

SUSTAINABILITY REPORT 2024

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1. LETTER FROM THE CHAIRWOMAN

GRI 2-22, GRI 3-3

It is both a pleasure and an honor for me to write this first letter as Chairwoman of Madrileña Red de Gas. In 2024, I had the privilege of being appointed by my fellow Board members to lead the company. I can only express my gratitude for their trust and reaffirm my commitment to continuing along the path set by my predecessor.

Madrileña Red de Gas has made significant progress in recent years, thanks to the efforts of our entire team. We have assessed our impact, defined clear sustainability objectives, and established an ambitious strategy to achieve them. With this new report, which we present to share our annual progress and achievements with our stakeholders, I would like to take the opportunity to reaffirm my deep commitment to that strategy.

Among our accomplishments, I am proud to once again highlight our outstanding performance in the renowned Global Real Estate Sustainability Benchmark (GRESB). This year, we have achieved the top ranking at the global, European, and national levels, once again earning the highest possible score of 100 out of 100.

In a similar vein, Madrileña Red de Gas has been recognized with the Sustainability Award from Corporate magazine, underscoring our leadership in implementing sustainable practices.

While I consider it important to acknowledge these achievements, it is even more important to highlight the work and commitment that made them possible. We are guided by a clear strategy and our 2023–2026 Sustainability Master Plan, which charts our course forward. This plan is based on two key pillars: our commitment to the Sustainable Development Goals (SDGs) and a thorough identification and assessment of our sustainability-related impacts, risks, and opportunities.

At Madrileña Red de Gas, our strategy is fully aligned with the SDGs, which we have integrated across all areas of the company—ensuring they are reflected in our operations, products, and services. While this report as a whole reflects our broad commitment to the SDGs, I would like to take a moment here to highlight, given the nature of our work, the particular responsibility we bear toward SDG 7 "Affordable and Clean Energy" and SDG 13 "Climate Action."

Through our gas distribution expansion efforts, we aim to bring energy to new municipalities in the Madrid region that previously had access only to more polluting energy sources, such as liquefied petroleum gas. In 2024, we began natural gas distribution in two new towns—Casarrubuelos and Miraflores de la Sierra—and made significant progress in securing approvals for new municipalities such as Los Molinos, Moralzarzal, and Soto del Real.

In line with SDGs 7 and 13, we are strongly supporting future projects that will enable our networks to distribute renewable gases such as hydrogen and biomethane. In this regard, I am pleased to share that in 2024 we signed our first connection agreement with a biomethane production plant, allowing for injection into our distribution network.

As part of our commitment to SDG 13, we continue to reduce our carbon footprint year after year, following a strategy aligned with our Net Zero 2050 goal. This year, we achieved a 15.19% reduction compared to 2023. Notably, we also obtained the UN's OGMP 2.0 Gold Standard Pathway certification for voluntary methane emissions reduction, made possible by the significant implementation of our dedicated work program.

Finally, I would like to highlight that throughout 2024, we have paid close attention to the CSRD Directive and all associated regulatory frameworks. This has required a substantial effort to analyze the directive's requirements in relation to our current strategy and indicators, always seeking opportunities to further advance our commitment to sustainability.

We had the opportunity to participate in the National Environmental Congress (CONAMA), specifically in the technical session dedicated to sustainability reporting standards and frameworks. The aim was to share our work as a noteworthy example of a medium-sized company with a long-standing track record in setting, implementing, measuring, and reporting on its sustainability strategy and initiatives.

Being part of this event and engaging with other companies provided us with a valuable opportunity to reaffirm our path, learn from the insightful presentations of fellow participants, and, of course, it was a source of pride for our company.

With that, I invite all readers to explore this report chapter by chapter to learn more about our work and key achievements in 2024. I would like to extend my sincere thanks to the entire team at Madrileña Red de Gas, whose ongoing dedication has made this progress possible, and to all the individuals and organizations interested in learning more about our journey through this report.

Carmen Gómez de Barreda Tous de Monsalve

2. ABOUT MADRILEÑA RED DE GAS

2.1 Business model

GRI 2-1

Madrileña Red de Gas S.A.U. (MRG) is a sole-shareholder company engaged in the distribution of natural gas, as well as the distribution and sale of liquefied petroleum gases (LPG) through pipeline networks within the Community of Madrid.

To operate and maintain its gas distribution network, the company relies on various types of facilities. (*Image 1*).

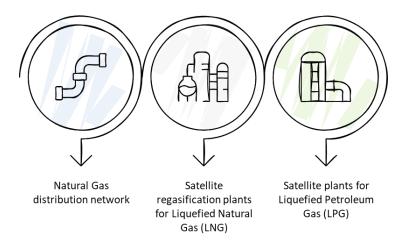


Image 1 Madrileña Red de Gas facilities

Its activities and facilities fall under the following headings of the National Classification of Economic Activities (CNAE).

CNAE-2009	Description
35.22	Pipeline distribution of gaseous fuels
35.23	Pipeline Gas trade

As in its early days in 2010, Madrileña Red de Gas operates exclusively within Spanish territory, more specifically in the Community of Madrid.

Currently, it operates in 61 municipalities as well as 5 districts of the capital city.

Its central offices are located at Calle Virgilio, No. 2, in the town of Pozuelo de Alarcón. Additionally, it has a warehouse facility at Calle Valdemorillo, No. 60, in Alcorcón.

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Purpose

Madrileña Red de Gas strives to meet the energy needs of its customers and users under the highest standards of quality, safety, sustainability, and environmental protection. It ensures efficiency, effectiveness, and productivity in the performance of its business activities, with the aim of delivering maximum profitability and value creation for its shareholders, while providing its workforce with a safe, healthy, and exemplary working environment that fosters a sense of belonging and pride in the brand and promotes both professional and personal development.

Values

The values of Madrileña Red de Gas (*Image 2*) are the cornerstone of its organizational culture and are reflected in each of its projects and professional relationships.

Exceedance Rewarding performance, dedication, and involvement in the business project. It promotes continuous improvement of skills and professional development.



With business plans and future objectives, managing resources to consolidate its vision and value.

Customer orientation

Seeking their highest satisfaction through fulfilling commitments, efficiency, and the provision of excellent service.

Integrity

It is guided by integrity, acting with honesty, uprightness, and dignity, demonstrating transparency and commitment to all its stakeholders to build trust within society.

Safety

It prioritizes safety across various areas (workplace, industrial, information, and energy), striving for continuous improvement in accident prevention.

Information protection

It is committed to protecting the information of its customers and employees, ensuring the safeguarding of their privacy.













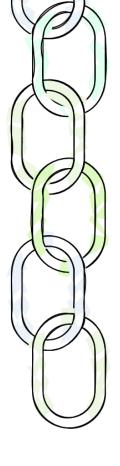


Image 2 Core values of Madrileña Red de Gas

2.2 Key figures

	Key techni	cal figures		
61	6	6.054	906.7	63
Municipalities in the Community of Madrid	Liquefied Natural Gas (LNG) plants	Kilometres of distribution network	Natural Gas cu	stomer
5	18	8.823	3.15	2
Districts in the city of Madrid	Liquefied Petroleum Gas (LPG) plants	GWh of energy distributed	Liquefied Pet Gas (LPG) cus	
158	9.8	389	8,67	
Suppliers	Fmerge	ency calls Avera	ge Customer Satis	
Key econon			Score (CSAT) (0-10	0)
Key econon	nic figures	Key soc	cial figures	7 ees
Key econon 145.149 housands of euros in	nic figures 15,9 Million euros (M€) in	Key soc 86 % Overall employee	cial figures 11	7 ees al retirees)
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Key economates 145.149 Thousands of euros in revenue 114,2 Million euros (M€ EBITDA	15,9 Million euros (M€) in investments 78,5 Million euros (M€) in Cash Flow Key environm 0,62 t Scope 1, 2, and 3	Key sock 86 % Overall employee satisfaction 100% Employees with permanent contracts nental metrics 16.187	Eial figures 11 Employ (excluding partic) 45 Women	7 ees al retirees) 72 Mer

Image 3 Key figures of Madrileña Red de Gas for the year 2024

2.3 Milestones 2024

As a result of the efforts made throughout 2024, Madrileña Red de Gas has achieved significant milestones such as:

	GRESB rating	Madrileña Red de Gas leads the GRESB Ranking: the sustainability trust mark that drives its success
	Leadership change	Madrileña Red de Gas changes presidency
2/	Sustainability with a forward looking vision	Madrileña Red de Gas at the 2024 National Environmental Congress
® ∠	Recognition	Madrileña Red de Gas triumphs at the 2024 Corporate Awards with recognition for sustainability and commitment to Net Zero
स्राप्त	Turing project	Madrileña Red de Gas launches the Turing Project, advancing toward a data-driven organization
(§)	Methane emissions	Madrileña Red de Gas participates in key OGMP 2.0 meetings for European harmonization in methane emissions measurement
M	Biomethane	First connection contract for a production plant to inject biomethane into the Madrileña Red de gas network
窯	Network expansion	Madrileña Red de Gas expands its Natural Gas Network with the arrival to Casarrubuelos and Miraflores de la Sierra
(O2)	Emission reduction	Madrileña Red de Gas reduces its carbon footprint
€	Commitment to safety	The number of workplace accidents at Madrileña Red de Gas is decreasing
r.	Calderín character	Calderín, the new animated character of Madrileña Red de Gas, is revolutionizing communication about natural gas and renewable gases
	Cybersecurity	Increased collaboration of Madrileña Red de Gas with INCIBE and presence at major industry forums
무취	Work environment	Increase in employee work environment satisfaction at Madrileña Red de Gas

3. GOOD GOVERNANCE, ETHICS, AND TRANSPARENCY

GRI 3-3

Throughout 2024, significant milestones in governance have been recorded, shaping the agenda of Madrileña Red de Gas.

Appointment of Ms. Carmen Gómez de Barreda Tous de Monsalve as an independent member and new Chair of the Board of Directors.

Continuation of the process of supervision and evaluation of regulatory compliance, ensuring the adequacy of internal controls and risk monitoring.

Update and strengthening of the training delivered in 2023 in the area of Compliance.

Key matters analyzed by the Board: cybersecurity, sustainability and the integration of ESG (environmental, social, and governance) criteria, strategic planning, the new regulatory framework for the gas sector and the industry, and energy transition commitments; financial management and capital structure.

Review of the Board of Directors' skills matrix. Strengthening of competencies regarding the requirements of the new sustainability reporting framework.

Board initiatives promoted by PGGM as a result of the Operational Due Diligence carried out by PGGM's risk team.

Key Performance Indicators 2024

- Board gender diversity: 78% (H) y 28% (M)
- Board age diversity: 56% (<50) y 44% (≥50)
- Board average age: 47,8 years
- Average tenure in office of the board: 2,3 years
- No fines or sanctions resulting from legal noncompliance.
- Zero reports in the whistleblowing channel related to the Code of Ethics or Compliance.
- Biennial Compliance training (100% of employees).
- Training for high-risk positions (100%).
- Coverage of monitored and evaluated processes within the Compliance system (100% of processes successfully completed).
- Zero inefficiencies detected in Compliance monitoring.
- Percentage of suppliers with high criminal risk (47%) and very high risk (0%).
- No breaches related to corruption involving partners and collaborators.
- No materialized risks of human rights violations.

3.1 Corporate and organizational structure

GRI 2-9

Elisandra Spain V, S.L.U., as the sole shareholder, is controlled by the parent company Elisandra Spain IV, S.L. In turn, the latter is linked to four main investor groups and business partners who hold various ownership stakes and voting rights: Realgaz, S.A.S (EDF Invest), Stichting Depositary PGGM Infrastructure Funds (PGGM), JCSS Mike S.A.R.L. (Gingko Tree), and LPPI Infrastructure Investments LP (LPPI).

In order to reinforce the separation and transparency of the regulated gas distribution activities from other business activities, a group of independent companies has been established, fully owned by Elisandra Spain V, S.L.U.

The structure of Madrileña Red de Gas is reviewed periodically and adapted to the strategic, organizational, and process needs required by the Strategic Plan. In the **Image 4** and **Image 5**, the structure reflected corresponds to the closing of the fiscal year in December 2024. It is worth noting that during this last year, changes occurred in the Expansion Department as a result of the strategy towards new business models.

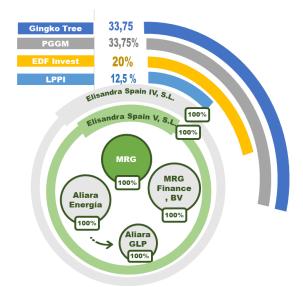


Image 4 Corporate structure map of the Madrileña Red de Gas Group

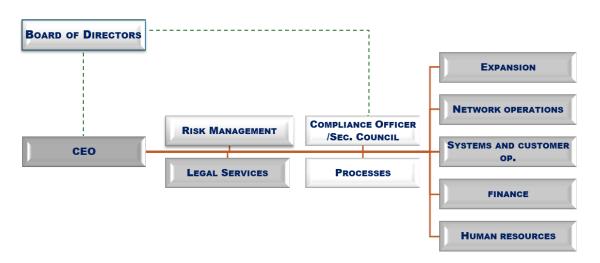


Image 5 First-level organizational chart of Madrileña Red de Gas

3.2 Sustainability governance

GRI 2-9; GRI 2-10; GRI 2-11; GRI 2-12; GRI 2-13 GRI 2-14; GRI 2-17; GRI 2-19; GRI 2-20; GRI 2-23; GRI-3-3

The governance structure is composed of the Board of Directors, the Audit and Risk Committee, the Remuneration Committee, and the Executive Committee. All of these bodies include representation from the four partners of Elisandra Spain IV, S.L.

For the appointment of governance bodies, the main element is shareholder representation in most of these control bodies, providing a mechanism for oversight and independence in decision-making. On the other hand, in line with the Code of Ethics and the commitment to diversity, there is no discrimination based on age, gender, origin, religion, etc. However, due to the company's history and the gas sector in general, a male majority still exists within its governance bodies, which is a key area where efforts are being made to reduce disparities. (*Image 6*).

		x	Nacionalidades	Age			Avg.seniority
Diversity in governance bodies	Ů	Ŷ	2000	Average Age	<50 🗎	≥50 🗐	Average mandate period for all members as of 31 December 2024
Board of Directors	7	2	6	47,8	5	4	2,3
Audit and Risk Committee	6	1	5	45,7	5	2	4,7
Remuneration Commission	4	2	5	48,0	4	2	2,7
Management Committee	5	2	2	55,1	2	5	11,3
Criminal Offences Prevention Committee	1	2	1	51,3	1	2	4,1

Image 6 Diversity of the governance bodies of Madrileña Red de Gas

In addition to this structure, there are a number of Committees and Commissions that include members of Management, providing technical support to governance responsibilities. Among them, the following stand out:

- SIG Committee.
- Cybersecurity Committee.
- · Crisis Committee.
- Health and Safety Committee.
- Major Accident Prevention Committee.
- · Works Council.
- Ethics Code Commission.
- Equality Plan Monitoring Commission.
- Pension Plan Control Commission.

Board of directors

The Board of Directors is the form of governing body established in the Bylaws registered with the Commercial Registry and acts collectively. Its members, individually, are all non-executive shareholder representatives, unlike the Executive Committee, which includes executive members. The system for the selection and appointment of Board members is expressly regulated in the Bylaws and in the Rules of the Board of Directors. (*Image 7*).

Members	Position	Seniority	Staff	Gender	Nationality	Age range
Dña. Carmen Gómez de Barreda Tous de Monsalve	Chairwoman	0,25	Independent	М	Spanish	≥50
Dña.Cornelia Bernadette María Van Heijningen	Woman Director	0,21	PGGM	М	Dutch	≥50
D. Jan Matthijs Lakerveld	Director	1,26	PGGM	н	Dutch	<50
D. Shankar Krishnamoorthy	Director	1,09	PGGM	н	Indian	≥50
D. Suyu Wu	Director	3,42	GINGKO TREE	н	Chinese	<50
D. Kai Chen	Director	1,53	GINGKO TREE	н	Chinese	<50
D. Romain Thierry Victor Bruneau	Director	4,06	EDF Invest	Н	French	<50
D. Alexandre Edouard Jean Pieyre	Director	1,79	EDF Invest	н	French	<50
D. Simon George Davy	Director	7,06	LPPI	Н	English	≥50

Image 7 Composition and diversity of the Board of Directors

The Board is a collegiate body, so there are no significant positions beyond the existence of a Chair of the Board. Its resolutions are executed by the Company's Chief Executive Officer, the sole person who, together with the Chief Financial Officer and the Finance department, holds general powers of management, administration, and decision-making. Its operation is governed by the bylaws and by the rights, duties, and obligations established in the Companies Act.In summary, Board members are proposed by the Board of Directors itself, and their appointment is approved by the sole shareholder, in accordance with legal provisions.

As part of the commitment to advancing the implementation of best corporate governance practices, significant progress was made in 2024 with the inclusion of two women as members of the Board of Directors, one of whom assumed the Chairmanship as an independent member. This milestone strengthens the commitment to equity in the company's leadership, reflecting the intention to build more inclusive and representative governing bodies.

Board members are proposed by the Board of Directors and their appointment is accepted by the sole shareholder, in accordance with the law. The current Chair of the Board is independent, thereby ensuring greater objectivity in oversight and decision-making. The other members are proposed by the different investors and mostly serve on the boards of other organizations within their shareholder groups. The term of office is six years. Currently, the average tenure of Board members is 2.3 years.

Regarding the professional profiles of the Board members, they are highly qualified professionals for their roles, with extensive professional experience and having held senior positions in functions related to their duties.

Currently, aligned with best corporate governance practices and the new requirements in sustainability and GRI standards, a Board of Directors skills matrix is in place, reflecting the competencies, experience, training, and knowledge levels of the Board members.

In 2024, in line with the new sustainability context, a review was carried out of the Board's strategic competencies in sustainability, as well as the incorporation of three levels for each element to be evaluated.

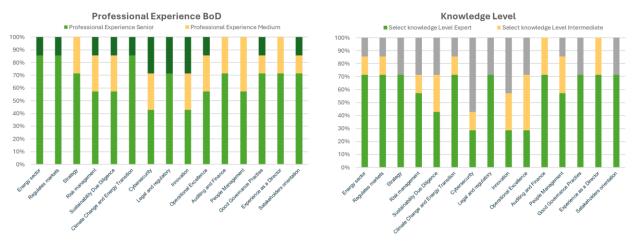


Image 8 Evaluation of the competencies of the members of the Board of Directors

As shown in the graphs in *Image 8*, the matrix consists of the following elements:

Competencies: a total of 15 core competencies are evaluated, relevant to the sector and the
company's strategic priorities, as well as new knowledge required to take appropriate actions regarding
sustainability impacts, risks, and opportunities.

- Professional experience: evaluation of professional experience in the relevant area.
- **Level of acquired knowledge**: gained either through specific training or through on-the-job training and professional experience.

This matrix is reviewed periodically (at least every two years) or whenever there are changes in the composition of the Board of Directors or in the company's strategic priorities. In 2024, due to changes in some Board members, a new self-assessment was carried out.

Main responsabilities of the Board of Directors Monitoring, supervisión and Maximum authority Leadership Risk Management control guiding Validates and approves the Oversight and monitoring of the Oversight and assessment of Promoting and compliance with the company's strategies, implementation of the risk Company's objectives of the Company's strategic Plar Sustainability Plan. Plan management system regarding performance, strategic budget different business areas. the economy, the environment, execution. and and people. management.

Main responsibilities of the Board of Directors

Image 9 Main responsibilities of the Board of Directors

The Board of Directors, as the highest governing body, defines the Company's overall strategy, validates management strategies and objectives, and oversees organizational results in economic, environmental, and social areas.

Sustainability policies, strategies, and objectives — including economic, environmental, social aspects, and due diligence in Human Rights, as well as the analysis of material topics — are defined by the Risk area, approved by the Audit and Risk Committee, and reported to the Board of Directors for validation as part of the management process.

The responsibility for sustainability reporting and its subsequent verification has been delegated to the Audit and Risk Committee. Once validated by the Executive Committee, these matters are presented to the Board of Directors in the relevant Committee.

Board meetings are held at least quarterly. Preliminary dates and agendas are established and approved each December, thus ensuring advance planning of the topics to be addressed during the following fiscal year. Based on this initial agenda — which may be modified depending on circumstances — area directors, members of the Executive Committee, and the company's various committees prepare detailed analyses of economic, social, and environmental issues, which are presented at each Board meeting for deliberation and decision-making.

Among the topics discussed by the Board of Directors during 2024, key issues for the company stand out, such as cybersecurity, aimed at strengthening protection against technological threats; sustainability and the integration of ESG (environmental, social, and governance) criteria, in line with industry best practices and energy transition commitments; monitoring of the regulatory framework, with special attention to strategic planning for the upcoming gas regulatory period (2027-2032); the evolution of the energy market and technological innovation applied to the transition toward a more sustainable energy model; and financial management and capital structure, focused on ensuring stability, optimizing profitability, and evaluating new investment opportunities.

The Board of Directors, as the highest governing body, defines the Company's overarching strategy, validates management strategies and objectives, and oversees the organization's results in economic, environmental, and social areas.

The organization's processes are, in turn, defined by the Executive Committee and communicated to the Board of Directors whenever there may be a significant change. The Board Secretariat, in accordance with the provisions of the Companies Act, plays a key role in assisting the Board of Directors, ensuring compliance with legal requirements and internal regulations, safeguarding corporate documentation, and guaranteeing the correct adoption and formalization of Board resolutions. Additionally, it oversees the observance of good governance principles, provides legal advice, and ensures transparency in decision-making processes. It is also responsible for communication between the directors and the Executive Committee, channeling all communications and notifications addressed to the directors.

Over the past four years, the integration of sustainability into corporate governance and business decision-making has been consolidated. This commitment to sustainability has materialized in a clear focus within the corporate strategy, driving medium- and long-term sustainable development, as reflected in the Sustainability Master Plan and the achievements attained so far.

The Board of Directors supervises and approves decisions and progress on sustainability matters, delegating executive functions to the Audit and Risk Committee. During its meetings, it analyzes the period results presented by the Executive Committee to monitor and define strategies, oversee operations, discuss matters of relevance to the organization, assess risks and opportunities arising from impacts on the economy, environment, and people, and consider stakeholder opinions. Upon request from members, detailed information on any pertinent issues is provided.

Again this year, aligned with PGGM's interest in progressively meeting SFDR requirements and following the Due Diligence conducted in this regard, ad hoc meetings have been held to inform and report on requested requirements and information, providing a highly positive perception among all investors regarding the approaches and methodologies developed to respond to new CSRD and GRI requirements, as well as Madrileña Red de Gas's sustainability strategy.

Aware of the impacts of climate change and the energy transition on the company's current and future activities, and as a result of the commitment to sustainability undertaken years ago, ESG-related topics have been systematically and periodically introduced into the Board's agenda. These include climate change impacts, the greenhouse gas (GHG) net emissions strategy and plan, GRESB index evaluation results, monitoring of the Sustainability Master Plan, and increasing reporting requirements. This participation encompasses decisions regarding risks and impacts on the economy, people, the environment, and human rights, which may affect Madrileña Red de Gas's short-, medium-, and long-term corporate strategy.

Financial performance control and evaluation by the highest governing body are carried out through the annual financial audit at year-end, which, in compliance with Law 11/2018 on Non-Financial Information and Diversity, provides non-financial information verified by an independent third party.

Furthermore, in the current market context where shareholders and investor groups increasingly prioritize investments in sustainable and socially responsible companies, it is worth noting that in 2024 the company improved its average debt costs, reaffirming its commitment to sustainability through a loan linked to the score obtained in the GRESB sustainability index.

Within this Board, three control bodies have been established: the Audit and Risk Committee, the Remuneration Committee, and the Criminal Offense Prevention Committee. Each has specific tasks and reports to the Board.

Audit and Risk Committee

The Audit and Risk Committee (ARC), composed of members of the Board of Directors representing the four investor companies, the CEO, and the Head of the Risk Management Department, (*Image 10*) monitors corporate risks, as well as the identification, analysis, and assessment of their impacts on the economy, the environment, and people. In line with the recent appointment of new board members, two new members have been designated to the ARC.

Members	Position	Seniority	Staff	Gender	Nationality	Age range
Romain Thierry Victor Bruenu	Member	2,59	EDF Invest	Н	French	<50
Simon George Davy	Member	6,59	LPPI	н	English	≥50
Alejandro Lafarga Ibran	Member	7,59	MRG	н	French	≥50
Inés Zarauz	Member	6,59	MRG	M	Spanish	<50
Alfonso Garcia	Secretary	7,59	MRG	н	Spanish	<50
Jan Matthijs Lakerveld	Chairman	1,08	PGGM	Н	Dutch	<50
Yingqi Liu	Member	0,88	Gingko Tree	н	Chinese	<50

Image 10 Composition and diversity of the Risk Committee

At the proposal of members of the Management Committee, any threat with potential impacts on the economy, the environment, and people may be subject to analysis in order to determine the likelihood and magnitude of the impact, as well as to define the corresponding mitigation plan.

At Madrileña Red de Gas, a process has been defined and implemented to determine the double materiality of sustainability-related matters, which involves and promotes the participation of stakeholders and gathers their perception of the organization's performance in each material aspect. This Sustainability Report includes the results of this analysis from the perspective of double materiality, with the endorsement and approval of the Board of Directors.

As established in the internal operating regulations, the Audit and Risk Committee reports directly to the Board of Directors and operates in accordance with the provisions set out therein, which define its objectives, functions, and composition. This committee is made up of representatives of the Board of Directors from each of the four shareholders, several members of the Management Committee, and the Risk Management Department.

The agenda items are addressed in regular committee meetings, held prior to each Board of Directors meeting, and are internally agreed upon at the beginning of each new fiscal year..

The Audit and Risk Committee is in charge of:

- Supervision and control of processes, channeled through the SIG Committee
- Presentation of the results of the financial audit and external verification.
- Monitoring the effectiveness of the internal control and risk management system.
- Monitoring of the criminal compliance policy and oversight of the Compliance system.
- Development and updating of the Mission, Vision, Values, and policies, which are subsequently approved by the CEO and presented to the Board of Directors.
- Development and monitoring of the Sustainability Master Plan.
- Follow-up on relevant matters and objectives related to Sustainable Development, as well as the organization's due diligence in addressing and managing impacts.
- Preparation and presentation of the sustainability report, which is reviewed and validated by the Management Committee and the Board of Directors.

Among the most recurrent topics are the monitoring of the corporate risk map (including operational, technological, regulatory, economic, social, environmental risks, as well as those arising from climate change, cybersecurity, and reputational risks), the controls and mitigation plans established or proposed, the financial audit, audits of the integrated prevention, environmental, quality, and information security management system, matters relevant to sustainability, development and monitoring of the Sustainability Master Plan, ESG indicator dashboard, alignment with new sustainability reporting requirements, the annual review of the criminal compliance policy, and the monitoring of the Compliance system. The outcome of these activities enables the issuance of recommendations aimed at risk management and/or the Board of Directors.

Remuneration Committee

Shareholder involvement in senior executive remuneration is exercised through the Remuneration Committee, which is composed of the Chair of the Board and up to four other Board members. (*Image* 11). As with other Committees, due to changes in Board members appointed by shareholders in 2024, this Committee has also incorporated a new member, maintaining a gender diversity ratio of 2:1.

Remuneration Committee						
Members	Position	Seniority	Staff	Gender	Nationality	Age range
Simon George Davy	Chairman	4,59	LPPI	н	English	≥50
Carmen Gómez de Barreda Tous de Monsalve	Member	0,25	Independent	м	Spanish	≥50
María Vázquez Galatas	Secretary	6,59	MRG	M	Spanish	<50
Kai Chen	Member	1,53	Gingko Tree	н	Chinese	<50
Jan Matthijs Lakerveld.	Member	1,26	PGGM	н	Dutch	<50
Alexandre Edouard Jean Pierre	Member	1,79	EDF Invest	н	French	<50

Image 11 Composition and diversity of the Remuneration Committee

The CEO and the Human Resources Director (who acts as Secretary) attend the meetings, except when their own remuneration is being discussed. The CEO is considered part of the Senior Management, and their compensation is set annually by the Remuneration Committee. Board positions are unpaid, in accordance with the Company's Bylaws.

The Remuneration Committee determines and recommends to the Board of Directors the remuneration policies and any changes to the terms of service for the CEO, the CFO, and any other member of the Management deemed appropriate to consider, as well as other employees.

The Remuneration Committee is responsible for all elements of compensation for the Business Unit Directors of Madrileña Red de Gas, which include:

- Fixed remuneration: This is the compensation paid based on the level of responsibility and professional background. It is accrued in all cases and is reviewed and agreed annually by the Remuneration Committee.
- Variable remuneration: This is the compensation awarded based on the achievement of objectives
 over a one-year time horizon. The objectives are defined annually by the Remuneration Committee,
 and payment is approved the following year based on results. These objectives are aligned with
 both shareholder interests and broader societal goals (a portion of them is linked to various
 sustainability aspects of the company).
- Hiring bonuses or incentive payments: Compensation granted upon recruitment.
- Severance payments: Financial compensation provided in the event of contract termination, as stipulated in the employee's contract.
- Reimbursements: Repayment of eligible expenses.
- Pension plan: A retirement scheme established to provide complementary social benefits in addition to the public pension system, for the benefit of plan participants.

The Committee is responsible for agreeing on the principles and structure of the proposed remuneration for all members of the Board of Directors and the Management Committee who are not covered by a Collective Bargaining Agreement (CBA). It is also tasked with considering how to attract, retain, and develop talent in collaboration with the CEO, as well as with establishing and reviewing succession plans.

The remuneration principles are based on:

- The creation of long-term value.
- The attraction, retention, and motivation of top professionals.
- Rewarding levels of responsibility and performance.
- Ensuring internal equity and external competitiveness.
- Ensuring pay equity between men and women.

The remuneration policies for all employees comply with good corporate governance practices. In accordance with Article 7 of Royal Decree 902/2020, a pay audit has been conducted alongside the Equality Plan (2022-2026). The action plan is included in the Measures section of the Equality Plan, specifically within the "Remuneration" block, and is monitored through the Plan's follow-up process (see People chapter).

The Remuneration Committee meets as often as necessary to ensure the proper performance of its functions. As a general rule, it holds a minimum of one or two meetings during the first four months of the year, although the number of sessions may increase when deemed necessary. In the 2024 fiscal year, the Committee held two meetings in the first quarter to present and validate remuneration proposals, as well as an additional meeting in the second half of the year to address specific needs. The Committee's proposals are submitted to the Board of Directors.

Aligned with the commitment to sustainability, sustainable financing, and shareholder requirements, part of the variable remuneration for management and the rest of the workforce has been linked for the past four years to ESG performance outcomes, such as the GRESB index. Additionally, since 2023, new elements have been incorporated to evaluate contributions to the company's ESG performance linked to achieving strategic objectives, including but not limited to:

- Implementation of approved measures in the Equality Plan.
- Deployment of renewable gas projects.
- Zero accidents with civil liabilities or sanctions related to environmental management.
- Growth in natural gas supply points through LPG conversion.
- ESG performance index from GRESB.
- Rating agency indices.
- Progress in the Data Driven project.
- Resilience and strengthening of cybersecurity plans.
- Update of the Compliance Training Plan.
- Achievement of Compliance control requirements.
- Human team development.
- Financial strength.

Management Committee

The Management Committee is a body composed of the General Manager or CEO of the Company and the heads of the six Business Unit Departments (*Image 12*). These Business Unit Departments are staffed with individuals who possess extensive experience and competencies in the company's key areas of activity. They bring operational and management proposals to the Committee that they consider appropriate or necessary for their respective Units and for fulfilling the Strategic Plan. Additionally, they act as a channel to communicate the interests, needs, and expectations of their stakeholders. Executive decisions of the Management Committee are made by the General Manager or CEO of the Company.

Management Committee					
Viembe rs	Position	Seniority	Nationality	Gender	Age range
Alejandro Lafarga Ibran	CEO	14,54	Spanish	н	≥50
Inés Zarauz	Finances	6,59	Spanish	M	<50
María Vázquez	RRHH	7,59	Spanish	M	<50
Rafael Fuentes	Legal Services	14,54	Spanish	н	≥50
David Ortiz	Expansion	8,59	Spanish	н	≥50
Félix Blasco	Network Operation	12,59	Spanish	н	≥50
Glen Lancastle	Systems and Customer OP.	14,54	Foreign	н	≥50

Image 12 Composition and diversity of the Management Committee

Their main responsibilities are:

- Definition and updating of the Mission, Vision, Values, policies, strategies, and objectives, which are communicated to the General Management to ensure compliance with the Company's strategic plan, as well as their ongoing monitoring.
- Approval and monitoring of the Sustainability Master Plan and objectives related to sustainable development.
- Monitoring the overall performance and specific projects of the Company's operational and business areas: expansion, customer operations, and network operations.
- General supervision of the achievement of economic, environmental, and social performance objectives.
- Engagement and involvement with stakeholders within their area of competence, delegating to the Risk Department the systematic and periodic identification of interests, needs, and expectations carried out by the organization.
- Identification of risks and opportunities, evaluating impacts on the economy, the environment, and people. Definition of risk mitigation policies and plans, as well as their monitoring.
- Definition of performance objectives by process and supervision of the evolution of the Company's management indicator dashboard. Proposal and implementation of improvement actions.
- Monitoring of various transversal corporate matters considered relevant (regulation and legal compliance, sustainability, human resources, health and safety, environment, personal data protection, crime prevention, etc.).

The objectives and operating procedures of the technical committees and commissions identified in this chapter are detailed throughout the report, according to their respective areas of work or scope.

3.3 Compliance model

GRI 2-12; GRI 2-13; GRI 2-15; GRI 2-16; GRI 2-23; GRI 2-24; GRI 2-26; GRI 2-27

The systematic identification of compliance obligations, risk analysis, and their implications for the activities, products, and services of Madrileña Red de Gas—both for fulfilling the strategic plan and minimizing legal and criminal risks—are the driving forces behind the development, implementation, and continuous improvement of a robust Compliance system, as well as the promotion of a culture of compliance and due diligence.

Legal compliance within the integrated management system is carried out through a systematic process of identifying and evaluating legal requirements, supported by an IT tool. Additionally, controls and compliance measures are established through internal regulations, and the risks arising from legal non-compliance are assessed across all areas of the company.

Madrileña Red de Gas provides the necessary tools to all its members and supply chain to promote the highest standards in ethics and compliance, respect for current laws and regulations, and zero tolerance for activities related to corruption or other illicit conduct.

In 2024, there were no fines or sanctions resulting from legal non-compliance.

The Image 13 Pillars of the Compliance Model.

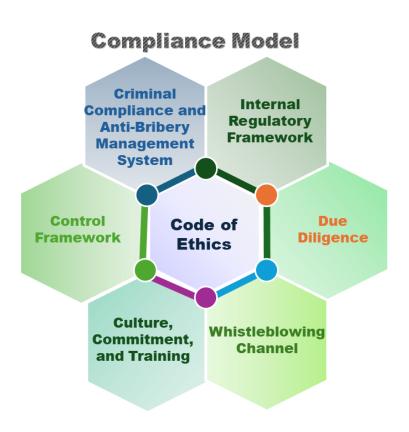


Image 13 Pillars of the Compliance model

Ethic Code

The Code of Ethics aims to establish guidelines that must govern the ethical behavior of all employees in their daily work, particularly concerning their relationships and interactions with all stakeholders—namely employees, customers, suppliers and external collaborators, shareholders, public and private institutions, and society at large.

Following the enactment of Law 2/2023, of February 20, regulating the protection of whistleblowers and combating corruption, and the revision of the whistleblowing channel, Madrileña Red de Gas conducted a review of the Code of Ethics in 2023.

Furthermore, the company promotes and encourages its suppliers and collaborating companies to adopt behavioral standards consistent with those defined in this Code of Ethics. To this end, a Supplier Code of Conduct has been developed, which has been incorporated into the new contractual clauses.

The Code of Ethics Committee is the body responsible for ensuring compliance with the Code. It is composed of four members appointed by the General Management based on their experience and knowledge, in addition to the head of the Internal Information System. The Committee members elect their chairperson by vote for a two-year term. The Committee's operations are governed by the Code of Ethics itself.

The purpose of the Code of Ethics Committee is to:

- Promote the dissemination, awareness, and compliance of the Code of Ethics.
- Interpret the Code of Ethics and provide guidance in cases of doubt.
- Facilitate the resolution of conflicts related to the application of the Code.
- Provide and manage a communication channel for all employees, suppliers, and collaborating companies to report in good faith and without fear of retaliation any concerns or breaches of the Code of Ethics or any related information.
- Report to the governing bodies on the dissemination and compliance with the Code of Ethics, as
 well as on the Committee's activities, preparing recommendations or proposals to keep it updated,
 improve its content, and facilitate the application of aspects requiring special consideration.
- Oversee compliance with the Code of Ethics and, where appropriate, analyze indications and reports related to potential breaches of the Code.

The Committee submits its proposals for approval by the General Manager.

Internal regulatory framework

The principles underpinning Madrileña Red de Gas's corporate governance and compliance system are embodied in a comprehensive set of regulations, policies, standards, manuals, and procedures.

Primarily, the regulations align with best corporate governance practices by establishing the rules for organization and operation, codes of conduct, and oversight and control mechanisms for governance bodies:

- Bylaws, registered with the Commercial Registry, governing the company's general operation.
- · Board of Directors Regulations.
- Audit and Risk Committee Regulations.
- Remuneration Committee Regulations.

The Mission, Vision, and Values of Madrileña Red de Gas, together with the Code of Ethics, constitute a behavioral model designed to ensure appropriate conduct in the professional performance of employees.

The policies reflect the company's commitments and strategy towards proper business conduct, reinforcing its engagement with economic, environmental, social sustainability, and good governance in the short, medium, and long term. They also address the impacts and risks related to the company's activities, laying the groundwork for adequate awareness, involvement, and management by employees, shareholders, and the value chain, and regulate relations with the various stakeholders. These policies are publicly accessible to all stakeholders at: https://madrilena.es/sostenibilidad/.

These policies are defined by the competent management areas, supervised by the Audit and Risk Committee, approved by the General Manager, and ultimately validated by the Board of Directors to ensure compliance and oversight.

The *Image 14* illustrates the company's document management map, which also serves as a reference for other group companies:

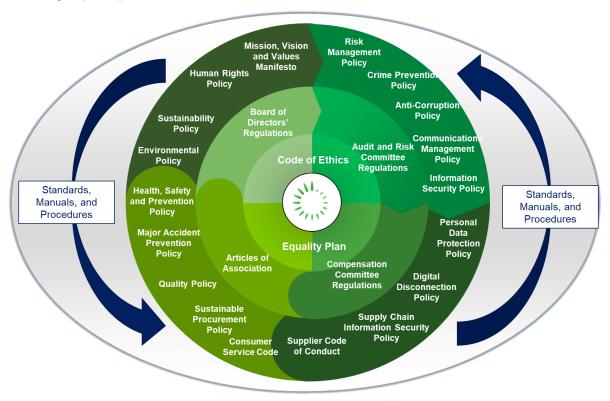


Image 14 Document management map of Madrileña Red de Gas

Criminal compliance and anti-bribery system

Criminal Compliance

Within the framework of the Compliance System and as a result of the risk analysis at Madrileña Red de Gas, a Criminal Offenses Prevention Protocol has been defined and communicated internally, outlining the functional areas and the most sensitive activities where offenses to be prevented may occur. Madrileña Red de Gas is committed to the continuous review of the protocol based on analysis and control.

To this end, it has a Crimes Prevention Committee composed of the Chairwoman of the Board of Directors, the CEO, and the Compliance Officer.

The functions of this Committee can be summarized as follows:

- Review existing policies and ensure continuous compliance with legislative updates regarding risk prevention.
- Adapt established controls to minimize detected risks as much as possible.
- Review employee training programs, incorporating current updates or serving as reminders.
- Approve action plans and improvements proposed by the Compliance Officer.

The organization's processes related to the company's most operational aspects are defined by the Executive Committee and communicated to the Board of Directors whenever there may be a significant change.

Matters discussed in the Crimes Prevention Committee are escalated to the Audit and Risk Committee, which in turn reports to the Board of Directors, the ultimate body informed of all impacts. This delegation system efficiently manages all impacts that may affect the company across all areas.

Prevention of corruption and fraud

GRI 2-15, GRI 205-3

Madrileña Red de Gas maintains a firm commitment to combating corruption in all its forms by implementing specific preventive measures. To this end, the company has adopted an Anti-Corruption Policy. In line with this policy, Madrileña Red de Gas publicly expresses its determination not to exert influence over the will of third parties to obtain benefits through unethical practices. Likewise, no employee or professional linked to the organization is authorized to offer or accept, directly or indirectly, payments, gifts, or any type of compensation that could improperly affect their commercial, professional, or administrative relationships, whether in the public or private sector.

The risks associated with any criminal activity within the organization, including corruption, fraud, or conflicts of interest, are overseen by the Board of Directors through the Audit and Risk Committee, which helps prevent or mitigate such risks to the greatest extent possible. To date, no cases of corruption have been detected.

Board members, upon detecting a conflict of interest, must inform both the Board of Directors and the Company itself. This communication is documented and included in the Company's report. Furthermore, as established by the Capital Companies Act, for cases where a potential future conflict of interest is foreseen, Article 230 of the same legal text sets forth a waiver procedure for specific cases, which will be carried out, depending on the case, either by the Board itself or, if applicable, by the sole shareholder.

In 2024, no breaches related to criminal risks or risks associated with internal or external corruption were detected.

Additionally, all contracts with suppliers and contractors include penalty clauses concerning legislative compliance and criminal liability. Contracts require compliance at all levels: labor (Occupational Risk Prevention, social security contributions, mandatory training for activities, etc.) and business (tax compliance, activity accreditations, etc.).

The monitoring of suppliers' ESG performance through the supplier prequalification portal, following its own risk methodology, allows the evaluation of the current status of collaborating companies under various regulatory frameworks, specifically in legal and criminal matters (*Image 15*).

Which frameworks of interest are to be analysed?	What is the breakdown?	How is it interpreted?				
Legal Risk	Overall status of the company	This is the rating obtained by your company based on its internal information and information from public sources from the various supervisory bodies.	Low Risk The measures	B Medium Risk There are significant	High Risk The high likelihood of	Very high risk The measures in place
Criminal Risk	Threat	Probability of being inspected and sanctioned by the control body.	implemented are sufficiently effective to mitigate the current threat.	additional measures should be added to	significant impacts requires immediate mitigation actions to avoid non-compliance	are insufficient to prevent the current high degree of probability of
Criminal Risk	Vulnerability	Degree of implementation of measures that avoid or mitigate the impact of an inspection.		avoid their potential impact.	and/or financial losses.	non-compliance and/or financial loss.

Image 15 Types of criminal and legal risks evaluated on the supplier approval and assessment platform

Verifications related to the Anti-Money Laundering (AML) Law and sanctions are regulated by Law 10/2010, of April 28. According to this law, Madrileña Red de Gas is not obligated to perform AML (Anti-Money Laundering) or sanctions verifications. However, the Supplier Evaluation Platform (which verifies ESG audit scores for critical suppliers, outstanding tax payments, compliance questionnaires, etc.) has included a new KPI that reports whether a company, its management team, or its shareholders appear on any international sanctions list.

In the 2024 evaluation, no supplier was rated as having a very high criminal risk. It is noteworthy that 47% of critical suppliers were rated with high criminal risk, compared to 57% in the previous year. Additionally, 33% of critical suppliers were rated as medium or low risk, and 20% were not evaluated—either because they are not registered on the platform or because there was insufficient information to assess their criminal risk (*Image 16*).

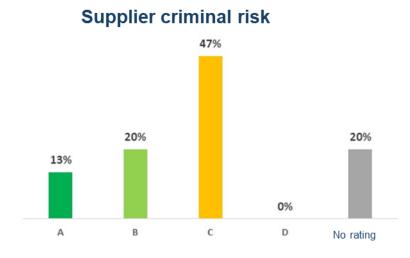


Image 16 2024 Criminal-Legal Risk Evaluation Chart for Critical Suppliers of Madrileña Red de Gas

Whistleblowing channel

It is important to highlight that, in compliance with Law 2/2023, of February 20, regulating the protection of persons reporting regulatory infringements and combating corruption, the company updated its whistleblowing channel, operational since 2015 and outsourced to a reputable company in the sector, with the aim of strengthening guarantees of confidentiality, protection, and non-retaliation for those who report possible irregularities through this mechanism.

In this regard, and following the appropriate consultation with employee representatives, the Board of Directors approved in 2023 a series of additional measures to adapt the internal information system to the new regulation, including:

- 1. Appointment of the person responsible for the company's Internal Information System, in charge of managing the channel and ensuring compliance with legal requirements.
- 2. Approval of the Information Management Policy, establishing guiding principles and criteria for receiving, processing, and monitoring communications.
- 3. Approval of the Information Management Procedure, regulating the processing of reports and guaranteeing due diligence in their handling.
- 4. Update of the company's Code of Ethics, reinforcing commitments to integrity, transparency, and regulatory compliance.

These updates ensure that the whistleblowing channel remains an effective tool for detecting and preventing irregular conduct, aligned with the highest standards of corporate governance, legal compliance, and business ethics.

Reports received through the Whistleblowing Channel are discussed and analyzed by the Code of Ethics Committee and are forwarded to the appropriate area based on their content, along with the agreed considerations.

This channel is available online (https://www.canaldedenuncias.com/es/madrilena). In 2024, it was available and operational 100% of the time.

There have been no significant cases of legal or regulatory non-compliance, nor fines paid as a result of final judicial rulings during the reporting period.

During the past year, no reports were received via the channel concerning possible cases of corruption or violations of the Code of Ethics. Likewise, the company has not been investigated or convicted by any court for corruption-related breaches, consistent with previous years.

In 2024, 12 inquiries or complaints related to the company's normal operational activities were received through the channel; these were routed through the appropriate channels for management, none related to the Compliance system and therefore not classified as whistleblower reports.

Control framework

GRI 205-1

During the course of activities and on an ongoing basis, monitoring and evaluation of the compliance program is carried out, providing a reasonable level of assurance. The control monitoring activity has been delegated from the Risk function to the executors and owners of the controls.

In 2024, an evaluation of the compliance status within the organization was conducted again, analyzing its level of implementation and effectiveness to understand the compliance measures and control measures implemented, as well as to prevent and detect criminal risks. Control evaluations have been managed through a specific Compliance risk management tool that allows sending control assessments to the executors and owners of the controls.

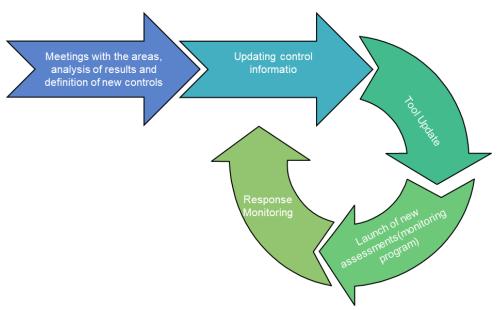


Image 17 Compliance monitoring System. Control Framework

The specific scope of the supervision activity includes a list of infringements that may impact Madrileña Red de Gas:

Key highlights

- As in 2023, the 124 controls evaluated in 2024 (with 100% of the processes completed) were classified as "Adequate," with none rated as "Partially Adequate" or "Not Adequate." This consistency in results reinforces the robustness of the company's internal control framework. The ongoing alignment of monitoring activities with risk assessment objectives has ensured the effectiveness of measures implemented to mitigate compliance risks.
- Regarding "Crimes against workers' rights," a key potential risk for Madrileña Red de Gas, continuous improvement of controls over recent years has been so significant that the previous gap between potential risk and control robustness has been fully closed. Among these controls, highlights include:
 - Strict compliance with current occupational health and safety legislation.
 - Provision of safe and healthy working conditions.
 - Ongoing evaluation and improvement process through auditing procedures.
- Concerning potential infractions related to cybersecurity, significant improvements to controls were
 already implemented in 2023. In 2024, these controls remain in force, ensuring continuous
 compliance and resilience in cybersecurity matters. The strength of these controls is further
 supported by the maintenance of the ISO 27001 management system and ongoing cybersecurity
 training initiatives implemented at Madrileña Red de Gas in recent years.
- As a continuation of measures implemented in previous years, following the enactment of Organic Law 10/2022 on comprehensive guarantees of sexual freedom, the crimes of degrading treatment and sexual harassment were incorporated into the Control Matrix in 2022. In 2024, these controls remain fully operational and are effectively applied, with no incidents reported to date.

- As every year, a review was conducted to update and evaluate the compliance risk related to crimes
 included in the Company's risk map, to reflect the current exposure to the risk of behaviors and
 actions that may breach the applicable regulations and entail liability for Madrileña Red de Gas.
- As part of the methodology, an Action Plan for the upcoming year has been established, with an emphasis, as always, on awareness and training in Compliance matters.

The information and actions resulting from this process have been assessed by the Audit and Risk Committee, as well as by the Board of Directors in the Governance, Ethics, and Compliance chapter.

Compliance culture, awareness and training

GRI 205-2

The Criminal Offenses Committee, as the body responsible for approving crime prevention and anticorruption policies, the crime prevention protocol, the annual Compliance review report, and the annual action plans based on detected needs, among other duties, is also in charge of deploying, where applicable, general and specific training actions on criminal offense prevention. These are aimed at the company's executive governing bodies (General Director, Area Directors, and Department Heads), as well as the rest of the employees.

During 2024, the annual awareness and training plan on compliance culture continued to be delivered through various communication actions, including the irregularities reporting system and dissemination of short educational and informative modules on key aspects of the Compliance System. For the Madrileña Red de Gas compliance team, it is very important that all employees are familiar with the irregularities reporting system, which requires continuous communication. For example, new employees are informed about the reporting system during their welcome session, and periodic information campaigns (such as emails and posters) are conducted throughout the year.

In 2024, the following specific training was delivered:

- Basic Compliance Training: Basic criminal offense prevention training provided to all personnel
 regardless of their professional category or hierarchical level. This training is currently given as part
 of the onboarding plan upon joining the company. The course lasts one hour and is delivered online,
 with training effectiveness recorded through a questionnaire assessing knowledge acquired. In
 2024, this training was delivered to 5 people (4% of the workforce), none of whom were members
 of the Management Committee.
- Criminal Compliance Training (Image 18). In 2023, an external refresher and update course on Criminal Offense Prevention was conducted, reaching 92% of the workforce. In 2024, this course was offered again to those who, for various reasons, could not take it in 2023. The course was delivered online, with effectiveness measured through a questionnaire on the knowledge gained. It is noteworthy that 100% of the workforce completed this course during the 2023-2024 period. A new training session is planned for 2025.



Image 18 Training charts on compliance for 2023-2024

Training on Prevention and Awareness of Workplace Violence and Harassment (*Image 19*): this
year, training was provided to 92 people (79% of the workforce) during November 2024, reinforcing the
training already conducted in 2023. The course lasted one hour and was delivered online.

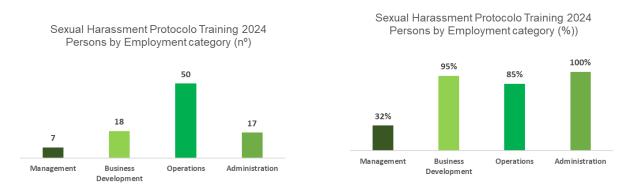


Image 19 Graphs of the training on workplace violence and harassment 2024

- The members of the Board, in addition to receiving training on Good Governance Practices (see the competency evaluation charts of the Board), are systematically informed during the meetings of the Audit and Risk Committee about policies, compliance risk assessments, and the annual system review. New members who joined in the last quarter of the year participated in the information session during the final quarter 2024 meeting, under the section on Governance, Ethics, and Compliance.
- Communication is reinforced during team meetings throughout the year.
 Likewise, all suppliers and contractors are informed of and required to comply with legal obligations at all levels, through clauses on legislative compliance and criminal liability.

Human Rights Due Diligence

For Madrileña Red de Gas, Due Diligence in sustainability is understood as the set of actions or measures the organization takes to identify and address negative impacts, prevent and mitigate them, monitor the implementation and results, and report on how these negative impacts affecting people and the environment are managed — both in its own activities and those of its suppliers and customers.

The due diligence model (*Image 20*) defined at Madrileña Red de Gas can be summarized in four main stages. In 2024, the company began structuring the due diligence model and actions that had been previously carried out within the organization, aiming to gradually implement and systematize it over the coming years on a voluntary basis, since it is not yet subject to the due diligence requirements of the CSRD Directive for Reporting, nor the CSDDD Directive on due diligence.

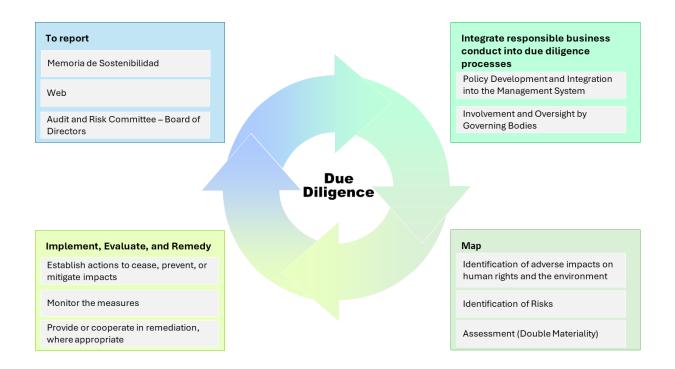


Image 20 Due Diligence model on human rights at Madrileña Red de Gas

Incorporating business conduct in Due Diligence

Since 2021, Madrileña Red de Gas has had a Human Rights Policy (*Image 21*), based on the UN Guiding Principles on Business and Human Rights, which reflects the company's behaviors and reinforces its commitment to respecting and promoting Human Rights across all its operations and in all communities where it operates, with special attention to vulnerable groups, as also established in its Code of Ethics. This commitment extends to suppliers through the Sustainable Purchasing Policy and the Supplier Code of Conduct, as well as contractual specifications regarding Human Rights and legal compliance, thereby extending its due diligence commitment throughout its supply chain.



Image 21 Commitments. Human Rights Policy

The policy applies to all employees, executives, and the Board of Directors, covering all activities carried out by the company. Its compliance is ensured through the evaluation mechanisms of the compliance system.

Additionally, Madrileña Red de Gas has an Information Management Policy that establishes guiding principles and criteria for handling, processing, and monitoring reports of irregularities. It has also approved an Information Management Procedure that regulates the processing of complaints and guarantees due diligence in their management.

Moreover, Madrileña Red de Gas has a governance structure that facilitates supervision and monitoring of actions regarding due diligence on people and the environment, promoting the United Nations Guiding Principles on Business and Human Rights, both in the company's own operations and those of its suppliers.

Mapping

The Due Diligence Model is based on the risk management framework and impact analysis within the double materiality process, where actual or potential impacts on compliance with the principles of respect for Human Rights or the environment are identified.

This systematic approach will enable Madrileña Red de Gas to evaluate and prioritize negative impacts based on their severity or gravity (scale, scope, and remediation) and the likelihood of occurrence, as well as the associated risks. In 2024, a series of risks related to Human Rights due diligence were identified and will be assessed in the next double materiality exercise.

Implement, Evaluate and Remediate

This Model is based on the principles of protection, respect, and remediation, aimed at fulfilling the commitments established in this policy and the behaviors set forth in the Code of Ethics itself. To that end, it has established the following review mechanisms:

- The Board of Directors is responsible for approving and overseeing the Company's overall Human Rights strategy, from which this Policy derives.
- The Risk Manager is responsible for conducting the human rights risk assessment, reporting to the Audit and Risk Committee.

- The Audit and Risk Committee is periodically informed about the implementation and performance
 of this Policy and the Code of Ethics by the Organization as a whole, with the aim of monitoring and
 evaluating the level of implementation and effectiveness of the Policy to manage the protection of
 Human Rights.
- Madrileña Red de Gas has implemented an ethics channel, including communication and whistleblowing channels, to ensure the handling and remediation of possible irregularities, including violations or abuses of Human Rights.
- Any threat with potential impacts on the economy, environment, and people may be analyzed by the Management Committee to determine the likelihood and magnitude of the impact, as well as to define the corresponding mitigation plan.

Given the regulated activity and the geographical environment in which it operates, there is no high risk of non-compliance. Nonetheless, Madrileña Red de Gas makes available the tools accessible to all its stakeholders (see Sustainability Strategy chapter), with special emphasis on the labor environment of the supply chain and the supply of gas to vulnerable people due to energy poverty, following the applicable regulations in this regard.

The result of the analysis will allow Madrileña Red de Gas to implement mitigation or remediation measures and integrate them into the company's own processes.

Reporting

Through the transparency and accountability process via the publication of the sustainability report, Madrileña Red de Gas will disclose its due diligence management model and the possible impacts generated to all its stakeholders.

Internally, reporting will be conducted through the various involved Committees.

In 2024, no human rights risks materialized in the operations of Madrileña Red de Gas.

4. COMMITMENT TO SUSTAINABILITY

4.1 ESG strategy

GRI 2-24, GRI 3-3

M Madrileña Red de Gas works daily with a strong commitment to sustainability, integrating it transversally at all levels of the organization.

Aware of the impact of its actions on sustainable development, in 2024 Madrileña Red de Gas published its Sustainability Policy, aimed at establishing the principles of action and commitments assumed by the company in terms of sustainability, with a clear objective of generating shared value with its stakeholders, both now and in the long term, and an undeniable responsibility for the possible impacts linked to its activity as a gas distributor.

On the other hand, the energy transition, although it may represent a challenge, is also a valuable opportunity for the future of the company and for the planet. The company's goal is to be a benchmark in the fight against climate change, firmly committed to promoting renewable energy alternatives, such as biomethane and hydrogen, that enable progress toward a cleaner and more efficient energy model.

The energy transition, although it may represent a challenge, is also a valuable opportunity for the future of the company and the planet.

Additionally, Madrileña Red de Gas wants to be fully prepared for upcoming regulatory and market changes, always ensuring access to reliable and continuous energy. Through its constant action, it seeks not only to strengthen its position in the sector but also to contribute to building cleaner and more sustainable cities, thereby earning the trust and recognition of the public.

Furthermore, Madrileña Red de Gas focuses its strategy and integrates sustainability principles into all areas of the company, aligning its operations, products, and services with the Sustainable Development Goals (SDGs).

To that end, Madrileña Red de Gas has evaluated and directly contributes to those SDGs most aligned with its mission, vision, values, and operations, with the goal of generating real and positive impacts (*Image 22*).













Image 22 Priority SDGs for Madrileña Red de Gas

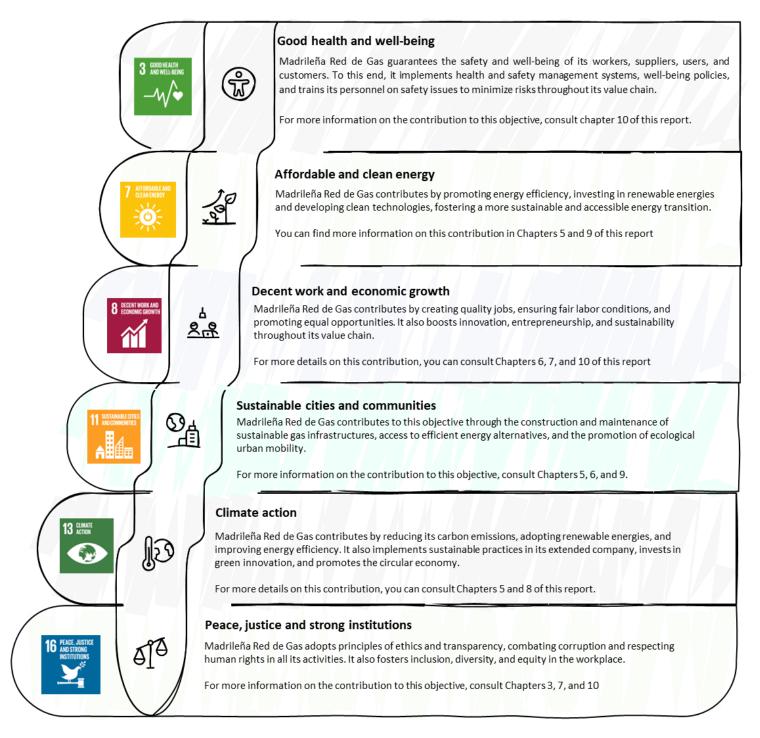


Image 23 Madrileña Red de Gas contribution to the Sustainable Development Goals prioritized by the company

GRESB: A seal of leadership in sustainability

After hard work and commitment to sustainability, Madrileña Red de Gas has achieved first place globally, in Europe, and in Spain according to the renowned Global Real Estate Sustainability Benchmark (GRESB). (*Image 24*).

After nine consecutive years of participation and with outstanding scores in the previous three editions (93, 96, and 100), Madrileña Red de Gas has once again secured its sector leadership with the highest possible score: 100 out of 100 points. This achievement allows the company to renew, for the fourth consecutive year, the prestigious 5-star rating, which is awarded only to the top 20% of companies with the best scores in the GRESB assessment.



2024 GRESB Infrastructure Asset Benchmark Report MADRILEÑA RED DE GAS | MADRILEÑA RED DE GAS GRESB Rating * * * * * Participation & Score | Peer Comparison Telurope | Gas Distribution Network | Maintenance and operation | Out of 10



Image 24 Madrileña Red de Gas results in the GRESB 2024 index

In its 2024 edition, the GRESB infrastructure assessments included 720 companies from all sectors across 81 countries, making the recognition awarded to Madrileña Red de Gas even more significant within a highly competitive global context.

Furthermore, these results provide insight into the company's progress compared to previous years as well as its maturity level in ESG (Environmental, Social, and Governance) best practices, both internally and relative to other companies in the same sector.

For Madrileña Red de Gas, being number one in GRESB is a crucial achievement that reflects an exemplary commitment to sustainability. It not only enhances the company's reputation and trust with investors and clients but also opens new business opportunities, facilitates access to green financing, and attracts investors committed to sustainability. In a market focused on environmental responsibility, leading in GRESB becomes a key competitive advantage.

Sustainability award in the Corporate Awards 2024

Reinforcing the achievement of attaining the highest rating in the 2024 GRESB Index, and alongside its strategy to reach the Net Zero target by 2050, Madrileña Red de Gas has been honored with the Sustainability Award granted by Corporate magazine, highlighting its leadership in the implementation of sustainable practices. (*Image 25*).

Madrileña Red de Gas has been honored with the Sustainability Award granted by Corporate magazine, recognizing its leadership in the implementation of sustainable practices.

The Corporate Awards, organized by Corporate magazine since 2021, recognize individuals and companies that have significantly driven the country's economic and business development in the 21st century.

This award reaffirms Madrileña Red de Gas's commitment to sustainability and its focus on strategies that promote the reduction of pollutant emissions and improve energy efficiency, generating benefits for the communities it serves.



Image 25 CEO of Madrileña Red de Gas, Alejandro Lafarga, receiving the Sustainability Award granted by the Corporate magazine

Madrileña Red de Gas participates in the National Environmental Congress 2024

Last Thursday, December 5th, Madrileña Red de Gas took part in a new edition of the National Environmental Congress (CONAMA). The Risk Management Officer, Alfonso García Juncal, spoke during the technical session dedicated to sustainability reporting standards and frameworks. (*Image* 26).

Alongside companies such as Ilunion Hoteles and Sacyr, Madrileña Red de Gas shared its experience in the field of sustainability, highlighting the progress made to date and its approach to tackling the challenges posed by new reporting regulations, especially concerning the entry into force of the CSRD Directive.

This participation reaffirms Madrileña Red de Gas's commitment to transparency, continuous improvement, and leadership in corporate sustainability.



Image 26 Madrileña Red de Gas participation in CONAMA 2024

Turing project: decisions driven by data

In an increasingly dynamic and competitive business environment, being a data-driven organization is not an option but a necessity. Madrileña Red de Gas embraces a culture where data is the core of every decision, strategy, and operation.

Through the Turing project, a strategic initiative launched in 2024, Madrileña Red de Gas aims to become a data-driven organization. Supported by top management, the goal is to train an internal specialized team to drive the use of data in decision-making.

This team will act as a catalyst for cultural and technological change within the organization, promoting best practices, identifying improvement opportunities based on data, and supporting different departments in their transformation towards more analytical, efficient, and proactive management.

Direct sponsorship from leadership ensures alignment with the company's strategic objectives and reinforces the commitment to a vision based on evidence, transparency, and continuous improvement.

As part of the project, a Data Lake is being developed—a centralized repository that stores the company's key information. This environment continues to grow with relevant data for each business area. Historical data has already been incorporated, and a glossary of terms has been published to unify criteria and facilitate data understanding. In the next phase, each business unit will have structured access to its own tables.

Additionally, a three-year master plan has been designed that includes training the team in data strategy and analysis to foster a culture based on data use throughout the organization. This plan also addresses data governance and quality, report standardization, and data-driven decision-making.

Furthermore, potential applications of artificial intelligence and predictive analytics are being identified to optimize and make business processes more efficient.

In summary, Madrileña Red de Gas is an organization that not only collects data but analyzes it, puts it into action, and transforms it into a long-term competitive advantage.

Compliance with the new sustainability standards

During 2024, Madrileña Red de Gas has made a significant effort to prepare for and adapt to the Corporate Sustainability Reporting Directive (CSRD), following a meticulous and strategic process to comply with the new sustainability and transparency requirements established by the European Union.

This directive, aimed at improving the quality, consistency, and comparability of sustainability-related information, requires companies to provide more detailed reports on their environmental, social, and governance practices.

The first step in this process was a thorough study of the CSRD requirements, carefully analyzing the new guidelines, scope, and potential impact of the directive on internal policies.

Once the requirements were understood, the next step involved conducting a gap analysis to assess the difference between the company's current sustainability practices and the new requirements established by the CSRD.

To carry out this gap analysis, all disclosure requirements of the ESRS (European Sustainability Reporting Standards) were meticulously reviewed. These technical standards, developed by EFRAG (European Financial Reporting Advisory Group), regulate the sustainability information companies must disclose to implement the CSRD. While the CSRD mandates companies to disclose sustainability information, the ESRS specify what must be reported and how it should be presented.

In this way, Madrileña Red de Gas has evaluated its level of compliance with these standards and identified which information meets the requirements and which areas need improvement or adjustment. (*Image 27*).



Image 27 Madrileña Red de Gas's position regarding ESRS compliance requirements (gap analysis results)

In parallel, Madrileña Red de Gas participated in the pilot phase of the Global Reporting Initiative (GRI) alignment support service for GRI-ESRS integration. Through this collaboration, GRI Report Services analyzed the GRI Content Index from the company's previous sustainability report, with the aim of providing Madrileña Red de Gas with a tailored alignment review of the requirements for a GRI-reporting organization.

As a result, Madrileña Red de Gas received guidance on useful resources to support future ESRS reporting, as well as a summary of how its GRI disclosures align with ESRS requirements, including additional notes and comments on the information provided. The company also received a list of ESRS data points that were not aligned with its current GRI disclosures.

SFDR report

For the second consecutive year and during the first quarter of the year, Madrileña Red de Gas provided the information requested by its shareholder PGGM, based on the disclosure requirements of the Sustainable Finance Disclosure Regulation (SFDR).

The SFDR is a regulation of the European Union aimed at increasing transparency in sustainable investments. It requires financial entities and asset managers to disclose information on how their products and services impact sustainability, specifically regarding environmental, social, and governance (ESG) factors. The objective is to enable investors to make informed decisions about the sustainability implications of their investments, thereby promoting a more responsible financial sector aligned with global climate and social goals.

Sustainability maturity: comparative analysis

During the last quarter of 2024, a new comparative analysis was conducted to assess the sustainability maturity level of the country's leading gas distribution companies. The study focused on the three core pillars of sustainability: corporate governance, environmental performance, and the social dimension.

To carry out the analysis, publicly available information from the sector's top companies was used. The primary objective of this comparison is to identify development and improvement opportunities within each of the sustainability vectors analyzed, thus highlighting both strengths and existing gaps.

In addition, the results provide a valuable benchmark to promote best practices, foster transparency, and support strategic decision-making aimed at driving a sustainable and responsible transition within the sector.

4.2 Materiality analysis

GRI-2.29; GRI 3-1, GRI 3-2

Double materiality is a key concept in the new Corporate Sustainability Reporting Directive (CSRD), which requires companies not only to disclose the environmental, social, and governance impacts of their activities, but also to report on how these factors may affect their financial performance.

In line with this, throughout 2024, Madrileña Red de Gas has been working on a double materiality assessment, following the recommendations established by EFRAG, to ensure that the sustainability report complies with the new directive's requirements. This approach—which integrates both financial and environmental/social perspectives—enables the company to identify the most relevant and significant topics, both in terms of their impact on the company's performance and on society and the environment.

As the process is still ongoing, this report retains the materiality analysis from the previous reporting year. That assessment was carried out based on the criteria established in the GRI standards—specifically GRI 3: Material Topics 2021—and considered the thematic standard GRI 11: Oil and Gas Sector 2021.

The material topics were identified and prioritized through a participatory process that involved evaluating and selecting the most relevant issues for the organization and its stakeholders. This process assessed the positive and negative, actual and potential impacts of Madrileña Red de Gas's activities on the economy, people, and the environment (outside-in), as well as the impact of these topics on the company's business performance and outlook (inside-out).

In this context, in 2024, the company approved an internal procedure for conducting materiality assessments. This procedure sets out the necessary guidelines and steps to evaluate and determine the most relevant aspects for the organization. It ensures a systematic and structured approach to identifying and assessing the key elements that significantly affect Madrileña Red de Gas's decisions and operations. For more detailed information on the materiality analysis process, please refer to the previous year's sustainability report (https://sostenibilidad-2023.madrilena.es/nuestro-compromiso-con-la-sostenibilidad/).

The results of the materiality analysis enable Madrileña Red de Gas to focus its efforts on the topics of greatest relevance (i.e., material topics), both for its performance and for long-term sustainability (*Image* 28).

Material topics		
Aspects	Topics	
Good governance, ethics and transparency	Ethics and legal compliance	
	Sustainability governance	
Risk management	Climate adaptation, resilience and transition	
	Asset integrity and critical incident management	
	Cybersecurity	
	Economic-financial risks	
	Regulatory risks	
Business development	Economic and financial value creation	
	Development and extension of the distribution network	
Supply chain	Extension of ESG criteria to the supply chain	
Environmental impact	Emissions, pollution, and fight against climate action	
	Energy access and economic impact	
Social impact	Reliability, supply continuity, and customer orientation	
People	Occupational safety and health	

Image 28 List of material topics and issues for Madrileña Red de Gas

4.3 Sustainability master plan 2023-2026

GRI 2-13; GRI 2-24, GRI 3-3

Based on the context analysis and the double materiality assessment, Madrileña Red de Gas defined a Sustainability Master Plan for the 2023–2026 period, with the goal of addressing the challenges of the energy transition and climate change through a sustainable business model focused on long-term value creation and commitment to people and customers.

The Plan is structured around strategic pillars and lines of action, which in turn are deployed through a set of actions and targets for the four-year period. The goals are aligned with the company's objectives and strategy, taking into account:

- The main trends in sustainability.
- Material topics and subtopics for the company.
- Requirements set by the GRESB index and the OGMP 2.0 initiative.
- Commitments made to stakeholders.
- Contribution to the company's priority Sustainable Development Goals (SDGs).

The Sustainability Master Plan of Madrileña Red de Gas is a roadmap to address the challenges of the energy transition and climate change through a sustainable business model based on long-term value creation and commitment to people and customers.

Eight strategic pillars have been established, corresponding to the seven material topics identified, plus a cross-cutting pillar that is common to all of them (*Image 29*)

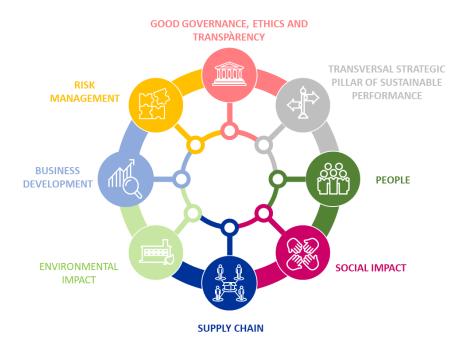


Image 29 Strategic pillars for the Sustainability Master Plan

The lines and actions linked to each pillar (*Image 30*) have clear purposes to address the sustainability challenges presented, both to tackle impacts as well as risks and opportunities.

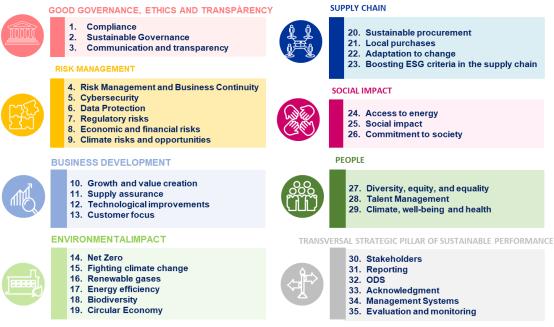


Image 30 Action Lines of the Sustainability Master Plan

As indicated, the action lines are broken down into 43 actions, which in turn encompass 198 targets (*Image 31*). For each of these, the responsible departments for execution have been identified, as well as the primary material or relevant topic to which they contribute.

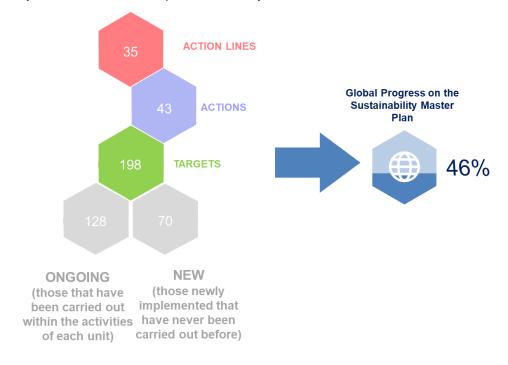


Image 31 Sustainability Master Plan 2024 progress

To plan the work for the 2023–2026 period, key factors considered included the current level of performance, the impact versus effort required to address each action, the resource needs to carry out the activities, and whether it was a mandatory requirement. In all cases, a balance was sought in the distribution of responsibilities among the different departments tasked with implementing the actions, as well as alignment with other strategic plans and initiatives.

The prioritization of material topics, the current performance level, the existence or absence of legal or regulatory requirements to be met, and the resources needed to carry out the activities were the fundamental elements for prioritizing and planning the work over the four-year scope of the Plan. In every case, efforts were made to ensure an equitable workload among the departments responsible for executing the actions during the 2023–2026 horizon.

The Risk Management Unit is responsible for preparing and monitoring the Plan. At least once a year, a global evaluation of progress on activities and targets is conducted, while the main actions are assessed at least semiannually to report and supervise through the Audit and Risk Committee, based on information provided by the different organizational units.

The Audit and Risk Committee, as the governing body responsible for integrating sustainability into the Company's strategy, supports the execution and monitoring of the Plan by issuing recommendations as necessary and conveying information to the Board of Directors for its approval and inclusion in decision-making.

At the midpoint of the Plan's duration, the performance rate is 46% of actions completed and 2% in progress. It is worth noting that, primarily due to the gradual evaluation and application of the CSRD directive requirements and the ESRS standards—both for Madrileña Red de Gas and subsequently for the Madrileña Group—and secondly due to their potential non-application following the emergence of the Omnibus law, some actions were paused. These have either been postponed to the second half of the Plan or are being reconsidered. For this reason, in 2025 a review of actions will be carried out in light of the new sustainability context and the voluntary commitments assumed by the company.

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Strategic lines

Purpose

Key progress highlights

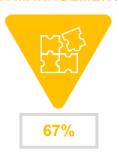
GOOD GOVERNANCE, ETHIC AND TRANSPARENCY



Improving Madrileña Red de Gas's performance in Compliance by ensuring adherence to all emerging sustainability legislation, increasing the integration of ESG criteria into the corporate model, enhancing transparency and communication, and promoting sustainable financing.

- Adaptation of the Compliance Model to new legal requirements.
- Systematic Compliance training for all personnel.
- Evaluation of the skills and experience matrix of the Board of Directors.
- Alignment of business unit objectives with sustainability performance.
- Definition and systematization of sustainability responsibilities and functions for the Audit and Risk Committee and the Board of Directors.

RISK MANAGEMENT



Improve Madrileña Red de Gas's capacity to identify, evaluate, and address risks by implementing a strategy to support the development of Spain's energy transition, adapting to new regulatory and financial changes, while maintaining its robust integrated management system, thereby ensuring the trust of the market and its shareholders.

- Monitoring and updating the company's 2024 Risk Map.
- Development and achievement of the annual objectives and targets of the Cybersecurity Master Plan.
- Proper monitoring and adaptation to European and Spanish regulatory changes in the energy sector.
- Measurement and reporting of investment indicators related to projects and actions undertaken to combat climate change.

Strategic lines **Purpose** Key progress highlights Maintenance of the 2024 Capex **BUSINESS** investments allocated to the expansion Ensure proper financial performance and of the natural gas distribution network. **DEVELOPMENT** the company's economic sustainability, • Development and achievement of the 2024 annual objectives and targets of the innovation **Participating** and Data Master Plan, increasing maturity transformation projects within the toward becoming a "Data-Driven" sector, maintaining reliability, guarantee, organization. and continuity of supply. Moreover, Evaluation of the smart meter promoting a customer-focused approach implementation plan. with daily agile and efficient 100% • Improvements in digital communication communication processes platforms with customers. "Customer Strengthening of the Journey" initiative. Maintenance and improvement of customer satisfaction levels. • Establishment and communication of NET ZERO 2024 targets. • Implementation of the program and **ENVIRONMENTAL** commitments for the GOLD certification **IMPACT** Transform the current risk posed by standard of the United Nations OGMP climate change and the energy transition 2.0 initiative related to voluntary into an opportunity; be prepared for methane emissions reduction. regulatory and market changes, and build • Development of new extraordinary pilot tests for gas leak detection and reputation among citizens by achieving adaptation to the new Monitoring Plan. cleaner cities and investing in renewable • Verification of the Carbon Footprint for energy alternatives, such as hydrogen or Scopes 1, 2, and 3. biomethane, as well as promoting the 100% Identification of potential risks of circular economy and biodiversity facilities located in protected areas, conservation. maintaining preventive measures and action protocols throughout facilities' lifecycle. Restoration of areas occupied by LPG satellite plants. Make ethical and sustainable practices in the supply chain a higher and immediate **SUPPLY CHAIN** priority, ensuring the integration of ESG criteria in procurement processes and supplier management, playing a decisive Review, approval, and dissemination of role in the approval and selection of new contractual clauses related to ESG. suppliers, as well as in the establishment Maintain the average percentage of of contracts and in the monitoring of local suppliers from the past three years. work activities, thereby avoiding any negative impacts that could damage the image and reputation of Madrileña Red 67% de Gas.

Strategic lines SOCIAL **IMPACT** 86% **PEOPLE**

Purpose

Advance the organization's engagement

in social needs by mobilizing its own

collaborative projects with social or

corporate

initiatives or individual actions aligned

with its core mission (energy access,

training, scholarship support, equipment

donations), as well as fostering initiatives

aimed at vulnerable groups.

(donations

enterprises)

and/or

volunteer

resources

promoting

environmental

Key progress highlights

- Processing new permits with Administration to expand to municipalities.
- Continuation of preventive maintenance plans and self-protection and emergency plans.
- Improvements to the Emergency Control Center (CCAU).



75%

Identify future capabilities and new profiles to address the emerging challenges of the ecological transition, digitalization, and cybersecurity. Additionally, the Equality Plan must set increasingly ambitious objectives and new alternatives, considering all aspects of diversity: gender, age, culture, groups, vulnerable etc. Regarding occupational health, mental health should be regarded as a fundamental pillar to ensure an optimal work environment.

- Update of the onboarding manual, including Compliance and sustainability requirements.
- Update of the training code.
- and implementation initiatives to mitigate the impact of generational turnover.
- Action plan derived from the latest employee climate survey.

TRANSVERSAL STRATEGIC PILLAR OF **SUSTAINABLE PERFORMANCE**



92%

Strengthen the sustainability strategy and governance model, consolidate ongoing initiatives, comply with new sustainability regulations, highlight and give visibility to Madrileña Red de Gas's actions, respond to the interests, needs, and expectations of stakeholders especially its shareholders—maintain excellent sustainability performance, promote the company's economic, environmental, and social sustainability, and ultimately continue its commitment to sustainable development.

- Annual sustainability report
- Double materiality analysis
- CSRD-ESRS gap analysis
- SDG contribution analysis
- Increase in score achieved on the GRESB index (first place)
- Adaptation to new GRESB requirements
- Maintenance and continuous improvement of the Integrated Management System
- Update of the IMS, integrating new Sustainability-related documents into the system
- Identification of new ESG performance

4.4 Stakeholder engagement model

GRI 2-13; GRI 2-16; GRI 2-23; GRI-2.26; GRI-2.29

Madrileña Red de Gas has a Stakeholder Model governed by the following principles:

- Value creation: delivering value to stakeholders through the development of a sustainable business model
- **Identification of needs and expectations:** incorporating the most relevant ones into the company's strategy.
- **Communication:** conveying the sustainability strategy, social responsibility behaviors, and commitments made to stakeholders.
- Channels and dialogue: Madrileña Red de Gas provides its stakeholders with the necessary channels to manage requests for information, opinions, complaints, and claims, and establishes dialogue mechanisms to address their requirements and expectations.
- **Continuous improvement:** within the social responsibility management system, periodic evaluation and review mechanisms are established for the stakeholder management model.

To meet the needs and expectations of its stakeholders, Madrileña Red de Gas has developed its Stakeholder Engagement Model, which aims, among other objectives, to systematize relationships with stakeholders and foster a corporate culture focused on the importance of dialogue and transparency with stakeholders (*Image 32*).

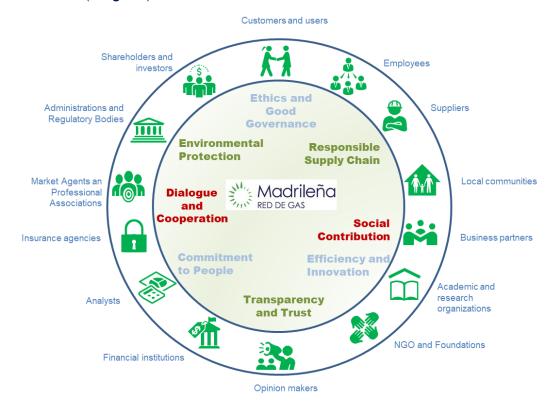


Image 32 Madrileña Red de Gas stakeholder's ecosystem

This year, there have been no substantial changes in the inventory and prioritization of stakeholders compared to previous years. It is worth highlighting the review of impacts on people and the environment within the framework of the different stakeholder groups, as well as the associated risks and opportunities, in the context of the double materiality process under CSRD-ESRS requirements.

Aligned with the stakeholder collaboration and engagement strategy, various lines of action have been developed, which are detailed throughout this report in the corresponding chapters.

Engagement and communication channels

As part of its commitment to dialogue, transparency, and accountability, Madrileña Red de Gas has built a framework of trust with its stakeholders by strengthening and maximizing established communication channels, ensuring transparency in its relationships, and sharing truthful, appropriate, relevant, clear, and useful information—without compromising the integrity of such information, given the regulated nature of its activity

Image 33 details the main channels and spaces for dialogue with its stakeholders.

Stakeholder	Channels and spaces for dialogue		
	Virtual office	Google My Business	
Customers and users	Call Centre	Field visits	
	WhatsApp, e-mail, phone, letters	ATR Channel (IOGAS)	
	Website	Inkolan Network	
	Social media	Ticketing	
	Meetings with major suppliers	Marketing actions	
	Whistleblowing channel	Satisfaction surveys	
Shareholders and	Boards and Committees		
investors	E-mail, phone, telematic meetings		
	Investor website		
Public administration and regulatory bodies	On-site visits and meetings		
	Telematic meetings		
	WhatsApp, e-mail, phone, letters		
	Administration portals		
Employees	In-person and virtual meetings	Internal employee channels:	
	Committees and working groups, especially:	Welcome manual	
	Works Council, Ethics Code Committee,	INCAWEB	
	Equality Plan Monitoring Committee, Pension	Online training portals	
	Plan Control Committee, and Health and Safety	JIRA application	
	Committee	Employee portal	
	Virtual meetings	Surveys	
	WhatsApp, email, phone	Annual workshops and events	
		Committees and working groups	
	WhatsApp, email, phone, Teams, letters	Workshops, forums	
Suppliers	Supplier website	Agreements and contractual	
	Document SharePoint	arrangements	
	Achilles platform (approval and monitoring)	AERCE Platform	
	In-person and virtual meeting	Whistleblowing channel	
	-	IOGAS Channel (ATR)	

Stakeholder	Channels and spaces for dialogue	
Market agents and professional associations	WhatsApp, e-mail, phone, teams, letters Web Madrileña Red de Gas Associations platforms In-person and virtual meetings Committees and work groups Conferences forums, assemblies	Agreements Sponsorships and Memberships Achilles Platform IOGAS Channel (Third-Party Access - ATR) Whistleblower Channel
Local communities	Administration Portals Consumer Service Office Madrileña Red de Gas Website Social Media Press Offices Inkolan Network	Marketing Actions Postal Mail IOGAS Channel (Third-Party Access - ATR) Satisfaction Surveys Whistleblower Channel
Insurance agencies	WhatsApp, email, phone, Teams, In-person and virtual meetings, Madrileña Red de Gas website	Investor Site Sustainability Site Whistleblower Channel
Analysts	Email, phone, Teams In-person and virtual meetings GRESB platform Madrileña Red de Gas website	Investor Site Sustainability Site Whistleblower Channel
Financial groups	Email, phone, Teams In-person and virtual meetings Madrileña Red de Gas website	Investor Site Sustainability Site Whistleblower Channel
Business partners	WhatsApp, email, phone, Teams, letters Social media Madrileña Red de Gas website In-person and virtual meetings Working groups	Workshops, forums Agreements and contractual arrangements JIRA application Whistleblower channel
NGOs and foundations	Email, phone, Teams, WhatsApp, Social media Madrileña Red de Gas website In-person and virtual meetings	Workshops, forums Agreements and sponsorships Contractual agreements Whistleblower channel
Academic and innovation institutions	Email, phone, Teams Social media Madrileña Red de Gas website Online training portals Job portals at universities and academic centres	In-person and virtual meetings Workshops, forums Agreements and sponsorships Contractual agreements Whistleblower channel

Image 33 Madrileña Red de Gas stakeholder listening map

The identification of interests, needs, and expectations is carried out continuously through communication and dialogue via the established channels between the various organizational units of Madrileña Red de Gas and the stakeholders with whom they engage. Beyond day-to-day interactions, the Risk Management Unit periodically conducts a deeper analysis through internal interviews to assess the stakeholder relationship and review the stakeholder engagement model.

This analysis is conducted every three years; the next review is scheduled for 2025, in conjunction with a more in-depth materiality assessment. This process will also include in-depth interviews with stakeholders to assess their concerns regarding the Company, their expectations and needs, and their assessment of its performance.

In addition to the regular dialogue and materiality assessments, periodic satisfaction surveys are conducted, particularly with critically important stakeholders. In 2024, the most recent employee climate survey was conducted, achieving outstanding results that surpassed those of previous years. In 2025, the implementation of the corresponding action plan will be carried out.

The shareholder engagement framework is established through the Board of Directors and through ad hoc meetings in which their concerns, interests, and expectations are conveyed. These meetings also serve as a channel to communicate and assess the deployment of the Company's strategy and performance. Notably, two meetings outside the regular framework were held in 2024, mainly aligned with PGGM's sustainability requirements and their conducted Due Diligence.

Based on customer demand analysis and navigation behavior, a new website was launched in 2024, designed to facilitate access to information, improve transparency and accessibility (with a "Mobile First" design), and serve as a platform for news and key information of interest to various stakeholders. It focuses on the needs of customers and the commitments Madrileña makes to them, offering the possibility to interact via the website and the virtual office for operations, claims, and information requests.

Additionally, the investor site has been updated to include relevant information in English regarding the organization, documentation, and key events that may be of interest to debt investors, analysts, shareholders, or key regulatory institutions.

In 2024, Madrileña Red de Gas further enhanced the communication content on its corporate website, particularly on the sustainability section (https://madrilena.es/sostenibilidad/), where it shares its commitments to good governance, the environment, and people. The site also publishes the main policies related to sustainable development. (*Image 34*).







Image 34 Sustainability site. Web Madrileña Red de Gas

Additionally, the website publishes both the annual financial reports and the Sustainability Report each year, following the Global Reporting Initiative – GRI standard. This report includes all the most relevant non-financial information about the company, including specific requirements for companies in the oil and gas sector, and complements the information contained in the Annual Report. The Sustainability Report has been verified by an independent third party. Furthermore, the main certifications and recognitions in these areas are also shared.

Similarly, concerns regarding business conduct are addressed through the whistleblowing channel or the irregularities reporting channel.

Furthermore, and in line with the company's commitment to sustainability, the interests, needs, and expectations of stakeholders are addressed through their participation in the materiality assessment process and the systematic satisfaction surveys conducted with the company's key stakeholder groups.

The **web channel** for **collaborators**, through the installers' area, facilitates easy access to CUPS information, management of customer requests, and information on commercial campaigns.

Another key communication and dissemination channel for all stakeholders—particularly opinion leaders—is the **news section of the company website** and the active participation in **social media** platforms (LinkedIn, Facebook, WhatsApp groups, etc.), where updates are shared regarding the company's progress, energy transition efforts, renewable gases, relevant projects and initiatives, customer recommendations, and more.

All communication channels and stakeholder dialogue platforms also serve as spaces where stakeholders can raise **claims**, **request advice**, **or express concerns** about corporate conduct and the impact of the company's activities. These include, for example, dialogue with local communities to improve social license, the call center, virtual office, intranet, whistleblower hotline, and grievance channel for reporting legal or due diligence violations. The mechanisms governing these channels are described in detail in the relevant chapters of this report.

The stakeholder group **Customers**, as the company's core focus, continues to be central to the strategies and commitments of Madrileña Red de Gas. This group remains the top priority in the improvement projects implemented by the organization.

Among the key initiatives, the company has continued working on enhancements to the virtual office, aiming to simplify access to procedures and expedite the availability of necessary documentation for both customers and installers. These improvements have led to a significant reduction in service response times.

Furthermore, with a focus on improving customer service during the gas activation process, Madrileña Red de Gas has implemented a proactive measure: resolving minor defects in older installations during the same service visit. This approach prevents customers from incurring unexpected costs, as the distributor assumes the related expenses. It also contributes to operational efficiency by reducing the number of visits required to activate service. Additionally, customer interaction channels have been expanded and strengthened, with **WhatsApp** becoming a steadily growing and widely accepted communication tool among users.

Chapter 9, Social Impact, provides a detailed overview of all efforts made by the company in 2024 to address customer needs and improve satisfaction.

The energy transition represents a major challenge for Madrileña Red de Gas in its role as a distributor, requiring the progressive adaptation of its networks and services for the distribution of renewable gases. This process entails closer and stronger relationships with **business partners** and **market players**.

As a member of industry associations such as **SEDIGAS**, **AGREMIA**, **GASNAM**, **and OGMP**, the company actively collaborates through memberships and participation in committees and working groups to defend the interests of the gas sector and to promote initiatives aligned with European sustainability goals and a favorable regulatory environment. Through this participation, **Madrileña Red de Gas** actively contributes to the energy transition by promoting the use of renewable gases and clean technologies (such as gas applications, mobility, etc.) and by positioning itself as a committed agent for decarbonization and energy efficiency at regional, national, and European levels.

In addition, the company has long participated in initiatives promoted by public entities and professional associations, including **FENERCOM** and the Community of Madrid (Hydrogen Roundtables), as well as in other strategic sectors such as real estate, manufacturers, and installers (**ANFAC** and **CONAE**). These collaborations share the common objective of advancing a sustainable and efficient energy transition, strengthening the regional business fabric, and positioning gas as a key vector in achieving energy transition goals.

The consolidation and development of these projects reflect the essential value of teamwork. The results achieved to date—as well as their contribution to the effective management of future challenges—are analyzed in detail in the **Risk Management** chapter.

Also framed within the alliances established to support the energy transition, the company has been strengthening its relationships with **academic and innovation institutions** in recent years. A collaboration agreement is in place with Universidad Francisco de Vitoria to develop, implement, maintain, and jointly operate a renewable hydrogen storage and supply infrastructure in one or more of the university's buildings. These agreements and partnerships are discussed in greater detail in Chapter 5. Another notable example is the collaboration with the Instituto de Ingeniería del Conocimiento (IIC), an expert in data analysis and Big Data technologies, with whom Madrileña Red de Gas works to predict annual gas distribution and optimize service management.

5. RISK MANAGEMET

The Global Risks Report 2024 from the World Economic Forum (WEF) highlights the growing complexity and interconnection among the major risks facing the world in both the short and long term. In the short term, dominant threats include Al-driven misinformation, extreme weather events, social polarization, the cost-of-living crisis, and cyberattacks. In the long term, risks intensify around climate change, with severe climate events, ecosystem disruption, biodiversity loss, and scarcity of natural resources emerging as critical threats (

Image 35).

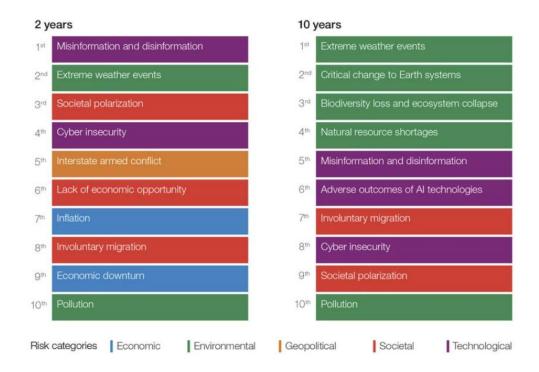


Image 35 Top 10 risks. Global Risks Report 2024. World Economic Forum (WFE)

Madrileña Red de Gas manages its risks in an integrated, systematic, and anticipatory manner, incorporating risk management into its corporate strategy and daily decision-making processes. To achieve this, the company identifies, assesses, and prioritizes potential risks—whether financial, operational, climate-related, technological, reputational, or regulatory—and designs action plans to prevent, mitigate, or adapt to their impacts.

For each organizational objective, the most relevant risks that could hinder its achievement are determined. Each risk is analyzed in terms of the likelihood of occurrence and overall impact, including both economic and reputational effects.

As mentioned in Chapter 3, the Audit and Risk Committee reports directly to the Board of Directors and operates in accordance with its internal regulations, which define its objectives, functions, and structure. The committee is composed of representatives from the Board of Directors of each of the four shareholders, members of the Executive Committee, and the risk management department team.

Madrileña Red de Gas corporate risks map (*Image 36*) covers a wide range of risks, with a priority focus on the ten most relevant ones, which may pose a significant threat to the achievement of its objectives or to its reputation.

The assessment of these risks has been carried out using an approach based on two main criteria:

- The probability of occurrence of each risk.
- The impact resulting from the combination of the effect on the net present value and the
 reputational impact. The effect on the net present value includes both the projected direct
 economic impact over a twenty-year period and any potential associated penalties.

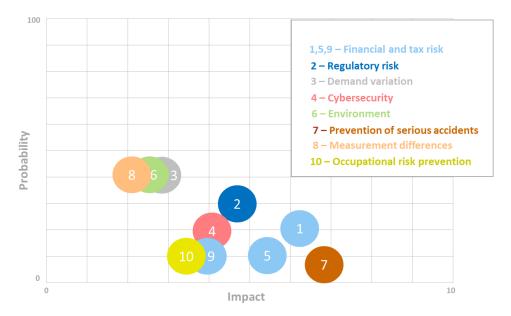


Image 36 Madrileña Red de Gas Corporate Risks Map

The map includes emerging risks through periodic updates of its contents. In addition, it establishes new high-level controls that complement those already in place. The implemented action plans help mitigate the consequences of these risks.

Compared to previous years, in 2024 the definition and evaluation of several risks have been refined through more detailed analyses of their contextual conditions and the potential consequences that could arise if they materialize. At the same time, a strategy has been developed in parallel to prevent and mitigate the potential impacts associated with these risks.

5.1 Legal and regulatory risk

GRI 3.3

Regulated Activity

The activity of natural gas distribution in Spain is a regulated activity, meaning it is subject to regulation by the State to ensure a safe, efficient, and non-discriminatory supply.

Distribution is remunerated through a regulated compensation system, which recognizes the costs of investment, operation, and maintenance associated with the assets put into service. This compensation is calculated annually by the National Commission of Markets and Competition (CNMC) according to methodologies established in sector regulations.

Access tariffs to distribution networks, known as tolls, are also set by the regulator and must be paid by all users regardless of the contracted supplier. Therefore, one of the main risks Madrileña Red de Gas faces is coping with continuous legislative changes, market restrictions, and modifications to the distribution model.

In this regard, Madrileña Red de Gas continuously and thoroughly monitors publications issued by the CNMC, adapting to new requirements and/or regulatory changes established.

Decarbonization and energy transition policies

The common goal of the European Union and its member states is to achieve full decarbonization of the economy by 2050, representing one of the greatest challenges, and at the same time opportunities, for structural transformation at the continental level. This commitment is framed within the European Green Deal, which establishes a roadmap to make Europe the first climate-neutral continent, implying a drastic reduction of greenhouse gas emissions and the promotion of a sustainable and inclusive development model.

In this context, both the European Commission and national governments, including Spain's, are adopting increasingly ambitious regulatory measures. These actions range from implementing binding regulations on energy efficiency, renewable energies, and sustainable mobility, to green fiscal reforms, economic incentives for innovation and digitalization of the energy system, and progressive restrictions on high environmental impact activities.

Gas package

Among the legislative initiatives presented by the European Commission, the so-called "Gas Package" (also known as the Hydrogen and Decarbonised Gas Market Package) stands out. In May 2024, the Council of the European Union adopted both Regulation (EU) 2024/1789 and Directive (EU) 2024/1788, which establish common rules for the internal markets of renewable gas, natural gas, and hydrogen.

This set of proposals forms an integral part of the review process of the European energy market and aims to lay the foundations for the progressive decarbonization of the gas system, adapting it to new climate and technological challenges.

The main objectives of the Gas Package are:

- To facilitate the integration of renewable hydrogen and other low-carbon gases into existing infrastructures, enabling a gradual transition from natural gas to cleaner energies.
- To reform the design of the gas market to make it more flexible, competitive, and compatible with climate goals. This includes non-discriminatory network access rules, transparent tariffs, and fair conditions for new market players.
- To protect consumers and ensure a just transition, with special attention to vulnerable households and the social impacts of the energy model shift.

In Spain, this European package also implies a profound transformation of the role of gas in the economy. Although it currently remains an important source for electricity generation and industrial supply, national strategies — such as the Integrated National Energy and Climate Plan (PNIEC) — contemplate a gradual reduction in the use of fossil gas, favoring technologies such as biomethane, green hydrogen, and electrification.

Madrileña Red de Gas is working to align itself with the new EU gas regulatory framework. This includes projects to adapt its networks to cleaner energies such as hydrogen and biomethane, modernization of its systems with digital tools, and collaboration with the public sector in initiatives funded by European funds to promote the energy transition, as detailed in section 5.2 Adaptation to Climate, Resilience, and Transition of this report.

Methane emissions

Another regulatory change significantly affecting Madrileña Red de Gas is Regulation (EU) 2024/1787, approved in June 2024, concerning the reduction of methane emissions in the energy sector, which amends Regulation (EU) 2019/942.

This new regulation establishes measures to reduce methane emissions in the European Union's energy sector, covering activities such as oil and gas production, natural gas transportation, and coal mining. It requires companies to measure and report methane emissions, conduct periodic Leak Detection and Repair (LDAR) campaigns, and comply with verification standards. The goal is to improve the accuracy of emission inventories, ensure transparency, and significantly reduce methane emissions in alignment with the EU's climate objectives.

Given the risk posed by this regulatory change, Madrileña Red de Gas has assessed its potential economic impact through pilot projects aimed at identifying gas leaks. Additionally, during this fiscal year, and pending its transposition into Spanish law, meetings have been held with groups of European distributors to harmonize criteria for the upcoming mandatory reporting requirements.

Madrileña Red de Gas has been actively working for several years on reducing such emissions through voluntary participation in the United Nations' OGMP 2.0 program, which aims to reduce methane emissions, as detailed in section 5.2 *Adaptation to Climate, Resilience, and Transition*. In fact, the OGMP 2.0 project has served as a framework for the European Commission in the drafting of Regulation (EU) 2024/1787 mentioned above.

Reporting

Regarding sustainability information reporting, another regulatory challenge faced by Madrileña Red de Gas is the corporate sustainability reporting framework established by Directive 2022/2464 (known as the CSRD Directive). This new European legislation, which came into effect on January 6, 2023, aims to standardize the sustainability information disclosed by companies.

The reporting requirements set forth by the Directive will apply to Madrileña Red de Gas starting in 2026, when it publishes its Sustainability Report corresponding to the year 2025.

Throughout 2024, Madrileña Red de Gas has focused its efforts on adapting its sustainability processes to meet the CSRD requirements, particularly through a gap analysis of the European Sustainability Reporting Standards (ESRS) and the incorporation of the double materiality concept (financial materiality and impact materiality), as discussed in section 4.1 ESG Strategy.

However, Madrileña Red de Gas is currently awaiting the final approval of the Omnibus legislative package, whose content will be key in determining how the CSRD requirements are transposed and applied in Spain. This regulation could introduce significant adjustments to sustainability reporting criteria, especially concerning the scope of obligations, potentially removing the legal requirement for the company.

For this reason, Madrileña Red de Gas is closely monitoring its development to appropriately adapt its reporting processes and ensure compliance with future national and European regulatory frameworks.

5.2 Climate adaptation, resilience and transition

GRI 3.3, GRI 2.28

Climate risks and opportunities

In the current context, Madrileña Red de Gas identifies and manages its climate-related risks and opportunities as a fundamental part of its corporate strategy. Understanding how climate change may affect its operations, supply chain, finances, or reputation enables the company to anticipate, adapt, and make informed decisions.

At the same time, identifying opportunities related to decarbonization, sustainable innovation, or energy efficiency can generate competitive advantages, access to green financing, and improved perception among its stakeholders. This identification not only responds to environmental demands but is also key to ensuring the long-term resilience and sustainability of the business.

To identify and manage its climate-related risks and opportunities, Madrileña Red de Gas relies on the recommendations of the TCFD (*Task Force on Climate-related Financial Disclosures*), which provide a structured and internationally recognized framework to integrate climate change into business strategy (*Image 37*).



Image 37: Risks and opportunities associated with the climate change

To evaluate climate-related risks and opportunities, two scenarios established by the IPCC (Intergovernmental Panel on Climate Change) have been considered:

<u>High-emissions scenario</u>: RCP 8.5 represents a pessimistic, high-emissions pathway in which no significant climate policies are implemented, fossil fuel use continues to grow, and global temperatures could increase by more than 4°C by the year 2100, leading to severe environmental and social impacts.

<u>Low-emissions scenario</u>: RCP 2.6 is an optimistic scenario that envisions a rapid and sustained reduction in emissions, aiming to limit global warming to between 1.5°C and 2.0°C. This scenario aligns with the goals of the Paris Agreement through the adoption of clean energy, energy efficiency measures, and carbon capture technologies.

Assessing risks and opportunities using different climate scenarios is essential, as it enables organizations to anticipate the potential impacts of climate change—both physical and transitional—on their operations, supply chains, and long-term strategies. By considering a range of scenarios, including those that assume limited warming, companies can identify vulnerabilities, adapt their business models, and uncover opportunities for innovation and competitive advantage.

Road to climate neutrality

To achieve European climate neutrality and reach a net-zero greenhouse gas (GHG) emissions balance by 2050, Madrileña Red de Gas has defined its own long-term strategy to reduce such emissions. The aim is to comply with the European-level reduction commitments as well as other EU objectives related to climate change.

For the previously described climate scenarios (RCP 8.5 and RCP 2.6), Madrileña Red de Gas has developed a GHG emissions reduction forecast towards the Net Zero target (*Image 38*), this is essential for a company to establish a climate strategy that is both coherent and science-based, particularly when taking into account the various climate scenarios proposed by the IPCC.

This forecast not only serves as a guide for investment and mitigation decisions, but also enables the company to anticipate risks, comply with emerging regulations, attract sustainable financing, and remain competitive in a market that increasingly values climate commitment.

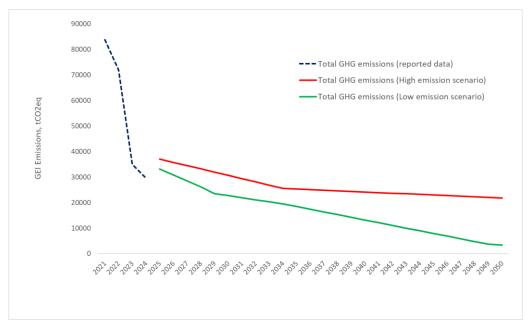


Image 38: GHG Emissions reduction forecast in Madrileña Red de Gas (2021-2050)

Madrileña Red de Gas bases these projections on several factors, including the complete phase-out of the LPG business, the growth of the electric vehicle fleet, the replacement (or not) of natural gas with hydrogen, and the increasing share of energy from renewable sources, among others.

The foundation of this emissions reduction strategy is the annual measurement of the Carbon Footprint across Scopes 1, 2, and 3, together with a firm commitment to reduce it, as detailed in Chapter 8 of this report.

Additionally, a key pillar of the strategy focuses on the reduction of methane emissions, as shown below.

Methane emissions in gas distribution: a key challenge for sustainability

Methane, the main component of natural gas, is a greenhouse gas with a global warming potential more than 80 times greater than CO₂ over a 20-year time horizon. In the context of climate change, reducing methane emissions has become an international priority, as it represents one of the most effective and cost-efficient ways to mitigate short-term global warming.

Within the natural gas value chain, the distribution sector plays a key role. Although its emissions are typically lower than those from production or transmission segments, methane leaks in distribution networks constitute a significant source of diffuse emissions. Against this backdrop, in 2023, *Madrileña Red de Gas* joined the OGMP (Oil and Gas Methane Partnership).

OGMP is an initiative led by the United Nations Environment Programme (UNEP) through its Climate and Clean Air Coalition (CCAC). Its main objective is to reduce methane emissions in the oil and gas sector. It promotes the transparent measurement, reporting, and reduction of methane emissions across the entire value chain, from production to distribution. In 2020, the OGMP 2.0 was launched—an enhanced version that sets the most rigorous international standard for the quantification and disclosure of methane emissions.

To date, more than 140 companies (*Image 39*) with assets across all five continents have joined the alliance, representing over 40% of global oil and gas production.

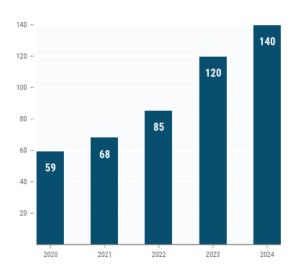


Image 39 Evolution of the number of member who have joined OGMP 2.0 Source: Annual report IMEO An Eye on Methane 2024

Madrileña Red de Gas participates in the biweekly meetings of the European distribution companies' working group, where discussions focus on the guidance for achieving Level 5 "Gold Standard" certification, as well as on the harmonization of methane emissions quantification criteria. Madrileña Red de Gas also took part in the technical meeting held in Utrecht in November, where studies conducted by the university were presented and data analyses from the distribution group were jointly reviewed.

In line with OGMP objectives, Madrileña Red de Gas has committed to reducing its methane emissions by 10% by 2028, using the levels reported in 2022 as a baseline. To meet this target, the company has established a six-year action plan (2023–2028) that includes concrete actions and milestones.

Under the current context, it is reasonable to assume that emissions could be slightly reduced through the implementation of the new European Regulation (EU) 2024/1787 on methane emissions reduction. This would be made possible by applying technologies identified as the most promising by technical consensus within OGMP 2.0 working groups, as well as by Marcogaz and Sedigas.

However, there is a risk that the deployment of new methane detection technologies and improvements in engineering-based calculations could uncover more gas leaks than are currently being identified. The International Methane Emissions Observatory (IMEO) has indicated that methane emissions detected via satellites are 90% higher than those reported by the industry.

As for the distinction awarded by OGMP 2.0, in 2024 Madrileña Red de Gas obtained the "Gold Standard Pathway" designation. This recognition reflects the company's commitment to developing and implementing a robust, detailed, and credible action plan aimed at achieving the highest level of methane emissions monitoring within a three-year timeframe.

Driving the energy transition: Innovation and commitment to green energy

Decarbonising the economy—namely, the gradual elimination of fossil fuel use—is essential to achieving net-zero emissions. In this process, clean energy sources such as biomethane and hydrogen play a key role.

Biomethane is a renewable gas obtained through the purification of biogas, which is produced via the anaerobic digestion of organic waste (such as agricultural residues, manure, sewage sludge, or food waste) (*Image 40*). Its main advantage lies in its ability to be directly injected into existing gas networks and used in boilers, vehicles, or industrial processes without requiring major modifications.

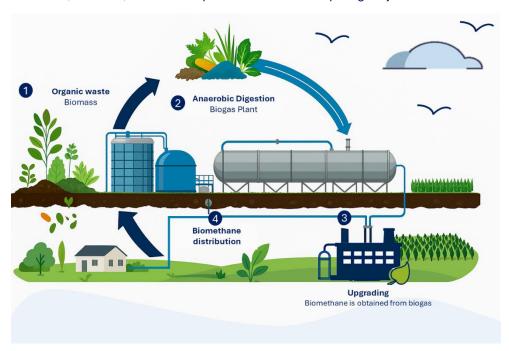


Image 40: Biomethane cycle

Green hydrogen, on the other hand, produced through water electrolysis using electricity from renewable sources, represents a key solution (*Image 41*). As it does not emit CO₂ during its use and serves as a versatile energy carrier, hydrogen holds great potential to replace fossil fuels.

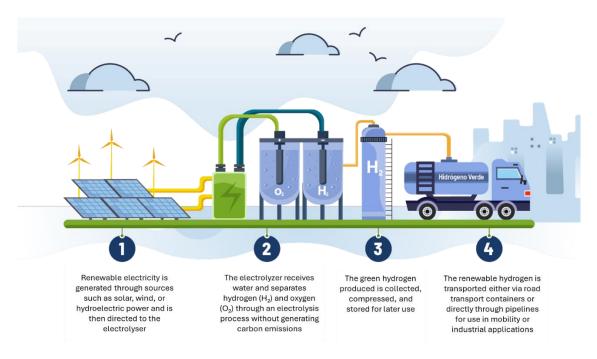


Image 41: Hydrogen cycle

A Both energy vectors not only enable the reduction of direct emissions but also promote the circular economy, foster technological innovation, and strengthen energy security by reducing dependence on imported fossil resources. Their development is therefore a strategic commitment to meeting the climate goals of the Paris Agreement and ensuring a sustainable energy future.

In summary, biomethane and hydrogen are key pillars of the energy transition. Their gradual integration into current energy systems will allow for more robust progress towards a decarbonized, resilient, and just model, aligned with the net zero objective and the protection of the planet for future generations.

https://www.madrilena.es/nuevas-energias/

Show Room H2: Hydrogen use in Madrileña Red de Gas Facilities

With the aim of demonstrating the use of hydrogen as an energy source for heating and domestic hot water (DHW), in 2023 Madrileña Red de Gas signed an agreement with the boiler manufacturer Vaillant to install a prototype hydrogen-ready boiler (*Image 42*).

This unit, the same size as its commercial natural gas equivalent, is capable of generating hot water from hydrogen. The boiler was installed in a room designated as a rest area for employees, providing both heating and hot water to the space. It is the first hydrogen boiler in operation in the Community of Madrid and the second in Spain.



Image 42 Boiler installed at Madrileña Red de Gas offices with 100% hydrogen consumption

The installation was assembled as if it were a natural gas boiler, following current regulations and using the same materials and installation procedures.

The boiler uses 100% hydrogen supplied from an external storage system, where, after a pressure regulation stage, the hydrogen arrives at the boiler at a pressure of 22 mbar. This demonstrates that current installations are capable of transporting hydrogen, opening the door to decarbonizing heating through the use of renewable hydrogen. Although it is not yet capable of using hydrogen-natural gas blends, the manufacturer is working in that direction

During 2024, the installation has been visited by technicians from MITECO, representatives of the CNMC, associations such as CONAIF and AGREMIA, as well as various housing developers and installers (*Image 43*).



Image 43 CNMC members during their visit to the hydrogen facility

Inspira Madrid project

Throughout 2024, the Inspira Madrid hydrogen generation project has continued to advance, developed as a consortium by three companies: Aliara Energía, Fotowatio Renewable Ventures Servicios España (FRV), and Grupo Ruiz.

Obtaining European funding

During 2023, efforts were focused on submitting Inspira Madrid to the funding call of the Connecting Europe Facility (CEF), specifically in the transport sector. This mechanism is a financial instrument created by the European Commission for the development of the Trans-European Network, emphasizing infrastructure for alternative fuels (AFIF).

After evaluating the proposals, the European Climate, Infrastructure and Environment Executive Agency (CINEA) selected 42 projects for the 2023 call, with a proposed support amounting to €424 million. Within this call, the EU's CEF AFIF will support the construction of 4,200 electric charging points and 48 hydrogen refueling stations. Among the four Spanish projects selected by CEF AFIF, Inspira Madrid was the only one dedicated to hydrogen generation and refueling infrastructure in Spain.

Based on its fulfillment of priority and urgency criteria, maturity, quality, impact, and scalability, Inspira Madrid secured up to €7.3 million in European funds from the CEF Transport program. Alongside the approval of additional financing from the Instituto de Crédito Oficial (ICO), the funding agreement with CINEA was signed mid-year, confirming the grant allocation.

Current status of the project

The support from the European Union through the granting of funds from the CEF program has propelled the project to advance into new development phases, beginning the preparation of the Advanced Basic Engineering stage prior to construction, together with Sacyr Proyecta. In parallel, work is ongoing with the Community of Madrid to advance the permits and environmental authorization for the hydrogen generation plant.

Likewise, the search for hydrogen consumers for mobility within the Community of Madrid is reflected in the numerous contacts and meetings held by the project development team. The correct location of hydrogen refueling stations is crucial for the project's success, aiming to align demand with locations accessible from main communication routes.

Additionally, it is worth highlighting the strong collaboration between Inspira Madrid and the Toyota brand, in the form of agreements to facilitate access to hydrogen vehicles, specifically the Toyota Mirai. The agreement reached will provide a promotional discount on the vehicle price, bringing hydrogen mobility closer to the largest number of users during the project's launch phase.

Pryconsa project

In 2022, an agreement was formalized between Pryconsa (*Image 44*), one of Spain's leading housing developers, and Madrileña Red de Gas, with the objective of supplying hydrogen to a newly constructed building to meet heating and domestic hot water needs. This marks a significant step forward in decarbonizing the Spanish residential sector through the use of green hydrogen.

Construction of the housing development, where the hydrogen-ready boiler will be installed, began during 2024. The equipment to be installed will be a central boiler from the Bosch brand.

This boiler, the first of its kind installed in Spain, can be adapted to operate with different blends of hydrogen and natural gas. Starting from 100% natural gas, the boiler has the ability to modulate and operate with various mixtures of both gases, including the possibility to use 100% hydrogen and 100% biomethane.

Connected to the distribution network, the boiler will begin operation using natural gas and, being enabled for hydrogen use, will have the capacity to utilize green hydrogen when required.

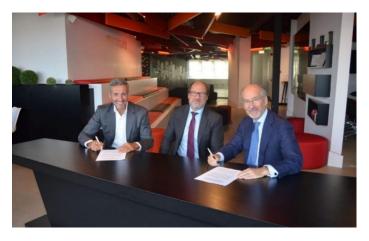


Image 44 Sign of the agreement between Pryconsa and Madrileña Red de Gas

Biomethane

During 2024, the CNMC resolution dated April 19, 2024, was published, establishing the procedure for managing connections of biomethane generation plants to the transmission or distribution network.

This procedure aims to manage the connections of biomethane generation plants to the natural gas transmission and distribution network. In compliance with this resolution, during 2024, Madrileña Red de Gas launched on its website a management tool for these requests. From the "new energies" section, users can find information about biomethane and hydrogen, request information for injecting renewable gases into the distribution network, and debunk biased and preconceived ideas surrounding hydrogen and biomethane, among other content.

Additionally, in 2024, the first connection contract was signed for a production plant to inject biomethane into the Madrileña Red de Gas network. The biomethane production will come from a closed landfill in the municipality of Alcalá de Henares, where the landfill-generated biogas will undergo an upgrading process to inject the resulting biomethane into the network.

This milestone represents a first step in the decarbonization of the company's distribution network, allowing biomethane to be delivered directly to current natural gas consumers. Injection of this renewable gas into the Madrileña Red de Gas network is expected to begin throughout 2026

https://www.madrilena.es/inyectar-energia-a-la-red/

Collaboration with Universidad Francisco de Vitoria

Within the framework of the collaboration agreement established with Universidad Francisco de Vitoria (UFV), aimed at developing green hydrogen technology—from research to implementation and development—various actions have been carried out based on this objective.

At the end of the year, a conference was organized for the engineering students of UFV (Image 45). Addressing the challenges in distribution and supply for the energy transition, the event allowed sharing with future engineers the obstacles faced in hydrogen project development, the current state of the sector, and provided answers to their questions and concerns about this energy.

The successful participation and positive reception are proof of the interest future engineers have in green hydrogen, thereby reinforcing the activities carried out within the framework of the collaboration agreement.

In turn, this collaboration agreement has enabled two final-year engineering students from UFV to join Madrileña Red de Gas's Expansion team as interns, supporting the department and allowing them to gain their first experience with biomethane and hydrogen projects.



Image 45 Hydrogen and biomethane project manager at Madrileña Red de Gas during the lecture given at UFV

5.3 Economic, financial and tax risk

GRI 3.3

Controlling economic, financial, and tax risks is essential for the stability and sustainability of Madrileña Red de Gas. Economic risks can affect profitability; financial risks jeopardize daily operations; and tax risks, arising from non-compliance with tax obligations, can lead to penalties and damage the company's reputation.

Proper management of these risks allows Madrileña Red de Gas to anticipate problems, make informed decisions, and comply with legal obligations, which strengthens the company's competitive position and ensures its long-term growth.

The economic, financial, and tax risks with the greatest impact on Madrileña Red de Gas during 2024, and therefore included in its corporate risk map, are the following:

1. Tax inspections

This risk is based on possible cash outflows resulting from ongoing judicial and administrative procedures, as well as tax audits. The risk assessment considers the impact on cash flow if all open procedures are resolved unfavourably.

Madrileña Red de Gas has hired a tax advisor to ensure proper technical support in tax matters. Currently, it awaits the corresponding judicial rulings, which will be decisive for the progress and definition of the course of actions to be taken.

2. Natural gas demand and consumption variations

The demand risk is calculated based on the assumption that demand will remain at a certain level during the 2024–2032 period, i.e., until the end of the next regulatory period, considering that the decrease affects the residential sector.

In this regard, Madrileña Red de Gas has a methodology to update projections annually based on the average demand of the last 10 years, through:

- Updating the connection points database with the latest forecast information.
- Updating the unit consumption of active connection points based on historical data from the last 10 years of the last closed year.

Based on the above, the projected demand has been updated using Madrileña Red de Gas's historical data for the 2014–2023 period. Growth prospects remain as planned in the Business Plan approved in December 2023.

3. Debt rating devaluation

The risk of debt rating devaluation refers to the possibility that rating agencies reduce the credit rating assigned to Madrileña Red de Gas, which can have significant financial repercussions. A downgrade usually leads to an increase in financing costs due to investors perceiving higher risk, as well as potential loss of market confidence, restricted access to credit, and negative effects on the value of issued debt instruments. It may also trigger unfavorable contractual clauses in previously signed financial agreements, affecting the company's liquidity and stability. Madrileña Red de Gas continuously adjusts and updates this risk based on the current context, calculating the percentage increase in financing cost over total debt if its rating were downgraded.

4. Permanent gas balance losses

This risk is associated with structural commercial gas losses linked to residential customers, mainly due to gas theft and difficulties detecting faulty gas meters.

The financial impact of this risk depends both on the volume of gas losses and the gas price. Since 2021, gas prices have shown an upward trend, with greater volatility and affected by a more unfavorable geopolitical scenario, making the impact of this risk high, even if gas losses decrease.

Since including this risk in the corporate risk map, Madrileña Red de Gas has made significant progress mitigating the impact through fraud detection campaigns, initially on the ground and also using IT tools to detect potential cases.

Furthermore, Madrileña Red de Gas's annual financial audit plays a crucial role in risk management. By thoroughly reviewing its financial statements and internal controls, it helps identify vulnerable areas, irregularities, or possible deficiencies in accounting and operational processes that could represent financial, operational, or legal risks. Early detection of these threats helps prevent economic losses, regulatory sanctions, or reputational damage. Additionally, it provides Madrileña Red de Gas with a clear and objective view of existing risks, facilitating the implementation of more effective mitigation strategies.

5.4 Cybersecurity

GRI 3.3, GRI-2.29

Information security and cybersecurity are fundamental pillars in modern companies, as they protect one of their most valuable assets: data. In an increasingly exposed digital environment full of threats and vulnerabilities, Madrileña Red de Gas ensures the confidentiality, integrity, and availability of information, which is essential to maintaining the trust of its customers, shareholders, and employees.

Furthermore, proper cybersecurity management enables Madrileña Red de Gas to comply with legal obligations, such as the General Data Protection Regulation (GDPR), avoid financial penalties, mitigate reputational risks, and ensure business continuity in the face of cyberattacks or security incidents.

Investing in protective measures and awareness not only minimizes the impact of potential threats but also strengthens the resilience and competitiveness of companies in today's market.

Information protection: a permanent priority

In 2024, Madrileña Red de Gas successfully completed the new certification cycle of its Information Security Management System (ISMS) in accordance with the international standard ISO/IEC 27001, thereby reinforcing its commitment to the security, confidentiality, and integrity of information. This certification has been fully integrated into the existing management system, enabling a unified view of processes and strengthening the organization's culture of compliance.

The scope of the ISMS has also been expanded to include the personal data protection management model, thus consolidating a comprehensive security strategy that covers both corporate information and personal data.

Furthermore, the company has initiated the transition process to the new version of the standard, ISO/IEC 27001:2022. In this regard, revisions and updates have been carried out in the system documentation, as well as in the controls defined in the Statement of Applicability (SoA). These actions are currently in the evaluation and final adjustment phase, with the aim of ensuring proper alignment with the new regulatory requirements and maintaining the highest standards of information security management.

Analysis of Directive NIS2 (UE) 2022/2555

Although Madrileña Red de Gas has not been formally designated as critical infrastructure, it is actively working to comply with Directive (EU) 2022/2555 of the European Parliament and of the Council, dated 14 December 2022—commonly known as the NIS2 Directive—given the sectors it covers.

This regulation updates and replaces the previous NIS1 Directive with the aim of establishing a high common level of cybersecurity across the European Union, adapting to an increasingly complex and risk-exposed digital environment.

The study conducted represents the first step toward progressive alignment with the new regulatory framework and will serve as the foundation for defining an action plan to ensure effective implementation of the measures required by NIS2, in anticipation of its future transposition into national law. To this end, more than 100 relevant activities for the implementation of the directive have been analyzed, with an estimated compliance level of approximately 70%.

Personal data protection

The General Data Protection Regulation (GDPR) is a European law that governs the processing of personal data of individuals within the European Union (EU). Its main objective is to strengthen individuals' privacy rights and modernize data protection rules. The GDPR came into effect on May 25, 2018, and applies not only to organizations within the EU but also to those outside the EU that process data of individuals within the European territory.

Under the GDPR, there are two tiers of administrative sanctions depending on the severity of the violation. These can reach up to €20 million or 4% of the company's global annual turnover, whichever is higher, in the case of severe infringements.

In compliance with the GDPR, Madrileña Red de Gas has implemented a robust data protection management model (Image 46), through which it carries out all the necessary organizational, technical, and legal measures to ensure the protection of personal data.

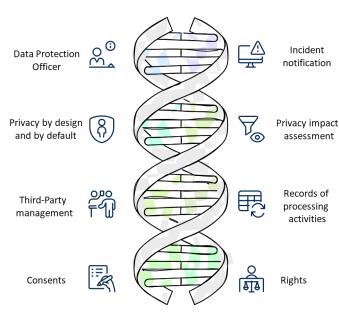


Image 46 Data protection model

As in previous years, in 2024 the company's most significant personal data protection activities have primarily focused on managing data subject rights, handling incidents, and responding to queries—many of which are related to interpreting current legislation and facilitating the exercise of individuals' data protection rights.

Number of inquiries regarding personal data management

Number of data protection incidents

Number of requests to exercise personal data protection rights

18
32
31

72

Number of requests to exercise personal data protection rights

102

Throughout 2024, several communications concerning data protection were received and directed to the data protection officer (*Image 47*).

Image 47 Communications received regarding data protection

In general, the data reflects an improvement in the management and protection of personal data, with fewer incidents and a more moderate demand for direct intervention by users—although interest in the subject remains high. This suggests that the measures implemented in recent years are proving effective.

Madrileña Red de Gas shield: comprehensive cybersecurity

Cybersecurity has gained increasing importance in recent years, becoming one of the most significant risks in 2024. As previously noted, the World Economic Forum (WEF) has included the risk of cyberattacks in its Top 10 global risks since 2018, and it continues to rank as one of the most likely and high-impact threats to date.

Madrileña Red de Gas considers cybersecurity a key pillar of its corporate strategy. In response to the new challenges posed by digitalization, open data management, the use of cloud technologies, and the need to protect its operations, the company intensified its cybersecurity efforts in 2024. These actions have strengthened its ability to prevent, detect, and respond to digital threats.

In this context, cybersecurity investment in 2024 accounted for 10% of the company's total Information Systems expenditure, reflecting the growing strategic importance of protecting digital assets and ensuring operational continuity in the face of cyber threats (Image 48).



Image 48 Evolution of cybersecurity spending as a proportion of the total information systems budget

Madrileña Red de Gas has established a true digital "shield" within the company, designed to analyze, detect, and prevent potential cyberattacks that could compromise the various systems used in its operations (*Image 49*).

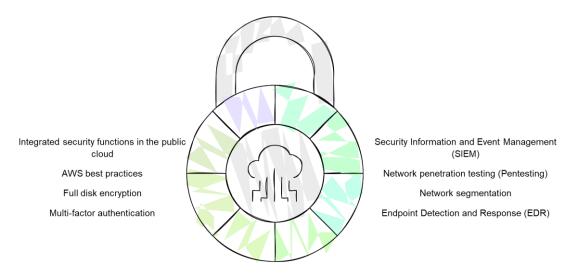


Image 49 Madrileña Red de Gas "shield" in cybersecurity

Contingency management and technological resilience at Madrileña Red de Gas

Backup Policy

At Madrileña Red de Gas, backup policies are essential to protect data and ensure its recovery in case of loss. The company has defined which data must be backed up and at what frequency.

Currently, different types of backups are performed depending on whether it is a system backup or a database backup. Additionally, a third backup of SAP data is made on a separate account and in a different AWS region for added security.

Business Continuity Plan

The objective of this plan is to recover the company's productive capacity while ensuring compliance with regulations following any disruption caused by a cyber incident.

It is reviewed annually in collaboration with the various business units.

Disaster Recovery Plan

A disaster recovery plan is established for each of the company's critical systems.

Annual disaster recovery drills are conducted to guarantee the proper functioning and readiness of these systems.

Cybersecurity Insurance Policy

The cyber insurance contracted with a specialized company helps cover costs associated with the coverage and provides legal and technical support to facilitate recovery as soon as possible after a security incident. However, it does not prevent the company from experiencing cyberattacks.

Cybersecurity master plan 2024-2026

The Madrileña Red de Gas Cybersecurity Master Plan 2024-2026 establishes a clear and structured strategy to protect its digital assets, ensure business continuity, and minimize risks against increasingly sophisticated cyber threats. It aligns cybersecurity with corporate objectives, facilitating informed decision-making and efficient resource allocation. Furthermore, it contributes to regulatory compliance and enhances the confidence of customers and shareholders by demonstrating a serious commitment to information protection.

In this regard, the Cybersecurity Master Plan defines the set of actions that must be carried out at Madrileña Red de Gas with the goal of progressively increasing the maturity level in this area. The plan is organized according to a prioritization criterion, divided into three successive waves over the specified period. Each of these waves includes projects distributed across the four domains defined by Deloitte's CISF framework version 2.0 (*Image 50*).

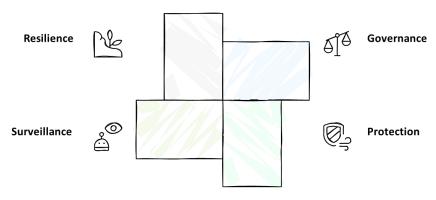


Image 50 Domains of Deloitte's CISF framework 2.0

In 2024, the first wave of the plan has been completed, completing eight key initiatives that have allowed to strengthen the security stance of the company (*Image 51*).

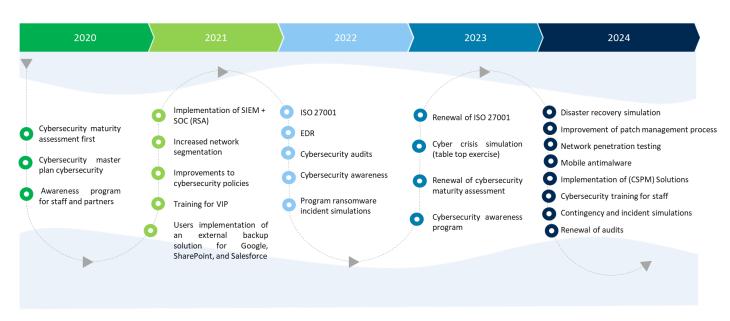


Image 51 Madrileña Red de Gas most relevant milestones evolution in cybersecurity

Cybersecurity audits

Audits are a fundamental component in managing information security and technological infrastructure within a company. In this context, Madrileña Red de Gas conducts audits in key areas such as information security (audits according to ISO 27001), information technology (IT audits), and operational technology (OT audits) (*Image 52*). These audits have become essential to identify vulnerabilities, mitigate risks, and ensure that the organization operates efficiently and securely.



Image 52 Cybersecurity audits performed by Madrileña Red de Gas

These audits enable Madrileña Red de Gas to:

- Evaluate its cybersecurity maturity level according to Deloitte's Cyber Industrial Strategy Framework (CISF) v2.0 (Image 53).
- Perform a benchmarking analysis of the company's current position within the sector.
- Identify the target maturity level, strengths, and opportunities for improvement.

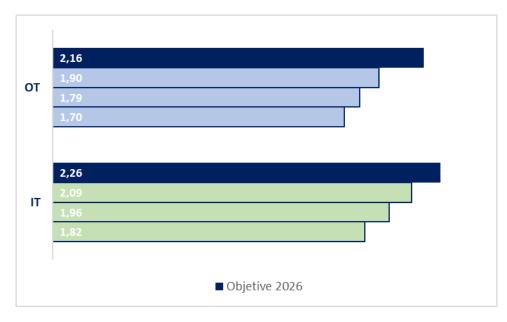


Image 53 Evolution of Madrileña Red de Gas's Cybersecurity Maturity Level

Monitoring: evolution of cybersecurity events

Madrileña Red de Gas maintains rigorous and continuous monitoring of all cybersecurity-related events, enabling it to assess trends, anticipate potential threats, and continuously improve its defenses. During 2024, there was a decrease in the number of detected events compared to previous years (*Image 54*).

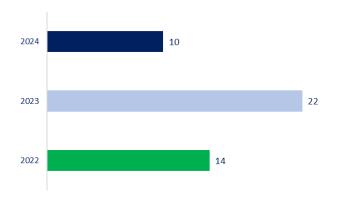


Image 54 Number of cybersecurity events registered

This decrease is a positive sign that reflects both the effectiveness of the preventive measures implemented and the growing commitment of the teams to good digital security practices.

Improvements in training, the use of more advanced tools, and greater overall awareness have contributed to significantly reducing events, thereby strengthening Madrileña Red de Gas's stance against cyber risks.

Control and security in the supply chain

Madrileña Red de Gas, as detailed in Chapter 7 on the Supply Chain of this report, collaborates with a large number of suppliers and contractors for the execution of various services and activities, such as operations, development, maintenance, among others.

Through the Information Security Policy in Supplier Management, Madrileña Red de Gas establishes the principles and commitments that suppliers must comply with regarding the handling of information during the execution of their activities.

Madrileña Red de Gas integrates various mechanisms in its management model to ensure information security and data protection in its relationship with suppliers. These include specific contractual clauses, confidentiality agreements, a purchasing portal for operational management, identification of critical suppliers in terms of security, as well as coordinated actions with data processors.

Furthermore, the risk analysis carried out through the supplier prequalification tool allows evaluating the current status of suppliers based on a set of relevant regulatory frameworks, presenting the results through a legal rating. This analysis mainly focuses on aspects related to privacy and cybersecurity, assessing the existing risk from both perspectives (*Image 55*).

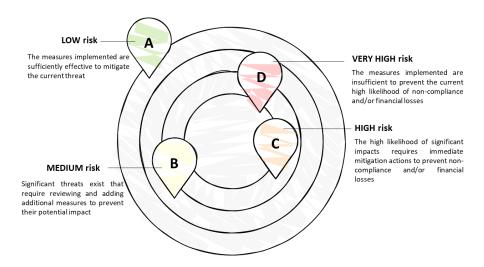


Image 55 Risk classification based on evaluation results

Throughout 2024, the vast majority of Madrileña Red de Gas's critical suppliers (see Chapter 7 for more information on critical suppliers) were evaluated according to the previously mentioned criteria (*Image* 56).

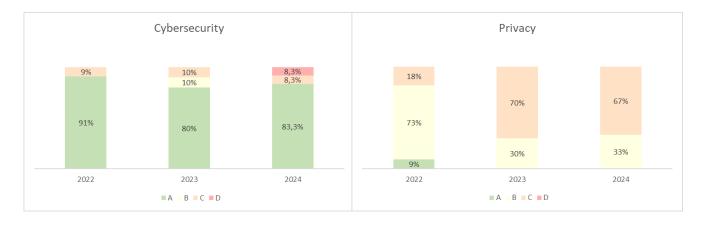


Image 56 Risk classification evolution of the risk suppliers of Madrileña Red de Gas

Collaborative cybersecurity: together against threats

Since 2022, Madrileña Red de Gas has maintained active collaboration with the National Cybersecurity Institute (INCIBE) through the subscription to various strategic services aimed at prevention, detection, and response to digital threats. This cooperation has strengthened its capabilities in cybersecurity protection and risk management and is structured through the following services:

- Early warning service for new vulnerabilities detected at the national and international levels.
- Information exchange on cyber threats, facilitating a coordinated and effective response.
- Access to specialized technical cybersecurity content, enabling continuous training and updating of teams.
- Proactive detection of threats and risks in systems and networks.
- Assistance in responding to security incidents that may compromise the integrity of information or critical services.

As part of this collaboration, a permanent channel for technical information exchange has been established, complemented by participation in regular meetings and sector events organized by INCIBE. Notably, Madrileña Red de Gas participated in the International Information Security Meeting (ENISE), held in León from October 21 to 23, 2024, a key forum for promoting knowledge and cooperation in cybersecurity.

Additionally, discussions have begun to carry out cyber exercises to evaluate and strengthen Madrileña Red de Gas's response capacity to cybersecurity incidents from both technical and organizational perspectives. These exercises also aim to improve coordination with public bodies and partner entities, thereby consolidating a comprehensive strategy for prevention and digital resilience.

5.5 Asset integrity and critical accident management

GRI 3.3

For Madrileña Red de Gas, as a gas distribution company, the integrity of its assets, as well as the prevention and management of incidents and accidents that could seriously harm health, the environment, and the economy, are clearly material issues.

Moreover, the nature of the business entails a mandatory compliance with national and regional legislation designed to ensure safety around installations and for the workers themselves. In this regard:

- The gas distribution pipeline network is required to implement emergency measures as established in Article 20 of Law 31/1995 on Occupational Risk Prevention and section 6.2 of point 6 of ITC-ICG 01, "Installations for the distribution of gaseous fuels through pipelines," under Royal Decree 919/2006 (Technical Regulation on the Distribution and Use of Gaseous Fuels and its complementary technical instructions).
- Royal Decree 393/2007, of March 23, establishes the Basic Self-Protection Standard for centers, facilities, and premises dedicated to activities that may give rise to emergency situations.
- Furthermore, although the goal is to eliminate LPG plants through conversion to natural gas, in 2024 Madrileña Red de Gas still operated three LPG plants subject to the SEVESO III Directive.

The company has documented and consistently maintained up-to-date management systems necessary for risk identification, prevention, and emergency response, in accordance with various UNE-EN ISO Management System standards and regulatory requirements.

Among the key initiatives carried out in 2024, it is worth highlighting the development implementation of the Self-Protection Plan for the LNG Plant in Miraflores de la Sierra (Image 57). This facility includes an 80 m³ storage tank and is therefore subject to Royal Decree R.D. 393/2007. The plant is located on the same site where the former Los Lagunazos LPG plant once stood. The new LNG features significantly more technology and safety measures compared to the installation it replaces.



Image 57 LNG storage tank in Miraflores de la Sierra

In 2024, within the scope of SEVESO-affected assets, Madrileña Red de Gas undertook a revision of its Internal Emergency Plans, introducing modifications to align their contents with the overall self-protection and emergency management model. Specifically, two Internal Emergency Plans were revised, successfully passing evaluation by the Authorized Control Body (OCA) in 2024. These plans were subsequently submitted to the Regional Government of Madrid in 2025.

Both LPG plants are scheduled for dismantling, in line with the company's objective to phase out this type of facility—contributing to enhanced safety and reduced emissions. The revised plans were as follows:

- Zarzaquemada Complex: This facility has already been decommissioned and inerted, beginning
 the dismantling process. Located relatively close to the urban core of Leganés, its removal
 significantly reduces the risk component for nearby residents.
- Villanueva de la Cañada: This site includes two LPG plants, one of which falls under SEVESO regulations. The conversion from LPG supply points to natural gas is already underway in the municipality and is expected to be completed in 2025. Upon completion, both facilities will be inerted and dismantled.

Emergency response 2024

Madrileña Red de Gas's Emergency Control and Assistance Center (CCAU) is equipped with the necessary human and material resources to receive all emergency alerts and communicate them quickly, clearly, and reliably to the response teams, operating 24 hours a day, seven days a week. Through this service, a total of **48,283 calls** were managed by the Call Center in **2024**, representing a **17% decrease** compared to the previous year. Additionally, **9,889 emergency alerts** were generated and attended to, marking a **7.9% reduction** from 2023 (**Image 58**).

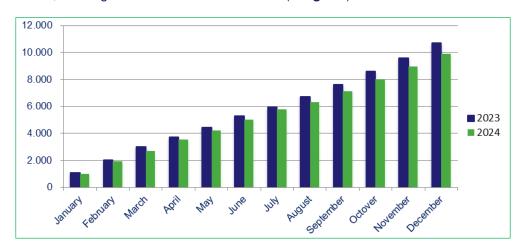


Image 58 Total accumulated monthly emergency calls

The notification of an emergency to the chain of command of the affected technical services is always carried out as indicated in the Emergency Plan. The CCAU has a telephone system for handling emergencies, with calls recorded for a period of two months. The emergency response teams possess the technical and operational knowledge required to ensure proper action, both in the work carried out on transport and distribution networks, and in receiving installations, as well as the occupational risk prevention specifications related to these actions. The priority of an alert is determined based on the level of risk that can be initially inferred from the information collected during the call. This is established on five levels: 1, 2, 3, 4, and 5, ranging from immediate action to scheduled intervention, depending on the level of risk or urgency.

This year, 3,952 Priority 2 alerts were received, with an average response time of 38 minutes. There were 1,154 Priority 1 alerts, responded to in an average of 26 minutes, with a 99.3% compliance rate within less than one hour, significantly exceeding the quality target of 30 minutes with 96% within an hour.

The average response time was 31 minutes, eight minutes less than last year. The volume of gas released reached 1.05 GWh, with costs recovered in almost all cases (*Image 59* and *Image 60*)

Atención de urgencias	2022	2023	2024
Cumulative P1 Notices	1.040	1.249	1.154
Cumulative P2 Notices	3.987	4.410	3.952
Average Response Time P1 min	26	27	26
Average Response Time P2 min	39	37	38

P1: Alerts at this level are classified as directly related to safety. The target response time is under 30 minutes and must never exceed 60 minutes, except in special circumstances

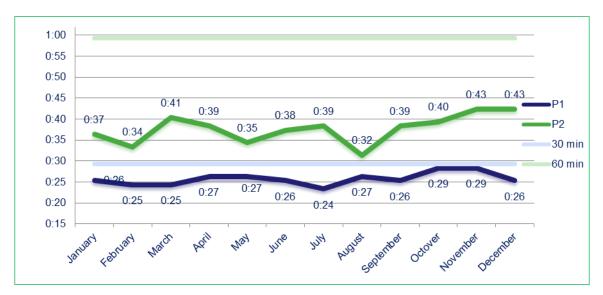


Image 59: Evolution of emergency response P1 and P2

Image 60 Emergency response time trends

Subsequently, we always conduct a results analysis and prepare Emergency Reports. This analysis allows us to evaluate response times and operations, and helps identify opportunities for improvement. In addition to these reports, periodic reports are issued with analyses of weekly and monthly emergency response activities, calculating metrics that allow for the evaluation of service quality.

Within the Emergency department, 72 cases of fraud/manipulation related to emergency calls have been detected.

As every year, all necessary equipment and tools for emergency operations have been kept in perfect condition, calibrated, and inspected.

P2: Alerts are classified this way when, based on the collected information, they do not present an immediate risk. The target response time is under 60 minutes and must never exceed 2 hours.

Emergencies and autoprotection

It is important to highlight the training carried out in 2024 regarding emergency plans at the facilities. During the summer of 2024, new training sessions were held on the emergency plans for the satellite LPG plants, while by the end of the year, additional training focused on the emergency plans for the distribution network.

In the last quarter of 2024, an awareness campaign was conducted on the emergency plans for both the Pozuelo center and the warehouse. Drills were carried out at both work sites, during which potential areas for improvement were identified and documented in the corresponding drill reports for further action.

6. SUSTAINABLE BUSINESS

6.1 Creating shareholder value

GRI 3-3, GRI 201.1

As in previous years, Madrileña Red de Gas continues to strive for economic results that ensure its long-term sustainability. The sector's situation remains challenging due to the ongoing transformations in the energy landscape, coupled with climate change, which is leading to increasingly warmer winters and a significant reduction in household consumption. Efforts to enhance process efficiency, improve service quality, and implement a solid expansion strategy continue to enable us to achieve positive results and deliver the necessary economic value to our shareholders (*Image 61*).

Net Revenue (thousands o €)	2024	2023
Distribution Remuneration	117.836	119.709
Other Non-Regulated Income	3.068	3.256
Other Non-Regulated Income from Compensations	119	195
Other Regulated Income	19.343	16.762
LPG-Related Income	2.513	3.191
Non-Regulated LPG-Related Income	9	16
	142.888	143.129

Image 61: Net amount of revenue

Other regulated revenues correspond to services related to the natural gas distribution activity, whose prices are set by regulation. These services include gas meter rental, periodic inspections, and connection services.

Non-regulated revenues also relate to services connected to natural gas distribution, but their prices are not regulated. These include services performed at end users' homes and other auxiliary services.

The financial data for Madrileña Red de Gas has been prepared in 2024 solely under Spanish accounting standards (Spanish General Accounting Plan), and the company has discontinued the preparation of annual accounts under international IFRS standards. For this reason, the 2023 figures have been restated accordingly, while figures from prior years have not been updated. Therefore, this report includes financial information only for the years 2023 and 2024 (Image 62 and Image 63).

EBITDA (thousands o€)	2024	2023
Operating Profit	2.606	4.866
Amortization	108.197	108.440
Other Income and Expenses	2.555	460
Reversal o Provisions	0	0
Loss, Impairment and Changes in Provisions	-16	10
Compensations	685	0
Bank Service Charges	231	232
Impairment o Inventory, Raw Materials and Others	0	0
Impairment and Result on Disposal o Fixed Assets	-30	-6
	114.228	114.002

Image 62: EBITDA

ASSETS	<u>31.12.2024</u>	31.12.2023
NON-CURRENT ASSETS	461.987	547.570
Intangible Assets	123.399	202.853
Property, Plant and Equipment	272.963	285.174
Investments in Group and Associated Companies	-	-
Long-Term Financial Investments	1.391	2.758
Deferred Tax Assets	64.234	56.785
CURRENT ASSETS	152.356	107.291
Assets Held for Sale	-	-
Inventories	1.649	1.502
Trade and Other Receivables	40.713	42.501
Short-Term Financial Investments	588	2.680
Short-Term Accruals	3.199	2.262
Cash and Cash Equivalents	106.207	58.346
TOTAL ASSETS	614.343	654.861
EQUITY AND LIABILITIES	<u>31.12.2024</u>	<u>31.12.2023</u>
EQUITY	560.275	364.120
Share Capital	1.048	1.048
Share Premium	100.354	100.354
Partner Contributions	420.172	207.796
Reserves	14.924	32.701
Profit for the Year	1.873	- 3.411
Valuation Adjustments – Hedges	-	2.716
Grants, Donations and Bequests Received	21.904	22.916
NON-CURRENT LIABILITIES	14.233	237.999
Long-Term Provisions	3.496	2.578
Long-Term Debt	654	225.030
Long-Term Payables to Group and Associated Companies	1.800	1.800
Deferred Tax Liabilities	8.283	8.591
CURRENT LIABILITIES	39.835	52.742
Short-Term Provisions	608	1.146
Short-Term Debt	17	1.879
Short-Term Payables to Group and Associated Companies	28	28
Trade and Other Payables	39.182	49.689
TOTAL EQUITY AND LIABILITIES	614.343	654.861

Image 63: Balance in thousands of euros

Cash Flow amounted to €78,5 million (*Image 64*), compared to the €86,3 million the previous year. The lower deficit generated by the system as of December 31, 2024, compared to the same period of the previous year, resulted in an increase in cash flow relative to 2023. However, this effect was offset by a reduction in cash received as remuneration, due to downward adjustments made by the CNMC to the amounts initially recognized for 2023 and 2024. These adjustments were the result of lower-than-expected demand, caused by higher-than-average temperatures.

Free Cash Flow(M €)	31.12.2024	31.12.2023
EBITDA	114,2	114
Corporate Income Tax	-1,2	-3,7
Working Capital	-18,7	-11,1
Capex	-15,9	-13,3
Free Cash Flow	78,5	86,3

Image 64: Cashflow

In 2024, investment amounted to €15.9 million, compared to €13.3 million executed in 2023. The company continues to invest steadily in its own networks and other projects aimed at network maintenance, fraud prevention, and the development of information systems, with the objective of improving operational efficiency and service quality.

Financial strength is a key pillar of Madrileña Red de Gas's strategy. The company maintains strong levels of solvency and liquidity, consistent with investment-grade ratings.

The financial structure is efficient and long-term oriented. The company also holds a €75 million contingent credit facility, renewed in February 2024 until February 2027, aligned with the company's actual needs over the coming years.

Flexibility in dividend policy is another key feature that strengthens the company's financial position.

The group's debt is issued by MRG Finance B.V. on the regulated market of Luxembourg under an EMTN program. This debt is rated as investment grade, BBB- by Standard & Poor's and BBB by DBRS.

With regard to economic value generated and distributed (*Image 65*), the figures remain very similar to 2023. The distributed economic value decreased slightly compared to 2023, primarily due to a reduction in payments to the government. However, in all other areas (operating costs, employee salaries and benefits, and payments to suppliers), the amounts increased over 2023.

Economic Value Generated and Distributed	31/12/2024	31/12/2023
Net Revenue (Net Sales)	142.888	143.129
Financial Income	2.502	473
Direct Economic Value Generated	145.390	143.602
Cost of Goods Purchased (Procurement Costs)	-1.972	-3.208
External Services Expenses (Operating Expenses for E	-17.386	-17.590
Other Operating Expenses	-2.555	-460
Operating Costs	-21.913	-21.258
Employee Salaries and Benefits	-11.560	-10.123
Payments to Providers of Capital (Payments to Capital	-7.465	-7.849
Taxes and Corporate Income Tax Expense	-3.691	-6.174
Payments to Government	-3.691	-6.174
Community Investments	0	0
Economic Value Distributed	-44.629	-45.404
Economic Value Retained (in thousands of €)	100.761	98.198

Image 65 Economic value generated and distributed

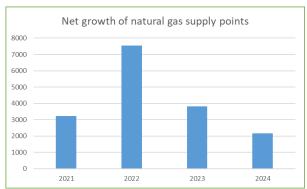
6.2 Expansion of the distribution network

GRI 3-3

Main trends and milestones by market

The business expansion over the past year has followed a consistent trend with previous years. Madrileña Red de Gas continues to demonstrate sustained growth, delivering a net positive increase in new supply points and total consumption.

According to the quarterly reports published by the CNMC for 2024, Madrileña Red de Gas remains the gas distributor with the highest number of active supply points in the Community of Madrid, with 906,763 natural gas supply points and 3,152 LPG points at the end of 2024, totaling 909,915 customers (*Image 66, Image 67*)



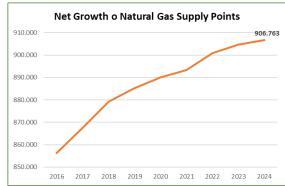


Image 66: Supply points net growth

Image 67: NG supply points net growth

Madrileña Red de Gas remains committed to offering significant incentives to both end customers and the commercial channel of installation companies, with the aim of promoting the construction and commissioning of new installations.

Commercial initiatives, complemented by inorganic actions such as LPG-to-natural-gas conversions and the acquisition of facilities, have once again enabled the company to achieve a net positive growth of more than 2,000 new supply points. This figure reflects a strong effort by the commercial team, especially in an unfavorable environment marked by campaigns discrediting natural gas in favor of alternative energy sources (*Image 68*).

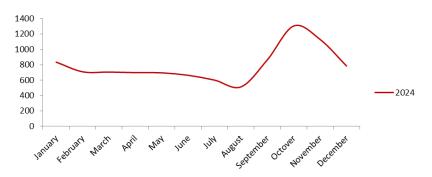


Image 68: Commissioning of expansion projects

Analyzing the new 2024 supply points, these are the numbers (Image 69):

New Supply Points in 2024		
Existing Property	8.093	
New Construcción	1.049	
Large Consumption Customers	389	
Total	9.531	

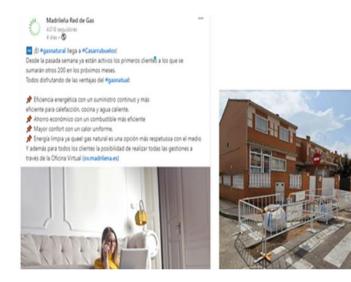
Image 69: New supply points 2024

Throughout 2024, Madrileña Red de Gas continued its efforts to extend the natural gas network to new municipalities within the Community of Madrid (*Image 70*), such as Casarrubuelos and Miraflores de la Sierra. At the same time, the company advanced its commitment to transformation by eliminating distribution through satellite LPG plants, which are clearly more polluting than natural gas.

	km Pipeline Network	Natural Gas Supply Points	LNG Satellite Plants	LPG Satellite Plants
2022	6.060,36	900.911	5	128
2023	6.037,44	904.606	5	92
2024	6.054,07	906.763	6	18

Image 70: Network evolution

In 2024, the natural gas network reached the municipality of Casarrubuelos (**Image 71**), with more than **100 households** connected during this first phase, which continues to expand.



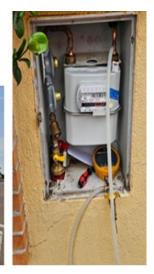


Image 71: Arrival to Casarrubelos

Significant progress has also been made in the administrative procedures for the municipalities of Los Molinos, Moralzarzal, and Soto del Real.

Further details on the investment made in network expansion and transformation can be found in Chapter 9 on Social Impact.

Analyzing trends across the various business areas, it is worth noting that 2024 saw a renewed boost in the horizontal saturation market (*Image 72*). The commercial actions implemented in this segment have been well aligned with user needs; new potential market niches have been identified through the decentralization of multi-unit buildings, successfully replacing obsolete energy sources such as fuel oil, propane, and even coal.

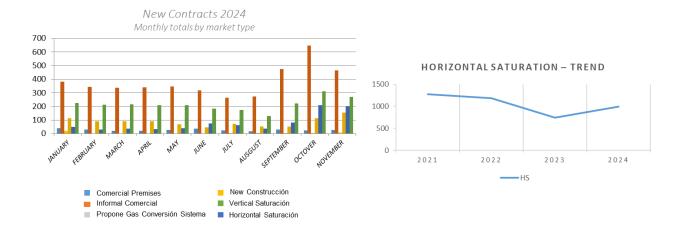


Image 72 Different business trends and horizontal market saturation

Marketing efforts in private residential developments with piped propane installations have also marked a key achievement in the growth of the horizontal saturation market. Many of these installations are reaching the end of their service life, prompting administrations and homeowners' associations to consider switching their energy supply. The deep territorial knowledge of Madrileña Red de Gas's commercial team plays a fundamental role in identifying these opportunities and tailoring the best offer for each residential development.

As a result, in 2024 more than 200 installations in single-family homes were commissioned, and a solid project pipeline has been established for the coming year, ensuring positive growth in the horizontal saturation market in 2025.

In 2024, the new construction market clearly reflected the shift in preference toward renewable systems, particularly aerothermal energy. In response, and in collaboration with Nedgia, Redexis, and Gas Extremadura, Madrileña Red de Gas participated in REBUILD 2024 to strengthen its presence in this sector.

REBUILD is the leading event driving and promoting the evolution of building construction, offering manufacturers and distributors in the construction industry the opportunity to:

- Identify new key players and industrial partners in construction, such as builders, developers, investors, architects, engineers, and other professionals.
- Establish high-quality relationships with current and potential clients.
- Showcase their leadership and value within the industry.
- Present innovative products and solutions to boost sales strategies.
- Collaborate and form partnerships as industrial allies in an event that is transforming the construction sector.



Image 73: Inmergas equipment with natural gas hybrid technology gas (REBUILD presentation 2024).

The opportunity to be present at such a major event was not missed. In collaboration with Inmergas, a hybrid technology was showcased—seemingly a condensing natural gas boiler with integrated domestic hot water (DHW) storage, which also incorporates electric aerothermal technology within the boiler unit itself. (*Image 73*)

The Expansion team has continued to work diligently with property developers, holding individual meetings to emphasize that using a natural gas system today paves the way for hydrogen integration in the future—especially by promoting the hybridization of aerothermal and natural gas systems.

To support this effort, a promotional leaflet was developed targeting real estate developers, homeowners' associations, and boiler rooms with outdated systems, highlighting hybrid systems as the optimal energy solution for modernizing obsolete installations (*Image 74*).



Image 74: Commercial brochure

Additionally, throughout the year, more than 3,000 meters of third-party networks have been constructed for future urban developments. These networks are designed to accommodate renewable gases, also paving the way for future hydrogen (H₂) networks. (*Image 75*)

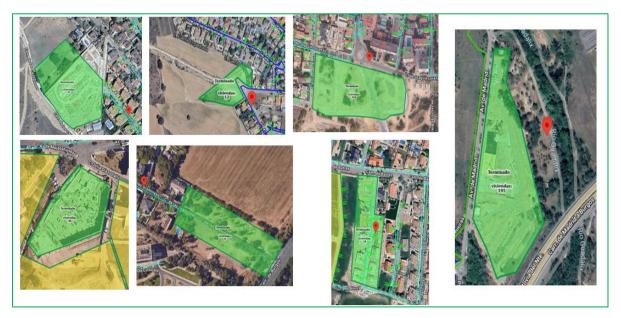


Image 75 Networks built for third-parties during 2024. 3.000 network meters ready for the implementation of H2

Finally, with regard to new residential developments, it is important to highlight the **reactivation of the administrative concession** for new urban developments in the **municipality of Brunete**, which represents a significant step forward in the municipality's pipeline expansion (*Image 76*)



Image 76: Brunetes urban development

Highlighted commercial activities

In 2024, new commercial campaigns were launched, focusing on specific market niches in order to tailor offers to each household's particular needs.

This personalized approach not only helps increase customer satisfaction but also enhances the effectiveness of the existing pipeline network.

- The company continues to promote decentralization projects, offering incentives of up to €650 per supply point.
- The campaign targeting multi-family dwellings was renewed, with contributions of up to €450 per supply point.
- Campaigns for single-family homes were expanded, offering incentives of up to €500 per supply point.

In 2024, Madrileña Red de Gas launched two referral campaigns—one in summer and another in

autumn—as part of its referral program. Under this initiative, the referrer received a €75 reward and the referred customer received €125 once their gas supply was activated. (*Image 77*)

El The goal of this program is to reward existing customers who successfully recommend the service to their contacts, with both parties receiving a gift for their participation.



Tenemos una tarjeta regalo de 75C lista para ti.

Image 77: Referral program

Birth of Calderín

In 2024 Calderín was introduced (*Image 78*), a cheerful and engaging animated character created to communicate current topics related to natural gas and renewable gases.

Calderín adds personality and appeals to a broad audience, helping Madrileña Red de Gas to communicate more effectively.



Image 78: CALDERÍN

Campaign plan (Image 79)

- Raising awareness about the current state of natural gas and the transition to renewable gases, emphasizing their benefits.
- **Educating the public** on energy policies and the energy transition, encouraging critical thinking and the adoption of clean technologies.
- **Fostering citizen engagement** through interactive social media content that encourages reactions and shares.
- Delivering impactful educational content, including two videos, three blog posts, and a
 dedicated landing page focused on debunking myths, explaining how renewable gases work in
 home boilers, and highlighting their role in combating climate change.

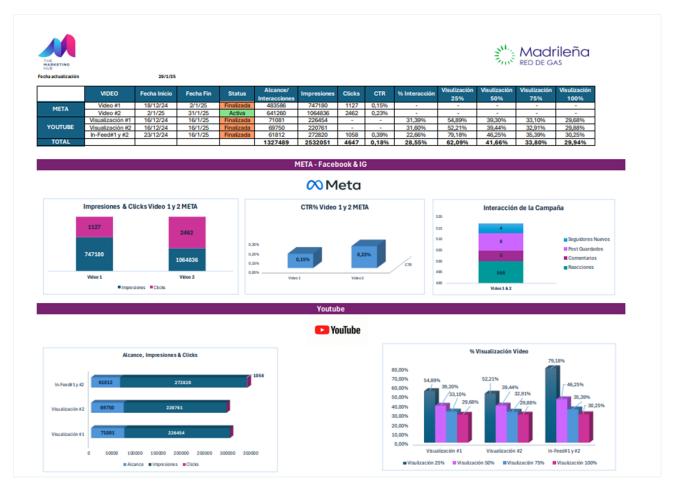


Image 79: CALDERÍN campaign results report

Sign of the commercial agreement Madrileña Red de Gas / Aliara

In recent years, as a complement to the traditional commercial distribution channel in less attractive but low-saturation areas, Madrileña Red de Gas has internalized a dedicated sales team through an agreement with Aliara Energía (a company within the Elisandra IV Group). The goal has been to implement commercial actions in areas where the traditional channel has limited reach. Launched in the second half of the year, the project focused on the vertical saturation market in apartment buildings with low gas penetration, combining mass flyer distribution of an aggressive offer with scheduled visits and phone calls to property managers.

Public offer 2024

Thanks to all the commercial campaigns carried out in 2024, more than 150 installation companies have joined Madrileña Red de Gas in this effort, signing its 2024 public offer and participating in the commercial plans published on the company's website.

https://www.madrilena.es/colaboradores

Commissioning characterized by efficiency

In order to continue building on the improvements implemented during the previous year and to keep offering the best possible customer service, minor defects have continued to be resolved during the activation visit in older installations. As was the case in 2023, this approach has helped reduce intervention times, since without these immediate repairs, the activation would have to be postponed. Customers would otherwise be required to find an authorized installer, which in some cases even led them to cancel the activation due to the associated cost or inconvenience.

The additional cost of these repairs is offset by higher customer satisfaction and a reduction in both administrative procedures and site visits, as a second trip to the property is no longer necessary.

In line with the company's ongoing pursuit of process improvements, 2024 has seen a particular focus on supply points that, although representing a smaller volume, provide significant value to Madrileña Red de Gas as a gas distributor—namely, commercial premises and industrial clients.

Until the previous year, if a customer signed a contract for a premises with a gas supply history, the request entered the system in the same manner as a residential supply, without taking into account the difference in usage. While residential gas installations tend to remain unchanged over time, commercial and industrial facilities are frequently modified.

This mismatch led to delays in activating gas service, as well as complaints from marketing companies, which have specific deadlines tied to the commercial offers made to customers. The process of submitting and approving the required technical documentation, as established by current regulations, did not begin until the contract had already entered the system.

Thanks to system updates and constant communication with installation companies, these supply points are now blocked from contracting until all technical documentation is received. Although this may seem like a small change, it has significantly improved documentation traceability for each supply point, allowed for better anticipation of the customer's contracted rate, and reduced the time to activation once the contract is submitted.

Moreover, with a continued focus on installation safety and recognizing the importance of effective communication, the ongoing collaboration between various departments enabled the detection in 2024 of several industrial clients with fraudulent activity or unreported system extensions. These represent serious regulatory breaches that pose risks not only to the businesses themselves but also to neighboring properties, and they lead to economic losses for Madrileña Red de Gas due to unrecorded gas losses. Within timeframes of no more than 15 days, these installations were brought into compliance, ensuring both safety and legal regularization.

Looking ahead to 2025, the company plans to completely review and improve the customer onboarding process, with the goal of optimizing procedures and delivering a more efficient service. Too often, outdated processes persist, and attempts at improvement are made without reconsidering whether the original design was optimal. This hinders broader innovation. The goal is to define the best possible system as if it were being designed from scratch. Planned improvements will focus on enhancing traceability, streamlining operations, and enabling customers to schedule their appointments more quickly and in a more personalized manner.

Pushing towards renewable gases distribution

Chapter 9, "Risk Management," outlines the efforts undertaken by Madrileña Red de Gas to address the risks and opportunities presented by the necessary energy transition. This is achieved through its role as a gas distributor in promoting renewable gas projects, including hydrogen (H₂) and biogas.

The expansion of the network is designed with the goal of providing energy solutions that meet current needs and capabilities, while also being ready to support a sustainable future.

7. SUPPLY CHAIN

GRI 2-6

The main activities within Madrileña Red de Gas's supply chain include the expansion of infrastructure, networks, and proprietary assets dedicated to gas distribution (*Image 80*).

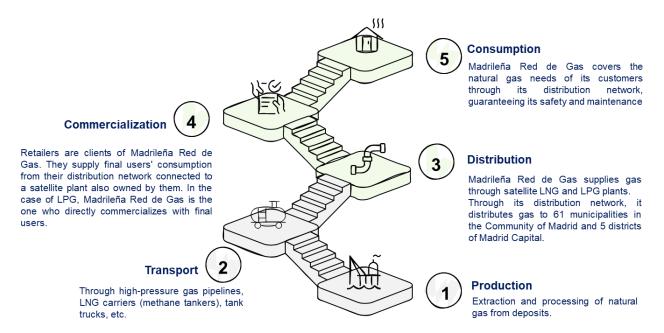


Image 80 Natural gas value chain. In green, Madrileña Red de Gas own activities

Madrileña Red de Gas's operations also encompass the provision of technical services related to the operation and maintenance of distribution systems, as well as ensuring the continuity of gas supply to users in the various municipalities across the Madrid region where the company operates (*Image 81*).

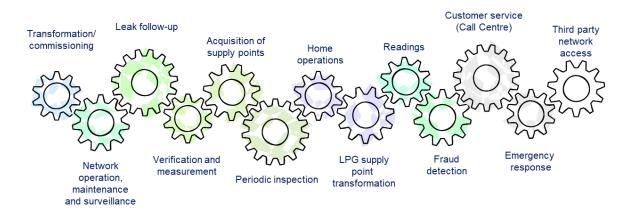
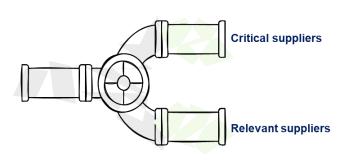


Image 81 Core activities of Madrileña Red de Gas

7.1 Suppliers

To efficiently carry out these activities, Madrileña Red de Gas relies on an extensive network of suppliers (*Image 82*). These stakeholders play a fundamental role in the development and optimization of its processes, providing services and technical capabilities that are essential for ensuring quality, operational continuity, and the company's competitiveness. The active and aligned participation of suppliers with Madrileña Red de Gas's standards is a key pillar in generating value for its customers and other stakeholders.



They are those dedicated to the following key activities for the company: construction and maintenance of networks, periodic inspection, home operations, emergencies, commissioning of receiving installations, manufacturer of polyethylene (PE) pipe, manufacturer of polyethylene (PE) fittings, and manufacturer of meters.

They are not necessarily critical.

A Relevant Service is one that is sensitive from a quality perspective as it requires compliance with specific technical-legal conditions for carrying out the work, which for the most part originate from current legislation. Consequently, these suppliers must be registered in our Business Activity

Image 82 Key suppliers for Madrileña Red de Gas

With regard to supplier qualification, particularly in connection with critical business processes, Madrileña Red de Gas works exclusively with previously approved suppliers. This policy ensures high standards in safety, quality, on-time delivery, competitiveness, and environmental responsibility across all activities linked to its operations.

Specifically, suppliers that provide essential services and are considered critical suppliers must undergo a strict process that includes both an initial evaluation and formal approval before being authorized to perform any work for Madrileña Red de Gas.

It is worth noting that, during fiscal year 2024, no new outsourcing processes were initiated. Likewise, no significant changes occurred in the organization's supply chain, reflecting continuity and stability among its network of strategic partners.

In 2024, Madrileña Red de Gas worked with a total of 158 suppliers, covering both product procurement and service contracting. Of these, 15 were classified as critical suppliers, while 48 were considered relevant—10 of which also fell into the critical supplier category. (*Image 83*).

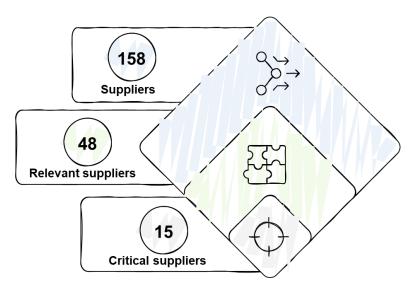


Image 83 Madrileña Red de Gas suppliers 2024

During fiscal year 2024, Madrileña Red de Gas recorded total supplier invoicing exceeding 30 million euros. This increase compared to the previous year (*Image 84*) reflects a higher demand for goods and services, which has strengthened operational capacity and enabled the company to efficiently meet its needs.

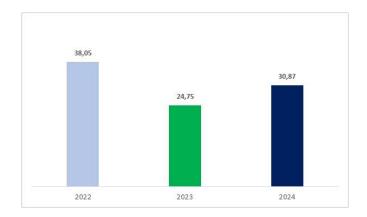


Image 84 Total invoicing to suppliers over time (million euros)

It is worth noting that 80% of the total purchasing volume in 2024 was concentrated in just 17 suppliers, highlighting a high operational dependency on a small but strategic group of partners, with whom the company maintains a strong and trusted relationship.

When considering core activities, the invoicing amounts to suppliers become particularly relevant, reflecting the scale of operations and the scope of the projects managed. (*Image 85*).

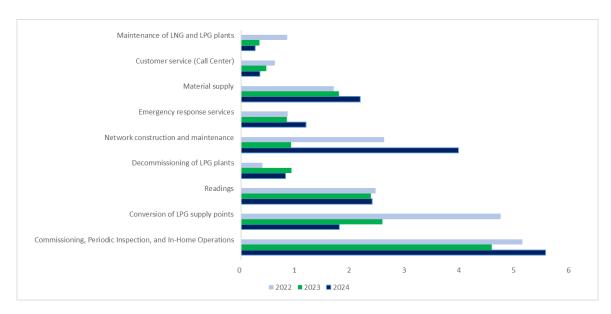


Image 85 Invoicing for Madrileña Red de Gas main activities (millions of euros)

7.2 Responsible and sustainable purchasing

GRI 2-23; GRI 3-3, GRI 407-1, GRI 408-1, GRI 409-1

Madrileña Red de Gas understands that sustainability in supply chain management is a key pillar for responsible and long-term development. For this reason, the company actively works to minimize its environmental, social, and economic impacts, while promoting good governance practices throughout the entire lifecycle of its goods and services.

Likewise, it reaffirms its commitment to respecting and upholding Human Rights in all its operations, its value chain, and in every environment in which it operates, in accordance with the provisions set forth in its Human Rights Policy.

With the aim of extending these principles across its entire supply chain, Madrileña Red de Gas communicates these commitments to its partners through the Sustainable Procurement Policy and the Supplier Code of Conduct—mandatory compliance documents that reinforce its vision of sustainable, ethical, and shared growth (*Image 86*).

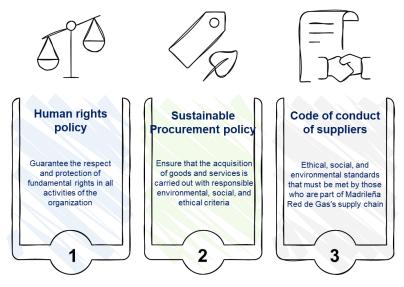


Image 86 Pillars of Sustainable Supply Chain Management

With the aim of ensuring an effective commitment to responsibility throughout the value chain, Madrileña Red de Gas requires its suppliers to adhere to the Responsible Business Principles set out in its Sustainable Procurement Policy. (*Image 87*). These principles are based on core values such as integrity, commitment, transparency, and respect for Human Rights.



Image 87 Responsible Business Principles of Madrileña Red de Gas

Madrileña Red de Gas places particular emphasis on the eradication of all forms of forced labor, the protection of labor rights—including freedom of association, collective bargaining, and access to decent employment, as well as the firm rejection of child labor and the safeguarding of the rights of ethnic minority communities. Currently, neither Madrileña Red de Gas's own operations nor those of its suppliers present significant risks of non-compliance with these rights.

Service quality and safety, environmental protection, and occupational health and safety are also fundamental pillars for the company. These aspects are fully integrated and certified within its Integrated Management System, which also encompasses the activities carried out by its suppliers. In this way, Madrileña Red de Gas's suppliers adopt the company's commitments as their own, commitments that are clearly communicated and actively monitored throughout the execution of their services.

Moreover, both suppliers and their employees have access to dedicated channels for reporting grievances, as well as for resolving queries or conflicts related to the observance of these principles. All communications received through these channels are handled with the utmost confidentiality.

Suppliers ESG evaluation

GRI 308-2, GRI 414-2

At Madrileña Red de Gas, an external tool is used for supplier registration and prequalification. This platform enables the evaluation of suppliers' positioning in terms of sustainability and facilitates benchmarking against other companies in the sector.

In the area of sustainability, the assessment is based on three pillars: environmental, social, and governance (ESG). Each pillar is scored on a scale from 0 (high risk) to 100 (low risk). The overall score is calculated by averaging the individual pillar scores assigned to each supplier (*Image 88*).

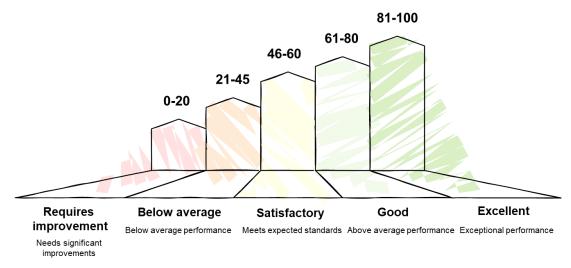


Image 88 Interpretation of the ESG assessment from the supplier prequalification tool

Suppliers scoring above 81 points are ranked within the top 15% of best-performing companies among all those assessed by the tool. Those scoring between 61 and 80 are considered to be at a good level and generally perform above average. Conversely, if a company receives a score of 45 or below, it is recommended that purchasers review the underlying reasons for this low rating in order to identify potential areas for improvement.

Based on this methodology, 12 critical suppliers of Madrileña Red de Gas have been evaluated in the ESG (Environmental, Social, and Governance) domain) (*Image 89*).

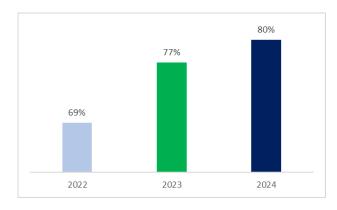


Image 89 Percentage of critical suppliers evaluated in ESG

For the remaining critical suppliers who have not been assessed, there is insufficient data available for the tool to assign a score. The ratings are determined based on responses to questionnaires as well as external information sources.

Regarding the ESG ratings of Madrileña Red de Gas's critical suppliers (*Image 90*), in 2022 only 18% were rated as "Excellent", a figure that increased to 25% in 2024. At the same time, there was a significant reduction in the lowest ratings: suppliers classified as "Needs Improvement" fell from 36% in 2022 to 17% in 2024. This trend suggests a general improvement in the ESG performance of suppliers.

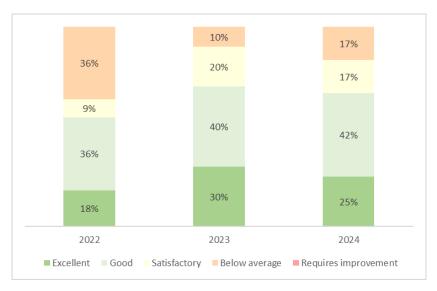


Image 90 ESG calcification evolution of the critical suppliers

In accordance with the current contractual clauses, Madrileña Red de Gas expresses its commitment to sustainability and urges all its contractors to implement sustainable policies. The objective is for these suppliers to achieve the highest sustainability score (Excellent Level) within the supplier portal.

In this context, it should be noted that during 2024, no significant negative environmental or social impacts, either potential or actual, have been identified on the part of existing suppliers.

8. ENVIRONMENTAL IMPACT

During 2024, Madrileña Red de Gas's environmental management focused on consolidating and strengthening its Environmental Management System in accordance with ISO 14001 requirements. This effort allowed them to not only maintain their international certification but also drive continuous improvements in environmental performance.

Having ISO 14001 certification represents a strategic advantage for Madrileña Red de Gas, as it demonstrates their commitment to sustainability and proactive environmental management. It also enables them to identify and mitigate environmental impacts from business activities, ensuring compliance with current regulations and promoting continuous improvement.

Additionally, for the third consecutive year, an external verification of the previous year's carbon footprint was carried out. Subsequently, it was registered with the Spanish Office for Climate Change (OECC), obtaining the CALCULATION seal corresponding to 2023.

Furthermore, in 2024, Madrileña Red de Gas worked on implementing an action plan aligned with the OGMP 2.0 initiative. This plan is designed to contribute to reducing methane emissions from their activities, establishing a clear path toward sustainability and achieving their environmental objectives.

Finally, it's important to highlight that during 2024, no accidents with environmental impacts resulting in fines or civil liability were recorded.

8.1 Impact on climate change

GRI 3-3; GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-7

As discussed throughout this report, and particularly in Chapter 5.2 on "Climate Adaptation, Resilience, and Transition," Madrileña Red de Gas addresses the risks associated with climate change and the energy transition through a firm commitment and a solid strategy (Image 91).

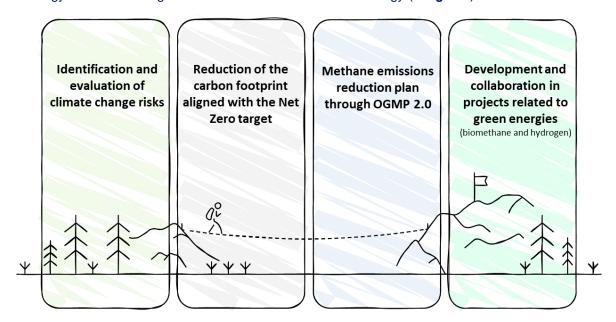


Image 91 Pillars of Madrileña Red de Gas's climate change strategy

Under this context, establishing greenhouse gas (GHG) emission reduction targets is not only an ethical responsibility in the face of **climate change**, but also a key strategy to **mitigate environmental impact**, align with **global climate policies**, optimize **energy efficiency**, and better manage risks derived from future environmental regulations.

Image 92 shows the specific objectives Madrileña Red de Gas has established to reduce its climate impact and contribute to a more sustainable future.

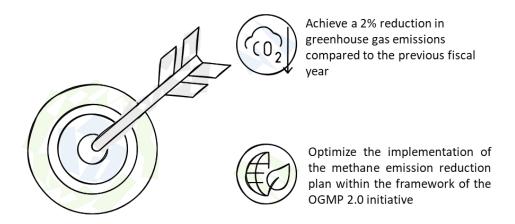


Image 92 Madrileña Red de Gas's climate change mitigation and adaptation objectives

Regarding the first objective, Madrileña Red de Gas achieved a **15.19**% reduction in its total carbon footprint compared to the previous year, as detailed in the following sections.

Concerning the second objective, during 2024, 5 out of the 9 action lines defined in the implementation plan for methane emission reduction were executed, representing **55.5%** progress. Additionally, the company obtained the Gold Standard Pathway certification (see the "Climate Adaptation, Resilience, and Transition" chapter for more details), reflecting its commitment and positive performance in this area.

2024 Carbon Footprint: reduction and climate commitment

The quantification of greenhouse gas (GHG) emissions is a fundamental tool for Madrileña Red de Gas to measure and generate an indicator of the impact of its activities and processes on climate change.

It not only allows them to quantify their contribution to the phenomenon but also serves as a valuable management tool to identify actions that are increasing their emissions, as well as opportunities to improve and optimize resource use more efficiently.

Thus, as in previous years, Madrileña Red de Gas calculated the carbon footprint associated with its activities during 2024. This includes direct GHG emissions (Scope 1), indirect GHG emissions from the generation of purchased and consumed electricity (Scope 2), and indirect emissions occurring in the value chain (Scope 3).

The following references were taken into consideration for the calculation:

- ISO 14064-1:2019 standard.
- The Greenhouse Gas Protocol (GHG Protocol).
- EMEP/EEA methodology and IPCC Guidelines for National Greenhouse Gas Inventories.
- Support documents prepared for the Carbon Footprint, Compensation, and Absorption Projects Register, created by "Royal Decree 163/2014, of March 14, which creates the register of carbon footprint, compensation, and carbon dioxide absorption projects".
- Company's internal procedures.

The activities and infrastructures included in the scope of the carbon footprint are as follows:

- Head offices in Pozuelo de Alarcón and warehouse located in Alcorcón.
- Natural gas (NG) and liquefied petroleum gas (LPG) distribution network.
- LNG plants and LPG plants belonging to the distribution network
- Fleet vehicles.

Image 93 presents the results of Madrileña Red de Gas's GHG emissions inventory for the 2024 calculation period.

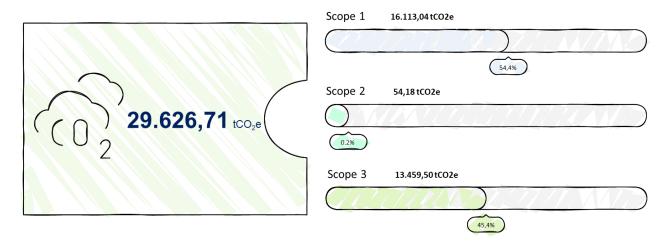


Image 93 Total carbon footprint result for Madrileña Red de Gas and emission distribution by scope

Los GEI incluidos en la huella de carbono son: CO₂, CH₄, N₂O, SF₆, NF₃, HFC y PFC. Todos los The GHGs included in the carbon footprint are: CO₂, CH₄, N₂O, SF₆, NF₃, HFC, and PFC. All results are reported in CO₂e, applying the Global Warming Potentials indicated in the "IPCC Sixth Assessment Report."

As can be seen in *Image 94*, Madrileña Red de Gas achieved a 15.19% reduction in its carbon footprint during 2024 compared to the previous year. This reflects the positive impact of sustainability initiatives and the effectiveness of actions implemented to mitigate their emissions.

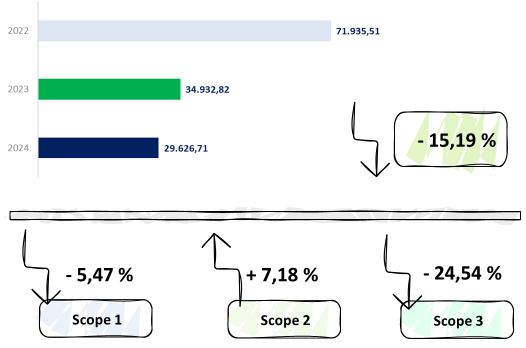


Image 94 Evolution of emissions and reduction results based on the previous year

The most significant decrease occurred in Scope 3, primarily due to the progressive discontinuation of Madrileña Red de Gas's LPG business.

Baseline year comparison

For the purpose of comparing emissions and evaluating performance, the option of a **fixed base year** has been established, consisting of the sum of the carbon footprint results for two consecutive years (2021-2022). This selection is due to the fact that network and service line tracking activities for the entire network are completed biennially. Therefore, emissions associated with this activity will not be complete until the entire network has been inspected. Consequently, the analysis of the evolution of the complete carbon footprint relative to the base year will be performed every two years, starting from the 2023-2024 period, to ensure comparable results with the 2021-2022 base year.

Image 95 shows the comparative of 2023-2024 with the 2021-2022 base year.

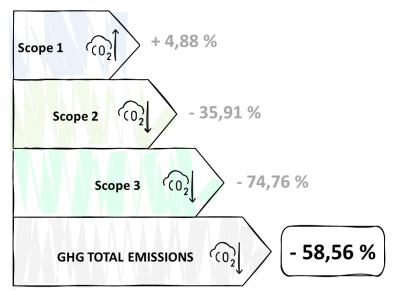


Image 95 Baseline year comparison results

As can be observed, there has been a 4.88% increase in Scope 1 emissions, with fugitive emissions from losses being the source contributing to this rise.

However, there has been a significant decrease in both Scope 2 (Category 2) and Scope 3 emissions, by 35.91% and 74.76% respectively. For Scope 2, the reduction in emissions was practically equal between offices and plants/ERMs. Within Scope 3, the emission sources that contributed most to the decrease were "Acquisition of goods and services" and "Customer GIC emissions.

Other climate change indicators

Madrileña Red de Gas conducts annual comparisons of emission intensity indices (*Image 96*), particularly concerning Scope 1 and 2 emissions, to analyse its GHG emission performance.

The unit of activity established to present the inventory results in terms of emission intensity (tCO2e/UA) for evaluating achieved performance is:

- GWh of gas transported
- · Km of gas network length

	2022	2023	2024
Emission intensity per GWh of gas transported (tCO ₂ e/GWh)	7,35	4,09	3,39
Emissions intensity per km of network (tCO ₂ e/km)	11,89	5,79	4,94
Direct GHG emissions			
Direct GHG emission intensity (tCO2e/GWh)	1,54	1,99	1,82
Direct GHG emission intensity (tCO2e/km)	2,48	2,82	2,65
Indirect GHG emissions from imported energy			
Indirect GHG emission intensity from imported energy (tCO2e/GWh)	0,01	0,01	0,01
Indirect GHG emission intensity from imported energy (tCO2e/km)	0,02	0,01	0,01
Emisiones fugitivas de CH4 de la Red			
Emission intensity per m3 of gas transported (tCH4/10^6 m3 NG)	0,62	0,82	0,74
Emission intensity per km of network (tCH4/km network)	0,09	0,10	0,09

Image 96 Emissions intensity index

Once the calculation is complete, Madrileña Red de Gas proceeds with the verification of the data by an independent third party, thereby ensuring the transparency, rigor, and reliability of the results obtained. Subsequently, the results are communicated to the Spanish Office for Climate Change (OECC), which allows the organization to maintain its official "Calculo" seal.

Along with the annual reports, Madrileña Red de Gas submits an emission reduction plan to the OECC, outlining the planned and ongoing measures to decrease the organization's environmental impact.

Furthermore, at the end of 2024, Madrileña Red de Gas conducted a new carbon footprint benchmark assessment with its counterparts. The main conclusion from this assessment is that its carbon footprint emissions are at levels similar to the rest of the sector.

Through these actions, Madrileña Red de Gas not only complies with current regulations but also reinforces its commitment to the progressive decarbonization of its operations and its active contribution to national and international climate objectives.

Other atmospheric pollutants

Image 97 Show the emissions of atmospheric pollutants from both fixed combustion stations and the vehicle fleet.

	2022	2023	2024
sox	2,56	2,14	1,76
NOX	223,25	80,82	33,93
PM _{2,5}	2,65	1,31	1,19
PM ₁₀	2,65	1,31	1,19
Lead (Pb)	0,00251	0,00347	0,01150
Mercury (Hg)	0,00053	0,00014	0,00001

Image 97 Other atmospheric pollutants present in Madrileña Red de Gas emissions (kg)

For calculating emissions from **stationary sources**, **the EMEP/EEA methodology** (EMEP/EEA Air Pollutant Emission Inventory Guidebook) is applied. This calculates emissions based on fuel consumption and emission factors for various pollutants, both determined by the technology used.

On the other hand, the methodology used for calculating **combustion emissions from mobile sources** is based on the approach outlined in the European Environment Agency's technical report: COPERT IV (Computer Program to Calculate Emissions from Road Transport). This methodology applies emission factors for different pollutants, classified by vehicle typology, category (Euro Standards), and the fuel used.

Main mitigation actions for GHG emission reduction

Madrileña Red de Gas has implemented a series of actions aimed at climate change mitigation, focusing on the reduction of greenhouse gas (GHG) emissions. The main measures include:

- Methane Emission Reduction Plan (OGMP 2.0), in effect from 2023 to 2028, considering 9 general
 actions with 19 associated targets for 2024 (*Image 98*).
- Progressive transformation plan for LPG supply points to natural gas.

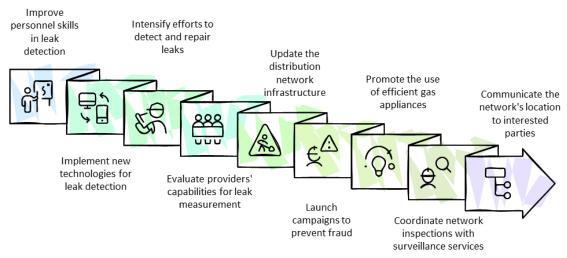


Image 98 Lines of action in the methane emissions mitigation plan (OGMP 2.0)

In addition, regarding the reduction of its methane emissions, Madrileña Red de Gas has carried out a comprehensive study to identify areas with a higher risk of infrastructure deterioration. This allows for more thorough monitoring of the condition of its distribution networks and enables appropriate maintenance.

To achieve this goal, the soil acidity level was analyzed in detail in each of the municipalities where Madrileña Red de Gas's distribution network is present. Corrosion is one of the processes that most affects buried metallic infrastructures. By identifying areas with greater corrosion, this document determined the degree of soil acidity, as this is one of the triggering factors for corrosion.

Finally, it is important to highlight that Madrileña Red de Gas not only strives to reduce its own emissions but also, through its core activity, displaces other more polluting fuels like diesel or propane. This reduces local and global emissions by promoting the use of natural gas by its customers, while also facilitating accessibility to the use of green gases.

8.2 Resources and circular economy

GRI 302-1, GRI 303-1, GRI 306-3, GRI 306-4, GRI 306-5

Madrileña Red de Gas is committed to the circular economy as an essential part of its sustainability strategy. Therefore, it promotes the efficient use of resources through the use of durable products, waste reduction, and material reuse.

This commitment not only protects the environment but also generates economic and social value, guiding its decisions toward a more responsible and resilient model. Based on this, Madrileña Red de Gas established the following objective for 2024 (*Image 99*).

2% reduction of the environmental footprint in terms of :

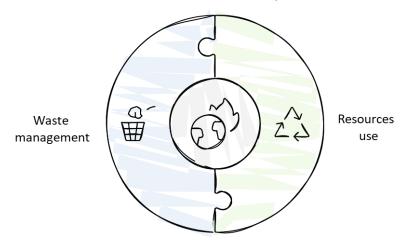


Image 99 Madrileña Red de Gas 2024 environmental footprint reduction objective

Resources

Within its Integrated Environmental Management System, Madrileña Red de Gas has a consolidated methodology for controlling and monitoring resource consumption. This ensures efficient and responsible management of natural and energy resources at its workplaces and industrial facilities, as well as fuel consumption in its vehicle fleet.

Image 100 details the data corresponding to resource consumption recorded during the last three fiscal years.

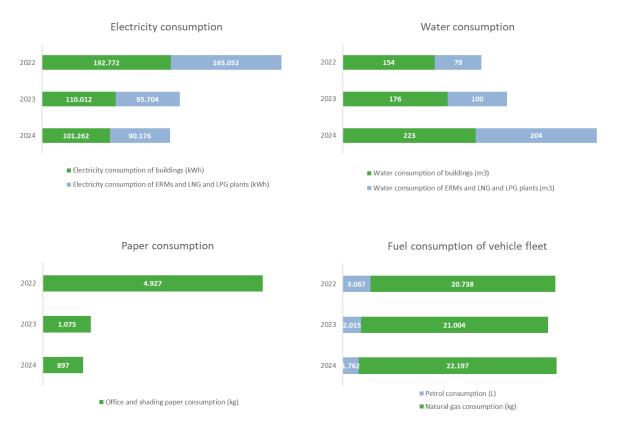


Image 100 Resource consuming evolution of Madrileña Red de Gas 2024

As the previous results show, water consumption has increased compared to previous years, particularly in the LNG and LPG facilities due to water used in inerting processes. Fuel consumption for the vehicle fleet remained similar to the prior year, while electricity consumption in buildings and facilities, as well as paper consumption, continued to decline significantly.

Regarding the **decrease in electricity consumption**, as mentioned earlier in the carbon footprint section, it's expected that as the number of LPG plants belonging to Madrileña Red de Gas decreases, the associated consumption will also be reduced.

Furthermore, concerning **paper consumption**, Madrileña Red de Gas makes greater strides each year in the digitalization of its processes, which translates into a considerable reduction in paper consumed.

Waste management

To ensure its commitment to the circular economy and within its Integrated Environmental Management System, Madrileña Red de Gas has specific procedures for the proper management of waste (*Image 101*).

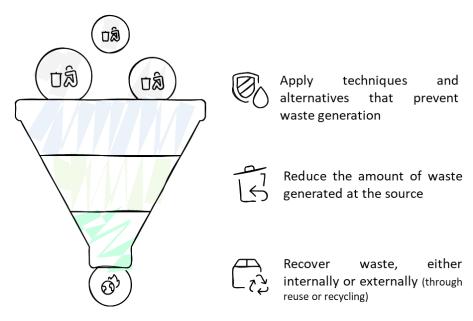


Image 101 Circular economy principles in Madrileña Red de Gas

The temporary storage of waste at the company's facilities is carried out in a controlled manner, with special attention paid to those materials that could pose a risk of environmental degradation.

Furthermore, as part of its management philosophy, Madrileña Red de Gas ensures that activities performed by its contractors include the proper management of all waste generated during the provision of their services, aiming to simplify associated procedures as much as possible. To achieve this, relevant contractual clauses are incorporated into signed agreements, and suppliers are required to be legally authorized to perform such waste management.

Regarding the main waste generated at its facilities (such as regulation and metering stations, and LNG plants and LPG plants) these mostly originate from the maintenance operations, and include materials like greases, contaminated rags, used filters, among others.

Total waste generated (t)

16.187,683

16.220,688

3.286,284

Non-hazardous waste generated (t)

Non-hazardous waste generated (t)

Image 102 shows the evolution of hazardous, and non-hazardous waste generation:

Image 102 Evolution of waste generation of Madrileña Red de Gas

During 2024, the amount of non-hazardous waste generated increased significantly. This was primarily due to an increase in construction and demolition waste (a consequence of a higher number of projects in expansion activities) and, to a lesser extent, the dismantling of a total of 50 LPG plants, which is 13 more than in the previous year, resulting in the associated waste generation from this activity

Image 103 shows the waste generated in Madrileña Red de Gas by type of waste:

Waste by composition in metric tons(t)	2022	2023	2024
Hazardous waste (t)			
Contaminated plastic containers	0,379	0,360	0,295
Contaminated metal containers	0,000	0,000	0,000
Contaminated rags	0,021	0,032	0,012
Aerosols	0,038	0,037	0,062
Filters	0,000	0,000	0,000
WEEEs	0,000	0,234	0,000
Alkaline batteries	0,010	0,012	0,000
Others (fluorescent tubes, toner, etc.)		0,008	0,000
Asbestos			2,532
TOTAL HAZARDOUS WASTE (t)	0,448	0,683	2,901
Non-hazardous waste (t)			
Dismantling waste	85,000	453,000	644,265
Construction and demolition waste	6089,000	2789,000	15521,000
Meters	46,240	43,310	19,500
Scrap metal, drums	0,000	0,291	0,017
TOTAL NON-HAZARDOUS WASTE (t)	6220,240	3285,601	16184,782
TOTAL WASTE (t)	6220,688	3286,284	16187,683

Image 103 Types and quantity of waste generated in Madrileña Red de Gas

Madrileña Red de Gas is committed to minimizing waste generation and promoting waste recovery and recycling. They prioritize methods that reincorporate materials into the production cycle, thereby reducing environmental impact.

Image 104 details the waste that have been destined to recover, recycling and disposal:

Hazardous Waste, in metric tons (t)	2022	2023	2024
Hazardous waste (t)	0,438	0,683	2,901
Waste destined for recovery (t)	0,438	0,683	2,901
Waste destined for disposal (t)	0	0	0
%waste destined for recovery	100	100	100
% Waste destined for disposal	0	0	0
Non-Hazardous Waste, in metric tons (t)	2022	2023	2024
Non-Hazardous waste (t)	6220,688	3286,284	16184,782
Waste destined for recovery(t)	131,240	496,601	663,782
Waste destined for disposal (t)	6089	2789	15521
% Waste destined for recovery	2,110	15,111	4,101
%Waste destined for disposal	97,883	84,868	95,899

Image 104 Destination of generated waste of Madrileña Red de Gas

8.3 Biodiversity

Commitment with biodiversity protection

Madrileña Red de Gas fully acknowledges the importance of preserving biodiversity as an essential element for ecosystem balance and environmental sustainability. The loss of biodiversity brings significant risks, such as species extinction, habitat fragmentation, and the degradation of ecosystem services that support both wildlife and human well-being.

Although their infrastructure's presence in protected or high ecological value areas is very limited—since most of their facilities are located in urban or suburban environments—Madrileña Red de Gas maintains a strong commitment to protecting the natural surroundings. Therefore, rigorous environmental criteria are adopted during the design, construction, maintenance, and dismantling phases of their facilities to minimize any potential impact on the surrounding ecosystems.

In this regard, every dismantling activity has a Technical Director responsible for approving the construction and demolition waste management plan developed by the contractor at the start of the work and for signing the final work certificate.

Furthermore, in actions that may occur in sensitive areas, potential impacts on flora, fauna, and habitats are assessed beforehand, integrating preventive, corrective, and compensatory measures into the respective projects. This proactive environmental management is part of Madrileña Red de Gas's corporate responsibility approach and is structured through its Integrated Environmental Management System, in line with sustainability principles and respect for the natural environment.

Madrileña Red de Gas currently operates 18 LPG satellite plants and 6 LNG plants that bring gas to homes not reached by the distribution network. In this regard, and compared to the previous year, Madrileña Red de Gas has fully restored the surface area previously occupied in protected or high ecological value spaces, meaning they now have no facilities located in such areas

Management of contaminated soils and environmental responsibility

Madrileña Red de Gas systematically collects data and, if necessary, samples required to prepare the mandatory **Contaminated Soil Closure Report**. These reports are submitted to the competent authority of the Community of Madrid, which evaluates the information and issues the corresponding administrative resolution. This procedure ensures that the company's activities comply with current regulations on **soil protection and pollution prevention**, guaranteeing proper closure and rigorous control of the environmental status of the sites involved.

Additionally, regarding potential environmental damages that could arise from the operation of its facilities, Madrileña Red de Gas is subject to the provisions of Law 26/2007 on Environmental Responsibility. This legislation imposes a series of obligations on operators, including immediate notification to the competent authority of any environmental damage or imminent threat thereof, as well as the implementation of necessary measures to prevent, avoid, and, where appropriate, repair the damage caused.

Madrileña Red de Gas maintains a proactive stance in fulfilling these obligations, integrating the principles of precaution and prevention into its operational procedures and environmental management. All of this aims to ensure environmental protection and respond effectively to any environmental contingency that may arise.

9. SOCIAL IMPACT

9.1 Reliable and safe energy access in the municipalities of the Community of Madrid

GRI-2.28, GRI 3-3; GRI 203-1, GRI 203-2

Madrileña Red de Gas is pleased to share its annual progress in extending natural gas distribution throughout the Community of Madrid. This effort provides a vital energy source that enhances the quality of life for citizens and offers the most efficient alternative for many businesses and shops.

The company is making a clear investment, focusing on both the expansion of the natural gas network and improvements to the existing network to enhance its safety and reliability (*Image 105*)

		Investment in network	Network maintenance and
		expansión (in million euros)	digitization (in million euros)
	2022	14	3,6
	2023	9,5	3,8
Ì	2024	8.7	7,2

Image 105: Investment evolution

Growth in new municipalities

The year 2024 has been highly productive for Madrileña Red de Gas in terms of expanding into new municipalities. After a lengthy processing period, the company secured authorizations to bring natural gas to the towns of Casarrubuelos and Miraflores de la Sierra.

The supply to Casarrubuelos was established by connecting to Madrileña Red de Gas's distribution network from the municipality of Cubas de la Sagra. Following the completion of this approximately 2,500-meter connection, the distribution network is now being developed to supply all interested home

A few weeks later, the supply of natural gas began in Miraflores de la Sierra (*Image* 106). In this instance, a modern Liquefied Natural Gas (LNG) plant was installed at the location of the former LPG (liquefied petroleum gas) plant. Prior to this, significant construction work was carried out to connect the existing networks in the municipality to coordinate the conversion of its LPG customers. This new plant features all currently available 24-hour monitoring and remote control technology.





customers have already been converted to natural gas, and the transformation of the remaining customers, approximately another 600 who were supplied from LPG plants, is planned throughout 2025.

months, 600

In just a few

Image 106: LNG plant Miraflores de la Sierra

Thanks to regulatory changes in 2024, significant progress has been made in the permit processes for the municipalities of Los Molinos, Moralzarzal, and Soto del Real, reaffirming Madrileña Red de Gas's commitment to growth.

Regulatory changes in the Community of Madrid to promote public access to energy

Obtaining authorizations to bring gas supply to a new municipality is a long and complex process. To lay a gas pipeline between two municipalities, in addition to operational authorizations from the administration – in this case, the General Directorate for Energy Transition and Circular Economy – successive permits must be gathered from other agencies affected by the pipeline's route. These can include municipal licenses, environmental permits, permits from drovers' roads authorities, the Tagus Hydrographic Confederation, road authorities (both from the Community of Madrid and the Ministry), historical heritage authorities, etc.

Adding to this complexity, given that it affected more than one municipality, was the need for authorization of a Special Infrastructure Plan. This is a lengthy process due to the number of participating bodies. These plans were not designed for relatively simple works like those of Madrileña Red de Gas, but rather for large infrastructures of all types. However, in the absence of specific procedures, these projects were categorized under these plans.

Madrileña Red de Gas worked alongside the Community of Madrid, holding working meetings with the Ministry of Environment, Agriculture, and Interior, as well as with various General Directorates such as Urban Planning and Energy Transition. The objective was to present a coherent and applicable proposal to the administration. This materialized in late 2023 and early 2024 as a proposed amendment to the Community of Madrid's Land Law, which was well received and slated for approval during the year.

The proposal emphasized the need for an open competitive environment that does not hinder investment opportunities that companies like Madrileña Red de Gas are considering but cannot be delayed for long periods. Natural gas networks provide a public service and should be considered strategic assets. They offer access to a less polluting and competitive energy source for small municipalities in the Community of Madrid that remain without gasification, which could lead to discrimination for a segment of the population. Furthermore, it opens the door to renewable gases.

The Community of Madrid was also working on a plan to streamline and adapt certain urban planning procedures. All of this culminated in the publication of Law 7/2024, of December 26, on measures for balanced development in environmental and territorial matters. From now on, "in the case of energy transport and distribution infrastructures necessary for the provision of services of general interest, the authorization or permit granted by the competent administration, according to the subject matter, for the commissioning of the new facilities, will legitimize the execution of the acts." Therefore, this is excellent and long-awaited news that will facilitate and expedite the procedures.

Commitment to the gradual elimination of LPG satellite plants

Through the chart (*Image 107*), you can observe the constant effort in the transformative process towards natural gas, stemming from the gradual elimination and dismantling of LPG satellite plants, all with the aim of providing municipalities with cleaner energy.

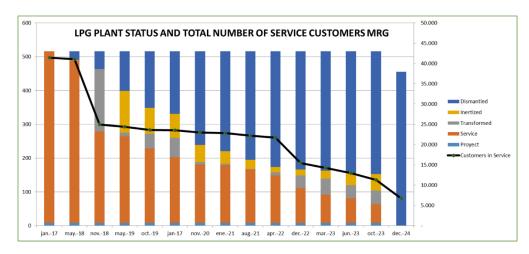


Image 107: LGP plants evolution

In 2024, over **2.3 million euros** were allocated to carry out network reuse and expansion, facility adaptations and modifications, appliance transformations, and the dismantling of storage centers (*Image 108*).

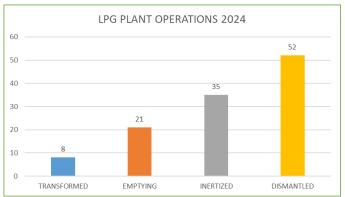


Image 108: LGP plants operation in 2024

For 2025, the company anticipates completing the natural gas conversion of over 1,000 homes. This will finalize the transformations in the municipalities of Villanueva de la Cañada, Miraflores de la Sierra, Griñón, and Los Molinos, covering all facilities currently viable for connection to the natural gas network. Additionally, work will begin in the municipality of Soto del Real.

In 2024, Madrileña Red de Gas, in coordination with the local councils of various municipalities in the Community of Madrid, undertook the dismantling of 49 LPG plants, involving the emptying, flaring, inerting, and removal of 80 tanks. This required coordinating over 60 road transfers with Repsol to transfer the emptied gas to Repsol's mother facilities, thereby preventing atmospheric emissions. Additionally, waste generated from these dismantlings was transported to treatment plants authorized by the Community of Madrid, upholding the company's commitment to the environment. All these operations were carried out without disrupting the daily routines of customers and residents in the municipalities where the LPG plants were located, strictly adhering to safety protocols.

Economic impact on areas of influence

During 2024, the proposed objectives for large consumption customers were met, ending the year with 389 supply points and a consumption of 157 GWh. These results confirm the confidence of various sectors in the advantages of natural gas.

This market is especially relevant to the company's contribution to the region's economic development. These customers require both the characteristics that natural gas offers to improve the efficiency of their processes and a completely reliable supply. At the same time, for Madrileña Red de Gas, it means having consumption independent of weather conditions.

One of the uses of natural gas that has shown a notable increase is in workshops with paint booths, as it offers many advantages compared to other fuels. In these workshops, natural gas contributes to energy efficiency and increased profitability. Specifically, incorporating natural gas for their paint booths is also reducing preparation, working, and drying times by up to 35%. Thanks to its higher performance and air vein installations, savings of up to 40% are achieved. Natural gas installation also provides more space in the workshop, as it does not require a tank or storage area like other fuels, ensuring greater safety.

During 2024, 14 workshops chose natural gas as their primary energy source. Given that this market is strategic for Madrileña Red de Gas's objectives in 2025, the company is committed to boosting its growth. To this end, commercial campaigns have been launched, and close collaboration with AMDA (Madrid Automotive Distribution Association) has been established to promote the benefits of natural gas and support other workshops in their transition to this energy source.

On the other hand, in recent years, self-service laundries have experienced a significant boom in Spain. This growth is due to the benefits achieved for both customers and entrepreneurs. During 2024, 42 new laundries opened in Madrileña Red de Gas's distribution area, all supplied with natural gas. This highlights the company's speed and efficiency in providing natural gas supply, a key factor for major franchises in the sector to trust us for the opening of their new establishments.

In relation to the commercial activity of the large consumption market this year, efforts have been made in mailing campaigns targeting various markets. In this context, several Secondary Education Institutes, most of which use diesel, have been offered a technical-economic study to evaluate the viability of switching to natural gas. This study included advice and collaboration from a specialized company. This has allowed these institutions to schedule facility adaptations according to their budgets in the coming years, given the budgetary limitations of Public Administrations. Furthermore, this same action has been carried out for companies in specific industrial estates, as well as various hotels and gyms, always with the aim of improving their energy efficiency.

It's worth noting that, following the modernization of two Shopping Centers, they will have natural gas supply. The comprehensive renovation of the Sexta Avenida shopping center in the Moncloa area continues to rely on Madrileña Red de Gas's energy, natural gas, with new connections being made for the future supply of its restaurant premises. Also, the Parque Corredor shopping center in Torrejón de Ardoz has been refurbished to improve its facilities and has incorporated natural gas supply, expanding the installation to provide supply to new commercial premises

Improved quality of life, energy efficiency, emission reduction and savings in neighborhood communities

Madrileña Red de Gas is developing efficient projects for neighborhood community boilers, utilizing condensing gas boilers that are ready to operate with biomethane and hydrogen. These projects offer a significantly lower budget compared to other technologies, making them more affordable for residents, along with substantial improvements in performance and savings.

It's worth highlighting a project that clearly demonstrated this efficiency: it successfully maintained the supply for a centralized boiler serving 1,000 homes that was considering switching to other technologies. In a similar vein, an agreement was signed for the replacement of current diesel boilers with natural gas boilers in the boiler room supplying heating and domestic hot water (DHW) to a total of 520 homes in Alcorcón, resulting in significant economic savings of around €92,000 per year. Madrileña Red de Gas has always aimed to communicate the advantages of using natural gas in neighborhood communities, such as its continuous supply due to direct connection to distribution networks, and its nature as a convenient, clean, and continuous energy source.

9.2 Reliability and continuity of supply

GRI 3-3

Preventive and improvement maintenance

To adequately meet user needs, it's essential to ensure the safety and reliability of the supply. To this end, the company has an annual maintenance plan that adheres to current general and internal regulations, along with a demanding network renovation plan.

As every year, 100% of the preventive and improvement maintenance planned for 2024 was completed on the 6,054 km of gas network, auxiliary facilities, and satellite plants, totaling over 11,000 programmed actions.

In this regard, network improvements included necessary renovations, meshing, and corrective actions to maintain network safety conditions and guarantee supply in natural gas and LPG networks. Materials such as steel, cast iron, and/or copper were replaced with polyethylene piping. Approximately 8,000 meters of network were **inerted, annulled, and in some cases, renovated** during 2024. The goal is to upgrade all gas networks with materials like polyethylene, removing copper, steel, and cast iron networks that could cause incidents. Additionally, we have worked on new network meshing and ERM (Regulation and Metering Station) installations to guarantee supply in all areas.

For the natural gas network, routine maintenance tasks include all actions defined in regulations, such as network tracing for leak detection, surveillance to prevent potential third-party damage, and the measurement and review of equipment ensuring proper cathodic protection in steel networks. Regarding Regulation and Metering Stations (ERM) and sectioning valves, a series of checks are performed, starting with the absence of leaks, correct operation, and their paint/cleanliness status. During 2024, 100% of all installed Regulation and Metering Stations received preventive maintenance, totaling 176 actions, along with the review of 7,500 valves, 6,903 measurements to ensure cathodic protection of steel networks, and approximately 1,000 painting/cleaning actions on network elements.



Image 109: Follow up plan

100% of the biennial network tracing was completed as per regulations, covering 2,706 km of the gas network (*Image 109*). This involved managing the repair of 216 leaks with Madrileña Red de Gas's field teams and collaborating companies contracted for the correction and replacement of network elements. All corrections were made within the margins established by regulations for each type of leak.

The Network Operations Directorate, in conjunction with the Prevention and Risks department, is holding a series of meetings to determine the specific needs posed by the new emission reduction regulation. Once these needs are identified, systems will be programmed to ensure compliance.

Among these needs are the application technology, permits, equipment, accreditation, etc.

On LNG and LPG plants, maintenance is carried out quarterly, semi-annually, annually, and every five years, following current regulations and manufacturers' recommendations for installed equipment. These inspections involve checking a series of parameters, completing control checklists, and verifying the correct functioning of facilities and equipment to ensure no safety incidents and to guarantee gas supply to distribution networks.

Among the measures to consider for LNG plants is the proper functioning of the odorant injection system (THT tetrahydrothiophene), which helps detect potential gas leaks in equipment and networks. In this regard, we've conducted quality visits for THT control across the entire distribution network and in LNG distribution networks, performing 105 monthly visits. This number has increased with the incorporation of the Miraflores de la Sierra LNG plant's distribution network.

To ensure supply reliability for LNG plants, 86 LNG tankers were managed during 2024.

Similarly, before winter, preventive maintenance on boilers and vaporizers is carried out for LPG plants in centers that supply extensive gas networks with a high number of customers.

At the Distribution Control Center, 100% of the maintenance established in Madrileña Red de Gas's internal regulations has been completed, totaling 176 teleinformation preventive actions in all ERMs (Regulation and Metering Stations) and EMs (Metering Stations), and 314 corrective actions to resolve incidents.

In Verification and Measurement, the entire fleet of industrial meters is being adapted to the new ICT 555/2020 regulation. 1,288 meters and converters have been updated.

Among other important preventive actions, the cartography of all municipalities converted to natural gas has been updated, including El Molar, Griñón, Leganés, Fuenlabrada, and Móstoles, among others. Significantly, 479 connection errors in the distribution network's cartography have been corrected.

Finally, it's important to mention the ongoing work to migrate and upgrade the SCADA program. The need for bidirectional communication with other gas system providers has been identified, leading to the installation of bidirectional ICCP communication to receive and send data to other providers, thus preparing for future integration with new biomethane plants. For all communications, Madrileña Red de Gas uses 4G modems, and in critical stations, an ADSL line and a 4G modem are installed to ensure communication redundancy.

Corrective maintenance

Corrective actions primarily focus on addressing issues identified during preventive regulatory activities. Additionally, Madrileña Red de Gas responds to complaints from municipalities, official bodies, police, customers, and other internal departments when anomalies affecting the gas network are detected.

To identify all incidents and urgently address those that might impact safety, Madrileña Red de Gas's field units and collaborating companies work together (*Image 110*). They travel to incident locations within established timeframes to perform necessary checks and determine the urgency of repairs or analyze needs for scheduled corrective actions.

Information from all corrective actions is collected, and work orders are created and registered in the SAP computer system for proper traceability.



Image 110: Network maintenance

9.3 Customer and end-user focus

GRI 3-3; GRI 2-29

Madrileña Red de Gas's proactive approach, both with direct customers and with the various organizations representing them, and its pursuit of excellence in customer service channels and field operations, have made 2024 the year with the best customer satisfaction ratings. The company achieved NPS (Net Promoter Score) excellence levels (+50) for its core processes. (NPS is an index that measures customer satisfaction and loyalty, expressed on a scale from -100 to +100).

During this year, the company delved deeper into customer experience analytics and underwent a profound transformation in how it serves customers. This new approach directly integrates customer service into the business units, making everyone a participant in this crucial task (*Image 111*).

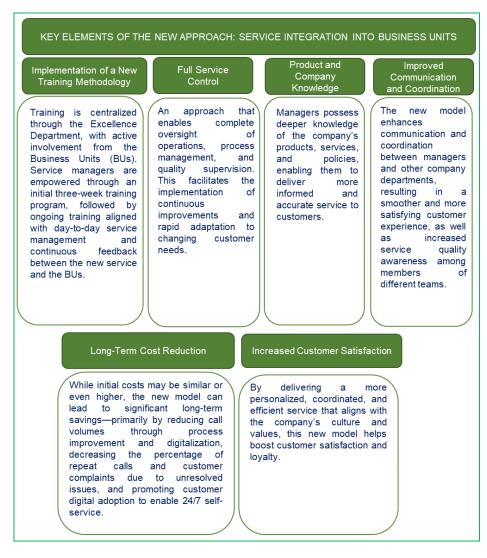


Image 111: New service approach

Customer analytics

In 2024, Madrileña Red de Gas has focused on implementing an analytical tool across all processes and customer interaction channels (*Image 112*). As a result, a detailed map is now available to identify key areas and prioritize efforts for continuous improvement.



Image 112: Analysis tool screenshot

With the highest granularity of analysis the tool allows, we track metrics such as **compliance**, **complaints per 1000 operations**, **re-calls**, **re-works**, **and average response time**, among others (*Image 113*) focusing on the necessary improvements.



Image 113: Example of granular analysis capability for services

Artificial intelligence

During the year, initial proof-of-concept tests have been conducted using artificial intelligence (AI) tools to assist in analyzing the context of customer calls and field visits.

The first test has the ambitious goal of evaluating a customer's entire context to identify pain points and predict situations that could lead to complaints or demands for action.

The second use case focuses on leveraging all the unstructured information collected in the field by operators and noted as observations, which is currently difficult to analyze.

This learning will serve to further enhance the experience of Madrileña Red de Gas's customers and end-users.

At the same time, the deployment of AI tools has begun to support the organization's personnel, aimed at improving processes.

Excellence in field operations

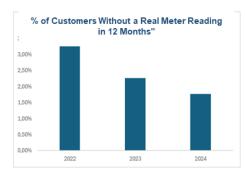


Image 114: Evolution of clients without a reading

Excellence in field operations at Madrileña Red de Gas extends beyond merely executing technical activities correctly. Year after year, the company has measured and improved indicators related to customer pain points.

In the area of meter readings, 2024 saw a historic low in the number of customers whose meters could not be read, reaching just 1.8% (*Image 114*).

Regarding visits, we've made it easier for 18% of appointments to be rescheduled by the user directly, within a committed 2-hour window. Our goal is to further reduce the rate of missed scheduled visits to 0.29% (Image 115).

All field visits are leveraged to perform fraud checks by conducting "gas flow testing" (litrados) on 90% of identified meters to verify their accuracy.



Image 115: Evolution of missed visits

The main challenges for any field operation are usually accessibility to the meter and the customer's presence. For key operations, Madrileña Red de Gas has maintained good first-time success rates (*Image 116*)

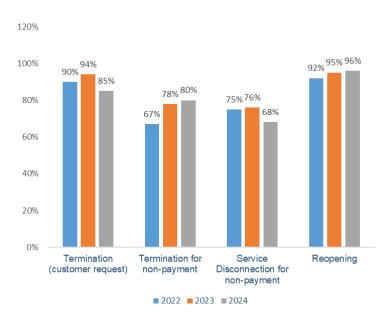


Image 116:Success evolution by termination typology

Periodic inspections

Every five years, it's mandatory to inspect customer installations to ensure they comply with safety regulations. Madrileña Red de Gas has worked intensely to make the customer's experience as smooth as possible during this process. In fact, it is the most highly rated process by customers. (*Image 117*, *Image 118*).

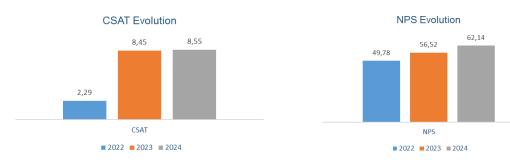


Image 118 Evolución CSAT en IP

Image 117 Evolución NPS en IP

During 2024, 98% of the planned inspections were successfully carried out, with 9.45% of installations found to have anomalies. Through proactive follow-up on these anomalies, Madrileña Red de Gas managed to recover 92% of correction certificates, preventing the need to cut off supply to users for safety reasons.

To understand these excellent results, it's important to be aware of all the value-added elements that have been incorporated, exceeding the requirements set forth in the Community of Madrid's RD 18/2019 (*Image 119*).

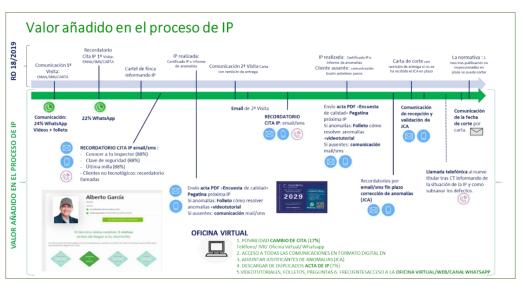


Image 119: IP process added value

Among the communication improvements that allow customers to access the service while maximizing positive impact, the following stand out: the inclusion of a WhatsApp channel, appointment reminders at different stages of the process (including important safety details like the inspector's data and photograph to prevent scams or fears), and easy access for users to change appointments.

Administrative cancellations

Madrileña Red de Gas continues its proactive efforts to mitigate the situation of customers who no longer have a contract with a gas retailer but remain connected to the gas network. It's important to remember that this abnormal situation, caused by a review of criteria by the CNMC regulator, poses a potential safety and fraud risk to the gas system (*Image 120*).

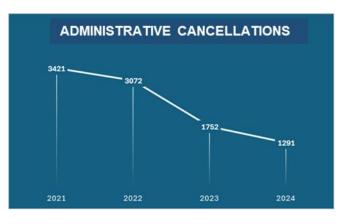


Image 120: Adminsitrative cancellations evolution

Empowering the client, shortening the digital gap

Madrileña Red de Gas identified WhatsApp as a much more user-friendly digital option for elderly individuals compared to email, SMS, or even phone calls. In 2024, WhatsApp was deployed across 100% of Madrileña Red de Gas's processes.

The customer response has been clear: WhatsApp has become one of the preferred channels for contacting MRG, representing a high percentage of use. The next objective is for WhatsApp to become the most utilized channel by customers. It is currently the best-rated channel by our users, with a CSAT (Customer Satisfaction Score) of 9.1 compared to 8 for traditional channels.

Based on customer demand analysis and navigation behavior, and as previously mentioned, Madrileña Red de Gas launched a new website in 2024. This new site focuses on facilitating access to the most sought-after information and features a "Mobile first" design, given that 85% of website queries come from mobile phones (Image 121). With the new website (madrilena.es), Madrileña Red de Gas achieved a 23% decrease in bounce rate, a 12.5% increase in element interaction, an 18% increase in time spent on the site, and a 61% decrease in repeat visits on the same day.

Moments of engagement with clients and users

Madrileña Red de Gas has dedicated significant efforts to optimizing its processes and continuously improving customer communication. The primary goal is to ensure easy access to information for all types of customers and to enhance two-way communication during service delivery.

To achieve this, a thorough effort has been made to identify and analyze potential incidents that could negatively impact end-users and retailers, implementing effective solutions.



Image 121: Web access

Furthermore, a robust customer communication system has been established, designed to maintain constant dialogue and offer comprehensive service. This has materialized through the implementation of various "engagement" mechanisms adapted to different gas distribution processes, with a strong emphasis on including new communication methods already used by customers, such as WhatsApp.

How we're perceived: customer and end-user satisfaction indicators

Madrileña Red de Gas's dedication to improving customer service and care is clearly reflected in the results of their service quality surveys. They gather this valuable feedback through surveys conducted after a visit, communication, or interaction with a customer, allowing them to track various quantitative and qualitative KPIs (Key Performance Indicators). They review these ratings every two weeks as part of their continuous improvement process.

The average scores (on a scale of 0 to 10) for their services are:

Periodic Inspection: 9.11

Home Operations: 7.49

New Connections (Altas): 8.32

The overall average **CSAT** (**Customer Satisfaction Score**), which measures customer satisfaction across all services, shows a clear positive trend in customer satisfaction (*Image 122*).

	Customer Satisfaction Score (CSAT)			
2022	7,6			
2023	923 8,3			
2024	8,67			

Image 122: CSAT evolution

Madrileña Red de Gas also provides users with another platform to rate their service: Google My Business reviews. They encourage customers to leave a star rating from 1 to 5, making it a transparent and independent space. With over 13,000 reviews from customers and collaborators in 2024, they maintained an impressive rating of 4.0 out of 5.0 at year-end, consistent with their 2023 and 2022 performance.

It's important to highlight the significant efforts being made in periodic inspection services and home operations, in managing complaints and information requests, and in working with retailers. The goal is to reduce, and ideally eliminate, negative impacts stemming from communication and/or information problems between Madrileña Red de Gas and the retailers. We'll now delve deeper into these services.

Complaint and claim management

GRI 2-16, GRI 2-25; GRI 2-26; GRI 2-29

At Madrileña Red de Gas, one of our main goals is to prevent any issues for our customers and endusers by providing the most optimal and agile service possible.

A crucial path to improving our services is how we handle complaints, grievances, and irregularity reports. We've established a clear process for this, outlined in our general procedure PGSG-130, which was revised in 2021 to incorporate new technologies.

We've also provided users with a Consumer Service Code, updated in 2023. This code informs users about the channels available to contact Madrileña Red de Gas and simply explains how our main processes and services work.

The Center of Excellence Department is responsible for overseeing that the customer service process is managed correctly across the entire company. However, each Business Unit (including Corporate Directorates of Expansion, Systems and Home Operations, Emergencies, Network Operations, and Finance) is responsible for handling any request that cannot be managed by the call center, WhatsApp, or automatically through other active service channels.

This department is also in charge of processing inquiries from Official Bodies regarding complaints, grievances, and irregularity reports. It centralizes information gathering and proposes solutions for each case

To strengthen its relationship with Official Bodies regarding Customer Service (ATECLI), Madrileña Red de Gas held a series of in-person and remote meetings from late 2023 throughout 2024. They prioritized organizations associated with 80% of supply points, focusing on those that manage the highest volume of inquiries.

These meetings helped to disseminate information about Madrileña Red de Gas's processes as a gas distributor, its obligations, and the limitations related to current regulations. They also allowed for an analysis of sector expectations, aiming to align services with both expectations and best practices. Furthermore, these interactions fostered direct and fluid communication with these bodies, which will facilitate faster and more efficient resolution of any future issues.

A notable example of this effort was Madrileña Red de Gas's participation in the "GAS DISTRIBUTION COMPANIES' SERVICE PROVISION - January 30, 2024" Information Session. Thanks to the General Directorate of Commerce, Consumption, and Services, the following objectives were shared:

- ✓ Gain practical information on issues related to gas distribution companies' service provision.
- ✓ Better understand the operations and dynamics of gas distributors and resolve any doubts on this topic.

This session proved to be a complete success in terms of Customer Service (ATECLI).

In summary, these visits were a strategic investment that enhanced Madrileña Red de Gas's ability to offer high-quality ATECLI service, aligning with company and industry standards, as well as customer needs. The evolution of processed Official Body inquiries clearly demonstrates this success (*Image 123*, *Image 124*).

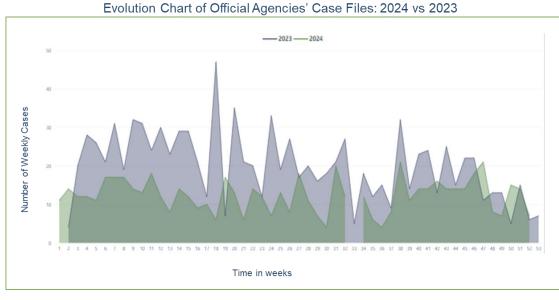


Image 123: Evolution of official body inquiries



Evolution Chart of Official Agencies' Case Files: 2024 vs 2023

Image 124: Evolution of accumulated official body inquiries

The entry channels for complaints are diverse: ranging from the telephone service (Call Center), registration through IOGas for those managed by commercial retailers, the generic customer service mailbox, the virtual office (via the website), the WhatsApp channel, and written communications (both official and from customers). All are registered in SAP, either directly or through two platforms implemented in recent years: the Call Center CRM and Ticketing. The channel historically most used by customers is typically the telephone via the Call Center, where the customer is attended to using different IVR (Interactive Voice Response) options so that most requests can have an immediate solution, thanks to the automation of responses through decision trees.

Nevertheless, the WhatsApp channel has gained notoriety since 2020 (the pandemic) and the last two years, 2023 and 2024, as Madrileña Red de Gas has understood that this is a channel that can reach more types of users, both digital natives and those who are less so (*Image 125*).

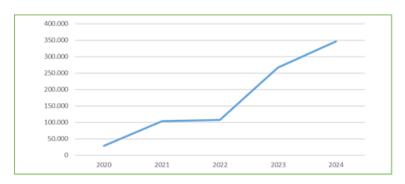


Image 125: Communication via WhatsApp evolution

Just like with the Call Center, WhatsApp also uses a decision tree that lets users manage their requests easily, and a high percentage of these requests are handled automatically.

The virtual office has significantly improved how demands are handled by introducing simplified menus. These menus make it easy to navigate the claims section based on the type of request a user wants to process.

If a demand isn't about service but concerns potential environmental impacts, the Center of Excellence directs it to the relevant units responsible for its resolution based on its specific nature.

Throughout 2024, Madrileña Red de Gas continued to work with "Customer Journeys." This involves a detailed analysis of more complex complaints, aiming to review processes, minimize negative service impacts, and increase customer satisfaction. For these, action plans are established with different Business Units, followed by subsequent monitoring to ensure the implemented actions have successfully reduced any incidents detected in the processes.

Madrileña Red de Gas has also chosen to work on "positive Customer Journeys." This means they identify scenarios where service management and quality were optimal, using these as examples to implement best practices across all their processes.

The Center of Excellence performs daily checks on all requests (complaints, action requests, and information requests) recorded in the system to monitor their closure. On a monthly and quarterly basis, it gathers KPIs (Key Performance Indicators) for both call center and WhatsApp services. When needed, it prepares and escalates "ad hoc" reports to the Audit and Risk Committee for significant complaints. This allows the company to rectify service errors and continuously improve its processes.

On the Madrileña Red de Gas website, there's a section dedicated to customer commitment, where they present complaint indicators and the actions taken to resolve common issues. You can find this at: https://www.madrilena.es/como-lo-estamos-haciendo. This section always displays the top 5 complaints by volume and type from the last quarter. It not only explains why these complaints occurred but also outlines the solutions offered or the ongoing analysis process for them (*Image 126*):



Image 126: Top complaints by type

Global complaint data by topic at the close of 2024 (Image 127):

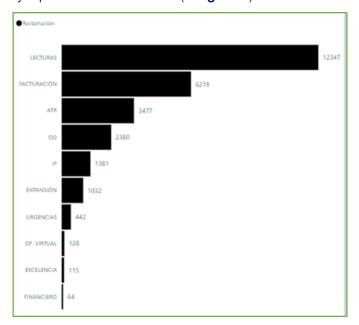


Image 127: Global complaint data in 2024

Relationship with retailers

At Madrileña Red de Gas, as part of our commitment to excellent service, we've implemented important measures to minimize negative impacts and prevent delays or interruptions to gas service caused by process errors or issues in requests managed by retailers. We've established the following protocols:

- 1. For gas cuts due to Madrileña Red de Gas error: We prioritize on-site visits with our Home Operations team during office hours or the Emergency team outside of hours.
- For delays in gas activation or contracting due to Madrileña Red de Gas error: We resolve the issue on the same day or the next, ensuring the activation request reaches us and the new service order is generated. If needed, we coordinate with the retailer to resubmit the request.
- 3. For errors caused by the retailer: Besides advising the user to contact their retailer (as the correction depends on them), Madrileña Red de Gas contacts the relevant retailer through our ATR Unit to expedite the correction of the error.

Additionally, we're currently working with retailers to standardize customer information, aiming to prevent future problems caused by data errors that could negatively affect end-users.

We hold periodic Customer Service (ATECLI) meetings with retailers that have a large volume of contracts in Madrileña Red de Gas's distribution area. These meetings serve as a forum to discuss and address user complaints, and to communicate situations or cases that require their input for resolution (e.g., erroneous supply cut requests, contracting errors).

Beyond these working groups with specific retailers to enhance ATECLI quality, there's daily institutional communication between Madrileña Red de Gas and all retailers via IOGas, the sector's common system. This platform is used to manage customer requests, complaints, billing concepts, and more.

9.4 Fostering positive impact and social action

Beyond bringing clean energy to society through its distribution network, Madrileña Red de Gas highlights two other important aspects of its contributions.

Firstly, the company generates and distributes significant economic value within its operating environment. As detailed in the Sustainable Business chapter, €44,629 in economic value was distributed. Of this, €7,465 went to suppliers and €3,691 to taxes. These expenditures largely benefit the area around Madrileña Red de Gas, especially considering the substantial role of local suppliers in the company's purchasing.

Secondly, Madrileña Red de Gas remains committed to labor inclusion. The company continues its contracts with FUNDACIÓN CEE PRODIS, a foundation supporting individuals with intellectual disabilities. This partnership focuses primarily on processes like invoice printing, periodic inspection notifications, and debt recovery, providing meaningful, paid work that fosters social inclusion. In 2023, Madrileña Red de Gas contracted services worth €27,627 from them, an 80% increase from the previous year. Additionally, the company works with ILUNIÓN LIMPIEZA Y MEDIO AMBIENTE, a company part of the ONCE Group, with purchases totaling €46,017.52 in 2024, a 4% increase over 2023.

10. PEOPLE

At Madrileña Red de Gas, it's their workforce that makes it possible to keep generating value as a company year after year, all within the framework of excellent people management. Their greatest and most valuable asset is the talent of their staff, without whom they wouldn't be able to meet their organizational goals.

With these principles guiding them, Madrileña Red de Gas guarantees work that allows for professional development in a work environment where pride and commitment are strengthened. They offer and ensure their employees autonomous work, with optimal social protection for families and decent incomes, within an organization that strives daily to ensure equal opportunities for all, with respect and non-discrimination.

The human team at Madrileña Red de Gas, through their work, motivation, effort, and commitment, maintains a virtuous cycle where they continuously achieve more challenging levels of performance and results across all areas of the company. **Image 128** shows the main different factors in people management.



Image 128 Key factors in people management

10.1 Human capital



Data corresponds to the end of fiscal year 2024, excluding partially retired employees (three male staff members). All employees carry out their work within the same region, the Community of Madrid.

Image 129 Key data in the fluctuation of the number of employees

Image 130 shows the evolution of Madrileña Red de Gas workforce from year 2022 to 2024.

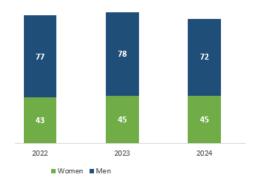


Image 130 Workforce evolution from year 2022-2024

The preceding chart clearly illustrates that over recent years, the proportional representation of women and men within the workforce has remained consistent. By the end of 2024, the total number of employees was 117, excluding three male partial retirees at year-end.

In general, the workforce has shown stability over the past three years. However, a slight reduction in the number of male employees was observed at the close of 2024. This isn't seen as an indicator of any significant negative or unusual variables affecting the job stability Madrileña Red de Gas offers its team.

10.2 Labor relations

GRI 2-7, GRI 2-30, GRI 202-2, GRI 402-1

For Madrileña Red de Gas, **promoting job stability for its human capital** is a priority, alongside a strong commitment to providing opportunities for professional development. As the results at the close of 2024 clearly show (*Image 131*), 100% of the workforce holds permanent contracts.

In addition, from 2023 to 2024, 96.7% of the staff maintained full-time positions, with only 0.8% working part-time. In 2024, 2.5% of Madrileña Red de Gas professionals had reduced hours.

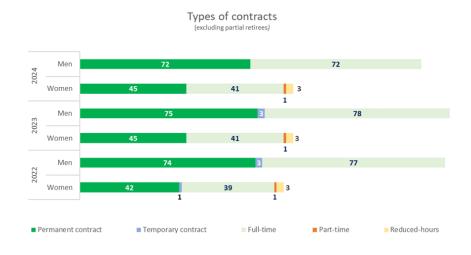


Image 131 Contract type and working hours

Furthermore, the proportion of senior executives in Madrileña Red de Gas's significant operating locations is 0.88% of the total full-time employees. This percentage corresponds to the General Manager (CEO), who is the company's sole senior executive, permanently residing in the Community of Madrid.

As a fundamental part of its commitment to people, Madrileña Red de Gas respects the labor rights of its workers, fully guaranteeing their protection, in line with its values and in strict adherence to the current legal framework and other commitments made between the organization and its human capital.

For the organization, negotiation and consensus are fundamental to maintaining optimal working conditions and labor relations, while fully respecting the workers' right to freedom of association.

In line with the above, 26.5% of Madrileña Red de Gas's workforce (excluding partial retirees) is covered by a Collective Bargaining Agreement. The remaining 73.5% is governed by the Workers' Statute, also adhering to specific conditions agreed upon with the employee when joining the company.

Likewise, for any relevant operational change, employees and their representatives are generally notified at least two weeks in advance, always within the legal framework established by the pertinent regulatory bodies. When these changes result from collective bargaining, they are detailed in the corresponding agreement, including the agreed notification periods

10.3 Work climate and well-being

GRI 2-29

Employee climate survey

During 2024, Madrileña Red de Gas conducted an Employee Climate Survey specifically designed to gather key evidence and information about employee well-being and commitment. Through this study and the actions derived from it, the company aims to strengthen employee engagement, their sense of belonging, and autonomy. The focus is on delivering excellent service and fostering a positive, fluid relationship between employees and their managers.

As shown in *Image 132*, the participation rate in 2024 was 74%. While this was a slight reduction of 6 points compared to 2023, it remains within the average participation levels observed in studies conducted between 2019 and 2023. This consistently high participation ensures the coherence, representativeness, and robustness of the data obtained.

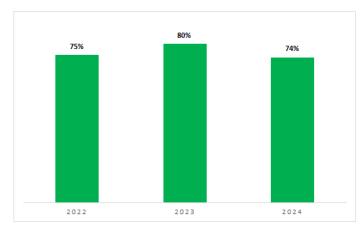


Image 132 Employee climate survey participation

Coupled with very good participation levels, the overall satisfaction index reached its highest historical level in 2024 at 86% (*Image 133*), coupled with very good participation levels, the overall satisfaction index reached its highest historical level in 2024 at 86%

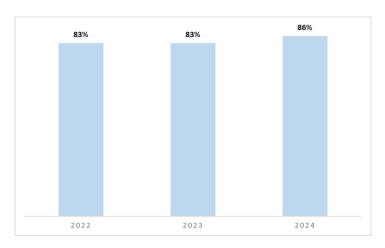


Image 133 Overall satisfaction index

Another strategically important element regarding the work environment at Madrileña Red de Gas is the Employee Net Promoter Score (eNPS). This metric helps determine how likely employees are to recommend the company as a good place to work.

In 2024, Madrileña Red de Gas achieved an excellent eNPS result of over 58%, surpassing the 2023 result by a remarkable 36 points (*Image 134*). It's worth noting that, based on general benchmarks for workplace climate, an eNPS above 50% is considered an excellent result across most sectors and industries. This indicates a high level of employee loyalty and satisfaction within Madrileña Red de Gas.

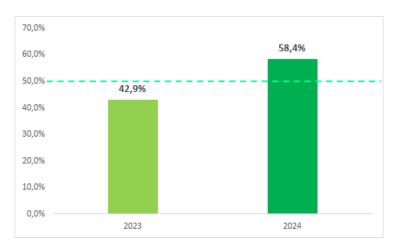


Image 134 NPS 1 evolution

Finally, it's worth highlighting that between both years, there was a significant reduction in the proportion of detractors (from 13.3% to 7.9%) and a very significant increase in the number of promoters (from 56.1% to 66.3%). (*Image 135*)



Detractors: Those who would rate their likelihood of recommending the company between 0 and 6 Passives: Those who would rate their likelihood of recommending the company between 7 and 8 Promoters: Those who would rate their likelihood of recommending the company between 9 and 10

Image 135 NPS 1 comparative elements

Madrileña Red de Gas structured its recent Employee Climate Study to gather crucial data on the organization's strengths and opportunities, as well as the most pressing needs and expectations of its human capital both currently and for the future. To gain even deeper, more detailed insights, the results were analyzed by relevant demographic biases, including areas, gender, age, and tenure. This comprehensive approach enables the company to make informed and well-supported decisions.

The study itself was conducted using a 42-question online questionnaire, with questions grouped into various dimensions to capture a holistic view of the employee experience (

Image 136).

1. IDENTIFICATION WITH MRG	2. CUSTOMER	3. PROFESSIONAL DEVELOPMENT	4. MANAGEMENT
Pride of belonging, purpose, and willingness to go the extra mile	Understanding of needs, customer satisfaction	Taking initiative, valuing one's own opinion, opportunities for learning and growth	Promotion of employee relationships, equal opportunities, understanding of professional issues, communication levels, long-term vision
5. BRAND IMAGE	6. INNOVATION	7. ORGANIZATION	8. RECOGNITION
Perception among customers, suppliers, and the general public	Effort to innovate, implementation of innovative improvement plans, promotion of innovation by the company	Knowledge of company roles and structure, ethical code, involvement in company successes, work environment	Compensation, recognition mechanisms, and non-monetary incentives
9. MANAGERS	10. REMOTE WORK	11. TEAMWORK	12. MY WORK
9. MANAGERS Work distribution, feedback, manager availability, personal treatment, shared achievements, shared knowledge	10. REMOTE WORK Work model	Promotion of interdepartmental relationships, encouragement of cooperation, team attitude, and personal experience when working in a team	Awareness of my objectives, understanding of my roles and responsibilities, autonomy
Work distribution, feedback, manager availability, personal treatment, shared achievements, shared		Promotion of interdepartmental relationships, encouragement of cooperation, team attitude, and personal experience	Awareness of my objectives, understanding of my roles and

Image 136 Employee climate surveys dimensions

In the 2024 study, Madrileña Red de Gas's employees most value three key aspects: work-life balance, work environment, and the quality of their colleagues. This trend holds consistent with the results recorded in 2023 (*Image 137*).

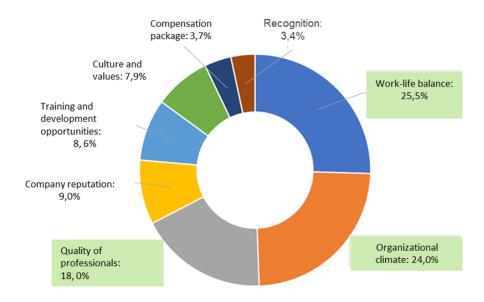


Image 137 Most valued aspects

A comparison between the 2023 and 2024 climate study results (*Image 138*) clearly shows that in most aspects evaluated (over 70% of them), 2024 results surpassed those of the previous year.

Only slight decreases were noted in work-life balance and the quality of professionals, though in both cases, the results remained well above average. This indicates a general improvement in most areas, with the highly valued aspects maintaining strong scores.

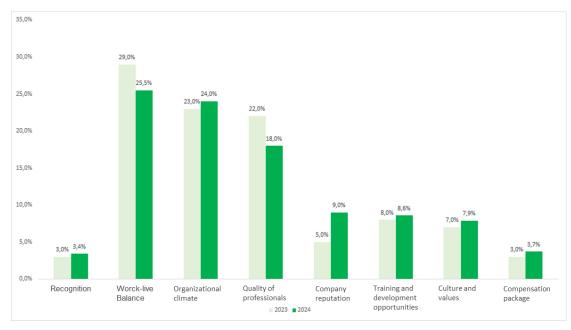


Image 138 Evolution of the evaluated aspects

In any case, existing opportunities are met with specific actions that allow Madrileña Red de Gas to act proactively, ensuring continued positive evolution, as demonstrated since 2023.

Some of the improvement actions already underway include the transition to a data-driven digital organizational model and the promotion of smart working, which fosters individual responsibility and objective achievement. For 2025, plans include developing dialogue and active listening spaces between the CEO/Managers and employees, as well as organizing corporate workshops and events to strengthen inter-departmental integration.

All these aforementioned actions are framed within three fundamental challenges that guide Madrileña Red de Gas regarding its workplace climate (*Image 139*).



Image 139 Fundamental challenges in workplace climate

Welfare measures

GRI 201-3, GRI 401-2

Madrileña Red de Gas keeps driving initiatives to boost the well-being of its workforce. The goal is to build a healthy work environment that promotes satisfaction and a good quality of life for everyone (*Image 140*).

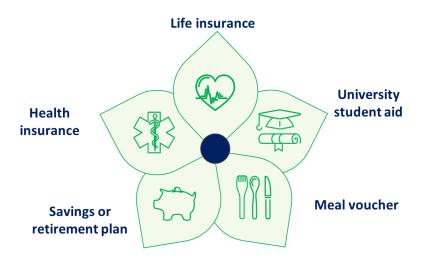


Image 140 Main benefits offered and remuneration in kind

Madrileña Red de Gas has established retirement savings plans for all its employees, to which it makes financial contributions. In 2024, these contributions ranged from €40,000 to €81,000. This represents an increase in the maximum range compared to 2023, which was between €40,000 and €78,000. The specific amount of these contributions depends on both the employee's salary and their negotiations with the financial institution.

10.4 Work-life balance

GRI 401-3

Madrileña Red de Gas actively promotes measures that favor rest after the workday, recognizing the right to digital disconnection as an essential pillar for proper organization of working hours. This initiative aims to respect personal and family life, facilitate work-life balance, and strengthen the occupational health of its workforce.

In this regard, in 2023, Madrileña Red de Gas approved its Digital Disconnection Policy, which establishes the necessary measures for all employees to exercise their right to digital disconnection. This guarantees respect for their rest time, as well as their personal and family privacy.

Furthermore, Madrileña Red de Gas continues to champion teleworking as one of its main measures for work-life balance and talent retention, a fact confirmed by its employee climate survey.

Regarding leave requests for children care (*Image 141*), it's notable that for the first time in the last three years, no women requested maternity leave. In fact, historical records for birth leave consistently show that every year, without exception, more men have taken paternity leave. Furthermore, all employees who took this type of leave returned to their positions with the same conditions once the period ended, achieving a 100% reincorporation and retention rate.

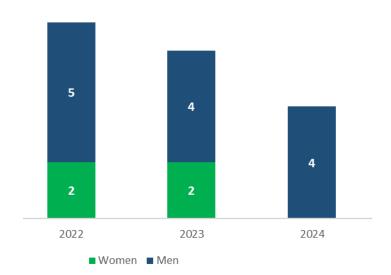


Image 141 Evolution of parental leave

10.5 Commitment to Diversity, Equity, and Inclusion

GRI 406-1

Madrileña Red de Gas firmly believes in and champions the convergence of diversity, equity, equal opportunities, and inclusion. This approach guarantees workplace unity and strengthens the organization's capacity and resilience to face the challenges and changes of today, always considering its people as its most valuable resource (*Image 142*).

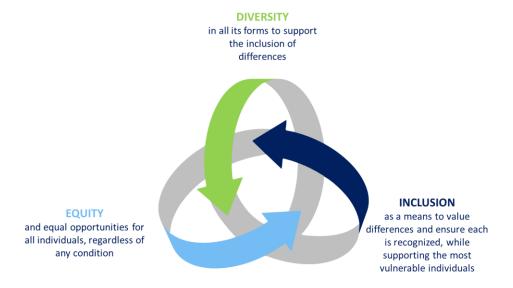


Image 142 DEI pillars of Madrileña Red de Gas

To guarantee the fulfillment of its values, Madrileña Red de Gas relies on an Ethical Code and an Equality Plan. These are complemented by a Protocol for the prevention of workplace, sexual, and gender-based harassment, a Gender Violence Guide, and an Inclusive Language Guide. Actions directly supporting the aforementioned pillars stem from these documents.

More specifically, Madrileña Red de Gas is committed to continuous improvement in equality, diversity, and work-life balance through its **2022-2026 Equality Plan**.

Since 2023, and with equal emphasis throughout 2024, the **Equality Plan Monitoring Committee** has been responsible for establishing and coordinating the implementation of a wide spectrum of measures. Key among these are:

- Promoting transparency and communication, supported by the internal publication of job vacancies.
- In the specific area of training, awareness, and sensitization, this year included training focused on inclusive language, violence prevention, and workplace harassment prevention.
- Transparency in information regarding promotion, selection, training, and leave ratios.
- Continuous reinforcement and dissemination of the Gender Violence Guide and an Inclusive Language Guide.
- Measures promoting gender equality through internal promotions, selection, and training, offering the same opportunities.
- Inclusion of individuals from underrepresented groups in the workforce (people over 50 years old and young people for internships).
- Driving diversity through the incorporation of workers from other countries.

Finally, it's important to mention that, during 2024, as in previous years, no cases of discrimination occurred at Madrileña Red de Gas.

Diversity in governing bodies and among employees

GRI 405-1

Madrileña Red de Gas, fully aware of the ongoing need to advance equality while acknowledging the historical male dominance in its sector, consistently and decisively strives to support women's representation in its workforce over time. As a result, the company's staff clearly reflects a strengthening in diversity, not just in its governing bodies, but also across gender and age demographics (*Image 143*).

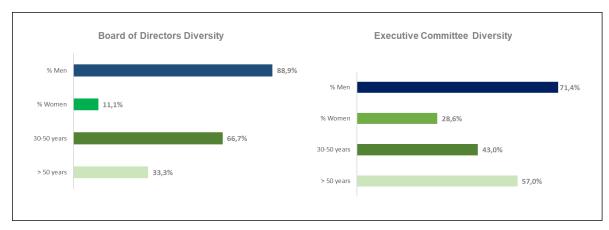


Image 143 Diversity in boards of directors and executive management

Regarding the total workkforce, *Image 144* displays the different proportions corresponding to sex and age group in 2024:



Image 144 Gender and age diversity

Madrileña Red de Gas clearly shows the results of its ongoing efforts to boost **diversity at all levels** and from every angle, as evidenced by the data presented in previous sections. Over the past four years, the company has consistently included individuals over 50 years old in its workforce without exception. They also continue to invest in new talent by bringing in young people for internships.

A closer look at the three new hires in 2024 (two women and one man) reveals:

- One is under 30 and came from a previous company internship.
- One is between 30 and 50 years old.
- One is over 50 years old.

Regarding the proportion of women in the workforce, the company now has 45 women (38% of the staff). This is a very significant step forward compared to 2012, when women made up only 18% of the workforce.

Finally, 2.5% of the workforce consists of people from other countries (three individuals: two men and one woman). Breaking this down by category, 9.1% of those in Director-level positions are from other countries, while in all other combined categories, 1.0% are of a nationality other than Spanish.

Remuneration

GRI 2-21, GRI 405-2

As mentioned in Chapter 3, "Good Governance, Ethics, and Transparency," Madrileña Red de Gas's remuneration policies for its entire staff align with good corporate governance practices, in accordance with Article 7 of Royal Decree 902/2020. This includes conducting a remuneration audit in conjunction with the Equality Plan (2022-2026). Consequently, a corresponding action plan has been established within the "Remuneration" block, and its implementation is actively monitored through the Equality Plan's tracking.

Furthermore, it's important to note that Madrileña Red de Gas's salary policies place a special focus on compensation based on competencies and objectives, as well as years of experience and job category.

To analyze pay equity between men and women, Madrileña Red de Gas calculates the remuneration ratio of women versus men (*Image 145*), this calculation considers fixed salary on one hand, and company cost on the other, without including complementary remuneration (like overtime, mileage, or per diems). The average for women is then compared to the average for men within each job category.

For employees on reduced hours or partial retirement, their remuneration is calculated as the equivalent of a full-time position.

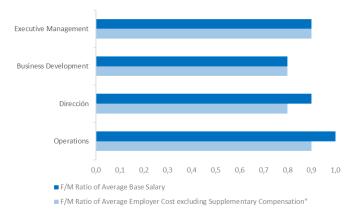


Image 145 Fixed salary and total remuneration ratio

As an illustrative data point supporting the previously detailed information, the ratio representing the percentage increase in total annual compensation for the highest-paid individual on staff compared to the median of all other employees (including the Management category) was 0.67.

Additionally, in 2024, the total annual compensation of the highest-paid individual was 5.7 times the median of the rest of the employees.

For this calculation, the total annual compensation (excluding supplementary pay) of each employee was considered, with adjustments made to calculate the full-time equivalent for employees on reduced/part-time hours or partial retirement.

Finally, no employee at Madrileña Red de Gas receives their salary based on minimum wage rules.

10.6 Talent management

Attraction and retention of talent

GRI 2-8, GRI 401-1

The ongoing challenges and changes within Madrileña Red de Gas's operational environment, coupled with the increasingly demanding skills and knowledge required, have made talent attraction, selection, and onboarding processes exceptionally important in recent years.

The company's ability to adapt and respond is solely thanks to the very high level of professionalism, agility, proactivity, and versatility of its human capital. This, in turn, builds an ever-expanding and robust knowledge base. This base, combined with new and better market opportunities, also means a greater growth horizon for the individuals who make up Madrileña Red de Gas's team.

For 2024, the hiring rate was 2.56%, with three new hires (two women and one man). Notably, one of these new hires (a woman) came from a previous internship within the company. *Image 146* shows historic data by sex and age.



Image 146 New hires by sex and age

Madrileña Red de Gas's strong talent attraction, selection, and promotion policies are clearly reflected in its low turnover rates. In 2024, voluntary turnover was just 1.6%, with an average of 1.2% over the last five years. Remarkably, the undesired turnover rate has remained at 0% throughout the 2020-2024 period. This, coupled with a company retention rate of 92.7%, demonstrates the success of their continuous efforts to maintain and improve the workplace climate and their people management and development processes.

In 2024, Madrileña Red de Gas expanded the number of universities with which it maintains active agreements. It currently has collaboration agreements with the Complutense University of Madrid, the Polytechnic University of Madrid, CEU San Pablo University, and Francisco de Vitoria University.

In 2024, six young students (four men and two women) completed internships at the company, with one female intern successfully joining the permanent staff afterward.

To prevent the loss of valuable talent, Madrileña Red de Gas plans partial retirements well in advance. This proactive approach ensures a gradual transfer of knowledge, not only through formal training sessions where the retiring employee shares their expertise and best practices on specific topics, but also through day-to-day mentoring and teaching of their colleagues or successors.

Talent development

GRI 2-24; GRI 404-1, GRI 404-2, GRI 404-3

In the current context of constant market changes and challenges, Madrileña Red de Gas recognizes the importance of talent management as a key element for its success. The emergence of data in the business landscape, combined with AI, has been nothing short of transformative, not only in terms of productivity and efficiency, but also in creating new business opportunities and improving the customer experience. For these and other reasons, Madrileña Red de Gas is committed to the proper handling of data and the ethical use of AI so that these technologies add value, not only in decision-making but also in process optimization.

Also aware of the importance of articulating various initiatives and creating workspaces to guarantee the growth of all its professionals, Madrileña Red de Gas launched a new development project in 2024 called "Anatomy of the Manager." This project is aimed at department heads, focusing on self-knowledge and the skills of a good leader to improve their professional profile and, in this way, to be able to recreate actions with which to continue growing as professionals within their individual development plan.

Finally, if there is one thing to highlight this year, it is that Madrileña Red de Gas has maintained the good practice of fostering interdepartmental relationships, not only through training, by continuing the EVOLUCIONA initiative—which notably featured an original format presented by the Systems and Customer Operations Department to detail their activities to the rest of the staff—but also through company events, where this year's activities aimed to promote teamwork by highlighting the qualities of each individual.

Training

Madrileña Red de Gas approaches talent management with significant support from its annual Training Plan. Through this plan, the company effectively addresses all training needs that arise from the constant evolution of its processes and technologies, as well as the diverse development challenges faced by each individual employee.

In 2024, Madrileña Red de Gas particularly boosted data-related training, focusing on big data access and analysis capabilities, and data quality through data governance. These training activities accounted for 20% of all training hours delivered during this period. This wasn't just limited to courses; it also included webinar sessions accessible to the entire workforce.

This year, Madrileña Red de Gas also continued its commitment to specialized business training. They maintained initiatives and discussions from previous years' debate panels, such as H2 courses, and provided training for polyethylene welders and emergency and home operations technicians. All this specialized business training represented 30% of the total hours delivered.

In the realm of diversity, Madrileña Red de Gas has always been committed to this fundamental principle, particularly equality, due to its profound impact on people's rights. Consequently, they continued equality-related training, not only through "inclusive language" and "workplace harassment prevention" webinars offered to all staff but also through a prevention and awareness course on violence and workplace harassment. This specific course held the most weight among all those delivered under Occupational Risk Prevention (PRL).

In 2024, a total of 6,496 training hours were delivered across 44 training actions. This resulted in a training hour ratio of 55.50 hours per employee, a slight decrease from 56.89 hours in the previous year. In *Image 147* the data can be seen in greater detail.

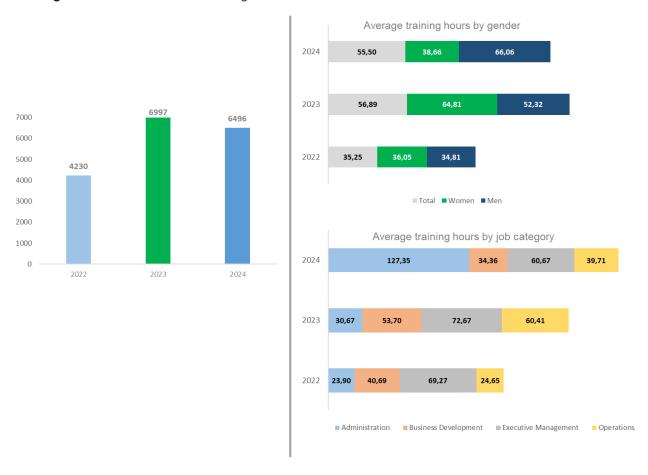


Image 147 Training hours evolution at Madrileña Red de Gas

As highlighted earlier, the training hours invested by Madrileña Red de Gas in 2024 were primarily concentrated in specific knowledge areas. These included data management, core business-related training, and all aspects concerning Occupational Risk Prevention (PRL), with a strong emphasis on topics like diversity, equality, and the prevention of workplace harassment.

Notably, the majority of average training hours were concentrated within the Administration and Management departments. The total of 44 training initiatives carried out during 2024 are distributed by area of specialization, as detailed in *Image 148*.

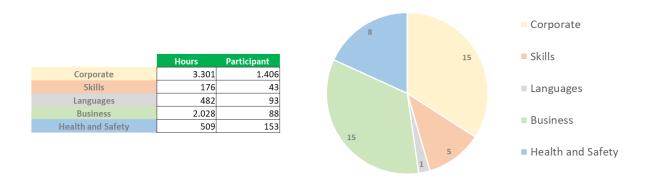


Image 148 Training activities by area

Regarding periodic performance and professional development evaluations, all employees at Madrileña Red de Gas receive an individualized assessment at least once a year. These are conducted through personal interviews with their direct managers. This process fosters the personal growth of each worker and contributes to competency management and the strengthening of the organization's human capital.

Additionally, for new hires, the Human Resources department conducts personalized follow-up during their first year, engaging with both the newly incorporated individual and their manager. These reviews assess aspects such as their adaptation, learning ability, and team integration. Once the probationary period, which can range from 2 to 6 months depending on the profile, is completed, the direct manager evaluates whether it has been satisfactorily passed.

10.7 Occupational health and safety

GRI 3-3, GRI 403-1, GRI 403-8

Madrileña Red de Gas recognizes the importance of ensuring a safe and healthy work environment for its entire staff. Aware that safety is an essential pillar for the well-being of its people and the company's sustainability, Madrileña Red de Gas adopts a proactive approach aimed at anticipating and preventing any situation that could cause harm or injury to its team's health.

In this context, Madrileña Red de Gas continuously develops and implements its Industrial Safety and Occupational Risk Prevention Policy, through which it firmly commits to complying with a series of fundamental principles (*Image 149*).

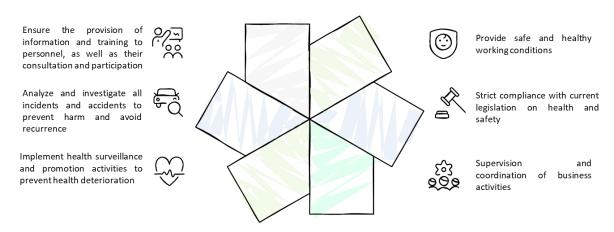


Image 149 Principles of Madrileña Red de Gas regarding Safety and Health

To effectively comply with the principles established in its Industrial Safety and Occupational Risk Prevention Policy, Madrileña Red de Gas has a robust and structured Occupational Health and Safety Management System. This system is implemented and certified according to the international standard UNE-EN ISO 45001:2018. It comprehensively covers the entire staff, all work centers, as well as contractors, subcontractors, and all activities carried out by the organization.

Implementing this management model allows the company to not only meet legal requirements regarding occupational health and safety but also to promote a solid and transversal preventive culture, aligned with the sector's best practices.

Additionally, to ensure strict compliance with obligations derived from Law 31/1995 on Occupational Risk Prevention, and in accordance with Royal Decree 39/1997, which approves the Regulations for Prevention Services, Madrileña Red de Gas has opted for an organizational model that incorporates the services of an External Prevention Service. This decision enhances the specialization and effectiveness of preventive actions, guaranteeing qualified technical advice and rigorous monitoring of working conditions across all areas of the organization.

Furthermore, in 2024, and in compliance with Law 31/1995 on Occupational Risk Prevention, Madrileña Red de Gas subjected its Occupational Risk Prevention System to a voluntary external audit process. This was done to verify its compliance with legal requirements and ensure its effectiveness at all organizational levels.

Through this preventive structure, Madrileña Red de Gas confirms its commitment to continuous improvement, the reduction of occupational risks, and the promotion of a safe, healthy, and sustainable work environment for all involved groups

Consultation and participation

GRI 2-29; GRI 403-4

Madrileña Red de Gas understands that the active participation of its workforce is essential for ensuring effective protection in occupational safety and health. For this reason, it actively promotes the consultation and participation of its staff in all preventive aspects, not just as a recognized right, but as a key instrument for the continuous improvement of working conditions.

To this end, Madrileña Red de Gas provides its team with the necessary mechanisms, time, resources, and training to facilitate their effective participation. Tools used include internal collaborative environments for consulting clear, accessible, and updated documented information, as well as the periodic issuance of reports and specific communications related to occupational safety and health.

Furthermore, structured participation is guaranteed through worker representatives and prevention delegates, in accordance with current regulations and established internal provisions. Within this framework, the Safety and Health Committee acts as the joint and collegiate body for institutionalized participation in preventive matters, with defined operating rules and functions that ensure its operability and representativeness.

During 2024, this Committee held two ordinary meetings, addressing key issues such as monitoring workplace accident rates, the certification audit of the Occupational Health and Safety Management System, and training actions aimed at reinforcing awareness and education.

Hazard identification and risk assessment

GRI 403-2

For Madrileña Red de Gas, hazard identification and occupational risk assessment represent one of the fundamental pillars in the correct application and effectiveness of its Occupational Risk Prevention Plan. This strategic tool allows the company to anticipate possible risk situations and establish the necessary measures to protect the health and safety of its staff.

Madrileña Red de Gas's Occupational Risk Prevention Plan not only complies with current regulations but also drives the consolidation of a preventive culture deeply rooted at all levels of the organization, promoting a safer and healthier work environment. This approach is aimed at identifying, evaluating, and reducing the risks inherent to each activity, with a comprehensive vision that spans from the design of job positions to the day-to-day operational dynamics.

The evaluation process generally considers the nature of the activities carried out, the specific characteristics of the job positions and the employees performing them, as well as current or anticipated working conditions. This evaluation is systematically reviewed and updated in response to any change in working conditions, and, in any case, after the occurrence of health damages, reinforcing the preventive approach of continuous improvement.

Workplace accident rate

GRI 2-28, GRI 403-2, GRI 403-9, GRI 403-10

As of year-end 2024, Madrileña Red de Gas has collected and analyzed data related to **workplace accidents** for both its own staff and personnel from contractor companies who performed activities for the company during that period (*Image 150*).

This monitoring allows Madrileña Red de Gas to objectively assess the effectiveness of its implemented preventive measures and to identify areas for improvement to strengthen safety in all operations. The information collected is a key element in making strategic decisions regarding occupational risk prevention, as well as in updating action and training plans.

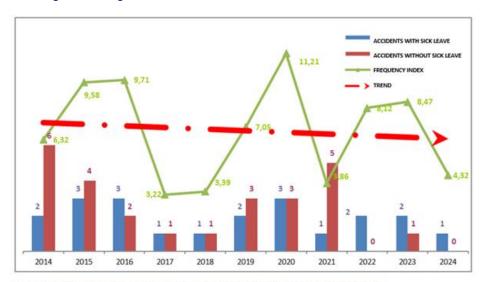
	Own staff		Cont	ractor comp	anies	
	2022	2023	2024	2022	2023	2024
Accidents with leave not "in itinere"	2	2	1	0	0	1
Accidents without leave, not "in itinere"	0	1	0	3	1	1
Accidents with leave, "in itinere"	0	1	0	0	0	0
Accidents without leave, "in itinere"	0	0	0	0	0	0
Frequency rate	8,12	8,47	4,32	0	0	2,21
Severy rate	0,95	0,94	0,13	0	0	0,02
Incidents	0	1	1	46	101	81
Occupational diseases	0	0	0	0	0	0

Frequency rate: no of accidents with leave, not in itinere, per million hours worked. Severity rate: no of leave days from accidents with leave, not in itinere, per thousand hours worked

Image 150 Workplace accident data for Madrileña Red de Gas and its contractor companies during 2024

Since the start of its activity, Madrileña Red de Gas has **not recorded any severe or fatal workplace accidents**, neither among its own staff nor among the personnel of contractor companies who have provided services for the company. (*Image 151*, *Image 152*).

Furthermore, no occupational diseases resulting from the performance of work have been detected, which reflects the solidity of the implemented preventive system, the rigor in activity planning, and the constant monitoring of working conditions.



Frequency Index: number of lost-time accidents (excluding commuting accidents) per million hours worked.

Severity index: number of lost workdays due to lost-time accidents (excluding commuting accidents) per thousand hours worked

Image 151 Evolution of the number of non-commuting accidents at Madrileña Red de Gas over the last 10 years

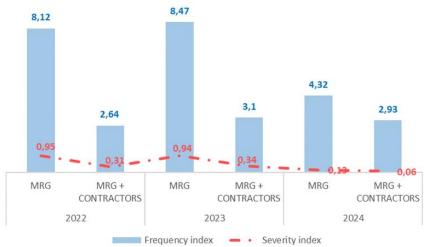


Image 152 Accumulated frequency and severity rate of Madrileña Red de Gas plus contractors.

Regarding workplace incidents recorded during the 2024 fiscal year, it is observed that most of these have been reported by contractor companies that have carried out activities for Madrileña Red de Gas. Although these are, for the most part, minor events, their analysis is fundamental to reinforcing the preventive culture and minimizing the probability of recurrence.

Among the most frequent causes are trips, inadequate ergonomic habits, superficial cuts, blows with objects, and, in some cases, external aggressions by third parties. This type of incident highlights the need to continue promoting specific awareness, training, and surveillance actions, especially in environments with the presence of external personnel.

At Madrileña Red de Gas, the premise is that every accident represents a learning opportunity. Therefore, the organization adopts a proactive and rigorous approach to investigating all accidents and incidents, including those that have not caused injuries to workers.

Likewise, in compliance with current regulations, Madrileña Red de Gas reports workplace accidents to the competent labor authority and actively contributes to the generation of sectoral knowledge by periodically submitting statistical information on accident rates to SEDIGAS. This collaboration reinforces the organization's commitment to transparency and to collective progress in occupational risk prevention.

Coordination of business activities

GRI 2-8, GRI 403-7

Madrileña Red de Gas works with a high number of contractors and subcontractors who carry out a significant portion of its activities, some of which are particularly relevant to the development of the business.

With the aim of guaranteeing the safety and health of workers at all times, the company has implemented specific control measures, designed to demand and supervise compliance with established work procedures and safety regulations.

In this regard, Madrileña Red de Gas requires mandatory registration for relevant contractor and subcontractor companies on its IT platform for business activity coordination. This measure applies to all those operating in work centers, including offices and warehouses, as well as LNG/LPG plants, network installations, construction sites, and customer operations. In this way, all workers involved in the execution of activities relevant to Madrileña Red de Gas are duly registered in the tool.

Throughout 2024, Madrileña Red de Gas worked with a total of 48 contractor and subcontractor companies registered on the document management platform. In total, 474 professionals belonging to these entities participated in the execution of the entrusted works.

Furthermore, Madrileña Red de Gas has several engineering companies that act as Safety and Health Coordinators (CSS) in the various activities carried out by the Expansion and Network Operations areas. The presence of CSS in Madrileña Red de Gas's projects and operational activities is fundamental to ensure the correct integration of occupational risk prevention in all phases of execution. Their work allows for the identification, evaluation, and control of risks, ensuring compliance with current regulations and promoting safe environments for all workers.

Health surveillance and promotion

GRI 403-3, GRI 403-6

In the area of health surveillance, Madrileña Red de Gas annually conducts a systematic evaluation of its staff's health status, based on the specific risks identified in each job position's assessment. This process is carried out by healthcare personnel with technical competence, training, and professional accreditation, belonging to the External Prevention Service that collaborates with the company.

During 2024, a total of 91 medical examinations were performed, the results of which are kept under strict confidentiality and are accessible only by the employee themselves.

Additionally, the company promotes the comprehensive well-being of its employees through the implementation of voluntary health promotion services and programs, aimed at preventing non-occupational risks. These initiatives include annual flu vaccination campaigns and the early detection program for colorectal cancer, aimed at employees over 50 years old.

Safety and health training and information

GRI 403-5

During 2024, Madrileña Red de Gas reaffirmed its commitment to the continuous training of its staff in Industrial Safety and Occupational Health and Safety, developing training actions aimed at the different groups within the organization. In this area, the company has a specific training plan, designed from an exhaustive analysis of the training activities associated with each job position, as well as the training history of employees in previous years. This approach allows for the precise identification of training needs and the establishment of necessary or recommended actions for the year's development.

Furthermore, with the aim of expanding the reach and accessibility of training actions, the offering has been diversified to include face-to-face modalities (with or without practical sessions), online courses via IT platforms, and videoconference training. The latter has facilitated access for a greater number of employees, generating additional benefits such as improved work-life balance and reduced emissions from travel.

Image 153 shows the main training activities carried out throughout 2024.

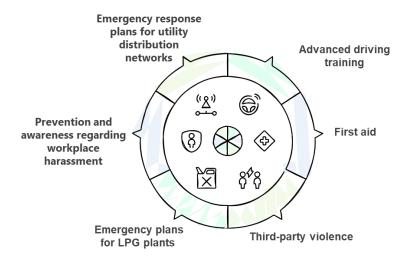


Image 153 Main health and safety training activities carried out throughout 2024

Regarding information actions, throughout 2024, Madrileña Red de Gas promoted the dissemination of preventive content among its staff. In this context, various brochures on different topics were distributed. Among the materials disseminated, those focused on night and shift work, workplace harassment, and manual handling of loads, among others, stood out.

Likewise, the dissemination of specific information campaigns by job position began, developed by the External Prevention Service, with the aim of reinforcing the preventive culture in a personalized and contextualized way.

It is also worth highlighting the implementation of thematic campaigns adapted to different times of the year. Among these, the digital disconnection campaign was launched before the summer period to raise awareness among employees about the importance of this practice and to offer tools that facilitate effective disconnection during holidays. Similarly, in June, a heat prevention campaign was developed, aimed at raising awareness and providing resources to workers who perform their duties outdoors during the hottest months.

11. ABOUT THE REPORT

11.1 Reporting principles

GRI 2-2, GRI 2-3; GRI 2-14

This is the fourth annual report published by Madrileña Red de Gas, corresponding to the year 2024, published in June 2025.

This report has been prepared in accordance with GRI Standards, considering GRI 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021 Universal Standards, the applicable Topic Standards in accordance with the material topics, and the Sector Standard GRI-11 Oil and Gas Sector 2021.

The Board of Directors of Madrileña Red de Gas, as the highest governance body, has reviewed and approved this report through its president and representative.

The principles for the preparation of this report, contemplated in GRI 1: Foundation 2021 Standard, are described below.

Accuracy

The information reflected in the report has been cross-checked and is sufficiently detailed to allow for an evaluation of the impacts caused by Madrileña Red de Gas's activity.

All information provided covers the reporting period, as well as its evolution over the last three years (2022, 2023, and 2024).

Balance

The information presented fairly represents the positive and negative impacts of the organization, without bias. Trends are also presented to show the evolution of different topics over time.

The priority of each topic is evident in the level of detail for each aspect.

Clarity

The information is presented in a way that is accessible and understandable, structured in tables and diagrams, and includes graphic information to simplify its reading and comprehension.

Comparability

The information provided allows for the analysis of changes that have occurred in the company over time, as well as the analysis of impacts compared to other organizations.

Completeness

The information provided is sufficient to evaluate the impacts of Madrileña Red de Gas during the reporting period.

Sustainability context

The report has been prepared based on the materiality review conducted in 2023, considering the internal and external sustainability context, along with the voice of stakeholders. The structure and content present Madrileña Red de Gas's impacts on the pillars of sustainability: society, the environment, and the economy, along with the policies, strategy, and actions being carried out, always framed within its commitment to sustainable development.

Timeliness

It covers Madrileña Red de Gas's activities in the period between January 1 and December 31, 2024, with annual publication foreseen.

Verifiability

The information collected is recorded, compiled, and analyzed in a way that ensures its veracity and quality, ensuring the application of the reporting principles previously outlined.

The contact point for questions related to this report and the information presented is: sostenibilidad@madrilena.es

11.2 Information update

GRI 2-4

- Regarding economic performance data, the methodology for calculating it was modified in 2024.
 The calculations have been prepared under Spanish regulations (Spanish General Accounting Plan), and the company's annual accounts are no longer prepared under international IFRS regulations. Only updated information based on this methodology is available for 2023 and 2024, so it cannot be compared with data from previous years (GRI 201-1 Direct economic value generated and distributed 2016).
- The sustainability rating methodology (ESG pillars) of the external tool for the registration and prequalification of Madrileña Red de Gas suppliers has changed compared to previous years. The results for 2022 and 2023 have been adapted to the new methodology to allow for comparison with 2024 (GRI 308-2 Negative environmental impacts in the supply chain and actions taken 2016 and GRI 414-2 Negative social impacts in the supply chain and actions taken 2016).

11.3 GRI content index

Statement of use	Madrileña Red de Gas S.A.U has prepared this report in accordance with GRI standards for the period between January 1, 2024 and December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	GRI 11: Oil and Gas Sector 2021

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
General disclosures	s			
	2.1 Organizational details	6 https://www.madrilena.es/quienes-somos/		
	2.2 Entities included in the organization's sustainability reporting	141	A gray cell indicates something that doe only relates to the 'Omission' and 'GRI So	
	2.3 Reporting period, frequency and contact point	141- 142	no. columns.	ector Standard rer.
	2.4 Restatements of information	142		
	2.5 External assurance	153		
	2.6 Activities, value chain and other business relationships	86 - 87- 88		
	2.7 Employees	121 - 122		
GRI 2: General Disclosures 2021	2.8 Workers who are not employees	480 workers (6 interns + 474 workers from contractor companies) 132 - 139		
	2.9 Governance structure and composition	10 - 11 - 12 - 13 - 16 - 17 - 19		
	2.10 Nomination and selection of the highest governance body	12 - 13		
	2.11 Chair of the highest governance body	12 - 13		
	2.12 Role of the highest governance body in overseeing the management of impacts	14 - 15 - 16 - 29 - 30		
	2.13 Delegation of responsibility for managing impacts	14 - 15 - 16 - 18 - 23 - 28 - 42 - 48		
	2.14 Role of the highest governnace body in sustainability reporting	14 -15 - 16 - 141		
	2.15 Conflicts of inerest	23		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
	2.16 Communication of critical concerns	25 - 48 - 49 - 116 - 118 - 119		
	2.17 Collective knowledge of the highest governance body	15		
	2.18 Evaluation of the performance of the highest governance body		Information not available or incomplete. Currently, there is no procedure for evaluating the performance of the highest governance body regarding its oversight of the management of the organization's impacts on the economy, the environment, and people. Proposals to improve the performance evaluation process, through internal self-assessment and external verification, have been analyzed for future fiscal years.	
	2.19 Remuneration policies	17 - 18		
	2.20 Process to determine remuneration	17 - 18		
	2.21 Annual total compensation ratio	131		
	2.22 Statement on sustainable development strategy	4 – 5		
	2.23 Policy commitments	14 - 15 - 20 - 21- 22 - 29 - 30 - 31- 89 – 90 https://www.madrilena.es/sostenibilidad/		
	2.24 Embedding policy commitments	28 -32 - 33 - 40 - 41 - 42 - 43 - 44 - 135		
	2.25 Processes to remediate negative impacts	116 - 117 -118 - 119 – 120 https://www.madrilena.es/compromiso/ https://www.madrilena.es/como-lo-estamos- haciendo/		
	2.26 Mechanisms for seeking advice and raising concerns	24 - 25 - 46 - 47 - 49 - 116 - 118 - 119 https://www.canaldedenuncias.com/es/madrilena https://www.madrilena.es/denunciar-irregularidades/		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
	2.27 Compliance with laws and regulations	20		
	2.28 Membership associations	49 - 50 - 57		_
	2.29 Approach to stakeholder engagement	39 - 45 - 46 - 47 - 48 - 49 - 65 - 114 - 115 - 116 - 118 - 120 - 123 - 136		
	2.30 Collective bargaining agreements	123		
Material topics				
GRI 3: Material	3-1 Process to determine material topics	39		
topics 2021	3-2 List of material topics	39		
Ethics and legal co	mpliance			
GRI 3: Material topics 2021	3-3 Management of material topics	20 - 31		11.20.1
	205-1 Operations assessed for risks related to corruption	25 - 26		11.20.2
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti- corruption policies and procedures	27 -28		11.20.3
Corruption 2010	205-3 Confirmed incidents of corruption and actions taken	23 -24		11.20.4
Sustainability gove	rnance			
GRI 3: Material topics 2021	3-3 Management of material topics	10 to 20 / 32 to 38 / 40 to 44	-	
GRI 2: General	2.9 Governance structure and composition	10 - 11 - 12 - 13 - 16 - 17 - 19		
disclosures 2021	2.22 Statement on sustainable development strategy	4 – 5		
Own	Sustainability Director Plan	40 to 44		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
Climate adaptability	, resilience and transition			
GRI 3: Material topics 2021	3-3 Management of material topics	55 to 62		11.2.1
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities from climate change		Information not available or incomplete. Information on the costs of measures taken to manage the risk or opportunity is not available. Efforts will be made to gather this information for the next report.	11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	94 to 96		11.2.3
	Climate risks and opportunities	55		
Own	Adherence to the emissions reduction initiative: OGMP 2.0	57		11.2.4
	Green energy promotion	58 to 62		
Asset integrity and	critical incident management			
GRI 3: Material topics 2021	3-3 Management of material topics	72 to 75		11.8.1
GRI 306: Effluents and waste 2016	306-3 Significant spills	There have not been any significant spills throughout 2024.		11.8.2
Own	Evolution of emergency response times	74		
Cybersecurity				
GRI 3: Material topics 2021	3-3 Management of material topics	64 to 72		
	Communications received regarding data protection	66		
Own	Evolution of Madrileña Red de Gas's cybersecurity maturity level	69		
	Risk rating of Madrileña Red de Gas critical suppliers	71		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
Economic-financial	risks			
GRI 3: Material topics 2021	3-3 Management of material topics	63 to 64		
Own	Annual accounts audit		Confidentiality restrictions. This information is not public. Its disclosure could jeopardize the security of sensitive company-related information. The company's annual accounts can be consulted at the following link: https://www.madrilena.es/investors/	
Regulatory risks				
GRI 3: Material topics 2021	3-3 Management of material topics	52 to 54		
GRI 2: General disclosures 2021	2.28 Membership in associations	49 - 50 - 57		
Own	Madrileña Red de Gas situation regarding ESRS compliance requeriments	37		
Own	Adherence to the emissions reduction initiative: OGMP 2.0	57		
Economic and finan	cial value creation			
GRI 3: Material topics 2021	3-3 Management of material topics	63 to 77		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	77		11.14.2
	Net amount of turnover (thousands of €)	75		
Own	EBITDA (thousands of €)	76		
	Balance sheet as of December 31, 2024 (thousands of euros)	76		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.		
Development and ex	Development and extension of the distribution network					
GRI 3: Material topics 2021	3-3 Management of material topics	78 to 86 / 104				
GRI 203: Indirect economic impact 2016	203-1 Investments in infrastructure and supported services	104		11.14.4		
Own	Net growth of supply points	78				
Own	Evolution of the network	79				
Own	2024 new connections by market type	80				
Reliability, supply c	ontinuity, and customer orientation					
GRI 3: Material topics 2021	3-3 Management of material topics	108 to 120				
	% completion of maintenance plan and number of action performed	108				
Own	Field excellence	112 - 113				
	Evolution of customer satisfaction index: CSAT (Customer Satisfaction Score) and GMB (Google My Business)	115 - 116				
Extension of ESG co	riteria to the supply chain					
GRI 3: Material topics 2021	3-3 Management of material topics	89 to 92		11.12.1 11.13.1		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	90		11.12.2		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria		Information not available or incomplete. Although this information was available in previous periods, it could not be collected during 2024. It will be resumed in future periods.	11.12.3		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90		11.13.2
408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	90		
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	92		
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	92		
Own	Evolution in the ESG rating of critical suppliers	92		
Emissions, pollution	n, and fight against climate action			
GRI 3: Material topics 2021	3.3. Management of material topics	93 - 100		11.1.1 11.3.1
	302-1 Energy consumption within the organization	99	Information not available or incomplete. No information is available regarding the total consumption of fuels from renewable or non-renewable sources. Efforts will be made to collect this information for future reports. Madrileña Red de Gas does not sell energy, so this information is not applicable.	11.1.2
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization		Information not available or incomplete. No information is available to answer this content. Efforts will be made to collect this information for future reports.	11.1.3
	302-3 Energy intensity		Information not available or incomplete. The calculation of the organization's energy intensity ratio is not available. This data will be attempted to be calculated for future periods.	11.1.4

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
	305-1 Direct (Scope 1) GHG emissions	94 - 95 - 96		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	94 - 95 - 96		11.1.6
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	94 - 95 - 96		11.1.7
	305-4 GHG emissions intensity	97		11.1.8
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	97		11.3.2
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	72 - 73 - 74 - 75 - 108 - 109 - 110 - 111		
_	GHG emissions projection (2021-2050)	56		
Own	Main mitigation actions for GHG emissions reduction	98		
Energy access and	economic impact			
GRI 3: Material topics 2021	3-3 Management of material topics	104 to 108		11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	77		11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	124		11.14.3
GRI 203: Indirect Economic Impacts	203-1 Investments in infrastructure and supported services	104		11.14.4
2016	203-2 Significant indirect economic impacts	107 - 108		11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Information not available or incomplete. While this information was available in previous periods, it could not be collected during 2024. It will be resumed in future periods	11.14.6

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.	
Occupational safety and health					
GRI 3: Material topics 2021	3.3 Management of material topics	135 - 140		11.9.1	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	137		11.9.2	
	403-2 Hazard identification, risk assessment, and incident investigation	137 - 139		11.9.3	
	403-3 Occupational health services	139		11.9.4	
	403-4 Worker participation, consultation, and communication on occupational health and safety	136		11.9.5	
	403-5 Worker training on occupational health and safety	140		11.9.6	
	403-6 Promotion of worker health	139		11.9.7	
	403-7 Prevention and mitigation of health and safety impacts directly linked by business relationships	139		11.9.8	
	403-8 Workers covered by an occupational health and safety management system	136		11.9.9	
	403-9 Work-related injuries	137-138		11.9.10	
	403-10 Work-related ill health	137-138		11.9.11	

GRI Sector Standard Topics considered non-material					
GRI Sector standard title	Topic	Explanation			
	11.17 Rights of indigenous peoples	The scope of Madrileña Red de Gas's operations, the Autonomous Community of Madrid, where even its suppliers are fundamentally local, leads us to believe that no material impact can exist.			
	11.19 Anti-competitive behavior	Madrileña Red de Gas's business is regulated; unfair competition would be directly linked to corruption.			
	11.21 Payments to governments	Considering the regulations applicable to Madrileña Red de Gas in Spain, we would again be strictly talking about corruption.			
	11.22 Public policy	Spanish legislation does not allow direct promotion of public policies by private companies. As with the two previous requirements, we would be dealing with cases of corruption.			
	11.4 Biodiversity	Following the double materiality evaluation and prioritization process, in accordance with Madrileña Red de Gas's methodology, these topics proposed by the GRI 11: Oil and Gas Sector 2021 sector standard and initially considered relevant, have not proven			
GRI 11: Sector Petróleo y Gas 2021	11.5 Waste				
	11.6 Water and effluents				
	11.7 Closure and rehabilitation				
	11.10 Employment practices				
	11.11 Non-discrimination and equal opportunity	material for the company.			
	11.15 Local communities				
	11.16 Land and resource rights				
	11.18 Conflict and security				

11.4 External assurance

GRI 2-5

To ensure conformity with the principles and guidelines specified by GRI and that the information collected herein is truthful, this report has been subjected to external and independent verification by the auditing and certification entity Bureau Veritas S.A., with the secretary of the Audit and Risk Committee actively participating in this process, representing the highest governing body.

Said entity declares the conformity of this sustainability report with the principles and guidelines specified in the GRI Standards and the reliability of the information contained therein.





Bureau Veritas Certification

declares that the verification Sustainability Report

Sustainability Report

regarding its structure, content and sources of information

Madrileña Red de Gas S.A.U.

As a result of this verification process Bureau Veritas Certification expresses that:

- The content of the information is based and supported by data and records proven to be true. Likewise, the information, its treatment, calculations, graphics and associated information have been duly checked and verified according to the procedure established by Bureau Veritas Certification.
- The traceability and relevance between base information and report content is adequate.
- It complies with the requirements and principles established in the Guide for preparing Sustainability Reports in its version "GRI Standards 2021" and its "GRI-11 Sector Standard Oil and Gas Sector 2021" prepared by the Global Reporting Initiative (GRI).

In accordance with this, Bureau Veritas Certification establishes that it has carried out verification in accordance with the GRI Standards 2021 methodology, for the 2024 Sustainability Report of Madrileña Red de Gas S.A.U.

Issue date: 26/05/25



Rut Ballesteros Gil Lead Auditor Social Responsability Bureau Veritas Certification



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