

2021



MANAGEMENT REPORT

ADIF ALTA VELOCIDAD



STATEMENT OF NON-FINANCIAL INFORMATION.

MANAGEMENT REPORT OF THE PUBLIC BUSINESS ENTITY ADIF ALTA VELOCIDAD, 2021.



Statement from the Chairwoman of Adif and Adif AV

The Council of Europe proclaimed **2021** as the **European Year of Rail**, as a further show of European support for this sustainable mode of transport. Rail will be one of the driving forces behind the safe, sustainable and efficient mobility of tomorrow and key to achieving climate neutrality by 2050, as sought by the **European Green Pact**.

Various **courses of action** are now being pursued to **promote rail travel** in relation to this European Commission initiative, and Adif and Adif AV have been actively involved in these actions at both **national and European level**. The year's highlights included the "Connecting Europe Express" initiative; the train that travelled across the continent in the autumn and became a shining example of the power of rail transport in connecting people, businesses and territories. Adif, Renfe and the Ministry of Transport, Mobility and Urban Agenda coordinated with the EU in relation to the train's passage through Portugal, Spain and France.

The European Commission passed **four new legislative proposals** in 2021 with the aim of modernising the transport system in a bid to improve connectivity, switch more passengers and freight to rail, and provide a more choices as part of an efficient multimodal transport system. These proposals are designed to help achieve the **ambitious targets set by the Commission**, such as doubling high-speed traffic by 2030 and tripling it by 2050, thus allowing for a 90% reduction in transport-related emissions by 2050.

It was also a remarkable year for Adif in the realm of strategic innovation, as in December 2021 the **candidacy led by Adif** and featuring other organisations attached to the Ministry of Transport, Mobility and Urban Agenda (Renfe-Operadora, CEDEX, INECO and Adif AV) was ratified in the **European ERJU research programme**, officially making it one of its founding members.

The ultimate **aim** is to deliver a high capacity integrated European rail network by removing barriers to interoperability and providing systemic solutions to the sector with the aim of accelerating the development and deployment of projects and innovations.

ERJU, Europe's Rail Joint Undertaking, is the **European Union's new rail-specific R&D&I partnership**, making it the largest European rail research and innovation programme to date. Activities worth at least **€1.236 billion** will be carried out by its selected founding members and other beneficiaries that will join the initiative down the line through open invitations to tender. The EU's Horizon Europe programme is also set to invest €600 million.

In coordination with the European Union Railway Agency (ERA), the new partnership will support the development of a strong and globally competitive European railway industry.

These are **unprecedented times, with great challenges ahead** that affect us all and require us to be quick in making the necessary

changes, many of which will be disruptive. The COVID-19 pandemic has changed our lives and accelerated processes that would otherwise have taken years to take shape. Meanwhile, its socio-economic impacts have reminded us all of the need to push forward with these aspects as we put **sustainability at the heart of Europe's recovery**.

The **European Commission's 2021-2027 Multiannual Financial Framework** and the **Next Generation EU Recovery Plan (NGEU)** — a €750 billion recovery instrument that will boost the EU budget with new funding from the financial markets over the 2021-2024 horizon — are the main examples of this, as the delivery of support to Member States under the Recovery and Resilience Facility is conditional on them prioritising reforms to make society more sustainable, environmentally friendly and digital.

At Adif and Adif AV, we view the inflow of **Next Generation EU** funds as an opportunity to succeed in this task. When it comes to the use of the funds received through the **Recovery, Transformation and Resilience Plan**, of the €140 billion allocated to Spain by Europe, **more than €6 billion will be directly invested in railways, with Adif and Adif AV set to receive €5.874 billion**. This amount will be used to decarbonise public transport, with fleets of zero- or low-emission vehicles, and champion a modal shift towards rail in urban and metropolitan travel, while also helping to develop European corridors, the trans-European transport network and logistics intermodality. At Adif we have undertaken various actions, including what will be the **first rail motorway services in Spain**. Indeed, the protocols for the eventual commissioning of the Algeciras-Zaragoza and Madrid-Valencia rail motorways were signed in 2021. It is the largest stimulus package ever financed by the European Union.

Adif and Adif AV belong to a **sector that is strategically well placed** to meet the needs and opportunities envisioned in the United Nations Sustainable Development

Goals (SDGs) by 2030, as well as the low-carbon economic transition by 2050 and climate neutrality by 2050 sought by the European Union's **Green Pact**. In Spain, the transport sector accounts for 28% of total GHG emissions. Of these, rail accounts for only 0.3%, while road transport contributes the most, with over 92.83% of total emissions. This is because rail is the most sustainable mode of collective transport, with the lowest ratio of CO₂ emissions per passenger or tonne transported.

For this reason, we believe that **rail transport** must play a **leading role and be the backbone of this transition to decarbonised transport** that will enable us to achieve the energy and climate targets that both Europe and Spain have set for 2030 and 2050. Against this backdrop, we aim to play more of a role in solving this global problem that affects everyone. This objective is embodied in our joint **Climate Change Action Plan** for both companies, with numerous actions over the 2018-2030 horizon ratified in March 2019 by our Management Committees and Boards of Directors. The Plan is structured around two main areas of action: **climate change mitigation**, with specific goals to improve energy efficiency and achieve savings in energy consumption across the entire railway system, and also to reduce GHG emissions at both Adif and Adif AV (with a **86% reduction in the carbon footprint of both companies to be achieved by 2030**) and reduce emissions from the transport sector thanks to a modal shift of traffic towards rail; and **climate change adaptation**, with the ultimate aim of making existing and newly built railway infrastructure more resilient.

This Plan pursues the **ultimate goal of becoming carbon neutral by 2050**, which **Adif and Adif AV** have embraced by **acceding to the 2019 Climate Responsibility Commitment of the International Union of Railways (UIC)**. In turn, this Plan is part of our commitment to sustainability, which underpins our new Strategic Plan to 2030.



adif 2030

Both companies build sustainability into their strategies and are fully aligned with the **United Nations 2030 Agenda**, thus helping to respond to the main sustainability challenges in the world and in Spain by having a positive impact on their environment.

The **sustainable development agenda** permeates every pore of Adif and Adif AV, as we are increasingly faced with the challenge of how to transpose, or internalise within our business, the sustainability obligations and challenges set by international organisations, from the United Nations to the European Union. Contributing to the 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals is the main driver shaping the **development of environmental strategies and initiatives at state-owned enterprises**.

In September 2021, the Management Committee of Adif and Adif AV presented **2030 Strategic Plan**. Under the plan, one of the main challenges we will be facing is **climate change and energy transition** as we aspire to become an even more environmentally friendly and responsible form of transport in the use of resources. As rail infrastructure managers, we are acutely aware of the main challenges and milestones that lie ahead, including the need to **tackle the threats of climate change** and its impact on infrastructure, to **guarantee optimal maintenance of the network** in order to ensure safe and resilient rail infrastructures, to **apply advanced analytics and maintenance monitoring**, to **modernise and digitalise infrastructure maintenance** at process level and technology as a large number of assets face wear and tear and obsolescence, to **implement new digital solutions** with the aim of bringing the concept of smart stations several steps closer, to **decarbonise transport** and to **promote freight transport**, among others.

At **Adif AV**, we were the first public company to issue **green bonds back in 2017**. Five years down the line, and with €3 billion issued in green bonds through this sustainable financing alternative, we have now seen the European Commission present its sustainable finance strategy and among the legislative proposals is the standard for green bonds; voluntary for the time being, but which companies and Member States alike will have to observe before too long. The aim of this standard is for companies to clearly define **what is sustainable and what is not**. This will help to bring greater confidence to the financial market and investors through information, while also helping to combat greenwashing. Following a **fifth issue of green bonds in 2021 worth €600 million**, **Adif AV is the second largest issuer of green bonds in the Spanish public sector**.

All of this is rooted in the VISION of Adif and Adif AV, based on an analysis of the environment, the need for institutional alignment and to identify the needs of our stakeholders as we seek to **“be benchmarks as organisations focused on the management of resilient, sustainable, safe and smart infrastructures that contribute to the new model of ecological transition”**.

For Adif and Adif AV, the **social side of sustainability** lies in the company's ability to contribute to the cohesion of society and undertake actions to improve levels of welfare for both the people who make up the company and for citizens as a whole. Given the immense corporate responsibility underpinning our entire strategy, both entities aim to generate a positive impact on society through projects and initiatives that bring social value to our environment, given the need to move towards a **more inclusive, supportive and culturally rich social model**.

Along these lines, Adif and Adif AV have embraced a **firm corporate commitment to gender equality and diversity**, which are among their priorities in the field of people management, corporate culture and social commitment. This is why we are working resolutely to eliminate barriers and achieve fully effective equality by 2030. Our commitment to a diverse and inclusive company, in which equality and diversity are a constant presence, takes shape through initiatives such as **Target Gender Equality** of the United Nations Global Compact. We have been involved in this ambitious international programme since 2020, making us continuously assess our performance in this area, set targets and pursue action to advance women's participation and leadership in corporate settings.



María Luisa Domínguez Gonzalez



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EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

{ 1.1. CONTEXT. HIGHLIGHTS IN THE PERIOD

{ 1.2. 2021 IN FIGURES

{ 1.3. KEY ESG INDICATORS

1.1. Context. Highlights in the period

- 2021, **European Year of Railways**
- Ratification of the **candidacy led by Adif** in the **European Research Programme ERJU**, officially making the company one of its founding members.
- Presentation and implementation of the **2030 Strategic Plan**.
- Actions and measures taken in relation to passenger station operations amid the ongoing **COVID-19 pandemic** to improve levels of public trust in the railway system.
- Direct investment in rail through **Next Generation EU** funds.
- Membership of the **Spanish Business Council for Sustainable Development**.
- Signing of the **Framework Collaboration Agreement** between the Secretary of State for the **2030 Agenda** and the State-owned Public Companies.



- Implementation of the new corporate website
- Activating the **equality and diversity website with a suggestions mailbox** enabled on the Adif AV intranet.
- Adopting a new **Protocol on sexual and gender-based harassment**.



1.2. 2021 in figures

FINANCIAL



€17,368 M

Nominal Value of borrowings.

€425.4 M

Loss for the year.

€3.187 M

R&D&I Investment.

€7.40 M

Investment in digital transformation*.

€1,103.3 M

Operating income.

€58.7 M

EBITDA.

€178.15 M

Investment in urban integration*.

EMPLOYEES



216

Employees.

+20

Work-life balance measures.

29.17%

Women.

3.83%

Pay gap for managerial positions (favouring men).

206

Permanent contracts.

50.93%

Covered by collective agreement.

13,990

Training hours.

1.58

Absenteeism rate.

BUSINESS



98.37 M

Users of Adif Av passenger station.

783

Trains operating per day on average.

3,762 Km

Of railroad under management.

€21.66 M

Revenues from commercial operation of fibre optic network.

85.94%

Passenger boarding/alighting at Adif and Adif AV accessible stations.

€600 M

Of green bonds.

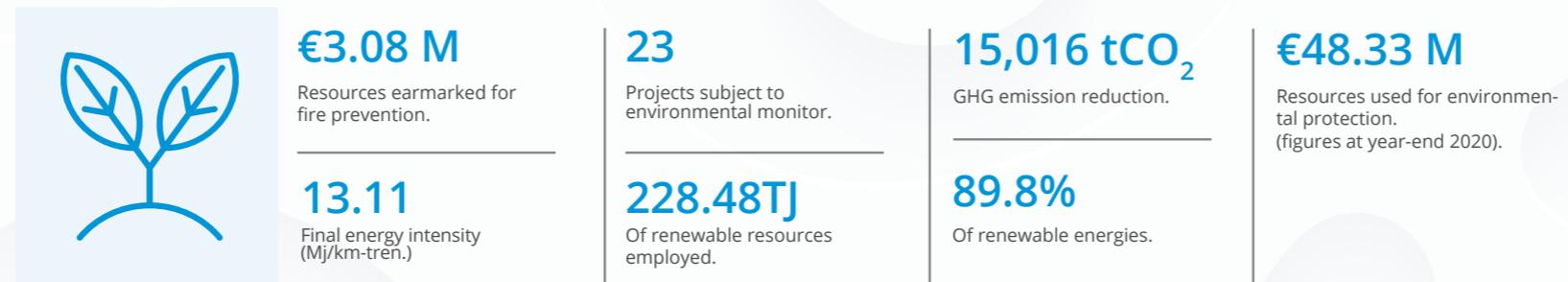
45 stations

Owned by Adif AV.

* Adif + Adif AV

1.3. Cifras relativas a principales indicadores ESG

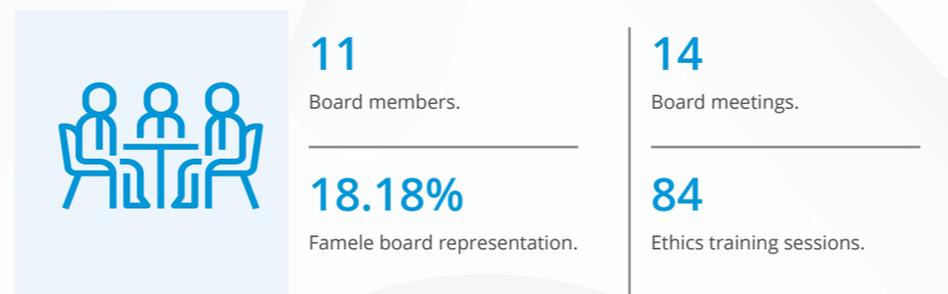
ENVIRONMENTAL



SOCIAL



CORPORATE GOVERNANCE



* Adif + Adif AV

2 WHO WE ARE

2. WHO WE ARE

- { 2.1. MISSION, VISION AND VALUES: STRATEGIC REFRAMING
- { 2.2. BUSINESS MODEL
- { 2.3. ORGANISATIONAL STRUCTURE OF ADIF AV
- { 2.4. ADIF AV INSIDE AND OUTSIDE SPAIN
- { 2.5. OBJECTIVES AND REGULATION



AT THE COMPANY:

- Strategic reframing. **New 2030 Strategic Plan.**
- Setting an example in **transparency, strategic coherence** and good governance.
- Reporting the **eligibility ratio** of Taxonomy-aligned economic activities.
- Alignment of **indicators related to the Sustainable Development Goals (SDGs)** to enable the achievement of UN targets.
- Implementation of the **2030 Strategic Plan.**
- **Expansion of the DATA 4.0 platform.**
- **New Commercial Rail Traffic System.**
- Development of a **new traffic regulation platform: SITRA+.**
- Development of a **new system to replace GIFO (GIFO+).**
- **Further definition and implementation of a Digital Transformation Plan** to improve management and decision-making.
- Development of an **Action Plan** with the main aim of putting the necessary mechanisms and analytical capabilities in place to improve the management of railway integration operations.
- Further work on the **Study on the Impact of Rail on Cities** for the ultimate improvement of railway integration operations.

AT THE CORPORATE GROUP:

- **Management** of Adif AV's **shareholding** in the undertakings that make up the Corporate Group
- **Analysing active advertising activity** on the websites of the urban integration joint ventures in which Adif AV holds a stake



COMMITMENTS 2022

AT THE COMPANY:

- Launch of a public tender for the **implementation of a technological solution for sustainability reporting**.
- **Continue to implement the 2030 Strategic Plan** through the Balanced Scorecard (BSC).
- Further **improve the EPR management procedure** (European Performance Regime) as we take a further step towards transparency and good governance.
- Enhance know-how at Adif AV by **reducing technological reliance** on external companies.
- **Modernise actions to incorporate new technologies** as we seek to achieve quicker and more agile and efficient maintenance.
- Upgrade hardware and software to make us **less vulnerable to cyber-attacks**.
- Carry out the actions envisioned in the **Adif AV Management System** to maintain the quality of all installations.
- Draw up and sign the necessary **protocols and agreements** to be able to carry out those integration operations that are approved at both institutional and technical level.
- Monitor **compliance with the financial commitments** acquired by our partners at the urban integration joint ventures (JVs).

AT THE CORPORATE GROUP:

- Continue to work on **divestments and share buy-backs**.
- Analyse the **processes and procedures that regulate the relationship** between Adif AV and Fundación de los Ferrocarriles Españoles.

2.1. Mission, vision and values: Strategic reframing

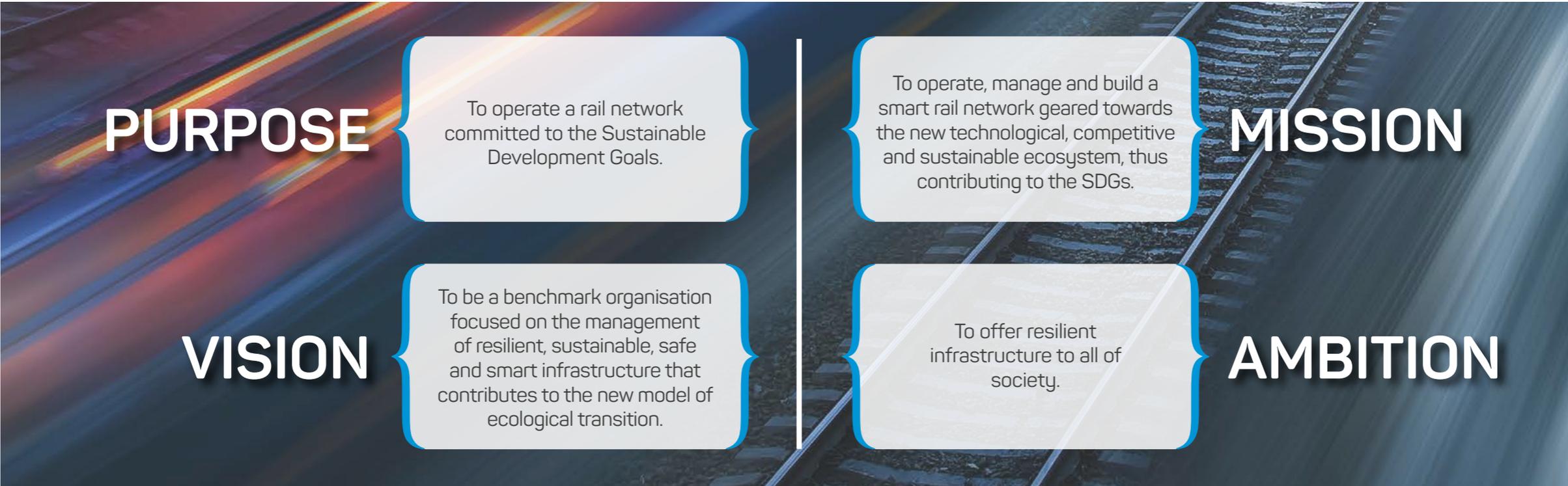
Adif AV is aware of the need to integrate the circular economy, social cohesion, the climate emergency, equality and diversity with railway infrastructure management, with each of these elements enjoying an equal footing. Accordingly, the starting point for our business strategy is our concern to contribute towards social and economic development through actions to mitigate climate change.

Therefore, with a specific corporate purpose in mind, in its 2030 Strategic Plan Adif AV seeks to advance and achieve the vision, mission and values of the Company. Our vision reflects

our goals for the future; our mission encompasses the actions we must take to discharge our assigned duties; last but not least, our values are the principles that must guide our employees to successfully perform the Company's role.

Adif AV's corporate culture is clearly expressed in the definitions of the Company's vision and mission*:

* Content related to **GRI 102-16**: Values, principles, standards and norms of behaviour

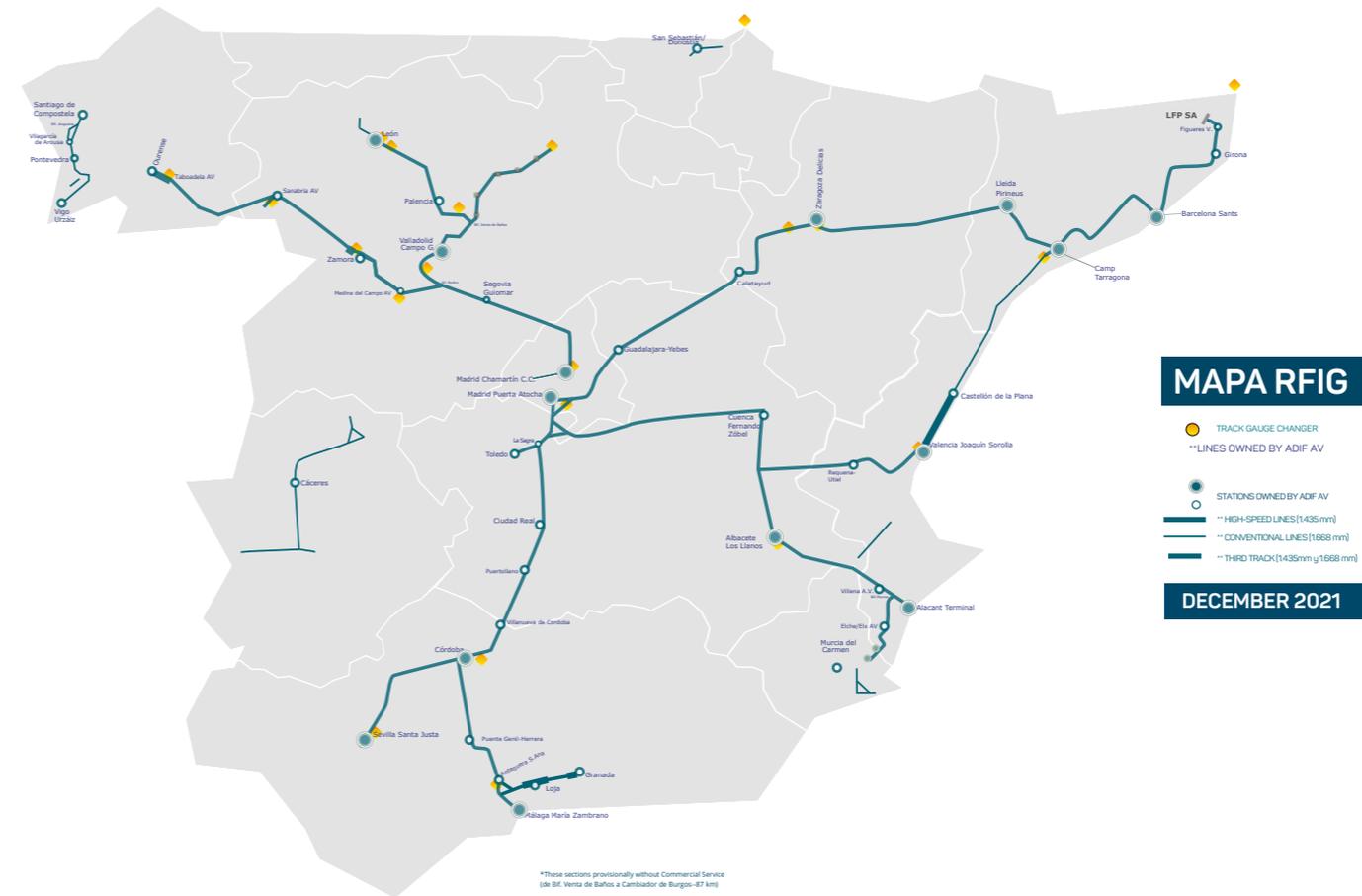


2.2. Business model

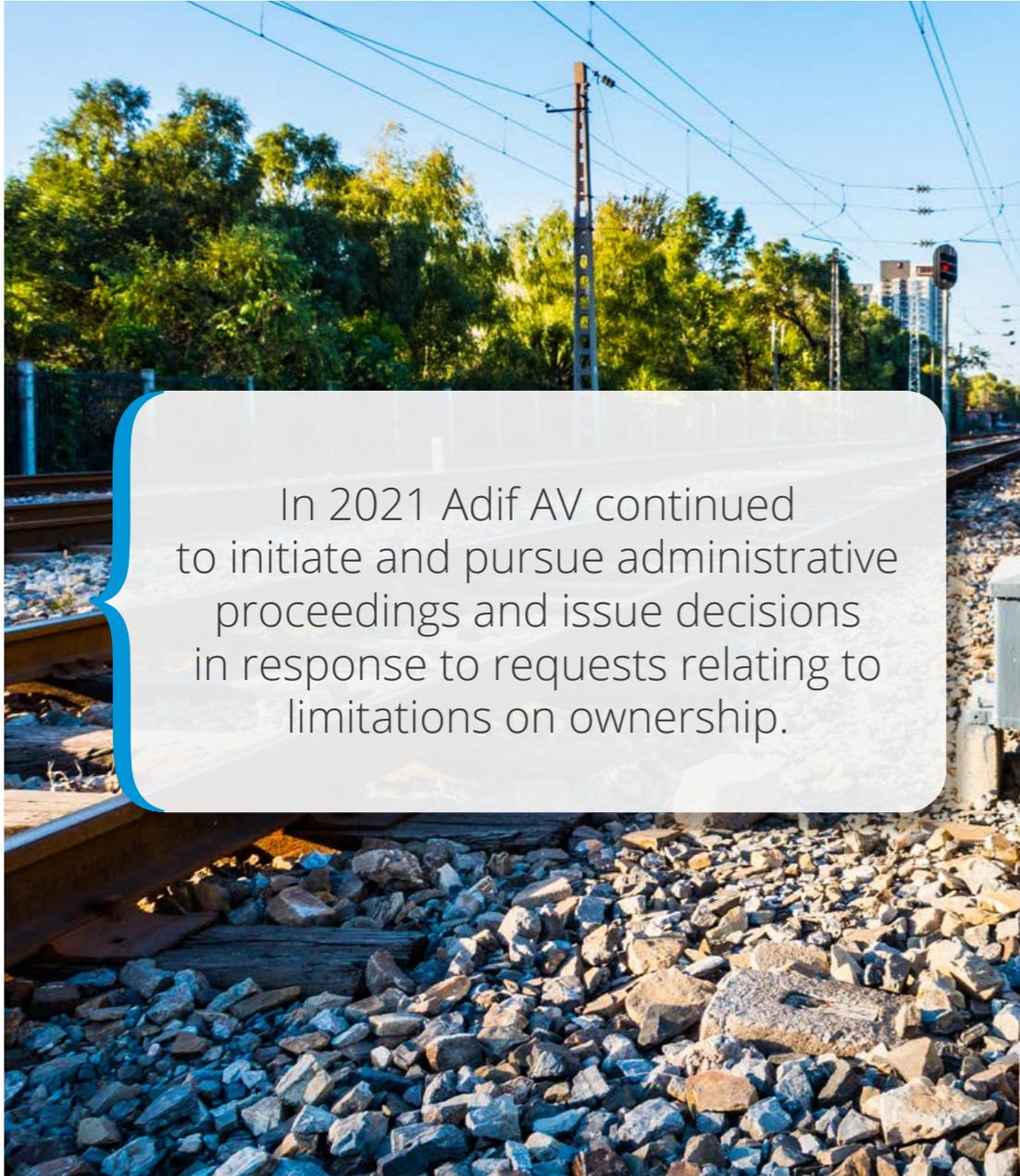
Adif AV's business model is designed to create and manage sustainable, high quality, resilient and safe infrastructure, while achieving innovation and modernising the transport system. In addition to building and managing high-speed railway lines, the Company: *

- Manages **telecommunications infrastructure**.
- Manages the **supply of electricity to railway operators**.
- Advises on and oversees **environmental and energy efficiency** actions undertaken by Adif.

The Company is seeking to switch the traffic and capacity it manages towards a **circular economy** system based on a **restructuring and reallocation of available resources**.



* Content related to **GRI 102-2**: Activities, brands, products, and services



In 2021 Adif AV continued to initiate and pursue administrative proceedings and issue decisions in response to requests relating to limitations on ownership.

{ ACTIVITY INDICATORS – ADIF AV

	2019	2020	2021
 Number of passenger station Users	163,081,564	71,138,380	98,371,997
 New construction in km	156	166	140
 Existing network length in km	3,456	3,622	3,762
% of new construction	4.7	4.8	3.9
 Number of stations owned by Adif AV	42	42	45
 No. of companies operating on the network Adif AV	14	15	12
Standard-gauge (UIC) high-speed track	2,619	2,782	2,926
 Circulation (daily average for the no. of trains)	952	691	783
Total traffic	347,480	252,998	285,854
Train-km (daily average)	169,503	104,897	128,321
 Train-km (total)	61,868,768	38,392,375	46,837,143

Positioning of the Corporate Group with the aim of establishing the role played by Adif AV in managing its investees and analysing the competitive, economic, legal, operational, social, sustainability and environmental benefits and rewards of continuing to hold a stake in such companies.

In relation to **Integration Operations** and, within the framework of the 2030 Strategic Plan, an **Action Plan** is now being developed with the main aim of establishing the mechanisms and analytical capabilities needed to improve and optimise the management of Integration Operations carried out in relation to the urban integration JVs. Alternative options may also be proposed in a bid to make the urban rail integration actions viable and sustainable in terms of mobility and the economic, social and environmental well-being of the city.

We are leading coordination and communication with the urban integration JVs in which Adif AV holds a stake and also with regional and local public bodies, thus **ensuring fluid dialogue with stakeholders** and mitigating reputational risks.



Through a mandate from Adif, Adif AV ensures coordination with the urban integration JVs in which the latter holds a stake and which are tasked with railway integration actions in cities.

The following contributions are also made to make Adif AV a more economically sustainable enterprise:

- **Support in controlling and monitoring the risk** assumed by Adif AV in the financing, refinancing and/or bank restructuring operations of the urban integration.
- **Closely tracking and overseeing the performance and current status of the agreements of the urban integration JVs** and their contractual relations with Adif AV.
- **Ensuring internal coordination with the urban integration JVs** when analysing the economic and financial viability of the actions to be carried out at those companies.
- **Adif AV's current relations with the various companies** are summarised in the following table:

	2019	2020	2021
Urban integration agreements, protocols, addenda, and so forth, signed and managed within the framework of the urban integration JVs in which Adif AV 2F2F holds a stake*	53	56	62
 Urban integration investment (€M cumulative investment made)**	4,067.65	4,230.36	4,408.51

* Cumulative figures

** Adif + Adif AV



{ CORPORATE GROUP

The **Corporate Group Positioning Plan** put in place with the aim of establishing the role played by Adif AV in managing its investees, and analysing the competitive, economic, legal, operational, social, sustainability and environmental benefits and rewards of continuing to hold a stake in such companies, has given rise to a strategic initiative within the wider framework of the 2030 Strategic Plan known as: **"Analysis and proposals for efficient participation of Adif and Adif AV in the companies belonging to their corporate groups"**. This initiative envisions various actions and aims to optimise the Company's investments and presence that obtains the maximum social, economic and sustainable benefits and rewards.

We also work hard to coordinate and communicate with these companies and with the regional and local bodies that hold stakes in them, thus helping to protect the interests and ensure dialogue with Adif AV stakeholders, while mitigating the possibilities of reputational risks materialising.

The Company continuously monitors the economic and financial position of Adif AV's investees in order to detect any deviation that might compromise the stability of the companies concerned and therefore add further risk to the financial investments made.

The following contributions are also made to make Adif Alta Velocidad (Adif AV) a more economically sustainable enterprise:

- Analysing proposals for strategic plans, such as those of Fundación de los Ferrocarriles Españoles and Emfesa.
- Adapting the corporate objects of subsidiaries as and when needed. For example, the corporate objects of Redalsa and Emfesa are currently being modified to improve the business activities of both companies.
- Analysing active advertising on the websites of the urban integration JVs to ensure compliance with transparency laws.
- Monitoring compliance with the resolutions passed in 2020 by the governing bodies of the companies in which we hold a stake.
- Weighing up the merits of selling or divesting in certain companies.
- Financial and procurement management of the companies Almería Alta Velocidad, Palencia Alta Velocidad and Alta Velocidad Vitoria – Gasteizko Abiadura Handia, none of which have any staff.

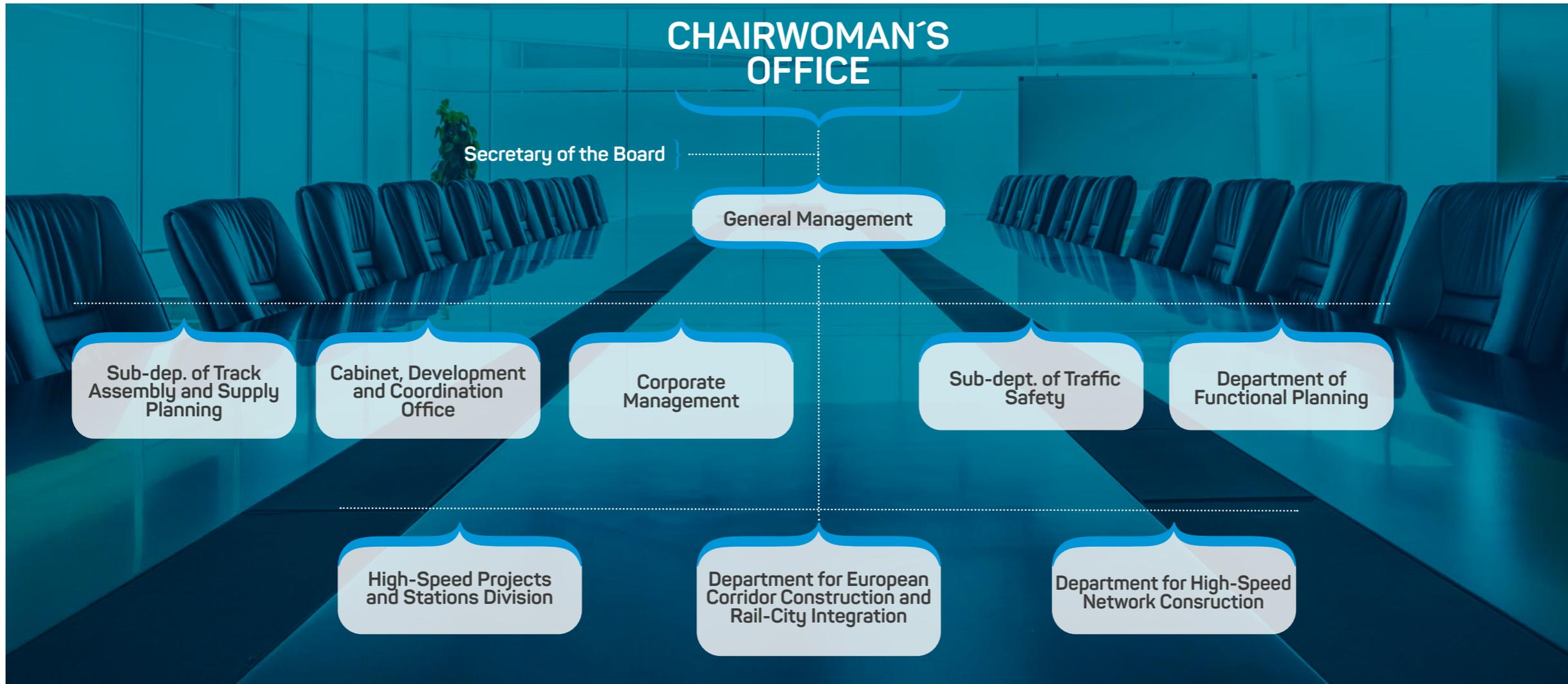
{ FIBRE OPTIC NETWORK

At the Fibre Optic Network business, the concessionaire that commercially operates the Fibre Optic Network and Adif AV have signed a confidentiality agreement that does not allow specific details to be provided. Total income received from the various activities at the end of 2021 amounted to €21,666,320.26 (not including VAT).

	2019	2020	2021
 Revenues from commercial operation of the Fibre Optic Network (€M) (not including VAT)	20.63	19.93	21.66

2.3. Organisational Structure of Adif AV

The organisational chart below depicts the structure of Adif AV as it stood in December 2021:



2.4. Adif AV inside and outside Spain



MILESTONES

- The European Commission and the Parliament declared **2021 the European Year of Rail**, thus providing strong support for the entire sector as the backbone of its Sustainable Mobility Strategy, with the ultimate aim of achieving the transport objectives of the European Green Pact, including the decarbonisation of the European economy. **Connecting Europe Express initiative.**
- Rail has also been a major recipient of EU-approved **Next Generation funds** to kick-start the economy in the wake of the COVID-19 pandemic.
- **International activity in regulation, standardisation and cooperation** through meetings and attendance at forums. Adif a founding member of **Europe's Rail Joint Undertaking**, a new EU R&D partnership dedicated to rail, which succeeds the Shift2Rail programme and will be endowed with €1.2 billion until 2031.
- **International trade fair "Rail Live"**.



COMMITMENTS 2022

- Defend the interests of **Adif AV and the Spanish railway sector**, as an 'influencer' in the forums in which we take part, on matters relating to regulation and standardisation and commercial aspects.

International organisations allow the company to have a voice and gain knowledge on a wide range of issues. Benchmarking can be used to learn best practices among infrastructure managers.

Adif's International Department also seeks to improve the image of Spanish industry and engineering by welcoming and hosting international delegations that visit Adif AV facilities, which showcase the knowledge and excellence of Spanish companies.

The shift towards a more **sustainable and efficient transport model** is key in successfully responding to the new international and national **regulatory scenarios**.

Notable actions and developments to have taken place during the year:

- Technical and operational assistance for other infrastructure managers, as well as advice on how best to undertake their projects.
- Staging of technical and other training schemes for experts from other countries.
- Hosting international delegations (Poland, Czech Republic etc.).
- Participation in MITMA international agreements.
- Organisation of events related to the European Year of the Rail, at the Rail Live international trade fair.
- Start-up of Europe's Rail Joint Undertaking initiative.

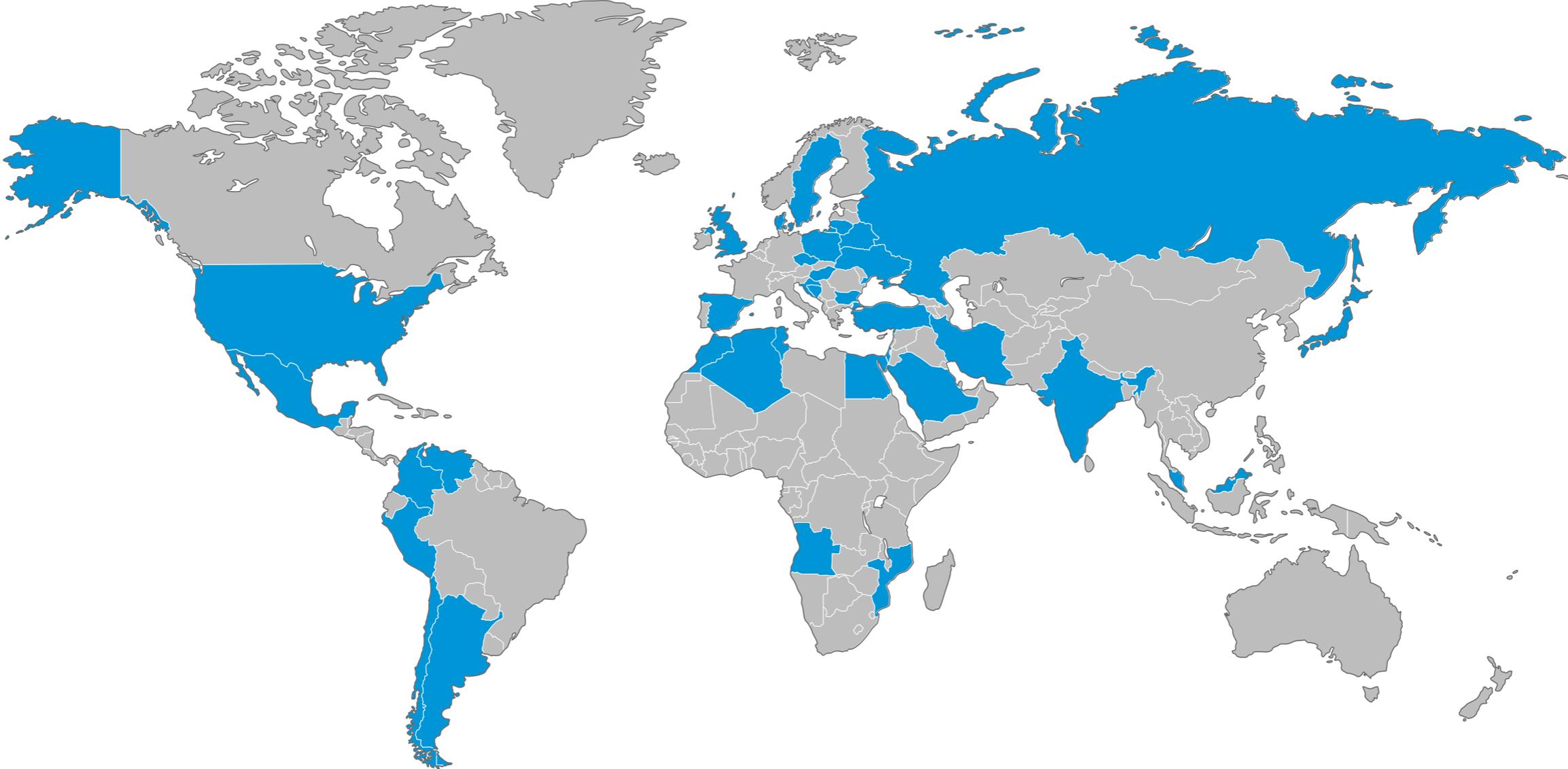
International activities carried out or currently in progress are located in Argentina, Colombia, Texas (USA), Angola, Egypt, Japan, Saudi Arabia, Czech Republic, Croatia, Norway, Poland, Russia, Sweden, Ukraine and Latvia, among other countries⁵.

European Rail
Infrastructure
Managers



⁵ Content related to **GRI 102-4**: Location of operations

{ ADIF AV'S PRESENCE AROUND THE WORLD* }



* Content related to GRI 102-6: Markets served

Adif AV is affiliated with the following **main entities and organisations**: EIM (European Infrastructure Managers), UIC (International Union of Railways), RailNetEurope (RNE), PRIME (Platform of Rail Infrastructure Managers). Adif AV also takes part in the interoperability initiatives of the ERA, the ERTMS Users Group and the joint European research initiative Shift2Rail, among others*.

Adif AV also takes part in several **European Economic Interest Groupings** (EEIGs) such as the TGC Pyrenees with France, AVEP with Portugal, Vitoria Dax with France and the Mediterranean and Atlantic freight rail corridors with various European countries. Measures are discussed and scrutinised at all of these associations to improve cross-border connections.

	2019	2020	2021
 Presence in international associations and organisations (no. of meetings attended)**.	224	224	331
Presence in international projects and activities (no. of activities carried out)**.	98	45	60

{ MEDITERRANEAN CORRIDOR

The international **activity of the Mediterranean Corridor Office** includes participation in the European Commission's Mediterranean Corridor Forums and Working Groups, as well as bilateral Spain-France meetings. It has also taken part in several cross-border initiatives

* Content related to **GRI 102-13**: Membership of associations

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and in CETMO (Centre for Transportation Studies for the Western Mediterranean). Last but not least, the office took part in the bilateral Spanish-Italian summit.

A new development in the international sphere is the proposed review of the TEN-T regulation, which aims to ready the TEN-T network for the future and align it with the objectives of the European Green Pact and the EU Climate Law, such as cutting greenhouse gas emissions from the transport sector by 90% (compared to 1990 levels), which will be key to achieving climate neutrality by 2050.

Moreover, the European Commission's activities are mainly taking place in Brussels.

The greatest contribution made by the Mediterranean Corridor Office is undoubtedly the dialogue with stakeholders, as evidenced in our day-to-day work having held 184 meetings.

In addition, the pedagogy of the Corridor is vital for development of the Communication Plan, which is why the Communication Plan is being developed.



2.5. Objectives and regulation

The operations of Adif AV are governed by the following laws and regulations:

- Law 40/2015, of 1 October, governing the Spanish public sector.
- Law 39/2015, of 1 October, governing administrative procedure, i.e., the rules on how government bodies interact with one another, with companies and institutions and with private individuals.
- Law 38/2015, of 29 September, governing the railway industry.
- Royal Decree-Law 15/2013, on the restructuring of Adif and other urgent economic measures. This statutory instrument created a new state-owned enterprise, namely Adif AV.
- Royal Decree-Law 4/2013 introducing measures to support entrepreneurs and stimulate growth and job creation. Adif was given ownership of the hitherto State-owned railway network under its management.
- Royal Decree-Law 22/2012 to streamline and restructure the rail industry. Part of Ferrocarriles de Vía Estrecha (FEVE), a state-owned enterprise that operates local railways, was spun off and merged into Adif.
- Law 47/2003, of 26 November, Spain's budget act for 2003.
- Royal Decree 1044/2013 of 27 December 2013, adopting the charter of the state-owned enterprise Adif Alta Velocidad.



3 WHAT WE DO

3. WHAT WE DO

{ 3.1. MAIN ACTIVITIES CARRIED OUT

{ 3.2. GREEN" CALLING OF ADIF AV

Taxonomy and Sustainability

{ 3.3. BUSINESS STRATEGY: 2030 STRATEGIC PLAN

{ 3.4. CONTENT OF STRATEGIC INITIATIVES



HITOS

IN RELATION TO THE COMPANY

- Development of the **strategy of the Mediterranean Corridor Coordinator's Office.**
- Establishment of a **communication plan** and an office **action plan.**
- Staging of the **Rail Live international trade fair.**
- 2021 declared the **European Year of Rail.**
- Further development of **international regulatory, standardisation and cooperation activities.**

IN RELATION TO CONSTRUCTION ACTIVITY:

- **Galicia:** operation of the track and two new stations.
- **Tarragona:** start-up of a provisional station.
- **Almeria:** works on a section of track and underground work.
- **León:** station extension and undergrounding of tracks.
- **Vitoria-Bilbao-San Sebastián:** interlocking and updating of blocks in the Basque Country.
- **Burgos:** commissioning of the line and authorisation for commissioning of the infrastructure, energy and CCS (control, command and signalling) subsystems.
- **Mediterranean Corridor:** replacement of switchgear and wire-changers.



COMPROMISOS 2022

IN RELATION TO CONSTRUCTION ACTIVITY:

- **Carry out the work financed by RRF** (Recovery and Resilience Facility) and **CEF** (Connecting Europe Facility) funds in connection with the Mediterranean Corridor.
- Further explore the **activities of the European Commission** in relation to the TEN-T Network
- **Construct the through tunnel and the Valencia-Castellón double platform.**
- Continue to **defend the Company's interests.**
- Ensure **the protection of endangered species.**
- Deliver on **investment plans** for RRF-funded projects.
- **Expedite technical approvals** for those projects that are planned to be tendered and promote projects that once finished will maximise the capacity of the line.
- Ensure **continuity of site teams** and manage an equitable distribution of the workload, thus ensuring a healthy work-life balance.
- Conduct a **critical self-assessment of existing procedures** to identify areas for improvement.
- **Reduce handling times for contractual issues.**
- **Streamline the technical approvals** of those projects that are planned to be tendered and promote projects whose construction allows to maximize the line capacity.
- **Strengthen** those areas prone to bottlenecks.

3.1. Main activities carried out ¹

{ CONSTRUCTION

Adif AV continues to make progress on the works and projects commissioned by the Spanish government, connecting the regions up via a high-performance network.

It is developing the European Traffic Management System (ERTMS), the train control and command system designed to ensure Europe-wide compatibility of signalling and communication between track and train.



{ OPERATION AND MAINTENANCE



The operation and maintenance of the infrastructure owned by Adif AV has been entrusted to Adif, via the corresponding addenda to the agreement entered into between the two entities to that end.

Key activities commissioned by Adif AV:

- **Operation:** management of rail traffic; calculation of charges applicable for the use of rail infrastructure, stations and other rail facilities; and operation of the passenger stations.
- **Maintenance:** conservation, repair, replacement and upgrading of the various elements comprising the network.

The concept of infrastructure as an instrument for providing services, places society at the heart of our business. Society is both a present and potential user of our infrastructure and services; our goals are connectivity, mobility and social welfare.

Hence Adif AV is committed to providing safe services that ensure social cohesion while supporting reliable and high-quality connectivity and mobility and enhancing social welfare through inclusive and sustainable socio-economic development of the country.

¹ Contenido vinculado al indicador **GRI 102-2**: Actividades, marcas, productos y servicios

{ END-TO-END SAFETY IN THE RAILWAYS SYSTEM

We view safety as a cross-cutting concern that affects all facets of railway infrastructure and is crucially shaped by the implementation of the new safety and interoperability directives of the European Union Agency for Railways (ERA).

End-to-end safety involves an, **awareness that every one of our activities** entails ongoing **improvement of safety procedures and the introduction of new methods and technologies**.

Adif AV's safety culture is underpinned by a risk assessment that leads to preventive, corrective and improvement measures towards risk mitigation.

We continue to roll out **end-to-end safety improvements**: in the domains of operations, environment, rescue services, occupational health and safety and cybersecurity.



RAIL TRAFFIC SAFETY

Control of risks inherent in rail traffic arising from the operations of Adif AV and other rail operators, thus fostering user trust in the network. Adif AV's rail traffic safety is handled by Adif.

To get more information about this activity go to section 6.4.4. Rail Traffic Safety.

SAFETY AND SELF-PROTECTION

We are improving the **safety and security of our facilities using new technologies**. The Company ensures safety and security at its facilities and infrastructure by implementing suitable incident and emergency systems and protocols in partnership with the relevant government authorities.

To get more information about this activity go to section 6.4.3. Safety and self-Protection.

WORKPLACE HEALTH AND SAFETY

Our policy is to ensure the utmost standards of **safety and security for our users and employees by operating suitable prevention policies**. Our strong health and safety commitment covers our own employees and interactions with contractors and suppliers, with whom we cooperate to ascertain and control the related risks, and all others who work alongside Adif AV over the short or the long term.

To get more information about this activity go to section 6.3.8. Workplace health and safety.

CYBERSECURITY

We constantly strengthen systems **protection and security with new cybersecurity mechanisms** This ensures that Adif AV's management and operational information systems are protected against intrusion, attacks, unauthorised access and/or damage to the organisation's assets.

To get more information about this activity go to section 6.4.5. Information security (cyber security).

ENVIRONMENTAL SAFETY

We enhance **environmental protection by augmenting and improving our preventive measures**.

To get more information about this activity go to section 6.6.12. Protection of biodiversity,

{ OTHER AREAS OF ACTIVITY



TELECOMMUNICATIONS

Adif AV manages telecommunications infrastructure in the form of a fibre-optic network that overlays the railway network. The system supports operation of the railways themselves; moreover, capacity is optimised by offering any excess to outside operators.



PROPERTY MANAGEMENT AND URBAN INTEGRATION

Adif AV manages the property under its ownership.

Following the policies put in place by the relevant government bodies, Adif AV supports the sustainable development of the railways system and its integration with urban planning, sometimes through railway "Integration JVs".



INTEGRATION AND GROUP ENTITIES

Adif AV oversees all investees and other entities within its Group (companies, foundations, groupings, associations, and so forth). This includes coordination and follow-up of railway integration efforts within cities, which are sometimes managed through Integration JVs.



ELECTRICITY

The Company manages the supply of electricity to Adif and Adif AV itself, and, by means of an ancillary traction electricity supply service, of traction electricity to railway operators that use electric rolling stock.



INTERNATIONAL CONSULTANCY ENGAGEMENTS AND PARTNERSHIPS

Outside Spain, Adif AV seeks to generate a return on its wide-ranging expertise by attracting consultancy engagements and other contracts in foreign markets. The Company takes part in international projects and in the development and implementation of international safety and interoperability rules.

CONSTRUCTION

Construction is also an essential activity at Adif. One of the priorities here is to preserve the natural environment and protected species, while also ensuring the restoration and recovery of degraded environments.

The **main activities** carried out during the year are as follows:



{ LA SAGRERA

Work is proceeding on the Sagrera station, as Barcelona's main station in future and arrival point for many high-speed trains.

In January 2021 Adif AV began work on the new Sant Andreu Comtal station in Barcelona. The project includes the construction of a new fully accessible passenger building with a floor area of some 700 m² and two platforms on the lower level, as well as the development of the access routes and the surrounding area across a surface area spanning more than 4,200 m². The nearly €10.5 million contract for the installation of track and electrification services has also been put out to tender.

During the summer of 2021, Adif AV completed construction work on the three new emergency exits at the Sants-La Sagrera tunnel on the Madrid-Barcelona-France high-speed line, located at the junction of Carrer Mallorca with Nàpols and Independència and Carrer Provença with Urgell. Following the construction of these three emergency exits, which complement the six existing exits in the tunnel (Entença-Provença, Enric Granados-Provença, Bruc-Provença, Padilla-Mallorca, Trinxant-Mallorca and Biscaia-Mallorca), the facilities now fully compliant with the regulations in force, as enacted by the European Union in late 2014. This particular project has entailed a total investment of more than €28 million and has allowed us to increase the safety of this railway infrastructure.

{ CENTRE

In June 2021, Adif AV started the noise protection works on the south side of Madrid Puerta de Atocha station. The aim of this work is to reduce the acoustic impact that will be caused by the operation of the new high-speed connection and the other railway traffic that runs through this area.

In 2021 Adif AV tendered and awarded the contract for the execution of the extension work at Madrid Chamartín Clara Campoamor station.



{ MURCIA-ALMERÍA HIGH-SPEED LINE

Adif AV picked up the pace of the work in 2021, which once finished will be the first direct railway connection between Murcia and Almería. The Murcia-Almería section and the branch track to Águilas will feature standard gauge and cutting-edge safety systems.

A new section of platform between Lorca and Pulpí worth an estimated €197,491,467.82 (VAT not included) was put out to tender in the summer of 2021. With this tender, all the sections between Murcia and Almería were under construction or otherwise in the contracting phase in 2021 except the railway integration into the urban centre of Lorca and the section passing through Totana. Once finished, both regional capitals, Murcia and Almería, will be connected with the rest of the high-speed network in Spain and, by extension, with Europe, through the Mediterranean Corridor and the trans-European TEN-T network.

In Almería, Adif AV completed work on the Río Andarax-El Puche section and the Puche underground works, worth more than €25.35 million (VAT included), thus recovering the conventional railway connection at the entrance to the city of Almería.

A contract was awarded for the study of solutions and drafting of the drawings for the assembly bases between Murcia and Lorca.

Since late 2021, the city of Murcia has six new areas for pedestrian and vehicle traffic in the northern area of the urban railway integration project, all of which improve levels of rail permeability within the city and thus the mobility of citizens. This was achieved once Adif AV received the works and formalised the concession so that the City Council could take delivery of these areas and make them available to citizens.

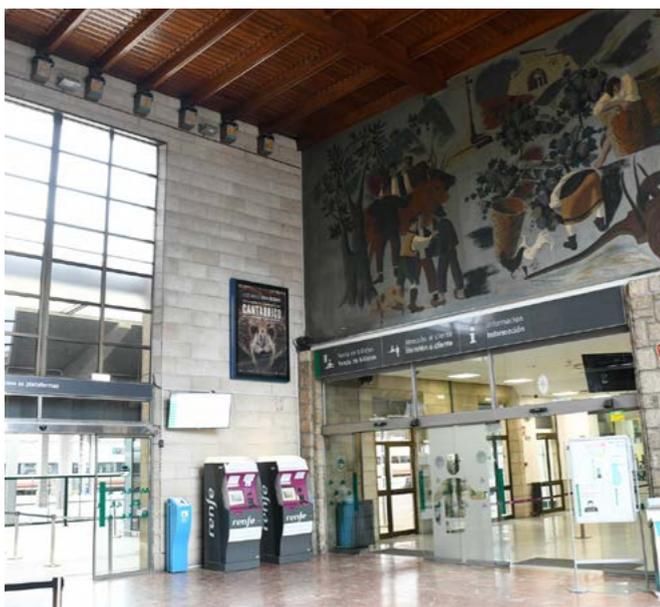


{ GALICIA HIGH-SPEED LINE: PEDRALBA DE LA PRADERÍA AND OURENSE SECTION.

The section was brought into operation on 21 December 2021, with two distinct sectors:

- Pedralba de la Pradería–Taboadela. It is a UIC gauge section, with double track along most of its length.
- Taboadela–Ourense is a mixed-gauge single-track section, which starts at the exit of the new Taboadela Changer. The UIC gauge is fitted with ERTMS Level 2, with ASFA back-up. The Iberian gauge is equipped with ASFA.

Also in 2021, two new stations came into operation along the high-speed network: Otero de Sanabria station, in Zamora, and Porta de Galicia station, in A Gudiña, Ourense. Work was also carried out at Ourense station to accommodate two new UIC tracks, which end in a buffer stop.

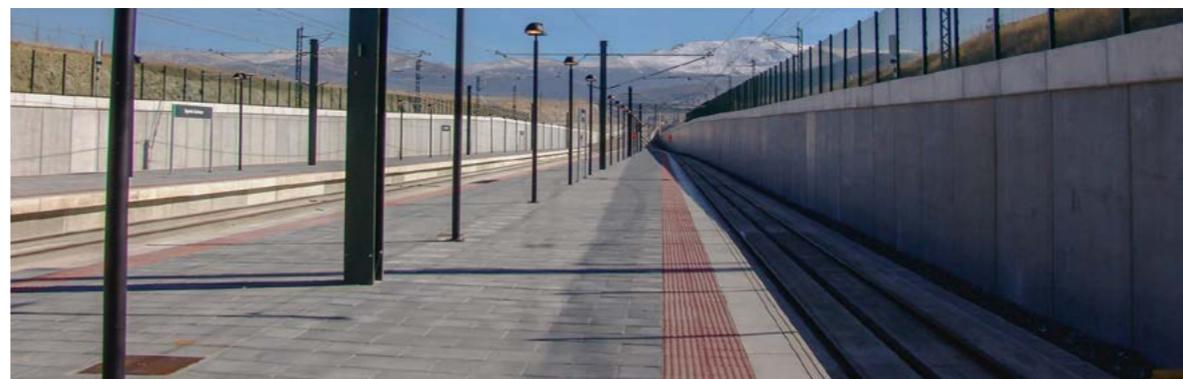


In late 2021, the first two platform sections of the Ourense bypass were awarded, providing continuity to the UIC double-track platform between Taboadela and Seixalbo, as was the contract to build the new passenger terminal at Santiago de Compostela station. In 2022, new projects will continue to be put out to tender, notably: the remodelling of Ourense and A Coruña stations, construction of the new railway access to the Puerto Exterior port of A Coruña in Punta Langosteira, two projects for the installation of acoustic protection screens between Vigo–Padrón and Padrón–A Coruña, and the new maintenance depot in A Mezquita.

{ MADRID–EXTREMADURA HIGH-SPEED LINE

In December 2021, traffic between the stations of Monfragüe and Plasencia was resumed following a five-month suspension to renovate the superstructure. With the renovation work now completed, traffic speed has been increased, saving around five minutes in travel time.

The existing buildings and platforms at Cáceres, Mérida and Badajoz stations were remodelled to fit their intended use as high-speed stations.



Also in December, the existing telephone block signalling system between Mirabel and Cáceres was replaced by a Single Track Automatic Release Blocking (BLAU) system on the section lying between the Mirabel (265/438 L500) and Bif stations. Casa de la Torre (322/684 L500) and BAU between Bif. Casa de la Torre (322/684 L500) and Cáceres (332/529 L500), in relation to current line L500. This gives continuity to the BLAU from Plasencia and Monfragüe to Cáceres.

Work also continued on the electrification, civil protection and safety and communications installations on the Plasencia–Badajoz section, ahead of the start of final testing and imminent commissioning of the new high-speed line.

Construction of the Talayuela–Plasencia section platform, which will be a continuation of the Plasencia–Badajoz section, also began.

{ ASTIGARRAGA-IRÚN

A new complete infrastructure, track, catenary and safety installations project has been technically approved for the Astigarraga-Irun route, thus setting out the necessary actions to finalise the implementation of mixed gauge along the route and to implement the infrastructure to enable its eventual use as a rail motorway. The 34-month contract has already been put out to tender and awarded and the work is expected to begin in January 2022.



{ LEÓN-ASTURIAS HIGH-SPEED LINE

In 2021, the newly extended station of León was brought into the service and the tracks running under the city centre began to operate. These projects included the construction of two electrified conventional gauge through tracks, the covering of the León-Gijón line for an approximate length of 590 metres and the construction of a central platform with a useful length of 410 metres for parking and a width of nine metres. They also included an extension of the current León station by some 450 m² of floor area to connect it with the platform. As part of the control, command and signalling activities, the new León Crucero interlocking was brought into service to ensure proper control of the new installations.

This action will allow for the elimination of the cul-de-sac at León station and direct passage, without having to use the reversing gear, of services to Asturias and Galicia, and vice versa, thereby cutting journey times.

As a complement to this action, work was carried out to adapt the station by installing a lift and escalators and on the historic station building to adapt and refurbish the canopies, demolish the old platforms and erect a number of auxiliary buildings.

On the León-La Robla section, part of the superstructure was renovated with the aim of introducing mixed gauge. The enclosure of the entire section was also completed during the period.

In addition, the geometric and dynamic auscultation of the track for a speed of 200 km/h was completed on the Pajares Bypass.

Work continued on the assembly of track, electrification, civil protection, energy and safety and communications installations on the Pajares Bypass.

At Pola de Lena station, remodelling work went ahead on the tracks and platforms so that the new tracks of the Pajares Bypass could enter the station.



{ VITORIA-BILBAO-SAN SEBASTIÁN HIGH-SPEED LINE

Work is still under way on the platform for the Vitoria-Bilbao branch line, which comprises 19 sections (including the Bergara Junction), of which 11 are now complete; and on the Bergara-Astigarraga branch line, 16 of the 17 sections that make up the line are now complete.

Work began on the first section of the Burgos-Vitoria High-Speed Railway connection with rail integration in Vitoria (Phase I) and the second section (Phase II) was put out to tender.

Work is being carried out on drafting superstructure, energy and installation projects, along with the development of the informative studies for the integration of high-speed lines in cities (Bilbao and Vitoria), and the tender specifications have already been approved for the drafting of the preliminary drawings corresponding to the integration with Vitoria and the Arkaute Junction.

In August, the Ergobia overpass linking the towns of San Sebastian and Astigarraga was put into service. The overpass crosses above the tracks of the Madrid-Irun line and definitively eliminates the existing level crossing.

In October, consolidation and stabilisation work on the slope of the Aramaio train overtaking and parking section was finally completed, having previously undergone repeated interventions.

{ PALENCIA-AGUILAR DE CAMPOO-CANTABRIA HIGH-SPEED LINE

Work began on the Palencia Norte-Amusco and Amusco-Osorno sections during the period.

{ VALLADOLID-VENTA BAÑOS-BURGOS HIGH-SPEED LINE

In Valladolid, work on the construction of the underpass between Nochevieja and Andrómeda streets was given a major boost with the pushing of the caisson under the conventional and high-speed tracks.

On 17 March 2021, the decision was issued on the Request for Authorisation for Commissioning of the Line and Authorisation for Commissioning of the Infrastructure, Energy and CMS Subsystems (commissioning with lateral signalling + ASFA).

Work was completed on the Rosa Manzano station in Burgos to accommodate the arrival of the high-speed train at the station.

Work was carried out to move the signals at Burgos Rosa Manzano station that protect the tracks from late braking.

ERTMS Level 2 dynamic tests were carried out at speeds < 200 km/h.



MAINTENANCE

One of Adif AV's main activities, both economically and environmentally, is **infrastructure maintenance**. The aim here is to ensure maximise safety, reliability and availability to optimise preventive maintenance and efficiently manage inspection activities with the ultimate aim of reducing incidents.

Key maintenance activities include:

- Helping to ensure more environmentally friendly preventive and corrective maintenance through compliance with Adif AV's Environmental Policy.
- Efficient management of expenditure on maintenance actions and rigorous monitoring and control of the Operating and Investment Budget.
- Leadership and development of sustainable strategic initiatives.
- Analysis of the internal action procedure and optimisation of monitoring activity.

The main figures relating to **construction, maintenance and operation of the railway infrastructure** are presented below.

MAINTENANCE AND OPERATING EXPENSES		2019	2020	2021
Mantenimiento	 Total expenditure incurred on high-speed network maintenance (€M)	298.9	295.80	327.7
	Total expenditure incurred on maintenance work on the high-speed network per km (€ thousand/km track)	87.7	82.9	87.9
Explotación	Total operating expenditure of the high-speed network per km (€ thousand/km track)	8.7	7.5	7.6



	INVESTMENTS MADE	2019 ¹¹	2020	2021
	Investment in construction of new line (€M), including VAT	1,110.22	1,062.51 ¹²	1,006.78
	Investment in replacing and upgrading assets in operation (€M), including VAT	N/A	186.80	271.30
	Investment in drafting projects and carrying out works at stations (€M), excluding VAT*	26.13	23.56	23.9
	Investment in actions related to station accessibility (€M), excluding VAT*	12.7	7.92	5.8
	Investment to renovate and upgrade the Company's assets (in relation to stations, logistics facilities and cross-cutting investments) (€M)	N/A	84.60	52.56

¹¹ Figures for 2019 are not shown where the indicator was not measured in that year

¹² Investment budget execution for a total of €1,249.31 M

* Adif + Adif AV



AMOUNTS TENDERED AND AWARDED	2019	2020	2021
Construction (tendered) (€M), excluding VAT	976.19	370.48	1,724.93
 Construction (awarded) (€M), excluding VAT	1,968.07	340.39	1,045.92
 Maintenance (awarded by Adif on behalf of Adif AV) (€M), excluding VAT ¹⁷	401.41	118.98	63.156
 Maintenance (awarded by Adif AV) (€M), excluding VAT	205.12	9.64	46.97

{ INVESTMENTS TO UPGRADE STATIONS

To improve the construction and build of railway stations, the main activity in 2021 involved drafting projects and executing works to improve station functionality and operation, upgrade existing installations and bring them in line with prevailing regulations. Further progress towards liberalisation was also made during the period, station maintenance work was optimised and centralised and remote station control was increased. Highlights in the period included the enlargement of the boarding hall and new accesses, the supply of new check-in desks at Barcelona Sants and the enlargement of the boarding hall and refurbishment work for basic services on platforms at Madrid Puerta de Atocha station.

¹⁷ Maintenance work carried out by Adif on behalf of Adif Alta Velocidad

We continued to focus on improving accessibility and the use of new technologies with the aim of moving stations closer to the concept of a smart facility.

In 2021, a total of €23.9 million (including VAT) was invested on drafting construction drawings and performing work at both Adif and Adif AV stations, of which €5.8 million (including VAT) related to accessibility improvements.

Major work was completed to improve accessibility at Bezana and Vicálvaro stations, the latter of which saw an average of almost 6.5 million passengers per year prior to the pandemic, and work also got under way at Legazpi station. Elsewhere, further progress was made on important projects such as Recoletos, Urnieta, Andoain and Aranjuez, and tenders were issued for works at Amurrio and Ordizia.

Meanwhile, to improve data capture, an internal work organisation model for reporting was implemented during the period. Indicators for Adif AV were presented to raise

awareness of the company's performance..

{ FIXED TELECOMMUNICATIONS AND WIFI ACTIVITIES

Adif AV put out to tender a project for the extension of the existing telecommunications networks at 15 large stations to cover present and future station management needs, both at operating and commercial level. Among other benefits, this will cater to the needs of the new railway operators that are now starting to work at the stations.

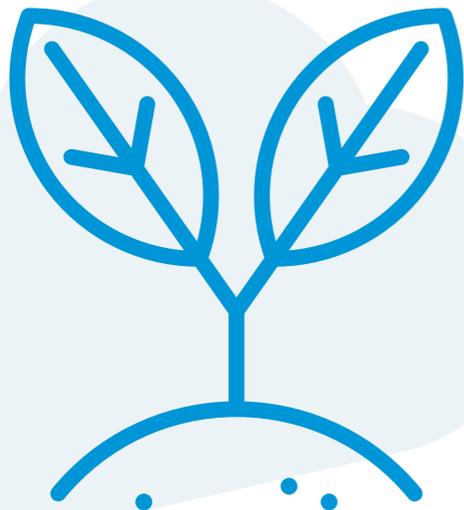
In 2021, the four lots included in the tender were staked out and work got under way on most of them. The work will be completed throughout 2022 and the maintenance period—which can be extended by one to two years— will begin.

3.2. "Green" calling of Adif AV

{ FINANCING THROUGH GREEN BOND ISSUES

On 29 September 2021, Adif AV placed its **fifth issuance** of fixed income securities under the green bond format. This transaction is part of the objectives envisioned in our Strategic Plan for the coming years; the new 2030 Strategic Plan and the Company's firm commitment to sustainability, as discussed in previous sections of this report. Our entire strategy is aligned with the Sustainable Development Goals (SDGs) of the United Nations and moreover the Plan sets specific strategic objectives in a bid to improve our impact on society from economic, social, environmental and good governance dimensions.

For instance, **Objective 3.2 of the Strategic Plan** of Adif AV is *"to contribute to an environmentally-friendly mode of transport that makes responsible use of scarce resources"*. To achieve this, initiatives have been designed to combat climate change, incorporate circular economy projects, apply green purchasing criteria and enhance the environmental monitoring system.



Along these lines, Adif AV carries out its activity as a sustainable issuer, in compliance with the Green Bonds Principles (GBP) of ICMA (International Capital Market Association), and in September 2019 it renewed the framework it had adopted back in 2017 with the aim of ensuring the transparency, disclosure and integrity of its green bond issues, while also opening up the possibility of financing through other instruments such as green loans.

Under the current framework, the Company remains committed to allocating the proceeds from its green financing instruments to Eligible Green Projects, whether new projects or the continuation of ongoing projects. The proceeds are allocated from two years ahead of the bond issuance up to 24 months following date of issuance. More precisely, Adif AV has pledged to allocate the funds obtained through these bonds to the two categories of projects described below:

- a) Investments related to new high-speed rail lines and the extension of existing high-speed lines.
- b) Investments related to the maintenance, upgrading and energy efficiency of high-speed rail lines.

Furthermore, to provide investors with an independent measure of compliance with the Green Bond Principles, Adif AV commissioned CICERO (Center for International Climate Research) to review its framework of actions and issue a Second Opinion.

The Green Financing **framework** of Adif AV has been awarded the **highest rating (Dark Green)** by CICERO.

The Second Opinion issued by CICERO on the Framework upholds the **highest rating of "DARK GREEN"** and confirms compliance with the ICMA Principles within the framework of Adif AV's green financing instruments.

CICERO's assessment also includes an analysis of the governance structure of the Green Finance Framework, rating it as "Excellent".

The main features of Adif AV's **fifth green bond issue** are as follows:

Amount:	EUR 600,000,000
Effective date:	29 September 2021
Payment date:	08 October 2021
Maturity date:	31 October 2031
Coupon:	0.55% p/a
Net amount:	EUR 596,700,000

This issue makes Adif AV the **second largest issuer of green bonds in the Spanish public sector** (only behind the Spanish Treasury, which issued its first green bond worth €5 billion in September 2021). At national level, it remains in third place, with a total green bond issuance volume of €3 billion, behind only the Spanish Treasury and Iberdrola.

Total sustainable finance in Spain rose sharply in 2021. Green, social and sustainable bonds and loans reached €46.907 million during the period, up 42% on 2020, according to data released by the Spanish Observatory of Sustainable Finance (OFISO).

The issuance of green, social and sustainable bonds by companies, financial institutions and public administrations totalled €28.548 billion, almost doubling the 2020 figure (90%).

Green bonds issued in Spain account for nearly 2 of every 3 euros (63.9%) of the total issued, with €18.249 billion euros.

Notably, in the fifth green bond issuance carried out by Adif AV in 2021, 72% of the investors who purchased these securities were socially responsible investors.



{ ESG RISK RATING

Framed by its operations in financial markets as a socially responsible issuer, Adif AV received its first Sustainalytics' **ESG Risk Rating** score in 2019, ranking atop the leader board in transport infrastructure —out of the 102 companies rated— and the road and rail subsector. It also ranked among the top 10 in scores of the 10,026 companies rated.

In the 2021 annual review, Sustainalytics once again gave **Adif AV top spot in the transport infrastructure sector**, and ranked it 20th out of 14,537 companies analysed.

Implementing responsible investing policies guarantees long-term financial returns. Accordingly, socially responsible investment (SRI) can be addressed through various approaches: the "value" approach, underpinned by ethical or moral considerations; the "risk" approach, to enhance management of reputational, operational, financial and regulatory risk; the "return" approach, leveraging financial opportunities like the energy transition; or the "duty" approach, in line with the investor's fiduciary liability.

ADIF- Alta Velocidad

Industry Group: **Transportation Infrastructure**

Country/Region: **Spain**

Identifier: -

ESG Risk Rating

COMPREHENSIVE ?

Ranking

6.3

Negligible Risk

Industry Group (1st = lowest risk)

Transportation Infrastructure **1** out of 168

Universe

Global Universe **20** out of 14656



Last Update: **Nov 30, 2021**

{ CORPORATE FORUM ON SUSTAINABLE FINANCE

Adif AV has been a **member of the Corporate Forum on Sustainable Finance** since June 2019. This forum, established in 2018, was conceived as a permanent network for the exchange of ideas and views between European issuers of sustainable financial products, all of them committed to the development of sustainable finance as an essential tool in the fight against climate change, and to fostering a more responsible society.

At present, this initiative comprises **23 members** from eight different countries and five economic sectors: A2A, Adif Alta Velocidad, Air Liquide, EDF, EDP, ENEL, Engie, FDS, Iberdrola, Icade, Iren, Orsted, RATP, Renewi, SDGP, Snam, SNCF, SSE, TenneT, Terna, Thames Water, Tideway and Vasakronan.

Between them, they have issued upwards of €90 billion, about two thirds of the total sustainable issuances in Europe.

Among other objectives, Forum members seek to integrate the notion of sustainability into their own financial strategies, to champion the development of a more sustainable economy, and to actively participate in the creation of future standards and regulations for these types of instruments.

The forum uses various mechanisms to achieve these goals, such as sharing information related to the sustainable finance market, promoting the exchange of best practices, establishing common positions and publishing documents ratified by the members.

▽ CORPORATE FORUM ON ○ SUSTAINABLE FINANCE



{ TAXONOMY AND SUSTAINABILITY

Taxonomy

1. Regulatory background

The **Action Plan on Financing Sustainable Growth**, presented in 2018 by the European Commission, is the roadmap for boosting sustainable finance and redirecting capital flows towards more sustainable activities. Among the different initiatives envisaged by the plan is the creation of the European Taxonomy, a tool to classify economic activities according to their potential impact and contribution to sustainability.

For now, the Taxonomy has been developed in its environmental variant, identifying the economic activities that can contribute to climate change mitigation and adaptation. It sets out various requirements, which, if met, will qualify an activity as sustainable, allowing companies, investors and regulators to obtain more uniform information on the activities that contribute to the achievement of environmental objectives.

The **regulatory framework** of the Taxonomy currently comprises the following regulations:

- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment.
- Regulation (EU) 2021/2139 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

- Commission Delegated Regulation (EU) 2021/2178 specifying the content and presentation of information to be disclosed by undertakings concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

That regulation contains various **reporting requirements** for certain undertakings (financial market participants that make available financial products and undertaking that are subject to the obligation to publish a non-financial statement pursuant to Article 19 bis or 29 bis of Directive 2013/34/EU of the European Parliament and of the Council).

Taxonomy reporting requirements

Article 8 of **Regulation 2020/852** makes it mandatory to disclose, in the annual sustainability report, information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable, in order to improve the flow of non-financial information on companies' ESG performance and thus increase transparency with stakeholders to encourage investment.

According to Article 8, non-financial companies considered to be public interest entities with more than 500 employees must publish the following information in their NFSs for financial year 2021:

- + Proportion of Taxonomy-eligible turnover.
- + Proportion of Taxonomy-eligible capital expenditure (CapEx).
- + Proportion of Taxonomy-eligible operating expenditure (OpEx).

The undertaking should also include qualitative and contextual information to provide a clearer understanding of the results of these indicators.

In this context, it is important to clarify two **key concepts**:

- **Taxonomy-eligible activities** (disclosed in this report): activities listed in Annexes I (climate change mitigation) and II (climate change adaptation) of Delegated Regulation (EU) 2021/2139.
- **Taxonomy-aligned activities** (to be disclosed in the report for financial year 2022): eligible activities that meet the following requirements:
 - + Contribute substantially to at least one of the six environmental objectives defined in the Regulation¹ :
 - » Climate change mitigation.
 - » Climate change adaptation.
 - » Sustainable use and protection of water and marine resources.
 - » The transition to a climate-neutral economy.
 - » Pollution prevention and control.
 - » The protection and restoration of biodiversity and ecosystems.
 - + Comply with the principle of doing no significant harm to the other objectives.
 - + Comply with minimum social safeguards in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Following is a description of the process for **calculating the three KPIs**, covering key aspects related to **accounting policy, compliance with Regulation (EU) 2020/852** and the relevant **contextual information**.

2. Scope

When applying the European Taxonomy, Adif AV has analysed the information available in its **economic-financial systems**, with the same scope and breakdown as that used to draw up the company's separate financial statements.

Due to the nature of its **competences and functions** (construction of high-speed rail infrastructure, management of owned infrastructure, control and inspection of rail infrastructure, high-speed stations business, procurement of electricity to power the railway system and telecommunications and energy activities, among others), the identified eligible activity corresponds to **activity 6.14 "Infrastructure for rail transport"**, as listed in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 on reporting.

For the 2021 period, the exercise carried out by Adif AV consisted of **identifying Taxonomy-eligible activities** among turnover, CapEx and OpEx items. In accordance with the requirements established for this exercise, compliance with the technical screening criteria has not been analysed and therefore it has not been determined whether these activities are aligned with the Taxonomy. This exercise will be carried out in financial year 2022, following any further updates or guidance provided by the European Commission.



¹ Technical screening criteria set out in Annexes I (mitigation) and II (adaptation) of Commission Delegated Regulation (EU) 2021/2139

3. Methodology and results

Adif AV analysed the information on turnover, CapEx and OpEx to identify those items corresponding to activity 6.14 "Infrastructure for rail transport". To this end, the following **tasks** were addressed:

- **Identification of the concepts to be included in the denominators** for each of the key indicators.
- **Analysis of the items corresponding to those concepts** included in the denominators.
- **Identification of eligible items** to be included in the numerator.

3.1 General considerations

Adif AV considered as eligible its activity related to the administration and operation of the railway network, while also including in the scope the operation and maintenance of passenger and freight stations, infrastructure maintenance activity, and the management of passenger and freight traffic.

Throughout the entire process, due care was taken to **avoid double counting**:

- Use of a single source of information (the company's economic and financial systems).
- Verification of the completeness of the information considered and reconciliation with the information included in the annual accounts.

3.2 Proportion of Taxonomy-eligible turnover

This KPI shows the **relative weight of net turnover derived** from products or services associated with Taxonomy-aligned economic activities over total turnover.

The following elements were considered for the **denominator**:

- **Net turnover**: includes charges for the use of railway infrastructure, stations and other railway facilities.
- **Other operating revenues**: includes revenues from subsidies provided for in the State Budget to finance the shortfall in the tariffs charged to operators; revenues from the rental of commercial premises at stations, from the rental of fibre optic infrastructure and from the rental of station car parks; and other revenues associated, for example, with services provided to operators. Revenues from the supply of energy to operators and those corresponding to intra-administrator agreements (management entrustment agreements between Adif AV and Adif) have been excluded.

Revenues from **charges** and **subsidies** for network administration have been considered **eligible** and therefore included in the numerator, as both items are directly linked to the operation of railway infrastructure. The other items mentioned have been excluded from the numerator as they are not considered eligible.

The **proportion of Taxonomy-eligible turnover** is as follows:

	Proportion of revenues (%)
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES	
6.14 Infrastructure for rail transport	76%
A. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES	
Revenues from Taxonomy-non-eligible economic activities	24%
Total (A + B)	100%

3.3 Proportion of Taxonomy-eligible capital expenditure (CapEx)

This indicator shows the **proportion of capital expenditure (CapEx) relating to assets or processes associated with economic activities** covered by the Taxonomy.

The following items have been considered in the **denominator**, excluding amortisation and depreciation:

- Additions to **intangible assets and property, plant and equipment** in financial year 2021
- Additions to **investment properties** in financial year 2021.

All these investments have been considered **eligible** as they are directly related to rail infrastructure.

The **proportion of Taxonomy-eligible CapEx for 2021** is as follows:

	Proportion of CapEx (%)
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES	
6.14 Infrastructure for rail transport	100%
A. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES	
CapEx from Taxonomy-non-eligible economic activities	0%
Total (A + B)	100%

3.4 Porcentaje de elegibilidad del Opex

This indicator shows the **proportion of operating expenditure (OpEx) deriving from infrastructure maintenance activities, associated with assets or processes associated with economic activities** covered by the Taxonomy.

The **denominator** includes OpEx after eliminating the costs for the purchase of traction power for the management of the infrastructure and structural costs not directly linked to the maintenance of the infrastructure. In other words, it includes the costs associated with repairs and maintenance of infrastructure (track bed, bridges, tunnels, catenary and electric tracks, signalling, etc.).

All these expenditures have been considered **eligible** as they are directly related to rail infrastructure.

The **proportion of Taxonomy-eligible OpEx for 2021** is as follows:

	Proportion of OpEx (%)
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES	
6.14 Infrastructure for rail transport	100%
A. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES	
OpEx from Taxonomy-non-eligible economic activities	0%
Total (A + B)	100%

Sustainability*

{ FORÉTICA

Forética is the leading business network on sustainability and social responsibility. Its mission is to integrate social, environmental and governance issues into corporate and organisational strategy and management. It currently has more than 200 members.

Forética is Spain's representative on the World Business Council for Sustainable Development (WBCSD) and, therefore, constitutes the Spanish Business Council for Sustainable Development. In Europe, Forética is a national partner of CSR Europe. It is also a member of the Spanish State Council for CSR. Forética was created in 1999. It would later launch the SGE 21 standard, Spain's first ethical and socially responsible management system. Today, more than 130 companies and organisations have earned certification in Spain and Latin America.



Adif/Adif AV joined Forética in 2017 as a partner-promoter. In 2018, it joined the Action Group on Sustainability and CSR at State-Owned Enterprises, co-leading with ICO the collaborative platform for leadership in sustainability and CSR for the public business sector under the coordination of Forética. This platform aims to make further progress in the field of corporate sustainability and contribute to the achievement of the 2030 Agenda for Sustainable Development.

In 2021, Adif/Adif AV continued to lead this platform alongside ICO, with the following 29 public entities as members: Adif/Adif AV, AENA, Aquavall, CESCE, Corporación Empresarial Pública de Aragón, Correos, Emasesa, ENAIRE, Enresa, Grupo ENUSA, Extremadura Avante, Giahsa, Grupo Tragsa, ICEX, INECO, ICO, INFORMA D&B, ITVASA, Metro de Madrid, Navantia, Paradores, Renfe, RTVE and Valenciaport. The following entities take part in the group as observer members: COFIDES, Red Elige, Red Nacional Sanitaria de RSC, the Guardia Civil and ISDEFE. The Action Group focused its attention during the year on learning about the key measures of the European Green Pact to promote climate change objectives; on addressing the role of public entities in promoting higher standards of respect and protection of human rights; and on seeking various proposals on how best to improve governance at public companies in Spain.

* Content related to **GRI 102-12**: External initiatives and Content related to **GRI 102-13**: Membership of associations



UN GLOBAL COMPACT – SPAIN

The United Nations Global Compact is a non-profit organisation, internationally considered the world's largest corporate sustainability initiative and the only organisation mandated by the United Nations to work with the private sector towards the SDGs.



It has more than 20 years of experience. The Spanish network is the most important and numerous of the 70 networks that exist around the world. Of the 15,401 entities that form part of the Global Compact, almost 14% are Spanish. It currently has more than 2,100 member organisations in Spain, of which 21% are large companies, 61% are SMEs, and the remaining 18% are made up of educational institutions, business associations and the third sector.

It aims to encourage the effective implementation of the Ten Principles of the Global Compact while promoting the integration of the Sustainable Development Goals in the business sector. Notably, it is the only organisation mandated by the United Nations for this purpose.

The UN Global Compact is the only organisation in the field of sustainability that has been designated to form part of the Sustainable Development Council, an integral part of the governance structure for the implementation of the 2030 Agenda in Spain and tasked with structuring the participation of civil society in the achievement of the SDGs. It is also a member of CERSE, the State Council for Corporate Social Responsibility of the Ministry of Employment, and of the Advisory Council for the 2030 Agenda of the Community of Madrid.

Adif/Adif AV has been a member of the UN Global Compact Spain since 2018, as a Partner-Signatory. The Company decided it was strategically important for it to join that non-profit platform, the world's largest corporate sustainability initiative championed by the United Nations. Membership fits nicely with Adif's commitment to driving meaningful change in the way in which the Company approaches corporate responsibility and integrates it into its business strategy and operations in order to improve its performance and impact on society, contributing actively to delivery of the SDGs in the process. The ultimate objective is to generate value for all the organisation's stakeholder groups and contribute further to sustainable development.



We would also highlight Adif AV's collaboration in 2021 in **three communication campaigns on SDGs launched by UN Global Compact Spain**. Adif AV was involved in the internal and external dissemination campaigns through its Communication and Corporate Reputation Department:

- Celebrate with us the 6th Anniversary of the SDGs! #apoyamoslosODS campaign: <https://www.pactomundial.org/noticia/celebra-6-aniversario-ods/>
- Contigo Somos + initiative: <https://www.pactomundial.org/contigo-somos-mas/>
- Tengo Un Pacto initiative: <https://bit.ly/2ZB3CRX>

Further highlights in 2021 included our participation in the following **sustainability activities** carried out by UN Global Compact Spain:

- Training courses for managers and employees on SDGs.
- Knowledge pills (3).
- Posts (9).
- Virtual training (11).
- Events (6).



CLIMATE CHANGE CLUSTER

Leading business platform in Spain in the field of climate change. The cluster—led in 2021 by Bankinter, Chiesi, Grupo Cooperativo Cajamar, Engie, IKEA, LafargeHolcim, Naturgy and Nestlé—comprises more than 70 large companies. This business meeting point seeks to promote the leadership of the private sector in climate-related matters, to showcase its good practices, to facilitate dialogue and exchange between companies and to be a key liaison with the competent government bodies and public authorities. Each year, the Cluster focuses its activity on a specific subject and holds three meetings involving companies, experts, key opinion leaders and public administrations.

SOCIAL IMPACT CLUSTER

Business meeting point for leadership, knowledge, exchange and dialogue on social impacts—both internal and external—coordinated by Forética in Spain. The cluster, led by **Grupo Cooperativo Cajamar, Ibercaja, ILUNION and Naturgy**, is made up of 55 large companies, including IBEX 35 listed companies, subsidiaries of multinationals and family-owned businesses. Each year, the cluster draws up and presents a study on a specific subject. It also holds several meetings every year, complemented by webinars on the subject and technical notes.

TRANSPARENCY, GOOD GOVERNANCE AND INTEGRITY CLUSTER

Business platform coordinated by Forética in Spain and tasked with promoting a **sustainable corporate governance model** and addressing different issues related to the **management of ESG concerns** by transferring the **main trends** in this realm and functioning as a meeting point where companies can **talk and exchange knowledge**. The platform, coordinated by Forética and led by CaixaBank, Grupo Cooperativo Cajamar, Cuatrecasas and Leroy Merlin, together with more than 50 participating companies, aims to showcase the advances and good practices of the business sector in making non-financial aspects part of the management of companies, while also acting as a key liaison with ministries, public administrations and regulatory bodies. Each year, the cluster draws up and presents a study on a specific subject. It also holds several meetings every year, complemented by webinars on the subject and technical notes.

"SUSTAINABILITY AND CSR AT STATE-OWNED ENTERPRISES" ACTION GROUP

Collaborative platform co-led by Adif/Adif AV and ICO since 2018 to promote leadership in sustainability and CSR at state-owned companies, with the ultimate aim of advancing in the field of corporate sustainability and contributing to the achievement of the 2030 Agenda for Sustainable Development.

SPANISH BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT

Consultative body made up of the chairmen/CEOs of Forética's partner promoters, comprising 33 members. It is a high-level forum where top executives from the leading companies in sustainability in Spain convey their message of business leadership in matters of sustainability. They also share trends, challenges and solutions and project their vision and strategic recommendations for sustainable development in the environmental, social and governance (ESG) fields.

Below we describe the events in 2021 in which Adif AV participated directly in relation to the three clusters of the association Forética, workshops (more than 20 events), as well as meetings of the advisory body of the Spanish Business Council for Sustainable Development (two meetings).

3.3. Business strategy: 2030 Strategic Plan

Adif AV's 2030 Strategic Plan is the reference guide and key to the future that provides all the planning and tools needed to overcome both external challenges and those arising within the company.

This plan is aligned with existing government initiatives with the main objective of being coherent and maximising results by participating in a common strategy. The aim is for the plan to be suitably aligned with European Funds, Spain's Recovery and Resilience Plan, the Spain 2050 National Long-Term Strategy, the Safe, Sustainable and Connected Mobility Strategy of the Spanish Ministry of Transport, Mobility and Urban Agenda (MITMA) and the UN Sustainable Development Goals.

The strategic formulation is a product of internal and external analysis, understanding the challenges ahead and aligning it with national, European and international institutional strategies

Adif AV updates its 2030 Strategic Plan through its commitments, which are based on regulatory compliance (international standards and material SDGs). While safety comes first, the plan also aims to move towards more sustainable, competitive and intermodal mobility by pursuing the stability of public investment and maximising the impact of rail infrastructure on economic growth*.

Communication will be used as a lever for the dissemination, understanding and internalisation of the 2030 Strategic Plan.

Adif AV frames its strategy while reflecting deeply on what its purpose and role within society is and what purposes and commitments organisations should embrace to defend their role and contribution to the country's economic, social and environmental development.

The 2030 Strategic Plan comes with a balanced scorecard including strategic initiatives and related KPIs. It is an essential tool for the proper monitoring of the Strategic Plan.

The architecture of the 2030 Strategic Plan therefore continues to focus on the following structure of people, pillars and levers under the guidelines and alignment of the Spanish Government's Agenda 2030, the España Puede Plan, European objectives for the recovery and resilience of Europe and the SDGs as guiding principles of the United Nations.



* Content related to **GRI 103-2**: The management approach and its components

PEOPLE



es.movilidad
evento colaborador



SAFETY

SERVICE

SUSTAINABILITY

RESULTS DRIVEN

COMMUNICATION

INNOVATION

DIGITAL TRANSFORMATION

People are the **DRIVERS** enabling the design, development, deployment and ultimate cohesion of all the pieces of the 2030 Strategic Plan. People underpin the fundamental and crucial pillars of the organisation: **Safety, Service, Sustainability and Results-Driven**.

People drive the **levers of Communication, Innovation and Digital Transformation** to enable change. People hold the **Key to Our Future**.

To **achieve** the **Strategic Objectives** set out in the 2030 Strategic Plan, Adif AV has defined a series of **strategic initiatives** (SIs) related to and impacting the activities to be carried out by the various areas of Adif AV. These strategic initiatives may be grouped together in plans to help achieve a set of common objectives, or they may depend solely on one or more of the pillars and operate independently.

OPERATIONAL DIMENSION

PILLAR/ LEVER	NAME	UNITS	2019	2020	2021
SAFETY	Significant accidents caused by the infrastructure manager	No. per million train-km	0	0.052	0.021
	Rail accidents for which infrastructure manager is liable	No. per million train-km	0	0.078	0.021
	Crimes with an impact on activities	No.	101	42	118
	Accident precursors for which infrastructure manager is liable	No. per million train-km	0.356	0.68	0.47
	Deliberate attacks on critical infrastructure	No.	9	17	13
	Incidence rate	Accidents involving medical leave/1,000 workers	0	0	4.72
	Injury severity rate	Days lost/1,000 hours worked	0	0	0.01

PILLAR/ LEVER	NAME	UNITS	2019	2020	2021
SERVICE	Passenger transport liberalisation *	Train-km share of LD/HS services of the new rail companies with respect to the single operator**	N/A	N/A	4.75
	Installation reliability	No.	2,909	2,703	2,819
	Installation availability	Minutes	65.97	73.77	51.76
	Track quality	Ratio	99.16	99.10	99.17
	High-speed network development	%	75	66	100
	HS expenditure executed in construction work	Ratio of executed expenditure to internal budget	1.02	1.1	1.95
	Urban integration**	€M cumulative investment made	4,067.65	4,230.36	4,408.51
	Business activity at stations*	€M of commercial revenues	N/A	N/A	17.44

(*) No information is available for these values for 2019 and 2020

(**) Adif + Adif AV.

PILLAR/LEVER	NAME	UNITS	2019	2020	2021
PEOPLE DRIVER	Transfer level **	%	86.3	87.0	88.6

When it comes to **safety**, Adif works towards "Zero serious train accidents", "Zero serious occupational accidents among employees" and "Ensuring coordinated and efficient action in the event of an emergency". Among the actions taken for this purpose and which have been developed are the Annual Traffic Safety Plan, the Workplace Health and Safety Plan/Zero Accident Plan and the Self-Protection and Emergency Action Plan. All this to be achieved by implementing the Zero Accident Plan, Horizon 2030. The **safety pillar** focuses on providing end-to-end safety by improving procedures and deploying new methods and technologies.

People have always been the key to Adif AV's success, as they are the driving force behind the 2030 Strategic Plan, they operate the levers, use the tools at their disposal and strengthen the pillars on which Adif and Adif AV's business model and positioning are based. Efforts are now being made to improve labour productivity and labour competitiveness metrics. Key actions here include the preparation and implementation of a multi-year employment plan, which has now culminated in the strategic plan for people. This plan envisions generational replacement and will pave the way for more than six thousand new employees to join our organisation by 2025.

The **service** pillar makes our activity society-centric through connectivity, mobility and social welfare.

⁽¹⁾ CNMC Resolution S/DC/0614/17, RAILWAY SAFETY AND COMMUNICATIONS, of September 2021 insists that all Reimbursement Requests in progress be redone and applies the financial corrections set out in Annex I of Circular C(2019) 3452

(**) Adif + Adif AV

ECONOMIC DIMENSION

PILLAR/LEVER	NAME	UNITS	2019	2020	2021
FOCUS ON RESULTS	EBITDA	€M	282.6	-8.5	58.7
	Profit/(loss) for the year	€M	-179.2	-460.9	-425.4
	Use of EU funds ¹	%	1.11	1.12	16.5

PILLAR/LEVER	NAME	UNITS	2019	2020	2021
TRANSFORMATION DRIVERS	Closed-out procedures	Settlements through Contracts SAP	N/A	0.201	35.75
	Collaboration and open innovation**	% of ideas and projects implemented	37	48	40
	Digital strategy	% adaptation to Office 365 of corporate mailboxes and videoconferencing rooms	N/A	100	64.61

The **results-driven** pillar aims to make us more financially efficient by optimising resources and costs and increasing revenues on the path to improving competitiveness.

Innovation is present across all aspects of our business, extending to physical elements, processes, procedures and ideas. The aim is to make our work easier, doable in less time and with fewer resources, thus creating more free time and yielding better results for society.

Digital transformation as a strategic process that enables the change of processes, culture and organisation based on the use of technology.

ENVIRONMENTAL DIMENSION

PILLAR/ LEVER	NAME	UNITS	2019	2020	2021
SUSTAINABILITY	Reduction in GHG emissions 	t of CO ₂ eq	22,712	13,028	15,016
	Improvement in energy efficiency 	GWh equivalent	103.56	104.18	120.26

The **sustainability pillar** and related objectives reflect our commitment to efficiency with society by creating a healthy environment and employing transparent practices.

(*) Adif + Adif AV

SOCIAL DIMENSION

PILLAR/ LEVER	NAME	UNITS	2019	2020	2021
SUSTAINABILITY	Passengers boarding/alighting at accessible stations* 	% of travellers	85.07	85.45	85.94

CORPORATE GOVERNANCE DIMENSION

PILLAR/ LEVER	NAME	UNITS	2019	2020	2021
SOSTENIBILIDAD	Code of Ethics	No. of disclosures	16	2	3
	Transparency*	% restimated claims	4.88	1.28	3.3

Within each pillar, work is being carried out on various initiatives, such as the plan to update and improve traffic safety or the critical infrastructure protection plan within the wider **Safety lever**; the 4G deployment project or the new maintenance model project in the **Service pillar**; and the project to review and update the Management System, among many other initiatives. In terms of the **Transformation lever**, we would highlight our comprehensive people management plan and job transformation plan.

3.4. Content of strategic initiatives

The strategic initiatives that make up the plan have been designed under the same premises or formats and seek both to align with existing Adif AV balanced scorecards and to demonstrate their contribution to the SDGs and other national and supranational policies that make up the wider context for this plan.

The initiatives have focused on **stakeholder expectations**, on internal company challenges and on global challenges related to sustainable development, as a response to challenges affecting the entire organisation.

At year-end 2021, **92 strategic initiatives** had been set out, each responding to a specific objective and pillar established in the Plan's architecture (Safety, Service, Sustainability and Results-driven).

One of the main objectives of the safety pillar of the 2030 Strategic Plan **is to make infrastructure safer and more resilient.**

For each initiative proposed, the actions to be carried out and the associated monitoring indicators are then defined.

We also identify the areas involved and the resources needed to bring them to fruition, as well as the levers through which the initiative is channelled: Innovation, Digital Transformation and Communication.

As the strategic initiatives are cross-cutting or horizontal in nature, the involvement of various areas of the Company is needed to ensure their success. The lead organisation is described, as well as its role, who coordinates each initiative and who is responsible for leading it.

For each initiative defined, the Company specifies its **link or connection to the strategic and area objectives and the impact** on the company's monitoring indicators.



4 ADIF AV IN THE YEAR

4. ADIF AV IN THE YEAR

{ 4.1. BUSINESS ENVIRONMENT: CHALLENGES AND OPPORTUNITIES

{ 4.2. ENTRY INTO FORCE OF PASSENGER TRANSPORT LIBERALISATION

{ 4.3. GLOBAL CHALLENGES AND THE 2030 AGENDA

{ 4.4. SDGS AT ADIF AV

{ 4.5. ADIF AV AMID COVID-19 IN RELATION TO STATION OPERATION



- **Implementation of the new 2030 Strategic Plan** (communication at regional level).
- **Pandemic management.**
- **Liberalisation** of the sector.

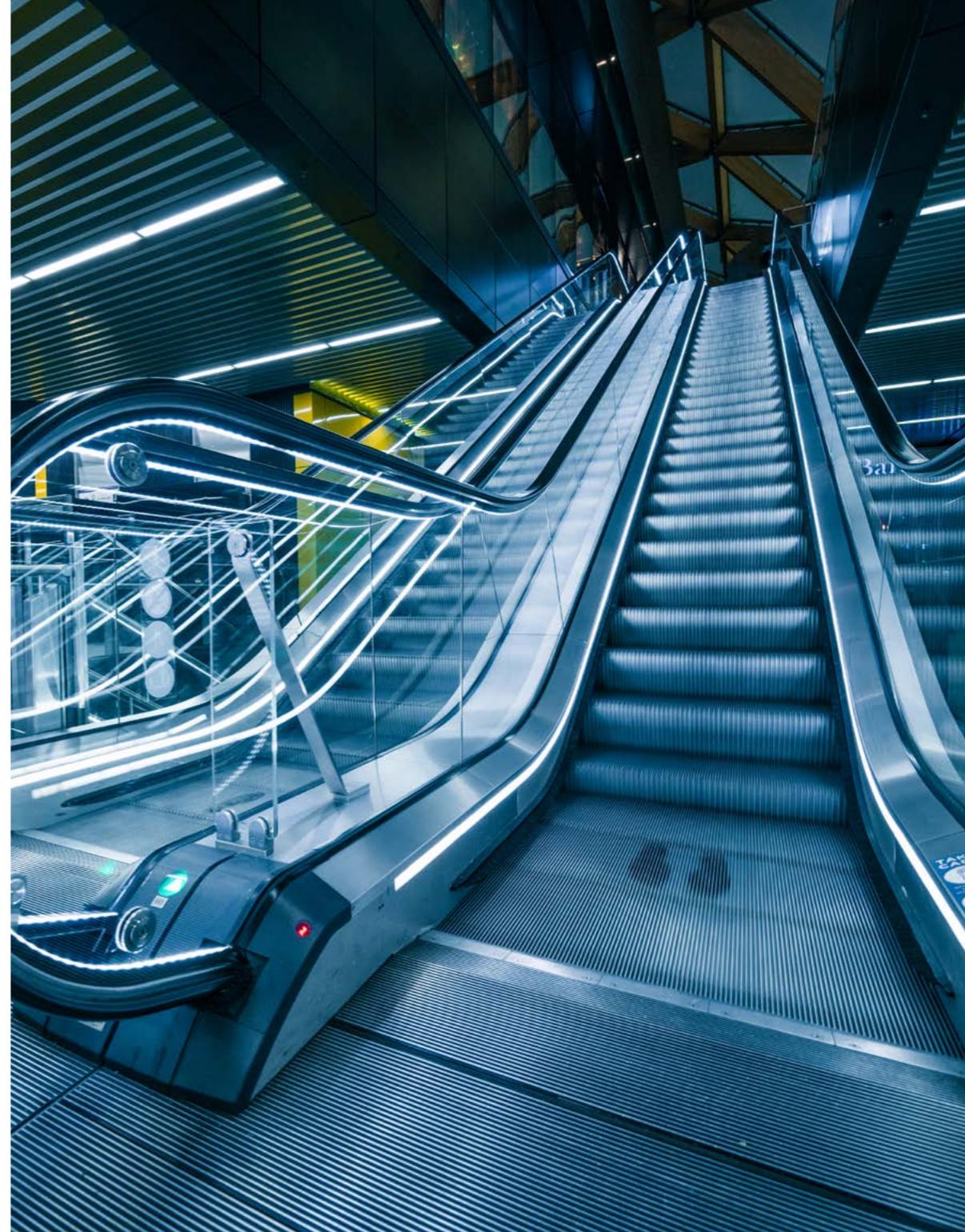


- **Maintain liberalisation** as a determining factor in making the sector a more competitive place.
- Generate a transition to **more sustainable transport.**
- **Foster digitisation** in rail transport.
- Promote a **culture of innovation.**
- **Increase transparency** through effective communication.
- Secure **additional financing capacity** through European Next Generation EU funding.
- Further develop **energy transition and efficiency.**
- **Manage RRF funds** in those components affecting stations.

4.1. Business environment: Threats and opportunities

Our SWOT (strengths, weaknesses, opportunities and threats) analysis carried out under the 2030 Strategic Plan revealed the following list of **opportunities**:

- Liberalisation as a determining factor in making the sector a more competitive place.
- Rail transport as a people-centred mode.
- Transitioning towards more sustainable transport.
- Digitisation in rail transport.
- Exporting know-how.
- Promoting a culture of innovation.
- Taking part in the change of focus at the Ministry.
- Increasing transparency through effective communication.
- Securing additional financing capacity through European Next Generation EU funding.
- Energy transition and efficiency.



4.2. Entry into force of passenger transport liberalisation

Liberalisation does not only affect Adif AV, but also the conventional network, although the initial work carried out does mainly affect Adif AV.

Related to the creation of a Single Rail Market under the Fourth Railway Package, Adif and Adif AV adapted the Royal Decree to meet the capacity request for commercial passenger services.

In 2020, **10-year framework capacity agreements** were signed with the companies **Renfe Viajeros, ILSA, and RIELSFERA (later known as OUIGO Spain)**. In the 2020/2021 Service Schedule, in addition to Renfe, OUIGO requested capacity to operate from 10 May onwards on the Madrid Puerta de Atocha-Barcelona Sants corridor.

Despite the impact of the COVID-19 epidemic, the projects remained largely on track, albeit with some justified delays, including both start-up and the ramp-up of new companies. Both OUIGO and ILSA tested their rolling stock on various sections of the network throughout 2021 as their business plans took shape. Meanwhile, Renfe launched a new low-cost service, AVLO, first on the Madrid-Barcelona corridor but with plans to extend it to other corridors in 2022. They are also certifying their S106 "Avril" variable gauge high-speed train to make them more competitive in terms of journey time for routes that traverse Iberian gauge sections, especially Galicia, though also with strong potential for the Cantabrian coast, or destinations such as Cadiz, Logroño and Pamplona.

Passenger stations continued to adapt to a multi-customer environment during the period, with further upgrades and improvements made mainly, though not exclusively, at terminals in Madrid and Barcelona.

With regard to the **Passenger Information Systems**, the displays now show the trains of the railway operators alongside their logos and audio cues.

SUCCESSFUL OPENING BIDDING

Network capacity was divided into three packages based on the number of transits. Six bids were received and demand outstripped capacity offered by 40%.

Package A, the largest package, was awarded to Renfe. Package B went to ILSA and package C to Rielsera (Oigo).

In 2021, liberalisation led to a 65% increase in the capacity offered on the network, marking a 50% increase in the case of Madrid-Barcelona, 40% for Madrid-Levante and 60% for Madrid-South.

The arrival of new competitors in the rail passenger transport network in 2022 promises to revolutionise mobility in Spain and kick-start the economy due to the level of investment required.





No. of services per corridor	Companies operating on the Adif AV network	New products
2 trains / hour / direction	Talgo, Alstom, Siemens, Bombardier	AVLO (low cost)



No. of services per corridor	Flota Companies operating on the Adif AV network trenes	New products
1 train / hour / direction	23 Zefiro V300 Hitachi- Bombardier	Mad - Bcn 2022 East/South2023



No. of services per corridor	Companies operating on the Adif AV network	New products
5 trains / hour / direction	14 Alstom 2N2	Mad - Bcn May 2021 South2022

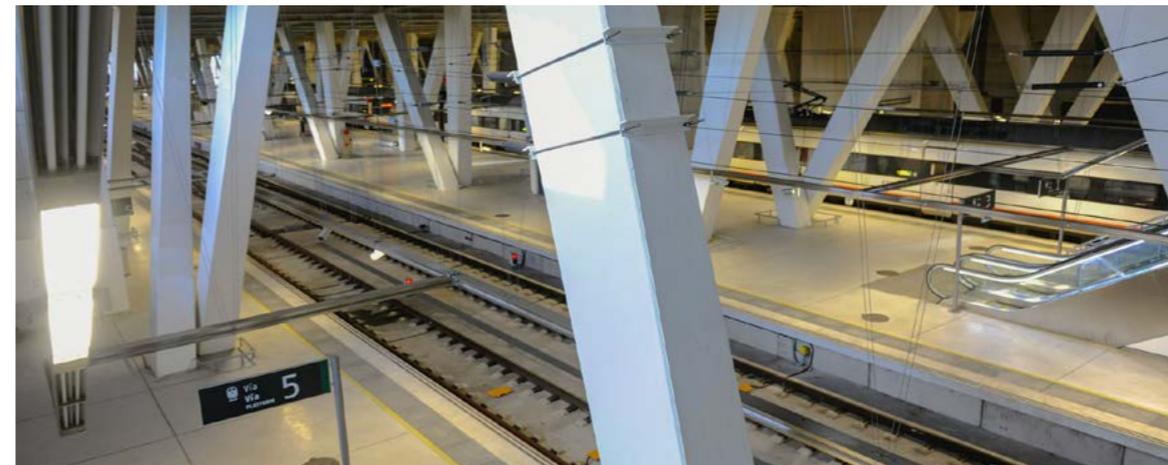
Adif AV faces the challenge of guaranteeing Open Access to railway operators, but does not guarantee long-term access on congested lines. New rail operators do not have the necessary certainty to undertake investments.

The solution to generate long-term stability in the allocation of capacity is through the **signing of Framework Agreements** (offered from 2019) that must respect European legislation on transparency and non-discrimination.

Another challenge is to solve the **bottlenecks to the line's capacity** at the Madrid and Barcelona stations. Adif AV is therefore building a new station in Barcelona (La Sagrera) and increasing the number of tracks and their distribution at Madrid Chamartín Clara Campoamor and Madrid Puerta de Atocha stations.

Another challenge is the allocation of capacity to accommodate all rail operators when **space at Adif AV stations** is limited. In particular: ticket sales, information stands, VIP lounges and train loading and unloading services.

Adif AV has opted for a model that gives preference to self-provision by Railway Operators. In the case of train loading and unloading services, it has opted for assignment to a third party specialist given the impossibility of accommodating the needs of the three operators.



4.3. Global challenges and the 2030 Agenda

The COVID-19 pandemic and ensuing crisis have shown that the challenges set out in the 2030 Agenda are now more relevant than ever.

The future **reconstruction of our country** must be rooted in an **ecological transition** that protects our planet and its diversity; in the **pursuit of social justice** in the form of decent working conditions; in the **end of inequality and poverty**; in the achievement of **genuine equality between men and women**; and in the **protection and reinforcement of our public services**, which have shown their true value during this crisis.

Spain's Action Plan to implement the **2030 Agenda** comprises public policies, key measures towards far-reaching change, monitoring mechanisms, accountability and assessment.

Most public service companies believe a lack of internal awareness of the 17 SDGs and their significance stands in the way of their becoming a part of corporate strategy. Key tools will be training and identifying cross-cutting skills and competencies.

Working towards the **achievement of the SDGs** will provide an opportunity to improve businesses' performance and impact on society, thus enhancing their reputation and social legitimacy. In addition, we can improve the way we handle our own processes internally, and new business opportunities will be forthcoming.

At the government level, in June the Council of Ministers released the 2021 Progress Report, which includes the **2030 Sustainable Development Strategy**, establishing the roadmap that Spain must follow to meet the objectives of the 2030 Agenda. The strategy sets out the eight challenges facing Spain during this decade and establishes a series of concrete policies to overcome them. In July, the government submitted its 2030 Sustainable Development Strategy to the United Nations High-Level Political Forum on Sustainable Development for review.

Link to the **2021 Progress Report** and 2030 Sustainable Development Strategy: <https://www.agenda2030.gob.es/recursos/docs/informe-progreso21-eds-2030.pdf>

Adif AV focuses on three pillars —raising the bar when it comes to sustainability goals, accelerating action to achieve them and expanding partnerships to generate greater impact— and maximises positive collaboration with companies and organisations to achieve a sustainable future. To succeed in this task:

- In 2018, Adif joined the **Action Group on Sustainability and CSR at State-Owned Enterprises**, co-leading with ICO the collaborative platform for leadership in sustainability and CSR for the public business sector under the coordination of Forética. The platform aims to make further progress in the field of corporate sustainability and contribute to the achievement of the 2030 Agenda for Sustainable Development. In 2021, it met on three occasions..
- In 2021:
 - + Adif AV joined the **Spanish Business Council for Sustainable Development**, conceived as a high-level business hub where senior officers from the companies concerned seek to generate a joint strategic response that raises the bar and take further action in response to major environmental, social and good governance challenges.
 - + In June 2021, Adif AV signed the **Framework Collaboration Agreement between the Secretary of State for the 2030 Agenda and State-Owned Companies**, which aims to strengthen collaboration and accelerate the changes that public companies are calling for in order to achieve the goals of the Agenda. The ultimate aim is to facilitate collaboration across all initiatives, studies, programmes, measures and actions developed jointly to make further progress towards the SDGs of the 2030 Agenda.

To monitor Agenda 2030 actions and good practices in implementing the SDGs, Adif has also collaborated with the United Nations Global Compact Spain through:



In 2020, Adif joined the ambitious international **programme Target Gender Equality**, requiring it to continuously assess its SDG performance, set targets and pursue action to advance women's participation and leadership in business.

- **Actions to help disseminate and achieve the SDGs through the corporate website, intranet and social networks.**
- **Training actions on the SDGs** through the Adif-Inicia intranet platform (comprehensive training programme for employees on Agenda 2030 and the Sustainable Development Goals).

- **Other actions related to the implementation of the 2030 Agenda.** Participation by Adif in Target Gender Equality (SDG 5) by embracing a firm corporate commitment to gender equality and diversity, which are among its priorities in the field of people management, corporate culture and social commitment.

With the **WEP Tool metric** (results of the second questionnaire in August 2021), Adif AV's answers to the questions posed placed us at 48%, intermediate level. **We have risen 10 points** compared to the result achieved in 2020, placing us at the intermediate level, about to move to the advanced level.



Since then, Adif has held two meetings as part of the working group of the Secretary of State for the 2030 Agenda and state-owned companies. At these meetings, good practices in responsible public procurement were shared and the problems faced by state-owned companies when it comes to responsible public procurement were specifically addressed.

{ SUSTAINABLE DEVELOPMENT REPORT – 2021

In general terms, based on the latest reports published, Spain is moving in tandem with the progress being made by the European Union towards delivery of the 2030 Agenda. According to the 2021 edition of the **SDG Index and Dashboard Report**, Spain ranks within the first quartile of companies around the world that are closest to delivery, placing 20th out of 165 companies, with an **SDG Index score of 79.5 points**.

{ SDG DASHBOARDS AND TRENDS IN SPAIN }



Dashboards: ● SDG achieved ● Challenges remain ● Significant challenges remain ● Major challenges remain ● Information unavailable

Trends: ↑ On track or maintaining SDG achievement ↗ Moderately improving → Stagnating ↓ Decreasing •• Trend information unavailable

For detailed information on the progress made towards each SDG:
<https://dashboards.sdindex.org/profiles/spain>

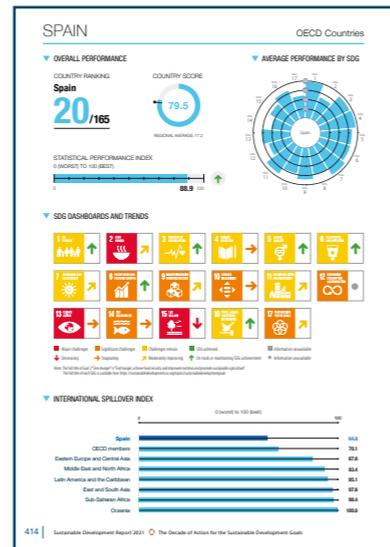
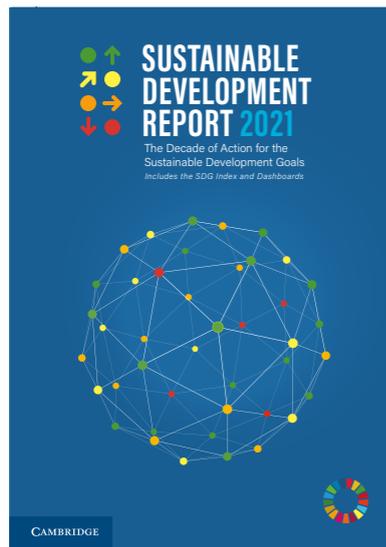
The COVID-19 pandemic has had a strong negative impact in many countries on the performance of the SDG Index, greatly lowering the average impact indicators in its three ESG dimensions.

The world is facing the worst economic and health crisis of the last hundred years. The pandemic is a body blow to the world's ambition to achieve the SDGs, especially for less developed countries. The long-term consequences of the pandemic remain highly uncertain.

Low-income developing countries lack sufficient fiscal space to finance their emergency response and investment in SDG-aligned recovery plans. Global challenges, including not only pandemics but also climate change and the biodiversity crisis, require a strong multilateral system. Rich countries continue to generate negative international spillovers that undermine the ability of other countries to achieve the SDGs.

The pandemic has underlined the need to accelerate progress towards universal health coverage and universal access to a key infrastructure: the digital infrastructure.

<https://www.sdgindex.org/>



Adif/Adif AV has partnered up with other **UIC** organisations to form the **SDG Rail Index Working Group**. The group seeks to establish an internationally standardised score that ranks companies in the railway sector and certifies each undertaking's alignment with the SDGs and the 2030 Agenda.

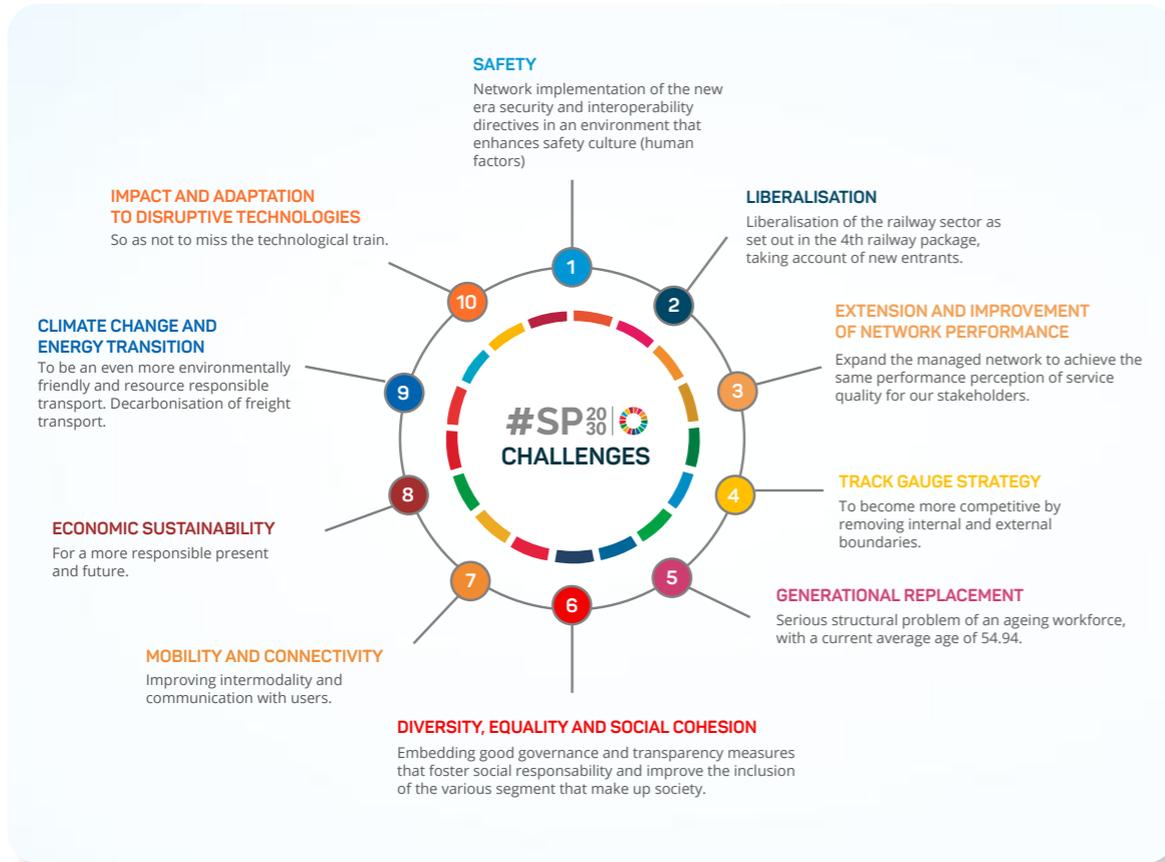
The group has devised 24 KPIs, 7 key SDGs and related methodology to allow for standard comparisons to be made in order to obtain a compliance rating for each organisation, all in accordance with applicable law and regulations. This is achieved through weightings and benchmarking exercises. The software used is fed by the different KPIs that the organisations deliver to ultimately show the degree of SDG orientation of the international railway sector and of each undertaking or railway sector in particular.

This index therefore provides a reliable gauge of each organisation's sustainable development and will facilitate access to green funds from banking institutions on better terms, among other benefits:

- Raising awareness of rail transport sustainability among government agencies.
- Raising the subsidies and aid received by rail systems.
- Helping to showcase each company's corporate social responsibility actions to customers, with CSR viewed as a competitive advantage.
- Improving the image of railway undertakings within society.
- Sharing methods for improved access to green bonds.
- Developing a guide on how to respond to non-financial rating agencies and investment funds, and attract investors.
- Creating tools for investing in green projects and gaining access to carbon credits.
- Showing the real costs involved by developing a methodology to internalise external costs.
- Building a common database and reporting annually on results.

The project is currently in its **final phase of reviewing the methodology**. Therefore, the tool will soon be operational and official data collection is due to start in May 2022.

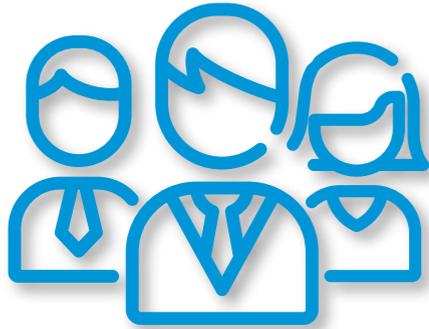
{ THE CHALLENGES IDENTIFIED AT ADIF AV ARE SHOWN IN THE FOLLOWING IMAGE }



Thanks to its 2030 Strategic Plan, Adif AV is ready to face the **1+10+1 challenges identified**, anticipate the new challenges that lie ahead, embrace the technological trends that are here to stay, including new living and consumption patterns, and adopt the mindset needed to mitigate the effects of climate change, while ensuring compliance with regulatory frameworks and, in short, succeeding in an increasingly demanding, stressed and volatile market.

Sustainable management is achieved through **non-financial reporting** and monitoring of performance indicators, as evidenced by the new non-financial KPIs set out in the 2030 Strategic Plan, as well as the institutional alignment of the Company's strategy with the United Nations 2030 Agenda.

{ WORKFORCE TRANSFORMATION PROCESS (ADIF AV)



The greatest challenge we face internally is the age pyramid of our workforce.

The majority of Adif AV's employees are aged between 35 and 50 (55% of the total) "and the **average employee age** is" **48.92 years**. As a result, Adif AV faces the significant challenge, today and in the years to come, of rejuvenating its workforce and cascading downwards the know-how built up in key positions.

WORKFORCE BREAKDOWN BY AGE

	2019	2020	2021
<35 years	6	11	13
36-50 years	131	130	119
>50 years	81	77	84
Total	218	218	216

WORKFORCE BREAKDOWN BY AGE AND GENDER

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
<35 years	0	6	6	1	10	11	4	9	13
36-50 years	42	89	131	41	89	130	36	83	119
>50 years	20	61	81	22	55	77	23	61	84
 Total	62	156	218	64	154	218	63	153	216

We have accordingly set in motion a range of initiatives: **partial retirement; a voluntary departures scheme;** and public employment recruitment processes. Our goal is to speed up generational replacement without losing the benefit of knowledge and experience, which crucially underpin the effectiveness of our business.

4.4. SDGs at Adif AV

The Company strives to provide a **safe, reliable and efficient rail network** for all, with sustainability as one of the cornerstones. The need for a low-emission and more efficient mobility model, to preserve natural resources, to promote socially inclusive economic development, and to improve the safety and health of citizens are just some of the challenges that Adif and Adif AV plan to address.

Once we have analysed the contribution that each of the strategic initiatives makes to the SDGs, we can determine which SDGs will benefit the most from the 2030 Strategic Plan. This also applies in relation to the fulfilment of specific targets measured through indicators for both Adif and Adif AV.

The SDGs **benefitting the most** from the implementation of the strategic initiatives are:



Through their daily activities, Adif and Adif AV help to create and manage sustainable, quality infrastructure that is both resilient and safe.

To succeed in this task, they undertake collaborative and open innovation projects and invest in innovative and relevant ventures.



Adif and Adif AV are committed to achieving a reduction in accidents and incidents while modernising their stations.

These efforts benefited more than 48 million passengers in 2019. They also include environmental and social clauses in their contracts with suppliers.



They are therefore helping to combat climate change through their business activities by encouraging the use of a clean and sustainable mode of transport.

Rail transport plays a key role in the transition to a low-carbon economy. The shift towards a more sustainable and efficient transport model is key in successfully responding to the new international and national regulatory scenarios.

RISK MANAGEMENT



**INNOVATION AND
DIGITAL TRANSFORMATION**



**GOOD GOVERNANCE,
TRANSPARENCY AND RISK
MANAGEMENT**



HUMAN TEAM



EQUALITY



**WORKPLACE HEALTH
AND SAFETY**



PASSANGER FOCUS



**RESPONSIBLE PUBLIC
PURCHASING**



**BUSINESS ETHICS AND
TRANSPARENCY**



**ENVIRONMENTAL
MANAGEMENT AND CLIMATE
CHANGE ACTION**



**WE GENERATE A POSITIVE
SOCIAL IMPACT**



**STAKEHOLDER
ENGAGEMENT**



 **SDGS PRIORITY**

Aligning the strategy with the SDGs generates a competitive advantage for the Company, allowing it to identify future business opportunities, strengthen stakeholder engagement, set up a management model based on efficiency, and generate a positive impact on society in relation to the three key pillars: social, environmental and economic.

The aim is to align the design of the 2030 Strategic Plan with the aspects and objectives pursued by the United Nations 2030 Agenda, with 169 integrated and indivisible goals covering the economic, social and environmental spheres.

As part of this process of updating activities, Adif AV has signed a **framework agreement to accelerate the implementation of the SDGs and the 2030 Agenda**. The agreement was signed with the Secretary of State for the 2030 Agenda, along with 16 other public entities and companies.

This collaboration includes the exchange of good practices in the implementation of the SDGs and their targets, and the development of joint projects in this field, including certification of goods and services. It also includes the sharing of dissemination activities and the implementation of training activities on the SDGs, among other measures.



{ SUSTAINABLE DEVELOPMENT OBJECTIVES AT ADIF AV

Positive performance 2021 vs. 2020 Negative performance 2021 vs. 2020 No change or indicators not comparable

SDGS	CONTENT	AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>ENSURING HEALTHY LIVES AND PROMOTING WELL-BEING AT ALL AGES</p>	<p>0.021 significant accidents caused by the administrator / Mtrain-km - Goal 3.6</p> <p>0.021 Mkm-train deaths or serious injuries due to train accidents - Goal 3.6</p>	<ul style="list-style-type: none"> • Effectiveness of the Traffic Safety Management System (TSMS) in improving traffic safety. • Traffic Safety Action and Upgrade Plan. • Systems capable of analysing people's behaviour and detecting suspicious objects. • SIGMA project.
 <p>4 QUALITY EDUCATION</p> <p>ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL</p>	<p>88.6 % transfer level (satisfaction with the training received and its effective application to the job) (Adif + Adif AV) (+1.60 pp compared to 2020) – Goal 4.4</p> <p>59.3 hours of training per employee/year – Goal 4.3</p> <p>€0.68 M invested in training – Goal 4.3</p> <p>7 internship agreements with universities (Adif + Adif AV) – Goal 4.3</p>	<ul style="list-style-type: none"> • Strategic Initiative: Training plan. • Strategic Initiative: Generational succession plan. • Strategic Initiative: Leadership development and talent recognition programme.

SDGS	CONTENT	AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)
 <p>ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS</p>	<p>29.17 % of women on the workforce (-0.19% versus 2020) – Goal 5.1</p> <p>31.13 % of women part of the management structure (+3.95% versus 2020) – Goal 5.5</p> <p>18.18% of women on the Board of Directors (-9.09% versus 2020) – Goal 5.5</p>	<ul style="list-style-type: none"> • II Adif Equality Plan and I Adif AV Equality Plan. • LIDERA programme "<i>Mentoring Mujeres Tituladas</i>" (mentoring women graduates) (RAI). • Strategic Initiative: Generational succession plan. • Strategic Initiative: Leadership development and talent recognition programme. • Strategic Initiative: Health and safety of workers: 5th Zero Accident Plan.
 <p>ENSURE ACCESS TO AFFORDABLE, SECURE, SUSTAINABLE AND MODERN ENERGY FOR ALL</p>	<p>89.8 % green energy (GoO) of total energy consumed (-0.50% versus 2020) – Goal 7.2</p> <p>120.26 GWheq/year saved due to energy efficiency (cumulative since 2009) – Goal 7.3</p> <p>13.11 MJ/train-km in final energy intensity – Goal 7.3</p>	<ul style="list-style-type: none"> • 100% of energy purchased and consumed by Adif AV certified with Guarantees of Origin (GoO). • Strategic Initiative: Adaptation and integration of hydrogen as an energy carrier in the general interest rail network. • Strategic Initiative: Energy efficiency. • Strategic Initiative: Ferrolinera®

SDGS

CONTENT

AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

€1,089.74 M invested – Goal 8.1

0.28 jworking days lost for every 1,000 hours worked (-9.68% versus 2020) – Goal 8.8

95.37% of employees with permanent contracts (-0.50% versus 2020) – Goal 8.5

3.83 % pay gap in executive level jobs favouring men – Goal 8.5

40% intrapreneurship ideas and projects developed by the business areas or through collaboration and open innovation (Adif + Adif AV) – Target 8.3

- Plan for transition to the 4th Railway Package (liberalisation).
- Strategic Initiative: Actions for the digital transformation of jobs.
- Strategic Initiative: Development of city-network high-speed connections.
- Strategic Initiative: Capacity optimisation project.
- Strategic Initiative: Active participation in urban planning processes.
- Strategic Initiative: Plan to reuse assets for social and sustainable purposes.
- Strategic Initiative: Digital transformation governance office.



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

3,429.7 km of electrified lines in service (+4.71% versus 2020) – Goal 9.4

€1,006.78 M invested in developing the HS network (-5.25% versus 2020) – Goal 9.1

140 km of new construction (3.72% of total managed network) – Goal 9.4

67% of output of innovation transferred (efficiency in innovation) (Adif + Adif AV) – Goal 9.5

€3.187 M total investment in innovation projects (Adif + Adif AV) – Goal 9.5

- Strategic innovation plan.
- New maintenance model project.
- BIM methodology implementation plan.
- Strategic Initiative: Communications improvement plan.
- Strategic Initiative: Progress in developing and building high-speed sections.
- Adif Talent programme.
- Strategic Initiative: Plan for the Promotion of the Railway Technology Centre (RTC).
- Strategic Initiative: Adaptation and integration of hydrogen as an energy carrier in the general interest rail network.
- Strategic Initiative: E-futura.
- Strategic Initiative: Digital transformation of maintenance.

SDGS

CONTENT

AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

85.94 % of travellers boarding and alighting at accessible stations (Adif + Adif AV) (+0.49% versus 2020) – Goal 10.2

€5.8 M€ M invested in accessibility improvement projects (Adif + Adif AV) - Goal 10.2F*

- Support service for people with reduced mobility (ACERCA service)
- Dialoga service.



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

€178.15 M invested in urban integration (Adif + Adif AV) – Goal 11.3

62 urban integration agreements, protocols and addenda signed and managed within the framework of the urban integration JVs in which Adif AV participates – Goal 11.3**

- End-to-end plan for passenger stations
- Strategic Initiative: E-futura
- Strategic Initiative: Updating of the Strategic Initiative: Cercanías (Commuter Network) investment programmes
- Strategic Initiative: Model Strategic Initiative: Quantitative risk assessment
- Strategic Initiative: Comprehensive Strategic Initiative Transformation Project: Madrid Chamartín railway station
- Strategic Initiative: Comprehensive project to transform Madrid Puerta de Atocha railway station
- Strategic Initiative: Project to extend and improve Barcelona Sants railway station and integrate it into the new city model
- Strategic Initiative: Drafting of urban integration studies
- Strategic Initiative: Development of city-network high-speed connections
- Strategic Initiative: Action Plan to improve coordination and control of urban integration actions

* €0.01 M at Adif AV stations as all of them are accessible

** Cumulative figures

SDGS

CONTENT

AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

11.31 % reduction in water consumption versus 2020 – Goal 12.2
0.081 Mt/Mtrain-km of hazardous waste generation intensity – Goal 12.4
100 % of contracts include social and environmental clauses – Target 12.7

- Hazardous waste management system.
- Strategic Initiative: Responsible public purchasing project.
- Strategic Initiative: Actions for the digital transformation of jobs.
- Strategic Initiative: Station Management Model.
- Strategic Initiative: Last-Mile Services.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

€600 M issue of green bonds in 2021. All bonds issued in the last 5 years – Goal 13.2
15,016 TmCO₂eq reduction in GHG emissions (cumulative since 2009) – Target 13.2
3% reduction in carbon footprint versus 2020 – Goal 13.2

- 2018–2030 Climate Change Action Plan.
- Target to achieve carbon neutrality by 2050.
- Strategic Initiative: Ferrolineras®.
- Strategic Initiative: Culture of combating and raising awareness of climate change.
- Strategic Initiative: Adaptation and integration of hydrogen as an energy carrier in the general interest rail network.
- Strategic Initiative: Responsible public purchasing project.

SDGS

CONTENT

AT ADIF AV (INITIATIVES/PLANS/PROGRAMMES)



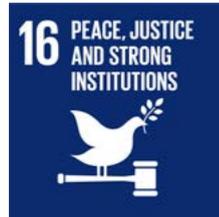
SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

No serious or very serious administrative fines or sanctions for environmental infringements – Target 15.1

€48.33 M in resources earmarked for environmental protection (investment + operation) (latest available data 2020) – Goal 15.1

€3.08 M earmarked for fire prevention– Goal 15.5

- Environmental policy .
- Environmental management systems .
- Environmental monitoring of works.
- Fire prevention plan.



PROMOTE JUST, PEACEFUL AND INCLUSIVE SOCIETIES

118 crimes committed by third parties with an impact on the business (criminal charges brought) – Goal 16.1

13 deliberate attacks on critical infrastructure – Goal 16.1

3 notifications related to alleged breaches of the Code of Ethics – Goal 16.5

3.3% complaints upheld by the Transparency and Good Governance Committee out of the total number of instances responded to (Adif + Adif AV) (+2.02% versus 2020) – Target 16.6

- Integrated risk management development and deployment plan.
- Transparency and good governance improvement plan.
- Corporate anti-fraud policy.



REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

110 agreements and industry and business organisations and associations in place – Goal 17.16

7 memberships of industry associations or organisations (Adif + Adif AV) – Goal 17.16

- Open Station Programme.
- Plan for the Promotion of the Railway Technology Centre (RTC).

4.5. Adif AV and station operation amid COVID-19

Various actions and measures have been taken in relation to passenger station operations amid the ongoing COVID-19 pandemic to **improve levels of public trust** in the railway system. A wide range of measures have been put in place at the stations:

- Hydro-gel dispensers installed.
- Natural ventilation of stations and separation of passenger flows.
- Suspension of the coin locker service, use of lifts and escalators.
- Installation of thermographic cameras, thermometers and maximum numbers of people allowed in station boarding halls.
- Maximum dwell time established and signage installed on lobby and platform floors to prevent overcrowding.
- Removal of luggage trolleys, additional signage and loudspeaker announcements, disinfection of spaces, protective screens, monitoring of proper use of masks, etc.

Most of these measures are still in place and are being regularly reviewed and updated accordingly in response to the course that the pandemic is taking.

The main risk identified in 2021 is the lack of confidence in public transport (commuter rail network, Metro, bus, etc.), directly affecting the use of stations. To mitigate these risks, Adif AV lent its full support to the campaigns launched by the MITMA.

ACTIONS IN RELATION TO THE IMPACT OF COVID-19 ON STORES AND OTHER COMMERCIAL ESTABLISHMENTS SECOND ROUND OF DIRECT AID

Background

The COVID-19 pandemic has led to significant restrictions on the free movement of people, causing considerable hardship for the numerous commercial establishments that operate at train stations. To help alleviate the impact, in June 2020 Adif agreed to a moratorium and/or a reduction in rent payments for lessees of non-residential establishments.

On 25 October 2020, a second State of Alarm was decreed to curb the spread of infections caused by the second wave of SARS-CoV-2. Given the situation, Adif AV decided to keep these measures in place to cushion the effects of this crisis on its lessees throughout November 2020 and January 2021.

As a general rule, a **rent concession percentage** consisting of half the percentage reduction in the number of passengers at the station was proposed for those establishments that remained open and also met the following eligibility requirements:

- The establishment must have endured a 40% or more reduction in sales.
- Passengers at the station where the establishment is located must be below 75% of the normal number.

Status of claims for the period 1 November 2020 to 31 December 2021.

In December 2020 and January 2021, communications were sent to the 266 customers initially affected to inform them of the measures ultimately approved, for a total of 413 contracts.

Customers were given 30 calendar days to express their acceptance of the measures offered for each of the establishments.

The results of this process are shown in the table below:

Figures for 2021	Nº. of contracts	% of total
Accepting the rent reduction	346	97.76
Under consideration	9	2
Not eligible	7	1.8
Response pending	0	21
Rejected	18	2.9

In this stage, only 12 contracts requested contract termination. The measures were implemented through addenda added to the existing contracts. To date, the process of signing 182 addenda has started, with 164 pending, most of them related to the large contracts for restaurants and other eating establishments, car rental, parking and advertising, which need to be monitored more closely in terms of requests for rent concessions.

An initial **assessment of the economic impact of the relief** amounted to some €3.6 million for the months of November and December 2020 and January 2021 (not including the advertising contract, where the relief would amount to €561,459 for the same three months).

In February 2021, once the percentage reduction of passengers for the whole period was reliably known, the clients were sent the responsible declaration form and asked to return it to Adif AV, duly completed and signed, if they had sustained a reduction in sales of the necessary percentage to be eligible for the relief over the period.

There is a difference between the contracts that have been offered relief and the addenda that have actually been signed so far. This is largely down to the fact that some establishments did not report a sales reduction of the magnitude needed to be able to sign the addendum.

Figures for 2021 Headquarters without addendum (contracts)	'Accept' response (contracts)	N/A
North	36	9
South	38	3
East	43	3
North-east	33	0
North-west	26	3
Centre	28	0
Parent	137	19

This shows Adif AV's desire to help ensure the economic viability of its lessees. Rather than insisting that they honour their contractual obligations, it has chosen to offer them an addendum.

A high-speed train bridge with multiple arches spans across a river. The bridge has several tracks and overhead power lines. The scene is captured in a blue-tinted, dusk-like atmosphere. The bridge curves into the distance on the right side of the frame.

5 TOWARDS A NEW SUSTAINABLE NORMAL

5. TOWARDS A NEW SUSTAINABLE NORMAL

5.1. RISK MANAGEMENT

- 5.1.1 Enterprise Risk Management
- 5.1.2 Internal Control over Financial Reporting (ICFR) System

5.2. INNOVACIÓN Y TRANSFORMACIÓN DIGITAL

- 5.2.1 R&D management

5.1. Risk management

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS





MILESTONES

- Helping to **develop procedures and methods to identify, assess and manage the risks associated with the Company's activity.**
- Collaborating on **activities related to the SIGMA project.**
- Incorporating the **risk related to the adaptation of railway infrastructure to the adverse effects of climate change** into the Risk Map.
- **Maintaining the ICFR** (Internal Control over Financial Reporting System) through further development and improvement efforts
- Encouraging continuous improvement through the **Integrated Risk Management System.**



COMMITMENTS 2022

- Deploy the **risk management model** to cover other areas of activity.
- Improve the **integration and systematisation of information** from risk management areas.

5.1.1. ENTERPRISE RISK MANAGEMENT SYSTEM

Adif AV has an **Enterprise Risk Management System** which, aligned with best practice in this field (**COSO ERM** and **ISO 31000**, mainly), facilitates the provision of systematic and orderly responses to a universe of risk factors with the complexity and range of an organisation of its nature. The system is framed by the principles established in the board-approved **Enterprise Risk Management Policy**.

Adif AV has an **Enterprise Risk Management Policy** that sets out the principles needed to provide a unified vision and a common regulatory framework that establishes clear roles and also responds to various operational safety activities by controlling risk levels and responding accordingly to ensure their prevention, elimination, mitigation or transfer.



{ PRINCIPLES EMANATING FROM THE ENTERPRISE RISK MANAGEMENT POLICY

- Integrating risk into the Company's management by means of a unified vision of its strategic and business objectives and of the associated risks.
- Ensuring that the risks that could affect the Company's strategic targets and their delivery are correctly managed and kept within the established risk tolerance levels.
- Maintaining a consistent and transparent end-to-end risk management system which establishes a common set of rules and facilitates standardised identification, assessment and management of risks, with clear roles and responsibilities.

The policy clearly delimits the rules of the parties involved in the system. Firstly, there are risk management tasks that are inherent in each specific area of activity, and secondly we have "coordinating units" that manage and oversee specific risks that cut across the organisation. All such units (representing the various business areas and coordinators of specific risks), headed up by the risks unit, are represented on the **Risk Committee**, which reports to the Management Committee. The Risk Committee is **tasked with drawing up and monitoring the Adif AV Risk Map**, which outlines the main threats to the Company's ability to achieve its goals and perform its duties.

The Company's **Risk Map** is drawn up on an annual basis (without prejudice to any events that might require a more specific, ad-hoc review) and in accordance with the enterprise risk management policy. This process involves all of the Company's business areas, thus ensuring that all potential threats are identified and reflected. Following a consolidation and evaluation exercise by the Risk Committee, the Risk Map proposal is drawn up and submitted

to the Management Committee for approval. Throughout the year, the Risk Committee will be the key element in channelling all information relating to the monitoring and follow-up of strategic and critical risks.

As a result of this process, the **2021 Risk Map of Adif AV** certainly reflected the widespread uncertainty as to how the COVID-19 pandemic and recovery process will pan out, as well as matters relating to the normal course of the business. The risk of failing to meet the requirements and objectives for securing funds from the Resilience and Recovery Facility were also shown in the map, given the importance of this funding both at institutional and country level.

The **main impacts** are threefold: **economic** (penalties and consequences related to operations), **reputational** (loss of confidence among stakeholders) and **operational** (impact on the operation of rail traffic and services provided).

Thus, the critical and strategic risks shown on the **2021 Risk Map** fall into the following main categories:

- **Safety:** risks relating to incidents, accidents or malicious acts that could affect the continuity of the Company's operations, the state of its assets, customers or the environment.
- **Operations:** events that might compromise service quality.
- **People:** possible difficulties in staffing and talent management in the running the business. The category also embraces risks to which employees are exposed.

- **Reputational and compliance:** issues surrounding corporate governance, transparency and accountability in accordance with the role of a state-owned enterprise. This category includes risks arising from breach of applicable laws and regulations and/or voluntarily adopted codes of good practice.
- **Financial:** risks relating to the availability of funds and the financial sustainability of the Company.
- **Other projects:** events arising from the Company's involvement in further projects.



In terms of the **ESG risk model**, the main components are represented in the Company's Risk Map, both from its application to the activity and in relation to Adif AV's environment and local community: risks associated with the environmental impact of running the business, reputation, fraud and risks related to the safety, health and development of the people who are part of the Company.

In 2021, the Company incorporated **specific aspects relating to climate change** into its Risk Map, a clear illustration of the criticality of this threat to rail transport and infrastructure. It also designed risk responses commensurate to its awareness and commitment to this key concern.

5.1.2. INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

ICFR is a **cornerstone** of any **good corporate good governance** system. Companies must describe their system and explain how it works in their annual corporate governance report.

Adif AV has implemented an **ICFR** system, comprising a compendium of processes that the Company and all of the professionals involved undertake in order to provide reasonable assurance as to the reliability of our financial information.

ICFR at Adif AV provides a structured view of the Company's key processes that impact financial reporting. **Significant financial reporting processes** within the scope of 2021 included:

1. **Property, plant and equipment, intangible assets, and management of government grants and assistance.**
2. **Revenue: Tariffs.**
3. **Financial instruments and cash management.**
4. **Taxes.**
5. **Electricity.**
6. **Accounting and financial reporting.**
7. **Recognition of contracts.**
8. **Revenue: Leases.**
9. **Revenue: Fibre-optic leases.**



The ICFR system seeks to ensure the reliability of the Company's financial information by means of the following **five objectives**:

Existence and occurrence:

The transactions, events and other developments mirrored in the financial information exist and were recorded at the right time.

Completeness:

The information reflects all the transactions, events and other developments affecting the Company.

Measurement:

The transactions, events and other developments are recognised and measured in keeping with applicable regulations.

Presentation, itemised disclosure and comparability:

Transactions, facts and other events are recognised and measured in accordance with applicable standards.

Rights and obligations:

The financial information reflects, as of the relevant date, the Company's rights and obligations by means of the relevant assets and liabilities.

This system identifies financial reporting risks, all of which are specified within each key process, providing a structured view of the key processes with an impact on financial reporting.



Adif AV's ICFR system is inspired by COSO III, a reference framework underpinned by three core elements: documentation of the controls performed and evidence gathered; continuous assessment over the course of the annual cycle; and the established pyramid of roles and responsibilities.

The system is **structured as a cycle** that works continuously, thanks to which the system remains **permanently updated and valid**. The annual cycle is divided into six phases:

PHASES OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) PROCESS

6. Assessment of ICFR

Each process and the system as a whole are evaluated annually.

5. Information and communication

Continuous system monitoring and maintenance.

4. Supervision of execution of controls and conclusions regarding their effectiveness

The system is supervised six-monthly.

1. Determination of the scope of the ICFR effort

Analysis of the information contained in the financial statements

2. Documentation of new processes / updating of existing processes

Process narrative or description.

3. Execution of controls and conclusions regarding their effectiveness

Risk control IT tool .

During the 2021 cycle at Adif AV, **223 control activities** were defined, including controls, half-yearly supervision and annual assessment. Running these control activities at the established frequency throughout the year resulted in **1,055 executions by the end of 2021**. A total of 99 employees were involved in running these control activities throughout 2021.

When it comes to system updates and maintenance, a total of 153 changes were made to the control activities from 1 January through to 31 December 2021, whether in the form of new activities or adjustments to existing activities as a result of organisational changes, process reviews or developments in the ICFR system.

5.2. Innovation and Digital Transformation

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





MILESTONES

- **Training sessions** for the Integrated Maintenance Asset Management, Modernisation and Digitalisation Project.
- **Training for Adif AV Management Committee** members and other employees involved in implementing the integrated maintenance asset management system, modernisation and digitalisation project.
- Commencement of the consultancy and technical support contract for the development and implementation of the **Asset Management system** at Adif AV.
- Tender for the **Integrated Corporate Solution for Physical Asset Management**, based on commercial applications.
- Strong **commitment to collaborative tools in cloud environments** that will enable us to create future remote working models. We also started to operate a cloud office based on a "cloud first" strategy, which from 2022 will allow us to adapt resources to prevailing needs, offer services more quickly and assign employees to tasks that provide maximum value.
- Implementation of the **new Adif AV website** offering an enhanced user experience and multi-device access. It is accessible, open, transparent and adaptable to the needs of different stakeholders.
- Creation of a **Global Transformation Office** for the entire organisation, which is working on the development of a new digital transformation strategy and a common roadmap.
- **Participation in Europe's Rail Joint Undertaking** (EU-Rail JU) as one of its founding members.
- Passing the **audit of the R&D&I management system**, in accordance with the UNE 166002:2014 standard.
- New innovation focus on hydrogen and renewable energy technology (**European Hydrogen Programme**). FCH2 Rail project, involving Adif and Renfe.
- European research programme (**Hyperloop**).



COMMITMENTS 2022

- Carry out committed **R&D&I projects** via management entrustment.
- **Materialise the hydrogen strategy** by undertaking activities and projects.
- **Strengthen the Centre for Railway Technologies.**
- Develop and enhance the **open innovation model.**
- **Start work at EU-Rail JU.**
- **Launch and implement Adif's transformation programme.**
- **Launch the project to implement a process automation platform.**
- **Set up a data governance office**, acquire an analytics platform via subscription and implement business data analytics use cases.
- **Consolidate Adif's Artificial Intelligence group to succeed in identifying business use cases and creating a business culture rooted in advanced analytics.**
- Initiate the **process of implementing models and systems to achieve alignment between the IT and operational domains.**
- **Launch a tender process for the digital workstation definition project.**
- Implement the **new certification system (ACER)**, focusing on adaptation of the user interface to enhance the user experience.
- Press on with **model implementation plan** for the entire general interest railway network of Adif AV.

Adif AV is working towards **digital transformation** as it streamlines **technological resources** by relying on software as a service, shared technological platforms and centralisation of contracts. It is also firmly committed to **cloud strategies** as it seeks to further streamline resources, become more agile and reduce response time to business needs.

The Company has been promoting collaborative work models based on multidisciplinary and multi-area teams, thus increasing efficiency, creativity and use of synergies and bringing technology closer to all areas of the organisation.

The Company worked tirelessly throughout 2021 in developing the methodological framework, roles, management models and governance to **drive digital transformation** across the organisation, based at all times on the six pillars: **agility, process automation, data orientation, response to change, customer-driven and digital culture**, all of which will guide Adif's digital transformation strategy.

Various initiatives relating to the value and use of new technologies in the realm of environmental sustainability were carried out during the year (by developing the first prototypes that are being implemented in other areas, such as the system for recharging electric vehicles via the A/C network).

In tandem, work continued alongside the areas that are already immersed in **digital transformation** processes, especially Passenger Stations, and many valuable products were produced during the period.

Initiatives such as those linked to the **digitalisation of the boarding process, including access control to boarding lounges, coach identification on platforms and limits on the number of people who can gather in different parts of the station** have already been implemented in the first stations to be chosen.

Meanwhile, in relation to **user 4.0 initiatives**, the Adif space initiatives have already yielded tangible benefits, such as bringing travellers closer to Adif by **making the station an extension of the city**; the lost property initiative soon to be implemented; and, lest we forget, the **Adif AV website**, on which passenger stations feature prominently, or the **new Adif app**, which will be rolled out in the first half of 2022 and will offer a fresh image of Adif, along with improvements in functionality and usability.

Work is under way to offer technological solutions and optimise our efforts by directing them towards activities that provide genuine value for making sustainable decisions on production and consumption.

As part of the Passenger Stations plan, the **commercial strategic plan** was launched during the year, which will allow us to undertake important initiatives such as the future CRM, the e-commerce platform, new digital formats and space management, among others benefits. Notably, the future nerve centre that will support and coordinate the operation of passenger stations is currently in the tendering phase. The aim for 2022 is to award the contract, which is worth €27,165,051.82 euros and comes with a completion period of 48 months.

Further highlights included initiatives intimately related to the transformation process, such as innovation, as reflected in projects such as **the IoT pilot platform in Malaga, smart buildings, the ECOMILLA pilot project, or the 5G technology pilots at the María Zambrano station in Malaga**, and support for training programmes in methodologies, techniques and tools linked to digitalisation.

Communication has also been strengthened by ensuring greater external presence and improving internal communication channels to mark the launch of Adif's new strategic plan, which is being implemented across the different territories by the digital ambassadors, who act as antennas and loudspeakers in raising awareness of the digital transformation going on at our stations.

Beyond leadership in digital transformation, work was carried out in 2021 to promote the following lines of action, which will be further consolidated over the coming years:

- First steps in **implementing our Cloud First strategy** by setting up the cloud office.



- Work continued on the **transformation and/or migration of legacy applications** (IBM Mainframe) to open systems in order to eliminate their dependency.
- In 2021, the **acquisition of a data governance office** was put out to tender and the Company also subscribed to an analytical platform and implemented several use cases requested by certain Adif business areas.
- Collaboration on the initiative to **define a common model for asset management**, especially in relation to the project to implement a common technological platform, which is currently out to tender.
- Collaboration on the project to **implement Adif's BIM model**, including the acquisition and implementation of technological products, some of which are already available, as is the case of the basic common data environment for the deployment of the entire platform or the promotion of a corporate topological model.

- Definition of a **global IT security model** that integrates the information technology (IT) and operational technology (OT) worlds.
- We continued to collaborate throughout 2021 in the implementation of a new cutting-edge **traffic regulation platform** known as **SITRA+**, which boasts several state-of-the-art technological features.
- We also weighed up the merits of acquiring one or other **technological platform** on the market for **automating our business processes**.

5.2.1. R&D MANAGEMENT

In its commitment to innovation, Adif AV has embraced **hydrogen and renewable energies** through the **FCH2RAIL project**, in which Adif and Renfe are participating, the aim of which is to develop a new type of hybrid electric/hydrogen train. Adif is also conducting studies and analyses with the aim of introducing distributed generation into photovoltaic solar energy to champion self-consumption.

Work is also being carried out on other fronts, notably:

- Development of new innovative projects within the strategic pillar of Safety (tender for the CARRIL ROTO 2 project) and Service (development of the technical specification for the TRACK VIEW system).
- Start of trials on the CRUCE project (Phase 2).

Elsewhere, within innovation and development, the Company is moving towards digitalisation through various actions based on **Big Data, Artificial Intelligence** and **IoT**, and **sensor technology**. These projects fall into four broad groups:

1. Digitisation in rail maintenance.
2. Digitalisation in railway operational safety.
3. Digitalisation in rail freight.
4. Digitalisation of stations and added value for users.

The following table provides an overview of the projects currently being carried out by the Company.

 Projects in progress at the Company	2020	2021
R&D projects in progress	36	16
R&D projects completed	109	46
Completed projects	5	1
Projects started	17	1

{ INTANGIBLE ASSETS AND TECHNOLOGY TRANSFER

To achieve economic returns on the results or outputs of R&D projects, the Company promotes **technology transfer processes** based on its portfolio of patented products.

The innovation policy aims to achieve results to make the Company more competitive and improve levels of service, safety and sustainability through new or improved products, services or processes and their effective use or exploitation.

{ COLLABORATIVE INNOVATION

Faced with fierce levels of competition, Adif AV has embraced collaborative and open innovation in order to boost know-how and technology development within the scientific-technology community.

The main actions carried out in 2021 were as follows:

Increased presence at the **TRANSFIERE and S-MOVING/GREEN CITIES trade fairs**.

Internally, highlights included the successful completion of the first edition of the **Adif TALENTO** intrapreneurship competition.

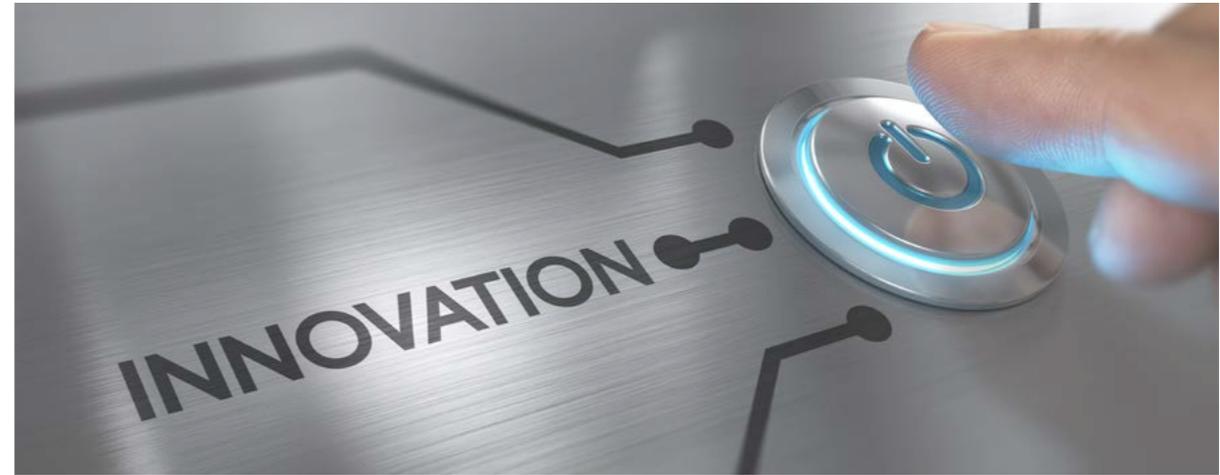
The Company also continued to lend its support to **the Rail Technology Platform** (known as PTFE in Spanish) by attending its annual meeting in November.

Last but not least, work continued on **the Railway R&D cluster known as RIH**, which is based at the Railway Technology Centre

{ OPEN INNOVATION AND ENTREPRENEURSHIP

Adif AV seeks solutions in the form of new products or alternative or complementary technologies for challenges applied to innovative solutions and projects, all of which are carried out through the open innovation model currently in progress.

The **Adif TALENTO** internal intrapreneurship and innovation competition held its gala to announce the winners of the 2019/20 edition. The second edition is currently on the drawing board.



{ RAILWAY TECHNOLOGY CENTRE

The Railway Technology Centre (RTC) is tasked with the development and effective deployment of innovative activity at Adif. It is also a workspace where companies developing technological initiatives applied to the railway can carry out their activities with their own staff but in a shared environment.

The centre operates several **laboratories**:

- Institute of Applied Magnetism (Las Rozas).
- Catenary Components Station Laboratory and Test Bench (RTC, Malaga).
- High-speed testing laboratory (Madrid-Barcelona High-Speed Line, km 69+500).

The RTC hosted a total of 24 companies in 2021.

The **Railway Innovation Hub**, is a general hub of activity to promote collaboration in activities related to scientific research and technological development. It was set up in 2018 and brings together more than 90 tech companies from the railway sector.

6 SUSTAINABLE VALUE FOR THE FUTURE

WWAZ	▲	+111.51	▲	-99.31
TVRZ	▲	+92.21	▲	-87.59
TTAW	▲	+87.14	▲	-67.54
CCAD	▲	+131.94	▲	-121.49
HAEW	▲	+74.68	▼	-67.24
JJAS	▲	+94.71	▲	-61.41
RRAP	▲	+77.91	▼	-59.36

PRODUCT EXPORT

EU	●●●●●●●●●●
US	●●●●●●●●●●
JP	●●●●●●●●●●
CH	●●●●●●●●●●
SE	●●●●●●●●●●
TH	●●●●●●●●●●
SG	●●●●●●●●●●
PH	●●●●●●●●●●
NO	●●●●●●●●●●
CN	●●●●●●●●●●
EN	●●●●●●●●●●
DK	●●●●●●●●●●



6. SUSTAINABLE VALUE FOR THE FUTURE

6.1. CORPORATE GOVERNANCE, TRANSPARENCY AND RISK MANAGEMENT

- 6.1.1 Governing bodies and internal management
- 6.1.2 Board of Directors
- 6.1.3 Other internal management bodies

6.2. STAKEHOLDER ENGAGEMENT

- 6.2.1 Channels in place with stakeholders

6.3. HUMAN TEAM

- 6.3.1 Employees
- 6.3.2 Work organisation
- 6.3.3 Employee relations
- 6.3.4 Talent management
- 6.3.5 Training
- 6.3.6 Professional development
- 6.3.7 Equality
- 6.3.8 Workplace health and safety

6.4. PASSENGER FOCUS

- 6.4.1 Passenger satisfaction
- 6.4.2 Accessibility
- 6.4.3 Safety and self-protection
- 6.4.4 Rail traffic safety
- 6.4.5 Information security (cyber security)
- 6.4.6 Quality certifications and seals of excellence
- 6.4.7 Responsible public procurement

6.5. BUSINESS ETHICS AND TRANSPARENCY

- 6.5.1 Values, principles, standards and norms of behaviour
- 6.5.2 Measures in place to prevent corruption and bribery
- 6.5.3 Anti-fraud measures put in place
- 6.5.4 Commitment to human rights

6.6. ENVIRONMENTAL MANAGEMENT AND CLIMATE CHANGE ACTION

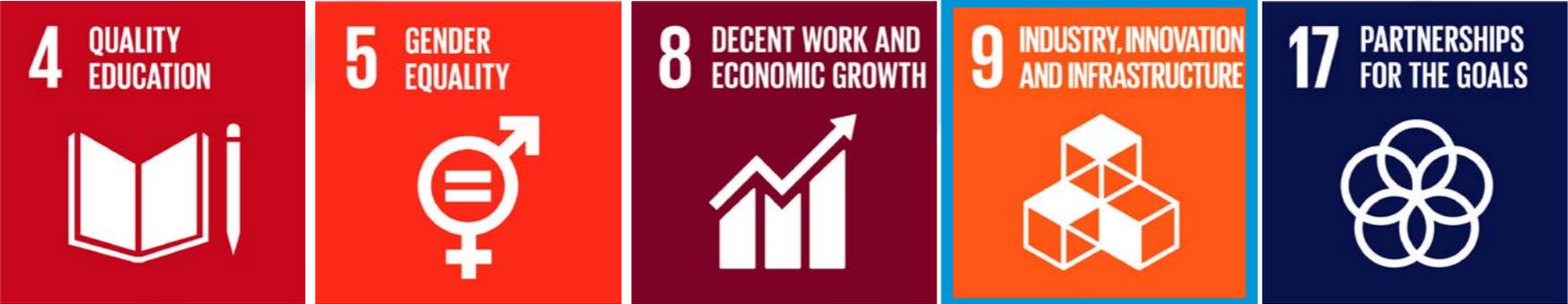
- 6.6.1 Environmental management
- 6.6.2 Sustainable use of resources
- 6.6.3 Energy consumption
- 6.6.4 Material consumption
- 6.6.5 Water consumption
- 6.6.6 Climate change policy
- 6.6.7 Strategic indicators
- 6.6.8 Noise pollution
- 6.6.9 Soil contamination
- 6.6.10 Waste management and circular economy
- 6.6.11 Spanish Circular Economy Strategy 2030
- 6.6.12 Protection of biodiversity

6.7. WE GENERATE A POSITIVE SOCIAL IMPACT

- 6.7.1 Adif AV's contribution to the country's social and economic development
- 6.7.2 Contributions to foundations and non-profit organisations
- 6.7.3 Impact on local populations and territories
- 6.7.4 Property management and urban integration

6.1. Corporate governance, transparency and risk management

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





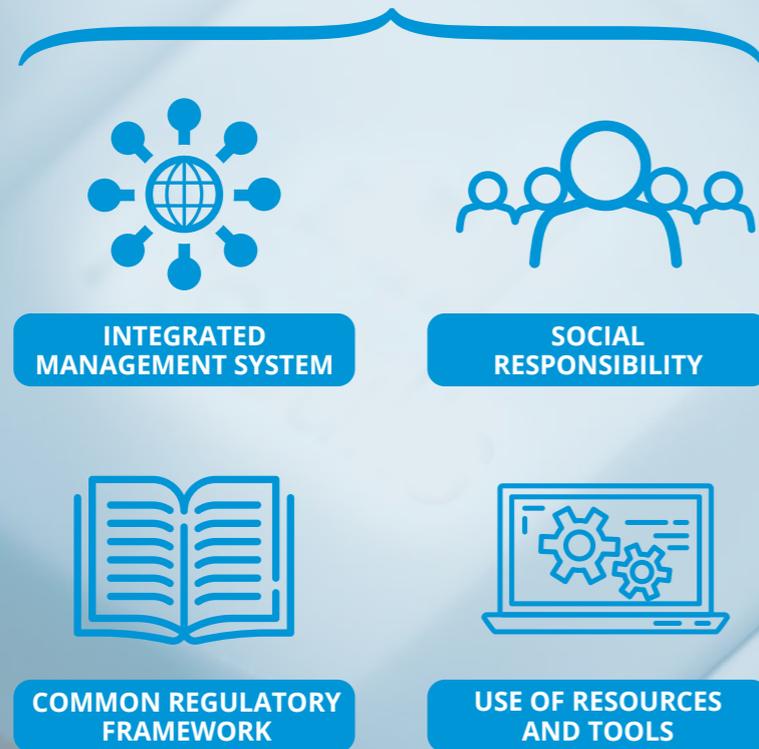
- Ensuring continuous improvement across various aspects of the **Company's good governance structure** through the **Integrated Risk Management System**:
 - + Incorporating elements that ensure an objective risk assessment process.
 - + Extending its scope to specific areas and plans such as the **Recovery, Transformation and Resilience Plan**.
 - + Making information available on **critical and strategic risks**.
- Strengthening **mechanisms for the prevention, detection and correction of fraud**, corruption and conflicts of interest (European RRF funds).
- **Anti-fraud measures and action plan.**
- New policies to improve the Corporate Compliance Model.
- **New Adif AV e-Office** created as an integral part of the Digital Transformation Plan for the central government and the various bodies and entities attached to it.



- Design the **new Corporate Sustainability Policy**.
- Deploy the **risk management model** to cover other areas of activity.
- Implement **anti-fraud measures** (European RRF funds).
- Develop and implement **electronic handling of new administrative procedures**, including: requests for authorisations in areas affected by railways; claims for liability against the state, compulsory land purchase, administrative concessions, etc.).

This chapter analyses Adif AV's risk management approach and the Company's progress and objectives during the year and subsequent years in the task of implementing its management system.

RISK PRIORITIES



6.1.1. GOVERNING BODIES AND INTERNAL MANAGEMENT

Adif AV is a **state-owned enterprise** under the responsibility of the **Spanish Ministry of Transport, Mobility and the Urban Agenda**, in accordance with Law 40/2015, of 1 October, governing the public sector. It has separate legal personality, holds title to its assets and has full capacity to enter into binding contracts to achieve its corporate object.

However, for railway infrastructure construction or overhaul work (other than maintenance, signalling and electrification works) Adif AV is subject to the laws and regulations that govern public sector procurement. All matters relating to our assets are governed by the Law on Government Assets*.

The **Board of Directors** is **Adif AV's highest governing body** and has the broadest powers to manage the Company. The Board has authority to decide on its own structure and functioning. It may also approve general organisational criteria and set the guidelines for any changes in the structure of the workforce, adopt annual budgets, financial statements and management reports, and authorise any lending or borrowing by the Company.

The Board has gone beyond the scope of the Company's charter to create committees of its own. Those committees are: the Audit Committee, the Ethics and Compliance Committee, the Appointments and Remuneration Committee, and Adif AV Internal Code of Conduct for Securities Market Dealings Compliance Committee. Further decision-making and advisory bodies are attached to the Chairman's Office, such as the Management Committee and the Procurement Committee.

* Content related to **GRI 102-18: Governance structure**

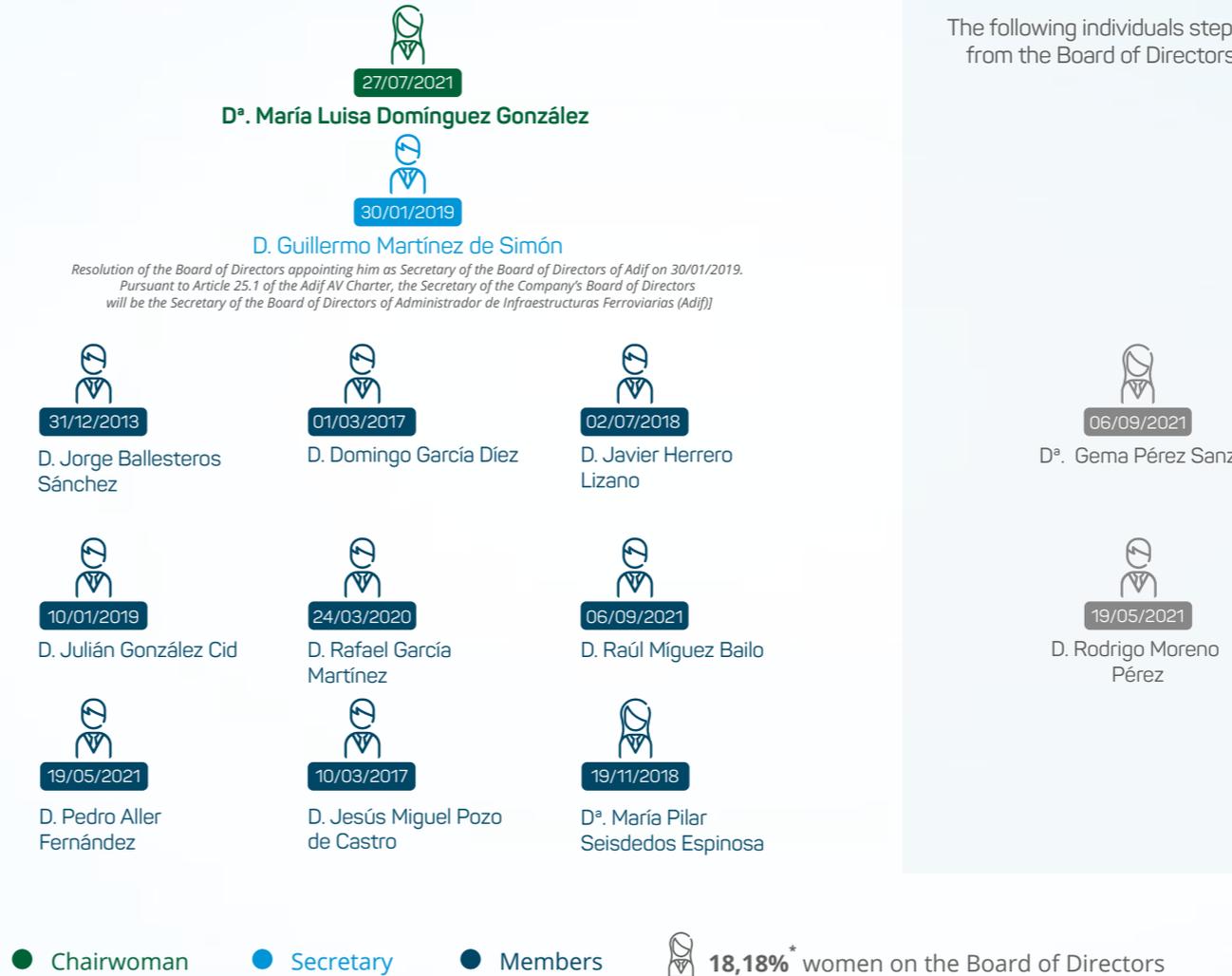
6.1.2. BOARD OF DIRECTORS

The Board of Directors is operated and regulated in accordance with the Adif AV Charter (available on its corporate website at www.adifaltavelocidad.es) and the Internal Terms of Reference of the Board.

Adif AV's charter provides that the Board of Directors comprises a Chair (who also chairs the board of Adif) and a minimum of nine and maximum of 10 Directors, whose appointment and dismissal falls within the remit of the Ministry of Transport, Mobility and the Urban Agenda.

In the year ended 31 December 2021, the Board of Directors **met 14 times** (11 ordinary meetings and three extraordinary meetings) and **consisted of eleven members**: the Chairwoman, the Secretary of the Board and nine members. They receive no remuneration or compensation.

ADIF AV 2021 BOARD OF DIRECTORS



The main duties vested in the Board of Directors are as follows:

- Determining the Company's structure and the guidelines for modifying its workforce and key remuneration terms.
- Establishing the rules of operation and resolution ratification within the Board.
- Approving annual operating and capital expenditure budgets and the multi-year action plan and presenting them to the Ministry of Transport, Mobility and the Urban Agenda.
- Approving the annual financial statements, management report and proposed distribution of profit or loss.
- Authorising loans and borrowings.

{ PROXY VOTING

- The members who are excused from attending the meetings of the Board or the Delegated Committees may delegate their vote to the President or another member of both bodies, with the delegation being effective for all matters included on the agenda, unless expressly specified.

{ ADOPTION OF AGREEMENTS

- Resolutions of the Board of Directors shall be passed by an absolute majority of votes of its members present or represented. The Chairwoman shall be responsible for breaking ties.



6.1.3. OTHER INTERNAL MANAGEMENT BODIES

Aside from the Board of Directors, Adif AV has the following **governing bodies**:

{ AUDIT COMMITTEE

- Oversees the Company's economic and financial information and reports to the Board of Directors on its actions.
- It met once in 2021.

{ STEERING COMMITTEE

The Steering Committee functions as an extra-statutory deliberative and advisory body to the President. It has the following functions:

- To advise the Chairwoman on matters within its competence.
- Advise the Chairwoman on matters of the Board of Directors that must be brought to his knowledge or approved by him.
- Deliberate on other Adif AV matters which, at the Chairwoman's initiative or at the proposal of the members of the Management Committee, it is decided to include in the agenda.

{ PROCUREMENT COMMITTEE

The Procurement Committee functions as an extra-statutory deliberative and advisory body to the President. Its functions are as follows:

- Advising the Chairwoman on matters relating to Contracting that fall within the competence of the latter, by direct attribution or by delegation of the Board, as well as those whose competence corresponds to the Board of Directors and which are to be submitted for approval or knowledge of the latter by the Chairman.
- Deliberation and knowledge of any other matter concerning the Entity's Contracting.

{ APPOINTMENTS AND REMUNERATION COMMITTEE

- Sets a target for presence on the Board for the least represented gender.
- Ensures that the directors of Adif AV comply with their duty to avoid conflicts of interest and other states of affairs that would legally bar them from performing their role as a director.



{ ADIF AV INTERNAL CODE OF CONDUCT FOR SECURITIES MARKET DEALINGS COMPLIANCE COMMITTEE

- Assesses the effectiveness of internal procedures and oversees compliance with the safeguards surrounding inside information in accordance with the Code.
- Takes steps to provide training to employees on matters that fall within the scope of the Code.
- Interprets the rules of the Code, resolves queries as to how to apply it and adapts it to prevailing laws and regulations.
- Reports each year to the Code of Ethics and Conduct Oversight Committee on any significant incidents that may have arisen.

{ RISK COMMITTEE

- Prepares and updates, at least annually, the Company's Risk Map.
- Follows up on identified risks, along with all related controls, indicators and action plans.
- Approves specific policies on risk management.
- Determines and reviews the Company's desired risk profile and ensures its alignment with the Company's strategy.
- Reports to the Management Committee and submits proposals as required for the proper performance of the risk management function.

{ INTERNAL CONTROL OVER NON-FINANCIAL REPORTING (ICNFR) COMMITTEE

- Approves the scope of the ICFR system.
- Conducts an annual review and validation of all ICFR processes.
- Produces an annual ICFR progress report.
- Assesses the Internal Audit unit's ICFR performance.
- May propose that the ICFR system undergo an external audit.



6.2. Stakeholder engagement*

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }



* Content related to GRI 102-40: List of stakeholder groups



- Renewal of the **new corporate website**.
- **Building relations with stakeholders** by taking part in initiatives and publicity campaigns with non-profit associations.
- **Podcasting** through social networks.
- Participation in **publicity campaigns** (SDGs, sustainability).
- **Fulfilment of strategic objectives**.
- **Management of the process of communicating the liberalisation process**.



- **Electronic handling of new administrative procedures**, such as complaints and authorisations.
- Completion of the **Corporate Communication and Reputation Master Plan** for the 2022–2030 horizon.

Adif AV keeps its stakeholders regularly informed about its situation, activities and plans in all areas, thus generating mutual social benefits

PRIORITIES IN STAKEHOLDER RELATIONS



Adif AV strives to predicate its management on its responsibility towards society. As a result, it is crucial to listen to its various stakeholders, with whom it has set up different communication Channels.

Adif AV defines its stakeholders as any group that is or could be affected by the Company's activities, now or in the future, and/or legitimately affects or could affect the Company's activities and, by extension, its results. Its stakeholders accordingly include the rail operators, rail passengers, citizens, public authorities, employees, governments of other countries, suppliers, business partners and allies and the third sector (NGOs, charitable associations, etc.).

For the 2030 Strategic Plan, the Company grouped a number of groups into **five priority stakeholder categories**:



Adif AV is aware of the importance of maintaining **close, accessible and transparent relations with all of its stakeholders**, which is why it ascribes great importance to the active anagement of its communication channels and the ability to gather feedback about what its stakeholders think about and want from the Company.

This is why it launched a **new corporate website** at the end of November. In parallel, it has been stepping up its media relations effort and has created a **Transparency Portal**. It also has the **Investors' Portal** to provide investors, especially socially responsible investors, with information of interest. As in 2019, Adif AV continued to prioritise social media in its stakeholder engagement effort.

Main Communication Channels used by Adif AV to reach out to its stakeholders are: the corporate website, its social media presence, the media relations effort, the 24H Network Magement Centre, the Transparency Portal and events.



STAKEHOLDERS	ESTABLISHED CHANNEL
<p>PUBLIC AUTHORITIES & INVESTMENT COMMUNITY</p> <p>Ministry of Transport, Mobility and the Urban Agenda. State government and financial institutions.</p>	<p>Ongoing communication via the competent authorities (Under-Secretary of State, Secretary of State for Infrastructure, etc.). Follow-up meetings. Collaboration agreements. Investors' Portal on the corporate website.</p>
<p>EXTERNAL CUSTOMERS</p> <p>users of the rail system, rail operators, corporate customers, governments of other countries.</p>	<p>Customer Service Offices in Adif AV stations (personalized customer service, grievance and suggestions management, etc.). Annual satisfaction surveys: passengers and the tenants who lease commercial premises located in Adif AV stations. Information phone line and e-mail address. Agreements. Grievance and suggestions management mechanism (IT application, claims book, etc.). Meetings with representatives of groups of citizens with a vested interest in rail infrastructure management in their towns. Website communication inbox. Social media. Adif AV app (real-time information about the status of the network and timetables).</p>
<p>SUPPLIERS</p>	<p>Communication via e-mail and phone. Collaboration agreements. Electronic tender portal.</p>

STAKEHOLDERS	ESTABLISHED CHANNEL
BUSINESS PARTNERS AND ALLIES	Sector-specific agreements and collaborations. General and European assemblies, international delegations. Expert events and forums. E-mail and phone communication.
SOCIETY Citizens, associations, NGOs, European and international organisations	Adif AV's annual reports and other publications. Ongoing provision of information to the public via the media. Website communication. Social media. Transparency Portal.
EMPLOYEES	Corporate employee portal. Committees on which Adif AV workers are represented. Surveys of workplace climate and engagement with Adif AV. Internal communication. Information about training courses. Suggestion box. Inbox for gathering suggestions about how to do things better.

Next, we briefly outline the relationship between Adif AV and some of its most important stakeholder groups:



{ PUBLIC AUTHORITIES AND EUROPEAN ORGANISATIONS

Adif AV falls under the **Ministry of Transport, Mobility and the Urban Agenda**, which plays a dual role as regulator and investor. Accordingly, the Company is committed to maintaining an ongoing relationship based on transparency, framed by the effective and sustainable management of its activities. The relationship between Adif AV and the Ministry is channelled mainly through the **Under-Secretary of State and the Secretary of State for Transport, Mobility and the Urban Agenda**. However, it is also in continual contact with other entities that similarly fall under the Ministry, including the state-owned rail service provider, Renfe Operadora, and **other Ministries**, such as the Ministry for Labour, Migrations and Social Security and the Ministry of Finance and Public Authorities.

Adif AV also **engages with regulatory bodies** such as the Spanish National **Commission of Markets and Competition** (CNMC), which oversees and ensures that the rail sector operates properly and that there is fair competition in the rail services market, especially the high-speed passenger travel market; **the Court of Audit and the General State Controller**, with whom its dealings are governed by prevailing legislation; **and with other public bodies** such as the **State Ombudsman, the state attorney's office, certification bodies, the Spanish National Statistics Office (INE), universities and other public education centres** with which Adif AV has collaboration agreements.

Adif AV is also in contact with, and participates in, a number of international organisations:

- **RNE (RailNet Europe):** an umbrella organisation for European railway infrastructure managers and allocation bodies (IMs/ABS) set up for collaboration on the planning and management of rail capacity in international corridors and on quality and efficiency improvements.



Website: <https://rne.eu/organisation/rne-approach-structure/>

- **Network of One Stop Shops – OSS:** represents the infrastructure managers (IMs) in international traffic. They constitute as a single point of contact for the entire international route of a rail service, from the initial questions related to network access to international path requests and performance review after a train run. Website: <http://rne.eu/organisation/oss-c-oss/>

- **EIM (European Infrastructure Managers):** this association encompasses the most important European rail infrastructure managers and represents the sector before the European Union's policy-making and legislative bodies; it also conducts studies in support of the modernisation of the rail sector. Website: <https://eimrail.org/>



- **ERA (European Railway Agency):** agency for the development of technical specifications aimed at interoperability and safety in which Adif AV participates through EIM. Website: <https://www.era.europa.eu/>



- **UIC (International Union of Railways):** worldwide association promoting rail transport through technical projects, railway research and standardised solutions. Website: <https://uic.org/>



- **European economic interest groups (EEIGs):** for the development of cross-border projects related with international rail corridors and the Trans-European Transport Network (TEN-T).

- **PRIME:** a platform of European railway managers for the development of the Fourth Railway Package, established between DG MOVE and the IMs with a view to improving international cooperation among railway undertakings, supporting the implementation of a European railway policy, and exchanging best practices through performance benchmarking. Adif AV is participating in the elaboration of a universe of indicators that will enable oversight of the main activities and improved management.



{ SUPPLIERS

Suppliers are a core element of Adif AV's business strategy. Supplier relations are based on **guaranteeing transparent tendering and legal certainty**.

The contracting procedure is framed by applicable procurement legislation, which includes stringent selection criteria and articulates all procurement procedures around transparency-based management, factoring in all processes and possible incidents.

Each time **it puts a tender out to call**, Adif AV selects suppliers after they have certified their **business and technical expertise and solvency**, as well as certain **social and environmental criteria**, which are determined on a case-by-case basis.

Adif AV now largely uses **electronic tendering** as an essential tool in its contracting procedures..

{ BUSINESS PARTNERS AND ALLIES

This stakeholder group encompasses all **26 entities with which Adif AV engages** (e.g. subsidiaries and investees, foundations, associations, economic interest groups) and its partners in them. A total of **13 urban integration** joint ventures (JVs) have been set up as a management instrument for developing joint operations in certain Spanish cities, since these companies are owned by local and regional governments, and state-owned enterprises attached to the Ministry for Transport, Mobility and the Urban Agenda (Adif, Adif AV and Renfe Operadora).

The governing bodies of the entities making up the Adif corporate group held 116 meetings, of which 82 (shareholder and board of director meetings) were with the urban integration JVs, 9 were with subsidiaries and the remaining 25 were with the rest of the companies.

Initiatives currently under way include, at the behest of Renfe Operadora, valuation of the shares of the integration JVs for Renfe Operadora's potential exit.

Meanwhile, to increase transparency, guarantee the right of access to information related to its operations, and comply with Law 19/2013 on transparency, access to public information and governance, an analysis was conducted of active advertising activity on the websites of the urban integration JVs in which it holds a stake and the related report was issued.

Also in 2021, within the framework of the urban integration JVs and with the involvement of other areas of Adif, Adif AV, MITMA, city councils and regional governments, a number of technical task forces were set up, various plans and projects were drawn up and urban and rail construction projects were carried out.



6.2.1. CHANNELS IN PLACE WITH STAKEHOLDERS

Internal communication channels commonly used at the Company include:

- The **INICIA Intranet portal**, through which employees have access to all the information they need on business milestones, company structure, current news and sustainability, training opportunities, organisational changes, employee portal and, in general, all manner of corporate communications. It is also a channel for communicating with the company through the use of mailboxes: ethical mailbox, suggestions mailbox, ideas for improvement mailbox.
- **Internal Communication Days**, meetings with management and support structure, telegrams, newsletters, etc.
- **Communication or awareness-raising campaigns** on specific topics that are published on the intranet or otherwise included on the payslip, covering all areas of the company: preventive medicine campaigns, management reports, occupational risk prevention, traffic safety, quality and environment, and training, among others.

There are currently three communication campaigns on SDGs launched by the United Nations Global Compact Spain

{ COLLECTIVE BARGAINING AGREEMENTS AND ARRANGEMENTS

As for the collective bargaining agreements that Adif AV has entered into, key information for the last few years is as follows:

COLLECTIVE BARGAINING*

	2019	2020	2021
No. of collective agreements signed and in effect	1	1	1
No. of collective agreements in effect	1	1	1
No. of collective agreements signed	1	1	1

* Content related to **GRI 102-41**: Collective bargaining agreements

{ AGREEMENTS AND CONVENTIONS WITH SECTORAL AND PROFESSIONAL ORGANISATIONS AND ASSOCIATIONS

During 2021, in order to better fulfil its purposes, a comparison of the number of agreements and conventions with sectorial and professional organisations and associations signed and in force subscribed by Adif AV is established:

NUMBER OF AGREEMENTS AND ARRANGEMENTS WITH INDUSTRY AND BUSINESS ORGANISATIONS AND ASSOCIATIONS

		2019	2020	2021
In effect*	Adif AV + Others	40	33**	35
	Adif + Adif AV + Others	36	42	56
	Adif + Adif AV	9	13	19
Signed	Adif AV + Others	6	2	7
	Adif + Adif AV + Others	9	8	14
	Adif + Adif AV	3	3	0

* Signed since 1 October 2015 and in effect

** Reduction in the number of agreements in effect by virtue of Additional Provision 8 of Law 40/2015 of 1 October, on the legal regime of the public sector

Key figures in 2021 for Adif AV in relation to stakeholder engagement are as follows, as we seek to find aspects that unite stakeholder expectations with the Company's leadership:

COMMUNICATION WITH STAKEHOLDERS ^{1,2}

	2020	2021
No. of social media initiatives	5,708	6,704
Percentage of enquiries responded to via the website	94.2%	96.8%
Events managed by Adif	80%	100%
No. of initiatives carried out under the scope of the Strategic Communication Plan	547	853
Percentage of requests for information from the press and media answered on time or within seven days	95%	95%
Transparency (% of complaints admitted by the Council for Transparency and Good Governance [CTBG] with respect to the total number of requests for information)	1.28%	3.3%

¹ This indicator is not available for 2019

² Adif + Adif AV

6.3. Human team

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





- Signing the collective agreement **regulating teleworking arrangements and resolution passed by the chairwoman's office.**
- Adopting a new **Protocol on sexual and gender-based harassment.**
- Creating a **new space for equality.**
- Setting up the **Negotiating Committee** for the purpose of adapting the Adif Equality Plan.
- Activating the **equality and diversity website with a suggestions mailbox** enabled on the Adif AV intranet.
- Developing the **Initiatives for Equality** programme.
- Promoting a **coordinated and flexible organisation** where talent can be leveraged and leadership boosted.
- Managing the **corporate intranet and employees' club.**
- Carrying out the **work climate survey.**



- **Implement the Teleworking** agreement.
- Negotiate **new production models** to become more productive.
- **Review the Social Fund** to ensure its future financing.
- Negotiate the **3rd Equality Plan** adapted to the new legislation.
- Agree on **how the trade union elections will be held** in 2023.
- **Further work** on the **2nd Collective Bargaining Agreement** currently in force.
- Carry out **activities with associations devoted to gender equality, diversity and inclusion.**
- Undertake **new initiatives** to make progress towards **equality, work-life balance and diversity** targets.
- Work to ensure that **internal communication** reaches as many employees as possible.

At **Adif AV, people** are the **most important asset**. With this in mind, the Company strives to offer an inclusive, safe and stable working environment and to provide continuous training and professional development opportunities so as to ensure a **highly qualified, engaged and motivated workforce** fully capable of accomplishing Adif AV's business objectives.

This section provides information on Adif AV's human resources and organisation, including key figures relating to employees, such as the composition of the workforce and remuneration.

HR PRIORITIES



TALENT ATTRACTION AND RETENTION



EQUALITY AND DIVERSITY



HEALTH AND SAFETY



LABOUR RELATIONS

- Establishing the knowledge transfer programme.
- Establishing the annual knowledge transfer plan.
- Searching for and selecting people with development potential.
- Continuing the annual knowledge transfer programmes.

WORKFORCE FIGURES AT A GLANCE

216

Employees

95.37%

with permanent contracts

50.93%

Covered by collective agreement

29.17%

Women

3.83%

Pay gap for managerial position (favouring men)

13,990

Hours of training

6.14%

Manager churn rate

8.94%

Workforce churn rate

4

New employees (Public Sector Job Openings)

{ HEALTH AND SAFETY FIGURES AT A GLANCE

17.06%

Of employees participating in preventive medicine

1.58

Absenteeism rate

2

Days lost due to accident or disease

6.3.1. EMPLOYEES¹

The distribution of Adif AV employees is as follows²:

NUMBER OF EMPLOYEES BY GENDER AT YEAR-END³

	2019		2020		2021	
	No.	%	No.	%	No.	%
Men	156	71.56	154	70.64	153	70.83
Women	62	28.44	64	29.36	63	29.17
 Total	218	-	218	-	216	-

¹ Content related to **GRI 102-8**: Information on employees and other workers

² All employees are located in Spain

³ Content related to **GRI 102-7**: Scale of the organization

NUMBER OF EMPLOYEES BY AGE AT YEAR-END⁴

	2020	2021
Up to 35	11	13
Between 36 and 50	130	119
Over 50	77	84
Total	218	216

NUMBER OF EMPLOYEES BY OCCUPATIONAL CATEGORY AT YEAR-END⁴

	2020	2021
Management structure	103	106
Support structure	73	68
Operational staff and middle managers	42	42
Total	218	216

⁴ This indicator is not available for 2019

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND WORKING HOURS AT YEAR-END¹

	2020	2021
 Permanent contracts	209	206
Temporary contracts	9	10
Full-time contracts	211	211
Part-time contracts	7	5

INFORMATION ON EMPLOYEES (LENGTH OF SERVICE)²

	2020	2021
Between 0 and 11 years	32.11%	30.09%
Between 12 and 19	44.04%	45.37%
Between 20 and 27	7.34%	10.19%
Between 28 and 35	4.58%	3.70%
Over 35	11.93%	10.55%

¹ Content related to **GRI 401-1: New employee hires and employee turnover**

² No information on employee length of service is available for 2019



Annual average number of contracts during the reporting period, broken down by contract type and by gender, age and occupational category, counting all active contracts at Adif AV in 2021:

AVERAGE NUMBER OF EMPLOYEES BY CONTRACT TYPE AND WORKING HOURS¹

		2020						2021					
		<51 años		>51 años		TOTAL		<51 years		>51 years		Total	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Operational	Permanent	0.08	-	2.00	5.00	2.08	5.00	0.08	-	3.00	5.00	3.08	5.00
	Permanent, part-time	-	-	-	-	-	-	-	-	-	-	-	-
	Temporary	8.00	1.50	1.25	-	9.25	1.50	4.00	0.58	1.08	-	5.08	0.58
Middle managers	Permanent	16.17	2.00	3.25	5.42	19.42	7.42	16.00	1.67	1.75	5.00	17.75	6.67
	Permanent, part-time	-	-	0.33	-	0.33	0.00	-	-	1.00	-	1.00	0.00
	Temporary, part-time	1.25	-	-	0.33	1.25	0.33	0.08	-	-	-	0.08	0.00
Support structure	Permanent	26.33	17.17	18.75	3.00	45.08	20.17	29.42	17.75	17.67	1.50	47.08	19.25
	Permanent, part-time	-	-	0.08	-	0.08	0.00	-	-	1.08	-	1.08	-
Management structure	Permanent	34.75	18.42	39.67	10.25	72.42	28.67	37.17	20.00	35.42	11.08	72.58	31.08
	Permanent, part-time	-	-	2.42	0.08	2.42	0.08	-	-	1.25	0.92	1.25	0.92
Total		86.58	39.08	67.75	24.08	154.33	63.17	86.75	40.00	62.25	23.50	149.00	63.50

¹ No average information available for 2019



Remuneration broken down by type and by gender, age and occupational category, counting all active contracts at Adif AV in 2021:

AVERAGE REMUNERATION BY GENDER¹

	2021
Men	€ 55,246.66
Women	€ 52,512.16

AVERAGE REMUNERATION BY AGE¹

	2021
Up to 35	€ 35,532.32
Between 35 and 50	€ 53,610.67
Over 50	€ 57,853.53

¹ This indicator is not available for 2019 and 2020

AVERAGE REMUNERATION BY OCCUPATIONAL CATEGORY¹

	2021
Management structure	€ 58,450.20
Support structure	€ 49,758.99
Operational staff and middle managers	€ 36,008.22

PAY GAP BY OCCUPATIONAL CATEGORY^{1,2}

	2020	2021 ³
Management structure	7.81	3.03
Support structure	-5.05	3.50
Middle managers	-5.18	11.09
Operational personnel	-20.37	-16.43

% favouring men

¹ This indicator is not available for 2019 and 2020

² Wage gap = ((Average remuneration men – Average remuneration women) / Average remuneration men) * 100

³ Content related to **GRI 405-2**: Ratio of basic salary and remuneration of women to men

Pay differences between staff at the same salary level can be caused by various factors: different length of service, where the subject holds qualifications eligible for bonuses, or performs activities involving special payments, etc.



6.3.2. WORK ORGANISATION

The **2nd Adif AV Collective Bargaining Agreement** sets up various technical committees devoted to issues such as regulations, working hours and work-life balance. It also sets **annual working hours at 1,642**, distributed across eight-hour days.

Work is also allocated in shifts according to the Company's prevailing labour regulations for a considerable number of employee segments. A significant proportion of employees work a weekly regime of five days on and two days off¹.

The agreement provides for additional death benefits and aid for children with disabilities, as well as leave of absence to care for dependants, a new leave regime to take care of family members up to the 2nd degree of consanguinity or affinity, unpaid leave of up to one month following the death of certain family members, unpaid leave for assisted reproduction, teleworking, and a new working hours structure, among many other measures.

In 2021 the negotiating committee concluded an **agreement on distance working**, which is expected to enter into force in 2022.

{ INCENTIVES AND OTHER EMPLOYEE BENEFITS

In addition to variable remuneration based on the attainment by employees of certain targets (personal, group-wide, contribution to the team, and skill set), Adif offers the employees covered by the collective bargaining agreement a broad spectrum of **in-kind benefits** designed to improve their personal and work lives, such as:

- **Health promotion:** medical check-ups, preventive medicine campaigns, financial aid towards extraordinary medical expenses, vaccination campaigns, further remuneration for temporary incapacity from work to complement minimum Social Security payments, support for drug and alcohol addiction, etc.
- **Life insurance.**
- **Free fares** on local and regional trains, and special fares on main lines and AVE high-speed links.
- **Aid for children** with disabilities.
- **Ex-gratia aid and assistance for temporary disability.**
- **Death benefits.**
- **Legal protection:** in the event of rail accidents in which criminal liability could be determined.
- **Transfers to new jobs** upon loss of function.
- **Job mobility** so as to reunite with spouse or life partner.
- **Benefits and/or discounts on services:** banking, leisure, travel, housing, etc.

Full-time employees have the same rights and benefits as part-time employees².

¹ Content related to **GRI 103-2:** The management approach and its components

² Content related to **GRI 401-2:** Benefits provided to full-time employees that are not provided to temporary or part-time employees

{ MATERNITY AND PATERNITY LEAVE

Notably, all employees availing themselves of maternity or paternity leave decided to return to their jobs upon reaching the end of their leave. In addition, all returned to work after the end of parental leave and were still employed 12 months later¹.



In Adif AV, 4 workers have taken parental leave in 2021.

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Employees availing of maternity leave	0	0	0	4	0	1
Employees availing of paternity leave	1	0	2	0	3	0
Total	1		6		4	

¹ Content related to **GRI 401-3: Parental leave**

6.3.3. EMPLOYEE RELATIONS

Adif AV remains in constant contact with staff representatives in order to ensure a working environment that is conducive to the attainment of the Company's objectives while avoiding conflicts that could lead to loss of productivity and reputation.

Clause 13 – **Digital safeguards** of the Collective Bargaining Agreement of Adif AV enshrines the new digital disconnect rights of employees, as well as their right to privacy and to use digital devices in the workplace only. These issues have been set out and regulated in the **Teleworking Agreement**.

Adif AV maintains fluid dialogue with staff representatives in order to reach agreements that will enable the Company to achieve its objectives.

Adif AV engages with its employees by means of regular meetings between management and the various committees and other worker representation bodies with decision-making powers:

Negotiating Committee of the 2nd Collective Bargaining Agreement of Adif and Adif AV

Composed of the Management and signatory trade unions. It is tasked with negotiating and ratifying the agreements reached, among other duties.

General Works Council

Liaising and negotiating body tasked with general and collective bargaining matters.

Staff Delegates

There are staff delegates in Barcelona, León and Seville.

General Health and Safety Committee

Most senior management-employee body in the health and safety arena; it is the source of the guidelines that are binding upon the lower-level health and safety committees.

Traffic Safety Committees

Consultation bodies that address technical aspects relating to traffic safety; they also approve plans and track specific indices.

Training Advisory Committee and Joint Board Committee

Responsible for drawing up and monitoring Adif AV's Training Plan.

Employee Policy and Equality Committee

Handles requests and grants employee benefits, aid for children with disabilities, temporary disability benefits and death benefits. It also proposes measures on how best to implement the 2nd Equality Plan, while also monitoring equal opportunities and non-discrimination indicators.

Labour Disputes Committee

Mediates in and resolves conflicts arising from the interpretation and application of the collective bargaining agreement and when strike action is called.

Equality Plan Negotiating Committee

In accordance with Royal Decree 901/2020, this committee is responsible for drawing up status reports, identifying the measures needed to improve levels of equality and determining the material and human resources needed for their effective implementation, as well as the people responsible and the timeline of events.

6.3.4. TALENT MANAGEMENT

In 2021, the final decisions were cast in relation to the **call for applications under the 2020 global internal mobility process**. Adif AV workers took part in this process alongside Adif workers as both groups were eligible for the vacancies. Adif AV offered one vacancy for a technical profile, which was awarded in due course.

A total of 29 Adif AV workers submitted 33 applications between them

6.3.5. TRAINING

Training actions are aimed at improving, refreshing and updating skills and qualifications. The objectives of the **Training Plan** include that of fostering company values and culture, promoting positive and innovative attitudes, providing equal opportunities for all employees, helping to increase safety levels in the railway infrastructure, and improving workers' health and the safety of goods and services. Work is carried out to **inform and raise awareness** among employees through the Adif intranet and the Equality and Diversity website and regular training on equality, work-life balance, diversity and inclusion is delivered¹.

The Training Plan also features transversal or **horizontal plans** associated with projects in various realms, including traffic safety, zero accidents, equal opportunities and technology management.

In 2021, the Annual Training Plan addressed **strategic objectives related to diversity, inclusion and non-discrimination, together with indicators that contribute to the fulfilment of the Sustainable Development Goals**. This contribution is measured in the number of people who took part in the following training activities:

- Well-being and human factor programmes.
- Digital transformation programmes.
- Equality and women's advancement programmes.
- Environmental programmes.
- Transversal programme on Inclusive Leadership.
- The power of diversity: How to work well with everyone (transversal programme).



Specific training is also provided to enable the subject to perform concrete tasks or positions. These compulsory courses are delivered for **certain job positions**. This training is provided equally among men and women, depending on the functions ascribed to them at their assigned position. These legally required courses are delivered alongside other types of courses that are voluntary in nature and are typically provided through the Virtual Training Centre and are readily accessible to both men and women.

¹ Content related to **GRI 404-2**: Programs for employee upskilling and transition assistance programs

For instance, a total of **507 personnel driving certificates** were issued during the period, along with **7,885 authorisations for personnel** engaged in traffic safety activities, in accordance with prevailing law and regulations. In addition, a total of 2,928 applicants from external companies were assessed during the year¹.

A large number of courses have been offered at Adif AV, with environmental safety courses attracting the largest number of employees:

- Course on soil decontamination.
- International fight against climate change.
- PPAs in the Energy Sector.



Those training subjects to have garnered the greatest uptake among Adif AV employees relate to infrastructure and systems training, specifically in the subjects of maintenance of safety facilities, transport, track maintenance and civil works.

The **average number of training hours per employee** at Adif AV in 2021 was **59.3**, with the following distribution of the total by occupational category:

TRAINING HOURS BY OCCUPATIONAL CATEGORY²

	2019	2020	2021
Management structure	5,277	4,951	6,418
Support structure	4,750	4,583	5,006
Middle managers	2,727	3,724	1,935
Operational personnel	71	6,855	631
 Total	12,825	20,113	13,990

¹ Adif + Adif AV

² Content related to **GRI 404-3**: Percentage of employees receiving regular performance and career development reviews

On the subject of **environmental protection**, an expert programme covering sustainability, SDGs and the circular economy has been made available to employees. The training catalogue also features other courses of interest related to environmental matters:

- ✓ Environmental impact assessment and protected areas
- ✓ Waste management
- ✓ Atmospheric emissions
- ✓ International fight against climate change
- ✓ How to respond to minor environmental incidents
- ✓ Environmental risk - Fuelling
- ✓ Environmental awareness
- ✓ Discharges and polluted water
- ✓ Sustainable mobility workshop
- ✓ Expert course in sustainability, SDGs and circular economy

Attendance at forums related to **risk management and ESG aspects** within companies is also arranged. Adif AV staff attended other courses of interest in the fields of:

- Compliance and corporate integrity.
- Digital money and payment systems group Geopolitics and digital money.
- Sustainability, ESG and taxonomy.
- Quantification of damages in antitrust proceedings.

In 2021, various activities were carried out to expand the knowledge of Adif AV employees, through training targeting aspects such as compliance, sustainability and digital money.

6.3.6. PROFESSIONAL DEVELOPMENT¹

Adif AV's staff selection processes are regulated in labour legislation for the employees covered by the collective bargaining agreement. In 2021, it hired **4 new employees** pursuant to the corresponding **Public Employment Tenders**.

Employee turnover² in 2021 stood at **8.94** (17.24 in 2020), while for executives it was **6.14** (0.54 in 2020).

Adif AV's business success depends mainly on its employees' performance, which in turn depends directly on their satisfaction and motivation.

To achieve employee satisfaction and motivation, the role played by the organisation's leaders is extremely important: **3C Executive Management** is the methodology that articulates and develops **Adif's Leadership Model**; it is framed by the criteria of transparency, reasonableness and efficiency.

¹ Content related to **GRI 404-2**: Employee upskilling programmes

² Content related to **GRI 401-1**: New employee hires and employee turnover. Formula: ((Incoming + outgoing employees) X 100 / 2) / Average no. of employees)

{ COMPETENCY-BASED MANAGEMENT MODEL

The model systematically manages the **capabilities, behaviours and growth** of the organisation's leaders rooted in the concepts of commitment, collaboration and creativity (3Cs).

The Leadership Model: 3C Executive Management seeks to drive the performance of the organisation's leaders

Adif AV has undertaken a myriad of projects and activities under the umbrella of the programme. In order to reinforce the spirit underpinning the model and make it more powerful, an effort has been made to update its image, with a nod to the Olympic motto *Citius altius fortius* (faster, higher, stronger); the idea is to transmit the importance of improving continuously in order to overcome the unforeseeable developments that will inevitably cross our paths, recalling that there is always room to go further in pursuing the Mission, Vision and Values.

In 2021, the link between the Leadership Model and the Safety Culture was further strengthened as we continued to deploy the Performance Assessment of Traffic Safety Management Systems at Adif AV.

{ COMPETENCY CATALOGUE – DIGITAL TRANSFORMATION

In 2021, we continued to deploy the Competency Management Model – Digital Transformation, launched by the Human Resources Department in 2016 to align the competencies in its catalogue with those demanded in the new era of digital transformation.

In 2021, Adif AV's average performance assessment score was **91.16%**, based on **335** evaluations of **94** employees; more than **43.5%** of the workforce

As in the previous year, the **360° performance assessment** exercise was based on the **Competency Catalogue – Digital Transformation**. This model offers a range of perspectives (one's own, one's boss's and that of colleagues and partners) on the performance of those being evaluated, thus allowing them to take stock of their strengths and opportunities, while uncovering aspects which with their own insight alone they might not have been able to pinpoint, facilitating continuous improvement and a culture of talent development. Concepts associated with digital transformation: agility, flexibility, collaboration and cooperation, efficiency, transparency, participation, speed, etc.

The new catalogue, in effect in 2021, is articulated around four dimensions:



Knowledge: acquiring and maintaining it is not enough; it is also necessary to generate and share it by leveraging the opportunities afforded by today's information and communication technologies (ICTs).



Results: competitiveness and sustainability underpin this dimension.



People: the ability to manage diversity, which is increasingly broad, and talent, which is increasingly complex.



Culture: Commitment to embrace and transmit the paradigm of permanent and ever faster transformation we are witnessing.

Following the performance assessments, we continue to implement Individual Development Plans in order to enhance people's talent and boost their leadership by making various development programmes and actions available to them.



In 2021 the degree of achievement of Adif AV objectives was **95.75%**¹, with a total of **190** individual appraised, accounting for **87.96%** of the workforce

{ INTEGRATED MANAGEMENT BY OBJECTIVES MODEL

The Company also continued to apply the Integrated Management by Objectives Model (MBO) in 2021. This model is based on three pillars (transparency, coherence and ease) to enable the development and deployment of company-wide and area-specific objectives to all staff subject to the Objectives System, thus improving levels of engagement among employees with the Company's key objectives. The senior management team is directly involved in formulating the Company's objectives, which are handled with full transparency for both the evaluator and the subject evaluated.

{ TV TRAINING PORTAL

In 2021, Adif AV continued to develop and improve its TV Training Portal, a set of tools and services made available to employees so that they can learn and communicate through images and digital technologies. The portal contains the audiovisual content (more than 4,400 videos) required for the various training programmes coordinated and produced by the Audiovisual Media team attached to Technical Coordination, together with the other Training areas and centres.

These channels are subject-specific and are defined within the Portal to provide all employees with all the content they need for their training, both in their professional and personal lives.

Within **TV Training**, access is managed according to:

- Target audiences for the channels.
- Occupational categories.
- Training programmes.

¹ Latest available data

In addition, the Resources and TV Training team regularly makes on-set recordings for the courses, while also teaming up with various corporate departments in the production of video and photographic reports and the management and staging of live digital events.



{ COACHING PROGRAMMES

Talent honing practice aimed at unlocking the **experience and management skills** of people through professional support and accompaniment that is reinforced by self-knowledge and peer learning and ethical commitment, collaboration, trust and horizontality.

The programme was launched in 2015 and features **three constantly-evolving lines of training**:

- Peer coaching.
- Coaching community.
- In-house coaching, where subjects can qualify as in-house coaches.

Adif's coaching programme is certified by the Spanish Association of Executive and Organisational Coaching (AECOP). In 2019, it earned an Honorary Award from AECOP in recognition of its value in disseminating a coaching culture across the company.

- A total of **32 people took part in 2021**, across all three training lines and involving various development initiatives. A total of 24 individual coaching processes were carried out (at both Adif and Adif AV), with a total of six coaches accredited at Adif and Adif AV.

In 2021 an AECOP monograph was published in collaboration with Economía 3 on coaching culture at companies. It included an article penned by the People Management Department in relation to Adif's own coaching programme, reinforcing the idea that coaching has become a key part of our 3C Executive Leadership model.

{ HORIZONTE 2030 PROGRAMME

The *HORIZONTE* **management talent training and development programme** was launched in 2020 and continued throughout 2021, as "a path that leads to that line where the best professionals merge with the greatest achievements". The aim is to further develop executive profiles over the 2020-2030 horizon

Horizonte is a programme that **aims to assess leadership potential, improve conduct and unlock executive potential**, thus enabling managers to develop and disseminate an effective management culture to successfully meet the challenges of the 2020-2030 decade.

The programme is divided into three levels. LEVEL I: Where am I? Helps one to take stock; LEVEL II: What am I like? Helps one get to know oneself better; and LEVEL III: What do I need to do? Pushes you in the right direction.

The learning methodology focuses on the study of models and modelling skills appropriate to a given context (Adif executives) and scenario (digital transformation, liberalisation of the industry and generational renewal).

{ DEJANDO HUELLA PROGRAMME

Dejando Huella (Leaving a Mark) is a development programme aimed at **systematising organisational learning and contributing to knowledge management** by preventing it from being lost as the workforce ages. The fourth edition of *Dejando Huella* was completed in 2021, with the participation of 10 authors. *Dejando Huella* is a programme in which the organisation's veteran executives act as agents for the transmission of knowledge, experience, attitudes and corporate culture.



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Technician. DG. People
Management - **Adif**



**HERRERO DE ÁVILA,
Mª DOLORES**
Commercial Technician. DG.
Business and Commercial
Operations. - **Adif**



**ANGLADA CASAS,
MONTSERRAT**
Planning and Analysis
Technician. DG of Traffic
and Capacity Management
Northeast. - **Adif**



**MANSO MARINAS,
LUIS**
Coordination and Processes
Technician. Financial And
Management Control DG.
Financial and Management
Control - **Adif**



**DEL CASTILLO MOLINA,
JOSÉ FÉLIX**
Head of Administration
Area. D. Communication and
Corporate Reputation - **Adif**



**VILLA VIZCARRA,
JORGE I.**
Deputy Director of North-
East Traffic - **Adif**



**GUTIÉRREZ PEREZAGUA,
CARLOS**
Head of Operations.
Expropriations Sub-
Directorate. - **Adif AV**

6.3.7. EQUALITY

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





- Conducting **equality diagnosis** and **adapting to the new regulations** of the Adif AV Equality Plan.
- Developing the **Initiatives for Equality** programme to complement the Equality Plan.
- Creating an **equality and diversity website** with a suggestion box on the Adif AV intranet to inform, raise awareness and voice these concerns.



- Implement the **new Equality Plan** in accordance with the latest legislative reform, once finalised and signed by the Company's management and trade union representatives.
- Carry out **activities with associations devoted to gender equality**, diversity and inclusion.



Since **Adif AV was founded, equality has been one of the hallmarks** of the Company and a constant presence in its collective bargaining agreements, plans and regulations and in its relations with society and customers. Adif AV continues to communicate regularly with employees and negotiates and reaches agreements with the elected trade union representatives and on the other committees set up under the terms of the 2nd Collective Bargaining Agreement.

In 2021, the **Equality Plan Negotiating Committee** was set up in accordance with Royal Decree 901/2020.

Adif AV is currently in the process of adapting the current Equality Plan to new legislative developments, notably Royal Decree 901/2020 of 13 October. The Equality Plan sets out Adif's firm commitment and approach to equal opportunities and has been signed by all members of the Company's Management Committee.

In 2021, the **1st Equality Plan and two protocols** were in effect at Adif AV, the first protocol to guard against workplace harassment (signed in 2011) and the other against sexual and gender-based harassment (amended in 2016). Both protocols have recently been updated, following negotiations with trade union representatives, and have yet to be approved by the negotiating committee of the 2nd Adif and Adif AV Collective Bargaining Agreement.

The 1st Adif AV Equality Plan of June 2019 envisions, as part of the specific objective of access to employment, the need to "prevent gender discrimination in access to employment at Adif". These measures include equal treatment for men and women by recruitment and selection bodies; a new module on equality between women and men and another on gender violence in the induction courses for new staff; ensuring that pregnant candidates, those on maternity leave and people with disabilities are able to take part in external and internal selection processes, among other initiatives.

To disseminate Adif AV's experience and best practice in implementing its two equality plans, in 2021 the Company took part in the forum held by the **Spanish Association for Quality (AEC)**.

Adif AV has always worked to eliminate barriers and facilitate access for everyone, and to succeed in this task it has implemented the **Adif ACERCA service at stations to facilitate mobility for people with disabilities or reduced mobility**. But we want to become more and more inclusive by incorporating diverse talent. That is why we work with organisations, such as Plena Inclusión, to help us integrate people with disabilities into the company, promote the labour rights of people with HIV or encourage full inclusion and a respectful working environment for the LGTBI community.

When it comes to equal opportunities, it is certainly worth noting that the number of complaints of discrimination in the workplace and the percentage of women to have received training continue to be included in our corporate responsibility scorecard.

Further highlights include the new edition of the **Lidera programme**, developed by Adif alongside the **Royal Academy of Engineering**, within the framework of the Women and Engineering project, which aims to facilitate the incorporation of **female STEM talent** in the workplace in what is a mentoring experience for young female Adif workers.

The aim is to continue to promote actions and behaviours that champion non-discrimination between the sexes in employment, thanks to initiatives included in the 1st Equality Plan or addressed in the Equality Table and by the Committee for Social Policy and Equality.

Many of these measures are contained in the **Programme of Equality Initiatives** with the aim of taking action in the short run to eradicate any evidence of gender discrimination in the workplace. The measures are promoted through a **new space on the internal website** there to raise awareness and inform all employees about equal opportunities, work-life balance, diversity, inclusion and shared responsibility between mother and father.

Equality and diversity objectives were also integrated into the **new 2030 Strategic Plan** in 2021, in alignment with the Sustainable Development Goals. Aside from the 2030 Strategic Plan, another key reference point when it comes to these kinds of measure is the 2nd Collective Agreement of Adif and Adif AV, the 1st Equality Plan and the programme of Equality Initiatives.

Adif AV has lent its fully support to the SDG campaign promoted by the United Nations Global Compact Spain.

In addition, the various **internal communication channels** (Inicia, mails, newsletters or Microsoft Teams cards) have been used to gather relevant information on events, courses and other **initiatives related to equality** at Adif AV and within the wider national and international railway sector.

No instances of discrimination were or reported at the Company in 2021¹.

Adif AV took part for the second time in the **Target Gender Equality (TGE)** programme of the United Nations Global Compact, earning an improvement of 10 percentage points with respect to the result obtained in the first edition in its WEP measurement tool.

The Company set up a **new Equality and Diversity Office** in 2021 in a bid to prevent potential situations of discrimination not only based on gender, but also targeting social minorities who may be at risk of exclusion from employment (people of any sexual orientation, people with disabilities, people with HIV, transgender people, etc.). Anti-discrimination training, information and awareness-raising are carried out through the Company's intranet and the new equality and diversity website. This space has a **suggestions box** dedicated to the subject.

Adif AV joined the Responsible Companies campaign of the *Trabajando en Positivo* network by producing and releasing a video against discrimination of HIV-positive people, starring its head of Human Resources.

In addition, MITMA (Ministry of Transport, Mobility and Urban Agenda) and Adif AV signed a **protocol with the Business Network for LGTBI Diversity and Inclusion (REDI)**, through which they are taking action to raise awareness and disseminate related information.

Lastly, numerous exhibitions were held as part of Adif AV's **Open Station Programme**, whereby various associations —many of them related to the defence of women and their rights or the fight against violence against women— are offered space within Adif stations to carry out their activities there, at no cost to them. The Company stepped up its efforts to disseminate all the support measures provided by the company to victims of gender-based violence, while also **setting up a Violet Point** at institutional level.

¹ Content related to **GRI 406-1**: Incidents of discrimination and corrective actions taken

6.3.8. Workplace health and safety

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





- 5th **Zero Accident Plan** .



- **Training** in OHS.
- Programme of **internal audit visits**.
- **Consolidate and reinforce the preventive culture** – Technical Conferences.
- **Health screenings:** Health check-ups and psychophysical tests.

Adif AV views occupational risk prevention as a legal, ethical and social requirement. This commitment reflects the principles set out in section 8 – **Prevention Policy of the Occupational Risk Prevention Plan**.

Initiatives aimed at improving end-to-end safety (operational, environmental, civil protection, **occupational health and safety** and information security) continue to be deployed under the "safety" strategic pillar of the new 2030 Strategic Plan.

The strategic initiative envisioned in the **5th Zero Accident Plan** will contribute to the fulfilment of the UN Sustainable Development Goals (SDGs) through its associated targets and indicators.

This V Zero Accident Plan has been agreed by Adif and Adif Alta Velocidad with the specialised workers' representation within the General Health and Safety Committee and the Occupational Health and Safety Commission, respectively.

As stipulated in Spanish Law 31/1995, on occupational safety, Adif AV has a dedicated **Workplace Health and Safety Plan** in place.



Adif AV draws up annual plans for its accident prevention efforts, setting different objectives:



The main lines of initiative pursued on the workplace health and safety front in 2021 were:¹

- **OHS training:** 317 hours of training delivered, compared to a planned 397 (post-COVID-19), giving a compliance ratio of 79.8%.
- **Programme of internal audits:** three audit visits were made to Adif AV assets.
- **Health surveillance:** through health check-ups and psychophysical tests. In 2021, Adif AV conducted 17 check-ups and one psychophysical test. It also carried out 36 medical campaigns and administered 46 vaccinations.

¹ Content related to **GRI 403-5:** Worker training on occupational health and safety and **GRI 403-6:** Promotion of worker health

Adif AV has set up its own **Adif Prevention Service** as a specific organisational unit. Its components distributed across the company are dedicated to carrying out preventive activities and nothing else. It provides the necessary assistance and advice to the various departments of the company, to the workers, to the Prevention Officers and to the Health and Safety Committees^{1,2}

A total of **110** occupational risk assessments were carried out in 2021.



¹ Content related to **GRI 403-1:** Occupational health and safety management system; **GRI 403-3:** Occupational health services; **GRI 403-7:** Prevention and mitigation of occupational health and safety impacts directly linked by business relationships; **GRI 403-8:** Workers covered by an occupational health and safety management system

² Content related to **GRI 403-6:** Promotion of worker health

Channels of communication between the workforce and the company include **trade unions** and **staff representative bodies**, which hold regular meetings with the company and cover all areas of the business: general, traffic safety, occupational health, training and labour relations, among others.³

Key indicators relating to health and safety are as follows:

NUMBER OF OCCUPATIONAL ACCIDENTS BY GENDER^{4,5}

			ACCIDENTS (no. in itinere)	ACCIDENTS in itinere	RELAPSES
2019	Men	With medical leave	0	0	0
		Without medical leave	2	0	0
	Women	With medical leave	0	1	0
		Without medical leave	2	0	0
	TOTAL	With medical leave	0	1	0
	Without medical leave	4	0	0	
2020	Men	With medical leave	0	0	0
		Without medical leave	0	0	0
	Women	With medical leave	0	0	0
		Without medical leave	0	0	0
	TOTAL	With medical leave	0	0	0
	Without medical leave	0	0	0	
2021	Men	With medical leave	1	0	0
		Without medical leave	1	0	0
	Women	With medical leave	0	1	0
		Without medical leave	0	0	0
	TOTAL	With medical leave	1	1	0
	Without medical leave	1	0	0	

³ Content related to **GRI 403-4:** Worker participation, consultation, and communication on occupational health and safety

⁴ Content related to **GRI 403-9:** Work-related injuries

⁵ Content related to **GRI 403-2:** Hazard identification, risk assessment, and incident investigation

Key figures relating to the health and safety indicators (frequency rate¹, severity rate² and occupational accident rate³) are as follows:

		2019	2020	2021
Frequency rate	Men	0	0	2.8
	Women	0	0	0
	TOTAL	0	0	2.8
Severity rate	Men	0	0	0.01
	Women	0	0	0
	TOTAL	0	0	0.01
Occupational accident rate	Men	0	0	4.72
	Women	0	0	0
	TOTAL	0	0	4.72

While key figures on absenteeism are as follows:

ABSENTEEISM

	2019	2020	2021
No. hours lost to absenteeism	11,225	9,789	5,513
Absenteeism rate	2.58	2.25	1.58

¹ Frequency rate = (No. of accidents / hours worked) *1,000,000

² Severity rate = (No. of days lost / no. of hours worked) *1,000

³ Occupational accident rate = (No. of accidents *1,000) / Average no. of workers

DAYS LOST PER WORKPLACE ACCIDENT OR WORK-RELATED ILLNESS

	2019	2020	2021
Men	0	0	2
Women	0	0	0
TOTAL	0	0	2

As in the previous year, there were no occupational diseases in 2021⁴.

Adif AV also has various Health and Safety Committees set up. In 2021, there were **2 meetings** of Adif AV's **Occupational Health and Safety Committee**, the Company's highest management-employee body on matters relating to workplace health, safety and hygiene, which issues guidelines and instructions on related matters; and **4 meetings of the Provincial Health and Safety Committee for Madrid**^{5,6}.

OTHER INDICATORS

	2019	2020	2021
% of employees participating in preventive medicine	20.42	3.22	17.06
Social aid supplement: (€ for medical expenses per employee)	793	0	167
Number of fatal accidents of own employees	0	0	0

⁴ Content related to **GRI 403-10**: Work-related ill health

⁵ Content related to **GRI 403-4**: Worker participation, consultation, and communication on occupational health and safety

⁶ Content related to **GRI 403-5**: Worker training on occupational health and safety

6.4. Passenger focus

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





IN RELATION TO SECURITY:

- Signing **security services contract** to guard against cyber-attacks.
- Putting in **place security Guidance** to further strengthen information security management.
- Increasing **protection and security measures for systems** against intrusions, attacks, unauthorised access to information and/or damage to the organisation's assets.
- Implementing the **new version of the Railway Operational Information Manager (GIFO+)**.
- Improving the **EPR management process** (incentive system or performance regime) to include an automated two-way communication module with the rail companies.
- Automating **management of video surveillance systems** by implementing advanced digital solutions.
- Development of a **new traffic regulation platform: SITRA+**.
- Putting in place the **Asset Security Policy**.
- **Re-framing of the security management process** for protecting the organisation's assets.
- **Drawing up an action Plan to deploy security measures** and thus improve security levels and provide an enhanced response to new cyber-attacks Security risk analysis carried out.
- Carrying out **risk analysis** in terms of security.
- Updating the **Process Map** and creating a risk sheet for each process.
- **Identifying rail traffic conditions** for the testing of new railway operators.
- Development and implementation of **security governance systems**.
- **Developing and deploying the Rail Traffic Safety System**.

IN RELATION TO RESPONSIBLE PURCHASING:

- Complying with the objectives and timelines established under the **regulatory framework of the Recovery and Resilience Facility**.
- **Promoting the achievement of environmental and social objectives**.
- Achieving **more agile procurement processes** and increased legal certainty.



COMMITMENTS 2022

IN RELATION TO SECURITY:

- Ensure the **integrity, availability and confidentiality of the organisation's information and reporting systems**, communications and technologies.
- **Increase infrastructure monitoring capacity** across the various networks to be able to detect anomalous patterns.
- **Renew the EFQM Seal of Excellence.**

IN RELATION TO RESPONSIBLE PURCHASING:

- Meet the **tendering and awarding deadlines** set by the European Union in relation to the Recovery and Resilience Facility (RRF).

This chapter describes how Adif AV manages passenger relations, including the mechanisms in place to provide a responsible and efficient service to passengers.

PRIORITIES IN RELATION TO PASSENGER FOCUS



SERVICE



SAFETY



ACCESSIBILITY



SATISFACTION

6.4.1. PASSENGER SATISFACTION¹

Adif AV receives complaints regarding breaches of customer privacy and loss of customer data and related to users of the railway system, railway operators, customers, companies and governments of other countries. There are **various channels in place to ensure communication and transparency** (customer service offices, telephone numbers, email and postal addresses, website, meetings with citizen representatives, social networks, etc.).

Complaints, claims and suggestions related to potential violations of legal or other requirements, incidents or deviations help Adif reach out to its customers, learn more about their expectations and detect ways in which it can manage its stations better. Complaints and claims can be lodged directly at the Passenger Service Offices and are sometimes received by email.



Lessees of the commercial establishments found at our stations

were not asked to complete any satisfaction survey in 2021 because the COVID-19 pandemic led to a reduction in the number of passengers at stations. This reduction in passengers also meant that many of the stores operating at the stations remained closed during the period. Therefore, it is concluded that the results obtained would not reflect the true levels of satisfaction, needs and expectations of the merchants.

Adif AV listens closely to its customers' views about the company and therefore carries out a study to determine perceived quality:

¹ Content related to **GRI 418-1**: Substantiated complaints concerning breaches of customer privacy and losses of customer data

PERCEIVED QUALITY SURVEYS

	2019	2020*	2021
Perceived quality at stations (points/10)	7.76	-	7.83
Perceived quality in freight transport (points/10)	-	-	7.5

Adif also operates a **grievances and suggestions service** to facilitate communication with customers and helps it to understand their expectations and detect areas where management can be improved, while establishing a protocol for the correct handling of any incidents. A computer application known as **RECLAMA** is used to handle all cases. Users receive responses either in writing at their mailing addresses or via email.

In addition, aggrieved customers can enter their complaint in a book available at the Passenger Services Offices or in some cases send an email to convey their grievance.

In 2021, claims, complaints and suggestions were also handled through the Adif ACERCA service.

Key information on claims and complaints received is as follows:

CLAIMS RECEIVED AT PASSENGER STATIONS

	2019	2020	2021
No. of claims	2,439	1,003	1,866



*No surveys were carried out in 2020 due to the exceptional situation caused by the COVID-19 pandemic

COMPLAINTS RECEIVED BY TOPIC

	2020	2021
Outsourced customer service	1	2
Adif ACERCA support service	0	338
Outsourced information	0	0
Safety/security	283	464
Commercial services	61	33
Equipment	153	280
Facilities and accessibility	331	476
Customer service	49	52
Station commerce	4	4
In-station information	121	217
International information and bookings	0	0
Information, booking and nationwide ticket phone sales	0	0

SUGGESTIONS RECEIVED AT PASSENGER STATIONS

	2019	2020	2021
No. of suggestions	158	87	65



A record is also kept of all suggestions received, revealing the following key figures:

SUGGESTIONS RECEIVED BY TOPIC ¹

	2020	2021
International information and bookings related suggestions	0	0
Adif ACERCA support service	0	11
Commercial services related suggestions	15	0
Security related suggestions	4	3
Station information related suggestions	6	6
Customer service related suggestions	3	2
Equipment related suggestions	17	21
Installations and accessibility related suggestions	42	22
Station sales related suggestions	0	0
Outsourced information related suggestions	0	0
Outsourced sales related suggestions	0	0
Outsourced customer service related suggestions	0	0

¹ No record is available for 2019

{ STATION MAINTENANCE AND ACA SERVICES

Various kinds of maintenance service for passenger stations are provided depending on the type of stations with passenger traffic and their needs, with comprehensive maintenance services available at all stations or in certain areas of the station.

These services include preventive maintenance, conductive maintenance, inspections of asset condition and routine maintenance, globally covering all equipment and general installations present at the stations (lighting, air conditioning, plumbing, building, etc.) across the entire station, between entrance signs.

At stations offering specific commuter travel services, the maintenance work is limited to checking and controlling asset condition from the platforms to entrance signs and certain equipment directly related to the provision of services to passengers.

Ordinary routine **maintenance** activities are carried out in **45 Adif AV stations**, making it possible to review and control the condition of assets outside platforms.

The contract also provides for the performance of extraordinary services, corrective maintenance or further maintenance work to cover any specific situations that may arise and are not included as part of the routine maintenance services.

The maintenance work was due to start in October 2021 through a facility maintenance agreement:

- **Facility maintenance.** Provision of comprehensive maintenance services at passenger stations.
- **On-site facility maintenance.** Provision of auxiliary and additional external maintenance services at passenger stations.

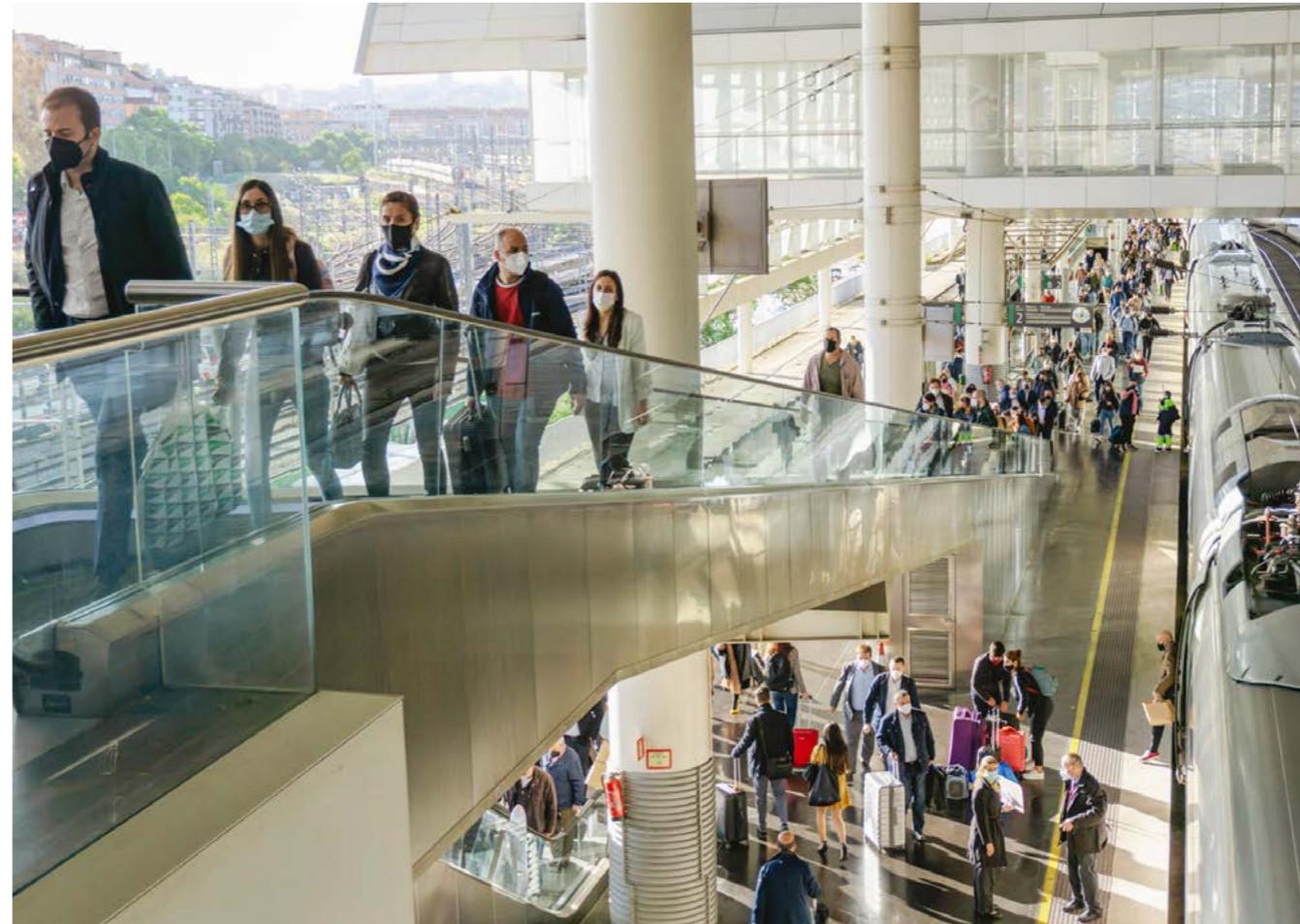
In the case of **on-site facility maintenance**, the contract model is based on the provision of on-site services to be performed by the company awarded the contract so as to maximise facility uptime and ensure the continuous operation of the stations. This may include availability of personnel to carry out auxiliary and complementary on-site routine maintenance services at certain stations, at the times and days of the week defined for each station.

Initially, just one post per work shift will be filled at each station so that the person assigned to that post can ensure that the station is ready to provide normal rail services, customer service and management of station services, service and handling of passenger information media, control of third party activities at the station and general services, while also performing complementary activities, handling computer applications, updating station data, filling in quality forms, monitoring the state of the assets, overseeing relations with third parties and similar functions.

The work also includes support in response to incidents or emergencies, including the use of defibrillators, if available, and the use of fire protection equipment or other resources present at the station.

For **routine services**, the contract lists **a total of 68 stations, 17 of which belong to Adif AV.**

The tendering process for the contract took place during 2021, with the contract due to start in the second quarter of 2022.



6.4.2. ACCESSIBILITY

{ UNIVERSAL ACCESSIBILITY

The SP2030 Strategic Objective of social cohesion also includes all the improvements made in terms of station accessibility, being this issue, accessibility, a social challenge of utmost relevance for Adif AV. Therefore, the aim is to progressively improve the accessibility conditions of the stations we manage, thus eliminating difficulties that may lead to discrimination in access to rail transport.

Along these lines, Adif AV continues to work on annual action plans with the ultimate aim of guaranteeing transport based on criteria of equality, dignity, maximum autonomy, comfort and safety, which is accessible and does not represent barriers for people with disabilities.

In this regard, and given the large number of passenger stations throughout Spain, the main efforts are being focused on the stations with the largest number of passengers, in accordance with the regulations, although without forgetting the rest.

It should be noted that the measures established for stations with more than 750 passengers/days mainly involve the construction of crossings at different levels, the construction of which affects the track as it is necessary to widen platforms for the construction of the entrances equipped with lifts to these crossings, which means that they are generally technically complex actions and, therefore, result in higher budgets.

In 2021, Adif owns 1,450 stations, **Adif AV owns 45**, of which 591 are managed by Adif, and in 859 the management has been entrusted to Renfe-Operadora by virtue of the 2011 Agreement for the provision of services in Cercanías stations.



Although Adif and Adif AV are fully aware that there is still much to be done in the field of accessibility, currently, of the 1,495 passenger stations in the network owned by railway infrastructure managers, 862 stations managed by Adif and Adif AV have an accessible route, serving 874.26 million passengers/year; and allow around 85.94% of passengers travelling on the entire network to do so independently (data based on passengers with commercial service in 2019). Both Entities continue to work to ensure that more and more stations have an accessible route, with at least 25 stations serving more than 20 million passengers/year in operation with varying degrees of progress.

To this end, in 2021, an investment has been undertaken for the drafting and execution of works in Adif and Adif AV stations for an amount of €23.9M (VAT included) of which €5.80M (VAT included) correspond to actions related to accessibility.

ACCESSIBILITY AT STATIONS ¹

	UNITS	2019	2020	2021
DISCLOSURES ON OUR PERFORMANCE WITHIN SOCIETY AND ON PRODUCT LIABILITY	% of passengers accessing stations with accessible routes managed by Adif/ Adif AV ²	85.07	85.45	85.94

¹ Universal accessibility for persons with disabilities (integrated data Adif/ Adif-AV)

² Data based on 2019 commercial travellers.

{ ADIF ACERCA SERVICE



Support and assistance provided by Adif for railway passengers with disabilities or reduced mobility. It is a personalised service that guides, informs and facilitates passenger access to and transit through stations, while also providing assistance in boarding and alighting from trains:

- From the time the passenger arrives at the "Adif ACERCA" support point at the station of origin or is picked up at a specific meeting point at the station, inside the station, until he/she is placed on the train.
- From their arrival at the destination station to the agreed drop-off point at that station, which will include any mechanical assistance that may be needed (lifting platforms, plates, wheelchairs, etc.).

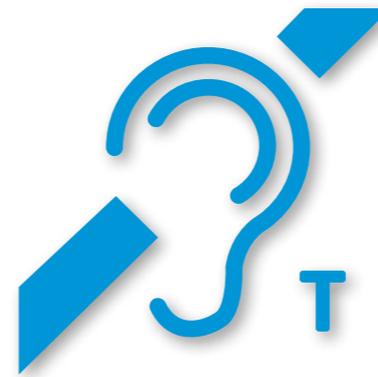
This service is an offshoot of the *Atendo* service provided by Renfe Operadora and has been taken over by Adif in an environment of liberalised rail passenger transport services, thus ensuring that the customer receives the same treatment and guaranteeing the principle of equal and fair treatment for all.

The service includes two modalities depending on the station:

- **Permanent service** at 69 stations, 35 of which are Adif AV stations, where assistance must be requested 30 minutes prior to departure on journeys between stations where this service is permanently available.

- **Occasional service** at 72 stations, 8 of which are Adif AV stations, where assistance must be requested at least 12 hours in advance.

{ DIALOGA SERVICE



The DIALOGA Service is aimed at people with hearing disabilities, facilitating communication and access to station service information through sign language video interpreting

It is now **part of the Adif ACERCA service**, which is provided at Adif offices located in the following stations: Alicante Terminal, Barcelona Sants, Córdoba, Madrid Chamartín Clara Campoamor, Madrid Puerta De Atocha, Málaga María Zambrano, Sevilla Santa Justa, Valencia Joaquín Sorolla, Vigo Urzaiz and Zaragoza Delicias.

A station **public address service** is also provided, which is represented textually on information boards, while the most relevant incidents, emergency situations and other general messages are transmitted in sign language.

This service is provided at the following stations: Alicante Terminal, Albacete Los Llanos, Valencia Joaquín Sorolla, Girona, León, Madrid Puerta de Atocha, Málaga María Zambrano and Sevilla Santa Justa, Barcelona Sants, Córdoba, Madrid-Chamartín-Clara Campoamor, Vigo Urzaiz y Zaragoza Delicias.

A **telephone information and text communication** service is also available for **mobile devices**.

6.4.3. SAFETY AND SELF-PROTECTION¹



- RRF action titled "**Digitalisation and processing of information caught by security cameras at stations**". Automated management of video surveillance systems at our control centres through the implementation of advanced digital solutions.
- Creating an **Asset Security Policy**.
- **Reframing the Security Management process**.



- **No. of crimes with an impact on activities:** ≤180.
- **No. of intentional attacks:** ≤24.
- % of **emergency situations** to have triggered the Self-Protection Plan: 100.
- **Score relating to the provision of surveillance and security services:** ≤36.

¹ Content related to **GRI 416-1**: Assessment of the health and safety impacts of product and service categories

When it comes to security and self-protection, Adif AV works hard to ensure the functionality, continuity and integrity of critical infrastructures in order to prevent, mitigate and neutralise any damage caused by a deliberate attack against such infrastructure. The Company has **Operator Security Plans** in place, which are essentially the strategic documents setting out the general policies of critical operators to guarantee the security of all installations.

Adif AV also has **Specific Protection Plans** defining the specific measures already put in place and those to be adopted by critical operators to ensure the comprehensive safety of its infrastructures. These documents:



- Identify the levels of risk to which each of the infrastructures is exposed.
- Contain action plans for the prevention, management and response to risks that may endanger railway infrastructure.
- Plan and coordinate security-related actions.
- Enable enhanced protection of railway infrastructure in order to make it more resilient.
- Existing plans and procedures have been coordinated and standardised.

SAFETY

- Presentation of 169 administrative complaints and 372 criminal complaints.
- Performance of 1,265 safety inspections and 66 extraordinary interventions.
- 1,394 instances of aid provided to individuals.
- 289 instances of aid provided to victims of accidents.
- 1,510 support services provided to external entities (security forces and corps, fire brigade, 112, etc.).
- 1,392 support services provided to railway undertakings (Command Points, Maintenance, Stations, etc.).
- 4,931 instances of operational support provided to authorities.
- Detection of 29,726 banned objects during luggage security controls.

In 2021, the Secretary of State for Security sent Adif, following its review by the CNPIC, its resolution to approve six of the Specific Protection Plans for the infrastructure flagged as critical at Adif AV, which currently represents 85.7% of total infrastructure.

SELF-PROTECTION AND EMERGENCIES

- 31 self-protection plans carried out.
- 53 drills performed.
- 89 inspections of protective assets and facilities.
- 244 training days for internal and external staff with 2,500 participants.

6.4.4. RAIL TRAFFIC SAFETY

It involves the control of risks inherent to train traffic, arising from Adif AV and Operating Companies' own activity, giving users confidence in the network through which they travel. **Adif AV's rail traffic safety is handled by Adif.**

Key actions in the realm of rail traffic safety:

Safety oversight actions	Implementation of and compliance with applicable regulations in relation to our operational activities is verified
Rail transport control actions	Risk situations are detected while trains are in transit
Operational control actions	Compliance with existing technical operating rules is verified, including the good condition and maintenance of fixed installations and rolling stock
Development and implementation of the TSMS	Group-wide multidisciplinary working groups set up
Traffic safety governance	Regular meetings are held with the General Traffic Safety Committee and the Adif TSMS Monitoring Subcommittee, among others
Traffic safety improvements	Monitoring actions are carried out to provide valuable inputs for the cycle of continuous improvement

The main safety activities carried out at Adif AV are as follows:

- Renovation of installations along the Madrid–Seville high-speed line.
- Control, command and signalling (CMS) installations, train protection systems, auxiliary detection systems, power systems, fixed and mobile telecommunications for the high-speed line.

Accordingly, Adif's **Traffic Safety Management System (TSMS)** is an essential part of the **safety management system**, providing, inter alia, procedures for managing safety, the distribution of responsibilities, risk assessment and management, aspects related to human factors, promoting a safety culture of mutual confidence and learning, and mechanisms to disseminate information.

Adif AV undertakes numerous monitoring actions to ensure the early detection of deviations

Notably, a second assessment of the maturity of **Adif's Traffic Safety Management System** was carried out in 2021, showing that considerable progress had been achieved in aspects such as staff competence, TSMS document management, change management, management of TSMS improvement actions, relations with contractors, partners and suppliers and, above all, in making human and organisational factors part of safety management. On this particular point, further progress will be made throughout 2022.

DISCLOSURES ON OUR PERFORMANCE WITHIN SOCIETY AND ON PRODUCT LIABILITY

	2019	2020	2021
Score for the provision of the surveillance and security services points (points/45)	37.55	39.41	38.94
Deliberate attacks on critical infrastructure (No.)	9	17	13
Emergency situations triggering the Self-protection Plan (%)	100	100	100
Crimes with an impact on activities (No.)	101	42	118

{ NOTEWORTHY INITIATIVES IN THE REALM OF TRAFFIC SAFETY

SAFETY OVERSIGHT ACTIONS	Adif carries out oversight initiatives to verify the application of, and compliance with, the regulations applicable to its activities and operations, and to ensure safety in traffic on the General Interest Rail Network (RFIG) managed by Adif and Adif AV. In 2021, at total of 343 inspections were carried out on the RFIG managed by Adif AV.
---------------------------------	--

OPERATIONAL CONTROL ACTIONS	<p>Compliance with TSMS requirements in relation to operation and maintenance operations is regularly checked.</p> <p>These are Adif/Adif AV scheduled level 1 operational control actions aimed at verifying compliance with existing technical operating standards and performance condition and maintenance checks of the fixed installations and rolling stock whose maintenance and conservation is allocated or entrusted for shunting.</p> <p>The Company also ensures compliance with traffic regulations by monitoring the conversations that go on at the command posts and at the traffic offices and energy remote controls points equipped with voice recording technology.</p> <p>In 2021, 570 line monitoring actions were carried out along the RFIG of the high-speed network and 365 safety inspections were carried out.</p>
RAIL TRANSPORT CONTROL ACTIONS	<p>To ensure the safety of train circulation, systematic and proactive safety-building actions are carried out to detect risk situations before the trains depart from the station and thereafter at the stops they make along the route to their final destination.</p> <p>In 2021, 28,424 wagon weighing actions and 6,736 proactive recognition actions on specific elements were carried out for the RFIG managed by Adif and Adif AV.</p>

DEVELOPING AND DEPLOYING THE RAIL TRAFFIC SAFETY SYSTEM

Adif AV continues to develop and implement its Traffic Safety Management System, for which **a total of 20 TSMS documents were approved or updated** in 2021.

As part of this system development process, various internal, transversal and multidisciplinary working groups were set up in 2021 to draw up and implement the necessary documentation. These groups include: Group tasked with the management of the General Hazard Register; Group tasked with transposing the risk matrix to the General Hazard Register; Group tasked with the management of interfaces with other infrastructure operators and rail companies at functional connection points with other railway networks; and Group tasked with the management of the risks of organisational changes due to geographical/functional mobility, including the delegation of safety competences.

TRAFFIC SAFETY GOVERNANCE

Adif AV has an extensive safety governance system in place, which is integrated into Adif's governance bodies. These governance bodies hold regular meetings to monitor and develop the tasks that fall within their remit, as detailed below:

Joint governance bodies with Adif, including Adif AV representatives:

- Operational Safety General Committee (3 meetings)
- Central Technical Committee (8 meetings)
- Sectoral Committee for Maintenance and Operations (4 meetings)
- TSMS Monitoring Subcommittee at Adif (6 meetings)

Own governance bodies at Adif AV:

- TSMS Monitoring Subcommittee at Adif AV (3 meetings)
- Security Indicators Monitoring Committee (5 meetings)

TRAFFIC SAFETY IMPROVEMENTS

Aside from operational control and safety oversight actions, the Company runs numerous surveillance actions to provide valuable input for the continuous improvement cycle in place. Notable improvement actions in 2021 included the following

- Review report drawn up by management (7 improvement proposals)
- Internal audit of the TSMS (4 Non-conformities and 11 Observations)
- AESF audits (4 audits with functional coordination – Adif AV)
- Renewal of security clearance (10 residual problems)
- Assessment of TSMS maturity (20 actions)
- Recommendations on accidents and incidents (1 CIAF report with 3 recommendations)
- EFSF technical recommendations (5 recommendations)
- EFSMA Circular Resolutions (8 Circular Resolutions)
- EUAR Alerts (8 alerts)
- Other legislative/regulatory documents/recommendations (up to a total of 184 documents reviewed)

{ 24H NETWORK MANAGEMENT CENTRE

Adif AV has a 24H Network Management Centre, which operates 24/7 and leads and coordinates the territorial traffic areas. It is the main liaison between Adif's maintenance and construction areas and railway operators to ensure that the temporary capacity restrictions generated by Adif in the RFIG are compatible with the operators' needs, and to resolve any contingencies that may disrupt the normal development of the Transport Plan and the scheduled execution of works and infrastructure projects quickly.

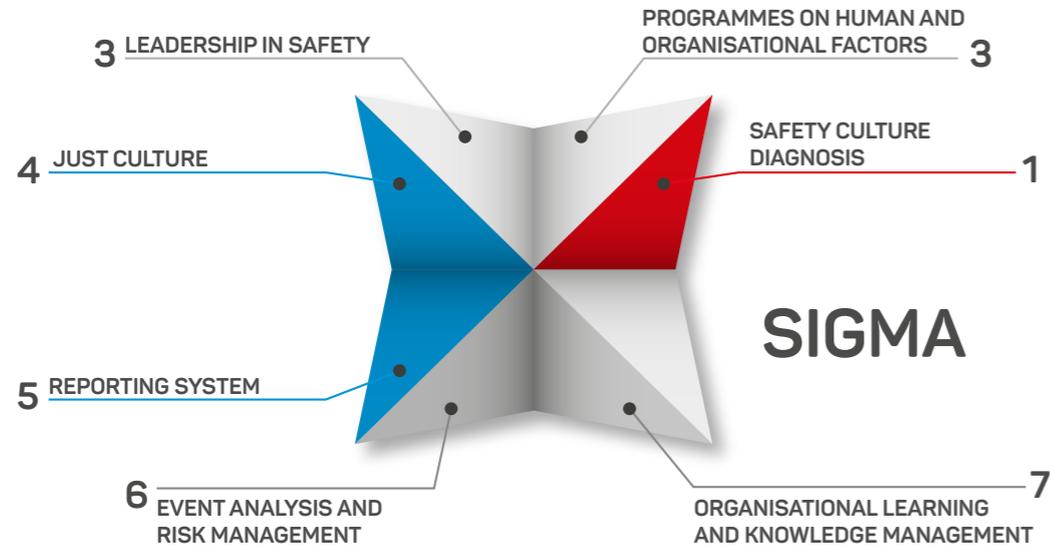
Representatives from the Company's communication and other business areas work there to coordinate actions and share information in real time.

The centre shares IS tools with all Traffic areas and any others involved in rail traffic to perform its management and control functions.

SECURITY CULTURE

A safety culture is the way people in an organisation think and do things in a broadly similar way on matters relating to safety.

Adif AV shall promote this Safety Culture across the entire organisation by promoting and implementing the **SIGMA Project**.



In **2021**, work was carried out on **three of the seven pillars** underpinning the Sigma Project: a diagnosis of the existing safety culture; the formation and training of an internal team of specialists in HOF (Human and Organisational Factors) and the development of a just culture.

Work is now in progress to entrench the pillars of safety leadership and to build a notification and reporting system, with the aim of launching the system next year.

Figures on casualties during the year are as follows:

INFORMATION ON ACCIDENTS AND CASUALTIES

	2019	2020	2021
No. of traffic accidents	3	0	3
Men killed	0	0	0
Men seriously injured	2	0	1
Women killed	0	0	0
Women seriously injured	1	0	0
Total no. of casualties (killed and seriously injured)¹	3	0	1

To help implement the criteria set out in the Safety Policy, the **Annual Traffic Safety Plan (ATSP)** is approved by the General Operation Safety Committee, where Adif AV Safety Objectives are established, along with programmes and actions to enable their fulfilment. Follow-up indicators are used to track these objectives throughout the year by the organisational and participatory bodies that make up the governance of their respective TSMS, thus allowing us to detect deviations and draw up action plans.

¹ Accidents with casualties in the year, of the total number of traffic movements along the RFIG network managed by Adif AV

6.4.5. INFORMATION SECURITY (CYBER SECURITY)



- Entering into **managed security services agreement** to protect Adif and Adif AV infrastructure against cyber- attacks, with service and support provided to the two main areas: Governance, Risk and Compliance Area, which is focused on regulatory compliance, risk analysis, risk response plans and auditing; and the Operations Area (Managed Security Operations Centre), which is focused on prevention and detection of attacks and threats, to prevent any security incidents that might threaten Adif and Adif Alta Velocidad information systems (investigation, containment, mitigation and troubleshooting).
- Signing the **new updated security guidance** following the enactment of Royal Decree 43/2021 of 26 January, implementing Royal Decree-Law 12/2018 of 7 September, on network and information system security. The new guidance provides further

clarification on competent authorities, single point of contact and notification, security requirements and security officer (CISO).

- **Increasing protection and security measures for systems** to protect Adif and Adif AV information systems against intrusions, attacks, unauthorised access to information and/or damage to the organisation's assets.
- Conducting the annual risk assessment through the **Information Security Management System**, in order to identify and minimise the risk level of the areas subject to analysis and the projects to be carried out at the various business areas.



COMMITMENTS
2022

- **Guarantee the integrity, availability and confidentiality** of the organisation's information and of the systems, communication infrastructure and technologies that support the various business processes.
- **Draw up an action plan** to deploy tougher security measures and provide additional network protection and thus improve security levels and provide an enhanced response to new cyber-attacks.
- **Extend the scope of the Information Security Management System** to cover all of Adif and Adif AV.
- **Carry out action plans to respond to the risks** detected at the relevant areas and departments, thus making the cybersecurity system more mature.
- **Increase monitoring capacity of the IT/OT infrastructure** of the different Adif and Adif AV networks so that anomalous patterns and potential security threats can be detected by the Security Operations Centre.

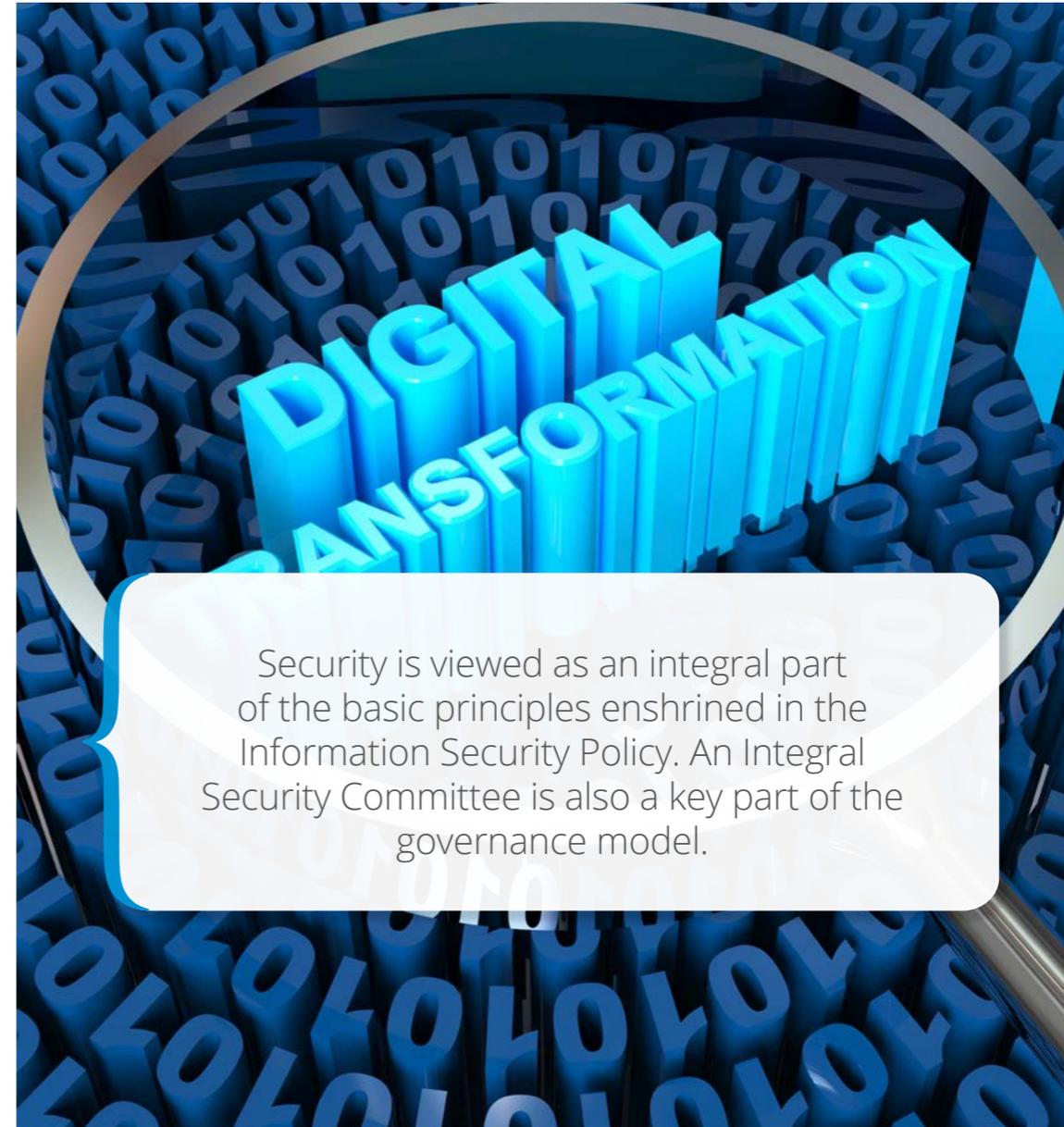
Cyber-attacks have risen sharply in recent times and are becoming increasingly sophisticated, so they now pose a genuine threat to companies.

Information security is a cross-cutting element that permeates each and every activity of the company and is part of every stage of the information systems life cycle, from conception all the way through to decommissioning.

Digital transformation enables the creation of **more efficient processes** that not only achieve better business results, but also **more sustainable ones**.

As for the improvements made during the year, the most important was the expansion of the capacities of the areas and departments that manage information security, enabling them to become genuine levers for the end-to-end management of cybersecurity across the company. Adif AV also has an **Information Security Policy** in place, which includes a statement of principles and objectives to ensure proper management of information security, aligned with the organisation's strategic guidelines and prevailing law and regulations. It was signed in October 2019 by the Chairwoman of Adif and is reviewed annually.

The policy applies across the entire organisation and reflects the Company's pledge to uphold and apply the rules and procedures on which the policy is based by ensuring compliance with regulations and its own business requirements



Security is viewed as an integral part of the basic principles enshrined in the Information Security Policy. An Integral Security Committee is also a key part of the governance model.

6.4.6. QUALITY CERTIFICATIONS AND SEALS OF EXCELLENCE

In 2021, the adaptation of Adif AV management to the structured frameworks of recognised international validity of the International Organization for Standardization (ISO) and European Foundation for Quality Management (EFQM) standards will continue to be favoured.

Likewise, Adif AV promotes the correct management by processes in the organisation, detecting the strengths and opportunities for improvement of the Entity.

With regard to the **Certifications and Seals of Excellence** held by the Company, Adif AV has earned the **500+ Seal of Excellence from EFQM** (European Foundation for Quality Management), and is also certified under the following standards: ISO 9001 "Quality", ISO 14001 "Environment", ISO 166002 "R&D", ISO 27001 "IT Security"

Scope of these certifications:

EFQM 500+ SEAL OF EXCELLENCE.

All of Adif AV.

STANDARD: ISO 9001.

All of Adif AV in relation to:

- Management of the construction, maintenance and operation of the general interest rail network (RFIG).
- Management of the construction, maintenance and operation of the high-speed rail network comprising the RFIG.

CENTRES OF OPERATION:

Adif AV's overall footprint is described in detail in chapter 3 of the Adif and Adif AV network statements and their annexes and maps.

STANDARD: ISO 14001

Control and oversight of compliance with the environmental conditions set down in Adif's environmental impact statements, its environmental oversight plans and the requirements applicable to its rail infrastructure and facility construction activities.

Management and coordination of research studies and projects related with rail infrastructure and facilities.

STANDARD: ISO 27001.

The information systems supporting the operating service of Adif AV's Information Systems and Technology Department, in accordance with the applicable statement in force.

STANDARD: UNE 166002

Research, development and innovation in railway technology.



6.4.7. RESPONSIBLE PUBLIC PROCUREMENT¹

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }



¹ Content related to **GRI 102-9**: Supply chain



- Complying with the objectives and timelines established under **the regulatory framework of the Recovery and Resilience Facility**
- **Responsible Public Procurement Project:** actively promoting the achievement of environmental and social objectives that go beyond the mere procurement of works, services or supplies.
- **Implementing administrative efficiency actions and support to technical areas in procurement**

processes: Achieving more agile procurement and increased legal certainty for the technical areas, while also carrying out a series of dissemination and training events on procurement processes and the digitalisation of electronic tenders.



- Meet the **tendering and awarding deadlines** set by the European Union and Adif AV in relation to the

Recovery and Resilience Facility (RRF).

With regard to the **legal regime governing procurement**, Adif AV is subject to Royal Decree-Law 3/2020, on urgent measures incorporating into Spanish law various European Union Directives in the field of public procurement in certain sectors, namely private insurance, pension plans and funds, taxation and tax litigation. It is also subject to Additional Provision 8 of Law 9/2017, on public sector procurement, transposing into Spanish law the Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU¹.

As regards the **wording of the terms** for Adif AV tenders, it is worth noting that certain employee clauses are common to all tenders. These clauses may be supplemented by other clauses chosen by the technical department tasked with drawing up the contract; these other clauses being more specifically related to the subject matter of the contract in question. The following clauses can be found in all of the contracts:

- Employ, for the fulfilment of the contractual obligations, a percentage of permanent employees equal to or higher than 20%.
- Employ, for the fulfilment of contractual obligations, a percentage of female workers equal to or higher than the national average of new employees in the (affected) sector, provided that the availability of the construction labour market allows for this.
- Employ a percentage of workers with special needs equal to or greater than 1% for the fulfilment of contractual obligations, provided that the availability of the labour market in the (affected) sector allows for this.
- Fulfil contractual obligations in strict compliance with applicable health and safety regulations.

With regard to **environmental contracts**, there are general guidelines on the environmental clauses that should be included when it comes to the procurement of goods, work and/or services. Given the wide array of contracts signed and activities carried out across the organisation, it is the contract managers who select the environmental clauses to be included in each procurement process.

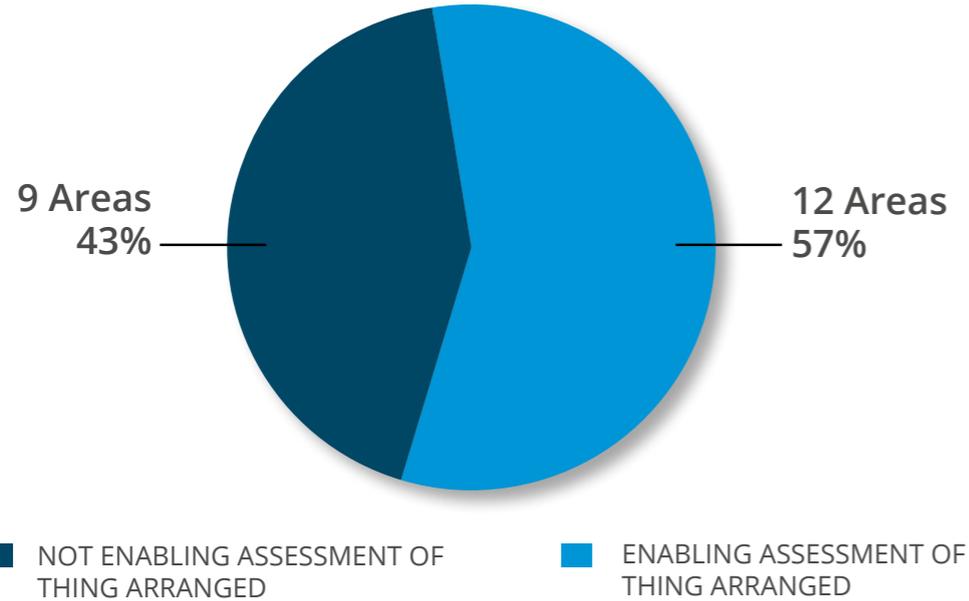
Almost all
Adif AV suppliers
are Spanish

The environmental guidelines and criteria to be followed for the procurement of goods, work and/or services are based on absolute compliance with legal regulations and proper waste management. In addition, where the bidders or manufacturers of products or services have implemented an **environmental management system (such as EMAS or ISO 14001 or equivalent)** covering and certifying the activities to be carried out, this circumstance is viewed in a positive light.

Despite the complexity of **supplier assessment and approval** processes, almost all areas make a positive effort to respond to the needs of the system, in accordance with the reference standards for certifiable management subsystems and the principles of the Public Sector Procurement Law. To succeed in this task, they analyse contracts in terms of compliance with bidding terms and propose improvements that can contribute knowledge and experience in the bidding terms of similar procurement and tender processes down the line.

¹ Content related to **GRI 416-1**: Assessment of the health and safety impacts of product and service categories

DISTRIBUTION OF AREAS ENABLING/NOT ENABLING ASSESSMENT OF WHAT WAS ARRANGED



At present, the process of evaluating what we procure is still not perceived as a process that adds value to management.

This is justified by a number of constraints, including legal impediments on the effective assessment of suppliers.

DISCLOSURES ON OUR PERFORMANCE WITHIN SOCIETY AND ON PRODUCT LIABILITY

	2019	2020	2021
 Purchases framed by responsible criteria (%)	100	100	100



6.5. Business ethics and transparency

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





- Promoting an **ethical culture by** improving and applying the Corporate Compliance Model.
- **Anti-fraud measures.**
- **Strengthening mechanisms for the prevention, detection and correction of fraud,** corruption and conflicts of interest (RRF funds).



- Joining the "**Corporate Integrity Forum initiative**", created and developed by the association Transparency International Spain (TI-E), an international organisation dedicated to the fight against corruption.
- Implement **anti-fraud measures** (RRF funds).
- **New policies to improve the Corporate Compliance Model.**

This chapter provides a brief description of how Adif AV manages corruption, bribery, the fight against fraud and the protection of human rights across all of its activities.

PRIORITIES IN RELATION TO CORRUPTION AND BRIBERY



PRIORITIES IN RELATION TO HUMAN RIGHTS



6.5.1. VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

Adif AV's Board approved the **Code of Ethics and Conduct** in 2009. The Code was revised and updated in March 2015 to factor in regulatory developments in corporate criminal liability and the principles underpinning Ley 19/2013 on transparency, access to public information and governance. In **2019**, framed by the Company's commitment to continuous improvement, Adif AV once again **revised and updated its Ethics Model**, fine-tuning the Code of Ethics and Conduct and approving a series of policies and procedures¹.

This set of policies and procedures lays out the expected standards of integrity, accountability and transparency for all employees in the day-to-day performance of their duties and in their professional relationships. Notably, the signatories of the 1st Collective Bargaining Agreement of Adif and Adif AV, Management and Trade Unions have all adhered to these policies and procedures.

In 2021,
84 employees
received ethics training.

The Code, which was included in clause 12 of the first Adif and Adif AV collective bargaining agreement, is on Adif AV's intranet and is also in the public domain via the corporate website. Adif AV provides its employees with mandatory training on ethical management practices.

¹ Content related to **GRI 102-16**: Values, principles, standards and norms of behaviour

Adif AV thus makes sure that all of its employees are familiar and act in accordance with its principles.

The Code lays down the Company's values with the aim of formalising the conduct expected of everyone belonging to the organisation and its governance bodies. The Code also applies to anyone we have dealings with.

The Code sets out the following commitments:

- Compliance with the law.
- Infrastructure safety.
- Correct use of public resources.
- Professionalism and integrity.
- Prevention of fraud.
- Correct use of information.
- Decency and respect.
- Equal treatment of customers and suppliers.
- Health and safety safeguards.
- Respect for the environment and cultural heritage.
- Protection of Adif AV's reputation.

The Ethics and Compliance Committee is tasked with overseeing and, ultimately, enforcing, the Code of Ethics and Conduct.

WHISTLEBLOWER CHANNEL

Potential breaches of Adif's Code of Ethics and Conduct can and should be reported to the Whistleblower Channel.

The Whistleblower Channel fields claims from Adif AV employees, via the intranet, and from third parties, via the website. Complaints and claims can be reported anonymously so long as they are accompanied by proof or evidence sufficient to justify initiating an investigation. The following **commitments** are ensured throughout the process of reporting and handling claims via the Whistleblower Channel:

- Keeping all personal data and information received through the Whistleblower Channel confidential.
- Ensuring there is no retaliation against any person reporting an incident in good faith.
- Protection of privacy and presumption of innocence for all employees placed under investigation.

In 2021, **Adif AV's external whistleblower channel** drew **1,872 unique visitors** and received **3 notifications** related to alleged breaches of the Code of Ethics

MEASURES IN PLACE TO PREVENT CORRUPTION AND BRIBERY

	2019	2020	2021
Reports via Whistleblower Channel	60 ¹	2	3
Declarations of no conflict of interest	886 ¹	1.050 ¹	136
Employees receiving ethics training	398 ¹	439 ¹	84
Queries regarding conflicts of interest	N/D	30 ¹	0
Queries regarding policy on business courtesies and gifts ²	N/D	N/D	1 ³

The Citizens Portal is accessible via the [corporate website](#).

That commitment translates into a series of **measures and obligations** that are binding upon employees in performing their professional duties:

- Not using Company funds or resources for their own benefit.

¹ Adif + Adif AV

² This indicator is not available for 2019 and 2020

³ Latest available data

- Not accepting preferential treatment or privileges deriving from their positions or jobs.
- Refusing any gift, favour, service or financial benefit that goes beyond common courtesy or hospitality, whether from suppliers, contractors or any other party.
- Not making payments or extending gifts or any other type of offering to public or private sector employees that could sway their decision-making.
- Reporting any conflicts of interest to which they may be party.
- Abstaining from intervening in or influencing decision-making, participating in meetings or accessing confidential information in manners in which they may be conflicted.
- Rejecting favouritism on the grounds of kinship, friendship or any other circumstances, in procurement and employee promotion processes.
- Avoiding practices that might be construed as unethical.



Everything that Adif AV does must be aligned with the public interest and the values set out in our **Code of Ethics and Conduct**. Therefore, everything we do and each decision we make must be:

- Be legally valid.
- Be ethically acceptable.
- In the interests of the Company and of society.
- Each one of us must be willing to be accountable for our actions facing our colleagues, family members and the public.

Moreover, in line with Law 19/2013 on transparency, Adif AV remains strongly committed to reinforcing transparency with respect to its activities, in keeping with best practices in Spain and internationally. That is why it has set up a Citizen's Portal where any interested party can easily access the Company's public documentation.

In addition, Adif AV participates in the **Transparency Portal of the Ministry of Transport, Mobility and the Urban Agenda**, which provides information about public bodies, state-owned enterprises and foundations.



6.5.2. MEASURES IN PLACE TO PREVENT CORRUPTION AND BRIBERY

The **Corporate Anti-Fraud Policy** formulated by Adif AV is framed by its strategic orientation and, specifically, its commitment to creating value for society. Its ultimate aim is to develop



a governance and management model that reinforces Adif AV as a state-owned enterprise that is well-managed and governed by stringent ethics and transparency principles.

The policy applies to the Board of Directors, senior management, and in general, without exception and no matter their positions, responsibilities, areas of expertise or physical locations, all Adif AV employees.

Furthermore, Adif AV's pledge of a **zero-tolerance attitude towards fraud** has translated into certain specific obligations:

- A commitment to report any indication of fraud via the channels put in place to that end.
- Fostering of a culture that strongly dissuades against any form of fraudulent conduct.
- Transmission of reliable information in order to create a true and fair view of Adif AV's activities, strategy and economic, social and economic performance.
- Repudiation of misleading, fraudulent or malicious conduct that could lead to unfair or improper advantages for Adif AV.

A particular highlight in 2021 was the first-time preparation of the **Plan of anti-fraud measures for the sound management of European RRF funds**. Key measures included training for managers and employees on how to prevent, detect and manage fraudulent actions, including::

- Adif AV course against fraud, bribery and conflicts of interest.
- Plan of anti-fraud measures (RRF funding).

Adif AV has a set of internal rules to fight fraud and corruption and prevent its consequences.

POLICIES APPLIED AND KPI MANAGEMENT SYSTEM:

Code of Ethics and Conduct

Institutional Anti-Fraud Statement

Ethics Code Management Model

Regulations of the Ethics and Compliance Committee

Whistleblower Channel Management Procedure

Policy on Conflicts of Interest

Procedure for Dealing with Conflicts of Interest

Corporate Anti-Fraud Policy

Fraud prevention, detection and management procedure

EU Fund Fraud Risk Management Procedure

Policy on Business Courtesies and Gifts

CORPORATE POLICIES

- ✓ Adif AV Code of Ethics and Conduct
- ✓ Corporate Anti-Fraud Policy
- ✓ Conflicts of Interest Prevention and Management Policy
- ✓ Quality Policy
- ✓ Environmental Management Policy
- ✓ Prevention Policy
- ✓ R&D Policy
- ✓ Information Security Policy
- ✓ Integrated Risk Management Policy
- ✓ Universal Accesibility Policy
- ✓ Internal Control over Financial Reporting (ICFR) Policy
- ✓ Security Policy
- ✓ Policy on the Use of Technological Media
- ✓ Whistleblower Channel Protection Policy
- ✓ Guideline for Rail Traffic Safety Policy and Management
- ✓ Sponsorship Policy
- ✓ Gift and Entertainment Policy

6.5.3. ANTI-FRAUD MEASURES PUT IN PLACE

The effort to combat fraud is one of the cornerstones of Adif AV's compliance model.

To exemplify its zero-tolerance stance on fraud and corruption, Adif AV has established a series of measures for preventing and detecting, to the extent possible, any form of fraudulent conduct and remedying the consequences as required. That control system is set out in the Fraud Prevention, Detection and Management Procedure which establishes Adif AV's objectives, duties and measures in the fraud prevention arena.

In 2021, Adif AV took two relevant actions in a bid to combat fraud.

Two key anti-fraud actions were undertaken in 2021:

- Implementation of a **new IT platform for managing the Ethics Channel**, complying with cybersecurity standards in accordance with the provisions of the National Security Scheme.
- **Various courses against fraud, bribery and conflicts of interest.**

In 2021, we set in motion initiatives that improved internal proceedings and, where applicable, court proceedings in civil and criminal matters.

The **EU Fund Fraud Risk Management Procedure** sets out the responsibilities, methodologies and activities assumed or applied by Adif and Adif AV as part of their anti-fraud cycle. That cycle includes all the measures designed to prevent, detect, correct and pursue instances of fraud. The universe of measures articulating the four elements of the anti-fraud cycle pave the way for a proactive, structured, well-guided and comprehensive approach to managing fraud risk, as recommended by the European Commission, thus reducing the risk of the commission of fraud significantly and providing a sufficiently dissuasive culture

Promoting an ethical culture by improving and applying the Corporate Compliance and Anti-fraud Model

In 2019, we set up the **European Union Funds Fraud Risk Self-assessment Sub-Committee**, whose main remit is to prepare, with the frequency established in the related procedure, the Fraud Risk Assessment in terms of impact and probability, using the tools provided by the European Commission and others Adif or Adif AV may wish to create. That Assessment, which encompasses more than 100 controls, must be revised and updated annually.

6.5.4. COMMITMENT TO HUMAN RIGHTS

Adif AV's commitment to treating people respectfully and decently is set down in its **Code of Ethics and Conduct**. The Code ratifies the principles enshrined in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Tripartite declaration of principles.

All Adif AV employees must respect all of the people the Company engages with, both within and outside the organisation. The prevention of discrimination, provision of equal opportunities and decent treatment of all are essential to nurturing a stimulating and productive work climate at Adif AV that translates into positive relationships and credibility vis-a-vis all of our stakeholders.

Adif AV did not receive any complaints of Human Rights abuses in 2021.

6.6. Environmental Management and Climate Change Action

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





IN RELATION TO ENVIRONMENTAL CONCERNS:

- **Centralising information** related to the process across the entire organisation.
- **Standard and centralised management of environmental issues.**
- **Environmental management** of high-speed railway work, subject to EIS compliance.
- **Controlling and monitoring environmental impacts** throughout the operational phase.
- **Responding to requests for information** on environmental matters in accordance with Spanish Law 27/2006.
- Ensuring the **proper management of waste and contaminated land.**
- Promoting the development of **circular economy actions.**
- Monitoring of the **Climate Change Action Plan.**
- Conducting **energy audits** to help minimise GHG emissions.
- Approving **Strategic Noise Maps.**
- Finalising of the drafting of **Noise Action Plans.**
- **Making progress in implementing the common European calculation method for railway noise.**
- **Collaborating** on acoustic zoning, quality objectives and acoustic emissions.

IN RELATION TO BIODIVERSITY:

- **Environmental management** of high-speed railway work, subject to EIS compliance.
- **Controlling and monitoring environmental impacts** throughout the operational phase.
- **Responding to requests for information on environmental matters.**



COMMITMENTS 2022

IN RELATION TO ENVIRONMENTAL CONCERNS:

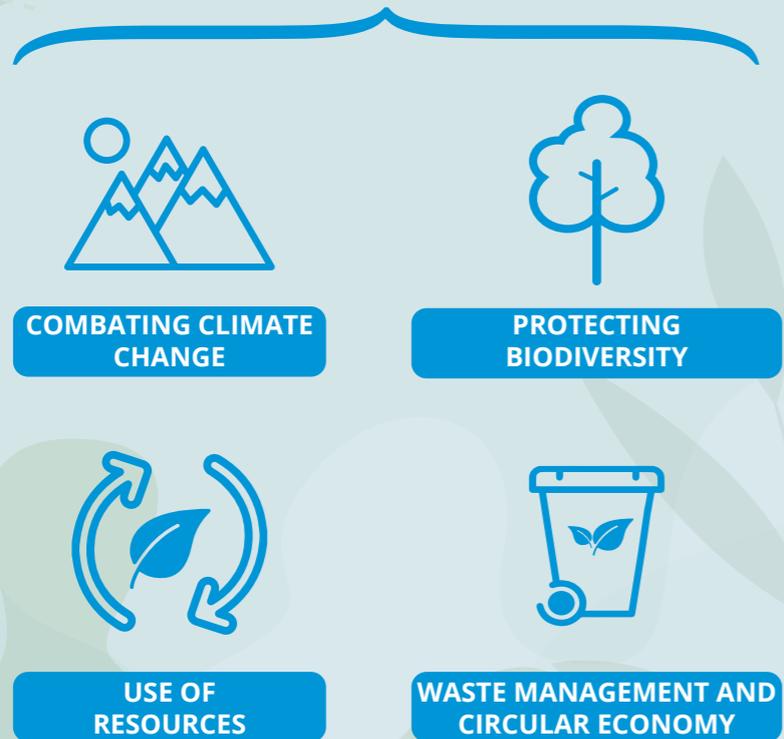
- Seek to **extend environmental certifications to new sites.**
- Promote **new environmental actions.**
- Increase **environmental culture and awareness.**
- Improve the **environmental monitoring system, identify legal requirements and carry out careful environmental planning.**
- Monitor the **Climate Change Action Plan.**
- Coordinate studies analysing **adaptability to the adverse effects of climate change.**
- Implement the new **common noise assessment method.**
- Conduct the **public consultation process** for the Phase III Action Plans.
- Arrange Phase IV of the **Strategic Noise Maps and Noise Action Plans.**
- Tender contracts to **assess the performance of acoustic screens** on high-speed lines.
- Draft the **methodology for acoustic studies** during the operational phase.

IN RELATION TO BIODIVERSITY:

- Draw up a **catalogue of measures for the eradication of invasive alien species** on land affected by railway infrastructure work.
- Develop and implement a **methodology to monitor the management of construction and demolition waste at all sites.**
- Implement **systematic acoustic monitoring** on new lines.

In this chapter we describe how Adif AV manages its environmental commitments and implements measures to combat climate change. These environmental commitments cover issues such as waste management, sustainable use of natural resources and the protection of biodiversity and ecosystems.

ENVIRONMENTAL PRIORITIES



{ ENVIRONMENTAL FIGURES AT A GLANCE

15,016tCO₂EQ
Emissions reduction.

120.26GWh
Improvement in energy efficiency.

89.8%
of renewable energies.

€48.33 M
Resources deployed for environmental protection (Investment+operatin)*.

100%
Waste recovered.

58.98%
of passengers at stations certified in accordance with ISO 14.001.

€3.08 M
Resources assined to fire prevention.

224
Environmental review reports for proyectos.

76
EIS compliance reports.

* Figures at year-end 2020

6.6.1. ENVIRONMENTAL MANAGEMENT ¹

With regard to the environment and its performance, Adif AV has continued to draw up its annual report on this important subject. The **last environmental report** was published for the year 2020, thus fulfilling its commitment to report on the environmental aspects of its activities and the results obtained.



In 2021, Adif and Adif AV worked hard to complete their environmental diagnoses for 43 sites on the metric width network, 6 passenger stations and 3 fuel depots, while also continuing to ensure full legal compliance by identifying and assessing legal requirements. During this period, the Companies reviewed and/or prepared documentation for the processes of Operational Control and Environmental Performance Monitoring and Environmental Measurement and Reporting.

The aim is to identify and respond to actual and potential environmental impacts so as to achieve greater efficiency in its actions, prevent or mitigate negative impacts and enhance opportunities for improvement, along with the sustainable use of resources, focusing primarily on energy use.

¹ Content related to **GRI 102-11**: Precautionary principle or approach

ADIF } **SEGRETATION**
Via mandate

ADIF AV

Adif AV manages the environmental aspects

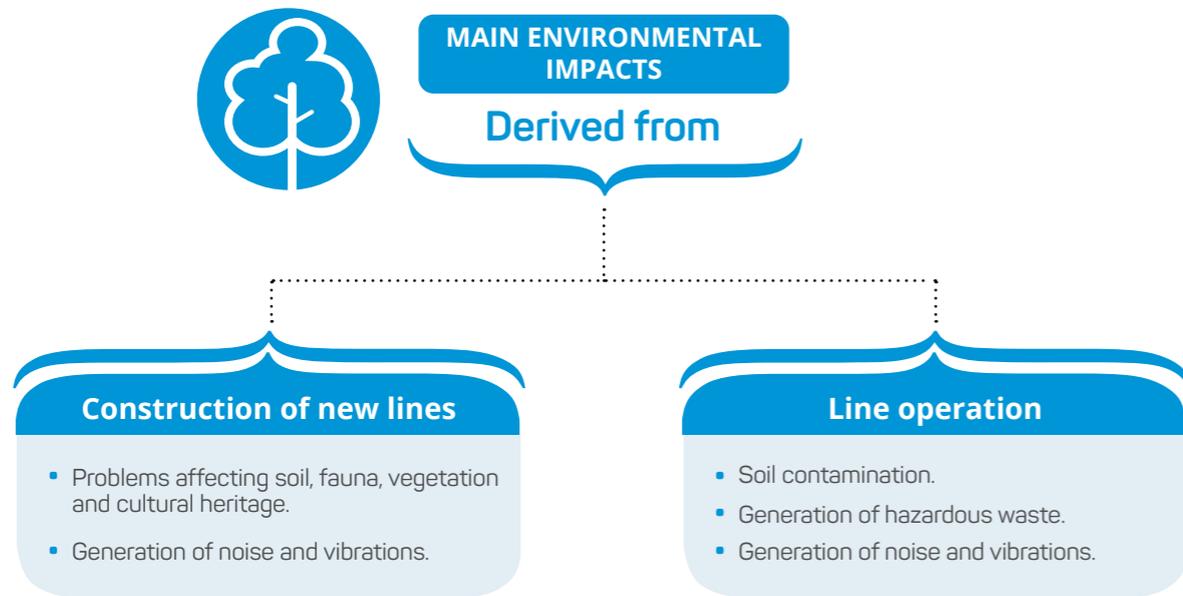


ADIF AV ENVIRONMENTAL MANAGES DUTIES

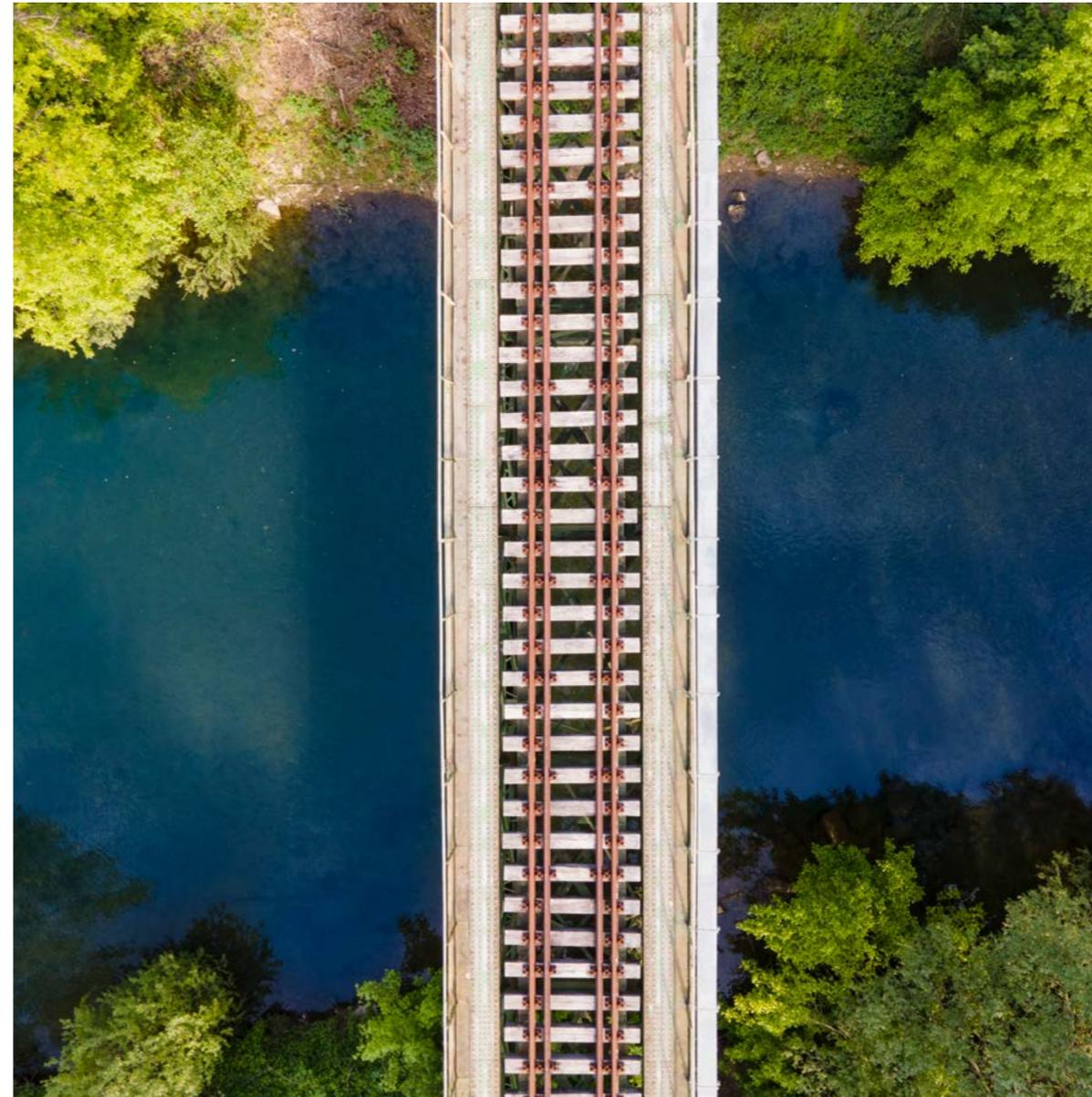
- ✓ Provision of advice on energy efficiency.
- ✓ Support in technical actions related to the environment.
- ✓ Electricity management (non-traction use).
- ✓ Oversight of the environmental Policy.
- ✓ Promotion of certified environmental management systems.
- ✓ Maintenance of open communication and information channels with institutions and the public.
- ✓ Oversight of compliance with applicable environmental legislation.

Adif AV's activity is certified under the scope of the **Environmental Management System**, thus ensuring that the environmental impacts of its activities are prevented, mitigated, corrected or otherwise offset. The ultimate goal is to ensure compliance with environmental law and regulations and to preserve and protect the environment and biodiversity.

Adif AV has a management **system certified by AENOR**, based on an environmental management approach and the principle of continuous improvement. The organisation has implemented all the necessary tools under **UNE-EN ISO 14001**, as well as documented procedures to ensure sound environmental management within the organisation¹.



¹ Content related to **GRI 103-2**: The management approach and its components



The importance of sound environmental management when carrying on the business is supported just like any other strategic concern in the Enterprise Risk Management model, thus requiring regular monitoring and control in terms of risk management. Adif AV complements its environmental management system by allocating **funds and human resources** (2) as needed to **minimise any negative impact** (3).

Within the Insurance Programme, the Company has arranged general civil liability insurance covering operations at both Adif and Adif AV and also complementary civil liability, which includes additional and specific coverage for environmental civil liability. This supplementary guarantee covers environmental liability under Law 26/2007 (partially implemented by Royal Decree 2020/2008 of 22 December) covering primary, supplementary and compensatory repair costs.

Thanks to the Company's good environmental practices, **Adif AV received no serious or very serious¹ administrative sanctions** in 2021 due to environmental breaches².

PERFORMANCE IN RELATION TO CERTIFICATIONS

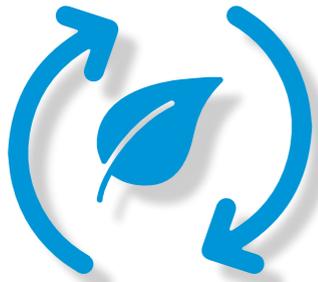
	2019	2020	2021
Certified centres	2	2	2
Percentage of passengers at stations certified under environmental management standard ISO 14001 in respect of total passengers at Adif stations	59.30%	58.60%	58.98%

The Management System identifies the environmental aspects derived from the organisation's activities, products and services, as well as the associated environmental impacts, from a life cycle perspective. All the environmental impacts that may be caused under normal and abnormal operating conditions are identified and evaluated, as are those that could arise as a result of unforeseen events affecting the environment. This allows the Company to determine the significant aspects on which to propose action for environmental improvement.

¹ The criteria for classifying a sanction as minor, serious or very serious are set out in the agreement to initiate the sanctioning proceedings, or in the decision ultimately delivered. Sanctions are graded on the basis of the rule that was breached.

² Content related to **GRI 307-1**: Non-compliance with environmental laws and regulations

6.6.2. SUSTAINABLE USE OF RESOURCES



Adif AV consumes a series of resources it needs to carry out its activities. In its pursuit of good environmental practices, with the support of its Environmental Management System, the **Company strives to minimise**, to the extent possible, its consumption of the resources it uses in the course of carrying out its activities and the **impact** of its activities on the environment.

The main resources consumed are energy, water and materials. Its main impacts are emissions, soil contamination and waste generation, among others.

In 2021, resources allocated to environmental protection amounted to **€48.33** million (figure at year-end 2020).

The broad objective that Adif AV set itself in 2021 was to improve environmental performance by implementing measures throughout the organisation to promote and reinforce respect for the environment and reduce the negative impacts of process activity.

6.6.3. ENERGY CONSUMPTION

Indicators related to energy consumption are provided in the appendix under the section on "Environmental information", showing consumption from primary energy sources and consumption of renewable energies¹ and energy intensity².

In 2021, **final and primary energy intensity** at Adif AV was down 18% compared to 2020, due to maintenance of energy consumption levels, although managed traffic increased by 22% compared to the previous year.

¹ Content related to **GRI 302-1**: Energy consumption within the organization

² Content related to **GRI 302-3**: Energy intensity

6.6.4. MATERIAL CONSUMPTION

Adif AV uses weed killer to impede the growth of herbaceous plants in the infrastructure and facilities it owns, as their growth can generate issues for the running of tracks and increase the risk of fire along track verges. In 2021, the **consumption of herbicides** per unit of surface area treated was down 38,3% on 2017.

The other **indicators related to the consumption of materials in the course of construction operations**¹ and recycled materials² are set out in the appendix under "Environmental information".

6.6.5. WATER CONSUMPTION

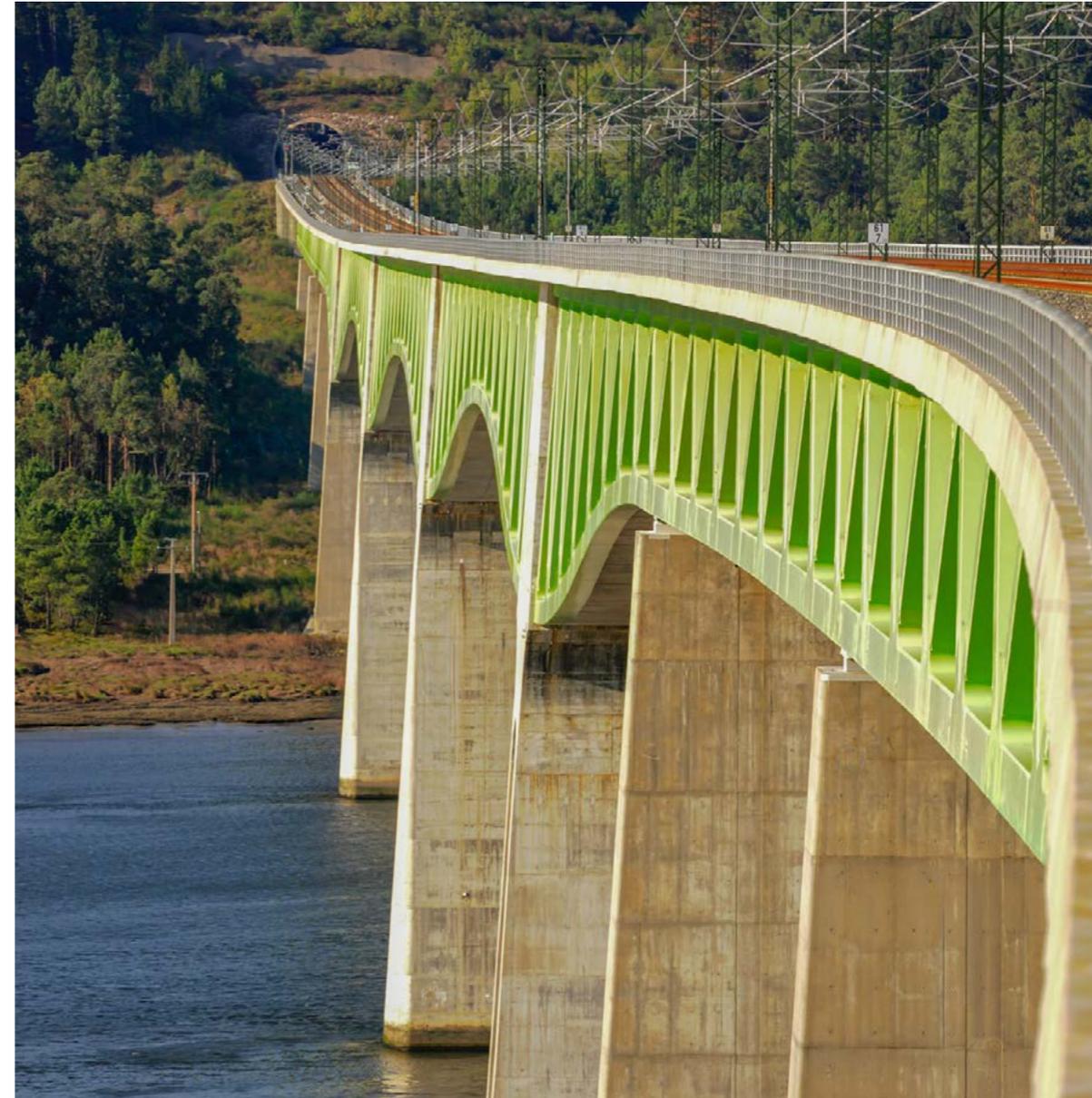
Indicators related to the consumption of water³ are set out in the appendix under "Environmental information".



¹ Content related to **GRI 301-1**: Materials used by weight or volume

² Content related to **GRI 301-2**: Recycled input materials used

³ Content related to **GRI 303-1**: Interactions with water as a shared resource



6.6.6. CLIMATE CHANGE POLICY



- **Coordinating and monitoring of Adif AV's Climate Change Action Plan 2018-2030.** The plan seeks to increase the contribution made by both companies in the fight against climate change by establishing actions and setting goals in the field of both mitigation and adaptation and in relation to both culture and awareness.
- **Carrying out energy audits** in accordance with Royal Decree 56/2016 to identify energy saving and

efficiency opportunities and, therefore, to reduce greenhouse gas emissions.

- Representing Adif and Adif AV before the MITERD as part of the process of **drawing up the Spanish Circular Economy Strategy 2030** and defining the 1st Circular Economy Action Plan 2021-2023, which is part of that Strategy. Adif and Adif AV contributed six initiatives in relation to: Consumption, Waste Management, Secondary Raw Materials Market and Employment and Training



- In the realm of ESG, **review and update the Climate Change Action Plan** and propose a change of approach so that objectives and targets are set following a roadmap to achieve carbon neutrality by 2050.
- **Make further progress towards the energy audits** in 2022 so that the results can be presented in the first quarter of 2023.
- Record the Company's **carbon footprint** at MITERD and make progress in the calculation of Scope 3 emissions.

- Oversee the **preparation of global studies analysing the adaptability of the entire rail network to the adverse effects of climate change.** These studies are required for actions that receive EU funding (ERDF, RRF). The studies will be drawn up by the various Adif AV areas and departments involved and will follow the methodology defined internally. Part of the development will be based on the study and application of new data analytics tools to deepen the information related to meteorological events, with the aim of providing data for risk indicators and supporting the task of drawing up Climate Change Adaptation Studies.

The most important thing to do moving forward is to update the **Climate Change Action Plan 2018-2030** to incorporate the new energy-related actions and initiatives that are being carried out, such as the promotion of self-consumption with and without surplus energy, the installation of *Ferrolineras* and other electric charging stations, etc.

The increased frequency and severity of extreme weather events as a consequence of climate change threatens the integrity of both railway infrastructure and the railway services we provide. We must therefore ensure the resilience of existing infrastructure and of all new infrastructure that is planned to be built and commissioned.

LINES OF ACTION TO COMBAT CLIMATE CHANGE

- ✓ Energy management
- ✓ Energy efficiency
- ✓ Decarbonisation and renewable energies
- ✓ Resilience of rail infrastructure
- ✓ Culture and awareness-raising

When it comes to improving the resilience of railway infrastructure, we are carrying out global studies on adaptation to the adverse effects of climate change by analysing railway lines along the entire network. The aim is to have the entire rail network analysed by 2030.

In addition, obtaining financing through EU funding, green bonds and other routes is conditional on ensuring adaptation to the adverse effects of climate change, and so the proper management of this risk is also an opportunity to access funds/support and attract investors.

In 2021, Adif AV and the Polytechnic University of Madrid (UPM) signed a protocol to collaborate in the development of a methodology for studying the criticality of railway infrastructure in response to the effects of climate change.

The Climate Change Action Plan of Adif and Adif AV envisions specific objectives for **reducing energy consumption and greenhouse gas (GHG) emissions** and sets specific targets for 2020, 2025 and 2030.

The Climate Change Action Plan addresses **mitigation by improving the resilience of railway infrastructure, and also seeks to promote a culture and awareness of climate change.** In relation to climate change mitigation, there are three lines of action consisting of various projects to generate tangible reductions in energy consumption and greenhouse gas emissions:

- Energy management
- Energy efficiency
- Decarbonisation and promotion of renewable energies

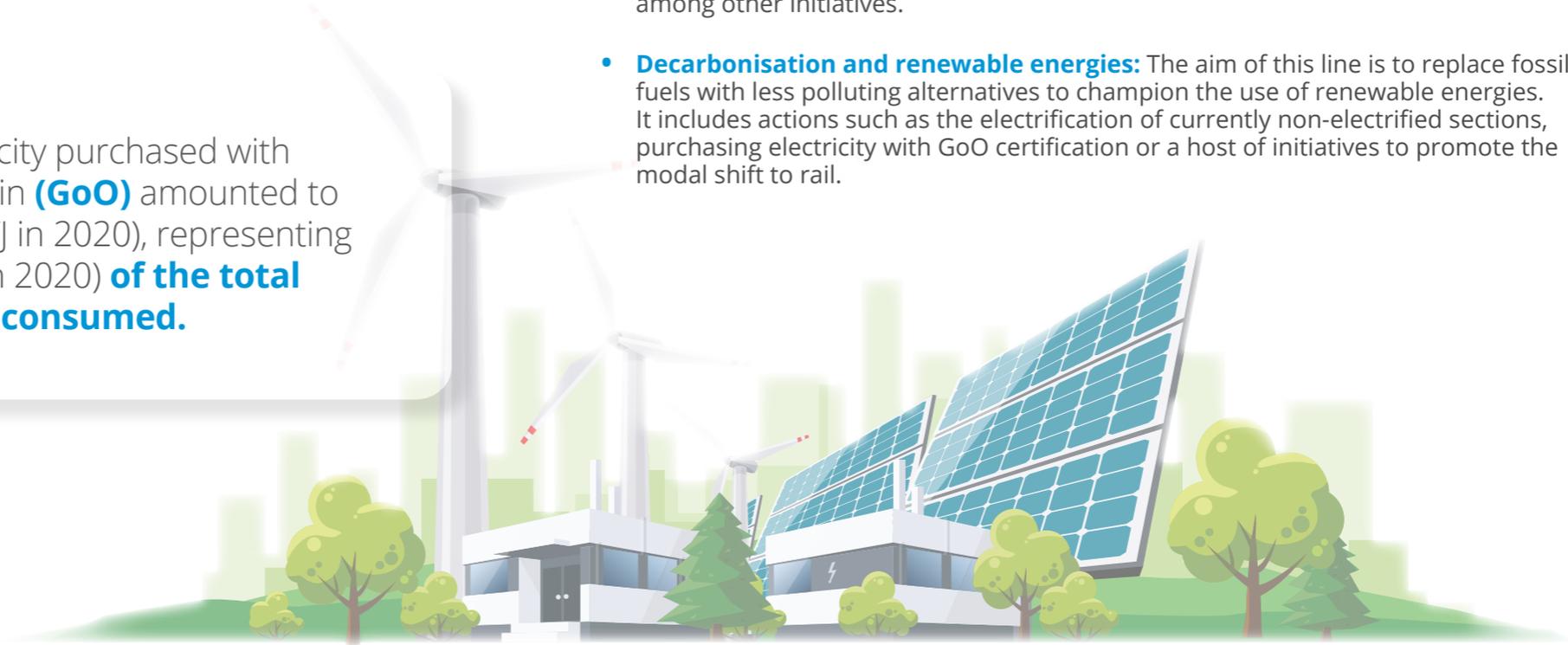
The Climate Change Action Plan envisions projects such as **reversible substations, electrification** and the **Ecomilla Project** to champion modal transfer to rail and contribute to more sustainable urban mobility



Thanks to the actions taken by Adif and Adif AV under the framework of the Climate Change Action Plan, it is estimated that the cumulative reduction in¹ emissions generated by the railway system will reach **777 ktCO₂eq** (based on electricity mix) and **3,700 ktCO₂eq** by 2030 (based on the electricity market with the purchase of green energy with GoO). Adif AV alone will contribute 264 ktCO₂eq (according to electricity mix) and 1,400 ktCO₂eq according to electricity market with the purchase of green energy with GoO) to the cumulative emissions reduction².

Since 2019, Adif AV has been firmly committed to **purchasing green electricity with Guarantee of Origin (GoO) certification** for all the electricity consumed by the railway system. Therefore, all of the GHG emissions associated with electricity consumption can be considered zero (based on electricity market).

In 2021, electricity purchased with Guarantee of Origin (**GoO**) amounted to 551.87 TJ (554.57 TJ in 2020), representing **89.8%** (90.3% in 2020) **of the total energy consumed.**



A wide array of actions are being carried out under the framework of the Climate Change Action Plan to achieve these objectives, structured into the following lines of action:

- **Energy management:** This line includes initiatives that seek to improve the current management of energy consumption by acquiring more in-depth knowledge of the process. This includes projects to develop smart grids, install remote measurement and control systems, and implement management metrics.
- **Energy efficiency:** This line seeks to improve the energy efficiency of the railway system, both for non-traction and traction uses, and thus reduce energy consumption. It includes actions aimed at improving lighting, renewing air-conditioning systems and DHW equipment and building reversible substations, among other initiatives.
- **Decarbonisation and renewable energies:** The aim of this line is to replace fossil fuels with less polluting alternatives to champion the use of renewable energies. It includes actions such as the electrification of currently non-electrified sections, purchasing electricity with GoO certification or a host of initiatives to promote the modal shift to rail.

¹ Content related to **GRI 302-4:** Reduction of energy consumption

² Adif + Adif AV

6.6.7. STRATEGIC INDICATORS

{ ENERGY EFFICIENCY

Indicators related to energy efficiency are provided in the appendix under "Environmental information".

Energy consumption saved since 2009:
120.26 GWheq / year.

Indicators related to the reduction of GHG emissions (tCO₂eq /year) are provided in the appendix under "Environmental information".

15,016 tCO₂eq / year avoided through energy efficiency and decarbonisation actions undertaken since 2009.



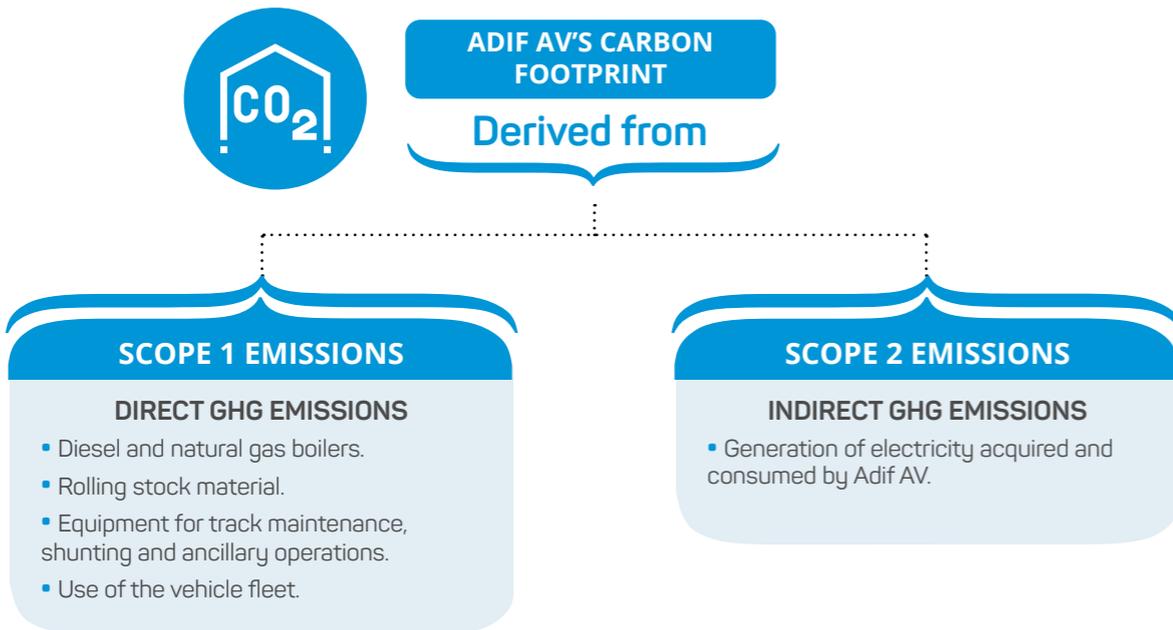
{ GHG EMISSIONS GENERATED BY ACTIVITIES AT ADIF AV

Adif AV complies with prevailing legislation with respect to its air emissions obligations.

GHG emissions generated by Adif AV activity are indirect emissions (originating in the generation of electricity consumed) and direct emissions (from the energy consumed by diesel and natural gas boilers, rolling stock, machinery and other vehicles).

It monitors those **emissions** by **calculating its carbon footprint**, thus enabling the organisation to track the GHG emissions associated with its business activities. These emissions are categorised into two different scopes:

Indicators related to the scope of the carbon footprint are provided in the appendix under "Environmental information".



Adif AV's carbon footprint for the 2019–2021 period fell by 30%, with a **3% decline in 2021 versus 2020**.

{ EMISSIONS FROM THE PROVISION OF TRACTION ON INFRASTRUCTURE MANAGED BY ADIF AV

Indicators related to GHG emissions from rail traction in infrastructure managed by Adif AV (CO₂eq emitted from electric traction) are provided in the appendix under "Environmental information".

Over the 2019–2020 period, **emissions generated by electric traction were down 49%** following a reduction in traffic compared to 2019 levels amid the ongoing pandemic.

6.6.8. NOISE POLLUTION

One of Adif AV's key objectives in terms of noise pollution in 2022 is to identify noise issues and reduce environmental pollution due to noise and vibrations. Improvements here will improve quality of life for people living in the vicinity of railway environments. This will include the following actions:

Preventive measures:

- Acoustic studies during the construction phase.
- Acoustic studies during the operational phase.
- Environmental review of acoustic projects.

Emission reduction measures:

- Strategic Noise Maps to detect exceedances of noise quality objectives.
- Handling of complaints and queries on acoustic issues.
- Environmental monitoring of acoustics at construction sites.

Emission remediation measures:

- Noise action plans for the design of corrective measures in noise exceedance areas flagged via strategic noise maps, complaints or consultation processes.

The related impact is the reduction in noise and vibrations, thus leading to improved quality of life for people living in the vicinity of the railway environment.

The following data shows data obtained in relation to noise pollution:

TREND IN NOISE-RELATED COMPLAINTS

	2019	2020	2021
Complaints specific to Adif AV	29	15	22
Complaints common to Adif and Adif AV	6	10	10

Some 90% of the complaints received relate to noise and the remaining 10% to vibrations¹.

¹ Adif + Adif AV

6.6.9. SOIL CONTAMINATION

One of the main measures established at corporate level at Adif AV to prevent soil contamination is a procedure to train and keep an accurate record of all people tasked with fuelling duties. This procedure was updated in 2021 to insist that any person due to carry out such activities be registered in advance.

Further progress was also made on drawing up a contaminated land management procedure, which explains how the initial status reports should be prepared and sets out a general contaminated land management plan.

In 2021, there were no incidents related to soil contamination at Adif AV, while in 2020 there were 2 incidents.

Indicators related to soil contamination are provided in the appendix under "Environmental information".

6.6.10. WASTE MANAGEMENT AND CIRCULAR ECONOMY

Adif AV is working to achieve a controlled and documented delivery of waste¹ to an authorised manager through the coordination of an agent, thus helping to ensure not only the best practices in waste management but also reliable data about those practices.

During 2021, work was carried out on the extension of the corporate waste management model and the definition of its new scope.

Further work was carried out in 2021 to extend the corporate waste management model and to define its new scope. Advice was also provided on waste management, including specific management of certain categories, waste coding, storage conditions and legal issues.

Indicators related to waste generation are provided in the appendix under "Environmental information".



¹ Content related to **GRI 306-1**: Waste generation and significant waste related impacts

6.6.11. SPANISH CIRCULAR ECONOMY STRATEGY 2030

Adif AV lent its full support to the Ministry for Ecological Transition and the Demographic Challenge in drawing up the **Spanish Circular Economy Strategy 2030**, which was approved by the Spanish Cabinet in June 2020.

It also took part in defining the **1st Circular Economy Action Plan for 2021–2023**, which falls within the scope of the Strategy, by contributing six initiatives in the following realms: Consumption, Waste Management, Secondary Raw Materials Market and Employment and Training.

The following projects were ultimately selected to form part of the Action Plan:

- Drawing up a **Catalogue of environmental and social criteria** for railway infrastructure to facilitate its incorporation into procurement processes so that Adif AV can champion the principles enshrined in the Circular Economy and Green Public Procurement in a horizontal and cross-cutting manner.
- **"Ecomilla"** Project, which seeks to promote sustainable mobility in urban environments by facilitating door-to-door travel through an efficient mode of transport with zero or very low emissions.
- **Efficient management of surplus land from railway infrastructure work** to allow for the environmental recovery of degraded environments or their reuse in other construction projects.
- **Measures to improve the reuse of topsoil on construction sites for landscape restoration and integration** following the impact of railway work.
- Promoting the **use of sustainable materials and management techniques** at railway stations.
- **Comprehensive programme for the social recovery of disused railway assets**, to generate value through entrepreneurship or public service projects.





6.6.12. PROTECTION OF BIODIVERSITY¹

Adif AV ensures compliance with protective and corrective measures for the sound environmental and landscape integration of its infrastructure within the framework of the Integrated Management System. In doing so, it reports on all actions taken through a system of environmental integration indicators and EIS compliance, both in the construction phase and during subsequent monitoring activities following acceptance of the project.

In 2021, Adif AV drew up 281 environmental review reports for its projects, including 76 reports on environmental compliance with the EIS, in accordance with environmental legislation.

Adif AV also drew up a total of 264 environmental follow-up reports on projects not subject to an EIS, and 241 periodic regulatory reports on environmental monitoring of construction projects subject to an EIS.

¹ Content related to **GRI 304: Biodiversity**

Highlights during the period in relation to the **protection of biodiversity:**

- **Pilot project launched to monitor the effectiveness of the eco-pipeline for wildlife**, achieved through video surveillance systems.
- Protocol drawn up to **identify and remediate parts of the infrastructure** likely to cause bird deaths through electrocution.
- **Collaboration in the implementation of improved acoustic screens** to minimise bird deaths and injury through collision with transparent screens.
- **Catalogue of preventive measures drawn up for the water environment** to be applied when constructing related infrastructure.
- **Collaboration in defining technical specifications for metal structures** for overhead contact line support to minimise the impact of catenary pole entrapment on birdlife.
- **Environmental impact assessment** drawn up by selecting the most environmentally advantageous alternative.
- **Restoration of all areas affected** by the work.
- **Coordination with the competent administrative bodies** to minimise the impact on biodiversity.
- **Restrictions placed on construction work** in order to minimise impacts on the most sensitive areas.
- **Translocation of specimens** to ensure their survival.
- **Measures implemented and monitored to minimise the impact on biodiversity.**

- **Annual follow-up reports drawn up** on restoration and transplantation measures with recommendations based on effectiveness/cost.
- Replenishment of **nesting or breeding substrates** for species present in the areas affected.
- **Monthly monitoring of on-site non-conformities** considered to pose an environmental risk, and communication methodology put in place to speed up the resolution of the underlying deficiencies or shortcomings.
- **Periodic reports required by the EIS reviewed** to verify EIS compliance and effective implementation of the necessary corrective measures.
- **Meeting held every four months on relevant incidents detected on site**, at which the corrective measures to be adopted are determined.

The main environmental **impacts** of Adif AV's activities are **land occupation, increased noise levels** and, to a lesser extent, **the risk of collision with birdlife and habitat fragmentation.**

Corrective action is taken to minimise these impacts, including the installation of screens and the construction of wildlife crossings. Aside from mitigation measures, offsetting measures are sometimes implemented, including:

- **Collaboration in the implementation of improved acoustic screens** to minimise bird deaths and injury through collision with transparent screens.
- **Catalogue of preventive measures drawn up for the water environment** (surface and groundwater) to be applied when constructing related infrastructure.
- Support in implementing metallic structures to **minimise the risk of birds becoming ensnared** with the catenary poles.

Indicators related to Biodiversity are provided in the appendix under "Environmental information".

6.7. We generate a positive social impact

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }





- **New website**, easier access to content on sustainability (Estación Abierta programme, leased properties, etc.).



- Update the **procedure governing the Estación Abierta programme.**
- **Improve sponsorship management** by obtaining a larger sponsorship budget that is aligned with the Company's strategy.

This section describes the social actions through which Adif AV is aiming to have a positive impact on the local communities in which it Company operates, especially within the environment where its projects are located.

PRIORITIES IN RELATION TO IMPACT ON THE COMMUNITY



6.7.1. ADIF AV'S CONTRIBUTION TO THE COUNTRY'S SOCIAL AND ECONOMIC DEVELOPMENT ¹

The activities carried out by Adif AV generate various qualitative and quantitative impacts within the communities in which it operates, as described below.

Our contribution to social and economic development is shown in the indicators found throughout this report bearing the following label:



In addition, all related indicators can be found in the appendix under "Supporting social and economic development".

¹ Content related to **GRI 413-1**: Operations with local community engagement, impact assessments, and development programs

6.7.2. CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS

Adif AV is committed to long-term projects and alliances with non-profit organisations (associations, foundations and public institutions), focusing on those aspects linked to its own activities and impact on society. The aim is to prioritise the segments of society most directly affected by the service provided.

Adif AV made the following **contributions to non-profit organisations** in 2021:

CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS¹

EUROS (€)	2020	2021
Total	311,602	596,129

To meet the growing demands of today's society and achieve the goals enshrined in the **2030 Agenda of the United Nations**, companies need to set up means of implementation and cooperation that will enable them to unlock synergies and multiplier effects for the common good, as stated in **SDG 17** of the Agenda.

To succeed, Adif AV collaborates with non-profit organisations through a variety of different formulas. Adif is also a signatory partner of the **United Nations Global Compact in Spain**, a partner-promoter of **Forética**, and a regular collaborator of the **Royal Academy of Engineering**.

¹ This indicator is not available for 2019



6.7.3. IMPACT ON LOCAL POPULATIONS AND TERRITORIES

To address and reduce the impact that Adif AV has on the environment, the Company assesses the impact of the railway in various cities by analysing different parameters on how well or otherwise the railway co-exists with the city. This enables the Company to verify that its actions are effective in reducing this impact with respect to the baseline situations.¹

The **Open Station Programme** contributes to the achievement of the UN Sustainable Development Goals.

As part of its corporate responsibility and sustainability drive, Adif AV has a programme in place known as Open Station Programme (**Programa Estación Abierta**). It is a valuable tool for coordinating and undertaking cultural, social and environmental initiatives at railway stations, always under the criteria of corporate responsibility and without any ulterior commercial motives. It aims to enhance the social connection of the station with its surroundings and thus increase the value that Adif AV contributes to the places where it operates.

The Open Station Programme is Adif AV's main instrument for materialising collaboration with the third sector, granting them free access to an excellent platform for carrying out their activities and thus helping them achieve their objectives, while allowing our stations to generate added value for citizens by providing them with cultural, social or environmental content.

¹ Content related to **GRI 413-1**: Operations with local community engagement, impact assessments, and development programs

The programme has three **main lines of action**:

- Opening up the station to its community (visits to the station)
- Raising awareness of values through collaboration with non-profit organisations (exhibitions, information desks, membership or fundraising, flash mobs, concerts, etc.).
- Cultural actions to promote new artists (concerts and exhibitions).

The Open Station Programme supported 62 non-profit organisations during the period, allowing them to carry out their activities at Adif AV stations and raise a total of €229,437.51²



² Adif + Adif AV

To evaluate the Open Station Programme, a series of quantitative **indicators are measured quarterly and annually:**

ACTIVITIES UNDER THE OPEN STATION PROGRAMME ¹

	2020 ²	2021
Opening up station to its community	14%	5.3%
Cultural initiatives	11%	6.4%
Value awareness campaigns	75%	88.3%



¹ This indicator is not available for 2019

² Adif + Adif AV

INDICATORS RELATED TO THE SOCIAL DIMENSION

	2019	2020	2021
No. of activities under the Open Station Programme	-	60*	28
 Passengers boarding / alighting at accessible stations (% of passengers)*	85.07	85.45	85.94
 Number of activities under the Open Station Programme	486*	197 ³	171
 Percentage of purchasing with responsible criteria	100	100	100
 Number of non-profit organisations with which the Company collaborates	106	71	62
 Investment in the community (loss of profit - Open Station Programme) (€)	958,548*	267,269*	248,595
 Percentage of requests for information from the press and media answered on time or within 7 days	95	95	95
 Sponsorship agreements signed with non-profit Organisations	2	0	0
Membership of national associations (Corporate Responsibility)	3	3	3

* Adif + Adif AV

³ Adif + Adif AV Impact of COVID-19: in 2021 a total of 102 actions were authorised but did not ultimately go ahead.

Adif AV has a **Sponsorship Policy** that serves as a framework for channelling contributions to strategic projects. In 2021, Adif AV did not sign any new sponsorship contract, while the sponsorships signed in 2019 with the Royal Academy of Engineering (€6,500) and with the Forética Public Companies Action Group (€3,200) for a total of €9,700 remained in effect during the period.

Adif AV is a member of the Spanish Association of Tunnels and Underground Works, the Madrid Open City Association and The European Railway Energy Settlement System (ERESS)¹.



¹ Content related to **GRI 102-13: Membership of associations**

6.7.4. PROPERTY MANAGEMENT AND URBAN INTEGRATION

Adif AV manages the property assets it owns with the ultimate aim of achieving a positive impact on the communities in which it is present and generating shared value that benefits society as a whole. In doing so, the Company contributes to the sustainable development of the rail system and its integration in the cities it passes through, in keeping with the policies set by the competent institutions.

The **Madrid Nuevo Norte (Madrid New North) Project** continued throughout 2021 (under the terms of the service contract for the transformation of Madrid Chamartín Station and its urban integration).

On 13 October 2020, Adif, Adif AV and DCN signed an agreement for the accelerated performance of the zoning work.

On 23 December 2020, the Secretary of State for Transport, Mobility and Urban Agenda approved the public consultation process and definitively approved the Study Report for the New Railway Complex at Madrid Chamartín station.

On 30 June 2021, the management board of APE 05.31 Centro de Negocios – Chamartín was set up with seats awarded to Adif, Adif Alta Velocidad, RENFE-Operadora, RENFE Fabricación y Mantenimiento SME, EMT, DCN, SAREB, Aliseda and Activos en Renta Mobiliarios de Edificación. The last management board meeting was held on 21 December.

On 17 June 2021, the Governing Board of the City of Madrid agreed to initially approve the delimitation project presented by DCN for a single execution unit at Specific Planning Area 08.20 "Malmea-San Roque-Tres Olivos", district of Fuencarral-El Pardo, and to submit the file to a period of public consultation lasting 20 days. The owners and holders of rights affected were duly notified in accordance with Article 100 of Law 9/2001 of 17 July, on the land and soil of the Community of Madrid.

On 4 November 2021, the management board of APE 08.20 was set up, comprising 193 owners representing more than 55% of the land owned within the affected area.

The last meeting of the management board for this area was held on 20 December.

The Company also continued to pursue its **customary asset management activities** during the period, notably:

- **Arrangements with other administrations and organisations** in the form of urban-railway agreements (**Alcantarilla, Barcelona, Irun, Bilbao**).
- **Railway integration JVs** in which Adif AV holds an interest, for the urban zoning and asset monitoring of the various rail-city integration and urban development projects ongoing, including **Valladolid, Logroño, Gijón, Murcia, Alicante, Almería, Valencia, Barcelona Sagrera, Zaragoza**.

In 2021, **578 urban zoning reports**, suggestions and/or claims relating to different planning instruments were issued.

- **Administrative processes and actions:**

- + **Procedure to reduce public domain land and building rights:**

- » 8 reduction applications processed, of which 2 related to public domain and 6 to building right boundaries.

- » 7 decisions: of which one related to the reduction of public domain land and 6 to the reduction of building right boundaries

- + **Collaboration on land reversion proceedings:** including reports on the exercise of this right in relation to major projects such as Madrid-Chamartín and Madrid-Fuencarral, or in municipalities such as Tres Cantos, Getafe, Santiago de Compostela and Valencia.

In 2021, **220 land reversion proceedings were processed**

- + **Proposals to the Management Committee and the Board of Directors of Adif and Adif AV:** presentation, for approval, of a collaboration agreement for the coordination, financing and performance of the singular actions envisioned in the amended PGOU (urban zoning plan) for the Madrid Nuevo Norte development; release of land totalling 785,075 m² for its subsequent management and identification of land reversion rights.

- + **Reversion offers:** the administrative proceedings described above may sometimes generate the need to settle reversion rights. In such cases, the corresponding reversion right (right to reclaim expropriated land) must be offered to the expropriated parties or their assignees or successors, as happened in 2021, for example, upon the release of 360,970 m² in the municipal districts of Getafe, Becerril de Campos and Buniel, with the corresponding notifications sent to the parties concerned. In 2021, there were more than 100 such notifications offering the reversion of disencumbered land.

- + **Filing and registration:** in 2021, Adif AV's ownership of the Fuencarral station in Madrid was filed and the de-assigned land at the station was likewise filed as belonging to Adif AV.
- + **Inventories:** the annual process of adding the land corresponding to high-speed lines to the Inventory of Real Estate Assets led to the incorporation of 45 Inventory Units and 11,234 properties, with 33,567 associated documents, representing a total of 18.2 million m².
- + **Public tender and disposal of real estate assets:** a total of 53 real estate assets were sold at the auctions held during the period, representing 37.5% of the total.
- + **Property leases:** a total of 887 lease agreements were arranged, including new agreements and protocols modifying existing agreements. Notable sales included two plots of land at the A.P.R. 02.06 Méndez Álvaro Norte I, in Madrid, generating **income of approximately €96.5 million.**



7

FINANCIAL INFORMATION

7. FINANCIAL INFORMATION

{ 7.1. ANALYSIS OF ACTIVITY AND PERFORMANCE

{ 7.2. FINANCIAL INDICATORS FOR THE BUSINESS

{ SUSTAINABLE DEVELOPMENT GOALS (SDGS) }



This section describes Adif AV's tax strategy and provides information on profit before tax, income tax paid (if any) and government grants received.

TAX PRIORITIES



7.1. Analysis of activity and performance

The main items on Adif AV's 2021 income statement compared to previous years are presented below.

KEY EARNINGS

	€ million	2019	2020	2021
Country-by-country profit/(loss)		-179.2	-460.9	-425.4
Country-by-country income tax paid		0	0	0
Government grants received by country (Spain) ¹		103.3	134.3	0.2

¹ Content related to **GRI 201-4**: Financial assistance received from government

PROFIT/(LOSS) FOR THE YEAR

€ million	2019	2020	2021
Operating income	1,168.7	806.7	1,103.3
Operating expenses	1,140.5	1,066.3	1,305.4
Operating profit/(loss)	28.2	-259.6	-202.1
EBITDA	280.6	-8.5	58.7
Net finance income/(cost)	-207.4	-201.3	-223.3
Profit/(loss) before tax	-179.2	-460.9	-425.4
Profit/(loss) for the year	-179.2	-460.9	-425.4

Adif AV reported a **loss before tax** of €425.4 million in 2021, compared to a loss of €460.9 million in 2020, €35.4 million or 8% less.

The most significant changes in income statement line items are as follows:

Operating loss in 2021 amounted to €202.1 million, an improvement of €57.5 million on the €259.6 million reported in 2020.

The main changes were:

- Growth in Revenue of 19% to €63.2 million on the back of higher production in 2021 thanks to the increase in traffic as the COVID-19 pandemic and ensuing crisis in Spain gradually abated.
- Growth in Operating Income of 68% compared to the previous year, from €345.2 million in 2020 to €579.7 million in 2021. This increase was driven by the subsidy of the offsetting charge tariff of €40.8 million; there was no subsidy in 2020. There were also increases in rental income and revenue from services linked to measures undertaken to alleviate the impact of the health and economic crisis caused by COVID-19. Revenue from traction power supplies rose to €179.8 million, underpinned by the increase in rail traffic and higher prices.

- "Other operating expenses" was up €233 million or 34% compared to the previous year, of which €164.5 million related to an increase in traction electricity expenses, and €19.5 million to an increase in energy expenses for Non-Traction Uses (NTU), which were offset by income in the same connection. There was also a cost increase of €39 million in the repair and maintenance of infrastructure and buildings.

Net finance expense record a negative balance of €223.3 million in 2021, compared to €201.3 million in 2020. This was mainly the result of:

- A 2% increase in finance costs, from €311 million in 2020 to €318 million in 2021. This effect was largely due to a reduction in the average borrowing rate from 1.70% in 2020 to 1.59% in 2021 and an increase in finance costs for late interest on payments to contractors and persons subject to compulsory land purchase.
- Finance income was down 9%, largely due to the commissioning of high-speed lines and the resulting reduction in income from the capitalisation of the related finance costs.

All of the above gives rise to the following figures for economic **value generated, distributed and retained** in 2021.

ECONOMIC VALUE ¹

	€ million	2019	2020	2021
Economic value generated ²		1,187.6	805.4	1,092.6
 Economic value distributed ³		1,114.4	1,015.2	1,257.2
Economic value retained ⁴		73.2	-209.8	-164.6

¹ Content related to **GRI 201-1**: Direct economic value generated and distributed

² Economic value generated: ordinary + extraordinary income

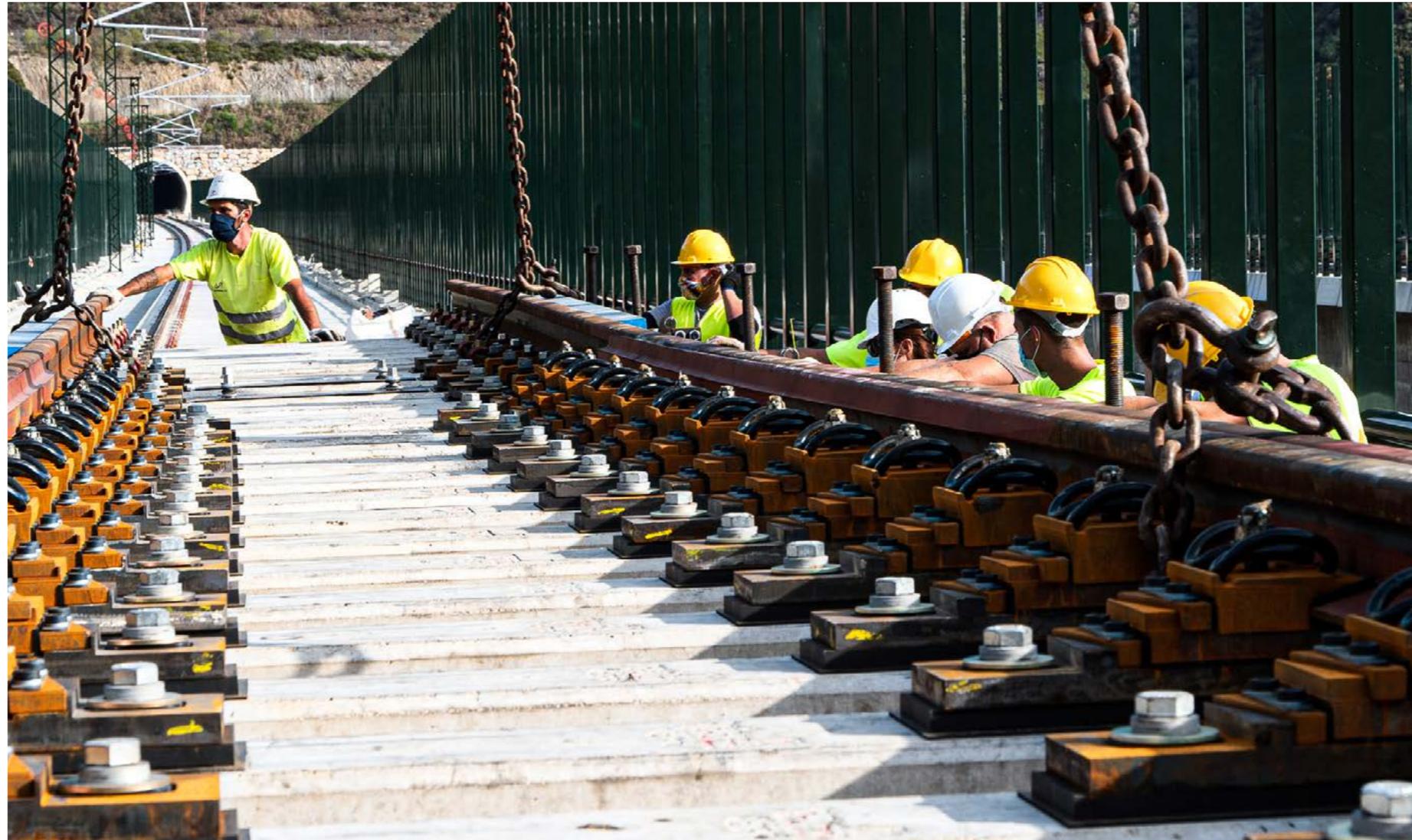
³ Economic value distributed: operating expenses + finance costs + taxes

⁴ Economic value retained: economic value generated – Economic value distributed



Adif AV comprises the following business segments:

- **Network management:** includes the processes of capacity management, traffic safety, network statement, rail infrastructure maintenance and traffic management.
- **Construction:** includes construction of the lines entrusted to the Company.
- **Management of stations and other assets:** this segment includes station management, meaning all activities needed to provide services to the end customer, as well as telecommunications management and management of other assets.
- **Energy:** managing the supply of electricity.



The following table shows Adif AV's 2021 operating income by business segment:

(€ thousand)	TOTAL	Network management	Construction	Energy	Management of stations and other assets	Common expenses
Revenue	390,570	338,490	0	0	52,080	0
Self-constructed property, plant and equipment	9,188	0	9,188	0	0	0
Supplies	0	0	0	0	0	0
Other operating income	579,672	42,610	19,082	379,377	137,899	704
Staff costs	-15,016	-553	-11,115	-536	-2,213	-599
Other operating expenses	-908,742	-351,300	-18,126	-384,105	-121,589	-33,622
Profit/(loss) from intragroup transactions	0	-8,336	-1,514	8,458	1,450	-58
Provision surpluses	3,056	0	0	0	0	3,056
EBITDA	58,728	20,911	-2,485	3,194	67,627	-30,519

(€ thousand)	TOTAL	Network management	Construction	Energy	Management of stations and other assets	Common expenses
Amortisation and depreciation	-378,208	-339,452	-37	-78	-37,879	-762
Recognition of non-financial and other grants	120,820	116,507	0	0	4,243	70
Impairment and gains/(losses) on disposal of assets	-3,484	-313	0	0	-3,171	0
Non-recurring income/(expense)	0	0	0	0	0	0
Share of overheads	0	-11,206	-14,848	-1,247	-3,910	31,211
OPERATING PROFIT/(LOSS)	-202,144	-213,553	-17,370	1,869	26,910	0

7.2. Financial indicators for the business

The following table shows various **general economic and financial indicators**.

{ FINANCIAL INDICATORS FOR THE BUSINESS }

	2019	2020	2021
SELF-FINANCING RATIOS			
LEVEL OF AUTONOMY			
Indicates the degree of autonomy in respect of third-party financing	52.70%	52.05%	50.37%
FINANCING OF FIXED ASSETS			
Indicates the % of long-term financing for non-current assets	98.61%	98.40%	98.76%
PROFITABILITY RATIOS			
TOTAL ASSET TURNOVER			
Indicates the degree of efficiency when it comes to asset management	2.22%	1.40%	1.95%
FIXED ASSET TURNOVER			
Indicates the degree of efficiency in managing fixed assets	2.25%	1.43%	2.03%
CURRENT ASSET TURNOVER			
Indicates the degree of efficiency in managing current assets	148.68%	85.26%	49.32%

{ FINANCIAL INDICATORS FOR THE BUSINESS }

	2019	2020	2021
LIQUIDITY RATIOS			
LIQUIDITY RATIO Indicates how many monetary units are liquid for every 100 assets	1.49%	1.65%	3.95%
CASH RATIO Shows the Company's ability to honour its current payment commitments	0.52	0.51	0.77
SOLVENCY RATIO Indicates the Company's ability to cover its liabilities with its assets	2.11	2.09	2.02
FINANCIAL PROFITABILITY Shows the return on own funds	-1.28%	-3.32%	-3.05%
ECONOMIC PROFITABILITY Effective capacity to remunerate all capital available to the Company, both own and third-party	-0.38%	-0.96%	-0.85%
WORKING CAPITAL (€ million) Indicates the Company's ability to honour its short-term obligations	-643.77	-755.56	-591.07

Average supplier payment period: in accordance with Additional Provision Three of Law 15/2010 of 5 July, the following table provides information for 2019, 2020 and 2021 on payment deferrals made to suppliers, as per the methodology set out in the Resolution of the Spanish Accounting and Audit Institute of 29 January 2016.

{ PAYMENTS MADE AND OUTSTANDING AT 31 DECEMBER }

	2019	2020	2021
	Days	Days	Days
Average supplier payment period	50.58	54.86	46.49
Ratio of transactions paid	51.37	56.92	48.45
Ratio of transactions outstanding	37.42	34.81	29.89
Amount (€ thousand)			
Total payments made	1,755,053	1,550,533	1,783,437
Total payments outstanding	104,520	159,131	210,494

{ RAILWAY CHARGES

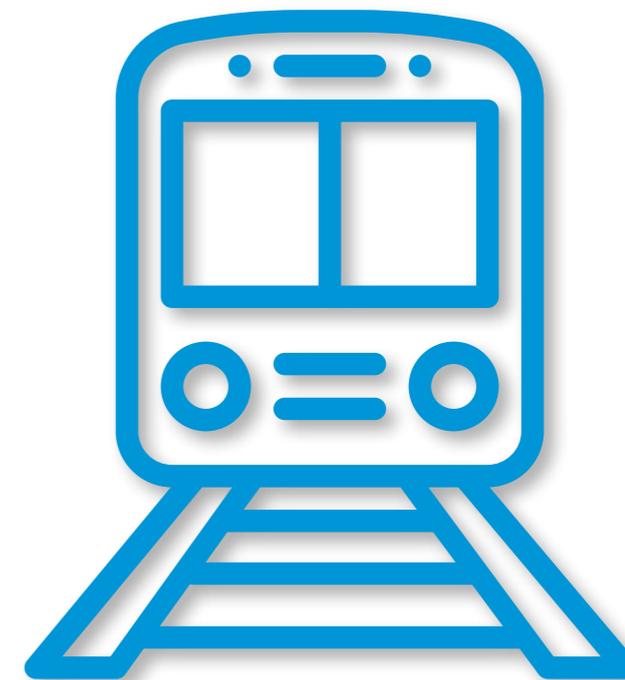
Pursuant to the **Rail Sector Act (Law 38/2015)**, or LSF for its acronym in Spanish), Adif AV charges railway companies for use of railway lines attached to the General Interest Railway Network (RFIG) and for the use of stations and other railway facilities.

The LSF transposes into the laws of Spain the rules contained in **Directive 2012/34/EU** of the European Parliament and of the Council of 21 November 2012. The LSF covers almost all aspects of railway legislation, including matters relating to the transparency and sustainability of railway infrastructure financing, and provides a new and more complete classification of railway-related services and new and more precise rules on charging for access to railway infrastructure.

In Title VI, the LSF regulates the economic and tax regime of the railway sector in a bid to strike a balance between the economic viability of the system and the promotion of rail transport. It seeks to provide incentives to improve network performance, reduce disturbances, optimise the use of the infrastructure and reduce the costs of making it available. It also governs the legal regime of charging for the use of railway lines and for the use of service facilities and provides an updated tariff regime for the provision of services, thus advancing free access to service activities without compromising the sustainability of the railway infrastructure.

Article 23 of the **LSF** explains the remit of the general rail infrastructure managers, including the fixing, review and collection of railway infrastructure charges, in accordance with applicable law and regulations.

Meanwhile, **Article 100 of the LSF** states that any proposal to modify or review the charges must emanate from the rail infrastructure manager, that any such proposal must be subject to consultation with the railway corporations and to a report by the National Commission for Markets and Competition, and that the specific amounts of the fees must be fixed and then delivered to the Ministry of Public Works for their inclusion in the preliminary draft of the General State Budget Law



Meanwhile, [Law 11/2020, on the General State Budget](#) for the year 2021, was approved on 30 December 2020. Article 80 of the Law lays down the tariffs for railway charges prepared by the infrastructure manager, effective as of 1 January 2021 and lasting indefinitely until cancelled or replaced.

However, to mitigate the effects of the COVID-19 crisis on rail transport, Transitional Provision Six of the Law temporarily modifies the unit amounts of railway charges, rendering null and void the unit amounts provided for in Article 80 over the period running from 1 January to 31 December 2021. Therefore, over that period the rail infrastructure manager applied the unit amounts expressed in Transitional Provision Six to the railway operators.



This led to a reduction in the fees payable by railway operators, stating also that *"The Ministry of Transport, Mobility and Urban Agenda shall compensate railway infrastructure managers accordingly for the difference between the fees that these entities should have received by virtue of the unit amounts provided for in Article 80 and those they (the Railway Operators) actually paid as a result of the payment calculations issued based on the unit amounts provided for in this Transitional Provision Six"*.

This compensation by the Ministry of Transport, Mobility and the Urban Agenda will be charged to the budget allocations included in the agreements signed between the central government and the infrastructure managers for the economic sustainability of the infrastructures that make up their network.

The compensation for tariff reductions in 2021 amounts to €38,186 thousand for the charges set out in Article 97 and to €2,650 thousand for those set out in Article 98.

The aim of this tariff proposal is to provide the railway system with incentives to facilitate and promote the supply of services at the beginning of the rail passenger transport liberalisation process and recovery to pre-pandemic levels of traffic.

The methodology for calculating the charges, in accordance with applicable European regulations and the LSF, is to pass on to the railway operator all the costs directly attributable to the rail service.

The following **costs are directly attributable** to the rail service provided:

- Costs of the capacity adjudication process, traffic management, traffic safety and replacement of safety and traffic control facilities (recoverable under **mode A**);
- Railway infrastructure maintenance and upkeep costs (recoverable under **mode B**); and
- Electrification installation maintenance and upkeep costs and related replacement costs (recoverable under **mode C**).

Financial expenses, replacement costs corresponding to platform, tunnels, bridges, track, buildings and resources used for maintenance and conservation, as well as the expenses needed to ensure a reasonable development of such infrastructures and all costs that allow the rail infrastructure manager to achieve the economic sustainability of the infrastructure it manages, may all be recovered, provided that the market can accept it, by adding them to the full amount chargeable for the use of railway lines (**mode B**).

The following table shows **revenues, by charge type**, in 2021 and 2020.

	(€ thousand)	2019	2020	2021
CHARGE FOR USE OF INFRASTRUCTURE		497,618	268,075	326,322
Adjudication of capacity		90,771	52,413	68,270
Use of railway lines		371,362	197,085	239,803
Use of transformer and distribution installations		36,047	20,661	19,499
Discounted charge for use of RFIG lines		-562	-2,084 ¹	-1,250
CHARGES FOR USE OF STATIONS AND OTHER FACILITIES		113,100	59,007	63,737
Use of Passenger stations		83,208	43,000	51,489
Variable gauge		4,626	3,377	3,870
Use of Track with platform		25,266	12,630	8,378
TOTAL CHARGES		610,718	327,082	390,059

The COVID-19 crisis severely affected rail traffic in 2020 and 2021 and therefore tariff revenue was inevitably impacted by the ensuing public health emergency and disruption across the global economy.

As a result, the **total volume of tariff** revenue accrued in 2021 was up 19.26% on 2020 following an **increase in rail traffic of 22.84%**, seeing as though there were fewer restrictions due to the pandemic in 2021 compared to 2020.

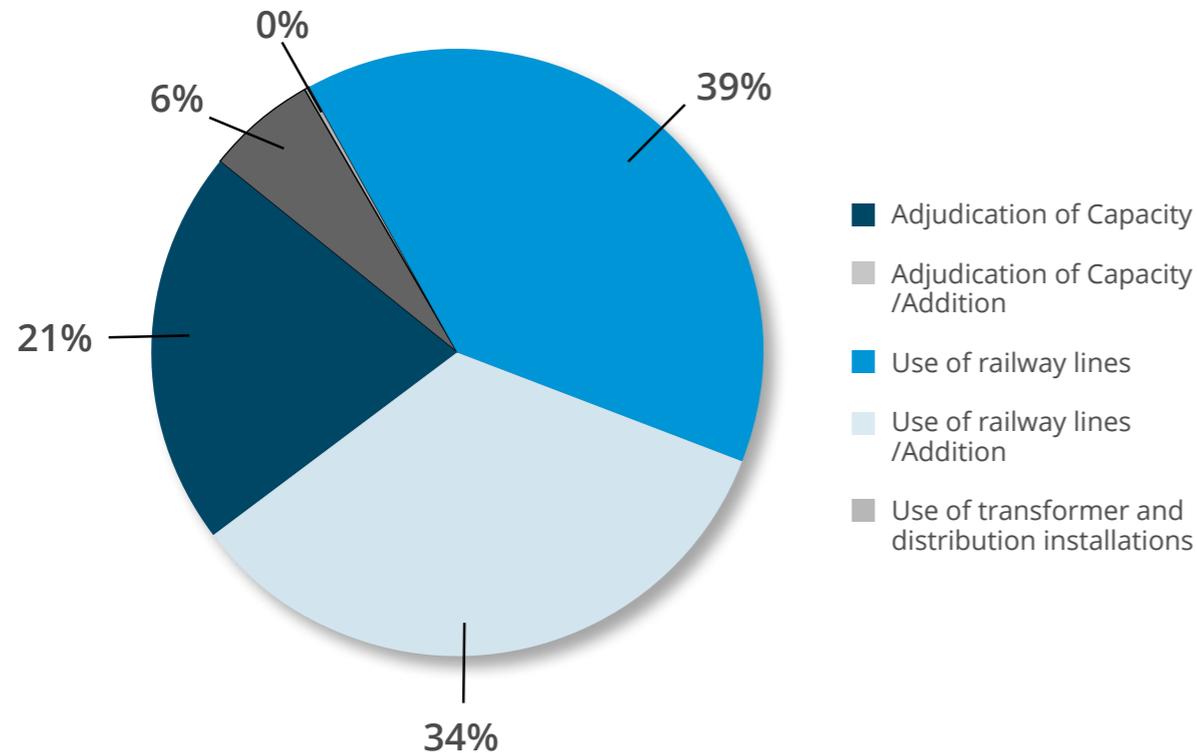
¹ Of the €2,084 thousand recognised in 2020 for the rebate on the RFIG line usage fee, €2,074 thousand was related to rebates settled for 2020, while €10 thousand related to the adjusted figure of the rebate payable for 2019.

{ CHARGES FOR USE OF RFIG LINES

Revenue earned from use of RFIG lines in 2021 was up 21.73% on 2020, following a production increase of 22.84%.

Shown below is the **contribution made by each type of RFIG usage fee** to total 2021 revenues.

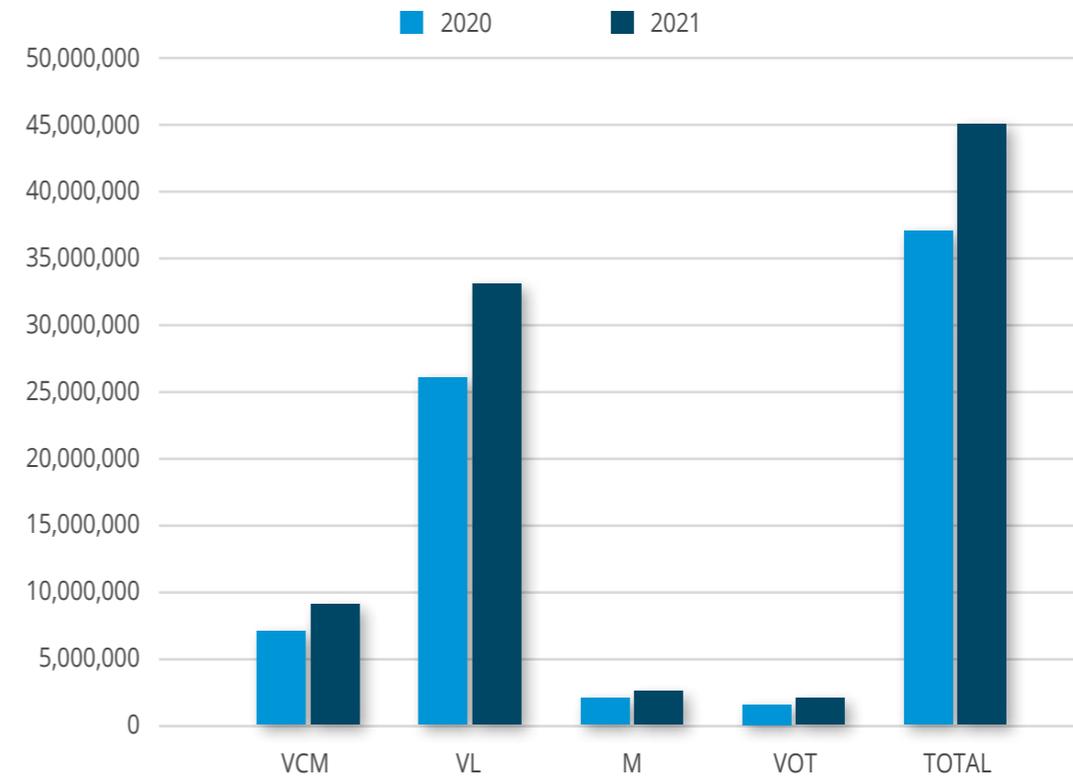
Revenue by tariff type, 2021-Adif AV



Overall traffic, measured in terms of train-km, rose by 22.84% from 36.6 million train-km in 2020 to 45.0 million in 2021. This change was due to the increase in traffic on all lines, especially VOT passenger-less services, which increased by 33.15%.

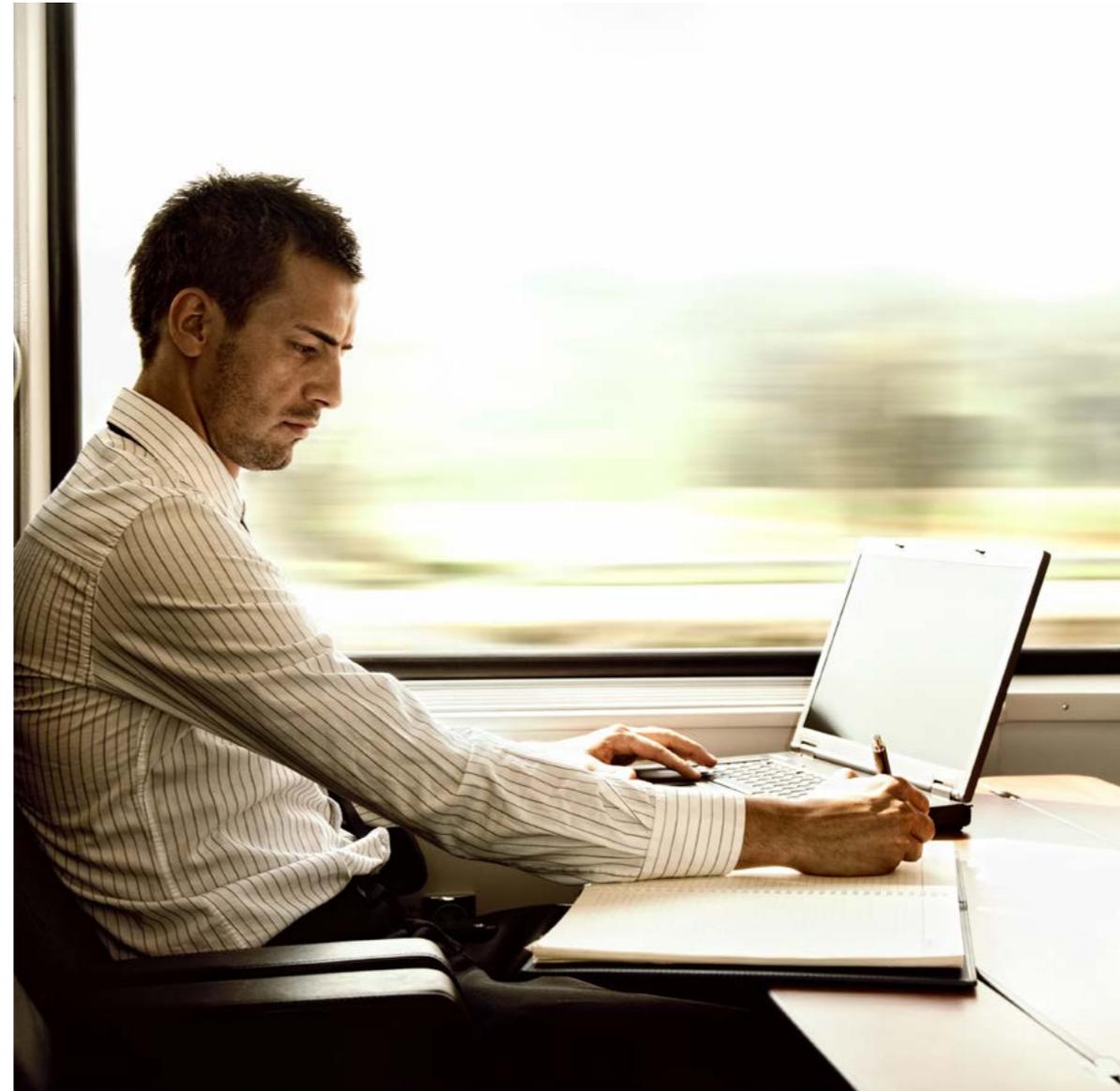
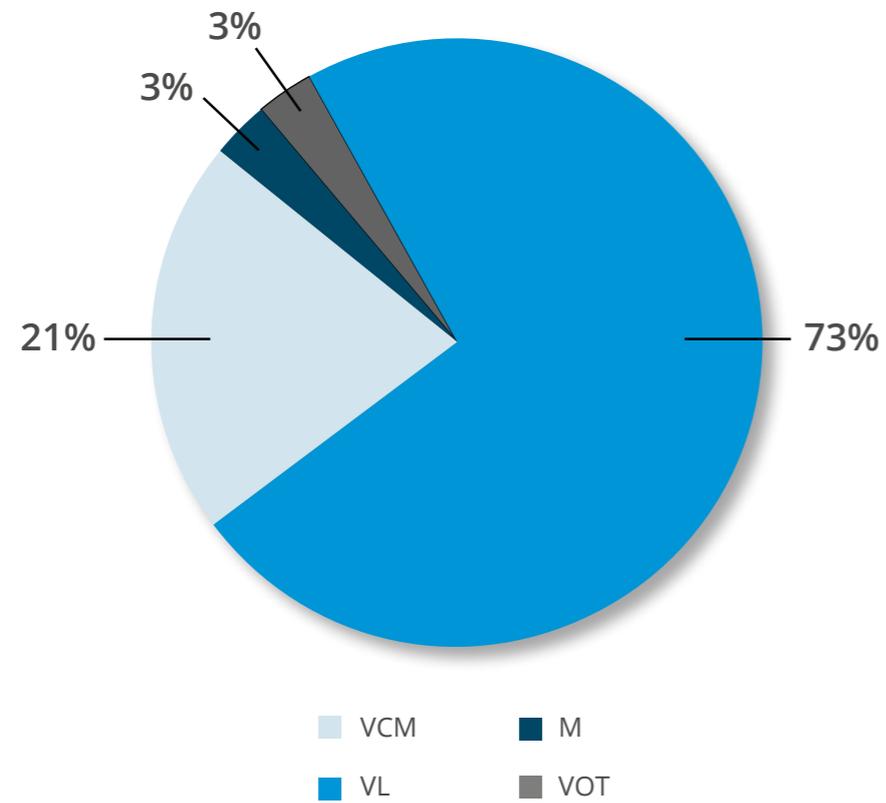
The following chart shows the trend in traffic during 2020-2021, measured in train-km travelled, by type of service:

Train-km distribution by type of service, 2020-2021-Adif AV



The following chart shows the distribution by type of service of the train-km travelled in 2021:

Train-km distribution by type of service, 2020-2021-Adif AV



The following table shows **changes in the number of train-km running in 2020 and 2021** on the main Adif AV lines:

To encourage the efficient operation of the rail network and promote new rail transport services in accordance with Article 97.6 of Law 38/2015, in 2021 Adif AV established a

discount on the charge for use of the lines that make up the General Interest Rail Network (RFIG), under modes A and B, for annual increases in traffic in accordance with the criteria set out in that law.

THOUSANDS OF TRAIN-KM FROM USE OF THE RFIG	2019	2020	2021	CHANGE	% CHANGE ¹
MADRID – ANDALUSIA	18,670	10,738	12,289	1,525	14.17%
MADRID – LEVANTE	7,773	4,813	6,308	1,503	31.28%
MADRID – BARCELONA – FRENCH BORDER	17,636	9,882	12,979	3,149	32.03%
MADRID – VALLADOLID – LEÓN – ZAMORA	5,556	3,156	4,401	1,231	38.84%
OTHER LINES	10,708	8,088	9,075	967	11.92%
TOTAL	60,343	36,677	45,053	8,375	22.84%

¹ In the last two years

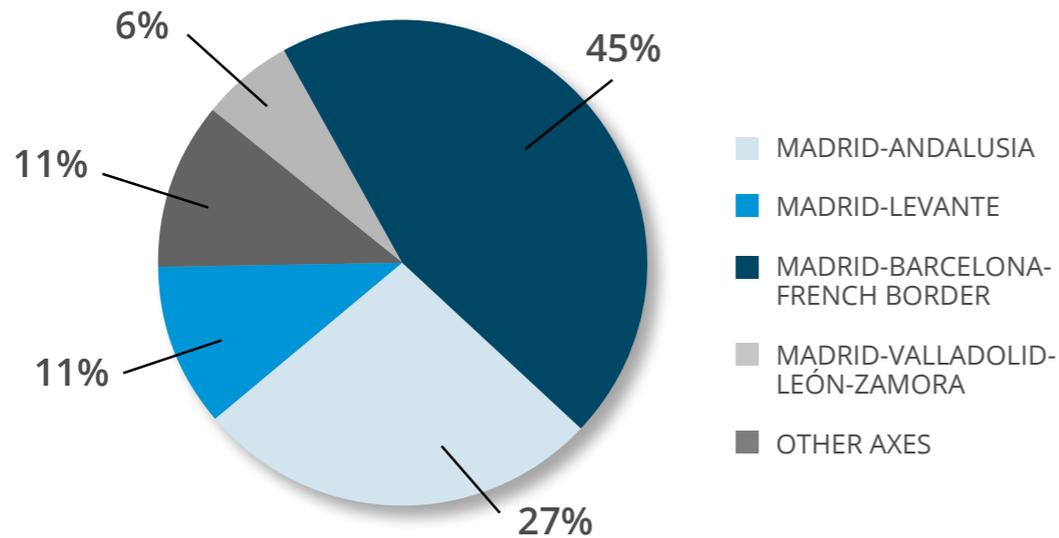
The following lines were offered at a **discount in 2021** along the network of Adif AV:

- **Lines along High-Speed Axis 11**
Madrid Chamartín – Valladolid – Bifurcación Venta de Baños.
- **Lines along High-Speed Axis 12**
Madrid Atocha – Barcelona – French Border.
- **Lines along High-Speed Axis 13**
Madrid Atocha – Levante.
- **Lines along High-Speed Axis 14**
Madrid Atocha – Toledo / Sevilla Sta. Justa / Málaga María Zambrano.
- **Lines along High-Speed Axis 16**
Olmedo – Medina – Zamora – Galicia.

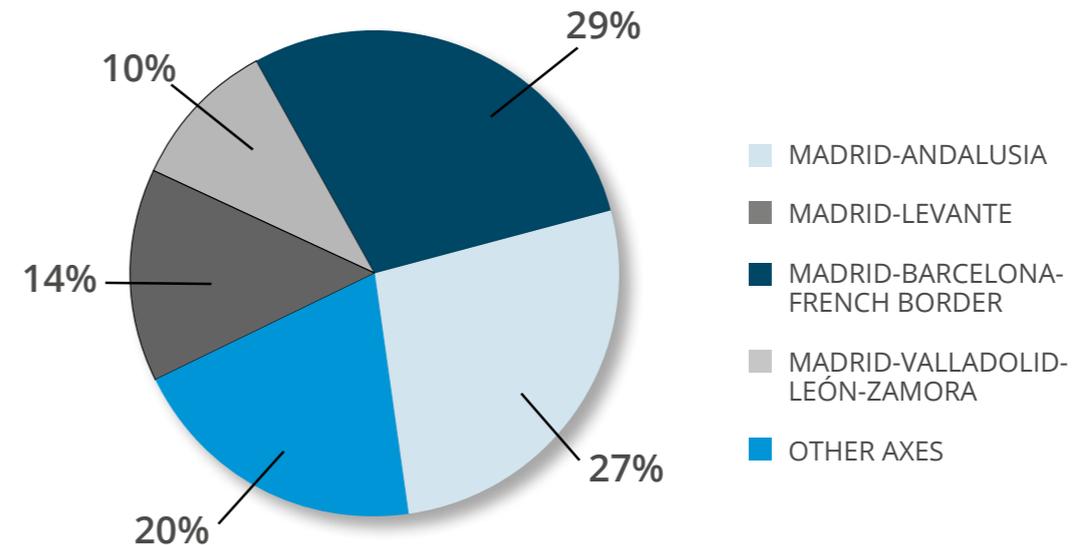
The discount generated at Adif AV in 2021 amounted to €1,249 thousand.

The following charts show the **breakdown of revenue and train-km travelled** in 2021 along the main lines of Adif AV:

Revenue by axis, 2021-Adif AV



Train-km distribution by axis, 2021-Adif AV



{ CHARGES FOR USE OF STATIONS AND OTHER FACILITIES

Revenue from charging for use of stations and other facilities was up 8.02% compared to 2020, following the gradual easing of the mobility restrictions put in place amid the pandemic.

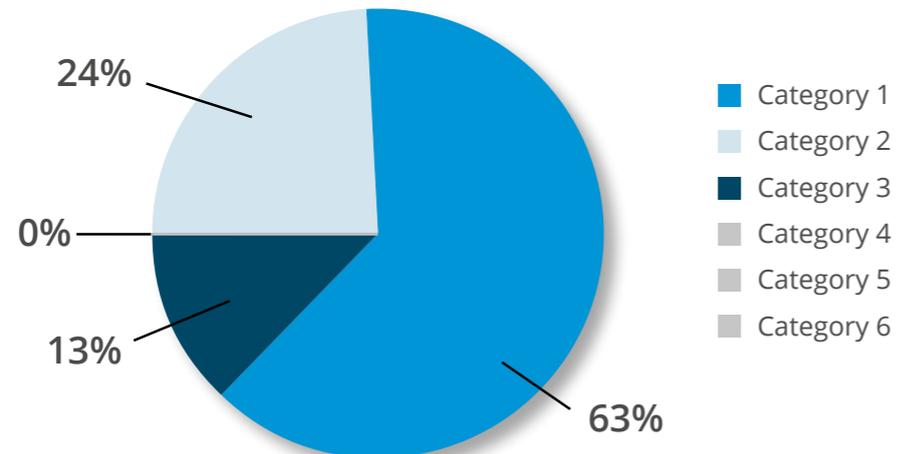
Revenues from **station use charges were up 2.37% on 2020**, even taking into account that the change in station classification has meant that 14 stations at Adif AV have been switched to a lower category. In addition, revenue from the addition for intensity of use of stations grew by 70.7%, as the number of passengers boarding and alighting at stations increased in 2021 compared to 2020, as shown below:

	2021	2020	% CHANGE ¹
PASSENGERS	98,527,115	71,220,896	38.34%

¹ In the last two years

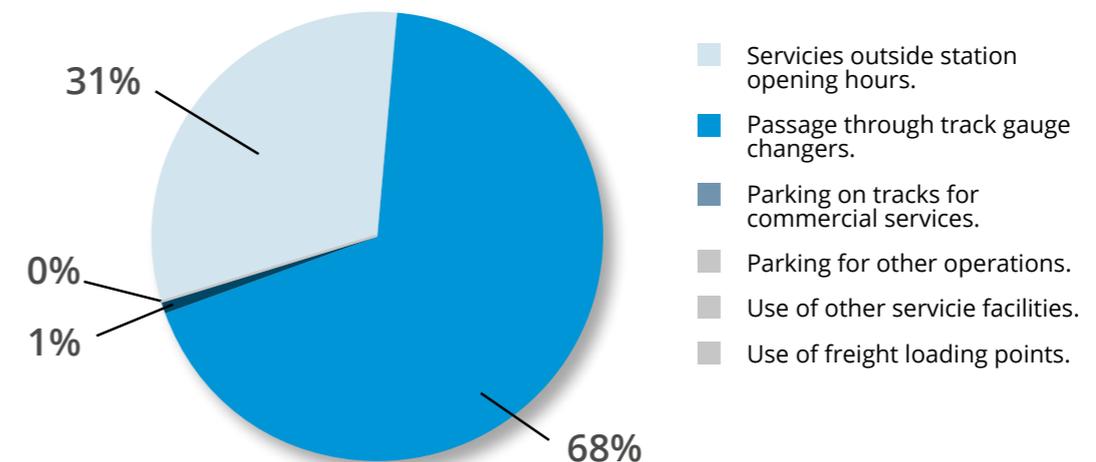
The following chart shows the distribution by station category of the **charges earned from use** of Adif AV stations:

Revenue by passenger station, 2021-Adif AV



The following chart shows the **breakdown of revenue from charges for other facilities** in 2021:

Revenue for use of facilities, 2021 - Adif AV



{ LIQUIDITY AND CAPITAL

The Company's liquidity is managed centrally in order to optimise its available cash.

The following table shows **cash and cash equivalents** in 2020 and 2021.

€ thousand	2019	2020	2021
Net cash flows used in operating activities	(102,980)	(240,521)	(691,682)
Net cash flows used in investing activities	(948,103)	(895,083)	(837,747)
Net cash flows from financing activities	1,266,979	1,122,718	1,332,133
Net increase/(decrease) in cash and cash equivalents	215,896	(12,886)	(197,296)

€ thousand	2019	2020	2021
Grants received	103,344	134,345	196
Contributions from the State	311,574	311,574	466,174
Proceeds from and payments for financial instruments	852,061	676,799	865,763
Total cash flows from financing activities	1,266,979	1,122,718	1,332,133

The Company's liquidity is managed centrally in order to optimise its available cash.

Adif AV's **working capital** increased from a negative €755.6 million at 31 December 2020 to a negative €591.1 million at 31 December 2021, representing a net positive change of €164.5 million. This situation has not generated any liquidity stress for the Company, given the contributions received under the General State Budget for 2022 and the fact that external financing may be arranged subject to the authorised debt limit.

The Company also had a total of €460 million in undrawn short-term credit facilities in place with financial institutions at 31 December 2021. These facilities mature in the short term, with some of them tacitly rolling over each year, subject to a maximum number of rollovers.

The Company also pursues a policy of optimising its borrowing costs, reducing its reliance on external borrowing in 2020 as far as possible. While it was authorised to increase its long-term borrowings by a nominal €1,500 million, it only did so by €797 million during the year.

Indebtedness in terms of both bank borrowings and bond issues includes debt arranged by Adif AV mainly with the European Investment Bank, to finance investments made in previous years in property, plant and equipment, as envisioned in the Multi-year Action Plan.

On 26 January 2021, the prospectus for the EMTN Programme with a nominal amount of €8 billion was renewed on the Irish Stock Exchange and passported to the Spanish National Securities Exchange Commission (CNMV) on the same date.

The combination of interest rates and the diversification of funding sources placed the average interest rate of Adif AV's long-term liabilities at 1.59% per annum at 31 December 2021, with an average life of 9.03 years (1.70% per annum at 31 December 2020, with an average life of 9.34 years).



{ COVERAGE RATIO – ESA (EUROPEAN SYSTEM OF ACCOUNTS)

Spanish Royal Decree-Law 15/2013 of 13 December, on the restructuring of state-owned enterprise Administrador de Infraestructuras Ferroviarias (Adif) and other urgent economic measures, includes an Additional Provision One regulating the criteria and procedures to ensure compliance with the principle of financial sustainability of the new state-owned enterprise Adif AV and, consequently, with the requirements of national accounting regulations.

More specifically, the additional provision states that:

- Adif AV, in accordance with the principle of financial sustainability, shall ensure that the coverage ratio of production costs with sales revenues, as set out in the regulations governing national accounts, allows for its classification as a public unit included in the segment "Non-Financial Enterprises".
- The timing and amount of the investments budgeted for and effectively executed must never jeopardise Adif AV's status as a non-financial enterprise for national accounting purposes.

By virtue of this additional provision, the value of the ESA **2010 coverage ratio** is calculated as at 31 December 2021, taking into account the amendments proposed by the Comptroller General of the State (IGAE) in this respect:

- The information on finance income has been broken down to show separate figures on the returns earned on financial investments and the income recognised through capitalisation of borrowing costs, thus meeting the 50% ratio, without netting the income from capitalisation of the total borrowing costs. To compare the figures on a like-for-like basis, the same criterion has been applied to the scenarios based on which the split was decided.

- For the purposes of calculating the ratio, the amounts relating to Mode A, the Addition to Mode A and the Addition to Mode B have not been included in the revenues from charging for infrastructure use, as they relate to commuter, city and intercity passenger services linked to Public Service Obligations that are not accepted by Eurostat as market revenues.
- An increase coefficient has been applied to the accounting depreciation under the terms proposed by the Financial Comptroller for adjustment to straight-line depreciation. The value of this coefficient for 2019 is 0.80, which has been provisionally applied to the 2021 amounts in line with the IGAE's recommendation.
- Operating subsidies have not been taken into account in the calculation of income.

The **resulting figures at 31 December 2021** are as follows:

	FIGURES - 2021
REVENUES UNDER NATIONAL ACCOUNTS	845,754 €
EXPENSES UNDER NATIONAL ACCOUNTS	1,878,524 €
ESA RATIO – 2010	45.02 %

While the Company failed to reach the 50% ratio in 2021, this situation will not entail its reclassification in national accounting terms, given the exceptional nature of the current climate amid the pandemic, which continued throughout 2021.

{ INVESTMENTS CARRIED OUT DURING THE YEAR

The following tables show the investments carried out in 2021 (compared to the previous year), broken down by type and by line.

TYPE	2019 MILES € (IVA incluido)	2020 MILES € (IVA incluido)	2021* MILES € (IVA incluido)
ELECTRIFICATION AND TELECOMMUNICATIONS	71,185	127,897	77,492
PLATFORM	453,024	482,277	371,388
SIGNALLING AND SAFETY INSTALLATIONS	101,898	154,291	84,505
EQUIPMENT AND OTHER ACTIONS	213,966	195,804	251,101
VÍA	298,637	250,587	102,562
STATIONS AND FREIGHT TERMINALS	60,848	61,717	202,685
TOTAL	1,199,557	1,272,573	1,089,733

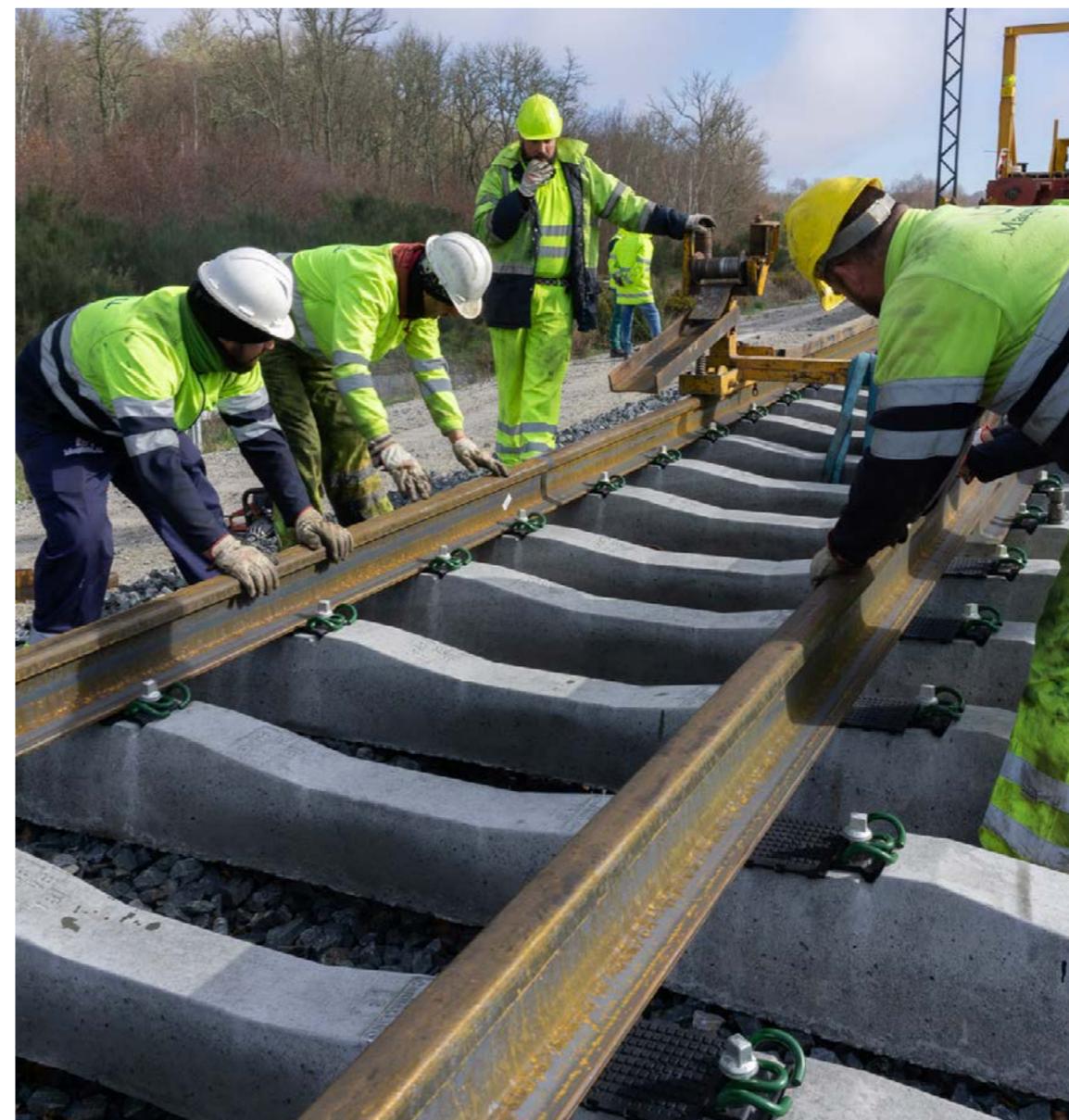
LINES	2019 – € THOUSAND (including VAT)	2020 – € THOUSAND (including VAT)	2021* – € THOUSAND (including VAT)
VANDELLÓS-VALENCIA	24,357	52,574	47,920
H-S LINE LEVANTE	60,212	80,641	29,476
H-S LINE ALMERIA-MURCIA	38,590	40,753	87,599
H-S LINE BOBADILLA-GRANADA	36,120	43,120	14,730
VANDELLOS-TARRAGONA	19,258	20,825	8,504
PALENCIA-AGUILAR DE CAMPOO	4,315	682	6,064
CABCERA NORTE DE CHAMARTIN	12,268	7,956	32,810
H-S LINE ASTURIAS (VARIANTE DE PAJARES)	68,903	109,098	-2,226
H-S LINE VENTA DE BAÑOS-PALENCIA-LEÓN-ASTURIAS	34,304	30,384	24,684
H-S LINE VALLADOLID-BURGOS-VITORIA	17,711	24,614	17,168
H-S LINE VITORIA-BILBAO-SAN SEBASTIÁN	111,467	132,714	165,582

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LINES	2019 € THOUSAND (including VAT)	2020 € THOUSAND (including VAT)	2021* € THOUSAND (including VAT)
H-S LINE MADRID-EXTREMADURA	162,531	140,760	146,903
H-S LINE GALICIA (OLMEDO-LUBIÁN-ORENSE)	362,645	277,829	63,251
H-S LINE ZARAGOZA-PAMPLONA (CASTEJÓN-PAMPLONA)	30,656	31,580	28,206
UIC CONNECTION, CHAMARTÍN-ATOCHA-TORREJÓN	19,157	27,731	42,853
ATLANTIC AXIS (CORUÑA-VIGO)	17,453	-34,485	116,815
ATTRIBUTABLE TO THE ENTIRE NETWORK	74,761	79,826	86,877
INVESTMENT IN OPERATING LINES	74,213	175,117	57,745
OURENSE BYPASS	14,472	4,752	5,631
STATIONS AND OTHER ASSETS	16,163	26,105	109,141
TOTAL	1,199,557	1,272,573	1,089,733

*In addition to the above investments by type and related Lines, there were changes in 2021 in Adif AV's equity in relation to the assets listed below (figures in € thousand, including VAT): PARTICIPATING LOANS TO RAILWAY INTEGRATION COMPANIES 33,414 // INVESTMENTS THAT CANNOT BE ASSIGNED TO LINE ACTIONS 2,425 // ASSETS FROM SEITSA 6,425.



{ INFORMATION ON PROCUREMENT

The following tables provide detailed information on procurement activity in 2021.

BREAKDOWN OF TENDER PROCESSES (Amounts excluding VAT, in € million)				
Department	No. of internal contracts	Amount of contracts	Total no. of tenders	Total amount tendered
Construction	70	136.04	284	1,723.89
Energy and Fibre Optics	5	2.41	23	36.20
High-Speed Projects and Stations	5	1.76	86	82.48
Other	0		3	0.03
Total	80	140.21	396	1,842.60

BREAKDOWN OF CONTRACTS AWARDED (Amounts excluding VAT, in € million)				
Department	No. of internal contracts	Amount of contracts	Total no. of tenders	Total amount tendered
Construction	69	131.03	271	1,119.78
Energy and Fibre Optics	5	2.39	44	432.93
High-Speed Projects and Stations	5	1.67	76	5.45
Other	0		3	0.03
Total	79	135.09	394	1,558.19

BREAKDOWN OF TENDERS BY PROCEDURE		(Amounts excluding VAT, in € million)		
Procedure / Criteria	No. of tenders	Amount	% of amount	
Open	176	1,645.78	89.3%	
• Most advantageous tender (various criteria)	119	1,573.47	85.4%	
• Price (one criterion)	57	72.31	3.9%	
Restricted	1	0.60	0.0%	
• Most advantageous tender (various criteria)	1	0.60	0.0%	
• Price (one criterion)				
Negotiated	136	55.96	3.0%	
• With prior publication	1	12.65	0.7%	
• Without prior publication	33	41.84	2.3%	
- Emergencies	7	4.94	0.3%	
- Technology related	24	36.56	2.0%	
- Other causes	2	0.34	0.0%	

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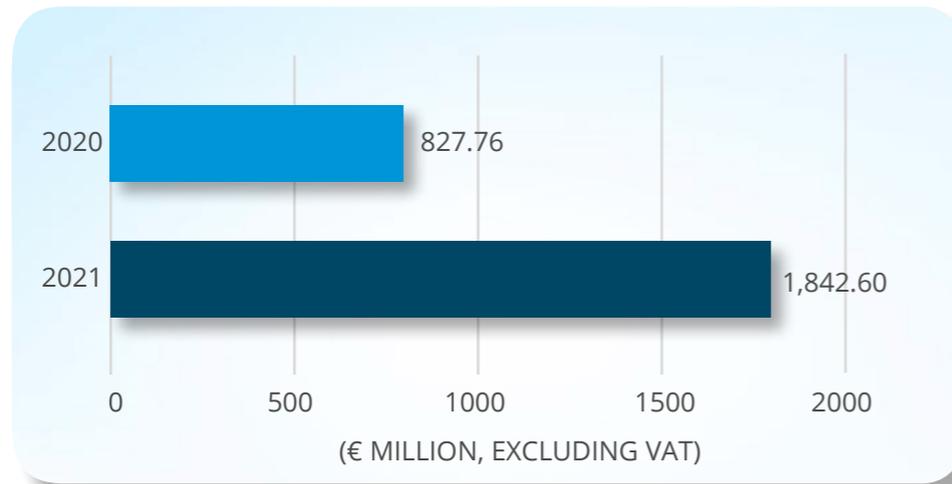


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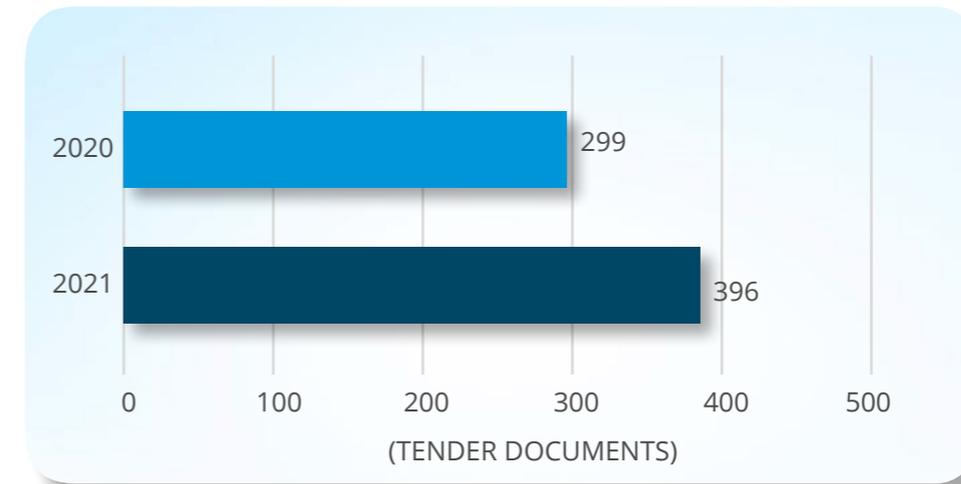
Procedure / Criteria	No. of tenders	Amount	% of amount
• Minor contracts	102	1.47	0.1%
Orders under framework agreement	3	0.05	0,0%
Total tendered	316	1,702.39	92.4%
Awarded internally	80	140.22	7.6%
TOTAL	396	1,842.61	100.0%



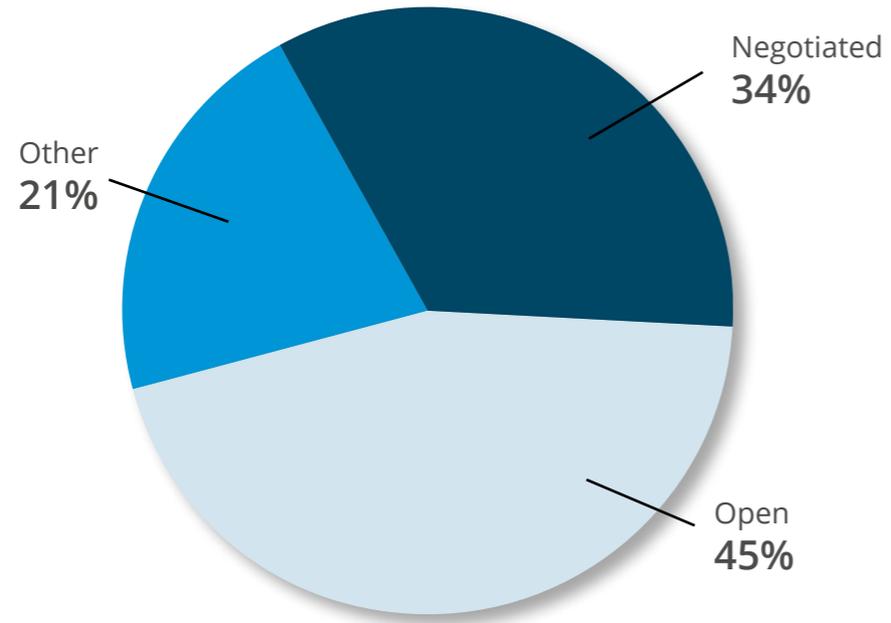
TOTAL AMOUNT TENDERED



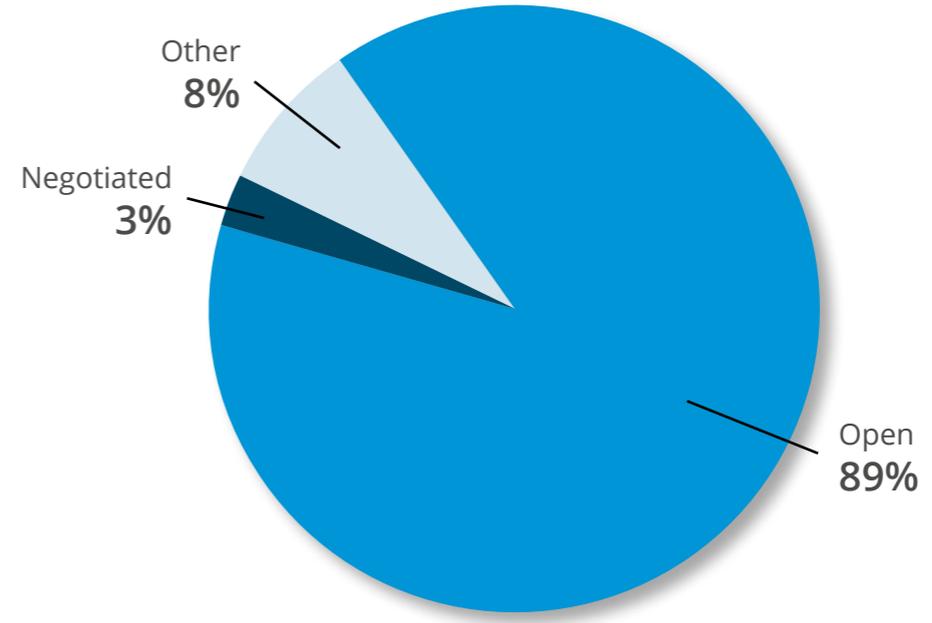
TOTAL N°. OF TENDERS



TOTAL N° OF TENDER DOCUMENTS



TOTAL AMOUNT TENDERED (€ MILLION, EXCLUDING VAT)



8

APPENDICES

8. APPENDICES

- { 8.1. 2021 MATERIALITY ASSESMENT
- { 8.2. ABOUT THIS REPORT
- { 8.3. CONTRIBUTION TO SOCIAL AND ECONOMIC DEVELOPMENT
- { 8.4. ENVIRONMENTAL DISCLOSURES
- { 8.5. GRI INDICATORS
- { 8.6. CONTENT INDEX

8.1. Materiality assessment - 2021

Adif AV is aware of the need to listen to **stakeholders** so as to achieve a management approach based on accountability to society. For the Company, a stakeholder is **any social group that may be affected by and/or may influence our business**.

ADIF AV STAKEHOLDERS

Rail companies	Public authorities	Suppliers
Passengers	Employees	Business partners
Citizens	Governments of other countries	Allies from the third sector

Towards the end of 2020, we updated the materiality assessment conducted in 2019. Owing to the special circumstances that arose over the year, we thought it was appropriate to make changes to the list of key concerns and to the way in which they are assessed internally and externally. We first identified a list of key topics based on in-depth analysis of a range of sources, some of which are specific to the public sector and the railway industry in Spain and internationally. In addition, we examined research and reports on the potential effects of the COVID-19 crisis on the economy and society, focusing especially on the potential effects on the public sector and service sector.

Finally, we looked to recent trends and abided by the requirements of Law 11/2018 on disclosures of non-financial and diversity information. Overall, we identified **5 management areas and 29 material topics** – one fewer than in 2019, as we brought similar topics together so as to widen their scope. We also introduced new topics arising from new needs identified in the course of the healthcare crisis of 2020.

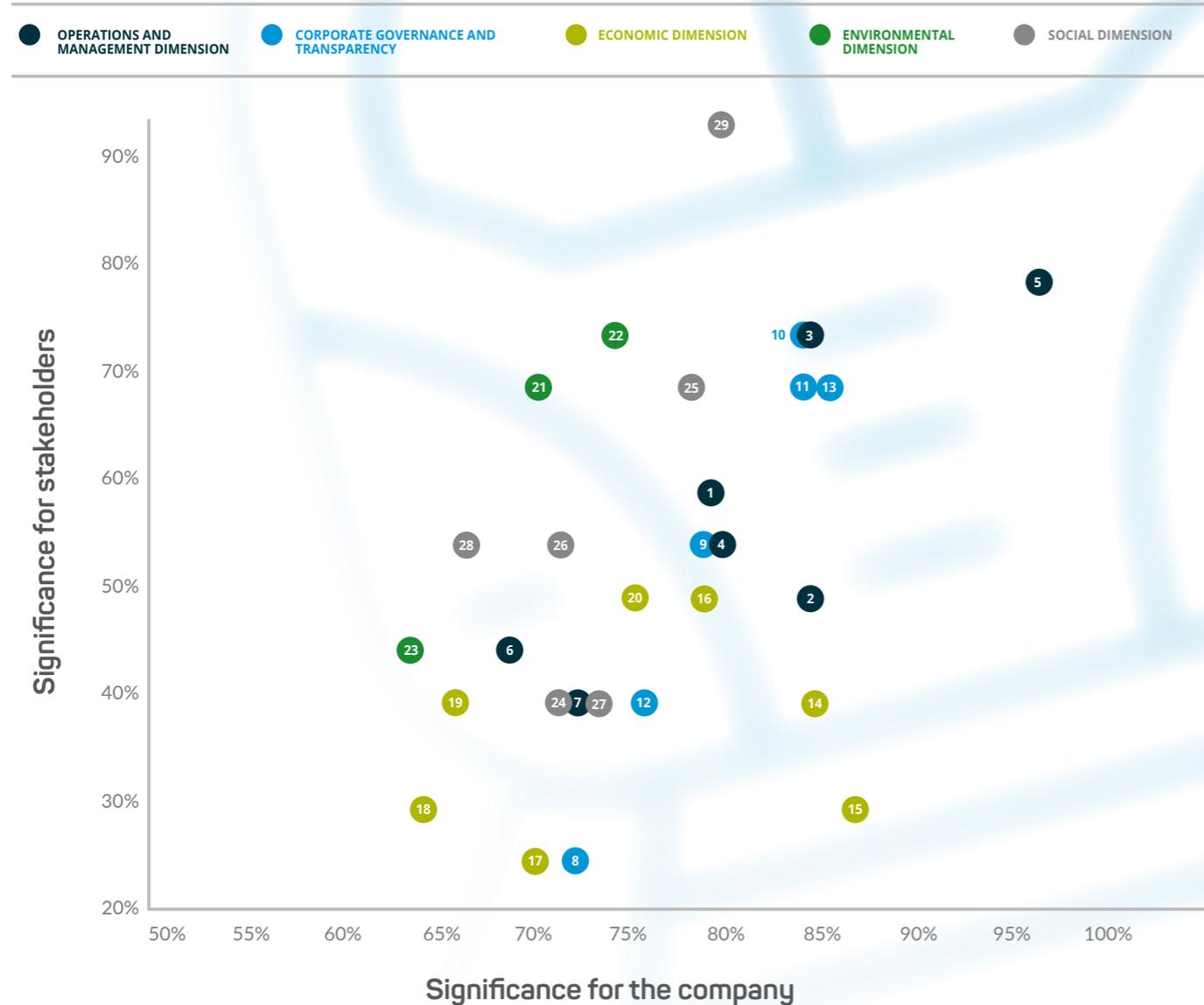


OPERATIONS AND MANAGEMENT DIMENSION	1	Construction of new railway lines and stations
	2	Management of the process of passenger transport liberalisation
	3	Service quality and customer satisfaction
	4	Innovation and digitalisation of the business
	5	All-round safety (protection and safety; rail traffic safety and cybersecurity)
	6	Supplier relations and supply chain management
	7	Health and safety in the value chain
CORPORATE GOVERNANCE AND TRANSPARENCY	8	Public recognition and reputation
	9	Company governance and strategy
	10	Compliance
	11	Risk management, response to the COVID-19 crisis and adaptability
	12	Transparency
	13	Ethics and anti-corruption
ECONOMIC DIMENSION	14	Economic sustainability and raising of capital
	15	Suitable management of public assets
	16	Investment in infrastructure development
	17	Investor relations
	18	Business development and internationalisation
	19	Socio-economic impact on communities

ENVIRONMENTAL DIMENSION	20	Managing the impact of infrastructure on the environment and biodiversity
	21	Fighting climate change and supporting the circular economy
	22	Managing the environmental impact of operations (waste, noise, fire, discharges, etc.)
SOCIAL DIMENSION	23	Stakeholder engagement and dialogue
	24	Disabled access at stations and social inclusion of vulnerable groups
	25	Employee engagement, training, career development and talent attraction
	26	Work-life balance
	27	Rules on remote work and the right to disconnect
	28	Gender equality, diversity management and human rights
	29	Workplace health and safety

We then assessed these topics in the light of their materiality for the Company and its stakeholders, looking at their impact on strategy, business goals, brand reputation and image, and inherent capacity to create risks and opportunities. We conducted an **internal survey involving 129 middle managers and department heads**. We followed a range of reporting standards, analysed the sustainability and CSR reports of several foreign railway companies and reviewed topics that had attracted intense media coverage over the year.

The outcome of placing internal materiality in relation to external materiality is depicted in the following figure:



As in previous years, **key topics** included the **end-to-end safety of the railway network, service quality, and ethics and anti-corruption**. We did see a rise, however, in the materiality of topics surrounding occupational safety, risk management, adaptability, employee commitment and work-life balance. The materiality of environmental matters edged slightly downwards. This trend is explained by the COVID-19 pandemic, which the Company and society as a whole were compelled to address. Since the general public is now chiefly concerned with health, companies' ability to deal with the healthcare crisis and work-life balance, environmental issues have somewhat receded into the background.

Nevertheless, the United Nations 2030 Agenda, achievement of the Sustainable Development Goals, the increasing importance of environmental standards and investors' growing emphasis on companies' performing sustainably all mean that environmental topics should be approached in all seriousness. If companies are to be successful in the short and medium term, all eyes will be on their ability to adapt to the environmental problems already in evidence, and to uphold climate resilience.

8.2. About this report

{ ALCANCE

Adif has been preparing a Sustainability Report since 2006. In the 2021 report, Adif AV describes its financial and non-financial commitments and performance **between 1 January and 31 December 2021**. The scope of the report extends to all of Adif AV's activities in the countries in which it operates.

For reasons of business transparency and strategic consistency, Adif has, since 2017, chosen to publish an **Integrated Management Report**, which includes the non-financial statement and is subject to the same requirements of approval, filing and publication as the management report and the notes within the process of drawing up and issuing the financial statements.

As a state-owned enterprise that operates in the public interest and for the benefit of society, Adif AV is concerned to display exemplary management, guided by **principles of transparency, strategic consistency and good governance**.

With the **non-financial reporting model** now in place at Adif AV, the Company is seeking to become a benchmark for Spanish public utilities in the field of non-financial and diversity reporting and to raise the bar when it comes to transparency and reliability in this realm, with new improvements every year.

Adif AV discloses non-financial information in its Management Report in accordance with the requirements of **Spanish Law 11/2018, on non-financial and diversity information**.



Adif AV aims, through non-financial reporting, to increase the transparency and reliability of its information as a **"best practice"**, using the most advanced reporting techniques.

Non-financial reporting, involving **more than 70 indicators**, is intended to inform and engage our key stakeholders regarding the Company's management, performance and impacts through materiality analysis, taking into consideration the core areas of activity across **four domains (business, corporate governance, social, environmental)**. We make special reference to information related to the Company's contribution to the Sustainable Development Goals of the United Nations and the 2030 Agenda.

This information is published annually and is there to further strengthen the relationship of trust with the stakeholders impacted by the Company's activities.

The information is also disclosed in accordance with the guidelines of the Global Reporting Initiative (GRI), as updated each year (**currently G4 GRI**).

In addition, it **links the G4 GRI standards with the Sustainable Development Goals (SDGs)** of the United Nations 2030 Agenda that might be impacted by the reporting entity's activities. This provides a global framework for organisations and stakeholders to assess local, regional and global impacts. First, therefore, we prioritised goals according to the Company's sector and type of business to identify the key areas where the organisation can contribute and then embed the relevant goals within our corporate strategy.

In line with our commitment to reliability in reporting, the content of the non-financial statement in the management report was subject to an assurance review **by an independent external auditor**, as required by legislation, with the related level of assurance.

AENOR issued its limited **review assurance report** on the content of non-financial and diversity information required by Law 11/2018 and included in the consolidated management report. The work was performed in accordance with best practices as set out in the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and UNE-EN ISO/IEC international standards. This report is included as '**Independent assurance report**' within the non-financial statement.



8.3. Contribution to social and economic development

The following section sets out a number of indicators showing Adif AV's contribution to the country's social and economic development.

ECONOMIC CONTRIBUTION

		2019	2020	2021
Generation of wealth	 Expenditure on personnel (wages) (thousands of euros)	15,817	16,752	15,016
	 Contribution to stakeholders (economic value distributed ¹) (€ million)	1,114.4	1,015.2	1,257.2
Taxes paid	 Payment of employee taxes (Social Security) (€ thousand)	3,112	3,120	3,114
	 Payment of employee taxes (personal income tax) (€ thousand)	2,857	2,682	2,697
Promoting economic activity	 Use of EU funds (%) ²	110.6	111.8	16.5
	 Amount awarded for construction work (€M) (excl. VAT)	1,968.07	340.39	1,045.92
	 Expenses incurred on high-speed network maintenance work (€M) (excl. VAT)	298.9	295.8	327.7
	 Expenses incurred in high-speed network operations (€M) (excl. VAT) (in reference to traffic management)	29.5	26.7	28.2
	 Revenues from commercial operation of the Fibre Optic Network (€ million) (not including VAT)	20.63	19.93	21.66

¹ Content related to **GRI 201-1**: Economic value distributed

² CNMC Resolution S/DC/0614/17, RAILWAY SAFETY AND COMMUNICATIONS, of September 2021 insists that all Reimbursement Requests in progress be redone and applies the financial corrections set out in Annex I of Circular C (2019) 3452

SOCIAL CONTRIBUTION

		2019	2020	2021
Employment	 Number of direct jobs created	218	218	216
	 % permanent jobs	98.17	95.87	95.37
	 Training hours (total)	12,824	20,113	13,990
	 Average hours of training per year and per employee	59.9	92.3	59.3
	 Investment in training (€)	4,227,744*	3,082,230*	683,176
Service	 Investment in developing the high-speed network (€M) (excl. VAT)	1,110.22	1,062.51 ¹	1,006.78
	 Investment in replacing and improving assets in operation (€M), including VAT ²	N/A	186.80	271.30
	 Km of total network under management	3,456	3,622	3,762
	 New construction in km	156	166	140
	 Lines electrified in km	3,110.1	3,275.5	3,429.7
	 Train-km (total)	61,868,768	38,392,375	46,837,143
	 Train traffic (daily average)	952	691	783
	 Number of stations owned by Adif AV	42	42	45
	 Number of passenger station users	161,883,414	71,551,281	98,371,997
	 No. of companies operating on the Adif AV network (liberalised business)	15	15	12
	 Urban integration (€M in cumulative investment made)*	4,067	4,230	4,408.51
	 Number of stations with Adif ACERCA support service	N/A	0	43

* Adif + Adif AV

¹ Investment budget execution for a total of €1,249.31 M

² No record is available for 2019

SOCIAL CONTRIBUTION

		2019	2020	2021
Accessibility	 Passengers boarding / alighting at accessible stations (% passengers)	85.07	85.45	85.94
	 Investment in accessibility improvement work (€M) (excluding VAT)*	12.70	7.92	5.8
	 Investment in drafting projects and carrying out works at stations (€M) (including VAT)*	26.13	23.56	23.9
	 Number of activities under the Open Station Programme	486*	197*	171
Social action/ contribution to the community	 Percentage of purchasing with responsible criteria	100	100	100
	 Number of non-profit organisations with which the Company collaborates	106	71	62
	 Investment in the community (loss of profit - Open Station Programme)	958,548	267,269	248,595
	 Urban integration agreements, addenda, and so forth, signed and managed within the framework of the urban integration JVs in which Adif AV holds a stake*	53	56	62
	 Urban integration (€M in cumulative investment made)*	4,067.65	4,230.36	4,408.51
	 Percentage of requests for information from the press and media answered on time or within seven days	95	95	95
	 Sponsorship agreements signed with non-profit organisations*	2	0	0
	 Involvement in international associations and organisations*	224	224	331
Knowledge and research	 Involvement in international projects and activities	98	45	60
	 No. of R&D projects Completed*	31	41	46
	 Investment in R&D (€M)	0.065	0.596	3.187
	 Number of companies based at the Centre for Railway Technologies	22	21	24
	 No. of companies taking part in the initiative launched by Adif AV and The Railway Innovation Hub Spain association	82	80	90
	 Number of digital transformation initiatives in progress	20	23	25
	 Investment in digital transformation (€M)*	6.50	5.80	7.40

* Adif + Adif AV

ENVIRONMENTAL CONTRIBUTION

		2019	2020	2021
Climate change policy	 Reduction in GHG emissions (t of CO ₂ eq)	22,712	13,028	15,016
	 Improvement in energy efficiency (GWheq equivalent)	103.56	104.18	120.26
	 Estimated cumulative reduction in energy consumption for the period 2018-2030 (Gwheq)*	2,900	2,900	2,900
	 Cumulative emission reductions for the horizon under the plan to 2030 (ktCO ₂ eq) (based on electricity mix)*	3,700	3,700	3,700
	 Carbon footprint reduction target by 2030 (%)*	86% based on electricity mix (GoO) 25% based on mainland electricity mix	86% based on electricity mix (GoO) 25% based on mainland electricity mix	86% based on electricity mix (GoO) 25% based on mainland electricity mix
	 Percentage of energy purchased with GoO certification*	100	100	100
	 Resources deployed for environmental protection (investment + operation) (€M)	75.12 (figure for year-end 2017)	59.85 (figure for year-end 2018)	48.33 (figure for year-end 2020)
Minimisation of impacts	 Expenditure on fire prevention (€)	2,230,719	2,897,854	3,082,059
	 Fires (No.)	0	0	0
	 Number of environmental review reports (projects)	228 ¹	267	281
	 Number of environmental monitoring reports for construction work not subject to environmental impact statement (EIS)	74	190	285
	 Number of regulatory reports related with environmental monitoring of works subject to environmental impact statement (EIS)	248	412	241
	 Residuos Peligrosos generados (Tn)	2.65	0.69	3.76
	 Waste recovered (%)	100	100	100

* Adif + Adif AV

¹ Modified according to the latest published environmental report

8.4. Environmental disclosures

Below we describe our environmental performance in 2021 and provide a comparison with the two previous years. This information has been included in accordance with the guidelines of the GRI Sustainability Reporting Standards.

{ GRI 301: MATERIALS

GRI 301-1: Materials used by weight or volume.

GRI 301-2: Recycled input materials used.

RAIL MATERIAL (TONNES)

	2019	2020	2021
Rail	45,824	26,049	6,327
Wooden sleepers	0	0	0
Concrete sleepers	139,147	30,808	17,437
Ballast	728,806	453,026	67,444

{ GRI 302: ENERGY

GRI 302-1: Energy consumption within the organization.

GRI 302-2: Energy consumption outside of the organization.

GRI 302-3: Energy intensity.

ENERGY CONSUMPTION

	2019	2020	2021
Electricity (TJ/year)	583.36	554.57	551.87
Traction uses (TU)	267.10	261.55	264.95
Non-traction uses (NTU)	316.27	293.02	286.92
Diesel fuel (TJ/year)	28.40	24.93	26.13
Diesel A – Automotive	1.40	0.70	0.78
Diesel B – Track maintenance	10.02	7.08	8.25
Diesel B – Workshop shunting	0	0	0
Diesel B – Aux. operations at terminals	0	0	0
Diesel B – Station shunting	17.17	17.17	17.10
Diesel C – Heating	0	0	0
Petrol (TJ/year)	0.37	0.57	0.69
Natural gas (TJ/year)	38.40	34.12	35.54

SOURCES OF PRIMARY ENERGY (TJ/YEAR)

	2019	2020	2021
Coal	80.22	39.89	41.84
Natural gas and fuel	-	-	-
Combined cycle	386.18	318.22	318.18
Nuclear	421.63	462.56	457.52
Cogeneration and non-renewable waste	238.80	240.45	238.39
Turbine pumping	13.06	22.51	22.43
Fossil fuels	1,139.89	1,083.63	1,078.36
Hydro	61.93	64.55	56.61
Wind	133.14	113.27	113.25
Solar (photovoltaic and solar thermal)	35.30	41.01	48.17
Other renewables ¹	11.15	10.75	10.45
Renewable resources	241.51	229.59	228.48

¹ Biogas, biomass, marine hydro and geothermal

INTENSITY OF FINAL AND PRIMARY ENERGY CONSUMPTION

	2019	2020	2021
 Km-train managed (km-train/year)	61,868,768	38,392,375	46,837,143
Final energy intensity (MJ/km-train)	10.52	15.99	13.11
Primary energy intensity (MJ/km-train)	23.42	35.76	29.23



{ GRI 303: WATER

- GRI 303-1:** Interactions with water as a shared resource.
- GRI 303-2:** Management of water discharge-related impacts.
- GRI 303-3:** Water withdrawal.
- GRI 303-4:** Water discharge.
- GRI 303-5:** Water consumption.

Given that all consumption comes from municipal networks, there is no significant direct impact on water sources through withdrawal, nor are there any water recycling or reuse activities.

There is also relatively little consumption from wells, for which no quantitative information is available.

All legally established authorisations are in place for the withdrawal of water from these sources. The statutory water consumption charges are also paid.

The main discharges caused by Adif AV activities are sanitary wastewater from public toilets at stations.

Furthermore, as the wastewater is discharged into municipal treatment systems, there is no direct impact on water bodies through discharges or runoff.

The legally established authorisations for the discharge of wastewater are in place and the regular analyses established in these authorisations are performed in due course. All applicable rates for sewerage, sanitation and wastewater treatment are paid.

WATER (m³)

	2019	2020	2021
m³	23,832	13,270	14,770



{ GRI 304: BIODIVERSITY

GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

GRI 304-3: Habitats protected or restored.

COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

		2019	2020	2021
Design phase	Project environmental review reports	207	225	224
	Certification of compliance with project environmental impact statements	17	18	12
	Environmental impact statement alignment reports	24	13	28
	Project environmental stipulations alignment reports	15	18	22
	Documents substantiating waiver from environmental impact assessment requirement	15	18	22
Construction phase	Environmental review reports	21	42	56
	Environmental impact statement alignment reports of modified projects	23	33	47
	Complementary environmental impact statement alignment reports	1	2	1
	Emergency works	7	3	6
	Documents substantiating waiver from environmental impact assessment requirement	7	6	8
	Environmental suitability reports	1	4	2

REGULATORY REPORTS RELATED TO ENVIRONMENTAL OVERSIGHT OF WORKS SUBJECT TO ENVIRONMENTAL IMPACT ASSESSMENT

	2019	2020	2021
Before start of works	41	39	29
Parallel to record of substantiation of changes	55	26	37
Before completion/delivery of works	55	50	46
 Ongoing	248	412	241

ENVIRONMENTAL MONITORING OF WORKS NOT SUBJECT TO ENVIRONMENTAL IMPACT ASSESSMENT

	2019	2020	2021
Number of current works with environmental monitoring	34	37	23
 Follow-up reports	74	190	285



IMPACTS CAUSED BY ACTIVITIES OR OPERATIONS IN PROTECTED AREAS¹

	2020	2021
Length of the active rail network	3,622	3,726
Area occupied by the active railway network	11,591	11,923
Estimated area affected	33,593	34,680

KEY FIRE PREVENTION MEASURES AND ACTIONS

	2019	2020	2021
 Resources earmarked for fire prevention (€)	2,230,719	2,897,854	3,082,059
 Fires (No.)	0	0	0



¹ This indicator is not available for 2019

{ GRI 305: EMISSIONS

GRI 305-1: Direct (Scope 1) greenhouse gas emissions.

GRI 305-2: Direct (Scope 2) greenhouse gas emissions.

GRI 305-4: Greenhouse gas (GHG) emissions intensity.

GRI 303-5: Reduction of greenhouse gas (GHG) emissions.

TONNES OF CO₂EQ EMITTED / RAIL TRACTION FROM INFRASTRUCTURE

	2019	2020	2021
Tonnes of CO ₂ eq emitted as a result of electric traction	179,234	82,020	90,886



CLIMATE CHANGE POLICY

	2019	2020	2021
Reduction in GHG emissions (t of CO ₂)	22,712	13,028	15,016
Improvement in energy efficiency (GWh equivalent)	103.56	104.18	120.26
Carbon footprint reduction target by 2030 (%) ¹	86% based on electricity mix (GoO) 25% based on mainland electricity mix	86% based on electricity mix (GoO) 25% based on mainland electricity mix	86% based on electricity mix (GoO) 25% based on mainland electricity mix
Percentage of electricity purchased with GoO certification	100	100	100
Share of renewable energy (electricity with GoO as a percentage of total energy consumed)	89.70	90.30	89.80

Adif + Adif AV

SCOPES

		2019	%	2020	%	2021	%
Scope 1	Combustion plants	2,168	51.3	1,926	51.5	1,799	46.5
	Track maintenance, shunting and ancillary operations	1,935	45.8	1,724	46.1	1,922	49.6
	Vehicles	125	3	89	2.4	150	3.9
	Total Scope 1	4,228	-	3,739	-	3,871	-
Scope 2	Electricity consumption	27,584	-	19,040	-	18,089	-
Total (tCO₂eq) Mainland electricity mix		31,811	-	22,779	-	21,960	-
Total (tCO₂eq) Electricity market		4,228	-	3,739	-	3,871	-



{ GRI 306: WASTE

GRI 306-1: Waste generation and significant waste related impacts.

GRI 306-2: Management of significant waste-related impacts

GRI 306-3: Waste generated

GRI 306-4: Wastes not destined for disposal

GRI 306-5: Waste destined for disposal

WASTE GENERATED

	2019	2020	2021
 Hazardous waste generated during infrastructure operation and maintenance (t)	2.65	0.69	3.76
Hazardous waste generation intensity (t waste/million train-km)	-	0.018	0.081
 Waste recovered (%)	100	100	100

DISTRIBUTION BY WASTE CATEGORY¹ (%)

	2020	2021
Batteries, cells and accumulators	8	1.83
Electrical and electronic equipment	17.3	56.97
Remnants of water separators	72.8	39.84
Gases in pressure vessels	0.1	0
Packaging waste	1.5	1.09
Oils and fats	-	10
Paint	0.3	0

¹ This indicator is not available for 2019

8.5. GRI indicators

GENERAL DISCLOSURES

GRI INDICATOR	Reference/page
102-1 Name of the organization	High-speed railway infrastructure manager, Adif AV
102-2 Activities, brands, products, and services	15-20, 31-42, 161
102-3 Location of headquarters	C/Sor Ángela de la Cruz 3-3º, 28020 (Madrid)
102-4 Location of operations	23-25
102-5 Ownership and legal form	Section on Scope
102-6 Markets served	23-25
102-7 Scale of the organization	122
102-8 Information on employees and other workers	121-124
102-9 Supply chain	167-169
102-10 Significant changes to the organization and its supply chain	There were no significant changes in the organisation during the reporting period. Significant organisational changes are communicated within the relevant notice periods stipulated in the agreement.

GRI INDICATOR	Reference/page
102-11 Precautionary principle or approach	183-184
102-12 External initiatives	Adif AV is a participant in the RNE (Rail Net Europe) working group.
102-13 Membership of associations	25; 51-53; 206
102-14 Statement from senior decision-maker	Statement by the Chairwoman of Adif and Adif AV
102-16 Values, principles, standards and norms of behaviour	15; 173-176
102-17 Mechanisms for advice and concerns about ethics	Ethics Channel and Regulatory Compliance
102-18 Governance structure	105-109
102-40 List of stakeholder groups	Press and media, general public, rail users, operators, public administrations, opinion leaders, NGOs, investors, collaborators, allies, Adif AV employees, suppliers.
102-41 Collective bargaining agreements	117

GRI INDICATOR	Reference/page
102-42 Identifying and selecting stakeholders	Press and media, general public, rail users, operators, public administrations, opinion leaders, NGOs, investors, collaborators, allies, Adif AV employees, suppliers. NEW IN THE PERIOD: extension of the number of news items disseminated. Perceived Image Survey. New website. Social media
102-43 Approach to stakeholder engagement	Renovation of the website. Conversations through social networks Requests for information on web communication and Transparency Portal
102-44 Key topics and concerns raised	Throughout the report
102-45 Entities included in the financial statements	Adif AV
102-46 Definition of report content and topic boundaries	Section on Scope
102-47 List of material topics	Included in the materiality analysis
102-48 Restatements of information	Where possible, data for the last three years (2019-2021 period) have been included

GRI INDICATOR	Reference/page
102-49 Changes in reporting	Section on Scope
102-50 Reporting period	1 January 2021 to 31 December 2021
102-51 Date of most recent report	2020
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	rsc@adif.es
102-54 Claims of reporting in accordance with the GRI Standards	Section 'About this report' and GRI standards
102-56 External assurance	This report has been externally verified by an independent third party in accordance with the ISAE 3000 standard.

MANAGEMENT APPROACH

GRI INDICATOR		Reference/page
103-1	Explanation of the material topic and its boundary	The aspects reported on relate to the activities carried out by the Company and any direct impacts they may have
103-2	The management approach and its components	Throughout the report

ECONOMIC PERFORMANCE INDICATORS

GRI INDICATOR		Reference/page
201-1	Valor económico directo generado y distribuido	214; 243
201-4	Asistencia financiera recibida del gobierno	212

ANTI-COMPETITIVE BEHAVIOR

GRI INDICATOR		Reference/page
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2021, there was no legal action regarding anti-competitive behaviour, or anti-trust or monopoly practices

MATERIALS

GRI INDICATOR		Reference/page
301-1	Materials used by weight or volume	188; 247
301-2	Recycled materials used	188; 247

ENERGY

GRI INDICATOR		Reference/page
302-1	Energy consumption within the organization	190-193; 247-248
302-3	Energy intensity	190-193; 247-248
302-4	Reduction of energy consumption	187

WATER

GRI INDICATOR		Reference/page
303-1	Interactions with water as a shared resource	188; 249
303-2	Management of water discharge-related impacts	249
303-3	Water withdrawal	249
303-4	Water discharge	249
303-5	Water consumption	249

BIODIVERSITY

GRI INDICATOR		Reference/page
304-1	Descripción de los impactos más significativos en la biodiversidad de áreas protegidas o áreas de alto valor en términos de diversidad biológica no protegidas derivados de las actividades, productos y los servicios	250-251
304-3	Hábitats protegidos o restaurados	250-251

EMISSIONS

GRI INDICATOR		Reference/page
305-1	Total direct greenhouse gas (GHG) emissions (scope 1)	253
305-2	Total indirect greenhouse gas (GHG) emissions (scope 2) (generated off site during combustion of the energy source)	253
305-4	Greenhouse gas (GHG) emissions intensity	252
305-5	Reduction of greenhouse gas (GHG) emissions	252

WASTE

GRI INDICATOR		Reference/page
306-1	Waste generation and significant waste related impacts	196; 254
306-2	Management of significant waste-related impacts	196; 254
306-3	Waste generated	254
306-4	Wastes not destined for disposal	254
306-5	Waste destined for disposal	254

ENVIRONMENTAL COMPLIANCE

GRI INDICATOR		Reference/page
307-1	Non-compliance with environmental laws and regulations	186

EMPLOYMENT

GRI INDICATOR		Reference/page
401-1	New employee hires and employee turnover	122; 133
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	127
401-3	Parental leave	128

OCCUPATIONAL HEALTH AND SAFETY

GRI INDICATOR		Reference/page
403-1	Workers representation in formal joint management-worker health and safety committees	129
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	145-146
403-3	Occupational health services	144-145
403-4	Worker participation, consultation, and communication on occupational health and safety	144-145
403-5	Worker training on occupational health and safety	144-145
403-6	Promotion of worker health	144-145
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	144-145
403-8	Workers covered by an occupational health and safety management system	144-145
403-9	Work-related injuries	145-146
403-10	Work-related ill health	146

TRAINING AND AWARENESS-RAISING

GRI INDICATOR		Reference/page
404-1	Average hours of training per year and per employee	59.3 hours
404-2	Employee upskilling programmes	130-137
404-3	Percentage of employees receiving regular performance and career development reviews	133-134

DIVERSITY AND EQUAL OPPORTUNITIES

GRI INDICATOR		Reference/page
405-1	Diversity of governance bodies and employees	106
405-2	Ratio of basic salary and remuneration of women to men	126

NON-DISCRIMINATION

GRI INDICATOR		Reference/page
406-1	Incidents of discrimination and corrective actions taken	141

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI INDICATOR		Reference/page
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In 2021, no significant centres or suppliers were detected in which the right to freedom of association and collective bargaining may be breached or at risk

LOCAL COMMUNITIES

GRI INDICATOR		Reference/page
413-1	Operations with local community engagement, impact assessments, and development programs	200-208

CUSTOMER HEALTH AND SAFETY

GRI INDICATOR		Reference/page
416-1	Assessment of the health and safety impacts of product and service categories	157-166

MARKETING AND LABELING

GRI INDICATOR		Reference/page
417-3	Incidents of non-compliance concerning marketing communications	In 2021, there were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications

CUSTOMER PRIVACY

GRI INDICATOR		Reference/page
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	150-153

SOCIOECONOMIC COMPLIANCE

GRI INDICATOR		Reference/page
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, Adif was not handed any significant sanctions or fines due to non-compliance with regulations in the social and economic area (same as in 2020)

8.6. Content index

{ GENERAL DISCLOSURES

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
BUSINESS MODEL	BUSINESS MODEL	GRI 102-2 Activities, brands, products, and services	16-42	
	BUSINESS ENVIRONMENT	GRI 102-3 Location of headquarters		
	ORGANISATION AND STRUCTURE	GRI 102-4 Location of operations		
	MARKETS SERVED	GRI 102-15 Key impacts, risks, and opportunities		
	OBJECTIVES AND STRATEGIES	GRI 102-6 Markets served		
	FACTORS AND TRENDS THAT MAY AFFECT THE FUTURE DEVELOPMENT	GRI 102-7 Scale of the organization	Throughout the report	
KEY RISKS AND IMPACTS IDENTIFIED	GESTIÓN DE RIESGOS	102-15 Key impacts, risks, and opportunities	86-93	
	ANALYSIS OF RISKS AND IMPACTS RELATED TO KEY TOPICS	102-15 Key impacts, risks, and opportunities	86-93	

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
ENVIRONMENTAL MANAGEMENT	CURRENT AND FORESEEABLE EFFECTS OF THE COMPANY'S ACTIVITIES	GRI 307-1 Non-compliance with environmental laws and regulations	180-183	
	ENVIRONMENTAL ASSESSMENT OR CERTIFICATION PROCEDURES	Qualitative description of assessments and certifications	184-186	
	RESOURCES DEDICATED TO ENVIRONMENTAL RISK PREVENTION	Qualitative description of the resources allocated to preventing environmental risks	185	
	APPLICATION OF THE PRECAUTIONARY PRINCIPLE	GRI 102-11 Precautionary principle or approach	n/a	Based on the documented procedures relating to "Action in the event of emergencies affecting the environment" and "Action in the event of minor environmental incidents", through which the organisation has a set of common guidelines for action and analysis, in order to prevent or mitigate potential adverse environmental impacts and provide an adequate and effective response.
	AMOUNT OF PROVISIONS AND SAFEGUARDS FOR ENVIRONMENTAL RISKS	Qualitative description of provisions for environmental risks	n/a	Adif keeps no such accounting record
POLLUTION	MEASURES TO PREVENT, REDUCE OR REPAIR CARBON EMISSIONS THAT SERIOUSLY AFFECT THE ENVIRONMENT	Qualitative description of measures to prevent, reduce or repair carbon emissions	187-192	

ASPECT	REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT	WASTE PREVENTION, RECYCLING AND REUSE MEASURES AND OTHER FORMS OF RECOVERY AND DISPOSAL	GRI 306-1 G Waste generation and significant waste related impacts GRI 306-2 Management of significant waste-related impacts GRI 306-3 Waste generated GRI 306-4 Waste not destined for disposal GRI 306-5 Waste destined for disposal	196; 254 In Adif AV there is no accounting register
	ACTIONS TO COMBAT FOOD WASTE		n/a This indicator is not considered material given the company's activities
SUSTAINABLE USE OF RESOURCES	RESPONSIBLE WATER CONSUMPTION AND SUPPLY BASED ON LOCAL RESTRICTIONS	GRI 303-5 Water consumption	188; 249
	CONSUMPTION OF RAW MATERIALS	GRI 301-1 Materials used by weight or volume	188; 249
	MEASURES TAKEN TO IMPROVE THE EFFICIENCY OF RAW MATERIAL USE	GRI 301-1 Materials used by weight or volume	187
	DIRECT AND INDIRECT ENERGY CONSUMPTION	GRI 302-1 Energy consumption within the organization GRI 302-3 Energy intensity	187 247-248
	MEASURES IN PLACE TO IMPROVE ENERGY EFFICIENCY	GRI 302-4 Reduction of energy consumption	187-192
	USE OF RENEWABLE ENERGIES	GRI 302-1 Energy consumption within the organization	190-192; 247-248

ASPECT	REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
CLIMATE CHANGE	MATERIAL ASPECTS RELATING TO GREENHOUSE GAS EMISSIONS GENERATED AS A RESULT OF THE COMPANY'S ACTIVITIES	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-4 GHG emissions intensity	187-192; 252-253
	MEASURES IN PLACE TO ADAPT TO THE CONSEQUENCES OF CLIMATE CHANGE	Qualitative description of measures taken to adapt to the consequences of climate change	187-192; 247-248
	GHG EMISSION-CUTTING TARGETS VOLUNTARILY ADHERED TO	GRI 305-4 Reduction of GHG emissions	187-192; 252
BIODIVERSITY	MEASURES IN PLACE TO PRESERVE OR RESTORE BIODIVERSITY	GRI 304-3 Habitats protected or restored	198-199; 250-251
	IMPACTS CAUSED BY ACTIVITIES OR OPERATIONS IN PROTECTED AREAS	GRI 304-1 Description of significant impacts on biodiversity in protected areas and areas of high biodiversity value outside protected areas GRI 306-5 Water bodies affected by water discharges and/or runoff	198-199; 250-251

{ SOCIAL AND EMPLOYEE-RELATED MATTERS

ASPECT	REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION	
EMPLOYMENT	TOTAL NUMBER AND BREAKDOWN OF EMPLOYEES BY GENDER, AGE, COUNTRY AND OCCUPATIONAL CATEGORY	GRI 102-8 Information on employees and other workers	122	
	TOTAL NUMBER OF DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACT	GRI 102-8 Information on employees and other workers	123	
	AVERAGE ANNUAL NUMBER OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY GENDER, AGE AND OCCUPATIONAL CATEGORY	GRI 102-8 Information on employees and other workers GRI 401-1 New employees hires and employee turnover	124	
	NUMBER AND BREAKDOWN OF DISMISSALS BY GENDER, AGE, AND OCCUPATIONAL CATEGORY	GRI 102-8 Information on employees and other workers	n/a	No dismissals occurred at Adif AV in 2021 (the same as in 2020 and 2019).
	GENDER PAY GAP	GRI 405-2 Ratio of basic salary and remuneration of women to men	125	
	AVERAGE PAY AND TREND BROKEN DOWN BY GENDER, AGE, OCCUPATIONAL CATEGORY OR EQUIVALENT METRIC	Quantitative description of average employee remuneration by gender, age and professional category	124-125	
	AVERAGE REMUNERATION OF DIRECTORS AND EXECUTIVES	Quantitative description of average remuneration of directors by gender Quantitative description of average remuneration of executive officers by gender	n/a	The members of the Board of Directors did not receive any remuneration for attendance at meetings of the Board of Directors or any other fees (same as in 2020 and 2019).

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
EMPLOYMENT	WORK DISCONNECT POLICIES		129	
	EMPLOYEES WITH DISABILITIES	GRI 405-1 Diversity of governance bodies and employees	n/a	In 2021, there was one employee with a disability (same as in 2020 and 2019).
ORGANIZATION OF WORK	ORGANIZATION OF WORKING HOURS	Qualitative description of the organisation of working hours	127	
	ABSENTEEISM IN HOURS	GRI 403-2 Types of accident and frequency rate of accidents, occupational diseases, days lost, absenteeism and number of fatalities by occupational accident or occupational disease	146	
	MEASURES IN PLACE TO IMPROVE THE WORK/LIFE BALANCE	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3 Parental leave	127-129	
HEALTH & SAFETY	HEALTH AND SAFETY CONDITIONS IN THE WORKPLACE	GRI 403-2 Types of accident and frequency rate of accidents, occupational diseases, days lost, absenteeism and number of fatalities by occupational accident or occupational disease	142-145	
	WORKPLACE ACCIDENTS, IN PARTICULAR THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL DISEASES, BROKEN DOWN BY GENDER		142-145	
EMPLOYEE RELATIONS	ORGANISATION OF DIALOGUE WITH EMPLOYEES	403-1 Workers representation in formal joint management – worker health and safety committees	129	
	PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS, BY COUNTRY	GRI 102-41 Collective bargaining agreements	n/a	50.93% of employees are covered by collective bargaining agreements, all of them in Spain (52.75% in 2020 and 50.96% in 2019)
	DESCRIPTION OF COLLECTIVE BARGAINING AGREEMENTS IN THE FIELD OF OCCUPATIONAL HEALTH AND SAFETY	Qualitative description of collective agreements and their application in the realm of health and safety	117	
TRAINING	POLICIES IMPLEMENTED IN THE AREA OF TRAINING	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	130-137	
	TOTAL TRAINING HOURS BY OCCUPATIONAL CATEGORY	404-1 Average hours of training per year per employee	131	

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
UNIVERSAL ACCESSIBILITY OF PEOPLE WITH DISABILITIES	MEASURES TAKEN TO PROMOTE EMPLOYMENT AND PROTOCOLS AGAINST SEXUAL AND GENDER-BASED HARASSMENT	GRI 405-2 Ratio of basic salary and remuneration of women to men	140-141	
	EQUALITY PLANS	GRI 405-1 Diversity of governance bodies and employees	140	
	INTEGRATION IN THE WORKPLACE AND ACCESSIBILITY FOR PERSONS WITH DISABILITIES	GRI 405-1 Diversity of governance bodies and employees	140-141	
	ANTI-DISCRIMINATION POLICY AND, WHERE APPLICABLE, DIVERSITY MANAGEMENT POLICY	GRI 406-1 Incidents of discrimination and corrective actions taken	140-141	

{ HUMAN RIGHTS

ÁMBITOS		MARCO DE REPORTING	REFERENCIA / Página	COMENTARIOS / RAZÓN DE LA OMISIÓN
DERECHOS HUMANOS	HUMAN RIGHTS DUE DILIGENCE PROCESSES	GRI 102-16 Values, principles, standards, and norms of behavior	n/a	
	PROCESSES AND ARRANGEMENTS FOR PREVENTING HUMAN RIGHTS ABUSES AND ANY MEASURES TAKEN TO MITIGATE, MANAGE AND REPAIR POSSIBLE ABUSES THAT HAVE MATERIALIZED	Qualitative description of measures to prevent risks of human rights violations	179	
	CLAIMS OF HUMAN RIGHTS ABUSES	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	179	
	PROMOTION OF AND COMPLIANCE WITH THE ILO'S FUNDAMENTAL CONVENTIONS ON THE FREEDOM OF ASSOCIATION, THE RIGHT TO COLLECTIVE BARGAINING, THE ELIMINATION OF WORKPLACE DISCRIMINATION AND OF ALL FORMS OF FORCED OR COMPULSORY LABOR AND THE ABOLITION OF CHILD LABOR	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	19; 118; 179	

{ CORRUPTION AND BRIBERY

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
CORRUPTION AND BRIBERY	MEASURES IN PLACE TO PREVENT CORRUPTION AND BRIBERY	GRI 102-16 Values, principles, standards, and norms of behavior	177-178	Code of Ethics and Conduct
	MEASURES TO COMBAT MONEY LAUNDERING	Qualitative description of anti-money laundering measures	178-179	
	CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS	GRI 201-1 Direct economic value generated and distributed	203	

{ SOCIETY

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
COMMITMENT OF THE COMPANY TO SUSTAINABLE DEVELOPMENT	IMPACT OF THE COMPANY'S ACTIVITIES ON EMPLOYMENT AND LOCAL DEVELOPMENT	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	200-208	
	IMPACT OF THE COMPANY'S ACTIVITIES ON LOCAL POPULATIONS AND TERRITORIES	GRI 102-12 External initiatives	51-54	
	ENGAGEMENT WITH LOCAL COMMUNITY REPRESENTATIVES; COMMUNICATION CHANNELS IN PLACE	GRI 102-43 Approach to stakeholder engagement	200-208	
	MEMBERSHIP OF ASSOCIATIONS AND SPONSORSHIPS	GRI 102-13 Membership of associations	25; 51-52; 206	

ASPECT		REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
SUBCONTRACTING AND SUPPLIERS	INCLUSION IN THE PURCHASING POLICY OF SOCIAL, GENDER EQUALITY AND ENVIRONMENTAL MATTERS	GRI 102-9 Supply chain GRI 102-10 Significant changes to the organization and its supply chain	167-170	
	CONTEMPLATION IN RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS OF THEIR SOCIAL AND ENVIRONMENTAL RECORDS	GRI 102-9 Supply chain GRI 102-10 Significant changes to the organization and its supply chain	167-170	
	SUPERVISION AND AUDIT SYSTEMS AND THEIR OUTCOMES	GRI 102-9 Supply chain GRI 102-10 Significant changes to the organization and its supply chain GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	167-170	
CONSUMERS	CONSUMER HEALTH AND SAFETY MEASURES	GRI 416-1 Assessment of the health and safety impacts of product and service categories	153-166	
	GRIEVANCE MANAGEMENT SYSTEMS	Qualitative description of complaints and claims systems	150-151	
	COMPLAINTS RECEIVED AND THE SOLUTION OR RESPONSE GIVEN	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	151-154	
TAX INFORMATION	COUNTRY-BY-COUNTRY PROFITS	GRI 201-1 Direct economic value generated and distributed	212	Adif AV pays taxes in Spain only
	CORPORATE INCOME TAX PAID	Quantitative description of profit before and after tax	212	Adif AV pays taxes in Spain only
	PUBLIC SUBSIDIES RECEIVED	GRI 201-4 Financial assistance received from government	212	

{ TAXONOMY

ASPECT	REPORTING FRAMEWORK	REFERENCE/ page	COMMENTS/REASON FOR OMISSION
<p>TAXONOMY</p>	<p>TECHNICAL SCREENING CRITERIA FOR SUSTAINABLE ECONOMIC ACTIVITIES</p>	<p>47-50</p>	<p>Quantification of indicators at Adif AV according to the new needs derived from the EU Taxonomy, % eligibility of CapEx, OpEx and Turnover linked to Activity 6.14 "Infrastructure for rail transport". The information disclosed relates to the Company's activity in the administration and operation of the railway network, while also including in the scope the operation and maintenance of passenger and freight stations, infrastructure maintenance activity, and the management of passenger and freight traffic.</p>

