Commitment to Human Rights**

### **Commitment 1. Avoiding any practices which are discriminatory or which might compromise employee dignity**

NATURGY employees have the right to enjoy a respectful, safe and healthy working environment. NATURGY commits to ensuring that there is no place for discriminatory practices based on sex, age, ethnic origin, race, caste, religion, disability, political or trade union affiliation, sexual orientation, nationality, marital status, socio-economic origin or any other personal distinction.

In addition, the company is committed to providing its employees with a work environment free from any form of harassment, intimidation or violence.

Likewise, NATURGY meticulously respects the right of people not to be victims of forced or compulsory labour.

### **Commitment 2. Eradicate child labour**

NATURGY commits to identifying, preventing, eradicating and correcting any child labour taking place in the circle of its operations, ensuring its total elimination. It will ensure that its contracting policies include minimum-age prevention and monitoring measures for work in accordance with ILO standards, or the standards of applicable law, whichever is more restrictive. NATURGY is committed to this policy because it respects the rights of children in all its areas of operation.

### **Commitment 3. Ensuring freedom of association and collective bargaining**

NATURGY respects the right of all its employees to freedom of association and to trade unions and collective bargaining. It will publicly express this commitment.

It shall also defend and support its employees if, in the course of their professional duties, they are arbitrarily detained.

NATURGY will work with police to ensure the safety of its trade union representatives. When the situation so requires, it will urge the competent authorities to take necessary actions and will cooperate with them.

It will also defend and support all its employees if, in the exercise of their professional duties, they are arbitrarily detained.

### **Commitment 4. Protecting employee health**

NATURGY commits to providing a safe and healthy working environment for its employees in all countries where it operates. It will adopt the highest occupational health and safety standards and procedures to keep its standards unified across the world.

### **Commitment 5. Ensure adequate employment and wages**

NATURGY will provide its employees with respectable compensation, allowing them to meet their basic needs and those of their families in all the countries in which the company operates.

NATURGY will guarantee the right of its employees to rest, independently of the current legal framework. As far as possible, it will facilitate a healthy work-life balance.

**Commitment 6. Commitment to people linked to suppliers, contractors and collaborating companies.**

NATURGY will spread its commitment to human rights throughout its supply chain. It will encourage its suppliers, contractors, business partners and other collaborating companies to formalise their commitment to human rights. If they do not have their own human rights policy, it will encourage them to sign on to subscribe to NATURGY's policy.

NATURGY will include specific human rights clauses in contracts, especially where risks are particularly high. If, after a compliance breach and a constructive dialogue with the parties involved, a lack of cooperation is found, NATURGY reserves the right to terminate the contractual relationship depending on the nature and severity of the breach. The company will terminate business relationships with suppliers, contractors and collaborating companies and business partners that violate human rights.

**Commitment 7. Respect for indigenous communities and traditional ways of life**

NATURGY commits to implementing measures to ensure that its activities do not negatively impact the traditional lifestyles and activities of the people living in the areas where it operates.

In accordance with the provisions of Convention No. 169 concerning Indigenous and Tribal Peoples (1989) of the International Labour Organization and the Declaration on the Rights of Indigenous Peoples (2007), indigenous communities have the right to participate and be consulted before activities take place.

The company also accepts its obligation to respect the right of indigenous communities to maintain their traditional customs and ways of life, as well as those formal rights that they hold under the current legal framework or, where appropriate, in accordance with tradition and generally accepted practices. It assures them equitable compensation at or above legally required levels if they suffer any impairment or damage as a result of NATURGY activities.

If the authorities have not previously consulted the groups in a free and informed way, NATURGY will communicate with the representatives of the communities in order to reach an agreement. If this is not possible, NATURGY will inform the public about its decision and the steps taken.

## **Commitment 8. Protecting facilities and people on the basis of respect for human rights.**

NATURGY is committed to ensuring respect for human rights in accordance with the Voluntary Principles on Security and Human Rights and the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials (1990) and the Code of Conduct for Law Enforcement Officials (1979).

The company will assess the human rights record of hired security personnel, avoiding employing any who have been implicated in human rights abuses. The company will also ensure that security personnel receive suitable human rights training.

NATURGY is committed to ensuring that company resources and assets are not used to commit human rights violations.

## **Commitment 9. Support and promote respect for human rights in the wider community**

NATURGY commits to actively working with other organisations to promote values consistent with the International Bill of Human Rights within its sphere of influence.

In this regard, the company shall respect and promote the right to freedom of thought, conscience and religion and to freedom of opinion and expression within its sphere of action.

NATURGY also recognises the right of communities to enjoy a clean environment. It will minimize its environmental impacts and protect people's health, including the right to water. It will also consider its degree of dependence on the natural resources of surrounding communities. NATURGY shall also establish any security measures needed to prevent its facilities from posing a risk to the physical safety of third parties.

If, in the course of its activities and operations, people are displaced, NATURGY will strictly comply with the provisions of the United Nations Basic Principles and Guidelines on Development-Based Evictions and Displacement (2007).

NATURGY is committed to offering its services in a way that minimises the risk to its clients and to offer truthful and complete information about them.

NATURGY aims to contribute to the sustainable development of the societies in which it has a presence. For this reason, the company will take actions that contribute, as much as possible, to building the social rights of the communities in which it operates.

## **Commitment 10. Contributing to fighting corruption and protecting privacy**

NATURGY condemns corruption in all its forms and has procedures and tools to prevent its activities from inciting or encouraging corruption, directly or indirectly, in accordance with the provisions of its Code of Ethics and its Anti-Corruption Policy.

NATURGY will also guarantee the right to privacy regarding personal data for all people who interact with the company.

## **5. Compliance procedures**

### **5.1. Responsibility**

NATURGY will make this Policy public so that its content is known to - and compliance can be evaluated by - all of the company's stakeholders.

All company employees are required to know, understand and comply with the provisions contained in this Policy.

Business units are responsible for applying this Policy in their decisions and operations.

Corporate units directly responsible for a particular commitment must integrate the content of this Policy into their management.

The Compliance unit is responsible for establishing measures to detect non-compliance. The Internal Audit unit is responsible for verifying, in accordance with the audit plans, proper implementation.

The Communication and Institutional Relations unit, through its Reputation and Sustainability area is responsible for publicising the commitments contained in this Policy, both internally and externally. Together with the Corporate University, it will provide the necessary training on compliance. It will also propose and develop, together with the business unit involved, the operating procedures for compliance, updates and revision.

NATURGY will encourage suppliers, contractors, collaborating companies and business partners to offer training in this field to their employees.

### **5.2. Implementation and monitoring**

NATURGY commits to dedicating the necessary resources to ensure this policy is implemented effectively, assessing its impact periodically and taking into account the risks present in the countries in which it operates.

NATURGY expects a high level of commitment from all of its employees in fulfilling this code. Any non-compliance may, where appropriate, result in disciplinary action.

The company will consider respect for human rights when assessing investment projects and in its social and environmental impact analysis, both in the initial phases of the study and in its subsequent management.

The human rights policies and practices of the company's counterparts will also be evaluated in the due diligence process prior to the formalization of partnership agreements.

### **5.3. Consultation and notification procedure**

NATURGY employees are obliged to inform the company if they are aware of any possible breach of the commitments found in this policy. The same applies to the other standards and guidelines of conduct established in the Code of Ethics. They may do so anonymously if they wish. Any communication received will be treated with absolute confidentiality, and there will be no reprisals for the person who makes the report. Those people who, without being company employees, witness potential malpractice in this area may also report this.

Any query or complaint may be addressed to the Ethics and Compliance Committee. At NATURGY, this committee has the mandate of the Board of Directors to disseminate knowledge of and compliance with the Code of Ethics through any of the means available for this purpose:

- Code of Ethics Web Channel  
[www.naturgy.ethicspoint.com](http://www.naturgy.ethicspoint.com)
- Postal and/or Internal Mail (The envelope must be clearly marked "Private and Confidential")  
Ethics and Compliance Committee San Luis, 77, Edificio G,  
Planta 2 28033, Madrid  
Spain

The Ethics and Compliance Committee will propose mechanisms for the resolution of complaints and consultations.

### **5.4. Public reporting**

NATURGY will provide information about the steps taken in the implementation and application of this policy on an annual basis, as well as on any possible controversies arising in this field in the areas where the company operates.

## **6. Approval**

**NATURGY's Human Rights Policy was approved by the Board of Directors on April 30, 2019.**