



Independent Assurance Report on the Consolidated Non-Financial
Statement and Information on Sustainability for the year ended
December 31, 2019

ENAGÁS, S.A. AND SUBSIDIARIES

Translation of a report originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT AND INFORMATION ON SUSTAINABILITY

To the shareholders of ENAGÁS, S.A.:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2019 of ENAGÁS, S.A. and subsidiaries (hereinafter the Group), which is part of the Group's accompanying Consolidated Management Report

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in the "Non-financial and diversity reporting requirements (Spanish Law 11/2018)" table and in conformity with the "GRI Standards content index" included in the accompanying Consolidated Management Report.

Responsibility of the directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of ENAGÁS, S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the GRI Sustainability Reporting Standards (GRI standards), comprehensive option, as well as other criteria, including the GRI Oil and Gas sector supplement, described as explained for each subject matter in the "Non-financial and diversity reporting requirements (Spanish Law 11/2018)" table, in conformity with the "GRI Standards content index" of said report, and in accordance with principles stated in AA1000AP (2018) issued by AccountAbility (Institute of Social and Ethical Accountability).

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of ENAGÁS, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The EY team is made up of experts in non-financial information engagements and specifically, information on economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions on the Independent Assurance Report with limited assurance, based on the work performed. We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements (ISAE) 3000 (revised), "Assurance Engagements Other than Audits and Review of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the Guidelines on performing non-financial statement assurance engagements issued by Spain's Institute of Auditors and AA1000AS (2008), with a moderate level of type 2 assurance.

In a limited assurance engagement, the procedures carried out vary in their nature and timing, and are less in extent than those carried out for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is also substantially lower.

Our work consisted in making inquiries of management and of the Group's various business units participating in the preparation of the NFS, reviewing the processes for compiling and validating the information presented therein, and applying certain analytical procedures and sample review tests as described in general terms below. These procedures included:

- ▶ Holding meetings with Group personnel to gain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters, as well as to gather the information needed to perform the independent assurance work.
- ▶ Analyzing the scope, relevance, and integrity of the contents of the 2019 NFS, based on the materiality assessment performed by the Group and described under "Sustainability Strategy," in light of the content required under prevailing company law.
- ▶ Analyzing the processes used to compile and validate the data presented in the 2019 NFS.
- ▶ Analyzing the documents from the Non-financial internal control system.
- ▶ Reviewing the disclosures relating to the risks, policies, and management approaches applied with respect to the material matters presented in the 2019 NFS.
- ▶ Checking, via tests of a selected sample, the information underlying the contents of the 2019 NFS and the satisfactory compilation of the NFS based on data taken from information sources.
- ▶ Analyzing the consistency of the information described in the appendix, "Self-assessment of adoption of integrated reporting principles and elements" and the information contained in the Management Report.
- ▶ Obtaining a representation letter from the directors and management.

In addition, with respect to GRI disclosures GRI 102-41, GRI 401-1, GRI 403-2, GRI 404-1, and GRI 405-1, our responsibility is to express an opinion, for which we have carried out reasonable assurance work. The work entailed understanding the internal control system relevant to the aforementioned indicators contained in the NFS, assessing the risk of material errors that the indicators might contain, testing and evaluating their content, as well as performing other procedures we considered necessary in the circumstances. We consider that our examination provides a reasonable basis for our opinion.

In addition, we reviewed the adequacy of the structure and content in accordance with the principles established in standard AA1000AP (2018), with a moderate level of type 2 assurance.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group's NFS for the year ended December 31, 2018 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria established by the GRI standards, comprehensive option, as well as other criteria, including the GRI Oil and Gas sector supplement, described as explained for each subject matter in the "Non-financial and diversity reporting requirements (Spanish Law 11/2018)" table and in conformity with the GRI content index of the Consolidated Management Report.

In addition, in our opinion, GRI disclosures GRI 102-41, GRI 401-1, GRI 403-2, GRI 404-1, and GRI 405-1, reviewed with a reasonable level of assurance, are prepared and presented, in all material respects, in accordance with the GRI Sustainability Reporting Standards (GRI standards), comprehensive option, described as explained for each subject matter in the GRI Standards content index of said report.

With regard to the application of the principles established in standard AA1000AP (2018), no matter has come to our attention that would cause us to believe that the Group has not applied the principles of inclusivity, materiality, responsiveness, and impact, as explained under "About our consolidated Management Report."

Recommendations

We presented our recommendations to Enagás management regarding areas of improvement related to the application of standard AA1000AP (2018). The most significant recommendations are summarized below:

- ▶ **Inclusivity:** Enagás continues to make progress in identifying and diagnosing its main stakeholders, including investees, based on its specific management model for these companies. We also recommend that Enagás continue to update the stakeholders as it determines new strategic priorities, and that it likewise persist in processing data and consulting with local communities to enhance management of local stakeholders.
- ▶ **Materiality:** Enagás identifies and values material matters that are relevant to its stakeholders, enabling it to define its sustainability strategy focusing on strategic levers. We recommend that Enagás periodically reassess material matters to ensure that they are incorporated in its sustainability strategy.

- ▶ Responsiveness: Through its Sustainable Management Plan, Enagás monitors its achievements and challenges in parallel to the material matters identified for the organization. We recommend that Enagás continue to focus its efforts on meeting stakeholders' expectations in the future by ensuring to monitor its three-lever strategy.
- ▶ Impact: Enagás's 2019-2021 Sustainability Strategy supports the Company's strategic levers and is the cornerstone of projected medium and long-term growth. We recommend that Enagás step up its efforts to measure and analyze the Company's long-term value and that it develop a process for assessing and managing both real and potential impacts on the various areas of the organization they affect.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

February 21, 2020