

2024 ANNUAL REPORT



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1. Message from the Chairman and the CEO



Iñaki Alzaga
Chairman of Nortegas

LETTER FROM THE CHAIRMAN

The energy sector and the gas system along with it, are in a state of ongoing transformation. In this context, Nortegas has reaffirmed its role as a key player in the transition toward a more sustainable, efficient, and resilient model. Over the course of 2024, the Board of Directors has decisively supported the company's evolution, guided by a clear and realistic vision of the future, fully committed to the major economic, social, and environmental challenges we face.

Our commitment as a company goes beyond the role we currently play in the energy framework. We aim to be, and indeed are, an active part of the solution to global challenges such as economic decarbonization, security and independence of the energy, and territorial cohesion. Nowadays, the more than 8,000 kilometres of gas network that we operate, along with the people who make up the Nortegas group, play a decisive role in achieving this goal.

Gas infrastructure has a crucial role to play in enabling decarbonization through renewable gases. This is essential for the

future competitiveness and security of our industries and homes. From the Board, we have strongly supported Nortegas' progress in developing biomethane and green hydrogen projects. The construction of biomethane plants and the creation of hydrogen valleys in our main industrial clusters not only enhance the sustainability of the energy system but also demonstrate our commitment to local development, circular economy, and the generation of new opportunities across the regions we serve.

I would like to express my gratitude to everyone who is part of Nortegas. Their dedication, professionalism, and commitment have been critical to successfully face a volatile environment, showing remarkable adaptability and constant desire for improvement. We continue investing in talent, diversity, and the growth of our people as the foundation for a solid, inclusive culture focused on excellence.

I would also like to highlight the strong relationships we maintain with the regions where we operate. In the Basque Country,

Asturias, and Cantabria, our presence extends beyond economic activity. We are a committed stakeholder in their development, working alongside institutions, business associations, and social partners to build a sustainable, inclusive, and value-generating energy and social model.

2024 has been a year marked by a decline in energy consumption, mainly due to high temperatures, which affected the company's results. Even so, the Board I represent looks ahead with confidence. We are fully aware of the role we can and must play to continue progressing, responsibly and with commitment, towards a cleaner, safer, and more accessible energy system. As Chairman, I am proud to lead a company that not only meets today's challenges but is already building tomorrow's solutions.

1. Message from the Chairman and the CEO



Juan Villar

Chief Executive Officer of Nortegas

LETTER FROM THE CEO

I take on the leadership of Nortegas with enthusiasm and a strong sense of responsibility. We are a company with more than 180 years of experience, and a track record grounded in solid values such as customer focus, a commitment to safety, transparency, and innovation.

We all share a clear vision: to provide energy solutions through our infrastructure that not only enhance the competitiveness of our customers and ensure security of supply but also accelerate the decarbonisation of the economy and promote the development of a fairer and more sustainable society.

In 2024, the energy sector has continued to operate in a geopolitical and economic landscape marked by uncertainty and volatility. At the European level, we welcomed the publication of the Draghi report on competitiveness in September, which highlighted the need to align Europe's

decarbonisation goals with the preservation of a globally competitive industrial base. This guidance is fully in line with our commitment at Nortegas to offer efficient and competitive solutions that help our customers decarbonise using natural gas and green gases.

In this context, we believe it is essential to recognise the fundamental role natural gas continues to play in our society, supplying energy to around 8 million users with security and reliability, even under the most demanding conditions. Recent events such as the COVID-19 pandemic, Storm Filomena, prolonged periods of low renewable generation, or the blackout in April 2025 have all demonstrated the resilience of the gas system and its vital role in ensuring energy supply.

Alongside these strengths, green gases are emerging as a real alternative to achieve a secure and cost-effective energy transition. They make use of existing infrastructure, such

as ours at Nortegas, allowing for faster, more efficient deployment.

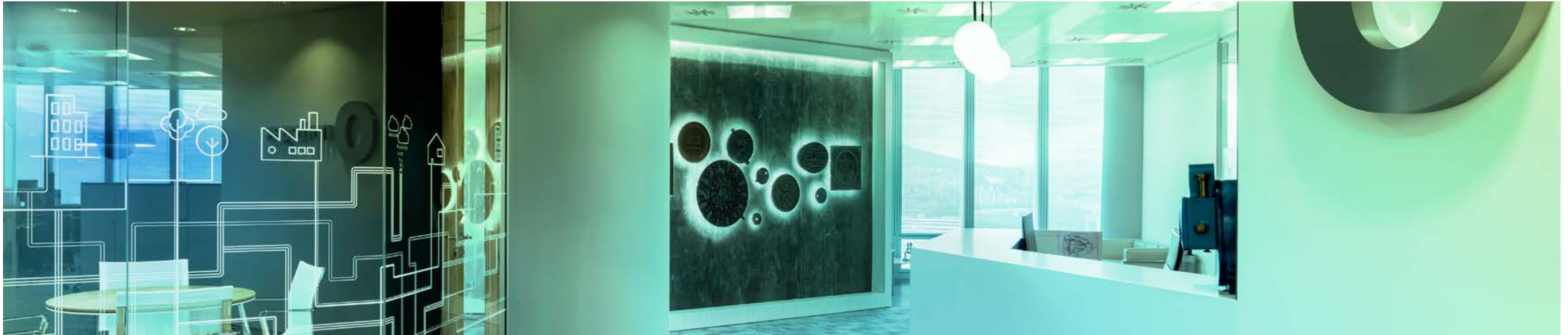
Biomethane, a renewable gas with the same properties as natural gas, but of biological origin, can be used in existing boilers and installations without any adaptation required from our customers. It offers the most effective solution for decarbonising domestic demand, especially when alternative technologies come at a much higher cost.

Regarding green hydrogen, 2024 has been a year of progress in the development of initial production and distribution projects. Like other technologies, hydrogen will require steady and robust support in order to fulfil its role as a key energy vector, particularly as a complement to renewable electricity, which tends to be intermittent in nature.

Throughout this year, we have made solid progress in advancing our strategic plan.

1. Message from the Chairman and the CEO

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In our Distribution business, we continue to grow our number of supply points, confirming that gas remains a secure and affordable energy source for both households and industry. Gas consumption in the industrial sector has risen compared to 2023, while domestic demand has remained subdued, largely due to persistently high temperatures.

We continue to work closely with our industrial clients to support their access to decarbonised energy sources, enabling them to produce greener and more competitive products. In this regard, we are promoting the development of green hydrogen valleys to

connect production hubs with industrial users across our distribution areas.

Our biomethane business unit is firmly committed to investing in a pioneering platform built on technological rigour and a strong emphasis on digitalisation.

Finally, I would like to express my sincere thanks to all the people who make up Nortegas. Their professionalism, dedication and innovative spirit make it possible to deliver an exceptional service to our customers, through both our natural gas infrastructure and our green gas solutions.

2. Mission, vision, purpose and values of Nortegas

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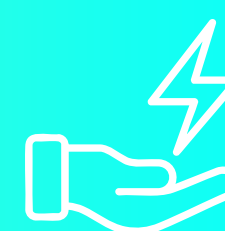


The role of Nortegas and its role in the energy transition are guided by our mission, vision, purpose and values, which are supported by four strategic pillars: decarbonisation, digitalisation, growth and sustainability. Each business initiative, from biomethane to digitalization, adheres to these principles to ensure that our strategy is aligned with the company's long-term goals.

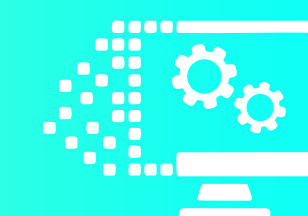
In this context, the main areas of strategic focus of the company are:



Strengthening traditional business, with a focus on operational efficiency and **security of supply**.



Development of innovative energy solutions, highlighting biomethane and green hydrogen as key technologies for the future, **based on the experience and capacity that Nortegas has developed throughout its history for natural gas**.



Promotion of digital transformation, to optimise internal management and improve the customer experience.

3. Energy demand

EVOLUTION OF DOMESTIC AND COMMERCIAL ENERGY DEMAND

In a challenging energy context, 2024 has been a key year to continue consolidating our growth strategy, where the customer continues to choose the gas-based solution, and to move towards a more sustainable model based on renewable gases.

Despite the unusually high temperatures over the past few years, the demand from our domestic-commercial customer base has improved, compared to the 2023 year, reaching a total natural gas consumption of 7,1 TWh.

	2022	2023	2024
Domestic-Commercial annual consumption (TWh)	7.5	7.0	7.1

During the same period, we have continued to expand our customer base, surpassing 985.000 customers connected to the natural gas network and attracting more than 6.000 new customers

	2022	2023	2024
Number of clients GN	974,914	980,177	985,506

Also, with the aim of better understanding our clients’ needs and expectations, NORTEGAS has conducted a survey that has provided the following data on consumer preferences.

Survey results:

- Customers particularly value the comfort, reliability and low level of maintenance required by their current gas – powered systems.
- 90% have not considered changing their heating system over the past three years and more than the 80% are not considering alternative technologies to their current boiler, despite price volatility in the latest years.
- When they need to renew their current thermal system, 9 out of 10 would prioritize easy and cheap solutions to install, such as a gas boiler.
- Moreover, most customers would choose solutions based on biomethane to decarbonize their current natural gas consumption.
- Half of the surveyed customers would be willing to pay a little more on their bill if the gas were renewable.

These data evidence the positive perception of the customers regarding their current gas-based system and that technologies, such as biomethane, represent a realistic, efficient and fully compatible alternative with the existing infrastructure and installations.

Household and commercial consumption:	Number of natural gas clients:	Number of LPG clients:	New natural gas clients:	New LPG clients:
7.1 TWh	985,506	89,079	6,076	497

EVOLUTION OF INDUSTRIAL ENERGY DEMAND

The industrial segment, which accounts for 70% of the gas transported through our net, has begun a path of demand recovery in 2024 after the impact experienced in 2022 and 2023 due to the prices shock.

	2022	2023	2024
Industrial Demand (TWh)	14.9	14.3	15.0

Likewise, industrial clients operating in our territories continue to rely on natural gas as a reliable, clean and cheap energy source, which is reflected in the capture of 299 GWh new gas demand linked to clients connecting for the first time to the grid or transforming their productive equipment to adapt them to the consumption of natural gas.

Industrial demand:
15,0 TWh

Around 70% of this industrial demand comes from hard-to-abate sectors, meaning their production processes require high temperatures that cannot be met through only electrification. Gas-based solutions are not only a cost-effective and reliable option but a technical necessity to achieve the sustained power, high temperatures, and operational continuity that industry demands.

This positions renewable gases as a key solution to ensure the competitiveness, sustainability, and resilience of our industrial clients in the territory.



This reality underscores the strategic role of renewable gases, such as biomethane and hydrogen, which must be developed competitively to encourage industrial adoption and their use could become a key factor in future investment decisions in the sector due to its enabling potential for the development of new green products, supporting decarbonization, and preventing industrial relocation.

In this context, Nortegas reaffirms its commitment to developing efficient energy

solutions, promoting both the competitiveness and sustainability of its customers while continuing to make firm progress in the energy transition.

New demand:
299 GWh

4. Our strategy

Network length	NG (8,042 km), LPG (509 km)	Supply points	NG (985,506), LPG (89,079)
99% of the company's gas infrastructure is ready for the integration of renewable gases		Strategic industrial regions with hydrogen projects: 3 (Basque Country, Asturias, and Cantabria)	
New clients	6,573	Customer registrations via private web area:	18,816
Satisfaction Index	8.5	Robotized processes	15

TRADITIONAL BUSINESS

Nortegas strategy for the distribution business is based on 4 main pillars:

- The deployment of new distribution networks and the increase of our customer base
- The satisfaction of our clients
- The safety of our infrastructure and operations
- The sustainability of the business in the long term.

In 2024, Nortegas’ distribution business continues to demonstrate solid and resilient growth, successfully adapting to a challenging geopolitical and regulatory environment. The company has steadily expanded its network and increased the saturation of its distribution infrastructure, responding to growing demand for new connections from businesses and residential communities seeking access to the network. This growth has enabled Nortegas to remain above the market average, standing out in terms of supply points and active customers.

	2022	2023	2024
Calls answered in under 20 seconds (%)	80	83	79
Missed calls (%)	4	3.4	5

Annual network growth: 25 km
More than 1,070,000 clients of natural gas and LPG

Service quality remains a cornerstone for Nortegas, and the company’s commitment to customer satisfaction is reflected in the 2024 results, with a satisfaction index of 8.5.

CALLS AND WAIT TIMES

Regarding customer complaints, in 2024 they have mainly focused on two aspects: periodic inspections and consumption and metering, those two latest influenced by gas prices and temperature variations. These aspects remain being the most common concerns among customers, and Nortegas has proactively

worked to address them effectively. In addition, the company conducts internal audits of its quality management system to ensure efficiency and promote continuous improvement.

	2022	2023	2024
TCR Index	1.47	1.84	1
Network interventions index	0	0	0
Breakage index	0	0	0
Emergency response index	0	0	0
Average time from alert to presence (minutes)	25	22	25
Network quality and safety index	0	0	0
Annual preventive maintenance plan compliance (%)	100	100	100

	2022	2023	2024
Emergency Calls (nº)	35,563	33,145	28,573
Emergency Alerts (nº)	6,427	6,313	6,226
Emergency Efficiency (Alerts P1+P2 per 1,000 people)	6	6	6
P1 Alert Assignment Time (min)	1	2	1
P1 Alert Travel Time (min)	27	26	26

The calculation of the indexes included in the table is detailed in the Annex of this report.

Reliability, stability and security of supply are strategic priorities to NORTEGAS.

Emergency plans and documentation processes, including technical specifications and the Crisis Management Plan, remain under the oversight of the Board of Directors, ensuring all preventive and corrective measures are properly reviewed and approved.

How does NORTEGAS view the sustainability of gas – based solution in the long term? A report has recently been published that highlights a

decarbonization scenario where renewable gases play a very relevant part in the solution.

The report “New Deal, a new reinforcement commitment to the efficient and effective decarbonization of the Spanish economy”, published by PwC in 2024 October, reinforces the NORTEGAS strategy for the transformation of gas distribution networks through the contribution of renewable gases and their key role in the decarbonization of the thermal needs of homes, businesses and industry.

Conclusions of the New Deal study

- There is an alternative energy policy that allows for accelerating the decarbonization process, using all available technologies, leveraging the gas network for the development of green gases and minimizing the investments required, both from the end users and the energy system as a whole.
- A hybrid model combining electrification and renewable gases could decarbonize 100% of the domestic and commercial sectors by 2040 and the totality of the conventional demand by 2050.
- This approach would reduce investments required by € 172,000 million by 2050, compared to a scenario based solely in electrification. Of these avoided investments, more than 60% relates to the household sector.
- Cumulative CO₂ emissions through 2050 would be reduced by 11% (equivalent to 98 Mt).

This alternative model also offers answer to technical and socio-economic challenges, such as seasonal variability in renewable generation, household’s limited space, the need of high investments from the final consumer, competitiveness and the maintenance of industrial activity or the guarantee of supply.

Recent events, such as the COVID-19 lockdown and Filomena Storm, highlighted the robustness of the Spanish gas system, which ensured uninterrupted energy supply to all households.

Nortegas strongly supports renewable gases as an effective and realistic pathway to decarbonizing the gas system. To achieve this, it will be essential to advance energy policies that promote its development.



4. Our strategy

NEW BUSINESS

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Green gas or biomethane

Green gas (or Biomethane) is no longer a bet on the future and has become a tangible and expanding reality. This renewable gas offers a viable solution for decarbonising natural gas demand, as it can be transported and distributed using the existing infrastructure and the clients' equipment, without the need for any adaptation.

Forecasts indicate strong growth for biomethane in the coming years. In this context, Spain could fully meet domestic natural gas demand with biomethane by 2040, positioning it as a key pillar of the energy transition.

Biomethane production potential in Spain is estimated at 163 TWh. There are currently 15 plants in operation and 266 connection requests in the system, representing a short-term injection potential of 4.6 TWh.

The Spanish regulatory framework regarding biomethane is also advancing. The National Commission on Markets and Competition (CNMC) is actively working on the development of the regulatory framework needed to enable biomethane plant access to the gas grid. In parallel, it has established a working group with key sector stakeholders to remove development barriers and encourage growth and implementation.

At the European level, initiatives such as REPowerEU and Fit for 55 are accelerating biomethane deployment. According to the European Biogas Association (EBA), in 2023 European production reached 52 TWh, marking the highest annual growth recorded, with 1,510 operational facilities. More than 25 European countries have already expressed active interest in developing this energy source, and it is estimated that up to 50% of European gas demand could be decarbonised through biomethane in the future.

Nortegas, from the biomethane Business Unit, will promote the achievement of these objectives, reinforcing the value of distribution infrastructures in the long term, developing this new business from the experience and capacity that NORTEGAS has developed throughout its history with natural gas and with the same values of safety and sustainability as strategic priorities.



Hydrogen

Nortegas also plays an active role in the development of hydrogen valleys within its areas of influence. These valleys are being developed in regions where large-scale production projects, significant nearby demand, and a limited number of infrastructures converge. These conditions are essential to achieving cost-competitive hydrogen.

The geographical areas where Nortegas operates meet these requirements, as they are strategic industrial clusters. In the Basque Country, the company leads the infrastructure vertical of the Basque Hydrogen Corridor (BH2C), driving initiatives such as a 2 km hydrogen

pipeline, the first hydroduct built in Spain, and other projects including H2SAREA and, more recently, H2BIDEA and H2EAT. In Asturias, NORTEGAS is currently undergoing permitting procedures for the first section of the hydrogen valley, while in Cantabria, Nortegas is part of the Hydrogen Roundtable, among other related initiatives.

These efforts reflect Nortegas' commitment to innovation and its key role in deploying a hydrogen network that is safe, efficient, and fit for the challenges of the future. As part of this commitment, the company is a member of the board of trustees of the *Energy Intelligence Center (EIC)*, further strengthening its engagement with technological innovation in the energy sector.



- H2SAREA, project which has demonstrated the technical feasibility of injecting up to 20% hydrogen into the distribution network with minimal adaptations. The project has received recognition for Nortegas' capability in addressing hydrogen-related challenges. Its findings, "Integrative assessment of hydrogen-natural gas mixtures in energy grids: an overview of the H2SAREA project experience", have been published in the International Journal of Hydrogen Energy.
- H2INTEGRA focuses on researching solutions to adapt existing infrastructure without compromising the most hydrogen-sensitive end uses.
- H2BIDEA aims to assess the performance of a newly built 100% hydrogen distribution network. This unique infrastructure enables extensive testing to evaluate system responsiveness, reliability, and safety under real operating conditions.
- H2EAT is a research initiative focused on developing innovative technological solutions to reduce the carbon footprint in the production of aluminium components for the automotive sector. As part of this project, a blending trial of up to 30% hydrogen is being conducted at a real industrial facility of a client, with the objective of assessing its technical behaviour in demanding production environments.

In addition, Nortegas has a dedicated team for the development of industrial solutions, supporting clients in the search for **decarbonisation alternatives tailored to their specific needs.**

Thanks to its extensive operational experience and strategic positioning, the company is consolidating its role as a key player in the development of the new infrastructures required for renewable gases, ensuring they are deployed and operated with safety and security of supply at their core.

In line with this commitment, our staff is already undergoing specialised training to adapt all phases of infrastructure development projects to the new safety and technical challenges posed by the new energy vectors.

Complementary services

The replacement of diesel and other fuel-based boilers with natural gas boilers is one of Nortegas’ key tools for contributing to decarbonisation in a pragmatic way, embedded in the daily lives of its customers. This process not only enables a significant reduction in emissions but also improves energy efficiency.

Within the framework of current regulations, which aim to maximise the substitution of fossil fuels with renewable alternatives, a significant opportunity emerges for the use of biomethane instead of natural gas as a decarbonisation solution for communal boiler rooms. These facilities, when renovated, are often hybridised with electric renewable solutions that supply part of the energy. Thanks to the compatibility with existing infrastructure, this combination enables a real and effective energy transition.

Through this initiative, Nortegas provides its customers with an efficient and sustainable solution that not only helps reduce their carbon footprint, but also optimises energy consumption, generates additional savings, and promotes a more efficient, cleaner, and competitive energy model.

In 2024, 38 boiler room leasing operations were carried out, resulting in the avoidance of 2,678 tCO₂ emissions.

Avoided emissions since the start of the boiler replacement activity are shown in the following table.

	2021	2022	2023	2024
Cumulative avoided emissions (tCO2)	759	2,748	5,123	7,801

ENERGETIC AND REGULATORY CONTEXT

Key regulatory progress toward gas system decarbonization

In 2024, the European Union has taken a decisive step in shaping the future energy landscape with the approval of the Gas Package, composed of Directive (EU) 2024/1788 and Regulation (EU) 2024/1789. This reform broadens the internal gas market framework to include renewable gases and hydrogen, laying the foundations for a climate-neutral gas system.

The new framework recognises the role of gas distributors in the energy transition by validating the current gas market as a model to be followed for the development of the hydrogen market. The experience and responsibility of NORTEGAS in the management and operation of infrastructures, as well as our technical capacity, position us to assume this new role without the need for major transformations, using the same structures, regulations, and requirements.

- Allows hydrogen blending in gas networks, with a limit of 2% in cross-border interconnections, leaving Member States to decide their national threshold. In Spain, according to Order TED/181/2025 approving the Technical Management Rules of the Gas System, this threshold has been set at 5%.
- Promotes renewable gases such as biomethane, which is fully compatible with current infrastructures. Member States are encouraged to establish national production and consumption trajectories for biomethane in their energy plans, while economic incentives, such as discounts on injection tariffs, are introduced, and priority grid access is guaranteed for new production plants. These measures recognise their key role in decarbonising current demand, maximising the use of existing infrastructures.



Hydrogen infrastructure regulation

The Gas Package defines and structures the roles of agents in the future renewable hydrogen system and lays the regulatory groundwork for the development of these networks, establishing a regulatory framework parallel to natural gas with common general principles, distinguishing between transmission (connection of major nodes) and distribution (final supply).

The regulation includes:

- Free, regulated, and non-discriminatory access to transmission and distribution networks, with the possibility of a transitional period of negotiated access.
- Regulated operators responsible for the construction and operation of transmission and distribution networks, with differentiated roles: transporters manage the main network, while distributors manage local networks supplying end customers.
- Separation of regulated and unregulated activities to ensure competition.
- Possibility of integrating joint management of natural gas and hydrogen networks within the same legal entity, allowing a single distributor to manage both gases, natural gas and hydrogen, jointly.

The transposition of the Package into national legislation must be completed by August 2026 and will involve a thorough review of the current regulatory framework in Spain. This adaptation will be essential to recognise the value of our infrastructures as a fast, efficient, and scalable solution for decarbonisation, facilitating the integration of biomethane and hydrogen without modifying end-user equipment. Furthermore, **it will position Nortegas as the preferred distributor in the development of 100% hydrogen distribution networks in the territories where NORTEGAS operates**, as the functions currently performed in the gas system will remain essential in the future renewable gases scenario.



OTHER RELEVANT LEGISLATION IN 2024

European:



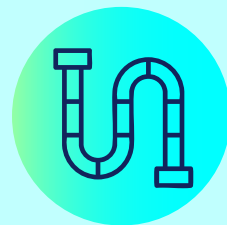
Regulation (EU) 2024/1787 on methane emissions:

Introduces measurement and leak detection obligations for the energy sector, including natural gas distributors.



Energy Efficiency Directive in Buildings:

Establishes that by 2050 all buildings in the EU must be Net Zero. This implies that current boilers will need to be adapted to operate with renewable gases such as biomethane, a model already contemplated by Nortegas in our complementary services.



Net Zero Industry Act:

Aims for 40% of clean technologies to be manufactured in the EU by 2030, boosting hydrogen and biomethane development.

In Spain, key advances have been made to facilitate the integration of renewable gases into the system:



CNMC Resolution of April 19, 2024:

Establishes the procedure for connecting biomethane plants to the grid.



CNMC Resolution of April 4, 2024:

Defines the price for renting smart gas meters. Deployment is expected to conclude in 2025 following the relevant ministerial order.

Nortegas’ strategic and technical preparation

NORTEGAS is prepared to take on our role in the new renewable gas scenario. Our technical experience across **all key gas distributor activities: development, engineering, construction, operation, maintenance, supply registration and measurement:** among others, always **ensuring the safety of installations, people, and supply**, enables us to confidently face the challenges of the transition. Additionally, we are already training our teams in the particularities of hydrogen, adapting procedures and strengthening our response capabilities.

Nortegas considers the hydrogen system a natural evolution of its activity. With a consolidated track record in managing and operating gas distribution networks, the company is prepared to also lead the integration of renewable gases in the new energy model. European regulations not only validate the role of hydrogen distributors but also recognise the continuity between current competencies and those required in the future decarbonised scenario.

DIGITAL TRANSFORMATION

Digital transformation at Nortegas drives operational efficiency and enhances customer relations. The strategy focuses on modernizing the network, automating processes, and optimizing the customer experience, positioning the company as a leader in innovation and energy transition.

Digitalization of customer relationship

In 2024, significant growth is achieved in the digitalization of customer interactions. Customer registrations through the private web area have increased by 23%, while web-based operations have grown by 62%. These advances reflect Nortegas’ commitment to innovation and continuous improvement. The customer service channel through WhatsApp, supported by the conversational assistant, called Norty, developed with artificial intelligence, has already been a considerable success and more and more clients use this channel to report their readings or find answers to their inquiries.

	2022	2023	2024
Web-based operations	11,997	13,827	16,556

Smart meters and digitalization

Smart meters enable precise, remote measurement of gas consumption by transmitting real-time data and eliminating manual readings. This improves energy efficiency, reduces gas bills, and increases safety by quickly detecting incidents.

In 2024, although the ministerial order for its massive deployment is still pending, Nortegas remains committed to their efficient deployment. The provisional pricing for these meters has been published, which is one more necessary step for its final implementation.

Operational efficiency and robotization

In 2024, Nortegas has continued advancing the efficiency of its distribution networks, focusing on safety and the reduction of the environmental impact of its operations.



Mobility applications remain in use to assist in emergencies and facilitate periodic inspections of gas installations, with remote control capabilities. Thanks to the broad adoption of these solutions, the company continues to work on new applications and optimizing existing ones.

Robotization contributes to greater operational efficiency by reducing time and human errors in repetitive tasks. In 2024, 15 processes have been robotized, with improvements also achieved in the accuracy rates of previously implemented processes.

4. Our strategy

SUSTAINABLE VALUE GENERATION

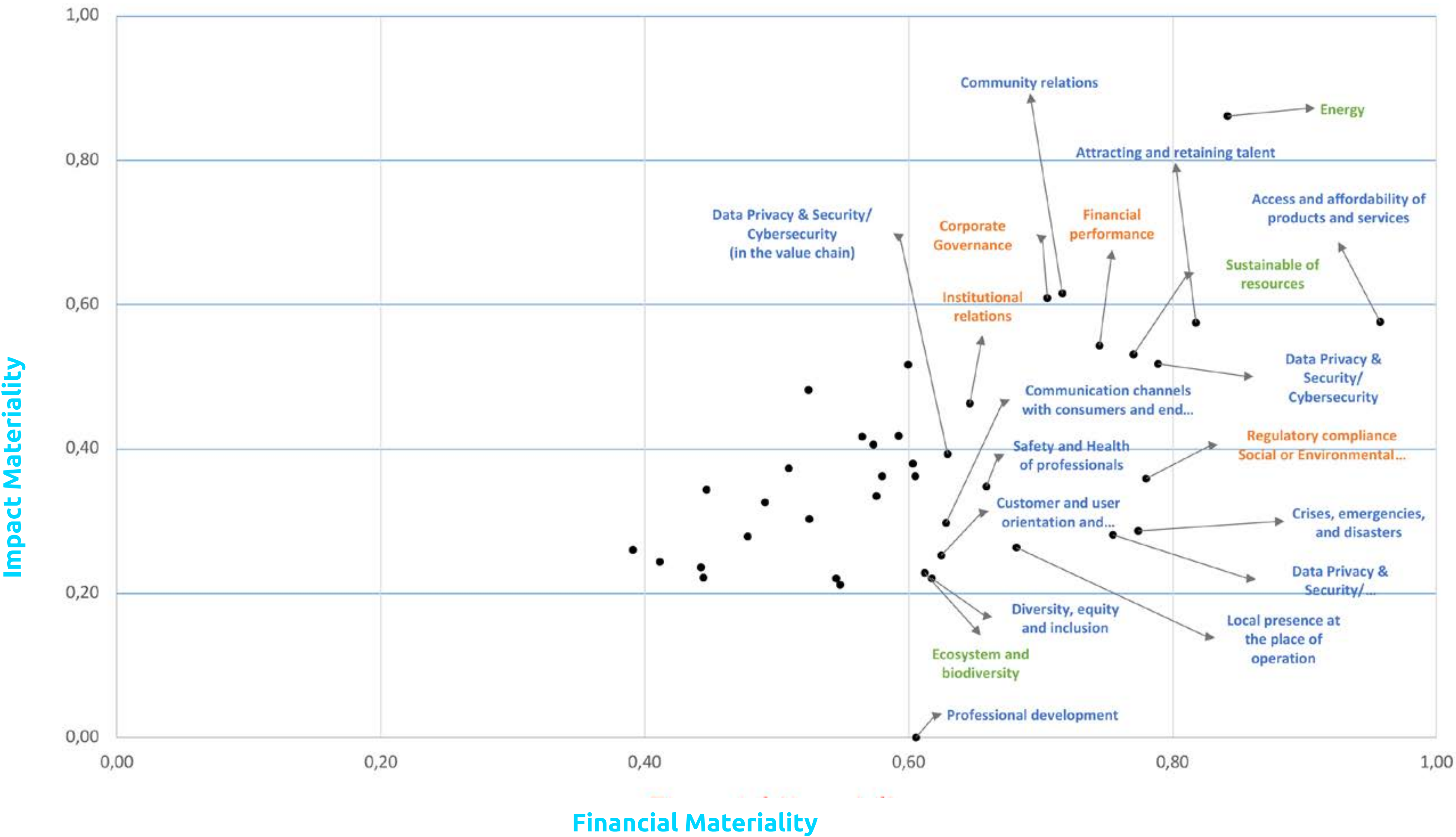
Double materiality

At Nortegas, the principle of double materiality is applied as the foundation to guide our sustainability strategy and prioritize the most relevant issues for the company and its stakeholders. This approach allows us to identify both the significant impacts of our activities on the environment (impact materiality) and the risks and opportunities that ESG factors pose to our business model (financial materiality).

The outcome of this analysis is reflected in the materiality matrix, which visually and hierarchically presents the key topics from both perspectives.

During 2024, an update of the previous year's analysis has been carried out, incorporating an in-depth study of the context in which Nortegas operates, including its critical factors, regulatory environment, value chain, and stakeholder expectations. The methodology followed is detailed in the Annex I included in this report.

This approach contributes to strategic, evidence-based decision-making, aligned with the challenges of the energy sector and consistent with our commitment to responsible, transparent, and long-term oriented management.



Key material issues 2024

These material topics and how we address them within our organization are developed throughout the various sections of this report, providing a comprehensive view of how we align with the SDGs and manage the expectations and needs of our stakeholders. Through our initiatives and commitments, we aim not only to meet global standards but also to advance toward an inclusive, fair, and responsible energy transition.

Energy: Develop energy solutions that support the transition to more sustainable sources. See in chapter 5.1 Climate Change
Biodiversity and Ecosystems: Promote practices that minimize environmental impact and protect ecosystems. See in Chapter 5.2 Biodiversity and ecosystems
Sustainable Use of Resources: Ensure efficient and responsible management of available resources.
Talent Attraction and Retention: Foster an environment where professionals can develop and grow.
Health and Safety of Professionals: Guarantee a safe and healthy work environment.
Diversity, Equity, and Inclusion: Promote equality and inclusion at all organizational levels.
Professional Development: Invest in ongoing training and development of our team.
Data Privacy and Security/Cybersecurity: Protect information throughout our value chain and in interactions with customers.
Local Presence at Operation Sites: Ensure that our activities align with local needs and foster community development.
Crisis, Emergencies, and Disasters: Prepare for and respond effectively to unforeseen situations.
Community Relations: Establish ongoing and constructive dialogue with the communities where we operate.
Communication Channels with Consumers and End Users: Ensure efficient and transparent communication with our clients.
Customer Orientation and Service Quality: Promote customer satisfaction and trust through digital improvement.
Access and Affordability of Products and Services: Ensure that our solutions are accessible and fair for all.
Corporate Governance: Manage the company with transparency, ethics, and responsibility.
Regulatory Compliance (social or environmental legislation): Ensure that our operations comply with current regulations.
Institutional Relations: Collaborate with institutions and key stakeholders in our sector.
Financial Performance: Maintain a sustainable and profitable approach that supports our long-term mission.

Active listening

Nortegas maintains continuous, structured, and cross-cutting dialogue with its stakeholders, understanding that only through relationships based on trust, active listening, and transparency is it possible to progress toward a just, inclusive, and sustainable energy transition. This management is led by the Sustainability area and was strengthened in 2024 with the update of the materiality analysis.



Employees and Senior Management Team:
a safe, inclusive and participative work environment is promoted through surveys, meetings, internal and ongoing training programs, focusing on climate change, digitalization, safety, and compliance.



Customers and final users:
commitment to service quality, Nortegas maintains a close and segmented relationship, promoting innovative solutions based on renewable gases and decarbonization and energy efficiency projects.



Local Communities:
Nortegas prioritizes responsible development, minimizing impacts and generating shared value through dialogue and support to social initiatives, contracting local suppliers, and collaborating with entities such as Zaragoza Firefighters, and the Sueskola Foundation in training and prevention projects.



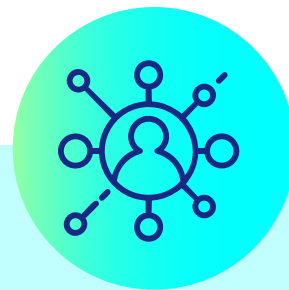
Institutions:
dialogue with Institutions is constant and aimed at contributing to regulatory development and an effective energy transition.



Shareholders:
ensuring clear and regular communication with shareholders, to integrate sustainability into the business model.



Suppliers:
Nortegas promotes responsible contracting, with high technical and environmental standards, and continuous monitoring of safety and sustainability performance.



Marketers:
dialogue with marketers ensures operational efficiency and continuity of service, facilitating the management of network access, resolution of incidents and attention to new users.



Associations:
participation in Sedi-gas, the Basque Country Energy Cluster, the Spanish Biogas Association and the European Clean Hydrogen Alliance enables Nortegas to contribute to technical and regulatory debate, share knowledge and advance the implementation of renewable gases. Nortegas also plays a key role in hydrogen initiatives such as the Basque Hydrogen Corridor (BH2C), the EIC, the Asturian Energy Foundation (FAEN), ReCoDe, and the Cantabria Hydrogen Table.

This approach reinforces the role of Nortegas as a key player in the energy ecosystem.

Contribution to the SDGs



Earth

Emissions Scope 1 + 2: 4,049.6
Emissions Scope 3: 13,376.9
Avoided emissions : 2,675tCO₂
Spaces affecting biodiversity: 0

People

Own workers: 245
Permanent contracts: 100%
Women in leadership positions: 40%
Severe Accidents: 0
Training: 6,169 hours
Workers eq. with disability: 7.76

Society and alliances

Clients satisfaction: 8.5
Social initiatives: 15
Volunteers in social initiatives: 123
Indirect employment: 456
Donations: 10,436€
Ethics channel complaints: 19

Prosperity

Distributed energy: 22,901 GWh
Supply points: 1,074,585
Incomes: €201 M
Network length: 8,551 km
Investments: €21.5M
Renewable gases projects: 3 (H₂)

5. “E” Environmental dimension

22

GHG emissions (tCO₂e)

Scope 1 and 2
4,049.6 tCO₂e

Scope 3 GHG
13,376.9 tCO₂e

Air emissions (kg)

SO_x (1,055 kg)

NO_x (515 kg)

PM 2.5 (18 kg)

Fuel consumption
(MWh)

498

Electricity consumption
(MWh)

482

Natural gas consumption
(MWh)

1,275

Water consumption
(m³)

994

Waste generated
(t)

hazardous (0.5 t)
non-hazardous (5 t)

Waste recovery rate

100%

Biodiversity impact

30 hectares

5. “E” Environmental dimension

CLIMATE CHANGE

In this context, Nortegas reaffirms its commitment to the energy transition and the fight against climate change, by reducing its carbon footprint, promoting renewable gases and improving energy efficiency.

Although emissions are not considered a material aspect in this year, the company continues to consolidate its reduction strategy, focusing on reducing emissions, especially methane leaks, which are the main source in scope 1 and 3. Since 2020, it has intensified leak detection and repair programs, improving efficiency in inspections and reducing environmental impact.

Scope 1 and 2 emissions (2024): 55.9% reduction compared to the 2019 base year.

Thanks to the optimisation of measurement, control and monitoring systems, scope 1 and 2 emissions have been significantly reduced since 2019, exceeding international reduction targets. Nortegas has also refined its scope 3 calculation, expanding its inventory with new categories and improving the accuracy of its measurements. This voluntary calculation has evolved in precision with the incorporation

of new categories, such as teleworking, and the use of more geographically representative emission factors, which explains the increase in emissions recorded in this scope. This reflects a more exhaustive measurement, not an actual increase.

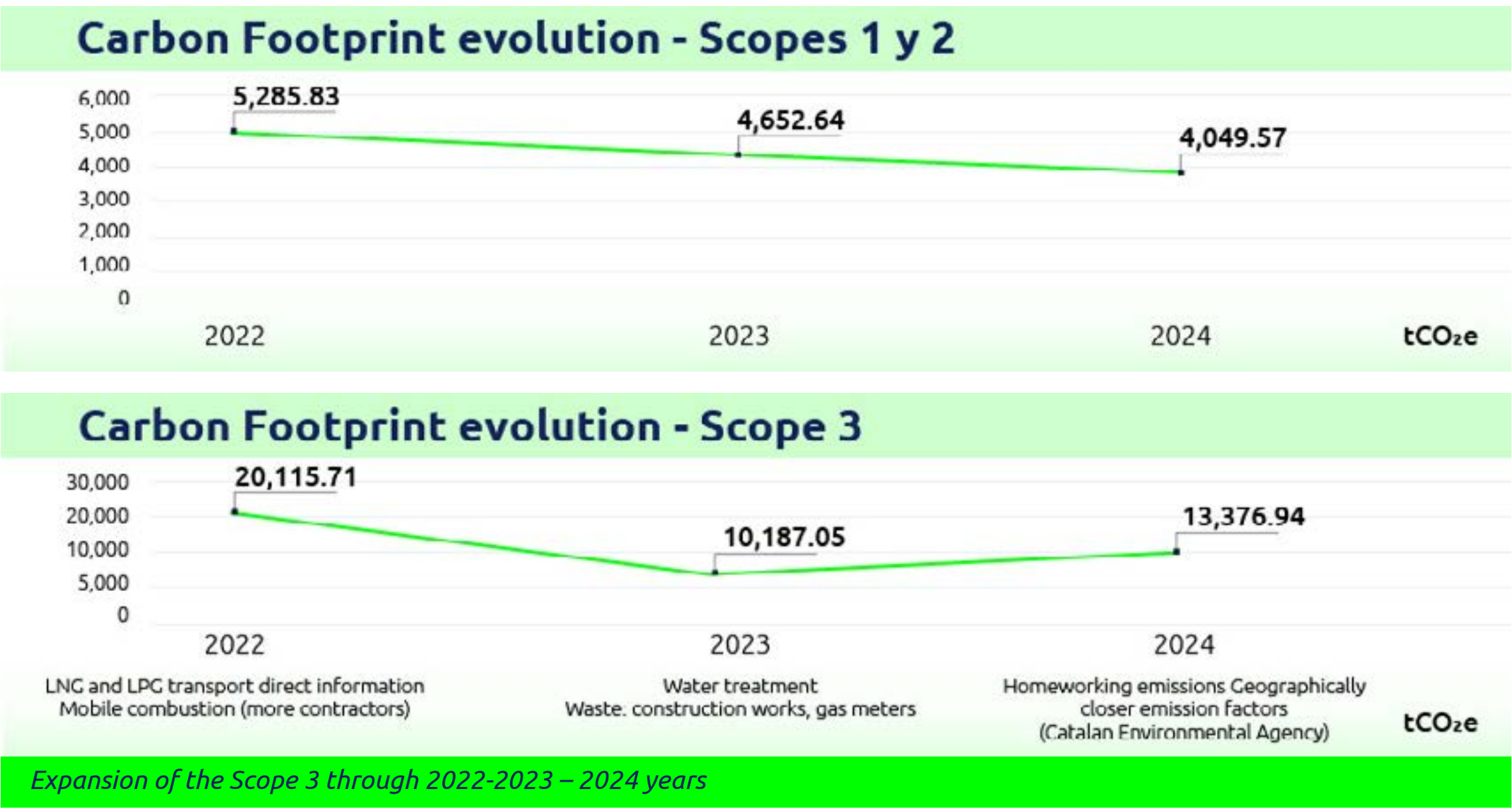
Exceeding scopes 1+2 targets in 2024: reaching a decrease of 45%, well above the initial goal of 29%.

At the same time, the company reinforces its commitment to energy efficiency and adaptation to climate change. In 2018, a study by the Basque Government confirmed the resilience of its infrastructures to extreme weather events, as well as subsequent own studies. Consequently, Nortegas continues to implement its Climate Change Adaptation Plan. In this context, biomethane is consolidated as a key element in its adaptation strategy, contributing to both decarbonisation and energy diversification. The company also maintains a sustainable financing framework aligned with its climate objectives, reaffirming its commitment to the energy transition.

More than 10 categories registered in scope 3, reflecting the accuracy of our emissions inventory.

Española de Cambio Climático) for three consecutive years, guaranteeing transparency in its environmental performance.

Greenhouse Gas Emissions (tCO2e), explaining the categories included in the different scopes



TCFD FRAMEWORK

Since 2021, Nortegas has integrated climate-related risks and opportunities into its corporate strategy, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The company regularly updates these risks and opportunities with a proactive and adaptive approach, focused on the energy transition through renewable gases. This approach guides its R&D and investment strategies in line with long-term decarbonisation goals.



1. Governance

The Board of Directors oversees climate-related risks and opportunities, promoting a strategy focused on the energy transition, renewable gases, and decarbonisation.

2. Management

Climate risk management is integrated across all areas of the company, with oversight and evaluation by the Executive Committee and the Board of Directors.

3. Strategy

Climate risks and opportunities are updated annually, covering short-, medium- and long-term horizons. The process is based on IPCC scenarios² and aligned with both European and national regulations³. The methodology remains consistent, prioritising risks according to asset vulnerability and opportunities by their potential for value creation.

Nortegas, actively committed in the energy transition, is resilient under a net-zero scenario aligned with the Paris

Agreement. This analysis guides the company’s R&D efforts, CAPEX allocation and the development of new business lines. It also strengthens the sustainable finance strategy and supports the setting of emission reduction targets.

4. Risk Management

Once risks and opportunities are identified, Nortegas develops specific action plans to mitigate risks and enhance opportunities. These plans are designed to ensure that measures are both effective and aligned with the company’s strategic objectives. Additionally, indicators and controls are established to monitor progress, enabling timely adjustments as needed.

5. Metrics and Targets

Nortegas defines metrics and targets aimed at ensuring an effective energy transition. These include measurable objectives for emissions reduction and the maximisation of opportunities linked to decarbonisation.

“0 significant environmental impacts or incidents are recorded in projects subject to environmental monitoring in 2024”



BIODIVERSITY AND ECOSYSTEMS

Most of Nortegas’ operations do not impact ecosystems, as distribution pipelines are installed underground, minimizing environmental disruptions. The interventions are mainly carried out in urban areas and only in exceptional cases do they affect protected natural areas. The company complies with the license requirements in the areas of special protection, ensuring the replacement of the vegetation cover and conducting annual monitoring.

Nortegas is committed to conserving biodiversity, adopting a due diligence approach to protect ecosystems and minimize any potential environmental impact in the areas where it operates.

² The risk analysis was based on IPCC scenarios SSP5-8.5 for physical risks, and SSP1-2.6 and SSP2-4.5 for transition risks.
³ Nortegas has used the following regulations and scenarios as the basis for designing its climate-related risks and opportunities: the European Green Deal, Fit for 55, the Spanish National Integrated Energy and Climate Plan (PNIEC), the Climate Change and Energy Transition Law, the EU Emissions Trading System (ETS), the Hydrogen and Biomethane Roadmaps, and RePowerEU, along with historical weather data and the company’s own risk exposure analysis.

DIGITALIZATION OF THE ENVIRONMENTAL MANAGEMENT

Nortegas’ environmental viewer supports the management of its network from the planning phase through to operation, enabling the identification and mitigation of environmental risks.

The environmental viewer is a proprietary tool that maps all the affections across Nortegas’ areas of activity. The company carries out annual assessments of potential impacts

on water, soil, flora, fauna, harmful substance emissions, and noise. Since 2016, it has also conducted voluntary environmental risk assessments at its facilities. In 2024, assessments at the Rmales de la Victoria, Ampuero, and Labastida LNG plants confirmed that no environmental financial guarantees are required.

ENVIRONMENTAL TRAINING AND AWARENESS

In 2024, Nortegas strengthened its internal training program, increasing staff participation in key climate change

topics, with the aim of fostering a culture of awareness and action. New training initiatives are also planned for the coming year.

Nortegas recovers 100% of its waste and promotes biomethane as part of its circular economy strategy.

The company optimises the management of construction waste by reusing excavation materials and prioritizing recovery.

In line with ISO 14001:2015, Nortegas ensures the sustainable use of resources and the minimisation of waste across all its facilities. The Internal Committee

of the Integrated Management System monitors these efforts, ensuring that resource and waste management are aligned with the company’s strategic objectives.

“Over 500 tonnes of waste avoided compared to 2023 (-4.4%)”

Additionally, Nortegas promotes responsible water use, limited to operational centres and without impact on water-stressed areas.

Carbon footprint (18 attendees, volunteer).
Guarantees of origin for renewable gases (21 attendees).
Fundamentals of hydrogen (30 attendees).
Introduction to biogas and biomethane (23 attendees).
Prevention and response to environmental emergencies (planned for 2025).

“Reduction in natural gas and electricity consumption: over 4% and 8%, respectively”

	2022	2023	2024	Variation
Natural gas consumption	1,437	1,332	1,275	-4%
Work-offices	262	219	223	2%
LNG plants	68	71	80	11%
NGV	1,076	1,022	950	-8%
Regulation and Measurement stations (ERM)	31	21	23	9%
Electricity consumption	536	519	482	-8%
Workplaces	420	401	366	-10%
LNG/LPG plants	112	113	112	-1%
Regulation and Measurement stations (ERM)	4	5	5	2%
Fuel consumption	359	562	498	-13%
Total consumption	2,331	2,413	2,256	-7%

“99.5% of electricity consumed by the Nortegas Group is sourced from renewables with guarantees of origin, contributing to the reduction of Scope 2 emissions”

6. “S” Social dimension

Accident Frequency Index	Employees 0	Participation on the cibersecurity training programm	76.21%
	Contractors 0	Training hours per employee	27
Accident Severity Index	Employees 0	Training expenditure/employee (€)	269
	Contractors 0	Absenteeism Rate	5.47%
Emergency Response Time (min)	26'30"	Women in the workforce	44%
TCR Average Time of Disconnection Index	1.39	Women in leadership positions	40%
		Indirect Employment (Contractors FTEs)	456

6. “S” Social dimension

TALENT

The enterprise is committed to talent management that fosters professional development, engagement, and well-being as key elements to building a motivating work environment, environmentally friendly and aligned with the challenges of the energy sector. This vision is implemented through the Human Resources Policy, updated in 2023, which is structured around three axes: attracting and retaining talent, continuous improvement of employee experience and promoting a culture based on care, diversity and participation. This policy applies to all group companies.

Attracting and developing young talent remains a priority. Nortegas actively takes part in job fairs and maintains partnerships with universities, offering internship programs that allow the identification and support of future professionals in the sector. This line is reinforced by the leadership program launched in 2023, focused on defining key profiles to ensure the continuity of internal knowledge and adjusted to the development of new businesses. Additionally, the Next Generation program has fostered the development of high-potential talent, in a context marked by generational change.

“Nortegas growth goes hand in hand with the development of its team”

	2022	2023	2024
Incorporations to the staff	19	17	17
Promoted professionals	6	4	4
Women promoted	2	1	1
Man promoted	4	3	3

6,169 hours of training provided

99% of the workforce has attended the training

Average training time by gender

23.07 hours for men
28.33 hours for women



In 2024, the training plan covered technical areas, personal skills, leadership and corporate training, with a special focus on safety and digitalization. Beyond training, Nortegas integrates talent management into a continuous accompaniment approach throughout the entire professional career of its team.

The rate of unwanted turnover stands at 1.78% in 2024, a figure that, although slightly higher than in previous years, reflects good organizational stability, in an environment of transformation and change for the sector. At the same time, the company has reinforced direct listening channels, with regular meetings, internal forums and fluid communication on relevant milestones. In addition, new short surveys are being developed on aspects such as internal communication or organizational changes, which are expected to be implemented in 2025.

Number of professionals by gender and professional category



	2022			2023			2024		
Professional Category	Men	Women	Total	Men	Women	Total	Men	Women	Total
Operational technician	15	20	35	15	20	35	12	18	30
Support technician	21	12	33	22	12	34	21	12	33
Senior technician	54	24	78	64	27	91	48	37	85
Manager	18	19	21	23	21	44	23	22	45
Department head	8	11	19	12	10	22	15	13	28
Director	18	7	25	18	8	26	17	7	24
Total	134	93	227	152	100	252	136	109	245

In the field of work-life balance and well-being, Nortegas has continued to foster measures that allow a healthy balance between personal and professional life. The enterprise has a teleworking model structured within the Smartworking approach, extended paid leave, and co-financing of private health insurance. Furthermore, the workspaces are designed to offer comfortable conditions, with periodic control of lighting, temperature and humidity, in accordance with current regulations. Awareness-raising actions on mental health and digital disconnection have also been reinforced, through greater dissemination of the current corporate protocol.

Nortegas maintains a firm commitment to diversity, equal opportunities and inclusion, which are integrated into its Human Resources policy, Code of Ethics and collective agreement. This cross-cutting strategy incorporates gender

	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Professionals entitled to maternity and paternity leave	2	0	2	0	1	1
Professionals who took maternity and parental leave	2	0	2	0	1	1
Professionals who returned to work after leave	2	0	2	0	1	1
Professionals who returned and continued working a year later	2	0	2	0	1	1
Return-to-work rates, and retention of professionals who took leave (%)	100	100	100	100	100	100

perspective and non-discrimination in the processes of selection, promotion and professional development, seeking not only to comply with regulatory standards, but also to move towards a more plural, innovative and sustainable organization.

In this sense, attention to the LGBTQIA+ collective is being reinforced, withing the framework of the new Equality Plan with a horizon of 2028.

This comprehensive approach to talent management allows Nortegas to move forward towards an organization prepared to face the challenges of the energy future, putting the experience and commitment of its human team to good use.

HEALTH AND SAFETY AT WORK

“An unsafe job is a job poorly done.”

Nortegas maintains a firm commitment to the occupational health and safety of employees and collaborators backed by an Integrated Management System certified according to ISO 45001:2018, which allows risks to be evaluated and updated as processes and businesses evolve.

Zero work accidents with sick leave in 2024, both in its own workforce and in contractor companies.

During 2024, prevention measures have been reinforced with the implementation of actions derived from the 2023 psychosocial risk assessment and the identification of new hazards linked to hydrogen and biomethane. Progress has been made in the digitalization of processes, improving the management of personal protective equipment (PPE).

The company’s safety culture is promoted through awareness campaigns, departmental meetings, direct consultations with staff and tools such as the safety minute.

1 on-the-job accident with a layoff and 2 off-the-job accidents among company employees.

The program “Nortegas Saludable” promotes well-being through workshops on nutrition, conflict management and healthy habits. Additionally, annual vaccination campaigns and other health promotion activities are carried out, ba-

sed on gender, such as providing the possibility of a gynecological examination or a prostate cancer detection program.

83% of the workforce participated in the voluntary annual medical examination.

Compulsory training in 2024 has responded to four criteria: current regulations, dangerous tasks, emergency management and new risks. The collaboration with the Zaragoza firefighters to train in good practices with hydrogen stands out, anticipating the risks arising from these new lines of activity.

	2024
Preventive safety observations	194
Safety inspections	19
Incidents	11
Accidents	3
Risk Communications	4
Total communications received	231

In 2024, sessions on first aid, emergency action and defibrillator use have been given.

Occupational health and safety are managed at different levels within the company: the Safety and Health Committee, which meets quarterly; the Internal Committees of the Integrated Management System, which addresses strategic; and the HSE Committee, at the Board level, which closely monitors the evolution of indicators, incidents and training.

In addition to this, variable compensation for part of the workforce is tied to the achievement of safety, health and the environment goals, in line with the ESG criteria of Nortegas sustainable financing framework.

6. “S” Social dimension

HEALTH AND SAFETY IN THE SUPPLY CHAIN

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The commitment to safety and health extends to the entire value chain, ensuring that contractor companies operate under safe conditions and in line with Nortegas preventive principles. In addition to compliance with the Coordination of Business Activities, direct on-site supervision is carried out and the reporting of unsafe conditions is encouraged, allowing for early intervention.

“64 preventive observations made to contractors on site in 2024”

Supply chain management is part of the Integrated Management System certified under ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015, and is coordinated from the procurement area with a technical and ESG approach, according to the General Terms and Conditions of Contract. The processes follow ethical and legal criteria, in accordance with the Code of Ethics and the Purchasing Manual, with rigorous

validation that, if necessary, involves the legal area.

Nortegas has an internal tool to monitor the preventive compliance of contractors, including training and use of PPE. In the event of incidents, it actively collaborates with its prevention services to investigate causes and apply corrective measures. In addition, regular meetings are held to share lessons learned and strengthen coordination.

Although specific certification is not required for procurement, an ESG assessment is carried out using external tools adapted to the risk of each activity, influencing the award of contracts for critical services.

Safety of users and local communities

Nortegas extends its commitment to safety to the social environment, collaborating with the Sueskola Foundation in the training of new firefighters on gas installations and emergencies, and with plans to carry



out joint drills in 2025.

This year, 100% of the planned infrastructures have been inspected and active surveillance of the network was maintained, along with emergency plans for the protection of facilities and periodic maintenance to ensure an effective response to incidents.

Nortegas actively collaborates in working forums in the different territories in which operates to establish mechanisms for action in the face of adverse weather phenomena and industrial safety, promoting the exchange of good practices in terms of safety and resilience.

6. “S” Social dimension

SOCIAL ACTION

Nortegas promotes its social action through the corporate volunteer program “**ImplicAcción**”, which focuses on supporting vulnerable groups, employability and educational development. In 2024, the project *Your Story Really Matters* began in collaboration with the Lo Que de Verdad Importa foundation, where the volunteer workforce of Nortegas will accompany senior people to collect and write their life stories.

Additionally, we maintain an active commitment to society through social action initiatives, promoting projects that generate a positive impact on our communities.

In 2024, the involvement of 123 volunteers, including family and friends of the workforce, has made it possible to develop 15 initiatives with a direct impact on more than 300 people. This year’s highlights include:

- Txikileku, care of minors for mothers without resources
- Repair of Caritas centre
- Tree planting in Urdaibai
- SDG to School, presentation of the sustainable development goals in schools by Nortegas volunteers
- Solidarity children’s drawing contest
- Project, your cause
- Solidarity toy
- Wop Race against neurodegenerative diseases

In addition to promoting external social commitment, Nortegas is firmly committed to a diverse and inclusive internal culture through training actions such as Cultural Awareness: How to develop your cultural awareness and sensitivity, and training pills on cultural diversity, inclusive language and LGBTQIA+ rights.

In 2024, more than 190 people participated in awareness-

raising sessions, dedicating a total of 280 hours of training.

In the area of job placement, collaboration with the Itaka Escolapios Foundation has continued to train young migrants in vulnerable situations, some of whom have obtained technical certifications that facilitate their access to the job market through the sector’s employer, Sedigas.

This work is reinforced by Nortegas commitment to local employment, through the hiring of professionals from the area, regional contracting companies, as well as its contribution to the economy through the payment of taxes, purchases of goods and services and continued support to non-profit social entities.

	2024
Donations from Nortegas €	10,436
Donations from Nortegas professionals to company initiatives	1,230



6. “S” Social dimension

RESPONSIBLE TAXATION

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Nortegas maintains a firm commitment to responsible taxation, based on strict compliance with regulations, transparency and collaboration with the authorities. The company continuously evaluates tax risks and opportunities, consistently applying the incentives available in the Basque Country, especially for R&D activities and cultural projects, in accordance with the legal framework and in line with industry practices.

This approach allows Nortegas to contribute directly and indirectly to the tax system, reinforcing its role as an economic and social engine in the territories where it operates.

The company does not make any political contributions of any kind, and its participation is limited to non-political sector associations, such as Sedigas. Decisions on partnerships and sponsorships, such as support for the local rowing team, Kaiku, are reviewed periodically by the CEO and relevant managers, based on criteria of transparency and within the procurement process.



7. “G” Governance

GOVERNANCE MODEL

Nortegas’ governance model is based on the principles of ethics, responsibility, and transparency, ensuring robust management aligned with best practices. The company has a Code of Ethics that reflects its commitment to the highest ethical standards and compliance with applicable legislation. It is the responsibility of all employees to understand, comply with, and support the implementation of the Code, which reinforces the integrity of the company. These commitments are also extended to its suppliers through specific contractual obligations included in its general contracting terms.

BOARD OF DIRECTORS COMPOSITION

Director	2024	
	Category	Role
Iñaki Alzaga	Independent	Non-Executive Chairman
Francisco Javier Contreras	Executive	Chief Executive Officer (CEO)
Susan Cooklin	Dominical (IIF)	Member
Gloria Hernández	Independent	Member
Mark Mathieson	Dominical (IIF)	Member
Adolfo Pardo de Santayana	Dominical (Swiss Life)	Member
Sneha Sinha	Dominical (IIF)	Member

During the reporting period, Francisco Javier Contreras served as Chief Executive Officer of Nortegas. However, on January 1, 2025, he was replaced by Juan Villar.

AUDIT COMMITTEE COMPOSITION

Director	2024	
	Category	Role
Gloria Hernández	Independent	Chair
Adolfo Pardo de Santayana	Dominical (Swiss Life)	Member
Sneha Sinha	Dominical (IIF)	Member



HEALTH, SAFETY AND ENVIRONMENT COMMITTEE COMPOSITION

Director	2024	
	Category	Role
Mark Mathieson	Dominical (IIF)	Chairman
Adolfo Pardo de Santayana	Dominical (Swiss Life)	Member
Sneha Sinha	Dominical (IIF)	Member

EXECUTIVE COMMITTEE

Member	2024	
	Position	
Francisco Javier Contreras	Chief Executive Officer (CEO)	
Mikel Belaustegui	Digital Transformation Director	
Asier Fernández	Chief Financial and Investment Officer	
Izaskun Gorostiaga	Chief Strategy and Sustainability Officer	
Aida Heras	Gas Distribution Operations Director	
Javier Inunciaga	Human Resources Director	
Alvaro Marcé	Gas Distribution Development Director	
Estíbaliz Pérez	General Counsel	
Felipe Requejo	Managing Director of Biomethane	
Juan Villar	Deputy to the CEO	

RISK MANAGEMENT

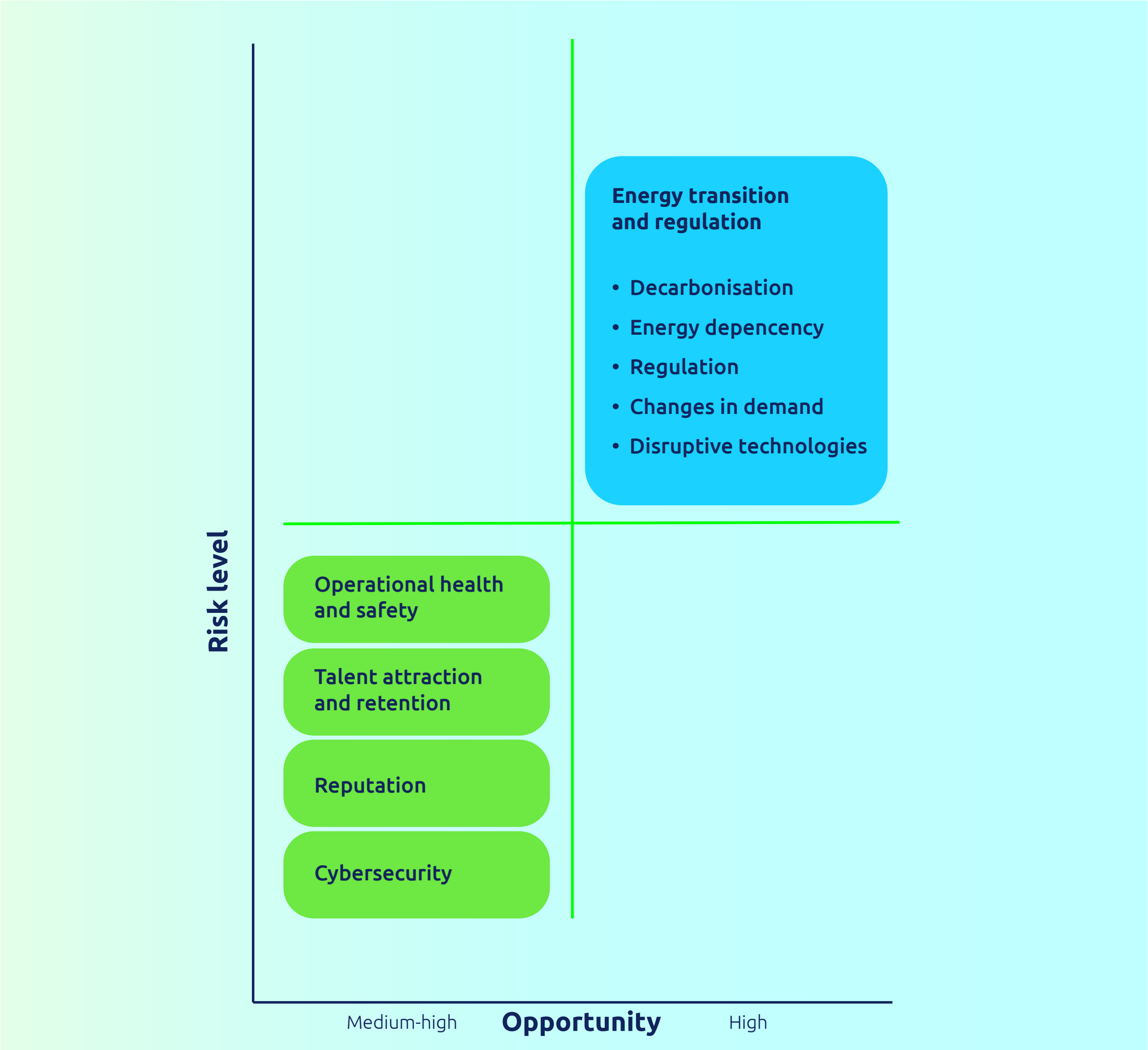
Nortegas’ Risk Management System is aligned with UNE-EN ISO 73:2010, ISO 31000:2018 and UNE-EN 31010 standards, enabling the identification, assessment, evaluation, and monitoring of risks included in its risk matrix. This matrix covers ESG-related and financial risks, among others. Under the oversight of the Executive Committee, a risk catalogue has been consolidated to cover nearly all material issues relevant to the company.

Risks are classified into five main categories: strategic, operational, financial, regulatory/legal, and ESG/reputational. For efficiency, they are grouped into three areas: corporate (cross-cutting risks), regulated business, and biomethane business. These are consolidated in a global risk matrix offering a comprehensive view of the company’s risk profile.

Assessment combines quantitative (using specific impact and likelihood scales) and qualitative (based on technical expertise) approaches. In 2024, Nortegas has simplified and standardized these scales to facilitate prioritization and decision-making. Each risk is linked to specific key indicators and controls to ensure continuous monitoring and operational oversight.

The risk matrix is reviewed semi-annually, updating risk assessments and identifying mitigation actions for the most relevant risks. Review results are presented to the Audit Committee and Board of Directors, ensuring effective and cross-functional supervision.

This structured approach integrates risk management into strategic processes, strengthening the company’s ability to anticipate and respond to potential impacts.





CYBERSECURITY AND INFORMATION PROTECTION

CIBERSECURITY

As digitalisation of operations advances, cybersecurity becomes ever more critical for Nortegas due to the need to protect its systems from threats. The company conducts annual risk assessments and maintains an incident response plan including specific protocols and regular drills to improve its effectiveness.

Cybersecurity governance is led by the CISO and the Cybersecurity Committee, responsible for implementing initiatives and reporting to the Board. The Cybersecurity Policy outlines key information security guidelines. Annual audits and penetration tests are conducted to verify the system's robustness.

Nortegas also runs a cybersecurity training program, which includes in-person crisis management workshops, phishing simulations, and automated tests, strengthening employee awareness and capability in this area.

DATA PROTECTION

Compliance with the GDPR is achieved through a Data Protection Policy approved by the Board. A culture of data protection is fostered through ongoing training and regular internal and external audits.

The rights of data subjects under GDPR, such as access, rectification, erasure, and data portability, are managed through two dedicated internal email inboxes, overseen by the Data Protection Officer (DPO). The DPO works closely with the Customer Relations Department to ensure timely and compliant responses. If requests are received via other channels, the DPO ensures proper handling.

8. Financial results

SUSTAINABLE FINANCING FRAMEWORK

Dimension	Description	Target	Achievement
E (Environmental)	Absolute reduction in Scope 1+2 emissions compared to the 2018–2020 average.	2024: 4,695 (5% annual reduction, 29% aggregate reduction)	Year 2024: 45% aggregate reduction
S (Social)	Excellence in Safety and health through the Combined Frequency and Severity Index (CFSI)	Three-year average ICFS below the three-year average ICFS of a range of industry peers.	Fulfilled
G (Governance)	ESG training for company management	ESG training rate for Nortegas management of at least 95% in 2022 and 100% from 2023 onwards.	Year 2024: 100%

Despite a few years with a complex social, geopolitical and market context, the financial results of 2024 reflect the resilience of NORTEGAS’s strategy and business model.

The company’s firm commitment to renewable gases and digitalisation continues to shape its strategic roadmap, with the aim of consolidating its role as a key player in the energy transition. Thanks to efficient management and a prudent financial policy, Nortegas has preserved its operating margin while staying true to the principles of sustainability and responsibility that support its operations.

SUSTAINABLE FINANCING

Aligned with this vision, Nortegas has integrated sustainability into its financial strategy through its Sustainable Financing Plan, in line with ESG objectives.

In 2021, the company secured a €10 million sustainability-linked loan for its subsidiary, Nortegas Green Energy Solutions, which was extended in 2024. That same year, Nortegas Energía Grupo S.L.U. converted its Revolving Credit Facility into a sustainable facility, further reinforcing its climate commitment

and ensuring that its financial strategy reflects its sustainability goals.

The year 2024 marks the conclusion of the current Sustainable Financing Framework, opening the way for a new framework to be implemented from 2025 onwards.

Nortegas’ performance against these metrics influences the cost of its sustainable financing, closely aligning its financial and sustainability targets. These sustainability indicators are verified by an independent third party.

INCOME STATEMENT

The financial information presented in this chapter corresponds to the consolidated accounts of NORTEGAS ENERGÍA DISTRIBUCIÓN, S.A.U.

During the year, energy demand experienced a gradual recovery, with a rebound in domestic consumption compared to 2023 and continued growth in new connection points. This positive trend, combined with strict cost control, efficiency measures, and a focus on digitalisation, enabled the company to maintain a solid recurring EBITDA margin of 72%. Net profit totalled €34 million. Debt remained stable, in line with the financial policy focused on maintaining investment-grade credit ratings.

This financial strength is essential to support the investments required to execute the long-term strategy, particularly the deployment of biomethane and hydrogen infrastructure.

SUMMARY OF THE PROFIT AND LOSS ACCOUNT (M€)

	2022	2023	2024
Ordinary income	215	201	198
Supplies	-26	-23	-22
Self-constructed assets	7	7	7
Operating expenses	-41	-37	-40
EBITDA	155	148	142
Margin	72%	74%	72%
Amortisation expenses	-84	-84	-84
Operating income	70	64	58
Margin	33%	32%	29%
Net financial expenses	-19	-17	-16
Profit before tax	52	47	42
Income tax	-11	-9	-8
Result for the period	40	38	34

SUMMARY OF THE PROFIT AND LOSS ACCOUNT (M€)

ORDINARY INCOME	M€	Var. %	
2022	215		
2023	201	-6.5%	
2024	198	-1.5%	
EBITDA (MARGIN)	M€	Var. %	EBITDA (Margin)
2022	155		
2023	148	-4.6%	+ 1.9%
2024	142	-4.0%	- 1.9%

8. Financial results

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BALANCE SHEET (M€)

	2022	2023	2024
Tangible fixed assets	918	884	847
Goodwill	46	46	46
Intangible Assets	1,397	1,370	1,344
Right-of-use assets	1	1	1
Other non- current financial assets	1	1	1
Deferred tax assets	0	0	0
Total non-current assets	2,364	2,303	2,240
Other current assets	41	42	34
Cash and cash equivalents	39	68	107
Total current assets	79	110	141
Total assets	2,443	2,413	2,381
Total net worth	992	965	933
Bonds and other financial liabilities	1,121	1,122	1,122
Leasing	1	1	1
Other non- current financial liabilities	2	1	1
Other non-current liabilities	18	22	26
Deferred tax liabilities	265	263	260
Total non-current liabilities	1,407	1,409	1,410
Current financial liabilities	8	8	8
Leasing	0	0	0
Debt to Group and associated companies	6	15	13
Other current liabilities	30	16	17
Total current liabilities	44	39	38
Total of Liabilities and Net worth	2,443	2,413	2,381

BALANCE SHEET

The company continues to demonstrate a robust and well-balanced financial position, with total assets amounting to €2,381 million and equity of €933 million. Its financial policy remains firmly focused on maintaining investment-grade credit rating.

CASH FLOW STATEMENT

In 2024, Nortegas delivered strong and sustainable cash flow, generating €121 million in net cash (calculated as EBITDA minus investments), with a high cash conversion ratio of 85.21%, thanks to efficient payment management and investment policy focused on network maintenance, IT system upgrades, and the expansion of supply points, anticipating the future needs of the energy system, and fixed-rate debt providing visibility of interest payments and insulating from the volatility of financial markets in recent years.

FINANCIAL STRUCTURE, LIQUIDITY POLICY AND RATING FEEDBACK

The year closed with more than €107 million in cash, strengthening liquidity and reinforcing the company’s ability to undertake future investments. Nortegas maintained its debt structure with no significant changes, continuing its financial strategy aimed at preserving its investment-grade credit rating and ensuring the long-term sustainability of its shareholder-driven model.

CASH FLOW SUMMARY (M€)

	2022	2023	2024
Recurring EBITDA	155	148	142
Payment of taxes on profits	-15	-12	-11
Changes in current assets and liabilities and others	-10	-11	6
Investments	-28	-23	-22
Interest payments	-18	-16	-15
Cash flow from operating and investing activities	83	86	101
Net cash generation (EBITDA - investments)	127	125	121
Cash conversion	82.00%	84.70%	85.21%

LIQUIDITY POSITION 2024

	2024		
Instrument	Available (M€)	Drawn (M€)	coupon
Bond 2027		575	2.065%
Bond 2031		550	0.905%
Sustainable Credit Facility	120		Eur+0.75%
On-balance sheet cash	107		
Total	227	1,125	

KEY FIGURES OF 31 DECEMBER 2024

	2024
Net debt	€1,039 billion
S&P credit rating	BBB- with negative outlook (revised March 2025)
Available liquidity	€227 million
Average cost of debt	1.30%

9. Annex

9. ANNEX I: ABOUT THIS REPORT

Reference indexes

The information presented includes all companies within Nortegas Energía Grupo, S.L.U., except where otherwise indicated, and refers to the period from January 1, 2024 to December 31, 2024.

This report has been prepared in accordance with the following standards:

- The Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).
- GRI Standards, in accordance with the topics identified as material by Nortegas.
- The current version of the European Sustainability Reporting Standards (ESRS), adopted by the European Commission under the CSRD Directive through Delegated Regulation (EU) 2023/2772, in force since January 1, 2024, as well as the methodological guidelines published by EFRAG. These documents have been used as a reference, in an aligned and proportional manner, for the preparation of this report.

Double materiality assessment process

Nortegas has developed its double materiality analysis following a structured, rigorous methodology aligned with international standards and industry best practices. The results are presented in Chapter X of this Report. The process was divided into four phases:

PHASE 1. Analysis of the organization's context and its stakeholders

This phase involved analyzing internal and external sources to gain a detailed understanding of the products and services offered by the organization, the characteristics of the sector in which it operates, identifying its value chain and key third-party relationships, as well as the applicable sustainability regulatory environment. As a result, a list of potentially relevant topics was developed.

PHASE 2. Identification of actual and potential Impacts, Risks, and Opportunities (IROs).

Based on this list, impacts, risks, and opportunities were identified and classified as actual or potential, positive or negative, from both an impact and financial perspective.

Key figures: sources consulted for Phases 1 and 2:

- Internal: annual reports, internal policies and procedures.
- External: applicable regulations (CSRD, CSDDD, Transparency Law), sector-specific standards for "Gas Companies & Distributors," "Biofuels," and "Advertising & Marketing" (SASB) and GRI, ESG analysts and investors (SAM - S&P, GRESB, Swiss Life, and IIF), competitors, press.
- Value chain: internal areas and departments, annual reports.

PHASE 3. Evaluation of IROs and determination of material matters

IROs were evaluated according to EFRAG guidelines through stakeholder consultations, using different methods depending on the profile (executives, employees, contractors, suppliers, consumers, users, and shareholders).

PHASE 4. Consolidation of information and definition of the reporting scope

All information gathered from stakeholder evaluations and internal and external sources was consolidated to define the final list of material topics and IROs that make up Nortegas's reporting scope in accordance with the ESRS standards derived from the CSRD.

This process culminates in the materiality matrix, which reflects stakeholder priorities and enables clear, comparable, and continuously improving accountability.

- **CAE:** Coordination of Business Activities.
- **CAPEX:** Capital Expenditure.
- **CGC:** General Contracting Conditions.
- **CISO:** Chief Information Security Officer.
- **CSRD:** Corporate Sustainability Reporting Directive.
- **CSDDD:** Corporate Sustainability Due Diligence Directive.
- **CNMC:** National Commission on Markets and Competition.
- **DPO:** Data Protection Officer.
- **EBA:** European Biogas Association.
- **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization.
- **EFRAG:** European Financial Reporting Advisory Group.
- **PPE:** Personal Protective Equipment.
- **ERM:** Regulation and Metering Stations.
- **ESG:** Environmental, Social, and Governance.
- **ESRS:** European Sustainability Reporting Standards.
- **Fit for 55:** EU legislative package aiming to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.
- **FTEs:** Full-Time Equivalents.
- **Gas Package:** EU legislative proposals to regulate the natural gas and renewable gases market, including hydrogen, to promote cleaner and safer energy.
- **LPG:** Liquefied Petroleum Gas.
- **LNG:** Liquefied Natural Gas.
- **Greenfield:** Investment or construction project started from scratch.
- **GRESB:** Global Real Estate Sustainability Benchmark.
- **GRI:** Global Reporting Initiative.
- **GWh:** Gigawatt-hour.
- **Ha:** Hectare(s).
- **Hard to abate:** Industrial sectors or processes that are difficult to decarbonize due to high emissions and lack of viable alternative technologies.
- **IIRC:** International Integrated Reporting Council.
- **R&D&I:** Research, Development, and Innovation.
- **IPCC:** Intergovernmental Panel on Climate Change.
- **IROs:** Impacts, Risks, and Opportunities.
- **ISO:** International Organization for Standardization.
- **IT:** Information Technology.
- **Frequency Index:** Number of lost-time accidents / total hours worked.
- **Severity Index:** Number of lost days / hours worked * 1,000.
- **Kg:** Kilogram(s).
- **Km:** Kilometer(s).
- **Transparency Law:** Law 19/2013, of December 9, on transparency, access to public information, and good governance.
- **NEIS:** European Sustainability Information Standards.
- **NOx:** Nitrogen Oxides.
- **MWh:** Megawatt-hour.
- **M³:** Cubic meter.
- **Phishing:** Cyber fraud technique involving impersonation of a trusted entity to deceive and obtain confidential information.
- **PNIEC:** National Integrated Energy and Climate Plan.
- **PM 2.5:** Particulate matter with a diameter of less than 2.5 micrometers, which can penetrate deep into the lungs and cause serious health effects.
- **C&D Waste:** Construction and Demolition Waste.
- **RePowerEU:** European Commission joint action plan for more affordable, secure, and sustainable energy.
- **GDPR: General** Data Protection Regulation.
- **S&P:** Standard & Poor's.
- **SDG:** Sustainable Development Goals.
- **SASB:** Sustainability Accounting Standards Board.
- **SOx:** Sulfur Oxides.
- **TCR:** Service quality indicator, calculated as: duration of supply interruption * number of affected supply points / total number of supply points.
- **TCFD:** Task Force on Climate-related Financial Disclosures.
- **t:** Ton(s).
- **tCO₂:** Tons of CO₂.
- **tCO₂e:** Tons of CO₂ equivalent.
- **TWh:** Terawatt-hour.
- **EU:** European Union.

9. ANNEX II: CONTRIBUTION TO THE SOCIETY

BASQUE COUNTRY

Taxes paid 2024 (Basque country)	Thousands of €
Provincial Council of Bizkaia	2,647
Provincial Council of Gipuzkoa	176
Provincial Council of Araba	44

Taxes paid to City halls in 2024 (Basque Country)	Thousands of €
Bizkaia City Halls	920
Gipuzkoa City Halls	558
Araba/Álava City Halls	304
Direct employment	172
Indirect employment	243

Clients	Basque Country
Natural gas	568,770
LPG	36,640
TOTAL	605,410

KM network	Bizkaia	Gipuzkoa	Araba/Álava
4,443	1,991	1,603	959

Investment Network 2024	€8.8M
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CANTABRIA

Taxes paid in the Ministry of Finances 2024	Thousands of €
TAX AGENCY	100
Taxes paid to City halls in 2024	Thousands of €
Cantabria City Halls	558
Direct employment	16
Indirect employment	79

Clients	Cantabria
Natural gas	188,126
LPG	33,721
TOTAL	221,847
KM network	1,907
Investment Network 2024	€1.3M

ASTURIAS

Taxes paid in the Ministry of Finances 2024	Thousands of €
TAX AGENCY	110
Taxes paid to City halls in 2024	Thousands of €
Asturias City Halls	342
Direct employment	52
Indirect employment	100

Clients	Asturias
Natural gas	228,610
LPG	18,337
TOTAL	246,947
KM network	2,112
Investment Network 2024	€6.4M

OTHER TERRITORIES

Direct employment	5
Indirect employment	34

Clients	Castilla y León
Natural Gas	0
LPG	381
TOTAL	381

KM network (Castilla y León)	7
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