



2023

**MANAGEMENT
REPORT**



STATEMENT FROM THE CHAIRMAN OF ADIF AND ADIF AV

2023 has once again been a decisive year in the path we have charted to shape the railway into the transportation of the 21st century and to make it a reference for a new model of more sustainable, multimodal, cohesive, and intelligent mobility. And we have done so from a privileged position, which in turn entails enormous responsibility, being the country's leading investor in infrastructure and tackling the most ambitious projects in Spain's recent history. Furthermore, maintaining an unprecedented pace of activity has allowed us to set records in investments and project execution.

In 2023, we have consolidated significant progress in three main areas: we continue to complete the trans-European transport and high-speed network - crucial for the cohesion of many regions in Spain - and we allocate the same investment effort to local mobility, addressing the renewal and improvement of conventional lines, suburban railways, and narrow gauge. Likewise, we have materialised our commitment to freight transport, aligned with the Freight Initiative 30, promoting projects to make it possible for more cargo to be transported by train and bringing together the interests of all stakeholders in a challenge that transcends infrastructure and will be key to the competitiveness and sustainability of companies in our country.

Unlocking the potential and transformative capacity of the projects we develop requires understanding new mobility in collaboration,

not confrontation, with other modes of transportation and diverse ecosystems.

Our collaboration efforts have enabled us to maximise European funding for transformative projects, which are socially and economically revitalizing citizens. In fact, we are the public company with the highest volume of allocated investment, over 6,000 million, from the NextGeneration funds' Recovery and Resilience Mechanism, and in 2023, we once again exceeded 100% of the milestones set by Europe.

All of this is happening in a complex context, determined by rising prices and inflation, labour shortages, and the energy crisis caused by the terrible wars. Innovation is another key to addressing new mobility models, and the process of liberalizing passenger transport in our country, recognised in Europe, was novel. In 2023, it reaffirmed its validity with a historic record of high-speed traffic, surpassing 200 million km-train, along with more service offerings and competitive prices.

This model is maximizing investments that have deployed the widest high-speed rail network in Europe, amplifying the positive impact on more citizens and boosting rail's modal share against planes and roads; a crucial fact from an environmental and safety perspective.

Liberalisation has also been a catalyst in transforming our relationship with stakeholders and in reshaping our main stations into strategic hubs of future mobility, with the development of some of Europe's most ambitious rail and urban projects. All this while maintaining operational railway services, in an exercise of planning and demand that is unmatched in other countries.

Rail is the best response to a new mobility model and is also a driver of change pushed by the EU towards an economy based on green and digital principles. It's also the most respectful mode of transportation, accounting for just 0.4% of total sector emissions; it's crucial for territorial cohesion and an optimal means to promote multimodality, or in other words, the most efficient and sustainable transport at any given time.

In the fight against climate change, we are progressing on various fronts, including improving energy efficiency to reduce emissions, adopting 100% renewable electricity consumption, developing self-consumption projects in our facilities, and extending this model to railway operators in 2023, and creating sustainable mobility areas in our stations for zero-emission vehicles.

Once again, 100% of our purchases were made with responsible criteria, maintaining our position as a European leader in sustainable financing, with 4,000 million euros issued in green bonds. In 2023, the ESG rating agency Sustainalytics ranked Adif AV as the second-best company in the transportation sector out of 187 entities analysed, and the third globally, following the study of over 15,000.

In 2023, the inauguration of the Pajares Variant, an unprecedented engineering challenge, provided us with the opportunity to showcase our ability to 'cross mountains' and connect with the future. A future shaped by digital transformation, which is changing everything, and in our case, we focus on areas that add value to our pillars: data orientation, response to change, customer focus, process automation, and digital culture.

In this context, we developed our Plan for Smart Stations and a Neuronal Centre, the 'brain' that will coordinate services and traveller information, as well as digital transformation plans for logistics services.



We pioneered intelligent traveller navigation in a station based on 5G and Artificial Intelligence in Europe. We used BIM methodology for the construction of large projects. We initiated initiatives such as the Smart Grid for intelligent energy management. We equipped stations with sensors and integrated them into smart cities with IoT and tested digital twins for monitoring and managing passenger traffic.

Ultimately, we are committed to strengthening the foundations of citizen-centric, modern, agile, and secure activity - implementing a safety culture, following the example of the European Railway Agency (ERA) and other European infrastructure managers - and making our

resources and processes more efficient through digitisation and the application of disruptive technologies.

Our work requires us to understand and act to address the major challenges of our society. In this context, we share the view that companies with diverse talent are more competitive, that inclusion reinforces the corporate culture, and that we must harness the potential of half of the population.

Currently, 3,000 women in Adif and Adif AV contribute their work to building a more sustainable and intelligent mobility, and I am



convinced that there will be many more in the coming years with the unprecedented generational turnover we are facing: more than 50% of our workforce by 2025 will be renewed, and 6,000 new professionals will take over from our retirees.

This project goes beyond numbers, reinforced by a large-scale cultural change project that will contribute to the transfer of critical knowledge, the utilisation of the capabilities and skills of new professional profiles, younger and digital, and the transformation of our 'ways of doing' to meet the railway of the future.

The review of the lines of action we have developed during the 2023 exercise is complemented by our growing influence and leadership in the debate and decision-making in Europe, in areas such as infrastructure resilience to address the effects of climate change; agreements with the European Parliament for the revision of the Regulation of the Trans-European Transport Network (TEN-T), with special attention to the completion of the cross-border sections of the Atlantic and Mediterranean Corridors and the relevance of railway interoperability, in aspects as relevant as electrification or safety systems (ERTMS). All with the aim of promoting more efficient freight

transport and multimodal transport of goods and passengers, through the promotion of railway connectivity with airports or the creation of multimodal hubs in urban nodes.

In 2023, the eighth anniversary of the approval of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) allowed us to renew our commitment to this initiative and confirm the alignment of our 2030 Strategic Plan with local and global challenges.

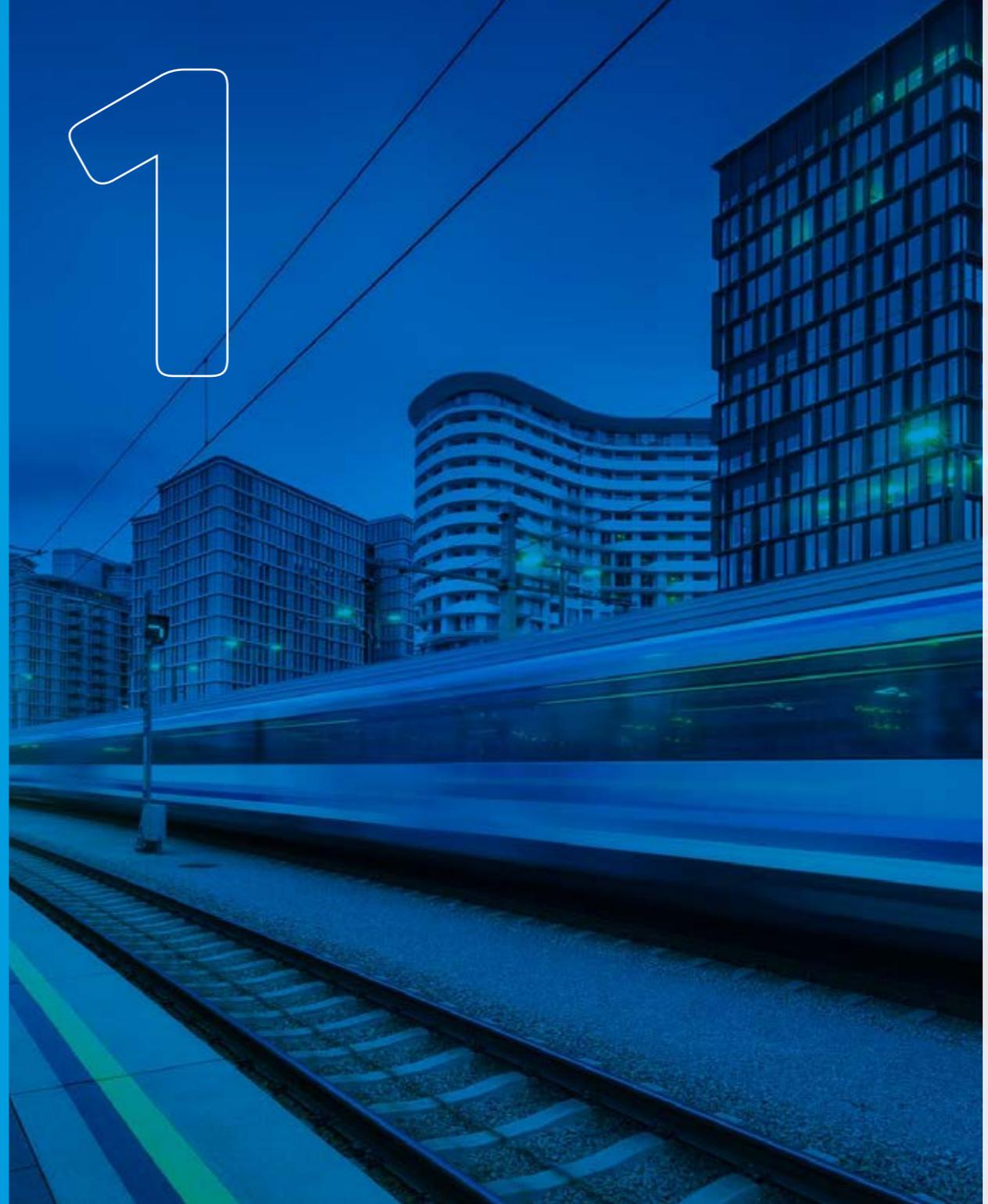
Adif, as a signatory to the United Nations Global Compact, with extensive effects for Adif AV, has also renewed its support for this initiative, committing to the fulfilment of its ten principles in the areas of human rights, labour standards, environment, and anti-corruption, and driving a significant change in how corporate responsibility is addressed and integrated into its strategy and activities for better performance and impact on society. Only in this way will we actively contribute to the achievement of the SDGs, with the goal of creating value for our stakeholders and advancing sustainable development.

In 2023, we also witnessed the strength of a solid, committed, and aligned team in achieving ambitious goals. To all of them, my recognition.

Ángel Contreras
Chairman de Adif & Adif AV

EXECUTIVE SUMMARY

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Executive summary

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1. EXECUTIVE SUMMARY

1.1. CONTEXT AND INNOVATIONS OF 2023

- Appointment of the new President of Adif and Adif High Speed (hereinafter referred to as Adif AV), Mr. Ángel Contreras Marín, in December 2023.
- Commencement of participation in flagship projects of the **European research partnership, Europe's Rail Joint Undertaking** (EU-Rail JU), leading the FP3-IAM4RAIL project, with the involvement of Adif AV as an affiliated entity.
- Initiation of works for the **Madrid Nuevo Norte urbanisation project**, the most significant urban regeneration project in Europe, at the Madrid Chamartín-Clara Campoamor station, creating a new park in its surroundings, optimizing accessibility, and enabling exchanges between different modes of transport.
- Progress in the **deployment of 5G networks in logistic terminals and high-speed lines**, enabling the utilisation of this technology within the railway environment so that both the infrastructure manager and railway companies can continue to digitise their business processes, and users of the railway can find a level of connectivity that meets their increasingly demanding needs.
- **Expansion of the optical fibre network** to approximately 24,000 km (railway use + commercial use), consolidating its role as a fundamental element for the connectivity of different railway structural subsystems and a key component in the networks of a significant number of telecommunications operators.
- New edition of **Public Employment Offer**, with the recruitment of **26 new employees** in Adif AV.
- Participation for the fourth year in the **international accelerator programme Target Gender Equality** of the United Nations Global Compact, of which 37 Spanish entities are part, with an improvement of 18 percentage points in its gender gap measurement tool, enabling Adif AV to consolidate its advanced level in equality.
- Entry into the High-Speed network of **operators with new services**: start of **Iryo** service on the Madrid-Alicante axis; start of Iryo service on the Madrid-Seville-Málaga axis; start of Renfe Viajeros (**Avlo**) service on Madrid-Alicante, Madrid-Seville-



Malaga, and Madrid-Murcia routes; start of **Ouigo** service on the Madrid-Alicante axis.

■ Community funds:

- a. Application for grants totalling €250 million under the **European Regional Development Fund (ERDF) and the Connecting Europe Facility (CEF)**; within these funds, a total of €555 million granted.
 - b. Within the context of the **Recovery and Resilience Mechanism (RRM)**, Adif and Adif AV have certified an awarded amount of €1,596.6 million for Milestone 85 - *Investment Line C6I1 (Trans-European Transport Network - European Corridors)*; €727.5 million for Milestone 88 - *Investment Line C6I2 (Trans-European Transport Network: other actions)*; and €294.2 million for Milestone 95 - *Investment Line C6I3 (Intermodality and Logistics)*; representing compliance rates of 114%, 103.8%, and 154.1%, respectively.
 - c. Monitoring of the execution of the **Recovery, Transformation, and Resilience Plan (RTRP)**: both for Adif and Adif AV, for a total amount of non-reimbursable transfers of €5,974 million, subject to the achievement of the Milestones and Objectives set until June 2026, for Components (C1 and C6), Investment Lines (C1I3, C6I1, C6I2, and C6I3), and Projects (seven) in which they participate.
- Achievement of Milestones and Objectives in investment line C1. I3: by June 2023, an award amount of €1,160 million was required (milestone 17.1), having reached €1,380 million by that date, with a compliance rate of almost 119%.

- Compliance with physical commitments: by the end of 2023, it was necessary to achieve 200 km executed and 20 stations improved (milestones 14 and 16, respectively), and the year closed with 233.1 km executed and 22 stations improved, representing compliance rates of 116.6% and 110%, respectively.

- Green financing: **seventh issuance of fixed-income securities in the form of a green bond** amounting to €500 million; second issuance of green bonds linked to the new Green Financing Framework renewed in August 2022, aligned with the Green Bond Principles (GBP) of the International Capital Market Association (ICMA), maintaining Adif AV in the **second position as an issuer of green bonds in the Spanish public sector**.
- ESG Risk Rating: **Sustainalytics** updates the rating awarded to Adif AV in sustainability performance, granting it an **ESG Risk Rating of 4,2**, placing Adif AV as the second within the transportation sector (with 187 entities analysed by Sustainalytics), and the third in the global universe of analysed entities (over 15,000).
- **Commissioning of new lines: electrification of high-speed tracks between Plasencia and Badajoz** (195 km).
- **Inauguration of the high-speed station in Antequera**.
- **Implementation of new delegated acts on Environmental Taxonomy** covering the remaining four environmental objectives, and approval by the European Union of the new EU Green Bond Standard for regulating the requirements of green bond issuances.

1.2. 2023 IN FIGURES

1.2.1. Operating and financial figures for the year¹

| | | | | |
|---|--|---|---|---|
|  FINANCIAL | €17.307 M Nominal value of borrowing | €33.50 M* Investment in digital transformation | €1,576 M Operating income | €0.802 M Investment in RD&I |
| | €-136.196 M Loss for the year | €4,875.42* M Investment in urban integration (€176.24 M* annual investment in urban integration) | €431.096 M EBITDA | €-264.8 M Financial result |
|  EMPLOYEES | 260 Employees (193 men y 67 women) | 25.77% Women | 225 Permanent contracts | 34,759 Total hours of training (31,071 male/3,688 female) |
| | >20 Work-life balance measures | 4.86% Pay gap for managerial positions (favouring men) | 56.54% Covered by collective bargaining agreement | 1.99 Absenteeism rate |
|  BUSINESS | 187 M Users of Adif AV passenger stations | 3,974 km Of railroad under management | 86.93%* Passengers boarding/alighting at Adif and Adif AV accessible stations | 3,745 km Of electrified lines in service |
| | 1,065 Trains operating per day on average | 46 Stations owned by Adif AV with Adif Acerca service | €500 M Seventh value issue in Green Bonds | €27.70 M Revenue from commercial operation of Fibre Optic Network |

¹ Figures with *: Adif + Adif AV

1.2.2. Key ESG indicators²

| Category | Indicator 1 | Indicator 2 | Indicator 3 | Indicator 4 | Indicator 5 | Indicator 6 | Indicator 7 |
|--|---|---|--|--|--|--|------------------------------------|
|  ENVIRONMENTAL | €3 M** Resources earmarked for fire prevention | €86.39 M** Resources allocated for environmental protection (investment + operation) | 298.79 Tj/year Renewable resources used | 93.90% Renewable energies | 9.64 MJ/km train Final energy intensity | 123.67 Gwheq/year Energy saving | |
| | 721.71 Tj/year Of electricity purchased with GoO certification | 3 TWh Volume of electricity consumed | 114,20 €/MWh Energy cost | 3,458 Electricity supply points | 15,620 tCO _{2eq} /year Reduction of GHG emissions | 34 Projects subject to environmental monitoring | |
|  SOCIAL | 100% Purchases framed by responsible criteria | 2 Workplace health and safety assessments | 120 agreements and conventions with industry and business organisations and associations in force | 206* Suggestions received at Passenger stations (Adif + Adif AV) | 3,965* Claims at passenger stations | | |
| | €319,951 Investment in the community (lost profits - Estación Abierta Programme) | €1.41 M Contributions to foundations and non-profit organisations | €1,366.3 M ³ Contribution to stakeholders (economic value distributed) | €79,073* Value of sponsorships | | | |
|  GOVERNANCE | 10 Board members | 3% >50 years on the board | 7% Between 30-50 years on the Board | 8 Non-executive directors on the Board | 4 Independent directors on the Board | 13 Board meetings | 30% Female board representation |
| | 66.66% Women on the Audit Committee | 2 Non-executive directors on the Audit Committee | 2 Independent directors on the Audit Committee | 1 Independent director (chairmanship vacant) on the Appointments and Remuneration Committee | 3 Non-executive directors (currently vacant) on the Appointments and Remuneration Committee | 34 Employees received ethics training | |

² Figures with *: Adif + Adif AV. Figures with **: Data as of the end of 2022. Last available information. Information regarding 2023 will be presented in the second half of 2024, in Adif AV's Environmental Report.

³ Content linked to **GRI indicator 201-1**: Direct economic value generated and distributed. **Distributed economic value**: operating costs + financial expenses + taxes.

1.2.3. Key figures on investments made

| Investment made | 2021 | 2022 | 2023 |
|--|--------------------|----------|----------|
| Investment in construction of new line (€M), including VAT ⁴ | 1,006.78 | 1,333.47 | 1,693.93 |
| Investment in replacing and improving assets in operation in the HS network (€M), including VAT | 270.30 | 202.57 | 238.10 |
| Investment in drafting projects and carrying out works at stations (€M), including VAT | 23.90 ⁵ | 9.17 | 20.70 |
| Investment in work to improve station accessibility (€M), including VAT ⁶ | 5.80 | 5.88 | 11.09 |
| Investment in RD&I (€M) | 3.187 | 2.155 | 0.802 |
| Investment in digital transformation (€M) ⁷ | 5.90 | 6.00 | 33.50 |

⁴ **GRI indicator 203-1:** Investments in infrastructure and supported services.

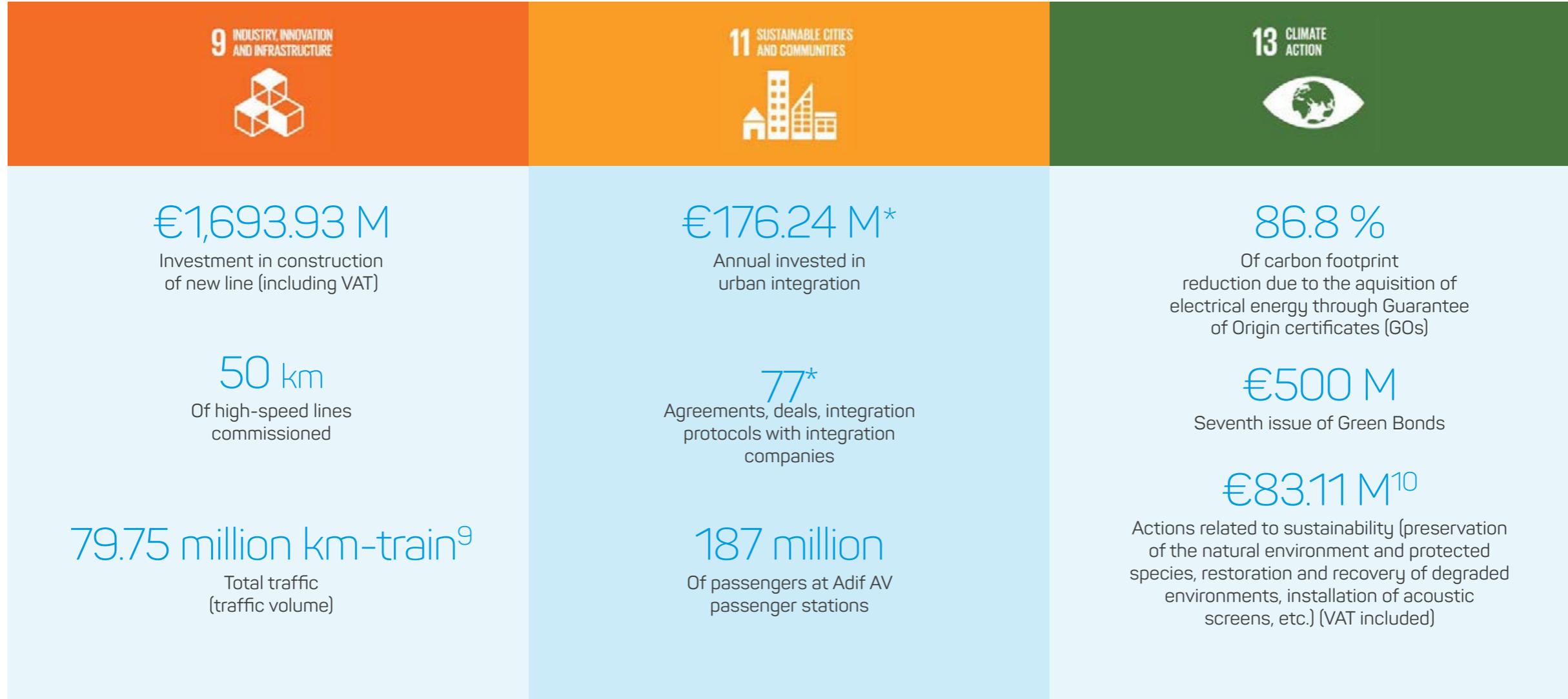
^{5, 6, 7} Adif + Adif AV.

1.2.4. Key contract award figures

| Amounts awarded | 2021 | 2022 | 2023 |
|---|----------|----------|----------|
| Annual amount for construction (awarded) (€M), excluding VAT | 1,045.92 | 1,313.08 | 1,275.77 |
| Annual amount (awarded by Adif on Adif AV's behalf) of high-speed network maintenance work (€M), excluding VAT | 63.16 | 65.40 | 381.93 |
| Annual amount allocated to maintenance work on behalf of Adif AV (€M), excluding VAT | 46.97 | 9.31 | 17.70 |



1.3. SUSTAINABLE DEVELOPMENT GOALS⁸

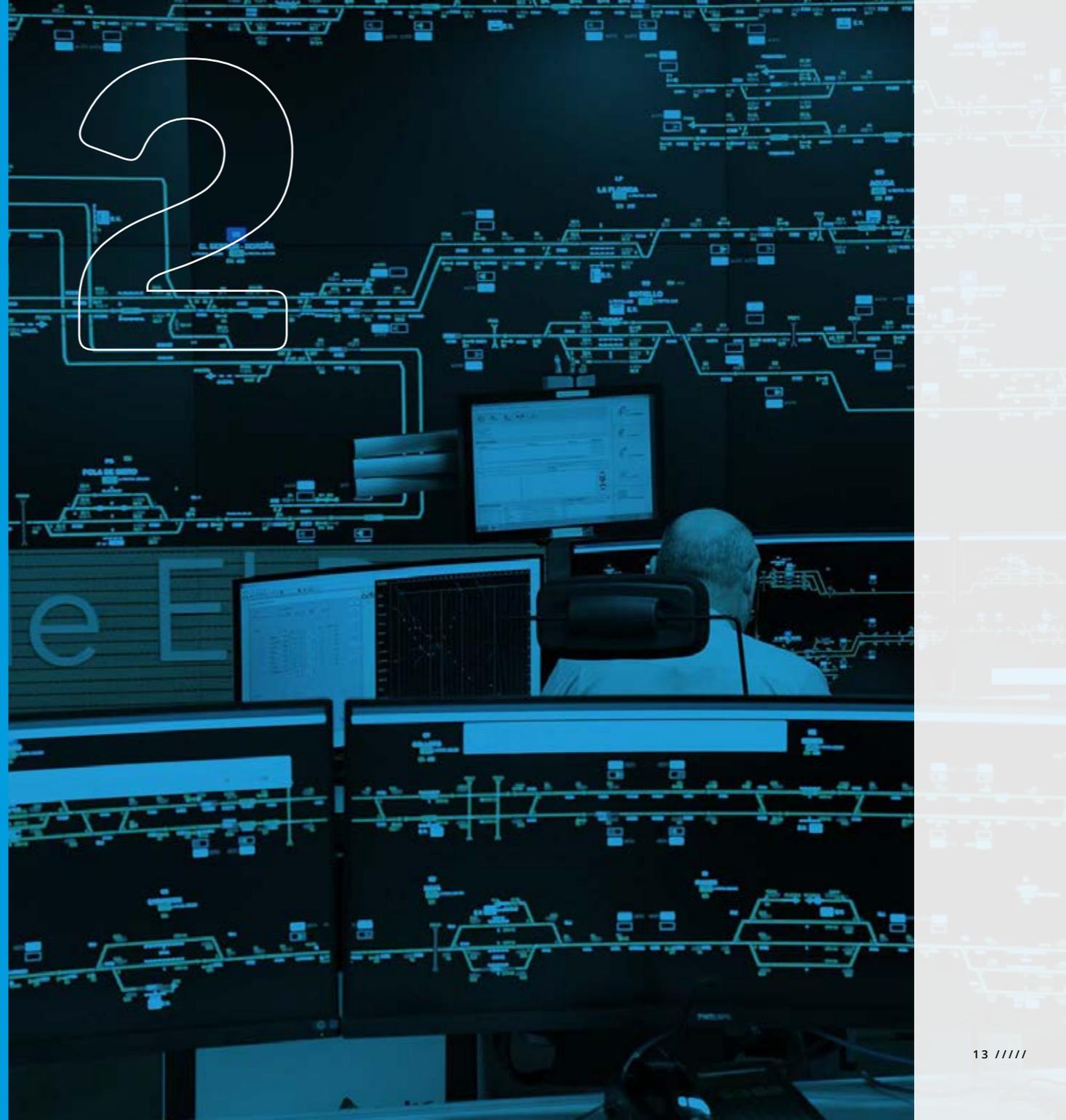


⁸ Figures with *: Adif + Adif AV.

⁹ Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

¹⁰ Data as of the end of 2022, last information available. Information regarding 2023 will be presented in the second half of 2024, in Adif AV's Environmental Report.

OUR DNA



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Our DNA

2.1. The Company

2.2. Business model

2.3. Main activities carried out

- 2.3.1. Construction. Actions targeting the high-speed network and stations
- 2.3.2. Infrastructure maintenance (services entrusted to Adif)
- 2.3.3. Infrastructure operation (services entrusted to Adif)
- 2.3.4. Integrated safety of the railway system (all safety activities)
- 2.3.5. Other areas of activity
- 2.3.6. Adif AV outside Spain

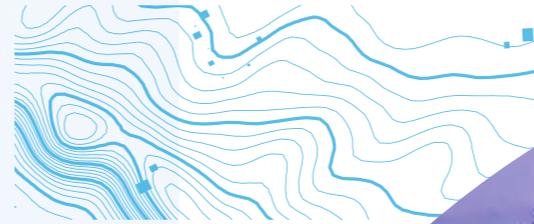
2.4. Organisational structure of Adif AV

2.5. Governance, transparency, and risk management

- 2.5.1. Governing bodies and internal management
- 2.5.2. Incorporation of ESG in Adif AV Governance
- 2.5.3. Business ethics and transparency
- 2.5.4. Risk management

2.6. Environment

- 2.6.1. Objectives and regulation
- 2.6.2. Challenges and opportunities



2. OUR DNA

2.1. THE COMPANY

Adif High Speed (hereinafter referred to as Adif AV) is a Spanish state-owned enterprise attached to the Ministry of Transport and Sustainable Mobility. It is tasked with building and running high-speed railway lines and railway infrastructure that are part of the General Interest Railway Network (hereinafter referred to as RFIG for its Spanish acronym) and also managing the construction work and other projects entrusted by the Government.

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 its business strategy is the concern to contribute towards social and economic development through actions to mitigate climate change.

2.2. BUSINESS MODEL

Adif AV's business model is designed to create and manage sustainable, high quality, resilient and safe infrastructures, while achieving innovation and modernising the transport system. In addition to building and managing high-speed railway lines, the Company carries out the following activities¹¹:

- Managing the telecommunications infrastructure.
- Managing the supply of electricity to railway operators.
- Advising on and overseeing 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



Total network managed and owned by Adif AV



FEBRUARY 2024

¹¹ Content related to **GRI indicator 2-6: Activities, value chain and other business relationships.**

The **main indicators** related to the Company's activities are the following:

Activity indicators – Adif AV

| | 2021 | 2022 | 2023 |
|---|------------|-------------|-------------|
| No. of passenger station users | 98,371,997 | 152,863,819 | 187,002,597 |
| Km commissioned in high-speed lines | 162.60 | 269 | 50 |
| Km of existing network managed | 3,762 | 3,926 | 3,974 |
| No. of companies operating on the Adif AV network | 12 | 18 | 17 |
| Standard gauge (UIC) high-speed | 2,926 | 3,027 | 3,026 |
| Trains running (average no. of trains/day) | 783 | 946 | 1,065 |
| Traffic (total) | 285,854 | 345,228 | 388,838 |
| Volume of traffic, km-train ¹² (daily average) | 128,321 | 169,382 | 218,492 |
| Volume of traffic, millions of km-train ¹³ (total) | 46.84 | 61.82 | 79.75 |
| Lines electrified in km | 3,429.70 | 3,497.40 | 3,745.00 |
| No. of stations owned by Adif AV with Adif Acerca service | 43 | 43 | 46 |

Under its corporate policy to encourage and promote the creation of effective partnerships in the public, public-private, and civil society spheres, Adif AV takes advantage of the experience and strategies that such partnerships can bring to provide resources. Likewise, in relation to the positioning of the **Corporate Group**, Adif AV works hard to play a meaningful role in the management of its investees and regularly analyses the competitive, economic, legal, operational, social, sustainability and environmental benefits and rewards of continuing to hold a stake in such companies.

Within the scope of the **Integration Operations** and within the framework of the 2030 Strategic Plan (hereinafter referred to as SP2030), an Action Plan is currently being developed with the primary aim of establishing the mechanisms and analyses required to improve and optimise the management of the urban integration operations carried out by the urban integration JVs and proposing alternatives as and when needed to ensure the sound management of these operations. The ultimate objective is to improve the urban integration of the railway, thus having an economic, social and environmental impact and supporting the overall mobility and sustainability of the city.

In 2023, Adif AV held stakes in more than 27 different entities (companies, consortia, foundations, economic interest groupings and associations, etc.)



^{12, 13} Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

Notably, various **technical working groups** held meetings throughout 2023 within the framework of these urban integration JVs and in collaboration with other areas of Adif, Adif AV, the Spanish Ministry of Transport and Sustainable Mobility and its state-owned companies and regional and local government. The groups drew up plans and projects and carried out urban planning and railway integration works. Likewise, **6 documents have been signed**, including the Agreement for the Railway Integration in Almeria, Phase 2 (financed by the EU - *Next Generation* EU Andalusia ERDF programme 2021-2027 (07/20/2023)), and the Protocol for the railway integration in the city of Cartagena (03/17/2023).

Meanwhile, to ensure good governance and to make the necessary adjustments to the financial structure of the urban integration JVs, contracts were drawn up and signed in 2023 in order for such companies to meet the financial commitments acquired under the new urban integration plans, the maturities of loans granted to various companies were adjusted and the financial commitments in several cities were likewise set straight. Refer to [section 8.3.2. Urban integration joint ventures](#) for further information on Integration Operations.

Adif AV's current relations with the various companies are summarised in the following table:

| | 2021 | 2022 | 2023 |
|---|----------|----------|----------|
| Urban integration agreements, protocols, addenda, and so forth, signed and managed within the framework of the urban integration JVs in which Adif AV holds a stake ¹⁴ | 62 | 71 | 77 |
| Urban integration investment (€M cumulative investment made) (excluding VAT) ¹⁵ | 4,408.51 | 4,699.18 | 4,875.42 |

As regards the **Fibre Optic Network** business, REINTEL has been assigned the rights over the commercial operation of part of the fibre optic network and related elements owned by Adif AV, in an assignment comprising 12,000 km of FO backbone network or long-distance network, more than 4,000 km of access networks in city commuter rail or dedicated cable, and space in telecommunications parks and electricity supply to regenerate the signal.

In addition, Adif AV and REINTEL are pursuing a plan to renew the fibre optic network under a turnkey modality with an annual execution commitment of 4,000 k/year.

Having an extensive fibre optic network distributed throughout the peninsula with a high capillarity allows Adif AV to provide global internet and mobile connection services to society through the telecommunications operators managed by REINTEL. It is capable of providing these services in both large urban centres but also in municipalities with few inhabitants scattered across sparsely populated areas.

| | 2021 | 2022 | 2023 |
|--|-------|---------------------|---------------------|
| Revenues from commercial operation of the Fibre Optic Network (€M) (excluding VAT) | 21.66 | 28.60 ¹⁶ | 27.70 ¹⁷ |



¹⁴ Cumulative figures. The calculation made in previous years may be raised in subsequent years once the terms of new agreements are finalised.

¹⁵ Aggregate data for Adif and Adif AV, considering the contributions made by Adif, Adif AV and the other entities or administrations taking part in the urban integration projects under the signed agreements.

¹⁶ Final amount, after adjusting for the first quarter of 2023.

¹⁷ Final amount, after adjusting for the first quarter of 2024.

2.3.MAIN ACTIVITIES CARRIED OUT¹⁸

Construction

Construction is a core activity at Adif AV. One of the priorities here is to preserve the natural environment and protected species, while also ensuring the restoration and recovery of degraded environments. Adif AV continues to make progress on the works and projects commissioned by the Spanish Government, connecting the regions via a high-performance network.

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 services agreement entered between the two entities.

The main actions carried out at Adif AV are as follows:

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



¹⁸ Content related to **GRI indicator 2-6: Activities, value chain and other business relationships.**

2.3.1. Construction¹⁹. Actions targeting the high-speed network and stations

Key Milestones:

- Commissioning of the Pajares Bypass.
- Madrid Chamartín-Clara Campoamor station.
- Commissioning of the Extremadura High-Speed Line catenary.

Main risks and opportunities:

- **Reputational and social risks:** Traffic disruption due to the large volume of works in progress, as well as disruptions to normal railway operations; loss of funds due to short deadlines to complete the works; loss of service quality due to delays in works.
- **Operational risks:** wear and tear on equipment; recurrent shortage of experienced technical staff; legislative rigidities.

Our commitment:

To develop infrastructure as an instrument 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.

General Objectives:

- Help cushion the social and environmental impact of the **Pajares Bypass**.
- Continue to ensure protection **species at risk of extinction**.
- Comply with **investment planning** in 2024, paying close attention to **RRF-funded contracts**.
- Continue to work with a **“global joint operation vision”** so that schedules are verified, both in terms of meeting the deadlines for tendering contracts and for drafting the projects and completing the works.
- **Speed up the processing of contracts**, particularly those that limit the development of other contracts that depend on them.

Contribution to the SDGs:



- Ensure the **continuity of the work teams** and an **equitable distribution of the workload** that helps achieve a **work-life balance**.
- Modernise the data management process at all activity stages to **optimise resources**.
- Further **simplify the extraordinary price review process** triggered by the increase in raw material prices.
- Conduct a **critical self-assessment of existing procedures** to identify areas for improvement.
- Work with the objective of **reducing processing times for contractual incidents**, in particular those that most notably affect how the works are scheduled such as Modifications, and those that are likely to generate collection rights for companies, such as interest on late payment due to delays in the approval of final work certifications/settlements.
- Strengthen and improve areas in which **bottlenecks** occur.

¹⁹ Service pillar PSER-S07: Increase the performance and quality of the network (SP2030).

Our commitment:

Specific Objectives:

■ Sagrera (Barcelona)

The schedule of actions in the La Sagrera and Sant Andreu Comtal areas in Barcelona related to the new La Sagrera inter-modal station contemplates that the high-speed line will be put into service at the end of 2025 (including the 8 tracks inside the structure of the future station); the Technical Train Treatment Area (ZTTT) will also be put into service with all its services (catering, cleaning, crew management, etc.) along with all its operational tracks (10 sidings with their respective technical platforms set apart from the two general tracks).

This is an essential milestone for high-speed rail operations, which are currently severely limited by the reduced number of tracks at Sants station (only 6 international gauge tracks for high-speed traffic).

To reach this milestone by the end of 2025, the construction process of the building that will house the station and the ZTTT contemplate changing the high-speed line from a single above ground provisional track to a single track along the definitive route inside the station by December 2024. The above ground railway tracks in the La Sagrera sector will disappear completely by the end of 2024, freeing up the space occupied by the tracks of the current high-speed line in service.

■ Madrid Chamartín-Clara Campoamor station

Remodelling and extension work will continue at Chamartín-Clara Campoamor station throughout 2024. The construction of four new standard gauge through tracks (22, 23, 24 and 25) is scheduled to be completed for commissioning early in the fourth quarter of 2024.

Commissioning of High-Speed tracks 22 - 26, together with their platforms and part of the passenger building serving them, as well as the underpass beneath these tracks exiting onto the Taxi rank. Loading a new version of software with the definitive configuration of the high-speed tracks at Chamartín-Clara Campoamor station.

Expansion and commissioning of the passenger building module to provide services on tracks 20 and 21 and start of the works on track modules 15 to 19.

Extension works on the station lobby structure in the modules corresponding to the conventional network tracks (tracks 5 to 12).

Loading a new version of the software for the Chamartín-Clara Campoamor Conventional Interlocking (Phase 1C).



Our commitment:

■ Murcia–Almería High-Speed Line

Continue to complete all the platform sections, an activity initiated in previous years, except for the Lorca Integration works which will begin in 2024.

The infrastructure and track works in the Barriomar and Nonduermas (Murcia) areas can be completed in 2024 and the following works can begin:

- Construction Project for interior station architecture, urban development, and non-railway installations; works under tender.
- Construction Project for Civil Protection Installations in Railway Corridor, technical approval on 11/20/2023.
- Control command and signalling (CCS), and electrification

Construction will begin on the Librilla and Murcia-Cargas assembly bases, as well as the works on the track assembly, catenary and CCS between Murcia and Lorca.

■ Extremadura-Madrid High-Speed Line

Completion of the 1.5 km long Dehesa del Terzuelo tunnel on the route between Malpartida de Plasencia and Plasencia/Fuentidueñas station. The construction of this tunnel will promote the integration of the line into the environment and respect local fauna, avoiding the high-speed line crossing the conventional railway line.

Completion of the Mérida, Aljucén and Cáceres station renovation works, including the replacement of rail, ballast, sleepers and turnouts, as well as the extension of platforms where necessary. Work will also be carried out on the electrical system (catenary) and the control, command and signalling installations of each station to increase the operability and interoperability of the installations at the stations.

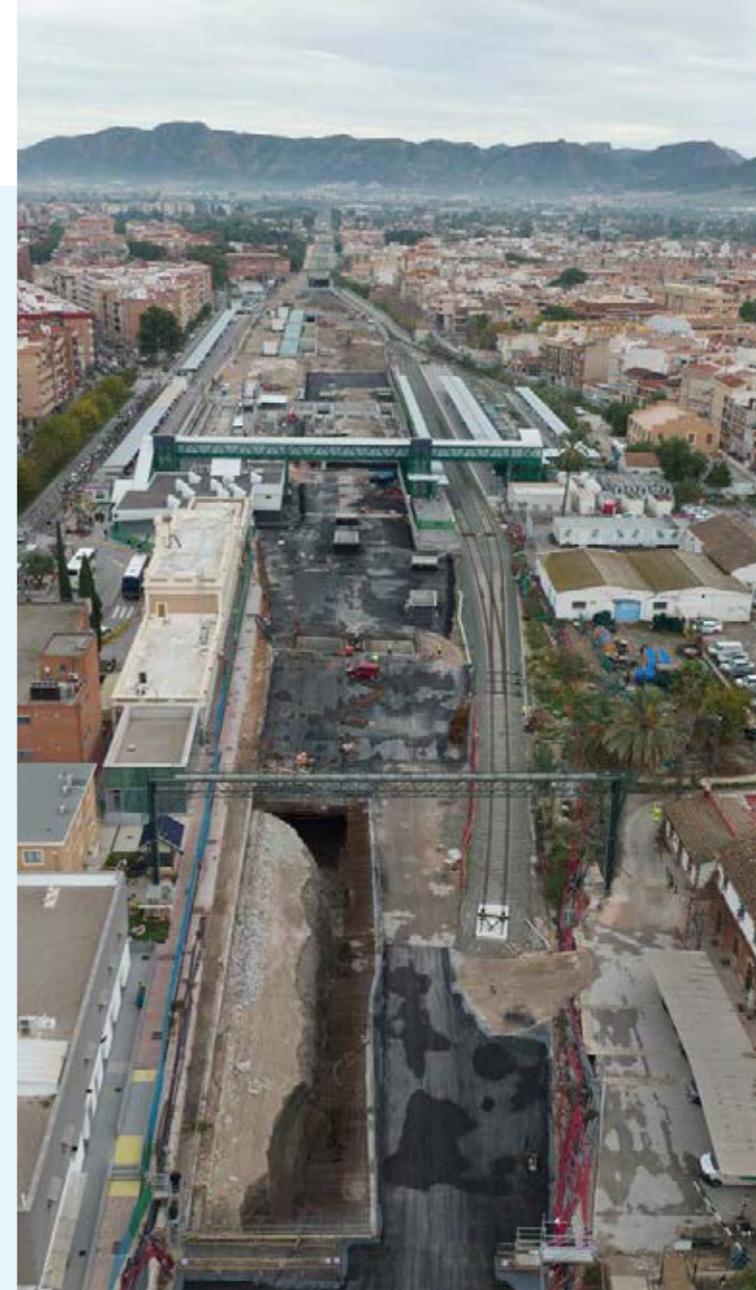
Completion of the viaduct over the river Tietar. The viaduct will be 302 metres long and belongs to the Toril-River Tietar section. Here the environment is the main conditioning factor as the line passes through an area of ecological value next to the Monfragüe Natural Park.

■ Galicia. Stations

In 2024 work will begin on the Ourense station: extension and remodelling of Ourense station, responding to the longer deadlines associated with high-speed works, promoting the integration of the railway into the city, ensuring permeability by partially covering the tracks, and building a new pedestrian walkway.

The Santiago station passenger building will be inaugurated in 2024. This building includes the premises required to operate the railway and commercial services at the station.

Works to adapt A Coruña station will continue.



Our commitment:

■ Ourense Bypass

The two sides of the Rante Tunnel under construction are scheduled to meet in 2024. This 3.4 km tunnel forms part of the Rante Tunnel-Seixalbo section. Three emergency exits will be provided along the tunnel given its length, formed by transversal galleries that are 180 m, 449.5 m and 322.4 m long. The galleries will exit directly to the outside, meaning they can be connected to the existing road network and relief and rescue areas can be provided.

The Barbaña viaduct that is 356 m long and 43 m high will be built as part of the Rante Tunnel-Seixalbo section.

Construction on the 387 m long Mesón de Calvos viaduct that forms part of the Taboadela-Rante Tunnel section will also be completed.

■ Madrid-Galicia High-Speed Line. Olmedo Ourense

Works on the maintenance base in the Municipality of a Mezquita will be completed for the Pedralba de la Pradería-Taboadela section in 2024, which will allow activities at this Maintenance Base to begin.

The construction works for the Madrid-Valladolid platform and the Madrid-Olmedo-Zamora High-Speed Line connection in the Olmedo area will be tendered and will commence in 2024.

■ High-Speed Atlantic Corridor

Noise protection works between Vigo- Padrón and Padrón-A Coruña will continue.

■ Castejón-Comarca de Pamplona High-Speed Line.

- Olite-Tafalla section. The Monte Plano Tunnel drilling and support works are expected to be completed; Tafalla section.

- Tafalla section. The Navarre Canal Tunnel will be completed, and the platform shape layers will be placed on the available sections of the route.

- Tafalla-Campanas section. Work will begin on 30 January. By 2024, work is expected to begin on creating the platform esplanade and drainage, as well as excavating the tunnels, building the only viaduct on the section, and replacing accesses affected by the route.

- Viaduct section over the river Ebro. Work on the foundations, abutments and piers that make up this viaduct will be carried out in 2024.

■ Valladolid-Palencia-León High-Speed Line

Works on doubling the North-Northwest High-Speed Corridor will begin. Palencia arterial railway network - Vilecha high-speed junction.



Our commitment:

■ Palencia-Santander High-Speed Line

Works on the first sections of the high-performance connection between Palencia and Alar del Rey (Nogales) and on the platform construction project to integrate the railway in the city of Palencia will be carried out. Section: South access. Phase II.

■ Basque Country

Works on Phase II of the accesses to Vitoria-Gasteiz will be completed.

■ Other Actions

Works on doubling the high-speed platform between Valladolid Station and the north junction will begin; work on the Madrid-Levante and Madrid-Barcelona bypass platform will continue; work on the Riquelme-Torre Pacheco section will also continue, and work on the Torrepacheco-Cartagena section will start.



Adif AV continues to make progress on the works and projects commissioned by the Spanish government, connecting the regions via a high-performance network. Construction is one of Adif AV's core activities. One of the priorities here is to preserve the natural environment and protected species, while also ensuring the restoration and recovery of degraded environments.

As we mentioned earlier, Adif AV is primarily engaged in railway infrastructure construction, renovation and improvement works.

Key activities carried out **during the year** in construction are as follows:

Pajares Bypass

The León-Asturias section of the Madrid-Castilla and León-Asturias high-speed line was commissioned at the end of 2023. The new line is 50 km long and is made up of a series of tunnels and viaducts that cross the Cantabrian Mountains.

80% of this route runs through tunnels, including the Pajares tunnel, a 25 km twin-tube tunnel which is one of the longest railway tunnels in the world. The level of the equipment used and the sophistication of the installations that form part of this tunnel should also be highlighted. The Pajares Bypass represents an unprecedented leap forward in rail connections in Asturias. It serves to boost economic and social development and interconnect the region.

The Company launched a tender in November 2023 for the maintenance of the civil protection and security installations for the Pajares Bypass, which includes preventive and corrective maintenance, as well as emergency assistance and intervention.

Vitoria-Bilbao-San Sebastián and Basque Country High-Speed Line

Work continued on the platform for the Vitoria-Bilbao branch line in 2023, completing 13 of 19 sections that make up this line.

Progress continued to be made on the 6 sections under construction for the Vitoria-Bilbao branch line platform throughout 2023, including the Bergara Junction. The Elorrio-Atxondo section was accepted in November 2023.

The construction project for acoustic protections along the Vitoria-Bilbao-San Sebastián high-speed line was tendered. Section: Bergara-Irun.

The construction project for new emergency exits in the Vitoria - Bilbao section tunnels was tendered.

Regarding the Bergara - Astigarraga branch (Gipuzkoa branch line), 16 of its 17 sections have already been completed. The platform works for the Bergara-Astigarraga branch line are being carried out by the Basque Government-Euskal Trenbide Sarea (ETS, the Basque railway infrastructure manager), based on the 2006 Agreement (amended in 2017 and subsequently amended and extended for a second time on 23 December 2021). Adif is responsible for supervising and approving the tenders for amendments and complementary works. The section under construction is the Hernani-Astigarraga Phase II (works started in 2019, and Amendment 2 was technically approved on 11/09/2022). It is scheduled to be completed in February 2024. The new Atotxa station is scheduled to be completed in June 2025.

Elsewhere, work was completed on the first section of the Burgos-Vitoria High-Speed Railway connection with rail integration in Vitoria (Phase I) and work on the second section (Phase II) started. Phase II was awarded on 05/31/2023 for **€27.53 million** (including VAT) with a 12 month construction period, which was extended by a further 5 months, starting on 08/01/2022. An amendment is in the pipeline that is expected to increase the construction period by 7 months with an estimated end date of May 2024.

The Construction Project contract to implement standard gauge tracks on the Astigarraga-Irún section includes a new project that is being promoted for the actions required to implement standard gauge tracks on the route combined with actions so it can be used as a rail motorway. The "Construction Project for the Implementation of standard gauge tracks on the route between Astigarraga and Irún. Infrastructure and tracks" is being carried out with a planned completion date of January 2026.

Measures required to protect species such as the Egyptian vulture in the Udalaiz massif, the European mink, and the otter are being taken.



Palencia-León High-Speed Line

The Construction Project for the doubling of the North-Northwest High-Speed Corridor, Palencia arterial railway network - Vilecha High-Speed Junction, and the Construction Project for the electrification of the Palencia - León overhead contact line for new doubled sections were both tendered.

Madrid Chamartín-Clara Campoamor station

Tracks 14 and 15 have been integrated into the High-Speed network to comply with the passenger transport deregulation process and to meet the increase in demand that has converting Madrid Chamartín-Clara Campoamor into the reference station in Madrid for services to Levante, and for the transversal trains that link this area with the North and Northwest of Spain after the Chamartín-Torrejón de Velasco section was put into service in 2022. Following from this, the parking areas on tracks 14 and 15 that are accessed from the South end of the line were put into operation in January 2023, together with their corresponding platform.

The North end of the line was also remodelled to enable connections in that area, allowing tracks 14 and 15 to be fully commissioned in December 2023. Work has been carried out in 2023 on rearranging the southern part of tracks 20 and 21 so that the structure in this area of the station can be renovated and expanded. This will also enable the subsequent connection of the new tracks 22 to 25, on which work has been progressing during 2023 so it then can be commissioned at the end of 2024.

The Chamartín Central Lobby was brought into service in February 2023 which provides accessible connections to and between tracks 1 to 11 and the Metro de Madrid network. This helps to improve the commuter passenger services and also responds to the necessary interruption of rail services through the Sol tunnel for the structural extension of the West area of the passenger lobby over the tracks. Once this structural extension in the west area (corresponding to tracks 1 to 4) was completed, and traffic on tracks 1 to 4 and through the Sol tunnel was re-established, the connection between the Central Lobby and access to Calle Agustín de Foxá was put into operation, notably improving passenger flows.

By reassessing and redefining the construction phases of the **remodelling and extension works on the high-speed railway**

yard and platforms and the passenger building at Chamartín station

, the planned deadline has been reduced by 9 months, which also meant the project can be financed by the European RRF funds. The passenger building refurbishment and commissioning that serves the conventional network lines has also been notably brought forward.

Once all the works on the station have been completed, Adif AV will double Chamartín's capacity for high-speed services, which will increase

from the initial 6 tracks to a total of 12, plus one parking track. To make this possible, four new standard gauge through tracks are being built (22, 23, 24 and 25) and two are being remodelled (14 and 15). Work is also being carried out on reinforcing piers and extending structures on the high-speed section.

The works to convert the current Iberian gauge tracks 14 and 15 to UIC standard gauge were completed in December 2023.



Central Spain

Connection between the **Madrid-Levante** and the **Madrid-Barcelona High-Speed Lines**: platforming work continues to connect the Madrid-Levante and Madrid-Barcelona lines in both directions. Once this connection is complete, trains from Barcelona will be able to arrive at Chamartín station via the UIC gauge tunnel, without having to change gauge, and connect with the lines heading north (and vice versa).

In September 2023, work began on **the construction project for tracks 16 and 17 at Puerta de Atocha**, with the aim of maintaining the station's maximum capacity during the works on the Through Station. These works must be completed before construction can begin on the through station. The project also includes the replacement of the temporary pavilion used by the authorities and the premises to house catering services. The contract for the Passenger Station works were awarded in January 2024. The new station will connect the high-speed tunnel between Puerta de Atocha-Almudena Grandes and Chamartín-Clara Campoamor, making it possible for high-speed trains to stop at both stations. The new underground station will connect the northern and southern high-speed networks and will have four tracks and two platforms. The new mixed concourse at Méndez Álvaro will provide new accesses for passengers and rebalance road traffic in the area.

Extremadura High-Speed Line. Commissioning of catenary

The State Railway Safety Agency (AESF) authorised the Commissioning of the Electrification of the Plasencia-Badajoz Line in December 2023.

In 2023, work continued on five sections of platform to complete the 65 km route between Talayuela and Plasencia, including the full renovation of the Navalmoral de la Mata station.

Track assembly works for the Mérida Bypass section were completed, apart from the junctions with the conventional network, while electrification works, and safety and signalling installations continue on this section.

Work also continued in 2023 on supplying materials to renovate the yard areas of the Badajoz, Mérida, Cáceres and Aljucén stations, as well as on the renovations themselves.

Murcia-Almería High-Speed Line

During 2023, work generally continued on the different platform sections to complete the route between Murcia and Almería; an exception is the Lorca Integration, as the works were put out to tender but not started. The start of the works on Phase 2 of the Railway Integration in Almería is worth highlighting.

Meanwhile, the following main activities have been put out to tender:

- Interior architecture for Murcia del Carmen station, urban development, and non-railway installations.
- Overhead contact line on the Murcia-Lorca section.
- Processing of the upcoming tender (January 2024) for the railway signalling on the Murcia-Almería Line.

Murcia-Cartagena High-Speed Line

The construction contract for the **Riquelme-Torre Pacheco section**, for €155.6 million and with an estimated completion period of 36 months, has begun. The section to be executed runs through the municipalities of Murcia and Torre Pacheco, in the province of Murcia, along a total length of 17.7 km, and includes a new high-speed double-track platform in standard gauge (1,435 mm) running parallel to the current Chinchilla-Cartagena line, in conventional gauge (1,668 mm).

The works on the connection branch between the Monforte del Cid-Murcia High-Speed Line and the Chinchilla-Cartagena line (Beniel bypass) have not started due to geotechnical reasons, replacement of services, etc. The main works are in the process of being resolved so that a new version of the project can be drawn up to adapt it to the new operating circumstances of the Monforte-Murcia High-Speed Line that it connects to. The affected services are being replaced through other tenders.

Sagrera (Barcelona)

The Sagrera-Sant Andreu operation includes a set of works contracts that correspond to Adif AV, representing an amount of approximately €1.3 billion that has already been contracted. The overall completion progress based on data from the end of December 2023 is at 69%.





It should be noted that the progress made to cover the railway corridors, both in the Sant Andreu and Sagrera sectors, means that there are now areas where the infrastructure work carried out by Adif AV has been completed and urban development work can begin.

Other works in Catalonia

Works continue on improving singular points in the provinces of Barcelona and Girona due to the work ongoing in relation to the Madrid-Zaragoza-Barcelona-French Border High-Speed Line, which includes permeability improvements, remediation of specific drainage

problems, improvements in the zoning of public roads lying in the vicinity of the High-Speed Line, and conditioning work on the beds of certain streams and rivers that cross the line. Actions were envisaged for the municipalities of Barcelona, Santa Coloma de Gramanet, Montcada i Reixac, Vilanova del Vallés, La Roca del Vallés, Llinars del Vallés, Gualba and Sant Celoni in Barcelona, and Riells i Viabrea, Sant Feliu de Buixalleu and Sant Julià de Ramis-Sarria de Ter in Girona. These actions were suspended in April 2023 and the contract was resolved in September due to a lack of municipal agreements regarding the construction solutions set out in the Construction Project.

Work continued in 2023 to take up the existing single track lying between Vandellós and Port Aventura, which is scheduled to be completed in the first quarter of 2024, after which work can begin on the actions arising from the study on the barrier effect of the single track between Vandellós i l'Hospitalet de l'Infant and Port Aventura. Progress also continues to be made towards the construction of the new Salou-Port Aventura station.

Castejón-Comarca de Pamplona High-Speed Line

The works on the Villafranca-Peralta section were completed. This section is 5.00 km long. A total of 30.00 km of the high-speed platform has been completed, between Castejón and Olite.

Work began on the Viaduct over the river Ebro section on 14 July 2023. The viaduct must meet two requirements: on the one hand, the Ebro Hydrographic Confederation determined that it must be 700 m long and have piers with a circular cross-section; on the other, the impact on the riverside vegetation must be minimised, which conditions the position of the piers - there will be a total of twelve spans, with lengths of between 50 and 85 m. This action is subject to special environmental conditions governing the area which is included in the Natura Network.

Madrid-Galicia High-Speed Line. Olmedo - Ourense

Work has begun on the maintenance base in the Municipality of A Mezquita for the Pedralba de la Pradería-Taboadela section.

Work continued on the platform sections of the Ourense Bypass, Taboadela-Rante Tunnel and Rante Tunnel-Seixalbo Connection sections.

High-Speed Atlantic Corridor

Work has begun on the noise protection project between Padrón and Coruña.

Work has continued on the noise protection works between Vigo and Padrón.

Galicia. Stations

Work has continued on the construction of the new passenger building in Santiago and on the remodelling and signalling for A Coruña station.

2.3.2. Infrastructure maintenance (services entrusted to Adif)²⁰

Key Milestones:

- Maintenance of security installations: **preventive plans for security installations** have been developed based on the new general criteria for preventive maintenance, which has led to a **40% reduction in mandatory preventive cycles**, improving the performance of current resource management.
- The safety of **infrastructure protection systems against imprudent crossings** has been improved, with the aim of reducing accidental collisions.
- An **Advanced Asset Management Model** was developed.
- A **Digital Transformation Plan** has been implemented to facilitate management and decision making (updating the scheduling of works; digital communications to coordinate infrastructure works; digital phone calls; monitoring of the Investment Budget; maintenance authorisation log; optimisation of the Preventive Maintenance tool).

Contribution to the SDGs:



Main risks and opportunities:

- **Health and safety risks** to staff arising from maintenance work on the track: collisions, extreme temperatures, falls from a height, electrical risks, manual lifting of loads, etc.
- **Reputational risks:** delays in completing the works, loss of service quality due to corrective maintenance work (train delays, accidents, etc.).
- **Environmental risks** during maintenance work: emissions from machinery, loss of soil productivity caused by substances spilt on the ground, poor management of waste generated, risk of contaminating surface and/or underground watercourses caused by infiltration of substances spilled in accidents or poor waste treatment, risk of forest fires, noise pollution, etc.

Our commitment:

- Presentation of a proposal for the high-speed **Centralised Traffic Control (CTC) architecture**.

²⁰ *Service pillar PSER-S07: Increase the performance and quality of the network (SP2030).*

Adif has been entrusted with maintaining the infrastructure owned by Adif AV through the corresponding addenda to the services agreement entered between the two entities. The main activities here include the upkeep, repair, replacement, and technological updating of the various elements that make up the network.

The main **operation and preventive and corrective maintenance activities** on infrastructures owned by Adif AV, which are entrusted to Adif through a management assignment, are:

- Maintenance support services for cable network and telecommunication systems.
- Infrastructure and track maintenance.
- Vegetation control on platforms and surrounding facilities.
- Maintenance of security installations.
- Maintenance of level crossing facilities that form part of the RFIG.
- Comprehensive management of protection and security installations in tunnels.

- Maintenance and upkeep of buildings and units used for maintenance activities.
- Preventive and corrective maintenance and ancillary works on electrification installations.

One of Adif AV's main activities, both economically and environmentally, is sustainable infrastructure maintenance. The aim here is to ensure maximum safety, reliability and availability by using technical and human resources to **optimise preventive maintenance** and efficiently manage inspection activities with the ultimate aim of reducing incidents. The activities carried out to achieve this are:

- **Good environmental practices** in conservation and maintenance work.
- Helping to ensure more environmentally friendly **preventive and corrective maintenance** through compliance with Adif AV's Environmental Policy, in line with the General Procedure for the Management and Coordination of Environmental Activities.
- 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** and proactive participation in activities proposed by other areas.
- Analysis of the **internal action procedure** and optimisation of monitoring activity.

2.3.3. Infrastructure operation (services entrusted to Adif)

As with maintenance activities, operating activities have been entrusted to Adif through the corresponding addenda to the agreement signed between both entities.

Activities here include managing rail traffic, calculating the charges payable for use of rail infrastructure, stations and other rail facilities, and running the passenger stations owned by Adif AV.

The main contribution in this area is based on leadership, vigilance and improvement of operational safety, and the management of risks associated with safety documentation and rolling stock.





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 on the **high-speed network** continues to be **developed and implemented**.

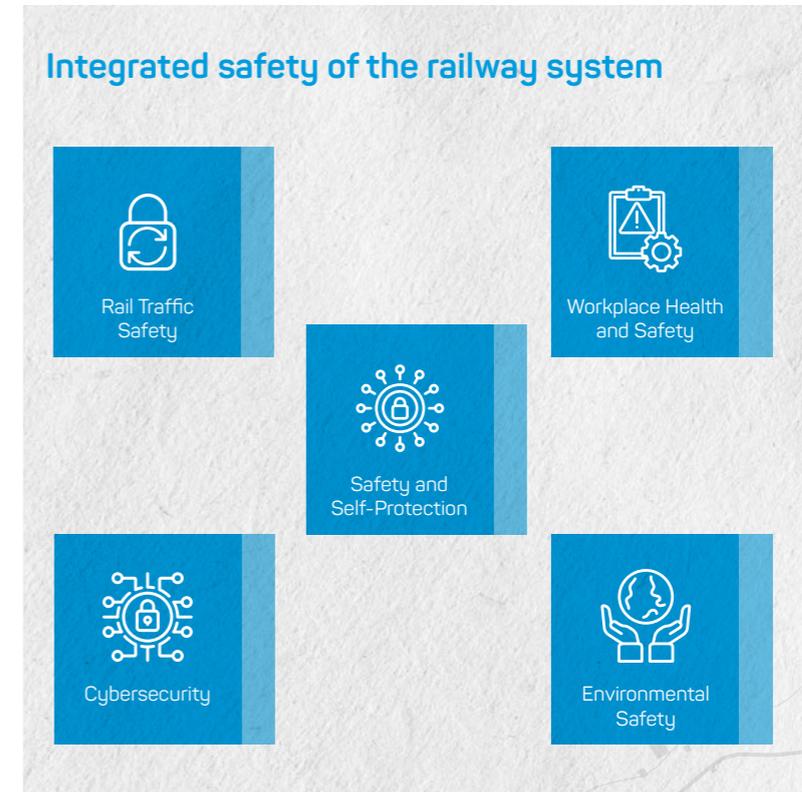
- Implementation of the ERTMS on the high-speed network: ERTMS Madrid-Sevilla; ERTMS La Encina-Valencia junction; ERTMS Valencia Access (adaptation).
- ERTMS N2 Madrid-Lleida.

2.3.4. Integrated safety of the railway system (all safety activities)²²

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

When it comes to safety, one of the most telling contributions was the completion of the signalling works, involving the deployment of more efficient and safer technologies that help to improve and increase rail traffic to the detriment of other more polluting and less efficient and safe modes of transport.



Maintenance and Operating Expenses²¹

| | | 2021 | 2022 | 2023 |
|-------------|--|-------|-------|-------|
| Maintenance | Total expenditure incurred on high-speed network maintenance (€M) | 336.1 | 368.1 | 376.7 |
| | Total expenditure incurred on maintenance work on the high-speed network per km (€ thousand/km track) | 90.2 | 92.8 | 94.8 |
| Operations | Total expenditure on operating of the high-speed network (€M) (relating to rail traffic management) | 29.0 | 31.5 | 34.9 |
| | Total expenditure incurred on operating the high-speed network per km (€ thousand/km track) (relating to rail traffic management) | 7.8 | 7.9 | 8.8 |

²¹ This information is updated to include the method for calculating the PRIME indicators.

²² Developed under the **Safety Pillar PSAF-SO1**: Maintain high levels of traffic safety. Traffic Safety; SO2: Ensure high levels of cyber-resilience. Information security-Cybersecurity; SO3: Improve infrastructure resilience and step-up security in the event of deliberate attempts to intrude or interfere with the railway system and emergency situations. Safety and self-protection; SO4: Ensure a safe and healthy work environment. Occupational risk prevention; SO6: Strengthen environmental protection. Environmental Safety (SP2030).

2.3.5. Other areas of activity

Key Milestones:

■ Telecommunications²³:

- The minimum **investment** of €4 million to renew the network under the **Renove Plan** is **exceeded**, reaching €7.4 million, extending its validity until 2025.
- Incorporation of qualified staff and **creation of the Permanent Service Centre**.
- **Key contracts renewed** for network maintenance.

■ Energy²⁴

- **Commissioning** of the **electrification installations for the Extremadura High-Speed Line** (195 km).
- Update of the **Preventive Maintenance General Criteria for the different Energy sub-specialities**: Overhead Contact Line and Substations.
- **Management of electricity supplied to 3,458 supply points**, resulting in **total energy consumption of 3 TWh**.
- Of the total electrical energy **consumption, 99%** relates to a total of **1,342 supply points equipped with remote metering systems**.
- Consolidation of the implementation of the **billing methodology for the complementary service of traction current** for railway operators, and development of systems that support this methodology in line with European interoperability standards, ensuring transparent and equal billing for all operators.

■ International Consultancy Engagements and Partnerships²⁵

- Development of international activity in the field of **regulation, standardisation, cooperation and defence of the interests** of Adif AV and the Spanish railway sector.
- **Promote the Spanish railway industry** by attending meetings, forums, events, etc., and supporting delegations from countries interested in our railway model.

- Coordinating and overseeing Adif AV's involvement in the **European Atlantic and Mediterranean Freight Corridors**.

■ Property Management and Urban Integration²⁶

- Completion of the **Madrid Nuevo Norte Project**.
- Drafting of **Reports on assets-urban planning**.
- Drafting of **land reversion reports**.

■ Integration Operations and Group Entities²⁷

- Sign an **Agreement to carry out the construction of the Railway Integration in Almeria phase two works**.
- Sign the **Protocol for railway integration in Cartagena**.
- **Agreement to terminate and liquidate the collaboration agreement** between the Ministry of Transport and Sustainable Mobility, the Andalusian Regional Government, Almeria City Council, Adif and Renfe Operadora.
- **Sign the Addendum to the Agreement on the transfer of assets** corresponding to the works on the eastern bypass, the accesses to **Valladolid** and the urban integration of its arterial railway network.
- Agreement to **terminate and liquidate** the Addendum to the framework agreement regulating relations with the **company "Barcelona Sagrera Alta Velocitat, S.A."**.
- Agreement to **standardise payments** made under the addendum to the framework agreement regulating the relations with the **company "Barcelona Sagrera Alta Velocitat, S.A."**.
- **Collaboration with other areas of the state-owned enterprise to develop the actions within the framework of the urban integration projects** in Alicante, Valencia and Sant Andreu Comtal.

²³ Developed under the **Service Pillar PSER-SO3**: Maximise network digitalisation and connectivity.

²⁴ Developed under the **Sustainability Pillar PSUS-SO1**: Lead the way in bringing about the energy transition. Develop an energy community.

²⁵ Developed under the **Result-Driven Pillar PRED-SO5**: Consolidate the Company's international exposure/export know-how.

^{26, 27} Developed under the **Result-Driven Pillar PRED-SO6**: Build winning alliances (Adif AV membership in entities and organisations).

○ Main risks and opportunities:

- **Telecommunications.**
 - **Operational risks:** loss of service due to breakage or theft of optical fibre cables; loss of service due to power outages.
 - **Non-compliance** with regulations related to controlling environmental risks when drafting the projects.
- **Energy.**
 - **Increased impact on biodiversity:** Increase in electrocutions of protected birds on catenary installations.
 - **Financial risks and operational risks** associated with the lack of energy supply.
 - **Lack of GoO Certificates** preventing compliance with 100% renewable energy commitments.
- **International Consultancy Engagements and Partnerships.**
 - **Reputational risks** due to a lost opportunity to defend the interests of Adif AV, the Spanish railway sector and our economy in international forums.
 - **Risks related to regulatory or standardisation processes** that are detrimental to Adif AV.
- **Integration Operations and Group Entities.**
 - **Reputational risks:** Impact on the Company's image associated with mismanagement, lack of accountability and/or transparency.
 - **Communication with stakeholders:** Complexity and heterogeneity of internal and external agents and lack of coordination and communication that can slow down processes and impact reputation.

○ Contribution to the SDGs:



Our commitment:

■ Telecommunications.

- Reduce the number of breakdowns, scheduled outages (<4 hours) and fault resolution time (<8.5 hours).
- Improve the number of applications dealt with on time to above 75% of applications.
- Continue to **meet** and exceed the minimum investment from the **Renove Plan (€6.3 million in 2029)**.

■ Energy.

- Continue to **integrate maintenance management systems for power installations on High-Speed Lines**, unifying criteria with the rest of the RFIG.
- **Expand technical regulations in the field of energy**: new design standards for 25 kV a.c. overhead contact lines.
- Manage **Renewable Guarantees of Origin certificates** for all electricity supplied.
- Ensure that all the **electricity supplied** to points with and without a remote metering system has a renewable Guarantee of Origin certificate.
- Obtain **recognition of the energy returned to the grid** from train braking, contributing to reduce energy demand.
- Continue to develop the **complementary traction current service**.

■ International Consultancy Engagements and Partnerships

- Consolidate the Company's international exposure and that of the railway sector.
- **Improve cooperation with our neighbouring countries** to promote rail transport and encourage a modal shift to rail.
- Have a proactive presence in **International Institutions and Organisations**.

■ Integration Operations and Group Entities.

- **Liquidation of León AV and purchase of Renfe Operadora shares.**
- **Analysis and proposal to liquidate** some integration companies.
- **Instrumentalise financial commitments** for the Integration Plans in Olabeaga (Bilbao), Gijón and Vitoria.
- **Adjust the maturities of the participating loans granted to Valencia, Logroño and Gijón.**
- **Standardise and instrumentalise the financial commitments** made under the urban integration plans for Alicante, Barcelona, Cartagena, Murcia, Valencia and Valladolid.
- Sign the **Agreement for the railway integration in Cartagena.**



Telecommunications²⁸

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.

The Company's **main activities** include the following:

- Technical feasibility studies and design of the solution for the Conventional Network and High-Speed Lines using GIS tools.
- Support in carrying out financial viability studies and preparing bids for the Conventional and High-Speed Network.
- Drafting preliminary construction projects and preparing technical solutions using GIS tools to deliver new orders offered to customers.

In addition, the Professional Services contract (REINTEL) was renewed in 2023 until 2025, and the service offered through the 24 hour, 365-day-a-year Permanent Service Centre was improved.

Energy²⁹

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.

Preventive maintenance management systems have been registered in the Inventory this year as part of the commissioning activities of

The development of a fibre optic network distributed throughout the country has extensively digitalised railway operation processes and improved accessibility to 5G internet and mobile services



the electrification installations for the Extremadura high-speed line (195 km). Specific training was also given by the Mérida Maintenance Management Area.

International consultancy engagements and partnerships³⁰

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.

(Refer to [section 8.2. International projection](#)).

Property management and urban integration³¹

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".

(Refer to [section 8.3.1. Property management and urban integration](#)).

Integration Operations and Group Entities³²

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 *Sociedades de Integración del Ferrocarril* (railway integration corporations).

(Refer to [sections 8.3.2. Urban integration joint ventures, and 8.3.3. Group entities](#)).

2.3.6. Adif AV outside Spain

Adif AV works to build alliances and nurture international cooperation in order to promote the best railway in Spain, Europe and the world. The Company is a member of numerous global organisations, enabling it to keep up with and have a say in regulatory and technical decisions. It also builds commercial relations with partners all



over the world to promote the railway as a clean and sustainable means of transport, while indirectly creating jobs in Spain for companies.

Forming part of international organisations is a way to learn best practices among infrastructure managers. The Company'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 are a showcase for the knowledge and excellence of Spanish companies.

The Company is currently **active internationally in the following countries**: Argentina, Australia, Azerbaijan, Brazil, Canada, Czech Republic, Chile, China, Colombia, Costa Rica, El Salvador, Estonia, France, India, Israel, Japan, Korea, Lithuania, Malaysia, Mexico, Norway, Philippines, Poland, Portugal, Senegal, Switzerland, Turkey, Ukraine, United Kingdom, United States, Uruguay, Vietnam, Zimbabwe.

²⁸ Developed under **Service Pillar PSER-SO3**: Maximise network digitalisation and connectivity (SP2030).

²⁹ Developed under **Sustainability Pillar PSUS-SO1**: Lead the way in bringing about the energy transition. Develop an energy community (SP2030).

³⁰ Developed under the **Result-Driven Pillar PRED-SO5**: Consolidate the Company's international exposure/export know-how (SP2030).

^{31, 32} Developed under the **Result-Driven Pillar PRED-SO6**: Build winning alliances – Adif AV membership in entities and organisations (SP 2030).

Adif AV's global footprint



Regulatory and standardisation activities are also ongoing, mainly with other European countries or members of the International Union of Railways (UIC).

Notable actions and developments that have taken place during the year are:

- Organisation of the *EU Rail IMs Connecting Days* in Madrid. More than 80 delegates attended, where high-level meetings were held with representatives of the European Commission, European bodies and companies.
- Participation in the organisation of the *RailLive 2023 Fair* in Madrid, one of the largest commercial platforms for railways in Europe. Adif and Adif AV participated in the organisation and development of several presentations and commercial outreach activities.
- Making valuable contributions to general assemblies and regular meetings of organisations such as RNE, UIC, EIM and PRIME.
- Technical and operational assistance was provided for other infrastructure managers, as well as advice on how best to undertake their projects.
- Organisation of training schemes and technical capacity building schemes for experts from other countries.
- Coordinating and overseeing Adif's involvement in the European Atlantic and Mediterranean Freight Corridors.

Adif AV focuses on fostering alliances and cooperation actions to promote the railway sector in Spain, Europe and the rest of the world. Through these actions, in addition to improving the competitiveness and reputation of the sector, we contribute to the development of a more efficient and less polluting European transport network by taking an active role in the transition from air and road transport to rail through the European Atlantic and Mediterranean Freight Corridors



- Hosting international delegations: Vietnam, Brazil, Estonia, Poland, Azerbaijan, among others.

Adif AV is a member of the following **international associations and organisations**, among others: **EIM** (European Infrastructure Managers), **UIC** (International Union of Railways), **RNE** (RailNetEurope) and the **PRIME** platform of rail infrastructure managers.

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 at all of these associations to improve cross-



Adif AV encourages the development and transfer of knowledge and innovation through commercial opportunities, alliances and cooperation actions that facilitate the exchange of know-how within the sector

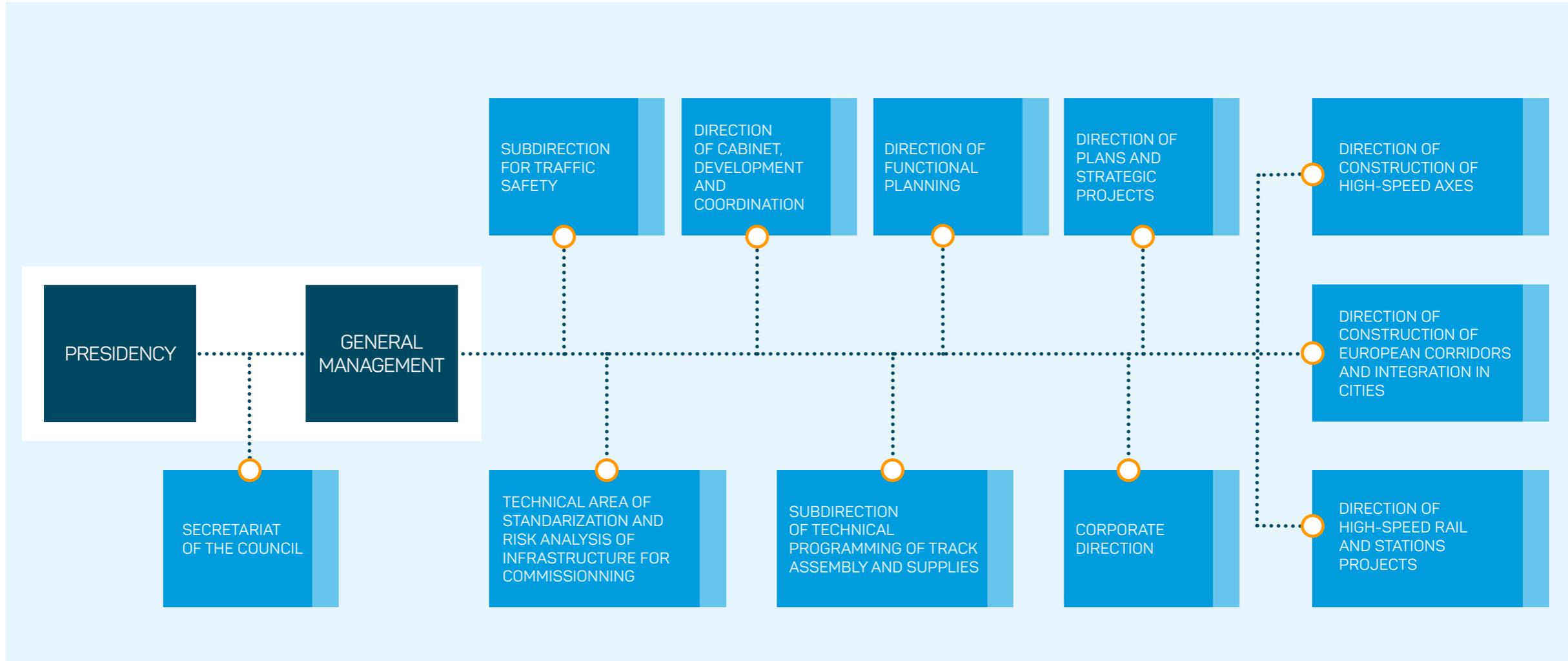


border connections in relation to international rail corridors and Trans-European Transport Networks (TEN-T).

(Refer to [section 8.2. International projection](#)).

2.4. ORGANISATIONAL STRUCTURE OF ADIF AV

The organisational chart below depicts the structure of Adif AV as it stood in December 2023:



2.5. GOVERNANCE, TRANSPARENCY AND RISK MANAGEMENT

During 2023, Adif AV continued to improve how it deals with requests or complaints submitted by stakeholders electronically by updating procedures and electronic systems to process them, thus ensuring improved communication in stakeholder relations.

2.5.1. Governing bodies and internal management

Adif AV is a state-owned enterprise under the responsibility of the Spanish Ministry of Transport and Sustainable Mobility pursuant to Act 40/2015, of 1 October, Legal Regime of the Public Sector. It has separate legal personality and equity and full capacity to engage in its corporate objects. It is also governed by other regulatory

provisions. For instance, 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 property and assets are governed by the Government Property Act.³³

Key Milestones:

- Implementation of **new administrative procedures** through the new Adif AV e-Office, which has allowed for the integration of electronic services.
- Under the central government’s **Digital Transformation Plan** and the plans of state-owned bodies and entities, two new administrative procedures have been included in Adif AV’s e-Office (**authorisation of third-party actions in areas affected by railways** and **claims to recover damaged from the State**).
- **Progress was made on implementing the GM-T tool** to enable the internal electronic processing of requests and complaints for all procedures available via the e-Office. The number of people that work with the GM-T tool has increased, after training 800 managers.
- The **Environmental Taxonomy** report was updated regarding **eligibility and alignment**, referring to **activity 6.14** “Infrastructure for rail transport” as

an enabling activity according to Article 10(1)(i) of Regulation (EU) 2020/852 (refer to *Appendix 3. European Taxonomy*).

- The Corporate Responsibility, Sustainability and Branding Sub-Division and the Treasury, Sustainable Finance and Investor Relations Sub-Division collaborated in the **ESG rating assessments** (refer to *section: ESG Risks. ESG Risk Rating*).
- The sustainability report was **externally verified by an independent third party** (limited assurance), AENOR, to ensure the reliability, security, and veracity of the ESG information provided.
- A **reporting culture** has been fostered through training and awareness-raising in the organisation on ESG matters (*Forética* and the United Nations Global Compact).

Contribution to the SDGs:



³³ Content related to **GRI indicator 2-9: Governance structure and composition**.

○ Main risks and opportunities:

- **Loss of traceability** of ESG information in the absence of an internal control system for non-financial information.
- **Risk of non-compliance with new European regulations** on sustainability (CSRD, Due Diligence Directive, etc.), and loss of stakeholder confidence.

○ Our commitment:

- To develop a new tool that comprehensively manages electronic files and the electronic processing of Administrative Procedures implemented using “Low Code” technology.
- To approve an **Adif and Adif AV Sustainability Policy** and a **Sustainability Committee** to ensure compliance with this Policy.
- To prepare a tender to develop a **Non-Financial Information Internal Control System (NFIICS)** to improve the reliability and traceability of information in future sustainability reports based on the COSO ESG method.
- To develop an **ESG technology platform/tool** for systematised data collection, automated processing and analytical functionality to improve decision-making by the Sustainability Committee.
- To prepare the **Financial impact assessment report on physical and transitional climate risks**, complying with the obligation imposed by the regulatory requirement in Article 32.5 of Act 7/2021 on climate change and energy transition.
- The sustainability report was **externally verified by an independent third party** (limited assurance), AENOR, to ensure the reliability, security, and veracity of the ESG information provided.



The **Board of Directors** is Adif AV's highest governing body and has the broadest powers to manage the Company. The Board can decide on its own structure and functioning, adopt annual budgets, financial statements and management reports, and authorise any lending or borrowing by the Company.

The Company has gone beyond the scope of its charter to create **various committees** of its own. These 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 Chair's Office, such as the Management Committee and the Procurement Committee.

Board of Directors

The Board of Directors operates in accordance with the rules set out in the charter of the state-owned enterprise Adif AV. The charter is available on the website www.adifaltavelocidad.es. In addition, the Board follows its own internal rules, and is governed by Act 40/2015 setting out the legal regime for collegial bodies within the public sector.

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 a maximum of ten Directors, whose appointment and dismissal falls within the remit of the Ministry of Transport and Sustainable Mobility. The Secretary of the Board of Directors is the same person as the secretary of the board at Adif (Article 25 of the charter of Adif AV).

Of the 10 members of the Board of Directors of Adif AV, three are women, giving a ratio of 30%. 40% of the Board of Directors is composed of independent directors



ADIF AV BOARD OF DIRECTORS 2023



12/07/2023
Mr. Ángel Contreras

● CHAIRMAN



01/30/2019
Mr. Guillermo Martínez de Simón Santos

● SECRETARY

● MEMBERS



06/03/2022
Mr. Francisco Alfonsín Bellido



12/28/2022
Ms. Isabel Vela Cuevas



12/28/2023
Mr. Roberto Angulo Revilla



12/28/2023
Mr. Carlos María Juárez Colera



04/12/2022
Ms. María Carmen Corral Escribano



11/10/2022
Mr. Juan Pedro Fernández Palomino



05/31/2022
Ms. Estela Ríos Muñoz



05/19/2021
Mr. Pedro Aller Fernández

Individuals who stepped down/were dismissed from the Board of Directors in 2023:



12/28/2023
Ms. Eva Ballesté Morilla



12/28/2023
Mr. Casimiro Iglesias Pérez



04/01/2023
Mr. Raúl Míguez Bailo



09/25/2023
Mr. Francisco Díaz Pardo

The Secretary may speak at Board meetings, but has no vote, unless he or she is also a director.³⁴

In the year ended 31 December 2023, the Board of Directors **met 13 times** (11 ordinary meetings and 2 extraordinary meetings) and consisted of 10 members: the Chair, the Secretary of the Board and eight members.³⁵

Relevant events: Ángel Contreras Marín was appointed Chair of the state-owned enterprise Adif through Royal Decree 1049/2023, of 7 December, replacing the previous Chair María Luisa Domínguez González. As set out in Article 23.1 of Royal Decree 1044/2013, of 27 December, adopting the charter of the state-owned enterprise Adif AV, the Chair of Adif AV and its Board of Directors shall be the person appointed as the Chair of the state-owned enterprise Adif.

The current Chair has a professional career with more than 23 years of experience in rail transport, where he has been involved in all the processes related to the operation and maintenance of infrastructure. He was the head of Adif's Conservation and Maintenance department since 2018, where his actions to obtain Recovery and Resilience funds and to launch the comprehensive renovation of the first High-Speed Line should be highlighted, as well as how he managed railway network maintenance during the Covid-19 crisis, among others.

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 and Sustainable Mobility.
- Approving the annual financial statements, management report and proposed distribution of profit.
- Authorising loans and other types of borrowings.
- Acting as contracting authority for contracts with a tender budget in excess of €6 million.

Proxy voting is not allowed under the Adif AV charter or the rules and regulations of the Company's Board of Directors. Board **resolutions** are carried via an absolute majority of votes among its members in attendance or duly represented by proxy. The Chair has the casting vote in the event of a tie.

The members of the Board of Directors receive no remuneration or compensation for attending the meetings



³⁴ Content related to **GRI indicator 2-10: Nomination and selection of the highest governance body.**

³⁵ Content related to **GRI indicator 2-11: Chair of the highest governance body.**

Other internal management bodies

Audit Committee



The Audit Committee supervises the Company's financial reporting, reports to the Board of Directors on its work, and addresses other matters of concern. Its members are appointed by the Board of Directors for a period of 4 years and they may be re-elected.

In 2023, Adif AV's Audit Committee **met on one (1) occasion**. It comprises three members, two Adif AV board members and one secretary (**66.66% are women**). There is currently one vacant seat.

2 independent directors; 2 non-executive directors.

Management Committee



The Management Committee, which was formed at the discretion of the Board outside the scope of the Company charter, advises the Chair on executive decisions. It has the following duties:

- Advising the Chair on matters within its remit.
- Advising the Chair on Board matters that must be reported to or approved by the Chair.
- Discussing other matters pertaining to Adif AV added to the agenda at the initiative of the Chair or any member of the Management Committee.

The Adif AV Management Committee **met 32 times** in 2023. It comprises three members (**0% women**).

N.A. **independent directors**; N.A. **non-executive directors**.

Appointments and Remuneration Committee



At its meeting of 29 January 2018, the Board of the state-owned enterprise Adif AV decided to create an Appointments and Remuneration Committee. It comprises a Chair and two members. The members appointed on 29 January 2018 no longer sit on the Board of Directors of Adif AV.

Its main duties are as follows:

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

The Appointments and Remuneration Committee of Adif AV **did not meet at all** in 2023. It comprises three members, although all are currently vacant (**0% women**).

1 (chair position currently vacant) **independent directors**; **3** (currently vacant) **non-executive directors**.

Other internal management bodies

Procurement Committee



The Procurement Committee, which was formed at the discretion of the Board outside the scope of the Company charter, advises the Chair on procurement decisions. It has the following duties:

- Advising the Chair on procurement matters within their direct purview or so delegated by the Board and on matters within the purview of the Board that must be reported to or approved by the Chair.
- Discussing any other matter pertaining to procurement at the Company.

The Adif AV Procurement Committee **met 32 times** in 2023. It comprises three members (**0% women**).

N.A. **independent directors**; N.A. **non-executive directors**.

Adif AV Internal Code of Conduct for Securities Market Dealings Compliance Committee



The Adif AV Internal Code of Conduct for Securities Market Dealings Compliance Committee falls outside the scope of the Company's charter and comprises a chair and three further members. It has the following duties:

- Assessing the effectiveness of internal procedures and overseeing compliance with the safeguards surrounding inside information in accordance with the Code.
- Taking steps to provide training to employees on matters that fall within the scope of the Code.
- Interpreting the rules of the Code, resolving queries as to how to apply it, and adapting it to prevailing laws and regulations.
- Reporting each year to the Code of Ethics and Conduct Oversight Committee on any significant incidents that may have arisen.

The Adif AV Internal Code of Conduct for Securities Market Dealings Compliance Committee **did not hold any meetings** at all in 2023. It comprises four members, although all are currently vacant (**0% women**).

N.A. **independent directors**; N.A. **non-executive directors**.

Risk Committee



The Risk Committee is the main body entrusted with the Company's Enterprise Risk Management function. As set out in the Enterprise Risk Management Policy, its responsibilities include:

- Creating the Company's risk map and updating it at least annually and whenever needed.
- Tracking identified risks and their related controls, indicators and action plans at the required intervals.
- Adopting specific risk management policies as appropriate.
- Determining and reviewing the Company's desired risk profile and ensuring that it is aligned with the Company's strategy.
- Reporting to the Management Committee and submitting proposals as required for the proper performance of the risk management function.

Adif AV's Risk Committee **met 4 times** in 2023. It comprises 34 members (**38.23% women**).

N.A. **independent directors**; N.A. **non-executive directors**.

Other internal management bodies

Internal Control over Financial Reporting Committee



In accordance with the terms of reference of the Committee, its roles include:

- Delimiting the scope of the system, primarily its key processes.
- Conducting an annual review of and validating all ICFR processes.
- Producing an annual ICFR progress report.
- Scrutinising the performance of Internal Audit in supervising the ICFR system.
- Proposing that the ICFR system undergo an external audit.

Adif AV's ICFR Committee **met on 2 separate occasions** in 2023. It comprises 14 members (**33% women**).

N.A. **independent directors**; N.A. **non-executive directors**.



Ethics and Compliance Committee



Body tasked with overseeing and, ultimately, enforcing, the Code of Ethics and Conduct. Its duties are as follows:

- To evaluate compliance with Adif's Code of Ethics and Conduct and its implementing instruments, and to regularly report to the Board of Directors on its operation and compliance.
- To supervise the mechanism that allows both employees and third parties to report breaches of the Code of Ethics and Conduct, as well as potentially significant irregularities.
- To investigate queries and complaints regarding alleged breaches of the Entity Code of Ethics related to the Regulatory Compliance Area and those of particular complexity at the request of the Regulatory Compliance Area.
- To propose modifications to the Code of Ethics to improve it and adapt it to new circumstances and realities.
- To propose measures to promote awareness-raising and compliance with the Code.
- To review Regulatory Compliance policies.
- To approve the EU Fund Fraud Risk Self-Assessment and the Summary Report.

The Adif AV Ethics and Compliance Committee **met 3 times** in 2023. It comprises 6 members (**0% women**).

N.A. **independent directors**; N.A. **non-executive directors**.

2.5.2. Incorporation of ESG in Adif AV Governance

Remuneration of the Management Committee related to ESG criteria

Adif AV has defined a series of criteria and objectives that influence the monetary perception perceived by members of the Management Committee, forming part of the activities carried out by the Company to integrate ESG into Governance. These criteria relate to compliance with the objectives set out in the SP2030 (refer to [section 3.5. Strategic Plan 2030 and the SDGs](#)) regarding:

- **SO1.** Lead the way in bringing about the energy transition - Develop an energy community: To become more energy efficient and reduce GHG emissions.
- **SO5.** Generate a positive social impact in pursuit of social cohesion and inclusion.
- **SO6.** Achieve new revenue streams through the opportunities of the energy transition – contributing to the development of sustainable finance.

In order to assess compliance with the objectives and, therefore, the amount of variable remuneration received, the degree of compliance with the objectives established in the company's SP2030 and the degree of compliance with the sustainability objectives established in each area are analysed. These objectives in turn weigh-up the relative importance of each of the actions carried out under each of the objectives.

By 2023, between 6% and 24% of the variable remuneration perceived by Management Committee members is subject to the achievement of ESG



2.5.3. Business ethics and transparency

Key Milestones:

- Obtaining **ISO 37001 certification** on **Anti-bribery Management Systems** by AENOR.
- Approving the **Regulatory Compliance and Anti-Bribery Management System** Manual.
- Updating the **Corporate anti-fraud, anti-bribery and anti-corruption policy**.

Main risks and opportunities:

- **Risk of fraud, bribery or conflict of interest** in European Funds (RRF - Recovery, Transformation and Resilience Plan).
- **Anti-competitive practices** (violation of competition law).

Our commitment:

- For the Audit Committee to approve the **Compliance Area Activity Plan** in 2024.

Contribution to the SDGs:



Fostering an ethical culture ensures the Entity correctly manages ethics and compliance. This is done by improving and implementing the Regulatory Compliance and Anti-Bribery Management System, while actively fighting against fraud, corruption and conflicts of interest



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.



Anti-corruption and bribery

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 Act 19/2013, on transparency, access to public information and governance. Adif AV's Ethics Model was reviewed and updated in 2019 as part of the continuous improvement process, with updates made to the Code of Ethics and Conduct and new various policies and procedures approved.³⁶

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.

The Ethics Code, which was included in Clause 12 of the first Adif and Adif AV collective bargaining agreement, can be found on Adif AV's intranet and is also in the public domain via the corporate website. Management and Trade Unions are currently adhering to it. Adif AV provides its employees with mandatory training on ethical management practices.

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 any third party related to the Entity.

In 2023, 34 employees received training in ethics



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 towards people.
- 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. (Refer to [section 2.5.1. Governing bodies and internal management](#) for further information on the duties and composition of the Ethics and Compliance Committee).

In addition, the **Corporate anti-fraud, anti-corruption and anti-bribery policy** was updated and approved by the Board of Directors in October 2023.

³⁶ Content related to **GRI indicator 2-24: Embedding policy commitments**.

Whistleblowing channel

Potential breaches of the Code of Ethics and Conduct can and should be reported through the Whistleblowing Channel. The Whistleblowing Channel fields claims from Adif AV employees, via the intranet, and from third parties, via the website. Complaints and claims can be reported anonymously as 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 Whistleblowing Channel:

- Keeping the personal data and information received through the Whistleblowing Channel confidential.
- Ensuring that there is no retaliation against any person reporting an incident in good faith.

Advisory and communication mechanisms

WHISTLEBLOWING CHANNEL

REGULATORY COMPLIANCE MAILBOX FOR QUERIES AND ADVICE

REGULATORY COMPLIANCE AREA

WHISTLEBLOWER PROTECTION POLICY

In 2023, Adif AV's external whistleblowing channel drew 25% less visitors (425 in 2022) and received three reports (five in 2022) of alleged breaches of the Code of Ethics



- Protecting the privacy and presumption of innocence for all employees placed under investigation.

The Entity has a **Whistleblowing Channel Management Procedure** which implements the tool to report conduct contrary to the Code of Ethics. This procedure complies with Act 2/2023 in relation to whistleblowing mechanisms and internal reporting systems, and the Ethics and Compliance Committee stipulates the area responsible for investigations, their timeframe, and resolutions.

Main corporate policies

- Adif and Adif AV Quality Policy.
- Adif and Adif AV Environmental Policy.
- Adif and Adif AV Occupational Risk Prevention Policy.
- Adif and Adif AV R&D+i Policy.
- Adif and Adif AV Information Security Policy.
- Adif and Adif AV Code of Ethics.
- Adif and Adif AV Guidelines for Rail Traffic Safety Policy and Management.
- Adif Enterprise Risk Management Policy.
- Adif and Adif AV Corporate anti-fraud, anti-corruption, and anti-bribery policy.
- Adif and Adif AV Policy on Conflicts of Interest.
- Universal Accessibility Policy (Adif Acerca).
- Policy on the Use of Technological Resources.
- Adif and Adif AV Asset Security Policy.
- Whistleblowing Protection Policy.
- Information security policy guidelines, regulatory framework and management system.
- Fair culture Policy.
- Adif and Adif AV Asset Management Policy.
- Policy on Business Courtesies and Gifts.
- Adif and Adif AV Sustainability Policy, currently under development.

In addition, there is a **Whistleblowing Protection Policy** which implements protection measures such as counselling, psychological support, change of position within the organisation, confidentiality, and other aspects.



Anti-corruption and bribery measures deployed

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.

The Company has the following **policies and procedures in place** in order to help **prevent instances of fraud, corruption and bribery**:

- Code of Ethics and Conduct.
- Regulatory Compliance and Anti-Bribery Management System Manual.
- Regulations of the Ethics and Compliance Committee and Regulatory Compliance Activity Charter.
- Whistleblowing Channel Management Procedure.
- Policy on Conflicts of Interest.
- Procedure for Dealing with Conflicts of Interest.
- Institutional Anti-Fraud Statement.
- Corporate Anti-Fraud, Anti-Bribery and Anti-Corruption Policy.

- Fraud Prevention, Detection and Management Procedure.
- European Fund Fraud Risk Management Procedure.
- Policy on Business Courtesies and Gifts.
- Policy on the Use of Technological Resources.
- Whistleblower Protection Policy.

The aim is to have measures in place to prevent, detect and correct fraud, corruption, bribery, conflict of interest and, in general, any practice contrary to Adif AV's Code of Ethics and Conduct, as well as to establish the scope, context, exposed personnel, responsibilities, etc.

It should be noted that the **self-assessment of fraud risk** is carried out annually.

The organisation's **anti-corruption policies and procedures**³⁷, are communicated by publishing the information on the Company's intranet, therefore making it available to all employees. Information on the **total number and nature of confirmed cases of corruption** and measures taken³⁸ cannot be published, as the internal procedure on how this data is treated prevent it from being published as it is confidential information.



Anti-corruption and bribery measures deployed

| | 2021 | 2022 | 2023 |
|--|-------|-------|-------|
| Reports via Whistleblowing Channel | 3 | 5 | 3 |
| Declarations of no conflict of interest | 136 | 166 | 180 |
| Employees receiving ethics training | 84 | 50 | 34 |
| Queries regarding conflicts of interest ³⁹ | 0 | 5 | 10 |
| Queries regarding policy on business courtesies and gifts ⁴⁰ | 1 | 4 | 5 |
| Percentage of transparency-related claims admitted for processing by the Transparency and Governance Board ⁴¹ | 3.30% | 5.20% | 2.40% |

³⁷ Indicator **GRI indicator 205-2**: Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to, broken down by region.

³⁸ Indicator **GRI indicator 205-3**: Total number and nature of confirmed incidents of corruption and actions taken.

^{39, 40, 41} Data for Adif + Adif AV.

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, the Company 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.

This 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.
- 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 the Company does must be aligned with the public interest and the values enshrined in our Code of Ethics and Conduct. Therefore, everything we do and each decision we make must be:

- Legally valid.
- Ethically acceptable.

- In the interests of the Company and of society.
- Each person must be willing to be accountable for its actions facing its colleagues, family members and the public.

Moreover, in line with **Act 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 Entity public documentation.



In addition, Adif AV participates in the **Transparency Portal** of the Ministry of Transport and Sustainable Mobility, which provides information about public bodies, state-owned enterprises and foundations.

Measures put in place to combat money laundering

As a state-owned enterprise, we are subject to public procurement regulations, specifically **Act 9/2017, on Public Sector Contracts**.

Corporate policies and KPI management system

Given Adif AV's legal status as a state-owned enterprise, it is unable to have specific internal policies governing ties with political parties or **lobbying activities** as it is subject to public law and regulations.

This circumstance is explicitly set out in its Charter, as approved by Royal Decree 1044/2013, of 27 December, which justifies the Company's status as a state-owned enterprise and states that it cannot have links with political parties or engage in lobbying activities. The charter regulates the Company's activities, purpose and control mechanisms, expressly stating that it may not partake in any such activities. Moreover, all the Company's activity is audited by the General State Comptroller's Office (Intervención General del Estado, or IGAE for short), as Adif AV is a state-owned enterprise. More precisely, its specific budget comes from the general state budget, which is subject to strict economic and financial control.

It is also subject to Act 19/2013, of 9 December, on Transparency, access to public information and good governance. <https://www.adif.es/sobre-adif/transparencia/informacion-economica>.

Inclusion of Ethics and Transparency in the Supply Chain

In order to extend our commitments on ethics and the fight against corruption and bribery to our supply chain, the tender documents include a **specific clause on integrity and the fight against fraud** in which the successful bidder undertakes to know and accept the Adif/Adif AV Code of Ethics and to report any risk or non-compliance of which it becomes aware during the execution of contracts through the Whistleblowing Channel. This commitment includes the obligation of the successful bidder to communicate to its employees who are participating in the work for the Entity and about the existence of the Whistleblowing Channel.

In addition, certain procurement processes (e.g. those related to European RRF funds) include anti-fraud rules and require the supplier or contractor to sign an affidavit to this effect. The Company is currently revising the tender documents to introduce a clause

relating to the application of the Anti-Fraud Policy in the contracts awarded.

The anti-fraud clause included in the tender documents requires the successful bidder to collaborate with the Company in the actions to monitor or assess compliance and the risk of fraud in the contract. They will be required to provide the necessary information for this purpose, without prejudice to complying with any transparency obligations that directly correspond to them. The bidders must also cooperate in defending the financial interests of the relationship and granting the authorities access and the right to fully exercise their anti-fraud competences. This obligation includes the right to carry out investigations, inspections and spot-checks, among others.

The Internal Audit Department carries out contract audits to check the degree of compliance and detect anomalies. An internal or external (lawsuit or criminal complaint) procedure may be opened as a result of the audit if non-compliance is detected.

Human Rights Pledge

While Adif AV does not have a specific Human Rights Policy, its commitment to treating people respectfully and decently is set down

Priorities in relation to human rights

| | | |
|---|---|---|
|  |  |  |
| Respect for people | Defending rights | Regulatory compliance |



Adif AV did not receive any complaints of human rights abuses in 2023 (no complaints in 2022)



in its **Code of Ethics and Conduct**. It therefore ratifies the principles set out in the **Universal Declaration of Human Rights** and in the **Tripartite Declaration of Principles** concerning Multinational Enterprises and Social Policy of the International Labour Organisation, as well as the **10 Principles of the UN Global Compact** in the realms of Human Rights, Labour, Environment and Anti-corruption.

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 the Company that translates into positive relationships and credibility vis-a-vis all of our stakeholders.

In 2023, employees received **training in Human Rights** in a **learning group on Human Rights** carried out by the **United Nations Global Compact**

as part of the partnership with the Company's training and occupational risk prevention departments. This is a project designed to improve the connection between professionals and experts, to share experiences and to deepen specific management aspects. Through this participation, the Company took part in specific workshops which were structured as follows:

- Introduction of the subject by the person in charge of the 2030 Agenda and the person in charge of ESG impact of the UN Global Compact Spain.
- Lectures and presentations by Human Rights experts.
- Working dynamics through video conferences.

The topics covered included those relating to:

- Health and safety at work.
- Non-discrimination.

- Eradication of forced and child labour.
- Freedom of association.

Another highlight of the year was the Company's participation through the regulatory compliance area in the **1st Edition of the International Human Rights and Business Accelerator Programme**, which is exclusively for members of the UN Global Compact. This programme has a duration of 6 months and is designed for companies of all sizes, sectors and geographical locations in which the aim is to combine business action with the defence of Human Rights. The first edition took place between January and June 2023 and more than 650 companies from over 35 countries attended. Of these, 58 companies were Spanish, including Adif AV, thus reaffirming its commitment to the respect for human rights and demonstrating its desire to make progress across all areas of corporate sustainability.

(Further details of the actions carried out by the Company within the Global Compact are provided in [section 6.3.2. Collaboration with stakeholders in the field of sustainability](#)).

In addition to the training and communication actions, the Company considers the **risk to Human Rights in its supply chain**, although the **Due Diligence** process is different compared to that of the private sector as it is a state-owned enterprise. Human rights risk is very low, as the business is mostly carried out in Spain, where there are strict regulations to ensure absolute respect for human rights.

Precisely because it is a state-owned enterprise, due diligence in all procurement processes means applying the provisions of the Public Sector Contracts Act 9/2017, which transposes into Spanish law the European Parliament Directives and of the Council 2014/23/EU and 2014/24/EU of February 26th 2014, and in the specific administrative clauses published on the Adif AV's contractor platform (<https://www.adifaltavelocidad.es/contratacion/licitacion-electronica>) for all public tenders, which set out the requirements in relation to the tax aspects, social and environmental conditions and other safeguards that bidders must comply with. For example, in relation to fraud and corruption, all bidders wishing to contract with the Company **must not** be prohibited from contracting and must be up to date with their social security and tax payments, among other obligations. Bidders must comply with a series of obligations in terms of capacity, financial guarantees, technical and economic solvency, etc.

In relation to the audit of the fraud risk management system, the public nature of Adif AV and the provisions of the Public Sector Contracts Act is a form of due diligence in itself. Moreover, public regulations serve as a further layer of due diligence when arranging the services of suppliers and ensure compliance with labour, tax and criminal law and regulations, thus ultimately helping to uphold human rights.

The entire **Ethics Management Model** is essentially a system for preventing, detecting and correcting any activity considered irregular or contrary to ethical principles, including respect for human rights. It also includes a whistleblowing channel for reporting possible breaches

of the Company's Code of Ethics. The **Regulatory Compliance and Anti-Bribery Management System** establishes measures to prevent, detect and correct irregular and unethical actions, including respect for human rights.

About **applying the Code of Ethics to suppliers and subcontractors**, the specific administrative clauses of the tenders include a clause on integrity and the fight against fraud, stipulating

the suppliers' acceptance of the Company's Code of Ethics and the need for them to establish internal control mechanisms with regard to subcontractors.

Audits on the application of ethical standards and the Code of Ethics, audits by the Comptroller General of the State (IGAE), the Court of Audit, and audits by EQA and AENOR for **ISO 37001** should also be highlighted.



2.5.4. Risk management

Key Milestones:

Operational Risk Management Scope:

- **Coordination, supervision, implementation and development** of Operational Risk Management.
- Promoting and helping to develop procedures and methods to **identify, assess, and manage the risks to which the Company is exposed, taking into account the human factor and how people interact with this activity.**
- Taking part in Human and Organisational Factor **working groups** and to **develop the Human factor risk assessment guide.**

- Taking part in several **hazard management, planning, and safety committees.**

Enterprise Risk Management Scope:

- Continuously improving the **Good Governance component through the evolution of the Enterprise Risk Management System (ERM):** Incorporating new elements in the assessment model, extending the system to specific areas and plans (Recovery, Transformation and Resilience Plan), increasing its scope, usefulness and effectiveness.

Contribution to the SDGs:



Main risks and opportunities:

- The **social or governance risks** relate to changes in the functions assigned to the Company's agents.
- **Non-compliance** with regulations related to controlling **environmental risks** when drafting the projects.
- **Timely availability and reliability of information**, allowing early and reliable identification for correct decision making.

Our commitment:

Operational Risk Management Scope:

- **Improving and updating documentation** related to Risk Management and Safe Design.
- Making **human and organisational factors** part of risk management.

Enterprise Risk Management Scope:

- Improving the **Enterprise Risk Management model (ERM)** by implementing risk management across other activity areas and making quantifying elements part of the model.
- **Diving deeper into ESG risks**, especially in its categorization.

In 2023, the Risk Committee comprised 34 people, 38.23% of whom were women



Principles of the enterprise risk management policy

The **ERM Policy** establishes the basic pillars underpinning the Company's risk management model and maintains a line of continuity and stability consistent with the evolution of the model and the reality of the environment. The ERM Policy, without prejudice to future updates, is designed to respond to both business-as-usual scenarios and scenarios of uncertainty and instability.

This policy defines and sets out elements of the ERM System. It is reviewed by the **Risk Committee** which is responsible for controlling and developing the risk system. The current ERM Policy remains in effect under the same conditions and content that were established since it was signed in 2017.

(Refer to [section 2.5.1. Governing bodies and internal management](#)) for further information on the duties and composition of the Risk Committee.

The ERM System envisions the possibility of occasional updates being made to the risk map in the event of one-off events or significant background changes. Therefore, the system may be applied either by reviewing and updating the existing risks, including new risks in the map, or drawing up specific maps allowing us to temporarily switch our focus to certain aspects and provide specific input for one-off decisions as and when needed.

Enterprise Risk Management System

Adif AV has specific risk management systems in place for the main ESG matters relevant to the Bank's activity and characteristics, notably environment, comprehensive safety and regulatory compliance. Each of

these sub-systems is subject to prevailing law and regulations with regard to the identification, assessment and management of specific risks.

The Company ensures a transversal and integrated vision of risks from a business standpoint, targeting those that could pose a threat to its continuity and strategy. The **ERM model** follows a **methodology adapted from COSO ERM and ISO 31000**, involving the different areas



The Risk Committee is the key piece in channelling all information relating to critical and strategic risks to aspects linked to good governance and transparency that pose a threat to the Company



Main impacts

- Economic:** regarding sanctions and consequences related to the business.
- Reputational:** loss of stakeholder confidence and loss of corporate reputation.
- Operational:** affecting rail traffic operations, the services provided, and business development.

The Critical and Strategic Risk Map shows the main components of the ESG model: risks associated with environmental aspects, climate change, corporate reputation, fraud and those related to the safety, health and development of people



of the Company's activity, all of which play an active role throughout the entire process: risk identification, analysis, assessment, monitoring and follow-up.

More precisely, **critical and strategic risks are identified** annually in specific meetings with the different areas and through surveys, although risks may be reviewed during the year if any event or incident comes to light. For risk assessment, a scale-based model is used and enhanced by the business vision delivered by the Risk Committee.

Meanwhile, monitoring is carried out throughout the year on the basis of key risk indicators to determine whether the values reported fall within the admissible thresholds. The model has also been strengthened through the inclusion and monitoring of measures and action plans to respond to negative risk scenarios.

The map also represents risks on different time horizons (short, medium and long term), according to the nature of the infrastructure managed by the Company and the types of activities it performs.

In accordance with the main recommendations, regular reviews are carried out to ensure that the **risks associated with ESG components** have been taken into account and are duly represented.

During 2023 we have continued to monitor risks associated with the **management and execution of the EU RRF/Spanish PRTR** (Recovery, Transformation and Resilience Plan) funds according to the ERM model. These funds are rooted in the main **ESG components** (economic, social and territorial cohesion, resilience, support for

ecological transition, among other aspects), which must be met to be able to receive the funds. The scale and importance of the ESG investments envisioned in this Plan make it a strategic opportunity and a priority for the Company.

Adif AV has therefore defined a **specific risk map** that shows the main threats to the effective achievement of the Plan's objectives and those that could threaten the ordinary course of the Company's business.

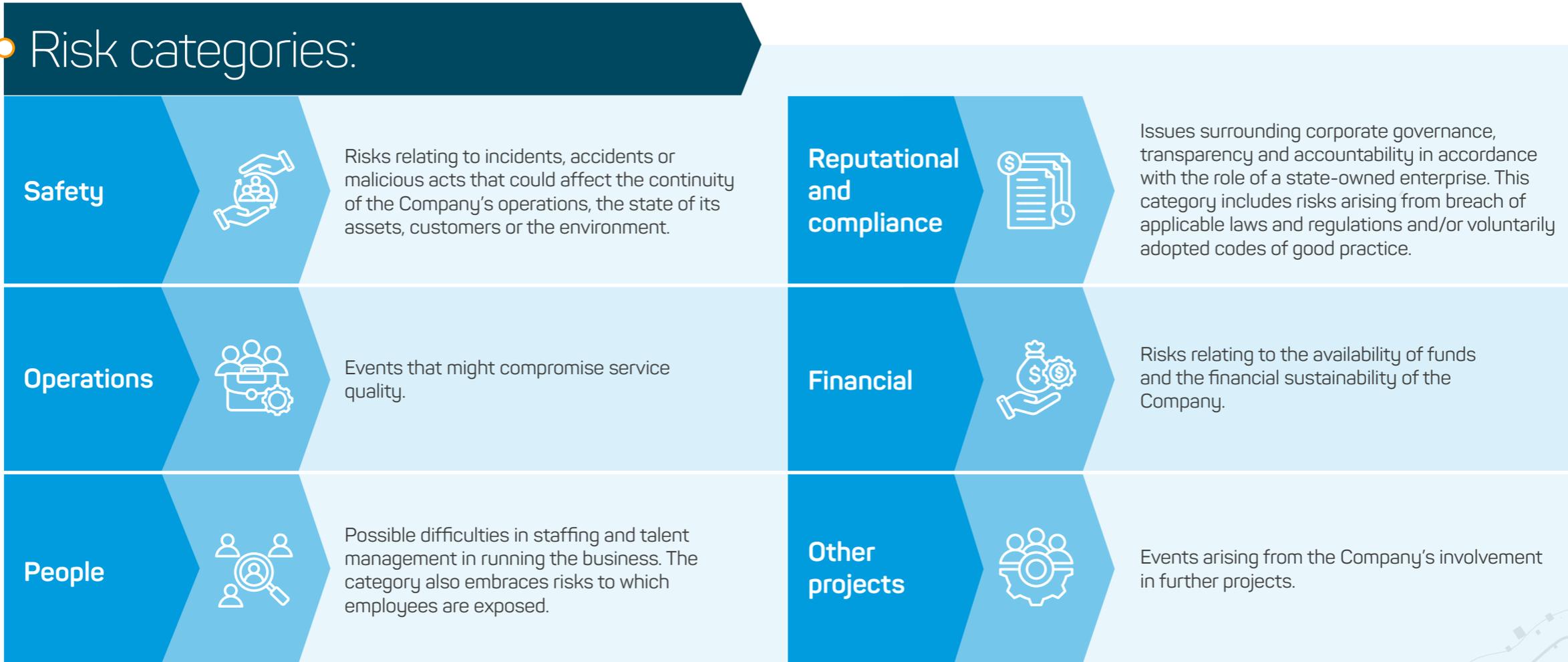


Map of Critical and Strategic Risks

The Company's map of **critical and strategic risks**, which is periodically updated as established in the ERM Policy, shows the main

threats and uncertainties to which the Company is exposed, revealing a close degree of alignment with changes in the global landscape and within the local environment in which the Company runs its business. These risks fall into the following broad categories:

Risk categories:



In particular, from an **ESG perspective**, it shows risks associated with the environmental impacts of carrying on a business activity, climate change, reputation, fraud and those related to the safety, health and development of the people who form part of the Company. In 2023, work was carried out on categorising ESG risks, based on Adif AV's Map of Critical and Strategic Risks, comprising the 19 main risks, of which 78.9% (15 risks) have E, S or G characteristics, or some combination of these, distributed as follows: **22.2% E**; **22.2% S** and **55.6% G**.

Opportunities are addressed in the different components of the Company's strategy.

Operational Risk Management

The Company identifies **risks related to operational safety or traffic safety in projects**, when making **organisational changes or in the general running of the business**.

It typically flags a significant number of technical, organisational and operational risks, which may have an impact on environmental, social or governance issues, although the aim of detecting them is more to solve problems related to railway operation than anything else.

- The most commonly detected **governance risks** relate to changes in the functions assigned to Adif employees and agents. Training, probation and monitoring programmes are put in place to monitor these risks.
- When drawing up projects, potential **environmental risks** are flagged and controlled through concrete measures included in the project specifications, typically insisting on compliance with applicable law and regulations.

The main objectives fall within the common framework of the SP2030 objectives. For example, within the safety pillar, one of the aims is to make infrastructure safer and more resilient. The following **actions** are now being pursued to achieve this, with target dates scheduled throughout 2024:

■ Improving and updating documentation related to Risk Management and Safe Design.

- Reviewing all internal procedures, in addition to the General Procedure for the Safe Design of Railway Infrastructure, to improve their operability and effectiveness, minimise inconsistencies in methodology, and facilitate their use as guidelines for the project drafting process and to manage the associated risks.
- Working documents have been created to allow for better risk management. Specifically, the proposal is to make the *"Guide on how to draft the Preliminary Safety Study"* part of the existing set of regulations.

■ Making human and organisational factors part of risk management.

- Taking part in round tables and working groups to identify risks associated with the human factor and proposing mitigation action so that it can be included in the General Hazard Register.
- Drawing up a guide to identify, process, and assess the risks associated with the human factor.

Following work to identify the needs to improve procedures during the previous year, procedures were reviewed with stakeholders in 2023, all procedures are planned to be jointly updated in 2024.



This update will improve how the Company's responsible management is indirectly supported, improving efficiency in the use of resources, and facilitating understanding by Adif AV employees. For example, formats will be adapted and reduced in number to reduce the workload and help those in charge of the formats to manage their time more effectively.

The Company also sees to it that **Common Safety Method** is properly applied in relation to projects. The main aim is to identify and assess risks, including the deployment of risk mitigation or control measures. In carrying out these actions, the Company draws up, reviews and ensures compliance with procedures and other documents; notably, Adif and Adif AV procedures regulating the drafting of projects (or the management of contracts for project drafting purposes) and processes related to functional studies and organisational changes for staff.

The Company is heading up or otherwise taking part in the **updates** to be made to the following documents **in 2024**:

- Safe Design of Railway Infrastructure.
- Management of service contracts for the drafting of high-speed infrastructure, energy and station projects.
- Drafting of functional study documents.
- Management of the drafting of projects to modify conventional network infrastructure.
- Drafting of safe studies and projects (earmarked for erasure).
- Catalogue of risks for contractors and suppliers.
- Preliminary project safety study.

Some of the **updates** are there to clarify the scope of the actions to be carried out, to adapt them to regulatory documents or to come up with guides/Catalogues that will allow for more structured completion of the formats or forms of these procedures.

When it comes to **organisational changes**, work is carried out to analyse any risks that may result from such changes, while also naming those responsible for implementing and monitoring the relevant requirements for the change.

Internal Control over Financial Reporting (ICFR). COSO III model

ICFR is a cornerstone of any corporate **Good Governance system**. It must be described and reported on in the Annual Corporate Governance Report. The implementation of ICFR helps ensure best governance practices are observed across all key processes, and defines the control activities for each process, establishing a responsibility structure, and documenting the different processes to mitigate financial reporting risks.



In 2023, 422 control runs were carried out for the structural and functional analysis of the systems

Adif AV's ICFR system is inspired by COSO III, an internationally recognised integrated internal control framework, and is 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

During 2023, the narrative of Process 8 "Leases" and Process 7 "Recognition of Contracts" was updated and signed, with final implementation to be completed in 2024. Likewise, the objectives on informing and raising awareness on the importance of ICFR within the organisation have been met, which involved more than one hundred employees. The system remained up and running throughout the entire year, with ongoing development and improvement of the system.

The ICFR system, as a set of processes embedded in the Company's internal control, enables compliance with the good governance criteria to be followed at Adif AV in order to apply best corporate governance practices, thus extending its benefits in terms of transparency and independent management to the maximum possible number of stakeholders affected by possible business decisions.

The structural and functional analysis of the various inputs provided as support for the controls defined in the system was initiated in 2023 in order to update and improve them if necessary.

Adif AV has built an internal control over financial reporting (ICFR) system into its internal control environment. The system is made up of a compendium of processes which the Company and all of the professionals involved undertake in order to provide reasonable assurance as to the reliability of our financial information.

The ICFR system seeks to ensure the **reliability of the Company's financial information** through 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.
- **Valuation:** the transactions, events and other developments are recognised and measured in keeping with applicable regulations.
- **Presentation, disclosure and comparability:** transactions, facts and other events are recognised and measured in accordance with applicable standards.

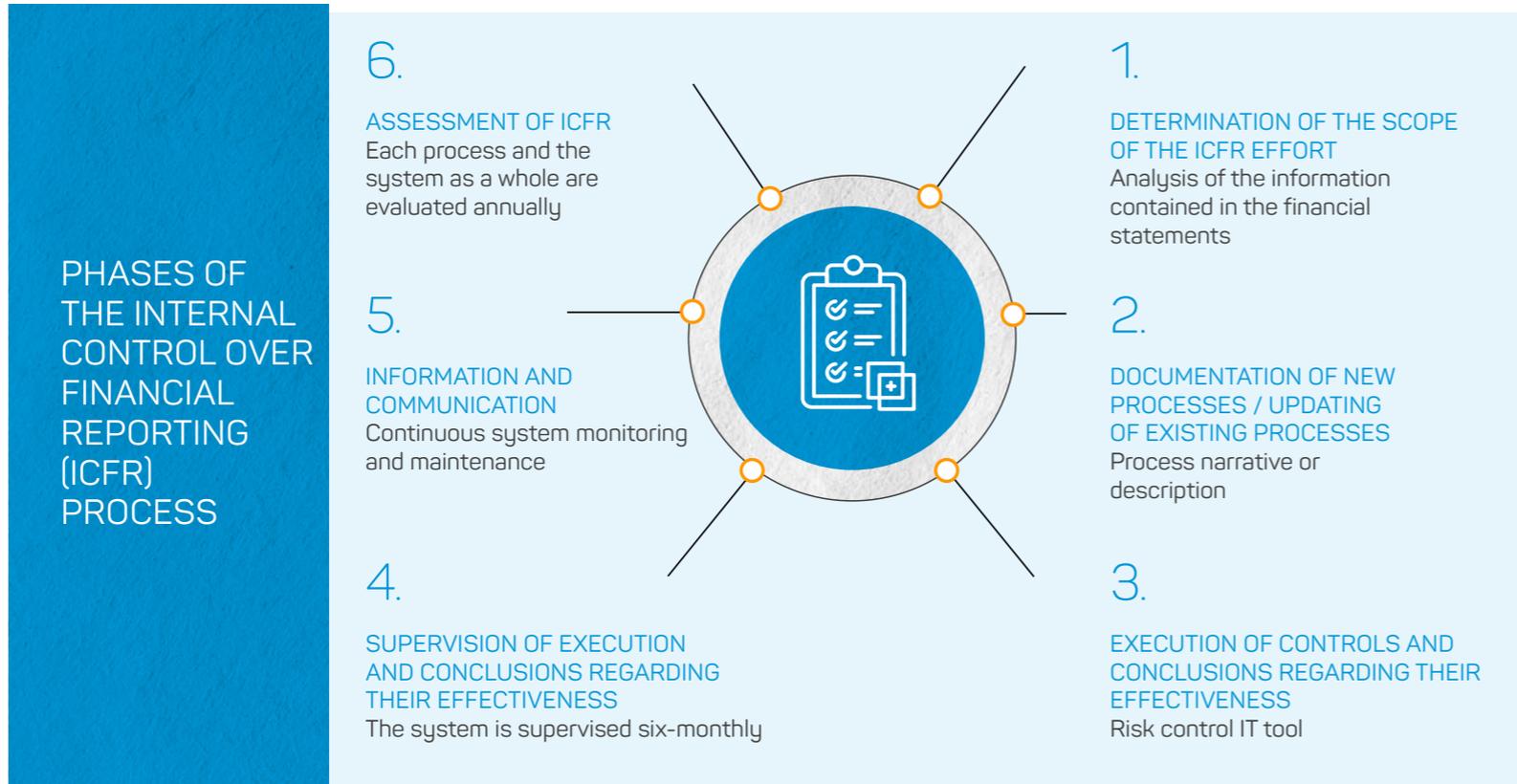
- **Rights and obligations:** the financial information reflects, as of the relevant date, the Company's rights and obligations by means of the relevant assets and liabilities.

The Company has a Board-approved **ICFR policy** that sets out the methodology, responsibilities and principles when it comes to ICFR at Adif AV.

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

The ICFR at Adif AV helps ensure observance of best corporate governance practices across all key processes of the Company with an impact on financial reporting. The system provides a description of each process and the control activities in place to mitigate the financial reporting risks relating to that process.

Key processes at the Company with an impact on financial reporting in 2023 were as follows:



- ## Key processes
0. IT GENERAL CONTROLS (ITGC)
 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



Activities or controls related to financial reporting that evidence compliance with the COSO principles are also part of the ICFR.

During the 2023 cycle at Adif AV, **259 control activities** were defined, including controls, half-yearly supervision and annual assessment. The plan was to run **1,077 control activities** during 2023. A total of **117 employees** were involved in running these control activities.

When it comes to system updates and maintenance, a total of **128 changes were made to the control activities** in 2023, 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.

Internal Control over Financial Reporting Committee

This committee was set up on 7 July 2017 and is chaired by the CFO and is made up of the professionals responsible for each ICFR process,

*In 2023, the ICFR Committee
comprised 14 members,
33% of whom were women*

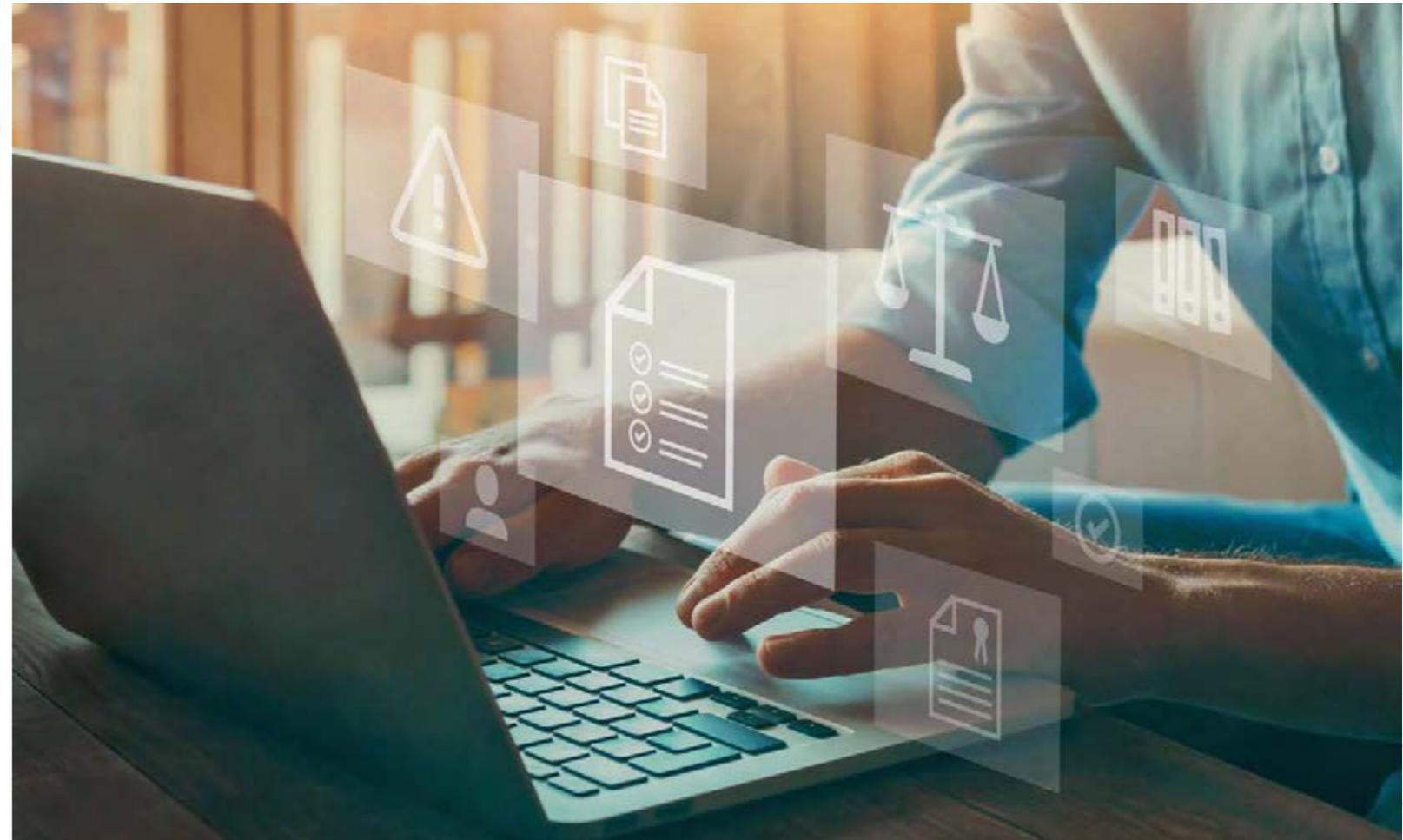


the heads of the Internal Audit, Economic Management and Financing, Planning and Budgeting and the Enterprise Risk Management officers.

By the end of the year, the ICFR Committee **met twice** in June and December. At those meetings, the Committee reviewed the previous year's ICFR effort, approved the scope of the effort for 2023, and

monitored and oversaw the 2023 cycle, related developments and the status of action plans, both those that remain active and those closed during the year.

(Refer to [section 2.5.1. Governing bodies and internal management](#) for further information on the duties and composition of the ICFR Committee).



ESG Risks. ESG Risk Rating

Key Milestones:

- **Bond issues**, in the format of **Green Bonds** for an amount of **€500 million linked to the new Green Funding Framework**, renewed in August 2023 and aligned with the *Green Bond Principles (GBP)* of the ICMA (*International Capital Market Association*). (Refer to section 6.4.1. *Green Bond Standard*· *Sustainable Finance*).
- Publication of the annual Green Bond Report on the issues placed in 2021 and 2022, and a newsletter containing information for investors on the eligible projects that received funds from the green bond issue.

Contribution to the SDGs:



Main risks and opportunities:

- Higher debt financing rates due to higher key ECB interest rates during 2023.
- Limitation of the projects suitable for financing through green bonds because there is a possibility they could be financed through other sources (EIB loans or Next Generation funds-RRF).
- Regulatory risks associated with the adoption of the EU Green Bond standard.
- Adaptation to the requirements detailed in the Taxonomy for our business 6.14 (creation of a new green bond framework to be aligned with the new Gold standard).

Our commitment:

- **To obtain the necessary financing for Adif AV's business** in excess of the €1,479 billion in debt maturities.
- **To adapt to the EU Green Bond Standard.**
- To adapt to the **European Taxonomy** with more demanding requirements for green bond placements than those regulated by other green finance standards (**Gold Standard**), which will provide additional visibility and a reputational benefit for issuers that comply with the requirements and issue their bonds in line with the EU Green Bond Standard.

ESG rating agencies are entities that carry out in-depth assessments of companies and organisations and then award a rating based on their compliance with and monitoring of ESG factors.

Broadly speaking, these entities carry out two types of analysis: solicited and unsolicited. In the first case, an organisation engages them to issue an ESG rating on its internal activity and processes. In the latter case, the agencies run an analysis on the basis of publicly available information on the company or organisation in question, doing so either on their own initiative due to the relevance of the company within the financial markets, or at the request of investors who are clients of the rating agencies. The entities may also contact the company being analysed to give it the opportunity to collaborate in the analysis and provide any additional information that the agency needs, or that needs to be updated or completed, thus giving the possibility to improve the indicators assessed.

In 2023 the Corporate Responsibility, Sustainability and Brand Sub-department and the rest of the areas involved worked together to compile and update specific information, providing more complete and accurate information to the rating agencies and thus improving the rating issued.

During this period, the **rating agency Sustainalytics** contacted Adif AV to inform that work was being carried out to review the previous year's assessment and update it. This entity measures the company's ESG performance through a risk score and a rating of 6.2 ("Negligible

Adif AV is the second best rated entity within the specific transport infrastructure sector (out of 187 entities analysed), and the third overall out of the more than 15,000 entities analysed



FitchRatings



MOODY'S RATINGS



Risk") was obtained in 2022. The initial draft was developed jointly by the Corporate Responsibility, Sustainability and Branding Sub-Department and the Environment Sub-Department and submitted. Following this, the corresponding responses and clarifications were agreed upon and submitted, most of which were incorporated into the final rating.

As a final result, an improved rating was obtained on 19 January 2024, reducing the risk by 2.1 points to an **ESG Risk Rating of 4.2**.

2.6. ENVIRONMENT

2.6.1. Objectives and regulation

Adif AV is a state-owned enterprise under the responsibility of the Spanish Ministry of Transport, Mobility and Urban Agenda, in accordance with Act 40/2015, of 1 October, governing the public sector. It has separate legal personality and equity and full capacity to engage in its corporate objects, and Adif AV's activities are governed by the following regulatory provisions:

- Act 40/2015, of 1 October, governing the public sector.
- Act 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.
- Act 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.
- Act 47/2003, of 26 November, Spain's budget act for 2003.
- Royal Decree 1044/2013, of 27 December, adopting the charter of the state-owned enterprise Adif AV.

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, notably Act 9/2017. All matters relating to our property and assets are governed by the Government Property Act⁴².

Transition to the 4th Railway Package:

The 4th Railway Package is a set of 6 legislative texts aimed at completing the Single European Railway Area, comprising two pillars:

The Technical Pillar, adopted by the European Parliament and the Council in April 2016, which includes:

- Regulation (EU) 2016/796 on the European Union Agency for Railways.
- Directive (EU) 2016/797 on the interoperability of the rail system within the European Union.
- Directive (EU) 2016/798 on railway safety.

The Marker Pillar, adopted in December 2016, which includes:

- Regulation (EU) 2016/2338 concerning the opening of the market for domestic passenger transport services by rail.

- Directive 2016/2370/EU amending Directive 2012/34/EU as regards the opening of the market for domestic passenger transport services by rail and the governance of the railway infrastructure.
- Regulation (EU) 2016/2337 on common rules for the normalisation of the accounts of railway undertakings.

Specifically, and with regard to the liberalisation of passenger transport, application of Spanish legislation (Act 28/2015 and Act 26/2022, amending Act 38/2015, of 29 September governing the railway sector; Order FOM 897/2005 of 7 April, on the network statement and the procedure for allocating railway infrastructure capacity), and Community legislation (EU Regulation 2016/545, of 7 April 2016 on procedures and criteria concerning framework agreements for the allocation of rail infrastructure capacity).

On 11 July 2023, the European Commission published a Proposal for a Regulation of the European Parliament and of the Council on the use of railway infrastructure capacity in the single European railway area, amending Directive 2012/34/EC and repealing Regulation (EU) No. 913/2010 - COM(2023) 443. The Company is actively participating in the drafting process for this standard, by participating in various Working Groups and proposing different amendments, both in coordination with other European infrastructure managers, and individually with regard to the more specific issues affecting Adif and Adif AV.

2.6.2. Challenges and opportunities

An analysis of the **strengths, weaknesses, opportunities and threats** (SWOT) carried out under the SP2030 revealed the following opportunities (refer to [section 3.5. Strategic Plan 2030 and the SDG](#)):

- Liberalisation (deregulation) 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.

⁴² Content related to **GRI indicator 2-9:** Governance structure and composition.

- Promoting a culture of innovation.
- Increasing transparency through effective communication.
- Securing additional financing capacity through European Next Generation EU funding.

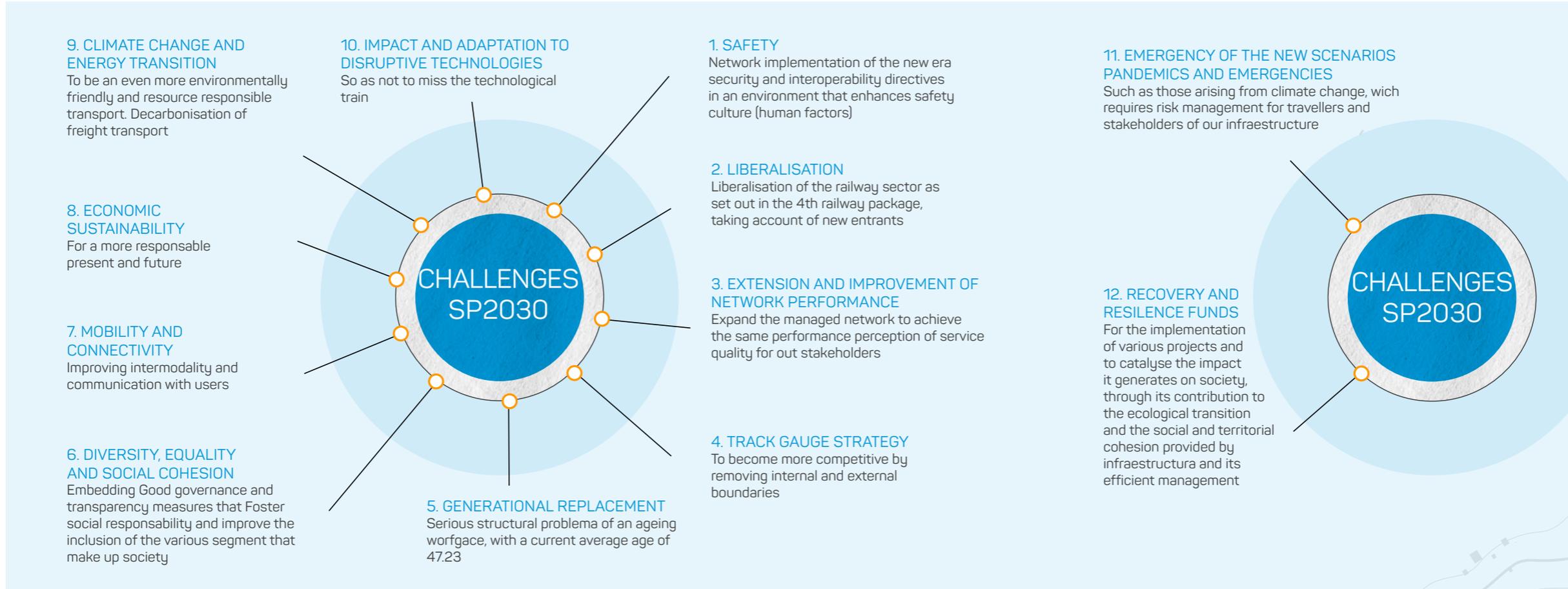
Along these lines, Adif AV continues to work towards energy efficiency, greenhouse gas reductions and carbon footprint reduction. To

succeed, it continues to make progress in the decarbonisation, digital transformation and technological innovation of the railway system.

Moreover, the opening up of the passenger market presents an opportunity for the democratisation of transport by increasing supply, so as to transfer passengers from other modes of transport and also to

generate induced demand, thus improving the country's performance in sustainable development.

To achieve all these actions, a **PESTEL analysis** has been carried out, revealing various global challenges at a strategic, operational and business level that the company must overcome over the coming ten years and which also arise from the identification of **1+10+1 key challenges:**



OUR FUTURE **STRATEGY**

3

3

Our future strategy

3.1. Purpose, mission, vision and ambition

3.2. Stakeholder's relations

- 3.2.1. Our stakeholders
- 3.2.2. Channels in place with stakeholders
- 3.2.3. Agreements and arrangements with industry and business organisations and associations

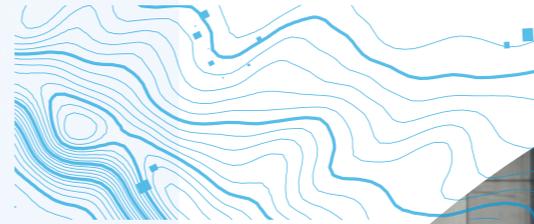
3.3. Materiality assessment

3.4. Mainstreaming the 2030 Agenda into Adif AV

- 3.4.1. Sustainable Development Progress Report 2023
- 3.4.2. Global challenges and the 2030 Agenda

3.5. Strategic Plan 2030 and SDGs

- 3.5.1. Business strategy
- 3.5.2. Challenges and main goals of the SP2030
- 3.5.3. SDGs at Adif AV

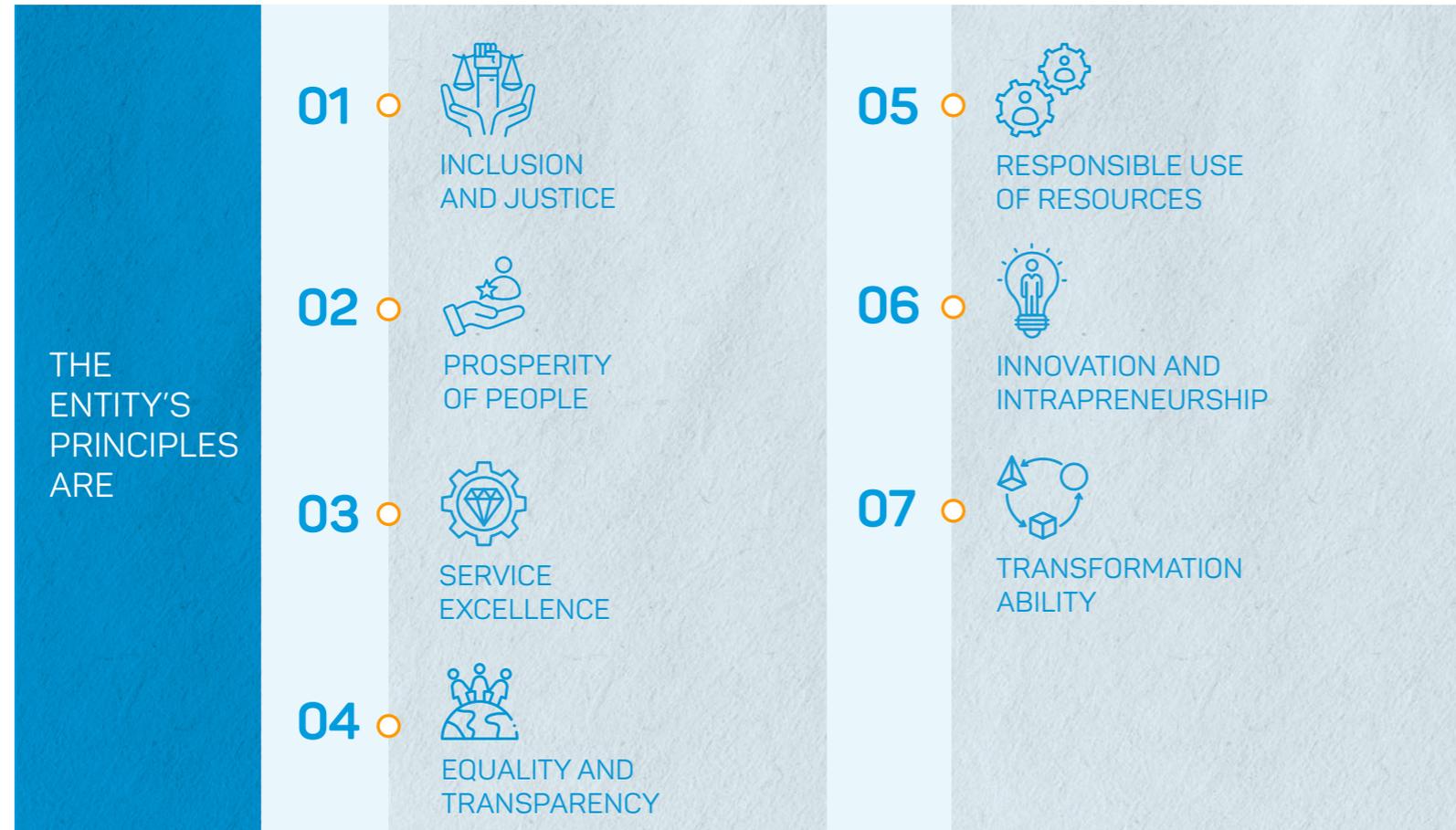


3. OUR FUTURE STRATEGY

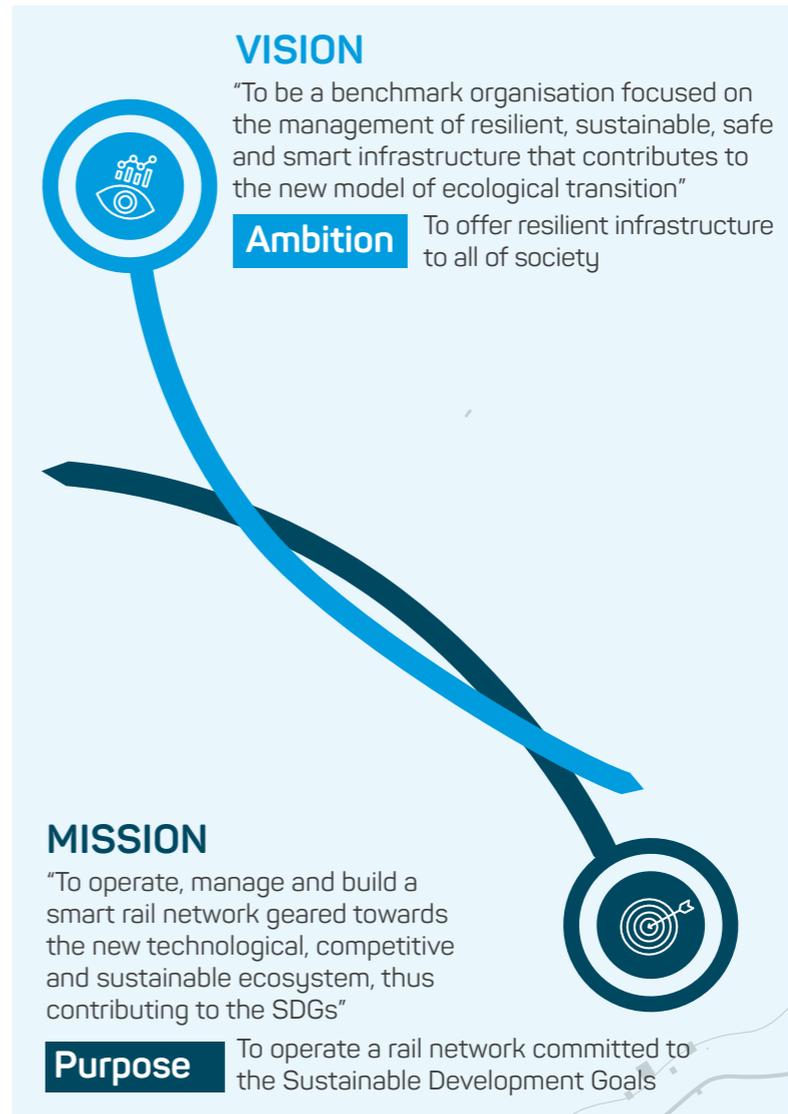
3.1. PURPOSE, MISSION, VISION, AND AMBITION

Based on these principles and following a clearly defined corporate purpose, *Adif AV's* 2030 Strategic Plan⁴³ (hereinafter referred to

as SP2030) 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 mission⁴⁴.



PURPOSE AND VALUES



⁴³ Refer to section 3.5. Strategic Plan and SDG for more information about SP2030.

⁴⁴ Content related to GRI indicator 2-23: Commitments and policies.

3.2. STAKEHOLDER'S RELATIONS⁴⁵

Key Milestones:

- **Leadership of the sustainable, intelligent, competitive, and structuring mobility model:** actions related to leadership in the liberalisation of the sector; enhancement of actions in energy matters (purchase of green energy, self-consumption...), and in transformative and structuring projects for territories.
- **Organisation close to its stakeholders:** communication and influence plan for MRR projects, Conversa Plan, Visibility to initiatives in the field of intelligent mobility (application of disruptive technologies in the company's activity, neural centre, smart navigation, etc.).
- **Organisation contributing to the socio-economic development of regions:** enhancement and editorial plans on social networks related to the impact of the activity, Public Employment Offer communication plan, communication of social action programmes (*Estación Abierta*, *Adif Acerca*, among others).
- **Improvement of corporate intranet accessibility through any device**, through its integration into Office365.
- **Participation in Job Fairs** as an action to fulfil the Generational Replacement Plan (Aula, Job Fair of the Polytechnic University of Valencia, CEU, etc.).
- **Dissemination sessions of the SP2030** in territorial areas.
- Annual review of the **Internal Communication and Corporate Culture Plan**, which establishes plans and projects to promote corporate culture and the organisation's sense of belonging.

Main risks and opportunities:

- **Reputational risks** stemming from political pressure, project deadline extensions, and incidents increasingly impacting travellers due to increased traffic and alleged lack of maintenance of more heavily used infrastructure (liberalisation).
- **Other risks** arising from the difficulty some groups face in accessing digital communication channels.

Contribution to the SDGs:



Our commitment:

- **Leadership of the sustainable, intelligent, competitive, and structuring mobility model:** development of a content strategy, actions, dialogue with stakeholders in order to position the Entity as a reference agent for the mobility model of the future: sustainable, intelligent, competitive, and structuring.
- **Organisation close to its stakeholders:** development of actions to establish a closer, proactive relationship with stakeholders, meeting their expectations.
- **Organisation contributing to the socio-economic development of regions:** development of actions to position the Entity as an organisation contributing to the socio-economic development of regions.
- Full integration of the intranet into the **Digital Workplace corporate project**.
- Analysis and presentation of the results of the **Employee Climate Survey conducted in 2023 (biennial elaboration)**.
- **Continuation of the Dissemination Sessions of the SP2030** in territorial areas.
- **Inclusion of new activities for employees** through the *Club Gente Adif* (Adif People Club).
- **Achieve at least 70% engagement of the workforce through various internal communication channels.**

⁴⁵ Content related to **GRI indicator 2-29: Approach to stakeholder engagement**.

Priorities in stakeholder relations



Communication



Involvement



Transparency

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. The Company 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.).

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 management of its communication channels and the ability to gather feedback about what its stakeholders think about and want from the Company. Adif AV seeks to encourage employee engagement and segment stakeholders so as to offer them information tailored to their needs and circumstances. Adif AV is working hard to become an organisation close to its stakeholders; one that anticipates and responds to their expectations with innovative and effective solutions, thus contributing to social and economic growth within the regions by creating jobs and nurturing talent, developing the value chain and creating prosperity for society (citizens and businesses alike), and promoting the leadership of the sustainable, intelligent, competitive and structuring mobility model.

^{46, 47, 48, 49, 50, 51, 52} Adif + Adif AV.

It's important to highlight the development of a strategy and action plans to contribute to improving the Entity's reputation through the 'call to action,' alignment of internal and external positions and objectives, and innovative and effective response to stakeholder expectations.

This communication strategy with stakeholders provides **(1)** coherence and credibility to the company's decision-making, including the identification of non-financial risks, **(2)** maintaining a proactive strategy (active listening among stakeholders), **(3)** contextualizing actions, **(4)** adding value to stakeholders (systematizing dynamics of dialogue and providing solid and innovative content), **(5)** maximizing actions and channels with efficient communication and minimizing risks, and **(6)** focusing communication in territories that strengthen the profile of a leading, approachable, innovative company contributing to socio-economic development.

Among the 28 events managed by the Entity, it highlights its involvement in the development of fairs and congresses such as Fitur, Global Mobility Call y RailLive

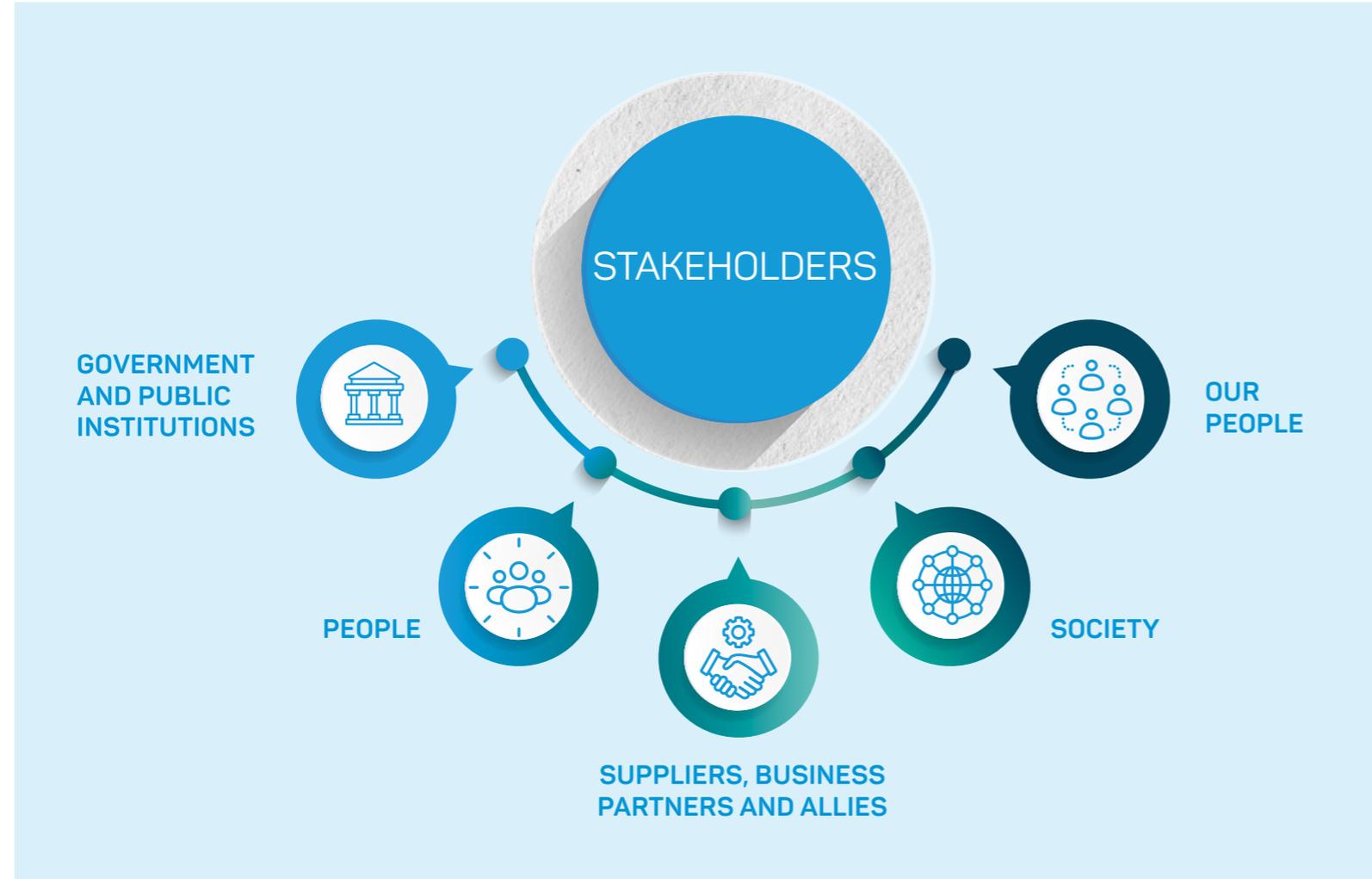


Key figures in 2023 for Adif AV in relation to stakeholder engagement are as follows, as we seek to find aspects that unite stakeholder expectations with the Company's leadership:

| | 2021 ⁴⁶ | 2022 | 2023 |
|---|--------------------|--------|--------|
| No. of social media initiatives⁴⁷ | 6,704 | 7,056 | 4,760 |
| Total percentage of requests answered through website mailboxes with respect to the total number of mails handled⁴⁸ | 85.90% | 89.60% | 93.90% |
| Events managed by Adif AV⁴⁹ | N.A | 48 | 28 |
| No. of initiatives carried out and media coverage under the Strategic Communication Plan⁵⁰ | 853 | 982 | 3,300 |
| Percentage of requests for information from the press and media answered on time or within seven days⁵¹ | 95.00% | 96.10% | 99.00% |
| Percentage of transparency-related claims admitted for processing by the Transparency and Governance Board⁵² | 3.30% | 5.10% | 2.40% |

3.2.1. Our stakeholders

For the SP2030, the Company grouped the segments into **five priority stakeholder categories**⁵³.



Government and Public Institutions

Stakeholders are made up of the Government and National and European Institutions and administrative bodies, especially the Ministry of Transport and Sustainable Mobility and the Ministry for Ecological Transition and the Demographic Challenge (MITECO), along with financial organisations and investors.

Adif AV falls under the Ministry of Transport and Sustainable Mobility, 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 Secretary of State for Transport and Sustainable Mobility. 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 Economy and the Ministry of Finance.

⁵³ Developed under **Service Pillar PSER-SO4**: Increase the value of assets by engaging with stakeholders. Relations and partnerships with stakeholders to promote rail activity (SP2030).

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 a member of, **various regulatory and supervisory bodies, both domestic and international:**



- **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/>

There is a network of One Stop Shops (OSS), which represents the infrastructure managers (IMs) in international traffic and constitute a single point of contact for the entire international route of a rail service, from 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/>



- **ERA (European Union Agency for Railways):** 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/>



- **PRIME (Platform of Rail Infrastructure Managers in Europe):** 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.
Website: https://transport.ec.europa.eu/transport-modes/rail/market/infrastructure-managers-prime_en

Society

Society as a whole is also a key stakeholder, comprising not only the users and regular customers of railway operators and stations, but also because of the impact Adif AV has on society.

Adif AV takes part in **various international organisations:**



- **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/>



- **UIC (International Union 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).



People

People comprise the rail operators —both passenger and freight— and the end users of trains who directly receive and perceive the quality of the service.

Suppliers, Partners and Allies

Suppliers and partners are essentially the companies or institutions that work alongside Adif AV to achieve common goals. From construction companies, consulting firms, engineering firms, service providers, maintenance, facilities, or other institutions as allies, they allow for the continuous improvement of the services we provide.

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.

Our People

All the people who make up Adif AV are the driving force behind SP2030 as a key stakeholder. The purpose is to facilitate dialogue with internal stakeholders, contributing to the consolidation of a unique culture aligned with the pillars and levers of the SP2030.

Figures and other data regarding satisfaction with internal communication actions are compiled through: Work Climate Survey (every two years), surveys on participation in all activities carried out: conferences, events, raffles, cultural and sports activities, etc.

3.2.2. Channels in place with stakeholders

To ensure better and more regular communication with stakeholders, the Company has stepped up its relations with the media and created a **Transparency Portal**. It also has an **Investors' Portal** on its website to provide investors-especially socially responsible investors-with

information of interest. As in the previous year, Adif AV continued to prioritise social media in its stakeholder engagement efforts.

Investors can find all the latest news and information on **Adif AV's website** (<https://www.adifaltavelocidad.es/inversores>).

The portal includes links to all the **Investor Newsletters** to have been published to date and to other sections of the Adif AV website, where investors can find the most recent financial statements and management and environmental impact reports.

The **main channels used to engage with stakeholders** are the corporate website, its social media presence, podcast, the media relations effort, the 24H Network Management Centre, the Transparency Portal, webinars and regular corporate events.

External communication channels commonly used at the Company include:

Corporate web: Adif AV Website (www.adifaltavelocidad.es).

- **Transparency portal:** active daily with around 100 files managed in 2023 and over 10,000 emails handled through the web mailbox.
- **Social Media:** X (@Adif_es + @InfoAdif); Instagram (@adif_es); LinkedIn (Adif); Facebook (facebook.com/Adif); InfoAdif (@InfoAdif).
- **Events:** 16 events and visits, 1 inauguration of high-speed line, 11 fairs and congresses (Fitur, SIL, Global Mobility Call, RailLive, 2 Conferences (stations and liberalisation) on EU Presidency, Motorway Rail Conference, HLIM Conference, Exhibition and Chamartín Contest Conference at COAM and College of Civil Engineers, and Stem Women Congress).
- **Trends:** + Proximity + Positive footprint/impact/contribution + Innovation + Leadership + stakeholder dialogue.
- **Webinars:** Participation in several dozen speaking opportunities promoted by the company or third parties.
- **Newsletter:** Highlighted in media and social networks, monthly Bulletin of traffic and other information (Adif AV financial information).
- **Podcasts:** Evaluating strategy.



In 2023, 135 cards were sent out via Microsoft Teams, a tool available to all Adif AV employees. Additionally, there are a total of 91 communication spaces, 67 of which are published and 24 are under construction



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.
- **INICIA weekly newsletter.**
- **Newsletters** of the various departments sent periodically to all employees.
- **Data on satisfaction with internal communication actions** are collected through: Employee Climate Survey (every two years); surveys on participation in all activities conducted: conferences, events, raffles, cultural and sports activities, etc.
- **Internal Communication Days, meetings** with the management and support structure, **Telegram, newsletters**, etc.
- **Communication or awareness campaigns on specific topics** published on the intranet, covering all areas of the company: preventive medicine campaigns, management reports, occupational risk prevention, traffic safety, quality and environment, or training, among others.

Through the INICIA space, a total of 41 communications related to sustainability have been carried out to raise awareness about the Agenda 2030, equality, energy efficiency, and climate change, among other issues



| STAKEHOLDER | COMMUNICATION CHANNELS |
|--|--|
| <p>GOVERNMENT AND PUBLIC INSTITUTIONS</p> <p>Ministry of Transport and Sustainable Mobility, other public administrative bodies, financial organisations, regulatory and supervisory bodies and investors</p> | <ul style="list-style-type: none"> ■ Ongoing communication through competent bodies ■ Follow-up meetings or meetings for specific projects ■ Administrative agreements ■ Investor portal on the corporate website ■ WhatsApp groups ■ Workshops and events: ceremonies, fairs, informational meetings, press trips, etc. |
| <p>PEOPLE</p> <p>External users and customers of the railway system (stations and railway operators), railway operators (passenger and freight)</p> | <ul style="list-style-type: none"> ■ Customer Service Offices at Adif AV stations (personalised assistance, handling of complaints and suggestions, etc.) ■ Annual satisfaction surveys for passengers and lessees of commercial premises located in Adif AV stations ■ Information phones and email ■ Agreements and contracts ■ Complaint and suggestion mechanisms (RECLAMA software application, complaint books, etc.) ■ Meetings with representatives of citizen groups interested in the management of railway infrastructure in their locality ■ Transparency Portal ■ Web communication mailbox ■ Social Media ■ Workshops/events/fairs ■ WhatsApp groups ■ Adif AV App Channel (real-time information on network status and schedules) |
| <p>SUPPLIERS, BUSINESS PARTNERS AND ALLIES</p> <p>Companies and business associations (competitors); research centres; training centres</p> | <ul style="list-style-type: none"> ■ Communication via e-mail and phone ■ Collaboration agreements ■ Electronic tender portal ■ Sector-specific agreements and collaborations ■ General and European assemblies, international delegations ■ Expert events and forums ■ Conferences/events/acts/fairs/informational meetings |

| STAKEHOLDER | COMMUNICATION CHANNELS |
|--|--|
| SOCIETY Citizens, associations, NGOs, european and international organisations, prescribers of opinion and influencers in media and Social Media | <ul style="list-style-type: none"> ■ Adif AV's annual reports and other publications ■ Ongoing provision of information to the public via the media ■ Website communication ■ Social Media ■ Transparency Portal ■ Conferences/events/acts/fairs/informational meetings ■ WhatsApp, e-mail, and pone communication, etc |
| OUR PEOPLE Employees, internal customers | <ul style="list-style-type: none"> ■ INICIA corporate portal ■ Workers' representation committees at Adif AV ■ Employee climate and commitment surveys with Adif AV ■ Internal communications ■ Information on training courses ■ Suggestions box ■ Initiatives for improvement box |



3.2.3. Agreements and arrangements with industry and business organisations and associations

To better achieve its objectives, in 2023 Adif AV compared the **number of agreements and arrangements it has entered into with industry and business organisations and trade associations and those still in force**, as explained at greater length in the section on employee relations, as will be outlined in [section 4.3.3. Employee Relations](#).

Number of agreements and arrangements with industry and business organisations and associations.

| | | 2021 | 2022 | 2023 |
|------------------|-------------------------|------|------|------|
| In effect | Adif AV + Others | 35 | 42 | 33 |
| | Adif + Adif AV + Others | 56 | 79 | 80 |
| | Adif + Adif AV | 19 | 19 | 7 |
| Signed | Adif AV + Others | 7 | 11 | 4 |
| | Adif + Adif AV + Others | 14 | 25 | 14 |
| | Adif + Adif AV | 0 | 0 | 0 |

In 2023 Adif AV had 120 agreements in effect with organisations and sectoral and trade associations



3.3.MATERIALITY ASSESSMENT

Materiality assessment^{54, 55}

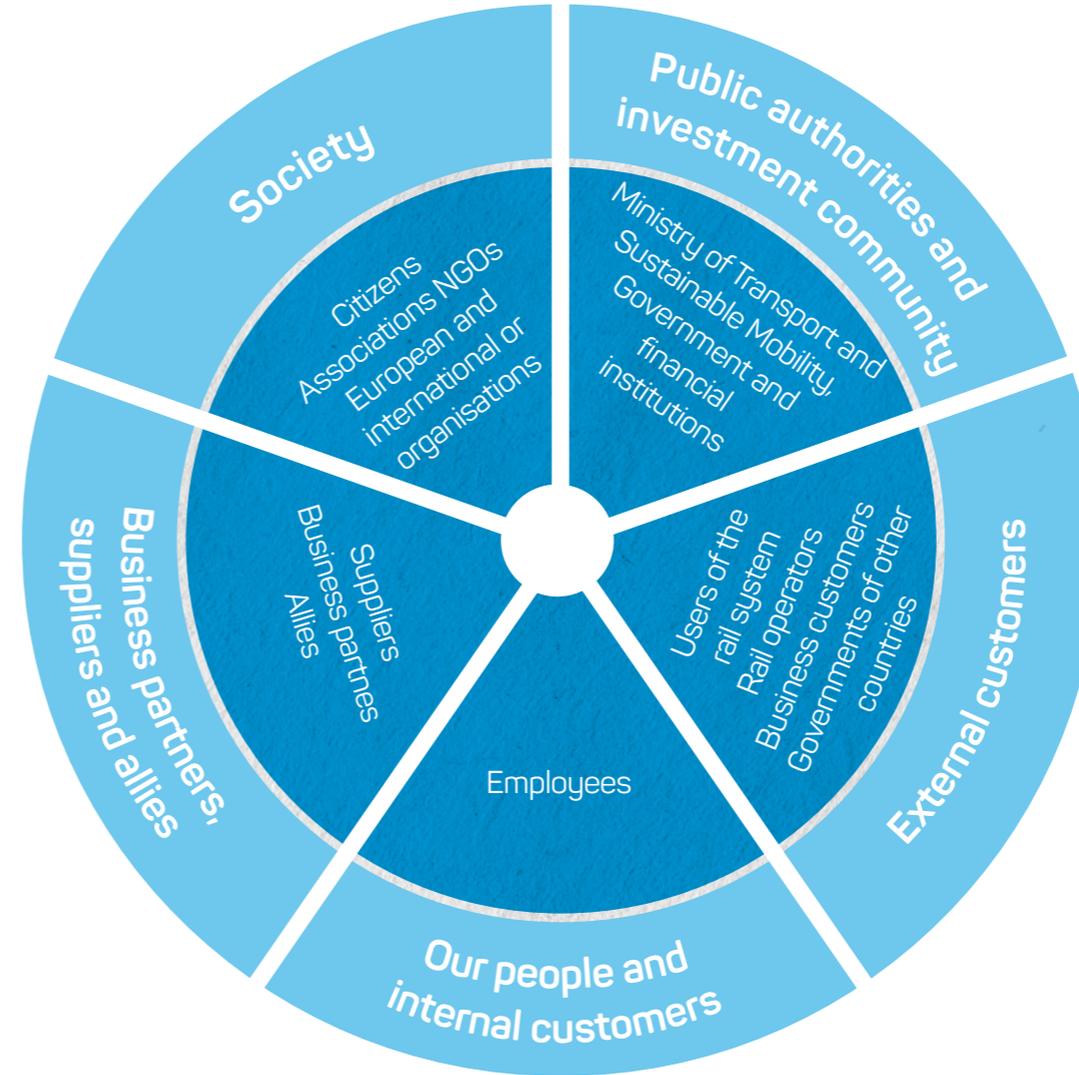
Adif AV, as a further show of its commitment to stakeholders, seeks to achieve a management approach based on responsibility towards society. The Company defines its stakeholders as any segment of society that could be affected by the organisation's activities and/or could influence its activities. They are identified in the SP2030.

During the 2022 fiscal year, a new double-impact materiality analysis (financial and impact) was conducted to address regulatory changes, adopting a new approach and evaluating a new universe of key issues. This analysis is updated biennially, so the one prepared for the 2022 fiscal year remains valid in 2023. In order to adapt to the new Sustainability regulations, a double materiality study is planned for 2024, in accordance with the requirements established in the new European Sustainability Reporting Standards (ESRS).

First and foremost, we drew up a list of material topics to be assessed, based on an exhaustive analysis of various external sources of information, including reporting frameworks such as the GRI, Spanish Law 11/2018 and sector-specific papers. We also relied on sources of information from the public sector and the railway sector. We approached the concept of double materiality on this basis, addressing concepts such as financial materiality and impact materiality by asking our different stakeholders to complete surveys. This exercise will serve to identify the material topics and contextualise the information to be included in this Management Report, while also allowing us to spot potential risks and opportunities for Adif AV.

The resulting list has been broken down into the Environmental, Social and Governance domains and comprises **11 blocks encompassing 29 material topics**. The main differences with respect to the 2020 analysis are a result of the gradual disappearance of the COVID-19 health crisis.

The concerns relating to COVID-19 were plain to see in the **2020 materiality analysis**, where **social issues** were more prominent. However, the analysis conducted for **2022** shows a greater and



⁵⁴ Content related to **GRI indicator 3-1: Process of determining material topics.**

⁵⁵ Content related to **GRI indicator 3-2: List of material topics.**

more balanced awareness across the three pillars of Environmental, Social and Governance, with a particular focus on **governance** and **environmental issues**.

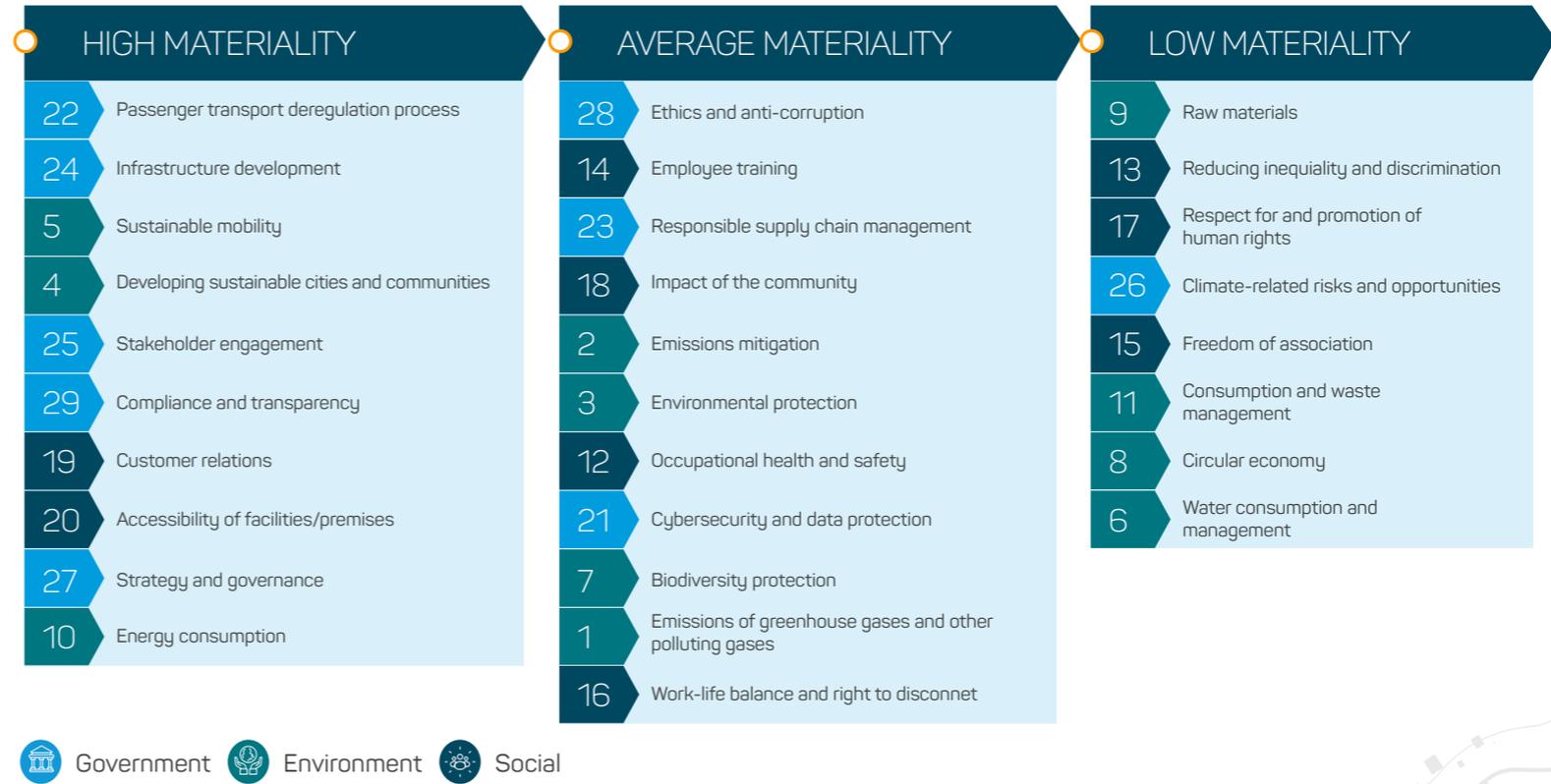
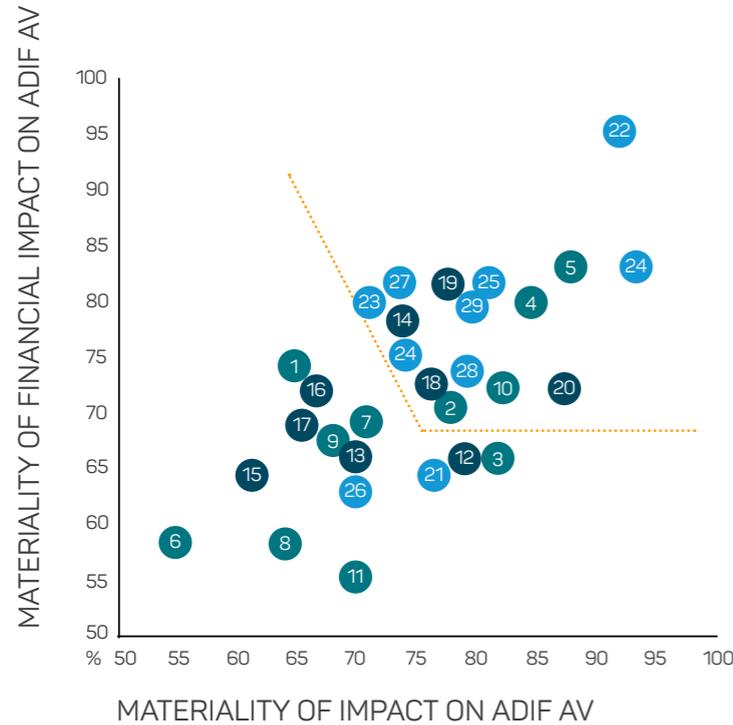
This can be seen in the Integrated Security topic, which has shifted from being high materiality towards an intermediate degree of materiality. Notably, the most material social issues for the year

were the **accessibility of buildings and facilities and customer relations**.

In the 2022 analysis, the three issues that show a significantly higher materiality than the rest, both separately at impact and financial level, and jointly, are the **deregulation of passenger transport, infrastructure development, and sustainable mobility**.

Environmental issues such as **sustainable mobility**, the **development of sustainable communities and cities** and **energy consumption** gained in materiality compared to 2020, in line with the current regulatory trend.

Last but not least, **infrastructure development** and the **deregulation process** maintain a high degree of materiality, in line with the previous materiality analysis.



3.4.MAINSTREAMING THE 2030 AGENDA INTO ADIF AV

3.4.1. Sustainable Development Progress Report 2023

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 2023 edition of the **SDG Index and Dashboard Report**, globally Spain maintains its position at **16th place in a ranking of 166 countries**, with an **SDG Index score of 80.4 points** (from 79.9 in 2022). These results point to a general trend of continuous improvement, but there is a slowdown in growth across different indicators. This is due to the overall scores are high, averaging around 75 out of 100, or even reaching close to 100 in some indicators. The results highlight the

significant efforts being made in Spain to implement policies that allow to continue progressing, albeit slowly, towards the desired goals outlined in the 2030 Agenda.⁵⁶

Spain maintains a high position in this commitment – ranking among the top 16 countries – essentially because it has specific structures and strategies for mainstreaming the SDGs through public policies.⁵⁷



⁵⁶ Link to report: <https://s3.amazonaws.com/sustainabledevelopmentreport/2023/sustainable-development-report-2023.pdf>

⁵⁷ <https://dashboards.sdgindex.org/chapters/part-2-the-sdg-index-and-dashboards>

3.4.2. Global challenges and the 2030 Agenda

The **National Action Plan** for the implementation of the 2030 Agenda is a document that sets out the actions to be carried out by all agents involved, including immediate action, an enhanced and well-orchestrated governance structure at the highest level of government, and a strong commitment to draw up an ambitious sustainable development strategy with the participation of and consensus among all actors and levels of government in Spain.

Adif AV's SP2030 and related initiatives are aligned with the 2030 Agenda, through the Safe, Sustainable and Connected Mobility Strategy 2030, which is essentially the roadmap that will steer our actions in transport and mobility over the next ten years, as will the Draft Bill on Sustainable Mobility once it becomes law (approval has been postponed to 2024).

The Entity signed a **Framework Partnership Agreement with the Secretary of State for the 2030 Agenda**, governing the parties' responsibilities and remits in the following matters:

- Exchanging good practices in the implementation of the SDGs and their targets.
- Alignment of the Government's broad strategy with the business models of state-owned enterprises in relation to the SDGs and the 2030 Agenda.
- Joint projects related to the SDGs, including certification of goods and services.
- Actions to help disseminate and achieve the SDGs, including potential cross-communication channels through the different existing media.
- Training actions on the SDGs.
- Other actions related to the implementation of the 2030 Agenda.

Adif and Adif AV served as Vice-Chairman of the Working Group of the Framework Collaboration Agreement between the Secretary of State for the 2030 Agenda and state-owned companies. At the meeting of this Working Group held in December 2022 at the headquarters of the Ministry of Social Rights and 2030 Agenda, it was unanimously agreed to appoint María Isabel Gómez, Deputy Director of the

Strategic Plan of Adif and Adif AV, and Rocío Beltrán, head of the CSR unit of *Ingeniería de Sistemas para la Defensa de España (ISDEFE)*, as Vice-chairs.



3.5. STRATEGIC PLAN 2030 AND SDGS

Key Milestones:

- Vice Presidency of the Working Group for Monitoring the 2030 Agenda.
- Implementation of the SP2030 and its alignment with the 2030 Agenda and government strategy.
- Further development of a Data Governance pilot (DATA 4.0 Project) to aid strategic decision-making.

Main risks and opportunities:

- **Deviation or non-compliance with the approved strategy** due to changing circumstances or extraordinary situations. Non-compliance could result in incidents affecting the Entity's reputation.
- **Operational risk:** there is a risk associated with the quality and reliability of the information obtained for decision-making, linked to multiple sources of information and lack of automation. This risk, if materialised, could have an economic and reputational impact on the entity.

Our commitment:

- Being a leader in contributing to the energy transition - Developing an energy community **(OE.1)**.
 - Combating the effects of climate change - Net zero emissions target by 2050 **(OE.2)**.
 - Restoring nature and biodiversity **(OE.3)**.
 - Promoting a culture of awareness about climate change **(OE.4)**.
 - Generating a positive social impact in favour of social cohesion and inclusion **(OE.5)**.
 - Achieving new revenue streams through opportunities in the energy transition - contributing to the development of sustainable finances **(OE.6)**.
- In [section 3.5.3 SDGs at Adif AV](#), the main goals of the Entity are detailed.

Contribution to the SDGs:



Adif AV's SP2030 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.

The **Values** enshrined in the **SP2030** reflect the **Company's commitments**, as shown below:

The infographic displays ten values, each associated with a specific SDG icon:

- 1.** People's well-being through inclusive and sustainable socio-economic development of the country. (SDG 7, 11, 12, 13, 15)
- 2.** A safe service that ensures social cohesion while supporting reliable and high-quality connectivity and mobility. (SDG 8, 9, 12)
- 3.** Integrated and transparent management and uses natural and economic resources responsibly and efficiently. (SDG 3, 8, 15)
- 4.** Defence of initiatives that reinforce gender equality. (SDG 5)
- 5.** Comprehensive business risk management. (SDG 8)
- 6.** Stakeholder engagement. (SDG 17)
- 7.** Innovation, the circular economy and technological innovation. (SDG 9, 11)
- 8.** Generating value and trust for society. (SDG 17)
- 9.** Developing a diverse and global world. (SDG 10)
- 10.** Well-being and professional development of Adif and Adif AV people. (SDG 8)

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 and Sustainable Mobility and the UN Sustainable Development Goals of the 2030 Agenda.⁵⁸

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 SP2030 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 maximizing the impact of rail infrastructure on economic growth.

The architecture of the SP2030 therefore maintains the following structure of people, pillars and levers. People are the engine driving the design, development, deployment and coming together of all the pieces of the Strategic Plan. They underpin the key values of the organisation (safety, service, sustainability and results-driven performance) and work the levers to enable change through:

- **Communication**, to convey the Company’s culture and values to all stakeholders.
- **Innovation** is present across all aspects of the Company’s business, extending to physical elements, processes, procedures

Communication as a lever for the dissemination, understanding and internalisation of the 20230 Strategic Plan



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.

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

Within each pillar, work is being carried out on various initiatives, such as the plan to update and improve traffic safety or the

The SP2030 comes with a balanced scorecard, including more than 100 strategic initiatives and related indicators

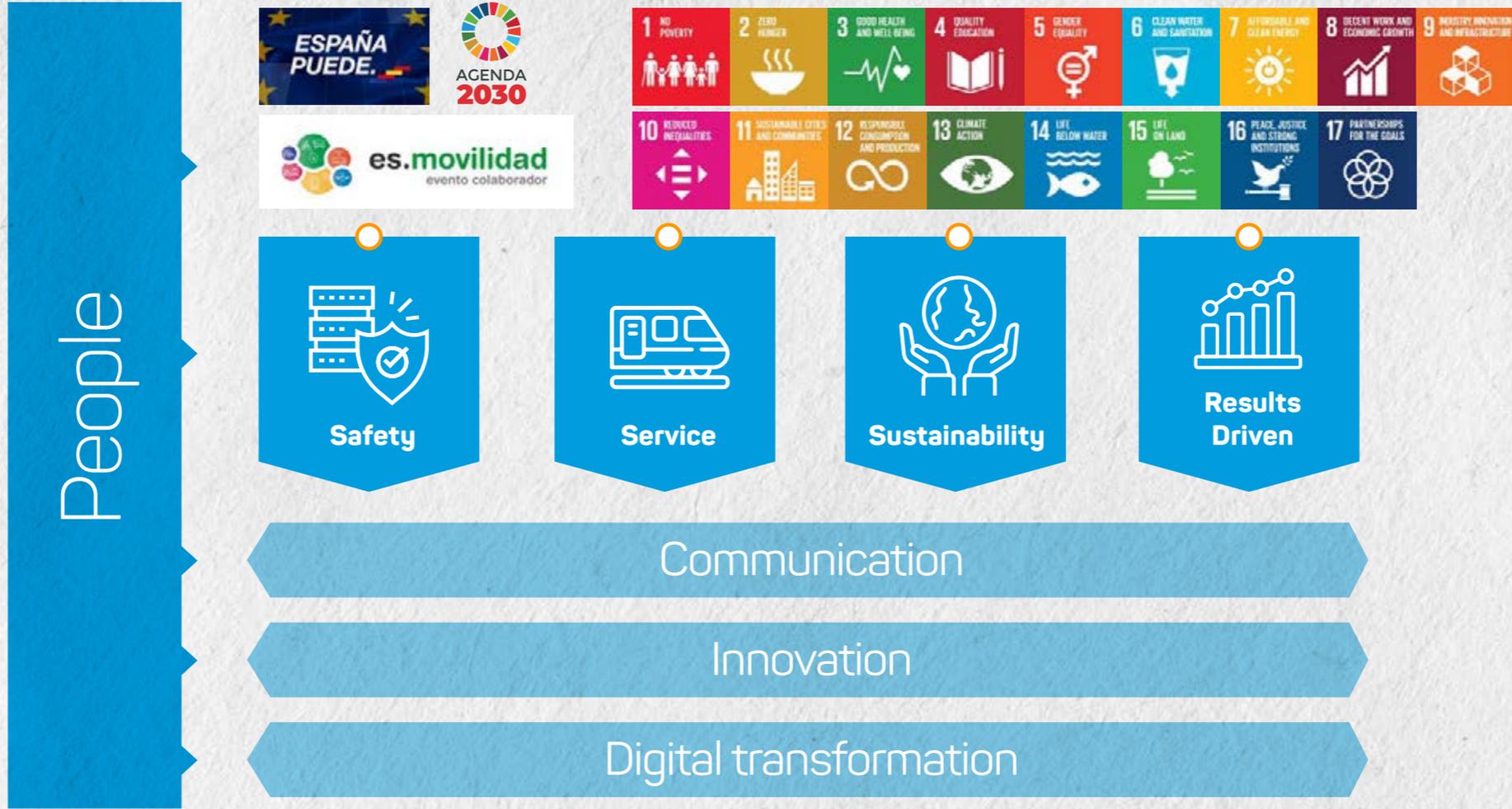


critical infrastructure protection plan within the wider **Safety Pillar**; the 4G deployment project or the new maintenance model project in the **Service Pillar**; and the project to review and update the Management System, among many other initiatives. Looking at the **Transformation lever**, we would highlight our comprehensive people management plan and job transformation plan.



⁵⁸ Content related to **GRI indicator 2-2: Statement on sustainable development strategy.**

Architecture of the Strategic Plan 2030



The strategic policy envisioned in the SP2030 is being pursued through:

1. Initiatives that contribute to the SDGs.
2. Building resilient, inclusive and sustainable infrastructure.
3. Promoting innovation and intrapreneurship.
4. Creating joint initiatives with companies in the sector through “responsible public procurement” projects.
5. Carrying out actions to mitigate the effects of climate change, sustainable innovation and the path towards a circular economy model.
6. Implementing the Transport and Infrastructure Internationalisation Plan.
7. Entering into partnerships with agents in the third sector by championing value co-creation initiatives with associations, foundations and NGOs.

3.5.1. Business strategy

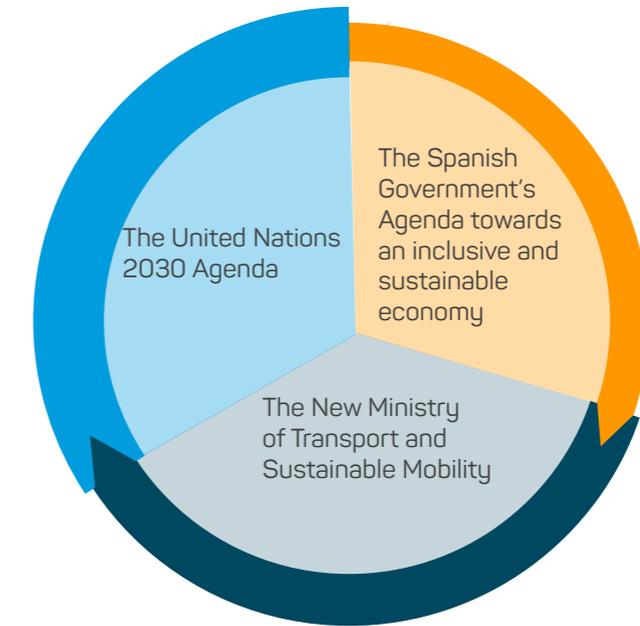
Due to the implementation of the SP2030, the Company has set **different Strategic Objectives (SOs) linked to the four pillars that make up the Plan**. Therefore, throughout this document you will find various references to these objectives, which will use the following nomenclature:

Each of these pillars contains the following **Strategic Objectives (27 SOs)**.

Pillars that make up the Strategic Plan

| PILLAR | CODE |
|----------------|------|
| Safety | PSAF |
| Service | PSER |
| Sustainability | PSUS |
| Results-Driven | PRED |

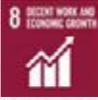
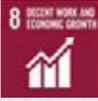
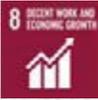
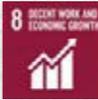
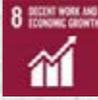
As a result of our role society, our Strategic Plan is aligned with:



Strategic objectives (SO) – Safety Pillar (PSAF)

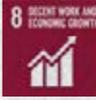
| OBJECTIVE | DESCRIPTION | SDGs | CODE |
|---|---|---|----------|
| 1. Maintain high levels of traffic safety | Continue to manage traffic safely by fostering a culture of safety across the organisation through new processes, systems and technologies, in which a proactive approach and continuous improvement prevail, in order to eliminate accidents and their precursors. |    | PSAF-S01 |
| 2. Ensure high levels of cyber resilience | Further improve the integrity, availability and confidentiality of Adif's information systems, thus protecting them from possible cyber-attacks. |   | PSAF-S02 |
| 3. Improve infrastructure resilience and step up security in the event of deliberate attempts to intrude or interfere with the railway system and emergency situations | Configure and develop resilient infrastructures against possible acts of deliberate intrusion or interference in the railway system, as well as threats and emergency situations (terrorist attacks, climatic threats, etc.), to ensure the integrity of people and continuity of operations. |     | PSAF-S03 |
| 4. Ensure a safe and healthy work environment | Ensure the health and safety of workers by enhancing preventive measures and improving working processes and conditions, including for remote working, thus minimising, or completely preventing, occupational accident rates. |    | PSAF-S04 |
| 5. Adapt operations in response to pandemics and emergencies | Transform and redesign Adif and Adif AV operations to cope with pandemics and health crises in the medium and long term, including not only direct structural effects, but also changes in the habits and requirements of stakeholders, thus avoiding the possibility of interruptions in operation and activity. |   | PSAF-S05 |
| 6. Reform environmental protection | Continue to conduct an activity that ensures end-to-end environmental protection, including preventive action to mitigate threats and reduce the environmental risks and impacts arising from our presence within the environment. |    | PSAF-S06 |

Strategic objectives (SO) – Service Pillar (PSER)⁵⁹

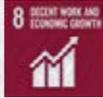
| OBJECTIVE | DESCRIPTION | SDGs | CODE |
|--|--|---|----------|
| 1. Promote multimodal transport | Develop and manage infrastructure that enables the integration of different modes of transport for both passengers and freight, focusing on alternative and sustainable modes. |      | PSER-S01 |
| 2. Focus services on people and data-driven services | Ensure the alignment of services with the needs and expectations of users and stakeholders by adapting them to new mobility trends and adopting a data-driven perspective; improve the quality of service perceived by society. |    | PSER-S02 |
| 3. Maximise network digitalisation and connectivity | Set up and develop a digital and connected infrastructure capable of delivering digital services and providing a smart and secure network; a necessity for the deployment of new technologies such as automatic train automation (ATO), among others. |    | PSER-S03 |
| 4. Increase the value of assets by engaging with stakeholders | Pursue successful partnerships with stakeholders and increase the value of Adif and Adif AV assets by forging alliances with public institutions and key private players, thus promoting the development and execution of projects alongside other agents to promote railway activity. |    | PSER-S04 |
| 6. Harness the opportunities to be had from the deregulation of the railway industry | Design and implement actions to harness the opportunities arising from a successful deregulation process to ensure a more efficient, better quality, and more inclusive service offering for stakeholders. |     | PSER-S06 |
| 7. Improve the performance and quality of the network | Increase the performance and quality of the network to facilitate operators' business plans and promote a wide range of quality services tailored to the needs and expectations of stakeholders, thus making the railway and passenger and freight traffic more competitive. |    | PSER-S07 |
| 8. Develop stations as mobility hubs and living environments that promote the integration of the station itself with the city | Make Adif and Adif AV stations integrated sustainable mobility hubs as part of a community and there to serve people. Stations as living environments for society. |     | PSER-S08 |

⁵⁹ SO5 of the Service Pillar does not apply given the activity carried out at Adif AV.

Strategic objectives (SO) – Sustainability Pillar (PSUS)

| OBJECTIVE | DESCRIPTION | SDGs | CODE |
|---|--|--|----------|
| 1. Lead the way in bringing about the energy transition. Develop an energy community | Make a leading contribution to environmental protection through the electrification of transport, more efficient energy management, renewable energy sourcing and the use of other sustainable and recycled materials. |      | PSUS-S01 |
| 2. Fight the effects of climate change | Strengthen the commitment of Adif and Adif AV in the fight against climate change by taking decisive action to achieve climate neutrality by 2050 in line with the European Strategy. |      | PSUS-S02 |
| 3. Recover biodiversity and nature | Ensure the protection of nature and take action that helps to reverse the degradation of ecosystems, thus reducing pressure on biodiversity. |    | PSUS-S03 |
| 4. Foster a culture of awareness of the need to address climate change | Raise awareness among internal and external stakeholders of the need to combat climate change by building and nurturing a culture that promotes rail as a more sustainable mode of transport, champions energy efficiency and works to reduce the carbon footprint. In tandem, encourage the use of an economic and social system that is committed to optimizing resources through alternatives that promote circular economy models. |     | PSUS-S04 |
| 5. Generate a positive social impact in pursuit of social cohesion and inclusion | Make a tangible contribution to the achievement of the United Nations SDGs and the 2030 Agenda, as a way of channeling the positive social impact of Adif and Adif AV and supporting social cohesion and inclusion. Special focus on people's well-being (SDG3), inclusive and sustainable socio-economic development (SDG8), connectivity (SDG11), combating climate change (SDG13), gender equality (SDG5), technological innovation and modernisation (SDG9) and partnerships for the SDGs (SDG17). |        | PSUS-S05 |
| 6. Achieve new revenue streams through the opportunities of the energy transition – contributing to the development of sustainable finance | Pursue new lines of business arising from investment opportunities in self-consumption systems that will enable Adif and Adif AV to achieve greater energy independence. |   | PSUS-S06 |

Strategic objectives (SO) – Results-driven Pillar (PRED)⁶⁰

| OBJECTIVE | DESCRIPTION | SDGs | CODE |
|--|---|---|----------|
| 1. Achieve business viability for the Company | Obtain a balanced operating result for each of the Company's lines of business, by increasing income and raising the necessary funds in an efficient manner. |  | PRED-S01 |
| 2. Optimise the financing of projects and activities through the European Recovery Fund | Obtain funding from the European Recovery Fund set up in response to the COVID-19 crisis, for the development of projects aligned with the EU objective of achieving a green, digital and inclusive Europe. |     | PRED-S02 |
| 5. Consolidate the Company's international exposure | Export Adif and Adif AV's know-how in railway network management, especially in relation to high-speed railways, thus allowing them both to take part in new projects on a global scale and making them international benchmarks within the industry. |   | PRED-S05 |
| 6. Ensure that the presence of Adif and Adif AV in the entities and bodies of which they form part generates synergies | Optimise the involvement and presence of Adif and Adif AV in the various entities in which they participate, so that synergies and benefits can be obtained in the management for these state-owned companies. |   | PRED-S06 |
| 7. Transform the organisation in response to the new technological and market landscape | Shape and adapt the roles and skills of people in the organisation to the new market context: deregulation, technological disruption, importance of innovation and caring for the environment; facilitating and optimizing work performance. |  | PRED-S07 |

⁶⁰ The Company has decided not to refer to SO 3 and 4 of the Results-Driven Pillar.

To achieve the Strategic Objectives set out in the SP2030, Adif AV has defined a series of **Strategic Initiatives** (hereinafter referred to as 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.

The SIs 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 2023, **107 SIs** had been set out, each responding to a specific objective and pillar established in the Plan's architecture (Safety, Service, Sustainability and Results-driven) and to the levers of Communication, People-driven, Innovation and Digital Transformation.

In a nutshell, **SP2030 is a living and eminently practical plan** geared towards strategic initiatives and seeking the involvement and complicity of the entire organisation. For each initiative proposed, the actions to be carried out are defined and planned accordingly, with indicators that are reported on a quarterly basis.

As the strategic initiatives are cross-cutting or horizontal in nature, the involvement of all areas of the Company is needed to ensure their success. Therefore, each initiative has a named leader, who is assigned specific functions and who coordinates and steers each



One of the main objectives of the safety pillar of the SP2030 is to make infrastructure safer and more resilient



initiative. Moreover, each initiative is aligned with the strategic and tactical objectives, as well as the related management indicators, both those that apply company-wide, and those that apply to a given area or department, which act as individual incentives. The data obtained are displayed on a dashboard showing the Company's performance.

As regards challenges, the main challenges faced by the Company are as follows:

Generational handover ⁶¹

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. We have accordingly set in motion a range of initiatives, such as partial retirement, with the aim of accelerating the generational handover without losing knowledge and experience in the process, these being essential for the smooth running and efficient management of the Company.

⁶¹ More information on this subject can be found in the "4. Our People" section of this report.

Along these lines, the Partial Retirement Circular 2023 was posted on Adif AV's intranet in February 2023.

Key actions/milestones here include:

- The percentage of employees under 35 has increased from 6.01% in 2021 to 12.31% in 2023.
- Partial retirement: 4 partially-retired individuals at 31 December 2023.
- New employees (*public sector job offerings*): in 2023, 26 new employees joined Adif AV under the corresponding Public Employment Tenders.

Deregulation of passenger transport⁶²

During 2023, the deadlines set in the various Framework Agreements signed with railway companies for capacity allocation have been adhered to. **Spain has become the first European country with three railway companies providing high-speed services.** (Refer to [section 6.2. Service provided](#)).

Recovery and Resilience Funds (RRF funds)⁶³

The aim is to achieve sustainable financing by directing the following main EU funds and financial aid towards investment projects in the realm of trans-European rail transport networks: European Regional Development Fund (ERDF), Connecting Europe Facility (CEF) and the Resilience and Recovery Facility (RRF). This task involves:

- Drawing up and approving, inter alia, the operations to be financed, the applications for aid and eventual repayment, and the follow-up reports for each co-financed action.
- Overseeing, in particular, proposals on which case dossiers are to be co-financed, as well as all related environmental, technical and legal implications; and replying to questions fielded by parliament.

Within the Recovery, Transformation, and Resilience Plan (RTRP), Adif and Adif AV are participating with over **€5.8 billion** and four lines of investment. The Passenger Stations Directorate has actions in the following components and investment lines for Adif AV:

⁶² More information on this subject can be found in the ["6.2. Service provided"](#) section of this report.

⁶³ The various actions being carried out are described in the [section "8.5. Information on RRF funds"](#) applicable to sustainable projects.

■ Component 1 - Initiative 3: "Suburban and Urban Mobility":

Actions are being carried out to improve the quality and reliability of suburban services. In 2023, 2 works were carried out for over €70.55 million, and a third one of €2.83 million was awarded.

■ Component 6 - Initiative 1: "National Transport Network":

Development of European Corridors. In 2023, the contracting of a construction work worth €23.61 million was initiated, and another work of €0.5 million was completed.

3.5.2. Challenges and main goals of the SP2030

The SP2030 is aligned with existing government initiatives, with the main objective of being coherent and maximizing results by participating in a common strategy. Alignment has been sought with:

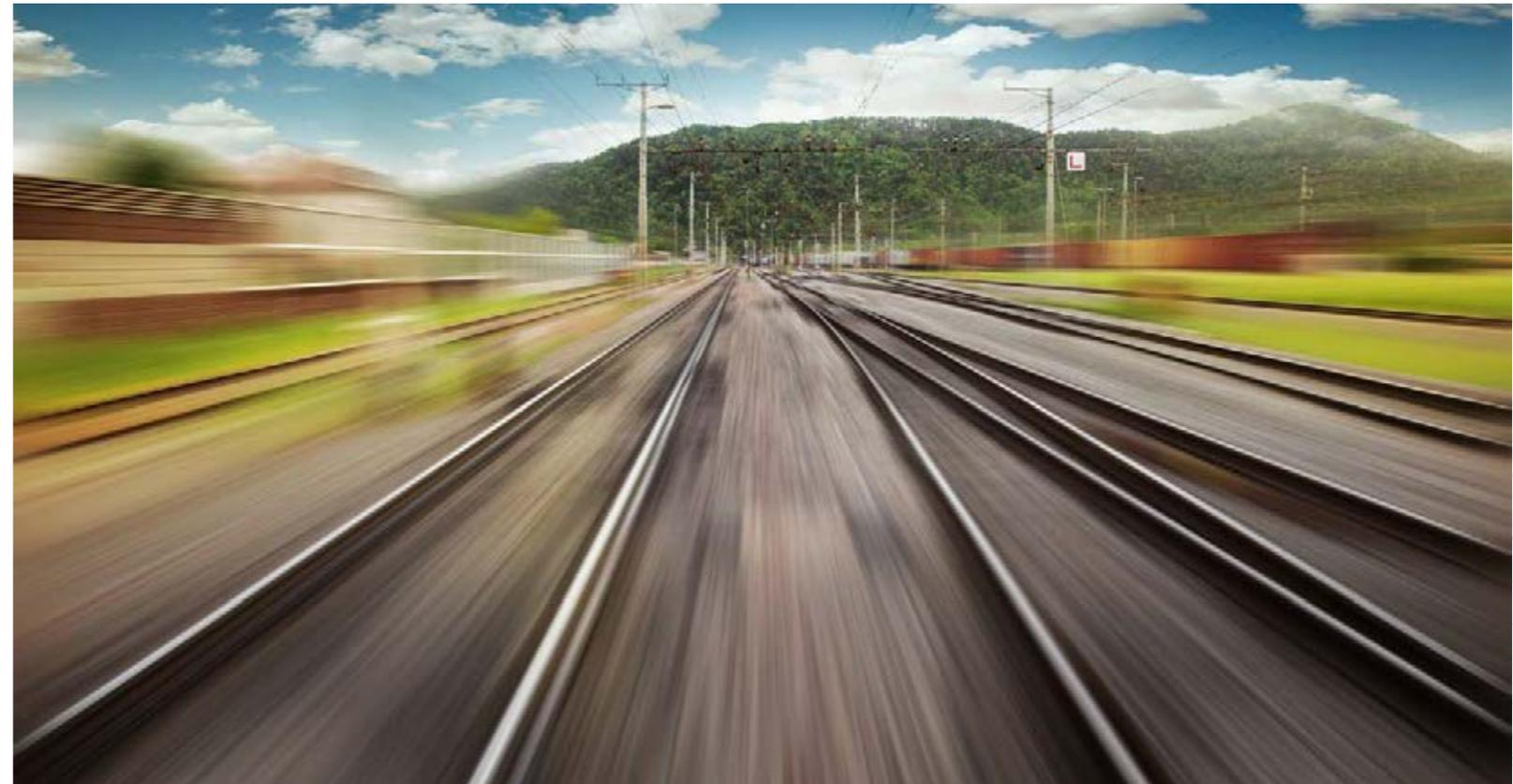
- European funds
- Spain's own Recovery and Resilience Plan, including:

- *España Verde* (Green Spain), *España Digital* (Digital Spain), *España sin brechas de Género* (Spain with no Gender Gaps) and *España Cohesionada e Inclusiva* (Cohesive and Inclusive Spain).

- National long-term strategy 2050, in which the biggest challenge is:
 - Making the Company carbon neutral, sustainable and climate change resilient.

- The Safe, Sustainable and Connected Mobility Strategy of the Ministry of Transport and Sustainable Mobility through the following actions:

1. Alignment with European and international commitments (Sustainable Development Goals, decarbonisation, etc.).
2. Economic policy tool and social rights.
3. Reframing investment priorities (sustainability, digitalisation).
4. Integrating approach Governance.
5. Engagement, to give maximum legitimacy to the strategy.
6. Addressing the mobility of people and goods.
7. Just transition with no groups, territories or economic sectors left behind.



3.5.3. SDGs at Adif AV

The Company aims to “Operate a rail network committed to the SDGs”. To succeed, 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 AV plans 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 SP2030. This also applies in relation to the fulfilment of specific targets measured through indicators for Adif AV.

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



⁶⁴ Adif + Adif AV.

| | |
|--|---|
| | <ul style="list-style-type: none"> ■ Adif AV contributes by providing training to employees and suppliers on energy efficiency and establishing guidelines for savings and consumption in offices. ■ It promotes the use of bicycles and railways for the commutes of employees and suppliers, as well as in the distribution of products and services of the company, fostering sustainable mobility. ■ We are gradually replacing the use of fossil fuels with renewable energy by electrifying the company’s activities and operations. ■ Additionally, we issue green bonds to finance sustainable projects in areas such as renewable energy or energy efficiency. |
| | <ul style="list-style-type: none"> ■ Through its daily activities, Adif AV helps to create and manage sustainable, quality infrastructure that is both resilient and safe. To succeed in this task, it undertakes collaborative and open innovation projects (140⁶⁴) and invests in innovative and relevant ventures. |
| | <ul style="list-style-type: none"> ■ Adif AV is committed to achieving a reduction in accidents and incidents while modernising its stations. These efforts benefited more than 187.0 million users in 2023. It also includes environmental and social clauses in its contracts with suppliers. |
| | <ul style="list-style-type: none"> ■ It is therefore helping to combat climate change through its 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 (cumulative total estimated energy saving of 125.17 GWh_{eq}/year, representing a decrease of 1.25% compared to 2022). The shift towards a more sustainable and efficient transport model is key in successfully responding to the new international and national regulatory scenarios. |

Through these actions, it contributes mainly to the fulfilment of the following goals of the 2030 Agenda:

SDG 7, by committing to energy efficiency and sustainable mobility.

- 7.1. Ensure universal access to affordable, reliable, and modern energy services.
- 7.2. Substantially increase the share of renewable energy in the global energy mix.
- 7.3. Double the global rate of improvement in energy efficiency.
- 7.a. Increase international cooperation to facilitate access to research and technology related to clean energy, including renewable sources, energy efficiency, and advanced and less polluting fossil fuel technologies, and promote investment in energy infrastructure and clean technologies.

SDG 9, through the implementation of collaborative and open innovation projects.

- 9.1. Sustainable Infrastructure Development: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
- 9.4. Upgrading of infrastructure, clean technology: Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes (...).

SDG 11, by seeking to achieve a reduction in accidents and incidents. The Company also includes environmental and social clauses in its contracts with suppliers.

- 11.2. Provide access to public transport: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in

vulnerable situations, women, children, persons with disabilities and older persons.

SDG 13, since 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.

- 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.2. Integrate climate change measures into national policies, strategies and planning.

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: environmental, social and economic.

It also aims to address the climate and environmental emergency by reducing greenhouse gas reductions, purchasing Guarantee of Origin (GoO) energy and promoting the use of renewable energies through projects such as reversible substations and decarbonizing transportation through the electrification of lines. Adif AV works towards the ecological transition by taking action in energy efficiency, decarbonisation and renewable energies, improving the resilience of railway infrastructure and championing a culture and awareness of climate change in partnership with its stakeholders.

The aim is to align the design of the SP2030 with the aspects and objectives pursued by the United Nations 2030 Agenda, with 169 integrated and indivisible goals covering the environmental, social and economic spheres.

The Company also addresses the three priority challenges when it comes to sustainability: climate emergency, corporate governance and social inequality. Along these lines, Adif and Adif AV both pursue ambitious strategic objectives and goals:

- Achieve **zero net greenhouse gas emissions** by 2050.
- Build strategic initiatives that integrate **support for inclusion, equality, diversity and the elimination of all forms of discrimination**.

SDG Rail Index

Adif AV and Adif, together with other organisations belonging to the UIC – the international union of railways – have set up the international **SDG Rail Index** Workgroup, in order to provide a standardised and internationally approved score that ranks companies in the railway sector and shows the alignment of each organisation with the SDGs and the 2030 Agenda.

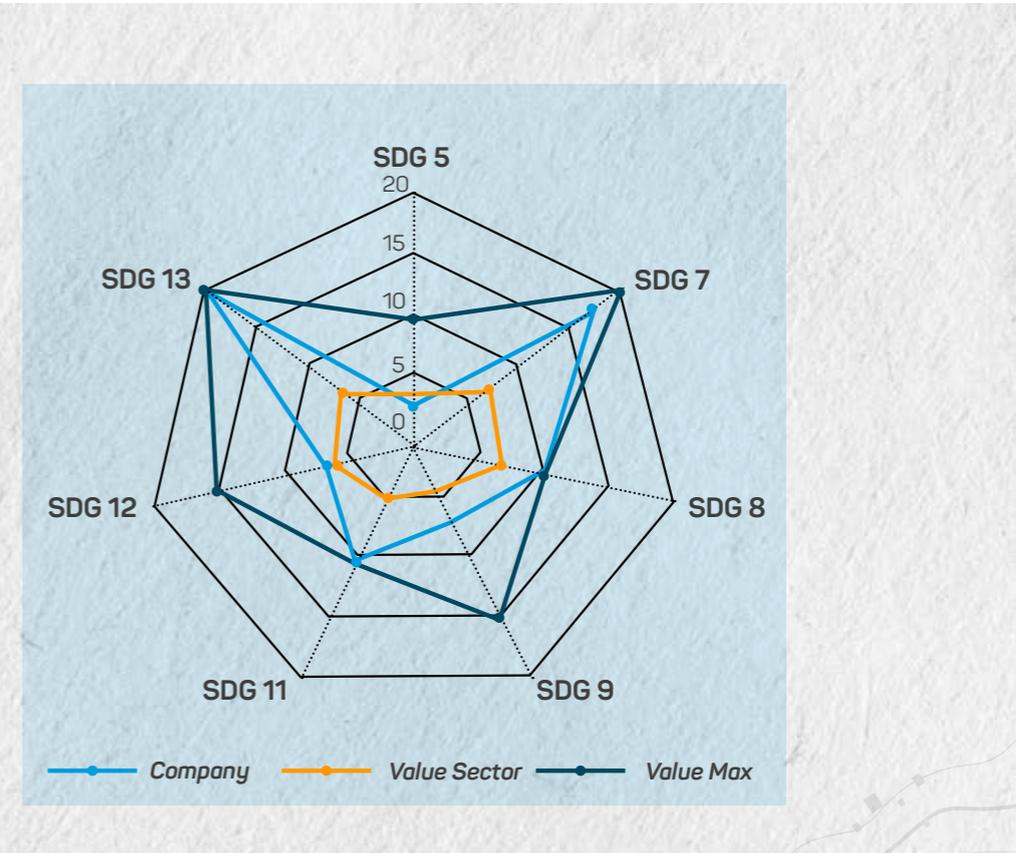
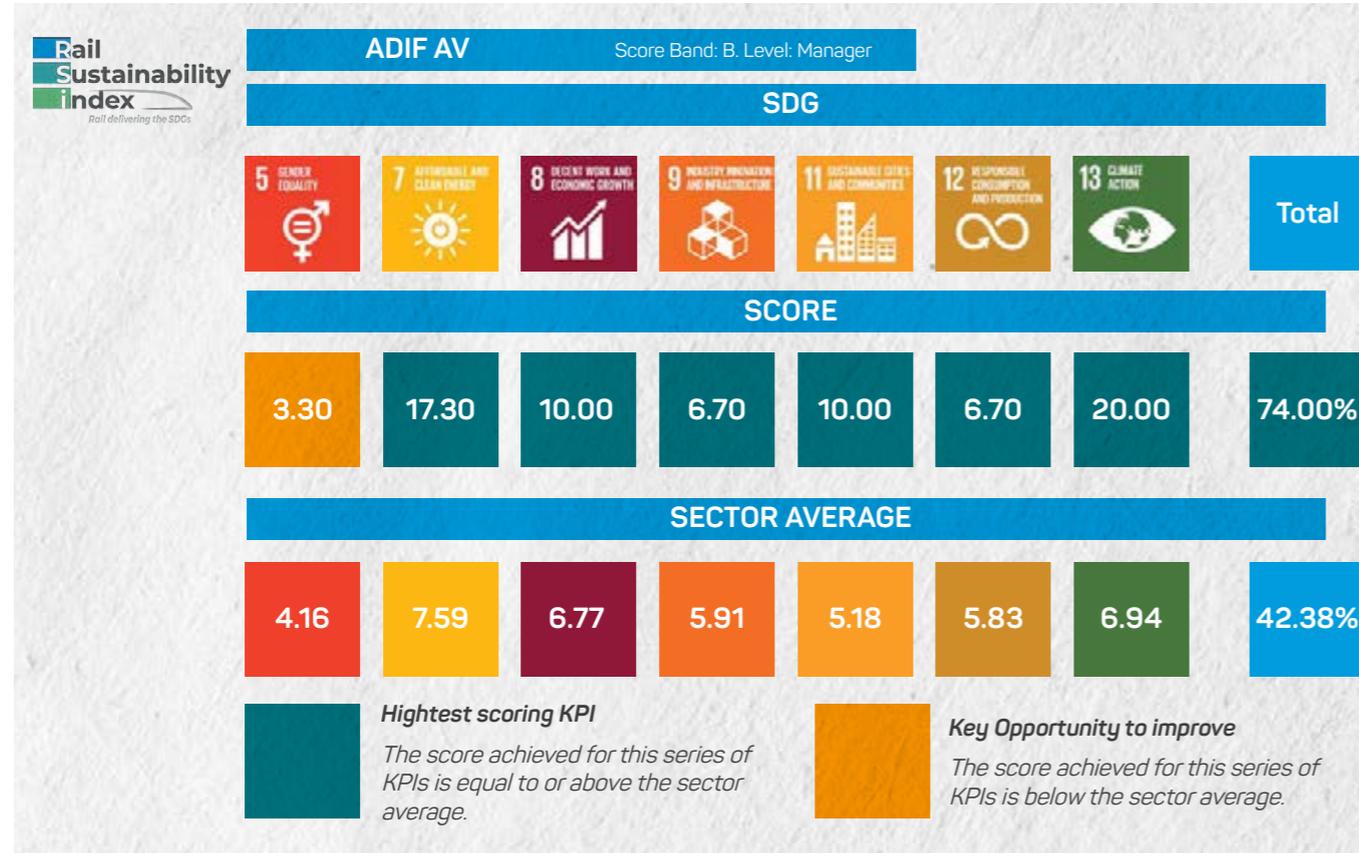
A total of **24 KPIs** and **7 key SDGs** have been established, along with a methodology. In accordance with applicable regulations, this enables the project to draw like-for-like comparisons and obtain a compliance

score for each organisation. 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.

In 2022, the UIC-accredited **Rail Sustainability Index** score was obtained, which rates the railway companies' level of achievement in sustainable development (comparability index configured on the basis of the most relevant SDGs within the railway industry).

A maximum score was obtained for three of the seven SDGs scrutinised at the Company (addressed jointly for both Adif and Adif AV): SDG 7, SDG 11 and SDG 13, which are above the sector average. In conclusion, **Adif AV's performance stood at 74.00%, compared to an average sector performance of 42.38%.**

The results of the SDG Rail Sustainability Index are shown in the following diagram:



Evolution of the Strategic Plan 2030

Dashboard of the SP2030, including the related SDGs:

| PILLAR/LEVER SP2030 | KEY INDICATOR ⁶⁵ | 2023 | TARGET | STAKEHOLDER | RELATED SDG |
|---------------------|--|---------|----------|---|---|
| COMMUNICATION | News with negative impact (%)* | 3.70% | <4.50% | Government and public institutions, Society, |  |
| | Increase in followers on main social media platforms (%) * | 22.38% | >15.00% | People, Our People | |
| HUMAN RESOURCES | Number of Employees | 260 | >250 | Our People |  |
| | Transfer level (satisfaction with the training received and its effective application to the job) (%)* | 90.00% | >85 | Government and public institutions | |
| | Age pyramid (% employees <51 years) | 62.30% | ND | Our People |  |
| | Average age of employees (years) | 47.23 | <47 | | |
| RESULTS-DRIVEN | EBITDA (€M) | 431.10 | >262.49 | Government and public institutions, Our People |  |
| | Profit/(loss) for the year (€M) | -136.20 | >-285.69 | | |
| | Total network management costs covered by fees (%) | 77.07% | >55.00% | Government and public institutions, People | |
| | Commercial activity at stations (€M in commercial revenues per m ²) * | 18.39 | >18 | | |
| | Balanced scorecard achievement control (%) | 64.00% | >0.00% | Government and public institutions, Our People | |
| | Use of EU funds (%) | 62.00% | >100.00% | Government and public institutions, Society, Our People | |

⁶⁵ Data marked with *: Adif + Adif AV.

| PILLAR/LEVER SP2030 | KEY INDICATOR | 2023 | TARGET | STAKEHOLDER | RELATED SDG |
|---------------------|--|--------|-----------|---|---|
| SAFETY | Accident frequency rate = ((No. of accidents / hours worked) * 1,000,000) | 2.39 | ND | |  |
| | Accident severity rate (days lost/1,000 hours worked) | 0.09 | <0.23 | Our People | |
| | Occupational accident rate (accidents with lost time/1,000 workers) ‰ | 3.88% | <10.00% | | |
| | Significant accidents caused by the administrator (No./ Mkm-train) | 0.00 | <0.00 | |  |
| | Rail accidents for which infrastructure manager is liable (No./ Mkm-train) | 0.03 | <0.04 | Government and public institutions, Sociedad, Personas, Our People | |
| | Accident precursors for which infrastructure manager is liable (No./ Mkm-train) | 0.47 | <0.502 | | |
| | Crimes with an impact on activities (No.) | 149 | <176 | | |
| SERVICE | Passenger transport liberalisation (km-train share of LD/HS services of the new rail undertakings with respect to the single operator) | 22.90 | >15 | Government and public institutions, Society, People |  |
| | Punctuality rate Adif AV (Long distance/high-speed network) | 5.86 | <1.89% | Government and public institutions, Society, People |  |
| | Punctuality rate Adif AV (Mid- distance/high-speed network) | 3.23 | <1.04% | Government and public institutions, Society, People | |
| | Train Traffic (Total) (Mkm-train ⁶⁶) | 79.75 | ND | Society, People | |
| | Quality Track (QN2 ratio) | 98.45 | >87.86 | Government and public institutions, People, Suppliers, partners and allies | |
| | Installation reliability (No. of events) | 3,344 | <3,571.79 | | |
| | Installation availability (Minutes) | 58.49 | <80.18 | Government and public institutions, People | |
| | % of compliance with preventive maintenance action plan | 99.91% | >91.00% | Government and public institutions, Society, People, Suppliers, partners and allies | |

⁶⁶ Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

Caption:
Positive performance 2023 vs 2022
Negative performance 2023 vs 2022
Unchanged or indicators that are not comparable

| PILLAR/LEVER SP2030 | KEY INDICATOR | 2023 | TARGET | STAKEHOLDER | RELATED SDG |
|------------------------|---|----------|-----------|---|---|
| SUSTAINABILITY | Passengers boarding/alighting at accessible stations (% passengers) | 86.93% | >8.65% | Society, People |  |
| | Urban integration (cumulative investment in €M) | 4,875.42 | >4,875.42 | Government and public institutions, Society, People |  |
| | GHG emission reduction (Tm de CO _{2eq}) | 15,620 | >15.435 | Government and public institutions, Society, People, Suppliers, partners and allies; Our People |  |
| | Non-hazardous construction and demolition waste directed to recovery (%) | 86.39% | >70.00% | Government and public institutions, Society, People, Suppliers, partners and allies; Our People |  |
| | Code of Ethic (No. of reports of breaches) | 3 | >1 | Government and public institutions, Society, People, Our People |  |
| | Transparency (% claims upheld by the Transparency and Good Governance Board out of total responses) * | 2.40% | <1.75% | Government and public institutions, Society, People; Suppliers, partners and allies |  |
| | Improvement in energy efficiency (GWh _{eq} /year savings) cumulative since 2009 | 125.17 | ND | Government and public institutions, Society, People, Suppliers, partners and allies; Our People |  |
| DIGITAL TRANSFORMATION | System availability (%) * | 98.40% | >98.00% | Government and public institutions, People, Suppliers, partners and allies |  |
| | Closed-out procedures (settlements through Contracts SAP) | 27.80 | >26 | Government and public institutions, Suppliers, partners and allies, Our People | |
| | Digital Strategy: Projects derived from the Digital Transformation Programme initiated in the year | 5* | >5.00 | People, Suppliers, partners and allies; Our People | |
| | Collaboration and open innovation (% of ideas and projects implemented)* | 89.59% | >65.00% | Society, People, Suppliers, partners and allies, Our People | |

*: Data Adif + Adif AV.

Caption:
Positive performance 2023 vs 2022
Negative performance 2023 vs 2022
Unchanged or indicators that are not comparable

Evolution of the SDGs in Adif AV

Dashboard showing the SDGs identified by the Entity:

| SDG | CONTENT | AT ADIF AV (Initiatives/plans/programmes) |
|---|---|--|
|  ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES | 0 significant accidents caused by the administrator / Mkm-train ⁶⁷ – Target 3.6 0 Mkm-train deaths or serious injuries due to train accidents ⁶⁸ – Target 3.6 | <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 |
|  ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL | 90% transfer level (satisfaction with the training received and its effective application to the job) (Adif + Adif AV) (-1% compared to 2022) – Target 4.4 125.9 hours of training per employee/year – Target 4.3 €10.32 million invested in training (Adif+Adif AV) - Target 4.3 23 internship agreements with universities (Adif + Adif AV) – Target 4.3 | <ul style="list-style-type: none"> Strategic Initiative: Training plan Strategic Initiative: Generational succession plan Strategic Initiative: Leadership development and talent recognition programme |
|  ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS | 25.77 % of women on the workforce (+5% compared to 2022) - Target 5.1 29.20% of women holding management positions (-4.13% compared to 2022) - Target 5.5 30% of women on the Board of Directors - Target 5.5 | <ul style="list-style-type: none"> III Adif Equality Plan and II Adif AV Equality Plan LIDERA programme “Mentoring Mujeres Tituladas” (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 |

^{67,68} Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

Caption:
Positive performance 2023 vs 2022
Negative performance 2023 vs 2022
Unchanged or indicators that are not comparable

| SDG | CONTENT | AT ADIF AV (Initiatives/plans/programmes) |
|---|--|---|
|  <p>7 AFFORDABLE AND CLEAN ENERGY</p> | <p>ENSURE ACCESS TO AFFORDABLE, SECURE, SUSTAINABLE AND MODERN ENERGY FOR ALL</p> <p>93.90 % green energy (GoO) of total energy consumed (+3% compared to 2022) - Target 7.2</p> <p>125.17 GWh_{eq}/year saved due to energy efficiency (cumulative since 2009) (+1% compared to 2022) - Target 7.3</p> <p>9.64 MJ/km-train⁶⁹ in final energy intensity - Target 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 Railway Network (hereinafter referred to as RFIG for its Spanish acronym) ■ Strategic Initiative: Energy efficiency ■ Strategic Initiative: Ferrolinera® |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <p>PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL</p> <p>€132.45 million invested - Target 8.1</p> <p>0.09 working hours lost per 1,000 h worked - Target 8.8</p> <p>86.54% of employees with permanent contracts (+5% compared to 2022) - Target 8.5</p> <p>4.86 % pay gap in executive level jobs favoring men (+0.32% compared to 2022)- Target 8.5</p> <p>43% of ideas and projects developed in intrapreneurship, Adif Talento finalists, with total or partial implementation (Adif+Adif AV)- Target 8.3</p> | <ul style="list-style-type: none"> ■ 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 |
|  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <p>BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION</p> <p>3,745 km of electrified lines in service (+7.09% compared to 2022) - Target 9.4</p> <p>€1,693.93 million (VAT included) invested in developing the high-speed network - Target 9.1</p> <p>50.0 km of high-speed lines commissioned - Target 9.4</p> <p>83% of innovation output transferred (efficiency in innovation) (Adif y Adif AV) - Target 9.5</p> <p>€0.802 million total investment in innovation projects - Target 9.5</p> | <ul style="list-style-type: none"> ■ 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 to Promote the Railway Technology Centre (RTC) ■ Strategic Initiative: Adaptation and integration of hydrogen as an energy carrier in the RFIG ■ Strategic Initiative: E-futura ■ Strategic Initiative: Digital transformation of maintenance |

⁶⁹ Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

Caption:
Positive performance 2023 vs 2022
Negative performance 2023 vs 2022
Unchanged or indicators that are not comparable

| SDG | CONTENT | AT ADIF AV (Initiatives/plans/programmes) |
|--|--|--|
|  <p>10 REDUCED INEQUALITIES</p> | <p>REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES</p> <p>86.93 % of travellers boarding and alighting at accessible stations (Adif + Adif AV) (+0.1% compared to 2022) - Target 10.2</p> <p>€11.09 M (VAT included) invested in accessibility improvement projects (Adif y Adif AV) - Target 10.2</p> | <ul style="list-style-type: none"> ■ Support service for people with reduced mobility (Adif <i>Acerca</i> service) ■ <i>Dialoga</i> service |
|  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <p>MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE</p> <p>€4,875.42 M (not including VAT) invested to date in urban integration (Adif y Adif AV) (+7% compared to 2022)- Target 11.3</p> <p>77 urban integration agreements, protocols and addenda signed and managed within the framework of the urban integration JVs in which Adif AV participates - Target 11.3</p> | <ul style="list-style-type: none"> ■ End-to-end plan for passenger stations ■ Strategic Initiative: E-futura ■ Strategic Initiative: <i>Cercanías</i> (Commuter Network) investment programmes ■ Strategic Initiative: Quantitative risk assessment model ■ Strategic Initiative: Comprehensive Transformation Project of the 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 |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <p>ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS</p> <p>22.06 % reduction in water consumption versus 2022 - Target 12.2</p> <p>0.066 t/Mkm-train of hazardous waste generation intensity⁷⁰ (Latest available data for 2022; 2023 data to be published in the Adif AV environmental report in second semester 2024) - Target 12.4</p> <p>100 % of contracts include social and environmental clauses - Target 12.7</p> | <ul style="list-style-type: none"> ■ 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 |

⁷⁰ Total km-train values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the km-train travelled under the corresponding contracts and also the km-train for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

| SDG | CONTENT | AT ADIF AV (Initiatives/plans/programmes) |
|---|---|--|
|  | <p>TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS</p> <p>Green bonds worth €500 million issued in 2023. All bonds issued in the last five years - Target 13.2</p> <p>15,620 TmCO_{2eq} reduction in GHG emissions (cumulative since 2009) (+1.2% compared to 2022)- Target 13.2</p> | <ul style="list-style-type: none"> ■ 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 RFIG ■ Strategic Initiative: Responsible public purchasing project |
|  | <p>SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS</p> <p>No serious or very serious administrative fines or sanctions for environmental infringements – Target 15.1</p> <p>€86.39M in resources earmarked for environmental protection (investment + operation) (latest available data for 2022; 2023 data to be published in the Adif AV environmental report in second semester 2024) - Target 15.1</p> <p>€3.00M earmarked for fire prevention (Latest available data for 2022; 2023 data to be published in the Adif AV environmental report in second semester 2024 (-3% compared to 2021) - Target 15.5</p> | <ul style="list-style-type: none"> ■ Environmental policy ■ Environmental management systems ■ Environmental monitoring of works ■ Fire prevention plan |
|  | <p>PROMOTE JUST, PEACEFUL AND INCLUSIVE SOCIETIES</p> <p>149 crimes committed by third parties with an impact on the business (criminal charges brought) (-10% compared to 2022)- Target 16.1</p> <p>15 deliberate attacks on critical infrastructure - Target 16.1</p> <p>3 reports of breaches of the Code of Ethics – Target 16.5</p> <p>2.40% claims upheld by the Transparency and Good Governance Board out of total responses (Adif y Adif AV) - Target 16.6</p> | <ul style="list-style-type: none"> ■ Enterprise risk management development and deployment plan ■ Transparency and good governance improvement plan ■ Corporate anti-fraud policy |
|  | <p>REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT</p> <p>120 agreements and conventions with industry and business organisations and associations in effect - Target 17.16</p> <p>28 agreements and conventions with industry and business organisations and associations signed - Target 17.16</p> | <ul style="list-style-type: none"> ■ Estación Abierta Programme ■ Plan to Promote the Railway Technology Centre (RTC) ■ Collaboration protocols |

Caption:
Positive performance 2023 vs 2022
Negative performance 2023 vs 2022
Unchanged or indicators that are not comparable

OUR PEOPLE



4

Our people

4.1. Main workforce indicators

4.1.1. Organisation of work

4.2. Growth of workers

4.2.1. Professional development

4.2.2. Training plan

4.2.3. Cultural Change project

4.2.4. Staff performance

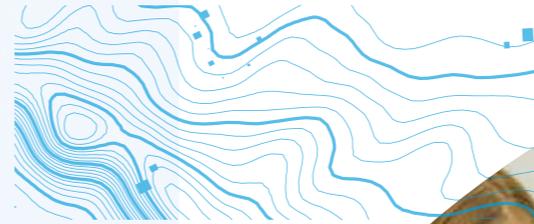
4.3. Focus on people

4.3.1. Incentives and other employee benefits

4.3.2. Maternity and paternity leave

4.3.3. Employee relations

4.3.4. Diversity, equality and social action





4. OUR PEOPLE

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 the Company'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 employees⁷¹ to join us by 2025.**



SUMMARY OF EMPLOYEE NUMBERS

260

Employees

86.54%

Permanent contracts

56.54%

Covered by collective bargaining agreements

25.77%

Women

4.86%

Pay gap for managerial positions (favouring men)

34,759

Training hours

3.62%

Management turnover rate

19.35%

Employee turnover rate

26

New employees (Public Sector Job Offerings)

HR PRIORITIES



Talent attraction and retention



Equality and diversity



Health and safety



Labour relations

⁷¹ Adif + Adif AV.

4.1. MAIN WORKFORCE INDICATORS⁷²

At Adif AV, people are the most important asset. For this reason, 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 goals. 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.

The distribution of Adif AV employees is as follows⁷³:



Number of employees by gender at year-end

| | 2021 | | 2022 | | 2023 | |
|--------------|------------|------------|------------|------------|------------|------------|
| | Number | % | Number | % | Number | % |
| Men | 153 | 70.83 | 194 | 75.49 | 193 | 74.23 |
| Women | 63 | 29.17 | 63 | 24.51 | 67 | 25.77 |
| Total | 216 | 100 | 257 | 100 | 260 | 100 |

Number of employees by age at year-end

| | 2021 | | 2022 | | 2023 | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| | Number | % | Number | % | Number | % |
| Up to 35 years old | 13 | 6.01 | 41 | 15.95 | 32 | 12.31 |
| Between 36 and 50 years old | 119 | 55.09 | 128 | 49.80 | 130 | 50.00 |
| Over 50 years old | 84 | 38.88 | 88 | 34.24 | 98 | 37.69 |
| Total | 216 | 100 | 257 | 100 | 260 | 100 |

Number of employees by professional category at year-end

| | 2021 | | 2022 | | 2023 | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|
| | Number | % | Number | % | Number | % |
| Management Structure | 106 | 49.07 | 108 | 42.02 | 113 | 43.46 |
| Support Structure | 68 | 31.48 | 68 | 26.46 | 79 | 30.38 |
| Operational Staff and Middle Managers | 42 | 19.44 | 81 | 31.51 | 68 | 26.15 |
| Total | 216 | 100 | 257 | 100 | 260 | 100 |

Employee turnover⁷⁴

| | 2021 | 2022 | 2023 |
|-------------------------|------|-------|-------|
| Employee turnover rate | 9.41 | 20.65 | 19.35 |
| Executive turnover rate | 6.14 | 3.23 | 3.62 |

⁷² Content related to **GRI Indicator 2-7: Employees**.

⁷³ All employees are located in Spain.

⁷⁴ Content related to **GRI Indicator 401-1: New employee hires and employee turnover**. Formula: $((\text{Incoming} + \text{outgoing employees}) \times 100/2) / \text{average number of employees}$.

Number of employees by type of contract and working hours at year-end

| | 2021 | | 2022 | | 2023 | |
|---------------------|------------|------------|------------|------------|------------|------------|
| | Number | % | Number | % | Number | % |
| Permanent contracts | 206 | 95.37 | 211 | 82.10 | 225 | 86.54 |
| Temporary contracts | 10 | 4.62 | 46 | 17.90 | 35 | 13.46 |
| Total | 216 | 100 | 257 | 100 | 260 | 100 |
| Full-time contracts | 211 | 97.68 | 252 | 98.05 | 256 | 98.46 |
| Part-time contracts | 5 | 2.32 | 5 | 1.95 | 4 | 1.54 |
| Total | 216 | 100 | 257 | 100 | 260 | 100 |

Employee tenure⁷⁵

| | 2021 | 2022 | 2023 |
|-------------------------|------------|------------|------------|
| | % | % | % |
| Between 0 and 11 years | 30.09 | 39.30 | 38.08 |
| Between 12 and 19 years | 45.37 | 38.13 | 39.23 |
| Between 20 and 27 years | 10.19 | 12.06 | 13.08 |
| Between 28 and 35 years | 3.70 | 2.72 | 2.69 |
| Over 35 years | 10.55 | 7.78 | 6.92 |
| Total | 100 | 100 | 100 |

Employees who have obtained partial retirement by gender

| | 2021 | | 2022 | | 2023 | |
|--------------|----------|------------|----------|------------|----------|------------|
| | Number | % | Number | % | Number | % |
| Men | 5 | 100 | 5 | 100 | 4 | 100 |
| Women | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 100 | 5 | 100 | 4 | 100 |

Employees who have obtained partial retirement by age

| | 2021 | | 2022 | | 2023 | |
|---------------|----------|------------|----------|------------|----------|------------|
| | Number | % | Number | % | Number | % |
| <63 years old | 2 | 40.00 | 0 | 0 | 1 | 25.00 |
| >63 years old | 3 | 60.00 | 5 | 100 | 3 | 75.00 |
| Total | 5 | 100 | 5 | 100 | 4 | 100 |

Employees who have obtained partial retirement by professional category

| | 2021 | | 2022 | | 2023 | |
|---------------------------------------|----------|------------|----------|------------|----------|------------|
| | Number | % | Number | % | Number | % |
| Management Structure | 0 | 0 | 2 | 40.00 | 1 | 25.00 |
| Support Structure | 2 | 40.00 | 1 | 20.00 | 2 | 50.00 |
| Operational Staff and Middle Managers | 3 | 60.00 | 2 | 40.00 | 1 | 25.00 |
| Total | 5 | 100 | 5 | 100 | 4 | 100 |

⁷⁵ Content related to **GRI Indicator 401-1**: New employee hires and employee turnover.

Below are the data on the annual averages of contracts by fiscal year, broken down by their type and by gender, age, and professional

category, taking into account all active contracts during 2021, 2022, and 2023, respectively, at Adif AV:

Average number of employees by type of contract and working hours

| | | 2021 | | | | | |
|-----------------------------|----------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | | <51 years | | ≥51 years | | Total | |
| | | Men | Women | Men | Women | Men | Women |
| Operational Staff | Permanent | 0.08 | - | 3.00 | 5.00 | 3.08 | 5.00 |
| | Permanent, part-time | - | - | - | - | - | - |
| | Temporary | 4.00 | 0.58 | 1.08 | - | 5.08 | 0.58 |
| Middle Managers | Permanent | 16.00 | 1.67 | 1.75 | 5.00 | 17.75 | 6.67 |
| | Permanent, part-time | - | - | 1.00 | - | 1.00 | - |
| | Temporary, part-time | 0.08 | - | - | - | 0.08 | - |
| Support Structure | Permanent | 29.42 | 17.75 | 17.67 | 1.50 | 47.08 | 19.25 |
| | Permanent, part-time | - | - | 1.08 | - | 1.08 | - |
| | Temporary | - | - | - | - | - | - |
| Management Structure | Permanent | 37.17 | 20.00 | 35.42 | 11.08 | 72.58 | 31.08 |
| | Permanent, part-time | - | - | 1.25 | 0.92 | 1.25 | 0.92 |
| Total | | 86.75 | 40.00 | 62.25 | 23.50 | 149.00 | 63.50 |



Average number of employees by type of contract and working hours

| | | 2022 | | | | | |
|-----------------------------|----------------------|--------------|--------------|--------------|---------------|--------------|--------------|
| | | <51 years | | ≥51 years | | Total | |
| | | Men | Women | Men | Women | Men | Women |
| Operational Staff | Permanent | - | - | 3.00 | 3.90 | 3.00 | 3.90 |
| | Permanent, part-time | - | - | - | - | - | - |
| | Temporary | 19.10 | 0.80 | 2.70 | - | 21.80 | 0.80 |
| | Temporary, part-time | - | - | - | - | - | - |
| Middle Management | Permanent | 17.40 | 1.30 | 0.40 | 5.00 | 17.80 | 6.30 |
| | Permanent, part-time | - | - | 1.60 | - | 1.60 | - |
| | Temporary | - | - | - | - | - | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Support Structure | Permanent | 30.90 | 13.50 | 18.30 | 2.60 | 49.20 | 16.10 |
| | Permanent, part-time | - | - | 1.20 | - | 1.20 | - |
| | Temporary | 0.10 | - | - | - | 0.10 | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Management Structure | Permanent | 34.60 | 21.80 | 36.80 | 13.30 | 71.30 | 35.10 |
| | Permanent, part-time | - | - | 2.00 | - | 2.00 | - |
| | Temporary | - | - | - | - | - | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Total | 102.10 | 37.30 | 65.80 | 24.70 | 167.90 | 62.10 | |



Average number of employees by type of contract and working hours

| | | 2023 | | | | | |
|----------------------|----------------------|--------------|--------------|--------------|---------------|--------------|-------|
| | | <51 years | | ≥51 years | | Total | |
| | | Men | Women | Men | Women | Men | Women |
| Operational Staff | Permanent | - | - | 2.83 | 4.00 | 2.83 | 4.00 |
| | Permanent, part-time | - | - | - | - | - | - |
| | Temporary | 35.92 | 0.42 | 4.08 | - | 40.00 | 0.42 |
| | Temporary, part-time | - | - | - | - | - | - |
| Middle Management | Permanent | 21.00 | 2.83 | - | 4.75 | 21.00 | 7.58 |
| | Permanent, part-time | - | - | 1.08 | - | 1.08 | - |
| | Temporary | 0.58 | - | - | - | 0.58 | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Support Structure | Permanent | 33.92 | 9.75 | 21.25 | 6.00 | 55.17 | 15.75 |
| | Permanent, part-time | - | - | 1.42 | - | 1.42 | - |
| | Temporary | 0.58 | - | - | - | 0.58 | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Management Structure | Permanent | 27.92 | 25.42 | 44.00 | 12.00 | 71.92 | 37.42 |
| | Permanent, part-time | - | - | 1.25 | - | 1.25 | - |
| | Temporary | - | - | - | - | - | - |
| | Temporary, part-time | - | - | - | - | - | - |
| Total | 119.83 | 38.42 | 75.92 | 26.75 | 195.75 | 65.17 | |

Average remuneration by professional category (€)

| | 2021 | | 2022 | | 2023 | |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Men | Women | Men | Women | Men | Women |
| Operational Staff | 28,561.88 | 33,253.71 | 24,769.20 | 30,253.16 | 34,010.43 | 33,693.74 |
| Middle Management | 40,365.11 | 35,887.61 | 37,420.81 | 35,666.47 | 37,472.11 | 29,733.93 |
| Support Structure | 50,256.91 | 48,499.55 | 49,171.60 | 46,602.28 | 49,519.92 | 46,808.90 |
| Management Structure | 59,009.41 | 57,219.94 | 64,582.40 | 61,647.21 | 66,707.53 | 63,465.24 |

The remunerations broken down by their type and by gender, age, and professional category, for which all active contracts during 2021, 2022, and 2023 at Adif AV have been considered, are as follows:

Average remuneration by gender (€)

| | 2021 | 2022 | 2023 |
|-------|-----------|-----------|-----------|
| Men | 55,246.66 | 47,646.59 | 51,986.48 |
| Women | 52,512.16 | 52,686.74 | 53,682.59 |

Average remuneration by age (€)⁷⁶

| | 2021 | |
|-----------------------------|-----------|-----------|
| | Men | Women |
| Up to 35 years old | 33,807.51 | 39,413.13 |
| Between 36 and 50 years old | 52,219.88 | 56,817.23 |
| Over 50 years old | 60,368.59 | 51,183.14 |
| | 2022 | |
| | Men | Women |
| Up to 35 years old | 28,339.25 | 41,360.73 |
| Between 36 and 50 years old | 49,061.57 | 56,033.46 |
| Over 50 years old | 56,428.70 | 50,305.14 |
| | 2023 | |
| | Men | Women |
| Up to 35 years old | 37,293.73 | 36,715.36 |
| Between 36 and 50 years old | 52,654.13 | 58,143.36 |
| Over 50 years old | 59,321.88 | 51,940.20 |

Pay gap by professional category (%)^{77, 78, 79}

| | 2021 | 2022 | 2023 |
|----------------------|--------|--------|-------|
| Operational Staff | -16.43 | -22.14 | 0.93 |
| Middle Management | 11.09 | 4.69 | 20.65 |
| Support Structure | 3.50 | 5.23 | 5.47 |
| Management Structure | 3.03 | 4.54 | 4.86 |

⁷⁶ "In the last 3 years (since 2020), the percentage of employees under 35 years old has increased from 5.05% to 12.31%.

⁷⁷ Gender Pay Gap = ((Average male compensation - Average female compensation) / Average male compensation) * 100.

⁷⁸ Content related to **GRI Indicator 405-2**: Ratio of base salary and total remuneration of women to men.

⁷⁹ At Adif AV, the "Gender Pay Gap" data can vary significantly from one year to another, due to having a small workforce and being more sensitive to the effect of new hires, promotions, and retirements. The professional category with the highest number of employees is the "Management Structure," which includes the groups: Chief, Area Chief, Area Manager, Deputy Director, and Director. (There is no Senior Management).

4.1.1. Organisation of work

○ Key Milestones:

- **Mobility:** Resolution of the general mobility calls under the “Framework Regulation for voluntary mobility for the filling of permanent positions through competition,” which was elevated to agreement and published in the BOE on July 19, 2023.
- **Allocation of positions from the recruitment calls** corresponding to the **annual employment** offer and execution of the corresponding mass hiring processes.
- Development and execution of the **Partial Retirement Circular 2023**.

○ Main risks and opportunities:

- Shortage of certain professional profiles, which is addressed through Public Employment Offers and internal mobility processes.
- Lack of supervisors for work-related tasks, which is mitigated by offering special fixed-term contracts and the provision of these services by Adif’s organisation to the extent possible.

○ Contribution to the SDGs:



○ Our commitment:

- Publication of **general calls at the national level** under the new model established in the Agreement on the “Framework Regulation for voluntary mobility for the filling of permanent positions through competition”. Through these mobility processes, we aim to align the needs of different workplaces with the profiles of the entity’s employees, with their execution being mandatory to permanently place new hires.
- Publishing a **new Partial Retirement Circular** to contribute to the necessary rejuvenation of the workforce and ensure the transfer of knowledge to new hires.
- Carrying out the corresponding **allocation and hiring processes for the annual employment offer**.

In 2023, no complaints related to conciliation issues have been reported



Work-life balance and disconnection
People hold the key to the future of the organisation.

In addition to the **measures of telecommuting, mobility, and partial retirement** addressed below, with the **II Collective Agreement of Adif and Adif AV**, the Entity has continued working with technical development committees on issues such as regulations, working hours, and schedules, conciliation and equality, as well as matters such as setting the **annual working time at 1,642 hours** based on an eight-hour day calculation. A weekly average of 37.5 hours is established. To balance the schedule in this way, agreements were reached with the Employee Representation, reducing several days of work annually for this purpose.

In this regard, work is distributed in shifts according to what is established in the current labour regulations in the company for many collectives. A significant portion of the personnel has a weekly schedule of five workdays and two rest days. Additionally, employees have benefits for death and assistance for children with disabilities, leave for caring for dependents, leaves up to the 2nd degree of consanguinity or affinity, unpaid leave of up to one month for the death of certain family members, agreements for remote work, sabbaticals of up to three years to care for family members up to the second degree of consanguinity, leaves for assisted reproduction, as well as a flexible entry schedule, among many others.

Remote work

In 2022, the Procedure for the implementation of remote work was approved in Adif and Adif AV to develop the **Remote Work Agreement**.



The SP2030 the implementation and integration of remote work as one of the necessary premises to advance in the digital and cultural transformation of the organisation.

Once the procedure, signed by the Negotiating Committee of the II Collective Agreement of Adif and Adif AV, was implemented, during 2023, the activity has been monitored and the new hires who have completed one year of tenure in their positions have been incorporated into the workforce, performing their work in the in-person mode.

The positions in which Remote Work is allowed are determined based on meeting certain requirements set by the company. These positions are mostly related to administrative management and

Remote work facilitates work-life balance and contributes to environmental improvement by avoiding commuting



Positions Suitable for Remote Work vs Employees in Remote Work as of 12/31/2023

| Professional category | Positions suitable for Remote Work | Employees in Remote Work | | | | | |
|-----------------------|------------------------------------|--------------------------|-----------|------------|--------------|--------------|--------------|
| | | Men | Women | Total | % Men | % Women | % Total |
| Operational Staff | 5 | 2 | 2 | 4 | 33.30 | 33.30 | 66.70 |
| Middle Management | 15 | 9 | 3 | 12 | 52.60 | 15.80 | 68.40 |
| Support Structure | 45 | 26 | 18 | 44 | 62.70 | 33.30 | 96.10 |
| Management Structure | 62 | 27 | 17 | 44 | 44.60 | 29.20 | 73.80 |
| Total | 127 | 64 | 40 | 104 | 51.40 | 28.90 | 80.30 |

information systems, and to a lesser extent, to operational tasks such as infrastructure maintenance and traffic control.

Likewise, the II Collective Agreement of Adif and Adif AV, in its clause 13, Digital Guarantees, includes the rights to digital guarantee and the right to privacy and use of digital devices in the workplace, as well as digital disconnection schedules.

Framework Agreement on Mobility

The Negotiating Committee of the II Collective Agreement of Adif and Adif AV signed, on June 27, 2022, the agreement on the “Framework Regulation for voluntary mobility for the filling of permanent positions through competition”, as the culmination of the work carried out under the provisions of its clause 10 for its incorporation into the agreement. The new agreed Mobility Framework constitutes a necessary management tool for organisational efficiency that allows integrating the plans and objectives of the Entity with the satisfaction of the professional expectations of the employees.

With this process, the Entity facilitates the professional development of employees by offering them the opportunity **to change positions in various modalities**, provided they meet the requirements established in the Mobility Framework Regulation governing the process:

- **Transfer.** The allocation of positions in transfers will be made among participants of the same category as those being covered, who have requested them.
- **Promotion.** The allocation of positions in promotion will be made, first, among participants who hold a category from which access to the category of the positions to be assigned can be obtained by promotion, and, subsidiarily, among participants of

The SP2030 includes internal mobility as one of the strategic lines of action within the Generational Succession Plan



the same professional group or subgroup. To compete under the promotion regime, it will be an essential requirement to pass a previous selection process.

- **Conversion.** In this modality, participation is allowed for a position with the same salary level that cannot be accessed by transfer according to current regulations. As in the promotion modality, passing a previous selection process will be an essential requirement for conversion.

The calls are based on the following **principles**:



Geographical and functional mobility promotes family proximity and professional development



- **National Scope:** Calls are published with a maximum frequency of every two years when there are workers with provisional residence and a maximum of every three years in other cases.
- The calls are promoted by the General Directorate of People Management, which determines the persons responsible for their execution, the scope, and the organisational reach of each one. In 2023, they were managed by the Administration Subdirectorate (Area Chief of Mobility), under the Planning, Organisation, and Administration Directorate, in coordination with corporate and territorial personnel managers (the latter attached to the Territorial Coordination Subdirectorate under the Human Resources Directorate). These calls have had a Joint Monitoring Committee that has ensured the smooth development of the entire process in accordance with regulations, addressing any incidents that arise.
- The bases of the calls to be published are subject to a prior information procedure to the Employee Representation so that they may submit any objections they deem appropriate. On the other hand, the regulation provides for the mandatory incorporation of complaint periods available to interested parties in each of the acts and phases of execution and resolution, with specific indication of deadlines and form of presentation.

Applying this recently integrated regulation into the collective agreement, three calls were published for personnel subject to the collective agreement, which included the transfer, promotion, change of position, and conversion regimes.

To fill 33 vacancies offered for positions at Adif AV, 77 people from both entities participated in the various calls, and the positions were definitively awarded at the end of July 2023.

Partial Retirement

Partial retirement is a sustainable management tool, legally linked to mandatory replacement by a new employee, which promotes the reduction of unemployment. Adif AV, through partial retirement, allows older individuals who wish to do so to leave the organisation in such a way that they can transfer knowledge in key positions during their last active period.

To achieve this, the Partial Retirement Circular 2023 was published on the intranet on February 2, 2023, supplemented by the Annex of March 29. In the initial offering, the limit of authorised partial retirements for the year (6 vacancies offered) was not reached, but there were 5 vacancies that were subject to an extraordinary offering during the first half of April.

At the end of the process, one person joined the partial retirement scheme, leaving 5 unfilled vacancies. Currently, partial retirement is only considered with a 75% reduction in working hours by linking it to the hiring of individuals with full-time indefinite replacement contracts.

This **Partial Retirement Circular**:

- Is a fundamental part of the Multi-Year Employment Plan, continuing the partial retirement initiated in 2017. It is the intention of the entities to continue with partial retirement with a replacement contract in a 75/25 or higher ratio if necessary, so it is agreed to continue the Partial Retirement Circular year by year, under the conditions established at each moment by current legislation.
- Has been managed by the Administration Subdirectorate (Area Chief of Administration, under the Planning, Organisation, and Administration Directorate), in coordination with corporate and territorial personnel managers (the latter attached to the Territorial Coordination Subdirectorate under the Human Resources Directorate).
- Its projects are subject to a prior information procedure to the Employee Representation.
- Includes complaint periods available to interested parties with specific indication of deadlines and form of presentation.



4.2. GROWTH OF WORKERS

○ Key Milestones:

- Implementation of the **Annual Knowledge Transfer Plan**, which is the core roadmap used to identify the groups called upon to participate in this initiative and to promote their development.
- **Employees trained** in information security, environmental issues, and in equality and women's advancement programmes.
- Work continued on **setting up Skills and Potential Development Centres**. The first skills development centres were set up for young talent and female talent (seven Adif AV employees) in 2022, and the skills and potential development centres for the expert talent line were added in 2023 (two Adif AV employees).

○ Main risks and opportunities:

- **Risk of losing knowledge** due to people retiring in key positions.

○ Contribution to the SDGs:



○ Our commitment:

- Continue to implement **Group-wide annual knowledge transfer programmes** (*Dejando Huella* [Leaving a Mark], *Adif en Primera Persona* [Adif in the flesh], *Experiencias de Éxito* [Successful experiences], etc.).
- Within the knowledge transfer programme, **identify key positions/people and prioritise actions according to retirement age**.
- **Ensure 70% of employees participate in some kind of training action**.

4.2.1. Professional development⁸⁰

In 2023, Adif AV has strengthened measures so that workers can achieve the right tools for their professional development. This includes implementing the **Generational Succession Plan and the Annual Knowledge Transfer Plan**.

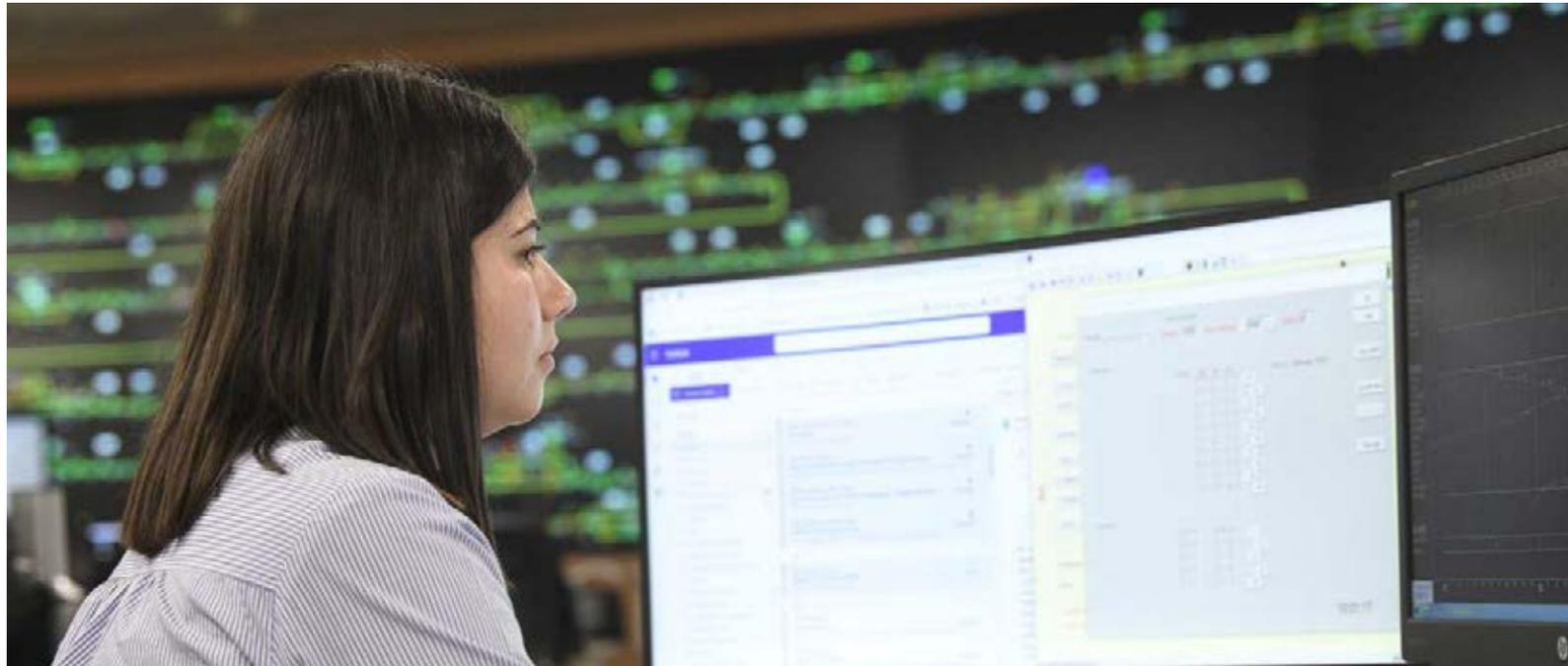
Part of the **Generational Succession Plan** includes **public sector job postings** to ensure generational replacement is carried out in an orderly fashion by introducing new profiles. The procedure includes applying to the competent bodies for authorisation (Ministries of Finance and Civil Service) and analysing and proposing the distribution of authorised positions, publishing the calls for applications, and carrying out the selection processes. The Multi-year Employment Plan launched by both entities aims to guarantee the posting of **more than 6,000 public employment positions in**

In 2023, it hired 26 new employees through the corresponding public sector job postings (12 in 2022)



the period 2021-2025. This Plan aims to rejuvenate the workforce and bring about generational change, resolve the structural deficit in the workforce, and attract qualified talent oriented towards professional development.

Adif AV's staff selection processes are regulated in labour legislation for the employees covered by the collective bargaining agreement.



Annual Knowledge Transfer Plan

Also forming part of the **Generational Succession Plan**, the **Annual Knowledge Transfer Plan** was implemented and successfully concluded in 2023. The aim is for this plan to continue into 2024, the main objective of which is to minimise or avoid the loss of know-how that occurs as when people in key positions retire, especially those related to operational safety.

This plan is the core roadmap used to identify the groups called upon to participate in this initiative and to promote their professional development.

The initiative aims to establish activities that contribute to managing knowledge in Adif and Adif AV, promoting and ensuring the generation and transfer of knowledge, avoiding the risk of losing critical knowledge to ensure the continuity of our lines of action. Likewise, it is aligned with the 2nd Equality Plan of 18 July 2019, which has a specific objective to achieve "Equality in working conditions and professional careers". A line of action has been created for this purpose to detect talent, which specifically includes female talent.

Lines of action of the plan:

Line 1: To fill 12 key positions with expert talent by natural replacements, Heads and Technicians up to 59 years old with a university degree and at least 10 years of experience, and other people identified by the areas, to become repositories of the knowledge of people in key positions.

Line 2: To identify potential among young talent (men and women, managers and technicians, between 30 and 50 years old, with a university degree and at least 4 years of experience) and female talent (women, managers and technicians, under 59 years old, with a university degree and at least 4 years of experience) to discern and develop their potential and competence level so that they can become the expert talent of tomorrow.

The **indicators of the Annual Knowledge Transfer Plan** in 2023 were as follows:

⁸⁰ Content related to **GRI indicator 404-2: Employee upskilling programmes.**

| | |
|--|----|
| Key positions with Interdisciplinary Thematic Platforms | 11 |
| People from the pool of expert talent who have been assessed | 29 |
| People from the female talent pool who have been assessed | 46 |
| People from the young talent pool who have been assessed | 50 |
| Trained mentors | 11 |
| Trained mentees | 33 |
| People currently undergoing development actions | 28 |

In addition, the **Skills and Potential Development Centres** for Adif and Adif AV professionals have continued, incorporating a group of Management and Support Structure to contribute to the generational replacement of people in key positions and to identify internal talent. The first skills development centres were set up for young talent and



female talent (seven Adif AV employees) in 2022, and the skills and potential development centres for the expert talent line were added in 2023 (two Adif AV employees).

4.2.2. Training plan

In line with the objective to promote the development of its professionals, Adif AV has a Training Plan which sets out training actions aimed at improving, refreshing and updating skills and qualifications.

All the courses offered within the Annual Training Plan are open to all groups. Some of these with an ESG theme are:

Adif AV offers a broad selection of training courses on various subjects, including corporate sustainability, and employees are free to choose the topics that interest them most



MAIN KPIs

89%

Level of satisfaction with the training received

83%

Level of satisfaction – other areas of activity

90%

Position Transfer Level

96%

People starting and completing courses on the Virtual Training Centre platform

Regarding **environmental protection**, an expert programme covering climate change and energy efficiency was made available to employees. The training Catalogue includes courses covering the following topics, among others:

| | |
|--|--|
| International fight against climate change | Efficient car use |
| Expert course in climate change and circular economy | Centralised and individual heating and DHW systems |
| Atmospheric emissions | Microcogeneration |
| Sustainable mobility workshop | Energy saving |
| Energy performance certification for buildings | Smart energy in smart cities |
| Energy and environmental efficiency | |

In the **social sphere**, there are training courses on Corporate Responsibility and Equality which cover the following topics, among others:

| | |
|--|-------------------------------|
| Diversity and inclusion at work | Gender equality |
| Inclusive leadership | Gender-based violence |
| Non-sexist communication | Cultural diversity |
| Sexual harassment and violence at work | Inclusion for all |
| Corporate social responsibility | Sustainable Development Goals |

In the **field of governance**, the training Catalogue includes courses open to all employees of both companies in relation to regulatory compliance and RRF training. The courses offered are:

| | |
|--|---------------------------------|
| Adif against bribery and corruption | Adif against fraud |
| Adif and conflicts of interest | Compliance and general ethics |
| Code of ethics and conduct | The Spanish Data Protection Act |
| Virtual classroom RRF projects and initiatives | |

Hours of employee training on ESG issues

| | 2023 | |
|---|------|-------|
| | Men | Women |
| Training hours on ESG issues | 131 | 49 |
| Employees receiving ESG training | 51 | 17 |
| Training hours on equality, work-life balance, diversity and inclusion | 274 | 70 |
| Employees trained on equality, work-life balance, diversity and inclusion | 39 | 10 |



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 involves monitoring the number of people who receive training in:

- Well-being and human factor programmes.
- Digital transformation programmes.
- Equality and women's advancement programmes.
- Environmental programmes.

The following **programmes** (which also address ESG issues) included in the Plan are **Group-wide** and therefore available to all employees:

- The power of diversity: How to work well with everyone.
- Inclusive leadership: Welcome to diversity.

One of the key features of the Plan is the Strategic Training Plan, which covers many of the actions that will continue to support the Company as it responds to the critical challenges and needs of society.

All of the following agents are involved in detecting and flagging needs, headed up by the Training Sub-Department:

- **Training Centres:** They review and complete the training Catalogue together with the area training managers. They supervise the process in all its subjects.
- **Heads of Training-General Managers:** They assign training to people according to the company's plans and also oversee the process in relation to their respective subjects.
- **Workers:** They request training from the Catalogue within the MyTraining (*MiFormación*) App.

A total of 1,167 training applications were accepted in 2023



Adif and Adif AV invested a total of €10.32 million in training in 2023⁸¹



- **Heads and Supervisors:** They validate requests and see to it that all needs are satisfied.
- **Training Advisory Council:** It reviews the process, provides input for the Plan and then validates it.

The **Training Catalogue** is a tool made available to all employees where each employee is an active participant in their own training, alongside their direct managers and supervisors. Depending on the group, each person can see their required training, recommended training and the further training made available for their own personal and professional development.

Group-wide programmes related to leadership are offered in the Catalogue, including, among many others, the following:

- Self-motivation and management.
- Persuasive communication.
- Creativity and innovation.
- Effective time management.
- Emotional intelligence.



- Teamwork.
- Success-driven.

The **average number of training hours** per employee at Adif AV in 2023 (125.9) broken down by gender, has gone from 259.45 hours to 149.38 hours for men and from 55.06 to 54.24 hours for women, with the following distribution by professional category:

Training hours by professional category⁸²

| | 2021 | | 2022 | | 2023 | |
|----------------------|---------------|---------------|--------------|---------------|--------------|--|
| | Total | Men | Women | Men | Women | |
| Management Structure | 631 | 2,632 | 1,480 | 3,293 | 1,963 | |
| Support Structure | 1,935 | 7,357 | 784 | 6,285 | 1,218 | |
| Middle Managers | 5,006 | 2,683 | 249 | 1,708 | 161 | |
| Operational Staff | 6,418 | 26,505 | 956 | 19,785 | 346 | |
| TOTAL | 13,990 | 39,177 | 3,469 | 31,071 | 3,688 | |

⁸¹ Adif + Adif AV.

⁸² Content related to **GRI indicator 404-3**: Percentage of employees receiving regular performance and career development reviews.

4.2.3. Cultural Change Project

The Company has been undergoing a major cultural change project since 2022 thanks to the implementation of the SP2030 and the generational handover. This Project involves everyone in the organisation and aims to:



“Change our behaviours to change our culture”. The premise on which the **Cultural Change Project** is based will enable Adif AV to face the challenges of its present and future.

It is a strategic initiative of Adif and Adif AV that will allow the two companies to face their present and future challenges with full guarantees. It is a great career opportunity for everyone in both companies, making them part of a lasting and sustainable change in the organisation.

The aim is to transform the culture at Adif and Adif AV through a sweeping behavioural change of its workers in order to support the ongoing implementation of the SP2030.

- It is Adif and Adif AV's global project, managed by an internal and autonomous project team working together with experts in the Viral Change™ methodology. There is a network of 400 “Agents of Change” identified by their peers.

- The challenge is a tough one: it involves evolving the values, beliefs, behaviours, and in short, the culture of Adif and Adif AV, towards a model that allows them to be better companies for their workers, for society, and for citizens as a whole.

This cultural change project is being developed in different phases. Phase 4, corresponding to year 2 of the project, was implemented in 2023.

Year 1: Phases 1, 2 and 3. Elements of the new Adif culture started to emerge across certain parts of the organisation.

Year 2: Phase 4. The new culture, observed through behaviours, was scaled up to more areas of the organisation.

Year 3: Phase 5. The culture will be not only be present in the day-to-day life of the majority of workers, but also embedded within organisational projects and processes, in the DNA of the organisation. The capacity for change will be an integral part of our organisational fabric and will support us as we tackle future challenges.

ADIF 5+5 CULTURAL CHANGE

| | | | | | | |
|---------------------------------------|---|---|--|---|---|--|
| <h1>5</h1> <p>REFLECTIONS WE MAKE</p> | <p>I am sharing the information that others need?</p> | <p>Is there a better way to do things? More efficient, more useful?</p> | <p>Do I act ethically and honestly?</p> | <p>Do I take care of the environment? Every action of mine counts.</p> | <p>What role can I play in this process of change?</p> | |
| | <h1>5</h1> <p>PRINCIPLES WE FOLLOW</p> | <p>I am responsible for my professional development and I facilitate that of my colleagues.</p> | <p>I listen without prejudging and seek different viewpoints that enrich my decisions.</p> | <p>I work being aware that I provide a public service, essential for society.</p> | <p>I actively seek to respond to the needs of my internal and external clients.</p> | <p>I am alert to the risks and monitor the effectiveness of their barriers, any detail can effect the operation.</p> |

The 5 Pillars of Viral Change™

- NON-NEGOTIABLE BEHAVIORS
- PEER NETWORKS
- THE INFORMAL ORGANIZATION
- STORIES
- LEADERSHIP AMONG BACKSTAGERS

Programmes and resources for cultural change

Programmes and resources will also be in place to help us bring about this change from all angles:

- **TV Training Portal:** comprising numerous tools and services made available by Adif and Adif AV to learn and communicate through images and digital technologies.
- **Coaching Programme:** bringing about learning and change among managers in the organisation.
- **Horizon 2030:** preparing the managers of the next decade.
- **Leaving a Mark:** passing on knowledge from the old to the young.

In line with the programme, training is also offered to new staff and training actions are carried out on the subject of equality and sexual harassment, along with gender-based harassment protocols, to transmit the culture and values of Adif and Adif AV in this regard.

TV Training Portal

The Training Portal comprises numerous tools and services made available by Adif and Adif AV to learn and communicate through images and digital technologies.

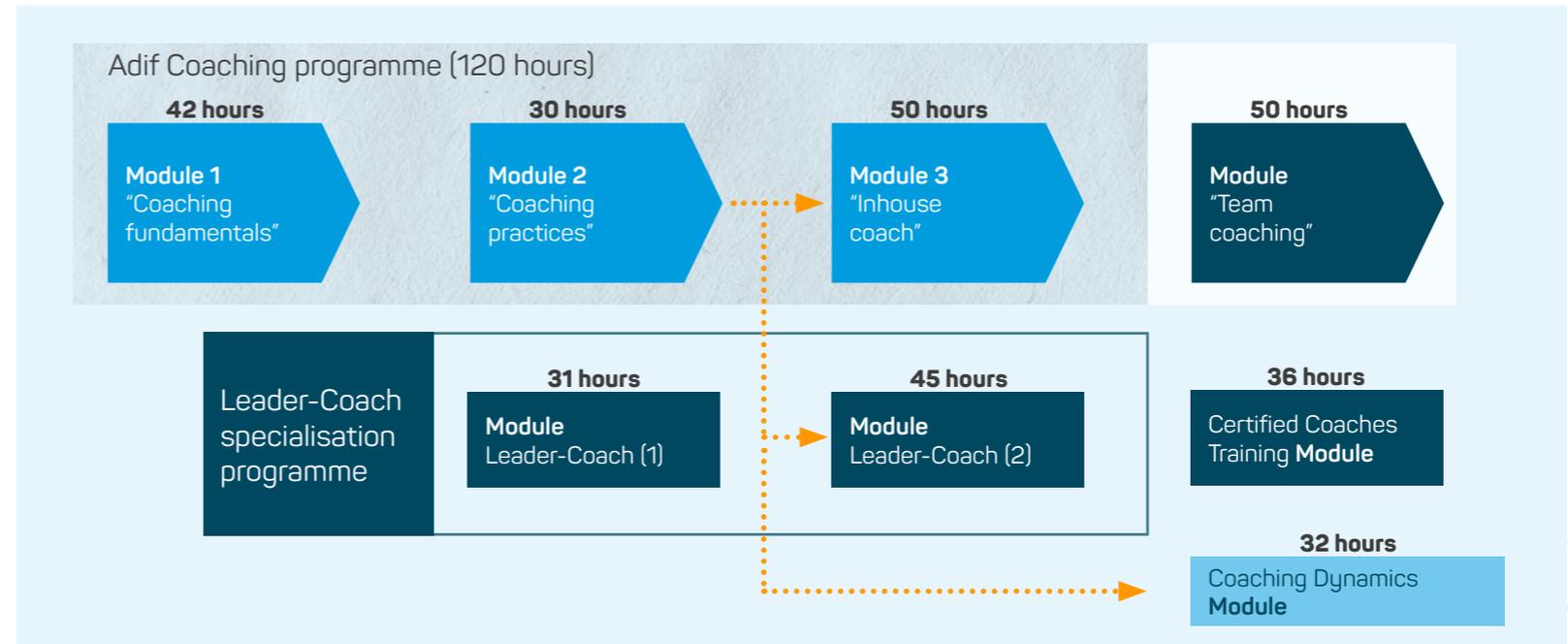
Internal Coaching Programme

Adif and Adif AV's Coaching Programme emerged in 2015 when the People Management Department launched an innovative talent development project to enhance learning and growth among professionals through conversations between peers (Peer Coaching). This initiative showcased the true power of the Coaching methodology as a form of conversation between people and as a driver for transforming human relationships. This initiative has evolved to become a key part of the 3C Management Leadership Model, fostering a sense of proactivity, responsibility and commitment to oneself and to the organisation.

The programme meets all pertinent quality standards and has been AECOP® Certified since 2018. It is used to observe both the training of internal coaches, which is carried out entirely in-house, and to oversee processes. In 2019, Adif AV received the Honorary Award for "Coaching Culture in Business" and the first "AECOP-Business Partner" seal in



Structure of the full programme



recognition of its work in disseminating executive Coaching within the business environment.

The coaching programme is also aligned with the SP2030, as part of the Plan to Promote Leadership and Recognise Talent at Adif and Adif AV, thus helping to bring about a change in habits and processes within the Company that will ultimately lead to a cultural transformation. **Around 200 people have completed the programme so far. Around 100 individual executive coaching processes and 15 self-entrepreneurship initiatives have been carried out to date. There were 20 certified internal Coaches in 2023. This year 11 people were also certified in Team Coaching and 6 team coaching processes have been carried out.**

Horizon 2030 programme

This programme 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.

Leaving a Mark programme

Leaving a Mark (*Dejando Huella*) is a development programme aimed at systematising organisational learning and contributing to knowledge management by preventing it from being lost as the workforce ages. It continued to run throughout the year.

4.2.4. Staff performance

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:



The Leadership Model. 3C Executive Management drives the performance of the organisation's leaders



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.

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).

Adif AV carries out numerous projects and activities within this framework to strengthen the spirit underlying the model and to give it added momentum.

Competency Catalogue-Digital transformation 360° Performance Assessment

As in previous years, 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 include: agility, flexibility, collaboration and cooperation, efficiency, transparency, participation, speed, etc.

In 2023, Adif AV's average performance assessment score was 91.25%, based on 435 evaluations of 102 employees, 39.32% of the workforce and 89.47% of management staff were subjected to the assessment



Of the total number of employees evaluated, 68 were men (66.67%) and 34 women (33.33%)



The Catalogue in effect continues to be built 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.

Integrated Management by Objectives (MBO) model

The 360° Individual Report provided to each assessed person constitutes a development tool in itself, but the result of the process is also part of Adif AV's company objectives for 2023, framed within the People-Driven lever.

The Integrated Management by Objectives Model (MBO) enables the development and deployment of company-wide and area-specific

| INTEGRATED MANAGEMENT BY OBJECTIVES (MBO) MODEL ⁸³ | 2020 | 2021 | 2022 |
|---|--|--|--|
| Degree of achievement of Adif AV objectives [%] | 95.75% (with a total of 190 individuals appraised, accounting for 87.96% of the workforce) | 98.95% (with a total of 194 individuals appraised, accounting for 89.81% of the workforce) | 98.40% (with a total of 199 individuals appraised, accounting for 76.54% of the workforce) |

⁸³ Latest data available at the date the Management Report is issued.

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.

Individual Development Plans

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.

This year, the Adif 5+5 section has been added to the performance questionnaire, relating to the ten points of the Cultural Change project.

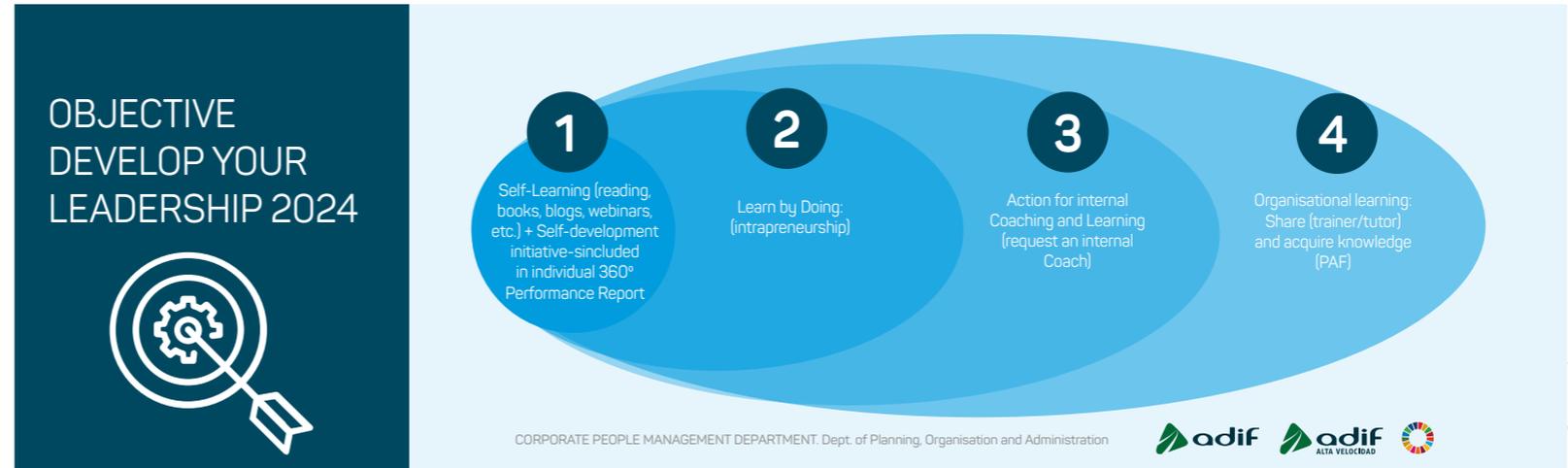
Global Performance is the Goal of Adif's People-Driven Engine in the MBO (Management by Objectives) 2023 Model



This project assesses the extent to which the person evaluated faithfully embodies the principles and reflections of cultural change, as well as their strengths and areas for improvement in this field. This value is presented separately and is not taken into account when calculating overall performance.



DESIGN YOUR INDIVIDUAL DEVELOPMENT PLAN



4.3. FOCUS ON PEOPLE

○ Key Milestones:

- Development of the **social policy agreement** signed with the General Works Council on 12 December.
- **Regulatory queries** regarding work-life balance, working hours, remote work, mobility, remuneration, equality and diversity, etc. were resolved.
- **Labour, administrative and other regulations** were analysed for their possible impact and application to Adif AV.

○ Main risks and opportunities:

- General labour standards must be assessed on a continuous basis, both in terms of internal policies and also as they relate to other labour standards.

○ Contribution to the SDGs:



○ Our commitment:

- Continue the **peaceful implementation and update of the Remote Working Agreement and the Chair's Resolution**.
- Negotiation deriving from the application of Royal Decree Law 5/2023, of 28 June. This Royal Decree came into force on 30 June and covers, among other issues, different modifications to the Spanish Labour Relations Act and the Basic Statute of Public Employees. Particularly, the issues relate to modified working hours and new leave for work-life balance reasons, and the incorporation of such measures into the company's labour regulations, which will be agreed with the General Works Council and the Negotiating Committee.

4.3.1. 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 AV 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.

The social benefits set out in Royal Decree 5/2023, of 28 June regarding the reconciliation of family and professional life for parents and carers have been adapted in cases where more advantageous aspects were not presented within the agreements between the Company and the workers.

Full-time employees have the same rights and benefits as part-time employees⁸⁴.

On 1 January 2024, new employee benefits will enter into force as set out in the social policy that was agreed between Management and Trade Unions unanimously and signed on 12 December, and which was ratified by the Collective Bargaining Negotiating Committee on 19 December 2023.

⁸⁴ Content related to **GRI indicator 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees.**

⁸⁵ Content related to **GRI indicator 401-3: Parental leave.**

4.3.2. 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 and continued to work for the Company 12 months later. The number of employees entitled to parental leave by gender was 260, of whom six men and four women took leave.



Maternity/paternity leave⁸⁵

| | 2021 | | 2022 | | 2023 | |
|---------------------------------------|----------|-------|----------|-------|-----------|-------|
| | Men | Women | Men | Women | Men | Women |
| Employees availing of maternity leave | 0 | 1 | 0 | 2 | 0 | 4 |
| Employees availing of paternity leave | 3 | 0 | 4 | 0 | 6 | 0 |
| TOTAL | 4 | | 6 | | 10 | |

4.3.3. Employee relations

○ Key Milestones:

- **Negotiation with trade unions** to address the necessary changes in working conditions arising from the new production models.
- Contacts with workers' representatives to explore the **possibility of extending Adif and Adif AV's 2nd Collective Bargaining Agreement or terminating it.**
- Pre-agreement on 35 hours of annual working time.
- Collaboration on developing the **electoral process** regulations and subsequent actions after the elections.

○ Main risks and opportunities:

- In general, the application of trade union rights by the Trade Union Management and Regulation areas should not present risks in relation to ESG criteria. However, it is important to constantly ensure that trade union rights are respected and labour standards are complied with in order to achieve a safe and fair working environment.

○ Contribution to the SDGs:



○ Our commitment:

- Negotiation of the **3rd Collective Bargaining Agreement of Adif and Adif AV.**
- Continue to inform Management on the implementation of the **New Model for Spatial Management and Adaptation to Change.**
- Signing of the **Trade Union Rights Agreement 2023-2027.**

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



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. In this sense, **in 2023 there were no strikes in Adif AV.**

Clause 13 on Digital Safeguards in 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 are set out and regulated in the Remote Working Agreement, which was implemented in 2022 under the watchful eye of the Monitoring Committee, comprising representatives from the company and the trade unions, as stipulated in the agreement itself.

Adif AV engages with its employees by means of regular meetings between management and the various **committees and other worker representation bodies** vested 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.

Staff Delegates

There are staff delegates in Barcelona, León and Seville.

General Works Council

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

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.

Provincial Health and Safety Committees

Management has three members on the Provincial Health and Safety Committee of Adif AV in Madrid. Management has one person sitting on each of the provincial Health and Safety Committees in Barcelona and Seville.

Adif AV Health and Safety Committee

It is made up of three people.

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.

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. Composed of the Management and signatory trade unions. It is tasked with negotiating and ratifying the agreements reached, among other duties. It was approved in November 2023 and the Second Plan is currently under negotiation.

Labour Disputes Committee

This particular body resolves disputes relating to the interpretation or application of collective bargaining agreements and labour regulations in general or following the announcement of a strike.

Union elections in Adif and Adif AV took place on 7 March 2023. The result for Adif AV was:

No changes have been made to the committees with respect to the 2nd Collective Bargaining Agreement of Adif and Adif AV, which remains in force.



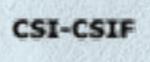
Collective bargaining agreements⁸⁶.

Adif AV engages with its employees in **regular meetings** between management and the various committees and other worker representation bodies vested with decision-making powers.

Labour rights, whether in the form of regulations, collective bargaining agreements, or other arrangements, are communicated to the workforce through internal channels. They are disseminated externally out through social networks and awareness-raising events for vulnerable groups at passenger stations.

For the most part, communications are usually given at least two weeks prior to any significant operational change, except for agreements with trade union representation, which explicitly state when the changes will take effect.

| | 2022 ⁸⁷ | 2023 |
|--|--------------------|------|
| No. of communications on working conditions and equality ⁸⁸ | 21 | 75 |

| Percentages of votes in real time (total votes counted: 100.00%, 27.12.2023 11:30) | | | | | |
|--|---|--|---|---|-------|
|  |  |  |  |  | Otros |
| 26.99% | 15.49% | 15.04% | 2.21% | 0.44% | 1.33% |
| Abstentions: 38.50% | | | | | |
| Candidacy | Votes | % | Representative | | |
| Workers' Commission (Comisiones Obreras, CCOO) | 61 | 26.99 | 6 | | |
| Public Official's Independent Trade Union (Central Sindical Independiente y de Funcionarios, CSIF) | 35 | 15.49 | 4 | | |
| General Union of Workers (Unión General de Trabajadores, UGT) | 34 | 15.04 | 5 | | |
| Confederation of Management Staff (Confederación de Cuadros y Profesionales, CCP) | 5 | 2.21 | 0 | | |
| Public Official's Independent Trade Union (Central Sindical Independiente y de Funcionarios, CSI-CSIF) | 1 | 0.44 | 0 | | |
| Left blank | 3 | 1.33 | - | | |
| Null | 0 | 0.00 | - | | |
| Abstention | 87 | 38.50 | - | | |
| TOTAL | 226 | 100 | 15 | | |

⁸⁶ Content related to **GRI indicator 2-28: Membership of associations**

⁸⁷ Communications only related to working conditions.

⁸⁸ Adif + Adif AV.

4.3.4. Diversity, equality and social action

Key Milestones:

- Launch of **new initiatives related to diversity**.
- Management of the **equality and diversity website**, with a **suggestions mailbox**.
- Analysis and development of a **pilot project for the Adif AV women's network** (survey and posterior analysis).
- Continuation of work on the **Negotiating Committee of the 2nd Equality Plan for Adif AV**.
- Consolidation of the advanced level of equality for Adif AV according to the gender gap measurement tool of **Target Gender Equality**.
- Obtaining the **Empowering Women's Talent** and **Diversity Leading Company certifications** awarded by the human resources *Portal Equipos y Talento*.
- Adif/Adif AV's Chair took part in the **Women in EU Transport conference**.

Main risks and opportunities:

- Labour practices need to be monitored to ensure that the rights of workers are respected, that health and safety standards are met, and that equality and diversity policies are complied with.

Contribution to the SDGs:



Our commitment:

- Undertake **new initiatives on gender equality, work-life balance and inclusion**.
- Negotiate and draw up the **2nd Equality Plan**.
- Pursue initiatives to attract female talent and provide mentoring and support for **STEM careers among women**.
- Implementation of the **Adif and Adif AV's new women's network**.

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 stakeholders. 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 2023, work continued on the **Negotiating Committee of the 2nd Equality Plan of Adif AV** and the 1st Equality Plan —adapted to new law and regulations in November 2023— remained in effect, as did two protocols: one against workplace harassment and the other against sexual and gender-based harassment; plus a further protocol approved by the Negotiating Committee of the 2nd Collective Bargaining Agreement of Adif and Adif AV.

In recent months, the Negotiating Committee has compiled a large volume of qualitative and quantitative information that can be used to draw up a status report in relation to the **2nd Equality Plan of Adif AV**.

Adif AV has always worked tirelessly to break down barriers and carries out actions to raise awareness and ensure the respectful treatment of disability, targeting not only all of its workers but also specific segments within society, with the aim of achieving their full integration into the labour market. Awareness-raising and training actions have continued in 2023, particularly for employees in direct contact with staff recruited through the disability quota.

We want to become more and more inclusive by incorporating diverse talent. We therefore work closely with organisations, such as the *Plena Inclusión* association, which helps to integrate people with disabilities into the company (*Eurofirms* Foundation). The Company also protects the employment rights of people with HIV (*Trabajando en Positivo* initiative) and promotes full inclusion and a respectful working environment for the LGTBI collective (*REDI* programme).

We also continued with the process to join the Network of Companies for a society free of gender-based violence.

A further highlight during the year was the **fourth edition of the *Lidera* programme**, developed by Adif AV alongside the Spanish Royal

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



Academy of Engineering, for the fourth straight year. The programme is framed within the Women and Engineering project, which aims to promote female leadership and incorporate female STEM talent into management by mentoring female employees of the Company. It also seeks to promote female talent and make it visible.

Likewise, in 2023 Adif and Adif AV were awarded the **Empowering Women's Talent** and **Diversity Leading Company** seals awarded

by the human resources *Portal Equipo y Talento*, which accredits the entities' concern for strengthening female leadership, and for diversity and inclusion. Numerous exchange experiences between companies, workshops and round table discussions have taken place within this framework. There have also been cross-mentoring initiatives between Adif and Adif AV staff and staff from other companies. In addition, Adif AV was present at the Women's Talent Day (19 June) and at the Diversity and Inclusion Day held at the Reina Sofia Museum (18 October).

With all these actions, the aim is to continue to promote actions and behaviours that champion non-discrimination between genders in employment, thanks to initiatives included in the 1st Equality Plan and adapted to the new law and regulations or addressed by the Committee for Social Policy and Equality



The SP2030 commitments to gender equality and diversity, in line with the UN Sustainable Development Goals



In addition, the various internal communication channels (*Inicia*, mails, newsletters, podcasts 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. The information intended for employees remains permanently updated in the **Laboralia** section of the **Inicia Portal**.

Adif AV also took part, for the fourth straight year, in the **International Target Gender Equality (TGE) programme** of the UN Global Compact, achieving a 18 percentage-point improvement with respect to the result obtained in the first edition using the WEPs gender gap analysis tool. The **advanced level** according to this tool was consolidated in 2023.



Many of these measures are included 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.

The Company aims 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 based on sexual orientation, disabilities, 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, which also features a suggestion box.

Meanwhile, Adif AV continues to form part of the **STEAM Alliance**, together with the Ministry of Transport and Sustainable Mobility, to promote careers in science and technology among girls and young women. The ultimate goal is to reduce the gender gap in science and technology careers and to attract female talent to the Company.

Adif and Adif AV have also signed the Miles for Equal Opportunities in the Mobility Sector manifest alongside Ministry of Transport and Sustainable Mobility, which is promoted by the Spanish Association of Executives and Consultants (EJE&CON). The Company was also actively involved in drawing

As in 2022, no instances of discrimination were detected or reported at the Company in 2023⁸⁹



⁸⁹ Content related to **GRI indicator 406-1: Incidents of discrimination and corrective actions taken.**

up the Manual of Good Practices associated with HIV in the Public Sector in 2023.

Ministry of Transport and Sustainable Mobility and Adif AV are also members of the **Business Network for LGBTI Diversity and Inclusion (REDI)**, which takes action to promote and raise awareness of these causes.

Meanwhile, numerous exhibitions were held under the Adif AV **Estación Abierta** programme, whereby associations and foundations are granted space at Adif and Adif AV stations to promote their causes, free of charge. Many of these organisations fight to defend women and their rights or combat violence against women, in relation to which the Company deepened its support for victims of gender-based violence.

Furthermore, María Luisa Domínguez, **when she was Adif and Adif AV's Chair**, took part in events in 2023 to promote female leadership such as the **STEM Woman Congress** (13 June), **Women in EU transport** (20 September) and **Women 4Cyber Spain** (11 July).

Women in EU transport was a meeting to discuss the role of women in the transport sector in the European Union. The conference focused on identifying the needs of women in the sector, both from the point of view of users and that of professionals. Representatives from various national and international bodies took part in the event to discuss the quest for effective equality in the field of transport and mobility in Europe.

Adif and Adif AV representatives have participated in three annual online meetings during 2023 organised by the Women in Transport-*EU Platform for change*. These meetings are an exchange of best practices with the aim of strengthening women's employment and equal opportunities between women and men in the transport sector.

Similarly, Adif and Adif AV employees have disseminated their equality practices through various forums such as the meeting organised by REDI on LGBTI diversity in public companies, the equality presentation made to a delegation from Azerbaijan and the World Bank, the active participation in a training course on equality and inclusion provided by Ministry of Transport and Sustainable Mobility, and the exchange of good practices at the 9th meeting of Responsible Companies for HIV.



The **Workplace Harassment Protocol** was unanimously agreed upon between the Company and the workers' representatives. Since the last modification in 2021, the investigation unit comprises the head of HR, the corporate trainer, and the OHS officer. The Equality Desk may also be involved in the process by requesting reviews of the decisions taken by the investigation unit.

In 2023, no cases were opened resulting from a complaint of harassment at Adif AV



SAFETY

5

5

Safety

5.1. Rail traffic safety

5.2. Information security (Cybersecurity)

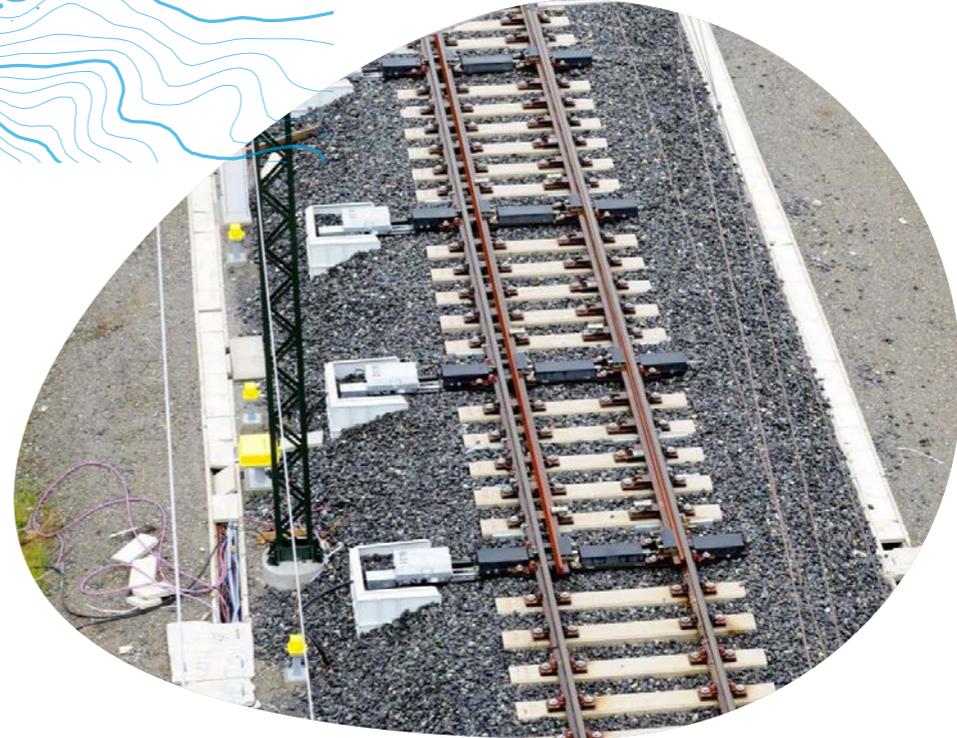
5.3. Security and self-protection

5.4. Workplace health and safety

5.4.1. Occupational risk prevention

5.4.2. Occupational risk prevention for contractors

5.5. Environmental Safety



5. SAFETY

The **Safety Pillar** focuses on providing end-to-end safety by improving procedures and deploying new methods and technologies.

The Company 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 **main related indicators** when it comes to operations are as follows:

| Safety Pillar | 2021 | 2022 | 2023 |
|---|-------|------|-------|
| Significant accidents caused by the infrastructure manager (No. per million train-km) ⁹⁰ | 0.021 | 0 | 0 |
| Rail accidents for which the infrastructure manager is liable (No. per million train-km) ⁹¹ | 0.021 | 0 | 0.026 |
| Crimes with an impact on activities (No.) | 118 | 166 | 149 |
| Accident precursors for which the infrastructure manager is liable (No. per million train-km) ⁹² | 0.47 | 0.55 | 0.47 |
| Deliberate attacks on critical infrastructure (No.) | 13 | 12 | 15 |
| Occupational accident rate (accidents with lost time/1,000 workers) | 4.72 | 4.35 | 3.88 |
| Accident severity rate (days lost/1,000 hours worked) | 0.01 | 0.11 | 0.09 |
| Accident frequency rate = ((No. of accidents / hours worked) * 1,000,000) | 2.80 | 2.58 | 2.39 |



^{90,91,92} Total train-km values include those generated by railway charges collected by the infrastructure manager from Railway Companies for the train-km travelled under the corresponding contracts and also the train-km for Adif AV internal services for infrastructure maintenance and other traffic operations that do not generate revenue.

5.1. RAIL TRAFFIC SAFETY⁹³

Key Milestones:

- **Traffic Safety improvements** through audits and training.
Line between the Pajares and Pola de Lena junction and the electrification of the lines in Extremadura.
- Continuation on the development and implementation of the **Traffic Safety Management System**.
- The **Adif and Adif AV Fair Culture Policy** was approved and signed on 19 April 2023.
- Regulatory documents that support the **processes prior to new infrastructures/subsystems entering into service** were issued, for projects such as the High-Speed
- Work continued on **issuing safety documentation for type-approval of new vehicles/vehicle modifications**, such as the S106 and S108 series, with a clear customer focus.
- The **Management and Planning Subcommittee** involving the Construction and Adif AV management departments was consolidated.

Contribution to the SDGs:



Main risks and opportunities:

- From an operational safety point of view, the main risk identified is the materialisation of a serious accident. **This risk has not materialised in 2023.**

Our commitment:

- By 2024, around 1,500 people from all areas and hierarchical levels of Adif and Adif AV are expected to have completed the **Safety Leadership training programme**.
- **Zero serious or significant accidents** in 2024.

⁹³ Content linked to SP2030, *Safety Pillar PSAF-SO1*.

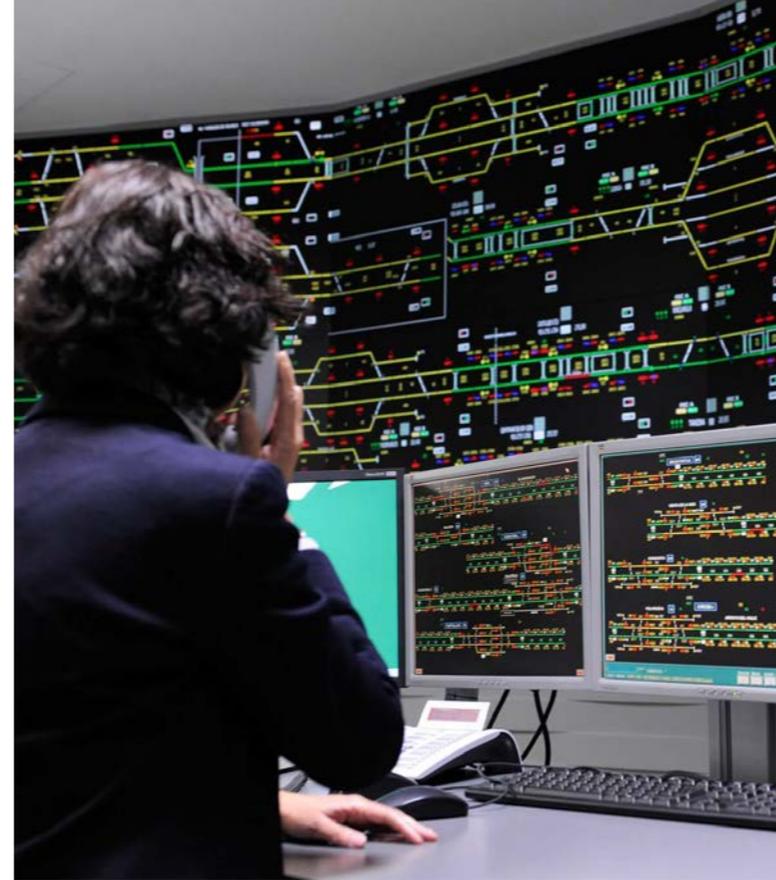
All risks inherent in rail traffic arising from the operations of Adif AV and other rail operators are suitably controlled, thus fostering user trust in the network. **Adif AV's rail traffic safety is handled by Adif.**

Adif AV relies on leadership, vigilance and risk management when it comes to existing safety and rolling stock documentation. Along these lines, a wide range of monitoring actions are deployed alongside the business areas, thus allowing for continuous improvement and the early detection of deviations.

Royal Decree 929/2020, of 27 October, on railway safety and interoperability, repealed Royal Decree 810/2007, of 22 June, on traffic safety in the general interest rail network, and transposed into national Law Directive (EU) 2016/798 of 11 May on railway safety and Directive (EU) 2016/797 of 11 May on the interoperability of the rail system within the European Union.

In accordance with Article 15 of Royal Decree 929/2020, in order to perform infrastructure management functions on the General Interest Rail Network, infrastructure managers must obtain the requisite safety authorisation from the State Railway Safety Agency (*Agencia Estatal de Seguridad Ferroviaria*). This safety authorisation effectively confirms that the infrastructure manager has established and approved its own safety management system in accordance with Article 13 of Royal Decree 929/2020. It also contains the procedures and provisions set out in that article to ensure that the requirements for the safe design, maintenance and operation of the railway infrastructure are duly met, including, as the case may be, the sound maintenance and operation of the traffic control and signalling system. On 26 November 2020, Adif successfully renewed the safety authorisation for a five-year period, further to the resolution issued the State Railway Safety Agency, in accordance with Article 18 of the Royal Decree 929/2020.

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.



Traffic Safety Management should be viewed as a cross-cutting function touching all Company departments and an essential need that can only be ensured if everyone individually and collectively give their best in their day-to-day work, and by promoting initiatives aimed at achieving this single objective. The Company has shown its unflinching support for the national and European regulatory framework by publishing and subsequent updating its **Guideline for the Policy and Management of Rail Traffic Safety**. This guideline sets out the relevant criteria and organisational standards governing traffic safety management, taking as a reference the criteria contained in Annex II of the Commission Delegated Regulation (EU) 2018/762 of 8 March 2018 establishing common safety methods on safety management system requirements pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council and

repealing Commission Regulations (EU) No. 1158/2010 and (EU) No. 1169/2010.

Following the renewal of the security authorisation granted in November 2020, further training, information, awareness-raising, supervision and auditing activities were carried out in 2023 to ensure the effective implementation of TSMS processes and procedures.

To help implement the criteria set out in the Safety Policy, the **Annual Traffic Safety Plan (ATSP)** was approved by the Operational Safety General 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, draw up action plans and, ultimately, ensure the process of continuous improvement of safety levels at both companies.



Key actions in the domain of **rail traffic safety**:

| | |
|---|--|
| Safety oversight actions | <p>Adif carries out oversight initiatives to verify the application of, and compliance with, the regulations applicable to its activities and operations, and ensure safety in traffic on the General Interest Railway Network (hereinafter referred to as RFIG for its Spanish acronym) managed by Adif and Adif AV.</p> <p>In this regard, a total of 287 inspections were carried out on the General Interest Railway Network managed by Adif AV in 2023, which includes inspections carried out by Adif.</p> |
| Rail transport control actions | <p>Systematic and proactive safety-building actions are carried out to detect risk situations with freight and passenger trains to control rail transport and to check compliance with the rules laid down for train composition (towed material), loads and train documentation.</p> <p>In relation to the RFIG managed by Adif and Adif AV, 25,144 wagons were weighed in 2023.</p> <p>Under the scope of the Traffic Safety Plan, 4,765 visual inspections were scheduled for trains running on the network managed by Adif and Adif AV in 2023, with 6,148 actions ultimately carried out.</p> |
| Operational control actions | <p>These actions are scheduled within the 1st level of Adif and Adif AV's operational control activity. The purpose is to check compliance with existing technical operating standards, ensure fixed installations and rolling stock assigned or entrusted to the Company for maintenance are in a good condition and well maintained, and to carry out conservation tasks for shunting operations.</p> <p>Voice recordings at command posts and traffic and energy remote control points fitted with voice recorders enable Adif AV to check compliance with traffic safety rules, detect any non-compliance with operating rules, and adopt corrective and preventive measures as and when required. In 2023, a total of 591 voice recordings were made across Adif AV's RFIG.</p> <p>Safety visits are aimed at reducing risk situations caused by non-compliance with traffic-related processes and tasks. In 2023, a total of 317 actions were made across Adif AV's RFIG.</p> |
| Development and implementation of the Traffic Safety Management System | <p>Adif AV continues to develop and implement its TSMS, for which a total of 29 TSMS documents were approved or updated in 2023.</p> <p>As part of this system development process, various internal, transversal and multidisciplinary working groups were set up in 2023 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 drawing up the catalogue of contract-related risks, the Human and Organisational Factors Group and Human and Organisational Factors Working Groups.</p> |

Traffic safety governance

Adif AV has an extensive safety governance system in place, which is built 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 between Adif and Adif AV:

- Operational Safety General Committee (4 meetings in 2023).
- 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).
- Management and Planning Subcommittee DG Construction and DG Adif AV (2 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 2023 included the following:

- Management Review Report (8 improvement proposals).
- Internal audit of the TSMS (1 Non-conformity and 2 Observations).
- AESF audits (2 new audits with Adif AV functional coordination and 2 audits initiated in previous years).
- Safety Authorisation Renewal (10 residual problems).
- AESF Technical Recommendations (9 Recommendations).
- AESF Circular Resolutions (7 Circular Resolutions).
- Other legislative/regulatory documents/recommendations (a total of 128 documents reviewed).

Training actions

One of the most important thrusts of safety efforts is the training provided, along with the efforts to award, expand, maintain and renew specific qualifications. In 2023, **584 driving licences** of Adif and Adif AV employees were maintained and **15,968 qualifications** were awarded to staff involved in safety activities at Adif, Adif AV and external firms, in keeping with prevailing regulatory requirements.

In addition, **1,610 candidates of external firms** seeking qualifications were tested for their **theoretical knowledge** and **1,416 for their practical knowledge** during the year.

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 IT tools with all traffic areas and any others involved in rail traffic to perform its management and control functions.

Work continued on monitoring compliance with railway material parking at stations out in accordance with the agreed planning. The



punctuality of trains on the Madrid and Barcelona commuter train networks based on frequency have also been monitored and allocated.

Safety-first culture

In 2023, the actions carried out within the Safety Culture were framed within the lines of action of the **SIGMA Project**. The main objective of this project is to strengthen and evolve the safety culture of our organisation to achieve a “positive, transparent and fair” safety culture. The aim is to also help integrate human and organisational factors into the organisation’s processes and in the Safety Management System.

The **SIGMA project lines** where most work has been carried out during 2023 are:



- Line 3: Safety Leadership.
- Line 4: Fair Culture.

Line 3: Safety Leadership

Among effective safety leaders. These people should be the promoters of a positive, transparent and fair safety culture, creating a climate in which people feel confident and willing to share their safety observations. Key factors for safety excellence are the detection of deficiencies and their elimination or reduction, as well as the implementation of improvements in systems and operations.

Adif has developed a model aligned with the ERA safety leadership principles with 6 behaviours that every safety leader should have.



Safety Leadership Training Programme developed during 2023-24

The objectives of the programme are:

1. To align all staff around where we are in terms of Safety Culture and what evolution we want to achieve.
2. To understand the mental barriers or brakes that can unconsciously hold this cultural evolution back.
3. To know and understand the critical behaviours that all leaders must demonstrate to achieve a positive, transparent, and fair safety culture, and to acquire tools to apply these behaviours on a day-to-day basis.

In 2023, 862 people started the programme, with a total of 38 face-to-face training sessions (27 in Madrid, 3 in Barcelona, 2 in León, 2 in Miranda de Ebro, 2 in Valencia, and 2 in Seville).

By 2024, 1,500 people from all areas and hierarchical levels of Adif and Adif AV are expected to have completed the programme.

Phases in which the training programme is structured:

1. Completion of a 'Mental Trap Questionnaire'.
2. Face-to-face session: 7-hour training action on theoretical and practical knowledge.
3. Training through an 'ad hoc' virtual platform for a period of 6 months - virtual training space structured in 6 'stops' (didactic units). Sustainability activities will be carried out to help transfer the programme's messages into daily activities and onto the teams.

Line 4: Fair Culture

This line represents a paradigm shift, as the aim of a Fair Culture is to opt for learning rather than punishment when undesired safety events occur (accidents, incidents and unsafe situations).

A climate of trust and transparency must be created in the organisation so that unintentional mistakes can become a source of learning and not a source of punishment. Adif and Adif AV must protect workers so that they feel safe to discuss safety issues

and 'report' safety events. This climate of trust and protection will encourage everyone to participate, leading to increased learning in operational safety.

The **Adif and Adif AV Fair Culture Policy** was approved and signed on 19 April 2023. This document sets out 10 principles for the effective implementation of a fair culture (an essential part of a positive safety culture). The Fair Culture Policy is based on learning from mistakes, but it also tells us that we must learn to detect them and understand them. Workers are key to this process. Adif and Adif AV are committed to generating the required climate of trust and transparency so that

no one is afraid to report behaviour or situations that may pose a safety risk.

A **communication campaign** was prepared to help distribute the Fair Culture Policy within the company and raise awareness. The campaign involves:

- Design, production and dissemination of an informative video on Fair Culture.
- Design and dissemination of an infographic with the 10 principles of Adif and Adif AV's Fair Culture.
- Development and publication of related news.



Bodies coordinating or otherwise involved in system governance

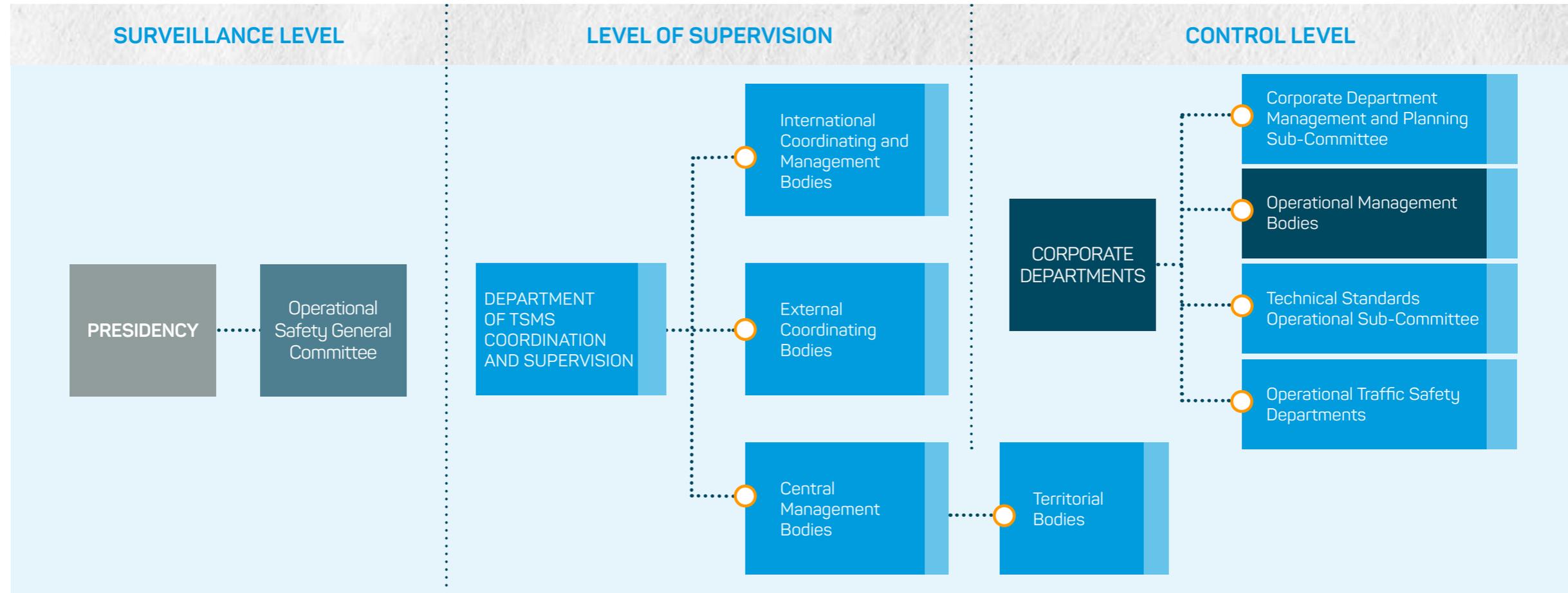
Adif's TSMS Governance includes a number of **bodies that take part in managing Traffic Safety**. These are mechanisms to supervise and control safety in operational activities, to ensure all of the organisation's

staff take part directly or through their representatives, and to ensure continuous improvement in traffic safety.

Traffic Safety Governance is based on establishing different internal organisational levels within the Company that have the mission

and vision of ensuring the TSMS is implemented throughout the organisation, that decision-making is consensual, and that there is coordination between the different levels which also allows people to participate.

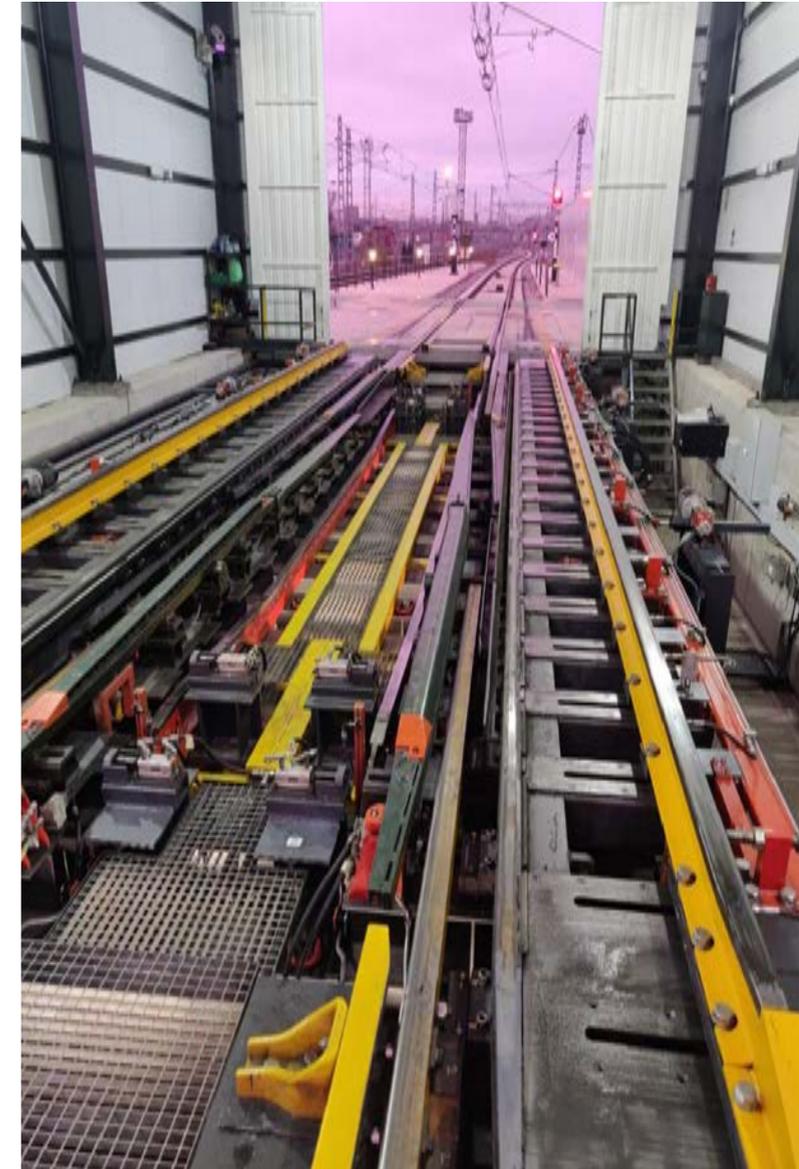
SAFETY GOVERNANCE



The involvement and full engagement of staff is a key element in developing a Positive Safety Culture, by helping to build trust and fostering cooperation and support in the continuous improvement of traffic safety.

Various management bodies have been set up, each with different purviews and functions:

The traffic safety management bodies play an important role in monitoring and analysing compliance with the safety targets envisioned in the ATSP



Traffic Safety Management Bodies



Different bodies set up for overseeing and controlling the safety operating activities with the aim of ensuring participation by all staff the organisation, directly or through their representatives, reinforcing monitoring and achieving continuous improvement in traffic safety.

Based on the traffic safety governance level, area of action and scope, the following Management Bodies have been put in place.

Territorial Technical Committees

- Central
- South
- East
- Northeast
- North
- Northwest
- Metric Width Network

Sectorial Operational Committees DG

Sectorial Operational Committee DG Sectorial Committee for Maintenance and Operations

- DG Traffic and Capacity Management Department
- DG Conservation and Maintenance

Operational Committee for Business and Commercial Operations

- DG Business and Commercial Operations

Central Technical Committee

Representatives from all business areas with Adif/Adif AV traffic safety duties

In 2023, a total of **58 meetings were held between the various management bodies**, including eight Central Technical Committee meetings, four meetings of Sectoral Operational Committees for Maintenance and Operations, four meetings of Sectoral Operational Committees for Business and Commercial Operations, and 42 meetings of Territorial Technical Committees for each of the territorial divisions.

Meetings of the various TSMS governance coordination bodies were also held during the period as per the scheduled plan, and the Company was actively involved in various national and international forums in order to share its experiences in traffic safety.

Information on accidents and casualties

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| No. of traffic accidents⁹⁴ | 3 | 1 | 10 |
| Men killed | 0 | 0 | 0 |
| Men seriously injured | 1 | 0 | 0 |
| Women killed | 0 | 0 | 0 |
| Women seriously injured | 0 | 0 | 0 |
| Total no. of victims (killed and seriously injured)⁹⁵ | 1 | 0 | 0 |

The **safety operational targets** for 2024, in terms of accidents, are set out below:

| Accident category | Accidents/incidents |
|------------------------|---------------------|
| Accidents | Absolute value |
| Serious | 0 |
| Significant | 0 |
| Accidents | 1 |
| Other Accidents | 5 |
| Total Accidents | 6 |

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.

There were zero victims (no fatalities or seriously injured people) in 2023



⁹⁴ These are accidents for the sector as a whole, excluding those included in the "other accidents" category.

⁹⁵ Accidents with casualties in the year, of the total number of traffic movements along the RFIG managed by Adif AV.

5.2. INFORMATION SECURITY (CYBERSECURITY)⁹⁶

Key Milestones:

- Cycle 2023 of the **Information Security Management System** was concluded, identifying the risk level of the areas analysed and the projects to be implemented to minimise the risk. New areas have been integrated in this cycle.
- Work continued on **enhancing protection and security measures for information systems** during 2023. 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.
- **Coordination with the business areas** in activities to ensure compliance with security measures in suppliers of new contracts.

Contribution to the SDGs:



Main risks and opportunities:

- Risks relating to **security incidents** that could affect the continuity of the Company's operations or the state of its assets.
- Risks related to **supply chain security**.
- Risks related to a **lack of knowledge on information assets**.
- Opportunity to deploy **security solutions**: scans for vulnerability detection and traffic analysis, protection solution against DDoS attacks and malicious traffic in cloud services.
- **Opportunity for action to detect critical vulnerabilities** that may affect the business.
- **Opportunity for increased user-oriented training and awareness-raising activities**.

⁹⁶ Content linked to SP2030, *Safety Pillar PSAF-SO2*.

Our commitment:

- To guarantee the integrity, availability and confidentiality of both the organisation's information and the systems, communications and technologies that support the different business processes; teamwork among all areas will be essential for this, which continues to be the main objective for 2024.
- The aim of the **Action Plans** resulting from the annual risk management plan is to implement the necessary security measures, which in 2024 will further strengthen network protection.
- The **IT/OT convergence project managed by the Digital Transformation and Systems Department (DTSD)** started in 2023 and will drive the implementation of the Action Plans in the areas during 2024.
- To continue to **expand the scope of the IT Security Management System** and to work towards compliance with the National Security Framework.
- The **monitoring capacity of the IT/OT infrastructure of the different Adif and Adif AV networks** will be increased so that the Security Operations Centre can detect anomalous patterns. The aim is to detect potential security incidents, to implement security solutions for privileged access, and to detect possible security breaches when running Red Team exercises.
- To strengthen the service to continue working towards **the organisation's compliance with the National Security Framework**.
- The project to **implement a Supplier Security Management System to mitigate the risks associated with the supply chain** will be carried out in 2024 and the contract has already been awarded.

We seek to enhance systems protection and security through 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.

Cybersecurity is managed by the Information Security Department in three areas:

- Governance, Risk and Compliance (GRC) area, focused on regulatory compliance, risk assessment, risk treatment plans and auditing.
- Operations Area (Managed Security Operations Centre, or SOC for short), which is focused on prevention and detection of attacks and threats, to prevent any security incidents that might threaten

Adif and Adif AV's information systems (investigation, containment, mitigation and troubleshooting).

- Project Coordination and Management Area, focused on coordinating administrative tasks, as well as managing cross-disciplinary projects.

Digital transformation leads to more efficient processes, although this digital transformation can only be achieved if Cybersecurity is taken seriously



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 at Adif AV, aligned with the organisation's strategic guidelines and prevailing law and regulations. This policy was signed in October 2019 and was updated and signed by the Chair in 2023.

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.

As stated in the policy, Adif AV shall take into account the following **basic principles** when making decisions affecting information security:

- Security as an integrated process.
- Risk-based security management.
- Prevention, response and recovery.
- Lines of defence.
- Periodic reassessment.
- Security as a discrete function.

All staff —both in-house and external— are required to know and observe the security measures in place within their area of responsibility.

New measures in 2023 include:

- Technical and operational capacity building:
 - Team expanded to 5 people.
 - Deployment of security solutions: 1 vulnerability management scan, 1 traffic analysis scan, solution for protection against DDoS attacks and malicious traffic in cloud services.
 - Exercises to detect critical vulnerabilities that may affect the business.
- New areas added to the Information Security Management System:
 - Extension to the entire People Management Department.
 - Coordination department.

- Human Resources department.
- Occupational risk prevention sub-department.
- Extension to the Corporate Systems and Process Security Department.
 - Coordination sub-department.
 - Network Performance sub-department.
 - Regulatory sub-department.
 - Customer and quality sub-department.
 - Security and self-protection sub-department.

Security governance and management model

The **Information Security Governance and Management Model** developed allows the layers of Information Security governance, management and operation within the organisation to be defined and integrated, ensuring key functions and responsibilities are identified and implemented so that security procedures can be developed:

- **Information Security Committee:** This body is mainly responsible for determining the necessary measures and actions, approving the Regulatory Framework, defining the strategy and objectives, and monitoring compliance with current legislation on information security.
- **Information Security Manager:** Responsible for risk assessment and management; promoting and coordinating the implementation of security measures; compliance with current legislation; training and awareness-raising; incident monitoring, detection and response; digital surveillance; and vulnerability management.
- **Information Security Officer:** Their functions involve being familiar with the rules and regulations applicable in the field of information security; ensuring compliance with them within their area; participating in the Information Security Committee and suitably coordinating with the Information Security Manager; promoting the implementation and operation of the Information Security Management System (ISMS) in their area; and monitoring the risk treatment plans. If there is a cyber-attack, they must follow the instructions of Adif and Adif AV's Information Security Manager.



- **Business Manager:** They are responsible for determining the security levels and requirements of the services and/or information under their responsibility, ensuring they are protected; promoting compliance with the risk treatment plans; suitably coordinating with the Information Security Officer and the Systems Managers in their business area; promoting the implementation and operation of the ISMS in their area; and managing and providing the technical and human resources necessary to perform all the security functions in their business area.
- **Systems Managers:** They are responsible for developing, operating and maintaining the information system throughout its life cycle, verifying its correct functioning according to the objectives of the service and taking the regulatory framework for Information Security into account.

Information security risk management

The commitment to continuous improvement and the proactive adoption of more efficient Information Security measures means that the Company must adapt to technological and security changes.

In response to the need to be aligned with the constant evolution of the technological panorama, the Information Security risk scale has been changed from 0 (negligible)-7 (very critical) to 0 (very low)-5 (very high) to adapt it to new technologies and GRC tools. This new scale is also adapted to the methodological approaches of the market, allowing technological and security risks to be compared with other sectors and organisations. Furthermore, it follows and implements the guidelines and good practices in the field of Information Security.

The Target Risk level for 2024 of ≤ 3.5 is associated with objective 8.2 to achieve higher levels of productivity through technological modernisation and innovation, as reducing risk in information systems contributes not only to more secure but also more efficient systems.



5.3. SECURITY AND SELF-PROTECTION^{97, 98}

Key Milestones:

- The RRF action “**Digitalisation and processing of the information available from security cameras in stations**” is still in progress. Analyses using artificial intelligence have been developed, specifically to detect abandoned objects, analyse anomalous people’s behaviour, trajectory analysis, capacity control, crowd detection, and tracking of persons of interest, with all models already in the learning phase. Work has been carried out on the video surveillance systems and communications networks at the following stations: Madrid-Atocha, Madrid-Chamartín, Barcelona Sants,, Valencia Nord, Valencia Joaquín Sorolla, Seville, Malaga and Salamanca.
- An **Asset Security Policy** has been implemented that is appropriate to organisational demands and requirements as well as the process ADIF-PR-108-001-001 - Property Security Management, which responds to Adif AV’s responsibility to ensure the safety of people and business continuity and to protect its assets against the threat of deliberate interference and/or deliberate attacks on the railway system.
- A **pilot test** has been defined and is being developed **to incorporate the use of drones** to support the surveillance services provided by guards that patrol the railway line, transmitting the video signal generated to the Protection and Security Centres.

Contribution to the SDGs:



Main risks and opportunities:

- **Crimes with an impact on activities** resulting from acts of wilful interference with the railway system (damage to installations, theft of electrical conductors, theft of railway equipment, wilful placing of obstacles on the tracks), which threaten the safety of people, the preservation of assets, and the continuity of operations.
- **Deliberate attacks against railway infrastructure** (violent acts involving placing explosives or alarms due to bomb threats and suspicious packages or luggage, etc.).

Our commitment:

- No. of **crimes impacting the business**: 168
- No. of **deliberate attacks**: 20
- Percentage of **emergency situations to have triggered the Self-Protection Plan**: 100%
- Assessment for the **provision of surveillance and security services** ≥ 35
- **Reduce the number of offences affecting activities** as a result of acts of wilful interference with the railway system **by around 3%** (damage to installations, theft of electrical conductors, theft of railway equipment, wilful placing of obstacles on the tracks).

⁹⁷ Content related to **GRI indicator 416-1: Assessment of the health and safety impacts of product and service categories.**

⁹⁸ Content linked to SP2030, **Safety Pillar PSAF-SO3.**

SAFETY AND SECURITY

Protection of critical infrastructure means all activities there to ensure the functionality, continuity and integrity of critical infrastructure in order to prevent, mitigate and neutralise any damage caused by a deliberate attack against such infrastructure.

Adif AV is working hard to provide enhanced protection for installations through the use of new technologies. The Company also 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.

The **7 Specific Protection Plans**⁹⁹ for infrastructure classified as critical at Adif AV are the operational documents describing the steps already taken and those to be taken down the line by critical operators to ensure the comprehensive security of their infrastructure. These documents:

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

The Operator Security Plan of Adif AV is the strategic document setting out the general policies of the critical operator to guarantee the security of all installations



In accordance with current legal requirements on the review of Specific Protection Plans (SPP) by critical operators, 6 SPPs were reviewed for

infrastructure designated as critical by the Rail Transport and Urban and Metropolitan Transport Subsectors.

| Safety and security | 2021 | 2022 | 2023 |
|---|--------|--------|--------|
| Administrative complaints submitted (No.) | 169 | 149 | 157 |
| Criminal charges brought (No.) | 372 | 384 | 279 |
| Safety inspections performed (No.) | 1,265 | 1,090 | 1,331 |
| Extraordinary processes carried out (No.) | 66 | 46 | 26 |
| Instances of aid provided to individuals (No.) | 1,394 | 2,373 | 2,567 |
| Instances of aid provided to victims of accidents (No.) | 289 | 397 | 319 |
| Instances of support provided to external entities (security forces and corps, fire brigade, 112, etc.) (No.) | 1,510 | 1,646 | 1,617 |
| Instances of support provided to railway undertakings (command points, maintenance, stations, etc.) (No.) | 1,392 | 1,436 | 1,749 |
| Instances of support provided to authorities (No.) | 4,931 | 6,101 | 5,848 |
| Detection of banned objects during luggage security controls (No.) | 29,726 | 72,206 | 83,744 |
| Items of lost property recovered | 2,100 | 2,516 | 2,450 |
| Score out of 45 in the assessment of the surveillance and security services | 38.94 | 35.85 | 36.76 |
| Station safety and security projects in which we have participated | 44 | 63 | 29 |
| Station safety and security projects drawn up | 1 | 0 | 0 |

⁹⁹ These documents are reviewed every two years.

SELF-PROTECTION AND EMERGENCIES

Self-protection is understood as the system of actions and measures adopted by Adif AV with its own means and resources, and within its scope of competences. It is aimed at preventing and controlling risks to people and property, providing an adequate response to possible emergency situations, and ensuring the integration of self-protection actions in the public civil protection system.

Self-Protection Plans are the organic and functional framework set up for activities, centres, establishments, spaces, facilities or premises. These plans are to prevent and control risks to people and property and to provide an adequate response to possible emergency situations in the area that Adif AV is responsible for, ensuring these actions are integrated in the public civil protection system.

Adif AV has 141 facilities affected by the Basic Self-Protection Standard and complementary regional legislation that must have a Self-Protection Plan.

There are **57 Self-Protection Plans**¹⁰⁰ covering these **141 facilities**, under which the following are carried out:

1. Annual drills to verify emergency response procedures.
2. Annual inspections of protection measures and installations to verify their functionality.
3. Training every three years to train agents who may be involved in an emergency.

In addition, a **coordination protocol** has been put in place with all the **emergency response services** operating in all the autonomous regions to manage self-protection and emergencies.

Furthermore, the **Self-Protection and Emergency Management Committee** held a meeting with each of the existing passenger railway companies.

An overall assessment of the quality of the surveillance and security services effectively provided is carried out on a monthly

basis. This process takes into account the degree of compliance with the commitments made in relation to the operational organisation of the services offered by the successful bidder. The assessment process is described in the current Technical Specifications for the arrangement of surveillance and security services, which list the various items that must be scored and assign a weighting to each one within the global evaluation exercise, depending on the importance attached to it.

In 2023, **Adif AV reported 15 incidents qualifying as deliberate attacks against railway infrastructure**, specifically alarms due to bomb threats and suspicious packages or luggage. The security forces had to be alerted in each instance and, in some cases, canine units and the TEDAC bomb disposal unit were required. Meanwhile, there were 149 incidents at Adif AV classified as crimes with an impact on the activity; more precisely 42 for damage caused to infrastructure, 95 incidents involving the theft of electrical conductors, 7 thefts of railway material and 5 obstacles placed on the track with malice aforethought.

| Self-protection and Emergencies | 2021 | 2022 | 2023 |
|--|-------------------------|-------------------------|-------------------------|
| Self-protection plans carried out (No.) | 31 | 39 | 42 |
| Drills carried out (No.) | 53 | 53 | 53 |
| Inspections of protection assets and installations (No.) | 89 | 85 | 94 |
| Training sessions for internal and external staff (No.) ¹⁰¹ | 244 (2,500 learners) | 265 (2,845 learners) | 259 (3,289 learners) |



Disclosures on our performance within Society and on Product Liability

| | 2021 | 2022 | 2023 |
|--|-------|-------|-------|
| Assessment of the provision of the surveillance and security services points (points/45) | 38.94 | 35.85 | 36.76 |
| Deliberate attacks on critical infrastructure (No.) | 13 | 12 | 15 |
| Reports drawn up on emergency situations to have triggered the Self-Protection Plan (%) | 100 | 100 | 100 |
| Crimes with an impact on activities (No.) | 118 | 166 | 149 |

¹⁰⁰ These documents are reviewed every three years, provided that there are no substantial changes before the review is due.

¹⁰¹ Adif + Adif AV.

Commitments

| | 2021 | 2022 | 2023 |
|---|-------|-------|-------|
| No. of crimes impacting the business | ≤ 180 | ≤ 176 | ≤ 168 |
| No. of deliberate attacks on critical infrastructure | ≤ 24 | ≤ 20 | ≤ 20 |
| Reports drawn up on emergency situations to have triggered the Self-Protection Plan (%) | 100 | 100 | 100 |
| Score for the provision of the surveillance and security services | ≥ 36 | ≥ 33 | ≥ 35 |

Emergency situations covered by the Self-Protection Plan

| MANAGEMENT UNIT | DATE | TYPE OF FACILITY | LOCATION | DESCRIPTION |
|-----------------|------------|------------------|-------------------------|---|
| EAST | 07/23/2023 | Tunnel | San Isidro Tunnel | Electrical panel fire Bilge pump failure |
| NORTHEAST | 01/05/2023 | Station | Sants Station | Person run over |
| NORTHEAST | 03/27/2023 | Tunnel | Sants Tunnel | Train broken down and towed to station |
| NORTHEAST | 03/28/2023 | Tunnel | Sants-Sagrera Tunnel | Train broken down and passengers evacuated through emergency exit |
| NORTHEAST | 05/27/2023 | Station | Lleida Pirineus Station | Suspicious object at the station |
| NORTHEAST | 07/05/2023 | Tunnel | Serra Llarga Tunnel | Train breakdown |
| CENTRAL | 12/05/2023 | Building | Offices at C/Titán | Technical room fire |



5.4. WORKPLACE HEALTH AND SAFETY¹⁰²

Key Milestones:

- **Preventive Policies** were updated.
- A **joint prevention service for Adif and Adif AV** was set up, having agreed on its constitution and the conditions for its implementation with workers' representatives.
- The **Occupational risk prevention plan** was reviewed.
- The **"Healthy Company" working group** was set up (Chair's Resolution dated 09/26/2023).
- A **"Report on good business practices in Workplace Health Promotion(WHP)programmes"** was presented to Spain's National Institute for Health and Safety at Work. The programmes put in place and planned in this area were presented as Adif/Adif AV's candidacy to be recognised as a "Healthy Company" based on

the model developed by the European Network of WHP (ENWHP) and the Spanish Network of Healthy Companies (RESS).

- Approval of a **new protocol on the "Inclusion of workers with recognised disabilities in the workplace" (PG-PRL-06)** and a **new technical guide on Occupational Risk Prevention GT-PRL-05** called the "Guide for the inclusion of people with functional diversity". These documents are incorporated into Adif and Adif AV's Occupational Safety and Health (hereinafter referred to as OSH) Management System.
- **The scope of the OSH Management System (hereinafter referred to as OSHMS) certification** according to **ISO 45001:2018** was expanded to all Adif AV sites and activities.

Contribution to the SDGs:



Main risks and opportunities:

- The work centres are spread throughout the Iberian Peninsula, and international projects are also carried out.
- The most relevant occupational risks to which Adif AV is exposed are those typical of office work and in the control and supervision of construction work.

Our commitment:

- To continue the **5th Zero Accident Plan: Horizon 2030**.
- To draw up the **Annual Preventive Activity Plan-Annual** Programming of the Prevention Service for 2023.
- To be **recognised as a "Healthy Company"** based on the model developed by the ENWHP and the RESS.

¹⁰² Content linked to SP2030, Safety Pillar PSAF-SO4 and PSAF-SO5.

HEALTH AND SAFETY BREAKDOWN

19.38%

OF EMPLOYEES PARTICIPATING
IN PREVENTIVE MEDICINE

1.99

ABSENTEEISM RATE

37

DAYS LOST PER WORKPLACE ACCIDENT OR
WORK-RELATED ILLNESS

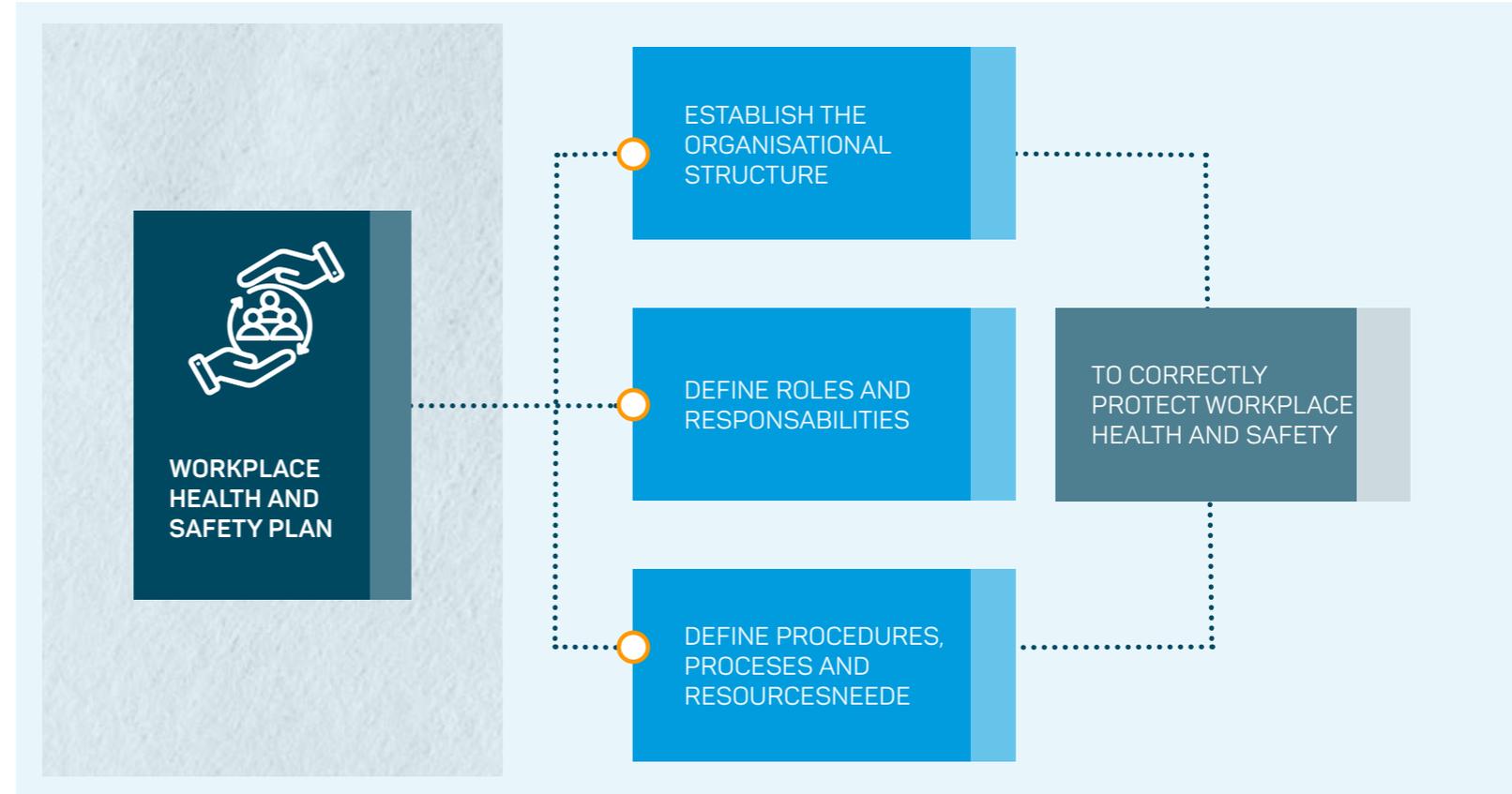
Adif AV views occupational risk prevention as a legal, ethical and social requirement. Initiatives aimed at improving end-to-end safety (operational, environmental, civil protection, occupational health and safety and information security) continue to be deployed under the Safety Strategic Pillar of the new SP2030.

Adif AV strives to progress in improving working conditions, the physical and mental well-being of workers, the constant and sustained reduction of accidents at work and occupational diseases, and to make occupational risk prevention part of all activities and across all hierarchical levels. To this end, it uses a series of performance indicators that are divided into **4 large blocks** and which are used to monitor the achievement of objectives related to:

- Accidents.
- Line of action - Prevention.
- Line of action - Integration.
- Line of action - Promotion of worker health.

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 5th Zero Accident Plan has been agreed by Adif and Adif AV with the workers' representatives sitting on the General Health and Safety Committee and the Occupational Health and Safety Committee, respectively, in accordance with Spanish Act 31/1995, on occupational risk prevention, Adif AV also has an **Occupational Risk Prevention Plan** in place.



Adif AV draws up plans for its **accident prevention** effort annually with various objectives (Programming of the Prevention Service):



The aim is to make progress in improving working conditions, the physical and mental well-being of workers, the constant and sustained reduction of accidents at work and occupational diseases, and to make occupational risk prevention part of all activities and across all hierarchical levels



5.4.1. Occupational risk prevention

Adif AV, in line with its corporate responsibility strategy, which seeks to ensure the comprehensive safety of the railway system and the environment, extends the principles of its Prevention Policy beyond the walls of the Company to permeate its relations with stakeholders. The Company works hard to coordinate its business activities with all contractors and other companies operating at its work centres.

The most relevant occupational risks to which Adif AV is exposed are those typical of office work and in the control and supervision of construction work



When it comes to workplace health and safety, the Company continues to pursue a policy of ensuring absolute safety and security for users and employees through the use of 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.

The health and safety management of workers on construction sites is carried out through the Health and Safety Plans on the sites with a project, and through Preventive Management Documents on sites without a project.

Furthermore, the representatives appointed by Adif AV shall have the power to supervise compliance by the contractor, subcontractor and



self-employed workers with Occupational Risk Prevention regulations and any other related provisions.

In January 2023 the **Preventive Policies** were updated by introducing three new principles related to:

- Making the gender perspective part of preventive management.
- Health promotion with the aim of improving the physical and mental health and well-being of workers.
- Making generational and functional diversity an integral part of the workplace.

At the same time, and as noted in the introduction to the point of workplace safety, the Company is continuing to implement the **5th Zero Accident Plan: Horizon 2023**. The concrete measures envisioned under each of the specific objectives or lines of action of the 5th Zero Accident Plan are agreed and planned in response to prevailing needs, priorities and available resources, in the successive Annual Prevention Activity Plans-Annual Programmes of the Prevention Service.

The **Occupational Risk Prevention Plan** was reviewed in 2023 in response to:

- A commitment to review them every four years.
- Adjustment to the new organisational structure of the occupational risk prevention service, which has been set up as a Joint Prevention Service (JPS), and all that this entails: annual report on the prevention service, regulatory audit, etc.
- Adaptation to the SP2030 and its new strategic structure: mission, vision, ambition and purpose.
- Updating of the annexes to bring them into line with the current situation: organisational structure of each company, structure and composition of the JPS, 5th Zero Accident Plan: Horizon 2030 and scope of certification of the Occupational Health and Safety Management System under **ISO 45001:2018**.
- Adjustments made to the management bodies currently up and running.
- Updates made following the recent accession to the Luxembourg Declaration.
- Prevention Policy of both companies updated.

- Updating to reflect the provisions of the Code of Ethics and Conduct and to explicitly include OSH commitments.
- Update to reflect the existence of protocols for responding to harassment in the workplace and instances of sexual and gender-based harassment.
- Changes in internal regulations, and current (and future) OSHMS documents.
- Other minor changes and purely formal aspects.

The **main lines of initiative** pursued on the workplace health and safety front in 2023 were¹⁰³:

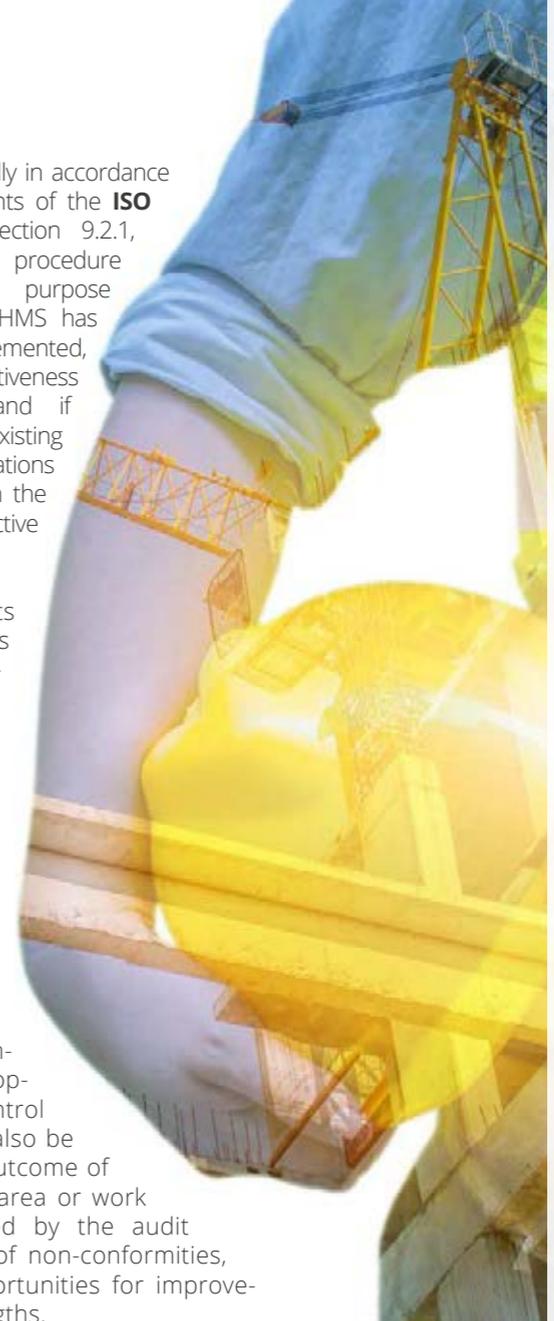
- OSH training: **4,513 training hours** delivered.
- Health surveillance: through **health check-ups and psychophysical tests**.
- In 2023, Adif AV conducted **6 check-ups** and **6 psychophysical tests**.
- There were **4 meetings of Adif AV's Workplace Health and Safety Committee**¹⁰⁴, the Company's most senior management-employee body on matters relating to workplace health, safety and hygiene, which issues guidelines and instructions on related matters¹⁰⁵.
- **Two occupational risk** assessments were performed¹⁰⁶.
- No **ergonomic/psychosocial risk assessments** have been carried out in the last three years¹⁰⁷.
- Audits:
Adif and Adif AV's Prevention Management System is subject to a mandatory **regulatory audit** (Royal Decree 39/1997), which requires it is carried out **every 4 years in the case of Adif and Adif AV**.

Adif and Adif AV's OSH Management System undergoes an annual **external audit** process (within a three-year cycle: update, 1st review, 2nd review) for voluntary certification according to **ISO 45001:2018**.

The **internal audit** of the *OSH Management System (OSHMS)* is a systematic, independent and documented process to -internally- obtain "audit evidence" and evaluate it objectively to determine the extent to which the "audit criteria" are met. An Internal Audit of the OSHMS

is carried out annually in accordance with the requirements of the **ISO 45001** standard, section 9.2.1, as described in procedure **PSG-SST-03**. The purpose is to verify the OSHMS has been suitably implemented, evaluate its effectiveness and integration, and if necessary, detect existing anomalies or deviations in order to establish the corresponding corrective actions.

The internal audits regulated in this procedure are organised as a centralised self-control mechanism under the sole criteria of the Prevention Service. However, specific inspection functions may be attributed to different categories and bodies of the company, and other operational risk control mechanisms may also be established. The outcome of the audit of each area or work centre is identified by the audit team as a series of non-conformities, observations, opportunities for improvement and/or strengths.



¹⁰³ Content related to **GRI indicator 403-5**: Worker training in occupational health and safety and **GRI indicator 403-6**: Promotion of worker health.

¹⁰⁴ Content related to **GRI indicator 403-4**: Worker participation, consultation, and communication on occupational health and safety.

¹⁰⁵ Content related to **GRI indicator 403-5**: Worker training on occupational health and safety.

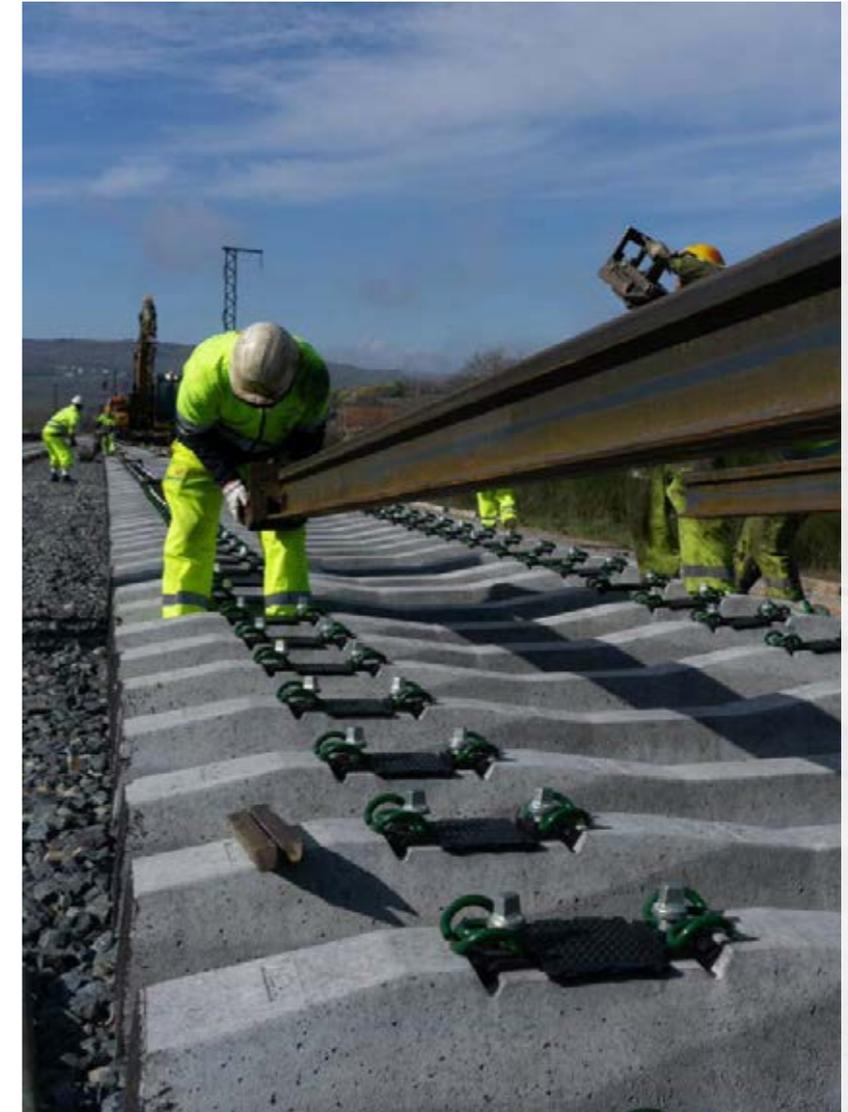
¹⁰⁶ Six assessments were carried out in 2022.

¹⁰⁷ Updated after an error was noted in the data provided in the 2022 Management Report.

Key indicators relating to health and safety are as follows:

Number of occupational accidents by gender¹⁰⁸

| | | 2021 | 2022 | 2023 | Targets set in 2023 (out of total) | |
|--|--------------|--------------|----------|----------|---|----------|
| Accidents not sustained while commuting | Men | Lost time | 1 | 1 | 3 accidents | |
| | | No lost time | 1 | 0 | | |
| | Women | Lost time | 0 | 0 | | |
| | | No lost time | 0 | 0 | | |
| | Total | Lost time | 1 | 1 | | 1 |
| | | No lost time | 0 | 0 | | 0 |
| Accidents while commuting | Men | Lost time | 0 | 0 | 3 accidents | |
| | | No lost time | 0 | 0 | | 1 |
| | Women | Lost time | 1 | 0 | | 0 |
| | | No lost time | 0 | 0 | | 0 |
| | Total | Lost time | 1 | 0 | | 0 |
| | | No lost time | 0 | 0 | | 1 |
| Relapses | Men | Lost time | 0 | 0 | No specific targets have been set for this indicator | |
| | | No lost time | 0 | 0 | | 0 |
| | Women | Lost time | 0 | 0 | | 0 |
| | | No lost time | 0 | 0 | | 0 |
| | Total | Lost time | 0 | 0 | | 0 |
| | | No lost time | 0 | 0 | | 0 |



¹⁰⁸ Content related to **GRI indicator 403-9: Injuries due to occupational accidents** and indicator **GRI indicator 403-2: Hazard identification, risk assessment, and incident investigation**.

Key figures relating to **health and safety indicators (frequency rate-FR¹⁰⁹, severity rate-SR¹¹⁰ and occupational accident rate-OAR¹¹¹)** are as follows:

| | 2021 | | | 2022 | | | 2023 | | |
|----------------------------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|
| | FR accidents | SR accidents | OAR | FR accidents | SR accidents | OAR | FR accidents | SR accidents | OAR |
| Men | 3.97 | 0.01 | 6.79 | 3.48 | 0.14 | 5.96 | 3.12 | 0.12 | 5.18 |
| Women | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2.80 | 0.01 | 4.72 | 2.58 | 0.11 | 4.35 | 2.39 | 0.09 | 3.88 |
| Targets set in 2023 | | | | | | | - | 0.23 | 10.00 |

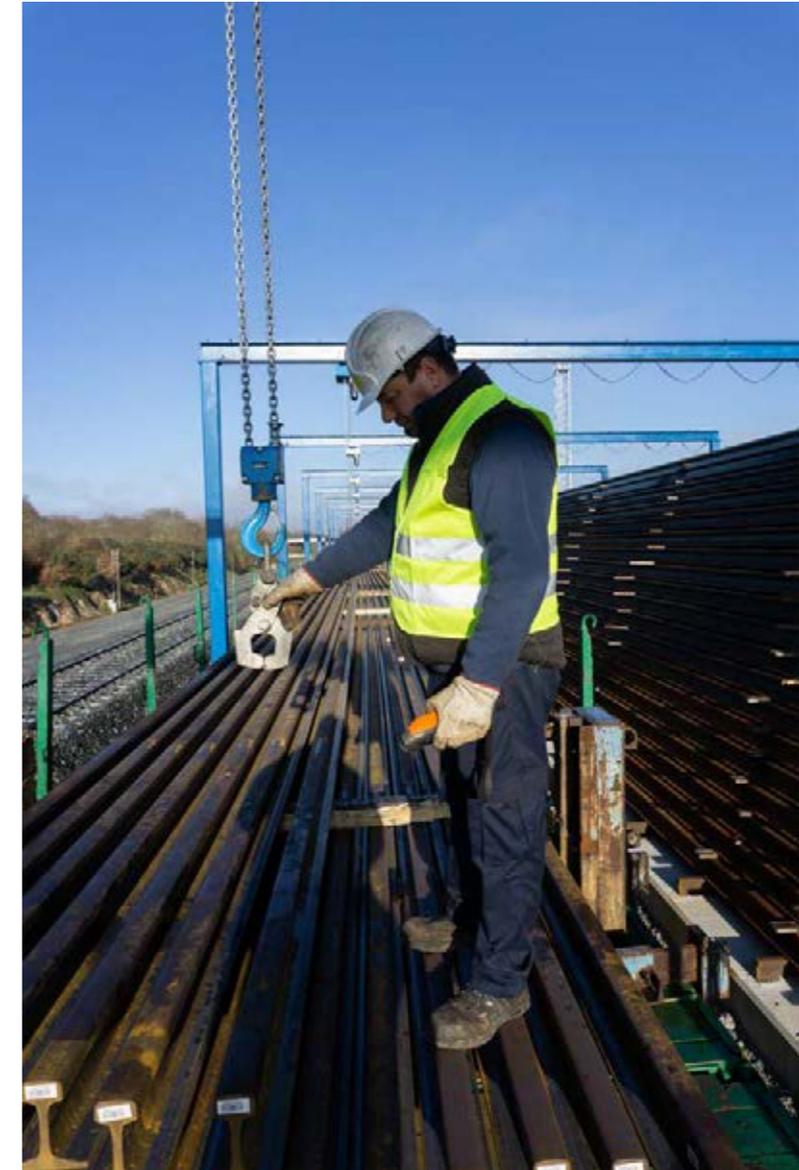
While key figures on absenteeism are as follows:

| Absenteeism | | | | |
|-------------------------------|-------|-------|-------|--|
| | 2021 | 2022 | 2023 | |
| No. hours lost to absenteeism | 5,513 | 6,058 | 9,076 | |
| Absenteeism rate | 1.58 | 1.52 | 1.99 | |

| Days lost per workplace accident or work-related illness | | | | |
|---|------------|-----------|-----------|--|
| | 2021 | 2022 | 2023 | |
| Men | 2 | 41 | 37 | |
| Women | 183 | 0 | 0 | |
| Total | 185 | 41 | 37 | |

| Other indicators | | | | |
|--|-------|-------|-------|--|
| | 2021 | 2022 | 2023 | |
| % of employees participating in preventive medicine | 17.06 | 14.35 | 19.38 | |
| Social aid supplement: (€ for medical expenses per employee) | 167 | 1,556 | 3,871 | |
| No. of fatal accidents of own employees | 0 | 0 | 0 | |

There have been no work-related illnesses during the last 3 years¹¹²



¹⁰⁹ Frequency rate = (No. of accidents/hours worked) x 1,000,000.

¹¹⁰ Severity rate = (No. of days lost/No. of hours worked) x 1,000.

¹¹¹ Occupational accident rate = (No. of accidents x 1,000) / Average No. of workers.

¹¹² Content related to **GRI indicator 403-10: Work-related ill health.**

5.4.2. Occupational risk prevention for contractors

Adif AV, in line with its corporate social responsibility declaration, which seeks to ensure the comprehensive safety of the railway system and the environment, extends the principles of its Prevention Policy beyond the walls of the Company to permeate its relations with stakeholders.

In this regard, Adif AV monitors contractors and companies operating at its work centres by ensuring compliance with the **Prevention Operating Procedure**: "Coordination of Business Activities" and by providing "General Guidelines Applicable to Companies that Operate at Adif Work Centres".

The health and safety management of workers on construction sites is carried out through the **Health and Safety Plans on the sites with a project**, and through **Preventive Management Documents on sites without a project**. To this end, there is a **procedure for action if an accident involving workers on contract and subcontracted construction sites** were to occur. In addition, an on-site record is kept to verify the number and status of all contractors entering the works, by requiring all contractors and subcontractors to register in the subcontracting log.

To ensure compliance, the representatives appointed by Adif AV have the power to supervise compliance by the Contractor, Subcontractor and Self-Employed Workers with the regulations on Occupational Risk Prevention and any other provision in force on Occupational Risk Prevention.

Accident rates among contractors

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| No. of fatal accidents among contractor staff | 2 | 1 | 0 |
| No. of accidents among contractor staff | 163 | 230 | 334 |
| No. of serious accidents among contractor staff | 6 | 5 | 4 |



Accident rate by type among contractors

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Overexertion | 32 | 36 | 45 |
| Falls | 38 | 51 | 85 |
| Relating to vehicles, tools and equipment | 63 | 94 | 116 |
| Falling objects | 6 | 18 | 21 |
| Accidents not involving trauma | 2 | 1 | 1 |
| Other (burns, assault, landslides, etc.) | 22 | 30 | 66 |

This power however does not exonerate Contractors, Subcontractors or Self-Employed Workers from their own responsibility regarding the application of such regulations.

The Contractor shall provide Adif AV staff with all the necessary facilities to perform their duties, and shall ensure that the Subcontractor provides the same facilities if applicable.

Furthermore, while the training provided to contractors is the responsibility of the company that each contractor belongs to, Adif AV provides training for its suppliers and contractors, particularly covering health and safety matters.

In 2023, a total of 7,290 hours of Protection and Security courses and 1,590 hours of Health and Safety courses were given to external staff, including contractors



5.5. ENVIRONMENTAL SAFETY¹¹³

Environmental Management System

Taking into account the principles established in the Environmental Policy of Adif and Adif AV and focused on the concept of continuous improvement, the activity of Adif AV has an **Environmental Management System** aimed at preventing, mitigating, correcting, or compensating for the environmental impacts derived from its activities. In addition to the objective of legal environmental compliance, it also considers the preservation of the environment and biodiversity. Through this System, processes are implemented according to plan,

and processes, objectives, and operational criteria are monitored and measured. Based on the results obtained, actions are taken to achieve continuous improvements.

The scope of the Management System determines the environmental aspects derived from the organisation's activities, products, and services, as well as the associated environmental impacts from a life cycle perspective. In this regard, all environmental aspects that may arise under normal and abnormal operating conditions are identified and evaluated, as well as those that may occur as a result of unforeseen environmental events.

Adif AV's Environmental Management System is based on **ISO 14001:2015 standard** and has obtained **AENOR certification**. According to this standard, there is a documented procedure for "Identification and Evaluation of Environmental Aspects." This procedure establishes the methodology to be followed to identify environmental aspects and evaluate associated environmental impacts, as well as their assessment, which affect the processes included in the Management System of Adif and Adif AV.

The control of environmental improvement actions within the Adif AV Management System is carried out through audits, both internal and external, certification, and monitoring, conducted annually.

During 2023, the following **tasks** were carried out to support the **Environmental Management System**:

- Preparation of Environmental Diagnostics for the Elche and Palencia Stations.
- Tasks associated with ensuring legal compliance by identifying and evaluating legal requirements.
- Preparation and/or revision of documentation related to the processes of Environmental Diagnostics, Contaminated Soil Management, Waste Management, and Identification and Evaluation of Environmental Aspects.
- Preparation of the "Catalogue of potential Environmental Clauses to be included in the various contracts of Adif and Adif AV".

In section [7.1 Environmental Management](#), you can find more information on this point, expanding on the details about sustainable resource use, noise pollution, light pollution, and soil pollution.

Risk Management Policy (RMP)

The Risk Management Policy (RMP) establishes the basic pillars upon which the risk management model is built. These foundational elements, by their very nature, must maintain a line of continuity and stability consistent with the evolution of the model and the reality of the environment. Following the documented systematic approach, environmental aspects are identified and evaluated in foreseeable emergency situations (potential aspects). These are the



¹¹³ Content linked to SP2030, Safety Pillar PSEG-OE6.

aspects that could arise as a result of unforeseen events affecting the environment.

Given the growing relevance of environmental management in business development, Adif AV supports the Environmental Management System with a Comprehensive **Risk Management Model**, including corresponding monitoring and periodic control from a risk management perspective and allocating human and financial resources, thus minimizing any negative impact.

Additionally, aiming to optimise the management of potential aspects generated by possible environmental emergency situations during the activities of Adif and Adif AV, documented procedures have been established regarding **“Action in emergencies affecting the environment”** and **“Action against Minor Environmental Incidents”**. Through these procedures, the organisation is provided with uniform guidelines for action and analysis with the aim of preventing or mitigating potential adverse environmental impacts. This ensures an appropriate and effective response to such situations. These documented procedures provide the organisation with the necessary tools to address environmental emergencies and manage minor incidents in a coherent manner, thus contributing to the prevention and reduction of potential negative environmental impacts.

Insurance Programme

Within the **Insurance Programme**, the organisation has a **general operational liability insurance for Adif and Adif AV, along with complementary liability insurance**, which includes additional and **specific coverage related to environmental liability**. This supplementary coverage covers environmental liability arising from Law 26/2007 (partially developed by Royal Decree 2090/2008 of December 22), encompassing primary, complementary, and compensatory repair expenses.

During 2023, as in 2021 and 2022, no serious or very serious sanctions were identified¹¹⁴



Strategic Plan 2030

The SP2030 of Adif and Adif AV, specifically within **the Sustainability Pillar and Strategic Objective 3 (SO.3)**, is oriented towards nature and biodiversity recovery. This objective is framed within the commitment to the 2030 Agenda for Sustainable Development, highlighting the contribution to SDGs 15, focused on terrestrial ecosystems' life. The specific target is 15.3, aiming to combat desertification, rehabilitate degraded lands and soils, including those affected by desertification, droughts, and floods, with the aspiration to achieve a world with a neutral effect on soil degradation.



Aligned with the SP2030, the **“Contaminated Soil Management”** procedure and the technical instruction called **“Preparation and presentation of Preliminary Situation Reports/Situation Reports (PSR/SR)”** have been developed. These documents regulate the functions and responsibilities of Adif AV in complying with contaminated soil regulations, especially Law 7/2022, of April 8, on waste and contaminated soils, which focuses on **promoting a circular economy**. The main objective is to ensure the protection of soil and groundwater.

¹¹⁴ The criteria for classifying a sanction as minor, serious, or very serious are set out in the initiation agreement of the sanctioning procedure or in its resolution. It is classified based on the violated regulation.

USER REQUIREMENTS



6

User requirements

6.1. Quality expectations

6.2. Service provided

6.3. We generate a positive social impact

6.3.1. *Estación Abierta* Programme

6.3.2. Collaboration with Stakeholders in the field of sustainability

6.4. Adif AV's green vocation - initiatives and results

6.4.1. Green Bond Standard: Sustainable financing

6.4.2. Commitment to information, transparency and sustainability towards investors



6. USER REQUIREMENTS

The **Service Pillar** makes the Company's activity society-centric through connectivity, mobility and social welfare.

Key Milestones:

- **Optimisation of the car park business** by launching the tender for the management of 55 passenger stations with a total of more than 22,000 parking spaces.
- **Consolidation of the deregulation of the railway industry:** Start of OUIGO and IRYO operations on the Madrid-Alicante line.
- Compliance with the timetable established to **deliver the inventory of crossings between platforms and the actions planned in 2023 associated with the RRF.**
- Increase in **Adif Acerca services to 145 stations in 2023.**
- Inauguration of the **new Antequera HS station.**

Contribution to the SDGs:



Main risks and opportunities:

- **Operational risks:** Impact of planned station works on commercial areas.
- **Financial risks:** Loss of funding associated with NextGen funds (RRF) due to non-compliance with actions undertaken.

Our commitment:

- **To continue to implement the New Commercial Operation Model.**
 - **To tender and implement the New Intelligent Customer Relationship Model (CRM Platform).**
 - **To define the Atocha Master Plan:** transforming the station to turn it into a "life centre" and boost commercial revenue.
- **To launch new businesses:** New Formats Project, creation of an ecosystem with coworking spaces and VIP lounges, and reviving agreements with local councils to commercialise spaces in small stations (shuttle stations).
- **To deliver the inventory of crossings between platforms.**
- Meeting the milestones set for the actions **proposed in the RRF.**

The **main indicators** linked to this pillar within the operational dimension are:

| Service Pillar | 2021 | 2022 | 2023 |
|--|----------|----------|----------|
| Passenger transport liberalisation ¹¹⁵ (Km x Train share of LD/HS services of the new rail undertakings with respect to the single operator) ¹¹⁶ | 4.75 | 6.86 | 22.90 |
| Installation reliability (No.) | 2,819 | 2,902 | 3,344 |
| Installation availability (Minutes) | 51.76 | 54.37 | 58.49 |
| Track quality (Ratio) | 99.17 | 98.64 | 98.45 |
| High-speed lines commissioned (km) | 162.6 | 269 | 50 |
| HS expenditure executed in construction work (ratio of executed expenditure to internal budget) (%) | 95.23 | 38.58 | 132.45 |
| Urban integration (€M in cumulative investment made) (excluding VAT) ¹¹⁷ | 4,408.51 | 4,699.18 | 4,875.42 |
| Commercial activity at stations (€M in commercial revenues) ¹¹⁸ | 17.44 | 18.84 | 18.39 |

6.1. QUALITY EXPECTATIONS¹¹⁹



Adif AV receives complaints regarding breaches of customer privacy, loss of customer data, and those 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 AV reach out to its customers, learn more about their expectations and detect ways in which it can manage its stations better. They can be submitted at the **Passenger Support Offices** at the stations themselves or, in some cases, by e-mail.



^{115, 116, 118} Adif + Adif AV.

¹¹⁷ Aggregate data for Adif and Adif AV, considering the contributions made by Adif, Adif AV and the other entities or administrations taking part in the urban integration projects under the agreements signed.

¹¹⁹ Content linked to SP2030, **Service Pillar PSER-SO2**.

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

| Perceived quality surveys | | | |
|---|------|------|--------------------|
| | 2021 | 2022 | 2023 |
| Perceived quality at stations (points/10) | 7.83 | 7.61 | N/A ¹²⁰ |

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. It uses a dedicated **IT tool** known as **RECLAMA** to manage 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. Adif AV also remains in close contact with customers through its presence on social media platforms (Facebook, X and Instagram).

In 2023, 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 ¹²¹ | | | |
|--|-------|-------|-------|
| | 2021 | 2022 | 2023 |
| No. of claims | 1,866 | 3,653 | 3,965 |

¹²⁰ The quality survey was not carried out in 2023 due to the change in contracting company.

^{121, 122, 123, 124} Adif + Adif AV.

Complaints received by topic¹²²

| | 2021 | 2022 | 2023 |
|--|------|-------|-------|
| Outsourced customer service | 2 | 50 | 97 |
| Adif <i>Acerca</i> support service | 338 | 829 | 1,181 |
| Outsourced information | 0 | 0 | 15 |
| Safety | 464 | 593 | 459 |
| Commercial services | 33 | 57 | 57 |
| Equipment | 280 | 619 | 414 |
| Facilities and accessibility | 476 | 1,015 | 1,138 |
| Customer service | 52 | 126 | 193 |
| Station commerce | 4 | 9 | 0 |
| In-station information | 217 | 355 | 411 |
| International information and bookings | 0 | 0 | 0 |
| Information, booking and nationwide ticket phone sales | 0 | 0 | 0 |

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

| Suggestions received at passenger stations ¹²³ | | | |
|---|------|------|------|
| | 2021 | 2022 | 2023 |
| No. of suggestions | 65 | 154 | 206 |

Suggestions received by topic¹²⁴

| | 2021 | 2022 | 2023 |
|--|------|------|------|
| International information and bookings related suggestions | 0 | 0 | 0 |
| Adif <i>Acerca</i> support service | 11 | 19 | 0 |
| Commercial services related suggestions | 0 | 15 | 23 |
| Security related suggestions | 3 | 5 | 4 |
| Station information related suggestions | 6 | 12 | 18 |
| Customer service-related suggestions | 2 | 8 | 9 |
| Equipment related suggestions | 21 | 45 | 78 |
| Installations and accessibility related suggestions | 22 | 49 | 74 |
| Station sales related suggestions | 0 | 0 | 0 |
| Outsourced information related suggestions | 0 | 0 | 0 |
| Outsourced sales related suggestions | 0 | 0 | 0 |
| Outsourced customer service-related suggestions | 0 | 1 | 0 |

Provision of comprehensive maintenance services and auxiliary and additional external services at passenger stations

The trend towards centralisation of facility maintenance contracts and cleaning contracts continued throughout 2023, with contracts grouped



into territorial areas by sub-department or station manager, thus allowing Adif AV to reduce the total number of contracts.

Along the same lines, maintenance services related to passenger information systems have been managed, ensuring the maintenance of all passenger information system aspects, both hardware and software, is covered. In this regard, the following contracts are in place:

- **Comprehensive maintenance of hardware equipment associated with passenger information systems and media in stations.** A single contract was tendered and awarded for 6 centralised management lots in the last quarter of 2023. This contract covers 435 Adif and Adif AV stations and has the aim of improving equipment functionality and system reliability. The contract includes equipment replacement activities and coordination with the various software maintenance companies. The contract will start in February 2024.
- **Preventive and corrective maintenance service for ELCANO MULTI operating software in passenger stations.** The contract for the passenger information system at 85 stations (divisions 24 and 30) has started.
- **Maintenance service for the passenger information system using ELCANO software at passenger stations.** Adif AV is drawing up a tender for the maintenance of the software in 350 of the Entity's stations (divisions 24 and 30).

Regarding maintenance contracts in force, there were no significant incidents, with the following two contracts being significant in terms of scope:

- **Provision of Comprehensive Maintenance Services at Passenger Stations,** a single contract awarded in 6 lots, one for each station sub-division, and which began in the fourth quarter of 2021 and covers maintenance needs at all passenger stations. This contract, which was initially due to expire in 2024, has been extended for a period of 12 months.
- **Comprehensive maintenance of escalators and escalator ramps installed at passenger stations,** through a single contract comprising 6 lots and covering 345 pieces of equipment

located at 35 main stations. This contract ensures the mobility of customers in transit through the stations and includes corrective actions. This contract, which was initially due to expire in 2024, has been extended for a period of 12 months.

In relation to maintenance services, a facility reliability indicator was set up, covering 377 directly managed stations (not including commuter train stations or the metric gauge network). In 2023, the score was 82.62% and an indicator measuring the uptime of essential equipment was also established, covering 12 main stations, with a provisional score of 97.75% for 2023 (pending final data).

At **stations owned by Adif AV:**

- Maintenance included in Passenger Information System (PIS) HARDWARE EQUIPMENT at 46 stations.
- Maintenance included in ELCANO MULTI PIS at 35 stations.
- Maintenance included in ELCANO PIS at 12 stations.
- Maintenance of escalators at 27 stations.
- Provision of comprehensive maintenance services at 46 stations.

EFQM Quality Certificates, 500+ Seals of Excellence and ISO Assurance

The Company has renewed the EFQM 500 standard for its excellent, innovative and sustainable management model based on the EFQM (European Foundation for Quality Management) Excellence model for the year 2023, valid until 2025 and covering 100% of the Company's activities. When it comes to the various Certifications and Seals of Excellence held by the Company, Adif AV complies with the required legal audits so as those under Occupational Risk Prevention Regulations (RD 39/1997) and is certified under the following standards:

- STANDARD: ISO 9001.
 - Management of the construction, maintenance and operation of the General Interest Railway Network (hereinafter referred to as RFIG for it's Spanish acronym).
 - Management of the construction, maintenance and operation of the high-speed rail network comprising the RFIG.
 - Centres of operation: All of Adif AV.

- 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's Information Systems and Technology Department, in accordance with the applicable statement in force.
- STANDARD: UNE 166002.
 - Research, development and innovation in railway technology.
- STANDARD: ISO 170001-2.
 - Transit of disabled persons and/or persons with reduced mobility from/to the meeting point at Adif and Adif AV railway stations of origin and destination, covering such aspects as access, route and boarding/disembarkation and accompaniment in getting to the assigned seat, when such persons travel on Rail Operator trains between the stations listed in the annex of the certificate.
- STANDARD: ISO 37001.
 - Management of the construction, maintenance and operation of the RFIG.
 - Management of the construction, maintenance and operation of the high-speed rail network comprising the RFIG.
- STANDARD ISO 17025.
 - Adif Central Laboratory for Ballast tests; Beacon Testing Equipment (BTE) and Catenary section.

It should be noted that it is not only the ISO 9001 standard that requires the control of outsourced processes, products and services. All management system standards and regulatory provisions featuring a high-level structure insist on this requirement.

6.2.SERVICE PROVIDED¹²⁵

In relation to the positioning of the Corporate Group, Adif AV works hard to play a meaningful role in the management of its investees and regularly analyses the competitive, economic, legal, operational, social, sustainability and environmental benefits and rewards of continuing to hold a stake in such companies.

Ecomilla Project at stations¹²⁶

The *Ecomilla Project* aims to make it much easier and more sustainable for passengers to travel door-to-door (from origin to station and from station to destination) using an energy-efficient, zero-emission form of transport.

To succeed in this task, the aim is to make the station a friendly space that achieves the strategic objective of improving the customer experience and enabling intramodality between the various forms of transport, so that passengers can choose the best alternative when making their decisions, thus reducing levels of uncertainty and delivering what is known as mobility on demand. We are currently designing an area where different sustainable mobility vehicles will be integrated (zero-emission, vehicle sharing/pooling), along with electric charging stations, secure bicycle parking, last-mile delivery, etc.



The **ESG aims** are:

- **Economic:** reduce the use of polluting vehicles and own vehicles. Pollution is a source of economic inefficiency by requiring additional resources. Efficient and sustainable mobility frees up resources for other, more necessary pursuits.
- **Social:** managing demand and increasing the well-being of travellers and citizens, while also encouraging change in individual behaviours to achieve a new collective balance between travel and quality of life.
- **Environmental:** reducing air and noise pollution, recovering public spaces in the city and combating climate change.

The *Ecomilla Project* will allow for the creation of a sustainable, modular and flexible mobility model, fully adapted to the various station types and depending on the mobility requirements of each station at which the model is being implemented. To this end, electric car charging infrastructure will be promoted by installing charging points in passenger station car parks. The tender process was carried out in 2023 to contract the works for the supply and installation, legalisation, and operation and maintenance of **1,079 electric vehicle charging stations in the car parks at 80 Adif and Adif AV stations.**

¹²⁵ Content linked to SP2030, **Service Pillar PSER-SO1, PSER-SO3, PSER-SO4, PSER-SO6, PSER-SO7 and PSER-SO8.**

¹²⁶ Content linked to SP2030, **Service Pillar PSER-SO1.**

The **main milestones** reached in 2023 were:

- A national network of secure bicycle parking facilities at passenger stations was created to promote intermodality and rail-bicycle integration, with an initial deployment in 2023 at the following stations: Alicante, Barcelona Sants, Castellón, Orihuela M. Hernández Valencia J. Sorolla and Valencia Nord.
- In the new tender to manage car parks at 55 Adif and Adif AV passenger stations:
 1. The criteria defined in the *Ecomilla Project* have been implemented.
 2. An investment item is established that must be carried out by the successful bidder, aimed at implementing the *Ecomilla* concept.



Ecomilla Project: Secure bicycle parking

This is another initiative from the *Ecomilla Project*, which aims to create a national network of secure parking facilities at stations operating under a single management model to promote intermodality and rail-bicycle integration.

In January 2023, the 10-year contract was awarded to a joint venture comprising *FCC Medio Ambiente*, *Don Cicleta* and *Benito Urban* for a fixed amount of €109,284 (€62,448 for Adif and €46,836 for Adif AV), plus 21% in variable revenue.

The following **high-speed stations spaces** are covered by this contract:

| | |
|-------------------------|-------------------------|
| Alicante | Ourense |
| Albacete Los Llanos | Palencia |
| Barcelona Sants | Pontevedra |
| Cáceres | Puertollano |
| Castellón | Santiago de Compostela |
| Ciudad Real | Segovia Guiomar |
| Córdoba | Sevilla Santa Justa |
| Cuenca Fernando Zobel | Toledo |
| Granada | Valencia Joaquín Soroya |
| León | Valladolid |
| Madrid Puerta de Atocha | Zamora |
| Málaga María Zambrano | Zaragoza Delicias |

The **main features** of this contract are as follows:

- A national network with a single management model is to be set up, extending the lessons learned from the pilot project to 42 Adif and Adif AV stations.

- The parking area will be located close to the station entrances.
- They will be safe and versatile spaces and may offer additional services.
- The structures or modules will be removable linkable, lockable, theft-proof, vandalism-proof and suitable for heavy-duty use, and will also protect the bicycles from adverse weather conditions. They will also feature electromechanical unlocking and locking mechanisms at the access points, and smart access control via an app, allowing only registered users to enter the car park.

The actions may be co-financed with funds from the Recovery and Resilience Facility (RRF) within the broader framework of the Next Generation EU temporary recovery instrument, as adopted by the European Council in July 2020 and implemented in Spain through the Recovery, Transformation and Resilience Plan (NRRP), which was passed via Resolution dated 29 April 2021, of the Undersecretariat, publishing the Agreement of the Council of Ministers of 27 April 2021. The tender will take place during 2023.

Stations. Digitalisation of the processes and procedures of the Commercial Operations Department. Implementation of CRM and contract management tools¹²⁷

The tender for the **New Intelligent Customer Relationship Model (CRM Platform)** was launched in 2023 in collaboration with the Digital Transformation and Systems Department and arranged through MITMA's Dynamic Procurement System. The tendering process is currently suspended due to:

- Lack of integration of the CRM tool with platforms recently acquired by the Digital Transformation and Systems Department.
- The risk that the solution would not cover all the requirements, especially those related to SAP modules, due to the fact that the tender process did not specify the integration with the Company's tools in sufficient detail.
- The need to incorporate new functionalities that implied a major change in scope, particularly for certain use cases of the B2C module.
- A certain volume of licences to be provided was established in the tender which was considered appropriate and adequate at the time the tender invitation was sent out. However, during

¹²⁷ Content linked to SP2030, *Service Pillar PSER-SO3*.

the tender, and as a result of new business requirements that emerged, it was found that a much larger volume of licences would be required based on the established needs. Therefore, the acquisition of licences needed to be separated into another Contract.

The tender process is expected to be re-launched during 2024 through two tenders: a first part covering the licences, and a second tender covering the implementation, commissioning and maintenance services.

Station Nerve Centre and actions at stations geared towards remote management

In 2023, work continued on developing the project for the equipment and operating systems needed for the Station Nerve Centre (SNC) and to enable remote management of the stations. The station nerve centre will provide operation and maintenance services to all **Adif and Adif AV passenger stations (637)** and is designed with future capacity in mind so that a full suite of services can be provided at commuter stations.

In 2023, work began at the stations, with visits to carry out the implementation projects at the stations, carrying out the inventory and staking out process. The projects for the Sigüenza and Arcos de Jalón stations have been drawn up, which have been chosen as "model projects" for the rest of the stations and will be used to define the solutions and equipment.

The project for the provision of an Initial Integration Environment has also been drafted so that communications and partial integration tests can be carried out in the station nerve centre at the local subsystem level in passenger stations. This will enable progress to be made by carrying out implementation and compatibility tests on systems and devices.

These actions will provide a pre-production environment where new station operating systems or versions of existing systems will be tested prior to their guaranteed release to production and where both applications and station operating systems will be tested.



- Scope: **46 stations.**
- Budget for actions at Adif AV stations: **€2,798,019.68.**

Deregulation of passenger transport (passenger station area-commercial operation)¹²⁸

During 2023, a multidisciplinary working group has been set up to address the second phase of the deregulation process in line with the work carried out in 2022. Additionally, a questionnaire was provided through the Adif and Adif AV websites to collect information from railway undertakings. The aim is to involve them in the entire process and to allow their opinions to contribute to the design of the second offering of passenger rail transport capacity.

As of 31 December 2023, 3 framework agreements are in force: *RENFE Viajeros*, *Intermodalidad de Levante (Iryo)* and *OUIGO*.

The **corridors shared by several operators** are:

- Barcelona and Levante corridor: *Renfe*, *Iryo* and *Ouigo*.
- Southern corridor: *Renfe* and *Iryo*.

Spain is the first European country to have three railway companies providing high-speed services. Renfe, Iryo and Ouigo have been operating on the Barcelona and Levante rail corridors since December 2022



¹²⁸ Content linked to SP2030, *Service Pillar PSER-SO6*.

Agreements made in 2023

| | |
|-------|--|
| Renfe | Addendum 1: Change of ends of the line on services on the Madrid-Levante corridor. Addendum 2: To make percentages of compliance with the traffic flows committed to in the Framework Agreement more flexible. Addendum 3: Change of ends of the line for the 2023-2024 service timetable extensions, subject to the approval of the two previous agreements and the amendment of Article 97.6.1 of Act 38/2015, of September 29 th governing the Railway Sector. |
| Ouigo | On 3 February, the addendum was signed in which the percentages of compliance with the traffic flows committed to in the Framework Agreement were made more flexible and the duration of the Framework Agreement was modified, extending it to 10 May 2031, as the start of its term was delayed. |

During **2023, passengers on the Spanish high-speed rail network reached record levels** due to the deregulation of the railway industry. According to the Spanish National Markets and Competition Commission (CNMC), 8.4 million passengers travelled on corridors with two or more operators during the third quarter. The number of passengers grew by 32% compared to the third quarter of the previous year. The Madrid-Alicante Corridor, which was deregulated in April 2023, carried almost one million passengers (66% more than the previous year).

Passenger station management. Investments to improve stations (accessibility, safety, functionality and operation, fixed and WiFi telecommunications networks)¹²⁹

In 2023, drawings were drafted and construction work carried out to improve the functionality and operation of the stations, enhance

the existing facilities and bring them into line with regulations, as we pressed on with the work relating to the deregulation and optimisation of station maintenance.

The **most important actions** carried out are the works at the following stations:

- **Atocha Station:** works on the new railway complex (Phase 2. Accesses to the Historic Marquee from *Glorieta de Carlos V*), construction of a provisional, dis-mountable and reusable car park (P3), and the continuation of the works to improve the station (remedying building pathologies, improving facilities, etc.). In addition, digital traveller information panels have been installed in areas.
- **Barcelona Sants Station:** adaptation of the air-conditioning installation, repairing leaks, rearrangement and transformation of the passenger building, among others.

Implementation of the New Commercial Operation Model at passenger stations¹³⁰

In deploying this new model, Adif AV is seeking to maximise the commercial income of stations and make them living and breathing centres and meeting points. They will serve a strong social and sustainability function and the commercial model will be able to adapt to the changes resulting from the deregulation of passenger transport.

The four **strategic objectives** defined for the new plan were as follows:

- I. Boost the retail business.
- II. Drive other businesses.
- III. Strengthen the brand and connect with customers.
- IV. Strengthen the model, along with capacities and tools.

A **transformation plan** was put in place for Adif AV stations and 12 initiatives were undertaken to achieve it:

| A Boost the retail business | B Drive other business | C Strengthen the brand and connect with customers | D Strengthen the model, along with capacities and tools |
|---|--|--|--|
| A.1 Design the commercial mix at other stations | B.1 Optimise the advertising business | C.1 Set up VIP rooms and coworking spaces | D.1 Strength employee organisation and strategic vision |
| A.2 Implement and extend the Atocha Master Plan Insignia | B.2 Optimise the Car park business | C.2 Launch the loyalty programme | D.2 Commercial management model and control of commercial revenue |
| A.3 Competitive dialogue for retail and car rental | B.3 Launch new businesses | C.3 Reposition Adif-owned brands | D.3 Implement CRM and contract management tools |

¹²⁹ Content linked to SP2030, **Service Pillar PSER-SO3.**

¹³⁰ Content linked to SP2030, **Service Pillar PSER-SO8.**

During 2023, the design of the Transformation Plan was finalised and it progressed to the Implementation phase. Specifically, progress has been made in the **Optimisation of the Car Park Business** at 55 Adif and Adif AV passenger stations, providing more than 22,000 parking spaces.

Consolidation of the Advertising Management Model at passenger stations¹³¹

In April 2022, a new advertising and promotional exploitation contract was signed with the company *Global Media*, which had submitted the bid offering the best price-quality ratio. The implementation to optimise the Advertising Business was completed in 234 stations in 2023:

- 31 Adif AV stations.
- 26 Multi-operator stations.
- 177 commuter stations.



The actions revolve around an extensive **digitalisation Plan**, with the progressive replacement of paper billboards with digital format screens. 19 large-format digital screens and other digital advertising media located were installed throughout the main stations. Billboard marketing supports, brand advertising actions (branding), and promotional advertising actions at stands were also carried out, and other initiatives may arise down the line.

In this new operating model managed by *Global Media*, 70% of the net sales are met by *Global Media* if the amount is higher than the minimum guaranteed income (€3 million for year 1, rising by 2% each year). The term of the contract is 10 years, with the option to extend for a further 5 years.

Consolidation of the Commercial Management Model of premises used for car rental activities (Rent-a-car) at passenger stations¹³²

Car rental is an essential business for Adif as it is the fourth largest source of commercial revenue for both Adif and Adif AV and is the most productive commercial activity (€/m²). The 8 operators selected in 2022 have been maintained, in which a global amount of €39,844,820.61

The Company seeks to consolidate the model of leasing premises and spaces for the rental of self-drive vehicles, including the assignment of parking bays for the operators to use



was invested (i.e. €2,000,360.38 Adif and €37,844,460.23 Adif AV). The contracts covered 71 Adif and Adif AV stations, 151 premises and 2,343 parking spaces, meaning 10 more stations, 36 more premises and 692 more spaces than the corresponding figures under the 2015 tender.

The contract which started in 2022 runs for 5 years. Flexibility mechanisms have been included so that the contract may be terminated where construction or similar work at the station affects the services provided by the operators. Moreover, the contractual framework ensures maximum agility in relations with the operators.

| Operator | Adif premises | Adif AV premises | All premises | Fixed income Adif bid | Fixed income Adif AV bid | Total fixed income bid |
|------------------|---------------|------------------|--------------|-----------------------|--------------------------|------------------------|
| Atesa | 14 | 25 | 39 | €1,049,431.14 | €11,592,800.85 | €12,642,231.99 |
| Avis | 1 | 14 | 15 | €83,269.85 | €6,088,655.66 | €6,171,925.51 |
| Europcar | 7 | 13 | 20 | €339,673.10 | €7,124,490.34 | €7,464,163.44 |
| Hertz | 6 | 9 | 15 | €286,513.63 | €3,620,013.62 | €3,906,527.25 |
| Ok Mobility | - | 2 | 2 | - | €1,394,361.00 | €1,394,361.00 |
| Renting Solution | 1 | - | 1 | €32,785.45 | - | €32,785.45 |
| Sixt | 1 | 8 | 9 | €208,687.21 | €8,013,730.68 | €8,222,417.89 |
| Viajes Reina | - | 1 | 1 | - | €10,408.08 | €10,408.08 |
| Total | 30 | 72 | 102 | €2,000,360.38 | €37,844,460.23 | €39,844,820.61 |

^{131, 132} Content linked to SP2030, Service Pillar PSER-SO8.

Universal accessibility at passenger stations¹³³

Along these lines, significant accessibility work was successfully completed at stations such as Recoletos and Amurrio which are pending acceptance. Meanwhile, work began at Gallur, Valdepeñas, Navalperal de Pinares, Villena and Alcalá de Henares stations, while construction work continued at Ordizia, among others.

Finally, work also continued on drafting the construction projects for the required works. Projects for those such as Loiola, Redondela, Cantillana, Linares-Baeza, Bobadilla, Miranda de Ebro and Monforte de Lemos, among others, have been approved.

Progress has also been made on the project to improve accessibility at 7 stops in the province of Girona; on the Campo de Criptana project, and work has begun on drafting the Tui project.

| Accessibility at passenger stations | | | |
|--|-------|-------|-------|
| | 2021 | 2022 | 2023 |
| % of passengers accessing stations with accessible routes managed by Adif/Adif AV ¹³⁴ | 85.94 | 86.88 | 86.93 |
| Investment in actions related to station accessibility (€M), including VAT ¹³⁵ | 5.80 | 5.88 | 11.09 |

Adif Acerca service at passenger stations¹³⁶

Assistance and support for people with disabilities or reduced mobility began to be provided at Adif passenger stations back in 2007, initially by Adif and Renfe-Operadora. Subsequently, this service was provided exclusively by Renfe-Operadora further to an agreement signed between the two entities on 19 December 2011, under the brand name Renfe Atendo. At the end of 2020, Adif took over the service within

the context of the deregulation process of rail passenger transport and Regulation (EC) 1371/2007 of 23 October on rail passengers' rights and obligations. Since 7 May 2021, the service has been provided under the brand name:



The brand was created on the basis of accessibility criteria and CERMI (the Spanish Committee of Representatives of People with Disabilities) was involved in creating the brand. In 2023, the number of Adif and Adif AV stations where the service is provided has been increased to a **total of 145:**

- 70 stations with a permanent service (Adif Acerca Assistants are available throughout the station's service hours).
- 75 stations where the assistance service is provided at certain times: Assistants are only available in time slots where assistance has been requested at least 12 hours before the departure of the train.

Specifically, the service has been **implemented in the following stations during 2023:**

- May: Antequera AV (permanent service) and Callosa de Segura-Cox (on-demand).
- June: Sanabria AV and A Gudiña - Porta de Galicia, both with the on-demand service.
- December: Arévalo (on-demand service).

The investments made in 2023 to improve accessibility to stations were doubled, by carrying out works to extend platforms to allow for the construction of underpasses or overpasses with lifts or ramps, which in many cases affect the track but must be overcome without interrupting normal station services



¹³³ Content linked to SP2030, Service Pillar PSER-S07 and PSER-S08.

^{134, 135} Data for Adif + Adif AV.

¹³⁶ Content linked to SP2030, Service Pillar PSER-S07 and PSER-S08.

In 2023, the Adif Acerca service provided 750,499 assistance services to passengers with disabilities or reduced mobility for all railway companies operating on the network (RENFE, OUIGO, IRYO, INOUI), which represents an increase of 17.29% compared to 2022



Broken down by stations, Madrid Puerta de Atocha and Madrid Chamartín - Clara Campoamor stations provided the most assistance in 2023, with 119,039 and 82,937 services respectively, followed by Barcelona-Sants (74,246 services) and Sevilla Santa Justa (35,868 services).

Adif *Acerca* is part of Adif and Adif AV's commitment in its SP2030 to accessibility, and it received **AENOR certification** in 2022 accrediting compliance with the requirements of the **UNE 170001-2/2007 Universal Accessibility standard**.

In 2023 the following system audits have been carried out on a random selection of stations where the Adif *Acerca* services are provided (both permanent and on-demand services):

- Internal audit by TÜV at a total of 8 stations.
- Follow-up audit by AENOR auditors at a total of 16 stations.

The contract awarded by Adif is currently being implemented, which includes the development of a new assistance management application which will replace the tools currently in use and which will feature new functionalities to improve how the assistance service is managed and prepare reports and balanced scorecards.

The service includes a centre tasked with supervision, coordination and monitoring activities, known as the **Central Support Office (hereinafter referred to as CSO)**. Since 1 November 2021, the CSO has been run by the temporary joint venture formed by *Fundación COCEMFE* and *Fundación Bequal*. The CSO is located at Madrid Atocha commuter station and is open daily from 6:00 am through to midnight. The CSO ensures

the optimal organisation of the service, liaises with the various railway undertakings and sees to it that any incidents are promptly resolved.

Action plan to improve crossings between platforms¹³⁷

In 2023, further progress was made towards the programme of improvement actions started in 2019, featuring **three courses of action**:

- Implementation of **protection elements at crossings for passenger use**, including the installation of caution signs on platforms and whistle signals for trains, installation of signs prohibiting crossing the tracks along platforms and the installation of platform marking and lighting at designated crossing points.
- Implementation of **protective measures for service use crossings**, including the installation of deterrent fencing that can be kept locked and signage prohibiting the entry of any person other than railway staff or emergency staff.
- **Raising of crossings** where such crossings are not considered necessary for the operation of the station or railway activity. In such cases, prohibition signs will be put up and all elements or material that cross the track infrastructure will be raised. This will also include the installation of deterrent fencing at the end of the platform or the widening of platforms at certain crossings. Once these actions are complete, they will be removed from the inventory.

In 2023, the Action Plan for Crossings between Platforms that was drawn up and submitted to the State Railway Safety Agency (hereinafter referred to as AESF) and Ministry of Transport and Sustainable Mobility in October 2022 was updated in compliance with Royal Decree 929/2020 on railway operational safety and interoperability. This Plan includes a proposal to adapt the protective equipment for all active platform crossings, including protection classes 1 and 2¹³⁸, and to reduce the number of crossings by removing them and building overpasses or underpasses. Cases where track infrastructure renewal or upgrading actions are planned and other conditioning factors have been considered to develop this plan such as the need for improved accessibility at certain stations or to reduce the level of risk.

The update of this plan envisions all actions to be carried out until 2030, with a final target of reaching 57% of the total number of active

crossings. Class 1 protection equipment is expected to be completed in 2026, while class 2 protection equipment will be implemented as the project takes shape. The first prototypes were installed at San Yago station and tests were carried out between April and September 2023. A prototype was subsequently installed at Villacañas station, with testing scheduled to begin in 2024.

In 2023, an update of the inventory of crossings between platforms of Adif and Adif AV was also drawn up and submitted to the AESF and Ministry of Transport and Sustainable Mobility in compliance with Royal Decree 929/2020, on railway operational safety and interoperability. A total of **33 active crossings** have been identified, all of which are **service use crossings**.



¹³⁷ Content linked to SP2030, **Service Pillar PSER-SO7**.

¹³⁸ Protection Class 1: passive protection by signalling or active protection by warning users of an approaching train. Protection Class 2: including light and acoustic signalling activated by the train when it approaches the crossing.

6.3. WE GENERATE A POSITIVE SOCIAL IMPACT¹³⁹

Key Milestones:

- Participation in the **gender equality accelerator programme: *Target Gender Equality*** initiative that supports companies participating in the UN Global Compact.
- **Search for alternative spaces where the *Estación Abierta* Programme** can be developed due to works at main stations.
- The **collaboration protocol with *Fundación Festival Internacional de Teatro Clásico de Almagro*** was extended for 2 years.
- **Expansion of the sponsorship portfolio.**

Main risks and opportunities:

- **Legal risks** related to sponsorships when the deadlines are extended and those associated with legal regulations that alter the development of the proposed activities.
- **Risks associated with station refurbishments that limit access to and use** of spaces for *Estación Abierta*.
- **Reputation opportunities and increased positive impact** of Adif AV associated with:
 - **Increased transparency** in how applications are managed.
 - **Spaces** assigned to third sector entities are **improved and expanded**.

Contribution to the SDGs:



Our commitment:

- **To continue to update the procedure governing the *Estación Abierta* Programme.**
- **To approve the review of the Sponsorship Policy** to work towards managing how sponsorships are processed and to minimise delays or non-compliance that prohibit sponsorship contracts from going through.

¹³⁹ Content linked to SP2030, *Sustainability Pillar PSUS-S05*.

Adif AV, as a Company, adopts a corporate social responsibility strategy and is committed to establishing long-term relationships with non-profit entities such as associations, foundations and public institutions. This approach reflects a proactive perspective towards collaboration

with key actors in civil society, seeking to generate a positive impact on the community and its environment.

The **most notable contributions** of Adif AV's strategy include:

| Long-term projects | Prioritisation of Collectives | Stakeholder engagement and conflict mediation | Participation in Sustainability Forums |
|--|--|---|---|
| The commitment to long-term projects represents Adif AV's vision for the future and its sustained commitment to the communities and organisations with which it collaborates, contributing to stronger relationships and generating more significant impact. | The Company pays specific attention to collectives and groups that may be affected by our operations. We help to maximise the relevance and effectiveness of the actions undertaken. | Openness to dialogue with Stakeholders, especially from the non-profit sector, and conflict mediation, indicate a willingness to address and solve problems collaboratively. This contributes to building harmonious relationships and ensuring proactive management. | Representation at sustainability forums demonstrates Adif AV's commitment to transparency and accountability. In addition to providing visibility of Adif AV's sustainable practices, it allows good practices to be shared with other actors in the sector and society as a whole, and to learn from them in return. |



In general, these actions suggest an integral perspective of social responsibility, not only considering the direct impact of operations, but also Adif AV's role as a committed actor in the construction of a sustainable and socially responsible environment.

Adif and Adif AV has also had a **Sponsorship Policy** since 2019 that serves as a framework for channelling contributions to strategic projects. The sponsorships extend to both Adif and Adif AV, but for accounting purposes they are registered at Adif. Within the framework of the Sponsorship Policy, both Adif and Adif AV have implemented criteria for handling applications for this type of action, and there is also a specific contact channel: patrocinios@adif.es.

The activities carried out by Adif AV generate various qualitative and quantitative impacts within the communities in which it operates. All related indicators can be found in [Appendix 2: Contribution to social and economic development](#).

Indicators related to the social dimension

| | 2021 | 2022 | 2023 |
|--|---------|---------|---------|
| No. of stations under the <i>Estación Abierta</i> Programme | 28 | 31 | 28 |
| Passengers boarding/alighting at accessible stations (% of passengers) ¹⁴⁰ | 85.94 | 86.88 | 86.93 |
| No. of activities under the <i>Estación Abierta</i> Programme | 171 | 259 | 203 |
| Percentage of purchasing with responsible criteria | 100 | 100 | 100 |
| No. of non-profit organisations with which the Company collaborates | 62 | 62 | 47 |
| Investment in the community (loss of profit - <i>Estación Abierta</i> Programme) (€) | 248,595 | 455,879 | 319,951 |
| Percentage of requests for information from the press and media answered on time or within seven days ¹⁴¹ | 95% | 96,10% | 99% |
| No. of sponsorship agreements signed ¹⁴² | 2 | 3 | 4 |
| Membership of national associations (Corporate Responsibility) | 3 | 3 | 3 |

This section describes the social actions through which Adif AV is aiming to have a positive impact on the local communities in which the Company operates, especially within the environment where its projects are located.

^{140, 141} Adif + Adif AV.

¹⁴² The sponsorships extend to both Adif and Adif AV, but for accounting purposes are registered at Adif.

Priorities in relation to impact on the community



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 social groups most directly related to the service provided: dialogue with Stakeholders (non-profit sector), conflict mediation, representation of the company in the main sustainability forums.

Adif AV made the following contributions to non-profit organisations in recent years:

| Contributions to foundations and non-profit organisations | | |
|---|------------|------------|
| 2021 | 2022 | 2023 |
| €596,129 | €1,337,588 | €1,410,279 |

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.

Adif AV is a member of the Spanish Association of Tunnels and Underground Works, the Madrid Open City Association, the Spanish Energy Club, the Association of Large Electricity Consumers in the Services Sector (GRANCEESS), and the European Railway Energy Settlement System (ERESS).¹⁴³ It has also signed agreements with the Universidad Politécnica de Madrid and the Spanish Railway Foundation (*Fundación de los Ferrocarriles Españoles*).

¹⁴³ Content related to **GRI indicator 2-28: Membership of associations.**

¹⁴⁴ Content related to **GRI indicator 413-1: Operations with local community engagement, impact assessments, and development programmes.**



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.¹⁴⁴

Main projects and partnerships:

- *Estación Abierta* Programme. Tool to coordinate and develop cultural, social and environmental initiatives at railway stations managed by Adif AV. estacionabierta@adif.es.
- Sponsorship Policy.
- Non-profit organisations with which we have signed agreements:
 - Association for the Prevention, Reintegration and Care of Prostituted Women (*Asociación para la Prevención, Reinserción y Atención a la Mujer Prostituida, APRAMP*).
 - International Classical Theatre Festival of Almagro Foundation (*Fundación Festival Internacional de Teatro Clásico de Almagro, FFIATCA*).
 - Spanish Committee of Representatives of People with Disabilities (*Comité Español de Representantes de Personas con Discapacidad, CERMI*).
 - Spanish Railway Foundation (*Fundación de los Ferrocarriles Españoles, FFE*).

- Spanish Federation of Food Banks (*Federación Española de Bancos de Alimentos, FESBAL*).
- Reina Sofía National Museum and Art Centre.
- Junior Achievement.
- University of Salamanca (USAL).

6.3.1. Estación Abierta Programme

The *Estación Abierta* Programme contributes to the achievement of the UN Sustainable Development Goals

The *Estación Abierta* Programme was created in 2008 and is a valuable tool for coordinating and undertaking cultural, social and environmental initiatives at railway stations managed by Adif AV, 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 tool is how Adif AV materialises collaboration with the third sector, granting them free access to an excellent platform (every year more than 150 million people pass through Adif AV stations) to carry out their activities, 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.

The programme pursues **three lines of action**:

| Community | Raising awareness | Culture |
|--|---|--|
| Opening up the station to its community. | Raising awareness of values through collaboration with NGOs and other non-profit entities: exhibitions, information desks, flash mobs, etc. | Concerts and exhibitions to promote new artists. |

To evaluate the success of the *Estación Abierta* Programme, a series of quantitative indicators are measured quarterly and annually to provide evidence of the Company's efforts along these lines.

The **main indicators** for Adif AV in 2022 and 2023 were as follows:

| | 2022 | 2023 |
|--|------------|------------|
| No. of activities | 259 | 203 |
| No. of entities with which we have collaborated | 62 | 47 |
| Assessment of the outcome of the activity/10 (provided by the company) | 8.33 | 8.55 |
| Assessment of the collaboration provided by Adif (provided by the company) | 9.11 | 9.49 |
| No. of activities | 31 | 28 |
| Unused amounts reversed | 44 | 24 |
| Economic return (€) | 18,207.61 | 24,560.45 |
| Return for members (it is estimated that on average a member contributes around €120 per year) | 1,263 | 1,159 |
| Total (€) | 169,767.61 | 163,640.45 |
| Loss of earnings (€) | 455,878.98 | 319,951.19 |

The Open Station Programme supported 47 non-profit organisations during the period (62 in 2022) allowing them to carry out their activities at Adif AV stations and raise a total of €319,951 (30% less compared to 2022)



In addition, a series of **quantitative indicators** have been defined to **measure the quarterly and annual** performance of the activities:

| Activities under the Open Station Programme | 2021 | 2022 | 2023 |
|---|-------|-------|-------|
| Opening up the station to its community (%) | 5.30 | 3.09 | 3.94 |
| Cultural initiatives (%) | 6.40 | 11.58 | 10.35 |
| Value awareness campaigns (%) | 88.30 | 85.33 | 85.71 |

6.3.2. Collaboration with Stakeholders in the field of sustainability



UN Global Compact - Spain

Launched in 2000, the United Nations Global Compact is the world's largest corporate sustainability initiative. There are currently more than 21,000 member organisations in over 160 countries around the world and 70 local networks. In Spain, more than 1,100 organisations have joined the initiative, making it one of the five local networks with the largest number of member organisations and, therefore, one of the most relevant at international level.

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.

Adif and extensively Adif AV is a participating entity of the UN Global Compact since 1 May 2018, committed to complying with the Ten Principles of the Global Compact in the areas of Human Rights, Labour Standards, Environment and Anti-Corruption



The UN Global Compact Spain 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.



Image provided by UN Global Compact Spain

The Company decided it was strategically important for it to join this particular non-profit platform, the world's largest corporate sustainability initiative. Membership fits nicely with its 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 achieving the SDGs of the 2030 Agenda in Spain. The ultimate objective is to generate value for all the organisation's stakeholder groups and contribute further to sustainable development.

We would also highlight our collaboration, through the Entity, in the "Good practices" campaign launched by UN Global Compact Spain for the internal and external dissemination of the contributions to achieving the SDGs, through the activities carried out by Adif (through its Communication and Corporate Reputation Department). As a result, 10 good practices were published.

Another aspect to highlight is the Company's extensive participation in the initiatives carried out by the UN Global Compact in Spain, being one of the companies most committed to the various initiatives carried out. The most significant activities have been:

- **Global Compact Academy Platform:** The Company participated in both the Academy Spain Platform and the UNGC Academy Platform in different training sessions.
- **International ESG accelerator programmes for employees:** Adif AV participated in the Human Rights, Equality and Climate Change programmes.
- **Training courses for managers and employees on the SDGs.**
- **Knowledge pills:** The Company participated in 5 of the 7 knowledge pills on sustainability.
- **Posts:** Adif AV has downloaded two publications related to the Climate Yearbook and WP Due Diligence.
- **Virtual training:** Participation in six virtual sessions, some of them as a speaker.
- **Events:** Participation in 3 of the 11 sustainability events held by the Global Compact.
- **Learning pathways:** Adif AV has participated in 3 learning pathways out of the 5 carried out.

- **Good practice campaigns:** Adif has participated in all the good practice campaigns on the achievement of the SDGs, including the campaign to celebrate the 8th anniversary of the SDGs (SDG Flag).

Socio de forética

Forética

Forética is the leading organisation in the field of sustainability and corporate social responsibility in Spain. Its mission is to integrate social, environmental and governance issues into corporate and organisational strategy and management, thus maximising their positive contribution to achieving a sustainable future. It currently has more than 200 members. Adif joined Forética in 2017 as a partner-promoter. Moreover, in 2019 it joined the Public Company Sustainability and CSR Action Group.

- **Public Company Sustainability and CSR Action Group:** a collaborative leadership platform in sustainability and CSR formed by 32 state-owned companies; its aim is to make further progress in the field of corporate sustainability and contribute to the achievement of the 2030 Agenda for sustainable development. During 2023, the Action Group held 3 working meetings addressing the following sustainability issues:
 - **Challenges and opportunities of Scope 3 emissions,** with a focus on measuring and reducing these emissions to contribute to the Net Zero target.
 - **Sustainability reporting in public companies: from voluntary to mandatory,** focusing its actions on the new regulatory developments in sustainability reporting in view of the recent approval of the new European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).
 - **Spanish Forum of Public Companies for Sustainability,** which addressed the strategic role of public companies in the transition towards a more sustainable economy; the work of member entities was presented in order to respond to the two previous themes.





In addition, Adif and Adif AV take part in four **Clusters** focused on the main issues that set the environmental, social and governance agenda. Key actions in which the Company took part include:

| | |
|--|---|
| Climate Change Cluster | <p>Leading business platform in Spain in the field of climate change. The cluster - led in 2023 by <i>Bankinter, Chiesi, Grupo Cooperativo Cajamar, Engie, Lafarge Holcim, Naturgy</i> and <i>Nestlé</i> - comprises more than 68 companies. In 2023, the Climate Change Cluster focused its work on the energy transition as a key element to meeting the Net Zero target by 2050. Three events were held during the year relating to:</p> <ul style="list-style-type: none"> ■ Energy transition: the European and national framework. ■ Business action on the path to energy transition. ■ Net Zero - Spanish Business Forum. <p>These events addressed the main issues in moving towards a decarbonised economy, looking at the energy and climate framework, and business action towards the energy transition.</p> |
| Sustainable Cities Initiative 2030 | <p>A benchmark business platform with the objective of promoting the contribution of the private sector and public-private collaboration to develop sustainable cities in Spain. To achieve this, the cluster is working on:</p> <ul style="list-style-type: none"> ■ Advancing companies' understanding, and integrating strategic approaches and actions linked to the sustainability of cities from an ESG perspective. ■ Highlighting the importance of public-private collaboration and partnerships as key drivers, in line with SDG 17, to achieve the urban sustainability goals. <p>During 2023, the Cluster held 3 events related to energy transformation and the development of energy efficiency in cities as drivers of change towards transformation. At these events, the cluster focused on further understanding how businesses can contribute to the decarbonisation of cities, with a focus on the energy transition.</p> |
| Social Impact Cluster | <p>A business meeting point for leadership, knowledge, exchange and dialogue on social impacts - both internal and external. The cluster, led by <i>Grupo Cooperativo Cajamar, Ibercaja, ILUNION, Mahou-San Miguel, Manpower Group, Mapfre</i> and <i>Naturgy</i>, is made up of 61 enterprises, including IBEX 35 listed companies, subsidiaries of multinationals, and family-owned businesses. In 2023, 3 events were held focusing on the European Union's vision and drive for social sustainability. The issue of measuring the social impact of companies was analysed and the importance of the "Diversity, Equity and Inclusion (DEI)" strategy as one of the pillars of social sustainability was highlighted.</p> |
| Transparency, Good Governance and Integrity Cluster | <p>The platform, led by <i>CaixaBank, Cuatrecasas, Grupo Cooperativo Cajamar</i> and <i>Leroy Merlin</i>, brings together 63 more participating companies with the aim of promoting a sustainable governance model and addressing the varying issues related to ESG management, specifically those related to making non-financial aspects part of the management of companies, while also acting as a key liaison with ministries, public administrations and regulatory bodies. During 2023, 3 events were held which dealt with the supply chain, adapting reporting to CSRD and ESRS, and the level of attention to ESG issues by management bodies. These events addressed key issues on integrating ESG aspects into the governance and decision-making of organisations.</p> |

Spanish Business Council for Sustainable Development

In addition to belonging to *Forética*, Adif and Adif AV have been part of the Spanish Business Council for Sustainable Development, as a partner-promoter, since 2021. This is a body made up of presidents/CEOs of *Forética's* partner-promoter members, and its constitution was presided over by H.M. King Felipe VI. *Forética* is the secretary of the council and it represents the World Business Council for Sustainable Development (WBCSD) in Spain, which is currently made up of some 50 companies.



Consejo Empresarial Español
para el Desarrollo Sostenible

The Council 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 ESG fields.

In 2023, Forética certified that Adif and Adif AV reached the minimum maturity level established for each of the five criteria as a requirement to be part of the Council, thus evidencing its commitment and leadership in sustainability that drive transformation and allow the Vision 2050 to be achieved.



In January 2023, in order to assess the ESG performance of companies that are members of the Council, five criteria have been introduced that must be met to qualify for membership of the Council, and which serve to assess compliance with the commitments set out in the **Council's Vision for 2050**. The five criteria are:

Forética, as the body in charge of assessing the Council members, reviews that each company meets these criteria on an annual basis. The aim is to identify the degree of maturity of the companies and

to support the promoting partners to make improvements both in terms of adherence and corporate ambition and action.

Adif AV has participated in **two meetings of the advisory body** in 2023. The first meeting, held in February, focused on reviewing the Council's activities, building a space for dialogue and reflection, and making a joint statement focused on action on the three priority sustainability challenges facing society: the climate emergency, loss of nature, and inequality. The second meeting was held in June to address and define the five criteria of the Business Council, proposals on the structure and governance of the Council Commissions, the Pilot Net Zero and Inequality Commissions, the strategic lines for 2024-2026, and the next milestones: ESG Spain 2023 and Council Session 2024.



| | |
|------------------------------------|--|
| Climate | <ul style="list-style-type: none"> ■ To set an ambition to achieve zero net GHG emissions by 2050 and have a science-based plan to achieve this, which may include Nature Based Solutions and other carbon removal solutions. ■ Measurement of Scope 1 and 2 emissions and the most relevant and influenceable Scope 3 emissions. ■ Annual external reporting on progress achieved. |
| Nature | <ul style="list-style-type: none"> ■ Define ambitious science-based environmental targets in the short and medium term that contribute to recovering nature/biodiversity by 2050. ■ Annual external reporting on progress achieved. |
| Human Rights | <ul style="list-style-type: none"> ■ Declare support for the UN Guiding Principles on Business and Human Rights through a corporate policy of respect for human rights and a due diligence process. ■ Annual external reporting on progress achieved. |
| DEI and Non-discrimination | <ul style="list-style-type: none"> ■ Declare support for inclusion, equality, diversity and the elimination of all forms of discrimination. ■ Annual external reporting on progress achieved. |
| Transparency and disclosure | <ul style="list-style-type: none"> ■ Operate with the highest level of transparency: incorporate ESG risk identification and assessment into materiality analysis and general corporate risk management processes. ■ External reporting of results. ■ Include material information on ESG issues in financial and/or non-financial reporting, making use of sustainability standards. |

6.4. ADIF AV'S GREEN VOCATION - INITIATIVES AND RESULTS¹⁴⁵

6.4.1. Green Bond Standard: Sustainable financing

Sustainable financing in the national context grew to €60,788 billion in 2023 (up 1% on the previous year), according to data provided by the Spanish Observatory of Sustainable Financing (*Observatorio Español de la Financiación Sostenible, OFISO*). During 2023, sustainable issues accounted for 18% of the total Spanish capital market (excluding Public Treasury funding).

Total issues of green, social and sustainable bonds in Spain came to €21,215 billion in 2023, 72% of which related to the green bond format. This figure is up 23% on the previous year, more than the global market increase which stood at around 3%. On 27 April 2023, Adif AV placed its seventh issue of fixed income securities under the "green bond" format. As on previous occasions, this latest placement reflects the objectives of the Strategic Plan for the coming years, *Plan Transforma 2030*, and Adif AV's strong commitment to sustainability, as set out in previous sections of this report.

Adif AV, in line with the current context, has placed its second bond issue under the parameters determined by the **Green Financing Framework** (renewed in August 2022), aligned with the ICMA's Green Bond Principles, which define the type of projects to which the funds must be allocated:

- Investments related to new high-speed rail lines and the extension of existing lines.
- Investments related to the maintenance, improvement and energy efficiency of high-speed rail lines.

This Framework also embodies the unflinching commitment and firm alignment of Adif AV to the principles set out in the European Taxonomy, specifically those relating to activity 6.14 (Infrastructure for rail transport), as well as the DNSH ("Do No Significant Harm") principle and the minimum safeguards set out in European legislation.

¹⁴⁵ Content linked to SP2030, *Sustainability Pillar PSUS-SO6*.

Seventh issue of green bonds

- Volume: €500,000,000
- Effective date: 18 April 2023
- Payment date: 27 April 2023
- Maturity: 30 April 2033
- Coupon: 3.9% per annum
- Net amount: €498,425,000

With this latest issue, Adif AV remains the second biggest issuer of green bonds in the Spanish public sector (behind only the Spanish Treasury), and the seventh biggest at national level, with an overall volume of €4 billion issued in green bond format. From an investment standpoint, the percentage of participants classified as socially responsible remained at 71%, in line with the previous years' issues.



As every year, the aim of this tool is to raise the necessary financing for Adif AV's business during the year. The maximum limit on the Company's borrowing capacity is set out in the General State Budget, though this margin includes operating, investing and financing costs that have been budgeted for the period, so as to ensure the financial capacity needed to meet or honour such commitments at all times.

These payments include debt maturities, which are an important part of the target to be met, especially bond issues maturing each year. These maturities mean the Company will have to refinance €1.479 billion in 2024.

6.4.2. Commitment to information, transparency and sustainability towards investors

As part of its commitment to transparency and communication to its Stakeholders and, specifically, to its investors, the Company provides a specific website on its results and actions in ESG and financial matters, the Investor Portal: (<https://www.adifaltavelocidad.es/inversores>). Investors can find the latest news and information on this website, which also includes a link to the Newsletters published quarterly by Adif AV, all the necessary documentation relating to the Company's financial situation, conditions of each of its bond issues, and presentations and information on debt, among others.

In addition, the Company has a permanent communication channel where investors can address any request or query regarding the Company's bond issues or any of the reports it publishes. (E-mail: gestion.financiera@adifaltavelocidad.es)

Green Bond Report 2022

As a commitment to transparency acquired by Adif AV through its Green Financing Framework, the Company published the Green Bond Report 2022 in the last quarter of 2023. This document reports on the projects which use the funds obtained from issuing the green bonds. In October 2021, the bonds had not yet been allocated. Their distribution was completed in October 2022 as well as the distribution of part of the funds obtained in that issue.

This report must also be verified by an external auditor, who will review how the funds are monitored and placed, confirming their allocation to projects considered eligible under the Green Financing Framework. For more information: <https://www.adifaltavelocidad.es/informaci%c3%b3n-sostenibilidad>.

Publication of a Newsletter for investors

As in previous years, we continued to focus on communicating with our investors and Stakeholders about the Company's progress in ESG matters and other areas through the Newsletter.

Four issues were published in January, April, July and October 2023 detailing the Company's economic situation at all times through accounting and financial data. The newsletters also provide a summary of the investments made, together with the most noteworthy developments and a summary of the country's macroeconomic situation with information published by the Bank of Spain.



The articles published in 2023 addressed numerous topics of public interest, notably the commissioning of the Madrid-Murcia line and the new contract to implement 5G technology on high-speed lines, as well as issues focused on the Company's financial activity such as the green bond issue carried out in April. Noteworthy ESG actions include actions to recover degraded areas surrounding high-speed lines, and several agreements carried out with non-profit organisations (*refer to section 6.3. We generate a positive social impact*).

All issues published to date can be found on the Adif AV's website at: <https://www.adifaltavelocidad.es/boletin-informacion>. The Company's dissemination activities have an external and internal scope, as its contacts and the different internal Stakeholders are also informed.

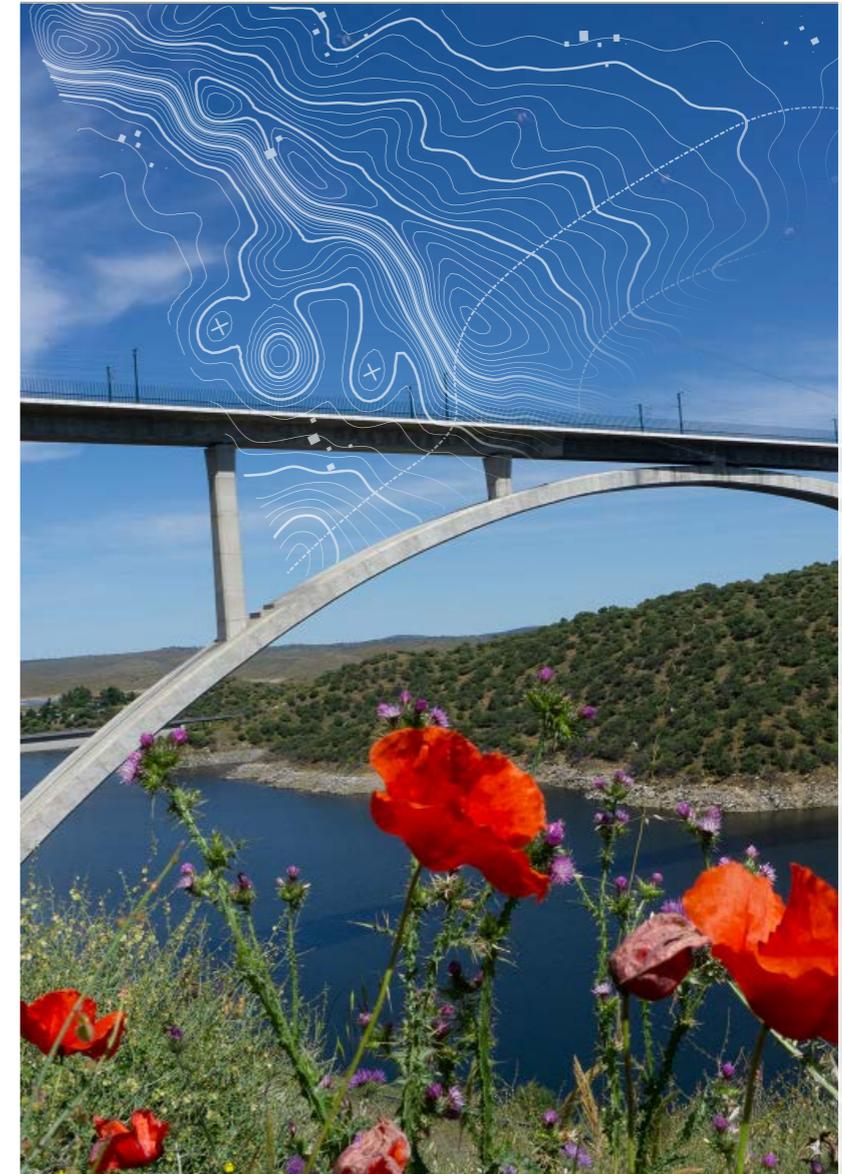
▽ CORPORATE FORUM ON SUSTAINABLE FINANCE

Corporate Forum on Sustainable Finance

As in previous years, Adif AV continues to participate monthly in the meetings convened by the Corporate Forum on Sustainable Finance. Adif holds monthly meetings with the forum since it was set up in 2019 to present the progress made in sustainable financing and to exchange views on regulatory and financial developments in order to take joint positions to make sustainability criteria a bigger part of the world of financing.

Benchmarking was carried out in 2023 to deepen the understanding of the sectors and interests of each of the participants. Another highlight is the change of the Forum's secretary from Engie to SNCF, the French national railway company.

As a novelty this year, a face-to-face meeting was held in Brussels at the offices of one of the Forum members, with representation from Adif AV. During this meeting, each participant presented their company's green strategy followed over the last few years, as well as the steps to be taken in the future.



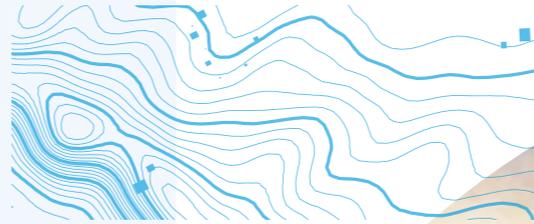
7

MORE
SUSTAINABLE

7

More sustainable

- 7.1. Environmental Management
- 7.2. Energy Transition
- 7.3. Combatting Climate Change
- 7.4. Biodiversity Protection
- 7.5. Circular economy
- 7.6. Supply chain



7. MORE SUSTAINABLE

The **Sustainability Pillar** and related objectives reflect our commitment to efficiency with society by creating a healthy environment and employing transparent practices. The **main indicators** for the ENVIRONMENT dimension are as follows:

| Sustainability pillar | 2021 | 2022 | 2023 |
|---|--------|--------|--------|
| Reduction in GHG emissions (tCO _{2eq}) | 14,344 | 15,426 | 15,620 |
| Improvement in energy efficiency (GWh equivalent) | 120.26 | 123.60 | 125.17 |

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.



7.1. ENVIRONMENTAL MANAGEMENT

Key Milestones:

- Ensuring proper management of **contaminated land and waste**.
- Coordination of the environmental part of the **Management System of Adif and Adif AV**.
- **Centralisation of information** related to the process throughout the entity.

Main risks and opportunities:

- Insufficient human and economic resources.
- Deficiencies in both information transmission and communication.

Contribution to the SDGs:



Our commitment:

- Continue **expanding the scope of environmental certification**.
- Lead a working group to develop a **Catalogue of environmental clauses for Responsible Public Procurement**.
- Increase **environmental culture and awareness among staff** through the Environmental Training Plan.
- **Internal process improvement** regarding:
 - Environmental Monitoring System during works not subject to Environmental Impact Assessment (EIA).
 - Environmental control in certified activities.
 - Identification of legal requirements.
 - Waste and contaminated land management models.
 - Environmental Management documentation system.

Summary in figures 2023

| | Value | Unit |
|--|--------|--------------------|
| Emissions reduction | 15,620 | tCO _{2eq} |
| Improved energy efficiency | 125.17 | GWh |
| Renewable energies | 93.90 | % |
| Resources allocated to environmental protection ¹⁴⁶ | 86.39 | Millon € |
| Waste destined for valorisation ¹⁴⁷ | 100 | % |
| Travelers in stations certified according to ISO 14001 | 61.78 | % |
| Resources dedicated to fire prevention ¹⁴⁸ | 3.00 | Millon € |
| Environmental review reports of projects ¹⁴⁹ | 296 | Unit |
| Reports adapting to the E.I.A. (Design phase) ¹⁵⁰ | 59 | Unit |

Environmental priorities



Combated climate change



Protecting biodiversity



Use of resources



Waste management and circular economy

The environmental management carried out by Adif AV is reflected in the latest Environmental Report published in August 2023 (information for the fiscal year 2022), applicable to environmental performance. In this way, the commitment to provide information on the environmental aspects of its activities and achievements is fulfilled. As in the previous year, the final environmental information will be reported in the 2023 Environmental Report, which is expected to be published during the second semester of 2024.

The aim is to identify and respond to actual and potential impacts with the purpose of achieving the highest efficiency in actions, preventing or mitigating negative impacts, and enhancing opportunities for improvement





Segregation
Via mandate



Adif AV manages the environmental aspects


 ADIF AV ENVIRONMENTAL MANAGES DUTIES

- ✓ Provision of advice on energy efficiency.
- ✓ Support in technical actions related to the environmental.
- ✓ 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.

On the other hand, Adif AV's activity is certified under the scope of the **Environmental Management System** aimed at preventing, mitigating, correcting, or compensating for environmental impacts derived from its activity. The objective of this initiative is environmental legal compliance as well as the preservation of the environment and biodiversity, thus objectives and commitments are established within this framework.



MAIN ENVIRONMENTAL derived from

CONSTRUCTION OF NEW LINES

- Problems affecting soil, fauna, vegetation and cultural heritage.
- Generation of noise and vibrations.

LINE OPERATION

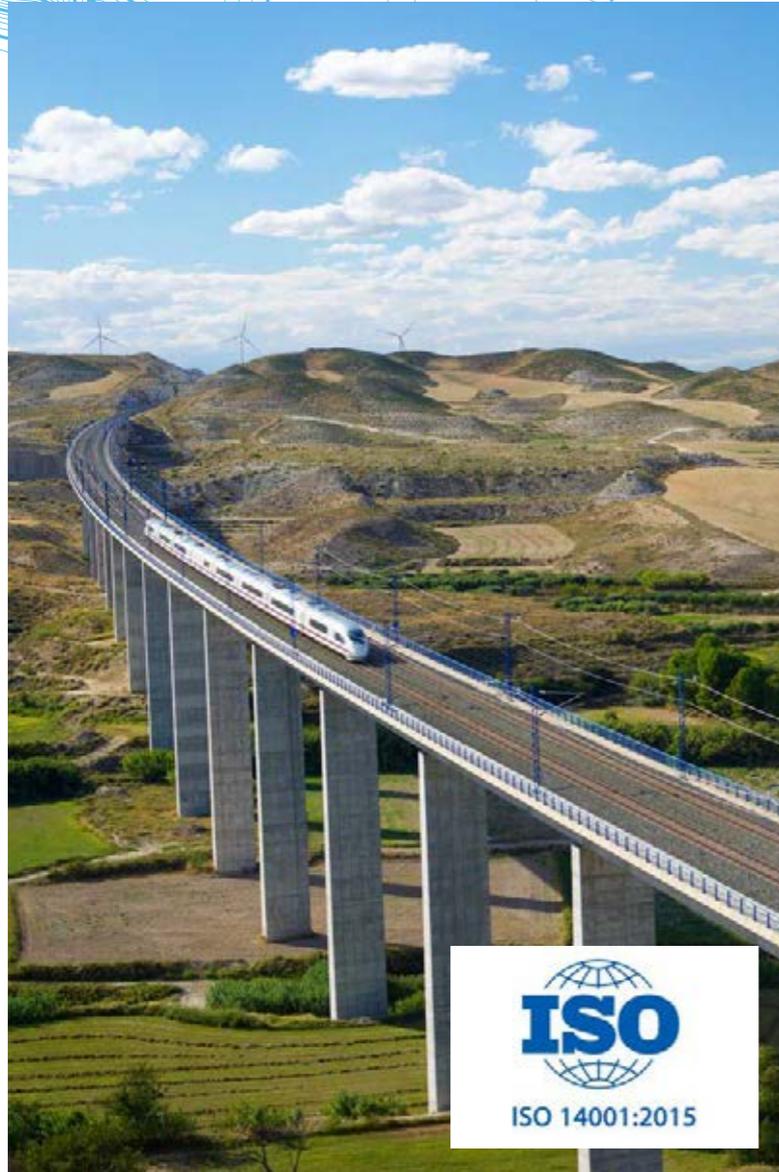
- Soil contamination.
- Generation of hazardous waste.
- Generation of noise and vibrations.

The relevance of environmental management in the development of business activities is supported as an essential component in the **Integrated Risk Management model**, requiring corresponding monitoring and periodic control from the perspective of risk management. Adif AV allocates human and financial resources, which, along with its Environmental Management System, enable the minimisation of any negative impact.

Evolution of certifications

| | 2021 | 2022 | 2023 |
|---|--------|--------|--------|
| Certified centres | 2 | 2 | 2 |
| Percentage of travellers in stations certified according to the ISO 14001 Environmental Management standard, in relation to the total number of travellers in Adif stations | 58.98% | 60.77% | 61.78% |

^{146, 147, 148, 149, 150} Data as of 2022. Last available information. Information regarding 2023 will be presented in the second semester of 2024, in Adif AV's Environmental Report.



Within the defined scope of Adif AV's Management System, environmental aspects derived from the organisation's activities, products, and services, as well as associated environmental impacts, are determined from a life cycle perspective. In this regard, all environmental aspects that may arise under normal and abnormal operating conditions are identified and evaluated, as well as those that may result from unforeseen environmental events, in order to determine which aspects are significant and require environmental improvement actions.

During 2023, the organisation completed the preparation of **Environmental Diagnostics** for the Elche and Palencia stations, as well as continued tasks associated with ensuring legal compliance by identifying and evaluating legal requirements. During this period, documentation related to Environmental Diagnostics, Contaminated Soil Management, Waste Management, and Identification and Evaluation of Environmental Aspects was prepared and/or revised. Additionally, the "Catalogue of Possible Environmental Clauses to be included in various contracts of Adif and Adif AV" was developed.

Furthermore, Adif AV has a **certified Management System**, based on a continuous improvement approach to environmental management. Within this context, environmental objectives and necessary processes are planned to generate results in line with the principles established in **Adif and Adif AV's Environmental Policy**. Processes are implemented according to the plan, and monitoring and measurement of processes, objectives, and operational criteria are conducted. Based on the monitoring and measurement of results, actions are taken to achieve continuous improvements.

The organisation has all the necessary tools, according to the UNE-EN ISO 14001 standard, and has documented procedures to ensure proper management within the organisation. Adif AV's Environmental Management System is based on the **ISO 14001:2015 standard** and has obtained certification from AENOR. Thanks to this certification, the entity ensures:

- Compliance with environmental legislation applicable to the activities and certified centres.

- Establishment and implementation of continuous improvement objectives within the certified system to improve the environmental management of these activities.

The scope of this certification covers the following aspects of Adif AV's activity:

- Monitoring and ensuring compliance with environmental conditions established in Environmental Impact Statements (EISs), Environmental Surveillance Plans, and applicable requirements in the construction of railway infrastructure and facilities.
- Management and coordination of the drafting of studies and projects for railway infrastructure and facilities.

Control of environmental improvement actions within Adif AV's Management System is carried out through internal and external audits, certification, and monitoring audits, conducted annually. From these audits, findings are derived, which are considered for the continuous improvement of the system.

Within the framework of the Organisation's System, in accordance with the UNE-EN ISO 14001 standard, there is a documented procedure for **"Identification and Evaluation of Environmental Aspects."** This procedure establishes the methodology to identify environmental aspects, evaluate associated environmental impacts, and assess their significance, affecting the processes included in Adif and Adif AV's Management System.

Following the documented methodology, environmental aspects are identified and evaluated in situations of foreseeable emergencies (potential aspects). These are aspects that could arise as a result of unforeseen events affecting the environment.

Additionally, to optimise the **management of potential aspects derived from possible environmental emergencies during Adif and Adif AV's activities**, documented procedures have been established regarding "Actions in response to emergencies affecting the environment" and "Actions in response to Minor Environmental Incidents." Through these procedures, the organisation is provided

with uniform guidelines for action and analysis to prevent or mitigate potential adverse environmental impacts. This ensures an appropriate and effective response to such situations.

These documented procedures provide the organisation with the necessary tools to address environmental emergencies and manage minor incidents consistently, thereby contributing to the prevention and reduction of potential negative environmental impacts. (refer to section [5.5. environmental safety](#)).

The procedure titled **“Contaminated Soil Management”** and the technical instruction named **“Preparation and presentation of Preliminary Situation Reports / Situation Reports (IPS / IS)”** have been developed. These documents regulate Adif AV’s functions and responsibilities in compliance with contaminated soil regulations, particularly Law 7/2022, of April 8th, on waste and contaminated soils for a circular economy, which focuses on promoting a circular economy. The main objective is to ensure the protection of soil and groundwater.

Both documents are aligned with Adif and Adif AV’s SP2030, specifically within the **Sustainability Pillar** and **Strategic Objective 3**, which focuses on nature and biodiversity recovery. This objective is framed within the commitment to the 2030 Agenda for Sustainable Development, emphasizing contribution to **SDG 15**, focused on terrestrial ecosystems. The specific target is 15.3, which aims to combat desertification, rehabilitate degraded lands and soils for a circular economy, including those affected by desertification, droughts, and floods, with the aspiration of achieving a world with a neutral effect on soil degradation.

Sustainable resource use

Adif AV utilises various essential resources to carry out its activities. With the aim of promoting good environmental practices and supported by its Environmental Management System, the organisation seeks to minimise its impact on the environment by reducing the consumption of resources necessary for its activities as much as possible. The main environmental aspects to be addressed include energy consumption, water consumption, material usage, atmospheric emissions, soil pollution, waste management, and other potential significant impacts.

In 2023, the resources allocated to environmental protection amounted to €86.39¹⁵¹ million (€86.39 million in 2022 and €47.01 million in 2021)



recycled materials¹⁵³, and **indicators related to water consumption** is detailed in the annex under the section “Environmental Information.”

Noise pollution

One of Adif AV’s objectives for 2023 regarding noise pollution is the identification of acoustic issues and the reduction of environmental pollution caused by noise and vibrations, leading to an improvement in the quality of life for people living in railway environments. To achieve this, the following measures have been implemented:

The remaining information related **to indicators concerning the consumption of materials in construction**¹⁵² operations,

| | |
|---|---|
| Preventive measures | <ul style="list-style-type: none"> ■ Acoustic studies during the Construction and Operation phases. ■ Environmental review of projects regarding acoustics. ■ Drafting of the Adif General Standard NAG 4-0-0.1 “Methodology for Acoustic Studies,” which will be applicable to all acoustic studies developed as part of projects drafted in Adif and Adif AV. ■ Drafting of the Adif General Standard “Methodology for Vibratory Studies,” which will be applicable to all vibratory studies developed as part of projects drafted in Adif and Adif AV. ■ Implementation of the common method for assessing environmental noise CNOSSOS in modelling the noise produced by railway operations of Adif and Adif AV. ■ Collaboration with the MITECO in the review of Royal Decree 1367/2007, of October 19, which develops Law 37/2003, of November 17, on Noise, regarding acoustic zoning, quality objectives, and acoustic emissions. |
| Measures for emissions reduction | <ul style="list-style-type: none"> ■ Drafting of Strategic Noise Maps for Phase IV to detect exceedances of Acoustic Quality Objectives. ■ Management of complaints and inquiries regarding acoustic matters. ■ Environmental monitoring during the construction phase regarding acoustics. |
| Measures for emissions repair | <ul style="list-style-type: none"> ■ Implementation of Acoustic Protection Projects resulting from noise action plans Phases I and II. ■ Drafting of Constructive Projects for Acoustic Protections resulting from noise action plans Phase III. ■ Implementation of measures to mitigate noise in construction sites (temporary screens, encapsulations, etc.). ■ Construction of acoustic screens around new lines or modification of existing ones. |

¹⁵¹ Data as of 2022. Last available information. Information regarding 2023 will be presented in the second semester of 2024, in Adif AV’s Environmental Report.

¹⁵² Content related to **GRI indicator 301-1: Materials used by weight or volume.**

¹⁵³ Content related to **GRI indicator 301-2: Recycled materials used.**

The related impact is the reduction of noise and vibrations, which leads to an improvement in the quality of life for people residing in the railway environment



The data obtained regarding noise pollution are presented in the following table:

| Evolution of Adif AV's acoustic-related complaints | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Claims specific to Adif AV | 22 | 5 | 13 |

Soil pollution

In 2023, one of the main measures implemented was the dissemination of the “Contaminated Soil Management” procedure and the technical instruction “Preparation and presentation of Preliminary Situation Reports / Situation Reports (IPS / IS)” to the areas of activity. These documents, approved in 2022, regulate the functions and responsibilities of Adif AV in compliance with contaminated soil regulations, particularly Law 7/2022, of April 8th, on waste and contaminated soils for a circular economy, with the ultimate goal of ensuring the protection of soil and groundwater.

During this period, a **Contaminated Soil Management Plan 2023-2025** was also developed as a strategic planning and management tool for remediating contaminated soils in Adif AV's railway infrastructure. The Plan aims to determine the objectives and forecast actions for environmental study and diagnosis, decontamination, and environmental control of potentially contaminated soils in Adif AV's railway infrastructure, taking into account their current environmental

situation, the sensitivity of the surroundings, limitations due to the activity, and other installation or environmental factors, as well as the requirements of the competent environmental authorities, among other aspects.

The information regarding indicators related to soil contamination is presented in [Appendix 4 “Environmental disclosure”](#).

Light pollution

Regarding light pollution, Adif AV is exempt as indicated in the specific legislation identified:

- NATIONAL: Royal Decree 1890/2008, of November 14, which approves the Regulation on energy efficiency in outdoor lighting installations and its complementary technical instructions EA-01 to EA-07.
- REGIONAL: Legislative development exists only in 6 Autonomous Communities (Andalusia, Cantabria, Castilla y León, Catalonia, Extremadura, and Navarre), as well as a draft law in the Valencian Community.

In national regulations, it is expressly stated that traffic regulation installations and equipment, as well as other installations and equipment subject to specific regulations, are excluded from the application, such as railway installations (Railway Sector Law: Law 38/2015, amended by Law 26/2022).

Regional regulations also expressly exempt railway installations and lighting or signalling installations provided for traffic management and safety in all its modalities.

In 2023, there were 0 incidents related to soil contamination recorded in Adif AV, consistent with the figures for the years 2021 and 2022



7.2. ENERGY TRANSITION¹⁵⁴

Key Milestones:

- Supply of electricity to **3,458 supply points**, resulting in a **volume of consumed energy of 3 TWh**.
- **99% of consumption equipped with remote metering systems**.
- **100% of energy with renewable Guarantee of Origin (hereinafter referred to as GoO) certificates**.
- **Savings of €12.97 million in the railway sector**, corresponding to the compensation of 104.2 GWh of spilled energy.
- Conducting **Energy Audits**.

Main risks and opportunities:

- Risks associated with the variability of electricity costs.
- Operational risks associated with supply failure.
- Risk associated with non-compliance with objectives due to lack of GoO certificates.

Contribution to the SDGs:



Our commitment:

- Achieve **100% electricity supply with GoO certificates** by 2024.
- Evolve the **complementary traction power service** by developing the Procedure for settlements and management of billing claims before 31 December 2024, as well as progress in billing on electrified lines in direct current mode with onboard measurement before the end of 2025.
- **Registration in the IDAE Platform**.
- Regarding the **Energy Audits** carried out, monitor the proposed measures focused on improving energy efficiency and reducing emissions.

¹⁵⁴ Content linked to SP2030, *Sustainability Pillar SP-SO1*.

Energy Management

Energy management is one of the key areas of action in the Climate Change Combat Plan (hereinafter referred to as CCAP). This line of action includes initiatives aimed at improving the current management of energy consumption through a better understanding of these consumptions, thus optimizing them and achieving savings. Projects related to the development of smart grids, the installation of telematic measurement and control systems, or the implementation of management measures are included.

Regarding energy management, the **main actions** can be summarised as follows¹⁵⁵:

- In the field of Electric Energy Management, Adif AV managed the electricity supply for 3,458 supply points during the year 2023, which amounted to a total energy consumption of 3 TWh. Information about the supply points and associated costs can be found in the section.
- 99% of the consumption corresponds to a total of 1,342 supply points equipped with telemetry systems, for which the following average costs have been obtained:
 - Energy cost: €114.2/MWh
 - ATRs cost: €29.9/MWh
 - Total cost of consumed MWh: €144.1/MWh
- The remaining 1% of consumption corresponds to 2,116 low-voltage supply points with very low consumption demands, without telemetry systems, for which a total cost of €205.8/MWh (including Energy and ATRs) has been obtained.

| | 2021 | 2022 | 2023 |
|--|-------|-------|-------|
| Points of electricity supply (number) | 3,422 | 3,452 | 3,458 |
| Volume of electricity consumed (TWh) | 2.38 | 2.72 | 3.00 |

| | 2021 | 2022 | 2023 | |
|--|---|--------|--------|--------|
| Consumption (%) | 98.60 | 99.00 | 99.00 | |
| Points of supply equipped with remote metering systems (number) | 1,303 | 1,321 | 1,342 | |
| Average cost of consumed energy (€/MWh) | Energy cost | 130.60 | 228.05 | 114.20 |
| | Cost of ATRs (Automatic Ticket Recharge) | 36.67 | 32.86 | 29.90 |
| | Total cost of consumed MWh | 167.28 | 260.91 | 144.10 |

- Obtaining resolutions from the Ministry for the Ecological Transition and the Demographic Challenge for the economic recognition of compensation for regenerative braking energy from trains returned to the electrical system in the UIC network for the substations of Buniel, Monforte del Cid, and Almodévar, totalling 57 authorised substations. In 2023, the compensation for energy returned to the grid increased to **104.2 GWh**.
- During 2023, the Declaration on the Network has been implemented:
 - Throughout the reporting period, the procedure for requesting fixed-price coverage referenced in the OMIP futures market has been enabled, allowing Railway undertakings (hereinafter referred to as RR.UU.) to unilaterally develop their own risk management strategy by transferring the decision to ensure electricity prices to them. Since the publication of the procedure, 22 requests for coverage at different prices from OO.FF. have been received.
 - Procedure that allows the installation of generation plants in the General Interest Railway Network (hereinafter referred to as RFIG for its Spanish acronym) by RR.UU. and their connection to Adif AV's consumption as self-consumption, thus allowing for greater reduction of energy costs, further development of renewable energies, and promoting greater independence of

supply through suppliers. This helps reduce energy demand on the national generation system, promotes energy savings, system efficiency, and decarbonisation. In 2023, a request for participation in a self-consumption electricity generation facility was received.

- In January 2022, the possibility of billing for the Tractive Current Supply Service through the onboard measurement modality in the AC electrified network was incorporated for those RR.UU. that request it. At the end of 2023, the first invoice for this service was issued, thus completing the application of the billing modality in the first RR.UU. of the RFIG that requested it.

The information related to **indicators concerning energy consumption** is provided in [Annex 4 "Environmental disclosures"](#), which reflects the consumption from primary energy sources, renewable energy consumption¹⁵⁶, and energy intensity¹⁵⁷.



¹⁵⁵ Content linked to SP2030, **Sustainability Pillar SP-SO1**. To be a reference in contributing to the energy transition. Developing an energy community.

¹⁵⁶ Content related to **GRI indicator 302-1: Energy consumption within the organisation**.

¹⁵⁷ Content related to **GRI indicator 302-3: Energy Intensity**.

Renewable Energy and Development of Photovoltaic Installations for Self-Consumption

Decarbonisation and the promotion of renewable energies are fundamental pillars of the Master Plan to Combat Climate Change (hereinafter referred to as PLCCC for its Spanish acronym). The purpose of this strategy is to replace fossil fuels with less polluting alternatives, actively promoting the use of renewable energy sources. Various actions are being carried out, such as electrifying sections without electrification, purchasing electricity with GoO certificates, and various initiatives aimed at favouring modal transition to rail, such as improving connections with ports and implementing railway highways, among others.

Regarding the **Energy Self-Consumption Plan of Adif and Adif AV**, with the aim of promoting the deployment of renewable energy generation in railway infrastructure, the implementation of almost 50 photovoltaic self-consumption solar installations has been planned, under the following modalities:

- **Self-consumption without surplus:** In 2023, construction began on the projects awarded on April 18th, 2022, for the installation of 21 photovoltaic self-consumption facilities without surplus. These installations have a total estimated capacity close to **1.8 MW**, with an average coverage of consumed energy from self-consumption expected to be over 13% in relation to the total consumption of the locations. The annual net energy generated will be close to 2.7 GWh, and the average utilisation of photovoltaic energy generated for self-consumption will be over 99%.
- **Self-consumption with surplus:** On August 1, 2022, the execution of works, operation, and maintenance of the 25 photovoltaic self-consumption facilities under the surplus mode was awarded, and by the end of the year, they were in the process of drafting the construction projects. These installations have a total installed capacity of **6.1 MW**, with an average coverage of consumed energy from self-consumption expected to be 27.4%, in relation to the total consumption of the locations. The annual net energy generated will exceed 9 GWh, and the average utilisation of photovoltaic energy generated for self-consumption will reach 85%.
- **Self-consumption in large surfaces:** In July 2022, the installation of large surface photovoltaic panels in Miraflores with a capacity of **15 MW** was awarded, and the installation of



the photovoltaic solar plant in Alcázar de San Juan with a capacity of 4 MW is planned.

Ferrolineras: Electric Vehicle Charging Stations and Deployment of Charging Points at Adif and Adif AV Stations

The works are part of the objective to promote the deployment of electric vehicle charging infrastructure by installing electric vehicle charging points in the parking lots located at passenger stations. These works, included within the *Ecomilla Project*, involve the supply and installation, legalisation, operation, and maintenance of **1,079 electric vehicle charging points** in the parking lots of **80 Adif and Adif AV stations**.

Energy efficiency

Energy efficiency is another key pillar in the development of the previously mentioned PLCCC. This initiative aims to improve the energy efficiency of the railway system in various uses, both in traction and other purposes, with the goal of reducing energy consumption. Actions range from optimizing lighting to modernizing air conditioning and Hot Water Systems (HWS), as well as implementing reversible substations, among other measures.

Every four years, as required by law (Royal Decree 256/2016), **Energy Audits** must be carried out. In addition to regulatory compliance, the objective of these audits for Adif and Adif AV is to obtain a detailed consumption map and identify possible energy-saving actions to be developed in the coming years, consequently contributing to the reduction of greenhouse gas emissions.

In 2023, the second edition of the Energy Audits under Royal Decree 256/2016, modified by Royal Decree 390/2021, has been completed, **auditing 86.1% of Adif's total energy consumption and 87.5% of Adif AV's**.

Over the coming years, the measures proposed in these audits will be adopted, focusing on fleet renewal, reducing diesel fuel usage time, LED lighting replacement, photovoltaic solar installations, air conditioning equipment replacement, energy control systems, installation of frequency inverters, and reducing heated volume with the installation of air curtains.

Regarding the supply of electricity, since 2019 Adif AV has been committed to purchasing 100% Green Electricity with GoO Certificates



In the Declaration on the Network, during the year 2023, a procedure for requesting fixed-price coverage referenced to the OMIP futures market has been implemented, following the recommendations of the CNMC to give greater participation to railway companies in the energy acquisition process. This allows railway companies to unilaterally develop their own risk management strategy by transferring the decision to secure electricity prices to them. Since March 29, 2023, the date of publication of the procedure in the Network Declaration, **22 requests for price coverage have been received from different railway companies** throughout 2023.

On the other hand, with the aim of enabling railway companies to participate in the self-consumption of electrical energy and reduce their energy costs, a procedure has been enabled that allows the installation of generation plants in the RFIG by railway companies and their connection to Adif AV consumption as self-consumption. This results in greater independence from suppliers through retailers and promotes a reduction in the amount of energy demanded from the national generation system, thus promoting energy savings, system efficiency, and decarbonisation. Since September 27, 2023, the date of publication of the procedure in the Network Declaration, one request for participation in a production and/or generation installation in the self-consumption of electrical energy by a railway company has been received throughout 2023.

In December 2023, **the first invoice for the complementary service of traction current** supply using on-board measurement as the billing unit was issued, thus completing the implementation of this billing modality for the first railway operator of the RFIG that requested it.



7.3. COMBATTING CLIMATE CHANGE¹⁵⁸

Key Milestones:

- **Coordination and monitoring** of the Adif and Adif AV **Master Plan to Combat Climate Change** (hereinafter referred to as **PLCCC** for its Spanish acronym) 2018-2030.
- **Coordination of Studies on Adaptation to the adverse effects of climate change** across the entire railway network.

Main risks and opportunities:

- Adaptation of railway infrastructure to the adverse effects of climate change.
- Financial risk: Loss of funding due to non-compliance with conditions associated with ensuring adaptation to adverse climatic effects: community funds (FEDER, RRM, ...), and Green Bonds.

Contribution to the SDGs:



Our commitment:

- **Updating the PLCCC** using the guidelines and methodology of the Science Based Target Initiative (SBTi).
- **Registering the Carbon Footprint of Adif and Adif AV with the MITECO** and calculating our scope 3 footprint.
- Approval of a **Sustainability Policy for Adif and Adif AV**.
- Coordinating the **development of studies analysing adaptation to the adverse effects of climate change across the entire railway network** and monitoring the risk of adaptation to the adverse effects of climate change through KPIs.

¹⁵⁸ Content related to SP2030, **Sustainability Pillar SP-SO2**, and **SP-SO4**.

Master Plan to Combat Climate Change 2018-2030

Within the SP2030 of Adif and Adif AV, the climate commitment is included in the strategic objective "Fighting the effects of climate change" as a priority business strategy, with the stated aim of contributing to the development of an environmentally friendly mode of transportation that responsibly uses scarce resources.

The PLCCC 2018-2030 is, therefore, a strategic initiative of Adif and Adif AV. There is a **Monitoring Committee for the PLCCC**, whose task is to quarterly monitor and update the company's two KPIs: "Reduction of GHG emissions" (tCO_{2eq} avoided) and "Improvement of energy efficiency" (GWh_{eq} saved). The results of this monitoring are communicated to the Management Committee of both Adif and Adif AV.



The main projects that Adif and Adif AV are developing and have been incorporated into the draft of the new version of the PLCCC are as follows: the Energy Self-Consumption Plan (installation of photovoltaic solar panels for self-consumption with and without excess), the installation of electric vehicle charging points, the implementation of "ferrolineras" (charging points for electric vehicles in train stations), replacement of C-grade diesel boilers with less polluting technology, and Energy Guidelines, among others. Additionally, urgent measures for energy efficiency and savings and the calculation objectives of scope 3 carbon footprint have also been included in the draft in 2023.

In the definition of this risk, **several action plans** have been included to improve its control and minimise its impact on the entities, among which are:

- The **elaboration of Global Adaptation Studies to the adverse effects of climate change** on the entire Rail Network. Through the results of these studies, Adaptation Plans will be developed and implemented on each of the lines, with the aim of establishing, in each case, the necessary measures to adapt to the consequences of the effects of climate change and thus improve the resilience of the infrastructures.
- Progress in the **implementation of the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)** of the Financial Stability Board (FSB) on the disclosure of financial information related to the risks and opportunities associated with climate change. Its application in the Management Reports of Adif and Adif AV will be studied, especially regarding what Law 7/2021 on Climate Change and Energy Transition establishes in its article 32.
- The study and application of **new data analytics tools to deepen the information related to weather events**, with the aim of providing data for risk indicators and supporting the preparation of Climate Change Adaptation Studies.
- The **evaluation and updating of contingency plans or action procedures in the event of environmental emergencies**, which should include a section on adverse effects derived from climate change that may exist in this regard. In this way, it is ensured that the evaluation of climate change has been taken into account in defining the methodology for action in the event of

LINES OF ACTION TO COMBAT CLIMATE CHANGE

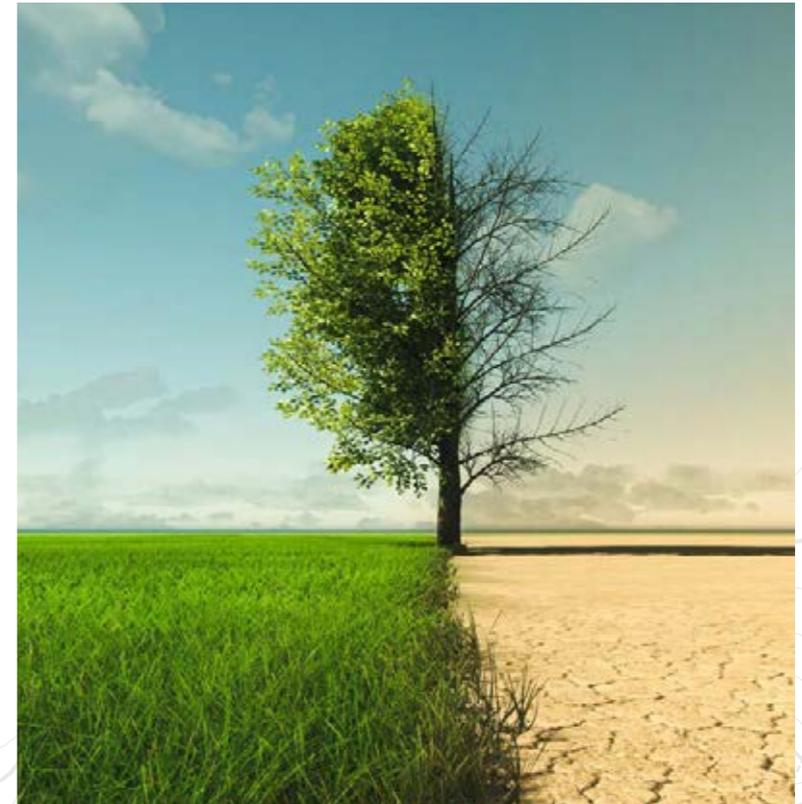
- ✓ Energy management
- ✓ Energy efficiency
- ✓ Decarbonisation and renewable energies
- ✓ Resilience of rail infrastructure
- ✓ Culture and awareness-raising

Adif AV's PLCCC sets objectives for reducing energy consumption and greenhouse gas emissions (GHG), with specific targets established for the years 2025 and 2030



emergencies or environmental incidents, especially those related to climatic events.

- The **assessment of the vulnerability of existing infrastructures to adverse phenomena derived from climate change**, through the identification of potentially flood-prone areas. The sections of track potentially susceptible to flooding are identified by preparing maps that show a preliminary classification of the potential flood risk for each identified area.



The increase in frequency and severity of extreme weather events as a consequence of climate change poses a risk to the integrity of both railway infrastructure and the railway services provided. Therefore, ensuring adequate resilience of existing infrastructure, as well as new infrastructure planned for construction and commissioning, is essential.

Additionally, obtaining financing through community funds, green bonds, etc. is conditioned upon ensuring adaptation to the adverse effects of climate change. Thus, managing this risk also represents an opportunity to access funds/grants and attract investments.

The PLCCC consists of three main areas: mitigation, improvement of the resilience of railway infrastructure, and climate change culture and awareness. Within the **mitigation scope**, there are three lines of action comprised of various projects aimed at reducing energy consumption and greenhouse gas emissions:

- **Energy management:** This line of action involves initiatives aimed at improving the current management of energy consumption through better understanding. Projects include the development of smart grids, installation of telemetry systems for measurement and control, and implementation of management measures such as energy audits.
- **Energy efficiency:** This line of action seeks to improve the energy efficiency of the railway system, both for non-traction uses and traction purposes, thereby reducing energy consumption. Actions include improving lighting, upgrading air conditioning and hot water systems, and implementing reversible substations, among others.
- **Decarbonisation and renewable energies:** The objective of this line of action is to replace fossil fuels with alternative, less

The PLCCC highlights projects such as reversible substations, electrification efforts, and the Ecomilla Project, which promotes modal shift to rail transport and contributes to more sustainable urban mobility



polluting options, promoting the use of renewable energies. Actions include electrification of sections without electrification, purchasing electricity with GoO certificates, and all initiatives to promote modal shift to rail transport, such as improving connections with ports, rail freight corridors, etc.

Thanks to the actions of Adif and Adif AV outlined in the PLCCC, it is estimated that the cumulative reduction in emissions for the railway system by 2030 will be 777 ktCO_{2eq} (from implemented measures) and 3,700 ktCO_{2eq} (from purchasing green energy with GoO). In the case of Adif AV, it will contribute to a cumulative emission reduction of 264 ktCO_{2eq} (from implemented measures) and 1,400 ktCO_{2eq} (from purchasing green energy with GoO).

Taking modal shift into account, the cumulative reduction in emissions for both entities by 2030 is estimated to exceed **8,400 ktCO_{2eq}**.

A computerised tool for Energy Guidelines has been developed to standardise energy-saving measures for all Adif and Adif AV projects, whether it's a renovation or a new installation, building, or station. This tool enables the evaluation of the results of potential application.



In 2023, electricity purchased with GoO accounted for 93.9% (compared to 91.5% in 2022 and 89.8% in 2021) of the total energy consumption



A **Catalogue of Responsible Public Procurement (social and environmental)** is being developed. Within this Catalogue, requirements will be included to encourage suppliers to implement measures contributing to the fight against climate change and minimizing their carbon footprint for contracted activities. Examples include the use of non-polluting vehicles (zero or eco-label), low-emission production processes, and/or energy efficiency criteria in building projects (stations), among others. Adif and Adif AV will include the defined criteria in their Administrative Clauses.

In 2023, work has been carried out on a generic specification, encompassing new construction projects as well as renovation or rehabilitation projects within station areas. It will justify compliance with "Energy Savings" in all



its sections, along with compliance sheets for limiting energy demand, either through simplified calculation options or general options, obtained using the reference software of the Ministry of Energy, Consumption, and Tourism (Unified Tool). Additionally, it will list the materials comprising each enclosure and their characteristics used in the calculations.

In accordance with Royal Decree 235/2013, of April 5th, which approves the basic procedure for the certification of the energy efficiency of buildings, for new construction projects, the **“energy efficiency certificate of the project”** will be included, signed by the designer as a result of the certification process containing information on the energy characteristics and energy efficiency rating of the execution project. For existing building adaptation projects, the “building energy efficiency certificate” will be included, updating its sections that are modified by the actions covered by the project.

This annex and its contents must comply with Royal Decree 390/2021, of June 1, which approves the basic procedure for the certification of the energy efficiency of buildings and must obtain the energy efficiency certification label for the project to be incorporated into the annex of the project.

In outdoor lighting installations, compliance with RD 1890/2008, of November 14th, on their energy efficiency, will be justified, as well as their energy rating based on their energy efficiency index.

Initiatives and goals in the field of Climate Change Adaptation

Within the context of improving the resilience of railway infrastructures, **comprehensive studies on the adaptation** to adverse effects of climate change are being conducted, analysing all the railway lines across the network. The objective is to have 100% of the railway network analysed by 2030.

In 2023, Adif AV reduced final and primary energy intensity by 16% and 15%, respectively, compared to the previous year



Regarding the risk of adaptation to adverse effects of climate change (ADAP), the following **Key Risk Indicators, KRIs** are identified: expenditure on emergency works due to meteorological events, climatology's impact on reliability (Conventional Network), climatology's impact on reliability (AV Network), climatology's impact on availability (Conventional Network), and climatology's impact on availability (AV Network).

Regarding adaptation measures to climate change, the **main Action Plans** defined include:

- Development and implementation of a Methodology for the Analysis of risk and vulnerability to the effects of climate change in projects.
- Development of Global Studies on Climate Change Adaptation across the entire railway network.
- Analysis of incidents in the network due to meteorological phenomena.
- Participation in the Work Plan 2021-2025 of the transport sector to achieve the objectives of the National Plan for Adaptation to Climate Change (hereinafter referred to as PNACC for its Spanish acronym).
- Implementation of the SmanSlope project, which involves the supply, installation, and uninstallation of a rockfall detection system in trenches based on DAS (Distributed Acoustic Sensing) technology.
- Application of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) regarding the disclosure of financial information related to risks and opportunities associated with climate change.

Adif / Adif AV's adherence to the International Union of Railways (UIC) Climate Responsibility Commitment 2019

The development of the PLCCC aligns with the ultimate goal of achieving carbon neutrality by 2050, a goal that Adif AV has committed to with its adherence to the International Union of Railways (UIC) Climate Responsibility Commitment 2019.





The energy consumption saved since 2009 amounts to 125.17 GWh_{eq} per year (123.6 GWh_{eq} per year in 2022), corresponding to 15,620 tCO_{2eq} per year avoided by energy efficiency and decarbonisation actions



Information related to **energy efficiency indicators** is available in [Annex 4, "Environmental disclosure"](#).

Adif AV complies with the current regulations that establish parameters regarding emissions into the atmosphere.

The **GHG emissions generated by Adif AV's** activities consist of both indirect emissions (originating from the generation of the electricity it consumes) and direct emissions (from the consumption of diesel and natural gas boilers, traction motor equipment, machinery, and the fleet of vehicles).

These emissions are monitored through the calculation of the carbon footprint, a tool that allows for the determination of the greenhouse gas emissions associated with an organisation's activities.

The information related to indicators regarding the Carbon Footprint and the reduction of GHG emissions (tCO_{2eq}/year) is presented in [Appendix 4, "Environmental disclosure"](#).

In 2023, the target for avoided greenhouse gas emissions (GHG) is 15,435 tCO_{2eq} per year. The established target for energy savings is 123.67 GWh_{eq} per year





ADIF AV'S CARBON FOOTPRINT
derived from

SCOPE 1 EMISSIONS
DIRECT GHG EMISSIONS

- Diesel and natural gas boilers.
- Rolling stock material.
- Equipment for track maintenance, shunting and ancillary operations.
- Use of the vehicle fleet.

SCOPE 2 EMISSIONS
INDIRECT GHG EMISSIONS

- Generation of electricity acquired and consumed by Adif AV.



7.4. BIODIVERSITY PROTECTION^{159, 160}

Key Milestones:

- Diagnostic work on the conservation status of the *Testudo graeca* and foundations for its recovery.
- Collaboration with the Ministry for Ecological Transition and the Demographic Challenge in the elaboration of the National Habitat Defragmentation Plan.
- Definition of metrics to determine the impact on the environment and biodiversity.
- Development of a compilation document of methodologies for conducting field fauna studies during construction works.
- Publication of the Adif Electrification Standard NAE 121 “Measures for the protection of birdlife in the Overhead Contact Line”.
- Development of the Technical Instruction for the Management of Bird Electrocutions in the Overhead Contact Line.
- Preparation of biological stop documents for each construction project.
- Analysis to determine the impact of animal collisions using the GIFO tool in the province of Barcelona.

Main risks and opportunities:

- **Operational risks:** Service interruptions due to incidents related to the electrocution of birdlife on the Overhead Contact Line.

Contribution to the SDGs:



Our commitment:

- Monitoring the barrier effect that the HSR (High-Speed Rail) between Palencia and León may cause on the populations of the Iberian wolf.
- Diagnostic work on the status and conservation of the *Testudo graeca* and bases for its recovery in the Province of Almería.
- Development of a Methodological Guide for estimating the risk of collision and electrocution of birdlife with the Overhead Contact Line of the railway infrastructure.
- Analysis of the results obtained in the “anti-mortality” sheet developed for the systematic collection of measures on-site with the aim of minimizing the risk of wildlife mortality.

¹⁵⁹ Content related to GRI indicator 304: Biodiversity.

¹⁶⁰ Content related to SP2030, Sustainability Pillar PSOS-OE3.



Adif AV ensures compliance with **protective and corrective measures** to achieve adequate environmental and landscape integration of the infrastructure within the framework of the Integrated Management System. Information on the management carried out is provided through a system of environmental integration indicators and compliance with the Environmental Impact Statement (EIS), both in the design and construction phase and in the subsequent monitoring after reception.

In accordance with current legislation in the country, all High-Speed Rail (HSR) Lines undergo **Environmental Impact Assessment procedures**, which ensure adequate prevention of specific

environmental impacts and establish effective mechanisms for correction or compensation. Special attention is paid to impacts on biodiversity, including unique species of flora and fauna, habitats of special interest, and protected natural areas. This procedure culminates in the formulation of the corresponding **Environmental Impact Assessment (EIA)**, which determines the environmental suitability of the project and, if appropriate, establishes conditions for its execution, correction, or compensation for identified impacts.

All sections of the High-Speed Rail Line have an **Environmental Works Director (EWD)** appointed by Adif AV, responsible for ensuring compliance with the provisions of the Environmental Impact Statement,

adherence to environmental legislation, and the implementation of environmental integration measures outlined in the corresponding construction projects.

In areas of special environmental value, this work may be supported by the creation of **Joint Environmental Monitoring and Control Committees for Works**, composed of representatives from national, regional, and in some cases, local bodies (Ministry of Public Works, Ministry of Ecological Transition and Demographic Challenge).

Once the environmental conditions for each section have been established, Adif AV has the powers delegated by the State Secretariat for Infrastructure and Transport of the Ministry of Public Works to draft and approve Construction Projects, as well as the responsibility for construction and operation.

Identification of priority biodiversity areas

For the identification of **unique areas for fauna and flora**, the document "Identification of priority areas for biodiversity for studies and projects" is used as a reference.

Additionally, computer-based terrain and geographical visualisation tools such as ArcGIS Web Application are employed, which not only delineate the boundaries of the **Natura 2000 Network** but also provide a link to the management plan for each area.

The identification of priority biodiversity areas in the project phase is carried out through knowledge and access to the Spatial Data Infrastructure (SDI) of the Ministry for Ecological Transition and Demographic Challenge. Specifically, in the case of the Natura 2000 Network, each Autonomous Community has specialised information regarding the management of these areas. Once these areas are identified, based on the provisions of the Adif General Standard "**Type index and content of the environmental integration annex of projects**" (**NAG 3-0-1.0**), a description of protected natural areas and other areas of interest (Natura 2000 Network, Protected Natural Spaces, Priority Habitat Areas, etc.) is carried out, aiming to identify those potentially affected by the project's execution and establish specific measures to ensure their protection.



Subsequently, based on the environmental analysis conducted, a **Territory Classification** is carried out for the location of temporary and permanent auxiliary elements. The use of 3 categories is recommended: **excluded zones, restricted zones, and admissible zones.**

The category of **excluded zones** comprises areas of highest environmental quality and fragility (protected natural spaces, classified, inventoried, or proposed for protection, natural habitats of community interest, unique biotopes or those of interest for the proper conservation of sensitive or significant fauna, unique vegetation formations, etc.). In these zones, the location of any type of temporary or permanent installations, material storage areas, roads, or infrastructure serving the works is prohibited, except those that are deemed unavoidably necessary for the execution of the works, which must be duly justified before the Environmental Works Director (EWD) and authorised by the same, also requiring the necessary permits from the competent authority.

At the project level, the contractor is required to develop an **Environmental Management Plan** following the criteria of Technical Instruction IT-109-004 of the Entity, which includes the obligation to include an analysis of the environmental classification of the territory

in the three categories mentioned above. Additionally, this Plan must include spatial and temporal restrictions to be considered during the execution of the work to ensure minimal impact on biodiversity. Once the work has commenced, monitoring of the measures defined in the project and in the Management Plan is carried out, with special emphasis on areas assigned to the Natura 2000 Network.

The latest published [Environmental Memorandum of Adif AV¹⁶¹](#) included an analysis of the **length of occupation of the Adif and Adif AV lines in Natura 2000 Network areas:**

| | 2023 |
|--|------|
| No. of platform works involving occupations in Natura 2000 Network areas | 15 |
| No. of superstructure works involving occupations in Natura 2000 Network areas | 18 |
| Total number of works involving occupations in Natura 2000 Network areas | 33 |

¹⁶¹ Last available Environmental Report. Information for 2023 will be presented in the second half of 2024, in Adif AV's 2023 Environmental Report.

Best practices for mitigating impacts during the design, construction, and operation phases

The Entity has established a series of mitigation practices based on **prevention, correction, and compensation.** This hierarchy of practices is implemented throughout the planning, design, construction, and operation phases.

- **Planning:** In this phase, an Information Study is carried out, including the Environmental Impact Study (EIS), conducted by the Ministry of Transport and Sustainable Mobility, which falls outside the Entity's responsibilities.
- **Design:** The Entity follows the Environmental Prescriptions Guide for Construction Projects, which includes a series of prescriptions for designing prevention, mitigation, and compensation measures. Additionally, it establishes criteria for classifying the territory to ensure that auxiliary elements of the project are located in areas with lower environmental value.
- **Construction:** The measures outlined in the previous phase are implemented by the contractor in the Environmental Management Plan of the project. Additionally, the contractor must complete an **Environmental Work Diary** which includes the framework for monitoring the implemented measures. Additionally, environmental performance is supervised by an Environmental Works Director (EWD) who verifies compliance with the Environmental Impact Assessment (EIA), regulations, and the implementation of required actions. Periodic reports detailing the performance are prepared, which may be complemented by special reports focusing on specific environmental aspects. As a result of the monitoring efforts and to contribute to the implementation of best practices, Catalogues of protective measures are developed to serve as references in the design and implementation of measures. Some of the most prominent documents include the Catalogue of Preventive Measures for the Protection of the Water Environment and the Catalogue of Noise Protection Measures during the construction phase.
- **Operation:** During the operational phase, monitoring is conducted to assess the effectiveness of implemented measures and to detect unforeseen impacts.

These actions are documented in various reports and significantly contribute to the definition and design of preventive and corrective measures during the project phase, as well as the implementation of the most effective prevention and mitigation measures on-site. Notable among these reports are the **Reports on the State and Effectiveness of Corrective Measures in Completed Works**, as well as **post-reception monitoring reports, transplants, and special treatments** of restored areas on sections of completed High-Speed Rail Lines (HSR), which analyse different treatments and their execution parameters, evaluate their effectiveness, and provide recommendations based on the results obtained.

Similarly, High-Speed Rail Lines (HSR) entering into service undergo **"Monitoring of the state and effectiveness of preventive and corrective measures for fauna"**, usually spanning a 3-year period and resulting in several monitoring reports as well as a final report. The conclusions of this final report are used for the design and implementation of preventive and corrective measures.

Finally, it should be noted that **compensatory measures** are reserved for situations where impacts cannot be adequately avoided or corrected. Generally, these assessments are conducted during the planning phase, during the environmental processing of the Information Report, and their necessity is reflected in the applicable Environmental Impact Statements.

Other **actions to avoid or minimise the impact on the environment and biodiversity** include the following:

I. During the operational phase.

To mitigate the barrier effect, Adif AV is collaborating with the Ministry for Ecological Transition and the Demographic Challenge in the development of the **National Plan for the Defragmentation of Linear Infrastructures**, which analyses the structures located in a series of parcels identified by said ministry.

Furthermore, it is maintaining a record of incidents involving avian species, including an analysis of the species affected by the infrastructure of the Entity, based on the Technical Instruction

ADIF-IT-301-001-LAC-20 developed by the Environmental Subdirectorate.

Regarding collisions, possibilities for using and functionalities provided by the GIFO tool are being analysed to obtain data that facilitates the implementation of preventive measures. Currently, a pilot data analysis experience is being carried out on incidents in the province of Barcelona between 2016 and 2020.

II. During the execution of maintenance works

The drafting of construction projects in these types of areas is subject to an assessment of the impacts on the spaces and species present in these high biodiversity value zones. Based on this assessment, preventive, corrective, and, if necessary, compensatory measures are developed to reconcile the development of the works with biodiversity conservation.

Subsequently, during the construction phase, environmental monitoring ensures the implementation of the measures and their effectiveness. It is very common that prior to the start of the work, surveys of fauna and/or flora are conducted to identify species of interest within the scope of the work. If such species are detected, the most appropriate measures are coordinated with the competent authority to ensure minimal impact. The Entity has developed guidelines containing recommended methodologies for conducting such surveys.

Additionally, High-Speed Rail works include a detailed analysis of the restrictions for biological stops to be applied during each reproductive period in which the work is being carried out.

During 2023, the Entity has developed two documents related to **defining measures for the protection of avifauna** against cases of electrocution:

- **Adif Electrification Standard NAE 121 "Measures for avifauna Protection in Overhead Line Equipment (OLE)":**

The purpose of this standard is to establish a methodology for analysing risks and proposing various measures and actions for the protection of avifauna in both alternating current and direct current overhead line equipment. This standard applies to all projects involving comprehensive renewals of the catenary system

as well as new electrifications. The document develops a series of technical solutions to protect avifauna from electrocution and collision with bare wires.

- **ADIF-IT-301-001-LAC-20 Technical Instruction: Management of Avifauna Electrocutions in Overhead Line Equipment (OLE):**

The objective of this document is to describe the corrective actions to be taken on the catenary system when an incident of avifauna electrocution occurs, ensuring that it does not happen again. The scope of action (correction) is calculated taking into account the level of protection of the species involved in the incident and its vital domain.





The main impacts caused by Adif AV's activity are land occupation, increased noise levels, and to a lesser extent, the risk of collision with avifauna and habitat fragmentation. To reduce these impacts, corrective measures are adopted, such as installing screens and constructing wildlife crossings.

Sometimes, as a complement to mitigation, **compensatory measures** are implemented. Examples of these include:

- Collaborating in the implementation of acoustic screens to minimise the impact of transparent screens on avifauna collision.
- Developing a Catalogue of preventive measures for the water environment (surface and underground) for application in infrastructure construction.
- Collaborating in the implementation of metal structures to minimise the impact of catenary poles on avifauna entrapment.

Information related to **Biodiversity indicators** is provided in [Appendix 4 "Environmental disclosure"](#). Additionally, [Chapter 7 "More Sustainable"](#) details the environmental management and actions against climate change and biodiversity protection carried out by the Entity.

Metrics for monitoring and controlling impacts on biodiversity

Additionally, Adif AV has implemented a series of metrics for monitoring the impact on habitats. These can be found in the [Environmental Report of Adif AV](#) (section 8, objective 2), where the following indicators are included:

- Average surface area (m²/km) of auxiliary elements occupation in Protected Natural Areas (PNA).
- Surface area of auxiliary elements occupation in other High Environmental Value Areas (HEVA) (m²/km): This indicator includes the following areas affected by the infrastructure of the Entity:
 - Catalogued archaeological sites.
 - Lagoons, wetlands, and floodable areas.
 - Rivers, streams, and channels with natural vegetation.
 - Areas with well-preserved and developed tree vegetation.
 - Very permeable recharge areas.

- Surface area of **permanent** auxiliary elements occupation in Medium Environmental Value Areas (MEVA), which include the following areas:
 - Habitats of community interest.
 - Important Bird Areas (IBAs).
 - Areas of high productivity cultivation.
 - Areas with well-preserved and developed natural tree vegetation.
 - Areas of high quality/fragility landscape.

Currently, the data for 2023 will be included in the Adif AV Report in May 2024 as, at the time of preparing this Report, the process of obtaining data from quarterly sheets is ongoing.

Environmental Protection: Catalogue for Eradicating Invasive Species

Adif AV, in its environmental commitment, promotes the environmental integration of railways while maintaining maximum respect for natural spaces, protecting biodiversity, and local and native ecosystems. Therefore, among other important aspects, is the conservation of native species, especially endemic ones, which can be directly threatened by other invasive species.

During 2023, actions were carried out to monitor and evaluate each of the different treatments during site visits by completing characterisation and monitoring sheets to check for any regrowth in the intervention areas.

Currently, Phase 1, related to the bibliographic compilation of strategies, action plans, and measures and recommendations, and Phase 2, regarding the characterisation of the treatments carried out on-site, have been completed.

Information on the treatments carried out in those projects with environmental monitoring where the eradication of invasive species has been carried out has been compiled by completing characterisation sheets. The species for which information is available include the Tree of Heaven (*Ailanthus altissima*), the Butterfly Bush (*Buddleja davidii*), and the Pampas Grass (*Cortaderia Selloana*).

Commitments regarding biodiversity

Adif AV has experts to carry out a large part of its actions in biodiversity protection, including an expert advisor in fauna (with over 8 years of experience) providing technical assistance for the environmental integration of projects and works entrusted to Adif AV.

Actions carried out by Adif AV in the field of biodiversity conservation:

- High-Speed Rail Line between Palencia and León: **Commitment to the populations of Iberian wolves** (*Canis lupus*). To this end, a team of specialists, with great international recognition, has been hired for the capture and monitoring of wolves to monitor how HSR affects their expansion and the potential barrier effect that the entity's infrastructure may constitute.
- **Diagnostic work on the status and conservation of the Testudo graeca and bases for its recovery in the province of Almería:** A conservation study in semi-arid ecosystems is being carried out in collaboration with the Miguel Hernández University of Elche.
- Participation in the **"Habitat Fragmentation Group Caused by Transport Infrastructures"**, which promotes joint work among administrations, environmental bodies, and the scientific community to implement measures to prevent or correct the main effects of transport infrastructures on fauna.
- **BISON Programme** (Biodiversity and Infrastructure Synergies and Opportunities for European Transport Networks) is a European programme aimed at increasing practical knowledge in the application and effectiveness of biodiversity mitigation measures.
- **ITTECOP Programme** (Programme Infrastructures of transports, territories, ecosystems, and landscapes) developed by the Ministry of Environment of the Republic of France, focusing on the effectiveness of wildlife escape devices.
- **Participation in the ECOV4T project** (Ecosystem Valuation for Railways), led by the UIC, involving technicians from 10 countries. Its objective is to develop a methodology for valuing ecosystem services associated with railway infrastructure.



7.5. CIRCULAR ECONOMY

Key Milestones:

- Collaboration of the Entity in **updating two measures included in the I Circular Economy Action Plan and contribution to four out of the six initiatives outlined in the Plan**, for the development of the II Circular Economy Action Plan 2024-2025.
- **Development of the Catalogue of environmental and social criteria for procurement**, which includes **clauses related to the Circular Economy**.

Main risks and opportunities:

- **Financial risk:** Loss of funding due to non-compliance with specific conditions. For example, failure to comply with the DNSH Principle related to the Circular Economy environmental objective, established in the NextGen - RRM Funds.

Contribution to the SDGs:



Our commitment:

- Development of the **II Circular Economy Action Plan 2024-2025**, which will update the previous action plan.
- Approval of the **cross-cutting contracting clauses for all types of contracts**, as well as those related to Supplies and Circular Economy.
- Implementation and approval of the **Guide for the use of the Catalogue of Environmental Clauses**.

Adif AV is driving the development of actions in the field of circular economy, concluding the **I Circular Economy Plan 2021-2023** in 2023 and establishing the initiatives that will be included in the **II Circular Economy Plan** for the **period 2024-2026**.

Here is the **progress status of the projects included** in the Action Plan:

- 1. Ecomilla Project:** It has been included in the II Action Plan as a recurring measure, as the model has been redefined by extending the deadline for achieving milestones until April 2024.
- 2. Development of a Catalogue of Environmental and Social Criteria for Contracting:** Ongoing. The internal working group led by the Environmental Sub-Directorate has completed the task of developing the Catalogue of Environmental Clauses for contracting in railway infrastructure, including clauses related to Circular Economy. Clauses applicable to all types of contracts have been defined, as well as those related to Supplies. Progress has



The main improvement comes from the implementation of Adif AV's new Waste Management Model, resulting in an enhancement in data consolidation



also been made in defining and finalizing clauses for Services and Works, pending approval only.

- 3. Comprehensive programme for the social recovery of disused railway assets:** Ongoing. The number of contracts is increasing. In 2022, there were nine contracts signed for a total of 23 properties leased under the Asset Development Programme. No new contracts were signed in 2023.
- 4. Effective management of surplus earth from railway infrastructure works to promote environmental recovery of degraded environments or reuse in other works:** Ongoing. Data collected as of August 31, 2022, shows that 13.26% of the earth and rocks used in infrastructure execution come from the valorisation of surplus earth from other works (539,439 of 4,067,592 m³ used). Additionally, 37.26% of surplus clean earth and rocks from the works are valorised in other works or in the restoration of degraded spaces (4,035,164 of 10,830,800 m³ of surplus).
- 5. Measures to increase the reuse of topsoil in railway construction works for restoration and landscape integration:** Ongoing. The data collected as of August 31, 2022, are: Percentage of areas to be occupied where topsoil is recovered and stored: 94.69%; 10,467,323 m² stripped out of 11,054,323 m² occupied. Percentage of properly conserved topsoil: 90.53%; 2,821,224 m³ well conserved out of 3,116,342 m³ stored. Percentage of areas to be restored where topsoil has been previously spread: 100%; 300,481 m² with topsoil spread out of 300,481 m² of areas to be restored in completed works. As a new feature, in 2023, deliveries to an authorised manager and on-site use have been included.¹⁶²
- 6. Promotion of the use of sustainable materials and techniques in railway stations:** Ongoing. In 2023, the decision was made to expand its scope to more projects and

include it as a recurring measure in the II Circular Economy Action Plan.

There is a common repository on the Adif AV network where the information received from each project is stored, and its status can be consulted. Additionally, a report has been created to track these projects, which will be updated as information is received, at least annually.

Furthermore, Adif AV is working to achieve controlled and documented delivery of waste¹⁶³ to an authorised manager through the coordination of an agent. This contributes to ensuring not only the best practices in waste management but also a means of obtaining reliable data about them.

One of the main measures implemented in 2023 has been the improvement in consolidating waste management data, stemming from the application of the new waste management model of Adif and Adif AV.

Based on this model, there is a tendency towards centralizing the management of new types of waste through the Corporate Environmental Body, thereby enabling more direct and comprehensive access to associated data.

The progressive centralisation of waste management, initially focusing on hazardous waste since 2011, historical waste since 2022, and special waste since 2023, represents a greater assurance of controlled and documented delivery to authorised waste managers through global coordination by a Waste Agent. This not only ensures best practices in waste management but also provides reliable data on the same.

The information regarding **indicators related to waste** generation is available in [Appendix 4, "Environmental disclosure"](#).

In 2023, 100%¹⁶⁴ of the waste managed through this channel was destined for valorisation



¹⁶² Data as of the end of 2022. Last available information. Information for 2023 will be presented in the second half of 2024, in Adif AV's Environmental Report.

¹⁶³ Content related to **GRI indicator 306-1: Waste generation and significant impacts related to waste**. Data as of 2022.

¹⁶⁴ Data as of the end of 2022.

7.6. SUPPLY CHAIN

○ Key Milestones:

- **Responsible Public Procurement Project:** Leveraging the entity's procurement potential to promote the achievement of environmental and social objectives.
- Implementation of **administrative efficiency actions**.
- **Reduction of paper usage** through the implementation of electronic tenders, digitisation of files, and electronic signatures.

○ Main risks and opportunities:

- **Regulatory framework of the Recovery and Resilience Mechanism (hereinafter referred to as RRM):** Concerns regarding compliance with the tight deadlines for tendering and awarding actions affected by the RRM under RDL 36/2020.
- **Allocation of resources from companies and consortia to tender documents**, as well as to the awarding of various contracts before the Central Administrative Court of Contractual Resources.

○ Contribution to the SDGs:



○ Our commitment:

- **Meeting the tendering and awarding deadlines** set by the European Union and Adif in relation to the **RRM**.
- **Reducing the number of appeals** for recurrent reasons.

Responsible Public Procurement

Regarding the legal framework applicable to procurement matters, Adif AV does not have a specific procurement policy; it is subject to the provisions of Law 9/2017, of November 8th, on Public Sector Contracts, which transposes into Spanish law Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council¹⁶⁵.

As for the content of the clauses governing Adif AV's tendering processes, there are some **Common Social Clauses** in all tenders:

- Employing, for the fulfilment of contractual obligations, a percentage of permanent employees equal to or greater than 20%.
- Employing, for the fulfilment of contractual obligations, a percentage of female workers equal to or greater than the national average of new employees in the (affected) sector, provided that the availability of labour in the construction industry allows it.
- Employing, for the fulfilment of contractual obligations, a percentage of workers with special needs equal to or greater than 1%, provided that the availability of labour in the (affected) sector allows it.
- Complying with contractual obligations by strictly adhering to applicable health and safety regulations.

Without prejudice to other liabilities for non-compliance with the aforementioned regulations, the imposition of two very serious penalties, confirmed by a final administrative resolution by a Labour Authority, within a period of one year and related to the execution of this contract, will be considered a fundamental breach of the contract.

According to articles 127 of Law 9/2017 and 46 of Royal Decree-Law 3/2020, contracting authorities may require, in technical specifications, in award criteria, or in contract execution conditions, a specific label as a means of proof that the contracted service meets the required characteristics, through **social labels**, such as those related to gender equality or those guaranteeing compliance with essential ILO Conventions.

Possible award criteria, as stated in article 145.2 of Law 9/2017 and 66.2 of Royal Decree-Law 3/2020, may include those related to the

social characteristics of the contract object, including, among others, gender equality plans applied in contract execution, promotion of female workforce hiring, work-life balance, improvement of working conditions and salaries, training, health and safety protection at work, application of ethical criteria and social responsibility, or criteria related to the supply or use of fair trade products during contract execution.

Article 149.4 d) of Law 9/2017 and 69.3 d) of Royal Decree-Law 3/2020 state that offers with abnormal or disproportionate values that do not respect labour or social obligations will not be accepted, nor those justifying prices below market value; or that fail to comply with European, national, or international social or labour obligations, particularly those indicated in the specified annexes of said regulations.

Among the conventions mentioned in these annexes are:

- ILO Convention No. 29 on forced labour.
- ILO Convention No. 105 on the abolition of forced labour.
- ILO Convention No. 111 on discrimination (employment and occupation).
- ILO Convention No. 100 on equal remuneration.
- ILO Convention No. 182 on the worst forms of child labour.

Furthermore, according to the combined interpretation of articles 201 and 202 of Law 9/2017 and articles 27.4 and 105 of Royal Decree-Law 3/2020, these social obligations are verified by the contract manager. **These obligations must be fulfilled by contractors and subcontractors.**

All the aforementioned provisions have been reinforced by those established in the **Socially Responsible Procurement Plan**, which partially applies to the procurement of Adif AV (contracts below the thresholds of article 1 of Royal Decree-Law 3/2020).

20% of Adif AV's suppliers are small and medium-sized enterprises

Critical suppliers represented 99% of the total amount awarded in 2023 by Adif AV (€2,962.67 million)¹⁶⁶



On the other hand, potential subcontractors are required to agree to comply with our Health and Safety procedures in a written declaration.

There are general guidelines regarding **environmental clauses** that should be included in the procurement of goods, works, and/or services. Given the diversity of contracts and the various activities carried out within the organisation, it is the Contract Directors who select the specific environmental clauses for each procurement process.

The guidelines regarding **environmental criteria in the procurement of goods, works, and/or services** focus on strict compliance with legal regulations and proper waste management. Additionally, in various procurement processes, it is positively evaluated if bidders or product



¹⁶⁵ Content related to **GRI indicator 416-1**: Assessment of the health and safety impacts of product and service categories.

¹⁶⁶ A 'critical supplier' is considered to be any supplier of services or products that exceeds one million euros over the course of the year. Information related to the tenders carried out in 2023 can be found in section **8.4. Tenders issued**.

manufacturers have implemented an environmental management system, such as EMAS or ISO 14001, or equivalents, which encompasses and certifies the activities to be carried out.

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Purchases with responsible criteria (%) | 100 | 100 | 100 |

Adif AV's management is aligned with internationally recognised structured frameworks such as the International Organisation for Standardisation (ISO) and the European Foundation for Quality Management (EFQM). The organisation promotes effective management through **Process Management**, identifying the company's strengths and areas for improvement.

Despite the complexity of **evaluating suppliers**, as dictated by the reference standards of certifiable Management Subsystems and the principles of the Public Sector Contracts Law, all departments make an effort to analyse contracts regarding compliance with specifications and propose improvements that may affect similar contracts in the future.

To ensure the proper implementation and analysis of environmental criteria for tenders, Adif AV offers a wide selection of training courses for

For each procurement process, Adif AV conducts a supplier selection process in which suppliers must demonstrate their business solvency, as well as compliance with specific social and environmental requirements established for each approval process¹⁶⁷



Adif AV participates in the International Working Group of the UIC (International Union of Railways) on responsible public procurement



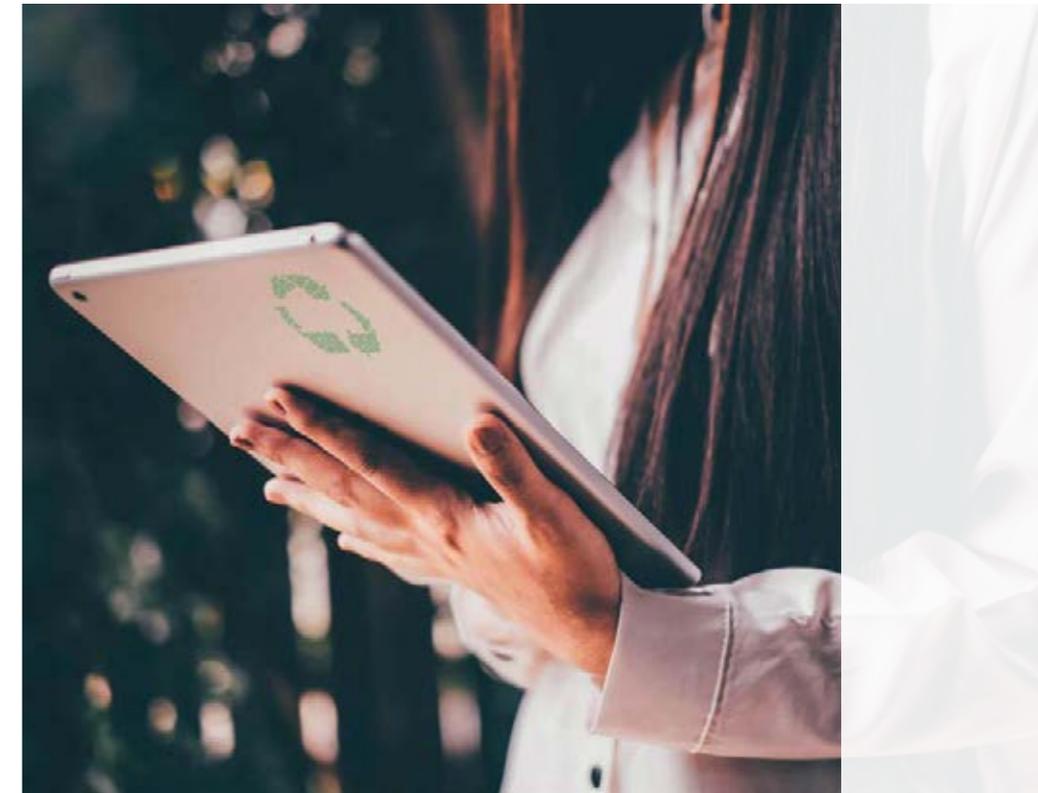
employees in the Procurement Department on corporate sustainability. Employees are free to choose topics of interest and receive training on them.

Supervision and auditing systems in supplier evaluation procedures

Regarding the evaluation and approval procedures for suppliers, despite the complexity involved in supplier evaluation, as stipulated by the reference standards of certifiable Management Subsystems and the principles of the Public Sector Contracts Law, practically all areas make an effort to respond to the needs of the system. They analyse contracts in terms of compliance with specifications and propose improvements that can contribute knowledge and experience to future procurement processes.

The entity annually prepares a **Report on the State of the Evaluation Process of Procurements¹⁶⁸**, in which each of the 14 *reporting areas* (Directorates) evaluates suppliers based on criteria such as service quality, experience, and technical knowledge. In the latest report, only 64% of the directorates provided information on their evaluations, leading to the following conclusions:

- Lack of perception by the directorates that the evaluation process adds value to management.
- Areas for improvement include the provision of functional tools for knowledge management and experience feedback; internal communication or data recording; and management, approval of improvement actions, planning, implementation, and analysis of evaluation results.



Furthermore, the entity does not have formalised guidelines that incorporate and standardise environmental and social criteria in the evaluation of its supply chain.

Currently, the evaluation process of what has been contracted continues to be perceived as a process that does not add value to management



¹⁶⁷ Content related to **GRI indicator 414-1**: New suppliers that have passed selection filters according to social criteria.

¹⁶⁸ Latest report prepared in 2023 with data as of the end of 2022.

8

RESULTS-DRIVEN

8

Results-driven

8.1. Analysis of activity and performance

- 8.1.1. Analysis of activity and performance
- 8.1.2. Financial indicators for the business
- 8.1.3. Railway charges
- 8.1.4. Charges for use of the General Interest Railway Network lines
- 8.1.5. Charges for use of stations and other facilities
- 8.1.6. Liquidity and capital resources
- 8.1.7. Coverage ratio – European System of Accounts (hereinafter referred to as ESA)
- 8.1.8. Investments carried out during the year

8.2. International projection

- 8.2.1. Mediterranean Corridor
- 8.2.2. Atlantic Corridor

8.3. Successful partnerships

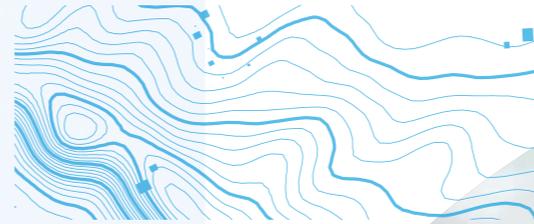
- 8.3.1. Property management and Urban integration
- 8.3.2. Urban Integration joint ventures
- 8.3.3. Corporate Group

8.4. Tenders issued

8.5. Applicable Recovery and Resilience (hereinafter referred to as RRF) funds

8.6. Innovation and development

- 8.6.1. Research, Development and innovation (hereinafter referred to as RD&I) Management
- 8.6.2. Digital transformation



8. RESULTS-DRIVEN

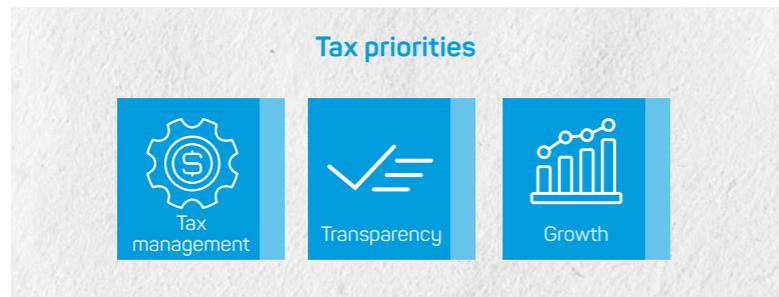
The **Results-driven** Pillar aims to make us more financially efficient by optimising resources and costs and increasing revenues on the path to improving competitiveness. The main indicators under this Pillar are as follows:

Results-driven Pillar

| € million | 2021 | 2022 | 2023 |
|-----------------------------------|---------|---------|---------|
| EBITDA (€M) | 58.70 | 231.80 | 431.10 |
| Profit/(loss) for the period (€M) | -425.40 | -296.80 | -136.20 |
| Use of EU funds (%) | 16.50 | 90.40 | 62.00 |

8.1. ANALYSIS OF ACTIVITY AND PERFORMANCE¹⁶⁹

This section describes Adif AV's tax strategy and provides information on profit before tax, income tax paid (if any) and government grants received.



8.1.1. Analysis of activity and performance

The main items on Adif AV's **2023 income statement** compared to previous years are presented below.

Global results

| € million | 2021 | 2022 | 2023 |
|--|---------|---------|---------|
| Country-by-country profit/(loss) | -425.40 | -296.80 | -136.20 |
| Country-by-country income tax paid | 0 | 0 | 0 |
| Government grants received by country (Spain) ¹⁷⁰ | 0 | 359.70 | 92.00 |

Profit/(loss) for the year

| € million | 2021 | 2022 | 2023 |
|----------------------------|----------|----------|----------|
| Operating income | 1,103.30 | 1,621.70 | 1,576.00 |
| Operating expenses | 1,305.40 | 1,674.00 | 1,447.40 |
| Operating profit/(loss) | -202.10 | -52.40 | 128.60 |
| EBITDA | 58.70 | 231.80 | 431.10 |
| Net finance income/(cost) | -223.30 | -244.40 | -264.80 |
| Profit/(loss) before tax | -425.40 | -296.80 | -136.20 |
| Profit/(loss) for the year | -425.40 | -296.80 | -136.20 |

Adif AV reported a **loss before tax** of €136.2 million in 2023, compared to a loss of €296.8 million in 2022, an improvement of €160.6 million, or 54%.

The most significant changes in the income statement headings are as follows:

- **Operating profit in 2023** amounted to €128.6 million, an improvement on the loss of €52.4 million reported in 2022, which represents an improvement of €181.0 million.



¹⁶⁹ Content linked to SP2030, **Results-driven Pillar PRED-SO1**.

¹⁷⁰ Content related to **GRI indicator 201-4**: Financial assistance received from government, European agencies and others.

The **main changes** were:

- Growth in revenue of 29% to €164.0 million on the back of higher production in 2023 thanks to an increase in traffic and passenger numbers.
- Decline in operating income of 24%, from €910.9 million in 2022 to €696.7 million in 2023. This decline is due to the decrease in the amounts invoiced to railway operators for traction electricity (a decrease of €272 million). Excluding this effect, operating revenues would have increased due to the increase in the tariff subsidy related to railway charges (increase of €29 million). Also noteworthy is the increase in rental and service income of €15.6 million derived from rents in commercial premises.
- “Other operating expenses” was down €251.0 million or 20%, of which €245.92 million related to a decrease in traction electricity expenses as noted above, and €36.9 million to a decrease in energy expenses for Non-Traction Uses (NTU). There was also a cost increase of €26 million in the repair and maintenance of railway infrastructure and buildings linked to the recent commissioning of high-speed lines.

Net finance expense was €264.8 million in 2023, compared to €244.4 million in 2022. This was **mainly the result of:**

- An 18% increase in finance costs compared to 2022, from €314.7 million in 2022 to €371.8 million in 2023. This effect was largely due to an increase in interest on debt, mainly due to the rise in interest rates (from 1.78% in 2022 to 2.10% in 2023), the increase in drawn down debt (€16,616 thousand in 2022 to €17,307 thousand in 2023), as well as a slight increase in financial costs for late interest on payments to contractors and persons subject to compulsory land purchase.
- Finance income was up 8%, largely due to the rise in interest rates on bank balances and deposits, which offset the reduction in income from the capitalisation of finance costs following the commissioning of the corresponding high-speed lines in the year.

All of the above gave rise to the following figures for **economic value generated, distributed and retained** in 2023.

| Economic value¹⁷¹ | | | |
|---|-------------|-------------|-------------|
| € million | 2021 | 2022 | 2023 |
| Economic value generated ¹⁷² | 1,092.60 | 1,574.90 | 1,532.60 |
| Economic value distributed ¹⁷³ | 1,257.20 | 1,587.50 | 1,366.30 |
| Economic value retained ¹⁷⁴ | -164.60 | -12.60 | 166.30 |

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:** 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.



¹⁷¹ Content related to **GRI indicator 201-1: Direct economic value generated and distributed.**

¹⁷² **Economic value generated:** ordinary + extraordinary income.

¹⁷³ **Economic value distributed:** operating expenses + finance costs + taxes.

¹⁷⁴ **Economic value retained:** economic value generated – economic value distributed.

■ The following table compares Adif AV's **operating income in 2021, 2022 and 2023**, by business segment:

| € million 2023 | TOTAL | Network management | Construction | Energy | Management of stations and other assets | Common expenses |
|---|---------------|-----------------------|--------------|--------------|---|--------------------|
| Revenue | 727.50 | 624.80 | 0 | 0 | 102.70 | 0 |
| Self-constructed property, plant and equipment | 12.10 | 0 | 12.10 | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating income | 696.70 | 105.20 | 19.00 | 406.80 | 165.00 | 0.70 |
| Staff costs | -18.20 | -0.70 | -14.10 | -0.60 | -2.10 | -0.70 |
| Other operating expenses | -988.90 | -414.70 | -20.10 | -419.30 | -126.60 | -8.20 |
| Profit/(loss) from intra-group transactions | 0 | -8.80 | -1.40 | 9.30 | 0.90 | 0 |
| Provision surpluses | 1.90 | 1.90 | 0 | 0 | 0 | 0 |
| EBITDA | 431.10 | 307.60 | -4.50 | -3.70 | 139.90 | -8.20 |
| Amortisation and depreciation | -437.10 | -394.80 | -0.10 | -0.30 | -41.10 | -0.80 |
| Recognition of non-financial and other grants | 137.80 | 132.70 | 0 | 0.10 | 4.90 | 0.10 |
| Impairment and gains/(losses) on disposal of assets | -3.20 | -3.20 | 0 | 0 | 0 | 0 |
| Non-recurring income/(expense) | 0 | 0 | 0 | 0 | 0 | 0 |
| Share of overheads | 0 | -3.40 | -2.90 | -0.10 | -2.50 | 8.90 |
| OPERATING PROFIT/(LOSS) | 128.60 | 38.80 | -7.40 | -4.20 | 101.40 | 0 |



| € million 2022 | TOTAL | Network management | Construction | Energy | Management of stations and other assets | Common expenses |
|---|---------------|-----------------------|---------------|--------------|---|--------------------|
| Revenue | 563.51 | 484.55 | 0 | 0 | 78.96 | 0 |
| Self-constructed property, plant and equipment | 9.98 | 0 | 9.98 | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating income | 910.93 | 68.17 | 17.44 | 679.04 | 144.83 | 1.45 |
| Staff costs | -15.89 | -0.62 | -12.07 | -0.57 | -2.10 | -0.54 |
| Other operating expenses | -1,239.94 | -384.02 | -16.65 | -693.09 | -125.33 | -20.86 |
| Profit/(loss) from intra-group transactions | 0 | -14.46 | -1.58 | 14.82 | 1.24 | -0.02 |
| Provision surpluses | 3.19 | 0.67 | 0 | 0 | 0 | 2.52 |
| EBITDA | 231.79 | 154.30 | -2.87 | 0.21 | 97.60 | -17.45 |
| Amortisation and depreciation | -417.87 | -375.49 | -0.04 | -0.24 | -41.32 | -0.78 |
| Recognition of non-financial and other grants | 134.06 | 129.17 | 0 | 0.03 | 4.79 | 0.07 |
| Impairment and gains/(losses) on disposal of assets | -0.35 | -3.13 | 0 | 0 | 2.78 | 0 |
| Non-recurring income/(expense) | 0 | 0 | 0 | 0 | 0 | 0 |
| Share of overheads | 0 | -7.91 | -8.52 | -0.05 | -1.68 | 18.16 |
| OPERATING PROFIT/(LOSS) | -52.37 | -103.07 | -11.43 | -0.04 | 62.17 | 0 |



| € million 2021 | TOTAL | Network management | Construction | Energy | Management of stations and other assets | Common expenses |
|---|----------------|-----------------------|---------------|-------------|---|--------------------|
| Revenue | 390.57 | 338.49 | 0 | 0 | 52.08 | 0 |
| Self-constructed property, plant and equipment | 9.19 | 0 | 9.19 | 0 | 0 | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Other operating income | 579.67 | 42.61 | 19.08 | 379.38 | 137.90 | 0.70 |
| Staff costs | -15.02 | -0.55 | -11.12 | -0.54 | -2.21 | -0.60 |
| Other operating expenses | -908.74 | -351.30 | -18.13 | -384.11 | -121.59 | -33.62 |
| Profit/(loss) from intra-group transactions | 0 | -8.34 | -1.51 | 8.46 | 1.45 | -0.06 |
| Provision surpluses | 3.06 | 0 | 0 | 0 | 0 | 3.06 |
| EBITDA | 58.73 | 20.91 | -2.49 | 3.19 | 67.63 | -30.52 |
| Amortisation and depreciation | -378.21 | -339.45 | -0.04 | -0.08 | -37.88 | -0.76 |
| Recognition of non-financial and other grants | 120.82 | 116.51 | 0 | 0 | 4.24 | 0.07 |
| Impairment and gains/(losses) on disposal of assets | -3.48 | -0.31 | 0 | 0 | -3.17 | 0 |
| Non-recurring income/(expense) | 0 | 0 | 0 | 0 | 0 | 0 |
| Share of overheads | 0 | -11.21 | -14.85 | -1.25 | -3.91 | 31.21 |
| OPERATING PROFIT/(LOSS) | -202.14 | -213.55 | -17.37 | 1.87 | 26.91 | 0 |



8.1.2. Financial indicators for the business

The following table shows various **general economic and financial indicators**:

| Financial indicators for the business | | | |
|---|---------|---------|-----------|
| | 2021 | 2022 | 2023 |
| RATIOS SHOWING THE DEGREE OF SELF-FINANCING | | | |
| LEVEL OF AUTONOMY | | | |
| Indicates the degree of autonomy in respect of third-party financing | 50.20% | 50.83% | 51.19% |
| FINANCING OF FIXED ASSETS | | | |
| Indicates the % of long-term financing for non-current assets | 98.76% | 98.21% | 97.30% |
| PROFITABILITY RATIOS | | | |
| TOTAL ASSET TURNOVER | | | |
| Indicates the degree of efficiency when it comes to asset management | 1.95% | 2.96% | 2.79% |
| FIXED ASSET TURNOVER | | | |
| Indicates the degree of efficiency in managing fixed assets | 2.03% | 3.02% | 2.84% |
| CURRENT ASSET TURNOVER | | | |
| Indicates the degree of efficiency in managing current assets | 49.32% | 146.42% | 164.80% |
| LIQUIDITY RATIOS | | | |
| LIQUIDITY RATIO | | | |
| Indicates how many monetary units are liquid for every 100 assets | 3.95% | 2.02% | 1.69% |
| CASH RATIO | | | |
| Shows the Company's ability to honour its current payment commitments | 0.77 | 0.53 | 0.39 |
| SOLVENCY RATIO | | | |
| Indicates the Company's ability to cover its liabilities with its assets | 2.01 | 2.03 | 2.05 |
| FINANCIAL PROFITABILITY | | | |
| Shows the return on own funds | -3.68% | -2.12% | -0.83% |
| ECONOMIC PROFITABILITY | | | |
| Effective capacity to remunerate all capital available to the Company, both own and third-party | -1.02% | -0.60% | -0.23% |
| WORKING CAPITAL (€M) | | | |
| Indicates the Company's ability to honour its short-term obligations | -591.07 | -876.42 | -1,359.62 |



Average supplier payment period: In accordance with Additional Provision Three of Act 15/2010, of 5 July, the following table provides information for 2021, 2022 and 2023 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

| | 2021 | 2022 | 2023 |
|-----------------------------------|------------------|------------------|------------------|
| Amount (€ thousand) | Days | Days | Days |
| Average supplier payment period | 46.49 | 44.40 | 35.52 |
| Ratio of transactions paid | 48.45 | 46.10 | 36.48 |
| Ratio of transactions outstanding | 29.89 | 23.79 | 18.33 |
| Total payments made | 1,783,437 | 2,688,343 | 3,002,707 |
| Total payments outstanding | 210,494 | 221,740 | 167,990 |

The Company has included in this calculation both the figures relating to *Suppliers and other payables* and those relating to *suppliers of property, plant and equipment*.

8.1.3. Railway charges

Pursuant to the Rail Sector (hereinafter referred to as LSF) Act (Act 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 (hereinafter referred to as RFIG for its Spanish acronym) 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.

Article 23 of the LSF, as amended by Article 1(19) of Act 26/2022, of 19 December, 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.

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.

Act 26/2022, of 19 December, amending Act 38/2015, of 29 September, on the railway industry, introduced changes in the wording of Chapter II, on Charges and prices for the use of railway infrastructure and service installations. Railway Charges are essentially the amounts that infrastructure managers receive from railway undertakings for use of the lines of the RFIG and passenger stations, freight terminals and other service installations.

However, Transitional Provision One of Act 26/2022, "Provisional application of current charges and suspension of the entry into force of the modification of certain sanctions", states that the system for determining railway charges in effect at the time that law takes effect will continue to apply until the relevant values under the system provided for in that Law are calculated, approved and published.

Act 86/2022, of 23 December, on the General State Budget for 2023 established the new railway charges.

On the other hand, the unit amounts that were paid by the Railway Undertakings and Operators provided for in Article 86 of Act 31/2022 to mitigate the effects of the COVID-19 crisis on rail transport are no longer applicable. Therefore, the charges to be paid by the railway undertakings throughout 2023 are those set out in Transitional Provision Eight. This Transitional Provision shall remain in force as long as there is no modification of the charges in Article 86.

The Ministry of Transport and Sustainable Mobility shall continue to compensate railway infrastructure managers accordingly for the difference between the charges that they should have received for the unit amounts provided for in Article 86 and those they effectively received from the Railway Undertakings as a result of the payment calculations issued based on the unit amounts provided for in

Transitional Provision Eight to Act 31/2022, of 23 December on the General State Budget for 2023.

This compensation by the Ministry of Transport and Sustainable Mobility 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 received for charge reductions in 2023 at Adif AV amounted to €89.53 million for the charges set out in Article 97, and €5.82 million for those set out in Article 98, resulting in a total of €95.35 million related to charge reduction compensation.

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**:

- The 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)**.
- 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, 2022 and 2023**:

In 2023, total revenue from charges grew by 29.13% compared to 2022



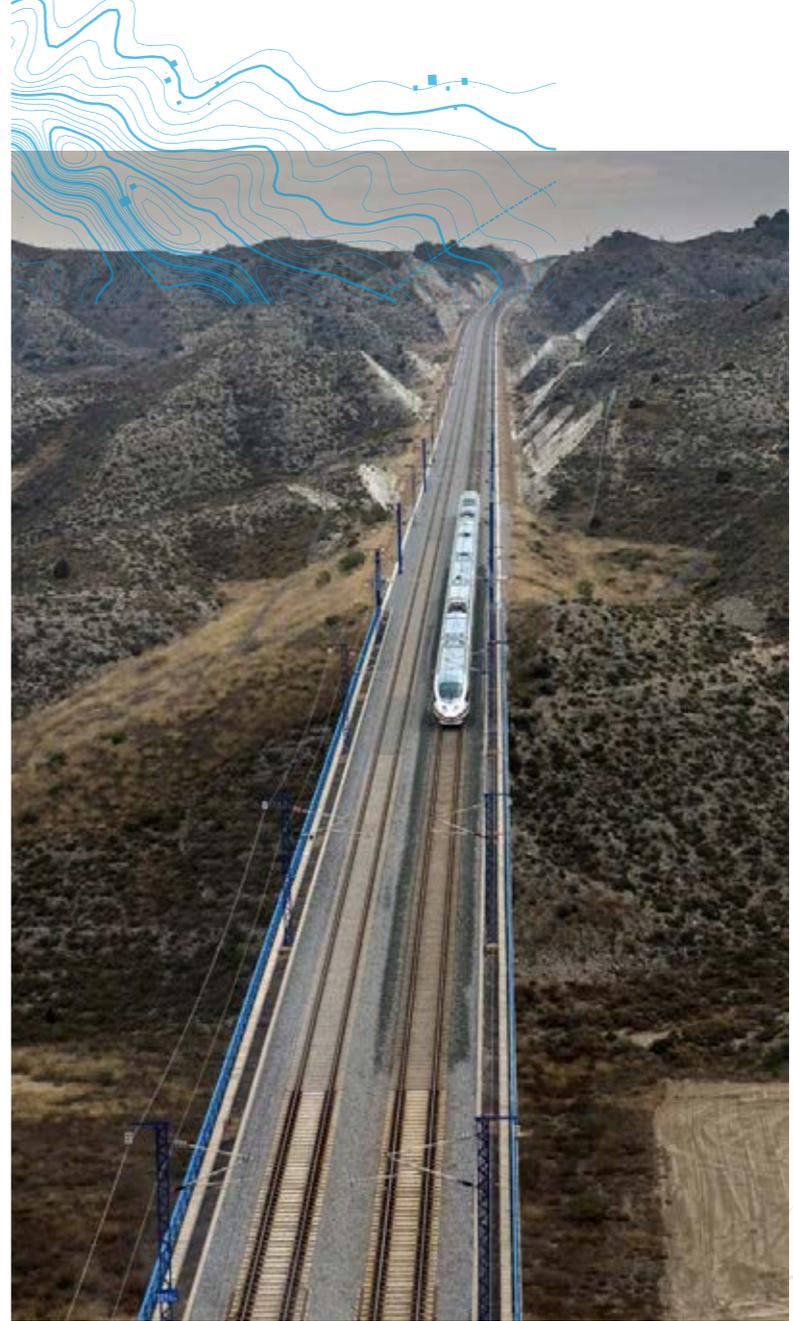
| Amount (€ thousand) | 2021 | 2022 | 2023 |
|---|----------------|----------------|----------------|
| CHARGE FOR USE OF INFRASTRUCTURE | 326,322 | 466,483 | 605,825 |
| Adjudication of capacity | 68,270 | 92,660 | 123,700 |
| Use of railway lines | 239,803 | 348,521 | 474,690 |
| Use of transformer and distribution installations | 19,499 | 26,580 | 35,433 |
| Discounted charge for use of RFIG lines | -1,250 | -1,278 | -27,998 |
| CHARGES FOR USE OF STATIONS AND OTHER FACILITIES | 63,737 | 96,490 | 121,126 |
| Use of Passenger stations | 51,489 | 78,299 | 101,989 |
| Variable gauge | 3,870 | 4,454 | 4,601 |
| Use of Track with platform | 8,378 | 13,731 | 14,530 |
| Use of track – other service installations | 0 | 6 | 6 |
| TOTAL CHARGES | 390,059 | 562,973 | 726,951 |

8.1.4. Charges for use of RFIG lines

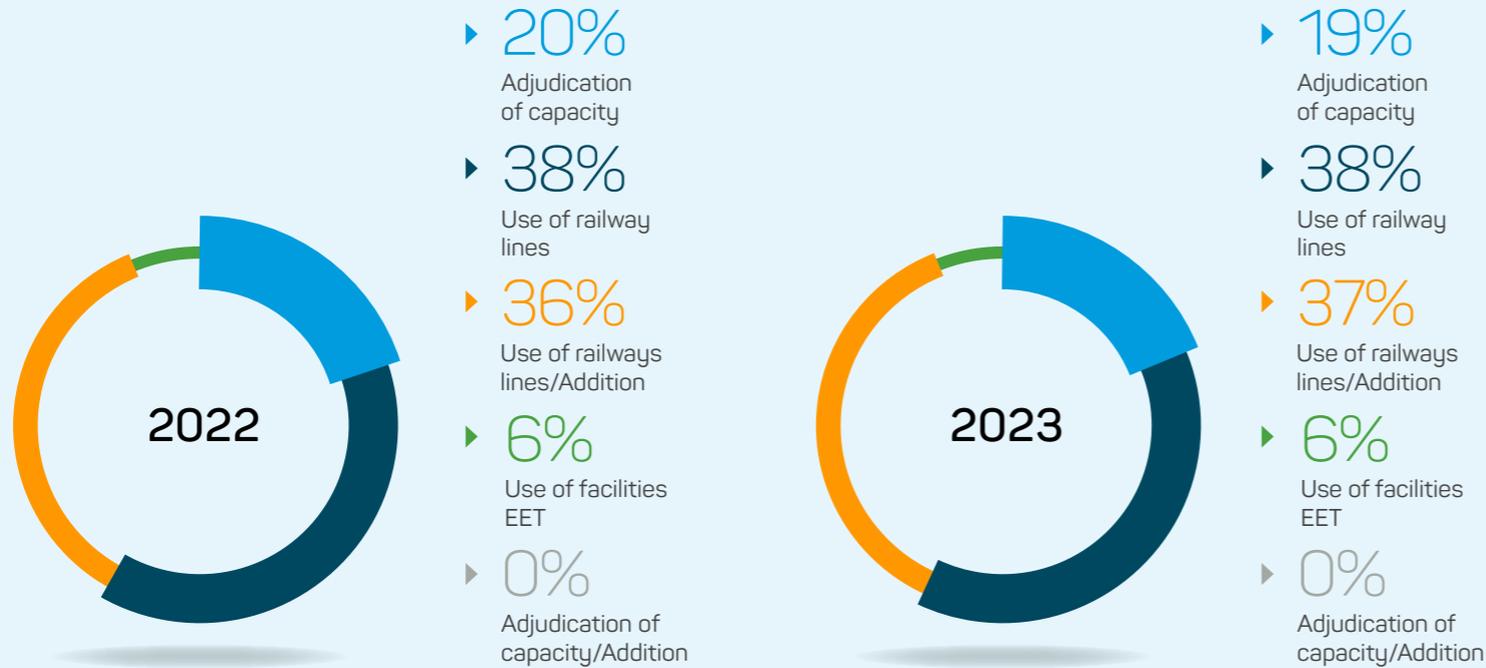
Tariff income earned from use of RFIG lines in 2023 was up 29.87% on 2022, following a production increase (traffic growth) of 29.99%¹⁷⁵ of train-km invoiced and paid. This is partly due to the Extremadura

(Madrid-Badajoz-Lisbon corridor) entering into service and new railway operators entering the RFIG.

However, without taking into account the effect of the discount for the RFIG line usage charge, revenue has grown by 35.5% compared to 2022.



Revenue by tariff type



¹⁷⁵ Invoiced and paid train-km are the train-km generated based on the infrastructure manager's revenue from railway charges for the allocated and circulated traffic of the Railway Undertakings. This does not include Adif AV internal service train-km for infrastructure maintenance or other traffic operations that do not generate revenue.

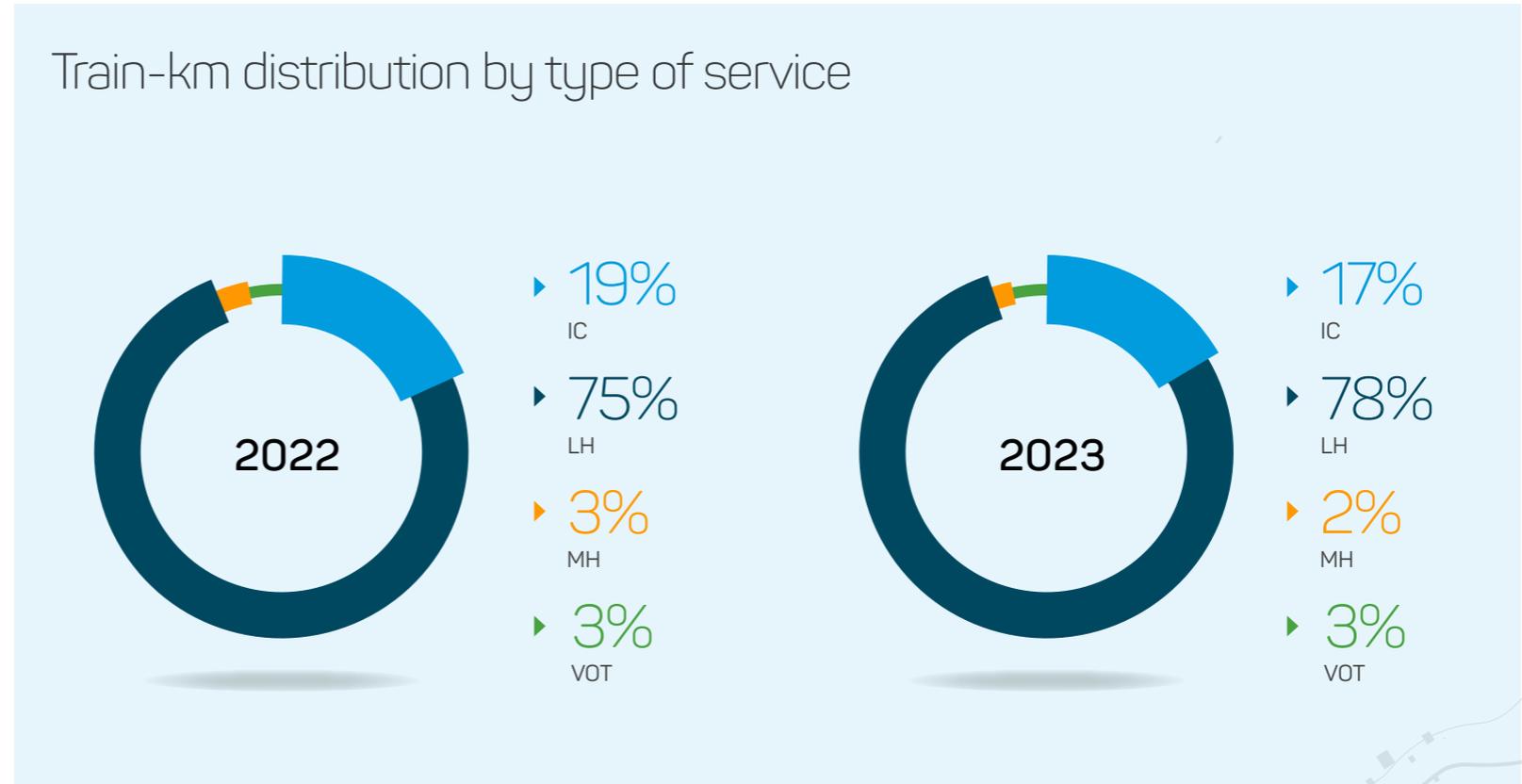
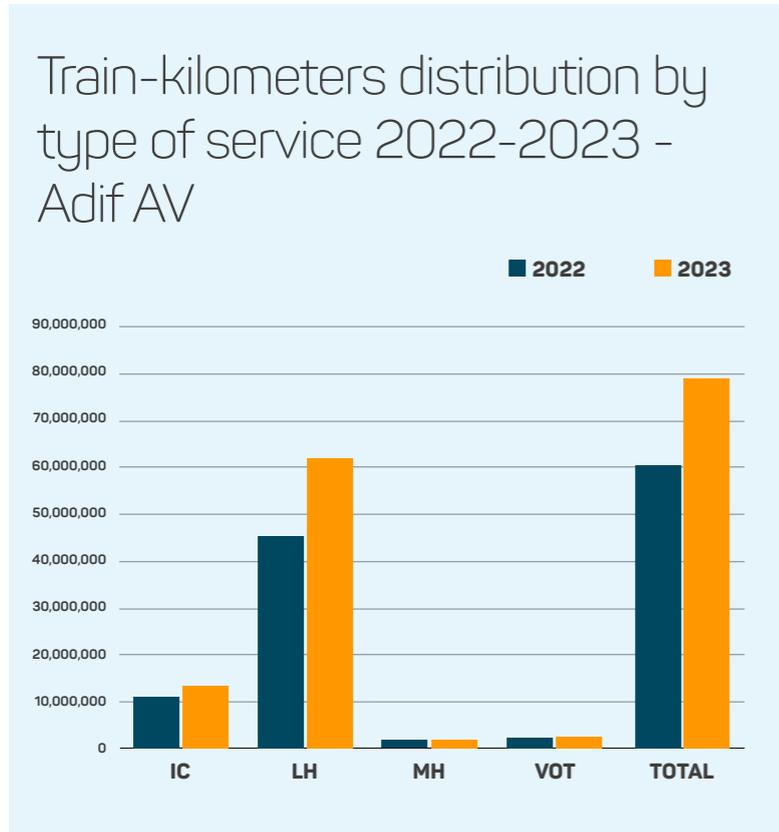
Shown below is the contribution made by each type of RFIG usage charge to total 2023 revenues.

Overall traffic, measured in terms of train-km invoiced and paid,¹⁷⁶ rose by 29.99% from 60.6 million train-km in 2022 to 78.7 million in 2023. This change was due to an increase in traffic on all lines, especially long-distance services, which increased by 36.50%, together with the commuter, city and intercity lines, which increased by 15.03%.



The following chart shows the trend in traffic during 2022–2023, measured in train-km invoiced and paid¹⁷⁷, by type of service:

The following chart shows the distribution by type of service of the train-km invoiced and paid¹⁷⁸ in 2022 and 2023:



^{176, 177, 178} Invoiced and paid train-km are the train-km generated based on the infrastructure manager's revenue from railway charges for the allocated and circulated traffic of the Railway Undertakings. This does not include Adif AV internal service train-km for infrastructure maintenance or other traffic operations that do not generate revenue.

The following table shows changes in the number of train-km invoiced and paid¹⁷⁹ in 2022 and 2023 on the main Adif AV lines:

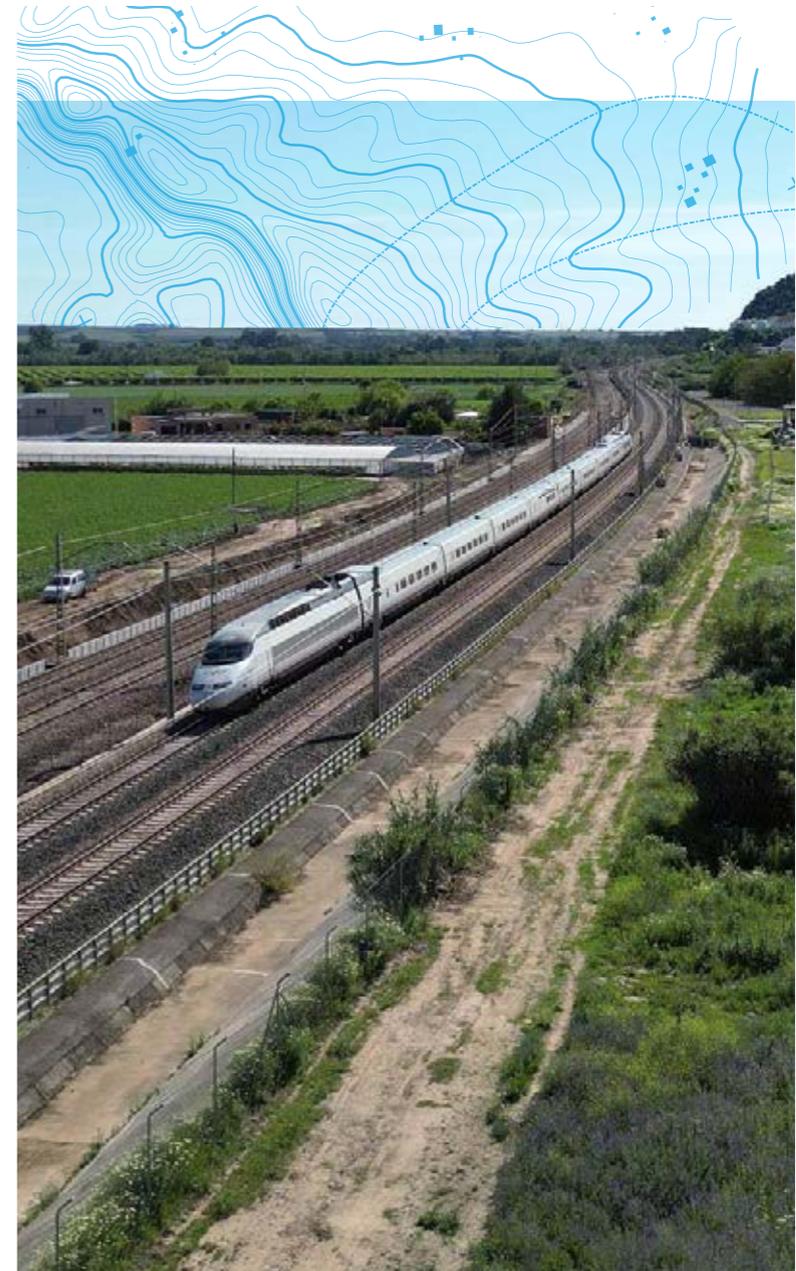
Thousands of train-km from use of the RFIG

| | 2021 | 2022 | 2023 | Change 2022-2023 | % Change 2022-2023 |
|---------------------------------------|---------------|---------------|---------------|------------------|--------------------|
| MADRID-ANDALUSIA | 12,289 | 16,085 | 19,986 | 3,902 | 24.26% |
| MADRID-LEVANTE | 6,308 | 9,065 | 15,227 | 6,162 | 67.97% |
| MADRID-BARCELONA-FRENCH BORDER | 12,979 | 17,888 | 25,710 | 6,822 | 38.14% |
| MADRID-VALLADOLID-LEÓN-ZAMORA-GALICIA | 4,401 | 7,570 | 8,424 | 853 | 11.27% |
| MADRID-BADAJOS-LISBON | 0 | 192 | 423 | 231 | 120.17% |
| OTHER LINES | 9,075 | 9,763 | 9,955 | 192 | 1.97% |
| TOTAL | 45,053 | 60,563 | 78,725 | 15,510 | 34.43% |

To encourage the efficient operation of the rail network and promote new rail transport services in accordance with Article 97.6 of the Railway Sector Act, in 2023 Adif AV established a discount on the charge for use of the lines that make up the RFIG, under Modes A and B, for annual increases in traffic in accordance with the criteria set out in that law.

The following **lines were offered at a discount in 2023** along the Adif AV network:

- HS lines on Corridor 11- Madrid Chamartín Clara Campoamor - Valladolid - Palencia - León / Burgos-Rosa Manzano.
- HS lines on Corridor 12 - Madrid P. de Atocha Almudena Grandes - Barcelona - French border.
- HS lines on Corridor 13 - Madrid Chamartín Clara Campoamor - Levante.
- HS lines on Corridor 14 - Madrid P. de Atocha Almudena Grandes - Toledo / Sevilla Sta. Justa / Málaga María Zambrano / Granada.
- HS lines on Corridor 16 Olmedo - Medina - Zamora - Galicia.

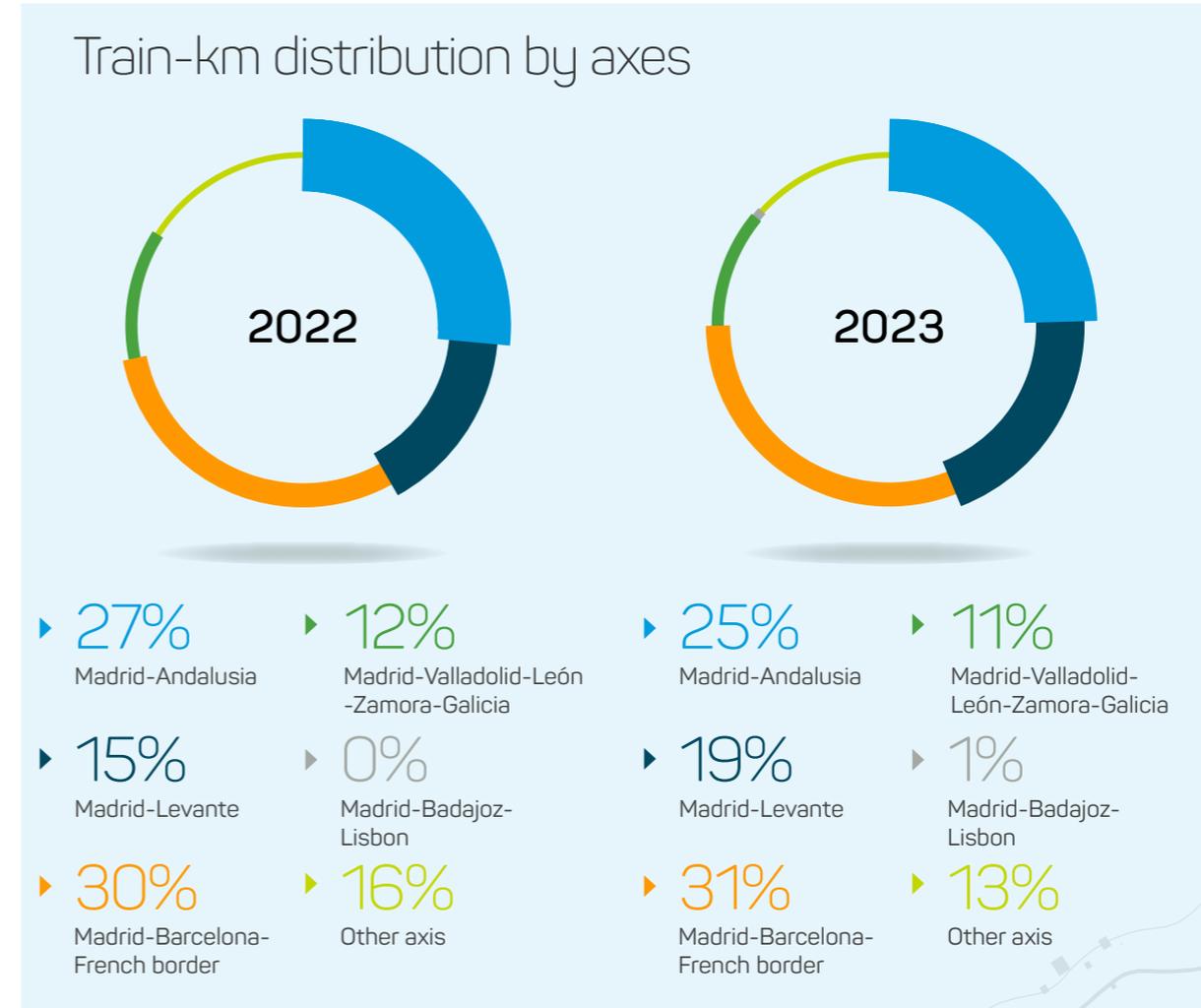
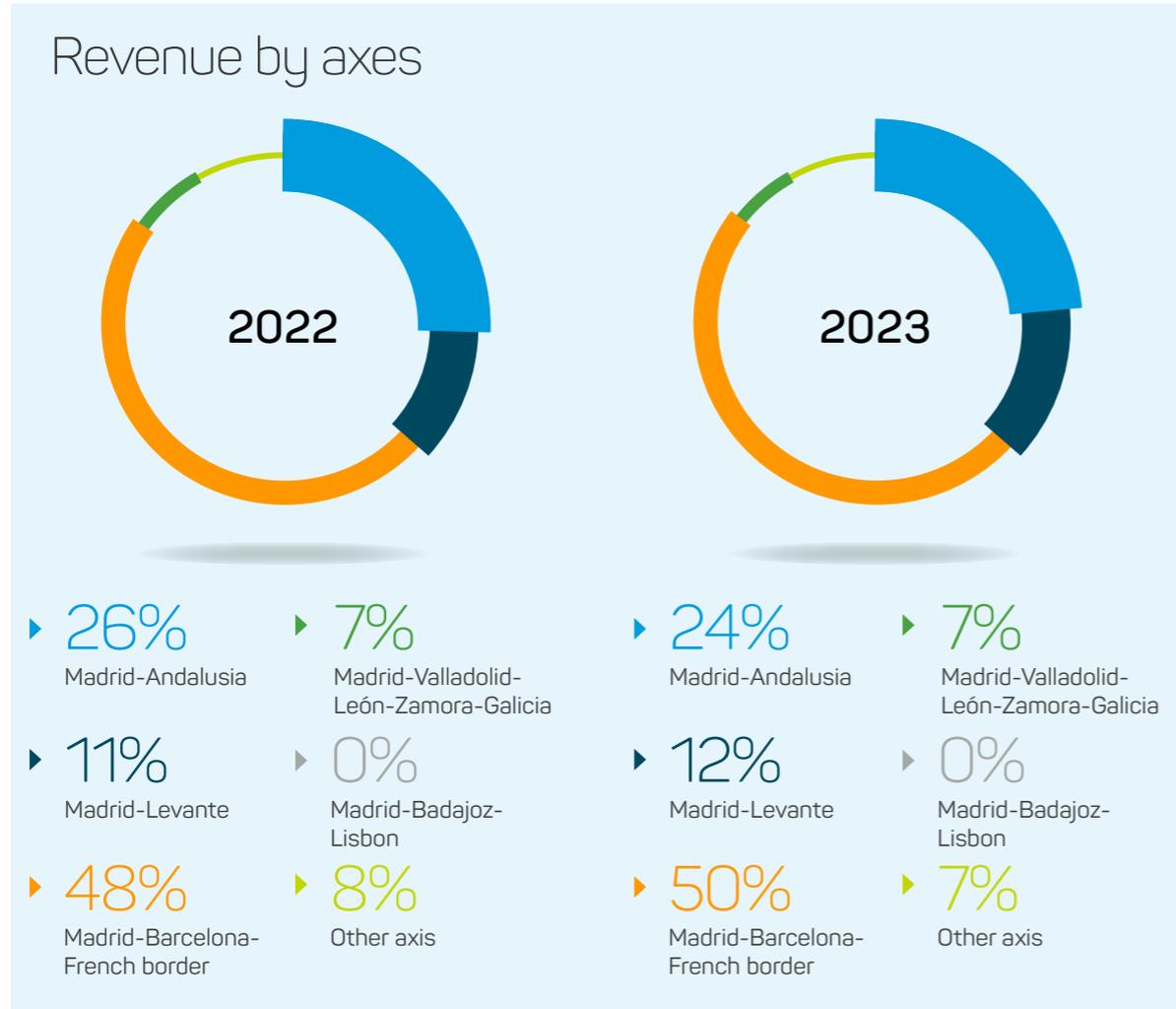


¹⁷⁹ Invoiced and paid train-km are the train-km generated based on the infrastructure manager's revenue from railway charges for the allocated and circulated traffic of the Railway Undertakings. This does not include Adif AV internal service train-km for infrastructure maintenance or other traffic operations that do not generate revenue.

The **discount generated by Adif AV in 2023** amounted to a reduction in revenue generated from traffic charges under Mode B of **€28.08 million**, based on the settlements accrued during the financial

year 2023, together with an adjustment on a higher revenue for Adif AV corresponding to the estimated discounts given in the previous financial year 2022, amounting to €86 thousand.

The following charts provide a **breakdown of revenue and train-km invoiced and paid¹⁸⁰ in 2022 and 2023 along Adif AV's main lines:**



¹⁸⁰ Invoiced and paid train-km are the train-km generated based on the infrastructure manager's revenue from railway charges for the allocated and circulated traffic of the Railway Undertakings. This does not include Adif AV internal service train-km for infrastructure maintenance or other traffic operations that do not generate revenue.

8.1.5. Charges for use of stations and other facilities

Revenues from station use charges were up 27.39% on 2022, even taking into account that the change in station classification meant that

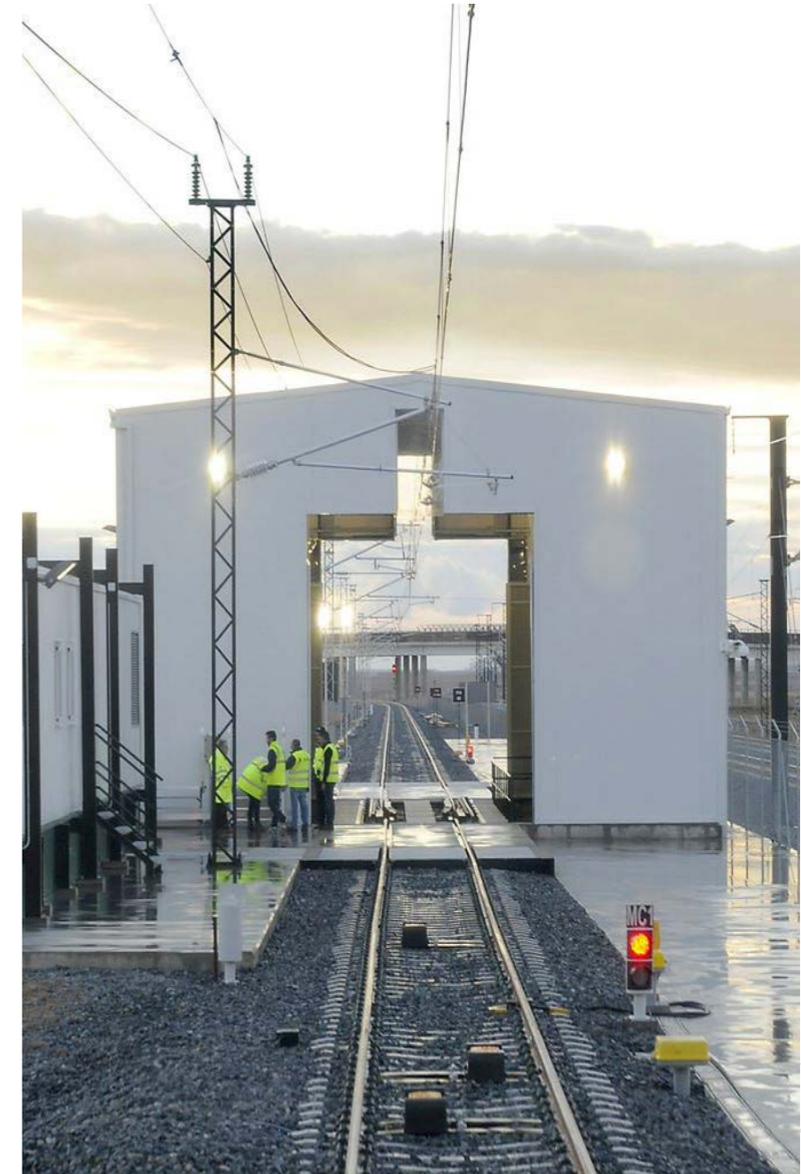
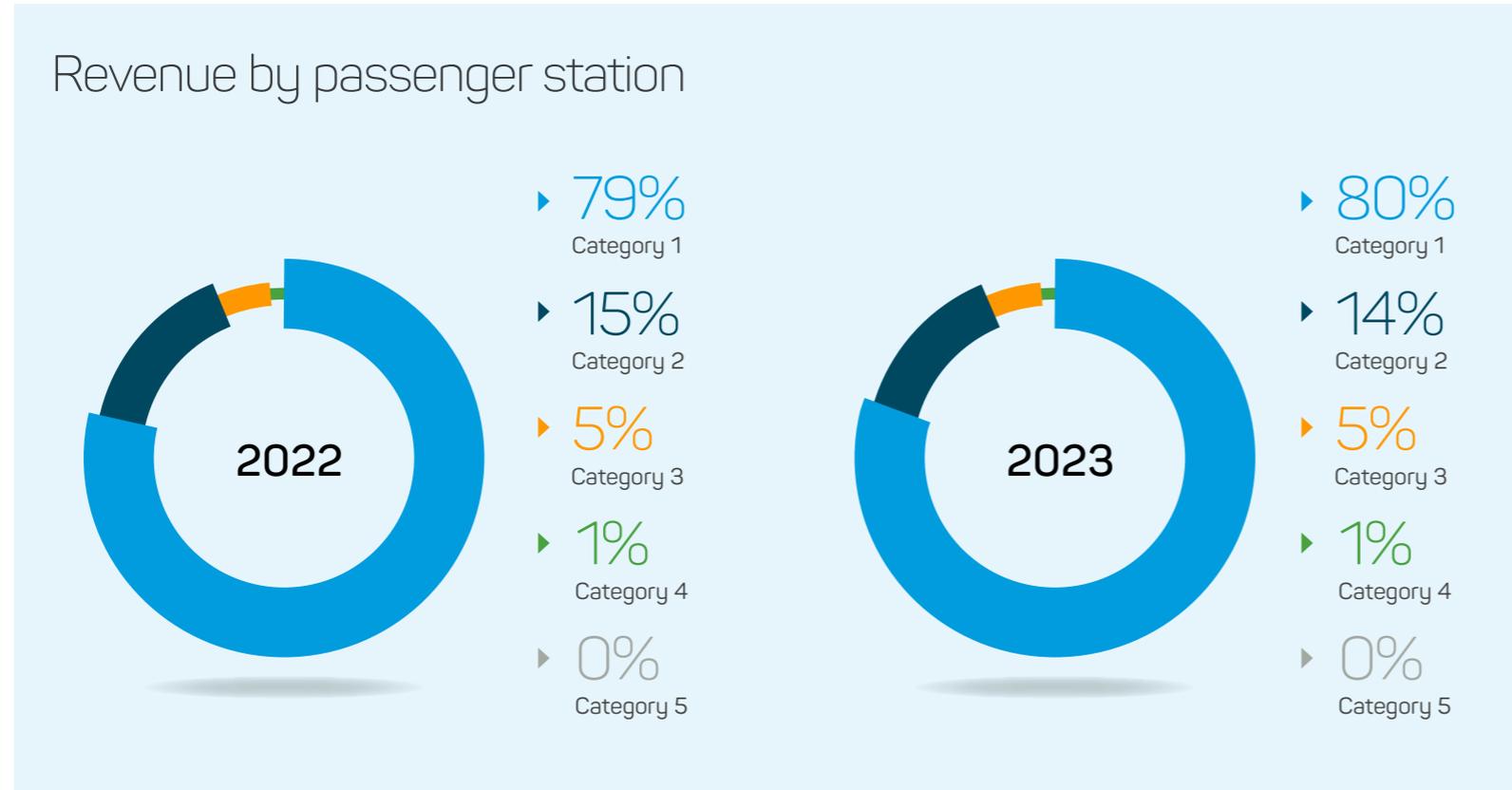
Revenue from charges to use stations and other facilities was up 25.54% compared to 2022



4 stations at Adif AV were switched to a higher category and 2 to a lower category.

Meanwhile, revenue from the addition for intensity of station use (category 1 to 5) grew by 34.82%, as the traffic and the number of passengers boarding and alighting at stations increased in 2023.

The following chart shows the **distribution by station category of the charges earned from use of Adif AV stations:**



The **number of passengers boarding and alighting at the end of 2023** had increased by 22.53% compared to 2022, as shown below:

| | 2021 | 2022 | 2023 | % change 22-23 |
|------------|------------|-------------|-------------|----------------|
| Passengers | 98,527,115 | 152,612,091 | 187,002,597 | 22.53 |

The **revenues from charges to use other facilities are detailed below**, based on the services invoiced and paid during 2023:

| Amount in thousand of Euros | 2023 |
|--|--------|
| Services outside station opening hours | 20 |
| Passage through variable gauge | 4,601 |
| Trackside commercial services parking | 14,361 |
| Parking for other operations | 169 |
| Use of track for other service installations | 6 |
| Use of freight loading points | 0 |

The following chart shows the **distribution of revenue for charges to use other facilities based on the services invoiced and paid in 2022 and 2023**:



8.1.6. Liquidity and capital resources

The Company's liquidity is managed centrally in order to optimise its available cash.

The following table shows **cash and cash equivalents** in 2021, 2022 and 2023.

| Amount (€ thousand) | 2021 | 2022 | 2023 |
|--|------------------|------------------|------------------|
| Net cash flows used in operating activities | - 691,682 | - 311,270 | - 152,308 |
| Net cash flows used in investing activities | - 837,747 | - 1,086,256 | - 1,549,007 |
| Net cash flows from financing activities | 1,332,133 | 1,638,955 | 1,450,025 |
| Net increase/(decrease) in cash and cash equivalents | - 197,296 | 241,429 | - 251,290 |
| Amount (€ thousand) | 2021 | 2022 | 2023 |
| Grants received | 196 | 359,680 | 92,028 |
| Contributions from the State | 466,174 | 311,574 | 311,574 |
| Proceeds from and payments for financial instruments | 865,763 | 967,701 | 1,046,423 |
| Total cash flows from financing activities | 1,332,133 | 1,638,955 | 1,450,025 |

The Company's liquidity is managed centrally in order to optimise its available cash.

Adif AV's working capital moved from a negative €876.4 million at 31 December 2022 to a negative €1.35 billion at 31 December 2023, representing a net negative change of €477.4 million. This situation has not generated any liquidity stress for the Company, given the contributions received under the General State Budget for 2023 and the fact that external financing may be arranged subject to the authorised debt limit.

The Company also had a total of €430 million in undrawn short-term credit facilities in place with financial institutions at 31 December 2023. These facilities mature in the short term, with some of them tacitly rolling over each year, subject to a maximum number of rollovers.

Furthermore, while the Company was authorised to increase its long-term borrowings from financial institutions and its debt through fixed

income issues by a nominal €1.19 billion, its debt was increased by €691 million at year-end.

Indebtedness in terms of both bank borrowings and bond issues includes debt arranged by Adif AV mainly with the European Investment Bank, though also with other financial institutions and via bond issues under the EMTN Programme, to finance investments made in previous years in property, plant and equipment, as envisioned in the Multi-year Action Plan.

On 11 April 2023, 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 brought the average interest rate on Adif AV's long-term borrowings with financial institutions and on debt through fixed income issues to 2.10% per annum at 31 December 2023, with an average life of 9.04 years (1.78% per annum at 31 December 2022, with an average life of 9.19 years).



8.1.7. Coverage ratio – ESA (European System of Accounts)

Legislative Royal Decree 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 2023, taking into account the **amendments proposed by the Comptroller General of the State Administration (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 2023 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** are as follows:

| | 2022 | 2023 |
|----------------------------------|-----------|-----------|
| Revenues under national accounts | 1,321,224 | 1,258,256 |
| Expenses under national accounts | 2,285,880 | 2,124,694 |
| ESA Ratio – 2010 | 57.80% | 59.20% |



8.1.8. Investments carried out during the year

The following tables show the investments carried out in 2023 (compared to the previous year), broken down **by type and by line**:

| TYPE | | | |
|--|------------------|------------------|---------------------|
| Amount in thousand € (including VAT) | | | |
| | 2021 | 2022 | 2023 ¹⁸¹ |
| Electrification and telecommunications | 77,492 | 108,786 | 97,658 |
| Platform | 371,388 | 811,348 | 966,650 |
| Signalling and safety installations | 84,505 | 104,659 | 89,012 |
| Equipment and other actions | 251,101 | 301,466 | 434,267 |
| Track | 102,562 | 96,903 | 148,058 |
| Stations and freight terminals | 202,685 | 130,031 | 238,834 |
| TOTAL | 1,089,733 | 1,553,192 | 1,974,479 |



LINE

Amount in thousand € (including VAT)

| | 2021 | 2022 | 2023 ¹⁸² |
|--|------------------|------------------|---------------------|
| VANDELLÓS-VALENCIA | 47,920 | 44,480 | 45,233 |
| H-S LINE LEVANTE | 29,476 | 48,298 | 47,809 |
| H-S LINE ALMERÍA-MURCIA | 87,599 | 271,718 | 337,409 |
| H-S LINE BOBADILLA-GRANADA | 14,730 | -5,036 | -8,114 |
| VANDELLÓS-TARRAGONA | 8,504 | -11,642 | -4,098 |
| PALENCIA-AGUILAR DE CAMPOO | 6,064 | 10,282 | 10,266 |
| CABECERA NORTE DE CHAMARTÍN | 32,810 | 28,749 | 27,557 |
| H-S LINE ASTURIAS (PAJARES BYPASS) | -2,226 | 42,709 | 57,887 |
| H-S LINE VENTA DE BAÑOS-PALENCIA-LEÓN-ASTURIAS | 24,684 | 9,569 | 2,638 |
| H-S LINE VALLADOLID-BURGOS-VITORIA | 17,168 | 15,095 | 5,748 |
| H-S LINE VITORIA-BILBAO-SAN SEBASTIÁN | 165,582 | 225,469 | 158,546 |
| H-S LINE MADRID-EXTREMADURA | 146,903 | 90,290 | 77,988 |
| H-S LINE GALICIA (OLMEDO-LUBIÁN-OURENSE) | 63,251 | 24,860 | -12,739 |
| H-S LINE ZARAGOZA-PAMPLONA (CASTEJÓN-PAMPLONA) | 28,206 | 68,207 | 54,889 |
| UIC CONNECTION, CHAMARTÍN-ATOCHA-TORREJÓN | 42,853 | 13,377 | 6,842 |
| ATLANTIC CORRIDOR (CORUÑA-VIGO) | 116,815 | 5,474 | 4,198 |
| ATTRIBUTABLE TO THE ENTIRE NETWORK | 86,877 | 86,551 | 102,578 |
| INVESTMENT IN OPERATING LINES | 57,745 | 202,577 | 202,147 |
| OURENSE BYPASS | 5,631 | -202 | 3,683 |
| STATIONS AND OTHER ASSETS | 109,141 | 382,369 | 854,011 |
| TOTAL | 1,089,733 | 1,553,192 | 1,974,479 |

¹⁸¹ In addition to the above investments by type and related lines, there were changes in 2023 in Adif AV's equity in relation to the assets listed below (figures in € thousand, including VAT): PARTICIPATING LOANS TO RAILWAY INTEGRATION JOINT VENTURES 41,854 // INCORPORATION OF ASSETS FROM GOVERNMENT BODIES 3,010 // ASSETS FROM SEITSA 1,085 // INVESTMENTS FROM RAILWAY INTEGRATION JOINT VENTURES -19.

¹⁸² In addition to the above investments by type and related lines, there were changes in 2022 in Adif AV's equity in relation to the assets listed below (figures in € thousand, including VAT): PARTICIPATING LOANS TO RAILWAY INTEGRATION JOINT VENTURES 540 // ASSETS FROM SEITSA 100,418.

8.2. INTERNATIONAL PROJECTION¹⁸³

Key Milestones:

- Development of international activity in the field of **regulation, standardisation, cooperation and defence of the interests of Adif AV and the Spanish railway sector.**
- **Promotion of the Spanish railway industry** by attending meetings, fora, organising events such as the international "Rail Live" fair, HLIM, PRIME and supporting delegations from countries interested in our railway model.
- Management of **Adif's participation** in the **European Atlantic and Mediterranean freight Corridors.**

Contribution to the SDGs:



Main risks and opportunities:

- Regulatory change and process standardisation.
- Loss of reputation.
- Loss of influence and resources to develop infrastructure.
- Loss of international presence at international fora.
- Delays in developing infrastructure for the Mediterranean and Atlantic Corridors.

Our commitment:

- **Consolidate the Company's international exposure and that of the railway sector.** The aim is to increase our presence in decision-making fora and to also seek alliances with potential strategic partners to develop business in other countries and to increase and consolidate the Company's presence and that of companies in the sector, boosting competitiveness in the rest of the world.
- **Improve cooperation with our neighbouring countries** to promote rail transport and encourage a modal shift from more polluting options such as road or air to rail.
- **Have a proactive presence in International Institutions and Organisations,** contributing to maintaining and increasing the institutional and representative presence of Adif and Adif AV in different bodies and institutions.
- **Deepen the European Commission's activities in the field of the TEN-T Network** through the forecast Fora and Working Groups in 2024 and taking part in the TEN-T Days to be held in Brussels in early April.

¹⁸³ Content linked to SP2030, **Results-driven Pillar PRED-SO5.**



Adif AV is a member of the following **international associations and organisations**, among others: **EIM** (European Infrastructure Managers), **UIC** (International Union of Railways), **RNE** (RailNetEurope), **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 Rail Joint Undertaking (**ERJU**), among others.¹⁸⁴

Adif AV also takes part in several **European Economic Interest Groupings (hereinafter referred to as 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.

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Presence in international associations and organisations (number of meetings attended) ¹⁸⁵ | 331 | 143 | 145 |
| Presence in international projects and activities (No. of activities carried out) ¹⁸⁶ | 60 | 66 | 80 |

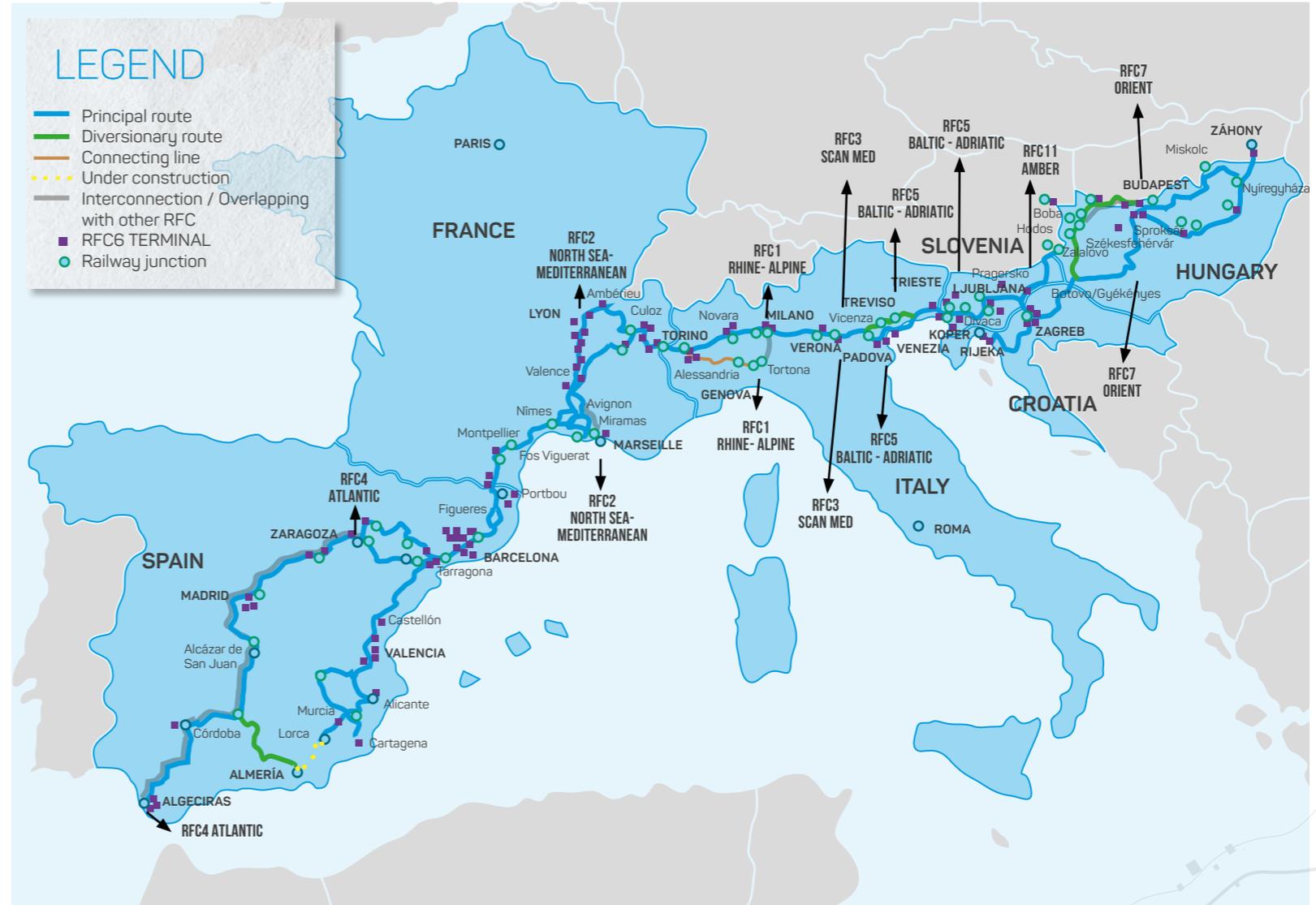
The International Directorate represents Adif AV in several EEIG, the legal figure which associates Infrastructure Managers from several European countries. The aim pursued by the Atlantic and Mediterranean Corridor EEIG is to make freight transport by rail more competitive compared to other means of transport. It was created in 2014 as the backbone of the Trans-European Transport Networks.

Both corridors have One Stop Shops located in Madrid for the Atlantic Corridor, and in Milan (Italy) for the Mediterranean Corridor, in order to handle, process and coordinate requests for the international freight paths managed by the corridors.

¹⁸⁴ Content related to **GRI indicator 2-28: Membership of associations.**

^{185, 186} Adif + Adif AV.

8.2.1. Mediterranean Corridor



The Mediterranean Rail Freight Corridor connects Algeciras (Spain) with Zahony (Hungary) through a route of more than 7,000 kilometres that **crosses 6 countries**: Spain, France, Italy, Slovenia, Croatia and Hungary, although the final proposal of Regulation (EU) 1153/2021 extends the route from Zahony in Hungary to Lviv in Ukraine. The Corridor also connects to six other European Freight Corridors at various points.

During 2023, negotiations led by the Ministry of Transport and Sustainable Mobility were held to review the European regulation that defines the TEN-T Network, agreeing not to cut the corridor at Zagreb, and to also increase its route to the heart of Ukraine, and to add new sections and nodes to the European corridor in Spain.

Notably, the **Mediterranean Corridor Office** takes part in the European Mediterranean Corridor Fora and the European Working Groups held in different cities that form part of the Corridor. Collaboration channels with the remaining European countries and authorities involved were maintained in 2023. The Entity has participated in various **Working Groups**, including the following:

- Bilateral meetings in France on 2 February and 29 May.
- Working Group Ports & Rail TEN-T Intermodal Transport, held on 21 and 22 November in Algeciras.
- 18th Mediterranean Corridor Forum (6 June) and 19th Mediterranean Corridor Forum (14 November) held in Brussels (Belgium).
- Corridors 360 event within the Global Mobility Call at IFEMA (Madrid) from 24 to 26 October. An event in which the European Coordinator of the Mediterranean Corridor, Ms. Iveta Radičová, together with Mr. Carlo Secci and several experts in freight transport took part.

The Company's international activity is not only limited to its relationships with official community or state bodies. Meetings have also been held with private companies and associations and it has taken part in several conferences such as the Galicia-North Portugal Cross-border Railway Mobility Conference, and the Conference on Geopolitical views of the Mediterranean by Mediterranean Scholars organised by *Associazione dei Geografi Italiani*, among others.

In relation to project financing through the Connecting Europe Facility (CEF) and the Resilience and Recovery Facility (RRF) funds, the Office carries out various follow-up actions. The work carried out relating to RRF funds has been monitored and the deadlines have had to be extended as they are very tight. With regard to the CEF funds, a new call for proposals was launched in autumn 2023, although its resolution is still pending.

In this context, the Company has identified delays to the established timetables as the main risks. This is demonstrated by the extension of the deadlines associated with the RRF, as well as the emergence of platforms such as *#quierocorredor* that highlight the importance of rail infrastructure in the affected areas, and act as a loudspeaker for public opinion. In addition to the increasingly demanding deadlines, events that may influence the materialisation of this risk are those relating to the need to adapt existing infrastructures, and to adopt measures to protect natural conservation areas. For example, in the L'Horta de Valencia Territorial Action Plan and the Conservation of the Testudo graeca in Almeria, where all the necessary measures are being implemented in the search for solutions to mitigate our impact on the environment.

(To learn more about Adif AV's management of the environment, see [Chapter 7: More sustainable](#)).

The greatest contribution made by the Mediterranean Corridor Office is undoubtedly its dialogue with stakeholders, with 217 meetings held in 2023. Proper coordination across the MITMA group is also vital for the successful completion of the Mediterranean Corridor works



| | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Meetings related to EEIGs | 52 | 87 | 83 |



8.2.2. Atlantic Corridor



The main objective of the Atlantic and Mediterranean Corridor EEIGs is to increase the competitiveness of rail, especially for freight transport, compared to other modes of transport. These European rail corridors are essential to the Trans-European Transport Networks and have been in operation since 2013. Following this, modifications and extensions were approved in 2019 and 2024, which have reshaped Europe's logistics development map.

Both corridors have **One Stop Shops** located in Madrid for the Atlantic Corridor in Spain, and in Milan (Italy) for the Mediterranean Corridor. The aim of the one stop shops is to handle, process and coordinate requests for the international freight paths managed by these corridors. They are essential for the promotion and development of freight transport.

The Atlantic Corridor **connects four countries** that are represented in the EEIG through their main infrastructure managers: IP (Portugal), Adif (Spain), SNCF Réseau (France) and DB Netz (Germany). It aims to grow international rail freight traffic by developing competitive and efficient rail connections over the 6,200 kilometres of rail infrastructure it crosses.

Certain updates have been made to clarify the scope of the actions to be carried out, to adapt them to regulatory documents or to come up with guides/Catalogues that will allow for more structured completion of these procedures.

Numerous **commercial actions** have also been carried out with national and international production and/or transport companies; vehicle manufacturing, chemical product, and capital goods professional associations; shipping companies; logistics clusters; forwarders and other logistics actors. These actions are aimed at ascertaining their needs for transport resources within the Atlantic Corridor, including possible derivations from the Atlantic Corridor to other corridors, with the ultimate aim of developing viable transport projects in Europe.

In addition, several **meetings and encounters** have been held with other entities with similar characteristics to ours to effectively coordinate efforts in infrastructure improvements that may generate substantial improvements in rail transport capacities in the area of the corridor in the short and medium term.



8.3. SUCCESSFUL PARTNERSHIPS¹⁸⁷

8.3.1. Property management and urban integration

Key Milestones:

- The Madrid Nuevo Norte project.
- New Atocha Railway Complex.
- Reports on assets – urban planning.
- Land reversion reports.

Main risks and opportunities:

- They have not been identified.

Our commitment:

- **Urban planning powers** under the control of third parties, which may be local councils or Autonomous Communities.
- The Ministry of Transport and Sustainable Mobility is responsible for the **land reversion reports** competences and investigation of the files.

Contribution to the SDGs:



¹⁸⁷ Content linked to SP2030, Results-driven Pillar PRED-SO6; Services Pillar PSER-SO4.

The generation, maintenance and management of Adif AV assets is entrusted to Adif.

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 Project** will ultimately allow us to eliminate the urban barrier currently posed by the Chamartín marshalling yard, by covering the tracks and creating a new yard at urban level. This will ensure that the new Chamartín-Clara Campoamor station is fully and seamlessly integrated within its urban environment and improve accessibility to the station. It will also pave the way for various interchanges between different modes of transport, thus making the future station the driving force of the MNN Project.

Adif AV is the state-owned enterprise tasked with carrying out the project and constructing the New Chamartín-Clara Campoamor station, for which it has recently been awarded an international tender incorporating the highest sustainability standards.

The annual process of adding the land corresponding to high-speed lines to the **Inventory of Real Estate Assets** led to the creation of 32 new Inventory Units and the inclusion of new documentation on 68 existing units, with a total of 17,524 properties, with 33,273 associated documents, representing a total of 20.6 million m².

Key projects in 2023:

- **Madrid Nuevo Norte:** The planning process for the MP sectors included in the PGOUM (general urban planning instrument) continued throughout the year in relation to the Madrid Nuevo Norte zone. Work is being carried out in collaboration with RENFE-Operadora, CreaMNN, Property Registries, and the Madrid City Council to instrumentalise the registration of railway land and the urban development.

The *International Competition to design and remodel the station* was awarded to the proposal presented by Esteyco, UNStudio and b720 Arquitectura “Chamartín Ecosistema Abierto” (Chamartín Open Ecosystem) in January.

Early Urban Development Works have been completed during 2023, and the drafting of the Construction Project to cover the north end of the line has begun.

In addition, progress has been made on the drafting of the Partial Interior Redevelopment Plan for the Referred Zoning Area (APR) 05.10 - Chamartín Station. Likewise, extension agreements have been signed to extend the Agreement to draft the Construction Project to cover the south end of the line, and the deadline to grant the deeds was also extended.

In November 2023 the first mock-up of the four Preliminary Projects (Urban development, Station, Commercial Tertiary and Global-Stage Plan) has been delivered.

In 2023, files on land unaffected by the expropriation were processed, pending the completion of this process in 2024. The Management Commission of Specific Zoning Area (APE) 08.20, constituted in 2021, will present the Urban Development Initiative, Malmea-San Roque-Tres Olivos, in the second half of 2024. The Management Commission of APE 05.31 will also present the Urban Development Initiative for the Chamartín Business Centre in the same period.

Finally, the Madrid City Council Plenary on 28/11/2023 agreed to approve the initiative to manage the urban development of APE 08.21 “Las Tablas Oeste”.

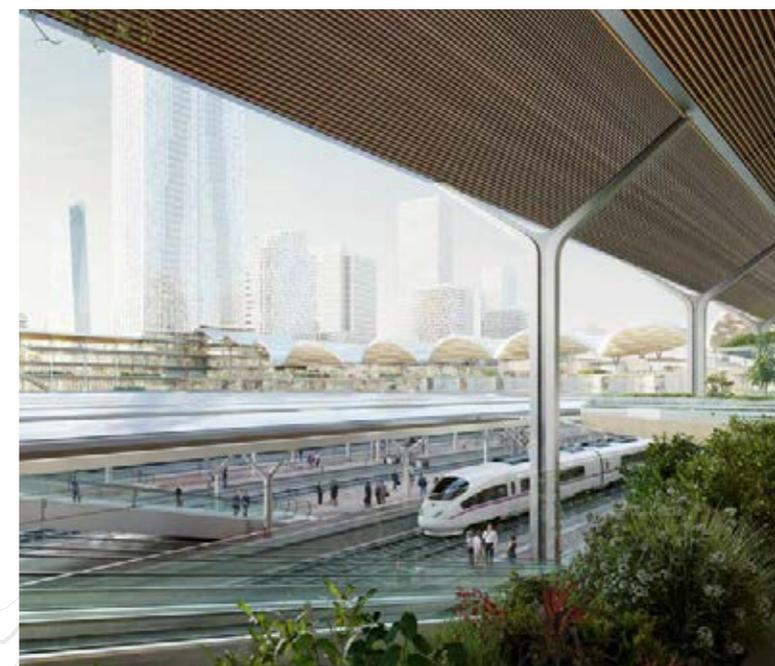
- **New Atocha Railway Complex:** Involvement in the process of revising the plans for the “New Railway Complex at Atocha station (Madrid)”.

Progress has been made on the **Preliminary project for phase 3**, which covers the “High-capacity connection, extension of *Cercanías* (commuter) facilities and Atocha east lobbies”. A working group has been set up with the Urban Development Area of Madrid City Council for the purpose of preparing an amendment to Madrid’s PGOU (General Urban Zoning Plan). In addition, Adif AV has actively participated in **Phase 4** corresponding to the General Urban Plan Amendment (MPG) and the Special Plan for APR 02.14, in collaboration with the High-Speed Projects Division, which is carrying out the process.

URBAN MANAGEMENT

- **Agreements and protocols:** The Property management and urban integration department has participated in **signing 11 Agreements and Protocols** in 2023. The department put forward the proposals for eight of these agreements and has led the negotiation and direct processing activities. These include agreements with cities such as Almería, Murcia, Alicante, Ponferrada, Huesca, Madrid (with an addendum on the drafting of the Piled Foundation Construction Project), Caspe (with an addendum) and Tres Cantos. The department has collaborated as an Advisory Area for the remaining agreements, providing advice on property and urban planning issues to other Adif AV departments.

- **Reports on planning, on property and ownership and on urban development:** The Property management and urban integration department issued **553 urban zoning reports**, suggestions and/or claims relating to different planning instruments in 2023. In addition, **352 property and urban integration reports** were processed, which represented a significant increase over the previous year. This increase was mainly due to the significant increase in the number of urban planning and property management reports requested by other areas of the company, exceeding the 200 reports produced in 2022. This increase has required additional effort from the property management and urban integration department.



- **Advice on property and urban planning to other areas of the company:** The department has produced reports and actively participated in numerous meetings with the aim of providing advice to different areas, such as High-Speed or Conventional Network Projects, in relation to urban planning and property management formulas that help to integrate the railway into urban environments. Consulting and advice has also been provided to the Logistics Services area, contributing to drafting and processing railway service delimitation projects and drawing up special plans needed for their processing by the local authorities, all with the aim of optimising the management of their terminals.
- **Oversight of joint ventures:** A total of **14 joint ventures have been monitored** from the perspective of property management and urban planning competences. During this process, various projects and urban development plans of these companies have been analysed, presenting allegations to the planning process. In total, **21 follow-up reports** have been generated as the result of these activities. In addition, there has been active participation in more than **35 meetings** with the different technical groups established for this purpose and in the respective Monitoring Commissions of the aforementioned companies.

ADMINISTRATIVE PROCEDURES

- **Procedure to reduce public domain land and building right boundaries:** A total of **28 reduction applications** processed, of which **4 related to the public domain** and **24 to building right boundaries**.
- **Collaboration with Ministry of Transport and Sustainable Mobility on land reversion proceedings:** There are currently **88 land reversion** proceedings in progress, which includes reports on the exercise of this right in actions as important as Madrid-Chamartín and Madrid-Fuencarral.
- **Proposals to the Management Committee and Board of Directors of Adif and Adif AV:** The **Collaboration agreement for the coordination, financing and construction of the specific work envisaged in the amended General Urban Zoning Plan (PGOU) within the scope of the Madrid Nuevo Norte** project was presented to the Committee and the Board. In this sense, prior to their transfer to CreaMNN, a total of **7 proposals on the unnecessary use and the unaffected areas** have been processed

in both the Fuencarral and Chamartín sites, covering a total surface area of **307,787.08 m²**. Likewise, in order to clear-up reversion rights, 5 proposals on the unnecessary use and the unaffected areas have been processed for a total surface area of **78,499 m²**.

With regard to the processing of Agreements, both to the Management Committee and subsequently to the Board of Directors, 1 proposal for approval and authorisation to sign an **Agreement** has been processed for **the Madrid Metropolitan Area on the drafting of the construction project for the pile foundations of the cover slab associated with the High-Speed tunnel at the southern end of Chamartín station**.

- **Land reversion offerings:** Some of the aforementioned administrative actions have given rise to the need to clear-up reversion rights. Accordingly, the expropriated owners or their successors in title have been notified of the **declarations of unnecessary use and the land being unaffected** and they have been offered land reversion of a surface area of **78,499 m²**.

- **Cadastral amendment of land owned by Adif and Adif AV:** In 2023, a total surface area of **1,900,000 m²** was filed with the registry or amended, including all land located within the Autonomous Community of Madrid.

At the same time, a pilot procedure has been initiated with the Cadastral Management Department of the Autonomous Community of Castilla-La Mancha, in order to carry out the cadastral amendment of land not yet registered, without affecting third parties, in the municipality of Talavera de la Reina.

- **Filing and registration: first registrations of land and other registry filings were presented to the competent Land Registries,** using the different mechanisms provided for under the Spanish Mortgage Act. Highlights in 2023 included the filing of the assets and property owned by the various railway undertakings at Chamartín and Fuencarral stations and the de-assigned land in other municipalities such as Barcelona, Saragossa, Gandia, Bilbao and Alhama de Murcia have likewise been **filed as belonging to Adif and Adif AV**.



8.3.2. Urban integration joint ventures¹⁸⁸

Key Milestones:

- An **Agreement to carry out the construction of the railway integration in Almeria phase two works** was signed.
- The **protocol for railway integration in Cartagena** was signed.
- An agreement was made on the **termination and settlement of agreements and accords** related to the **urban integration of the railway in Almería**.
- The **Addendum to the Agreement on the transfer of assets for railway works in Valladolid** was signed.
- An agreement for the **termination and settlement of the Addendum to the framework agreement of Barcelona Sagrera Alta Velocitat, S.A.** for urban development works in Barcelona was reached.
- An agreement **to regulate payments** was made under the addendum to the framework agreement regulating the relations with the **company Barcelona Sagrera Alta Velocitat, S.A.**
- A **Participating Loan** corresponding to year 2023 for the **Murcia and Valladolid railway integration plan** and **adjustments made to the maturities** of the loans granted to the companies **Valencia Parque Central, Logroño Integración del Ferrocarril and Zaragoza Alta Velocidad**.
- **Collaboration with other areas of the state-owned enterprise in developing actions within the framework of integration operations** (pedestrian crossings in Alicante, Access Channel Phase 3 works in Valencia, the development of the Study on zoning alternatives for the special plan OI/O2 in Alicante, and the Sant Andreu Comtal Coverage Project).

Main risks and opportunities:

- **Reputational risks:** Complex operations involving various agents can lead to a lack of coordination, resulting in a loss of reputation.

Contribution to the SDGs:



Our commitment:

- Annual plans for **technical committees in urban integration joint ventures** for effective coordination and communication.
- Instrumentalise **financial commitments for the Integration Plans in Olabeaga (Bilbao), Gijón and Vitoria**.
- Adjust the **maturities of the participating loans in Valencia, Logroño and Gijón**.
- Standardise and **instrumentalise the financial commitments made under the urban integration plans for Alicante, Barcelona, Cartagena, Murcia, Valencia and Valladolid**.
- Sign the **Agreement for the railway integration in Cartagena**.

¹⁸⁸ Content linked to SP2030, Service Pillar PSER-SO4.

Through an entrustment with Adif, Adif AV ensures **coordination with the urban integration joint ventures** 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 JVs
- 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.
- Helping to implement railway infrastructure and integrate the railway in different urban environments by promoting this process and collaborating with institutions to ensure its success.

Linked to **Strategic Objective 4 (SO4): "Increase the value of assets by engaging with stakeholders"**, in the Integration Operations and Group Entities department we have set the following objectives for 2023 for this area:

- Draft agreements/protocols within the framework of the urban integration joint ventures. Request for authorisation from the Adif AV Committee to sign three protocols/agreements.
- Monitor the Valencia Access Channel works. Phase 3. Monitor and coordinate the development of the works with all those involved.

Coordinating and monitoring these integration operations lets us identify possible risks and make decisions to adjust or rethink how best to proceed, with the aim of reducing risks and contributing to Adif AV's economic sustainability



Highlights in relation to the **actions, competencies and obligations acquired under the agreements signed** are:

- Addendum regulating the valuation of assets transferred to Adif and Adif AV under the November 2017 Agreement.
- Protocol for railway integration in Cartagena between several entities.
- An agreement was made on the termination and settlement of agreements related to the urban integration of the railway in Almería.
- Agreement to complete and finance the second phase of the urban integration of the railway in Almería.



| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Integration and other agreements and protocols with urban integration joint ventures in which Adif AV participates ¹⁸⁹ | 62 | 71 | 77 |

The indicator that reflects the drive of these urban integration actions refers to the investment carried out by the Integration Joint Ventures and their partners in urban railway integration operations. In 2023,

¹⁸⁹ Cumulative figures. The calculation made in previous years may be raised in subsequent years once the terms of new agreements are finalised.

the target in relation to the **cumulative investment carried out in integration actions** was set at **€4,875.42 million**¹⁹⁰.

Notably, it should be noted that various **technical working groups** held meetings throughout 2023 within the framework of these urban integration JVs and in collaboration with other areas of Adif, Adif AV, Ministry of Transport and Sustainable Mobility, and regional and local government. The groups drew up plans and projects, and carried out urban planning and railway integration works. Likewise, several documents have been signed, including the Agreement for the Railway Integration in Almería, Phase 2 and the Protocol for the railway integration in the city of Cartagena.

Meanwhile, to ensure **good governance** and to make the **necessary adjustments to the financial structure of the urban integration joint ventures**, and as indicated earlier, contracts were drawn up and signed in 2023 in order for such companies to meet the financial commitments acquired under the new urban integration plans, the maturities of loans granted to various companies were adjusted and the financial commitments in several cities were likewise set straight.

Adif AV's aim of establishing alliances for **Integration Operations** in cities is to promote social cohesion and territorial structuring using the railway as a common thread, contributing to the creation of more sustainable cities in which the railway is perfectly integrated and does not lose coherence with the national railway system, thus contributing to the development of the European network and promoting intermodality.

The **greatest contribution** made within the Corporate Group is the continuous monitoring of the financial position of Adif AV's investees, particularly subsidiaries and railway integration joint ventures, in order to detect any significant deviation that could make the company unstable and, therefore, threaten the financial investments made by Adif AV and the sustainability of such investments.

- These joint ventures are the product of various agreements to have been signed over the years between the Ministry of Public Works (currently Ministry of Transport and Sustainable Mobility) and its state-owned companies and regional and local government bodies. These agreements set out all the necessary

railway, integration and urban development actions, detailing all related costs and method of financing.

- In recent years, we have had to review these urban integration operations and take action accordingly by proposing new solutions, adapting the financing structure, eliminating external indebtedness, enhancing the value of disencumbered, etc. Along these lines, and within the framework of the SP2030, an **Action Plan** is currently being developed with the primary aim of **establishing the mechanisms and analyses necessary to improve and optimise the management of the urban integration operations carried out by the integration joint ventures** and proposing alternatives as and when

needed to ensure the sound management of these operations. The ultimate objective is to improve the urban integration of the railway, thus improving the economic, social and environmental impact and the overall mobility and sustainability of the city.

To succeed, **Adif AV coordinates closely with the various urban integration joint ventures in which it holds a stake**. Adif AV also heads up the process of coordinating and communicating 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 threat of reputational risks materialising.



¹⁹⁰ Aggregate data for Adif and Adif AV, considering the contributions made by Adif, Adif AV and the other entities or administrations taking part in the urban integration projects under the signed agreements. The data for previous years may vary as it is a cumulative amount. Year-end data are finalised during the following year, so the final amount is not yet available at the date the Management Report is prepared.

8.3.3. Corporate Group¹⁹¹

○ Key Milestones:

- **Adif AV held stakes in more than 27 different entities** of a diverse nature (companies, foundations, associations, etc.).
- Internal **valuation of the shares held by Renfe Operadora in the urban integration joint ventures** ahead of their **purchase by Adif and Adif AV**.

○ Main risks and opportunities:

- **Reputational risks:** Transmitting an inadequate or distorted image, that could affect the positioning of the Adif AV brand as a well-managed, responsible and transparent entity.

○ Contribution to the SDGs:



○ Our commitment:

- **Liquidation of León HS** and **purchase of Renfe Operadora shares in the urban integration JVs by Adif AV**.
- Analysis and proposal to **potentially liquidate some integration JVs**.



¹⁹¹ Content linked to SP2030, Results-driven Pillar PRED-SO6.

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 Adif AV’s investments and presence that obtains the maximum social, economic and sustainable benefits and rewards.

Linked to **Strategic Objective 6 (SO6)**: *“Ensure that the presence of Adif and Adif AV in the entities and bodies of which they form part generates synergies”*. The Integration Operations and Group Entities department established the following area objective for 2023: *“Promote procedures to improve the management of Adif’s Corporate Group”*, setting at least three actions to carry out divestments/actions for the purchase and sale of shares, etc.

Key actions here include:

- Valuation of the shares held by *Renfe Operadora* in the urban integration JVs ahead of their purchase by Adif and Adif AV.
- Report on compliance with the resolutions passed by Boards of Directors, General Meetings and Executive and Audit Committees during the year.
- Tenders at Almería High-Speed: Legal advice on the handover of the works
- Tenders at Palencia High-Speed: Occupational risk prevention service.

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



- Tenders at Vitoria - Gasteizko Abiadura Handia High-Speed: Occupational risk prevention service.
- Adif AV procurement: INECO. Technical support services for the management of the Corporate Group Management Sub-Division of the Integration Operations and Group Entities department (AC 032/23).
- Liquidation of NECSA: Verification of receivables and payables before drawing up the liquidation balance sheet and of the credit assignment contract between Adif and Adif AV. Monitoring cash flow collections resulting from the liquidation. Company liquidated in 2023.
- Monitoring and control of directors’ and officers’ insurances taken out by integration JVs.
- Monitoring of compliance with the Transparency Act by the entities of the Corporate Group.
- Monitoring of the implementation of Compliance by the entities of the Corporate Group.
- Control of the submission of information to the Court of Audit by subsidiaries and integration JVs on contracts signed during the year.
- Review of the annual financial statements of corporate group entities prior to their approval by their governing bodies.
- Follow-up of specific audits and recommendations from the Court of Audit and the Comptroller General of the State Administration (IGAE) to the Integration JVs.

8.4.TENDERS ISSUED

The following tables provide detailed information on **procurement activity in 2023**:

SUMMARY OF TENDER PROCESSES IN 2023

Amount in € million (excluding VAT)

DIVISION

| | No. of orders – Own resources | Value of orders | Total no. of bids | Total amount bid |
|---|-------------------------------|-----------------|-------------------|------------------|
| Construction Division | 71 | 131.18 | 259 | 2,655.40 |
| Energy and Fibre Optic Network Division | 3 | 1.27 | 10 | 13.81 |
| HS Projects and Stations Division | 8 | 3.53 | 88 | 49.86 |
| Other | 0 | 0 | 3 | 0.10 |
| Total | 82 | 135.98 | 360 | 2,719.17 |

SUMMARY OF CONTRACTS AWARDED IN 2023

Amount in € million (excluding VAT)

DIVISION

| | No. of orders – Own resources | Value of orders | Total no. of bids | Total amount bid |
|---|-------------------------------|-----------------|-------------------|------------------|
| Construction Division | 71 | 130.86 | 250 | 1,443.00 |
| Energy and Fibre Optic Network Division | 3 | 1.27 | 34 | 1,452.88 |
| HS Projects and Stations Division | 8 | 3.53 | 94 | 66.70 |
| Other | 0 | 0 | 3 | 0.09 |
| Total | 82 | 135.66 | 381 | 2,962.67 |

SUMMARY OF TENDER PROCESSES IN 2022

Amount in € million (excluding VAT)

DIVISION

| | No. of orders – Own resources | Value of orders | Total no. of bids | Total amount bid |
|---|-------------------------------|-----------------|-------------------|------------------|
| Construction Division | 76 | 95.73 | 273 | 2,000.99 |
| Energy and Fibre Optic Network Division | 5 | 4.45 | 17 | 1,504.42 |
| HS Projects and Stations Division | 4 | 0.75 | 89 | 67.45 |
| Other | 1 | 0.15 | 5 | 0.25 |
| Total | 86 | 101.08 | 384 | 3,573.11 |

SUMMARY OF CONTRACTS AWARDED IN 2022

Amount in € million (excluding VAT)

DIVISION

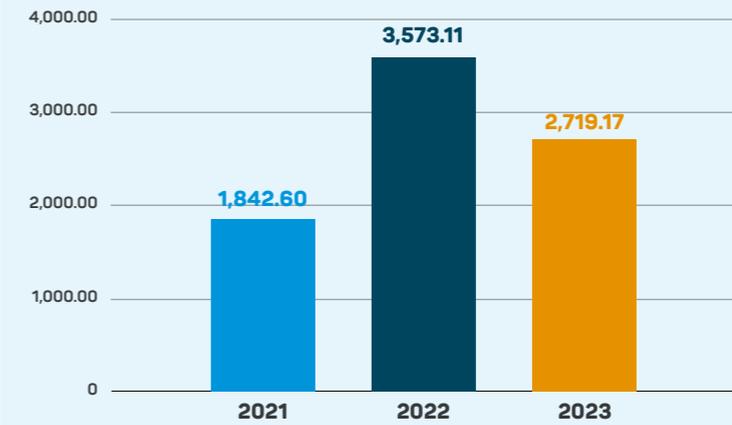
| | No. of orders – Own resources | Value of orders | Total no. of bids | Total amount bid |
|---|-------------------------------|-----------------|-------------------|------------------|
| Construction Division | 77 | 96.41 | 303 | 1,814.75 |
| Energy and Fibre Optic Network Division | 5 | 4.45 | 25 | 64.87 |
| HS Projects and Stations Division | 4 | 0.75 | 94 | 97.87 |
| Other | 1 | 0.15 | 5 | 0.24 |
| Total | 87 | 101.76 | 427 | 1,977.73 |

SUMMARY OF TENDER PROCESSES IN 2023 BY PROCEDURE TYPE

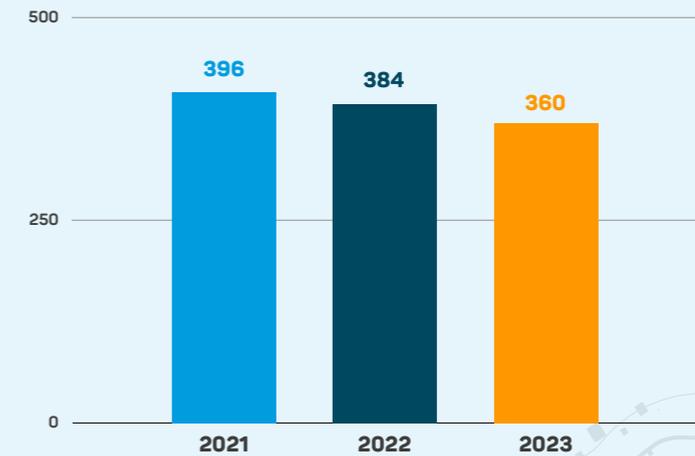
Amounts excluding VAT, in € million

| Procedure / Criteria | No. of tenders | Amount | % of amount |
|---|----------------|-----------------|---------------|
| Open | 149 | 2,471.68 | 90.90% |
| · Most advantageous tender (various criteria) | 113 | 2,167.49 | 79.70% |
| · Price (one criterion) | 36 | 304.19 | 11.20% |
| Restricted | 0 | 0.00 | 0.00% |
| · Most advantageous tender (various criteria) | 0 | 0.00 | 0.00% |
| · Price (one criterion) | 0 | 0.00 | 0.00% |
| Negotiated | 117 | 86.59 | 3.20% |
| · With prior publication | 1 | 11.91 | 0.40% |
| · Without prior publication | 30 | 73.36 | 2.70% |
| - Emergencies | 0 | 0.00 | 0.00% |
| - Technology related | 24 | 65.64 | 2.40% |
| - Other causes | 6 | 7.72 | 0.30% |
| · Minor contracts | 86 | 1.32 | 0.10% |
| Orders under framework agreement Framework | 12 | 24.92 | 0.90% |
| Total – Tenders | 278 | 2,583.19 | 95.00% |
| Internal works | 82 | 135.98 | 5.00% |
| TOTAL | 360 | 2,719.17 | 100% |

Total amount tendered (€ million excluding VAT)



Total No. of tenders



SUMMARY OF TENDER PROCESSES IN 2022 BY PROCEDURE TYPE

Amounts excluding VAT, in € million

| Procedure / Criteria | No. of tenders | Amount | % of amount |
|---|----------------|-----------------|---------------|
| Open | 156 | 1,958.29 | 54.80% |
| · Most advantageous tender (various criteria) | 119 | 1,835.86 | 51.40% |
| · Price (one criterion) | 37 | 122.43 | 3.40% |
| Restricted | 0 | 0.00 | 0.00% |
| · Most advantageous tender (various criteria) | 0 | 0.00 | 0.00% |
| · Price (one criterion) | 0 | 0 | 0 |
| Negotiated | 136 | 1,501.39 | 42.00% |
| · With prior publication | 2 | 1,438.98 | 40.30% |
| · Without prior publication | 26 | 60.58 | 1.70% |
| - Emergencies | 1 | 3.44 | 0.10% |
| - Technology related | 20 | 53.01 | 1.50% |
| - Other causes | 5 | 13 | 0.10% |
| · Minor contracts | 108 | 1.83 | 0.10% |
| Orders under framework agreement | 6 | 12.34 | 0.30% |
| Total – Tenders | 298 | 3,472.02 | 97.20% |
| Internal works | 86 | 101.09 | 2.80% |
| TOTAL | 384 | 3,573.11 | 100% |



Total No. of tender documents



- ▶ 41% Open
- ▶ 35% Negotiated
- ▶ 24% Other



- ▶ 41% Open
- ▶ 33% Negotiated
- ▶ 26% Other

Total amount tendered (€ million excluding VAT)



- ▶ 89% Open
- ▶ 3% Negotiated
- ▶ 8% Other



- ▶ 91% Open
- ▶ 3% Negotiated
- ▶ 6% Other

8.5. APPLICABLE RRF FUNDS¹⁹²

Key Milestones:

- Further progress made towards **sustainable financing**.
- Monitoring the **effective implementation of the Spanish Recovery, Transformation and Resilience Plan (NRRP)**.
- **Ensuring compliance with agreed use of amounts awarded**.

Main risks and opportunities:

- Non-compliance with Council Implementation Decision (CID) Milestones and Targets resulting in the effective loss of European funding, the imposition of sanctions, and an unfavourable reputational and social impact.

Our commitment:

- Continue to **monitor the effective implementation of the Spanish Recovery, Transformation and Resilience Plan (NRRP)**.
- **Manage RRF funds** in those components affecting stations.

Contribution to the SDGs:



¹⁹² Content linked to SP2030, Results-driven Pillar PRED-SO2.

In 2023, Adif and Adif AV continued along the same lines as in 2021 by investing directly in the railway system through *NextGenerationEU* funds and, more precisely, through the RRF, thus undertaking various projects and boosting the positive impact on society by supporting the ecological transition and ensuring social and territorial cohesion through the efficient management and use of railway infrastructure.

The effective implementation of the new asset management model and the development of the **Single Asset Management Platform** will ultimately improve Adif's technological capabilities through innovation and digital transformation. In addition, the close control and renewal of the Company's assets helps to ensure the construction of resilient infrastructure and is conducive to inclusive industrialisation and innovation.

Adif AV manages and monitors actions financed or co-financed with European funds, focusing on eco-labelling and the principle of "Do No Significant Harm" (DNSH), especially in relation to RRF funds. Therefore, Adif AV's is not only concerned about obtaining effective and efficient sources of financing, but also ensuring that the financing meets certain criteria in order to qualify as sustainable.

Another relevant support factor is the design and development of a sound management and monitoring information system, known as the **Balanced Scorecard**, and the development of tools and interfaces for connecting to applications so as to build a "data driven"



Compliance with milestones and objectives at December 2023 Adif + Adif AV

| Milestone | C1 I3 | | |
|-----------------|------------|------------|-----------------|
| | 17.1 | 14 | 16 |
| Target date | 06/30/2023 | 12/31/2023 | 12/31/2023 |
| Units | € Thousand | kms | No. of stations |
| Target Value | 1,160,000 | 200 | 20 |
| Actual Value | 1,416,007 | 233.1 | 22 |
| % | 122.07% | 116.55% | 110.00% |
| Complies | YES | YES | YES |

enterprise and not have to rely on various sources of information to arrive at the same figure. Essentially, we are helping to establish and strengthen the existence of a common or shared database. We are also working hard to deliver technological solutions that will ultimately optimise our efforts and improve the productivity of the team, focusing on activities that provide greater added value for making sustainable decisions.



RRF Works Components C1.13, C6.11, C6.12 and C6.13

| | Total RRF | DNSH verified for economic milestone | DNSH verified for physical milestone |
|-------------------------------|-----------|--------------------------------------|--------------------------------------|
| Works awarded until 12/31/23 | 108 | 90 | - |
| Works awarded in 2023 | 17 | 7 | - |
| Works accepted up to 12/31/23 | 21 | - | 5 |
| Works accepted in 2023 | 13 | - | 4 |



8.6. INNOVATION AND DEVELOPMENT¹⁹³

Key Milestones:

- Start of participation in flagship projects of the **Europe's Rail Joint Undertaking (EU-Rail JU)**. These are six (6) highly technical RD&I projects in which all the founding members of this partnership are participating. Adif is leading one of them, specifically the FP3-IAM4RAIL project.
- Development of the **Adif Talento 2022-23 internal entrepreneurship workshop**.
- Launch of the tender for the **RD&ITRACK VIEW project**.
- Development of the **new technical variable gauge system for freight wagons** completed.
- Materialisation of the Adif Chair at the *Universidad Politécnica de Madrid*.
- Materialisation of the continued **collaboration between Adif and the Universidad Complutense de Madrid** (through the Institute of Applied Magnetism - Instituto de Magnetismo Aplicado, IMA).
- Completion of the plan to **strengthen the Railway Technology Centre (hereinafter referred to as RTC)**.

Contribution to the SDGs:



Main risks and opportunities:

Opportunities:

- The development of new technologies in a collaborative environment with the main European rail stakeholders in the framework of *Europe's Rail Joint Undertaking (EU-Rail JU)*.

Risks:

- Lack of Adif human resources provided to participate in the *Europe's Rail Joint Undertaking (EU-Rail JU)*. This aspect has been mitigated during 2023 by contracting external resources.

- The failure to protect or update ownership records in the context of intangible asset management. The measures implemented in the previous year to limit the extent of this risk (permanently controlling the intangible assets portfolio) are still in place.
- The possible impact on the operation or safety of technological prototypes installed in the infrastructure in the framework of the RD&I projects developed. This aspect is monitored through the impact committees and by applying the corresponding common safety method.

Our commitment:

- **RD&I projects:** To implement trials with new broken rail detection technology, launch and tender the project to develop a neutral zone protection system, initiate the TRACK VIEW project, and manage technical demonstrators associated with the ERJU FP3-IAM4RAIL project.
- **Open Innovation:** To establish an Adif Chair at the University of Malaga, participate in innovation events, identify value-added companies through the "Radar Empresas" (business radar) instrument, and carry out a new edition of the Adif Talento 2022-23 internal entrepreneurship programme.
- **Adif's strategy in EU-Rail JU:** To continue to develop flagship projects in this partnership.
- **To develop and deploy Variable Gauge Freight technology:** Certify the technology according to Technical Specifications for Interoperability (TSI) and execute an implementation strategy.
- **Plan to Promote the RTC:** Incorporate new entities and present innovation challenges for 2024.

¹⁹³ Content linked to SP2030, *Results-driven Pillar PRED-SO7*.

Transformation drivers

| | 2021 | 2022 | 2023 |
|---|-------|-------|-------|
| Closed-out procedures (settlements through SAP Contracts) ¹⁹⁴ | 35.75 | 30.44 | 27.80 |
| Collaboration and open innovation (% of ideas and projects implemented) ¹⁹⁵ | 40.00 | 85.42 | 89.59 |
| Digital strategy (% adaptation to Office 365 of corporate mailboxes and videoconferencing rooms) ¹⁹⁶ | 64.61 | 74.48 | 89.59 |

8.6.1. RD&I Management

RD&I in Adif and Adif AV encompasses two major concepts. On the one hand, the search for solutions, and their protection and dissemination, to improve the capacity of the railway infrastructure in a safe environment. On the other hand, to find an optimal balance between the economic, social and environmental dimensions to make rail infrastructure more sustainable.

The **areas of activity** are as follows:

- Research, development and innovation in railway technologies of interest to Adif and Adif AV.
- Collaboration with companies, technology centres, and universities, promoting an open innovation model.
- Development of an innovation strategy for Adif and Adif AV.
- Internal transfer of knowledge and associated developments.
- Management of Adif and Adif AV's industrial and intellectual property by protecting RD&I results and their transfer to the market.

^{194, 195, 196} Adif + Adif AV.

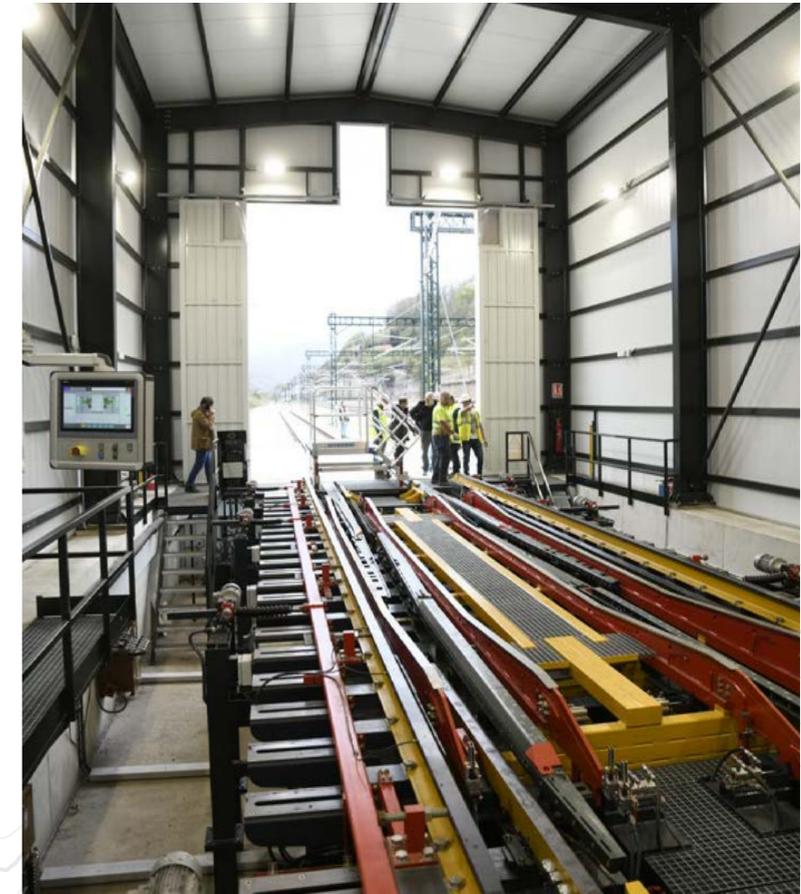
Implementing a sound strategy to **protect industrial and intellectual property** is crucial to ensuring that the results of RD&I can be turned into effective tools for business growth. At the same time, internal and external knowledge transfer processes must be enhanced, adding value to both Adif and Adif AV and improving the efficiency of innovation to obtain significant economic, environmental, and social returns.

Moreover, strategic alliances that facilitate knowledge transfer must be forged to maintain a relevant position in the sector. Participating in the main forums at European level is crucial, such as *Europe's Rail*, the successor of Shift2Rail, where new innovations for the railway of the future are being developed. It is therefore a priority to be part of relevant sectoral associations and decision-making groups, playing an active role in shaping the present that defines the future.

Adif AV has a lengthy track record in innovation that began in 2006, when it became the first large public company in Spain to be certified under **UNE 166002 based on an RD&I Management System** in 2008. In the 17 years that have since passed, the Company has been constantly seeking to develop and grow its RD&I activity, always in accordance with corporate and stakeholder expectations. Within the framework of the 166002 standard and the EFQM model, Adif AV pursues a **process of continuous improvement in RD&I**:

- Promotion of a management and audit system based on this standard.
- Promotion of technology monitoring, communication, dissemination, and training in RD&I.
- Administration and management of resources to ensure compliance with budgets, objectives, deadlines and the sustainability of the RD&I organisation.
- Search and analysis of national and international funding to increase the economic sustainability of the activity.
- Drawing up RD&I collaboration agreements with high levels of added value.
- Promotion of Adif and Adif AV staff's participation in innovation initiatives, as well as in national and international working groups.
- Drawing up commercial collaboration agreements and technology transfer agreements for Adif-owned products.

The **RD&I Management System** was built into the wider management system of Adif and Adif AV, considering its specific processes, within the first level Strategic Process PR-105 — Technological Innovation. These are essentially the processes governing the management of RD&I: planning of RD&I projects and the selection of ideas and solutions, project monitoring, protection and exploitation of results/outcomes, technology watch and competitive intelligence. The system also features the Adif and Adif AV RD&I Management Handbook, specific procedures (**management of the Improvement Suggestions Mailbox**); evaluation of industrial property assets protected by Adif AV to decide upon their renewal or withdrawal; authorisation to seek protection of industrial and intellectual property and arranging technology transfers of intangible assets generated from innovation projects; and management of financial aid for RD&I), and the general challenge management and preliminary market consultation procedures of Adif AV. A number of guidelines, protocols and instructions have also been developed.



Adif AV has an **RD&I Policy** which was updated in the previous year.

There is a **Strategic Innovation Plan (hereinafter referred to as SIP)** with a duration of 4 years (**2022-2025**). The SIP had been updated by the end of 2023 to take into account several new developments. **6 strategic initiatives (SIs)** related to and impacting the activities to be carried out by the various areas of Adif and Adif AV were initially defined in the SIP. By the end of 2023, one more SI has been added to these initiatives. Each SI responds to a specific objective and pillar established in the Plan's architecture: Safety, Service, Sustainability and Results-driven. For each initiative proposed, the actions to be carried out are defined with indicators that are reported on. These **initiatives** are:



- RD&I projects.
- Enhancing open innovation.
- Participation in Europe's Rail programme.
- Development of variable gauge technology for freight vehicles.
- Adaptation and integration of hydrogen in the RFIG.
- Enhancing the RTC.
- Development of an ERTMS ATP system for non-main lines.

In the field of environmental sustainability, the RD&I department managed **10 initiatives associated with the application of new technologies** (always from an energy perspective) in 2023:

- **SRERA-CEMIT own investment project:** This project constitutes the second stage of the installation that was planned years ago to install an electric vehicle recharging facility from the direct current (DC) traction network at Atocha station. The objective is to test new concepts of node integration (smart grids) in a DC traction network: The project prioritises the development of new power electronic converters to be used in possible projects to extract energy from the DC traction network.
- **H2TR Working Group (UIC):** Joint experiences are being developed with other railway managers and operators on the use of hydrogen as a new energy vector.
- **FCH2RAIL European project:** Ongoing project (funded by the EU Horizon 2020 programme) since early 2021 to adapt a CIVIA vehicle (Renfe Operadora) to hybrid hydrogen traction.

Test runs on the rail network started in 2023. Specifically, the train travelled between Saragossa and Canfranc and between Saragossa and Soria. In addition, progress has been made on the technical specifications for the hydrogen refuelling installation on the ground, as well as specific safety studies.

- **New national Hympulso project:** Funded by IDAE, in this project Adif acts as an observer (it is not part of the consortium). Its aim is to convert an EMU s/730 vehicle to hydrogen traction.
- **FP4-RAIL4EARTH European project (ERJU):** It is a multifunctional project with activities across several areas: hydrogen traction, battery traction, Smart Grids, energy storage and other activities in the energy field. A Digital Twin demonstrator for the Málaga-María Zambrano station has been included in WP11 and WP13 work packages. The aim of the demonstrator is to develop a digital twin focused on energy savings that integrates a BIM model and sensors which allow the model to be checked against reality.
- Regarding **Europe's Rail Joint Undertaking**, projects have started and will be completed in 2026. There has been no representative progress beyond the large number of work streams initiated.



The chosen strategy must invariably involve a working methodology that allows us to strike the right balance between the use of existing resources and new resources.

Projects in progress at the Company

| | 2021 ¹⁹⁷ | 2022 | 2023 |
|---------------------------|---------------------|------|------|
| RD&I projects in progress | 18 | 9 | 7 |
| RD&I projects closed | 63 | 3 | 4 |
| Completed projects | 1 | 3 | 1 |
| Projects started | 7 | 1 | 2 |

¹⁹⁷ Adif + Adif AV.

The development of **RD&I projects** focuses on the following objectives:

- Responding to the needs or challenges posed by the operational areas of Adif and Adif AV through the development of RD&I projects.
- Developing RD&I projects with a strong focus on improving the efficiency of the railway system, researching and developing innovation in railway technologies.
- Collaborating with companies, universities, technology centres and public institutions through programmes and agreements, both nationally and internationally.

RD&I projects are developed internally based on assignments from other departments or the business strategy department itself. Projects that do not follow this undertaking process are not expected to be developed.

Engagements are managed following the established procedure that describes the internal system to manage undertakings received by the **RD&I Management Department**, ensuring both the traceability of the actions and the establishment of minimum contents in the resulting undertaking.

During 2023, the innovation strategy, and specifically the development of new RD&I projects, has focused on digital transformation as a priority in order to integrate new technologies in all areas of Adif and Adif AV, changing the way in which the different internal processes are carried out and providing value to external users.

Intangible assets and technology transfer

The innovation cycle does not end upon completion of a project, as it is equally important to protect and transfer the results or outcomes. The process becomes efficient when the results of the innovation are protected in accordance with Spanish and international legislation: industrial property for patents, utility models, industrial designs and trademarks; and intellectual property for software developments and publications in any format. In some cases, we may rely on alternative forms of legal protection, such as trade secrets.

The RTC sees to it that results are protected across all areas of activity of Adif and Adif AV. This means coordinating and managing all the steps involved in achieving effective protection of the assets, keeping close

track of expenses and income, processing contract documentation, settlements and extensions of protection validity periods, and also reporting on the portfolio of protected assets.

It is always a priority for these results and outcomes to be initially transferred to Adif and Adif AV production. They may then be transferred to third parties if considered necessary or desirable. Operating licences to third parties must be granted via one or other of the contractual formulas permitted in accordance with the law and in accordance with Adif's internal regulations.

Adif **portfolio of intangible assets** in 2023 comprised 36 patents (1 less than in 2022), 5 utility models, 10 exclusive licences, 2 industrial designs, 9 items of software, and 58 trademarks. By the end of 2023, 8 new trademarks had been filed.

Collaborative innovation

During 2023, Adif AV attended the following **fairs, forums, and meetings**:

- Emobility World Congress.
- Forums at PTFE, MAFEX, RIH and IN MOVE by Railgrup.
- Conference on artificial intelligence at UDIMA.
- "EU Space for innovation in Rail" day organised by Europe's Rail.
- Conference on "ATO in ERTMS Level 2" organised by ICAI.
- Global Mobility Call Congress.
- RAIL LIVE Congress.
- Several conferences at universities: University of Saragossa and Spain's Open University (UNED).

Meetings were also held with companies through the "Business Radar" tool, in which solutions and companies with high added value were presented and promoted.

Collaborations have also continued with the **Railway Innovation Hub (RIH)** RD&I cluster at the RTC and with other companies based there. In this sense, collaboration and work development meetings have been encouraged.



Open innovation and entrepreneurship

The technological strategy of Adif and Adif AV includes a strategic initiative that seeks to promote the **Open Innovation Model**. The aim is to develop and implement a better model of open innovation built around internal and external collaboration and strategic alliances. Through technology watch and communication, it aims to enhance the value of human capital and foster an ecosystem conducive to the development of RD&I so that Adif can grow with the times.

The RTC will work alongside the Competitive Surveillance and Entrepreneurship area in promoting the open innovation model, not only by getting new companies and organisations to adhere to the RTC (which is in itself a fine example of a working open innovation structure) but also by building new external alliances by harnessing its technological and geostrategic position. The RTC area is also tasked with managing and monitoring agreements and protocols with other organisations in the field of RD&I and takes part in innovation-related trade fairs and congresses.

The open innovation model is allowing Adif and Adif AV to make their innovative process more efficient by streamlining their typically more rigid and bureaucratic structure, while simultaneously paving the way for projects and activities to develop novel products and processes.

Technological entrepreneurship, whether channelled through the organisation's own employees or perhaps through technology start-ups, has a positive impact on corporate open innovation processes, and both lines of work should be strengthened in the years ahead. The **aims of the entrepreneurship actions** to be carried out at Adif and Adif AV are as follows:

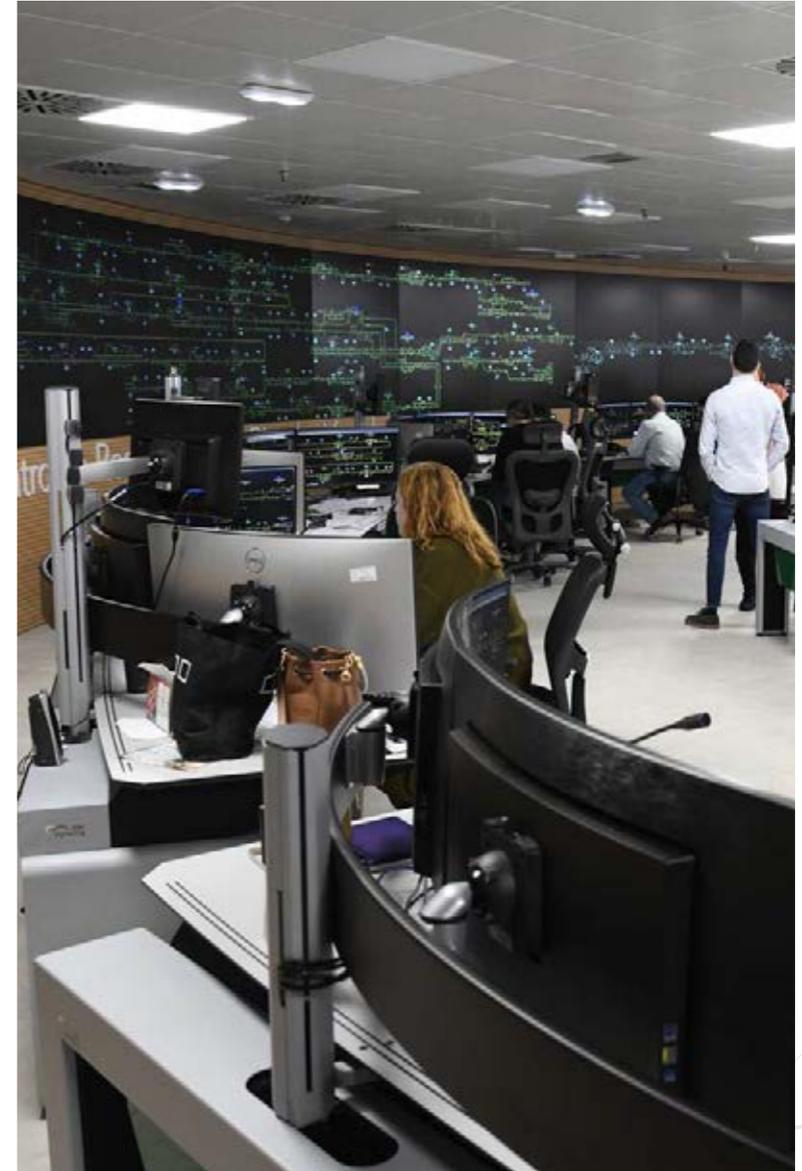
- **Internal:** Drive the organisation's open innovation model by harnessing the talent and creativity of employees, getting them involved in **intrapreneurship actions** and promoting a corporate culture of support for new ideas. To succeed, it is vital to have tools that encourage creativity and mechanisms to recognise individual and collective contributions. At Adif

and Adif AV this tool is known as *Adif Talento*, which is the main programme for promoting new RD&I ideas within the organisation.

- **External:** Promote the organisation's open innovation model by building ties and interactions with different technology-based companies, as discussed earlier, such as by generating **co-creation spaces** to disseminate Adif and Adif AV's challenges with this type of organisation. Here we promote a tool known as **Business Radar**, which allows for regular interaction with these organisations.

OPEN INNOVATION AND ENTREPRENEURSHIP

| | 2021 | 2022 ¹⁹⁸ | 2023 |
|---|------|---------------------|------|
| Detecting opportunities through the Business Radar | N/A | 31 | 25 |
| No. of entrepreneurship project proposals | N/A | 53 | 34 |
| Open innovation alliances (collaboration protocols, agreements, test and trial contracts, new memberships of the RTC, etc.) | N/A | 8 | 5 |



¹⁹⁸ Adif + Adif AV.

Railway Technology Centre (RTC)

The RTC, located at the Andalusian Technology Park in Málaga (Málaga Tech Park), is an open innovation centre within the railway sector at which Adif centralises most of its RD&I resources. Aside from its numerous laboratories and other spaces, the RTC is an innovation ecosystem in which the interests and needs of Adif and Adif AV are aligned with the resources of other organisations as we look to undertake joint and coordinated activities.

Some **milestones** that quantify the importance of Adif and Adif AV 's innovative experience are the following:

- >140 RD&I projects undertaken.
- >45 projects transferred to production.
- >85 own investment projects.
- >€280 million of total budget mobilised (>€80 million managed by Adif).
- >80 demonstration projects in a real environment.
- >30 high-level tests on infrastructure.
- >40 patents.
- >20 technology transfer licences with companies.
- >60 technical specifications and manuals.
- >25 companies based at the RTC in Málaga.

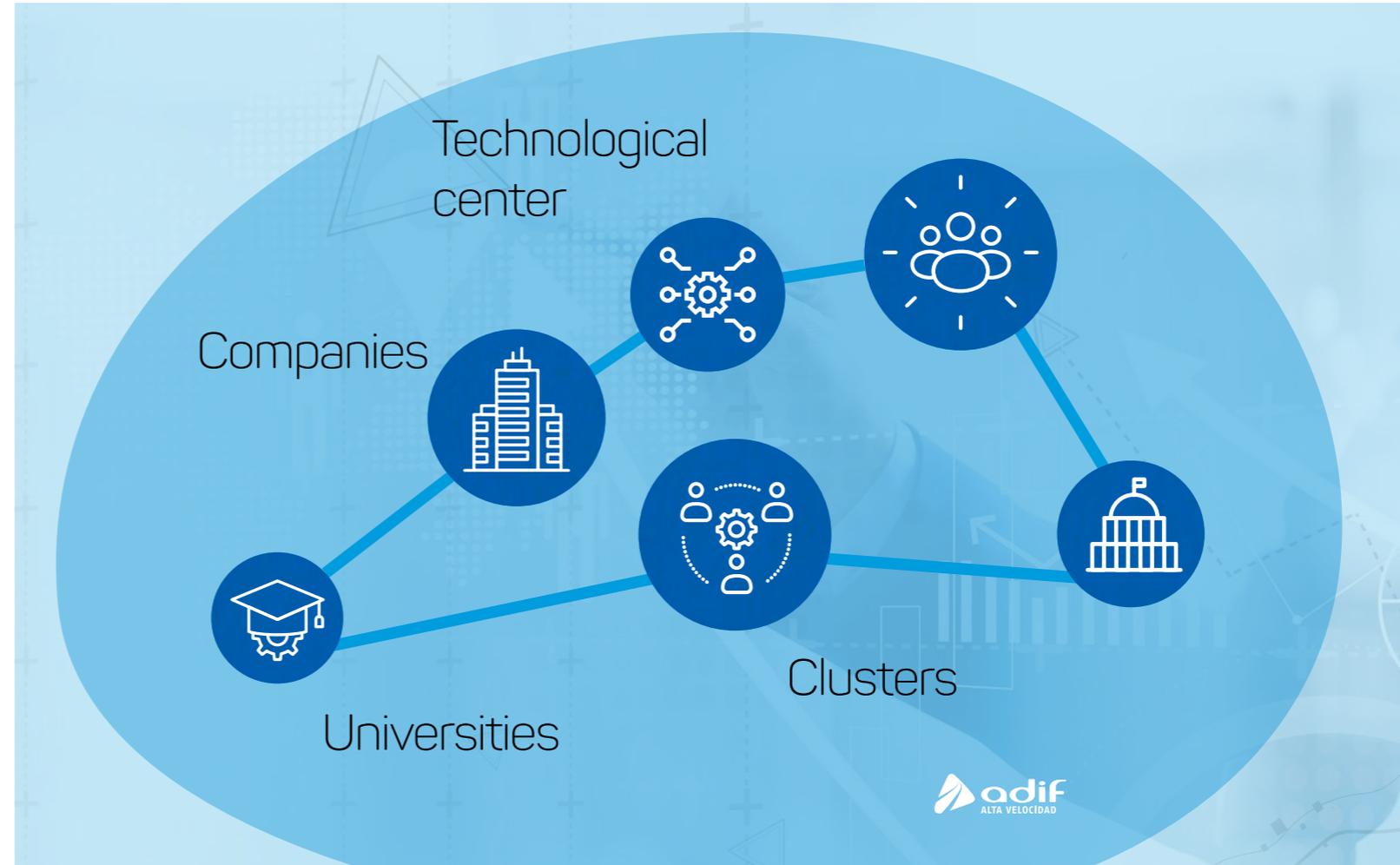
The RTC focuses its attention on the following **specific lines of work**:

- Identifying possible technological solutions to the RD&I challenges identified in Adif.
- Developing RD&I collaboration agreements with high levels of added value.
- Establishing and managing laboratories and experimental facilities.
- Budgetary control of all RD&I activities.
- Industrial and intellectual property management.
- Management of RD&I certifications and quality systems, specifically highlighting the UNE 166002 standard.
- Internal and external dissemination of railway RD&I actions and activities.

A major contribution of the RTC to Adif has been - and continues to be - the promotion of an **Open Innovation Model**. This model is based on

open formulas that involve suppliers and technologists from outside Adif in the search for solutions to the needs posed by Adif. This contribution is the result of involving other external agents from the railway sector such as companies and innovation clusters (**currently more than 25**) that are based at the RTC alongside Adif. Adif offers the services of the

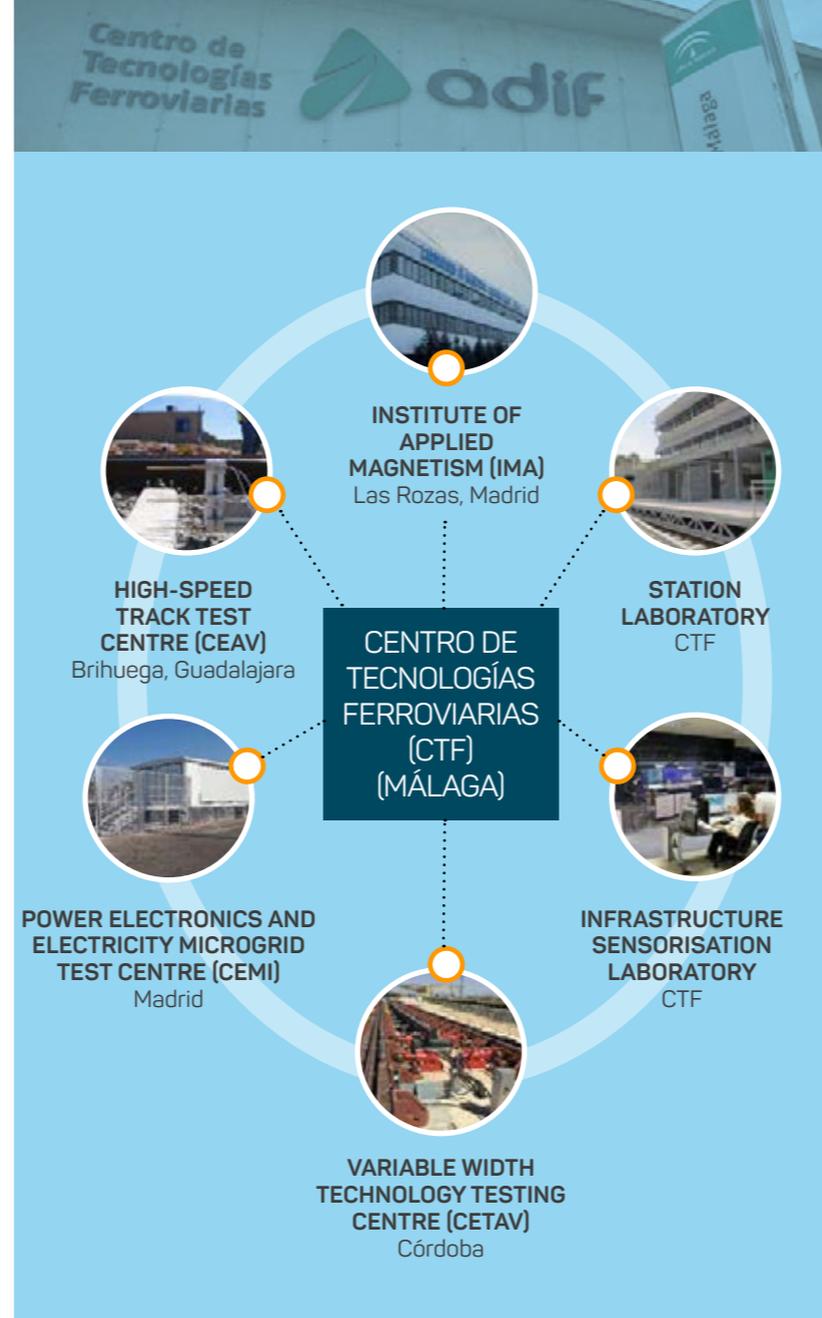
RTC to all of them to promote an environment favourable to innovative activity: providing offices, laboratories and experimentation facilities, common spaces, etc. Other external agents of the railway sector are located at the RTC alongside Adif, such as innovation companies and clusters (they must only develop exclusive railway RD&I activities):



The RTC promoted the open innovation model in 2023, not only by getting new companies and organisations to adhere to the RTC, but also by building new external alliances by harnessing its technological and geostrategic position.

In 2023, our **own research and development resources** were as follows:

- The Station Laboratory, for testing new elements on platforms (train access, signalling, guidance, or safety elements, among others).
- The new Infrastructure Sensor Laboratory, to monitor the various types of sensor installed along the RFIG infrastructure, all of which relate to the ongoing process of infrastructure digitalisation. This laboratory has been further enhanced in 2023.
- The Institute of Applied Magnetism (IMA), located in Las Rozas (Madrid) and run through an agreement with the Universidad Complutense de Madrid. The centre specialises in physical sciences and conducts research in the fields of electrical energy and new materials.
- The High-Speed Track Test Centre (known as CEAV) located at kilometre 64+900 of the Madrid-Barcelona high-speed line, in the vicinity of Brihuega, where high-speed train-track interaction tests are carried out.
- The Power Electronics and Electricity Microgrid Test Centre (*Centro de Pruebas de Electrónica de Potencia y Microrredes Eléctricas, CEMI*), located next to the Madrid Atocha station, where tests are conducted on power electronic converters for connection to the direct current power transmission line and other elements associated with new smart grids.
- The new Variable Width Technology Testing Centre (known as CETAV), located in Cordoba, the construction of which was completed in 2023. Once up and running, this centre will be able to carry out tests associated with the new variable gauge system for freight vehicles. The centre will have a test track which can also run spot checks of different equipment and/or vehicles.



Network of existing laboratories and experimentation facilities managed by CTF



It should be noted that the new CETAV is a facility with a closed track (not connected to the RFIG) for the development of vehicle-infrastructure interaction test at low speed (900 m of track with 1688 mm and 700 m of track with 1435 mm gauge). Although it is specially designed for tests of automatic gauge change technology, it represents the only facility with this type of closed tracks.

8.6.2. Digital transformation¹⁹⁹

Key Milestones:

- Formalisation of **Digital Transformation Framework Agreements**.
- The **Data Governance Office** and the **Process Automation Office** services started.
- Implementation of the corporate **IoT platform**.
- The initiative to implement a **comprehensive asset management model** was carried out.
- Progress was made on the **IT/OT security convergence project**.

Contribution to the SDGs:



Main risks and opportunities:

- An overload of disparate technological solutions.
- Difficulty in the availability of contracts to deploy the initiatives linked to the Digital Transformation programme.
- Failure to properly exploit the opportunities offered by the process automation platform.

Our commitment:

- To fully deploy the digital transformation office's functions and capabilities, including its **tools and operating model**, to support **digital transformation plans**.
- To develop the business vision and **digital transformation plans for the freight and maintenance areas**.
- To implement the functions and capabilities of the Company's **Data Office** with a focus on strategic data.
- To make progress in **IT security**, launch tenders for key initiatives such as the digital workplace, backup data centre migration, SAP S/4 Hana resources, and development of automation use cases.

¹⁹⁹ Content linked to SP2030, *Results-driven Pillar PRED-SO7*.

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 detects the needs and opportunities arising from digitalisation as a key lever in achieving digital transformation. This enables the organisation to optimise its business processes, manage risks, make more efficient use of resources and ultimately provide better services to citizens and partner organisations. The Company is also able to offer services linked to the governance of complex digital initiatives and digital transformation plans across various areas of the organisation.

It takes the following **approaches** to achieve this:

- Streamlining technological resources by relying on software as a service, shared technological platforms and centralisation of contracts.
- Embracing cloud strategies as it seeks to further streamline resources, become more agile and reduce response time to business needs.
- Promoting collaborative work models based on multidisciplinary and multi-area teams, thus increasing efficiency and creativity and unlocking synergies across different areas of the organisation.
- Bringing the technologies closer to all areas of the organisation. Offering equality services to citizens thanks to the digital services deployed.

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 Comprehensive Deployment of the Digital Transformation process started in 2023



Adif AV believes that the digital transformation of the organisation should rest on two broad concepts:

- **Process automation.**
- **Data governance.**

With this in mind, work is under way to deliver technological solutions that will allow for the further development of these concepts so as to help Adif and Adif AV optimise the efforts of their partners and collaborators by steering them towards activities that provide genuine value and lead the strategy of data-based decision making. This will include the ability to predict future situations so that sustainable decisions can be made at both production and consumption levels.



The **projects carried out** during 2023 at Adif AV are discussed below, highlighting the organisation's ongoing commitment to digital transformation:

- The Digital Transformation Framework Agreements were formalised, and the Global Transformation Office tender was awarded.
- The data governance office was implemented: definition of models, preparation of the platform and implementation of first use cases.
- The process automation office was deployed: governance model and implementation of the technology platform.
- The organisation's IoT platform was implemented, and significant progress was made in the implementation of the Smartgrid vertical pilot.
- Progress was made in the IT/OT security convergence project, where work is being carried out to improve security in all areas, at technical, organisational and governance levels.
- The initiative to implement a comprehensive asset management model was carried out, the pre-implementation functional consultancy phase for which is nearing completion.

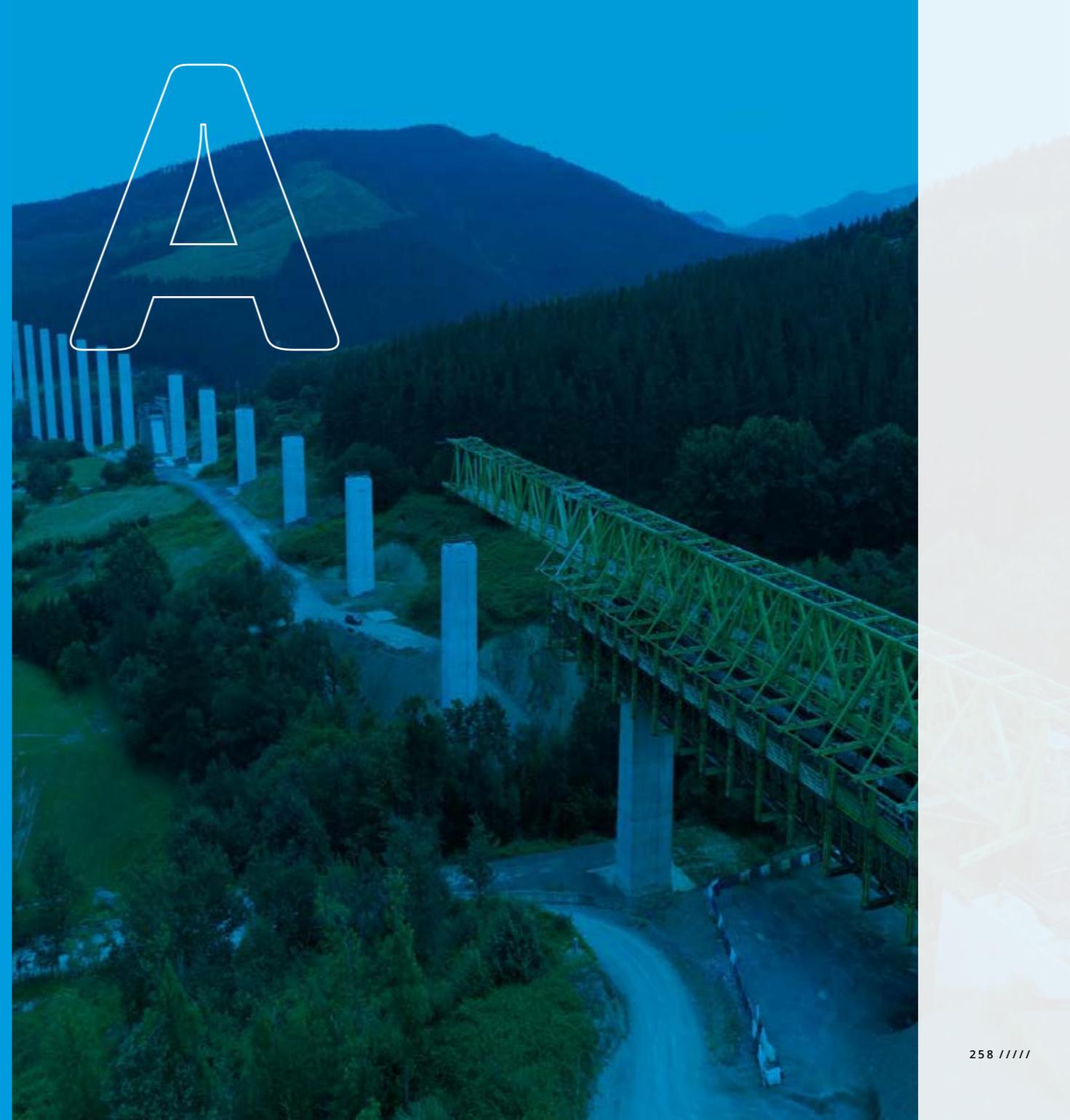
- The Station Nerve Centre implementation project started which forms part of the Digital Transformation Plan for passenger stations.
- The Acer system user interface was renewed, which allows the use of any web browser, and adaptation work was carried out on the new microservices-based architecture of the new n-Acer system, which is scheduled to be completed in 2024.
- Adaptation and deployment of the IT platform in SaaS mode, for travel expense claims and reimbursements, integrating the platform with travel agencies' systems and the company's corporate systems.
- Immersion phase of the freight digital transformation plan was finalised, and the ideation phase for 2024 was prepared.
- Preparation of the ideation phase of the Maintenance Digital Transformation Plan which is to be implemented in 2024.
- The project to implement a complete video surveillance solution at some of the main passenger stations of the railway network was carried out together with the Safety, Security and Self-Protection Department.
- The strategic consultancy project to define the concept and governance of the digital workplace was carried out, on the basis of which the required implementation initiatives will be launched.
- Adaptation of the GAE system to intense regulatory changes in the electricity sector: new fees and charges, adjustments in electricity tax and VAT. Implementation of the changes required to give railway operators the possibility to decide on energy price hedges (percentage or volume closing values). Control of each hedge and calculation of settlement with the trader.
- Call for tenders launched to implement a planning and budgeting system.
- Throughout 2023, the Digital Transformation and Systems Department has assisted the Director General of European Funds to automate how monitoring information is generated on investments supported by RRF funds.
- In relation to the BIM work environment, the common data environment was established in the organisation in 2023, with 274 projects, 2,530 users and 161 companies. The training plan for the different modules that make up the platform was also drawn up.
- The host migration plan continues to progressively evolve towards new technological solutions.



- Maintenance, continuous improvement and development of a new redesign of the Adif and Adif AV corporate websites, a new blog, and the old film set website was integrated.
- During 2023, the Adif Community has conducted various training courses, presentations, debates and collaborations with companies and universities. These activities have allowed concept demonstrators on the applicability of AI to be showcased, among others.

Summing up, milestones such as the **formalisation of digital transformation agreements** and the **creation of the Global Transformation Office** are worthy of special mention. In addition, the Data Governance Office and the Process Automation Office started operations, evidence of the focus on innovation and adaptation to regulatory and technological changes. The organisation's progress in IT/OT security, strategic digital transformation projects, and the consolidation of the BIM working environment should also be highlighted.

APPENDICES



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APPENDIX 1. ABOUT THIS REPORT

Scope

Since 2005 Adif has prepared its Management Report (Adif AV has been doing this since 2013, the year it was of its creation). In the 2023 report, Adif AV describes its financial and non-financial commitments and performance between 1 January and 31 December 2023. 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 AV 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 to enhance comparability of the Entity's performance, the report includes historical data from the last 3 fiscal years (2021-2023).

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



This information is published annually and is there to further strengthen the relationship of trust with the stakeholders impacted by the Company's activities



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.

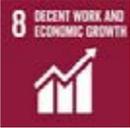
Non-financial reporting is intended to inform and engage our key stakeholders regarding the Company's management, performance and impacts through materiality analysis, taking into account the core areas of activity across four domains (business, corporate governance, social, environmental). We make special reference to information related to the Company's contribution to the Sustainable Development Goals of the United Nations and the 2030 Agenda.

The information is also disclosed in accordance with the guidelines of the Global Reporting Initiative (GRI), as updated each year (currently GRI Standards). In addition, it links the 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 conducted 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 assurance process has been conducted with the principles of fairness, impartiality, technical competence, confidentiality, and accountability required by the international standard ISO/IEC 17029:2019 Conformity assessment - General principles and requirements for validation and verification bodies.



APPENDIX 2. CONTRIBUTION TO SOCIAL AND ECONOMIC DEVELOPMENT

| Economic contribution | | 2021 | 2022 | 2023 |
|--|---|----------|----------|----------|
| Generation of wealth | | | | |
|  | Expenditure on personnel (wages) (thousands of euros) | 15,016 | 15,888 | 18,178 |
|  | Contribution to stakeholders (economic value distributed ²⁰⁰) (€M) | 1,257.2 | 1,587.5 | 1,366.3 |
| Taxes paid | | | | |
|  | Payment of employee taxes (Social Security) (€ thousand) | 3,114 | 3,364 | 4,046 |
| | Payment of employee taxes (personal income tax) (€ thousand) | 2,697 | 2,800 | 3,095 |
| Promoting economic activity | | | | |
|  | Use of EU funds (%) | 16.5 | 90.4 | 62.0 |
| | Amount awarded for construction work (€M) (excluding VAT) | 1,045.92 | 1,313.08 | 1,275.77 |
| | Amount awarded for maintenance work (awarded by Adif on behalf of Adif AV) (€M) (excluding VAT) | 63.16 | 65.40 | 381.93 |
| | Amount allocated to maintenance work on behalf of Adif AV (€M) (excluding VAT) | 46.97 | 9.31 | 17.70 |
| | Expenses incurred on high-speed network maintenance work (€M) (excluding VAT) | 336.1 | 368.1 | 376.7 |
| | Expenses incurred in high-speed network operations (€M) (excluding VAT) | 29.0 | 31.5 | 34.9 |
| | Revenues from commercial operation of the Fibre Optic Network (€M) (excluding VAT) | 21.66 | 28.60 | 27.70 |

²⁰⁰ Content related to **GRI indicator 201-1**: Direct economic value generated and distributed.

Social contribution

| | 2021 | 2022 | 2023 |
|---|---------------------|----------------------|-----------------------|
| Employment | | | |
|   | | | |
| Number of direct jobs created | 216 | 257 | 260 |
| % permanent jobs | 95.37 | 82.10 | 86.54 |
| Training hours (total) | 13,990 | 42,646 | 34,759 |
| Hours of training (total) among men | N/A | 39,177 | 31,071 |
| Hours of training (total) among women | N/A | 3,469 | 3,688 |
| Investment in training (€) | 0.69M | 7.50M ²⁰¹ | 10.32M ²⁰² |
| Social aid supplement (€ in medical costs per employee) | 167.00 | 1,556.00 | 3,871.00 |
| Average hours of training per year and per employee | 59.3 | 199.0 | 125.9 |
| Average number of hours of training per year per male employee | N/A | 259.45 | 149.38 |
| Average number of hours of training per year per female employee | N/A | 55.06 | 54.24 |
|  | | | |
| Service | | | |
|   | | | |
| Investment in replacing and improving assets in operation (€M) (including VAT) | 270.30 | 202.57 | 238.10 |
| Investment in developing the high-speed network (€M) (including VAT) | 1,006.78 | 1,333.47 | 1,693.93 |
| Investment in drafting projects and carrying out works at stations (€M) (including VAT) | 23.9 ²⁰³ | 9.17 | 20.7 |
| Km of total network under management | 3,762 | 3,926 | 3,974 |
| Km commissioned in high-speed lines | 162.6 | 269.0 | 50.0 |
| Lines electrified in km | 3,429.7 | 3,497.4 | 3,745.0 |
| Train traffic (daily average) | 783 | 946 | 1,065 |
| Traffic (total) | 285,854 | 345,228 | 388,838 |
| Km-train (daily average) ²⁰⁴ | 128,321 | 169,382 | 218,492 |
| Km-train (total in millions) ²⁰⁵ | 46.84 | 61.82 | 79.75 |
|   | | | |
|  | | | |

^{201, 202, 203} Adif + Adif AV.

^{204, 205} The total Km-train include, in addition to those that generate revenue from railway fees for the traffic allocated and operated by Railway Companies, the train-kilometres for internal service of Adif AV for the maintenance of infrastructures and other traffic operations that do not generate revenue.

Social contribution

| | | 2021 | 2022 | 2023 |
|--|--|---------------------|-------------|-------------|
| Service | Number of stations owned by Adif AV | 46 | 46 | 46 |
| | Number of passenger station users | 98,371,997 | 152,863,819 | 187,002,597 |
| | Number of companies operating on the Adif AV network (liberalised) business | 12 | 18 | 17 |
| | Standard gauge (UIC) high-speed | 2,926 | 3,027 | 3,026 |
| | Number of stations with Adif Acerca support service | 43 | 43 | 46 |
| Accessibility | Passengers boarding / alighting at accessible stations (% passengers) ²⁰⁶ | 85.94 | 86.88 | 86.93 |
| | Investment in accessibility improvement work (€M) (including VAT) ²⁰⁷ | 5.80 | 5.88 | 11.09 |
| | Investment in drafting projects and carrying out works at stations (€M) (including VAT) | 23.9 ²⁰⁸ | 9.17 | 20.70 |
| | Number of activities under the <i>Estación Abierta</i> Programme | 171 | 259 | 203 |
| Social action/contribution to the community | Contributions to foundations and non-profit organisations (€) | 596,129 | 1,337,588 | 1,410,279 |
| | % of purchasing with responsible criteria | 100 | 100 | 100 |
| | Number of non-profit organisations with which the Company collaborates | 62 ²⁰⁹ | 62 | 47 |
| | Investment in the community (loss of profit – <i>Estación Abierta</i> Programme) (€) | 248,595 | 455,878 | 319,951 |
| | 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 | 62 | 71 | 77 |
| | Urban integration (€M in cumulative investment made) (excluding VAT) ²¹⁰ | 4,408.51 | 4,699.18 | 4,875.42 |
| | % of requests for information from the press and media answered on time or within seven days ²¹¹ | 95.0 | 96.1 | 99.0 |
| | Sponsorship agreements signed with non-profit organisations ²¹² | 2 | 3 | 4 |

^{206, 207, 208, 209, 210, 211} Adif + Adif AV.

²¹² Adif + Adif AV (accumulated value).

Social contribution

| | 2021 | 2022 | 2023 |
|--|-------------------|-------|-------|
| Knowledge and research | | | |
| Involvement in international associations and organisations ²¹³ | 331 | 143 | 145 |
| Involvement in international projects and activities ²¹⁴ | 60 | 66 | 80 |
| Number of RD&I projects completed | 63 ²¹⁵ | 3 | 4 |
| Investment in RD&I (€M) | 3.187 | 2.155 | 0.802 |
| Ideas and projects developed through intrapreneurship, finalists of Adif <i>Talento</i> in the year, with total or partial implementation (%) ²¹⁶ | 40 | 54 | 43 |
| Open innovation and entrepreneurship (Open innovation alliances: collaboration protocols, agreements, testing and trial contracts, incorporations to the Railway Technology Centre, etc.) ²¹⁷ | N/A | 8 | 5 |
| Number of companies installed at the Railway Technology Centre ²¹⁸ | 24 | 25 | 27 |
| Number of companies participating in the initiative launched by Adif AV and the association. "The Railway Innovation Hub Spain" ²¹⁹ | 90 | 83 | 108 |
| Number of ongoing digital transformation initiatives ²²⁰ | 25 | 20 | 19 |
| Digital transformation investment ²²¹ (€M) | 5.90 | 6.00 | 33.50 |

213, 214, 215, 216, 217, 218, 219, 220, 221 Adif + Adif AV.

Environmental contribution²²²

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| Climate change | | | |
|   Reduction in GHG emissions (t of CO _{2eq}) | 14,344 | 15,426 | 15,620 |
|   Improvement in energy efficiency (GWh _{eq}) | 120.56 | 123.60 | 125.17 |
|   Estimated cumulative reduction in energy consumption for the period 2018–2030 (Gwh _{eq}) ²²³ | 2,900 | 2,900 | 2,900 |
|   Cumulative emissions reduction for the Plan horizon through to 2030 (ktCO _{2eq}) ²²⁴ (according to electricity mix) | 3,700 | 3,700 | 3,700 |
|   Carbon footprint reduction target by 2030 (%) ²²⁵ | 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 |
|   % of electricity purchased with GoO certification ²²⁶ | 100 | 100 | 100 |
|   % of energy from renewable sources | 89.8 | 91.5 | 93.9 |
|   Resources deployed for environmental protection (investment + operation) (€M) ²²⁷ | 47.01 | 86.39 | 86.39** |
|   Issuances of green bonds (€M) | 600 | 500 | 500 |
| Minimisation of impacts | | | |
|   Expenditure on fire prevention (€M) | 3.09 | 3.00 | 3.00** |
|   Number of environmental review reports (projects) | 225 | 296 | 296** |
|   Number of environmental monitoring reports for construction work not subject to environmental impact statement (hereinafter referred to as EIA) | 285 | 317 | 317** |
|   Number of regulatory reports related with environmental monitoring of works subject to EIA | 241 | 286 | 286** |
|   Hazardous waste generated (t) | 3.76 | 4.01 | 4.01** |
|   Waste directed to recovery (%) | 100 | 100 | 100** |

²²² Indicators marked with **: Data as of year-end 2022. Last available information. Information for 2023 will be presented in the second half of 2024, in the Environmental Report of Adif AV.

^{223, 224, 225, 226} Adif + Adif AV.

²²⁷ Data as of the previous year-end (2021, 2022, and 2023, respectively).

APPENDIX 3. EU TAXONOMY

For the application of the European Taxonomy, Adif AV has analysed the information available in its **economic-financial systems**, with the same scope and breakdown as that used for the preparation of the entity's individual annual accounts.

By the nature of its **competences and functions** (construction of high-speed rail infrastructure, management of infrastructure under its ownership, control and inspection of rail infrastructure, business of high-speed stations, procurement of electricity for the supply of power to the railway system and telecommunications and energy activities, among others), the identified eligible activity corresponds to **Activity 6.14 "Infrastructure for rail transport"**, as referred to in Annexes I and II of the Disclosure Delegated Regulation (EU) 2021/2139 together with the amendments contained in **Delegated Regulation (EU) 2023/2485**.

The taxonomy regulation describes this activity as *Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities²²⁸, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.*

The economic activities in this category could be associated with several NACE codes, in particular codes F42.12, F42.13, M71.12, M71.20, F43.21 and H52.21, in accordance with the statistical classification of economic activities established by Regulation (EC) No. 1893/2006.

Activity 6.14 is an **enabling activity** according to Article 10(1) (i) of Regulation (EU) 2020/852 when it fulfils the technical selection criteria set out in this section. An enabling activity is an activity that directly allows other activities to make a substantial contribution to one or more of the six environmental objectives.

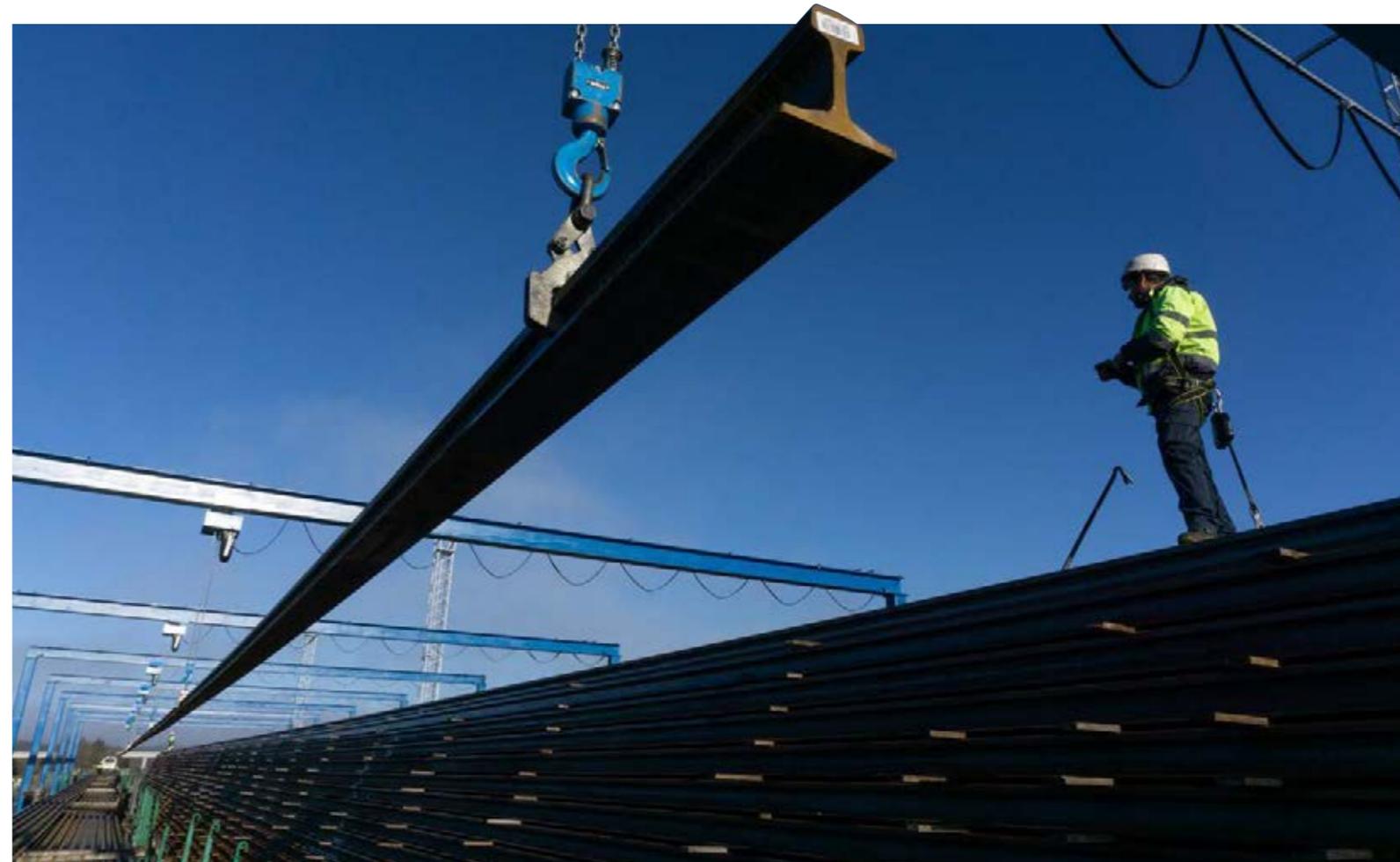
²²⁸ In accordance with Article 3, point 11, of Directive 34/2012/EU.

Methodology and results

Adif AV has analysed the information relating to revenues, CapEx and OpEx in order to identify the items corresponding to the activity 6.14 'Rail transport infrastructure'.

In order to achieve this, the following tasks have been set:

- **Identification of the concepts that should be considered in the denominators** of each key indicator.
- **Analysis of the items corresponding to those concepts** considered in the denominators.
- **Identification of eligible items** that will form part of the numerator.



General considerations

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

The novelty of the analysis with respect to the previous year is to consider eligible, the rental of commercial buildings and services performed in Adif stations, the purchase of electricity for the supply of power services in the railway system and telecommunication and energy activities. All of these are supporting activities for railway infrastructure management and therefore fall within the scope of activity 6.14.

On the other hand, **the considerations to ensure the integrity of the information** have been taken into account throughout the work process:

- Use of a single source of information (the Entity's economic and financial systems).
- Verification of the completeness of the information considered and reconciliation with the information included in the annual accounts.
- An analysis of the criteria has been carried out at a granular level, in particular, eligibility has been assessed at business line level and alignment at asset and/or project level, which has allowed a better traceability of the results and accounting items used in the calculation of the financial KPIs.

Eligibility

A. Turnover eligibility rate

This indicator shows the **relative weight of net turnover derived** from products or services associated with economic activities covered by the Taxonomy as a proportion of the entity's total income.

The following elements have been considered for the **denominator**:



- **Net Turnover:** Includes fees for the use of railway infrastructure, stations and other railway facilities.
- **Other operating revenues:** Includes revenues from the supply of energy to operators, subsidies provided by the General State Budget to finance the deficit in tariffs for fees to operators and for the management of the conventional network, revenues from the rental of commercial premises in stations, from the rental of land and rolling stock and from the rental of station car parks, and other revenues associated, for example, with services provided to operators. Revenues from intra-administrator agreements (management entrustment agreements between Adif and Adif AV) have been excluded.

Revenues corresponding to charges and subsidies for network management have been considered eligible, and therefore included in the **numerator**, as both concepts are directly linked to the operation of railway infrastructures. The rest of the aforementioned items have also been included as they are income derived from activities related to the management of railway infrastructures and therefore fall within the scope of activity 6.14. **However, fossil fuel supply items have been deducted.**

The results on the percentage of turnover eligibility percentage for the 2023 financial year are presented below:

| | Turnover share (%) | | |
|--|--------------------|-------------|-------------|
| | 2021 | 2022 | 2023 |
| A. TURNOVER OF TAXONOMY-ELIGIBLE ACTIVITIES | | | |
| 6.14 Infrastructure for rail transport | 76% | 72.9% | 100% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | |
| Turnover of Taxonomy non-eligible activities | 24% | 27.1% | 0% |
| Total (A+B) | 100% | 100% | 100% |

B. CapEx turnover rate

This indicator shows the **proportion of CapEx** (investments in fixed assets) **that corresponds to assets or processes that are associated with economic activities** covered by the Taxonomy.

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

- Additions to **intangible and tangible assets** during the financial year 2023.
- Additions to **investment property** for the year 2023.

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

The results on the CapEx eligibility percentage for the 2023 financial year are presented below:

| | 2021 | 2022 | 2023 |
|---|-------------|-------------|-------------|
| A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES | | | |
| 6.14 Infrastructure for rail transport | 100% | 100% | 100% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | |
| CapEx of Taxonomy non-eligible activities | 0% | 0% | 0% |
| Total (A+B) | 100% | 100% | 100% |

C. OpEx turnover rate

This indicator shows the **proportion of OpEx** (operational expenditure linked to infrastructure maintenance) **that corresponds to assets or processes that are associated with economic activities** covered by the Taxonomy.

The **denominator** includes operating costs once the costs corresponding to structural costs not directly linked to the maintenance of the infrastructure have been eliminated. In other words, it includes both personnel costs and costs associated with repairs and maintenance of the infrastructure (track bed, bridges, tunnels, catenary and electric tracks, signalling, etc.).

All these costs have been considered **eligible as** they are directly related to the railway infrastructure. However, **costs linked to the use of herbicides used in the maintenance of the lines and costs related to the supply of fossil fuels have been excluded.**

The results on the OpEx eligibility percentage for the 2023 financial year are presented below:

| | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|
| A. OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES | | | |
| 6.14 Infrastructure for rail transport | 100% | 100% | 100% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | |
| OpEx of Taxonomy non-eligible activities | 0% | 0% | 0% |
| Total (A+B) | 100% | 100% | 100% |

D. Eligibility results

The following is an executive summary of the overall results obtained for eligibility according to the taxonomy:

| | ADIF AV | | |
|--|------------------|---------------|--------------|
| | Turnover (Mill€) | CapEx (Mill€) | OpEx (Mill€) |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | 1,376 | 1,664 | 1,007 |
| 6.14 Infrastructure for rail transport | 100% | 100% | 100% |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | 0.07 | - | - |
| Total (A+B) | 1,376 | 1,664 | 1,007 |
| Percentage of eligibility (A)/ (A+B) | 100% | 100% | 100% |



Alignment

According to the taxonomy regulation, the alignment phase involves a study under each of the six environmental objectives on those activities that have previously been identified as eligible.

Compliance with the technical criteria of the **Climate Change Mitigation** objective of activity 6.14: Railway infrastructure projects, is justified on the basis of the following requirements:

1. The criteria of **substantial contribution to the objective** for which the activity or project is being considered.
2. Assessment of the requirements **proving that no significant damage is caused** to the other five environmental objectives, see:
 - I. Adaptation to climate change.
 - II. Sustainable use and protection of water and marine resources.
 - III. Circular economy.
 - IV. Pollution prevention and control.
 - V. Protection and restoration of biodiversity and ecosystems.
3. Compliance with the **minimum safeguards** established by taxonomic regulations.

1. Substantial contribution to climate change mitigation

An economic activity is considered to make a substantial contribution to mitigating climate change when it contributes to stabilising greenhouse gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system, consistent with the long-term ambient temperature objective of the Paris Agreement.

All axes in operation and/or under construction that meet one of the taxonomic criteria (i), (ii) or (iii) of the substantial contribution to climate change mitigation of activity 6.14 Infrastructure for rail transport meet this requirement, which states:

1. The activity complies with one of the following criteria:

- a) the infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council²²⁹) is either:
 - i. **electrified trackside infrastructure** and associated subsystems: infrastructure, energy, on-board control command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797.
 - ii. **new and existing trackside infrastructure** and associated subsystems where there is a **plan for electrification** as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO₂ emission trains **within 10 years** from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU)2016/797.

- iii. **until 2030**, existing trackside infrastructure and associated subsystems that **are not part of the TEN-T network** and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797.
- b) the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;
- c) infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail.
- d) digital tools enable an increase in efficiency, capacity or energy saving.
2. The infrastructure is not dedicated to the transport or storage of fossil fuels.



²²⁹ Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union (OJ L 138 of 26.5.2016, p. 44).

These actions are aimed at reducing greenhouse gases that cause climate change, promote modal shift to rail and promote electric-powered public transport as opposed to the use of mostly fossil-fuelled private transport.

For actions developed on **electrified railway lines**, neither Regulation (EU) 2020/852 nor the Spanish Recovery, Transformation and Resilience Plan (PRTR) require a substantive assessment of this objective. Therefore, given that the planned actions are eligible for intervention field 64 (Newly built or upgraded railways: TEN-T Core Network) of the Annex to the Recovery and Resilience Mechanism Regulation²³⁰ (RRM) with a **climate change coefficient of 100%**, and that the objective of the measure and the nature of the intervention field to which they belong **directly support the climate change mitigation and adaptation objectives**, no substantive assessment is required for these two objectives (as indicated in the PRTR templates for Components 1²³¹ and 6²³²).

2. Do Not Significant Harm (DNSH)

In order to achieve taxonomic alignment of climate change mitigation, the justification of compliance with the technical criteria of the “Do not significant harm” (DNSH) principle of the remaining objectives will be presented:

1. Climate change adaptation.
2. Sustainable use and protection of water and marine resources.
3. Transition to a circular economy.
4. Pollution prevention and control.
5. Protection and restoration of biodiversity and ecosystems.

In order to justify compliance with the DNSH and to ensure compliance with the different criteria, an assessment has been carried out at a granular scale, checking for each shaft in operation and under construction whether the procedures are in place and whether the requirements set out in the Delegated Regulation (EU) 2021/2139 and its subsequent update in RD (EU) 2023/2485 are complied with.

In contrast to the previous year, the **scope of the analysis has been increased**, considering as aligned the revenues, operating

expenses and projects associated with axes in operation and construction in which environmental monitoring has been carried out and the specific criteria set out in each DNSH are met.

In the following, the procedures that justify the compliance of the DNSH with each of the environmental objectives are detailed in depth and at a qualitative level.



i. Climate change adaptation

The technical requirements of the DNSH on adaptation to climate change are met thanks to the preparation of **global studies on adaptation to the effects of climate change** in all Adif AV railway infrastructure projects with MRR funding.

These studies have been carried out in accordance with the implementation of the **Methodology developed by Adif AV to analyse the risk and adaptation to the effects of Climate Change in projects** (internal standard NAG 4-0-0-0.0). The methodology for risk assessment takes into account the following aspects:

- Identification of the **main potential hazards** attributable to climate variability and change, taking into account the potential impacts on the components of the railway infrastructure and on the railway service.
- Analysis of the **climate change projections** to be used, the origin of the data, variables and scenarios, as well as the download and processing of the data from the Adaptecca Platform's Climate Change Scenario Viewer.
- **Categorisation of the climate risk** to the integrity of the railway infrastructure and railway service. The severity of the impact and the probability of each one is analysed, indicating the level of risk obtained, differentiating between current risk, 30-year risk and 80-year risk.

As a result, a **Risk Assessment Report** will be produced, reflecting the list of impacts associated with climate events, the climate change projections considered for the assessment and the results obtained at the end of the assessment.

In the event that risks are found to be unacceptable, an **Adaptation Plan** must be drawn up that includes the measures selected to reduce the effects of this risk.

This analysis serves to prevent impacts, whenever possible, or to achieve adaptation when the situation is irreversible, identifying and proposing the implementation over time of the necessary measures to minimise their effects.

²³⁰ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Resilience and Recovery Facility.

²³¹ Component 1 (PRTR): Sustainable, safe and connected mobility shock plan in urban and metropolitan environments.

²³² Component 6 (PRTR): Sustainable, safe and connected mobility.

Adif AV has set itself the objective of carrying out **global Studies on Adaptation to the adverse effects of climate change** throughout the railway network by 2030, in line with the National Plan for Adaptation to Climate Change (hereinafter referred to as PNACC for its Spanish acronym) and Law 7/2021 on Climate Change and Energy Transition.

Compliance with the DNSH in **contracts for the execution of climate change adaptation works** will be justified with the completion of the works through the physical milestone of the reception of the works.

ii. Sustainable use and protection of water and marine resources

Compliance with the DNSH on the sustainable use and protection of water and marine resources is confirmed by the following actions:

- Where appropriate, the carrying out of an **Environmental Impact Assessment (EIA)**, including an assessment of the impact on water status, and implementation of mitigation measures necessary for the protection of the water environment.
- Identification and analysis of the **risks of environmental degradation of water quality and prevention of water stress** in accordance with Directive 2000/60/EC (Water Framework Directive), Directive 2008/56/EC (Marine Strategy Framework Directive) and Directive 2006/118/EC on the protection of groundwater against pollution and deterioration, as well as the river basin management plans. To this end, reference may be made to the analysis of the hydrological and hydrogeological environment carried out in the project (and, where appropriate, to the specific complementary studies) and, where appropriate, to the analysis of the effects generated by the action (either that carried out in the project itself or that carried out during the Environmental Impact Assessment (EIA)).
- In the case of actions in the marine and coastal environment, **not to prevent or permanently compromise the achievement of good environmental status**, as defined in the Marine Strategy Framework Directive, at the level of the marine region or sub-region concerned or in the marine waters of other States.

- Not have a significant impact on: i) the **bodies of water** affected or ii) **protected habitats and species** directly dependent on water. For this purpose, reference may be made to the analysis of the hydrological and hydrogeological environment carried out in the project (and also to the specific complementary studies) and, where appropriate, to the analysis of the effects generated by the action (either that carried out in the project itself or that carried out during the Environmental Impact Assessment (EIA)).
- Definition of the corresponding **preventive and corrective measures for the protection of water quality and the hydrological system**, in accordance with the provisions

of Adif's NAG 3-0-1.0. Including, as necessary: location of occupation areas, waterproofing of machinery areas, prevention and control of spillages, design of crossing works over watercourses, etc.

- Respect the **mitigation hierarchy** and other relevant requirements under the Wild Birds Directive and the Habitats and Wildlife Directive.
- Proper identification and management of **associated risks and water demand** at each level of action. Ensure that management plans for the use and conservation of water resources developed with other stakeholders have been implemented.



iii. Transition to a circular economy

The DNSH justification made in the project reports also assesses the objective of the transition to a circular economy by looking at the following aspects:

- Where appropriate, the carrying out of an **Environmental Impact Assessment (EIA)** including an assessment of the impact generated by the use of natural resources and the generation of waste; as well as the definition and implementation of the necessary preventive and corrective measures.
- Justification of the European objective to ensure that **at least 70% (by weight) of non-hazardous construction and demolition waste (excluding natural material mentioned in category 17 05 04 in the European Waste Codes) generated is prepared for reuse, recycling and recovery** of other materials, including backfilling operations using waste to replace other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. In this regard, Adif has adapted internally to Law 7/2022, of 8 April, on waste and polluting soils for a circular economy, which in Article 26 states that:
 - 1. *In order to meet the objectives of the Act and to contribute towards a European circular economy with a high level of resource efficiency, competent authorities shall take the necessary measures, through waste management plans and programmes, to ensure that the following objectives are achieved*
 - b) *The amount of non-hazardous construction and demolition waste destined for preparation for re-use, recycling and other material recovery, including backfilling operations, excluding materials in the natural state as defined in entry 17 05 04 of the list of wastes, shall reach at least 70% by weight of the waste produced.*
- In electrification projects, compliance with the guidelines set out in Directive 2012/19/EU on **waste electrical and electronic equipment (WEEE)** from the design of transformers and other possible electrical or electronic equipment until the end of their useful life.

- Taking into account the impacts related to resource consumption and waste generation from platform projects, adopting measures that accelerate the transition to a circular economy, relying primarily on the **principle of waste hierarchy**, giving priority to prevention, preparation for reuse, recycling, energy recovery and finally disposal, wherever environmentally possible; as set out in the EU Construction and Demolition Waste Management Protocol, and taking into account the best available techniques for efficient waste management.
- Definition in the project of those **preventive and corrective measures necessary to reduce the consumption of resources and the generation of waste**, in accordance with the provisions of Adif's NAG 3-0-1.0.
- With regard to the **management of construction and demolition waste (CDW)**, application of the provisions established in Royal Decree 105/2008, of 1 February, on the production and management of CDW from the very design of the actions, so that the projects include a CDW management study that includes the objectives to be met in this area by the contractors of the works.
- For the rest of the waste typologies, application of the provisions of Law 7/2022, of 8 April, on **waste and contaminated soils** for a circular economy, especially with regard to hazardous waste, as well as the provisions of Law 21/2013 on Environmental Assessment, for non-contaminated materials from excavations that are not considered CDW.
- Application of Adif specific procedures for the treatment of **railway material from dismantling and disassembly**. Regarding railway material from dismantling and disassembly, and its subsequent management for reuse (as second use or disposable material) or management as waste (in case it cannot be reused), the project shall:
 - a) identify and estimate the materials likely to be reused (either for second use or disposal -including their storage or stockpiling location-), according to the criteria established by the Technical Directorate / Maintenance Directorate of Adif's D.G. for Maintenance and Upkeep;

- b) as a consequence of the above, the project must incorporate the necessary budgetary provisions for the transport, collection and proper management of materials intended for reuse (second use or disposal);
- c) other uninstalled and dismantled materials that are not intended for reuse will necessarily be considered as waste in the project;
- d) the waste management study for the project must clearly state all of the above (material from dismantling and dismantling intended for reuse because it meets the criteria for reuse; material that does not meet these criteria must be treated as waste), and must incorporate the appropriate and complete management of all the waste thus identified.



- Implementation of the measures **of the 1st National Action Plan for the Circular Economy 2021-2023**: 1. Efficient management of surplus land to favour the environmental recovery of degraded environments or its reuse in other deficient projects. 2. Increasing the reuse of topsoil on construction sites for its use in restoration and landscape integration work. 3. Encouragement of the use of sustainable management materials and techniques in projects.
- Ensure **effective and efficient separate collection of waste at source** and that source separated fractions are prepared for reuse or recycling. To this end, reference may be made to the measures included in the project and aimed at the collection, separation, storage and delivery to a manager of the waste generated, in accordance with the provisions of Adif's NAG 3-0-1.0.
- Compliance with the requirements of **Law 7/2022, of 8 April, on waste and contaminated soils for a circular economy**, Article 30 of which states: "1. As of 1 July 2022, non-hazardous construction and demolition waste shall be sorted into at least the following fractions: wood, mineral fractions (concrete, bricks,

tiles, ceramics and stone), metals, glass, plastic and gypsum. In addition, those elements that can be reused, such as tiles, sanitary ware or structural elements, shall be sorted. This sorting shall be carried out preferably at the place where the waste is generated and without prejudice to other waste for which separate collection is already mandatory. 2. Demolition shall preferably be carried out selectively, and compulsorily from 1 January 2024, guaranteeing the removal of at least the fractions of materials indicated in the previous section, following a study that identifies the quantities of each fraction that are expected to be generated, when there is no obligation to have a waste management study and provides for the treatment of waste according to the hierarchy established in Article 8".

- The construction of new stations and refurbishment of existing stations shall take into consideration the guidelines set out in Directive (EU) 2018/844 on the **energy performance of buildings** in order to make them nearly zero-energy buildings.
- Building designs and construction techniques shall support circularity and, in particular, demonstrate, with reference to



ISO 20887 or other analogous standards, a resource-efficient, adaptable, flexible and demountable design to enable reuse and recycling using available sorting systems for construction and demolition waste.

- Adif AV has drawn up a **Guide on documentary control of on-site waste management** for the following purpose:
 - a) offer specific advice on the documentary control of waste management on construction sites, in accordance with the different legislation in force and aimed at those responsible for the management of waste produced on construction sites, in this case the contractors awarded the contract.
 - b) informing and involving Site Management in the process of controlling waste management on construction sites.
 - c) create a documentary control for those works subject to the European Union's MRR Fund, in order to accredit compliance with the objectives established for the management of construction and demolition waste.

Adif AV is also developing the basis for a **New Waste Management Model**, which includes:

- **Specific Procedure for the Management of Historic Waste**²³³ for the management of hazardous and non-hazardous waste (including construction and demolition waste) generated before July 2020.
- **Contract for the management of historical waste.**
- **Contract for waste management** of projects and investment works completed between July 2020 and July 2022.
- **Contract for the management of maintenance and operational waste** generated from July 2020. Approved in February 2023.

Compliance with the DNSH in contracts for the execution of works for the transition to a circular economy will be justified with the completion of the works through the physical milestone of the reception of the works



²³³ Historical waste: all waste derived from materials with no net warehouse value that have been stockpiled for more than two years at the time of implementation of this new model and whose generation does not correspond to any work in progress or recently executed and which Adif intends to dispose of. When these materials are made available for management, they acquire the status of waste.

iv. Pollution prevention and control

The projects are not expected to generate a significant increase in air pollutant emissions, as this is an activity aimed at reducing them as a result of a modal shift to low emission transport. Likewise, the (proportionally insignificant) emissions generated during the assembly and construction of the terminal must be taken into account and carried out in accordance with current environmental regulations, especially those relating to waste management and the impact on watercourses/reservoirs/aquifers.

For the DNSH justification of pollution prevention and control, the following aspects are included in the project reports:

- Where appropriate, carrying out an **Environmental Impact Assessment (EIA)**, including an assessment of the impact generated by the emission of pollutants into the air, water or soil; as well as the definition and implementation of the necessary preventive and corrective measures.
- Compliance with **emissions regulations**, as well as measures to prevent dust generation (watering, covering truck boxes, etc.), speed limitation, control of correct maintenance of vehicles and construction machinery to ensure correct emissions of gases and particles from engines; in accordance with the provisions of **NAG 3-0-1.0** of Adif.
- Analysis of the associated risks and definition of **preventive and corrective measures to avoid discharges** into watercourses and/or bare soil.
- **Consistency with existing** global, national, regional or local pollution reduction **plans**.
- Compliance with relevant **Best Available Techniques (BAT) conclusions** of sectoral Best Available Techniques Reference Documents (BREFs).
- Implementation of **alternative solutions to the use of hazardous substances**.
- Consistency with the **sustainable use of pesticides**.
- Consistent with **best practices to combat antimicrobial resistance**.
- Justification of the **nature of the actions envisaged** in terms of promoting the use of electricity as opposed to fossil fuels, with a clear reduction in emissions of atmospheric pollutants.

- **Strategic Noise Maps.** Phase III: As established by Law and Royal Decree 1513/2005, Adif must complete the preparation of Strategic Noise Maps and Action Plans for major railway axes, i.e. those with more than 30,000 trains/year.
- Inclusion of an **analysis of the effects produced by acoustic emissions and vibrations in the works phase** and contemplates the corrective measures necessary to reduce them (among others: time limits, route plan, use of machinery with low noise levels and correct maintenance of the same), in accordance with the provisions in this regard in the NAG 3-0-1.0 of Adif.

- Analysis of the **effects generated by noise and vibrations in the operation phase** and, where appropriate, mitigation through the introduction of corrective measures that comply with Directive 2002/49/EC. Where appropriate, the project must include a specific noise and vibration study, in accordance with the standardised methodology (in accordance with the provisions of Order PCM/80/2022, of 7 February), which allows an adequate assessment of the acoustic and vibration impact and a precise definition of the measures to reduce it.



v. Protection and restoration of biodiversity and ecosystems

For the DNSH justification of biodiversity and ecosystem protection and restoration, the following aspects are included in the project reports:

- Where appropriate, an **Environmental Impact Assessment (EIA)** has been carried out in accordance with Directive 2011/92/EU and Directive 92/43/EEC and mitigation steps required to reduce land fragmentation and degradation, in particular green corridors and other ecological connectivity measures, as well as relevant protected animal species listed in Annex IV of Directive 92/43/EEC, have been implemented and based on established conservation objectives.
- **Analysis of the effects generated by the actions subject to the project on fauna, vegetation and natural spaces**, in accordance with the provisions of Adif's NAG 3-0-1.0. Where appropriate, carrying out specific botanical / faunistic / impact on natural areas studies.
- Definition in the project of those **preventive and corrective measures necessary to ensure the integrity of vegetation, fauna and natural spaces**, in accordance with the provisions of NAG 3-0-1.0 of Adif. Including, among

others: delimitation of the areas of action and physical protection of vegetation, fire prevention and extinction plans, spatial and temporal restrictions on the execution of actions, infrastructure permeability measures, anti-collision/ anti-electrocution measures for fauna, ecological and landscape integration and restoration measures.

- Where applicable, **accreditation of the non-affectation of a Catalogued natural area** by means of a report from the managing body of that area.
- Respect the **mitigation hierarchy** and other relevant requirements under the Wild Birds Directive and the Habitats Directive.
- Respect **Law 42/2007, on Natural Heritage and Biodiversity**, and the rest of the applicable national regulations.

3. Minimum social safeguards

Compliance with the minimum social safeguards, in accordance with the regulatory framework established by the European Union; the minimum safeguards are based on the following regulations which, given the legal nature of the organisation, a public business entity, provides for social obligations that must be fulfilled by both contractors and subcontractors:

- a) **Law 9/2017, on Public Sector Contracts**, as well as Royal Decree Law 3/2020 of 4 February, on urgent measures transposing into Spanish law various European Union directives in the field of public procurement in certain sectors; private insurance; pension plans and funds; taxation and tax litigation and in the additional provision 8th of Law 9/2017, of 8 November, on Public Sector Contracts, transposing into Spanish law the Directives of the European Parliament and of the Council 2014/23/EU and 2014/24/EU, of 26 February 2014.
- b) The **OECD Guidelines for Multinational Enterprises**.
- c) The **UN Guiding Principles on Business and Human Rights**.
- d) The **principles and rights set out in the fundamental conventions referred to in the ILO Declaration - Fundamental Conventions of the International Labour Organisation concerning Fundamental Principles and Rights at Work**, namely (ILO Convention No. 29 on Forced Labour, ILO Convention No. 105 on the Abolition of Forced Labour, ILO Convention No. 111 on Discrimination (Employment and Occupation), ILO Convention No. 100 on Equal Remuneration; and ILO Convention No. 182 on the Worst Forms of Child Labour).
- e) The **International Bill of Human Rights**.

In addition, the Entity has its **corporate procedures and rules of conduct, anti-corruption policies and other anti-corruption and anti-bribery measures**, as well as mechanisms detailing illegal conduct in the organisation or in its relations with its

All of the above is reinforced by the provisions of the Socially Responsible Procurement Plan, which applies to Adif and, partially, to Adif AV procurement (contracts below the thresholds of Art. 1 of Royal Decree Law 3/2020 of 4 February).



environment (business partners and other stakeholders), which set out how they comply with these aspects, such as the **Code of Ethics and Conduct, Conflict of Interest Policy, Corporate Anti-Fraud Policy, Gifts and Entertainment Policy, Policy on the Use of Technological Means, Whistleblower Protection Policy**, etc.

With regard to the application of human rights due diligence procedures for the monitoring, management and mitigation of risks in labour, human rights and, in general, social matters, at Adif as a public entity, the risk in relation to human rights is very low, the activity we mainly carry out is in Spain and with a **very regulated regulation that complies with respect for human rights** (i.e. we do not have activities in developing countries).

Precisely because it is a public entity, our **Due Diligence** in all the contracts we carry out is the application of Law 9/2017, on Public Sector Contracts, which contains all the requirements and demands in terms of tax conditions, guarantees, social or environmental conditions that bidders must meet as strict requirements to be able to access the public tender/bidding process. In the audit of the fraud risk management system, we precisely transferred that the public nature of Adif and the application of Law 9/2017, which constitutes the very application of public regulations a de facto *Due Diligence*; it is our *Due Diligence* to contract with suppliers, as well as to ensure compliance with labour, tax, criminal regulations, which ultimately protects human rights.

The entity also has a **Code of Ethics and Conduct** which applies to all employees and which ensures respect for human rights. The entire ethical management model is in itself a compendium of measures to prevent, detect and correct irregular actions and actions contrary to ethical principles, including respect for human rights, and the entity also has an **ethical channel for reporting conduct**.

The results of the process of eligibility and alignment to climate change mitigation according to the calculation

of the indicators and compliance with the technical criteria required and justified in the previous sections are presented below.

INDICATOR DISCLOSURE

The following tables present the completion of the official financial disclosure templates according to the eligibility and alignment of the activities determining the three outcome indicators:

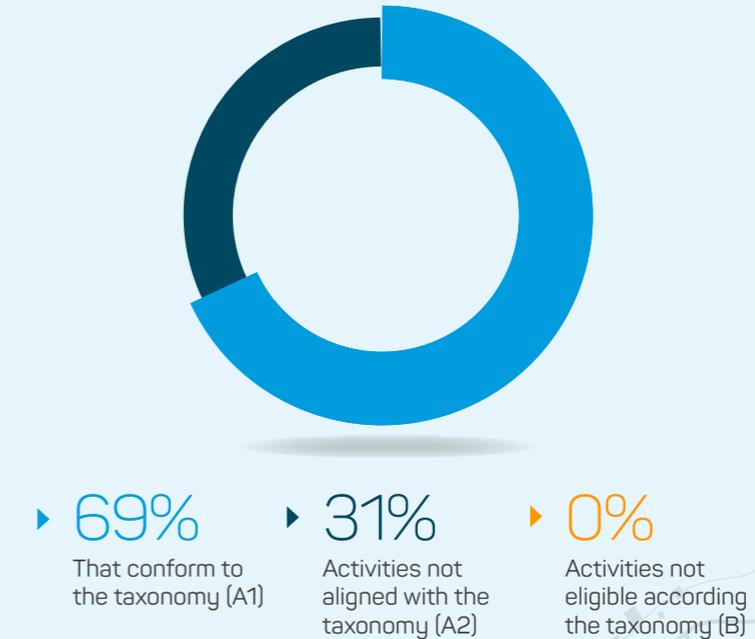
- **Turnover (INCN)**
- **CapEx**
- **OpEx**

It should be noted that in the case of INCN the *proportion of turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that comply with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover shall include revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.*



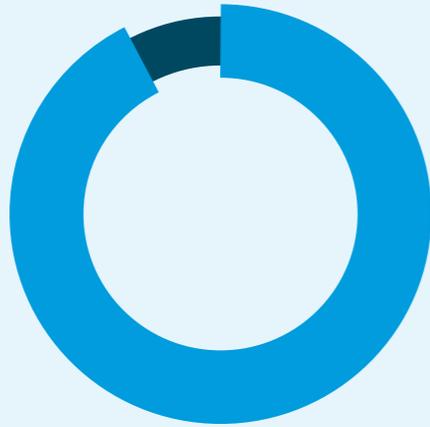
| | Absolute Turnover | % of total |
|--|-------------------|-------------|
| Taxonomy-aligned - (A1) | 956 | 69% |
| Not Taxonomy-aligned activities - (A2) | 420 | 31% |
| Taxonomy-non-eligible activities - (B) | 0 | 0% |
| Total | 1,376 | 100% |

KPI-ELEGIBILITY AND ALIGNMENT - VOL. NET BUSINESS

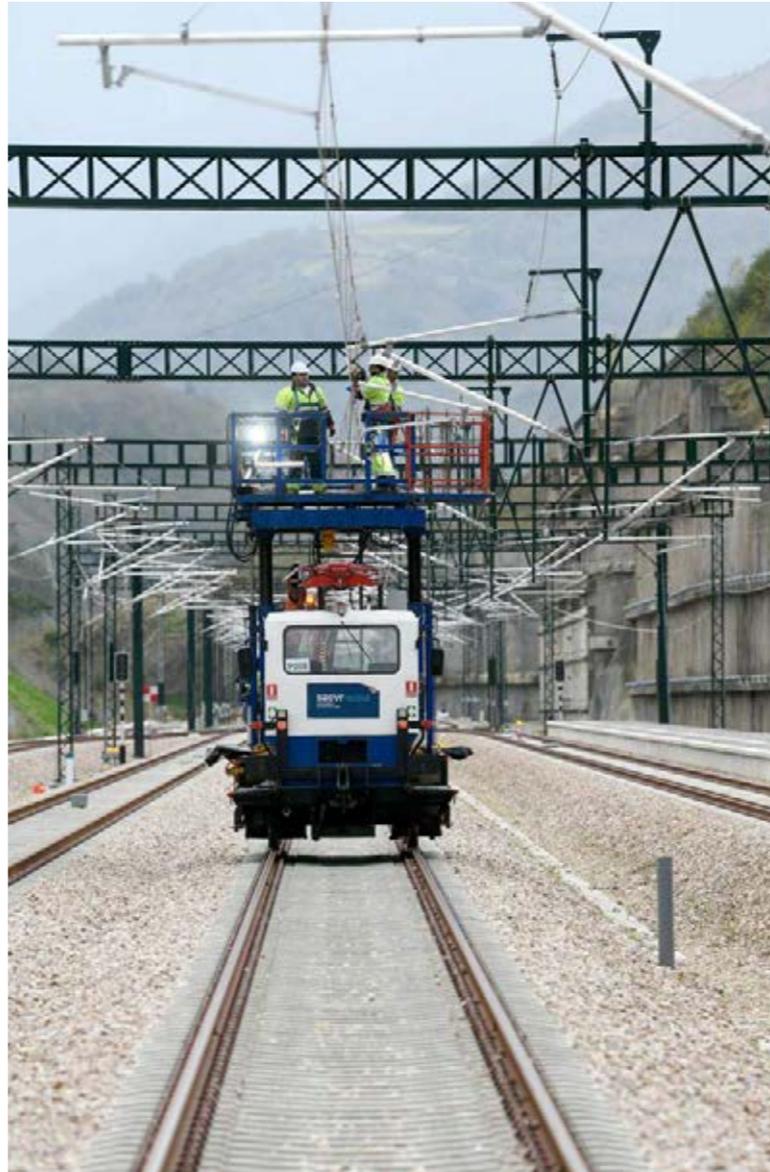


| | Absolute CapEx (€M) | % of total |
|--|---------------------|-------------|
| Taxonomy-aligned - (A1) | 1,533 | 92% |
| Not Taxonomy-aligned activities - (A2) | 131 | 8% |
| Taxonomy-non-eligible activities - (B) | - | 0% |
| Total | 1,664 | 100% |

KPI-ELIGIBILITY AND ALIGNMENT-CapEx

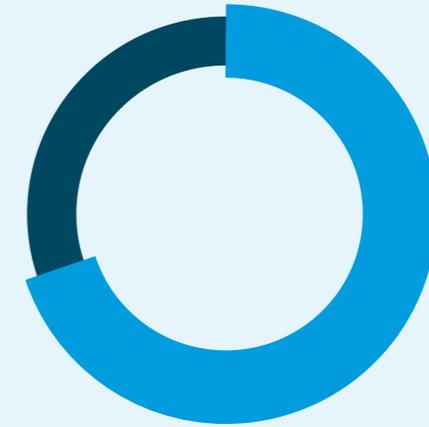


- ▶ **92%**
That conform to the taxonomy (A1)
- ▶ **8%**
Activities not aligned with the taxonomy (A2)
- ▶ **0%**
Activities not eligible according to the taxonomy (B)



| | Absolute OpEx (€M) | % of total |
|--|--------------------|-------------|
| Taxonomy-aligned - (A1) | 706 | 70% |
| Not Taxonomy-aligned activities - (A2) | 301 | 30% |
| Taxonomy-non-eligible activities - (B) | - | 0% |
| Total | 1,007 | 100% |

KPI-ELIGIBILITY AND ALIGNMENT-OpEx



- ▶ **70%**
That conform to the taxonomy (A1)
- ▶ **30%**
Activities not aligned with the taxonomy (A2)
- ▶ **0%**
Activities not eligible according to the taxonomy (B)

| Economic activities (TURNOVER) | 2023 | | | Substantial Contribution Criteria ¹ | | | | | | DNSH Criteria ² | | | | | Proportion of Taxonomy aligned (A.1) or -eligible (A.2.) turnover, year N-1 | Category enabling activity E | Category transitional activity T |
|---|-------------|------------------------|--------------------------|--|---------------|----------------------------|-----------|------------------|-----------------------------|----------------------------|----------------------------|-----------|------------------|-----------------------------|--|------------------------------------|--|
| | Code | Absolute Turnover (€M) | Proportion of Turnover % | CC Mitigation | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 956 | 69% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 65% | E |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 956 | 69% | 69% | | | | | | Y | Y | Y | Y | Y | Y | 65% | |
| Of which enabling | | 956 | 69% | 69% | | | | | | Y | Y | Y | Y | Y | Y | 65% | E |
| Of which transitional | | | | 0% | | | | | | | | | | | | | T |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 420 | 31% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | 8% | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 420 | 31% | 31% | | | | | | | | | | | | 8% | |
| TOTAL (A.1+A.2) | | 1,376 | 100% | 100% | | | | | | | | | | | | 73% | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non eligible activities (B) | | 0.07 | 0% | | | | | | | | | | | | | | |
| TOTAL (A+B) | | 1,376 | 100% | | | | | | | | | | | | | | |

¹ TCC (Technical Contribution Criteria) indicates which climate objectives each taxonomic activity substantially contributes to, where: Y – Yes, Taxonomy-eligible, and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

² DNSH (Do No Significant Harm) indicates whether the economic activity causes significant harm to the other objectives to which it does not substantially contribute, where: Y – yes, the activity complies with DNSH principles and does not cause significant harm to the corresponding climate objective; N – no, the activity does not comply with DNSH principles and causes significant harm to the corresponding climate objective.

| Economic Activities (CapEx) | 2023 | | | Substantial Contribution Criteria ¹ | | | | | | DNSH Criteria ² | | | | | Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CapEx, year N-1 | Category enabling activity E | Category transitional activity T | |
|--|-------------|--------------|-----------------------|--|---------------|----------------------------|-----------|------------------|-----------------------------|----------------------------|----------------------------|-----------|------------------|-----------------------------|---|------------------------------------|--|-----------------|
| | Code | CapEx (€M) | Proportion of CapEx % | CC Mitigation | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | | | | Min. Safeguards |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 1,533 | 92% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 16% | E | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 1,533 | 92% | 92% | | | | | | Y | Y | Y | Y | Y | Y | 16% | | |
| Of which enabling | | 1,533 | 92% | 92% | | | | | | Y | Y | Y | Y | Y | Y | 16% | E | |
| Of which transitional | | | | 0% | | | | | | | | | | | | | | T |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 131 | 8% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | 84% | | |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 131 | 8% | 8% | | | | | | | | | | | | 84% | | |
| TOTAL (A.1+A.2) | | 1,664 | 100% | | | | | | | | | | | | | 100% | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non eligible activities (B) | | - | 0% | | | | | | | | | | | | | | | |
| TOTAL (A+B) | | 1,664 | 100% | | | | | | | | | | | | | | | |

¹ TCC (Technical Contribution Criteria) indicates which climate objectives each taxonomic activity substantially contributes to, where: Y – Yes, Taxonomy-eligible, and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

² DNSH (Do No Significant Harm) indicates whether the economic activity causes significant harm to the other objectives to which it does not substantially contribute, where: Y – yes, the activity complies with DNSH principles and does not cause significant harm to the corresponding climate objective; N – no, the activity does not comply with DNSH principles and causes significant harm to the corresponding climate objective.

| Economic Activities (OpEx) | 2023 | | | Substantial Contribution Criteria ¹ | | | | | | DNSH Criteria ² | | | | | Proportion of Taxonomy aligned (A.1) or -eligible (A.2.) OpEx, year N-1 | Category enabling activity E | Category transitional activity T |
|---|----------|--------------|----------------------|--|---------------|----------------------------|-----------|------------------|-----------------------------|----------------------------|----------------------------|-----------|------------------|-----------------------------|---|------------------------------|----------------------------------|
| | Code | OpEx (€M) | Proportion of OpEx % | CC Mitigation | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | CC Adaptation | Water and marine resources | Pollution | Circular Economy | Biodiversity and ecosystems | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 706 | 70% | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | 89% | F |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 706 | 70% | 70% | | | | | | Y | Y | Y | Y | Y | Y | 89% | |
| Of which enabling | | 706 | 70% | 70% | | | | | | Y | Y | Y | Y | Y | Y | 89% | F |
| Of which transitional | | | | 0% | | | | | | | | | | | | | T |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | |
| Infrastructure for rail transport | CCM 6.14 | 301 | 30% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | 11% | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 301 | 30% | 30% | | | | | | | | | | | | 11% | |
| TOTAL (A.1 + A.2) | | 1,007 | 100% | 100% | | | | | | | | | | | | 100% | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non eligible activities (B) | | 0,07 | 0% | | | | | | | | | | | | | | |
| TOTAL (A+B) | | 1,007 | 100% | | | | | | | | | | | | | | |

¹ TCC (Technical Contribution Criteria) indicates which climate objectives each taxonomic activity substantially contributes to, where: Y – Yes, Taxonomy-eligible, and Taxonomy-aligned activity with the relevant environmental objective; N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL – Taxonomy-eligible activity for the relevant objective; N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

² DNSH (Do No Significant Harm) indicates whether the economic activity causes significant harm to the other objectives to which it does not substantially contribute, where: Y – yes, the activity complies with DNSH principles and does not cause significant harm to the corresponding climate objective; N – no, the activity does not comply with DNSH principles and causes significant harm to the corresponding climate objective.

APPENDIX 4. ENVIRONMENTAL DISCLOSURES

Below we describe our **environmental performance in 2023** 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.

| Rail material (T) | | | | |
|-------------------|--------|---------|---------------------|--|
| | 2021 | 2022 | 2023 ²³⁴ | |
| Rail | 6,327 | 4,550 | 4,550 | |
| Wooden sleepers | 0 | 0 | 0 | |
| Concrete sleepers | 17,437 | 21,684 | 21,684 | |
| Ballast | 67,444 | 204,828 | 204,828 | |

GRI 301-2: Recycled input materials used.

GRI 301-3: Reclaimed products and their packaging materials.

GRI 302: Energy

GRI 302-3: Energy intensity.

| Final and primary energy intensity | | | | |
|---|------------|------------|------------|--|
| | 2021 | 2022 | 2023 | |
| Km-train managed (km-train/year) ²³⁵ | 46,837,143 | 61,824,519 | 79,749,480 | |
| Final energy intensity (MJ/km-train) ²³⁶ | 13.11 | 11.54 | 9.64 | |
| Primary energy intensity (MJ/km-train) ²³⁷ | 29.23 | 25.98 | 22.02 | |

GRI 302-1: Energy consumption within the organisation.

GRI 302-2: Energy consumption outside of the organisation.

GRI 302-4: Reduction of energy consumption.

GRI 302-5: Reductions in energy requirements of products and services.

Energy consumption

| | 2021 | 2022 | 2023 |
|---|--------|--------|--------|
| Electrical energy (TJ/year) | 551.87 | 652.62 | 721.71 |
| Traction uses (TU) | 264.95 | 230.51 | 247.45 |
| Non-traction uses (NTU) | 286.92 | 422.11 | 474.26 |
| Diesel fuel (TJ/year) | 26.13 | 27.92 | 26.01 |
| Diesel A – Automotive | 0.78 | 0.46 | 0.35 |
| Diesel B – Track maintenance | 8.25 | 10.29 | 7.91 |
| Diesel B – Workshop shunting | 0 | 0 | 0 |
| Diesel B – Aux. operations at terminals | 0 | 0 | 0 |
| Diesel B – Station shunting | 17.10 | 17.16 | 17.75 |
| Diesel C – Heating | 0 | 0 | 0 |
| Petrol (TJ/year) | 0.69 | 0.88 | 1.00 |
| Natural gas (TJ/year) | 35.54 | 31.81 | 19.80 |



²³⁴ Latest figure available for 2022. Figure updated at year-end 2023 with the publication in second half 2024 of the environmental report.

^{235, 236, 237} Total km-train include, in addition to those that generate revenue from railway fees for traffic awarded and operated by Railway Companies, the km-train for internal service of Adif AV for the maintenance of infrastructure and other traffic operations that do not generate revenue.

Sources of primary energy (TJ/year)

| | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|
| Fossil fuels | 1,078.36 | 1,275.22 | 1,410.22 |
| Coal | 41.84 | 66.45 | 44.54 |
| Natural gas and fuel | 0 | 0 | 0 |
| Combined cycle | 318.18 | 523.59 | 457.78 |
| Nuclear | 457.52 | 484.01 | 632.40 |
| Cogeneration and non-renewable waste | 238.39 | 168.52 | 215.03 |
| Turbine pumping | 22.43 | 32.64 | 60.47 |
| Renewable resources | 228.48 | 270.18 | 298.79 |
| Hydro | 56.61 | 42.16 | 57.14 |
| Wind | 113.25 | 141.18 | 138.55 |
| Solar (photovoltaic and solar thermal) | 48.17 | 74.14 | 93.37 |
| Other renewables ²³⁸ | 10.45 | 12.71 | 9.73 |

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.

Water consumption²³⁹

| | 2021 | 2022 | 2023 |
|----------------|--------|--------|-------|
| m ³ | 15,422 | 12,379 | 9,648 |

²³⁸ Biogas, biomass, marine hydro and geothermal.

²³⁹ For the calculation of network water consumption in Adif AV's own activities, it is calculated based on the average price of water: €2.40/ m³ in 2023 (€2.25/ m³ for 2021, €2.33/ m³ for 2022).



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.

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 304-2: Significant impacts of activities, products, and services on biodiversity.

GRI 304-3: Habitats protected or restored.

Compliance with environmental legislation

| | | 2021 | 2022 | 2023 |
|---------------------|--|------------------------------|------|------|
| Design phase | Project environmental review reports | 225 | 296 | 417 |
| | Certification of compliance with project EIS | 12 | 12 | 11 |
| | EIS alignment reports | 28 | 30 | 59 |
| | Project environmental stipulations alignment reports | 22 | 11 | 8 |
| | Documents substantiating waiver from Environmental Impact Assessment (EIA) requirement | 22 | 11 | 8 |
| | Construction phase | Environmental review reports | 56 | 50 |
| | EIS alignment reports of modified projects | 47 | 41 | 48 |
| | Complementary EIS alignment reports | 1 | 0 | 0 |
| | Emergency works | 6 | 4 | 5 |
| | Exemption notes for the Environmental Impact Assessment (EIA) process | 8 | 10 | 9 |
| | Environmental suitability reports | 2 | 5 | 5 |

Regulatory reports related to environmental oversight of works subject to Environmental Impact Assessment (EIA)

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Before start of works | 29 | 46 | 41 |
| Parallel to record of substantiation of changes | 37 | 44 | 44 |
| Before completion/delivery of works | 46 | 25 | 45 |
| Ongoing | 241 | 286 | 362 |

Environmental monitoring of works not subject to Environmental Impact Assessment (EIA)

| | 2021 | 2022 | 2023 |
|---|------|------|------|
| Number of current works with environmental monitoring | 23 | 43 | 34 |
| Follow-up reports | 285 | 317 | 296 |

Impacts caused by activities or operations on protected areas

| | 2021 | 2022 | 2023 |
|--|--------|--------|--------|
| Length of the active rail network (km) | 3,762 | 3,956 | 3,974 |
| Area occupied by the active railway network (ha) | 12,040 | 12,658 | 12,716 |
| Estimated area affected (ha) | 35,044 | 36,615 | 37,033 |

Key fire prevention measures and actions

| | 2021 | 2022 | 2023 |
|---|-----------|-----------|--------------------------|
| Resources earmarked for fire prevention (€) | 3,088,059 | 3,003,741 | 3,003,741 ²⁴⁰ |
| Fires (No.) | 0 | 0 | 0 |



²⁴⁰ Data as of the close of 2022. Last available information. Information regarding 2023 will be presented in the second half of 2024, in Adif AV's Environmental Report.

GRI 305: Emissions

GRI 305-1: Direct (Scope 1) greenhouse gas (hereinafter referred to as GHG) emissions.

GRI 305-2: Direct (Scope 2) GHG emissions.

GRI 305-4: GHG emissions intensity.

GRI 305-5: Reduction of GHG emissions.

Climate change

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| Reduction in GHG emissions (t of CO ₂) ²⁴¹ | 15,016 | 15,426 | 15,620 |
| Improvement in energy efficiency (GWh equivalent) | 120.56 | 123.60 | 125.17 |
| Carbon footprint reduction target by 2030 (%) ²⁴² | 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 ²⁴³ | 100 | 100 | 100 |
| Share of renewable energy (electricity with GoO as a percentage of total energy consumed) | 89.80 | 91.05 | 93.90 |

²⁴¹ For better comparability, the same REE factor from 2020 (0.124) has been used, which was utilised for calculating the goals set by Ministry of Transport and Sustainable Mobility.

^{242, 243} Adif + Adif AV.

Tonnes of CO_{2eq} emitted / rail traction from infrastructure

| | 2021 | 2022 | 2023 |
|--|--------|---------|---------|
| Tonnes of CO _{2eq} emitted as a result of electric traction | 90,886 | 144,548 | 125,712 |



Scopes

| | | 2021 | % | 2022 | % | 2023 | % |
|---|--|---------------|----------|---------------|----------|---------------|----------|
| Scope 1 | Combustion plants | 1,799 | 46.5 | 1,610 | 41.9 | 1,001 | 32.70 |
| | Track maintenance, shunting and ancillary operations | 1,922 | 49.6 | 2,133 | 55.0 | 1,955 | 64.0 |
| | Vehicles | 150 | 3.9 | 121 | 3.1 | 101 | 3.3 |
| | Total Scope 1 | 3,871 | - | 3,843 | - | 3,057 | - |
| Scope 2 | Electricity consumption | 18,089 | - | 25,923 | - | 20,047 | - |
| Total (tCO_{2eq}) Mainland electricity mix | | 21,960 | - | 29,766 | - | 23,104 | |
| Total (tCO_{2eq}) Electricity market | | 3,871 | - | 3,843 | - | 3,057 | |

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 diverted from disposal.

GRI 306-5: Waste directed to disposal.

Waste generated

| | 2021 | 2022 | 2023 ²⁴⁴ |
|---|-------|-------|---------------------|
| Hazardous waste generated during infrastructure operation and maintenance (t) | 3.76 | 4.01 | 4.01 |
| Hazardous waste generation intensity (t waste/million km-train) | 0.081 | 0.066 | 0.066 |
| Waste directed to recovery (%) | 100 | 100 | 100 |

Distribution by waste category (%)

| | 2021 | 2022 | 2023 ²⁴⁵ |
|-------------------------------------|-------|------|---------------------|
| Batteries, cells and accumulators | 1.83 | 16.9 | 16.9 |
| Electrical and electronic equipment | 56.97 | 16.7 | 16.7 |
| Remnants of water separators | 39.84 | 54.2 | 54.2 |
| Gases in pressure vessels | 0 | 8.3 | 8.3 |
| Packaging waste | 1.09 | 0.2 | 0.2 |
| Oils and fats | 0.27 | 0.7 | 0.7 |
| Paint | 0 | 2.9 | 2.9 |



^{244, 245} "Data as of year-end 2022. Last available information. Information regarding 2023 will be presented in the second half of 2024, in Adif AV's Environmental Report."

APPENDIX 5. GRI INDICATORS AND NON-FINANCIAL INDICATORS

General disclosures

| GRI INDICATOR | | Reference/page |
|--|---|--|
| 1. The organisation and its reporting practices | | |
| 2-1 | Organisational details | Location of headquarters: C/ Sor Ángela de la Cruz 3-3º, 28020 (Madrid) |
| 2-2 | Entities included in the organisation's sustainability reporting | Administrador de infraestructuras ferroviarias de alta velocidad – Adif AV |
| 2-3 | Reporting period, frequency and contact point | 1 January 2023 to 31 December 2023, annual, contact: rsc@adif.es |
| 2-4 | Restatements of information | Appendix 1: About the report |
| 2-5 | External assurance | Assurance report |
| 2. Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | 10-31, 33-40, 59 |
| 2-7 | Employees | 103-108 |
| 3. Governance | | |
| 2-9 | Governance structure and composition | 37 |
| 2-10 | Nomination and selection of the highest governance body | 40-41 |
| 2-11 | Chair of the highest governance body | 40-41 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 38-44 |
| 2-13 | Delegation of responsibility for managing impacts | 71-75 |
| 2-14 | Role of the highest governance body in sustainability reporting | 38-44 |
| 2-15 | Conflicts of interest | 46-49 |
| 2-16 | Communication of critical concerns | |
| 2-17 | Collective knowledge of highest governance body | 38-44 |

| GRI INDICATOR | | Reference/page |
|--|--|---|
| 2-18 | Evaluation of the performance of the highest governance body | 38-44 |
| 2-19 | Remuneration policies | 45, 49 |
| 2-20 | Process to determine remuneration | 45 |
| 2-21 | Annual total compensation ratio | 108. Members of the Board of Directors do not receive any remuneration for attendance at Board meetings or for any other concept (as was the case in the 2021 and 2022 fiscal years). |
| 4. Strategy, policies and practices | | |
| 2-22 | Statement on sustainable development strategy | 76-100 |
| 2-23 | Policy and commitments | 47-48, 68 |
| 2-24 | Embedding policy and commitments | 71-84 |
| 2-25 | Processes to remediate negative impacts | 54-63 |
| 2-26 | Mechanisms for seeking advice and raising concerns | 73-75 |
| 2-27 | Compliance with laws and regulations | 47-48, 50-51, 53, 110, 122-127, 158, 208-209. The Entity complies with the current regulations in the various areas |
| 2-28 | Membership of associations | 71-72, 75, 174-180 |
| 5. Stakeholder engagement | | |
| 2-29 | Approach to stakeholder engagement | 69-73, 76-77 |
| 2-30 | Collective bargaining agreements | 109-111, 122-127 |

Management approach

| GRI INDICATOR | | Reference/page |
|---------------|-----------------------------------|--|
| 3-1 | Materiality Determination Process | 76-77 |
| 3-2 | The list of material topics. | 76-77 |
| 3-3 | Management of material topics | The aspects reported refer to the activities carried out by the entity and any direct impacts they may have. At the beginning of each section, milestones, risks, and commitments are reported. Throughout each block, policies and risks related to each material issue are reported |

Economic performance indicators

| GRI INDICATOR | | Reference/page |
|---------------|---|----------------|
| 201-1 | Direct economic value generated and distributed | 214 |
| 201-4 | Financial assistance received from the government | 213, 246-247 |

Anti-competitive behaviour

| GRI INDICATOR | | Reference/page |
|---------------|--|--|
| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | In 2023, 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 | 281 |
| 301-2 | Recycled materials used | 281 |

Energy

| GRI INDICATOR | | Reference/page |
|---------------|--|-----------------------|
| 302-1 | Energy consumption within the organisation | 191-194, 281-282 |
| 302-3 | Energy intensity | 192, 281 |
| 302-4 | Reduction of energy consumption | 196-197, 205-206, 281 |

Water

| GRI INDICATOR | | Reference/page |
|---------------|---|------------------|
| 303-1 | Interactions with water as a shared resource | 197-199, 201-202 |
| 303-2 | Management of water discharge-related impacts | 282 |
| 303-3 | Water withdrawal | 282 |
| 303-4 | Water discharge | 282 |
| 303-5 | Water consumption | 282 |

Biodiversity

| GRI INDICATOR | | Reference/page |
|---------------|--|-----------------------|
| 304-1 | Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas | 200-205, 282-283, 285 |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | 200-205, 282-283 |

Emissions

| GRI INDICATOR | Reference/page | |
|---------------|---|--------------|
| 305-1 | Total direct greenhouse gas emissions (scope 1) | 199, 284 |
| 305-2 | Total indirect greenhouse gas emissions (scope 2) | 199, 284 |
| 305-4 | Greenhouse gas emissions intensity | 195-199, 284 |
| 305-5 | Reduction of greenhouse gas emissions | 195-199, 284 |

Waste

| GRI INDICATOR | Reference/page | |
|---------------|--|--------------------|
| 306-1 | Waste generation and significant waste-related impacts | 187, 207, 272, 285 |
| 306-2 | Management of significant waste-related impacts | 207, 272, 285 |
| 306-3 | Waste generated | 272-273, 285 |
| 306-4 | Wastes diverted from disposal | 272-273, 285 |

Environmental compliance

| GRI INDICATOR | Reference/page | |
|---------------|---|--|
| 307-1 | Non-compliance with environmental legislation and regulations | 190. In 2023, there have been 0 incidents related to soil contamination in Adif AV, just like in the years 2021 and 2022 |

Employment

| GRI INDICATOR | Reference/page | |
|---------------|--|------------------|
| 401-1 | New employee hires and employee turnover | 104, 114 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 109-111, 122-123 |
| 401-3 | Parental leave | 123 |

Occupational health and safety

| GRI INDICATOR | Reference/page | |
|---------------|---|--------------|
| 403-1 | Occupational health and safety management system | 152-154 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 152-154 |
| 403-3 | Occupational health services | 153-154 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 125-126, 155 |
| 403-5 | Worker training on occupational health and safety | 155 |
| 403-6 | Promotion of worker health | 154-155 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 154-155, 158 |
| 403-8 | Workers covered by an occupational health and safety management system | 154-155 |
| 403-9 | Work-related injuries | 156-157 |
| 403-10 | Work-related ill health | 156-157 |

Training and education

| GRI INDICATOR | | Reference/page |
|---------------|--|----------------|
| 404-1 | Average hours of training per year per employee | 97, 117 |
| 404-2 | Programmes for upgrading employee skills and transition assistance programmes | 115-117 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 120-121 |

Diversity and equal opportunities

| GRI INDICATOR | | Reference/page |
|---------------|--|----------------|
| 405-1 | Diversity of governance bodies and employees | 40, 42-44, 108 |
| 405-2 | Ratio of basic salary and remuneration of women to men | 108 |

Non-discrimination

| GRI INDICATOR | | Reference/page |
|---------------|--|---|
| 406-1 | Incidents of discrimination and corrective actions taken | Just like in 2022, during this year, no cases of discrimination or sexual harassment based on gender have been detected or reported within the Entity |

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 2023, no significant centres or suppliers have been identified where the freedom of association and the right to collective bargaining may be infringed or threatened |

Local communities

| GRI INDICATOR | | Reference/page |
|---------------|--|----------------|
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | 174-177 |

Customer health and safety

| GRI INDICATOR | | Reference/page |
|---------------|---|----------------|
| 416-1 | Assessment of the health and safety impacts of product and service categories | 148-151 |

Marketing and labelling

| GRI INDICATOR | | Reference/page |
|---------------|---|--|
| 417-3 | Incidents of non-compliance concerning marketing communications | In 2023, 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 | 164-165 |

Socioeconomic compliance

| GRI INDICATOR | | Reference/page |
|---------------|--|---|
| 419-1 | Non-compliance with laws and regulations in the social and economic area | In 2023, Adif AV was not handed any significant sanctions or fines due to non-compliance with regulations in the social and economic area (same as in 2022) |

Content index Law 11/2018

| Aspect | Reporting framework | Reference/page | Comments/reason for omission | |
|---|--|---|---|--|
| BUSINESS MODEL | BUSINESS MODEL | 2-1 Organisational details Activities, brands, products, and services 2-6 Activities, value chain and other business relationships | 10-31, 33-40, 59. Location of headquarters: C/ Sor Ángela de la Cruz 3-3º, 28020 (Madrid) | |
| | BUSINESS ENVIRONMENT | 2-7 Employees 2-8 Workers who are not employees | 103-108 | |
| | ORGANISATION AND STRUCTURE | 2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body | 37, 40-41 | |
| | MARKETS SERVED | | | |
| | OBJECTIVES AND STRATEGIES | 2-24 Embedding policy commitments | 71-84 | |
| | FACTORS AND TRENDS THAT MAY AFFECT THE FUTURE DEVELOPMENT | 2-16 Communication of critical concerns | | |
| KEY RISKS AND IMPACTS IDENTIFIED | RISK MANAGEMENT | 2-25 Processes to remediate negative impacts | 54-73 | |
| | ANALYSIS OF RISKS AND IMPACTS RELATED TO KEY TOPICS | 2-15 Conflicts of interest | 46-65, 76-77 | |
| ENVIRONMENTAL MATTERS | | | | |
| ENVIRONMENTAL MANAGEMENT | CURRENT AND FORESEEABLE EFFECTS OF THE COMPANY'S ACTIVITIES | 2-15 Conflicts of interest 2-16 Communication of critical concerns | 159-160, 187 | |
| | ENVIRONMENTAL ASSESSMENT OR CERTIFICATION PROCEDURES | 2-27 Compliance with laws and regulations | 159-160, 186-190 | |
| | RESOURCES DEDICATED TO ENVIRONMENTAL RISK PREVENTION | 2-25 Processes to remediate negative impacts | 189-190 | |
| | APPLICATION OF THE PRECAUTIONARY PRINCIPLE | 2-24 Embedding policy commitments | 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 & Adif AV keeps no such accounting record |

| Aspect | Reporting framework | Reference/page | Comments/reason for omission |
|---|---|---|---|
| ENVIRONMENTAL MATTERS | | | |
| 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 | 196-199 |
| CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT | WASTE PREVENTION, RECYCLING AND REUSE MEASURES AND OTHER FORMS OF RECOVERY AND DISPOSAL | 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 Waste not destined for disposal GRI 306-5 Waste directed to disposal | 187, 207, 272-273, 285 |
| | 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 | 282 |
| | CONSUMPTION OF RAW MATERIALS | GRI 301-1 Materials used by weight or volume | 281 |
| | MEASURES TAKEN TO IMPROVE THE EFFICIENCY OF RAW MATERIAL USE | GRI 301-1 Materials used by weight or volume | 207 |
| | DIRECT AND INDIRECT ENERGY CONSUMPTION | GRI 302-1 Energy consumption within the organisation GRI 302-3 Energy intensity | 198-199, 281-282 |
| | MEASURES IN PLACE TO IMPROVE ENERGY EFFICIENCY | GRI 302-4 Reduction of energy consumption | 195-199 |
| | USE OF RENEWABLE ENERGIES | GRI 302-1 Energy consumption within the organisation | 191-194, 197, 281-282 |

| Aspect | Reporting framework | Reference/page | Comments/reason for omission |
|------------------------------|--|---|------------------------------|
| ENVIRONMENTAL MATTERS | | | |
| 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 | 199, 284 |
| | MEASURES IN PLACE TO ADAPT TO THE CONSEQUENCES OF CLIMATE CHANGE | Qualitative description of measures taken to adapt to the consequences of climate change | 195-199, 266-280 |
| | GHG EMISSION-CUTTING TARGETS VOLUNTARILY ADHERED TO | GRI 305-4 Reduction of GHG emissions | 195-199 |
| BIODIVERSITY | MEASURES IN PLACE TO PRESERVE OR RESTORE BIODIVERSITY | GRI 304-3 Habitats protected or restored | 200-205, 282-283 |
| | IMPACTS CAUSED BY ACTIVITIES OR OPERATIONS IN PROTECTED AREAS | GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 306-5 Waste directed to disposal | 200-205, 282-283, 285 |



| Aspect | Reporting framework | Reference/page | Comments/reason for omission | |
|--|---|--|------------------------------|---|
| SOCIAL AND EMPLOYEE-RELATED MATTERS | | | | |
| EMPLOYMENT | TOTAL NUMBER AND BREAKDOWN OF EMPLOYEES BY GENDER, AGE, COUNTRY AND OCCUPATIONAL CATEGORY | 2-7 Employees | 104 | All Adif AV employees are located in Spain |
| | TOTAL NUMBER OF DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACT | 2-7 Employees | 104-108 | |
| | AVERAGE ANNUAL NUMBER OF PERMANENT, TEMPORARY AND PART-TIME CONTRACTS BY GENDER, AGE AND OCCUPATIONAL CATEGORY | 2-7 Employees GRI 401-1 New employees hires and employee turnover | 103, 106-108, 114 | |
| | NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CATEGORY | Qualitative description of the number of dismissals | n/a | There were no dismissals in 2023 (the same as in 2022 and 2021). |
| | GENDER PAY GAP | GRI 405-2 Ratio of basic salary and remuneration of women to men | 108 | |
| | 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 | 108 | |
| | AVERAGE REMUNERATION OF DIRECTORS AND EXECUTIVES | Quantitative description of average remuneration of directors 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 2022 and 2021). |
| | WORK DISCONNECT POLICIES | | 110-111 | |
| | EMPLOYEES WITH DISABILITIES | GRI 405-1 Diversity of governance bodies and employees | n/a | There were no employees with disabilities in 2023 as in 2022 (one in 2021) |

| Aspect | Reporting framework | Reference/page | Comments/reason for omission |
|--|--|--|--|
| SOCIAL AND EMPLOYEE-RELATED MATTERS | | | |
| ORGANISATION OF WORK | ORGANISATION OF WORKING HOURS | Qualitative description of the organisation of working hours | 109-112 |
| | ABSENTEEISM IN HOURS | GRI 403-2 Hazard identification, risk assessment, and incident investigation and the number of fatalities due to work-related injury or ill health | 157 |
| | 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 | 122-123 |
| HEALTH & SAFETY | HEALTH AND SAFETY CONDITIONS IN THE WORKPLACE | GRI 403-2 Hazard identification, risk assessment, and incident investigation | 152-155 |
| | WORKPLACE ACCIDENTS, IN PARTICULAR THEIR FREQUENCY AND SEVERITY, AND OCCUPATIONAL DISEASES, BROKEN DOWN BY GENDER | | 156-157 |
| EMPLOYEE RELATIONS | ORGANISATION OF DIALOGUE WITH EMPLOYEES | GRI 403-8 Workers covered by an occupational health and safety management system | 152-154 |
| | PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS, BY COUNTRY | 2-26 Mechanisms for seeking advice and raising concerns | 103 56.54% of employees are covered by collective agreements, all of them located in Spain (57.98% in 2022 and 50.93% in 2021). |
| | DESCRIPTION OF COLLECTIVE BARGAINING AGREEMENTS IN THE FIELD OF OCCUPATIONAL HEALTH AND SAFETY | 2-30 Collective bargaining agreements | 153-155 |
| | MECHANISMS AND PROCEDURES IN PLACE AT THE COMPANY TO ENCOURAGE EMPLOYEE INVOLVEMENT IN MANAGING THE COMPANY IN TERMS OF INFORMATION, CONSULTATION AND PARTICIPATION | | 123-127 |

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| SOCIAL AND EMPLOYEE-RELATED MATTERS | | | |
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| | TOTAL TRAINING HOURS BY OCCUPATIONAL CATEGORY | GRI 404-1 Average hours of training per year and per employee | 117 |
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| | EQUALITY PLANS | GRI 405-1 Diversity of governance bodies and employees | 128-131 |
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| | ANTI-DISCRIMINATION POLICY AND, WHERE APPLICABLE, DIVERSITY MANAGEMENT POLICY | GRI 406-1 Incidents of discrimination and corrective actions taken | 126, 129-130, 209 |



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| HUMAN RIGHTS | | | |
| HUMAN RIGHTS DUE DILIGENCE PROCESSES | 2-27 Compliance with laws and regulations | 51-53, 178, 275-276 | |
| PROCESSES AND ARRANGEMENTS FOR PREVENTING HUMAN RIGHTS ABUSES AND ANY MEASURES TAKEN TO MITIGATE, MANAGE AND REPAIR POSSIBLE ABUSES THAT HAVE MATERIALISED | Qualitative description of measures to prevent risks of human rights violations | 51-53, 178, 275-276 | |
| 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 | 51 | |
| 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 LABOUR AND THE ABOLITION OF CHILD LABOUR | GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 209, 275 | |
| CORRUPTION AND BRIBERY | | | |
| MEASURES IN PLACE TO PREVENT CORRUPTION AND BRIBERY | 2-25 Processes to remediate negative impacts | 46-53 | Code of Ethics and Conduct |
| MEASURES TO COMBAT MONEY LAUNDERING | Qualitative description of anti-money laundering measures | 46-53 | |
| CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS | GRI 201-1 Direct economic value generated and distributed | 176 | |

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| SOCIETY | | | |
| 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 programmes | 174-180 |
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| | ENGAGEMENT WITH LOCAL COMMUNITY REPRESENTATIVES; COMMUNICATION CHANNELS IN PLACE | 2-29 Approach to stakeholder engagement | 69-75, 174-182 |
| | MEMBERSHIP OF ASSOCIATIONS AND SPONSORSHIPS | 2-28 Membership of associations | 175-176 |
| SUBCONTRACTING AND SUPPLIERS | INCLUSION IN THE PURCHASING POLICY OF SOCIAL, GENDER EQUALITY AND ENVIRONMENTAL MATTERS | 2-6 Activities, value chain and other business relationships | 206-207, 209-210 |
| | CONTEMPLATION IN RELATIONS WITH SUPPLIERS AND SUBCONTRACTORS OF THEIR SOCIAL AND ENVIRONMENTAL RECORDS | 2-6 Activities, value chain and other business relationships | 154, 158, 202, 209, 275 |
| | SUPERVISION AND AUDIT SYSTEMS AND THEIR OUTCOMES | 2-25 Processes to remediate negative impacts 2-27 Compliance with laws and regulations | 158, 208-210 |
| CONSUMERS | CONSUMER HEALTH AND SAFETY MEASURES | GRI 416-1 Assessment of the health and safety impacts of product and service categories | 132-160 |
| | GRIEVANCE MANAGEMENT SYSTEMS | Qualitative description of complaints and claims systems | 164-165 |
| | COMPLAINTS RECEIVED AND THE SOLUTION OR RESPONSE GIVEN | GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 164-165 |

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| SOCIETY | | | | |
| TAX INFORMATION | COUNTRY-BY-COUNTRY PROFITS | GRI 201-1 Direct economic value generated and distributed | 214 | Adif AV pays taxes in Spain only |
| | CORPORATE INCOME TAX PAID | Quantitative description of profit before and after tax | 213 | Adif AV pays taxes in Spain only |
| | PUBLIC SUBSIDIES RECEIVED | GRI 201-4 Financial assistance received from government | 213 | |

Taxonomy

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