

Energy That Transforms Us

Sustainability Report 2019



YPF
LUZ

Energy That Transforms Us

Sustainability Report 2019



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Impact of the COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a global pandemic as it rapidly spread around the world, having affected more than 190 countries. Most of the governments are taking restrictive measures to prevent propagation.

In Argentina, where the company operates, on March 12, 2020 Decree 260/2020 established the sanitary emergency status to manage COVID-19, and on March 19, the National Government issued Decree 297/2020 establishing a mandatory and preventive lockdown. The lockdown has been repeatedly extended and is still in force. Electric power generation was declared an essential service and was permitted to continue operating since the beginning of the quarantine period, while electrical infrastructure works were declared essential as of April 6. So far, the measures adopted as a result of the pandemic include, among other, prohibition of dismissals without good cause due to personnel cutdown or force majeure, general restriction on the circulation of people, general traveling restrictions, suspension of visas, partial or total shutdown of public and private institutions, suspension of sports events, restrictions on operation of museums and tourist attractions and vacation extension.

Through Decree 576/2020, on June 29, the Government adopted more restrictive measures in the City of Buenos Aires and surrounding areas (AMBA), and it allowed provincial governments to ease or impose restrictions on activities based on certain parameters considering the local development of COVID-19. While all provinces and districts have permitted operation of essential services, many of them apply restrictions, or lockdown periods that hinder normal development of the company's activities and its

contractors'. Measures derived from COVID-19 are significantly affecting the national, regional and global economy, due to impacts on the chain of supply and significant increase of economic uncertainty, as evidenced by higher volatility of asset prices and exchange rates, and a decrease in long-term interest rates.

To cope with this pandemic and considering that electric power generation has been declared an essential activity, the company has implemented protocols and actions intended to protect people and remain in operation during the crisis. The main actions include the following:

- Early in March 2020 we created a COVID-19 Crisis Committee, which holds daily meetings to monitor the situation, discuss published regulations and recommendations and to implement measures to protect the company, its operations and - most importantly - its people. The Committee has published a series of Protocols and Procedures to prevent COVID-19, to ensure sanitary conditions of the facilities and continued operations. It has also published a Works and Services Protocol that applies to all personnel involved in construction projects, including contractors' and subcontractors' personnel.
- The company implemented a remote operation system to minimize the potential impact of COVID-19, focused on personnel's health and safety.
- Workers were issued circulation permits to ensure their transfer at their workplaces without problems.
- The company adapted its employee training program to a full online mode and developed new content such as cross-area talks and online training delivered by ITBA, among others.
- Employees were kept continuously updated of

measures and news in relation to protocols and other Covid-19 news through internal communication channels.

- A dedicated page on COVID-19 was created on the Intranet, where employees have access to all information: protocols, rules, news and advice.
- A section on Covid-19 was added to the website www.ypfluz.com with information relevant to communities and stakeholders.
- Needs in the communities near the sites where the company operates were identified through regular online meetings. Sanitation and hygienic supplies and PCR kits were donated to nearby hospitals, as well as sanitizing products and face masks to other nearby entities.
- Drills of suspected cases are being carried out at all sites to make sure that an adequate response is in place in case of a potential case of COVID-19.
- Testing and additional preventive measures have been established for workers from locations with epidemiological transmission.

All employees of the company have been adapting at a fast pace to innovate in the way they work, including those who work from home and those who are performing essential tasks at the plants. They are all learning every day to overcome the obstacles that this pandemic brought to the organization of their daily routines, making efforts to maintain the efficiency required from each role and coordination as required by the team.

While the current context is overly complex, given that we are faced with a global health, economic and financial crisis, the company has decided to focus on the following priorities:

- 1. Take care of our people.** Always prioritize health and safety, in compliance with health regulations. Protect the jobs of our people. Collaborate with employees who require support, encouraging teamworking to come out stronger and better.
- 2. Safeguard revenues and costs.** Minimize costs to those that are strictly required. Work closely with clients to make sure that they will continue paying for supplied energy. Reinforce strict discipline in investments, prioritizing those that generate income as early as possible.
- 3. Support strategic clients and suppliers.** Stay close to clients, understand their needs and how we can help them by build on and improve our relations with them in the long term. Honor energy delivery commitments. Maintain availability and power generation of equipment in operation. Deliver projects completion. Detect strategic suppliers willing to support the company and work in the long term.
- 4. Emerge from the crisis stronger.** Develop and apply new technologies to improve performance. Have a team ready to grow. Use this period to learn, train, improve operations, share knowledge and grow. Continue to work strongly in new projects, so that they are "ready to start" and able to grow our market share in the generation segment.

Letter from the Chairman



We have been experiencing a large energy transformation in these last years as a result of the growing demand for new forms of supply, including taking care of natural resources and the planet to combat the effects of climate change.

Electric energy is a fundamental resource and at YPF Luz we are committed to generate it in a safe, efficient and sustainable manner to contribute to the development of our country, its industries, its economy and the daily wellbeing of all Argentine people.

We have incorporated new technology and efficient processes to generate natural gas-based thermal energy, and to ensure availability of energy at all times, which is supplemented with renewable energy, thus taking advantage of wind, one of our country's natural resources with unique characteristics in the world.

We are a young power generation company that has invested over 1500 million dollars in Argentina in only 7 years and we now have 9 operation centers and 7 projects under construction in 4 provinces.

We endeavor to improve our work day after day to provide a safe, sustainable and quality service, always protecting our collaborators and strengthening the relationship through

direct and transparent communication with our shareholders, clients, suppliers and the communities where our thermal plants and wind farms are located.

We celebrate being able to present our second YPF Luz Sustainability Report -a document that reflects how we work, the results of our management in 2019 and our vision of the future in terms of economic, social and environmental impacts.

The report is prepared under the international Global Reporting Initiative (GRI) standard and was subjected to an analytic review process by Deloitte, which ensures greater transparency and accuracy of the data presented.

In addition, it is in line with Sustainable Development Goals of the 2030 Agenda approved by the United Nations.

I invite you to get to know the 2019 sustainable management of our business.

A handwritten signature in black ink, appearing to read 'Santiago Martínez Tanoira'. The signature is fluid and cursive.

Santiago Martínez Tanoira
Chairman of the Board



Letter from the CEO



At YPF Luz we are responsible for generating electric energy, a resource that is essential for all Argentines. Doing so in an efficient and sustainable manner is key to our growth, always caring for the environment and sustaining our ongoing commitment to our stakeholders, in the context of constant transformation. No doubt this is the way towards the growth we have chosen at YPF Luz.

2019 was a year of hard work, achievements and learning that have made us stronger as a team. Throughout the year we have invested an aggregate amount of USD 494MM and our EBITDA reached USD 219MM. We had a successful debut in national and international financial markets, with our first note issuances, which allowed us to fund the growth of the company. This reflects the strong interest and confidence of investors in YPF Luz.

Today we are generating electric energy for almost two million Argentines from nine operating centers and we continue investing in the country. In line with our diversification approach, we are building 637MW of electric power thermal and renewable energy, through seven projects.

On June 16, there was an unprecedented and historical outage or “black out” nationwide that raised an alert among all generators in the country to give a fast response and provide the National Interconnected System (SADI) with the energy required to restore the service. The professionalism and coordinated work of our operations team managed to make available to the grid in a short time all our energy in a safe manner, to meet the needs of Argentines.

From an environmental perspective, we continue focusing our efforts on minimizing the impact of our operations and maximizing the efficiency of our generation processes. In line with these efforts, we certified two new thermal plants in accordance with

ISO 50.001 in Tucumán and La Plata, reaching an aggregate number of 6 operating centers with this certification. We also obtained the ISO 45.001 certification for Workplace Health and Safety management at the La Plata Cogeneration Plant. Standards help build a culture of excellence and reach results expected from the management system promoting efficient, reliable, transparent and safe operations and processes.

The Manantiales Behr Wind Farm exceeded our capacity expectations, and it ranks among the most efficient worldwide. In 2019 the wind farm was the largest renewable energy producer in the country and generated at least 25% more than any other renewable energy farm in Argentina.

We managed to increase water use efficiency, reducing 15.5% the use of this key resource required in most industrial processes, including electric power generation.

Our main differentiating attribute is our people. For this reason, we invested in training at all levels, totaling 21,224 hours of training and more than 52 hours per employee on average. And we continue growing as a team. We are 338 employees with a solid culture that is transmitted to each one of those who are part of our value chain.

We articulated encounters with leaders from the communities where we have operations and projects, in spaces that promote communication and engagement. We launched the “YPF Luz Volunteers” program in which 30% of the company employees participated with commitment to implement activities with a focus on education and improved quality of life and infrastructure.

No doubt, the exceptional context of the COVID-19 pandemic today poses a new challenge that demands fast, efficient and focused responses to ensure business sustainability, always caring for our people.

For this reason, this report includes a special annex on COVID-19 which describes how the pandemic affected our industry and our business. We also describe the measures we are taking to safeguard the health and safety of our workers and the continuity of our operations and construction works, and how we developed and implemented protocols and procedures to ensure that the essential service we provide is always available.

Martín Mandarano
Ceo of YPF LUZ



01. About Us



YPF LUZ in Numbers

GRI Content 102-7

We generate power to supply for 3,500,000 households.

ECONOMIC PERFORMANCE

USD 219 MM
EBITDA

USD 494 MM
Investments

USD 332 MM
Sales revenues

6,459 GWH
Energy sold

1,819 MW
Installed capacity

637 MW
Under construction

UNDER CONSTRUCTION

2,673,465
TN of emissions
of Eq CO₂

455,298 KTON
liquid effluents for
irrigation of Loma
Campana Green Lung

-15.5%
Water extraction

100%
of effluents used for
irrigation at Loma Campana

8%
Energy generated from
renewable sources

6
ISO 50.001
certified plants

SOCIAL PERFORMANCE

338
Employees

20%
Women

21,224
Employee
training hours

30%
Participation in Corporate
Volunteers Program

0.90
Driving
behavior index

0.74
Accident Frequency
Rate (AFR)

90%
Driving
Behavior Index

1,500
Social investment
beneficiaries

GOVERNANCE AND COMPLIANCE

10%
Women in
management positions¹

1,200
Verified
third parties

100%
Management team trained
in Compliance

93%
Personnel trained
in Compliance

¹ Women in the Board of Directors, Management Team and Audit Committee.



Company Profile

GRI Content 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, EU1

YPF LUZ² is a company formed by a passionate and committed team, with the vision of generating new energy for Argentines; more sustainable, reliable and efficient power that contributes to the energy development of the country and the markets in which we operate, generating sustainable power from available natural resources, and providing competitive energy solutions to our customers with a focus on developing and strengthening our people as a differentiating element.

We endeavor to lead the development of renewable energies and efficient and reliable thermal energy power generation, using state-of-the-art technology to supply YPF, industrial clients and the Argentine electricity market. For this purpose, we generate power from different assets, and we are building new projects across the country.



Diversified Portfolio



Renowned Sponsors



Efficient and Sustainable Technology



Assets in operation and projects under construction with geographical diversity

² YPF Energía Eléctrica S.A. is a corporation organized under the laws of the Argentine Republic. Its legal address is Av. Córdoba 111, 14th Floor, City of Buenos Aires.

We are a leading company dedicated to power generation in Argentina. Currently, we have an installed capacity of 1,819 MW that is supplied to the wholesale and industrial markets, and we are building additional capacity of 637 MW.



MAP OF OUR POWER GENERATION ASSETS.



IN OPERATION

1,819 MW
THERMAL - 1,720 MW
RENEWABLE - 99 MW

UNDER CONSTRUCTION

637 MW
THERMAL - 341 MW
RENEWABLE - 296 MW

CC: Combined cycle
WF: Wind farm
GT: Gas turbine

MISSION, VISION AND VALUES

GRI Content 102-16, 102-26

We contribute to YPF's goal of Transforming lives through energy.

OUR MISSION

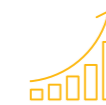
We are a profitable, efficient and sustainable power generation company, focused on streamlining natural resources and contributing to the energy development of Argentina and the markets where we operate.

OUR VISION

To become one of the leading companies in the electric power generation sector, leader in renewable energies, operating under internationally renowned safety, technology, efficiency, and quality standards.

STRATEGIC GUIDELINES

To achieve our mission and vision, YPF Luz's activities are conducted within the framework of the following strategic guidelines:



Sustainable growth with **financial profitability and discipline.**



Leadership in the power generation market, with focus on **renewable energies.**



Competitive energy solutions for our clients.



Efficient, reliable, transparent, and safe **operations and processes.**



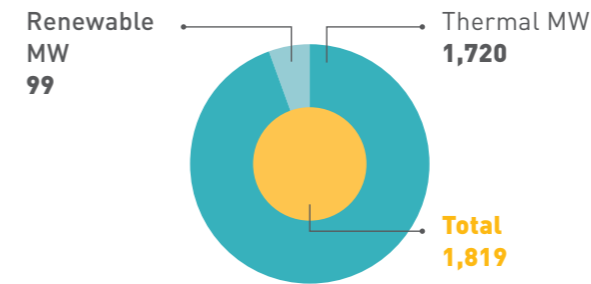
Develop and strengthen our people as a differentiating element.



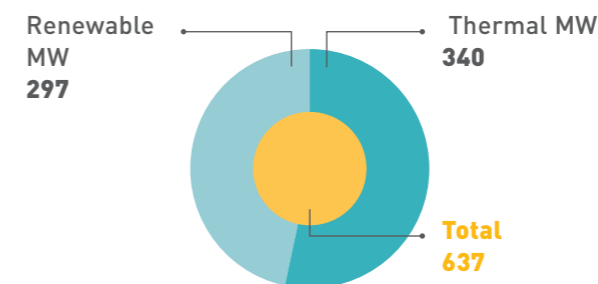
Social and environmental sustainability in our operations.

We have an operational installed capacity of 1,819 MW, including a 30.76% stake in Central Dock Sud, and we contribute to the wholesale and industrial market with about 4.6% of the maximum installed capacity in Argentina and 5.9% of the power demanded in 2019. In addition, we have construction projects for an installed capacity of 637 MW.

MW in Operation*



MW under Construction



*including the 30.76% stake in Central Dock Sud.

We supply CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico), YPF and other industrial customers with conventional energy generated by thermal power plants and renewable energy generated by the Manantiales Behr Wind Farm.



We lead the Renewable Energy Forward Market (MATER) and we are a reliable energy supplier for important companies nationwide.

More information at: <https://www.ypluz.com/TheCompany>

Once the strategic guidelines were defined, the Board of Directors initiated a value-setting process based on inputs from YPF Luz employees. Through an initial survey, employees indicated values that should represent the

company. This information was used as an input in the definition process involving the Management Team together with regional managers and, finally, it was validated and reviewed with employee representatives through the Workplace Climate Committee.

OUR VALUES



AGILITY



COMMITMENT



FOCUS ON RESULTS



TEAM WORKING



PASSION

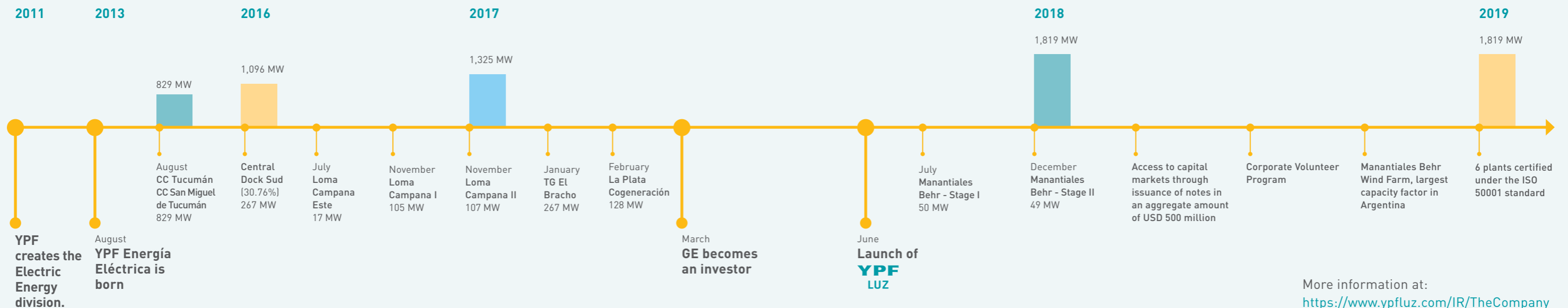


SUSTAINABILITY

Get to know our values in detail at:
<https://www.ypluz.com/TheCompany#mision>

HISTORY

With 7 years operating in the power generation market, we are proud of our results and the excellent team of professionals and investors accompanying us with effort, passion and commitment toward continued growth.



More information at:
<https://www.ypluz.com/IR/TheCompany>

The company's 2019-2023 Strategic Plan envisages an increase in the installed capacity of efficient thermal and renewable energy generation, through new developments and acquisitions. The plan contemplates objectives in four areas:

- Financial
 - Grow sustainably with profitability and value creation.
 - Remain creditworthy to secure growth.
- Market and Context
 - Increase market share with leadership in the renewable sector.
 - Develop client portfolio of energy PPAs.
 - Become the main supplier of energy to YPF S.A.
 - Develop other business opportunities that ensure sustainability.
- Internal Processes
 - Ensure competitive costs that guarantee efficiency in operations.
 - Establish effective communication with all stakeholders.
 - Efficient management in compliance with applicable regulations, policies and processes.
 - Reach excellence in social and environmental sustainability of our operations.
- Our People
 - Form a solid and consolidated team.
 - Keep a high level of technical expertise and professionalism.
 - Strengthen leadership.
 - Feel proud of belong.

Main Activities

Material Issue: System Efficiency
GRI Contents 102-2, 102-9, EU1, EU11

POWER GENERATION PROJECT LIFE MANAGEMENT



Project Development

- Definition of Strategy
- Identification and analysis of new developments
- Identification of opportunities (ongoing projects)
- Public hearing or consultation
- Environmental and social impact evaluation

Engineering

- Identification of technical requirements based on technology (thermal, renewable, etc.)
- Selection of adequate technology
- Definition of modality (turn key contract or own construction management + technology).

Contracting

- Definition of procurement modality (bidding process, comparative pricing, direct contracting)
- Incorporation of new suppliers
- Analysis of bids and negotiation
- Approval and adjudication



Construction

- Management of suppliers with awarded Contracts.
- Monitor project progress and compliance with technical requirements.
- Logistics and foreign trade.
- Insurance and performance bonds.

Operation and Maintenance

- Procurement management for supplies, spare parts and fuels.
- Maintenance service management.
- Logistics and foreign trade.
- Insurance and performance bonds.

Termination

- Disassembling of facilities.
- Demolition of buildings and construction works.
- Final disposal of parts and equipment.
- Cleaning and land restoration.



CORPORATE MATERIALS AND SERVICES
Hardware, software, foreign trade, audits, certifications, insurance and others



We generate energy from our thermal power plants and our wind farm, with innovation, technology, passion and commitment, to efficiently take advantage of the country's natural resources and contribute to sustainable energy development nationwide and worldwide.



WE CREATE THE ENERGY INDUSTRIES NEED

We are focused on generating the energy needed by each client, and we seek to provide the energy solution most suitable to their needs, whether through the supply of thermal or renewable energies, cogeneration or distributed energy solutions, always focused on efficient, profitable and sustainable solutions.

WE DEVELOP RENEWABLE ENERGY PROJECTS

We are committed to contribute to the energy development of the country in a responsible manner, prioritizing quality, preservation of the environment, and protection of people's health and safety. We incorporate technology and accompany Argentina's growth with investments.

YPF Luz seeks to lead the country's energy transformation, developing all potential of natural resources, to supply more and improved energy across Argentina, in line with the worldwide trend towards a cleaner energy transition.

THERMAL ENERGY

We operate highly efficient and available thermal power plants, that are supplemented by renewable energy and optimize the use of a highly important resource in Argentina: natural gas.

RENEWABLE ENERGY

We operate renewable energy farms with the best technology available, at places where renewable resources are best optimized, and we offer this energy to industrial clients under long-term contracts.

COGENERATION

We operate a cogeneration plant, which improves efficiency and the environmental impact of industrial processes and increases reliability of energy supply.

DISTRIBUTED GENERATION

We operate distributed generation plants, which are designed for industries or areas that are isolated from the national interconnected grid, with reliable and efficient equipment.

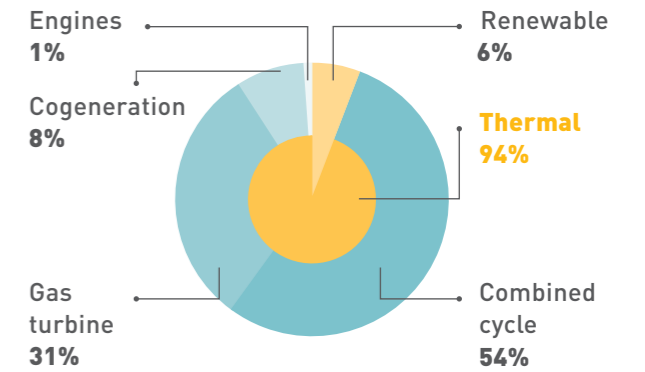
More information at:

<https://ypfluz.com/Noticias/NoticiaCompleta/59>

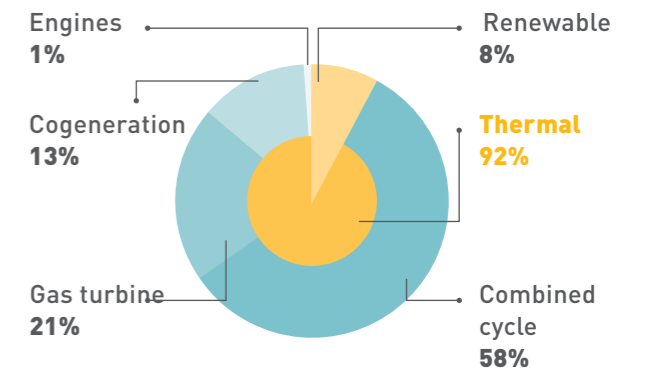
YPF Luz's Manantiales Behr Wind Farm ranked first in 2019 in terms of capacity factor of renewable energy . Its average capacity factor was 61.8 % of the installed capacity during the first 15 months of operation, with peaks of up to 71%.



Installed Capacity



Power Generation



Excluding Central Dock Sud.

³ Based on data published by CAMMESA, Manantiales Behr generated 526 GWh of electric energy in 2019, equivalent to 7% of total renewable energy generated in the country and 11% of wind power. The wind farm generated at least 25% more than any other renewable energy farm in Argentina, thus becoming the largest productive farm in the country. This is evidence of the great work performed in the project development (since 2013) for site selection and excellence in operation of YPF LUZ in the first wind farm of the company.



Commitments and Alliances

GRI Content 102-12, 102-13

	Managerial Position	Contribution of Funds	Work Team
Sustainable Development	Team		
Foundations and Companies Group (GDPE) (*)		*	*
Argentine Business Council for Sustainable Development (*)			*
Argentine Network of the United Nations Global Compact (*)			*
Sector Associations and Chambers			
Electric Power Generators' Association of Argentina (AGEERA)	*	*	*
Argentine Wind Chamber (CEA)	*	*	*
Argentine Chamber of Renewable Energies (CADER)	*	*	*
American Chamber of Commerce in Argentina (AMCHAM)		*	*

* We participate in these organizations through the YPF Group.

Representatives of the company actively participated in industry associations and in over 30 academic and industry events in Argentina, and 4 international events. Some of them included:

SOUTH AMERICAN ASSEMBLY

We participated in the assembly that gathered the main leaders of the energy sector in the region. Martín Mandarano, CEO of YPF Luz, participated as a member of the "Energy Transition" panel, in which he pointed out that the combination of renewable and conventional energies is the future.

ARGENTINA WIND POWER 2019

We participated in the forum of conferences and exhibitions about the growth of renewable energies. In front of an audience of 200 people, Marcos Browne, then Chairman of the company, led the panel "Conversation with YPF about the energy transition in Argentina," and our CEO participated in the panel "Experiences, challenges and realities of wind energy generators," together with other representative of the sector.

ANNUAL MEETING OF YPF FOUNDATION GRANTEES

Martín Mandarano participated in the Annual Meeting of YPF Foundation Grantees, where he delivered a conference on renewable energies to 200 attendees.

RETURN ON ENVIRONMENT (ROE) AWARD

The YPF Luz's team at Loma Campana was given the ROE Award, granted by Suez company, for the results obtained in water treatment in the power generation process, and final disposal in the Green Lung (*Pulmón Verde*). This decrease in water use was 168,000 m³, equivalent to the annual consumption of 920 households⁴.

INTERNATIONAL MINISTERIAL FORUM CLEAN ENERGY

We were distinguished for energy management and reduction of emissions in La Plata Cogeneration in 2019.

⁴ Based on household use of four inhabitants according to the WHO.

02. Sustainability



Sustainability Management

GRI Content 102-7

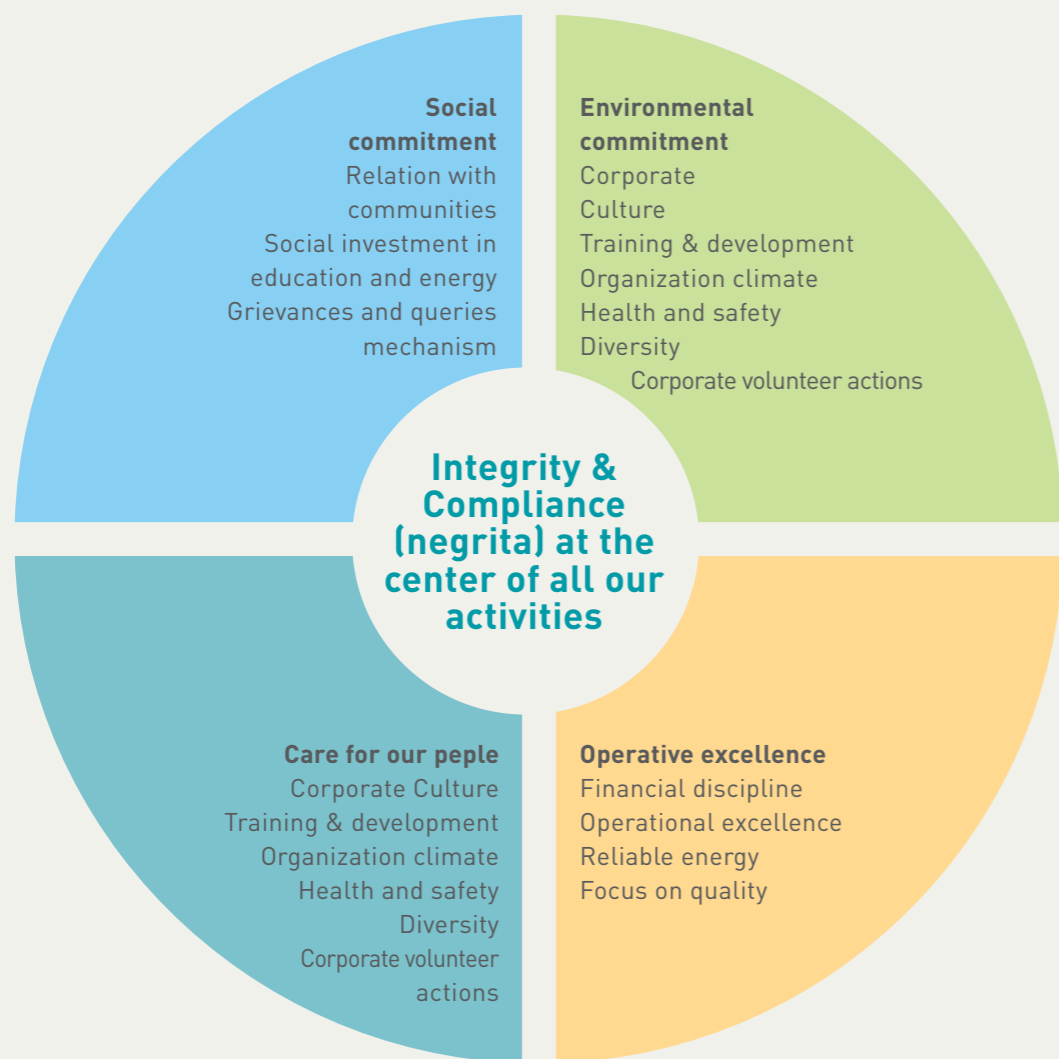
Sustainability is in our DNA. We are a reliable power generation company, with efficient and sustainable operations.

Our corporate mission is to be a reliable, efficient and sustainable company. Sustainability is, in addition, one of our corporate values, and one of our strategic guidelines. For this reason, it is ingrained in our policies and management processes.

We understand sustainability as the working approach that drives ongoing and long-term economic, social and environmental growth. We pursue sustainability in all our day-to-day actions and decisions. We believe that sustainability requires a responsible effort, striking a balance between our business development and profit generation for our shareholders, and the creation of value for the country and the communities where we operate.

YPF Luz has developed a Sustainability strategy focused on the following elements:

- **Operational Excellence:** We seek to generate highly reliable, available and efficient energy through operational excellence in the management of our assets. We prioritize financial discipline to ensure the company's economic sustainability and profitability.
 - **Environmental Commitment:** We focus on efficient thermal power generation that streamlines the use of gas and minimizes its environmental impact, and on renewable energies. We seek to diminish CO₂ emissions from our operations through technology improvements and energy efficiency. We help our clients implement energy solutions with low environmental impact.
 - **Care for our people:** Our people's health, safety and development are our priority. We actively strive to embrace diversity and inclusion. We promote social engagement of our employees through a corporate volunteer program.
 - **Social commitment:** We maintain fluid communication with the communities where we operate. We manage the impacts of our activities on the community. We contribute through programs that contribute to education, the environment and the infrastructure of the communities where we operate. We promote adoption of high standards in our value chain.
- **Integrity:** Compliance and integrity are at the core of all our activities. We apply these standards to our value chain. We promote a compliance culture among our employees.



These pillars are integrated in the business strategy, are intended to carry out responsible operations and strength YPF Luz's long-term competitiveness, boosted by ethics and integrity processes to broaden the impact of the initiatives.

Meeting sustainability goals is the responsibility of each of the business areas and the

cross-business areas of QEHS, HR, Supply Chain, Compliance and Institutional Relations.

In 2020 the company will create a Sustainability Committee and set medium- and long-term goals in line with the SDGs and the Paris Agreement.




Contribution to Sustainable Development Goals

GRI Content 102-12

At YPF Luz, we are committed to contribute to the achievement of Sustainable Development Goals (SDG) laid down by the United Nations at a global level, with a more significant contribution. We are focused on those

SDGs that relate to reduction of carbon emissions and sustainable production, in addition to supporting education. Based on an analysis we conducted (in which we used the SDG Compass tool), the SDGs considered to be a priority for YPF Luz are:

	Sustainable Development Goal	Associated Goals	How we contribute to the 2030 Agenda
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	4.3 4.4 4.7	Internship and New Professionals Programs. Energy Talks (600 participants) Horticulture and recycling workshops (236 participants)
	Ensure availability and sustainable management of water and sanitation for all.	6.3 6.4	Treatment of 100% of our effluents. 100% use of liquid effluents irrigation at Loma Campana 15.5% reduction in water extraction.
	Ensure access to affordable, safe, reliable, sustainable and modern energy for all.	7.1 7.2 7.3	527Gw of renewable energy 297MW of renewable energy under construction Energy efficiency in our thermal generation processes 6 plants with ISO 50.001 Certification. Generation of efficient, sustainable and renewable energy. Operational Excellence Policy. Health, Safety, Environment & Quality Policy.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.5 8.8	Internship and New Professionals Programs. Health, Safety, Environment & Quality Policy. Compliance Policy 338 employees, 769 suppliers, 72 contractors with 1874 active workers.

Sustainable Development Goal	Associated Goals	How we contribute to the 2030 Agenda
 Build Resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	9.1 9.4	Deployment of state-of-the-art technology and efficiency in production processes. Supply of renewable energy to industries. 527GW/h of renewable energy 297MW of renewable energy under construction Supply of renewable energy to 15 industrial clients
 Make cities and human settlements inclusive, safe, resilient and sustainable.	11.6	Sustainable Cities Program in Tucumán. Renewable Energy Talks Horticulture and recycling workshops (236 participants) Forestry days (109 participants) Fixation of 3024tn of Co ₂ through Loma Campana Green Lung
 Ensure sustainable consumption and production patterns.	12.2 12.5 12.6	Generation of 6,451.4 GW/h of efficient electric power (8% renewable) Sustainability Report 34% reduction in liquid effluent discharges
 Take urgent action to combat climate change and its impacts.	13.1 13.2 13.3	Contribution of 100,000 seedlings to the Department of Environment of Tucumán. Fixation of 3024tn of Co ₂ through the Loma Campana Green Lung, using 100% effluents for irrigation. Health, Safety, Environment & Quality Policy. Forestry days (109 participants)
 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	17.7 17.16 17.17	Associative project at Lules (Tucumán) together with Arcor, San Miguel, YPF Foundation and GDFE. Joint work with communities, various NGOs, other companies and business chambers. Energies Talks together with YPF Foundation (600 participants) Horticulture and recycling workshops (236 participants) Forestry days (109 participants)

The analysis conducted to identify the impact of YPF Luz on Sustainable Development Goals was based on:

- Identification of priority Goals among stakeholders.
- Identification of priority Goals in Argentina.
- Thorough analysis of Goals and objectives.
- Benchmark of the main sustainability initiatives and sector companies.

Stakeholders

GRI Contents 102-40, 102-42, 102-43



We are committed to encouraging the growth of the country and creation of value for our shareholders, our clients and the communities where we operate.

To achieve our Strategic Guidelines, we believe that it is essential to have a smooth and constructive relationship with all our stakeholders. For this reason, we have mapped and prioritized our stakeholders at each site, and we have an action plan at each site.

Stakeholders	Who are they	Communication and Dialogue Channels
Personnel	Company Employees	Meetings, presentations, quarterly meetings, breakfasts, bulletin boards, e-mailings, Intranet, social media: LinkedIn- Workplace, Compliance Channel, Questions and Grievances Channel, Lunches with the CEO, Workplace Climate Committee, Employee Service (SAE), Corporate Website, Sustainability Report.
Trade Unions	Trade unions representing our employees.	Meetings with union representatives, letters, formal notes, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report.
Investors	National and International.	Annual Report and Financial Statements, Earnings Release, Investors website www.ypfluz.com/ir , Reports required by CNV, Compliance Channel, Questions and Grievances Channel, Sustainability Report.

Stakeholders	Who are they	Communication and Dialogue Channels
Suppliers	Suppliers for productive, related and non-productive purchases of goods and services.	Meetings, Compliance Channel, Questions and Grievances Channel, Supplier Service, Corporate Website, Sustainability Report
Clients	CAMMESA and other industrial clients.	Meetings, events, e-mailings, surveys, Social Media: LinkedIn, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report
Government and controlling authorities	National, provincial and municipal governmental authorities, and other controlling agencies.	Meetings with governmental agency representatives, Accountability reports under applicable laws, Annual Report and Financial Statements, letters, formal notes, E-mailings, site visits, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report
Media	Specialized media.	Press releases, Advertising, Site visits, events, Social Media: LinkedIn, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report
Chambers and Associations	Organizations with which we maximize our activities	Meetings, letters, formal notes, events, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report.
Community	Communities near the sites, the community at large, non-for-profit associations with which we work, universities, primary and secondary schools.	Meetings with community leaders at each site where the company operates, talks about energy, site visits, corporate literature, conferences, e-mailings, press releases, surveys, working meetings, Compliance Channel, Questions and Grievances Channel, Corporate Website, Sustainability Report



The Institutional Relations Department coordinates relations among the areas and oversees internal and external communications, marketing, public affairs and social investment.

We believe that permanent communication with our stakeholders is of utmost importance. The communication channels with each group are used frequently, and the topics that are discussed through them are reviewed by the relevant areas.

CAMMESA is our largest client, for it purchases energy on account and behalf of the demand which is not met under private agreements. It is also the agency responsible for coordinating power dispatch, which requires close coordination.

YPF is the company's principal shareholder, as well as its main industrial client, land-owner and supplier of certain supplies and services. We maintain a close relationship in constant alignment with multiple areas of the company.

As concerns the **media**, the company maintains direct and frequent communication. The Institutional Relations Department oversees reception and answering of press requests, coordinating the relation with the company's speakers and preparing and distributing formal statements to the media. In 2019 the media covered events and milestones of the company.

Community: The company's philosophy is to maintain an open and fluent dialogue that helps identify the impact of its activities and the community needs, to jointly define a social investment program, that is implemented with the involvement of the company volunteer employees. Meetings are held with the community at each site at least every six months.

In 2019, we started to design the YPF Luz Stakeholder Policy, to record and promote transparent and constructive relations with our stakeholders.



Internal communication to employees is accomplished through channels such as the Intranet, Workplace, emails and digital bulletin boards, which supplement direct communication between each employee and their leader, to ensure the senior management guidelines reach all.

In 2019, over 150 internal communications were sent to employees, reporting new hires and relocations, company milestones, benefits, organizational structure, salary changes, performance evaluations, events and relevant information about various departments (technology, engineering, supply chain, etc.) as well as general company news.

The relation with **trade unions** is channeled through the Human Resources Department, which has an Employment Relations division. The main trade unions are: APUAYE (Association of Water and Electricity University Graduates), APJAE (Association of Water and Electricity Senior Staff) and *Luz y Fuerza* (Electricity and Power Workers Union).

Government and controlling authorities: The electric power sector is governed by national laws and regulations, and the business is regulated by national, provincial and local authorities. Periodic meetings are held with authorities from the provinces and municipal districts where we operate and where we have projects under construction. Regular meetings are held with CAMMESA, ENRE and the Argentine Secretariat of Electric Energy, to request access to the transmission system and as agent of the Wholesale Electricity Market. Communications take place in the form of notes and/or by phone when concerned with medium-term commercial, scheduling and operating issues. This information is handled by the Commercial sector.



Questions and Grievances Handling

GRI Content 103-3

We have a questions and grievances handling system in place that ensures traceability, follow-up of and response to each grievance or comment received, both internally and from third parties. In 2019, 119 questions and grievances were received, and they were answered within no more than 10 days.

In accordance with the **Questions and Grievances Policy**, any question or grievance received must be recorded for follow-up purposes. Any suggestion, question and grievance received is recorded in a single database, where follow-up on the issue is recorded until closure, including details about the claimant, areas involved and other relevant data.



The questions and grievances mechanism are periodically disclosed, both through the internal communication channels and through posters and notifications to the community.

The questions and grievances handling system is confidential. It is managed by the Institutional Relations Department, which grants access on a case-by-case basis to the areas that are required to take action. Efforts are made to respond all questions and grievances within 10 days. If no satisfactory response can be given within this period, the stakeholder is informed on progress.

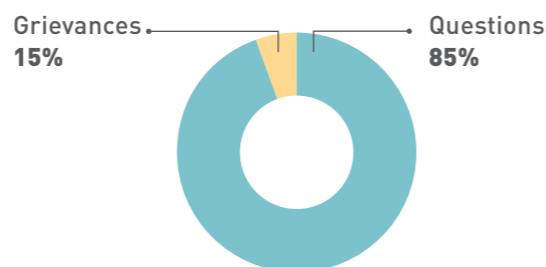
- All third parties have access through the form available at ypfluz.com, by email to sugerenciasypfluz@ypf.com, or they can leave a note at any of our sites.
- Employees may write to the same email, use the website form or an anonymous form available on the Intranet.

We responded to 100% of grievances and questions received.



Questions received in 2019 by site	Total	Internal	External
Tucumán Power Generation Complex	31	1	30
La Plata	2	-	2
Loma Campana	3	-	3
Los Teros	13	-	13
Manantiales Behr	4	-	4
Cañadón León	1	-	1
General	65	1	64
Total	119	2	117

Questions & grievances received in 2019 by type



Questions & grievances received in 2019 by type	Total
Grievances	3
Questions	116
Donations requests	23
Questions related to renewable energies and energy efficiency	9
Questions about Projects under Construction	13
Other questions	71
Total	119

In 2020 we are planning to add suggestion boxes at each site, to receive suggestions and grievances from employees and third parties.

Report and Material Issues

GRI Content 102-21, 102-44, 102-45, 102-46, 102-47, 102-50, 102-52, 102-53, 102-54, 102-56, 103-1

Our second annual Sustainability Report covers the period from January 1 to December 31, 2019. Quantitative data from the previous year is included for comparative purposes. It has been prepared in accordance with the Global Reporting Initiative (GRI) standards -core option-, and the Electric Utilities Sector Supplement. The report includes the activities of the business group comprised by the parent company YPF Energía Eléctrica SA and its subsidiaries Y-GEN, Y-GEN II, Y-GEN III, Y-GEN IV, LUZ del Cerro S.A., LUZ del Valle S.A., LUZ del León S.A., Y-LUZ Inversora S.A.U., YPF-EE Comercializadora S.A.U. and its associate Inversora Dock Sud S.A.

For comments, suggestions or questions relating to this Report or its contents, contact: sugerenciasypfluz@ypf.com.

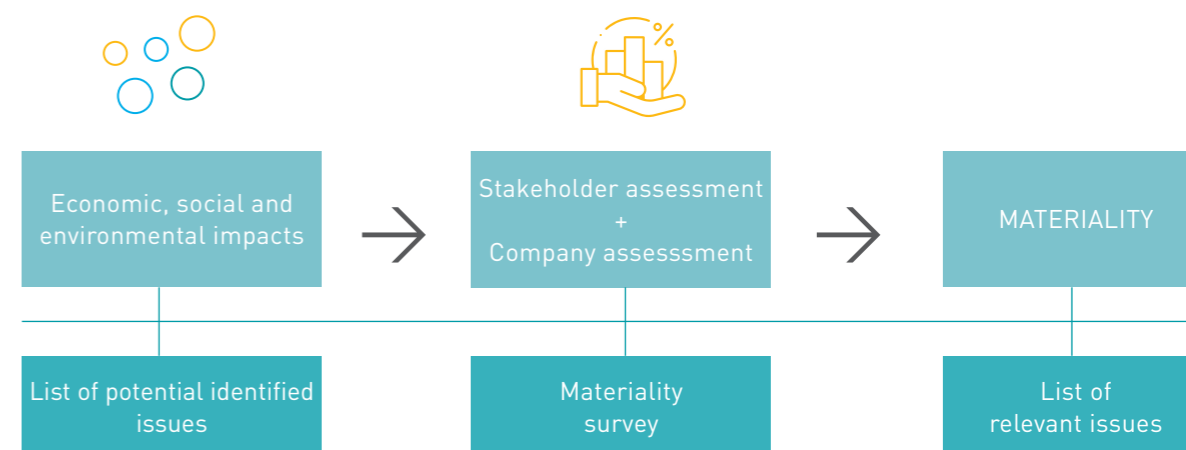
As part of the dialogue with our stakeholders in the preparation of this Report, we analyzed the core issues that should be contained in this document, by means of an assessment survey. We received 126 responses, including feedback from all stakeholders described above. This Report was subject to an analytic assessment process performed by Deloitte & CO S.A., encompassing an analysis on application of the

GRI Standards, as well as the content and quality principles.

The process included the following steps:
1. Identification of impacts, risks and opportunities arising from:

- Issues considered by Management and business strategy (including issues proposed by the shareholders).
- Aspects arising from the GRI Standards.
- Material issues identified by other businesses from the sector and the region.
- Other guidelines and documents specialized in different issues that address corporate Sustainability

2. Based on the identification of potential material issues, a survey was conducted among our stakeholders, including the Steering Committee, which defined the most relevant issues that should be included in this Report. Based on this analysis, we have identified the following material aspects, and we have determined where their main impacts take place.



Material Issue	Scope	Associated GRI standard	Capítulo
System Efficiency	Approach to ensure power generation and availability to clients.	GRI Sectorial- Availability and Reliability GRI Sectorial- System Efficiency	1.2.3 Main Activities 4.1 The Electricity Market in Argentina 4.3 Operations
Occupational Health and Safety	Impacts in relation to occupational health and safety, including employees and contractors.	GRI 403- Occupational Health and Safety	5.1 Comprehensive Quality, Environment, Health and Safety Management 5.2 Quality Management 6.2 Occupational Health and Safety
Air Emissions and Greenhouse Gases (GHG)	Impacts of GHG emissions and other significant emissions into the air, which are defined as the discharge of substances into the atmosphere.	GRI 305- Emissions	5.1 Comprehensive Quality, Environment, Health and Safety Management 5.2 Quality Management 5.3 Environmental Management 5.3.1 Energy and Emissions
Energy Efficiency	Management, development and promotion of renewable energies.	GRI Sectorial- Demand-Side Management	4.3 Operations
Waste Management	Generation, treatment and disposal of waste at the sites where we operate.	GRI 306- Effluents and Waste	5.1 Comprehensive Quality, Environment, Health and Safety Management 5.2 Quality Management 5.3 Environmental Management 5.3.4 Comprehensive Waste Management
Employee Training and Education	Training and Professional Development of our Employees.	GRI 404- Training and Education	6.1 Our People 6.1.1 Diversity and Equal Opportunities 6.1.2 Development and Training
Water and Effluents	Impacts on water resources through extraction, water use and discharge of effluents.	GRI 303- Water and Effluents	5.1 Comprehensive Quality, Environment, Health and Safety Management 5.2 Quality Management 5.3 Environmental Management 5.3.3 Water and Effluents
Economic Performance	Reference to the economic value generated and distributed (EVG&D), among other direct economic impacts.	GRI 201- Economic Performance	4.2 Economic Results

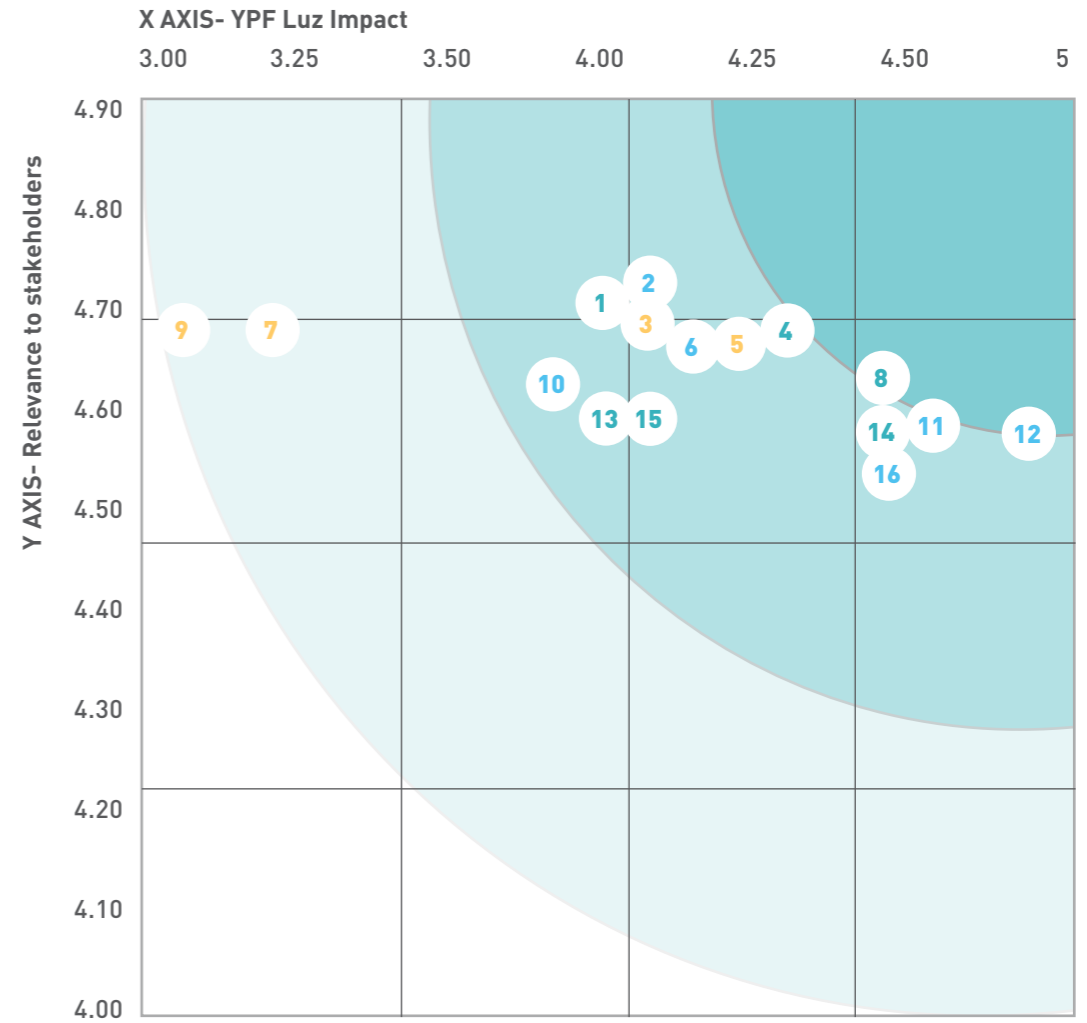
Material Issue	Scope	Associated GRI standard	Capítulo
Energy Use	Use of energy in the course of our operations.	GRI 302- Energy	5.1 Comprehensive Quality, Environment, Health and Safety Management 5.2 Quality Management 5.3 Environmental Management 5.2.1 Energy and Emissions
Employment	Creation of direct and indirect jobs, and the employment conditions we offer.	GRI 401- Employment	6.1 Our People 6.1.1 Diversity and Equal Opportunities
Diversity and Equal Opportunities	Diversity and Equal Opportunities at work.	GRI 405- Diversity and Equal Opportunity	3.1 Corporate Governance and Capital Structure 6.1 Our People 6.1.1 Diversity and Equal Opportunities
Customer Satisfaction	Customer perception and satisfaction about products or services sold.	Own indicators	4.5 Clients
Anti-Corruption	Impacts in relation to corruption and relevant management.	GRI 205- Anti-corruption	3.4 Business Ethics and Integrity
Risk Management and Regulatory Compliance	Regulatory Compliance and/or regulations in the social, economic and environmental spheres.	GRI 307- Environmental Compliance GRI 419- Socioeconomic Compliance	3.2 Electric Market Regulatory Framework 3.3 Risk Management 3.4 Business Ethics and Integrity 4.3 Operations 5.3 Environmental Management 5.3.3 Water and Effluents
Human Rights	Our direct impact on Human Rights through our own actions and operations, as well as the indirect impact through our value chain.	GRI 406- Non-discrimination GRI 407- Freedom of Association and Collective Bargaining GRI 408- Child Labor GRI 409- Forced and Compulsory Labor GRI 412- Human Rights Assessment	3.4 Business Ethics and Integrity 4.6 Suppliers 6.1 Our People 6.1.1 Diversity and Equal Opportunities 6.1.2 Development and Training
Local Community Programs and Investment	Impacts on local communities where we operate and how we manage them, including social and environmental impacts on biodiversity.	GRI 413- Local Communities	5.3.2 Biodiversity 6.3 Our Communities



MATERIAL ISSUES

Based on collected information, we developed a **Materiality Matrix** to disclose the material issues, according to the following variables:

- Material economic, environmental and social impacts of the company (X axis).
- Substantial influence on stakeholders' assessments and decisions (Y axis).



- | | |
|-------------------------------------|---|
| 1. System Efficiency | 9. Energy Use |
| 2. Occupational Health and Safety | 10. Employment |
| 3. Gas and Greenhouse Gas Emissions | 11. Diversity and Equal Opportunities |
| 4. Energy Efficiency | 12. Customer Satisfaction |
| 5. Waste Management | 13. Anti-corruption |
| 6. Employee Education and Training | 14. Risk Management and Regulatory Compliance |
| 7. Water and Effluents | 15. Human Rights |
| 8. Economic Performance | 16. Local Community Programs and Investment |

03. Governance, Ethics and Integrity



Corporate Governance and Capital Structure

Material Issue Diversity and Equal Opportunities
GRI Contents 102-18, 102-19, 102-22, 102-23, 102-25, 102-28, 405-1

Corporate Governance

The pillars of YPF Luz’s corporate governance system are transparency, shareholder involvement, adequate functioning of the Board of Directors and the independence of the external auditor. Together with the Bylaws, the Sustainability Report, the Code of Corporate Governance and the Code of Ethics and Conduct highlight the company’s determination to provide for good corporate governance, transparency and sustainability.

The Board of Directors of YPF Luz establishes the company’s strategic guidelines.

Our management model is based on a scheme of division of functions between the Chairman of the Board of Directors and the Chief Executive Officer (CEO). The Chairman is focused on strategic and investment decision-making, and the CEO is focused on implementation of this strategy and the company’s management. As of July 2020, the Board of Directors consisted of the following members:

BOARD OF DIRECTORS*

Name	Position	Nationality	Age
Santiago Martínez Tanoira	Chairman	Argentinian	47
Raghuveer Kurada	Vice Chairman	American	55
Diego Martín Pando	Regular Director	Argentinian	46
Diego Celaá	Regular Director	Argentinian	48
Patricio Da Re	Regular Director	Argentinian	40
Carlos Alberto Weiss,	Regular Director	Argentinian	60
Mauricio Alejandro Martín	Regular Director	Argentinian	48
Tyson Rory Yates	Regular Director	American	51
Juan Manuel Jassom	Alternate Director	Argentinian	49
Patricio Martínez Morini	Alternate Director	Argentinian	39
Gastón Marcelo Laville Bisio	Alternate Director	Colombian	35
María Eugenia Bianchi Pintos	Alternate Director	Argentinian	34
Carlos Alberto San Juan	Alternate Director	Argentinian	50
Fernando Gómez Zanou	Alternate Director	Argentinian	48
Amanuel Haile-Mariam	Alternate Director	American	40
Cody Castaneda	Alternate Director	American	38

*Composition of the Board of Directors as of August 31, 2020.

For more information about our Board of Directors visit:
<https://www.ypluz.com/IR/MembersOfTheBoard>

At the Annual Shareholders Meeting, the Shareholders review the Board's performance in relation to legal requirements. In accordance with the Shareholder Agreement, YPF Luz does not allocate any remuneration to its Board of Directors. All members of the Board of Directors of YPF Luz are professionals with an extensive career in energy, finance and administration, who hold executive senior offices in the controlling shareholding companies, i.e. YPF S.A. and GE EFS.

The Board of Directors assesses the performance of the Steering Committee and

ensures compliance with the **Interest Conflict Policy** (included in the company's Code of Ethics and Conduct), for which a procedure has been designed and published. This procedure is intended to prevent conflicts that may arise in this area with respect to personnel, directors and third parties related to the company.

MANAGEMENT COMMITTEES

The Committees in charge of decision making with economic, environmental, social and governance impact are listed below:

Committee	Objective	Frequency
Steering Committee	Approves the procedures and decides matters to be presented to the Board.	Monthly, as needed.
Business Committee	Analyzes the progress of the company's results.	Monthly
Social Investment Committee	Approves donations and social investment actions.	Every two months
QEHS Committees	Reviews QEHS objectives, goals and progress based on QGAP, ESGAP and SHGAP. Shares experiences, difficulties, solutions and improvement opportunities among sites thus favoring integration and team coordination.	Every two months with the CEO's participation Monthly on sites
Workplace Climate Committee	Discusses workplace climate surveys and proposes improvements.	Monthly
Energy Efficiency Committees	Sets efficiency objectives and goals. Reviews current energy situation. Detects process improvement opportunities.	Quarterly at each site
Climate Change Committee	Assesses current environmental performance and contribution to climate change. Raises opportunities for improvement of processes and projects. Drives enthusiasm for environmental behaviors in line with the organization's goals and values.	Biannual



STEERING COMMITTEE

The organization's executive functions are delegated to the Steering Committee, consisting of:

- Héctor Martín Mandarano**, CEO
- Gabriel Ábalos**, Finance Manager
- Alejandro Avayú**, Procurement and Supply Manager
- Ricardo H. Castañeda**, Manager of Legal Affairs
- Patricio Cipollone**, Business Manager
- Mariana Iribarne**, Institutional Relations Manager
- Jorge Ravlich**, Electricity Business Manager
- Santiago Sajaroff**, Chief Operating Officer
- Sebastián Torres**, Chief Compliance Officer & Head of Internal Audit

* Composition of the Management Committee as of August 31, 2020.

For more information about our Steering Committee members: <https://www.ypluz.com/ManagementTeam>

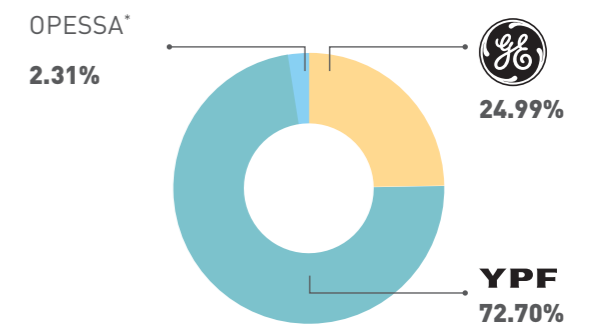
AUDIT COMMITTEE

- Luis Rodolfo Bullrich**, Regular Statutory Auditor
- Marcela Inés Anchava**, Regular Statutory Auditor
- Santiago Carregal**, Regular Statutory Auditor
- Nicolás Perkins**, Alternate Statutory Auditor
- Francisco Muruzeta**, Alternate Statutory Auditor
- Diego Agustín Chighizola**, Alternate Statutory Auditor

For more information about our Audit Committee visit: <https://ypfluz.com/RI/Comision>

Capital Structure

To become one of the leading companies in the energy sector with self-financed growth, in March 2018 General Electric (GE EFS) joined as a shareholder, with a capital contribution of US\$275 million. As of December 31, 2019, the share capital of YPF Luz consisted of:



*OPESSA is a company controlled by YPF S.A.

Electric Market Regulatory Framework

Material Issue: Risk Management and Regulatory Compliance
GRI Content 103-2

ELECTRIC MARKET

Law 24,065/92, and the implementing regulations introduced by Decree No. 1398/92, comprise the core regulatory framework of the electric sector, as supplemented by the rules set by the Secretariat of Energy concerning electric power generation and commercialization. ENRE (Argentine Electricity Regulator) is the regulatory, oversight and control authority of the electric power industry and the enforcement authority of Law 24,065. CAMMESA oversees the dispatch, scheduling and economic arrangement of the Argentine Interconnected System, known in Spanish as SADI, the Wholesale Electric Market (WEM), and it also acts as collecting entity for all WEM agents.

THERMAL POWER

The sale of thermal power is ruled by the Secretariat of Energy and is developed under several regulatory frameworks, out of which YPF Luz is subject to Resolution No. 1/2019, Resolution No. 21/2016 and Resolution SE 269/2008 (distributed self-generation).

RENEWABLE ENERGIES

In 2015, the Argentine government enacted Law No. 27,191 to foster renewable energies. According to this law, all users are required to meet a portion of their electric power demand from clean sources. This law was regulated by Decree No. 531/2016 and Resolution No. 281/2017 (Renewable Energy Forward Market - MATER). Large users (industrial clients) may either self-generate renewable energy or buy it under a power purchase agreement with a renewable energy producer. Effective since 2018, large users are required to cover 8% of their

demand for electricity with renewable energy—a percentage which must be increased gradually until reaching 20% by 2025. To meet the annual renewable energy demand as required by law, at YPF Luz we started to develop renewable energy projects. We provide large users with on-site self-supply solutions or enter into mid- and long-term power purchase agreements with them, based on their individual production and energy supply needs.

Gradual progress in the demand that should be met with renewable energy as required by Law No. 27,191

2017-2018	8%	3,000 MW
2019-2020	12%	5,800 MW
2021-2022	16%	7,600 MW
2023-2024	18%	8,400 MW
Since 2025	20%	10,200 MW

For more information about energy regulations visit: <https://ypfsausyepro01.blob.core.windows.net/informacion-financiera/35/Attachments/Estados%20Financieros.pdf> (Page 58)

Risk Management

Material Issues: Risk Management and Regulatory Compliance
GRI Contents 102-29, 102-30, 102-31, 103-3

Our Internal Control System has control mechanisms in place that contribute to assuring compliance with current laws and regulations, reliability of financial information and efficiency of our operations.

In 2019, the Compliance and Internal Audit Department started to map the business risks to prepare the Risk and Corporate Control Matrix that will include the risks inherent to YPF Luz and will enable us to identify and assess management of operational, financial, strategic and corporate

governance impacts. To this end, we conducted a risk assessment in relation to each of the company's departments. To manage the risks and findings of the Internal Audit, we began implementation of an automatic management system to keep process traceability, transparency and to optimize management of the department.

In 2020 we will initiate an assessment on existing controls and associated monitoring activities, to mitigate identified risks and the existence of potential residual risks.

Business Ethics and Integrity

Material Issues: Risk Management and Regulatory Compliance, Anti-corruption, Human Rights
GRI Contents 102-16, 102-17, 103-2, 103-3, 205-1, 205-2, 205-3, 406-1

At YPF Luz we have set goals related to Compliance and Internal Audit to assure the highest standards of regulatory compliance and transparency and integrity in our key operations and processes, with the commitment from our employees and third parties on the activities they carry out.

We are committed to protecting our good name and reputation, and that of our partners, clients, and employees. We abide by a Compliance culture which is not limited to observing the "letter" (rules, policies, regulations, and processes), but also the "spirit" of the law, where the company's leaders play a key role in building and strengthening this culture.

In 2019 we included the Internal Audit function within the sphere of the Compliance Department to strengthen our control processes. In this sense, in the second half of 2019 an audit plan was devised and implemented. This plan enabled us to validate processes in critical areas of the company and identify opportunities for improvement, with the aim of reinforcing control mechanisms and day-to-day processes. All actions resulting from the audits included the plan were jointly managed by the Compliance & Internal Audit Department and the Departments involved, to implement the recommended actions.

Compliance Program

The main areas that comprise our Compliance Program are: risk management, training program, reporting channels, third party control, communication and a training program with a special focus on anti-corruption.

The purpose of our Compliance Program is to ensure that YPF Luz' personnel are aware of the risks of Compliance that are proper to their specific area and contribute to prevention and mitigation, with solid ethical values. The company's leaders play an essential role in



RISK MANAGEMENT

- Risk assessments
- Policies and procedures
- Regulatory repository
- Automatic controls
- Contact with regulators



CULTURE

- Face-to-face and online trainings
- Communication schedule
- Scheduled activities
- Initiatives

In 2019 we delivered anti-corruption and Compliance training to raise awareness on corruption risks and create a culture of integrity, reinforcing the ethical values and the importance of compliance with internal and external rules. We delivered

building and strengthening the organizational Compliance culture.

In developing our Compliance Program, we considered the industry we are engaged in and the size of our operations. Each element of the Program has been developed in line with the ethical values that we foster, and it is divided into four major pillars, which represent the areas to be more careful about, not only from the point of view of Compliance risk prevention, detection and mitigation, but also from the standpoint of the organizational culture we foster. These pillars, which contain the key elements of the Program, are:



COMPLIANCE CHANNEL

- Case management system
- Investigations
- Automatic metrics and monitoring



LEADERSHIP

- Lead-by-Example culture
- Leaders' communications

face to face trainings to 93% of the company's personnel, in which representatives from all operations took part, and including 100% of YPF Luz Steering Committee members.



Trained Personnel by category	Total*
Management Departments	22
Office Heads	42
Coordination/Supervision	53
Professionals, Analysts and Operators	106
Technicians	64
Interns	4
Total	291

*93% of payroll committed - 313 employees.

A **Third-Party Control Procedure** was implemented, whereby the company seeks to determine parameters for efficient risk management in relationships

with third parties, and to prevent or mitigate situations that may damage the image and reputation of the company. The Procedure establishes that all third parties related to the company must have a Compliance assessment prior to approval by the company, and undergo a due diligence process, if needed.

Through the due diligence processes, the company seeks to efficiently manage its relations with third parties, to prevent and mitigate risks associated with corruption, establishing adequate control and monitoring actions to this end. Systems are being implemented to guarantee an efficient management of these risks.

A new Conflict of Interest Management Procedure was developed and implemented. This procedure includes a disclosure and monitoring process, through an automatic tool, to ensure update of information and immediate control of each case.

The program is intended to prevent, detect and correct improprieties or situations that do not conform to the company's Code of Ethics and Conduct, applicable policies and procedures and current regulations, and it establishes zero tolerance against corruption.



COMPLIANCE AND INTERNAL AUDIT ACHIEVEMENTS 2019

Code of Ethics	Comprehensive revision of YPF's Code of Ethics and Conduct.
Third Party Control	Over 1,200 verified third parties 13 due diligence processes Obligation to include a Compliance and Internal Audit clause in all contracts with third parties established
Risk Management	Implementation of a Risk Control System 14 assessments* 100% of risks mapped
Conflicts of Interest	Tool for disclosure and management of conflicts of interest 100% of received statements reviewed.
Communication	More than 20 communications 100% of Management and employees informed on anti-corruption policies and procedures Redesigned and updated Compliance Intranet 18% improvement of Climate Survey 2019 vs. 2018.
Compliance	Redesigned and updated Compliance Website.
Training	100% of Management and 93% of personnel received anti-corruption training. <ul style="list-style-type: none"> • Loma Campana 28 people • Manantiales Behr 23 people • City of Buenos Aires 115 people • Tucumán 89 people • Los Teros 4 people • La Plata 33 people

*The 14 assessments correspond to 100% of the company's departments.

CODE OF ETHICS AND CONDUCT

The Code is a tool that provides guidance on the values promoted by the company.

We have a **Code of Ethics and Conduct** in place that guides our people's day-to-day actions. It applies to directors and employees of YPF Luz, as well as to third parties related to the company.

We have several mechanisms for dissemination of the Code and its policies, which include publication on the website, the Intranet, the Compliance portal, emails to employees, training and digital bulletin boards, among other.

For more information about our Code of Ethics and Conduct, visit:
<https://ypfluz.com/RI/Compliance>

COMPLIANCE CHANNEL

The company offers various channels for its employees and related third parties to make questions or potential complaints if they detect violations of the Code of Ethics and Conduct, applicable laws or potential improper behaviors affecting the company. In addition to the conventional channels, such as the Compliance and Internal Audit Department and the Human Resources Department, the company also makes available the "Compliance Channel".

The Compliance Channel is a communication channel to report situations and/or behaviors that may constitute an actual or potential violation to the provisions of the Code of Ethics and Conduct. We encourage YPF Luz employees and third parties to use this channel, and we take the necessary measures to keep anonymity and confidentiality to ensure that they are protected from retaliation. The Compliance Channel can be accessed in several ways, including:

Access from the Intranet of YPF Luz



Email:
canalcompliance.ypfluz@kpmg.com.ar



Phone:
0800- 122- 0278



Website:
<https://canalcomplianceypfluz.lineaseticas.com/>

All YPF Luz personnel may raise questions or potential grievances through their leaders or the Compliance and Internal Audit Department.

In 2019 we had no confirmed cases of corruption or discrimination.

04. Economic Performance

The Electric Market in Argentina

Material Issue: System Efficiency
GRI Content 103-2

Our strategy is intended to reach a leading position in the electric power generation market in Argentina. We are developing projects and business structuring to achieve this challenging goal.

Since YPF Luz and its subsidiaries are a group of companies engaged in a business focused on the Argentine market, we manage the business in the context of the development of the main macroeconomic

In December 2019 Argentina had an installed capacity of 39,660 MW, 2.8% more than in 2018. 61.9% was derived from thermal sources; 27.3% from hydroelectric power plants; 6.4% from non-conventional renewable energy (NCRE: wind, solar, renewable hydroelectric sources and biofuels) and 4.4% from nuclear power plants.

In 2019, 1,605 MW were incorporated to the system. Most of the new capacity was derived from renewable sources (858 MW wind energy, 241 MW solar energy and 22 MW biogas) under the RenovAr contracts and Resolution 202/2016 and under private contracts (MATER). On the other hand, 484 MW of thermal power derived from projects awarded through Resolution 287/2017. In turn, 483 MW were put out of service from inefficient thermal equipment. Keeping pace with demand, power generation in 2019 decreased 4.5% compared to the same period the previous year, reaching 131,247 GWh. Thermal power generation (61%) and hydroelectric power (27%) continued as the main sources of energy used to meet demand. Non-conventional renewable energies (NCRE) accounted for 6% of total generation in 2019, reaching almost 8% in the last quarter of the year, a 133% growth compared to 2018. Lastly, nuclear energy accounted for 6%.



variables of the country. From a demand standpoint, in 2019 electric consumption reached 128,915 GWh, a 3.1% fall compared to 2018 (133,010 GWh).

In 2019 household demand accounted for 43% of the total system demand, large users 28% and small-sized commercial and industrial users (demand lower than 300 kW per month) 29%; thus, the market share remained similar to 2018. Household demand fell 2.7% compared to 2018. On the other hand, commercial users recorded a 3.1% decrease and large users 3.6%, mainly as a result of the economic slowdown.

129 TWh

Cumulative Demand 2019

-3.1%

Compared to 2018



Wind power was the main source of non-conventional renewable energy in the country (64%), followed by renewable hydroelectric power (19%), solar (10%) and biofuels (7%). The capacity factor for each technology was 45% for wind power, 33% for power from renewable hydroelectric sources, 29% for solar and 64% for biofuels.

Natural gas is the main fuel used for thermal power generation, accounting for 95.7% of total

during the year, increasing its share from 90.2% in 2018. Consumption reached 17,207 MMm³ or 47.1 MMm³/d, 5% lower than consumption in 2018, mainly due to a decrease in demand, and the addition renewables energies. Thermal power generation was supplemented by consumption of liquid fuels and carbon, which reached 2.1 MMm³/d of equivalent gas, 39% of consumption in 2018.

Economic Results

Material Issue: Economic Performance of the Organization
GRI Contents 102-7, 102-10, 102-45, 103-2, 103-3, 201-1, 201-4

The company increased its market share for renewable energies from 4.5% in 2018 to 6.7% in 2019, a 48.9% increase year on year.

We seek to capture market opportunities with the most cost and technology-efficient proposals, always embracing ongoing improvement. Accordingly, we take a forward-looking approach, considering the new market trends: renewable energies, electric mobility, energy storage (batteries), and the complementarity between renewable and conventional energies. We leverage the existing synergies with our shareholders: in the case of YPF, in respect of natural gas and Vaca Muerta production; in the case of General Electric, regarding its technology know-how to drive and accelerate power generation projects. To execute this ambitious plan, our economic and financial strategy is based the following principles:

- Strict allocation of capital to investment projects above the target profitability.
- Achieve sustained positive cash flows.
- Maintain financial discipline.
- Add value to our shareholders.

Figures stated in million Dollars	2019	2018
Sales revenues ⁵	331.6	243.0
Total Assets ⁶	2,054.5	1,540.3
Total Liabilities ⁶	1,292.9	861.5
Total Shareholders' Equity ⁶	761,6	678.8

* Argentine Pesos were converted into Dollars at the average exchange rate for each quarter as published by Banco Nación for each period: 1Q18: 19.6 ARS/USD; 2Q18: 23.6 ARS/USD; 3Q19: 32.0 ARS/USD; 4Q18: 37.0 ARS/USD; 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 3Q19: 50.1 ARS/USD; 4Q19: 59.3 ARS/USD.

** Argentine Pesos were converted into Dollars as of the end of each period at the exchange rate prevailing as of the year end and published by Banco Nación: 2019: 59.8 ARS/USD; 2018: 37.6 ARS/USD.

To achieve a leading position in the power generation market in Argentina, we work towards project development and business structuring. Accordingly, in 2019 we made investments for approximately US\$ 494 million, mainly focused construction of projects that will contribute an additional capacity of 637 MW.

	2019	2018
EBITDA ^{1and2} (in million Dollars)	219	186
Investments ² (in million Dollars)	494	377

* EBITDA = operating result + amortization and depreciation-income from remeasurement of pre-existing shares - participation in associated companies and joint ventures - results after income tax for the year corresponding to discontinued operations.

** Argentine Pesos were converted into Dollars at the average exchange rate as of the close of business published by Banco Nación: 1Q18: 19.6 ARS/USD; 2Q18: 23.6 ARS/USD; 3Q19: 32.0 ARS/USD; 4Q18: 37.0 ARS/USD; 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 3Q19: 50.1 ARS/USD; 4Q19: 59.3 ARS/USD.

We issued our first note on the international market for US\$ 400 million with a 7-year maturity term. The proceeds from this financing will be used in investment projects under construction to add 637 MW to those currently in operation.

“We are enormously proud of the results from this first international issuance. YPF Luz is a young company that has been doing business for only 7 years in the power generation market; it has managed to achieve an important position that has paved the way for the strong support we received from international markets today.”

Martín Mandarano,
CEO of YPF Luz



In 2019, YPF Luz had access to the capital markets, both at the local and international level.

- **Issuance of Series I Notes:** On May 10, 2019, YPF Energía Eléctrica S.A. issued Series I Notes in the domestic market for a principal amount of USD 75 million, at an annual nominal rate of 10.24%, due on May 10, 2021. The issuance was reopened on June 7 for a principal amount of USD 25 million, to supplement the amount that had been authorized for this Series.
- **Issuance of Series II Notes:** On July 25, 2019, YPF Energía Eléctrica S.A. issued Series II Notes in the international market, for a principal amount of USD 400 million, at an annual nominal rate of 10%, due on July 25, 2026.

Direct economic Value Generated and Distributed

In compliance with current legal provisions and bylaws, we issued our Annual Report and Financial Statements under the International Financial Reporting Standards, for YPF Energía Eléctrica S.A. as of December 31, 2019. The main entities included in our Financial Statements are: Y-GEN, Y-GEN II, Luz del León S.A., YPF-EE Comercializadora S.A.U., Central Dock Sud and Inversora Dock Sud.

In 2019 tax savings obtained from the grant of a provincial tax exemptions amounted to 4,779,348 Dollars⁷

⁵ Argentine Pesos were converted into Dollars at the average exchange rate as of the close of business published by Banco Nación: 1Q18: 19.6 ARS/USD; 2Q18: 23.6 ARS/USD; 3Q19: 32.0 ARS/USD; 4Q18: 37.0 ARS/USD; 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 3Q19: 50.1 ARS/USD; 4Q19: 59.3 ARS/USD.

The table below shows the direct economic value generated and distributed, as proposed by GRI, to report on the company's own economic performance. It is stated in million Dollars and has been derived from YPF Energía Eléctrica

S.A.'s Audited Consolidated Financial Statements as of December 31, 2019 and 2018, which have been issued in Argentine Pesos, with the relevant unqualified Auditor's Report issued by Deloitte & Co S.A.

Direct economic value generated and distributed (figures stated in million Dollars ¹)	2019	2018
Economic Value Generated	378,867	348,046
Sales revenues	331.6	242.9
Income from financial investments	12.2	6.3
Equity income in affiliates ²	15.0	7.8
Other operating income ³	12.4	90.9
Other financial results	7.5	-
Economic Value Distributed	(291,529)	(182,839)
Operating costs	(147.7)	(67.4)
Payroll and employee's benefits	(22.9)	(21.7)
Payments to the government (taxes, duties and contributions) and Income tax	(61.5)	(40.1)
Other operating expenses	-	(11)
Cost of interest accrued on loans	(59.1)	(19.4)
Other financial results	-	(34.0)
Community investments	0.2	N/A
Economic Value Retained	87,338	165,207

¹ The table is stated in million Dollars and arises from YPF Energía Eléctrica S.A.'s consolidated Financial Statements as of March 31, 2019; it was prepared on a comparative basis with respect to the relevant Auditors' Report issued by Deloitte & Co S.A. Argentine Pesos were converted into Dollars based on the average exchange rate for each quarter prevailing at period-end and published by Banco Nación: 1Q18: 19.6 ARS/USD; 2Q18: 23.6 ARS/USD; 3Q19: 32.0 ARS/USD; 4Q18: 37.0 ARS/USD; 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 3Q19: 50.1 ARS/USD; 4Q19: 59.3 ARS/USD.

² On February 2, 2018, the company assigned and transferred to YPF a 27% equity interest it held in Consorcio Área Ramos, in the province of Salta. The profits & losses from the Consortium, until that date, are not included in the table.

³ In March 2018, the company completed the fair value re-measurement of its preexisting 66.67% equity interest in Y-GEN and Y-GEN II, resulting in a profit of 1,785,033, accounted for as income (loss) from continued operations. This amount reflects the positive difference arising from comparing the fair preexisting interest value, which amounted to 3,224,724, to the value of the investment accounted for under the equity method on the acquisition date, which amounted to 1,439,691 (figures stated in thousand Pesos).

Operations

Material Issues: Risk Management and Regulatory Compliance, System Efficiency, Energy Efficiency
GRI Contents 102-2, 102-3, 102-4, 102-6, 102,10, 102-11, 102-15, 103-2, 103-3, EU1, EU2, EU10, EU11

We comply with safety and technology standards to produce electric power and contribute to the energy development of Argentina and its industries.

YPF Luz's management system is focused on mitigating occupational, industrial and process-related risks, operating within the framework of the company's **Operational Excellence Policy**, the main purposes of which include:

- Ensure people's wellbeing and protect our assets.
- Maximize production and efficiency, streamlining the use of available resources.
- Honor our commitments to our internal and external clients.
- Ensure safe and environmentally-friendly production processes.

Our commitment to ongoing improvement policies compels us to revise the suitability of our Operational Excellence Policy and goals for constant adjustment to the changes required by the market and applicable laws.

Get to know our **Operational Excellence Policy** at: <http://bit.ly/ypfluz-PEO>

In conducting all our operations, we monitor fuel consumption, air quality, water, and noise emissions. We implement strict quality, safety, environment and energy efficiency programs, and pursue international certifications to ensure sustainability and safety across all our operations, with an extensive internal and external auditing program to ensure compliance with those standards. Accordingly, the following external audits were conducted in 2019:

- OPIC External Audit (Cañadón León)
- Mott Mac Donald external audits on Y-GEN and Y-GEN II (El Bracho, Tucumán)
- External audit on the environmental and social plan at YGEN (Loma Campana)
- External audits IRAM for ISO and audit on the ERM environmental and social improvement plan under the IFC standards (Manantiales Behr).

Generated power	2019		2018	
Power generation (in GWh)	6,451.4		7,658.6	
Thermal power*	5,924.7	92%	7,510	98%
Renewable energy	526.6	8%	148.6	2%**

* Excluding the 30.76% stake in Central Dock Sud in power generation.

** The Manantiales Behr Wind Farm began operations in full in November 2018. This explains the difference in percentage of power generation with the same installed capacity.

Generation of renewable energy from the Manantiales Behr Wind Farm reached 526.6 GWh -254% more than in 2018.



	2019	2018
Power generation (in GWh)*	6,451.4	7,658.6
Central Generación Tucumán	3,714.2	5,232.1
Loma Campana I	705.6	432.4
Loma Campana Este	45.4	34.0
La Plata Cogeneration	818.7	873.4
Manantiales Behr Wind Farm	526.6	148.6
Loma Campana II - Y-GEN	503.9	395.4
El Bracho Thermal Power Plant - Y-GEN II	136.9	542.7

*Excluding Central Dock Sud.

	2019	2018
Availability (without scheduled maintenance)	84.6%	90.0%
Fuel consumption Gas Eq (M nm ³ /day)	3.67	4.56
Specific consumption Kcal/KWh	1,869.55*	1,844.1*

Calculated data based on CAMMESA's data as of March 2020. Generation data differ by 6.61 GWh from reports submitted in 2019, given that CAMMESA updates previous reported data upon release of each report.

* Weighted average consumption by generated energy.

We have 1,819 MW of power intended for the industry and efficient energy development, generated at high-technology facilities distributed nationwide.



YPF Luz Generation Results	2019	2018
Loma Campana I		
Generation (in GWh)	705.56	432.40
Availability (without scheduled maintenance)	80.3%	59.3%
Fuel Consumption Gas Eq (M nm ³ /day)	0.44	0.28
Specific Consumption Kcal/KWh	1,964	1,964
Loma Campana II		
Generation (in GWh)	503.93	395.40
Availability (without scheduled maintenance)	82.6%	87.0%
Fuel Consumption Gas Eq (M nm ³ /day)	0.33	0.26
Specific Consumption Kcal/KWh	2,011	2,011
La Plata Cogeneration		
Generation (in GWh)	818.75	873.40
Availability (without scheduled maintenance)	78.9%	95.9%
Fuel Consumption Gas Eq (M nm ³ /day)	0.54	0.56
Specific Consumption Kcal/KWh	1,976	1,976
San Miguel de Tucumán		
Generation (in GWh)	1480.73	2,208.10
Availability (without scheduled maintenance)	76.7%	96.7%
Fuel Consumption Gas Eq (M nm ³ /day)	0.91	1.28
Specific Consumption Kcal/KWh	1,790	1,790
Tucumán		
Generation (in GWh)	2233.47	3,024.00
Availability (without scheduled maintenance)	91.6%	99.2%
Fuel Consumption Gas Eq (M nm ³ /day)	1.34	1.75
Specific Consumption Kcal/KWh	1,786	1,786
El Bracho		
Generation (in GWh)	136.88	542.70
Availability (without scheduled maintenance)	89.5%	97.4%
Fuel Consumption Gas Eq (M nm ³ /day)	0.11	0.43
Specific Consumption Kcal/KWh	2,449	2,449
PE Manantiales Behr		
Generation (in GWh)	526.65	148.64
Availability (without scheduled maintenance)	99.2%	95.4%
Fuel Consumption Gas Eq (M nm ³ /day)	0	0.00
Specific Consumption Kcal/KWh	0	0

TOTAL YPF LUZ *	YPF LUZ		MARKET	
	2019	2018	2019	2018
Generation (in GWh)	6,406	7,624	131,247	137,482
Availability (without scheduled maintenance)	84.6%	90.0%	80.0%	81.0%
Fuel Consumption Gas Eq (M nm ³ /day)	3.67	4.56	49.61	54.80
Specific Consumption Kcal/KWh	1,869.5	1,844.1	1898.2	1,918

* Excluding Dock Sud and Loma Campana Este.

** Weighted average consumption by generated energy.

Source: Internally prepared information based on CAMMESA's data.

Thermal power generation

Regarding thermal generation, we aimed to incorporate assets that make efficient use of gas, since gas is the least environmentally impactful fossil fuel in electric power generation. In 2019, YPF Luz's entire thermal generation was based on gas, while national gas utilization by thermal power producers was 94.9%, on average.

TUCUMÁN

Tucumán Power Generation Complex (located in El Bracho, province of Tucumán) is comprised by Tucumán Thermal Power Plant, with an installed capacity of 447 MW, and San Miguel de Tucumán Thermal Power Plant with an installed capacity of 382 MW. In addition, in January 2018, we started to operate El Bracho Thermal Power

Plant, with an installed capacity of 267 MW. In 2019, the assets of the GE Gas Turbine of El Bracho Thermal Power Plant were added to the SAP-PM maintenance management system, while the relevant assessment of the maintenance plans that are being processed will be uploaded in 2020.

LOMA CAMPANA

The Loma Campana Thermal Power Plant (located in Añelo, province of Neuquén) includes two thermal power plants with aeroderivative gas turbines: Loma Campana I, with an installed capacity of 105 MW, and Loma Campana II, with an installed capacity of 107 MW. The complex also includes Loma Campana Este, a thermal power plant located within the Loma Campana oil & gas production concession area, 18 km away from Loma Campana I and II, with an installed capacity of 17 MW.



LA PLATA

This is a power plant with an installed capacity of 128 MW, which supplies steam to YPF's industrial complex and electric power to CAMMESA. In December 2019 a contractual service agreement was executed with GE, to guarantee availability due to maintenance of the GE Gas Turbine of Cogeneration La Plata. Also, in 2019, the assets of La Plata Cogeneration Plant 1 (LPC1) were added to the SAP-PM maintenance management system, with their respective maintenance plans to standardize the maintenance process across the company.

CENTRAL DOCK SUD S.A.

YPF Luz owns a 30.76% equity interest in this company and is responsible for the Commercial Department. However, Enel is responsible for the operations and relationships with third parties. The Dock Sud Power Plant (located in Avellaneda, province of Buenos Aires) has a total installed capacity of 869.5 MW, of which 267 MW are attributable to the stake held by YPF Luz.

For more information on our operation sites, visit: <https://www.ypf luz.com/OurAssets/Home>

Renewable generation

We strive to develop reliable, efficient and sustainable energy, with world-class technology, so industries can rely on this CO₂ emissions-free resource. We have an operational wind farm and two wind farms under construction to supply renewable energy to Argentina's leading companies.

Renewable Generation Results (in GWh)	2019	2018
YPF Luz		
Renewable Generation	526.6	148.64
MATER Generation	526.6	148.64
Market		
Renewable Generation	7,812.14	3,350.22
MATER Generation	0.19	0.25
Market Share		
Renewable Generation	6.7%	4.5%
MATER Generation	35.3%	88.2%

Own information based on CAMMESA's data.

MANANTIALES BEHR WIND FARM

The Manantiales Behr Wind Farm (located in Manantiales Behr, province of Chubut), built on a currently operational oil & gas reservoir owned by YPF, has 30 Vestas wind turbines with a capacity of 3.3 MW each, and a total installed capacity of 99 MW. The wind farm is connected to the Argentine Grid Transmission System (SADI) and CAMMESA has assigned it priority dispatch for the sale of renewable energy in the MATER⁸.

⁸ Renewable Energy Forward Market.



Loading Factor and Availability Renewable Energy		
	2019	2018
Manantiales Behr Wind Farm		
Capacity Factor	61.7%	50.3%
Availability Factor ⁹	97.7%	87.5%

⁹ Se calcula como la capacidad remunerada/capacidad instalada.

The wind farm has the largest capacity factor in the country: 61.7%. In 2019, it was the wind farm that contributed the largest amount of renewable energy to the Argentine interconnection system, in excess of 526.6 GWh.

In 2019 arrangements were made for a media visit to the Manantiales Behr Wind Farm, in which 20 journalists from national and provincial media nationwide participated, and where executive officers of the company presented the results for the first operational period.

For more information on Manantiales Behr, visit: <https://ypfluz.com/Activo/Index/8>

Digital transformation

In 2019 we deployed the *OSIsoft PI System®*, an intelligent tech-platform that monitors power generation and processes of all our assets in real time and allows access from mobiles. This platform has enabled improved optimization of maintenance processes at sites (Thermal power plants and wind farm) that translates into continued improvements and greater efficiency in operations.

We guarantee our operational results by managing our processes, developing adequate management systems and applying new technologies with innovation criteria, that enable operational sustainability.



Regarding processes and technology, in 2019 we conducted a Process Mapping and implemented SAP S/4 HANA.

PROCESS MAPPING

Since we are a young company, we have had to define our own policies, standards, processes and procedures, to develop our strategy and our business model. All areas of the company are in constant expansion, which requires alignment of work processes to avoid hurdles, excess workload, incidents, etc. Accordingly, in 2019, over 50 processes were surveyed, including the following actions:

- We documented the main activities of the company.
- We conducted the mapping of relations among Departments, with focus on achievement of results.
- We created a company-wide vision.
- We set the bases for subsequent stages in the process management deployment.
- Over 200 sub-processes were detailed, including mapping of the main systems that support each process

We could determine a chain value and high-level processes, which represent and formalize YPF Luz' current operation.

SAP S/4 HANA

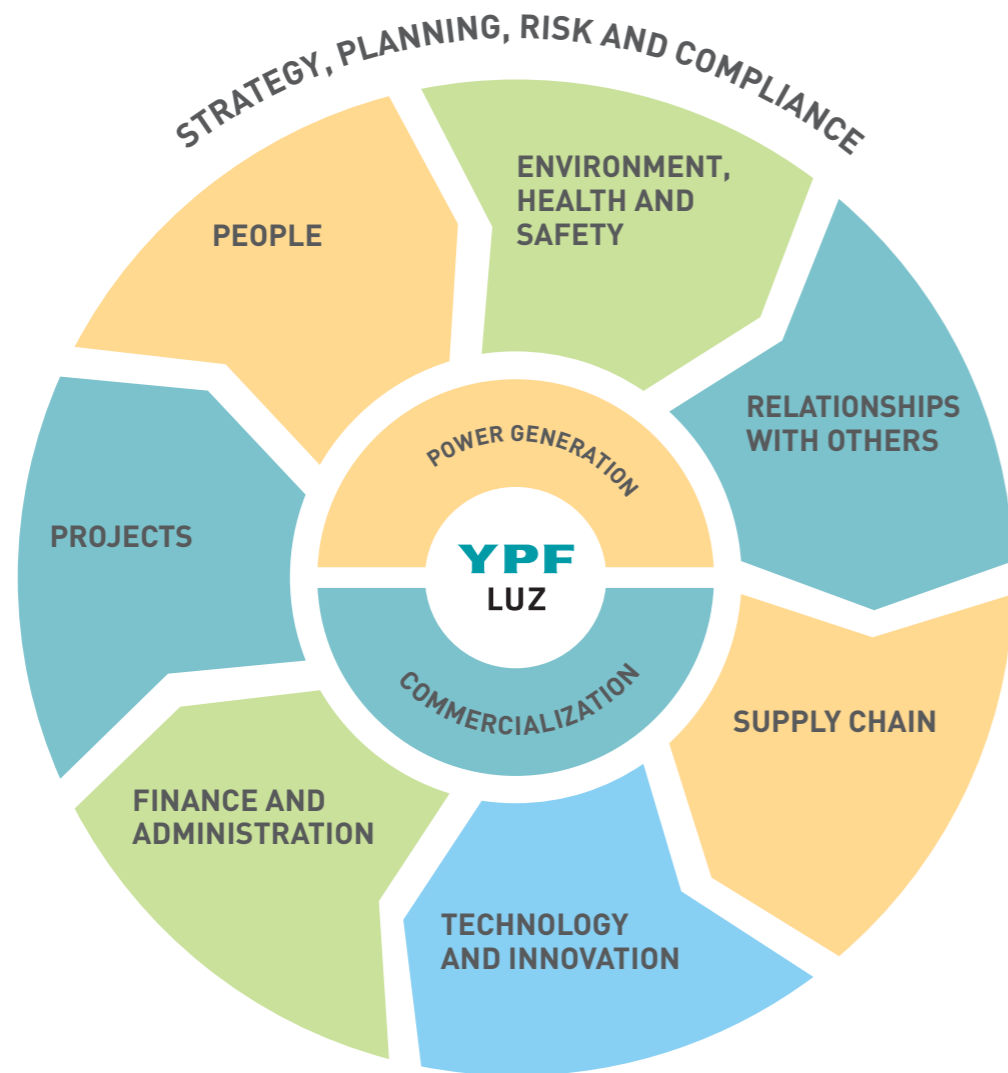
In the second half of 2019, we carried out Phase I of the SYLUZ Project and deployed a suite of SAP solutions consisting of SAP S/4 HANA and ARIBA Sourcing. It was an important milestone for the organization, given that we could have our own system with independent accountability and technological innovation.

The project was developed in stages using a work methodology known as "Active". It is based on fast SCRUM /Design Thinking methodologies, which enabled optimization of implementation deadlines and configuration of the new system. We formed a multidisciplinary team, based on standard features and process best practices suggested by SAP. We encompassed the review and configuration of the Finance and Accounting, Sales, Invoicing, Payments, Purchases, Warehouses and Maintenance modules.

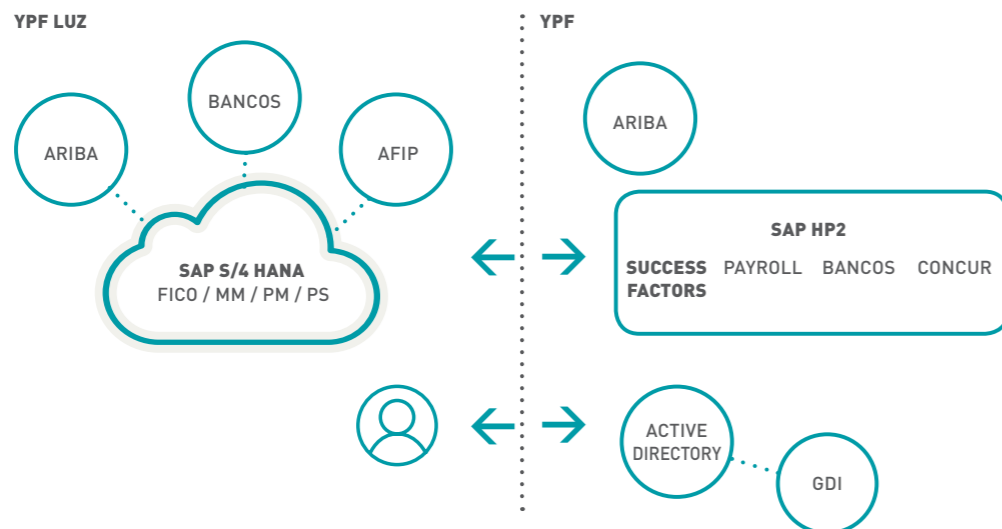
The months of November and December were critical to migrate data to the new system. We established a Black Out period and devised a plan for progressive suspension of recording and running of the then operational LP0 YPF SA and ARIBA (YPF) systems. Data were extracted and migrated to the LP3 YPF Luz and ARIBA YPF Luz systems.

The first days of January 2020 deployment was carried out (migration of open items and user activation) thus completing the commissioning of the new systems SAP LP3 and ARIBA YPF Luz.

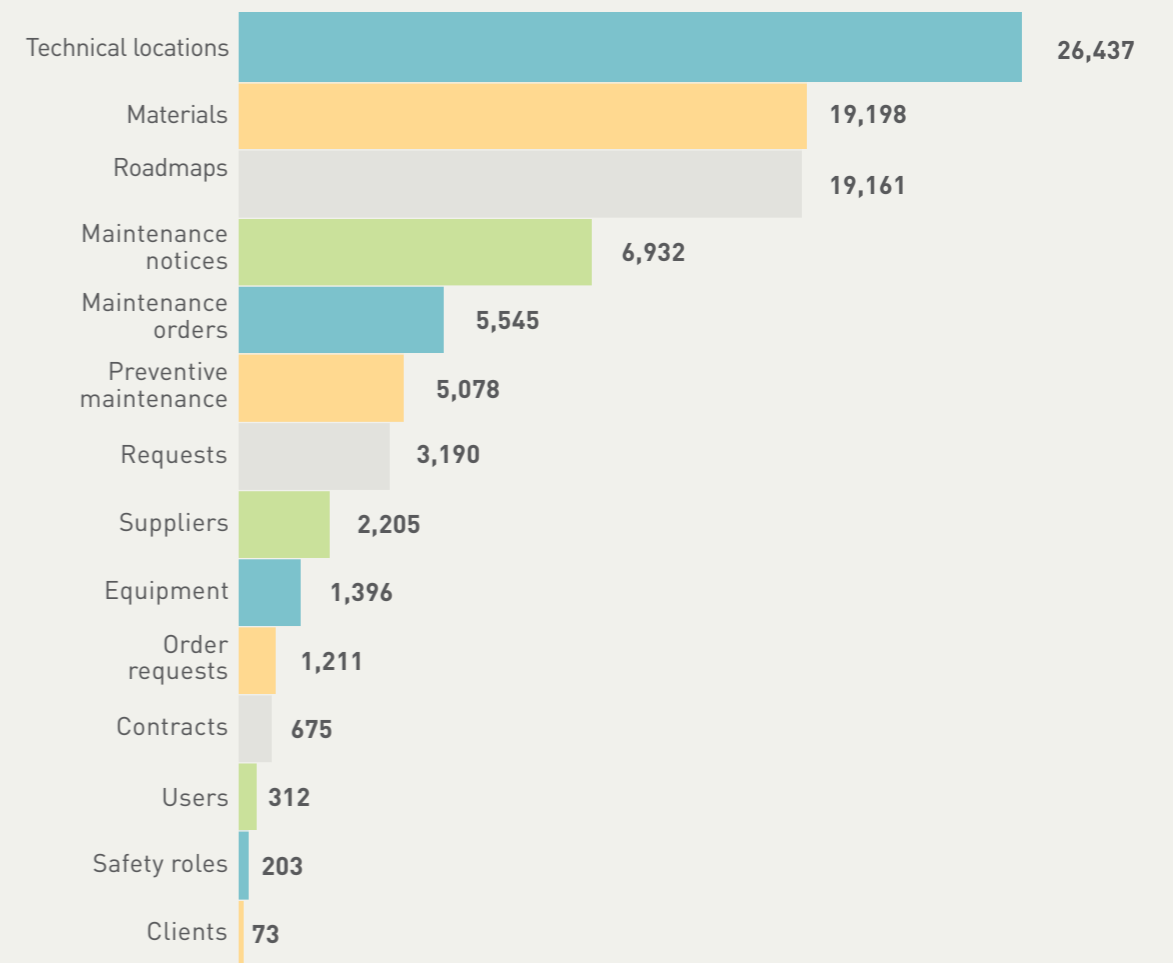
YPF LUZ VALUE CHAIN



PHASE I



MIGRATION IN NUMBERS:



During the rest of 2020, features and integration with other tools are expected to be expanded in the Purchases, Finance and Accounting modules. In the second half of the year, Phase II of the

SYLUZ Project is expected to be completed with the implementation of the SAP suite Successfactors and Concur.

Projects

GRI Contents 102-10,102-11,102-15

“A clean and efficient energy future implies not only the incorporation of renewable energy sources but also the introduction of efficiency improvements in all production processes. Technology innovation and renovation at the thermal plants enable us to deliver firm power to the Argentine electric grid, and to supplement renewable energies considering their intermittent nature. We are building two wind farms and investing in efficient thermal power projects based on natural gas –the cleanest conventional resource for thermal power generation– because we are certain that natural gas and renewal energies are the perfect economic complement to develop sustainable energy for Argentina.”

Martín Mandarano,
CEO of YPF Luz



Our strategy to contribute a larger volume of highly efficient and renewable energy generation to the energy matrix is reflected in the construction of new projects. In 2019, works were planned for a total of 637 MW distributed in 7 projects, of which 340 MW relate to high-efficiency thermal power projects and 297 MW to wind power projects. Therefore, construction increased by 30% compared to 2018. In addition to works exclusively intended for power generation, electric infrastructure works were developed to improve access to clean and efficient energies across different locations where the projects are carried out. This required the construction of 3 high-voltage substations, medium- and high-voltage transmission lines, and changes in the electric infrastructure of the Interconnected System (SADI).

7 Works

Interconnection works
3 substations + over 50 km lines

340 MW

340 MW of thermal power
297 MW of wind power

297 MW

of wind power

+1.100

employed people

INTERCONNECTION WORKS

132 KV - 350 MVA

+5 traffic

500 KV - 425 MVA

+2 traffic



Projects under construction in 2019	Location	Installed Capacity	Client or counterparty	Technology	Progress	Year
La Plata Cogeneration II	La Plata, Buenos Aires	85 MW	CAMMESA	Cogeneration	91%*	2018
El Bracho CC**	El Bracho, Tucumán	198 MW	CAMMESA	Steam turbine – combined cycle	93%*	2018
Manantiales Behr Thermal Power Plant	Manantiales Behr, Chubut	57 MW	YPF	Engine-driven generator	57%*	2019
Los Teros I Wind Farm	Azul, Buenos Aires	123 MW	MATER	Wind	92%*	2018
Los Teros II Wind Farm		52MW			7%*	2019
Cañadón León Wind Farm ***	Cañadón León, Santa Cruz	122 MW	CAMMESA y MATER	Wind	74%	2019
Santa Cruz Norte Line	Pico Truncado-Caleta Olivia, Santa Cruz	N/A	CAF/Province of Santa Cruz	132Kv Transmission Line		2019

* Extent of physical progress as of January 2020

** Resolution 287/2017

*** Renovar 2.0 Program, awarded for 99 MW

We aim to produce profitable, efficient and reliable energy, by building new thermal power plants and renewable energy farms, with world-class technology, to supply YPF and other industries and to commercialize in the Wholesale Electric Market (WEM).





Thermal power generation projects

TUCUMÁN – CLOSING OF OPEN CYCLE

The closing of the new 267 MW gas turbine to a combined cycle is underway, to add 198 MW, and improve the whole plant's efficiency. Commissioning is expected to take place in 2020. Progress in 2019:

- HRSG: We completed the mounting of the 10 modules comprising the boiler circuits and the assembly of the main pipes. We performed hydraulic tests on finished circuits.

- Steam turbine: The high-pressure and intermediate pressure sections were assembled.
- Cooling Tower: We progressed in the verticalization of the main cell structure.
- Equipment Supply: All equipment is on site.

Upon conclusion of the combined cycle, the Tucumán Power Generation Complex, consisting of three thermal combined cycles, will supply electric power to more than 1.3 million users, which is equivalent to 4.2% of the country's peak demand.



LA PLATA COGENERATION II

We are building a new 85MW cogeneration power plant at the La Plata Industrial Complex owned by YPF, the power output will be sold CAMMESA and the steam to YPF S.A. for its production process. The plant was awarded by Resolution 287/17, to add 85 MW of electric power and produce 200 t/h of steam.

Progress in 2019:

- We mounted the heat recovery steam generator (HRSG), the gas turbine and generator along with all auxiliary equipment, diverter damper, power transformer and electric room of the Plant, and the power center mounted.
- Changes to the control room at La Plata Cogeneration I, for integration of La Plata Cogeneration II.
- Start of plant pre-commissioning works.



MANANTIALES BEHR THERMAL POWER PLANT

It consists in the installation of 5 high-efficiency 11.5MW engines, totaling 57 MW. This power plant will meet the demand of the node where the 99 MW Manantiales Behr Wind farm is located. The power plant will supplement the wind farm output, to improve energy availability for YPF reservoirs and local communities, thus turning the Wind Farm and the Power Plant into a hybrid generation node.

Renewable generation projects

With the addition of the Los Teros and Cañadón León wind farms, greenhouse gas emissions will be reduced by 740,000 TON eq CO₂ each year.

We are making progress in the construction of two new wind farms: Los Teros, located in Azul, province of Buenos Aires, which will have an installed capacity of 175 MW and Cañadón León, located in Cañadón Seco, province of Santa Cruz, with an installed capacity of 122 MW. After completion of these projects, we will have increased our renewable energy capacity by additional 297 MW.

LOS TEROS WIND FARM

The wind farm will have 45 General Electric wind turbines, with an installed capacity of 175 MW and an estimated capacity factor of 53%. CAMMESA has assigned it priority dispatch for the sale of renewable energy in the MATER. The wind farm will be built on 3,300-hectares, 45 km away from Azul, and will require a total investment of more than USD 200 million.

The wind farm is distributed in two facilities and will be built in two stages:

- **Los Teros I:** installed capacity of 123 MW. 32 wind turbines of 3.83 MW each, laid out across 4 private fields, with a total area of 2,500 hectares. Progresses in 2019:

- 37 km of internal roads.
- 30 foundations. Each consists of 50 tons of iron and 500 m³ of concrete.
- Arrival and transportation to the site of 32 wind turbines
- Substation: Civil work was carried out and equipment started to be mounted.
- Mechanical assembly was completed for the first wind turbine.

- **Los Teros II:** This wind farm will be located in the vicinity of Los Teros Wind Farm with 123 MW. This second stage began in late 2019 and will contribute an additional capacity of 52 MW, from 13 wind turbines of 4 MW each, distributed on 1,000 hectares.

The wind farm will be interconnected at the same point as Los Teros I Wind Farm and will supply power to the MATER exclusively. Progress in 2019:

- Soil surveying works.
- Mounting of concrete plant
- Opening of access roads
- Excavations for the foundations

The wind power generated at Los Teros I and II will avoid emissions of 8.5 million tons of CO₂ over 20 years, compared to the same power generation by a thermal power plant, accounting for diesel savings of 81,800 m³ or natural gas savings of 130 million m³.





CAÑADÓN LEÓN WIND FARM

With a USD 160 million investment, the Cañadón León Wind Farm will have an installed capacity of 122 MW that will enable it to supply 600,000MWh/year of renewable energy that will meet a demand equivalent to 150,000 households and will avoid emissions of 312,000 TON of CO₂ each year.

Construction of the wind farm began in early 2019. It will have 29 wind turbines of 4.2 MW each. The power output of 122 MW will be commercialized as follows: 100 MW to supply CAMMESA and 22 MW for the MATER. Progress in 2019:

- Arrival of 19 wind turbines at Puerto Deseado and transportation of 3 wind turbines to the wind farm.
- 19 foundations were completed.

Infrastructure projects

HIGH-VOLTAGE LINE SANTA CRUZ NORTE

We began construction of a 53-km high-voltage line to interconnect the towns of Pico Truncado, at the Santa Cruz Norte substation, and Caleta Olivia, at a new Substation to be constructed as part of the project. This line will enhance the service infrastructure in the region, improving the quality of life of the inhabitants of Caleta Olivia and surrounding areas; it will also allow to channel the power output from the Cañadón León Wind Farm through an interconnection in the area of Cañadón Seco. The work was assigned to YPF Luz by the CAF, and it is financed by the Province of Santa Cruz.

Projects under development and assessment

As part of the strategic growth plan, projects have been assessed and developed to continue increasing the project portfolio underway. In 2019 we assessed non-conventional renewable energy and thermal power projects for about 2,500 MW. Each one of them is focused on meeting different demands in a sustainable manner, ensuring environmental and business sustainability.

Clients

Material Issue: Customer Satisfaction
GRI Contents 102-2, 102-6, EU3, 103-2, 103-3

We generate renewable energies with safety, efficiency, technology and quality standards to supply power to important industries and foster the energy development of Argentina.

We produce electric power from thermal and renewable sources, and sell the power produced to our clients, which are classified into two main segments: CAMMESA¹⁰ and private clients.

The energy sold to CAMMESA in 2019 was derived 100% from thermal sources and was produced by Tucumán Power Generation Complex (Resolution 1/2019), La Plata Cogeneration (Resolution 1/2019), Loma Campana (Resolution 21/2016 and self-generation), and Central Dock Sud (Resolution 1/2019).

The main industrial client in 2019 was YPF, which bought 1,174 GWh for its operations, of which 64% corresponds to thermal energy and the remaining 36% to renewable energy. The energy acquired by YPF from the Manantiales Behr Wind Farm represented 80% of the total renewable energy produced by YPF Luz. This energy allowed it cover 16% of its renewable energy needs and to become one of the first companies to comply with the requirements of Law 27,191 on Renewable Energies.

The rest of YPF Luz's clients are large industrial users, which in 2019 acquired renewable energies produced at Manantiales Behr Wind Farm, through the MATER.

	2019	2018
Industrial Clients	15	12
Industrial Clients - % of energy sold	19%	16%
CAMMESA	1	1
CAMMESA - % of energy sold	81%	84%

Regarding our commercial strategy, we are making progress to develop a world-class client portfolio, to supply power from renewable energy derived from wind farms in operation and under construction, through long-term contracts that assure low risk and predictable cash flows.

In addition, in October 2019, the Argentine Government authorized YPF Energía Eléctrica Comercializadora S.A.U –a company 100% owned by the YPF Luz Group– as WEM trading agent. This initiative is intended to increase the supply of renewable energies through the commercialization of third-party energy, acting as an intermediary between supply and the growing industry demand.

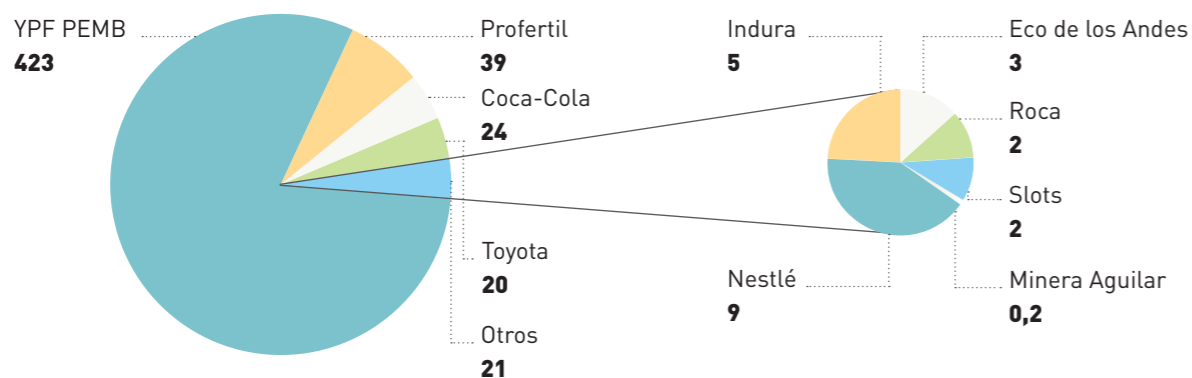
¹⁰ Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima.

TERM OF RENEWABLE ENERGY CONTRACTS BY COMPANY



*Contract signed in 2019.

RENEWABLE ENERGY SUPPLIED BY PEMB – YEAR 2019 (MWH)



*Contract signed in 2019.

We provide our industrial clients with reliable, efficient and sustainable energy solutions, adapting them to their needs.

For more information, visit: <https://www.ypf luz.com/Clients>

HOLCIM ARGENTINA WILL FULFILL ITS PLANTS WITH OUR RENEWABLE ENERGY

YPF Luz will supply wind power from Los Teros Wind Farm, for operations at the five concrete facilities owned by Holcim Argentina in Buenos Aires, Córdoba, Mendoza and Jujuy. With this initiative, Holcim Argentina will produce 1.2 million tons of concrete per year using renewable energy, that is the equivalent to building 105,000 houses or 3,000 km of two-lane roads. This will enable the company to reduce CO2 emissions by 63,000 tons upon replacing thermal power with wind power. The emissions that will be avoided will be equivalent to 60 thousand flights from Córdoba to Buenos Aires.

CLADD AND ENOD EXECUTED AN AGREEMENT WITH YPF LUZ FOR THE SUPPLY OF RENEWABLE ENERGY FOR THEIR TEXTILE MANUFACTURING FACILITIES IN BUENOS AIRES AND LA RIOJA

Cladd and Enod executed a 10-year agreement for 30% of their production to be carried out using renewable energy, that is the equivalent to 5,000 tons of fabrics for clothing per year. As a result of this agreement, YPF Luz will supply power from Los Teros Wind Farm at 17.6 GW/h per year for the textile manufacturing facilities located in San Martín and Morón, in the province of Buenos Aires, and for the plant located in the province of La Rioja, which is equivalent to the electric consumption of 4,766 households. The fact that 30% of Cladd's and Enod's production is carried out using wind power means that their value chain may manufacture about 18 million clothes with fabrics using wind power. In terms of mitigation of greenhouse gases, the agreement will enable the company to save 9,184 tons of carbon dioxide emissions.

According to a customer satisfaction survey, YPF Luz's service was rated **9.4 (out of 10)**, with a **Net Promoter Score (NPS) of 8.86**. Renewable energy clients mainly appreciated the impact on shareholders and parent companies, clients and communities where they operate..



EVENTS WITH OUR CLIENTS

In-company training session on wind power generation for Toyota Argentina S.A.

As part of the activities carried out during the month of the Environment at Toyota, we were invited to the Zárate plant, in the province of Buenos Aires, where we delivered a talk about renewable energy generation for its employees. Today, 25% of Toyota Argentina's output is produced using YPF Luz's renewable energy.

Training Session on the MATER for companies at Pilar Industrial Park.

This event was organized together with the consortium of owners of Pilar Industrial Park (Parque Industrial Pilar) and the Business Chamber of Parque Industrial Pilar to inform on the opportunities offered by YPF Luz to companies needing to purchase power from renewable energy sources. A presentation was made about the Forward Market, which encompassed regulations, market development in Argentina, business opportunities and footprint in the MATER. YPF's Natural Gas market division also participated in this session.

Training Session on the MATER at the German Chamber of Commerce.

Business opportunities provided by the MATER to companies that choose to purchase power from renewable energy sources from YPF Luz were presented at this session. It was carried out for the second consecutive year, reinforcing the relationship with the companies that are members of the German chamber.

Suppliers

Material Issue: Human Rights
GRI Contents 102-8, 102-9, 102-10, 103-2, 103-3, 407-1, 408-1, 409-1, 412-3

As part of YPF Luz’s policies, we assess our suppliers of goods and services to ensure compliance with our policies.

Our supply chain is governed by guidelines and policies to align the technical, tax, legal, and cost requirements, with ethical values and environmental, labor, and social security requirements as might be applicable. In this regard, our Code of Ethics and Conduct, and our commitment to sustainability, are applicable to all contractors, subcontractors, suppliers of goods and services, and business partners. The Code of Ethics and Conduct has a Human Rights clause is required to all suppliers: “ Human Rights: Respect for Human Rights is an essential requirement to develop the activities of the Company, which ensures its protection in its scope of action”.

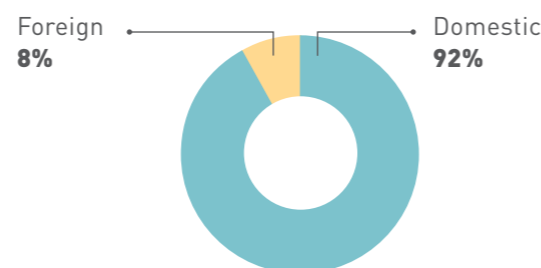
These requirements are included in the stages of our procurement process –pre-selection, validation, adjudication, and assessment– which in 2019 involved all suppliers defined as critical to preserve the reliability of our operations.

The general procurement and contracting conditions are intended to govern the relationships between YPF Luz and its suppliers and contractors as to the purchase of goods or the execution of contracts for works or services. These conditions –which are accepted by suppliers upon submitting their bids– set basic obligations and responsibilities in terms of ethics and conduct, compliance, environment, health and safety, and labor conditions.

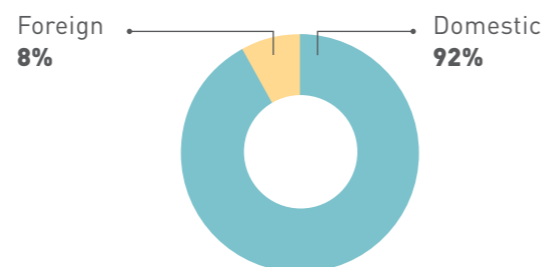
Before executing a contract, YPF Luz assesses each supplier based on its compliance with the company’s policies and applicable laws and regulations. Since some of our suppliers are also suppliers to YPF S.A., their available background information and assessments are taken into consideration by the procurement team when analyzing them.

In 2019 we had 769 active suppliers, of which 704 were local and 65 were foreign.

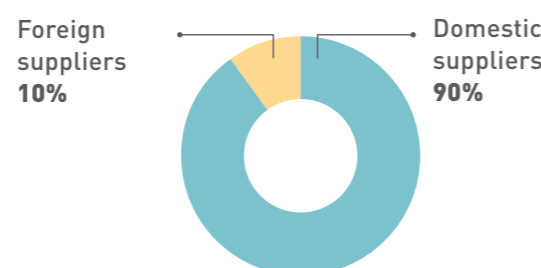
Suppliers by origin 2018



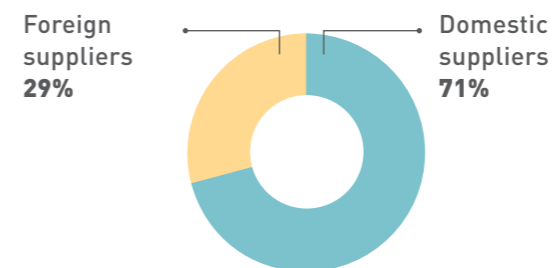
Suppliers by origin 2019



Purchase Volume 2019



Share based on amount of purchases from Suppliers



YPF Luz worked with 72 contractors, which employed 1,874 active people.

	2019
Contractors	72
Active people	1,874
Loma Campana	200
Manantiales Behr - Base Los Teros	1,150
City of Buenos Aires	12
Tucumán	408
Buenos Aires	137

* The aggregate number of active people on our sites employed by contractors was 1,874. Note that some of them have worked at more than one site.

No suppliers have been identified with risks related to freedom of association and collective bargaining, child labor and forced or compulsory labor.



Late in 2019, the Supplier Management Division was created, and new processes started to be designed for supplier qualification and performance assessment¹¹. To this end, groups were defined by items of service and materials that apply to the different businesses of YPF Luz. Each of them has a unique criticality, that depends on different assessment criteria and established attributes, related to the potential impacts on the company when faced with a deviation in supply by the supplier.

Therefore, the division started to work on development of a tool for YPF Luz intended to complete a pre-qualification process at a preliminary stage, prior to the bidding process, and a qualification process based on the products and services offered by the supplier. The requirement level varies depending on the product or service to be purchased. Prior to each adjudication, the supplier is required to comply with compliance, business, economic-financial, quality, management capacity, safety and environmental requirements, among others.

In turn, in 2019, different areas of the company worked together to deploy our own SAP Ariba system, independent from YPF S.A. This implies, among other things, having our own platform for all suppliers of the company.

In December 2019, we implemented a supplier service through different channels enabled for this purpose, which is also in charge of managing new registrations and updates of all suppliers in the system.

Email:
consultaspagosypfluz@ypf.com
Phone:
 0810-122-9681 (option 2)

¹¹ We are working on a tool for management of supplier qualifications and performance assessments.

05. Environmental performance



Comprehensive Quality, Environment, Health & Safety Management

Material Issues: Energy Use, Water and Effluents, Gas and GHG Emissions, Waste Management, Occupational Health and Safety health
GRI Contents 103-2, 103-3, 403-1, 403-2, 403-4, 403-7

We have a QEHS policy in place that reinforces our commitment to operate in harmony with our environment.

Quality, environment, health and safety (QEHS) management is based on three principles that guide our commitment and corporate culture:



Ensure safe working conditions by embracing local and internationally renowned best practices.



Minimize our environmental impact.



Maintain a healthy workplace for all workers and the communities at which we develop our activities.

Based on these principles, we defined 11 strategic vectors:

Leadership

Management System

Incident Management

Audits

Risk Management

Regulatory Compliance

Emergency Management

Contractor Management

Health

Prevention of Negative Environmental & Social Impact

Training

GAP= SHGAP / ESGAP / QGAP

We also defined the **Goal and Action Plans (GAPs):**

- Health and Safety Goal and Action Plan (SHGAP).
- Environment and Social Goal and Action Plan (ESGAP).
- Quality Goal and Action Plan (QGAP).

companies in the electric power generation sector, leader in renewable technologies, embracing internationally recognized safety, technology, efficiency, and quality standards.

Our **Quality, Environment, Health and Safety Policy** lays the groundwork to build upon our strategic guidelines and QEHS plans.

Our integrated QEHS management helps streamline resources and deliver better results to become one of the leading

Get to know our **Quality, Environment, Health and Safety Policy** at: <https://www.ypluz.com/Sustainability>

Quality

Material Issues: Energy Use, Water and Effluents, Gas and GHG Emissions, Waste Management, Occupational Health and Safety
GRI Contents 102-11,103-2, 103-3, 403-1

At YPF Luz we have a quality program in place that centralizes monitoring on all QEHS certifications and compliance with the quality requirements of our internal procedures, current laws and regulations and stakeholders. As of 2019 we have the following certifications:

Certificaciones	ISO 9001	ISO 14001	ISO 50001	OHSAS 18001	ISO 45001	ISO 55001
El Bracho Thermal Power Plant (Open cycle)	•	•	•	•		
San Miguel de Tucumán Thermal Power Plant	•	•	•*	•		
Tucumán Power Plant	•	•		•		
La Plata Cogeneration Power Plant	•	•	•*		•*	
Loma Campana I	•	•	•		•*	•*
Loma Campana II	•	•	•		•*	•*
Loma Campana Este	•	•	•		•*	•*
Manantiales Behr Wind Farm	•*	•				

*Certifications obtained in 2019.

All operations of YPF Luz have implemented an Environmental Management System. They are certified under ISO 14001 and ISO 9001 and have an internal and external audit plan in place to monitor management systems and indicators.

To optimize energy output, improve and streamline processes and reduce greenhouse gases, six thermal power plants have been certified under ISO 50001 Energy Management Systems. In 2018 we certified El Bracho, Loma Campana I, II and Loma Campana Este power plants, and in 2019 we added La Plata Cogeneration and San Miguel de Tucumán Thermal power plants.

Internal Audit Training

Two training sessions were carried out: one in each half of the year, based on ISO standards, general concepts of integrated management systems and specific to internal audits. They were attended by 20 employees from different sites.

In 2019, the Loma Campana Thermal Power Complex obtained the certification under ISO 45001 Occupational Health and Safety Management and ISO 55001 Industrial Asset Management, which are added to ISO 14001 Environmental Management System, ISO 9001 Quality Management System and ISO 50001 Energy Management System.



La Plata Cogeneration was certified under ISO 45001, which promotes safe and healthy conditions, and fosters permanent improvement. This is one more step towards improving our safety, technology, efficiency and quality standards.



milestone, in line with our goal of becoming one of the leading companies engaged in power generation in the country with world-class safety, technology, efficiency and quality standards.

Monthly follow-up is performed on all operational sites through **QGAP (Quality Goal and Action Plan)**. This plan is based on the strategic action vectors under our QEHS Policy. In turn, we have weekly meetings of the QEHS Committees, at which we complete an integrated follow-up, considering quality, the environment, health and safety, and at which the relevant events of the week are discussed, including achievements and those pending or to be completed soon.

In the case of La Plata Cogeneration, the certifications under ISO 45001 and ISO 50001 were added to the integrated management system, that was already certified under ISO 14001 and ISO 9001. These certifications represent a significant sustainability

YPF Luz QEHS Integration Sessions

With the participation of all QEHS leaders from the operating sites and sites under constructions, we continued holding the YPF Luz QEHS Integration Sessions, where we presented the strategic guidelines and goals for 2019, with follow up over time. As planned, a session took place at each of the operational sites throughout the year. As a result of these meetings, areas for improvement were detected to achieve integration, agility and efficiency as a team. In addition, a participative and reflexive atmosphere was developed to improve the management system and contribute to the company's goals.

INTEGRATED MANAGEMENT SYSTEM

In 2019 the Manantiales Behr Wind Farm implemented a management system that integrates Quality, Environment, Health and Safety Management, successfully passing the internal and external audits. As a result of these audits we could obtain the certification of our management system under the IRAM-ISO 9001:2015 Quality standards, and to retain the IRAM-ISO 14001:2015 Environmental Standard.

Environmental Management

Material Issues: Risk Management and Regulatory Compliance, Energy Use, Water and Effluents, Gas and GHG Emissions, Waste Management
 GRI Contents 102-11,103-2, 103-3

We strive to care for the environment and to achieve ongoing improvement in our day-to-day management processes, to be a profitable, efficient, and sustainable energy company that streamlines the use of natural resources and contributes to energy development in Argentina.

QEHS Management is a process that begins at the very first stage of each project's life cycle. This allows for an early risk identification so that preventive, control, mitigating, and/or compensation actions can be planned. Each change or new project is analyzed as part of the integrated management system.

We also engage in the identification of applicable legal requirements (national, provincial, and municipal) and international best practices and standards. Several of our projects were subject to environmental and social audits which we implement following the standards of the International Finance Corporation (IFC), as in the case of the Manantiales Behr Wind Farm, funded by IDB Invest. We leverage this experience by raising our internal QEHS standards, including:

- Monitoring birdlife and bats throughout the entire life cycle of wind projects.
- Enhancing the environmental baselines of our environmental impact assessments, including archeological and paleontological surveys.
- Taking a coordinated approach to the management of environmental and social aspects, communicating our projects and future operations to the community and to our stakeholders to ensure environmental and social sustainability.

Environmental management at YPF Luz is contained in its Operational Excellence Policy, and its implementation follows the guidelines of OHSAS 18001 (Safety), ISO 14001 (Environment) and ISO 9001 (Quality). One of the central aspects of this Policy is environmental care and it includes guidelines such as prevention, rational energy use, efficiency in use of resources, reduction of emissions into the atmosphere; and an adequate management of waste focused on reduction.

As part of the management system, we receive regular audits (both internal and external), to see to its implementation, identifying deviations and opportunities for improvement. We implement Environmental Management Programs, which are reviewed by oversight authorities every six months. Monitoring is also performed through the QEHS Committees, while ongoing reviews are handled by the Management System Department. Each member of YPF Luz has a strong commitment, driven by the leadership of our Management Team.

We drive actions to enhance environmental sustainability.

To achieve adequate preparation for environmental management, training sessions were held on environmental laws by Province (Buenos Aires, Tucumán, Neuquén, Mendoza, San Juan, Chubut, Santa Cruz), environmental regulations passed by ENRE and TAD (Remote Processes and Applications) –a platform through which permits, and compliance reports are processed before multiple enforcement authorities. In addition, in 2019 training sessions were held on ISO standards for internal auditors of YPF Luz.

In 2019 we obtained seven environmental permits for renewable energy projects from solar and wind sources, and for conventional energy projects, two of which are under IFC standards.

Energy and Emissions

Material Issues: Energy Use, Gas and GHG Emissions
 GRI Contents 103-2, 103-3, 302-1, 302-3, 302-4, 305-1, 305-4, 305-5, 305-7

We strive to reduce energy consumption in our operations. As a result of a permanent optimization of our processes, we received the ISO 50001 certification in six thermal power plants, an international standard that certifies improvement of the energy management system at each organization.

For more information, visit:
https://www.linkedin.com/posts/ypfluz_ypfluz-activity-6634124325026881537-IrH2

Energy consumption by the company (in GJ)	2019	2018
Total fuel consumption	47,563,235	53,103,389
Total fuel consumption from non-renewable sources	47,521,042	53,083,728
Total fuel consumption from renewable sources	42,193	19,661
Electricity, heating and steam purchased for consumption	44,755	31,093
Self-generated electricity, heating, cooling and steam	27,928,812	30,350,075
Electricity, heating, cooling and steam sold	27,199,654	29,675,671
Total energy consumption*	48,337,148	53,808,886

*Total energy consumption [in GJ] = Consumed non-renewable fuel + Consumed renewable fuel + Electricity, heating, cooling and steam purchased to be consumed + Self-generated electricity, heating, cooling, and steam – electricity, heating, cooling and steam sold.

Since implementation of the Energy Management System, the company's energy consumption could be reduced, resulting in an energy intensity decrease of 2.35% over 2018. Some measures implemented to enhance energy performance in power generation assets were:

- Increased awareness and training in energy efficiency.
- Reviewed and upgraded process control and measuring equipment.
- Reviewed equipment maintenance plans and procedures to streamline efficiency.
- Implemented new energy efficiency standards in the energy service and product procurement process.
- Replaced lighting fixtures with LED.
- Monitored and measured energy performance based on energy efficiency indicators.
- Created the Energy Efficiency Committee.

The reduction in consumption also derives from conditions and variables of the energy demand in the reference period. A 5,471,739.1963 GJ difference was obtained, accounting for a 10.17% decrease compared to 2018.

Energy intensity was redefined as a new specific parameter and was included as a denominator: energy produced in MWh; therefore, it cannot be compared to the energy intensity indicator mentioned in the 2018 Sustainability Report. The redefined energy intensity (GJ/MWh) for 2018 was 6.38. Upon comparing the annual values, the energy intensity was reduced by 2.35%.

Energy intensity (in GJ/MWh)	2019	2018
Energy intensity*	6.23	6.38

* Total energy consumption in GJ/Produced energy in MWh.

Reduction of Energy Consumption (in GJ)	2019	2018
Reduction of Energy Consumption	5,471,739.19	N/A*

* We took the 2018 annual total consumption as a comparative basis.

Direct emissions of greenhouse gases, in tons of equivalent carbon dioxide, decreased 11.4%, reaching 2.7 million tons.

Direct emissions of GHG (in tCO ₂ eq)	2019	2018
Total direct emissions of GHG (scope 1)	2,673,464	3,016,636
Tucumán	1,547,355	-
Loma Campana	566,358	-
La Plata Cogeneration	559,751	-

Intensity of GHG Emissions	2019	2018
Intensity of GHG emissions*	0.34	0.36

*Tons of CO₂ equivalent/Energy produced in MWh. The calculation includes CO₂, N₂O, COVNM, CO and CH₄ gases and particle emissions.

For the 2019 Report, the annual emissions value was more solid than in 2018, which serves as a baseline for comparative purposes. Therefore, for this Report, the reduction of GHG emissions is calculated considering the annual difference of emissions from 2018 to 2019. This difference is due to a reduction of energy produced by the company.

Reduction of GHG emissions (in tCO ₂ eq)	2019	2018
Reduction of GHG emissions	343,171	N/A*

* The value mentioned in the 2018 Sustainability Report is not comparable to the value reported in this year.

Significant air emissions (in kg)	2019	2018
Nitrogen oxides (NOx)	5,175,810	5,262,874
Volatile organic compounds (VOC)	272,730	295,337
Particles (PM)	82,370	63,865

In February 2019, the Manantiales Behr Wind Farm obtained validation of Emissions Reduction Certificates (241,571 tCO₂e a year) under the Verified Carbon Standard (VCS), the main voluntary carbon market worldwide. This ensures the project quality and compliance to commercialize the certificates on the domestic and international voluntary market.

Did you know? An Emissions Reduction Certificate is a negotiable document equivalent to one ton of carbon dioxide (CO₂), the emission of which is sought to be avoided. This certificate may be acquired by individuals and companies, to contribute to and certify the reduction of their carbon footprint.



Today, YPF Luz may issue 266,482 certificates, based on the period from the beginning of operations to December 31, 2019, which is equivalent to 266,482 tons of avoided CO₂. The Wind Farm has the capacity to generate certificates for an estimated 250,000 tons of CO₂ a year.

7,758,004 MWh

Electric Energy Produced

2,673,465 tn

CO₂ equivalent emitted

CO ₂ Equivalent Emitted by Site (in Ton)	2019	2018
Loma Campana	566,358	366,781
La Plata Cogeneration	559,751	460,246
Tucumán	1,547,355	2,189,607
Manantiales Behr WF	0	0



Biodiversity

Material Topics Investment and Local Community Programs
GRI Contents 103-2, 103-3, 413-1

We transform wind into energy, and we do it while caring for biodiversity.

In addition to our **Environmental Management Plans** which include preventive, monitoring, mitigation and compensation actions, we implement a **Bird and Bat Monitoring Plan** in the early stages of our wind projects, designed in accordance with international standards.

At Manantiales Behr, Cañadón León, Los Teros I y Los Teros II Wind Farms, we have established birdlife monitoring plans to survey the specific richness and variety of birds present in the wind farms and on the high-voltage lines, we measure nesting, survey bats, and, in particular, at the Manantiales Behr Wind Farm (which is operational) we keep a record of wind-related mortality. These monitoring programs will continue throughout the life cycle of the wind farms, to minimize the impact on biodiversity in the area.

In 2019 we raised the birdlife monitoring standards for target species. Vantage points were added, in accordance with the specifications of the Good Practice Guide for Wind Development in Argentina. We recorded additional flying characteristics at strategic areas for a better

behavioral analysis. This enabled us to implement adequate control measures since the wind farm design stage.

The **Biodiversity Management Plan** developed at Manantiales Behr Wind Farm has three objectives:

- To establish methodologies for restoration of the affected areas.
- To monitor birdlife on an ongoing basis.
- To take measures to reduce the impact on wildlife.

Studies were carried out to assess the extent of plant coverage in locations with oil-related activities to obtain indicators of passive rehabilitation processes developed in the Wind Farm. In view of the arid and semiarid characteristics of the Patagonian ecosystems, periodic monitoring and observations are conducted to assess the ability of these ecosystems for natural restoration and the time required for ecological succession. As a result of these plant surveys, plant coverage recovery can be estimated. This recovery was achieved with tilling works on lands under recovery, following the construction stage.

Surveys were initiated on birdlife 20 months before the start of operations at the Wind Farm. As a result of these early surveys, action could be taken regarding the design of the overhead transmission lines, with specific measures taken since the construction stage to reduce the bird

mortality impact due to collision and electrocution. There was no evidence of bats at the site. Passive monitoring was carried out in areas surrounding the site through ultrasonic detection systems and using mist nets, at preliminary project stages.

TREE NURSERY

At the Tucumán Power Generation Complex, YPF Luz has a nursery based on seedling production. In 2019, 130,000 seedlings were delivered to the Province of Tucumán, under an agreement with the Environment Secretariat.

We have implemented a cooperation strategy with Tucumán’s Environment Secretariat (SEMA, for its Spanish acronym), as part of the **Provincial Re-forestry Program**, with a final scope of 1.8 million trees that will be planted province-wide.

SEMA has prioritized forestry and re-forestry efforts in certain degraded areas of the Province of Tucumán, primarily, floodable areas. In addition, jointly with municipal governments, a plan was designed to forest urban and peri-urban areas. This program is carried on by producing 100,000 trees per year (native and exotic species), coordinating efforts for the sustainable development of trees, their breeding at nurseries at Tucumán Power Generation Complex, and their subsequent delivery to SEMA.

In 2019, the second stage of production and delivery of 100,000 trees was implemented while the baseline genetic material began to be produced for the third stage, which will be produced and delivered in 2020. Also, progress is being made in the creation of new terms of reference to launch a bidding process for production of the second batch of 300,000 forest seedlings, for the period 2021-2023.

Finally, to add more value to the forest program, share this experience and leverage synergies with other corporate programs such as the Volunteer Program, throughout the year, we implemented an internalization process concerning the nursery’s operations, engaging all our employees in several activities (Family Day, Volunteers at Schools, etc.)

Water and Effluents

Material Issues: Risk Management and Regulatory Compliance, Water and Effluents
GRI Contents 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5

YPF Luz’s Environmental Monitoring Plans encompass periodical monitoring of its liquid effluents, by permanently monitoring compliance with permissible discharge limits¹².

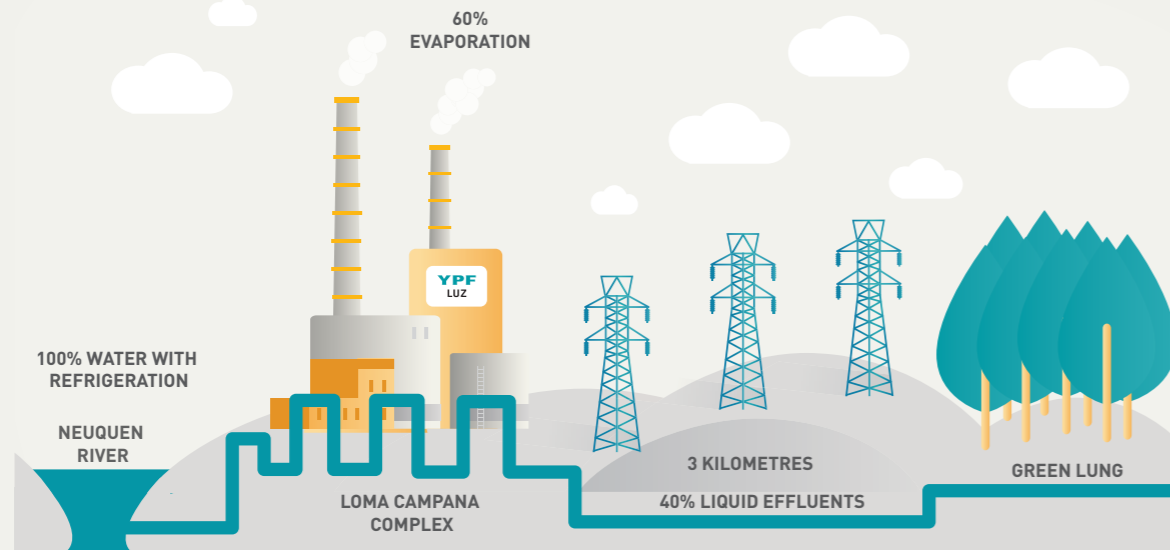
Water Withdrawal (in Kton)*	2019	2018
Total water withdrawal**	4,746	5,613
Surface water	1,043	769
Underground water	3,703	4,844

* Calculated according to the unit used in our environmental reporting corporate tool (APA).
** Fresh water.

Water withdrawal, discharge of liquid effluents and waste, have decreased year on year 15.5%, 34% and 1.1%, respectively.

There is a significant difference in the surface water discharge volume, given that at the Tucumán Power Plant, real values began to be recorded in 2019. All surface water discharge declared in this point is related to the Plant and all water discharge reused for irrigation relates to Loma Campana.

¹² Applicable regulations and, if applicable, IFC standards.



Water discharge (in kton)	2019	2018
Total water discharge	612	926
Surface water	157	734
Water for reutilization (irrigation)*	455	192

* Total liquid effluents already treated are reused for irrigation of the forestation named "Green Lung", located within a hydric stress area.

Water consumption (in kton)	2019	2018
Total water consumption	4.134	4.687
Total water consumption in hydric stress areas *	588	577

* Total water consumption in hydric stress areas (only LC) = Consumed surfaced water (only attributable to LC) – Water discharged at LC (reused for irrigation in its entirety).

The water we use in the power generation processes can be divided by source of origin. As a result of this categorization, we find surface and underground water. In the case of Tucumán, it derives from an underground source and it is where the largest water consumption takes place.

Forestation has yielded outstanding results, both in terms of tree growth as well as in terms of promotion of a suitable habitat for the development of native birdlife and fauna.



As an environmentally and socially viable solution to manage the liquid effluents of the Loma Campana Power Generation Complex, we developed a 132-hectare Green Lung with a population of 100,000 poplars set in a challenging environment from an agronomic point of view, entirely irrigated with effluents generated by the thermal power plants. This project –agreed upon with the Añelo Municipality and Neuquén’s Bureau of Water Resources– allows to reuse the plant’s-controlled liquid effluents to irrigate a 132-hectare area of poplars. This action provides multiple environmental and social benefits, such as avoiding water and wind erosion, capturing CO2 by means of the poplars’ photosynthesis process favoring a suitable environment for the development of local fauna, and enhancing the visual impact of this arid area.

- In 2019 we used 455,298 kilotons of liquid effluents to irrigate the Green Lung.
- 100% of effluents were used for irrigation, distributed as follows: direct tree irrigation: 80%; firebreak irrigation: 15%; backwash and irrigation of perimeter fence: 5%.
- The lung has a water reservoir with a capacity of 2.25 kilotons, that enables irrigation independent from operation of the thermal power plants.
- The Green Lung is a part of the Loma Campana power generation process and operates 365 days a year, with three full-time workers entirely dedicated to its care as well as an agronomist that studies and improves the forest development.
- Effluents are distributed across the lung over a linear length of 150 kilometers of drip irrigation.
- The lung contributes to the fixation of approximately 3,024 tons of CO2 per year (estimate based on a 72-hectare plantation with a fixing of 42 t/ha/year).

For more information, visit: https://www.linkedin.com/posts/ypluz_vacamuerta-activity-6600475195050430464-hCjh

Comprehensive Waste Management

Material Issue: Waste Management
GRI Contents 103-2, 103-3, 306-2, 306-4

The waste management process encompasses a comprehensive process, with emphasis on waste classification, segregation, treatment and final disposal and, where feasible, donations. For waste transportation, treatment and final disposal, in assets where multiple options are available, we carry on a tender process, following which waste management is handled by the awardee (authorized contractor). Waste transportation, treatment and final disposal contractors are subject to ongoing controls and monitoring.

We have a **Corporate Waste Management Policy** in place, which sets out the procedures specific to each operating site. We also deliver training to minimize the use of disposable packages and encourage recycling initiatives. In 2019, in Tucumán we continued to work on a compost project using organic waste, mainly derived from the offices, cafeteria and tree trimming for forestation purposes. To this end, organic material is collected in the nursery area following preparation for these purposes.

Waste by type and disposal method (in kg)	2019	2018
Total Waste	234,900	237,489
Hazardous Waste	98,219	44,622
Non-hazardous waste	136,681	192,867

All generated hazardous waste is transported, treated and disposed of in accordance with current laws.



06. Social Performance



Our People

Material Issues: Employment, Training and Education, Diversity and Equal Opportunities, Human Rights
GRI Contents 103-2, 103-3

Our Human Resources Policy and Strategy sets out the guiding principles for human relations at YPF Luz, namely:

The Human Resources team provides the necessary tools and helps define consistent criteria to take better actions and make better decisions; it supports leaders and managers in the development of their management and leadership skills, and implements each people-related action, as well as all practices that help position YPF Luz as a recognized company in the employment market. These actions encompass those required to:



Respect and Trust



Transparency and Honesty



Integrity, Inclusion and Ethical Conduct in all our actions



Cooperation, Teamwork and Help to achieve goals



Open and Fluid Communication at all levels



Employees' Safety and Wellbeing

- develop and empower our employees, building a work and corporate culture,
- retain the best technicians and professionals,
- develop young professionals and internship programs,
- Implement initiatives aimed at fostering integration, inclusion, diversity, gender equality, and non-discrimination on any basis,
- offer competitive salaries and wages,
- ensure an adequate value proposition for each employee, and
- be a leading company in implementing lines of work to achieve these goals and strengthen our employer brand at the local and regional levels.

People management is a non-delegable duty of leaders and managers, who must support the professional development, offer opportunities, listen and communicate, care for individual comments, and respond to every request.

Diversity and Equal Opportunities

Material Issues: Employment, Employee Training and Education, Diversity and Equal Opportunities, Human Rights

GRI Contents 102-8, 102-41, 103-2, 103-3, 401-1, 401-2, 401-3, 404-2, 405-1,

Fostering a diversity and inclusion-driven culture is one of the strategic initiatives embedded in YPF Luz's human resources management that will help achieve our strategic goals. We work to ensure mutual respect and a comfortable, healthy and safe working environment. The company's Code of Ethics and Conduct requires employees not to discriminate against anyone based on race, religion, political or union-related beliefs,

YPF Luz seeks to foster a corporate culture open to diversity, integration of multicultural visions consistent with the company's behavioral values and internal rules.



national origin, language, sex, marital status, age, disability or any other individual difference. Under no circumstances will the company tolerate any conduct of harassment, abuse of authority, threats, intimidation, moral harassment, offensive behavior or any other form of aggression or hostility resulting in an intimidating environment. The company has made channels and mechanisms available to make any relevant complaints in case of a breach, ensuring that not retaliation takes place.

We have a **Recruitment Policy** in place, which establishes the general guidelines for hiring, including non-discrimination of any nature. In all events, the recruitment policy must be consistent with technical and generic qualifications required for the position and must be oriented to be as inclusive as possible in terms of candidates that are best suited to the profile and needs of the company. Applications from graduates are encouraged through visits to technical schools.

	2019	2018
Employees by sex	100%	100%
Men	80%	79%
Women	20%	21%
Employees by employment contract and sex	338	297
Permanent	336	292
Men	267	234
Women	69	58
Interns	2	5
Men	2	2
Women	0	3
Employees by location and sex		
Loma Campana	100%	100%
Men	100%	100%
Women	0%	0%
Tucumán	100%	100%
Men	89%	89%
Women	11%	11%
Manantiales Behr	100%	100%
Men	96%	92%
Women	4%	8%
Buenos Aires	100%	100%
Men	92%	92%
Women	8%	8%
City of Buenos Aires	100%	100%
Men	56%	57%
Women	44%	43%

	2019	2018
Employees by type of employment contract and sex		
Full-time		
Men	80%	79%
Women	20%	21%
Part-time		
Men	100%	40%
Women	0%	60%
Employees by location and by age average (in years)		
Loma Campana	36	35
Manantiales Behr	37	36
City of Buenos Aires	38	38
Tucumán	41	41
Buenos Aires	41	42
Employees by location		
Neuquén	9%	10%
Tucumán	35%	35%
City of Buenos Aires	34%	34%
Buenos Aires (including Los Teros and La Plata)	15%	13%
Manantiales Behr	7%	8%
Employees by job category and gender		
Managers		
Men	96%	91%
Women	4%	9%
Head Offices		
Men	80%	80%
Women	20%	20%

	2019	2018
Coordinación/Supervisión		
Men	80%	79%
Women	20%	21%
Professionals, analysts and operators		
Men	63%	65%
Women	37%	35%
Technicians		
Men	96%	96%
Women	4%	4%
Interns		
Men	100%	40%
Women	0%	60%
Employees by age group	338	297
22 to 30 years old	58	56
31 to 40 years old	135	114
41 to 50 years old	109	97
Over 50 years old	36	30

New Hires			Employee Turnover		
	2019	2018	2019	2018	
Total number of new hires	63	169	Total turnover	17	14
New hires by sex	63	169	Turnover by sex		
Men	49	123	Men	13	12
Women	14	46	Women	4	2
New hires by location	63	169	Turnover by location		
Neuquén	3	5	Neuquén	2	1
Tucumán	23	15	Tucumán	3	4
City of Buenos Aires	24	95	City of Buenos Aires	7	4
Buenos Aires (including Los Teros and La Plata)	11	39	Buenos Aires (including Los Teros and La Plata)	3	3
Manantiales Behr	2	15	Manantiales Behr	2	2
New hires by age groups	63	169	Turnover by age groups		
22 to 30 years old	20	31	22 to 30 years old	5	3
31 to 40 years old	31	66	31 to 40 years old	9	5
41 to 50 years old	12	58	41 to 50 years old	2	2
Over 50 years old	-	14	Over 50 years old	1	4
Rate of New Hires	19%	57%¹³	Rate of employee turnover¹⁴	6%	5%

In the context of promoting equal opportunities across all processes and spaces of the company, in 2019 we launched a **Diversity Program** and developed specific workshops on gender equality, intended to reconsider and question our paradigms. There were 6 half-day intensive workshops with a total of 608 hours, 100 participants from the City of Buenos Aires, La Plata, Tucumán and Manantiales Behr.

In addition, 15 women identified with career development potential were included in management-related leadership training, such as Inspiring Leader, Motivating Leader, Management Program, and technical programs. They were developed together with YPF SA and the main universities of Argentina: ITBA, AUSTRAL, Di Tella, etc.

RELATIONSHIP WITH TRADE UNIONS

53% of employees hold non-represented positions, while the remaining 47% are represented by the following unions, by function and geographic area:

- Federación Argentina de Trabajadores de LUZ y Fuerza (FATLyF): 53 employees
- Sindicato de LUZ y Fuerza de Capital Federal (LyF Cap.): 23 employees.

¹³ All hires were taken into account, including transfers from YPF S.A.

¹⁴ Turnover rate calculated with respect to the number of departures over the average number of employees during the year *100%.

- Sindicato Regional de LUZ y Fuerza de la Patagonia (LyF Pat.): 4 employees
- Asociación de Profesionales Universitarios del Agua y la Energía (APUAYE): 48 employees
- Asociación del Personal Jerárquico del Agua y la Energía (APJAE): 25 employees
- Asociación del Personal Superior de Empresas de Energía (APSEE): 6 employees.

100% of our employees who are part of a trade union are under the collective bargaining agreements. Employees are given a two week notice in case of any significant changes that may substantially impact their employment.

	2019	2018
Permanent employees by Province and union-related status	338	297
Non-bargaining	177	160
Tucumán	23	23
Buenos Aires	20	16
City of Buenos Aires	115	98
Neuquén	4	6
Chubut	15	17
Bargaining	159	132
Tucumán	93	78
FATLyF	45	39
APUAYE	39	31
APJAE	9	8
Buenos Aires	32	24
FATLyF	1	0
LyF CAP	23	19
APJAE	2	0

	2019	2018
APSEE	6	5
Neuquén	26	23
FATLyF	7	6
APUAYE	7	5
APJAE	12	12
Chubut	8	7
APUAYE	2	1
APJAE	2	3
LyF PAT	4	3
Interns	2	5
Tucumán	2	2
City of Buenos Aires	0	2
Chubut	0	1

COMPENSATION AND BENEFITS

YPF Luz favors competitive, attractive, motivating and fair compensation structures. Our employees' compensation has a fixed component, comprising wages and additional items according to applicable bargaining agreements, and a variable portion, which is linked to performance and goal achievement, and social security benefits, making up an employee's total compensation.

We monitor the changes in the market's macroeconomic variables to calculate the annual cost-of-living adjustment to salaries. This adjustment is applicable to non-bargaining and bargaining employees, according to their respective collective negotiations.

Management of compensation is based on pay bands for non-bargaining personnel and wage scales for bargaining employees, depending on each case. In this way, the company ensures higher internal equity among all employees.



Average salary for women to average salary for men	2019
Women / men compensation (%)	97%

In 2019, our performance-linked compensation included a bonus for 175 non-bargaining employees and 159 bargaining employees. Aimed at motivating and rewarding people for the annual achievement of the business goals, the program was based on a set of measurable, specific goals and indicators established at corporate level under YPF's Management-by-Objectives Program for each business unit and individual.

BONUS AND INCENTIVE PLANS

YPF Luz has a short-term variable incentive program, involving cash payments to the participating employees, which is linked to the achievement of company and business unit performance goals, as well as individual goals on each employee's performance appraisal, depending on their bargaining status. Inclusion in one program or another will depend on the area and professional category of each employee.

Parental Leave	2019	2018
Employees who had leave rights	336	292
Men	267	234
Women	69	58
Employees who used their leave	4	7
Men	3	6
Women	1	1
Employees who returned to work after leave	4	6
Men	3	6
Women	1	0
Active employees after 12 months	4	6
Men	3	6
Women	1	0
Rate of return to work	100%	94%
Retention rate	100%	94%

Concerning benefits, the policy and scope were strengthened to improve the quality of life of our employees. These benefits include:

- Short- and long-term bonuses.
- Family health insurance plans.
- Personal loans up to 3 salaries.
- Saving and pension plans with company matching contributions.
- Optional life insurance, additional to the statutory life insurance, which provides coverage in case of an incapacitating accident or disease.
- Transportation for staff engaged in operations.
- Cafeteria and meals at sites, and discounts in lunch for corporate personnel.
- Discounts at fitness centers for employees and relatives.

Intern Benefits:

- Health Insurance plan.
- Statutory life insurance.
- End-of-year gift.
- Snacks/meals card.
- Transportation to operations.

In addition, the workplace quality of life was enhanced, with benefits that promote balance between job and personal life:

- Stipend for child day care for children up to 4 years old.
- Child Birth gift.
- School kit for parents with school age children.
- Flexible working hours and home-office option arranged with each leader, if the function allows it.
- Reduced working hours and unpaid extended maternity leaves.
- Additional paternity leave days.
- Vacation time in addition to the time established by law.
- Discounts on products and services and for the purchase of vehicles.
- Birthday benefit.

Training and Development

Material Issues: Employee Training, Human Rights
GRI Contents 103-2, 103-3, 404-1, 404-2, 404-3, 412-2

We encourage the development of our employees' professional career and generate value because we believe the success of organizations depends on what people build.

Training is an important part of our company's culture. All employees, regardless of their level or seniority, are aware of the need to constantly improve their competences, aptitudes, and skills. Each sector leader understands and commits to supporting their team members along their individual career development plans and will establish the necessary actions to ensure everyone's professional development. These plans must contain specific technical training actions (inherent to the respective discipline, supplementary, or horizontal), generic and/or management-related, and as applicable to an employee's current or future position.

We develop training road maps establishing the main, but not all, contents an employee needs to know and deal with according to his or her

position. On the other hand, we have career coaches and/or mentors, particularly for new professionals or interns joining the company.

We surveyed the training needs of all our employees distributed across 5 sites.

We identified over 300 training units to be implemented.

We held 23 assessment meetings with leaders from all sectors, covering all our headcount and developing our 2019 Annual Training Program. An app was developed for internal training assessment and development, to share the company's know-how through cross-divisional trainings on a wide range of topics including, among others, SAP for procurement users, anti-corruption management, operation of thermal power plants, solar power, YPF Luz projects, and impact of chemical process on energy generation.

The training actions plans are subject to review on an ongoing basis, and annually, at the time of performance appraisal to update each employee's requirements and needs.

All full time employees were subject to performance appraisal.



Employee training hours	2019	2018
Total training hours	21,224	12,542
Tucumán	7,424	6,506
Neuquén	2,023	1,595
Ciudad de Buenos Aires	8,199	2,323
Buenos Aires	2,198	928
Chubut	1,382	1,190
Average training hours by individual	63	42
Average training hours by gender		
Men	63	42
Women	59	42
Average training hours by category		
Management	158	31
Head Offices	76	39
Coordination/Supervision	70	63
Technicians	45	30
Professionals, Analysts and Operators	50	50
Training by type	100%	100%
Generic	27%	15%
Technical	73%	85%
Language course		
Corporate	81%	31%
Operations North	1%	51%
Operations Center	5%	4%
Operations West	1%	7%
Operations South	9%	7%

In line with our training approach intended to promote respect for human rights, activities were carried out in connection with related issues, for example, we encouraged participation in an intensive week in the program developed by GE on Leadership (Crotonville) for all of our first-line managers and aimed at industry leaders worldwide, intended to promote motivational skills based on cultural pluri-participation. We participated in various self-leadership and leadership programs organized by the company to develop management skills that ensure respect, development and motivation of those who are part of the company. Over 10 repetitions of the YPF Luz Compliance and Code of Ethics workshop were held. These workshops encompass aspects related to respectful behavior that do not entail discrimination in any of the activities we carry out. All employees were trained in the 10 LIFE-SAVING GOLDEN RULES, intended to value comprehensive care at workplace. We developed the in-company auditor course providing in-house training to employees for detection of any deviations from certified standards, which contemplate as part of their items, formal mechanisms for each employee to make complaints of abusive behaviors and suggest improvements: mailbox, committee, employee representative, etc.

Our in-company workshops on diversity and inclusion are 100% oriented to strengthen mutual respect, promote equal opportunities and raise matters that may help us grow as a company in the direction of inclusion.

2,796 hours of training in Human Rights policies and procedures, delivered to all our personnel¹⁵.

¹⁵ Workshops directly related to Human Rights, as well as talks about Compliance and related QEHs.

In 2019 we implemented an important employee training program, reaching 21,224 hours of training, equivalent to 63 hours per employee.



business and market among professionals in different areas of the company, focused on the energy industry and the characteristics and management of the electric market.

We developed the 1st in-company Post-Technical Program together with Universidad Tecnológica Nacional, a one-and-a-half-year program. It is addressed to technical, maintenance and operations employees, and is mainly intended to professionalize our personal across all locations. Twenty-five participants started the program. In 2019 participants completed the subjects in the initial module intended to balance the level of technical knowledge, to continue attending our industry-specific courses in 2020.

INTERNSHIP PROGRAM

Under this program, interns have an opportunity to gain on-the-job experience, which helps them supplement their academic education. Throughout the program, the intern receives support from a mentor who will guide the onboarding process, convey our culture and business practices, and conduct assessments and follow-up during this first stage of an intern's professional career. This experience provides a global business vision and helps acquire differentiating management and leadership tools.

For more information, visit: <https://www.ypfluz.com/Pasantias>

NEW PROFESSIONALS

For 9 months, we support our new hires to help them acquire a deep understanding of the company and its operating sites. We also deliver trainings on technical, management and generic skills. At the end of this period, the new professionals will continue their job on a business

We finished the second year of the Energy Post-Graduate Course that was jointly developed with ITBA, which has had more than 40 students in the 2 editions. The course promotes concept integration of the

position according to their profile. Professional careers at our company are developed based on an individual plan, in line with personal interests and the company's needs. Compensation is differentiated and will increase according to established guidelines and on merit (both the fixed and the variable portions of an employee's remuneration).

For more information, visit: <https://www.ypfluz.com/NuevosProfesionales>

TESTIMONIAL FACUNDO ÁVILA, SOUTH REGION

In September 2018, a few months after I graduated, I decided to move from Corrientes to the South of Patagonia, accepting the challenge of joining the YPF Luz Family as a New Professional. Direct and nonstop, I started my functions at the Manantiales Behr Wind Farm, where I am now holding the position of Electric Maintenance Engineer. I have the privilege of being part of a dynamic and cross-disciplinary work team, where I can apply my technical expertise and analytical skills. I am very satisfied because I have been, and I am always heard when making decisions. Day after day I gain countless experiences, training and learn a lot from my workmates, who make huge contributions to my professional development. I would with no doubt recommend any young professional searching for a job and interested in the electric energy market to apply to be a part of the YPF Luz New Professionals Program.

TESTIMONIAL SAMUEL OLIVA, SOUTH REGION

In February 2019 I joined YPF Luz and was assigned to work at the Manantiales Behr Wind Farm as a New Professional in the General Services area providing support to Warehouses, and South Operations. While on the New Professionals program, the experience was highly gratifying and rewarding. I could attend courses, talks, training sessions and participated at meetings with other onboarding NPs. I would like to thank YPF Luz for trusting me and giving the opportunity to work at a company that is constantly growing at a steady pace.



Organizational Climate

Our people's energy is a differentiating value, which is reflected in their commitment, teamwork, and passion for their day-to-day activities to achieve results.

Based on our annual **Climate and Commitment Survey**, we gathered actions and suggestions from our work team. In 2019 the survey encompassed more than 50% of employees (169 people). The general level of satisfaction with the company was 82%.

Results by dimension

BRAND YPF	84%	13%	3%
COMMITMENT	82%	13%	5%

■ % Favorable. Percentage of respondents who were of according to a dimension or item.

■ % Neutral. Percentage of respondents who were not Neither agree nor disagree with a dimension or item.

■ Unfavorable. Percentage of respondents who were not according to a dimension or item.

We build high-performance teams in a cooperative environment that fosters open discussion and aims to create a suitable workplace climate.

WORKPLACE CLIMATE COMMITTEE

The Workplace Climate Committee is formed by representatives from all sites and is coordinated by Human Resources. All employees are invited to join the Committee. Representatives from each site are selected through a draw among candidates on an annual basis. A regular member and an alternate member are designated for each site. The Committee analyzes the results of the Workplace Climate Survey and proposes actions and initiatives to improve workplace climate, which are assessed by the management team. The "Birthday" benefit was implemented as a result of the proposals made in 2019.

"IN FAMILY" PROGRAM

Being aware of the importance of the role each family plays in our personnel's daily life, we have organized family visits at La Plata, Manantiales Behr (Chubut), Tucumán, Loma Campana (Neuquén) operations and the Corporate Offices in Buenos Aires. Employees' children could play along with their parents, got to know their workplace, and the operations and visions of our company.

LUNCHES WITH THE CEO

We organized 15 Lunches with the CEO, which consist of face-to-face meetings to maintain closer and personal dialogues. Initiatives and proposed improvements that were later worked on by the Management Team resulted from these meetings with an "open agenda".

YPF LUZ QUARTERLY MEETINGS

Four YPF Luz Meetings were held throughout the year. These quarterly meetings are attended by all employees to provide them with updates on the company. The Meetings include a space for questions and comments made directly to the CEO and the Management Team.

YPF LUZ VALUES RECOGNITION

At Quarterly Meetings, teams that have shown outstanding performance for achieving any goal in line with the company's values receive a special recognition. In 2019 four quarterly recognitions were granted, as well as a special recognition to the maintenance and operations team that contributed to restoring power supply upon occurrence of the blackout on June 16, 2019.

INTERNAL COMMUNICATION CAMPAIGNS

We seek to promote our personnel's commitment to engaging in responsible conduct. In 2019 the main campaigns to be noted included: the "Energy Efficiency Campaign," "YPF Luz Values Campaign," "Suggestions and Grievances Campaigns," the "Compliance Channel Campaign," among others.



Occupational Health and Safety

Material Issues: Occupational Health and Safety

GRI Contents 103-2, 103-3, 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

For YPF Luz, caring for the health and safety of all people working at its operations is a top priority, including suppliers and contractors.

Our **QEHS Policy** and our internal procedures are applicable to both our employees and contractors and set out, as core principles, ensuring safe working conditions and maintaining a healthy work environment for all workers and the communities where we operate. To observe these principles, our occupational health and safety management seeks to preserve the integrity of people, our own and third party's property, assuming that:

- All occupational incidents, accidents and diseases can be prevented.
- Compliance with all applicable occupational health and safety standards is the responsibility of all individuals developing activities at all areas of the company.
- Raising awareness among individuals contributes to the welfare at the workplace, and to the better individual and collective development of the workplace community.

We promote ongoing learning for our people, by delivering comprehensive training and support at each stage of development. We foster a business vision and a result-oriented culture, as well as the QEHS Policy.



	2019	2018
Hours worked	4,052,003	1,671,345
YPF Luz	645,274	489,166
Contractors	3,406,729	1,182,179
Participants in Training Sessions	16,069	6,021
YPF Luz	994	749
Contractors	15,075	5,272
Training Hours	32,972	8,183
YPF Luz	3,059	2,014
Contractors	29,913	6,169

standards, training delivered to our own personnel and contractors was reinforced, and field monitoring works were also reinforced through preventive safety observations, control over contractors' personnel permits through the hired resources system (HRS), safety shutdowns and review of safety programs, among other actions.

Safety

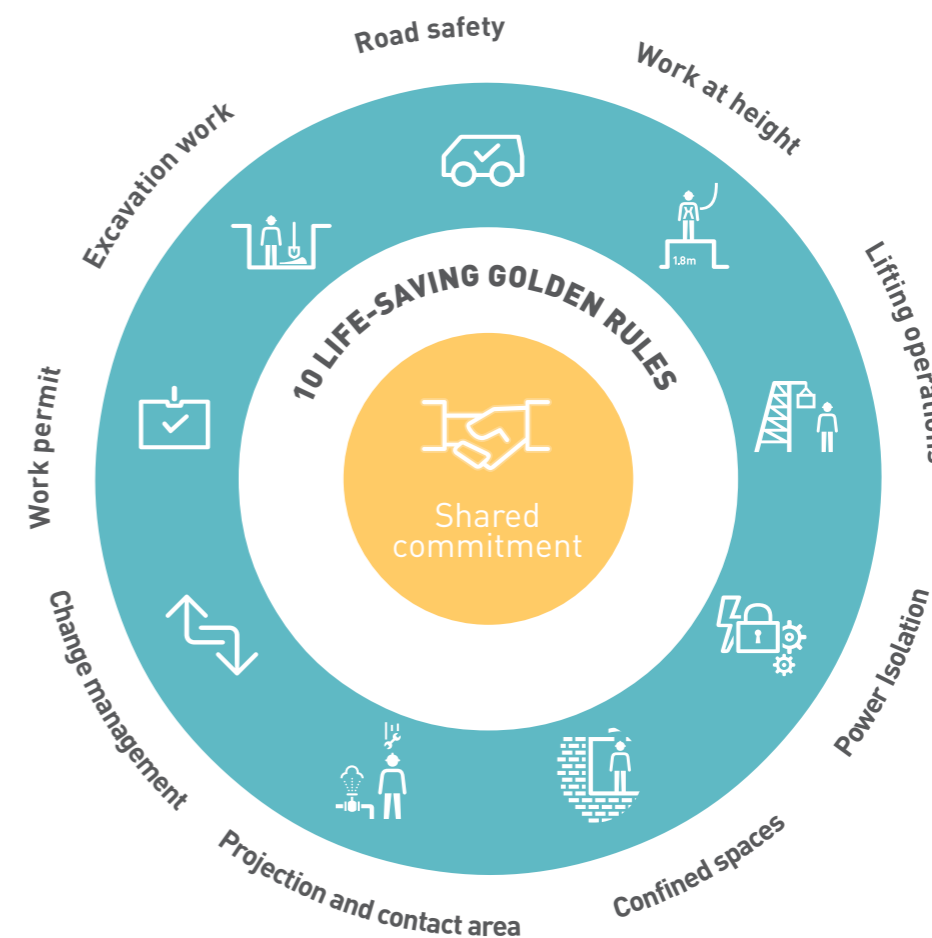
The wellbeing of our work team is an essential pillar of our corporate culture, with special focus on prevention. The YPF Luz culture means caring for each other and always going forward in the same direction: to achieve efficient, reliable, transparent and safe operations.

We have established strategic action lines and keep a monthly record of the progress made on the **Safety and Health Goal and Action Program (SHGAP)**. Some of the actions completed in 2019 included:

- Safety leadership among Senior Management.
- Participation in safety committees, internal and external audits.
- safety and environment training to leaders.
- Review, update and adjustment of our corporate safety procedures.

- Incident and accident management, investigations and improvement actions.
- Industrial asset risk management.
- Regulatory compliance assurance.
- Emergency management, evacuation drills.
- Contractor management.
- Driving behavior index management.
- Hand care prevention campaign.
- Psychoactive Substance Control Program (alcohol and drugs).
- Training and implementation of the SIGEO tool in all assets of the company.
- Over 32,900 hours of safety training (both for our own personnel and contractors).
- We trained both to our own personnel and contractors in commitment to safety, by dissemination of 10 Life-Saving Golden Rules

10 LIFE-SAVING GOLDEN RULES



The priority we give to safety is reflected in weekly coordination meetings at which all managers take part. These meetings invariably begin with a QEHS incident analysis, which may involve an incident occurred at our own or another company. An analysis is jointly performed on the failure and actions that could have been taken to prevent it.

ACCIDENT AND ENVIRONMENT MANAGEMENT (GAMA) AND OPERATIONAL EXCELLENCE MANAGEMENT SYSTEM (SIGEO)

Until August 2019, we used the GAMA System to record and monitor incidents, accidents, investigations, improvement actions, and employees joining and leaving the company. In September, we started managing them with the SIGEO tool.

In 2019 we recorded:

- 3 computable lost time accidents (CLTA), which involved contractor’s personnel.
- 12 emergency and evacuation drills at all operating sites of YPF Luz.
- Delivery of personal protective equipment as required, based on the tasks performed and personal fire-proof and electric arc-resistant personal protective clothing duly certified under the IRAM-NFPA Standards, to all our personnel.

	2019	2018
Accident Frequency Rate (AFR). Goal <1	0.74	0

All our sites have health care units in place for employees and contractors, and medical emergency action plans in place, prioritizing specific care at the initial moments of an incident.



	2019	2018
Incidents	48	33
YPF Luz	8	12
Contractors	40	21

Incidents/Accidents by Sector	2019
Sites in operation	42%
Sites under construction	58%

Incidents/Accidents by Type	2019
Industrial Incidents	16
Incidents on Means of Transport	4
Personal Accidents	28

There were no records of deaths resulting from an occupational disease or condition, or any injury caused by an accident at work (in relation to our own personnel or contractors).

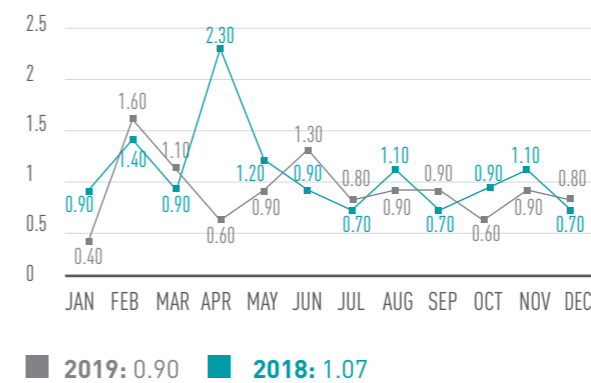
Incidents or Accidents by body part	2019
2019	
Arm/hand	39%
Knee	3%
Face/nose	11%
Head	4%
Legs/feet	29%
Lumbar	14%

We implemented and applied Standard 10.096 on Workplace Risk Assessment and Standard 10.065 on Safety and Environmental Risk Management in Industrial Assets.

DRIVING BEHAVIOR INDEX (DBI)

We monitor the Driving Behavior Index (DBI) on a weekly basis for all employees who have a license to drive YPF Luz-owned vehicles, having achieved a 0.9 index well below the annual target of 3.0.

Driving Behavior Index (DBI)



Occupational Health

Regarding our employees’ health, we monitor and keep record of their annual medical checkups and register them in our health management systems. We analyze the results of preventive exams, identifying prevalent cases. Based on this, we design and execute preventive campaigns, segmented by prevalent disease and by specific segments of the affected populations.

- We timely report to leaders and managers any non-compliance with periodical checks (both preventive and risk checks, following applicable laws and regulations).
- We implement a Flu Vaccination Campaign.
- We train our staff in First Aid and CPR, Ergonomics and Nutrition.
- We manage the medical checkups of our personnel and contractors.
- We assess and register the respective medical clearances in outsourced resource systems.

All our industrial assets personnel and contractors are covered by an Occupational Health and Safety Management System subject to internal and external audits.

- We delivered first aid, CPR with use of AED and Ergonomics training courses.
- A new Annual Training Plan was implemented for operating staff, including the following topics: first aid and CPR, cardiovascular prevention, ergonomics, drug use, HIV and other communicable diseases, nutrition, training in occupational health in compliance with SRT Resolution 905/15 at all assets.
- We controlled and monitored the results of examinations with prevalent diseases and records of health-related non-compliance (actual goal attainment with focus on risk groups and active employed population).
- Annual checkups were performed in accordance with SRT Resolution 37/10, with an outstanding rate of compliance by staff at all assets.
- A medical care email was made available to the employees to provide a direct contact mechanism.
- Notification, control and monitoring was implemented for absent workers for illness or family member illness reasons.
- We implemented a database to have access to exams and medical results.
- Psychometric examinations were performed to check the ability to drive at all assets.

Our Communities

Material Issues: Investment and Local Community Programs
GRI Contents 103-2, 103-3, 413-1



We seek to foster an open and seamless dialogue with each community to identify the impacts resulting from our activities, address questions and complaints, and take social investment actions relevant to each community and our employees.

The **Policy on Social Investment and Donations** establishes the parameters for implementation of corporate social responsibility initiatives. We seek to make contributions that offer creative, flexible and efficient solutions to the needs of the communities where we operate. The policy encompasses every donation, volunteer action, commitment, community engagement action or any other investment associated with social, community or institutional projects. Each donation or social investment action conducted by YPF Luz is assessed and approved by a Social Investment Committee with members from the Institutional Relations Department, Compliance, QEHS, Human Resources, Legal Affairs and the CEO.

Our **Social Investment Strategy** has the following goals:

- Improve the quality of life and infrastructure of the communities where we operate.
- Contribute to enhancing education quality.
- Foster knowledge development and dissemination to benefit the community, with emphasis on the efficient use of energy and renewable energies.
- Cooperate with professional, business and community associations, whose efforts may complement YPF Luz's operations and help improve services to the public.

The 2019 Social Investment Plan included over 40 activities determined with the communities at all locations where we operate. We carried out activities, including horticulture and recycling workshops, forestry sessions, game assembly workshops, talks and training seminars on renewable energies.

 **USD 24268.4**
Donations

 **USD 38889.6**
Investment in Activities

 **USD 181,790.5**
Environmental Investment¹⁶

USD 244,948.5
Total

 **1500**
beneficiaries

representatives. The program encompassed training to develop skills required for their role as skillful and proactive speakers in various situations and times of crisis in the public sphere.

We contribute to economic and social development by way of several initiatives and activities:

Horticulture and Recycling Day: In 2019, we implemented a program involving workshops on horticulture and waste separation with focus on prevention, waste generation reduction and the classification required to enable recycling at eight schools near the community of El Bracho, Tucumán. This program consisted of 2 training sessions at each school, carried out together with teachers and volunteers of YPF Luz, and students could prepare a vegetable garden and learned about its care and maintenance. For assembly of the fence, we used recycled pallets in disuse from our operations.

- Schools 8
- Students 173
- Teachers and Assistants 20
- Delivered Resources 128

The Institutional Relations Department implements **Community Engagement Plans** at each site where the company operates. These plans are revised every six months and serve as a basis to mitigate risks and improve community engagement.

A community engagement manager has been appointed at each of the company's sites. In the first quarter of 2019, we trained them on how to listen and become involved with the community and other stakeholders, in their role as local

¹⁶ Delivery of 100,000 seedlings to the community of Tucumán in compliance with Resolution No. 429 signed with SEMA.



Forestry Days: In 2019 we carried out forestry activities together YPF Luz volunteers. Trees were donated to the community of Cañadón Seco and Añelo. The trees were planted together with students from Schools 350 and 100 at the park known as "Plaza de las Escuelas", in Añelo, we cultivated them at the nursery of our Green Lung, containing 100,000 poplars that were irrigated daily using effluent water from the Loma Campana Facilities. Over 100 students and 9 volunteers participated.

Site Visits: Over 10 guided visits were carried out in Manantiales Behr, Tucumán, Loma Campana and the projects under construction Los Teros and Cañadón León. At each visit, we presented what the company does, the importance of electric energy, renewable energies and energy efficiency, and we described in detail the activities carried out at the relevant site.

Improvements to Juanito Foundation Premises: YPF Luz volunteers participated in a day to improve spaces and the playground at Juanito Foundation (Buenos Aires) together with children residing in the child care facilities.

Assessment of electric installations with YPF Luz experts: In 2019 four surveys were conducted on educational institutions of El Bracho and Añelo, to determine the electric conditions of their premises. Reports were submitted to each institution with recommendations from our experts.

Community Meetings: Ten meetings were held to follow up on social investment actions and improve the dialogue with stakeholders at each of our sites.

Community Volunteer Work: As a result of the Children's Day campaign, our employees donated over 100 presents to Juanito Foundation. Company volunteers customized each present to be given to the children on their special day.

Energy talk with YPF Luz leaders: Over 10 talks and presentations were carried out in fairs, seminars and local events, to promote the company's activities and educate on electric power generation and renewable energies. In 2019 we continued working together with YPF Foundation in the process of energy transformation, through training and promotion activities using the **Renewable Energy Mobile Classroom**, where employees and experts of YPF Luz shared their knowledge on renewable energy and development of projects such as Manantiales Behr in Comodoro Rivadavia, Azul and Bahía Blanca which were attended by more than 600 people.

We cooperated with our professionals in the review of contents for the educational institution **Instituto de Educación Técnico Profesional de Añelo**, a regional project led by Fundación YPF, which coordinates the contributions and efforts from the public and private sector to ensure and improve technical vocational training options for people, focused on the development of Vaca Muerta.

We worked together with YPF Foundation, the Foundations and Companies Group (*Grupo de Fundaciones y Empresas*), Local Innovation Network (*Red para la Innovación Local*) in a **public-private cooperation project** for social inclusion of youth through sports and culture in **Lules, Tucumán**. In a collaborative manner and in coordination with the municipal government and other companies, an interventional prototype was prepared for the creation of "*Club de Jóvenes*" (Youth Club) based on refunctioning an existing sports club in the area.

In addition, we contributed to detecting challenges and mapping players in the communities where we operate through the design of an **Action Plan in Comodoro Rivadavia, Cañadón Seco and Ensenada** implemented by YPF Foundation. In the case of Comodoro Rivadavia and Ensenada, we also participated as a jury member in an **Ideatones** that enables collaborative co-designing projects that will be implemented in the city. These plans are intended to provide tools for participative urban planning towards sustainable development of cities where the energy industry operates, through a methodology that enables early identification of priority projects for the city, for subsequent design of an action plan on a collaborative basis.

Training in the workshops *Vos y la Energía* (You and Energy) organized by the YPF Foundation: This workshop is designed to train YPF Luz volunteers to be able to convey, in a playful and appealing manner, elementary concepts on energy and energy efficiency to children in primary schools (preferably from 8 to 12 years old). It is based on contents and pedagogic guides for teachers, designed by the YPF Foundation in its Program *Vos y la Energía*. In 2019, more than 20 volunteers were trained in Buenos Aires.

DONATIONS

- 1,000 poplars from our Green Lung to the community of Añelo.
- 100 gas cylinders to schools in Tucumán, that were used to prepare breakfasts and lunches for students.
- Reuse of resources to create social value: More than 50 pallets for assembly of vegetable gardens in Tucumán.
- 4 fire extinguishers to the kindergarten *Jardín de infantes Mil Grullas de La Plata*.
- Furniture for schools in Ensenada and Tucumán.

Corporate Volunteer Work

The company initiated a Volunteer Program, in which 91 volunteers participated (30% of staff), who contributed a total number of 461 hours of volunteer work.



The volunteer program has been incorporated as part of the company's corporate culture, and it is an essential element of our Social Investment Strategy to contribute to the progress of people and communities, with active employee engagement.

In 2019, the Steering Committee approved and developed the **Policy on Corporate Volunteering**, so that personnel can participate in social investment activities at each of the sites. The Institutional Relations Department oversees the program planning and implementation.



In 2019:

- 30% participation of company employees in volunteer work.
- Over 460 hours of volunteer work in more than 40 activities.

“Great experience; I encourage more volunteers to get involved.”

Joaquín Aguirregabiria, Buenos Aires.

“An unforgettable and inexplicable experience. So gratifying that it fills the soul. I am grateful for the opportunity to take part”.

Delfina Ruiz O’Connor, Tucumán.

“I loved helping and working together with the whole team that visited the Valdocco Foundation; I will participate again next time”.

Maximiliano de Jolly, Cañadón Seco.

“These activities make us feel that our small contribution can help those in need”.

Horacio de Babino, La Plata.

“Excellent initiative, and great for the commitment of the school and students.”

Carla de Vega Rengel, Tucumán.



Corporate Volunteer Work	2019
Volunteers	91
Men	52
Women	39
Hours of volunteer work by gender	461
Men	235
Women	226

We are certain that our employees are the best asset, and we believe that each of us can contribute our time, skills and talent to projects and activities to help those who need it the most.



07. GRI Content Index



GRI Content 102-55

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GRI Standard	Content	Page or reference	Sustainable	
			Omission	Development Goals
GRI 102 - GENERAL DISCLOSURES 2016				
1. Perfil de la Organización				
102-1	Name of the organization	14		
102-2	Activities, brands, products, and services	14, 20, 53, 69		
102-3	Location of headquarters	14, 53		
102-4	Location of operations	14, 53		
102-5	Ownership and legal form	14		
102-6	Markets served	14, 53, 69		
102-7	Scale of the organization	13, 14, 50		
102-8	Information on employees and other workers	72, 88		8 - 10
102-9	Supply chain	20, 72		
102-10	Significant changes to the organization and its supply chain	50, 53, 62, 72		
102-11	Precautionary principle or approach	53, 62, 76, 78		
102-12	External initiatives	23, 27		
102-13	Membership of associations	23		
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	14, 20, 53		
EU2	Net energy output broken down by primary energy source and by regulatory regime	53		
EU3	Number of residential, industrial, institutional and commercial customer accounts	69		
2. Strategy				
102-14	Statement from senior decision-makers	4, 6		
102-15	Key impacts, risks, and opportunities	4, 6, 25, 53, 62		
3. Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	17, 43		16
102-17	Mechanisms for advice and concerns about ethics	43		16

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
GRI 102 - GENERAL DISCLOSURES 2016				
4. Governance				
102-18	Governance structure	39		
102-19	Delegating authority	39		
102-21	Consulting stakeholders on economic, environmental, and social topics	33		16
102-22	Composition of the highest governance body and its committees	39		5 - 16
102-23	Chair of the highest governance body	39		16
102-25	Conflicts of Interest	39		
102-26	Role of highest governance body in setting purpose, values, and strategy	17		16
102-28	Evaluating the highest governance body's performance	39		
102-29	Identifying and managing economic, environmental, and social impacts	43		16
102-30	Effectiveness of risk management processes	43		
102-31	Review of economic, environmental, and social topics	43		
5. Stakeholder Engagement				
102-40	List of stakeholder groups	29		
102-41	Collective bargaining agreements	88		8
102-42	Identifying and selecting stakeholders	29		
102-43	Approach to stakeholder engagement	29		
102-44	Key topics and concerns raised	33		
6. Reporting Practices				
102-45	Entities included in the consolidated financial statements	33, 50		
102-46	Defining report content and topic boundaries	33		
102-47	List of material topics	33		
102-48	Restatements of information	There is no restatement of information.		
102-49	Changes in reporting	There are no changes in the reporting process.		
102-50	Reporting period	33		
102-51	Date of most recent report	Year 2018		
102-52	Reporting cycle	33		
102-53	Contact point for questions regarding the report	33		
102-54	Claims of reporting in accordance with the GRI Standards	33		
102-55	GRI content index	108		
102-56	External assurance	33		
MATERIAL TOPICS- GRI 200 ECONOMIC STANDARDS				
ECONOMIC PERFORMANCE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
103-2	The management approach and its components	50		
103-3	Evaluation of the management approach	32, 50		
GRI 201- ECONOMIC PERFORMANCE (2016)				
201-1	Direct economic value generated and distributed	50, Note 1		8 - 9
201-4	Financial assistance received from government	50		
ANTI-CORRUPTION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	43		
103-3	Evaluation of the management approach	32, 43		
GRI 205- ANTI-CORRUPTION (2016)				
205-1	Operations assessed for risks related to corruption	43		16
205-2	Communication and training about anti-corruption policies and procedures	43		16
205-3	Confirmed incidents of corruption and actions taken	43		16
AVAILABILITY AND RELIABILITY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	49, 53		
103-3	Evaluation of the management approach	32, 53		
GRI- AVAILABILITY AND RELIABILITY				
EU10	Planned capacity against projected electricity demand over the Long term, broken down by energy source and regulatory regime	53		
DEMAND-SIDE MANAGEMENT				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	53		
103-3	Evaluation of the management approach	32, 53		
SYSTEM EFFICIENCY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	49, 53		
103-3	Evaluation of the management approach	32, 53		

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
GRI- SYSTEM EFFICIENCY				
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	20, 53		
ENERGY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	75, 76, 78, 79		
103-3	Evaluation of the management approach	32, 75, 76, 78, 79		
GRI 302- ENERGY (2016)				
302-1	Energy consumption within the organization	79		7 - 8 - 12 - 13
302-3	Energy intensity	79		7 - 8 - 12 - 13
302-4	Reduction of energy consumption	79		7 - 8 - 12 - 13
WATER AND EFFLUENTS				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	75, 76, 78, 83		
103-3	Evaluation of the management approach	32, 75, 76, 78, 83		
GRI 103- MANAGEMENT APPROACH (2018)				
303-1	Interactions with water as a shared resource	83		6 - 12
303-2	Management of water discharge-related impacts	83		6
GRI 303- WATER AND EFFLUENTS (2018)				
303-3	Water withdrawal	83		6
303-4	Water discharge	83		6
303-5	Water consumption	83		6
EMISSIONS				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	75, 76, 78, 79		
103-3	Evaluation of the management approach	32, 75, 76, 78, 79		
GRI 305- EMISSIONS (2016)				
305-1	Direct (Scope 1) GHG emissions	79		3 - 12 - 13 - 14 - 15
305-4	GHG emissions intensity	79		13 - 14 - 15
305-5	Reduction of GHG emissions	79		13 - 14 - 15

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	79		3 - 12 - 14 - 15
EFFLUENTS AND WASTE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	75, 76, 78, 85		
103-3	Evaluation of the management approach	32, 75, 76, 78, 85		
GRI 306- EFFLUENTS AND WASTE (2016)				
306-2	Waste by type and disposal method	85		3 - 6 - 12
306-4	Transport of hazardous waste	85		3 - 12
ENVIRONMENTAL COMPLIANCE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	42, 43, 53, 78, 83		
103-3	Evaluation of the management approach	32, 43, 53, 78, 83		
GRI 307- ENVIRONMENTAL COMPLIANCE (2016)				
307-1	Non-compliance with environmental laws and regulations	In 2019, no fines or penalties were imposed on YPF LUZ for non-compliance with environmental laws and regulations, nor were there any cases submitted to mediation proceedings.		16
MATERIAL TOPICS - GRI 400 SOCIAL STANDARDS				
EMPLOYMENT				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	87, 88		
103-3	Evaluation of the management approach	32, 87, 88		
GRI 401- EMPLOYEMENT (2016)				
401-1	New employee hires and employee turnover	88		5 - 8 - 10
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	88		3 - 5 - 8
401-3	Parental leave	88		5 - 8
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	75, 76, 98		
103-3	Evaluation of the management approach	32, 75, 76, 98		

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
GRI 103- MANAGEMENT APPROACH (2018)				
403-1	Occupational health and safety management system	75, 76, 98		8
403-2	Hazard identification, risk assessment, and incident investigation	75, 98		8
403-3	Occupational health services	98		8
403-4	Worker participation, consultation, and communication on occupational health and safety	75		8 - 16
403-5	Worker training on occupational health and safety	98		8
403-6	Promotion of worker health	98		3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75, 98		8
GRI 403 OCCUPATIONAL HEALTH AND SAFETY (2018)				
403-8	Workers covered by an occupational health and safety management system	98		8
403-9	Work-related injuries	98		3 - 8 - 16
403-10	Work-related ill health	98		3 - 8 - 16
TRAINING AND EDUCATION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	87, 88, 93		
103-3	Evaluation of the management approach	32, 87, 88, 93		
GRI 404- TRAINING AND EDUCATION (2016)				
404-1	Average hours of training per year per employee	93		4 - 5 - 8 - 10
404-2	Programs for upgrading employee skills and transition assistance programs	88, 93		8
404-3	Percentage of employees receiving regular performance and career development reviews	93		5 - 8 - 10
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	87, 88		
103-3	Evaluation of the management approach	32, 87, 88		
GRI 405- DIVERSITY AND EQUAL OPPORTUNITY (2016)				
405-1	Diversity of governance bodies and employees	39, 88		5 - 8

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
NON-DISCRIMINATION				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	43, 87, 88		
103-3	Evaluation of the management approach	32, 43, 87, 88		
GRI 406 NON-DISCRIMINATION 2016				
406-1	Incidents of discrimination and corrective actions taken	43		5 - 8
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	72		
103-3	Evaluation of the management approach	32, 72		
GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	72		8
CHILD LABOR				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	72		
103-3	Evaluation of the management approach	32, 72		
GRI 408 CHILD LABOR 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	72		8 - 16
FORCED OR COMPULSORY LABOR				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	72		
103-3	Evaluation of the management approach	32, 72		
GRI 409 FORCED OR COMPULSORY LABOR 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	72		8
SECURITY PRACTICES				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	93		
103-3	Evaluation of the management approach	32, 93		

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GRI Standard	Content	Page or reference	Omission	Sustainable Development Goals
HUMAN RIGHTS ASSESSMENT				
GRI 103 MANAGEMENT APPROACH - 2016				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	72, 93		
103-3	Evaluation of the management approach	32, 72, 93		
GRI 412 HUMAN RIGHTS ASSESSMENT 2016				
412-2	Employee training on human rights policies or procedures	93		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	72		
LOCAL COMMUNITIES				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	82, 102		
103-3	Evaluation of the management approach	32, 82, 102		
GRI 413- LOCAL COMMUNITIES (2016)				
413-1	Operations with local community engagement, impact assessments, and development programs	82, 102		
SOCIOECONOMIC COMPLIANCE				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	42, 43, 53		
103-3	Evaluation of the management approach	32, 43, 53		
GRI 419- SOCIOECONOMIC COMPLIANCE (2016)				
419-1	Non-compliance with laws and regulations in the social and economic area	In 2019, there were no violations of socioeconomic laws and regulations that have given rise to the imposition of significant fines or non-monetary penalties.		16
CUSTOMER SATISFACTION				
GRI 103- MANAGEMENT APPROACH (2016)				
103-1	Explanation of the material topic and its boundary	33		
103-2	The management approach and its components	69		
103-3	Evaluation of the management approach	32, 69		
Own Indicator	Net Promoter Score (NPS)	69		

Note 1:

Direct economic value generated and distributed.	2019	2018
ECONOMIC VALUE GENERATED	18,577.1	9,378.8
Revenues	16,113.9	7,124.9
Revenues from financial investments	516.5	200.9
Equity income in affiliates	778.2	268.0
Other operating income	712.8	1,785.0
Other financial results	455.7	-
ECONOMIC VALUE DISTRIBUTED	(14,350.5)	(4,886.7)
Operating Costs	7,265.2	(2,054.5)
Payroll and employee's benefits	(1,098.3)	(611.8)
Payments to the Government (taxes, duties and contributions) and income tax	(3,017.2)	(696.7)
Other operating expenses	-	(0.3)
Cost of interest accrued on loans	(2,961.0)	(606.0)
Other financial results	-	(917.4)
Community investments	8,8	N/D
ECONOMIC VALUE RETAINED	4,226.6	4,492.1

Figures in thousand Argentine Pesos.

More information About YPF Luz

The Company

<https://www.ypfluz.com/>

Our reports

Investor Center

<https://www.ypfluz.com/Inversores>

Sustainability

<https://www.ypfluz.com/Sustentabilidad>

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Credits

Content Arrangement

Institutional Relations Department, YPF Luz

Technical Assistance:

AG Sustentable (ADD LOGO attached)

Design:

Tholón Kunst Visual Communication

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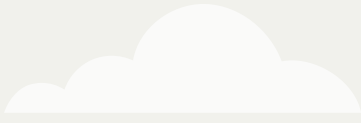
Deloitte & Co S.A

Acknowledgements

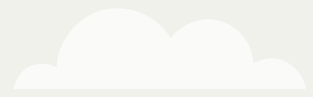
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YPF S.A.'s Sustainability and
Communication Departments

YPF Foundation



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