ready to continue growing
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We are Gas Natural Fenosa. What would you like to know?
Gas Natural Fenosa is listed on all four Spanish stock exchanges by means of the continuous market, and forms part of the Ibex 35 index, where it has close to 73,000 investors.
Gas Natural Fenosa

We are a leading multinational group in the energy sector and a pioneer in gas and electricity integration. We operate in over 30 countries, offering services to over 23 million customers across five continents. Our installed power amounts to 14.8 GW and we offer a diversified mix of electrical generation.

We strive to discover and satisfy our customers’ needs, providing them with the best products and services. Our main goal is to supply society with energy so it can increase its levels of development and well-being, building on our cornerstones of innovation, energy efficiency and sustainability. These are our hallmarks, and with which we have become:

- The first and largest integrated gas and electricity company in Spain and Latin America.
- The third largest utilities company in the Iberian Peninsula.
- Leader in gas commercialization in the Iberian Peninsula.
- Leading natural gas distribution group in Latin America.
- One of the leading liquefied natural gas operators worldwide and a key operator in the Atlantic and Mediterranean Basins.
What do you do in Gas Natural Fenosa?

We supply energy to so many people that if you put them in a line they would stretch from Spain to Japan and back.

Gas Natural Fenosa provides over 23 million customers with gas and electricity.
Our company’s business is based on the regulated and liberalised gas and electricity markets, with the contribution from our international business growing day by day. We operate in the following core areas:

- Gas supply and transportation.
- Distribution.
- Electricity generation.
- Commercialization.
- Trading.

Gas supply and transportation

The essential aim of our gas supply and transportation business is to guarantee supply to all our customers. For this purpose, we have a diversified natural gas and liquefied natural gas portfolio, amounting to approximately 30 bcm.

We operate gas exploration projects in Spain and Africa, and storage projects in Spain, and we also operate a peak shaving plant in Argentina to cope with supply requirements there in periods of peak demand.

Currently, we directly or indirectly employ a fleet of new methane tankers for the transportation of liquefied natural gas worldwide. We manage the Moroccan stretch of the Maghreb-Europe pipeline, which connects the Algerian gas fields of Hassi’R Mel with the Iberian mainland, and we have 15% transportation capacity of the Medgaz gas pipeline.

We have a stake in three regasification plants in Spain and Puerto Rico, and a project to build a plant in Italy. We also have interests in two liquefaction plants in Egypt and Oman.
Gas and electricity distribution

Our distribution business is focused on serving all our customers in the different market segments: residential, commercial and industrial. In this field, our main goals are to extend our gas and electricity networks, and to develop existing infrastructures. We want all our current and future customers to be able to enjoy a quality uninterrupted service that meets their needs.
ready to continue growing _ who we are and what we do

Gas
We are leaders in the Spanish distribution market, bringing natural gas to over 5 million customers spread across more than a thousand municipalities in nine autonomous regions.

Our second most important market in Europe is Italy, where we have over 450,000 customers in approximately 200 municipalities in the central and southern regions.

Across the Atlantic, we are the leading natural gas distributor in Latin America. We operate in Argentina, Brazil, Chile, Colombia, Mexico and Peru, where we have over 7 million customers.

Electricity
Electricity distribution in Europe is focused on Spain and Moldova. We are the third-ranking Spanish operator, with around 4 million customers. In Moldova, we supply over 840,000 customers in the capital and in different areas of central and southern regions of the country.

We also operate in Latin America, serving over 5.9 million customers in Argentina, Chile, Colombia and Panama.
Electricity generation

The priority we have for our electricity generation business is that our technology mix is balanced, competitive and environmentally-friendly. To this end we boast 14.8 GW of installed power in combined-cycle power plants, nuclear power stations, coal-fired plants, fuel oil/gas-fired plants, hydraulic plants and windfarms.

In Spain, our power generation amounts to 12 GW, 7 GW of which stems from natural gas combined-cycle plants, 2 GW from hydroelectric sources, a further 2 GW are coal-fired and the other 1 GW is generated by wind energy. This mix is supplemented with nuclear energy.

To drive our international growth, we created GPG, positioning ourselves in two geographic areas in Latin America and the Asia-Pacific. We operate in Mexico, with 2 GW of installed power in combined-cycle plants; and in Puerto Rico, Costa Rica, Panama, the Dominican Republic and Kenya, using different generation technologies.
Commercialization

Our commercialization activity encompasses the wholesale and retail gas and electricity segments in the different markets in which we operate. In Spain, we are leaders in the energy commercialization market, thanks to a supply that includes natural gas, electricity and other value-added products in all segments, ranging from residential to industrial.

In this sphere, we develop alternative, sustainable mobility energy options with vehicular natural gas and electricity, and offer energy efficiency solutions tailored to our customers’ needs. This capacity for adaptation and service is one of our strengths in the wholesale market, where our service is based on offering personalised advisory services and providing a diversified and safe supply.

Gas Natural Fenosa is a benchmark operator in the worldwide liquefied natural gas (LNG) market, with a solid position in both the Atlantic basin as well as the Pacific basin. The company has a portfolio of some 30 bcm and a range of competitive sources.

In Europe, the multinational has a growing presence in the energy markets of Germany, Belgium, France, Holland, Italy, Luxembourg, Portugal and the United Kingdom.
Trading

Because of our solid positioning throughout the value chain of the gas and electricity markets, we are well placed to operate successfully in the energy trading market.

In this market, we manage the price risks of the raw materials affecting the business (gas, oil and petroleum derivatives, electricity, coal and emissions, among others) and also create opportunities associated with the availability and flexibility of the Group’s gas, electricity and coal assets, with a presence in the main European hubs.

We also provide our customers and third parties with quality services, offering our products and expert management in the different markets.
where we are
Where do you operate?

We operate in the same number of countries as there are students in your class.

Gas Natural Fenosa is present in over 30 countries on five continents.
Mexico
Electricity distribution and generation.

Costa Rica
Generation.

Panama
Electricity distribution and generation.

Dominican Republic
Generation.

Puerto Rico
NG/LNG infrastructure and generation of electricity.

presence in over
30
countries
Portugal
NG/LNG commercialization and commercialization of electricity.

Spain
Exploration, transportation, distribution and commercialization of gas and electricity Generation. NG/LNG regasification, upstream, marketing and infrastructure.

UK
NG/LNG commercialization.

France
NG/LNG commercialization.

Belgium
NG/LNG commercialization.

Netherlands
NG/LNG commercialization.

Luxembourg
NG/LNG commercialization.

Germany
NG/LNG commercialization.

Italy
NG/LNG commercialization and distribution.

Moldavia
Electricity distribution.

Korea
NG/LNG commercialization.

Japan
NG/LNG commercialization.

India
NG/LNG commercialization.

Australia
Generation projects.

Morocco
NG/LNG infrastructure.

Algeria
NG/LNG supplying and infrastructure.

Angola
NG/LNG infrastructure.

South Africa
Coal exploitation.

Egypt
NG/LNG supplying and infrastructure.

Kenya
Generation.

Oman
NG/LNG supplying and infrastructure.
Do you have homework to do like us?

Of course we do! And we want to get the highest marks!

Gas Natural Fenosa’s strategy is set out in its Strategic Plan.
Updating the Strategic Plan

We want to take advantage of the group’s great potential to fulfill the commitments made to our shareholders, customers and all our stakeholders.

Gas Natural Fenosa, adapting itself to the macro-economic, energy and regulatory context, has updated its Strategic Plan to establish some solid bases in the market and an appreciable improvement of growth from 2015 onwards. The company is working with realistic targets that are adapted to the environment, having complied with the targets set for the 2010-12 period. The strategic guidelines of Gas Natural Fenosa during the 2013-15 period will focus on:

- Execution of the Efficiency Plans.
- Managing each business line in accordance with market conditions.
- Managing the business portfolio in accordance with its strategic fit.

The strategic priorities will reinforce the current business model, which is strongly focused on the impetus and opportunities for growth abroad, and in particular with regard to the company’s growing importance in the global gas market (principally LNG). Furthermore, the continuity of the efficiency plans will enable us to obtain greater savings, above all in O&M activities, commercialisation and corporate structure costs.

Financial discipline and the commitment to shareholders continue to shape the company’s strategy. During this period we expect to maintain or slightly increase the Ebitda and net profit as well as see an improvement to the net borrowing/Ebitda ratio of 2.5, during 2015. The investments scheduled for the 2013-15 period will be an annual average of 1.70 billion euros. These investments will focus on the gas and gas distribution businesses in Europe, as well as the organic expansion of the group’s activities in Latin America.

Gas Natural Fenosa will remain strongly committed to its sound policy of a cash dividend and expects to maintain the payout at levels of 62% in line with previous years. By the same token, the strategic review considers the reduction of debt as a priority target.

The review of the Strategic Plan will enable the company to be ready to continue growing from 2015 onwards, partly thanks to the increased presence in the international LNG markets. The company’s strategic view from 2017 onwards is focused on additional flexibility to address investments, should the appropriate conditions arise.
How old are you?

We’re so old that you would have to blow out all the candles on your birthday cake seventeen times.

Gas Natural Fenosa, 170 years of history.
History: track record and experience

Our company was founded in 1843 as the Sociedad Catalana para el Alumbrado por Gas, with the task of lighting the streets of Barcelona with gas street lamps.

For more than 170 years we have grown in size thanks to major organic growth and to mergers with other companies, all focused on providing the public with essential services capable of transforming their lives.

Throughout our history, we have been pioneers in Spain at different times and in different sectors of activity:

👩‍💼 In the mid-nineteenth century, we introduced town gas to the energy system; and in 1969, we revolutionised the sector with natural gas.

👩‍💼 In the 1960s, we built Spain’s first nuclear power plant. In the early twenty-first century, we were pioneers in generating electricity by means of natural gas combined cycle power stations.
Our origins

The company as it stands today, Gas Natural Fenosa, is the fruit of the merger between Gas Natural and Fenosa. These two companies, which were also the result of other mergers, had become mainstays of Spain’s energy map.

Gas Natural was created in 1991, through the merger of Catalana de Gas, Gas Madrid and the piped gas assets of Repsol Butano. Unión Fenosa was established in 1982, through the merger between Unión Eléctrica and Fuerzas Eléctricas del Noroeste. Both companies consolidated their expansion throughout Spain and also sought growth abroad, focusing primarily on Latin America.

With the acquisition of Fenosa in 2009, Gas Natural achieved a strategic goal, which is seen as a milestone in the market: the creation of the first integrated gas and electricity group in Spain. Yet we also created a company with in-depth experience in the energy sector and able to compete efficiently in markets subject to a process of continuous integration, globalisation and increased competition.

After more than one and a half centuries of history, one thing has remained unchanged: our innovative spirit, which still drives our business and our commitment, together with all the people who are involved with our company in one way or another.
how we behave
Corporate Responsibility Policy

We are fully aware of the important impact our actions can have on people and the environment in which we do business. We believe it is essential to contribute towards the development and well-being of all the societies with which we are in contact, and we do so by working to offer an energy supply which is sustainable, safe and environmentally-friendly, and which respects human rights.

Accordingly, our Board of Directors, the company’s highest management body, approved our Corporate Responsibility Policy, which is based on seven undertakings:

- Customer orientation.
- Commitment to results.
- Environment.
- Interest in people.
- Health and safety.
- Commitment to society.
- Integrity.
Customer orientation

Everything we do is focused on the customer. For this reason, we are making our processes and systems more uniform, globalised and flexible, integrating the customer’s view into the systems. Customer satisfaction is achieved by dedicating all of our efforts on responding to their needs, in a swift and efficient way, providing them with a service of quality.

The way we work is based on building enduring relations of trust with customers and on being friendly and accessible; we listen to customers’ opinions and we dedicate our efforts to improving the quality and safety of our products and services.

We are leaders in customer satisfaction in the residential segment. We have achieved these results by using a satisfaction assessment model geared towards improving processes and service quality.

The quality of our customer service is shown by the number of awards we have received in this field.

Commitment to results

Our business strategy based on the integration of gas and electricity enables us to compete efficiently in a market of growing complexity. This competitiveness is supported by strategic plans designed to bring about constant improvement in results, proper risk management and compliance with our acquired commitments.

The pillars of this undertaking extend to the adequacy of profits and resources and to the efficient management of these, with a policy of absolute informative transparency that has enabled the company to enjoy one of the best reputations in the market. In addition to the undertaking set out in our Strategic Plan, we also have a solid policy to pay out a cash dividend.

“We provide quality products and services to our customers”
“We offer a solid cash dividend policy”
The environment

We pay special attention to protecting the environment and to the efficient use of the natural resources we need in order to satisfy our customers’ energy needs. Our strategy is based on efficiency, sustainability and the responsible use of energy in society; three principles in which we involve our suppliers and partners.

This way of working is based on the principle of eco-efficiency, i.e. the rational use of natural and energy resources, minimising the environmental impact of our activities, encouraging innovation and using the best available technologies.

As part of our efforts to protect the environment, the mitigation of climate change is of major importance and our group contributes to this objective through the use of renewable energies that are low in carbon, the promotion of energy saving and energy efficiency, and the capture and storage of carbon.

Some examples of our actions in this field are as follows:

- We are the leading company in energy efficiency in Spain and set the standards internationally.
- We develop mobility solutions using vehicular natural gas.
- As an Energy Services Company (ESC), we improve the efficiency of our installations and buildings with a more efficient and innovative business model.
- We calculate the carbon footprint of our business activities in order to reduce their environmental impact.
- We have registered ten Clean Development Mechanism (CDM) projects for Latin America at the United Nations.

“We protect and look after our environment”
Do a lot of people work for your company?

There are so many of us that we could fill a football stadium.

Gas Natural Fenosa, over 22,000 people offering in energy.
“We offer our employees opportunities for development”

Interest in people

Gas Natural Fenosa is a project that is being developed day by day, and in which over 22,000 people have a role to play. Our human resources strategy promotes a working environment based on respect, commitment, training and professional development.

Part of this undertaking is an ongoing strategy directed towards training and career opportunities for the whole workforce, in a motivating working environment that makes a good work-life balance possible, and in a framework of equality and dialogue.

Clarity is therefore essential when setting targets, in providing effective leadership, as are competitive remuneration and acknowledgement of achievements based on results.

In our company, we seek to satisfy these goals through the following tools:

- The Corporate University, which every year provides each employee with more than 57 hours of training, both in technical issues as well as leadership, making use of new technologies.

- A Talent Management model aimed at ensuring our employees are at their best to put our strategy into place.

- EFR Human and Social Development certification endorsed by the Spanish Ministry of Health, Social Services and Equality.

- The Bequal Plus seal that recognises our commitment to diversity and inclusion and which substantiates our commitment to employing disabled persons.

more than

57 training hours per employee
Health and safety

Gas Natural Fenosa plans and develops its activity on the basis that nothing is more important than health and safety. The company’s action complies with standards that go beyond compliance with the legal obligations in each country where it carries out its operations. In adopting new voluntary requirements and in driving ongoing improvement in the management of health and safety, we involve not only employees but also our suppliers, partners, customers and other stakeholders, to eliminate accidents and damages to health.

The creation of a safe and healthy environment is a visible undertaking and is the responsibility of all persons that make up Gas Natural Fenosa. This undertaking is spearheaded by senior management through the introduction of the Health and Safety Commitment Plan.

We also have an Integrated Quality, Environment, Health and Safety System, which is applied in every business area in which the group operates around the world; this model is flexible enough for us to adapt to the requirements and needs of each business and country.

“We promote a safe workplace for our employees and suppliers”
Commitment to society

We are committed towards the societies where we operate, and not just as an energy company. That is why devote a part of our profits to social investment. Our actions create bonds and encourage permanent dialogue with communities so that we can learn about their needs, allowing us to be able to help satisfy them; and we manage the social impact of our activity on the culture, standards and environment of the host communities.

In this regard, we create an impact through our own initiatives and others in partnership with local organisations. Our goal is to create value and promote education, training, inclusion of underprivileged groups, to develop culture and promote research and health.

Our collaboration with third parties is made a reality through the development our far-reaching sponsorship and patronage activities. Our policy for assigning resources to cultural, social and environmental programmes pays special attention to those community projects that generate greater value for society, while also strengthening the Gas Natural Fenosa commitment to positive integration in each community and country where the group operates.

Among the many development initiatives the company also carries out, the following are highlighted:

- The community relations projects, based on assessing the social impact of our activities, such as the one implemented at the Hydraulic Plant of Bujagali (Uganda).

- The initiatives targeted at providing access to energy, such as the Cuartel V project to supply natural gas to the most underprivileged areas of Buenos Aires, Argentina, which won a Platts Award for the most outstanding community development programme.

- The social action projects spearheaded by the Latin America Integrated Operations Centre (COIL), prominent among which are those targeted at training suppliers and raising awareness of children and adults with regard to the safe and efficient use of energy.

- Sponsorship, patronage and donation initiatives, with a particular focus on cultural promotion, by supporting the film industry or the Museum of Modern Art (MMA) of Gas Natural Fenosa in A Coruña (Spain).

- The Gas Natural Fenosa Foundation, which carries out initiatives geared towards increasing environmental awareness, training and supporting historical heritage, also manages Spain’s first Gas Museum in Sabadell.

- Solidarity Day, an initiative created and managed by the company’s employees for the performance of social commitment programmes.

“We improve the communities where we operate”
Integrity

Ethical behaviour, honesty, integrity and transparency are the values we convey to all the people within our company and who act on its behalf. In our opinion, this is the way the company must act if it is to deserve society’s full trust.

An essential part of our company’s culture is the respect it shows for the principles of the United Nations and OECD Global Compact for corporate governance, expressly rejecting corruption, fraud and bribery. Internal measures have been implemented to prevent such activities.

We have adopted the United Nations Universal Declaration of Human Rights and the Declaration of the International Labour Organisation and made them our own. Within the company, we have reinforced the principles set out in the above declarations through the following:

- Our Code of Ethics and our Anticorruption Policy, which sets out guidelines for employees and the mechanisms to avoid unethical or corrupt practices.
- Our Human Rights Policy, approved by the company’s Management Committee and which is recurrent content in training courses, whereby we teach our employees to publicise, protect and encourage respect for these rights within the company’s sphere of influence.
“We promote ethical and transparent behaviour”
Our company has received many prestigious acknowledgements because of the way we work. We are very proud of these acknowledgements and share them with our entire workforce. Some of these distinctions are as follows:

- Our presence on the FSTE4Good sustainability index since 2001.
- The Dow Jones Sustainability Index recognises Gas Natural Fenosa as one of the world’s most sustainable utility companies, including us in its global index and in the European list.
- Acknowledged as the utility company with the best strategy to combat climate change for the third year running, according to the Carbon Disclosure Project (CDP) Report.
- We are one of the world’s most important companies, according to prestigious rankings such as Platts 250, Forbes Global 2000 and Fortune.

Responsible investment indexes and other awards
ready to continue growing _ how we behave
ready to continue growing