



*renfe*

## **CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE REPORT**

LETTER FROM THE PRESIDENT..... 4

RENFE GROUP. .... 8

- Key Group indicators
- Business model
- Mission and vision
- Main offices and workshops of the Renfe Group
- Brands, products and services
- Objectives and strategies
- Railway environment
- Factors and trends
- Public service obligations
- Tax-related information. Taxation and grants
- Quality of service
- Customer complaints
- Customer health and safety
- Suppliers
- Integrating CSR in the supply chain
- Supplier oversight and audit systems
- Internationalisation
- Awards and recognition

INNOVATION IN RENFE ..... 41

- Renfe AVLO
- R&D&i in Renfe
- Digitalisation
- Cybersecurity

OUR TEAM..... 51

- Job creation
- Organisation of work
- Occupational health and safety
- Social relationships
- Occupational health and safety in collective bargaining agreements
- Talent management
- Equality

RENFE, SUSTAINABILITY PROVIDERS..... 79

- Renfe, sustainability providers
- Minimising environmental risks
- Preserving biodiversity

CONTRIBUTION TO SOCIAL PROGRESS..... 94

- Renfe’s contribution to sustainable development in Spain
- Accessibility in Renfe
- Dialogue with stakeholders
- Social action
- Cultural tourism



- Sponsorships

## CORPORATE GOVERNANCE. .... 123

- Legal form and ownership
- Governing bodies of Renfe Operadora
- Internal management body. Steering Committee
- State-owned trading companies
- Renfe Group policies
- Internal control system
- Action to combat corruption and bribery
- Renfe corporate group. Consolidated companies

## ABOUT THE ANNUAL REPORT . .... 166

- Scope
- Law 11/2018 and international standards
- Materiality analysis
- Relevant topics
- Content index of Law 11/2018, GRI, Global Compact and SDG
- Independent Verification Report





## Letter from the President

2018 has been an extremely important year for Renfe Operadora. The European rail reform in the Fourth Railway Package (transposed to Spanish law through Royal Decree 23/2018 of 21 December) aims to encourage operators to focus on users' needs, improve service quality and the economic efficiency of the system, with the end goal of promoting the use of passenger rail transport.

The process for this extraordinary milestone in the European rail reform will be launched in December 2020. With a view to facing this challenge successfully, Renfe Operadora has drawn up a 2019–2023 Strategic Plan which builds the keys for the Group over the next few years on three cornerstones: customer focus, internationalisation, and efficiency and security. Three action levers have been identified for the development of this plan:

digital transformation, cultural transformation and new strategic partnerships.

The Strategic Plan consolidates these keys with the aim of making progress in the group's companies (Renfe Viajeros (Renfe Passengers), Renfe Mercancías (Renfe Freight), Renfe Fabricación y Mantenimiento (Renfe Manufacturing and Maintenance) and Renfe Alquiler de Material (Renfe Rolling Stock Hire)) by means of priority initiatives and a monitoring and analysis structure.

Renfe's objectives include: revising its value proposition for commercial passenger services considering the upcoming market liberalisation, offering new products and increased satisfaction in the entire journey chain; improving the services defined as Public Service Obligations (PSOs), which Renfe has been commissioned to provide; further increasing the efficiency of all its productive processes, including rolling stock, maintenance and human resource management; and expanding the company internationally, on the strength of its ample experience, in search of new business opportunities.



The goals of the Strategic Plan also include:

- Progressing towards transforming Renfe into a comprehensive operator of mobility as a service, through a digital platform for door-to-door services
- Consolidating the company as a leader in maintenance of railway rolling stock and to expand its rental business, identifying and establishing new partnerships in order to become an international logistics operator;
- Increasing the percentage of women in the company;
- Consolidating the company as a key player in accessibility and in energy efficiency and decarbonisation of the transport system, in line with the international sustainable development goals

The date of December 2020 does not initially apply to services governed by the Public Service Obligation (PSO), which includes Cercanías (Commuter), Media Distancia (Mid-distance) and Avant (Mid-distance High-speed). European regulations allow member states to choose not to mandatorily put PSO services out to tender until 2023, which can be extended if there is an agreement in place at that date.

Therefore, the Spanish government has opted to follow a prudent approach in regard to PSO services, ensuring that Renfe will continue to provide these services until the end of the agreement signed recently with the company, which establishes a minimum period of 10 years, extendable for a further five.

In view of working towards this goal and ensuring the mobility and territorial structuring, on 18 December 2018, a new agreement was signed between the government and Renfe Viajeros (Renfe Passengers), regulating the provision of public rail passenger transport services from 2018 to 2027. These include Cercanías (Commuter), Alta Velocidad Media Distancia (Mid-distance High-speed), regional train and metric gauge services under the remit of the government, declared to be public service obligations at the Council of

Ministers' meeting of 15 December 2017. This agreement came into force on 1 January 2018 and will run for 10 years from that date, extendable for a further five.

To address these processes successfully, in 2018 Renfe Operadora drew up a plan for renewing its rolling stock in 2019. This plan affects the entire fleet and involves one of the largest boosts in investment and hiring in recent years, with over EUR 3 billion reserved for this. It should be noted that no stock had been bought for Cercanías (Commuter) trains since 2007, despite the social importance of this public service.

2018 was an extraordinary year in terms of financial and operational results. Renfe Operadora closed the year with EUR 111.4 million in earnings, up by 59% YoY. Revenue has gone up by 11.2% to EUR 3,979 million. This improvement is primarily derived from the increased revenue from the sale of passenger tickets. The company's EBITDA reached EUR 523 million, up by 6.94%. Operating expenditures increased by 11.86% to EUR 3,455 million.

The figures for transported passengers were a reason for satisfaction in 2018: the company exceeded 500 million journeys, regaining 20 million railway passengers and restoring pre-crisis numbers. Specifically, Renfe closed the year with a 4% increase in demand to 507 million passengers. This growth was particularly relevant in Madrid's Cercanías (Commuters), with 256 million passengers, up 6% YoY, and in Barcelona's Rodalies (also Commuters), with 116 million journeys in the year, up by 2.4%. In general, Cercanías (Commuter) and Media Distancia (Mid-distance) trains across the country ("public services") saw an increase in demand by over 4.1%, with 474 million passengers in 2018, 18 million passengers more than in 2017.

As for the demand for commercial trains, Ave and Larga Distancia (Long Distance High-speed), there was an increase of around 4% with 1.2 million more journeys reaching a total of 33.6 million passengers. Lastly, Renfe Mercancías (Renfe Freight) carried 18.3 million tonnes in 2018, a slight decrease YoY.

These results are undoubtedly a sign of people’s trust in the company’s public and commercial services, and this is a further incentive for our team to keep working on our service quality.

2018 marked a new milestone in Renfe Operadora’s internationalisation. Texas Central, a private developer, awarded Renfe the design of the Alta Velocidad (High-speed) project for connecting the cities of Houston and Dallas/Fort Worth in the state of Texas (USA). After the first phase as technical advisors for development, design and construction, Texas Central is expecting Renfe and Adif to collaborate on later operation and maintenance plans in the fine-tuning of the services, including the operation of the trains, equipment maintenance and other services relating to ticket sales. This project is recognition of the international expansion of Spain’s public railway sector. In the specific case of Renfe as an operator, it is fundamental in the face of the upcoming liberalisation of passenger services. Texas Central joins our portfolio of international projects which already includes the project by the Spanish-Saudi consortium Haramain in Saudi Arabia. In September 2018, King Salman officially opened the Haramain Express high-speed line that links Mecca, Jeddah, King Abdullah Economic City and Medina. Attention should also be brought to Renfe’s involvement in the West Coast Partnership, which is bidding to operate the future second high-speed railway line (HS2) in the United Kingdom.

The cornerstones of the defined Strategic Plan include a decisive, no-return commitment to digitalisation and open innovation with the aim of improving customer communications, transparency and, essentially, becoming a comprehensive mobility operator. Based on these key areas, the company is working on creating a platform to allow real-time access to data, so that we can locate trains or passengers at any time, providing our customers with additional products and services that go beyond just trains, with a mobility-as-a-service model that means having a presence throughout the trip, from the moment the customer leaves their home until they reach their destination. Another of our major projects in 2018 was the incorporation of open-innovation projects. The implementation of Trenlab, with the

support of Wayra-Telefónica, allowed us to present and launch an accelerator of technology businesses which will keep creating mobility solutions for Renfe.

Our vocation for innovation is bold and firm. We are currently investing 1.8% of our turnover in R&D+i and intend to increase it by 3% in the coming years in a determined effort to foster innovation and the development of new ideas and ways of working.

As regards our contribution to sustainable development, Renfe generated 14,565 direct jobs and 13,686 indirect jobs in 2018. And our social contributions amounted to EUR 69.7 million in several social responsibility initiatives. We invested EUR 12.6 million in the community and recruited from special job centres at EUR 3.7 million. In terms of accessibility, the Renfe Atendo assistance service for people with reduced mobility grows every year. In 2018, we provided assistance more than 700,000 times at 135 stations with a score of 9.15 out of 10 for service.

Additionally, Renfe is still committed to the principles of the UN Global Compact and, as such, undertakes to respect and promote its 10 principles with regard to human and labour rights, the environment and the fight against corruption. We took major strides in environmental sustainability in 2018. The railway is the means of passenger and freight transport with least impact on the environment overall. It is the means of transport that consumes the least amount of energy per transported unit, that produces the least CO<sub>2</sub>, emissions, that contributes least to local pollution in urban areas, and finally, that has the least noise impact. In March 2018, Renfe Operadora and Adif set joint goals for reducing energy consumption and greenhouse gas (GHG) emissions within the Spanish railway system by 2030. This agreement will be defined in the Driving Plan for Fighting Climate Change 2019–2030, which will develop these general lines of action to ensure the railway sector helps prevent average global temperatures from rising to 2 °C above pre-industrial levels.

In 2018, Renfe Operadora reduced the carbon footprint for each unit transported (UT) by 54.4% compared to 1990, the base year for the Kyoto Protocol. However, from 2019, the Renfe Group will only use electricity from renewable energy sources, with



zero CO2 emissions in its electric traction. As for employment, in 2018, the Renfe Group continued the process to rejuvenate its workforce that commenced in 2016, to increase competitiveness and productivity and put the company in a better position to face the challenges affecting the railway sector. Special notice should be made of the agreement reached with most of the union representatives in December 2018 to sign the second collective bargaining agreement. Under this agreement, we are able to face 2019 with better labour conditions and have some certainties as regards the most important aspects for the coming years. We should also note the Group's active policies for workforce rejuvenation and an increase in the number of women in the areas where there is smaller female presence. This latter aspect falls under the Group's second equality plan, which is currently being developed and aims to achieve equal representation when the Strategic Plan reaches its conclusion.

This report contains details about these and other topics from the triple perspective of economic, social and environmental management. This type of management involves our firm commitment to society and offers countless new opportunities. And the main opportunity is transforming the leading railway transport operator in Spain. An objective that can only be achieved with the effort and enthusiasm of our more than 14,500 employees, people committed to developing the railway in Spain. I would like to send them a special thank you for their constant dedication and engagement.

### **Isaías Táboas Suárez**

**Chairman**





# Renfe Group





The mission of Renfe Operadora, a state-owned entity (SOE) governed by the Ministry of Transport, Mobility and Urban Agenda, is to render passenger and freight transport services adhering to the principle of safety, applying criteria related to quality, efficiency, profitability and innovation, with a focus on public service and with the aim of increasing its share of the rail transport market as the benchmark railway operator.

**The most noteworthy among the main functions assigned to the SOE are as follows:**

- Defining the Group business policy and strategy.
- Legal counsel.
- Human resources, occupational health and safety, medical services, planning of the workforce, selection and recruitment, defining remuneration, training, payroll management and liaison with the Social Security and Taxation Authorities.
- Financial, accounting, tax and insurance policy-making.
- Budget control.
- Negotiation of contract-programmes.
- Development of international projects.
- Multi-disciplinary IT systems.
- Group internal audit and compliance.
- Group internal audit.
- Liaison with external institutions and other entities, as well as international institutional representation.
- Rail traffic safety.
- Civil protection and safety.
- Communications, media relations, branding and advertising.

The Renfe Group mainly comprises Entidad Pública Empresarial Renfe-Operadora and its wholly-owned investees Renfe Viajeros Sociedad Mercantil Estatal, S.A., Renfe Mercancías Sociedad Mercantil Estatal, S.A, Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A., Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A. and Renfe of America Sociedad Mercantil Estatal, S.A.

## Key Group indicators

<b>ECONOMIC</b>	<b>2019</b>	<b>2018</b>
EBITDA (millions of Euros)	472.3	523.5
Total revenues (millions of Euros)	4,047.8	3,979.1
Traffic revenues (millions of Euros)	3,713.4	3,639.4
Other revenues (millions of Euros)	334.5	339.7
Total expenses within EBITDA (millions of Euros)	3,575.6	3,455.7
Adif railway charges (millions of Euros)	1,261.5	1,229.0
Renfe Group profit for the year (millions of Euros)(1)	100.68	111.42
Number of suppliers awarded contracts	1,324	1,243
Payments to suppliers (millions of Euros) (2)	3,209.5	3,074.1
Average supplier payment period (2)	57.67	59.99
Passengers (millions)	510.9	507.1
Tonnes (millions)	17.0	18.3

(1) Includes profit/loss attributable to non-controlling interests.

(2) Calculated in accordance with the resolution of 29 January 2016 issued by the Spanish Accounting and Auditing Institute (ICAC).

## SOCIAL

	2019	2018
Headcount (at 31 December)	15,053	14,565
Number of female employees	2,254	1,965
Average length of service (men – years)	26.22	28.24
Average length of service (women – years)	19.26	21.72
Staff turnover, men (%)	8.13	7.52
Staff turnover, women (%)	9.42	7.66
Investment in training (thousands of Euros)	4,123.24	3,578.34
Total hours of training	807,619	563,598
Employees receiving formal performance reviews	2,713	2,618
% of employees covered by collective bargaining agreements	94.07	94.47
Absenteeism rate due to occupational accidents	0.53	0.49
Working days lost due to occupational accidents	26,343	23,624
Health and safety training (hours)	15,622	12,466
Contracting with Special Employment Centres (thousands of Euros)	11,754	3,738
Social contribution (thousands of Euros)	70,554	69,689
Investment in the community (thousands of Euros)	12,910	12,562

## ENVIRONMENTAL

	2019	2018
GWh electric traction	2,460.30	2,388.12
Millions of litres of diesel used for traction	72.12	75.20
GWh L diesel for traction	711.8	742.8
Total GWh for traction	3,172.1	3,130.9
Traction energy intensity (Wh/UT)	94.8	94.2
Traction carbon intensity (g CO <sub>2</sub> /UT)	5.54	21.55
Environmental expenses and investments (thousands of Euros)	2,755	2,538
Water consumption (Thousands of m <sup>3</sup> ) (estimated data)	903	918
Hazardous waste generated (tonnes)	578	948
% passenger traffic on low-noise emission trains	95	95
% freight traffic on low-noise emission trains	78	77

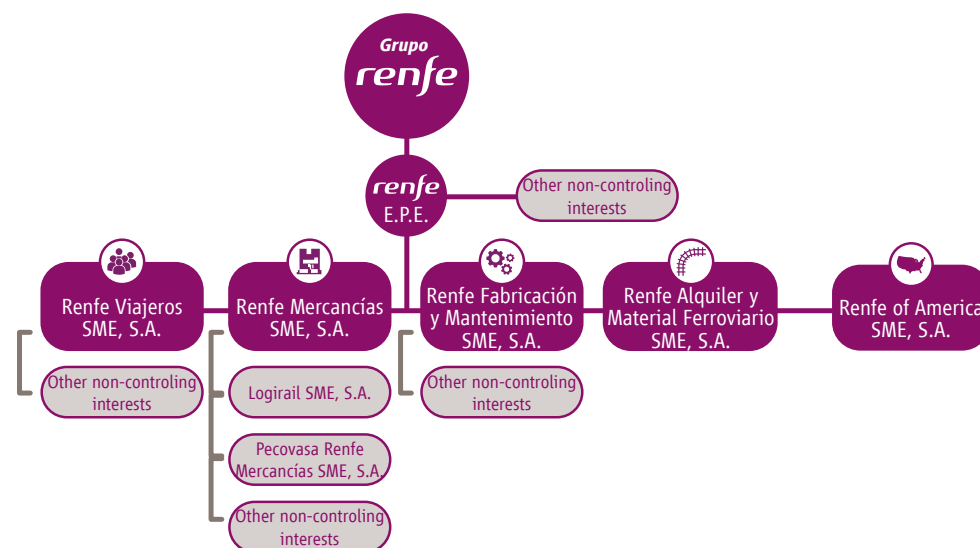
## Business model

The current state-owned enterprise Renfe Operadora was established as the parent of a group of companies incorporated under articles 1 and 2 of Royal Decree-Law 22/2012 of 20 July 2012, adopting measures for rail infrastructure and services (hereinafter the RDL).

The aim of this RDL is to establish a suitable framework for the liberalisation of the rail sector and open up the railway market to competition while guaranteeing the continuity and quality of the public service, giving the former Renfe Operadora a business formula similar to that of other European public railway operators.

In summary, the structure adopted has entailed the creation of four state-owned trading companies, the capital of which is held in full by Renfe Operadora, which has maintained its legal status as a state-owned enterprise.

The current corporate structure is summarised in the chart below:



## Mission and vision

On 24 January 2019 Renfe Operadora’s Board of Directors approved its 2019-2023 Strategic Plan. The objective of this plan is to build a high-quality domestic and international transport services company that is ready to successfully face the upcoming liberalisation of the domestic passenger rail transport.

### MISSION

To offer quality transport services adapted to the new demands and trust of our domestic and international customers, fulfilling our commitment to our employees and Spanish society.

### VISION

Integrated Mobility Operator and International Logistics Operator.

To be a benchmark transport operator in terms of quality of service, safety, efficiency, intermodality and customer satisfaction.

To be an international benchmark company in high-speed passenger rail transport.

## Main offices and workshops of the Renfe Group

OFFICES AND WORKSHOPS	ADDRESSES
Entidad Pública Empresarial Renfe-Operadora	Avda. Pío XII, 110 28036 Madrid
	Avda. Ciudad de Barcelona, 8 (*) 28007 Madrid
Renfe Viajeros Sociedad Mercantil Estatal, S.A.	Avda. Ciudad de Barcelona, 6 y 8 (*) 28007 Madrid
	Plaza del Emperador Carlos V, 2 (*) 28012 Madrid
Renfe Mercancías Sociedad Mercantil Estatal, S.A.	Avda. Ciudad de Barcelona, 4 (*) 28007 Madrid
Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A.	Avda. Ciudad de Barcelona, 4 (*) 28007 Madrid
Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A.	C/ Antonio Cabezón, S/N 28034 Madrid

\*Historic building





## Brands, products and services

### High-Speed



### Long-Distance



### High-Speed Mid-Distance



### Mid-Distance



### Commuter



### Metric Gauge



### Tourist Trains



Trenes Turísticos: Galicia, Asturias y Medieval de Sigüenza

### Freight



### Services



## Objectives and strategies

Renfe’s 2019-2023-2028 Strategic Plan is based on three key pillars:

- Customer focus: Consists of placing our customers at the centre of our activity and focusing the efforts of each task and process towards the maximum satisfaction of the end customer.
- Efficiency: With the focus on efficiency, safety and continuous improvement, we must carry out all the improvements that enable us to achieve first-rate cost and operating indicators in order to be much more competitive in all businesses.
- Internationalisation: Renfe must become a benchmark international railway operator, particularly in high-speed and suburban train services.

Furthermore, three factors have been identified that specifically drive the Strategic Plan across the board:

- Digital transformation: Expand the use of digital technologies within the company to be quicker, improve the customer offer and make all of our processes more efficient.
- Cultural transformation: Advance the company’s culture and values to ensure implementation of the Strategic Plan, promoting excellence and diversity as well as ongoing training of our employees.
- Alliances: Partnerships with the most relevant players in the different areas where Renfe operates to improve and expand our customer service.

### Our strategic pillars

#### Our lever



The Strategic Plan contains 24 initiatives that take the form of 43 projects. These have been assigned to managers (sponsors and owners), in charge of defining the execution plans and forming multidisciplinary working groups. Indicators have been defined to measure the stage of completion and success of the projects.



## RENFE VIAJEROS SOCIEDAD MERCANTIL ESTATAL S.A.

The company's statutory activity consists of rendering passenger rail transport services, both in Spain and abroad; acting as an intermediary in the provision of tourism services of all kinds and organising, supplying and/or marketing travel package deals and tourism products; and rendering other services or activities supplementary or related to rail transport.

- 9,666 Employees (at 31 December 2019)
- 510.9 Million passengers transported
- 457.4 EBITDA (millions of Euros)
- 281.8 Investment (millions of Euros)
- 5,562 Trains daily
- 12 Suburban ("Cercanías") hubs
- 730 Suburban ("Cercanías") trains
- 350 Regional ("Media Distancia") and high-speed regional trains
- 265 High-speed long-distance trains



## RENFE MERCANCIAS SOCIEDAD MERCANTIL ESTATAL S.A.

The company's statutory activity consists of rendering railway freight transport services, including the transportation of bulk solids, general transport services for iron, steel and similar products, general transport of all manner of containers by rail or other means, transportation of vehicles and automotive parts, and services as a railway logistics operator, capable of managing or taking part in any domestic or international integrated logistics chain, as well as providing other services or engaging in activities supplementary or related to freight rail transport.

- 1,015 Employees (at 31 December 2019)
- -0.2 EBITDA (millions of Euros)
- 10.5 Investment (millions of Euros)
- 17 Million net tonnes transported
- 273 Customers
- 536.884 Automobiles transported by rail
- 1.278 Trains per week
- 242 Locomotives in operation
- 10.011 Wagons in operation

### Markets

Renfe Mercancías, a public operator for freight rail transport in Spain, is structured into commercial areas specialised by sectors:

- Automobile: Market specialising in the transport of finished automobiles in specialised wagons and of automotive parts and components in swap bodies/containers. It serves the domestic and international markets.

- Intermodal: Market specialising in the transport of containers, swap bodies and semi-trailers through block trains and multi-customer services.
- Multi-product: Market specialising in the transport of solid bulk (coal, cement, clinker, etc.), liquid bulk (chemicals, ethanol, etc.), wood, construction materials, exceptional transportation in specialised wagons and palletised goods.
- Iron and steel: Market specialising in the transport of iron and steel products (coil, wire rod, scrap, track, piping, etc.) in specialised wagons. Directly related to the automobile industry.
- Metric-gauge: Market specialising in intermodal rail transport services through the metric-gauge network: coil, coal, aluminium, bulk lye, silica sand.

Renfe Mercancías' human resources, which manage the multi-disciplinary functions of the business, are mainly concentrated in Madrid: support, management and commercial personal. The employees working in the rest of Spain are primarily operating personnel (train drivers), as well as the necessary administrative staff.

## RENFE FABRICACIÓN Y MANTENIMIENTO SOCIEDAD MERCANTIL ESTATAL S.A.

This company's statutory activity consists of the manufacture, maintenance and conversion of rolling stock, the repair of railway components, the provision of engineering consultancy and facility management services, the design and delivery of workshops, as well as other complementary or related services or activities.

Furthermore, given the upcoming liberalisation of passenger rail transport, a management procedure has been prepared so that new operators entering the market can obtain access to the railway maintenance and service facilities. This procedure can be consulted on Renfe's website and contains detailed information on the technical features of the facilities, a description of the rail-related services, the prices of access and the request process.

### Rolling stock maintenance services

Rolling stock maintenance services are provided as follows:

- Maintenance performed using Renfe Mantenimiento's own resources.
- Contracts with private sector firms.
- Both forms of maintenance (in-house and outsourced) are carried out for certain series.

### Entity in charge of Maintenance (ECM)

To be able to run, each vehicle requires an ECM, which is responsible for ensuring that the vehicle is in an appropriate and safe condition, and that its maintenance plan is complied with in full. Its tasks comprise:

- Managing maintenance: responsible for the technical and safety conditions of the vehicle.
- Undertaking maintenance: Management of the maintenance documentation.
- Managing fleet maintenance: planning, scheduling and certifying works.
- Executing maintenance: technical maintenance required on the vehicle and its components.



- 3,163 Employees (at 31 December 2019)
- -4.4 EBITDA (millions of Euros) Pending provisional close
- 23.4 investment (millions of Euros)
- 106 maintenance centres
- 138 cyclical major repairs maintenance
- 168 heavy maintenance work
- 97 Renfe Viajeros' locomotives maintained
- 184 "Mercancías" (freight) locomotives maintained
- 603 self-propelled trains maintained
- 11,876 wagons maintained

### RENFE ALQUILER DE MATERIAL FERROVIARIO SOCIEDAD MERCANTIL ESTATAL S.A.

Renfe Alquiler's statutory activity consists of the sale, lease and/or any other means of providing the rolling stock held by the company, as well as its facilities, and the management and operation of the rolling stock of third parties, as well as the rendering of other supplementary or related services or activities.

- 6 Employees (at 31 December 2019)
- 8.4 EBITDA (millions of Euros)
- 16.31 Investment (millions of Euros)
- 98 Freight locomotives

- 2,239 Freight transport wagons
- 31 Regional ("Media Distancia") passenger trains

### RENFE OF AMERICA SOCIEDAD MERCANTIL ESTATAL S.A.

In 2019 Renfe formally incorporated 'Renfe of America', a subsidiary in the United States. The present general manager for Development and Strategy at Renfe, Manual Villalante, is at the helm of the new company.

The launch of this subsidiary is included in Renfe's Strategic Plan, in which internalisation is one of the main pillars. Furthermore, at the end of 2018 Renfe was selected as the "strategic partner" on the construction project of the high-speed (AVE) line between Dallas and Houston, in Texas.



## Railway environment

### Regulatory environment

On 14 December 2016 the European Parliament approved the Market or Political Pillar of the European railway reform set out in the Fourth Railway Package, aimed at incentivising operators to focus on the needs of users and improve the quality of service and economic efficiency of the system, with the ultimate objective of boosting passenger rail transport.

The European Parliament's acceptance of the political pillar was the final step in the approval of the raft of measures comprising the Fourth Railway Package, which involved the definition and approval of six major proposals to improve railway efficiency and competitiveness throughout the EU, with the aim of eliminating existing institutional, legal and technical hurdles to create a fully integrated and liberalised European railway network.

In April 2016 the European Parliament had already approved the Technical Pillar, which envisages the harmonisation of rail standards and procedures with a view to facilitating companies' access to railway markets, and covers areas such as interoperability, safety and the role of the EU Agency for Railways (ERA) which, as the entity responsible for issuing safety authorisations, approvals and certificates for rolling stock and operators, is set up as a 'one-stop shop' in the interest of maximising the functionality, swiftness and transparency of processes.

The liberalisation set out in the Fourth Railway Package has already been transposed into Spanish legislation. Specifically, Royal Decree-Law 23/2018, approved by the Council of Ministers, which amended Rail Sector Law 38/2015 of 29 September 2015, set December 2020 as the start date for the entry of new rail companies for long-distance and high-speed passenger rail transport services.

From that date, any company with a rail company licence and safety certificate, granted by the Spanish State Railway Safety Agency, that has requested use of the rail infrastructure from the infrastructure administrator, may provide services in competition with Renfe.

This date does not affect the services subject to the Public Service Obligation (PSO), which encompass suburban ("Cercanías"), regional ("Media Distancia") and high-speed ("Avant") services. Under European legislation, Member States may opt not to put PSO mandatorily out to tender until 2023, or later should a contract be in force at that date.

Under the European legislation transposed by the Royal Decree-Law, Member States may opt not to put the PSO services mandatorily out to tender until 2023, or "later should a contract be in force at that date". Therefore, as the Royal Decree-Law includes this legislation, it ensures that Renfe will provide the services until the contract previously signed with the General State Administration expires.

Moreover, the Royal Decree-Law added to and clarified the prevailing regulatory framework, insofar as it established the legal basis that shall govern the future remit of Renfe and new rail companies. In this regard, the requirements regarding the independence and transparency of railway infrastructure administrators vis-à-vis rail companies operating in the network have been strengthened.

In turn, the existing legal framework in Spain regarding access to rail service facilities and services rendered therein, fundamentally enshrined in Rail Sector Law 38/2015 of 29 September 2015, was recently implemented through the entry into force of Commission Implementing Regulation (EU) 2017/2177 on access to service facilities and rail-related services.

Accordingly, it should be noted that although the EU Regulation entered into force in December 2017, it shall be fully applicable from June 2019 onwards; except article 2 - relating to exemptions - which shall take effect as of 1 January 2019.

In 2019, to regulate the entry of operators in commercial passenger services from 14 December 2020 onwards, Adif established capacity framework agreements that include three areas/corridors:

- Madrid-Barcelona-French border
- Madrid-Levante (Valencia and Alicante)
- Madrid-Toledo-Seville-Malaga

The capacity offered by each of these areas/corridors is grouped into three packages, A, B and C, which contemplate capacity time bands that were established based on best use of the infrastructure, as well as the demands of the candidates involved in the award process and the optimisation of their train rotation.

After the requests for awards had been submitted, on 27 November 2019 Adif pre-awarded the different packages as follows:

#### **Package A:**

Renfe Viajeros

It will start with 96 high-speed (AVE) trains and on average will use 86% of the capacity offered for this package in all three corridors, from the end of 2020 until 2030. It will thus increase its current offer by 20%.

#### **Package B:**

ILSA: Air Nostrum (55%) and Trenitalia (45%)

It will operate with 23 Frecciarossa 1000 trains and on average will use 70% of the capacity offered for this package in all three corridors. Its entry is scheduled for January 2022 after certification of its equipment in Spain.

#### **Package C:**

RIELSFERA: SNCF (100%)

It will operate with 10 Alstom Duplex trains (double-decker) already approved in Spain and will use 100% of the capacity offered for this package in all three corridors. Its entry is planned for December 2020.

This opening up of traffic in Spain will lead to an increase of 50% in the capacity offered on the Madrid-Barcelona route, 40% on the Madrid-Levante route and 60% on the Madrid-Sur route.





## Competitive environment

Transport in Spain is considerably more competitive than in other neighbouring countries.

Although rail transport has not yet been liberalised, the Renfe Group companies compete with other modes of transport:

- Road: the fact that Spain has the second largest network of high-capacity roads in the world, the majority of which are toll-free, means that land transport of passengers by car or bus and of freight in lorries is very competitive with respect to rail transport.
- Air: Spain has an extensive network of airports, many of which are close to city centres and are served by a growing number of aircraft operators, with increasing involvement of so-called low-cost operators. Moreover, much of the air traffic benefits from funds from local authorities to enable cheap flights to be offered.
- Sea: Spain also has an extensive network of ports which facilitate the provision of competitive maritime transport activities, mainly freight.

Liberalisation of the freight rail transport market in Spain started in 2005, although other private rail companies did not actually enter the market until 2007. The sector is operated under a regime of free competition, distinguishing between:

- On the one hand, intramodal competition between rail companies operating in Spain. In 2017 eight private companies operated in competition with the public operator.
- On the other hand, intermodal competition, which is dominated by land transport of freight by road, with a modal share of over 95%.

Technological improvements in all modes of transport, information systems and enhancements to infrastructure are facilitating the development of new business models linked to the transport of both passengers and freight. All of these developments are paving the way for new players within the mobility sector. In this regard, new services have been developed to offer fresh alternatives for the transport of passengers and freight, in both city and intercity environments.

Freight transport in Spain is an economic sector of increasing strategic importance. The key factors underpinning its growing relevance include:

- The contribution to the development of other sectors important to the Spanish economy.
- The contribution to improving the competitiveness of the country in a globalised scenario, which requires a greater capacity to meet the growing volume of trade worldwide.
- The strategic geographical position of Spain, which bestows it with superb conditions to become a major logistics hub in Europe.

In this context, the penetration of rail transport in the mobility structure of freight in Spain is insufficient (around 5%). In terms of intermodal balance, Spain is far from the levels reached by the EU.

Accordingly, it is essential to focus on railway services for the land transport of freight in order to bring the modal share of Spain into line with other European peers, harnessing the country's strength as a first-rate port platform and its strategic position.

Freight rail transport is characterised as being a safe and energy-efficient mode of transport with evident sustainability in terms of moving goods and society as a whole. Rail transport avoids the movement of hazardous goods on domestic road networks and significantly reduces the external global costs associated with the transport system.

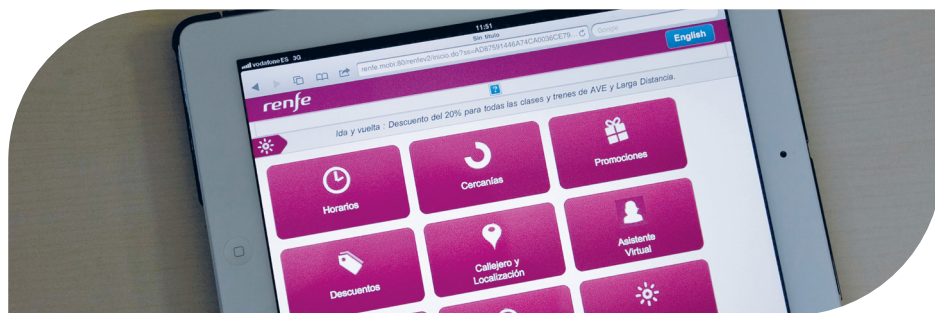
## Factors and trends

The main factors and trends affecting Renfe's activity are as follows:

- Customer empowerment. New technology provides customers with increasing access to information. This enables them to make transport decisions tailored to their specific needs. It also allows them to be more and more discerning in all facets of their "Customer Journey".
- Digitalisation. Digitalisation transcends and affects all areas of transportation, starting with the customer: access to information in real time, purchases, optimisation of operations, incident management, etc.
- Sustainable cities. Cities are increasingly geared towards improving the environmental conditions of inhabitants through the introduction of restrictions on polluting transport, accompanied by measures to facilitate sustainable transportation.

At the present time, 55% of the world's population live in cities and estimates expect a rise of up to 13% in this proportion by 2050. Urbanisation will continue and will be even faster in low and medium income countries, which presents a challenge and an opportunity for the development of sustainable transport.

- The Sharing Economy / Mobility as a service. Increase in the number of people and companies that utilise vehicles (cars, lorries, bicycles, etc.) on a pay-per-use basis, rather than purchasing them.



- Sustainability. Having more sustainable transport systems is essential to limit global warming to less than two degrees Celsius. The low number of greenhouse gas emissions per unit transported is one of the main competitive advantages of rail transport. In Spain the fulfilment of the nationwide objectives to shift modes of transport to rail, for both freight and passengers, would enable a gradual reduction in emissions over the coming decade, cutting them by 2% in the transport sector by 2030.
- Electrification. Improvements in electric engines will result in a reduction in the environmental footprint of all modes of transport. Improvements in the storage capacity of electric energy will facilitate the expansion of wind and solar power.
- Alternative energy sources: within the development of sustainable alternative energy sources for transport, the use of hydrogen in the railway sector stands out. The first commercial train of this type has already been operating in Germany for a short period of time. This type of energy is being considered and analysed as a replacement for diesel in other European countries.
- Artificial intelligence. Increases in the capacity to collect and process information will affect all areas of transportation:
  - Infrastructure: improved design and maintenance.
  - Vehicles: universalisation of predictive maintenance.
  - People: better insight into customers and thus ease of offering services more suited to their desires and needs.
  - Operations: improved operation of transport systems which will increase capacity and/or reduce travel times using existing infrastructure.
- Changes in world trade: globalisation and digital disruption, together with other factors such as the rise of emerging countries in the global economy and changes in the global market, such as the introduction of customs tariffs, are evidence of the transformation in global trade and its operations.

## Public service obligations

In recent years, as part of its remit, the General State Administration (AGE) has declared various public service obligations (PSO):

- Council of Ministers' Agreement of 30 December 2010. Declaration of suburban ("Cercanías") services as PSO.
- Council of Ministers' Agreement of 28 December 2012. Declaration of regional ("Media Distancia") services on the conventional Iberian-gauge network.
- Council of Ministers' Agreement of 05 July 2013. Declaration of regional services on the high-speed network (Avant) and passenger transport services on the metric-gauge network.

Various contracts have been entered into between the company and the AGE since 2013 in relation to the provision of these services by Renfe Viajeros.

The first of these covered the 2013-2015 period. Subsequently, on 18 October 2016 a new contract was signed between the AGE and Renfe Viajeros, for a term of one year from 1 January 2016 with the possibility of an additional one-year extension.

This extension for 2017 was signed by the two parties on 30 December 2016.

A new Council of Ministers' Agreement was approved on 15 December 2017 to renew the services considered to be public service obligations under the authority of the General State Administration, a summary of which is as follows:

- It includes the suburban and regional services (whether on the conventional network or the "Avant" high-speed network) and the services provided on the metric-gauge network (formerly Feve) that were already included in the previous declaration, with the addition of the Vigo-Tui, Alicante-Villena, Castellón-Vinarós and Villarrubia-Cordoba-Rabanales-Alcolea routes.

- A further two routes, which until then were financed by regional governments, are now considered PSO; specifically Puertollano-Mérida-Badajoz and Zaragoza-Calatayud-Ariza-Arcos, which formed part, respectively, of the agreements with the regional governments of Extremadura and Aragón.
- Regarding the Avant services, the Madrid-Cuenca and Madrid-Salamanca high-speed services have been added for recurrent passengers that regularly use this route.

On 18 December 2018, the new contract was signed between the General State Administration and Renfe Viajeros, regulating suburban ("Cercanías"), conventional regional ("Media Distancia Convencional"), high-speed regional ("Alta Velocidad Media Distancia") and metric-gauge public passenger rail transport services provided under the authority of the AGE during the 2018-2027 period, declared to be public service obligations by the Council of Ministers on 15 December 2017.

This contract took effect on 1 January 2018 for a 10-year period as from that date, with an option to extend it for five additional years.

On 30 August 2019 the Council of Ministers approved the inclusion of the high-speed regional (AVANT) Seville-Cordoba-Granada and Malaga-Granada services as public service obligations. Furthermore, the following regional ("Media Distancia") services previously provided on conventional gauge routes were amended:

- The Granada-Algeciras service is now the Antequera-Algeciras service
- The Seville-Granada-Almería service is now the Granada-Almería service



### Public Services operated under the authority of the Catalan Regional Government (“Generalitat de Catalunya”)

These services arose from the State-Catalan Regional Government Joint Committee on Economic and Tax Affairs (CMAEF) agreements of 22 December 2009 and 17 November 2010. Under these agreements, responsibility for the public Iberian-gauge suburban and regional services rendered in Catalonia was transferred to the Catalan Regional Government, effective from 1 January 2010 and 2011, respectively.

On 17 June 2013 the Catalan Regional Government-Renfe Operadora joint coordination and control body approved the wording of the contract for the provision of the aforementioned services by Renfe Operadora during the 2011-2015 period. The contract is pending approval by the State-Catalan Government Bilateral Commission and Joint Committee on Economic and Tax Affairs.

Until the contract is signed, to prevent deterioration of the operator’s financial position, the Government has introduced an additional provision to the General State Budget Laws for successive years. The provision stipulates that allowance be made in the Ministry of Public Works’ budget for the amounts required to settle the payment on account to the entity based on the result of the verification performed by the Spanish General State Comptroller (IGAE) of the proposed settlement arising from the valuation of the services rendered by Renfe Operadora (Renfe Viajeros). A new wording of the contract is currently being agreed upon.

### Action Plan with the Catalan Regional Government

On 25 November 2015, the extension of the Action Plan for 2015 and 2016 was approved by the Catalan Regional Government - Renfe joint coordination and control body. The Plan was monitored at the meetings of this joint body, which continued to be held in subsequent years.

This Plan is aimed at providing additional services to support those initially transferred and contracted directly by the Catalan Regional Government from Renfe Viajeros.



## Tax-related information. Taxation and grants

### TAXATION

The Renfe Group has generated the following profits in the various tax jurisdictions in which it operates:

COUNTRY	2019	2018
	(MILLIONS OF EUROS)	
Spain	96.22	111.04
Saudi Arabia	4.36	0.32
USA (Texas)	0.07	-
<b>Total (*)</b>	<b>100.65</b>	<b>111.36</b>

(\*) Amount attributable to the Parent

The tax paid on profits in the foregoing countries is as follows:

COUNTRY	2019	2018
	(MILLIONS OF EUROS)	
Spain	10.84(*)	10.45(**)
Saudi Arabia	-	-
USA (Texas)	0.02	-
<b>Total</b>	<b>10.86</b>	<b>10.45</b>

(\*) During 2019 Euros 19.75 million was paid in instalments for 2019 income tax while no refunds of income tax were received in 2019. In addition, according to the estimate made for the preparation of the annual accounts, the settlement of income tax for 2019 would result in a refund of Euros 8.91 million after deducting the aforementioned tax instalments, giving an estimated net income tax payment for 2019 of Euros 10.84 million.

(\*\*) During 2018 instalments were paid for 2018 income tax totalling Euros 17.80 million and refunds amounting to Euros 22.53 million were received in this respect. In addition, in accordance with the estimate made for the preparation of the annual accounts, the settlement of income tax for 2018 would result in a refund of Euros 7.35 million after deducting the aforementioned tax instalments, giving an estimated net income tax payment for 2018 of Euros 10.45 million.

### GRANTS

The Group has access to the following grants:

#### — Grants for fulfilling public service obligation agreements under the authority of the AGE

The Ministry of Public Works and Renfe Viajeros entered into a public service agreement defining the conditions under which the public service obligations (PSO) are to be met for the provision of passenger rail transport services on the public service rail network, considered of general interest for social, economic and environmental reasons, under the authority of the AGE. This agreement stipulates the terms of compensation for the costs of these services and the obligations of the operator, including the quality standards to be upheld. The application of the revenue and expense allocation criteria is subject to audit by the IGAE.

The contract in force between the AGE and Renfe Viajeros was entered into on 18 December 2018.

The scopes of PSO are as follows:

- Suburban (“Cercanías”) services
- Regional (“Media Distancia”) services provided on the conventional network (generally, those with a use rate of over 15%).
- High-speed regional services rendered on the “Avant” network (generally, those with a use rate of over 30%).
- Metric-gauge suburban (“Cercanías”) and regional (“Media Distancia”) services.

Details of the grants received for these services, on an accruals basis, are as follows:

## GRANTS RECEIVED

	2019	2018
	(THOUSANDS OF EUROS)	
Regional ("Media Distancia") public service obligations	350,117	357,415
Suburban ("Cercanías") public service obligations	461,475	444,703
Metric-gauge public service obligations	122,531	115,607
<b>Total</b>	<b>934,123</b>	<b>917,725</b>

### Grants for fulfilling public service obligation agreements under the authority of the Catalan Regional Government

In 2010 and 2011 the State transferred the AGE's functions with regard to rail passenger transport services on the Barcelona suburban network and the Iberian-gauge public service rail network laid entirely within Catalonia to the Catalan Regional Government, which classified them as PSO. The AGE gives financial compensation for such services on a transitional basis.

Details of the grants received for these services, on an accruals basis, are as follows:

## GRANTS RECEIVED

	2019	2018
	(THOUSANDS OF EUROS)	
Regional ("Media Distancia") public service obligations	55,181	52,457
Suburban ("Cercanías") public service obligations	179,457	179,806
<b>Total</b>	<b>234,638</b>	<b>232,263</b>

### Grants received from other public entities (regional governments or municipal authorities)

These grants arise from agreements entered into with regional governments that are interested in providing passenger rail services on routes not declared PSO by the AGE and which undertake to finance the operating deficit arising on such services.

In the case of the Catalan Regional Government, there is an agreement to compensate the increase in operating deficit incurred as a result of decisions made by the Catalan Regional Government, in exercising its powers, as regards the pricing policy or quality standards, commitments and conditions, other than those considered for the purposes of the contract with the AGE for the PSO under its authority that are proposed and valued through the Joint Coordination and Control Body, which last met on 15 November 2018.

Details of the grants received for these services, on an accruals basis, are as follows:

## GRANTS RECEIVED

	2019	2018
	(THOUSANDS OF EUROS)	
Catalan Regional Government (Action Plan) ("Generalitat de Catalunya")	28,163	25,256
Extremadura Regional Government ("Junta de Extremadura")	3,518	4,770
Aragón Regional Government ("Diputación General Aragón")	4,094	4,174
<b>Total</b>	<b>35,775</b>	<b>34,200</b>



Capital grants to finance fixed assets

Non-repayable capital grants, which are mainly from the European Regional Development Fund (ERDF), are used to finance the company’s permanent facilities. Grants are recognised when awarded and the conditions for their awarding have been met, provided that there is no reasonable doubt that they will be received. Capital grants are initially recognised as income in equity and taken to income for the year in proportion to the depreciation of the financed assets or when the assets are disposed of, derecognised or impaired.

The Group also has grants awarded by the European Commission, which allocates funds to finance projects that enable development of the Trans-European Transport Network (TEN-T) in 2030. Furthermore, the Group has received grants associated with the CEF (Connecting Europe Facility) innovation programme to finance European innovation projects, specifically for development of the ERTMS at present, as well as a project to use liquefied natural gas as traction energy.

In 2019 no capital grants were recognised in equity from CEF projects, ERTMS (which would affect Viajeros) or LNG (which would affect the SOE).

Details of the public grants received in 2018, on an accruals basis, which were for the EU’s CEF projects for the installation and upgrading of ERTMS Level 2 Baseline 3, are as follows:

PROJECT	2018 AMOUNT (THOUSANDS OF EUROS)
2015-ES-TM-0011-W	2,083
2016-ES-TM-0027-W	683
<b>Total</b>	<b>2,766</b>



## Quality of service

### COMMERCIAL SERVICES

	2019	2018
High-speed long-distance	7.91	7.99

### PUBLIC SERVICE OBLIGATIONS

	2019	2018
High-speed regional ("Media Distancia")	7.55	7.62
Regional ("Media Distancia")	6.83	6.97
Suburban ("Cercanías") Madrid	7.13	7.19
Suburban ("Rodalies") Catalonia(*)	6.03	6.21
Suburban ("Cercanías") Asturias	7.32	7.46
Suburban ("Cercanías") Bilbao	6.65	6.91
Suburban ("Cercanías") Cadiz	7.90	7.29
Suburban ("Cercanías") Malaga	7.71	7.63
Suburban ("Cercanías") Murcia-Alicante	6.70	6.99
Suburban ("Cercanías") San Sebastian	7.26	6.65
Suburban ("Cercanías") Santander	7.37	7.14
Suburban ("Cercanías") Seville	7.31	7.50
Suburban ("Cercanías") Valencia	6.33	6.44
Suburban ("Cercanías") Zaragoza	7.67	7.53
Feve	6.60	6.50

\* Barcelona hub only.

Renfe Mercancías' overall customer satisfaction index in 2019 was 6.34.

### FREIGHT TRAINS

	2019	2018
Freight	6.34	6.89

## Customer complaints

In high-speed, long-distance and regional services the main cause of customer complaints is delays, whereas in suburban services the principal reason is tickets.

### COMPLAINTS PER 1,000 PASSENGERS

	2019	2018
High-speed long-distance	2.56	2.44
Regional ("Media Distancia")	1.05	0.99
Suburban ("Cercanías") services	0.16	0.15
Atendo (per 1,000 customers)	1.52	1.17
Metric-gauge	0.61	0.61

Customers wishing to lodge a complaint or resolve issues relating to their journey can do so through the AVE Customer Service Centres at the following stations: Madrid Puerta de Atocha, Sevilla Santa Justa, Zaragoza Delicias, Lleida Pirineos, Cordoba, Barcelona Sants and Málaga María Zambrano. In all other stations they can go to Customer Services. They can also communicate with Renfe via the Customer Service Office on the Renfe website, through which they can send suggestions, comments, complaints and information requests.

### FREIGHT AND LOGISTICS SERVICES

	2019	2018
Freight	55	25

### Complaints, fines and penalties

In 2019 a total of 226 complaints were brought against Renfe and processed, entailing an amount of Euros 265,845 for those upheld. Injuries on trains or in stations represented 84.96% of such cases.

Furthermore, in 2019 Renfe received 38 administrative complaints totalling Euros 102,196. Consumer-related complaints accounted for 26.32%.

<b>CASES PROCESSED</b>	<b>2019</b>	<b>2018</b>
Number of cases processed	226	272
Financial amount of complaints upheld (€)	265,845	375,925.86

<b>TYPE OF CASE PROCESSED</b>		
Running-over	1	5
Injuries on trains	91	88
Injuries in stations	101	100
Other	33	79

<b>ADMINISTRATIVE COMPLAINTS</b>		
Number of administrative complaints received	38	61
Financial amount (€)	102,196	8,560

<b>TYPE OF ADMINISTRATIVE COMPLAINT (NUMBER)</b>		
Fire	2	4
Consumer-related	10	26
Data Protection Agency	3	0
Competition	1	0
Labour discipline	12	20
Other	10	11

<b>CRIMINAL PROCEEDINGS</b>		
Number of criminal proceedings	5	14
Financial amount (€)	202,830.90	354,876.14

<b>TYPE OF CRIMINAL PROCEEDINGS (NUMBER)</b>		
People run over	1	1
Injuries	1	4
Incidents on trains	0	1
Work-related accidents	1	2
Other	2	6

## Customer health and safety

### Installation of defibrillators in stations and work centres

Through this measure Renfe continues its active role in the installation of such devices and their use by the professionals who perform their duties at the work centres where they have been installed, having been suitably trained to do so. The business criteria for installing these devices, apart from complying with national and regional legislation, are based on having them available in stations and work centres which have a Self-protection Plan or an occupancy of at least 1,500 people, as well as stations and work centres considered "special" due to their surface area, intermodality, location, etc. There must also be at least one defibrillator per suburban ("Cercanías") line. The devices are available in public areas for use by all citizens, they are semi-automatic external defibrillators (SAED), and are usually placed in glass cases marked with a universal symbol.

### Measures aimed at improving passenger safety in stations

Renfe is working on implementing measures to avoid people being run over in stations when crossing the tracks between platforms.

To this end, the specific procedure for providing visual and auditory information in stations and trains aims to define and establish criteria for emitting messages to passengers about track crossings, both in stations with crossing points (above, below or between platforms) and in trains where possible, in order to minimise the risk of being run over. This applies to all suburban and regional stations and trains managed by Renfe Viajeros which have the means and technical ability to emit messages.

Warnings are issued via PA systems and screens in all suburban hub stations.



Work is ongoing on implementing the messages through the PA systems and screens on trains. On trains running in autonomous regions with their own language, these messages are first delivered in the official language of the autonomous region (Catalan, Galician, Valencian or Basque), then in Spanish and finally, when possible with the vehicle's PA system, in English.

Moreover, pictograms have been placed on both the inside and outside of vehicle access doors to warn customers that it is forbidden to cross tracks in unauthorised areas.

## Suppliers

Renfe's contracts are subject to private law, without prejudice to the application of public procurement law when drawing up and awarding contracts. In this regard, Renfe's procurement procedures are subject to Law 31/2007 of 30 October 2007 on procurement procedures in the water, energy, transport and postal services sectors (hereinafter the "LSE"), which applies to all contracts for works with an estimated value of over Euros 5,548,000 and all service and supply agreements with an estimated value of more than Euros 443,000. As Directive 2014/25/EU of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors has not been transposed into Spanish law, the provisions of that Directive 2014/25/EU having a direct effect must also be applied, such provisions taking precedent over the LSE at all times.

For procedures not subject to the LSE, the Renfe Group entities follow internal procurement instructions, which are in line with article 321 of Law 9/2017 of 8 November 2017 on public sector contracts (hereinafter the "LCSP"). Renfe Group entities may also award contracts not subject to the LSE without following internal procurement instructions, in accordance with article 321 of the LCSP.

As a result of applying all of the legislation described above, Renfe's procurement procedures respect the principles of advertising, transparency, equal treatment and non-discrimination, going beyond legal requirements in some aspects. For instance, the Renfe Group has published public tenders for contracts with an estimated value between Euros 5,000 and Euros 15,000, in the case of services and supplies and between Euros 5,000 and Euros 40,000 in the case of works, even though there is no legal obligation to do so.

### SUPPLIERS AND AMOUNT AWARDED

	2019	2018
Successful bidders (*)	1,324	1,243
Amount (millions of Euros)	770.41	1,180.08

(\*) Some successful bidders are awarded more than one contract during the year.

### PROCEDURES USED

IN AWARDING RENFE CONTRACTS IN 2019	NO. OF CONTRACTS	AMOUNT (THOUSANDS OF EUROS)	% OF CONTRACT VOLUME
Open simplified procedure	208	2,362.31	0.31%
Simplified direct procurement procedure	1,945	12,583.37	1.63%
Open	591	119,483.73	15.51%
Negotiated with advertising	23	9,086.11	1.18%
Restricted	5	16,431.84	2.13%
Direct procurement	73	13,262.20	1.72%
Negotiated without advertising	296	165,972.42	21.54%
Contract based on framework agreement	18,249	298,837.81	38.79%
Amendments	138	132,393.42	17.18%

## TOP 20 SUPPLIERS OF RENFE BY AMOUNT INVOICED 2019

	AMOUNT (THOUSANDS OF EUROS)
ADIF ALTA VELOCIDAD	1,028,824
ADMINISTRADOR DE INFRAESTRUCTURAS FERROVIARIAS (Adif)	875,888
PATENTES TALGO S.L.	214,832
FERROVIAL SERVICIOS S.A.	139,385
NERTUS MANTENIMIENTO SERVICIOS FERROVIARIOS, S.A. (*)	67,446
ACTREN MANTENIMIENTO FERROVIA S.A. (*)	66,650
ALSTOM TRANSPORTE S.A.	63,966
ALTHENIA S.L.	32,347
IRVIA MANTENIMIENTO FERROVIARIO, S.A. (*)	30,927
CLECE S.A.	28,847
ACCIONA FACILITY SERVICES S.A.	25,848
EQUEDIA XL S.L.	23,360
UTE TDE TME TSOL XIV	21,015
CONSTRUCCIONES AUXILIAR FERRO S.A.	17,307
FAIVELEY TRANSPORT IBERICA S.A.	14,845
INTERSERVE FACILITIES SERVICE S.A.	14,716
UTE ACTREN NERTUS	14,490
GARDA SERVICIOS DE SEGURIDAD S.A.	14,018
UTE ABCTREN	13,920
INGENIERIA ECONOMICA DEL TRANSPORTE SME MP S.A.	12,840

\*Investees of the Renfe Group.

### Average supplier payment period

At the 2019 year end, on the basis of the resolution of 29 January 2016, the Renfe Group has calculated an average supplier payment period of 57.67 days.

### Procurement committees

In accordance with article 3 of the LCSP, Renfe Group entities are not considered public entities. The procurement committees provided for in articles 326 and 327 of the LCSP are therefore not established in the Renfe Group's procurement procedures.

## Integrating CSR in the supply chain

In keeping with the guidelines set out by the new public procurement legislation, the Renfe Group fosters the incorporation of social and environmental criteria in its tenders. This approach involves increasing the requirements applied to Renfe Group contractors to date. The aim is to gradually incorporate new clauses in all areas, provided that they relate to the purpose of the procurement, inasmuch as, in accordance with the legislation, social and environmental clauses must be linked to the purpose of the contract and be proportional. Other criteria are also considered according to the purpose of each contract, such as facilitating the access of small and medium-sized enterprises, and social economy enterprises, to public procurement.

In this respect, the social and environmental conditions can be included in the definition of the contract purpose, in the selection of the contractor, in the awarding criteria, in the tiebreak criteria, and in the conditions for executing the contract.

Generally, contracts are awarded using a variety of criteria based on the best value for money. The qualitative criteria established to assess the best value for money include consideration of environmental or social aspects linked to the contract purpose, which could encompass the following: environmental characteristics such as reducing the level of greenhouse gas emissions, employing energy saving and efficiency measures, and using renewable energy during the contract execution; social characteristics such as fostering the social integration of certain demographics (e.g. long-term unemployed), gender equality

plans applied in the contract execution, boosting the employment of women, work-life balance, occupational health and safety, and related training.

As regards special conditions for execution, these could refer to compliance with the corresponding labour, health and safety, social security and tax obligations, among other matters. Failure to comply with the special conditions for execution could be cause for penalisation and even, in some cases, termination of the contract in accordance with the circumstances detailed in the specifications.

## Supplier oversight and audit systems

The departments tasked with monitoring the contracts awarded by the Renfe Group verify that the services, supplies and works received comply with the scope defined in the contractual documents, and that the successful bidders fulfil their contractual obligations.

Furthermore, depending on specific circumstances such as the geographical scope of the contract execution or the strategic nature of the service, ad hoc inspection services are sometimes contracted in order to verify the execution of the services contracted and compliance with the stipulated conditions. An example of this is the contract to inspect the cleaning services of trains, stations and the Group's other facilities.

At the time this document was drawn up, the Renfe Group was also in the start-up phase of a service enabling it to perform an online verification of whether contractors and subcontractors fulfil their health and safety, tax and social security obligations, based on the documentation they must submit, as well as their social and environmental requirements and commitments taken on in the bidding process, in relation to the contract purpose.

## Internationalisation

### Internationalisation strategy

Following the entry into force of the Fourth Railway Package, which aims to establish a single European railway area, domestic passenger rail transport services will be liberalised from 2020 onwards and a date is set for the obligation to award PSO contracts through tenders (December 2023), with exceptions (in Spain the Council of Ministers has authorised the contract between the AGE and Renfe for the provision of PSO rail services for the next 10 years, extendable by a further five years). This clearly brings to light the need for Renfe to continue and step-up its efforts to prepare for the opening of railway markets and the associated increase in competition.

Outside the EU new railway projects and developments are emerging, as well as tenders, which bring new opportunities for Renfe to internationalise, the areas of highest priority for the company being the rest of Europe, the Americas, Africa and the Middle East.

In addition to the international projects Renfe is carrying out in Saudi Arabia, the US and other countries, the company has maintained the lines of activity which have characterised its international presence, such as joint international passenger services with other EU railway companies (CP and SNCF); strengthening Renfe's presence and influence in the different international rail organisations, with the aim of safeguarding the company's interests abroad; entering into bilateral memorandums of understanding; and participating in collaborative projects in various countries.



## Specific projects

### **Haramain project: development of high-speed rail in Saudi Arabia**

The Haramain project started commercial services, in a pre-operational stage, on 11 October 2018, running four days a week (Thursdays, Fridays, Saturdays and Sundays) between the stations of Mecca, Medina and Sulaymaniyah in Jeddah and the King Abdullah Economic City station (KAEC). The other three days were used for train and infrastructure tests.

During 2019 there was a 77% rise in the seats offered on the commercial service and the scheduled four days a week were increased to five days a week.

The commercial offer was increased during Ramadan and the Hajj to give a better service on the busiest days of passenger travel, coinciding with the most important dates in the Muslim calendar. A total of 132,557 passengers were carried during the weeks of Ramadan and 69,289 passengers during the Hajj. A total of 434 trains were scheduled in both periods, 78 of which were twice as long during the Hajj.

On 29 September 2019 there was a fire in Jeddah station that caused major material damage. The service was temporarily suspended due to this serious incident and was reinstated after a 1.5km bypass had been built in Jeddah station.

In addition, operation of the King Abdulaziz International Airport (KAIA) line started, with 14 services from the Jeddah airport station to Mecca, Medina and KAEC. The building of this station represents a milestone in Saudi Arabian transport, linking Terminal 1 of Jeddah airport to the Haramain train network, with an area of 12,000m<sup>2</sup> and capacity for more than 3,000 passengers/hour.

In 2019 the ERTMS Level 2 signalling and safety system has gradually been introduced between Mecca and Medina so that a maximum commercial speed of 300km/hour can be reached on some sections.

The achievements attained in 2019 mean that commercial services have been sufficiently tested so that at the beginning of 2020 the figure of one million passengers carried since the outset of operations could be reached.

The so-called "Haramain High-Speed Railway Project" (development of the high-speed railway in Saudi Arabia between Medina and Mecca) was awarded to a Spanish-Saudi consortium in January 2012 for Euros 6,736 million. The scope of the project encompasses the construction of the superstructure, the supply of rolling stock (35 commercial trains and a luxury train for the King), the start-up and operation of the railway, and maintenance of the line and rolling stock for 12 years.

The consortium is made up of 14 companies, 12 of which are Spanish and 2 are Saudi Arabian. Of the 12 Spanish firms, 3 are state-owned (Renfe, Adif and Ineco) and the rest are private.

This project consists of two stages:

- CAPEX, or construction stage, which in the case of Renfe comprises involvement in the construction of the workshops for rolling stock maintenance, the training of driving, commercial and Operations Control Centre personnel, and the preparation of the line's commercial operation.
- OPEX, or operation and maintenance stage, which in the case of Renfe will entail the commercial operation of passenger transport once the line is in operation.

Renfe manages this project through a permanent establishment, the “Renfe Operadora, Saudi Arabian Branch”, to manage and defend Renfe’s interests in Saudi Arabia.

At the same time, Renfe has continued construction work on the HHR workshops in Medina (light and “heavy” maintenance workshops) and preparatory tasks for commercial operation.

**Texas Central private initiative project: development of Dallas-Houston high-speed rail in Texas, USA.**

The project is spearheaded by Texas Central Partners, LLC (Texas Central), a private company backed by mainly Texan investors.

Texas Central’s high-speed train will connect Dallas/Fort Worth with Houston in under 90 minutes. The route is 386 kilometres in length.

In addition to the stations of Dallas/Fort Worth and Houston, it will have an intermediate station in Brazos Valley. All the stations will be connected to the highway network, to public transport systems, and they will have ample parking areas.

The total estimated cost of the project is USD 20,000 million.

Texas Central has opted for the N700-I technology of Central Japan Railway Company (JRC) for this project. This technology, upgraded accordingly, has been used for over 53 years on the Tokyo-Osaka route in Japan.

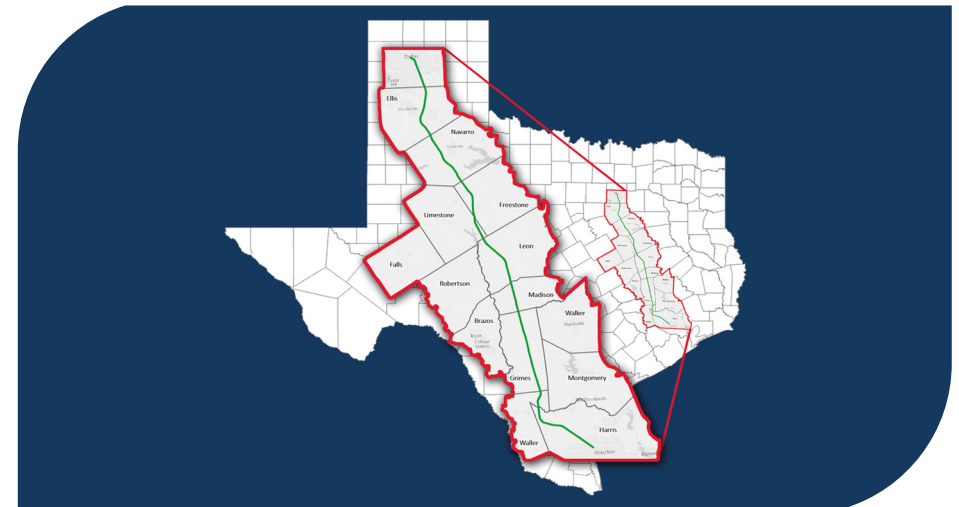
However, the Japanese trains comprise 16 coaches whereas the US version will be 8 coaches with a capacity of approximately 400 passengers per train.

The tracks and trains will be able to handle speeds of 205 mph (330 kph). Nevertheless, in principle they will run at 186 mph (300 kph).

The core parts of the system (trains, tracks, signalling, electrification, etc.) will be provided by JRC, as well as operating and maintenance procedures. However, JRC will not operate the

line once built. Consequently, in December 2019 Texas Central entered into a preliminary agreement with Renfe whereby it will be the operator of this innovative high-speed line.

Its start-up will create 10,000 direct jobs during construction and more than 1,000 permanent direct jobs during operation.



Following the issue of the environmental impact statement, the final version of which will be published in 2020, Texas Central expects to start construction in the third quarter of 2020.

Although the environmental impact statement is the most significant hurdle facing the project, Texas Central continues to work on the regulatory process headed by the FRA, involving a total of 19 federal and state agencies.

Texas Central, the private developer of the project, has chosen Renfe as its strategic partner so that after an initial stage as technical advisors on its development, design and construction, supported by Adif and Ineco, it will become responsible for the operation

and maintenance to finalise the service, as well as the operation of trains, maintenance of equipment, and other services related to ticket sales.

Accordingly, the chairman of Renfe, Isaías Táboas, and the executive chairman of Texas Central, Carlos Aguilar, signed an agreement laying down the basis of collaboration on the high-speed project linking the cities of Houston and Dallas in the state of Texas (USA) until 2042.

### **United Kingdom**

In 2019 no tenders were called for new franchises and the system is under review by the British government.

At the same time, Renfe negotiated its inclusion in the proposal of MTR Corporation and Global Rail Construction Limited (GRCL), which had pre-qualified for the West Coast Partnership (WCP) franchise. Although MTR-GRCL-Renfe group was a finalist alongside another bid made by First Group and Trenitalia, the British Department for Transport awarded the franchise to the latter group.

### **Consultancy services and technical assistance provided to ISR**

In 2019 Renfe continued to provide consultancy services and technical assistance to Israel Railways (ISR) under a framework agreement for consultancy services that encompasses aspects ranging from train operation to train maintenance, and including commercial and IT areas.

### **Sale of material to Madagascar**

In 2019, Renfe Alquiler de Material Ferroviario sold four metric-gauge locomotives to the French company Arterail Société Par Actions Simplifiée for their subsequent operation in Madagascar. The metric gauge of railways in Madagascar is the same as that in Spain, which helped their sale.

### **Projects within the EU**

Renfe has continued its collaboration with the French public operator, SNCF, particularly for high-speed passenger services that connect various cities in both countries under the name Renfe-SNCF en Cooperación, managed through the joint venture Elipsos Internacional, S.A.

Renfe has likewise continued its collaboration with the Portuguese railway company Comboios de Portugal (CP) for the provision of international passenger services between the two countries (Madrid-Lisbon, Lisbon-Hendaye and Vigo-Porto). Renfe has also leased out to CP a variety of passenger rolling stock.

Renfe continues to explore opportunities to participate in future tenders for domestic passenger services in EU countries which offer profitable business.

### **Training programmes and seminars**

In 2019 Renfe gave various international courses such as:

- Training seminar on variable gauge axle changers for JIC (Japan East Railways Group).
- Training seminar for young managers of the Russian railways (RZD), held in Madrid and Barcelona.
- Seminar on rail traffic safety with the Hong Kong Special Administrative Region's Government Agency for Rail Safety.
- Seminar on suburban services in Nairobi, aimed at executives of Kenya Railways, the World Bank and other public entities involved in the Nairobi Master Transport Plan.



### **Other activities**

Renfe is also exploring suburban rail projects in some Central and South American countries, such as Costa Rica, Guatemala, El Salvador, Nicaragua and Bolivia, as well as high-speed rail projects which might arise in North America, for instance in Florida, Washington or Illinois in the US, and Ontario in Canada.

### **International institutional relations and cooperation**

#### ***Involvement in international organisations***

Renfe is a member of the principal and most important organisations in the railway world, such as the International Union of Railways (UIC), the International Rail Transport Committee (CIT), the Community of European Railway and Infrastructure Companies (CER), the International Association of Public Transport (UITP), the Latin American Railway Association (ALAF), and EUROFIMA.

In this context, in 2019 Renfe organised the Global Passenger Forum of the UIC, held in Toledo, and the High-Level Passenger Meeting of the CER and UIC Europe, both chaired by the general manager for Development and Strategy.

Furthermore, Renfe collaborated with the UIC and the Spanish Railway Foundation (FFE) on the UIC's Training on High Speed Systems Level II course, which has been held annually in Madrid and has the participation of railway companies from all over the world.

#### ***Visits from foreign delegations***

In 2019 Renfe organised or took part in programmes for numerous institutional and governmental foreign delegations to visit Spain, as well as representatives of public and private sector companies from countries such as the United States, Uruguay, Guatemala, Colombia, Brazil, Senegal, Kenya, Uganda, Madagascar, France, Finland, Bulgaria, the Czech Republic, Sweden, Saudi Arabia, China, Japan, India, Australia, Belgium, Canada, Hong Kong, India, Lithuania, Malta, Mozambique, Russia and the Ukraine.

### **Cooperation with other rail companies**

In addition to the agreements with rail companies from Spain's neighbouring countries, France and Portugal, Renfe has cooperative relationships with rail companies from various countries, such as Japan, India, Costa Rica, Ecuador and Paraguay, through collaboration agreements.

Furthermore, the collaboration agreements with the China Railway Corporation and Russian Railways (RZD), the one between the Spanish Association of Manufacturers and Exporters of Equipment and Services for the Railway Industry (Mafex) and Renfe for the provision of training activities and development of the Spanish rail sector abroad remain in force, as does the collaboration agreement with the ALAF.

In the area of training, the collaboration agreement signed by Renfe with the Moscow State University of Railway Engineering (MIIT) and the agreement signed with the International and Ibero-American Foundation for Administration and Public Policies (FIIAPP) regarding its participation in the Twinning Project with Ukraine are still in effect.

## KEY MILESTONES

### Tenth anniversary of the Catalonia-Andalusia high-speed (AVE) services

Renfe launched the Catalonia-Andalusia high-speed (AVE) service on 10 January 2009, making use of the rail line built on the outskirts of Madrid that facilitated the connection of Catalonia and Aragon with Andalusia without the need to stop in Madrid, thus reducing the journey time considerably.

In the 10 years that these high-speed (AVE) trains have been operating between Catalonia, Aragon and Andalusia, 10.4 million customers have used these high-speed services that provide a direct link between the autonomous regions without stopping in Madrid. A total of 1.3 million of these journeys were made in the last year.

### Renfe, the first railway company in the world to implement a personalised notifications system using Twitter

This system allows passengers of the suburban Cercanías Madrid and Rodalies de Catalunya services to receive personalised notifications via direct message thanks to the partnership between Renfe Operadora and Twitter España.

This service provides users with all the information on the lines and timetables they select in real time.

Renfe is the first railway company in the world to implement this automated information system via Twitter and the first Spanish public company to develop this type of service with the social network.

### Renfe Atendo service in the Valdepeñas, Torrelavega and Zumárraga stations

Since 7 March 2019 Renfe Viajeros has been providing the Atendo service in a further three stations: Valdepeñas, Torrelavega and Zumárraga, in all cases when required.

For more than a decade Renfe has been working to improve the accessibility of the facilities, trains, products and services it offers its customers. The aim is to provide an inclusive transport system that benefits and enhances everyone's living conditions.

### The Board of Directors approved the tender to purchase 211 high-capacity trains

On 23 March 2019 Renfe's Board of Directors approved the tender to purchase 211 high-capacity trains for the major suburban ("Cercanías") hubs, amounting to Euros 2,270.5 million.

Including the acquisition of parts for rolling stock, 15 years of first-level maintenance for some of the trains acquired, and the tools and initial warehouse required for said maintenance, the tender totalled Euros 2,726.6 million.

The aim of this operation is to renew the rolling stock to maximise the transport capacity in the highly saturated major suburban ("Cercanías") hubs. To this end, trains of at least 900 seats will be purchased (in the case of 100-metre trains), amounting to a 20% increase in capacity vis-à-vis the current fleet of Civia trains.

### WiFi on board the Madrid-Barcelona and Barcelona-Seville/Málaga high-speed ("AVE") services

On 1 April 2019 Renfe launched its state-of-the-art WiFi platform 'PlayRenfe' on the high-speed ("AVE") Madrid-Barcelona-Girona services, with on-demand content and access to a wide range of products, including on-board services and live broadcasts of major sporting events.

### Renfe starts the acquisition of up to 105 regional ("Media Distancia") trains

Renfe's Board of Directors approved the tender to purchase up to 105 regional ("Media Distancia") trains (43 firm purchases and 62 optional), to be used in PSO services, for an amount of Euros 750.8 million.

The trains acquired will be electric or hybrid. The hybrid trains will have a generator car for traction on non-electrified lines and are designed with a view to moving towards environmentally friendly solutions.

### **Renfe starts the acquisition of up to 38 hybrid trains for suburban services (“Cercanías”)**

Renfe’s Board of Directors approved the tender to purchase up to 38 hybrid trains for suburban services (“Cercanías”) (29 firm purchases and 9 optional) for an amount of Euros 365.6 million. Including the acquisition of parts for rolling stock, 15 years of comprehensive maintenance for 11 of the trains, and the initial warehouse required for said maintenance, as well as additional supply and maintenance options, the tender totals Euros 473.9 million.

The aim of this operation is to renew the rolling stock, making it accessible and adapting it to future changes in the infrastructure and electrification of lines, meaning it must be hybrid and configurable with both conventional and international gauge axles.

### **New high-speed service between Madrid and Granada**

On 26 June 2019 the new high-speed services between Madrid/Barcelona and Granada were launched, using a new infrastructure between Antequera Santa Ana and Granada that substantially improves journey times. The 102 and 112 series trains, with maximum commercial speeds of 330km/h, are used for the high-speed (“AVE”) services connecting the city of Granada to Madrid and Barcelona, respectively.

Renfe’s new space in Granada was opened on 25 June 2019. This space houses all the services offered by Renfe in this station: Atendo, service centre, sales channel and self-service ticket machines.

### **Collaboration agreement with the tourism entities of Galicia, Asturias, Cantabria and the Basque Country to promote Green Spain**

Renfe Viajeros and the tourism entities of Galicia, Asturias, Cantabria and the Basque Country have signed a collaboration agreement as a result of the 30th anniversary of the Green Spain trademark to promote the train and the four autonomous regions of northern mainland Spain forming this area.

Under this agreement these institutions undertook to organise a journey with the participation of journalists from various countries.

The Green Spain trademark chose to use the train for this anniversary journey because it has traditionally provided a nexus between the four autonomous regions forming Green Spain, which encompass the Cantabrian and Atlantic coasts, and through which Renfe’s luxury tourist trains have been running for 36 years.

### **Agreement between Renfe and Correos for the purchase of train tickets in post offices**

The commercial agreement will allow train tickets to be bought for high-speed (“AVE”), long-distance and regional services in any of the 2,400 multi-service post offices throughout Spain.

The agreement means Correos can continue its diversification strategy thanks to the potential of its offices as a distribution and sales channel, leveraging their reach and coverage.

It enables Renfe to meet its essential public service objective, insofar as 1,297 of the post offices which will sell train tickets are in rural areas, or areas with a low population density and more than 15 million inhabitants, where there are currently no points of sale to buy Renfe tickets in person.

### **Renfe’s suburban (“Cercanías”) service in Madrid resumed regular train services using the Recoletos tunnel**

On 17 November trains in the Madrid hub started running again using both tunnels without interruptions or restrictions. Trains had been unable to use the Recoletos tunnel since 2 June. Lines C1, C2, C7, C8 and C10 use this tunnel.

The resumption of this service brings a new development: the suburban (“Cercanías”) services in Madrid will continue with the special Henares Corridor service via the ring line, with an average frequency of one train every hour, which is increased to one every 30-45 minutes during rush hour. These are trains from Guadalajara that stop at the stations of Azuqueca, Meco, Alcalá Universidad, Alcalá de Henares, Torrejón de Ardoz, San Fernando, Fuente de la Mora and Chamartín.

Following a comprehensive refurbishment, the reliability of the line and its facilities have been improved, notably reducing the chance of incidents arising that would affect train services. Moreover, maintenance work is now easier and passenger comfort has been improved.

The Recoletos station has received a makeover, with vinyl graphics and new lighting on platforms and in halls.

### **Renfe took the problem of graffiti on trains to ARCO 2019**

Renfe took the “most expensive work of art” to the 2019 Contemporary Art Trade Fair, demonstrating the problems of vandalism and graffiti on trains, under the slogan “This work of art cost Euros 15 million and we have all paid for it”.

According to Renfe’s calculations, the cost of cleaning graffiti on trains last year was Euros 15 million, excluding the costs of increased surveillance and security at stations to avoid such acts of vandalism. These costs would take the bill to Euros 25 million per year, which could be spent on three new suburban trains every year or one new high-speed (AVE) train

every two years. This situation is detrimental for passengers in terms of security and delays. Last year delays due to graffiti on trains in service affected more than 200,000 passengers just in the Madrid suburban (“Cercanías”) services.

Renfe will take its work of art on a nationwide journey, enabling it to be viewed in the stations of Valencia, Barcelona, Zaragoza, Bilbao, Santander, Madrid and Seville, with the last stop being the Madrid Railway Museum.

### **Renfe launches its “Valor Mujer” (Value of Women) programme to promote and give visibility to female referees in sport**

Renfe’s chairman, Isaías Táboas, has signed an agreement with the football, basketball, handball and rugby federations to support and give visibility to the group of more than 330,000 female referees that have a federation licence in these sports. Renfe’s goal is that “Valor Mujer” will become a decisive platform in the promotion of female sport and help to find and train women in the field of sport. This programme represents Renfe’s commitment to equality and the revindication of sports values.

### **Renfe organises an exhibition on the role of women on the railways as a result of 8M**

To mark International Women’s Day, Renfe hosted a retrospective photographic exhibition on women’s involvement in Spain’s railways throughout its history.

Secretaries, switch operators, crossing keepers, cleaners, information staff, ticket sellers, etc. These were jobs carried out by women from the beginning of the railways and that continued for decades. These professions were represented in this exhibition that was designed to pay tribute to women. The documentary resources were obtained from the Spanish Railway Foundation.



The exhibition was held in the Nuevos Ministerios suburban service (“Cercanías”) station and Renfe wants to give greater visibility to its commitment to equality by changing the name of this station. In addition, the Nuevos Ministerios station will be called “Nuevos Ministerios - 8 March” throughout the whole of March. In this way, Renfe wants to strengthen its commitment to equality.

### **Renfe and the Cities for Cyclists network will work to promote the use of bicycles on the railways**

Renfe and the Cities for Cyclists network signed an agreement for the creation of a joint working group to promote policies to boost bicycle – train intermodality, with the aim of collaborating in protecting health and combatting air pollution in the area of mobility.

The company is designing a model based on “mobility as a service” to be part of the whole journey, from the moment that customers leave their homes until they reach their destination, taking into account modes of transport known as the ‘last mile’, such as the bicycle.

### **Renfe launches the ‘ECOPuntos’ campaign to boost sustainable travel by train**

The ‘ECOPuntos’ promotional campaign starts on 22 September, World Car Free Day: passengers that have a ‘+Renfe’ loyalty card will receive double points when they purchase high-speed long-distance tickets on that day.

Renfe wants to contribute in this way so that passengers use the train as a sustainable and responsible means of transport, raising customers’ awareness of the importance of protecting the environment.

Coinciding with the start of the United Nations Climate Change Conference held in Madrid (COP25), Renfe relaunched the ‘ECOPuntos’ promotional campaign. This initiative will be

continued on different dates throughout the year to raise awareness and promote the train as a less polluting mode of transport (Earth Day, World Environment Day, etc.)

### **1,000 professionals will receive customer experience training in 2020**

A total of 1,921 hours of customer experience training was given in 2019 to more than 450 professionals at all the management levels of the Renfe Group. These professionals took part in training workshops, strategic sessions or talks given by professionals and experts in this field. Their attendance and implication is key, so that from their positions and specific responsibilities, they can drive customer experience in their areas.

Furthermore, work is underway on a Customer Experience Training Programme that encompasses different training itineraries in this area and which will have an overall scope of more than 1,000 professionals at all management levels for its implementation throughout the organisation.

### **Catalogue of prices and services of the railway maintenance facilities**

This is to comply with the obligations derived from the entry into force of Royal Decree-Law 23/2018, which amends the Rail Sector Law and regulates the liberalisation of passenger rail transport.

The information is available on the company’s website, with a list of the facilities and the procedure to request a service. In that section the list of service facilities can be seen, classified according to the activity carried out (light or heavy maintenance, other installations and sidings, although the latter will be managed by Adif).

In addition to the prices, a management procedure has been prepared so that new operators entering the market can obtain access to the railway maintenance and service facilities, in the context of the liberalisation of passenger rail transport from December 2020 onwards.

This procedure sets out the conditions for access and the provision of services in a transparent, objective, and non-discriminatory manner, providing new operators with the certainty necessary to carry out their future railway operations.

This process represents a step forward in better management of the available capacity of the maintenance facilities and the establishment of a system that will make it possible to carry out maintenance of Renfe Operadora's fleet alongside that of different railway companies.

### Renfe, the top consumer of renewable electricity in Spain

Through Adif, in 2019 we bought 2.5 TWh of green electricity (with Guarantee of Origin certificates), for the traction power of all our electric vehicles, representing 77.9% of our traction power.

As a result, Renfe is the top end consumer of renewable energy in Spain, accounting for 2.6% of the total renewable electricity consumption in the country. This will enable the reduction of more than 7 million tons of CO<sub>2</sub> by 2030 across the entire railway network on which we operate.

### Renfe's CO<sub>2</sub> emissions fall to record lows (5.54 gr. CO<sub>2</sub>/UT)

In 2019, Renfe's services generated unit emissions (per passenger-km or ton-km transported) that were significantly lower than those of its oil-dependent competitors, with specific factors 10 times less compared to cars and aviation.

In 2019 the carbon footprint of each unit transported was drastically reduced: by 88.3% with respect to 1990 (47.26 gr), the base year used in the Kyoto Protocol.

### Renfe signs the worldwide UIC Railway Climate Responsibility Pledge

In 2019 the International Union of Railways (UIC), of which Renfe is a member, proposed to align its 2050 CO<sub>2</sub> emissions target to what becomes more and more widely shared as a consensual target to achieve the Paris Agreement: Carbon neutrality by 2050 (instead of -75% for 2050).

Renfe has adopted carbon neutrality by 2050 as its own target. The 2019 Railway Climate Responsibility Pledge, is an extension of the Pledge signed in 2015 in the framework of the UIC's "Train to Paris" campaign during COP21.



## Awards and recognition

### Renfe, Best Public Corporation award in the fifth edition of Startup Olé

In the fifth edition of Startup Olé, which took place in Salamanca on 26-28 March, Renfe received the Best Public Corporation award.

The award, which recognises Renfe's trajectory in favour of open innovation within the public sector, was received by the team of Renfe Innovation and the Northern Commercial Services Department of Renfe Viajeros, which was responsible for the commercial agreement with Startup Olé whereby Renfe was the official land transport provider for the event.

### Renfe, Best Business Initiative for the Sustainability of Land Transport

Gasnam awarded Renfe the prize for the Best Business Initiative for the Sustainability of Land Transport during the association's annual congress that promotes the advantages and opportunities of natural gas and renewable gas.

Gasnam has highlighted that the Best Business Initiative award went to Renfe "for its commitment to combat climate change seen in the 2018-2030 Master Plan to Combat Climate Change. The company is developing different propulsion projects for liquefied natural gas locomotives. This road map is a benchmark in Europe to promote natural gas as an alternative fuel in the railway sector". The award was collected by the general manager for Development and Strategy, Manel Villalante.

### Recognition of Renfe Operadora for its commitment to reducing work-related accidents and occupational health and safety

Fraternidad-Muprespa's Provincial Department in Madrid has granted awards to various companies, which include Entidad Pública Empresarial Renfe Operadora, for its commitment to reducing work-related accidents and occupational health and safety in 2016 and 2017.

The ceremony took place on 18 September in the events room of the Hospital Fraternidad-Muprespa Habana.

### Renfe receives the '2019 Loyalty Award' from the Spanish Federation of Food Banks

The Spanish Federation of Food Banks (Fesbal) in its gala for the Espiga de Oro (Golden Sheaf) awards, conferred its 2019 Loyalty Award on Renfe.

Fesbal has once again organised its Espiga de Oro awards, which since 2003, is an accolade awarded to companies, people, foundations or institutions that have stood out during the year for their support of the charity work carried out by the 55 Food Banks forming Fesbal.

### Down Madrid gives an award to Renfe Atendo for its service

On its 30th anniversary, Down Madrid, organised a gala at which it wanted to confer awards on entities and organisations for their commitment to persons in this group and their work to foster their inclusion in different fields.

Renfe received an award for the 'Atendo' service in recognition of its work in assisting passengers with functional diversity.

### Renfe among the companies with the best reputation

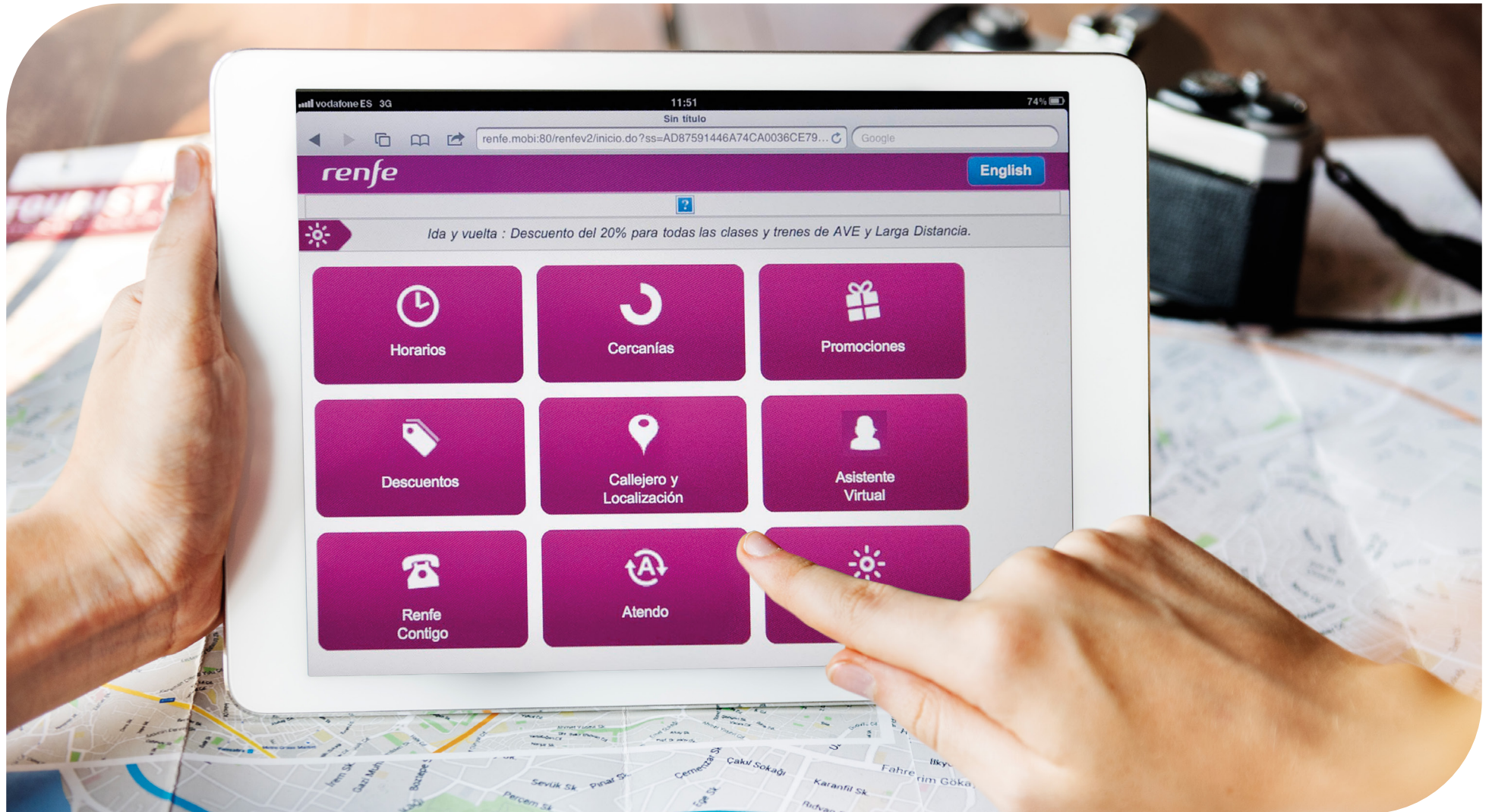
Renfe placed 34th in the Corporate Reputation Business Monitor's (MERCOS) 2019 general ranking of companies, while the then chairman of Renfe, Juan Alfaro, ranked 97th in the top 100 leaders in Spain.

Renfe was also ranked the best passenger transport company in the 'Company Ranking by Sector', ahead of ALSA and IAG, in second and third place, respectively.

Renfe was ranked 34th in MERCOS's general company ranking for Corporate Governance and Responsibility, while it topped the passenger transport sector company ranking once more.



## Innovation in Renfe



*Innovation in Renfe*



## Renfe AVLO

From December 2020, Renfe and any company with a rail operator licence and safety certificate, granted by the Spanish State Railway Safety Agency, which belongs to the Ministry of Transport, Mobility and Urban Agenda, that has requested use of the rail infrastructure from Adif, may provide services in competition with Renfe.

On the brink of the imminent liberalisation of rail passenger transport, Renfe has unveiled its new low-cost high-speed service named AVLO.

The service will initially be offered on the Barcelona-Zaragoza-Madrid route and tickets will go on sale at the end of January. The intention is then to expand the service to other routes across Spain.

The new high-speed service will include Renfe's hallmark features, such as safety, reliability, punctuality and intermodality.

The aim of Avlo is to facilitate and increase mobility in markets with potentially over one million customers per annum, by attracting customers from other, less sustainable modes of transport, such as air travel, buses and, above all, the private car. The product will not only be offered to business travellers, but also to those travelling in a group, families and young people.

Avlo trains will only offer a single tourist class and will include one piece of carry-on hand luggage free of charge, plus a handbag or rucksack. Additional services may be added according to the particular needs of the passenger. These additional services will entail a cost that will increase the price of the ticket.

Through dynamic management of fares, Renfe will offer different fare levels, which will range from Euros 10 to Euros 60 per trip, depending on the route and how early the ticket is booked in advance.

Moreover, children under 14 will be charged a fare of Euros 5 per trip, provided the ticket has been issued in conjunction with an adult ticket, up to a maximum of two child tickets per adult. There will also be discounts for large families. The Atendo service will also be available for reduced-mobility passengers.

### Visual identity Renfe Avlo

The brand name and visual identity of the new low-cost high-speed service was unveiled in December 2019.

This new product, which will be incorporated into the Renfe Group brand architecture, was conceived with a clear goal in mind: "make the best way to travel an accessible reality for everybody".

The new brand has been created under the guarantee of Renfe's core values, but with a slightly different look and tone. This is a digital, more relaxed and casual brand that aims to reach out to new audiences and future customers that currently do not travel by rail. We have sought to create an empathetic brand on a brand platform level that would be associated with logic so as to offer a practical, simple and low-cost service to meet potential users that require it.

Its brand values -easy to use, sustainable, digital and low-cost- are reflected in its visual identity.

**Main features of Avlo’s visual identity**

**Logo**

The main version of the logo will be made up of the word “avlo” in corporate turquoise and the stroke and Renfe logo in corporate dark purple.



**Corporate colours**

White, turquoise PANTONE 3252 and the Renfe purple (PANTONE 2425) are Avlo’s main colours and those that will predominate in all applications of the brand.

Orange PANTONE 2026 and light purple PANTONE 253 act as the secondary colours and will be highly prominent in the visual identity of the brand.

Blanco	CO M0 Y0 K0 R255 G255 B255 HEX #FFFFFF	P2026C	CO M172 Y76 K0 R248 G98 B57 HEX #F86239
P3252C	C67 M0 Y30 K0 R16 G207 B201 HEX #10CFC9	P253C	C50 M87 Y0 K0 R177 G28 B171 HEX #B11CAB
P2425C	C37 M100 Y0 K26 R130 G0 B94 HEX #82005E		

**Corporate font**

Avlo’s corporate font is Montserrat which will be used for all brand text.

The font weights used are Extralight, Medium and Extrabold.

Montserrat Extralight  
 ABCDEFGHIJKLMNOPQRSTUVWXYZ  
 abcdefghijklmnopqrstuvwxyz  
 1234567890.,;#\*!¿?+~/()

Montserrat Extralight  
 ABCDEFGHIJKLMNOPQRSTUVWXYZ  
 abcdefghijklmnopqrstuvwxyz  
 1234567890.,;#\*!¿?+~/()

**Montserrat Extralight**  
**ABCDEFGHIJKLMNOPQRSTUVWXYZ**  
**abcdefghijklmnopqrstuvwxyz**  
**1234567890.,;#\*!¿?+~/()**

**Exterior view of the train**



*Innovation in Renfe*

## R&D&i in Renfe

Innovation injects value into companies. Customers' perceptions of a company improve thanks to innovation, it increases safety, reduces maintenance costs, bolsters competitiveness, creates new strategies and processes, enhances the international competitiveness of the sector, enables the development of new products and fosters a culture that looks to the sustainability of businesses, among others.

Innovation is a strategic factor for Renfe, one that stems from customer needs and expectations. It is one of the key aspects that can be leveraged to address the challenges Renfe must face in the near future.

We are driving the digital transformation process at Renfe through the use of enabling technologies: big data, artificial intelligence, drones, augmented reality, 3D printing, etc. Without that innovative focus more tailored to today's circumstances, we will not be able to offer the quality mobility and logistics services that our customers expect of us.

### Renfe innovation model

Innovation at Renfe basically rests on two Renfe Group Plans:

- The Innovation Plan was created with the clear goal of moving towards the open innovation model to increase its speed and efficiency, and is in line with the innovation plans issued by the Ministry of Transport, Mobility and Urban Agenda (MITMA) and Adif.
- The Strategic Plan, a fundamental aspect of which is the firm commitment to digitalisation and open innovation made available to customers.

By combining internal and external knowledge using a collective intelligence approach, the Renfe Group has made a commitment to open innovation, aimed at implementing the model more swiftly and efficiently, especially in the digital area, around which a large part of the innovation challenges will revolve.

To resolve the major challenges of the future and to address head-on the new changes that liberalisation of the sector will bring, Renfe has reached out to professionals and start-ups specialising in innovation and technology. Since 2018, Renfe has been running the TrenLab programme, which aims to support innovative start-ups and entrepreneurs by incorporating their innovation and disruptive ideas into Renfe's services to generate value for customers and drive forward the digital transformation.

TrenLab is propelling the digital transformation at Renfe by strengthening its position as a rail company ahead of the forthcoming liberalisation of the sector and fostering its transformation into an integrated mobility operator.

Since its launch, TrenLab has accelerated eight pioneering start-ups and three internal innovation projects that are helping Renfe to reinvent the future of mobility.

The start-ups included in the first edition of the TrenLab community are: nixi1, a chatbot system that enables users to make travel and accommodation reservations through their preferred messenger apps; Zeleros, the hyperloop designer that will transport people and freight at speeds of 1,000 km/h; loMob, the open mobility platform that enables the integration of all mobility services in one app; Limmat, which predicts when train and infrastructure maintenance will be required to avoid malfunctions.

The second edition saw the participation of: Ossicles, which create a new sound experience in complex environments; Obuu, software designed to optimise maintenance stocks for complex machinery, detecting key parts, avoiding breakage of inventories and generating considerable savings; Showleap, a Spanish Sign Language translator that uses artificial intelligence to adapt services, making them accessible to deaf users of Spanish Sign Language; and Imotion Analytics which is able to analyse the behaviour and satisfaction level of customers of any physical business through artificial vision technology, all of which is performed anonymously, while guaranteeing data protection.

## Innovation Plan for Transport and Infrastructure

Renfe's Innovation Plan is aligned with the Spanish Ministry of Public Works' Transport and Infrastructure Innovation Plan that was set in motion in February 2018. It is designed to integrate and coordinate all innovation activity being developed and undertaken in the different companies of the Ministry's Fomento Group, and defines the joint roadmap for the coming years, 2018-2021.

The strategy of both Renfe's and the Ministry's Innovation Plan centres on four pillars that will shape the future of the sector: digitalisation, the internet of the future, intermodality and energy transformation.

This reference framework serves as a basis to define a structure of core ideas and strategies that encompasses the main sector trends. The Plan is therefore based on four essential strategic axes: user experience, smart platforms, smart routes, energy efficiency and sustainability.

In 2019 these axes were restructured into 20 strategic lines, which are specified in 48 initiatives. Renfe is spearheading 11 initiatives, representing 24%. Renfe has a budget of Euros 7.93 million.

### Innovation ecosystem

Renfe forms part of an open innovation ecosystem. In recent years, Renfe has joined forces with and is involved in clusters, universities, technology parks, entities and foundations such as Mobility City, Railway Innovation Hub, Spanish Railways Technological Platform, Mafex, RailGroup, etc. The aim is to drive technology and knowledge in the rail sector, promote entrepreneurship and become a global benchmark in rail innovation to respond to the challenges and requirements facing Renfe, such as the initiatives proposed in the Innovation Plans.

One of these initiatives is the implementation of efficient combined transport services: Rolling Highway. This formed part of the Innovation Plan for Transport and Infrastructure put in motion by the Ministry of Transport, Mobility and Urban Agenda. The objective is to design and build a prototype of a new type of wagon for multipurpose rail freight transport that promotes intermodality under the concept of the rolling highway and enables the creation of a new rail transport service for semi-trailers that improves freight traffic, increases service quality, reduces costs and is safer and more respectful and sustainable with the environment.

This is an R&D+i project that we look to implement through innovative public procurement mechanisms, and it is expected that CEF aid will be requested to build the prototype. Recently this project has been selected to receive EAFIP (European Assistance for Innovation Procurement) assistance from the European Commission.

The speed and intensity with which economic activities absorb new technologies and the ease with which information is obtained and shared are outlining a new economic reality. This situation highlights the eminent importance of Technology Watch and Competitive Intelligence.

In this connection, the creation of a Technology Watch and Competitive Intelligence Group (TW/CI) within the Renfe Group is being considered. These systems are essential for any organisation to keep abreast of all the information generated in its environment (commercial, technological, legislative, etc.) and to apply it in decision-making and problem solving. It is a fundamental part of the innovation processes at companies and in the detection of new ideas and new solutions.

It should be noted that the Renfe Group, through Renfe Fabricación y Mantenimiento, has been qualified as a drone operator by the State Agency for Air Safety.



## Tax deductions

For the third consecutive year, Renfe's corporate tax return has included a deduction for the exercise of research and development and technological innovation (R&D+i) activities. Once the certificates have been obtained and ratified by the Ministry of Economy, Industry and Competitiveness, the Company will be able to deduct Euros 755,000.

In 2019 the Renfe Group applied to the Spanish Agency for Certification in Innovation ("ACIE") for technological innovation certificates for the following Renfe Group initiatives conducted in 2018: the "Transformation Plan" project, carried out by Renfe, and the "Galileo/Copernicus" project, carried out by Renfe Viajeros.

These three years have served to acquire experience and guide the processes to identify and manage the Renfe Group's innovation. The cooperation and active participation of all Group companies, the Finance and Administration Department and the Innovation Department of the State-Owned Enterprise has enabled the Company to secure deductions of close to Euros 4 million.

## Renfe as a Service

Renfe as a Service is the new Digital Mobility Platform offered as a Renfe service. It will offer a new travel experience to our customers.

One of the most important plans for Renfe's immediate future involves offering both our current and potential customers a new travel experience through the creation of a new Renfe as a Service (RaaS) Platform. It consists of a catalogue of services where our customers will be able to interact via various channels, such as the app, the website and social media. The new catalogue will include services offered by other private and public transport operators, including door-to-door, on demand, customised fare and single payment services.

These are some of the key aspects that define and drive the creation of the Renfe project as a Service:

- A focus on Mobility as a Service, building a cooperative business model that is open to all operators under Renfe's public leadership. It is based on strategic and commercial alliances at all levels with public administrations and private companies operating in the mobility ecosystem, both locally and internationally. A flexible and customised model that can adapt to the peculiarities of each geographical area so that everyone feels that the platform is tailored to them.
- It is based on the integration of Big Data technologies, our recently launched open data platform, the Internet of Things and the transformation of our sales channels, among other aspects.
- As a result of this plan, Renfe will be made acutely aware that the digital transformation has enabled various players to create new models in the mobility business. Consequently, among other aspects, the extensive competition we now face does not lie solely in the rail sector, but also in the various mobility platforms that have been launched by players in the automotive industry, construction companies, technology companies and public-sector operators.

What we offer customers:

- A Journey Planner that enables users to view all services available.
- The ability to offer a customised fare on a single ticket, while guaranteeing data security and privacy.
- Real-time assistance while the services are being provided through the various digital channels.

What we offer operators:

- Open Platform.
- Redistribution of revenues to third parties.
- Security in all transactions.
- Integration of all services offered by affiliated operators.

What we offer the Transport Consortia and Authorities:

- An Own Brand Technology Brand.
- Integration of services offered by local operators.
- Customisation of the service offering.

In order to test the future RaaS platform, at the end of 2019 a pilot programme was launched between Madrid and Barcelona, integrating taxi operators, the VTC sector (chauffeur-driven ride-sharing apps) electric scooters and the train.



## Digitalisation

Renfe is well aware of the digitalisation trend that is revolutionising the way people move around, and the strategy on which these services are based in order to innovate in operations, centralise efforts and reduce costs.

In this transformation process, efforts are focused on offering more attractive and integrated mobility, while seeking to contribute to smarter and more sustainable operations.

Renfe's strategic plan proposes a range of digital initiatives, with digitalisation as one of its three pillars.

These initiatives run alongside other previous undertakings aimed at improving operating efficiency. By way of example, the mechanisation of legal case files and the start-up of the TabTren project, which facilitates access to engine driver documentation and is described in greater detail below.

### TabTren project

Project TabTren was created to facilitate to drivers the numerous regulatory and operational documents that are part of their daily activities. The aim of this project is to integrate the drivers into the information systems to facilitate delivery of the regulatory and service documentation, and to help them manage their daily agenda. Addressing this challenge is made possible through the development of mobility solutions and devices.

This entails the implementation of an integrated mobility platform that includes the devices themselves (tablets, beacons, etc.) and an information management app that drivers will use in driving and related tasks.

Among the expected benefits:

- It allows drivers to access both regulatory and operating information immediately, from anywhere and at any time.
- Management centres have absolute control over the information distributed, as well as the information received by each driver.

The project was rolled out in 2019 and is now in the production stage.

### Open data

Renfe has the idea of compiling the information it holds, and which it considers to be of use to the public, to develop a website where information that is usable by third parties can be housed in an orderly fashion – an Open Data Portal.

The portal data.renfe.es has been developed, with various sets of accessible and downloadable data, including Renfe stations and timetables.

New datasets have been added to the portal:

- Station files. A new column has been added to show the features of each station: tracks, services, equipment, etc., among others.
- Wash tunnel files. The files on the train wash tunnels managed by Renfe Viajeros have been added to the portal to include the features of the station where they are located.
- Train files. Datasets that contain technical information on the trains, including a photo gallery, videos and all technical data.
- Tourist train files.
- Eighteen datasets have been created with the traveller frequency by hour and for each suburban rail hub.

All the datasets have been grouped together by theme to ensure they are in line with the Spanish government’s open data initiative (datos.gob.es). There is a total of 67 datasets.

A statistics tab has also been added that includes the portal’s activity; the type of user license for the datasets has also been added.

### Renfe.com

As part of the initiative to improve the customer interface, a new renfe.com website has been put out to tender with a view to adapting our customer communication channels to the company’s new products and services and to the public’s requirements.

The objectives of the project include the following:

- Easy to use. A simpler, faster and more intuitive experience for our customers.
- More visits. Use of the website should broaden, by extending the range of access devices (mobility) and its positioning in search engines (SEO).
- Facilitation and promotion of ticket sales. It should help website users to access the site and provide support for ticket sales transactions.
- Internationalisation. The international market is expanding, mainly on the basis of tourism. To strengthen this aspect, the renfe.com content needs to be translated and localised for each market.
- A website for each individual. Technology allows each and every person/group to have a different perception of the website, tailored to their needs.
- Technological infrastructure as a service. Demand for use of digital channels is, by its nature, variable and platforms must constantly adapt to demand.



## Cybersecurity

Cybersecurity and privacy are key elements to be taken into consideration in all digitalisation initiatives. The Renfe Group's strategy for addressing cyber threats is based on the following main concepts:

- Consistency with the national cybersecurity strategy.
- Identification and compliance with applicable laws in this field.
- Support for projects, products and services through data protection, networks and systems that enable and ensure their proper functioning.
- Risk management.
- Management of security incidents, as well as the minimisation of their impact.
- Preventive and reactive response to sector-specific threats.
- Transparency and cooperation with the control authorities: Ministry of Public Works, National Centre for the Protection of Infrastructure and Cybersecurity (CNPIC), National Intelligence Centre (CNI), National Security Department (DSN), among others.

As regards risk management, security and privacy controls have been put in place, which currently include the following: identity management, access control, traceability, perimeter security, network and application security, cloud security, intelligence gauging, etc. among others.

The Renfe-CERT incident response service forms part of the international network FIRST, with over 500 CERTs, as well as the national network CSIRT.es. Renfe-CERT has the capabilities required to anticipate, detect, investigate and manage security incidents, minimising the impact of any cyber threats that may arise. Details of more than 600 million events are gathered and listed each day and possible incidents are identified amongst these, which must then be investigated either to rule them out or to determine their cause, how they

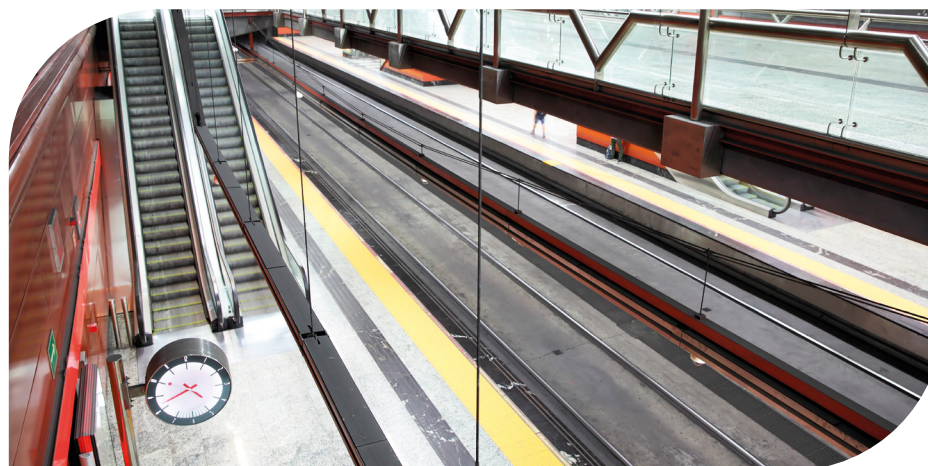


penetrated the system, the damage done, and the containment and recovery measures to be adopted.

Various projects and initiatives have been undertaken during the year in relation to cybersecurity and privacy, including the following:

- Improved access for digital management of employees and suppliers.
- Creation of a security hub for the interconnection of cloud-based solutions. Launch of a project to identify and improve the security of components, using operational technology (OT) at stations (self-service sales, access controls, signage, etc.).
- Creation of a privacy office to enable compliance with the GDPR at all times.
- Shift in the existing ethical hacking service from one-off intrusion tests to a continuous evaluation process.
- Incorporation of privacy and security, from the design stage, into products and services that use networks and information systems, and including security requirements in all tender specifications.
- Employee training on cybersecurity.
- Creation of a privacy committee, in addition to the existing security committee, with other non-technical profiles.
- Inventory of processing carried out within the Renfe Group, through records of processing activities.
- Review of all informative text on data protection.
- Ongoing advice and support for the different Renfe Group areas on matters concerning compliance with data protection regulations, and for the data protection officer.

- Project to secure certification for its management system, based on the national security format, from an entity authorised by Spain's national accreditation body, ENAC.
- Inclusion of cybersecurity requirements in the technical specifications when placing new orders for trains. In this respect, Renfe is one of the first three companies in the sector worldwide to have devised requirements to protect against cyber threats, and the first to have specifically considered the particular traits of the matter.
- Make phishing campaigns a continuous process, as a means of assessing awareness, with the ensuing improvement in the security culture, and, consequently, as a way of evaluating the training given.
- Implementation of a new email cleaning and protection service. During the tests carried out, around 80% of emails received for different reasons were eliminated, such as: Emails from websites on blacklists, emails containing viruses, emails containing attachments with some sort of malware (a virus, etc.) and emails containing malicious links.





## Our team





## Job creation

In 2019 the Renfe Group continued with the process started in 2016 to respond to the need for rejuvenation of its workforce; a rejuvenation that is also proposed to gain in competitiveness and productivity and be in the best conditions to meet the challenges in the railway sector.

To achieve these objectives, last year an offer was published for permanent jobs, to cover 335 entry-level sales staff posts, of which 30 are reserved for military troop and marine personnel who are in the last ten years of their long-term contract and/or for high-availability reservists, 243 entry-level maintenance and manufacture posts, of which 30 are reserved for military troop and marine personnel in the last ten years of their long-term contract and/or high-availability reservists, 400 entry-level train driver posts for services on national routes and 25 posts for services on cross-border routes with France, and 12 technical and/or support service posts. Most professionals are being recruited in these operational groups, which are linked to railway operations.



In addition to the above, job opportunities were created for 277 entry-level sales staff, 103 entry-level maintenance and manufacture staff, and a further 314 posts for the drivers group, to meet requirements that arose during the year.

These actions are carried out within the context of the Renfe Group's Employment Plan, which was implemented in 2016 and is based on the following:

- Voluntary Early Retirement Plan and Partial Retirement Plan for the orderly departure of employees.
- Recruitment Plan to replace employees in the areas where most necessary and rejuvenate the workforce.
- Adjustment of contracts to market conditions.

Under the Voluntary Early Retirement Plan, 661 employees opted to leave in 2019, distributed as follows: Renfe Operadora: 15, Renfe Viajeros Sociedad Mercantil Estatal, S.A.: 414, Renfe Mercancías Sociedad Mercantil Estatal, S.A.: 74 and Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A.: 158.

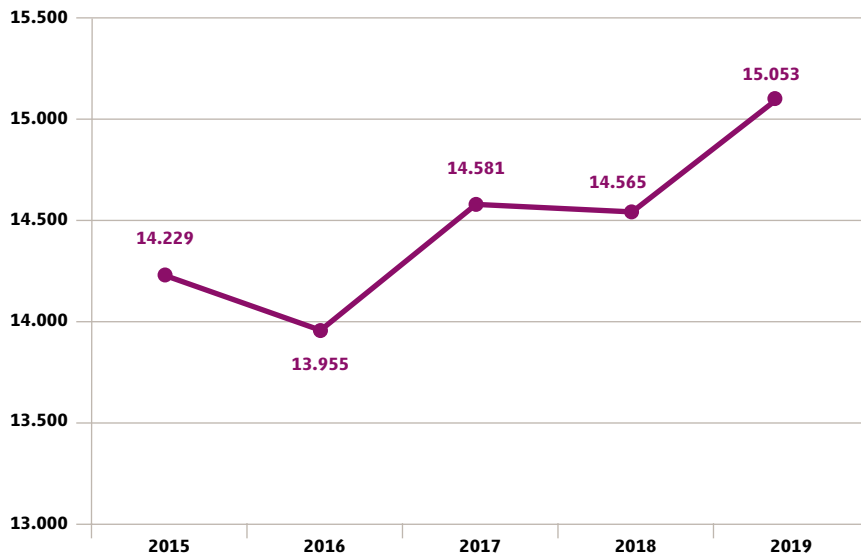
In 2019, under the Partial Retirement Plan, 371 employees opted for partial retirement in accordance with the legal provisions for a scheme involving partial retirement combined with a permanent replacement contract, distributed as follows: Renfe Operadora: 14, Renfe Viajeros Sociedad Mercantil Estatal, S.A.: 263, Renfe Mercancías Sociedad Mercantil Estatal, S.A.: 14 and Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A.: 80.

The replacement rate for each year must be previously approved for this Voluntary Early Retirement Plan and Partial Retirement Plan.

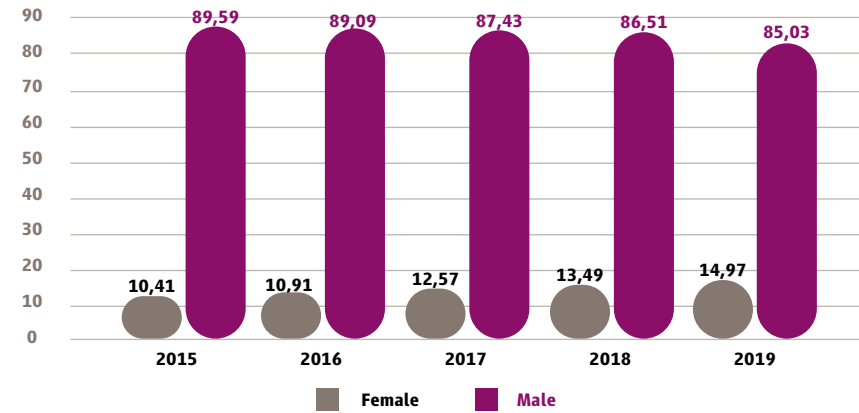
**DIVERSITY MANAGEMENT**

At the 2019 year end, the Renfe Group’s workforce consisted of 15,053 employees, 93.07% of whom are permanent staff. Lowering the average age of the workforce, which is around 49.8 years of age, as well as increasing the percentage of female employees, which stands at a mere 14.97%, are primary objectives in the implementation and execution of the Strategic Plan.

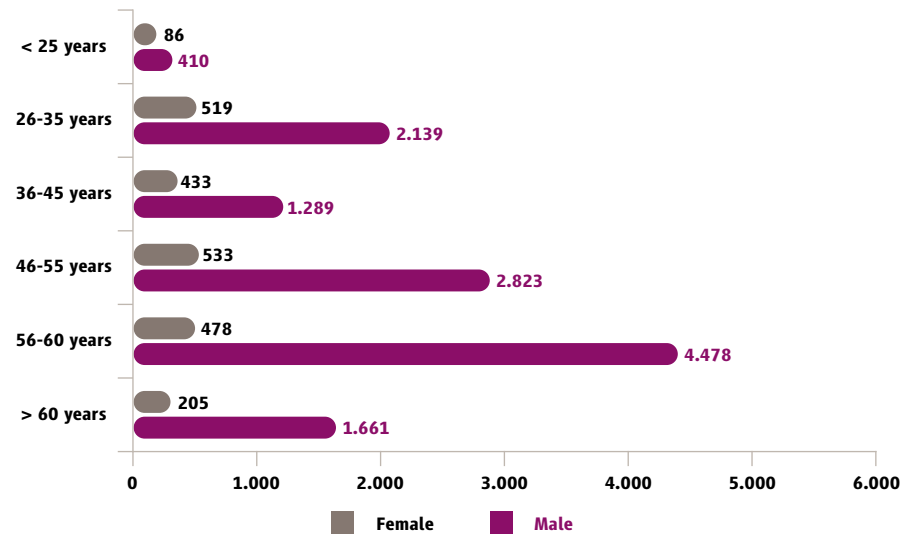
**NO. OF EMPLOYEES**



**PERCENTAGE OF WORKFORCE MALE/FEMALE**



**DISTRIBUTION OF THE WORKFORCE BY AGE AND GENDER**

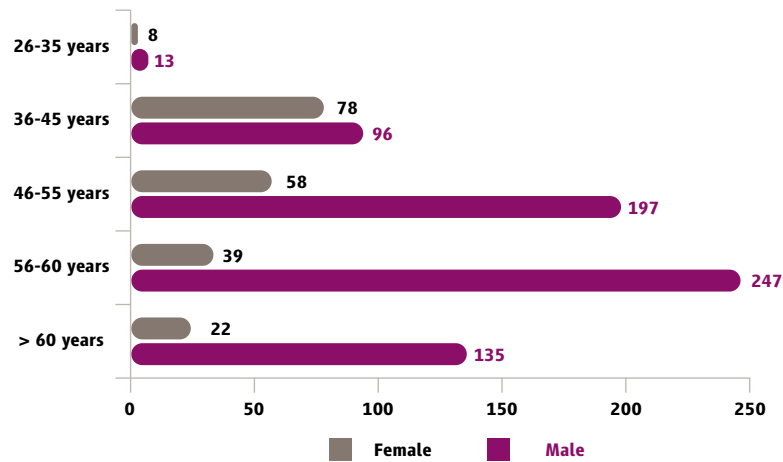




The average age of the workforce is 49.8, with that of men being 50.39 years compared to the average age of 46.51 years for women.

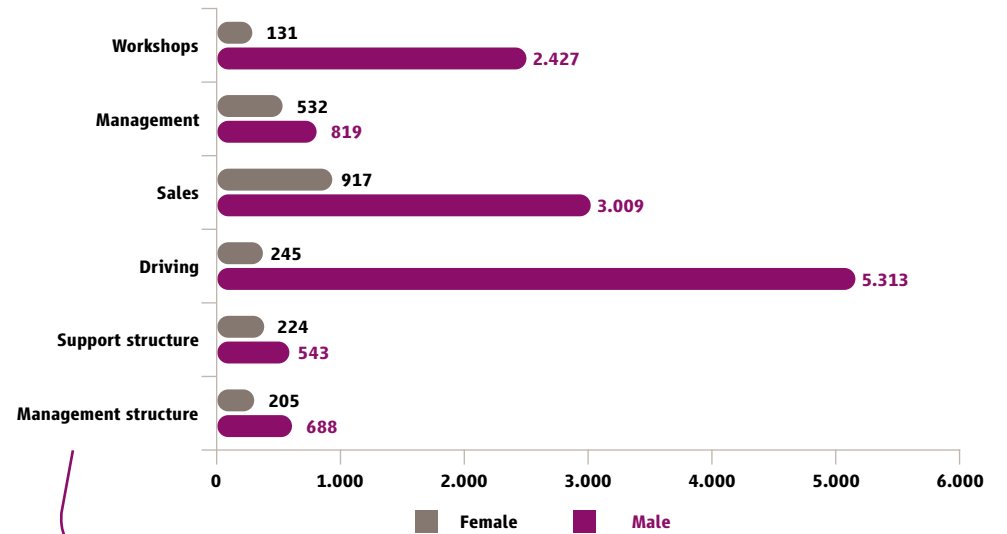
Application of the Employment Plan since 2016 has led to a reduction of around three years in the average age. The estimated impact of applying the Employment Plan over the next five years is an annual reduction of almost one year in the average age, so that in 2023 the average age will be around 45 years.

### DISTRIBUTION OF MANAGEMENT STRUCTURE BY AGE AND GENDER



The average age of employees in the Renfe Group’s management structure is 54, specifically an average age of 55 for men and 50 for women.

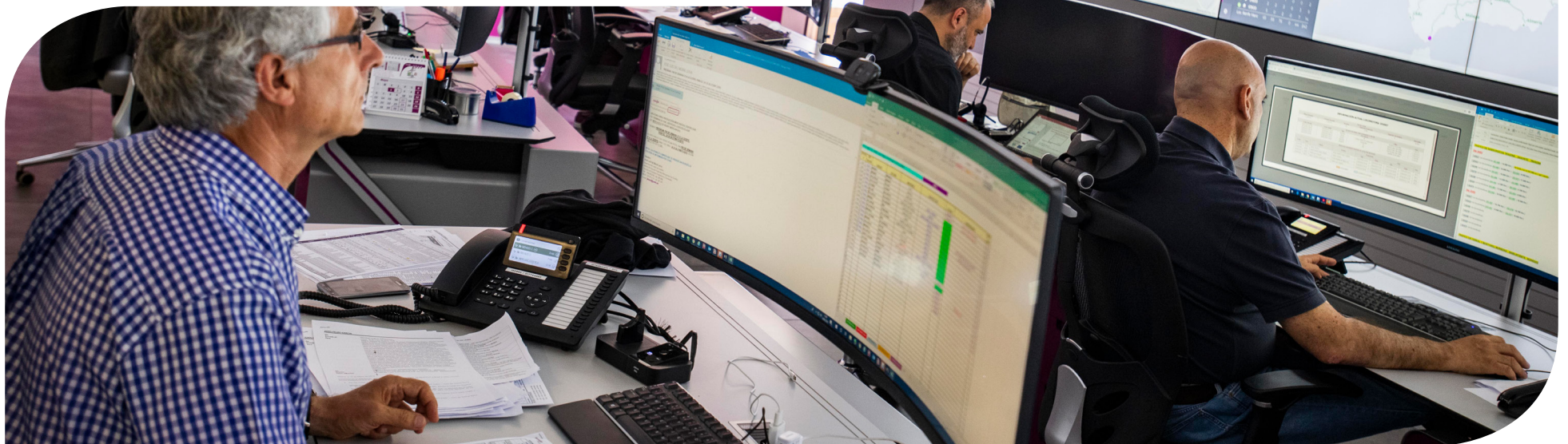
### DISTRIBUTION OF WORKFORCE BY PROFESSIONAL CATEGORY AND GENDER



The above graph shows clearly the minimal percentage of female employees in the drivers and workshop groups, standing respectively at 4.4% and 5.1%. The highest percentage of women is in the management group, at approximately 40%.

**DISTRIBUTION OF WORKFORCE  
BY AREA OF ACTIVITY**

	2019	2018
Office of the Chairman / Deputy to the Presidency	37	29
General Secretary and Board of Directors	31	38
Operations Department	467	372
Directorate-General of Economics and Finance	135	139
Directorate-General of Development and Strategy	191	172
Directorate-General of Safety, Organisation and Human Resources	290	249
Directorate of Communications, Branding and Advertising	52	54
General Management of Renfe Mercancías	1,015	1,017
General Management of Renfe Fabricación y Mantenimiento	3,163	3,165
General Management of Renfe Viajeros	9,666	9,323
General Management of Renfe Alquiler de Material Ferroviario	6	7
<b>Total</b>	<b>15,053</b>	<b>14,565</b>



### DISTRIBUTION OF WORKFORCE IN SPAIN BY GENDER, REGION AND TYPE OF CONTRACT

AUTONOMOUS REGION	TYPE OF CONTRACT	2019		2018	
		MALE	FEMALE	MALE	FEMALE
Andalusia	Permanent	1,463	232	1,551	194
Aragón	Permanent	389	24	413	19
Asturias	Permanent	621	99	660	87
Cantabria	Permanent	277	26	293	22
Castile-La Mancha	Permanent	224	8	226	11
Castile-Leon	Permanent	1,321	166	1,370	143
Catalonia	Permanent	1,698	338	1,694	301
Valencia	Permanent	963	111	990	95
Extremadura	Permanent	86	8	104	3
Galicia	Permanent	522	84	525	80
La Rioja	Permanent	4	4	4	3
Madrid	Permanent	3,532	857	3,544	789
Murcia	Permanent	239	19	237	17
Navarre	Permanent	54	9	57	7
Basque Country	Permanent	502	81	549	76
<b>Total</b>		<b>11,895</b>	<b>2,066</b>	<b>12,217</b>	<b>1,847</b>
<b>Total employees with a permanent contract</b>		<b>14,010</b>		<b>14,075</b>	

### DISTRIBUTION OF WORKFORCE IN SPAIN BY GENDER, REGION AND TYPE OF CONTRACT

AUTONOMOUS REGION	TYPE OF CONTRACT	2019		2018	
		MALE	FEMALE	MALE	FEMALE
Andalusia	Temporary	86	5	2	2
Aragón	Temporary	24	-	1	-
Asturias	Temporary	30	5	11	5
Cantabria	Temporary	17	5	3	2
Castile-La Mancha	Temporary	13	4	-	-
Castile-Leon	Temporary	57	6	7	1
Catalonia	Temporary	121	25	74	15
Valencia	Temporary	28	1	12	1
Extremadura	Temporary	17	3	-	-
Galicia	Temporary	18	4	9	1
La Rioja	Temporary	1	-	-	-
Madrid	Temporary	80	14	7	12
Murcia	Temporary	8	1	4	-
Navarre	Temporary	2	-	-	-
Basque Country	Temporary	62	8	19	2
<b>Total</b>		<b>564</b>	<b>81</b>	<b>149</b>	<b>41</b>
<b>Total employees with a temporary contract</b>		<b>1,043</b>		<b>490</b>	

### DISTRIBUTION OF WORKFORCE IN SAUDI ARABIA AND TEXAS BY GENDER, REGION AND TYPE OF CONTRACT

TYPE OF CONTRACT	2019		2018	
	MALE	FEMALE	MALE	FEMALE
Permanent	49	-	11	-
Temporary	291	107	223	77
<b>Total</b>	<b>340</b>	<b>107</b>	<b>234</b>	<b>77</b>
<b>Total employees</b>	<b>447</b>		<b>311</b>	

### DISTRIBUTION OF WORKFORCE BY TYPE OF CONTRACT/ WORKING DAY

	2019				2018			
	FULL TIME		REDUCED WORKING		FULL TIME		REDUCED WORKING	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Permanent contract	11,906	1,966	38	100	12,186	1,752	42	95
Temporary contract	531	141	324	47	372	118	-	-
<b>Total</b>	<b>12,437</b>	<b>2,107</b>	<b>362</b>	<b>147</b>	<b>12,558</b>	<b>1,870</b>	<b>42</b>	<b>95</b>
<b>Total employees</b>	<b>14,544</b>		<b>509</b>		<b>14,428</b>		<b>137</b>	





**DISTRIBUTION OF WORKFORCE BY TYPE OF CONTRACT/WORKING DAY/AGE/PROFESSIONAL GROUP 2019**

TYPE OF CONTRACT	WORKING DAY	AGE GROUP	MANAGEMENT STRUCTURE	SUPPORT STRUCTURE	DRIVERS	SALES STAFF	WORKSHOP PERSONNEL	ADMINISTRATION AND MANAGEMENT	
Permanent	Full time	< 26 years	0	1	187	48	101	3	
		26 to 35	20	95	1,239	435	386	43	
		36 to 45	160	124	655	358	209	62	
		46 to 55	256	189	1,220	788	549	304	
		56 to 60	221	167	1,530	1,007	900	330	
		> 60 years	210	146	370	987	352	220	
	Reduced working day	< 26 years	0	0	0	0	1	0	
		26 to 35	0	1	3	13	1	0	
		36 to 45	13	9	9	37	0	4	
		46 to 55	0	4	6	17	6	2	
		56 to 60	1	0	2	4	0	0	
		> 60 years	0	0	0	5	0	0	
	Temporary	Full time	< 26 years	0	0	55	1	0	98
			26 to 35	0	0	156	0	0	197
36 to 45			0	0	106	1	0	37	
46 to 55			1	0	16	0	0	4	
Reduced working day		36 to 45	0	1	0	0	0	0	
		> 60 years	225	3	31	11	47	53	

**2018**

Permanent	Full time	< 26 years	56 a 60 years	-	168	21	62	2
		26 to 35	5	16	978	303	275	78
		36 to 45	122	96	501	259	145	80
		46 to 55	260	217	1,565	919	734	395
		56 to 60	263	206	1,821	1,501	1,088	414
		> 60 years	141	108	154	683	208	150
	Reduced working day	< 26 years	-	-	-	-	2	-
		26 to 35	-	1	4	16	-	-
		36 to 45	13	13	8	23	-	3
		46 to 55	-	2	10	20	6	3
		56 to 60	1	-	2	9	-	-
Temporary	Full time	> 60 years	-	-	-	1	-	-
		< 26 years	-	-	-	-	-	1
		26 to 35	-	-	33	5	3	88
		36 to 45	-	1	103	19	20	162
		46 to 55	1	3	15	12	3	10
		56 to 60	-	-	2	3	1	5

Employees on a reduced working day work between 50% and 87.5% of the normal working day.

## Stable employment

The policies that Renfe promotes for job stability are a key factor for the overall development of the organisation and its employees. Through agreements with the workers' committee, temporary and/or permanent staff are hired based on specific needs.

### WORKFORCE TURNOVER

	2019	2018
Male	8.13	7.52
Female	9.42	7.66

### LENGTH OF SERVICE

	2019	2018
Male	26.22	28.24
Female	19.26	21.72

### NUMBER OF DISMISSALS/ DEPARTURES RECORDED BY GENDER

	2019		2018	
	HOMBRE	MUJER	HOMBRE	MUJER
Disciplinary dismissal	5	-	4	-
Express resignation	43	7	28	3
Leave of absence for secondment to an investee	5	3	1	-
Voluntary leave of absence	7	4	10	1
Mandatory leave of absence	1	-	1	-
Leave of absence to care for family members	3	-	-	2
Workforce restructuring plan (ERE)	-	-	-	-
Maternity/Paternity leave	-	3	2	7
Termination of employment relationship (Death/Disability)	73	6	63	8
End of contract	19	12	39	12
Voluntary departures	647	14	774	31
Retirement	106	7	90	12
<b>Total</b>	<b>909</b>	<b>56</b>	<b>1,012</b>	<b>76</b>
<b>Total employees</b>	<b>965</b>		<b>1,088</b>	



**NUMBER OF DISMISSALS/ DEPARTURES RECORDED BY AGE**

	2019						2018					
	+ 60	56-60	46-55	36-45	26-35	-26	+ 60	56-60	46-55	36-45	26-35	-26
Disciplinary dismissal	-	1	-	1	3	-	-	1	-	2	-	1
Express resignation	-	-	-	4	35	11	-	1	2	3	23	3
Leave of absence for secondment to an investee	-	4	1	3	-	-	-	-	1	-	-	-
Voluntary leave of absence	-	2	1	5	3	-	1	-	3	2	3	2
Mandatory leave of absence	-	-	1	-	-	-	-	-	1	-	-	-
Leave of absence to care for family members	1	1	1	-	-	-	-	1	1	-	-	-
Workforce restructuring plan (ERE)	-	-	-	-	-	-	-	-	-	-	-	-
Maternity/Paternity leave	-	-	-	-	3	-	-	-	1	5	3	-
Termination of employment relationship (Death/Disability)	27	38	10	3	1	-	25	39	5	1	1	0
End of contract	-	-	-	8	18	5	1	-	9	15	15	11
Voluntary departures	370	291	-	-	-	-	611	194	-	-	-	-
Retirement	112	-	-	1	-	-	102	-	-	-	-	-
<b>Total</b>	<b>510</b>	<b>337</b>	<b>14</b>	<b>25</b>	<b>63</b>	<b>16</b>	<b>707</b>	<b>268</b>	<b>24</b>	<b>27</b>	<b>45</b>	<b>17</b>
<b>Total employees</b>	<b>965</b>						<b>1,088</b>					



**NUMBER OF DISMISSALS/  
DEPARTURES RECORDED BY  
PROFESSIONAL CATEGORY**
**2019**

	MANAGEMENT STRUCTURE	SUPPORT STRUCTURE	ADMINISTRATION AND MANAGEMENT	DRIVERS	SALES STAFF	WORKSHOP PERSONNEL
Disciplinary dismissal	1	-	1	2	1	-
Resignation	-	-	42	7	1	-
Leave of absence for secondment to an investee	5	1	1	-	1	-
Voluntary leave of absence	2	2	2	1	3	1
Mandatory leave of absence	-	-	-	-	-	1
Leave of absence to care for family members	-	1	-	-	1	1
Maternity/Paternity leave	-	-	-	-	3	-
Termination of employment relationship (Death/Disability)	4	2	10	20	23	20
End of contract	-	-	21	1	9	-
Voluntary departures	33	7	26	427	27	141
Retirement	3	6	4	13	65	22
<b>Total</b>	<b>48</b>	<b>19</b>	<b>107</b>	<b>471</b>	<b>134</b>	<b>186</b>
<b>Total employees 2019</b>	<b>965</b>					

**NUMBER OF DISMISSALS/  
DEPARTURES RECORDED BY  
PROFESSIONAL CATEGORY**
**2018**

	MANAGEMENT STRUCTURE	SUPPORT STRUCTURE	ADMINISTRATION AND MANAGEMENT	DRIVERS	SALES STAFF	WORKSHOP PERSONNEL
Disciplinary dismissal	-	-	1	1	1	1
Express resignation	-	-	18	7	4	2
Leave of absence for secondment to an investee	1	-	-	-	-	-
Voluntary leave of absence	2	-	2	1	2	4
Mandatory leave of absence	1	-	-	-	-	-
Leave of absence to care for family members	-	-	1	-	1	-
Workforce restructuring plan	-	-	-	-	-	-
Maternity/Paternity leave	1	1	1	1	4	1
Termination of employment relationship (Death/Disability)	1	3	6	12	23	26
End of contract	4	-	2	3	18	24
Voluntary departures	45	39	46	403	148	124
Retirement	2	5	5	17	53	20
<b>Total</b>	<b>57</b>	<b>48</b>	<b>82</b>	<b>445</b>	<b>254</b>	<b>202</b>
<b>Total employees 2018</b>	<b>1.088</b>					



## 2019

### AVERAGE REMUNERATION BY PROFESSIONAL CATEGORY, AGE AND GENDER IN EUROS

	MANAGEMENT STRUCTURE (*)		SUPPORT STRUCTURE		ADMINISTRATION AND MANAGEMENT		DRIVERS		SALES STAFF		WORKSHOP PERSONNEL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
< 26 years	-	-	-	-	27,034	26,924	37,231	36,471	20,013	20,932	23,637	22,087
26-35	51,969	54,657	52,517	37,640	35,824	31,632	49,095	47,759	33,585	28,399	29,129	25,961
36-45	63,153	56,172	48,596	43,382	34,305	34,693	54,388	53,109	36,031	33,089	32,437	39,615
46-55	66,398	64,615	48,488	47,536	39,312	38,447	62,536	57,726	44,245	38,563	41,190	39,120
56-60	69,761	64,142	50,291	49,566	39,576	37,966	62,654	60,764	44,938	40,965	42,008	38,250
> 60 years	72,828	64,886	47,567	44,971	35,499	33,513	60,593	-	41,444	38,163	37,603	32,503

## 2018

### AVERAGE REMUNERATION BY PROFESSIONAL CATEGORY, AGE AND GENDER IN EUROS

	MANAGEMENT STRUCTURE (*)		SUPPORT STRUCTURE		ADMINISTRATION AND MANAGEMENT		DRIVERS		SALES STAFF		WORKSHOP PERSONNEL	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
< 26 years	-	-	-	-	-	-	36,474	37,018	19,623	20,679	21,832	-
26-35	51,049	43,512	43,107	41,757	29,404	30,185	49,141	47,605	32,095	27,594	29,438	29,792
36-45	58,703	52,500	51,390	43,399	31,006	30,417	52,506	52,072	35,006	30,801	31,521	34,744
46-55	62,668	63,264	47,549	45,529	37,815	36,728	59,906	56,182	42,177	36,298	39,421	37,512
56-60	64,039	62,274	48,381	46,219	37,700	36,243	59,647	60,354	43,002	38,369	39,957	36,559
> 60 years	66,060	60,802	47,788	48,072	36,386	35,972	57,389	-	42,755	38,479	39,596	38,543

(\*) Management structure includes senior management personnel, formed by members of Renfe's steering committee

## Pay gap

The calculation of average remuneration takes into account all income of employees who remained in the same professional group in 2019.

Nonetheless, an overall direct comparison between average salaries by gender cannot be made using standard criteria. The following must be considered: firstly, the longer length of service of men compared to women, and secondly the low percentage of women in direct labour positions, for which the remuneration is higher than the average in the company due to the particular characteristics of these jobs (working day, travel, etc.). In addition to these factors are the productivity bonuses that vary depending on the work centre.

The pay gap of the Renfe Group is 3.25% in 2019 and was 3.41% in 2018.

### 2019

GROUP	TIER	MALE	FEMALE	DIFFERENCE (MALE/FEMALE)/ MALE	NUMBER OF EMPLOYEES IN GROUP	% EMPLOYEES IN GROUP/ TOTAL	GROUP CONTRIBUTION TO PAY GAP
Management structure	Management	68,561	61,488	10.32%	893	5,93%	0,61%
Support structure	Qualified personnel	49,024	45,531	7.13%	767	5,10%	0,36%
Administration	Middle management - Administration and Management	39,748	37,423	5.85%	469	3,12%	0,18%
	Administration and management specialist	37,445	38,933	-3.97%	130	0,86%	-0,03%
	Administration and management staff	36,589	36,265	0.89%	418	2,78%	0,02%
Drivers	Middle management - Drivers	61,123	55,880	8.58%	407	2,70%	0,23%
	Senior train driver	63,091	62,157	1.48%	3,131	20,80%	0,31%
	Train driver	47,322	46,202	2.37%	1,041	6,92%	0,16%
	Entry-level train driver	37,170	37,577	-1.10%	979	6,50%	-0,07%
Sales staff	Middle management - Sales	43,075	39,863	7.46%	433	2,88%	0,21%
	Onboard Services Supervisor for AVE and Euromed	49,831	50,027	-0.39%	226	1,50%	-0,01%
	Sales specialist	45,679	42,566	6.81%	1,589	10,56%	0,72%
	Sales staff	37,588	36,963	1.66%	1,149	7,63%	0,13%
	Entry-level sales staff	20,809	20,957	-0.71%	502	3,33%	-0,02%
Workshop personnel	Middle management - Maintenance and Manufacture	44,772	48,138	-7.52%	151	1,00%	-0,08%
	Maintenance and Manufacture specialist	44,301	43,383	2.07%	365	2,42%	0,05%
	Maintenance and Manufacture staff	39,862	38,394	3.68%	1,480	9,83%	0,36%
	Entry-level Maintenance and Manufacture staff	22,622	21,831	3.50%	429	2,85%	0,10%

**2018**

GROUP	TIER	MALE	FEMALE	DIFFERENCE (MALE/FEMALE)/ MALE	NUMBER OF EMPLOYEES IN GROUP	% EMPLOYEES IN GROUP/ TOTAL	GROUP CONTRIBUTION TO PAY GAP
Management structure	Management	63,416	58,975	7,00%	806	5,53%	0,39%
Support structure	Qualified personnel	48,176	44,969	6,66%	663	4,55%	0,30%
Administration	Middle management - Administration and Management	37,006	34,988	5,45%	556	3,82%	0,21%
	Administration and Management specialist	37,477	37,999	-1,39%	141	0,97%	-0,01%
	Administration and Management staff	35,750	35,168	1,63%	694	4,76%	0,08%
Drivers	Middle management - Drivers	58,568	54,777	6,47%	406	2,79%	0,18%
	Senior train driver	60,830	60,625	0,34%	3,331	22,87%	0,08%
	Train driver	47,659	47,008	1,37%	811	5,57%	0,08%
	Entry-level train driver	35,724	36,204	-1,34%	816	5,60%	-0,08%
Sales staff	Middle management - Sales	42,382	38,315	9,60%	437	3,00%	0,29%
	Onboard Services Supervisor for AVE and Euromed	48,238	47,905	0,69%	239	1,64%	0,01%
	Sales specialist	44,857	41,106	8,36%	1,677	11,51%	0,96%
	Sales staff	35,934	34,690	3,46%	1,094	7,51%	0,26%
	Entry-level sales staff	28,778	27,198	5,49%	10	0,07%	0,00%
	Entry-level sales staff	20,130	19,925	1,02%	337	2,31%	0,02%
Workshop personnel	Middle management - Maintenance and Manufacture	44,526	46,990	-5,53%	156	1,07%	-0,06%
	Maintenance and Manufacture specialist	42,624	41,710	2,14%	374	2,57%	0,06%
	Maintenance and Manufacture staff	38,443	36,832	4,19%	1,663	11,42%	0,48%
	Entry-level Maintenance and Manufacture staff	22,359	20,875	6,64%	354	2,43%	0,16%

### Remuneration of Renfe’s directors

As far as remuneration is concerned, the members of the Board of Directors attending its meetings receive the financial compensation authorised by the Ministry of Economy and Finance, at the initiative of the Ministry of Public Works, in line with the provisions of article 14 of the entity’s Statute, approved by Royal Decree 2396/2004 of 30 December 2004. Board Members holding senior executive offices receive no remuneration whatsoever, the relevant amount being paid into the Public Treasury.

Note that changes were made to the composition of the Board of Directors in 2019. Of the members of the Board at 31 December 2019, per diems were only paid to 11 directors, with a maximum annual amount of Euros 11,523.27 per director.

### Policy of disconnection from work

Although the Renfe Group has no specific policy in this respect, it is aware of the legislation and the need for its employees to rest and have a work/life balance. It therefore facilitates and guarantees the right to privacy and digital disconnection for its employees outside of their working hours.

### Disabled employees

The Renfe Group’s activity, in which almost 40% of its employees belong to the drivers group where the levels of psychological and physical ability, stipulated by the Ministry of Public Works Order FOM 2872/2010, are very demanding and positions cannot be reserved for employees with disabilities, means that the Group is bordering the 2% required by law.

Accordingly, as there are exceptional circumstances regarding the obligation to include people with disabilities in certain groups and functions, Renfe has adopted other measures through service contracts with special employment centres for the provision of non-core services that are ancillary to its normal business activity.

In 2019, Renfe invested more than Euros 11.7 million in different contracts awarded to special employment centres.

DISABLED EMPLOYEES	2019		2018	
	DISABLED EMPLOYEES	% DISABLED EMPLOYEES	DISABLED EMPLOYEES	% DISABLED EMPLOYEES
Male	208	1,63%	190	1,51 %
Female	33	1,46%	32	1,63 %
Total	241	1,60%	222	1,52 %

All of Renfe’s offices and workshops can be accessed by employees with disabilities. In the case of the head offices in Avda. Pío XII, 110, as this is an area affected by the “Madrid Nuevo Norte” (urban refurbishment) project, works to improve accessibility are only carried out when necessary.



## Organisation of work

### Organisation of working time

Employees at the Renfe Group work a total of 1,642 hours per year, spread over 213 working days. Nonetheless, in certain groups that work according to a shift schedule, such as drivers and sales staff, the hours they work depend on production and the commercial offering.

The annual holiday period established under the collective bargaining agreement is 35 calendar days and 6 days for personal matters.

	2019		2018	
	MALE	FEMALE	MALE	FEMALE
<b>ABSENTEEISM</b>				
Hours of absenteeism	2,308,240	548,224	2,078,359	435,243

### ABSENTEEISM RATE, OCCUPATIONAL ILLNESSES, DAYS LOST AND FATALITIES

	2019	2018
Absenteeism rate due to occupational accidents	0.53	0.49
Working days lost due to occupational accidents	26,343	23,624

	2019		2018	
	MALE	FEMALE	MALE	FEMALE
Fatalities due to non-traumatic occupational accidents	0	0	1	0
Occupational illnesses reported	7	3	9	2

### Work/life balance at Renfe

The Group's employment regulations include the following work/life balance measures:

- Flexible timetable
- Possibility of choosing shifts
- Continuous working day
- Preference when holiday schedules are drawn up
- Positions reserved for employees taking leave to care for dependents
- Fertility treatment: Unpaid leave for six consecutive calendar days when undergoing fertility treatments that do not involve temporary disability

The signing of the Renfe Group's 2nd Collective Bargaining Agreement has given rise to the Technical Working Group for Equality and Social and Labour Matters, as well as a Working Group that, together with the workers' legal representation, will address matters relating to equality and work/life balance.



## Occupational health and safety

The indicators of frequency and severity, occupational illnesses and the total number of occupational accidents that occurred in the Renfe Group in 2019, broken down by gender, are provided below:

INDICATORS OF OCCUPATIONAL ACCIDENTS	2019		2018	
	MALE	FEMALE	MALE	FEMALE
Frequency	20.26	13.52	22.03	14
	19.33		21.07	
Severity	0.90	0.77	0.86	0.49
	0.88		0.80	
Occupational illnesses	7	3	9	2
	10		11	
Occupational accidents	903	101	966	99
	1,004		1,065	

Actions undertaken in the area of occupational health and safety in 2019 include the following:

- Drafting and approval of the directive on “Safety of pregnant, postpartum and breastfeeding women” by the Health and Safety Committee. The aim of this protocol is to ensure a speedy, effective response that will safeguard the health and safety of pregnant employees by means of different actions related to the various corporate areas involved (Prevention Service, Human Resources, Production, etc.), verifying whether their new situation and any preventive measures that would have to be taken comply with the provisions for the assessment of risk in the workplace.
- Collaboration agreement between Renfe Operadora and the Spanish Heart Foundation to promote healthy habits specifically in the workplace from the perspective of the

cardiovascular health of Renfe Group employees, in order to prevent and reduce the incidence of cardiovascular illness in the company.

- Approval by Renfe Group’s Steering Committee of the General Procedure under the Occupational Risk Prevention Plan. The approval thereof represents a significant move towards the necessary integration of occupational risk prevention within all areas and at all levels of the company hierarchy. Before being approved the Plan was agreed upon by the Health and Safety Committee.

The data on training in the Health and Safety training programme in 2019 are shown below, with the number of participants and total hours:

	2019		2018	
	PARTICIPANTS	HOURS	PARTICIPANTS	HOURS
Ongoing training	1,924	9,029	1,409	7,744
Initial training	1,115	7,948	322	1,793
Ad-hoc training	3	15	163	979
E-learning	1	50	325	1,950
<b>Total</b>	<b>3,043</b>	<b>17,042</b>	<b>2,219</b>	<b>12,466</b>

In addition to the health and safety data shown, there were 15,622 hours of training on occupational risk prevention, in the form of modules included in general courses in the training programme.

Following the trade union elections held in 2019, a total of 2,672 hours of training have been provided, with practically all Prevention Representatives, both newly appointed and returning, thus complying with current legislation and the provisions of POP 06, as well as fulfilling the commitment made to the legal representatives of the workers.

Having due regard for the risk faced by workers whose duties involve contact with the public, training initiatives already underway in this area continued in 2019. The aim of these initiatives was to raise awareness among Renfe personnel of simple psychological management techniques that can be used to counteract aggressive behaviour, and to train them in basic self-protection and cognitive and behavioural self-control in the face of conflict or difficult situations, as well as to promote appropriate psychological reactions that will minimise the psychological discomfort of dealing with a violent person or handling conflict. The initiatives have served to improve our professionals' communication skills when faced with such situations.

Healthcare personnel (doctor and nurse) have been provided with specific training on the use of defibrillators and a first aid refresher course so that they can pass on their knowledge to all Renfe workers due to receive training in this area.

In 2019, as in previous years, the members of the Joint Health and Safety Service of the Renfe Group, and the medical service, carried out significant work in occupational health and safety training. They taught courses and modules of ongoing training aimed at the company's internal personnel; initial or induction training courses for new employees; and occupational health and safety courses for non-Group personnel of the different companies that request accreditation and certification to perform work within the Renfe Group or for those wishing to obtain a driver's licence for railway rolling stock or train operations, as well as trainee drivers.

In 2019, the health and safety technicians of the Joint Health and Safety Service of the Renfe Group, and the medical service, carried out significant work in occupational health and safety training. They taught courses and modules of ongoing training aimed at the

company's internal personnel; initial or induction training courses for new employees; and occupational health and safety courses for non-Group personnel of the different companies that request accreditation and certification to perform work within the Renfe Group or for those wishing to obtain a driver's licence for railway rolling stock or train operations, as well as trainee drivers.

**PREVENTIVE HEALTHCARE CAMPAIGNS  
NO. OF WORKERS**

	2019	2018
Bowel cancer	266	314
Eye health	564	527
Gynaecological health	224	205
Bone health	198	59
Cardiovascular risk	463	427
Prevention of prostate	590	548
<b>Total</b>	<b>2,305</b>	<b>2,080</b>

## Social relationships

### Social dialogue

#### Renfe Group’s collective bargaining agreement

In 2019 the Renfe Group’s 2nd Collective Bargaining Agreement was signed. This agreement is a necessary starting point to advance the business model in the coming years.

The aim of this agreement is to focus on the most crucial areas. Firstly, workforce renewal, which is a challenge and a major responsibility that must be carried out in the best possible conditions, conserving and showcasing the knowledge and experience of those leaving the company and integrating new employees hired to become part of Renfe. Balance and feasibility must be sought throughout this process, which also serves as an opportunity to gain in competitiveness.

Therefore, the characteristics of our company have been analysed and adapted to apply an average working week of 37.5 hours, as well as a mobility model that is compatible with production needs and the volume of employees joining and leaving the company each year.

#### EMPLOYEES INCLUDED IN/ EXCLUDED FROM THE COLLECTIVE BARGAINING AGREEMENT

	2019		2018	
	EMPLOYEES	%	EMPLOYEES	%
Included in collective bargaining agreement	14,160	94.07	13,759	94.47
Excluded from collective bargaining agreement	893	5.93	806	5.53

Renfe’s system of management by objectives, whereby remuneration is partly determined by linking it to each employee’s performance, applied to 18.02% of the workforce in 2019. Employees in the management and support structures and middle management, except for middle management in the drivers’ area, are included in this system.

#### NUMBER OF EMPLOYEES SUBJECT TO TARGET-BASED APPRAISAL

	2019		2018	
	MALE	FEMALE	MALE	FEMALE
Management structure	688	205	489	174
Support structure	543	224	637	169
Middle management	822	231	902	247
<b>Total</b>	<b>2,053</b>	<b>660</b>	<b>2,028</b>	<b>590</b>
<b>Total employees</b>	<b>2,713</b>		<b>2,618</b>	

#### MATERNITY/PATERNITY LEAVE

	2019		2018	
	MALE	FEMALE	MALE	FEMALE
Number of employees entitled to maternity/paternity leave	161	58	115	47
Number of employees who exercised the right to maternity/paternity leave	161	58	115	47
Number of employees who returned to work after taking maternity/paternity leave	161	57	115	46
Number of employees who were still working at the company 12 months after returning from maternity/paternity leave	161	57	115	46
Percentage of employees who returned to their post once their leave of absence had ended	100,00%	98,28%	100%	97,87%



## Occupational health and safety in collective bargaining agreements

The Renfe Group's collective bargaining agreement includes a specific section on occupational health and safety, with particular emphasis on physical and psychological check-ups, their type and frequency. It also determines the different bodies involved in health and safety matters and which can be consulted thereon, set up by the workers' representation and the company on an equal basis, establishing the composition, competences, frequency and agendas of their meetings.



## Talent management

### Training strategy

The Renfe Group's policy is to develop and enhance the ongoing training, so as to provide employees with the necessary skills and update these on a continuous basis, enabling greater professional development and optimum performance of their responsibilities.

The Training department encourages the identification of requirements so that it can plan training that responds to the Renfe Group's strategic plans and fits the basic criteria of:

- Safety culture, fostering conduct and actions that respect rail traffic safety, in all training initiatives.
- Quality and usefulness, ensuring the training is beneficial for the company and employees.
- Efficiency, offering a suitable response to training requirements in as little time as possible.
- Profitability, optimising human and financial resources.
- Legal compliance, with strict adherence to current legislation.
- Equal opportunities in the development of all Renfe employees.
- Employability, through ongoing training and professional development, based on the Training Itineraries.
- Services to internal and external customers, encouraging knowledge transfer between Group companies and exercising the responsibility of training external players related to rail traffic safety.

As part of the strategic line of action, the Training department promotes corporate and Group-wide training programmes, particularly:

- Management development training programme.
- Specific training on the Spanish Data Protection Act and IT Security.
- A specific occupational health and safety training course for office personnel.
- Training on correct posture and well-being.
- Specific training on land transport.
- Training to develop linguistic abilities and skills in English, French, German and Portuguese, as well as the main autonomous languages – Catalan and Basque.
- Training programme in personal and management skills.

#### HOURS OF TRAINING BY GENDER

	2019	2018
Female	116,784	57,282
Male	691,001	506,316
<b>Total</b>	<b>807,785</b>	<b>563,598</b>

#### HOURS AND AVERAGE HOURS OF TRAINING BY PROFESSIONAL CATEGORY

	WORKFORCE		2019		2018	
	2019	2018	HOURS	AVERAGE HOURS	HOURS	AVERAGE HOURS
Management structure	893	806	17,942	20.09	12,743	15.81
Support structure	767	663	16,467	21.47	20,613	31.09
Administration and management	1,351	1,391	154,964	114.70	45,927	33.01
Drivers	5,558	5,364	496,131	89.26	386,035	71.96
Sales staff	3,926	3,794	77,404	19.72	63,887	16.84
Workshop personnel	2,558	2,547	44,877	17.54	34,393	13.50
<b>Total</b>	<b>15,053</b>	<b>14,565</b>	<b>807,785</b>	<b>53.66</b>	<b>563,598</b>	<b>38.69</b>

#### AVERAGE TRAINING HOURS PER EMPLOYEE

	2019	2018
Female	51.97	31.52
Male	53.95	39.96
<b>Total</b>	<b>53.66</b>	<b>38.69</b>

## Annual Training Plan

Renfe implements an Annual Training Plan that sets out objectives, itineraries, detection of requirements, evaluation systems, as well as all training programmes aimed at the different groups, among other content.

The purpose of the programmes designed is to ensure maximum transparency and promote equal opportunities for employees. This plan was presented and validated by the workers' legal representation in the workers' committee, which are an active part of the Training Advisory Board.

	2019	2018
<b>INVESTMENT IN TRAINING</b>	<small>(THOUSANDS OF EUROS)</small>	
Investment in training	4,123.24	3,578.34

	2019	2018
<b>HOURS OF TRAINING</b>		
Sales staff	172,525	55,043
Manufacture and maintenance	32,428	30,869
Skills	53,833	54,985
Comprehensive safety	548,999	422,701
<b>Total</b>	<b>807,785</b>	<b>563,598</b>

## Planning of across-the-board training for the Renfe Group

### Language training

As every year, the Renfe Group's Language Training School arranged ongoing language courses, promoting the development of employees' knowledge of and communication skills in the principal international languages (English, French, German and Portuguese) and in autonomous languages, and to respond to specific needs.

The training is given through classroom, telephone and e-learning sessions and is mainly aimed at employees involved in or related to international projects or those needing to improve or maintain their knowledge of languages to carry out specific job functions.

Additionally, it arranges the training required to capacitate and/or prepare drivers or sales staff on certain lines and services, which is developed by institutions and entities officially certified by the authorities of the countries or regions where the required languages are spoken.

In the case of Portuguese, the aim is to train employees on the Vigo-Oporto line, preparing them to sit the exam to obtain the B1 certificate in this language. It is aimed at the drivers of Renfe Viajeros and trainers of the Professional Technical School of Drivers and Operators. This training is classroom-based.

Training in Catalan is provided to improve customer assistance and service levels and this training is aimed at the sales staff of Renfe Viajeros.

### Corporate training for the Group

The Group's corporate training is that which is determined or generally considered as a priority and/or necessary for certain employee groups.

As previously mentioned the subject matters prepared are:

- Specific training on the Spanish Data Protection Act and IT Security. The induction course for all new personnel includes a training module on matters related to IT Security and the Spanish Data Protection Act so that this information is disseminated throughout the Renfe Group.
- Training on correct posture and well-being. Continuing with a training initiative that arose from necessity in the maintenance area, training on correct posture is provided, which is aimed at all Group employees and is enhanced with content on well-being. This training has sown the seed for future training, with the aim of achieving a healthy company.

- A specific occupational health and safety training course for office personnel. To comply with the legal requirements of providing specific job-related occupational health and safety training, in 2018 a training action was carried out in this area for office personnel.
- Rail sector training. This includes training on management of the railway sector in different areas and aspects of the activity, such as experience and the role of different agents, new legislation and technical updates that affect management and innovation and best practices. Of particular note in this type of training is the Land Transport General Course, the objective of which is to provide comprehensive training in the different areas of the land transport sector. It is aimed at support and management structure personnel.
- Other programmes are taught by the Spanish Railway Foundation (FFE) using Blended Learning. These are certified by the UNED and award the title of University Expert in Land Transport.

### Ongoing training for the Group

This is the programmed training that enables employees to acquire and gradually improve the knowledge and competences required to perform their duties, and to enhance their professional development.

#### ○ **Self-protection plan**

Collaboration with regard to the administration and management of training on self-protection, defined and set out by the Self-protection, Safety and Risk Prevention department.

The objectives of the training under self-protection plans is familiarisation with the specific self-protection plans of the different rail network infrastructure (tunnels, stations, logistics complexes, etc.). It is aimed at personnel of Renfe Viajeros, Renfe Fabricación y Mantenimiento, Renfe Mercancías and Renfe Operadora.

#### ○ **Development**

This area fosters the acquisition of and training in management tools, skills and knowledge. The aim of the skills courses is to provide Renfe Group employees, through practice and collaborative learning, with tools and skills that make it easier to for them perform their duties, achieve targets and adapt to change. Designed and taught by in-house trainers, they are aimed at management structure personnel and middle managers of the entire Group. These courses include: conflict management, motivation, negotiation, stress management, team work, organisational culture and change management.

### Dual vocational training





### **Dual vocational training actions - Intermediate-level training course on railway rolling stock maintenance**

In 2018 Renfe played an active role in the running of training courses with the Departments of Education of the autonomous regions of Catalonia, Castilla y León, Madrid and Andalusia, for the effective implementation of the intermediate-level dual vocational training course on railway rolling stock maintenance.

#### **Renfe's dual training course**

The curriculum of this intermediate-level training course in railway rolling stock maintenance consists of 2,000 hours distributed over two academic years.

This course belongs to the professional group of transport and vehicle maintenance. It is intermediate-level vocational training and the general competence obtained is the ability to perform maintenance and assembly tasks in the areas of mechanics, pneumatics, electricity and electronics of railway rolling stock.

The exact details of the syllabus were developed in coordination with the General Directorates of Vocational Training of the Departments of Education, with different formats agreed in each autonomous region.

The student slots into the company's environment, gaining practical experience as an intern during the second year in direct production teams at the comprehensive maintenance centres of Vilanova, Valladolid, Malaga and Madrid, in addition to the training received at the comprehensive vocational training centres or secondary schools with which Renfe has educational collaboration agreements.

### **Innovation in personnel management and corporate communication**

Strategy, innovation and communication are the key features of the necessary cultural and digital transformation

#### **2019 - 2023 - 2028 Strategic Plan**

Sharing the main objectives and projects of the new Strategic Plan with Renfe's professionals has been vitally important for the organisation during 2019. Since January, seven training sessions have been held in various cities (Madrid, Valladolid, Bilbao, Valencia, Vigo and Barcelona). Under the clear leadership of the Chairman, who stressed the importance of taking action, being proactive, becoming committed and participating as a team, attendance of the sessions was high, as was employee participation (management structure, support structure and middle management). A meeting was also held with trade union representatives. At each event, the challenges Renfe will face in future, the most noteworthy projects from the Strategic Plan and the results that are foreseen were all addressed in detail. In addition, satisfaction surveys were conducted to obtain a detailed understanding of participants' opinions regarding this initiative. In general, they welcomed the information that had been shared and valued each meeting very highly.

#### **Employees and employee commitment: a force for change**

To implement and achieve the objectives of the Strategic Plan, the main element fuelling change is human capital and its commitment to and identification with the company's strategy and values are a key factor in achieving the expected results. In this regard, it is vitally important to be well-acquainted with the workforce, establish management indicators and monitor them closely to define initiatives that encourage personnel to be more personally invested in the organisation and its business project. All of this takes into account the existence of a new generation and, therefore, the importance of transmitting knowledge and its coexistence and balance with new innovation-based backgrounds that are and will continue to be in considerable demand in today's society and in the future.

For these reasons, several projects have been undertaken with the aim of ‘improving the health of the organisation’ by analysing its commitment, identifying its values and developing a new culture that will improve the employee experience and the employees’ adjustment to the new circumstances. A study and an internal analysis, both quantitative and qualitative, are being conducted to learn more about the level of commitment, the work climate and the employee experience. Based on this study, the main areas for improvement and initiatives aimed at building a new work culture, as well as programmes to improve employee satisfaction, will be defined. Furthermore, a monitor will be available to follow up and obtain up-to-date information on workforce perceptions and satisfaction in order to assess the actual results of the measures adopted.

A crucial element used to kindle and foster commitment among new recruits is communication. Therefore, sessions have been organised in which newcomers have been given a global overview of the organisation, its structure and the challenges facing it, and a new digital handbook containing detailed information of interest to employees has been drafted and sent to 567 workers since August.

Employee participation has increased noticeably during a year marked by reflection, discussions, strategy and the vision for the future. Participation has taken the form of seminars, surveys, forums and comments on each of the new Renfe28 blog entries, a space located on Interesa to facilitate access to information relating to the Strategic Plan and the competitive landscape in which the organisation operates and the upcoming liberalisation of passenger rail transport.

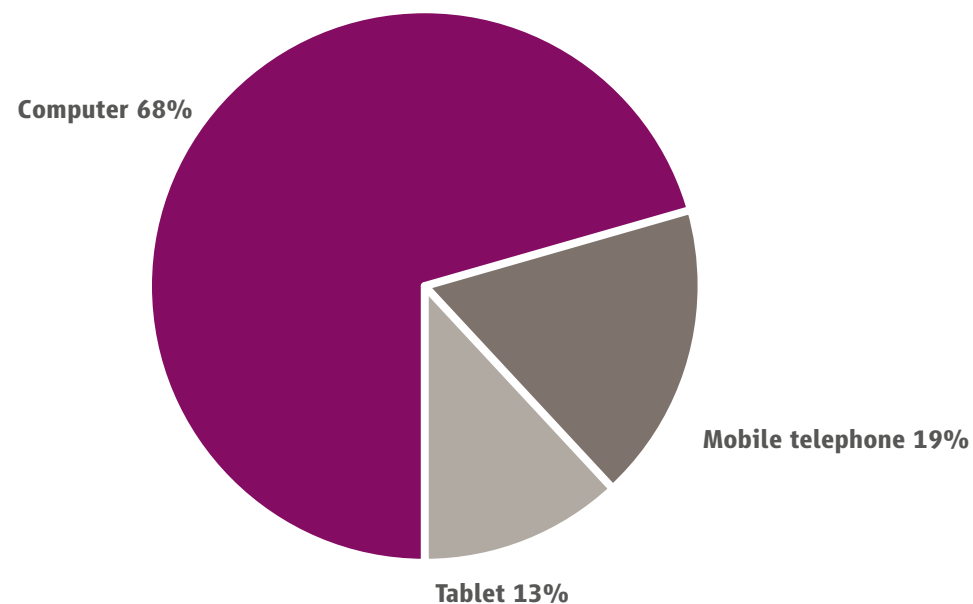
**Interesa and new internal communication channels**

Interesa, the Renfe Group’s intranet, is still the main communication, management and participation channel to which all employees have access, and it has been used for the digitalisation of certain processes of interest for employees.

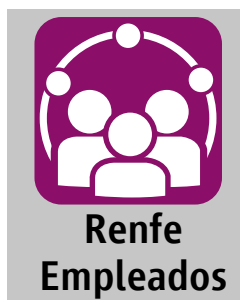
Intranet indicators 2019:

- Number of employees accessing the intranet: 100% of the workforce.
- Number of accesses: 3,765,465 (25 accesses per month per employee).

**% OF ACCESSES BY DEVICE**



The main purpose of the Renfe Empleados app, which was launched and installed in 2019, is to serve as a tool for searching and managing Group-wide contacts, but it also provides access to current news. The pilot version was released in July and, as of September, campaigns are underway to install it on all corporate devices that are compatible with the app. The app has been installed some 2,335 times and 67% of employees who have the app installed have used it.



### **Safety is everyone's responsibility**

Among the challenges posed by Renfe's Strategic Plan is transforming the company's safety culture into one of shared preventive risk management, as required by European legislation. To successfully carry out this change of paradigm, a plan for the cultural transformation of operational safety has been put into place.

It comprises a set of actions aimed specifically at the different professional profiles involved in operational safety within the various companies and, in particular, at all of the organisation's employees in general.

A survey of the current situation regarding safety matters has given rise to specific recommendations and actions to be implemented in relation to management and the leadership needed.

In the initial stage of the Plan it was very important to learn about the actual conditions within the organisation. To this end, during the last quarter of the year, a survey was conducted among a substantial sample of professionals whose work is linked to operations, the results of which will enable a White Paper to be drafted on the new concept and principles of operational safety.

Once the first stage has been completed, a communications campaign will be launched to publicise its conclusions and the areas for improvement, and to promote new behaviours and raise awareness of the importance of cultural transformation. Training schemes will be introduced for leaders and business managers, both to transmit the principles of a safety culture and to monitor the indicators needed to improve safety management within the Renfe Group.

Simultaneously, with a view to helping to prepare the aforementioned Plan, work was carried out during 2019 on several internal initiatives that have paved the way for the new concept of a shared, positive culture of preventive safety:

- Training seminars on the Safety Management System and the Safety Culture. Several training seminars have been held on Safety, including some for senior management (the general managers for Safety, Organisation and Human Resources, Operations, Renfe Viajeros and Renfe Mercancías), members of the companies' steering committees, and regional managers whose duties are related to production and/or safety.
- Safety climate survey Carried out through Interesa in June, 676 professionals with safety-related duties took part. This survey will complement the one scheduled for January 2020.

## Equality

The Renfe Group's 2nd collective bargaining agreement is governed by the principle of equality and non-discrimination on grounds of personal reasons, as laid down in article 14 of the Spanish Constitution and article 17.1 of the Workers' Statute. It especially respects the principle of gender equality set out in Law 3/2007 of 22 March 2007, the provisions of which are considered to be the main point of reference for the interpretation of this collective bargaining agreement.

All reference to "employee" or "employees" in the text of the collective bargaining agreement shall be understood to apply generically, with no distinction between men and women, to people working in the Renfe Group companies expressly included in Clause 1.

The initiatives and projects that make up the Strategic Plan for 2019-2023 include increasing diversity at Renfe through a programme aimed at identifying and retaining talent so as to:

- Enhance gender diversity, a multicultural environment and intergenerational diversity in the Renfe Group to ensure equal opportunity of access to the company and of professional development within it.
- Increase the presence and the professional advancement of women.
- Encourage the transfer of knowledge to new recruits in order to bridge the generation gap and avoid this brain drain in a competitive market.

### Equality Plan

Renfe's first Equality Plan was signed in 2013 with the following objectives:

- Recruitment and promotion processes in equal conditions.
- Inclusion of the gender perspective in management of the company and communication of this perspective to all areas of the company.

- New hires based on criteria of equality, merit and ability without any type of discrimination.
- Promotion of a company policy that avoids sexual and gender harassment, as well as bullying.
- Equal access to in-company training for women and men.
- Achievement of a better work, personal and family life balance.
- Information and training on, and raising awareness of, equal treatment and equal opportunities.
- Use of non-sexist language and images, in communication and information policies, etc.
- Equal representation of women and men in the company's professional groups, posts and management structure.

At present negotiations are ongoing between the workers' representatives and the task force working on Renfe Group's Second Equality Plan.

### Equal opportunities

While the Renfe Group's 2nd Collective Bargaining Agreement is in force, the Renfe Group will develop and put in place, as agreed with the workers' legal representation, the second Equality Plan with the contents specified by law. The purpose of this Plan will be to continue promoting equal treatment and equal opportunities in the workplace.

### Welfare benefits for employees

- Flexible working hours.
- Reduced price train tickets.
- Healthcare and preventive medicine campaigns.
- Ex gratia benefits.



- Group life and accident insurance.
- Interest-free advances.
- Benefits for children with cognitive impairment.
- Death benefit.
- Supplements to social security benefits for common illnesses as well as those derived from occupational accidents.
- Extension of deadlines on paid leave.

The welfare benefits of Renfe employees do not include pension plans.

### Sexual harassment policy

The Renfe Group has a policy in place to prevent and address cases of sexual harassment, gender harassment, and bullying. The purpose of this policy is to prevent and eradicate situations of harassment, and to establish a procedure in the event of conduct that could amount to bullying, sexual harassment and/or gender harassment within the organisation and management of the company.

The guiding principles of this procedure are as follows:

- Swift and dynamic procedure, with no unjustified delays.
- Protection of privacy, confidentiality and dignity of all the persons involved.
- Protection of the health and safety of the worker allegedly harassed or bullied.
- Credibility and objectivity of the procedure through a thorough investigation of the incidents reported and just treatment for all the persons affected.

It consists of various stages:

#### ○ Preliminary stage

The objective is to quickly resolve the situation by calling an informal meeting within a maximum period of five days, inasmuch as pointing out to the reported person the offence and intimidation caused by their conduct is sufficient for them to stop that conduct.

The person affected by the harassment will be able to continue with the formal procedure.

#### ○ Formal stage

In this stage, in light of the documentation provided and after a preliminary assessment of the facts, an evaluation is made of whether the conduct described constitutes one of the cases covered by the policy.

If it is one of the cases covered by the policy, the appropriate disciplinary proceeding will be instituted.

#### ○ The procedure will end with a final report

Proof of harassment or bullying will result in a penalty being imposed for a very serious offence. Any of the previously described conducts (sexual harassment, gender harassment and bullying) are considered as a very serious offence and expressly included in the penalty regime.

In 2019 one claim of sexual harassment was lodged.

## Renfe, sustainability providers



*Renfe, sustainability providers*



## Renfe, sustainability providers

Looking after the planet is the responsibility of everybody: companies, governments, institutions, customers, citizens. In particular, Renfe has been striving for many years to reduce its emissions to the minimum possible level in its daily operations.

Renfe has cut greenhouse gas emissions (-88.3% vs. 1990) so much that, in comparison with other modes of transport, the use of our services generates very significant reductions for customers with regard to their emissions. Renfe is so much more than a sustainable company: in 2019 it became a large Sustainability Provider.

Our priority goal with regard to the environment is to attract more customers to trains, by striving to improve management and modernisation, thus enabling these customers to reduce their carbon footprint, their environmental impact and increase the sustainability of their businesses and travel without damaging the environment.

### Environmentally friendly, by nature

Railway transport of passengers and goods has the lowest overall environmental impact of any mode of transport. It consumes the least energy per unit transported, has the lowest levels of CO<sub>2</sub> emissions, contributes the least to local pollution in urban areas and has the lowest noise impact. In addition, the land used by railway infrastructure is, in relative terms, significantly less than the area occupied by roads of the same capacity.

The low number of greenhouse gas emissions per unit transported is one of the main competitive advantages of Renfe. For technological reasons, if operated efficiently, railway is an essential link in any sustainable passenger or freight transport system; whether urban, metropolitan or intercity, national or international, preferably multimodal.

In view of all these environmental advantages, as well as other social and economic benefits (fewer accidents and a significant contribution to reducing urban congestion), the train is the mode of transport with the lowest environmental impact and that generates the lowest external costs for the company.



*Renfe, sustainability providers*

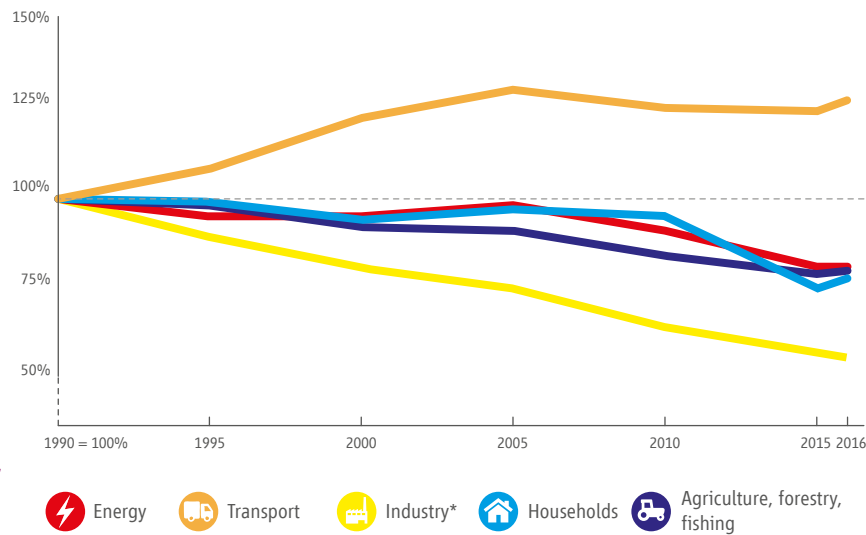
**Renfe: driver behind the decarbonisation of transport**

The transport sector generates 27% of greenhouse gas (GG) emissions in Spain, which is the largest percentage for any sector.

Renfe’s most relevant contribution to the sustainability of mobility is the fact that it is a competitive alternative to other competing modes of transport that are highly oil-dependent. Switching modes of transport not only benefits the Renfe Group but also our customers, and society as a whole due to the reduction in high external transport costs. Sustainability is an essential part of the core business of our company, as we are Sustainability Providers.

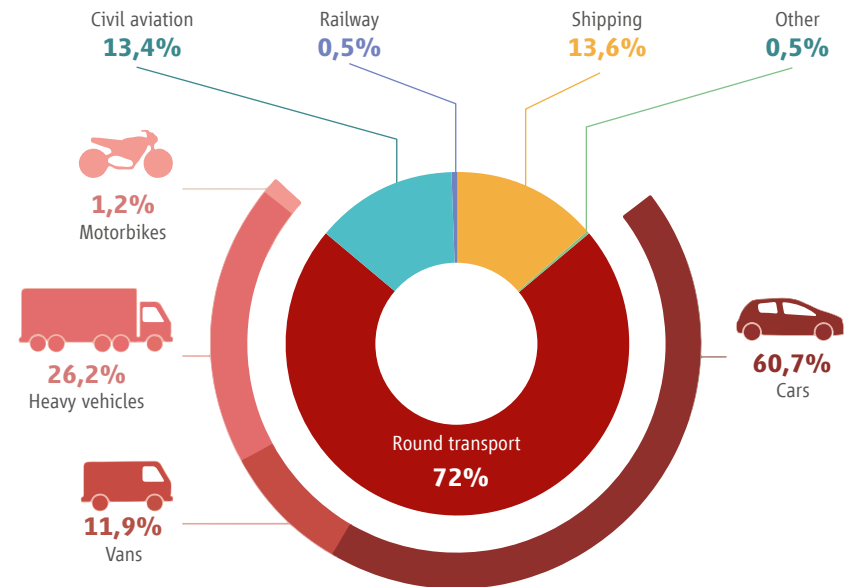
**CO<sub>2</sub> emissions in the eu**

Performance of CO<sub>2</sub> emissions by sector (1990-2016)



**CO<sub>2</sub> emissions in the EU. Transportation**

Breakdown by mode of transport



Source: European Environment agency

The transport sector is the furthest behind regarding decarbonisation in Europe. While average greenhouse gas emissions in the EU have fallen by 25% since 1990, in the transport sector these emissions have grown to the same extent: approximately 50 points separate the EU’s efforts with regard to mobility from the average EU results in the fight against climate change.

*Renfe, sustainability providers*



Renfe Operadora is aware that a more sustainable transport system is essential to limit global warming to less than two degrees Celsius. The unit emissions (per passenger or ton-km transported) of Renfe's services are substantially lower than those of the company's competitors, which are modes of transport that are highly dependent on oil.

These perspectives allow Renfe to act as a key player in the mitigation of climate change within the transport sector in Spain and as an essential link in any logistics chain, mobility as a service (MaaS) offering or tourism product that aims to be sustainable.

### **Renfe, confronting the climate emergency**

Since 2019 the Group has only been acquiring electricity from renewable and certified sources, with zero CO<sub>2</sub> emissions, for electrical traction use. This has meant that in 2019 the carbon footprint of each unit transported (approximately 5.54 gr. of CO<sub>2</sub>) fell by 88.3% with respect to 1990 (47.26 gr.), the base year used in the Kyoto Protocol.

The low number of greenhouse gas emissions per unit transported is one of the main competitive advantages of rail transport. In 2019 Renfe's services had unit emissions (per passenger-km or ton-km transported) that were significantly lower than those of its competitors, about 10 times lower than for cars and civil aviation.

### **Renfe, the top consumer of renewable electricity in Spain**

The Renfe Group has traditionally been the top end consumer of electricity in the services sector in Spain and the second largest electricity consumer in the country after Alcoa.

In 2019 it has also become the top end consumer of renewable electricity in Spain, consuming 2.46 TWh per year for the traction of all its electric vehicles that represent more than 80% of its total traffic.

This consumption accounts for 2.6% of the total renewable electricity generated in our country.

This will enable the reduction of more than 7 million tons of CO<sub>2</sub> by 2030 across the entire railway network on which Renfe operates.

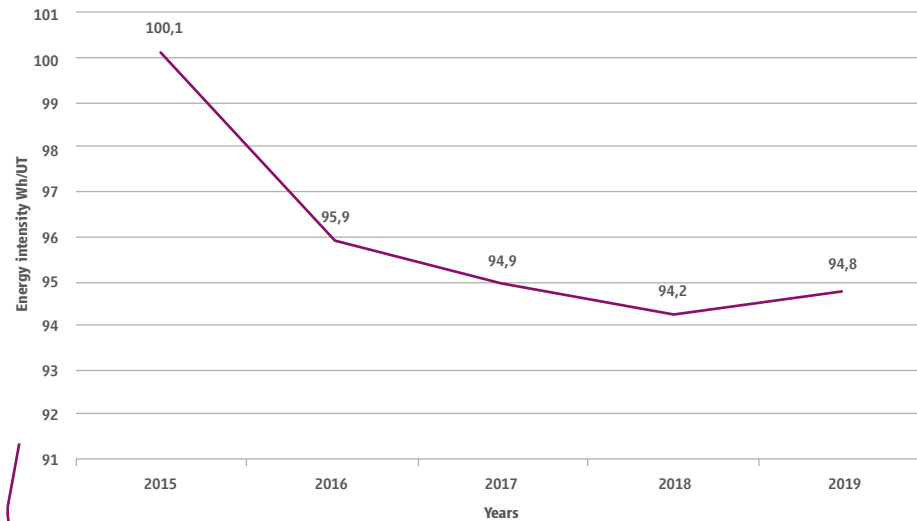
### **ENERGY CONSUMPTION FOR TRACTION**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Millions of litres of diesel	72.12	75.20	75.52	72.66	75.77
GWh - diesel	711.8	742.8	745.8	717.5	752.4
GWh electric traction	2,460.3	2,388.1	2,356.2	2,337.2	2,422.50
Total GWh	3,172.1	3,130.9	3,101.9	3,054.7	3,174.9
Millions of units transported	33,472.9	33,236.7	32,670.3	31,852.0	31,905.4
Traction energy intensity Wh/UT	94.8	94.2	94.9	95.9	100.0

In 2019 22.44% of traction energy came from diesel. This figure will fall in the future due to the increase in railway electrification and as a result of diesel being replaced by cleaner energies such as hydrogen, liquified gas, etc.

This year an improvement has been consolidated in the energy efficiency of the Group, which has stabilised its energy intensity at below 100 Wh/UT, specifically 94.8 Wh/UT (-5% on 2015).

**Energy intensity**



Furthermore, in 2019 the different uses of traction generated consumption equivalent to 131,33GWh, representing 4% of Renfe’s total energy consumption, amounting to 3,305.8 GWh.

**2018-2030 Master Plan to Combat Climate Change**

The forerunners to this Master Plan are the energy efficiency and sustainability plans that Renfe has been developing for decades. This Plan includes in its analysis other investments such as the Materials Plan or the Suburban Rail (“Cercanías”) Plans announced by the Ministry of Public Works.

The Plan was prepared jointly with Adif in response to the agreement signed by the two entities in March 2018, where they set targets for reducing energy consumption and greenhouse gas (GG) emissions by the railway system in Spain, as well as other economic commitments until 2030.

The strategic lines that define the Plan are energy management, energy efficiency, decarbonisation and the culture of awareness among different stakeholders on the inside and outside of organisations, which are included, with a more general scope, in the Ministry of Public Works’ Sustainability and Climate Change Plan for Infrastructure and Transport for all companies in the Fomento Group.

The reduction of GG emissions accumulated in respect of these three factors that define the Master Plan (switching modes of transport, efficiency and decarbonisation) could exceed 9.9 million tons of CO<sub>2</sub> in 2030. Estimated financial savings exceed Euros 250 million.

Rail transport has by far the lowest emissions compared to road and air transport and, therefore, the shift towards trains is one of the general objectives of the Plan, based on the 2011 European Union White Paper on Transport.

The 2019-2030 Master Plan to Combat Climate Change develops these general lines of action so that the railway sector can contribute to preventing average global temperatures from increasing by more than 2°C with respect to pre-industrial levels.

**Carbon footprint information on tickets**

In 2019 Renfe started to provider passengers on the Ave and Avant services with information on their carbon footprint, providing a comparison with other competing modes of transport, such as the car or aeroplane.

Information on the carbon footprint of train journeys, taken from the [www.ecopassenger.org](http://www.ecopassenger.org) app, is therefore included during the ticket purchase process, with CO<sub>2</sub> emission data of

*Renfe, sustainability providers*

passengers being shown not only on the final purchase screen, but also in the confirmation email.

This data enables the carbon footprint impact of a journey in a high-speed train to be known, together with its lower carbon footprint with regard to competing modes of transport, thus highlighting the combat against climate change.

The aim in the future is to include this information for the other Renfe passenger services. This initiative responds to the 2018-2030 Master Plan to Combat Climate Change which includes general lines of action so that the railway sector can contribute to preventing average global temperatures of our planet from increasing by more than 2°C with respect to pre-industrial levels.

### **Climate Emergency Action Renfe signs the UIC-2019 railway climate responsibility pledge**

In 2019 the Worldwide Railway Organisation (UIC), of which Renfe is a member, proposed to align its 2050 CO<sup>2</sup> emissions target to something that is becoming more and more widely shared as a consensual target to achieve the Paris Agreement: Carbon neutrality by 2050 (instead of -75% for 2050).

Renfe has adopted the carbon neutrality target for 2050 in order to pledge its support to the Sustainable Development Goals (SDGs) by means of a signed declaration. The 2019 Railway Climate Responsibility Pledge, an extension of the Pledge signed in 2015 in the framework of the UIC's "Train to Paris" campaign in the COP21. In 2019 Renfe has already reached a reduction of 88.3%.

In the framework of its pledge towards the SDGs, Renfe has announced this year its commitment to report on its progress with regard to the most relevant goals.

## **Minimising environmental risks**

### **Environmental risk prevention and management**

ISO 14001: 2015 defines risk as an effect of uncertainty, which therefore entails both negative and positive potential effects, i.e. threats and opportunities regarding environmental sustainability. i.e. threats and opportunities regarding environmental sustainability, as reflected in this chapter regarding 2019.

Renfe's objective regarding the environment is to reduce and even eliminate the negative environmental impacts linked to the provision of its services, while identifying and increasing the positive effects on its surroundings.

Renfe Operadora commits to "developing the most suitable management instruments to reduce and even eliminate its environmental impact by setting in place the necessary internal resources and procedures". In many cases, the management of environmental risks is implicit in the current environmental management, but not yet explicitly outlined.

ISO 14001: 2015, the universal environmental management tool of the Renfe Group, indicates that risks must be identified, although it is not mandatory to analyse them. The risks inherent in the Group's environmental management process have already been identified and assessed at the date of this report.

Considering that the management of environmental risks and opportunities is an adequate tool for optimising Renfe Operadora's environmental management, bringing a far more preventive approach, the Renfe Group's environmental policy is expected to be updated and adapted in 2020 to include the management of its environmental risks, within the general risk management system of Renfe Operadora.

## Environmental certifications at 31/12/2019

- Renfe Viajeros S.M.E., S.A., has:
  - 2 Environmental Management System Certificates - UNE EN ISO 14001 Standard
    - Madrid-Seville and Madrid-Málaga high-speed lines.
    - Rodalies de Catalunya regional trains.
  - 5 Passenger Public Transport Service Quality Management certificates - UNE-EN ISO 13816 Standard and 5 Service Charter certificates. UNE-EN ISO 93200 Standard. Both categories include various environmental commitments:
    - Asturias suburban ("Cercanías") rail hub, lines C1, C2 and C3.
    - Madrid suburban ("Cercanías") rail hub, lines C1, C2, C3, C4, C5, C6, C7, C8 and C10.
    - Valencia suburban ("Cercanías") rail hub, with certification of lines C1, C2 and C6.
    - Bilbao suburban ("Cercanías") rail hub, lines C1, C2 and C3.
    - Zaragoza suburban ("Cercanías") rail hub, line C1.
- Renfe Mercancías S.M.E., S.A. has one certification for its integrated management system, which has a global scope that covers its activity and work centres (ISO 9001 and 14001).
- Renfe Fabricación y Mantenimiento S.M.E., S.A. has one ISO 14001:2015 certification for its entire management system, which has a global scope that covers its activity and work centres.
- Renfe Alquiler y Venta de Material Ferroviario S.M.E., S.A., implementation of ISO 14001:2015, in study phase.

## Provisions and guarantees for environmental risks

The Renfe Group has two specific coverage solutions for its environmental risks:

- Environmental liability insurance. Voluntary. Aseguradora Liberty Mutual Insurance Europe Limited, Sucursal en España. Indemnity limit €21M.
- General public liability insurance (public liability coverage against accidental and sudden pollution). Compulsory. Aseguradora QBE Europe SA/NV, Sucursal en España. Indemnity limit €100M.

Case study: Joint Environmental Working Group. Example of integration of occupational health and safety and environmental risks into management.

Since 1995 Renfe Operadora has had a permanent working group that functions as a joint body engaged in liaising between the company and the workers' legal representatives to provide information on and address environmental management of the Group and its relationship with occupational health and safety.

This group is an ad hoc advisory body to the Occupational Health and Safety Committee.

## Effects on the atmosphere: climate change

### Greenhouse gases

The low number of greenhouse gas emissions per unit transported is one of the main competitive advantages of rail transport.

As already mentioned, Renfe's greatest contribution to the sustainability of the transport system is to offer an alternative to competitor oil-dependent modes of transport.



Renfe has been striving for many years to reduce its emissions to the minimum possible level in its daily operations, seeking to attract more and more customers and allowing them to reduce their carbon footprint.

In 2019, Renfe’s services had unit emissions (per passenger-km or ton-km transported) that were significantly lower than those of its competitors, with factors 10 times less than cars and aviation. The carbon footprint of each unit transported fell by 88.3% with respect to 1990 (47.26 gr CO<sub>2</sub>/UT), the base year used in the Kyoto Protocol.

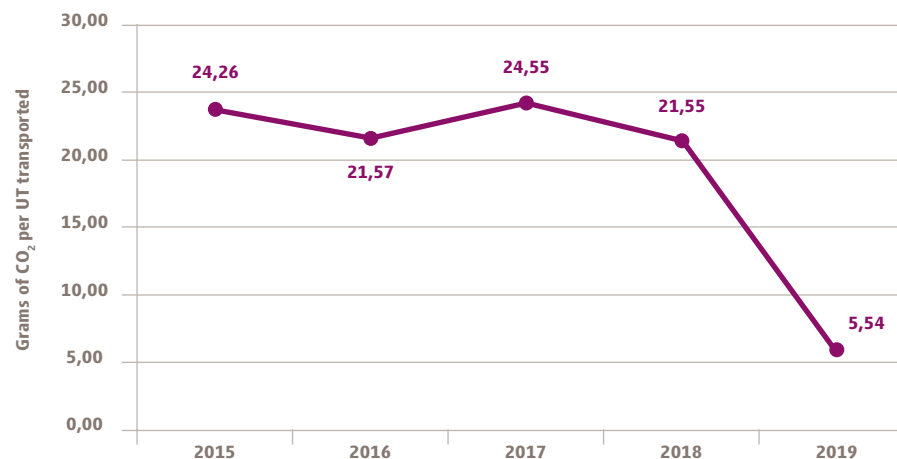
Until 2019 emissions from electricity have been variable as they have depended upon changes in the mainland mix of energy production. This has changed this year as, for traction, the Group only consumes electricity from renewable sources, with zero CO<sub>2</sub> emissions in its electrical traction phase, which that used in more than 80% of Renfe Operadora’s activity.

**GREENHOUSE GAS EMISSIONS**

	2019	2018	2017	2016	2015
Tons of CO <sub>2</sub> from electricity (indirect emissions) (in thousands)	0 (*)	522,72	607,90	500,16	571,71
Tons of CO <sub>2</sub> from diesel (direct emissions) (in thousands)	185,57	193,53	194,31	186,95	201,55
Total tons of CO <sub>2</sub> (in thousands)	185,57	716,25	802,21	687,11	773,26
gr CO <sub>2</sub> /UT (carbon intensity)	5,54	21,55	24,55	21,57	24,26
Reduction on base 100 in 1990	88,28	45,60%	47,26%	53,67%	52,10%

(\*) Electricity coming from renewable energy with certified sources, issued by CNMC. Applying data of the mix of mainland electricity generation, total emissions would amount to 579,214.5 Tm of CO<sub>2</sub> in this case. Source: Red Eléctrica de España “National Statistics Series” for emissions per KWh by the mainland electricity system, and IDAE for emissions per litre of diesel.

**CARBON INTENSITY: UNIT EMISSIONS FROM TRACTION POWER**



**CO<sub>2</sub> EMISSIONS**

	2019	2018	2017	2016	2015
Total tons of CO <sub>2</sub> (in thousands)	185.6 (*)	716.25	802.21	687.11	774.01
Tons of CO <sub>2</sub> equivalent emissions (in thousands)	185.6	718.56	808.45	692.46	774.03

(\*) Applying data of the mix of mainland electricity generation, total emissions would amount to 764.8 thousand Tm of CO<sub>2</sub> in this case. Source: Red Eléctrica de España “National Statistics Series” for emissions per KWh by the mainland electricity system, and IDAE for emissions per litre of diesel.

According to the aforementioned 2018-2030 Master Plan to Combat Climate Change, the purchase of green electricity (with certified guarantee of origin), will enable accumulated emissions to be reduced by more than 7 million tons of CO<sub>2</sub> by 2030 across the entire network managed by Adif and on which Renfe operates.

**Adaptation to climate change**

One of the direct consequences of climate change in Spain, undoubtedly one of the European countries most affected by climate change, is the increased risk of fires arising due to the greater frequency and intensity of heatwaves.

*Renfe, sustainability providers*

**Annual Trackside Fire Prevention Plan**

As it has been doing since 2005, in 2019 Renfe developed a Forest Fire Prevention Plan. In the hottest months Renfe performs an exhaustive control over trains that circulate in areas at high risk of fires, such as lines near wooded areas or protected natural areas.

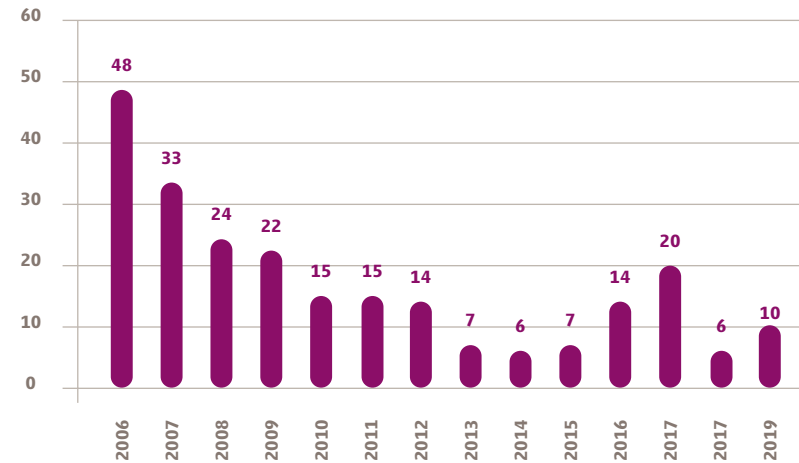
These actions, in addition to taking into account the published standards in force, are intensified in each campaign by continuously raising awareness among all company personnel. They are carried out from June to September and can be brought forward or delayed depending on the weather.

During 2019, only 2.13% of trackside fires registered (10 fires in one year) were attributable to railway operations. None of these fires spread, and none of them affected an area bigger than one hectare.

The poor results obtained in 2017, which was a particularly dry and unfavourable year, led to a change in the plans and actions to fight fires on and near the tracks, and the consequent achievement of almost historic minimums in 2018 and 2019.



**Variation in trackside fires attributable to Renfe**



**Reduction of noise impact**

Renfe is working hard on noise abatement and fire prevention, especially with regard to freight transport, which generates the greatest disturbance. This is achieved primarily by limiting noise at the source, particularly through the use of synthetic brake shoes on its wagons.

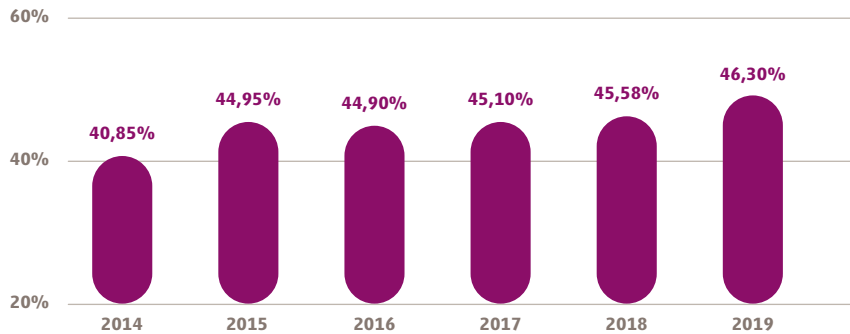
All passenger vehicles use brake disks. In freight, with 45.58% of freight wagons making use of synthetic brake shoes in 2019, Renfe has some of the “quietest” freight trains of any European railway operator. These brake shoes reduce noise by up to 8 decibels (a 50% reduction in environmental noise pollution).

*Renfe, sustainability providers*

These brake shoes also reduce the risk of fire. Traffic of Renfe Mercancías' wagons equipped with brake shoes represents more than 78% of total traffic.

In the medium term, half of the trains of Renfe Mercancías and Logística that operate for the greatest period with the greatest number of services will be fitted with these braking systems. This is particularly significant given the forthcoming application of a bonus/malus system as part of the infrastructure fees, which will penalise the noisiest trains.

**% of Renfe Mercancías wagons with synthetic brake shoes**



**Local atmospheric pollution**

The prevalence of electric traction in Renfe is the reason for which environmental effects are minimal in this chapter. In order to reduce the emission of small particles and sulphurous compounds in diesel traction, Renfe uses very low sulphur traction diesel. Diesel consumption will fall in the future due to the increase in electrification of the Spanish railway network and as a result of diesel in Renfe being replaced by cleaner energies such as hydrogen, liquified gas, etc.

In addition, the emission of volatile organic compounds (VOCs) in its industrial processes is minimised through the use of the best available technology.

**Light pollution**

A programme is being implemented to replace existing lighting with LED technologies. Partially funded by the Institute for Energy Diversification and Saving (IDAE), the programme is seeking basically to reduce consumption and the corresponding emissions, enabling a substantial reduction in light pollution due to the intrinsic technical characteristics of this technology.

**Waste management**

Renfe has various specific procedures in place, in accordance with State Law 10/98 on Waste, for the appropriate management of the waste that it generates. Regarding the management of hazardous waste, classified as such in accordance with the related legislation (Royal Decree 833/1988, Royal Decree 952/1997 and Ministry of the Environment Order MAM/304/2002), Renfe outsources the collection, management, treatment and recycling thereof to entities authorised by the public authorities.

The installation of paper recycling bins, the availability of paper and cardboard compactors and separate collection of waste in different bins (paper, toner, batteries, etc.) should be highlighted.

Finally, IT equipment, their parts and other electric and electronic components are collected by providers.

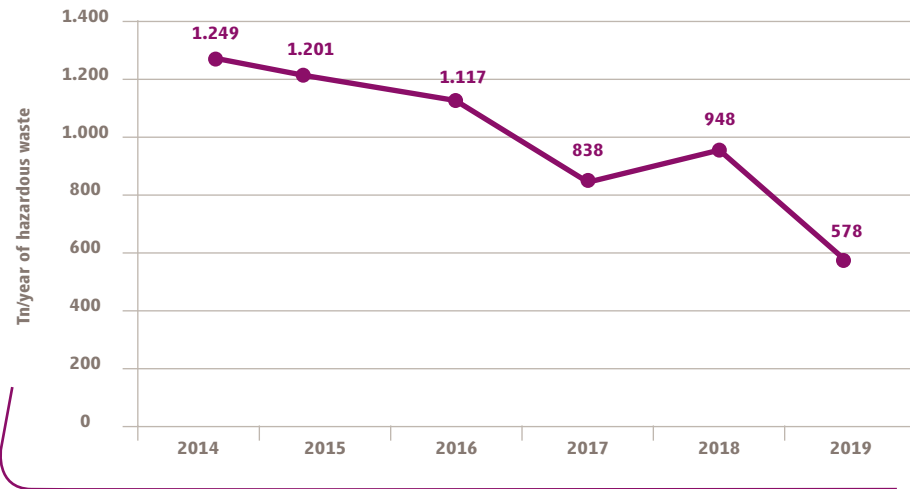
During 2019 Renfe generated 578 tons of hazardous waste from industrial facilities, accumulating a 48.9% reduction since 2015.

**HAZARDOUS WASTE (TN/YEAR)**

	2019	2018	2017	2016	2015
Amount of hazardous waste generated	578	948	838	1.117	1.201

*Renfe, sustainability providers*

**HAZARDOUS WASTE (TN/YEAR)**



**Railway vehicles and circular economy**

The railway vehicles used by Renfe have traditionally been characterised by their long useful life (currently with a depreciation period of up to 40 years) and by achieving 98% use of reusable materials in their construction.

This gives rise to long-lasting and easily repairable vehicles with the aim of increasing the life of the train in the best technical, safety and comfort conditions. Ministry of Public Works Order FOM/233/2006 of 31 January 2006 contains the so-called Railway Vehicle Maintenance Plan. This document includes the set of maintenance operations that define each of the repairs that must be carried out on a railway vehicle and the frequency with which they must be performed throughout their entire useful life in order to preserve, in the state required during their validity, the technical characteristics required in the area of safety, reliability, technical compatibility, health, environmental protection and, where appropriate, interoperability.

Once a train has reached the end of its useful life, in some cases Renfe sells it on, in a perfect state of repair and in working order, for a second life in third countries (self-propelled trains, passenger coaches, freight wagons and locomotives), including the spare parts required for its maintenance. Lastly, trains of a high level of historic interest are donated to the Spanish Railway Foundation (FFE) for restoration and recovery.

**Sustainable use of non-energy resources**

**Management of polluted water and contaminated land**

Renfe Fabricación y Mantenimiento SEM, the company most affected by this problem, has a multi-year action plan in place for contaminated land, which envisages actions for classification, control of land contamination and decontamination at its facilities.

Renfe and Adif have entered into a collaboration agreement regarding the decontamination of land, aimed at initially taking action at Renfe Fabricación y Mantenimiento workshops that are potentially affected by historical contamination or which house Adif fuel tanks dating prior to the segregation of the two companies, which have been in use since the aforementioned segregation.

Among the actions carried out at our facilities, the classification studies, control and monitoring of indicators and decontamination work are worthy of note. 2019 has continued to be characterised by a high level of activity in this area, especially in assets received from the defunct Feve. Total expenditure amounted to €604,894 in 2019.

These actions have always been carried out voluntarily, at the initiative of Renfe Operadora and with the approval of the environmental authorities, applying the principle of prevention and using the best available techniques, in cooperation with the public entity EMGRISA, an investee of Renfe.

*Renfe, sustainability providers*



This active and proactive management of the decontamination process has meant that any possible problems regarding Renfe Group’s image have been avoided, costs have been foreseeable and the measures have been carried out in the whole of the Spanish mainland.

**Water management**

The main points of water consumption at Renfe are the maintenance facilities, such as workshops and train repair centres, the railway vehicle wash tunnels, the suburban rail (“Cercanías”) stations and, to a lesser extent, the offices.

	2019	2018	2017	2016	2015
Water consumption (m <sup>3</sup> ) (*)	903,240	917,605	923,881	968,959	941,651

(\*) Estimated figure

**Waste water**

The waste water produced at Renfe’s facilities is generally discharged into urban sanitation networks. Certain facilities generate water with chemical substances due to industrial processes. An in situ purification process is therefore carried out prior to its discharge to the general network. All water discharges have a similar volume to the prior water intakes in the case of industrial facilities, which indicates a highly efficient use of water resources.

In 2019, Renfe allocated €470 thousand to waste water management and treatment.

**Water saving**

Water saving measures include the recycling and management of the water used in the wash tunnels, the installation of saving systems and raising awareness among personnel to reduce water consumption.

Also worth noting is the optimisation of vehicle cleaning and manual train washing, installations with taps that use automatic push buttons and timers, as well as the installation of motion sensors in toilets at stations and offices.

**Materials consumed**

The consumption of materials by Renfe mainly takes place at train maintenance workshops and essentially consists of oils, solvents and paints.

A significant and highly unique consumption in railway operations is that of silica sand, which is used to ensure adherence of trains to the rails in extreme situations.

RAW MATERIALS (KG)	2019	2018	2017	2016	2015
Oils/greases	540,511	446,983	452,534	302,202	315,302
Paints	88,537	104,919	96,362	125,304	130,003

## Preserving biodiversity

The human race is the cause of the seventh mass extinction of species on Earth. The six prior mass extinctions were caused by natural catastrophes, such as the meteor that struck the Yucatán Peninsula 66 million years ago, wiping out 95% of life on Earth.

According to scientists, this seventh extinction is the result of uncontrolled growth of the human population, the fragmentation and destruction of habitats, the excessive consumption of natural resources and the use of fuels such as oil.

It is calculated that the current extinction rates caused by the human race are between one hundred and one thousand times higher than those of geological times. The transport sector is key to slowing down the climate emergency, which has such a bearing on the human race and the planet and on which the seventh mass extinction sustains itself.

### Freight also matters: Noah's train

In 2019 Noah's Train came to Madrid and Barcelona for the purpose of raising awareness on the impact of transport, especially freight transport, on the environment.

The name Noah's Train is in homage to Noah's Ark, the vessel that saved all animal species during the Great Flood. This symbolism ties together the biblical tale with the importance of protecting the planet as a result of the current environmental crisis.

Promoted by the European Rail Freight Forward (RFF) coalition and transported by Renfe Mercancías, Noah's Train was beautifully painted with animals by renowned street artists from the countries involved in the initiative.

The aim of this campaign was to raise awareness of the need to change the proportion of railway freight transport in Europe, obtaining a rise of 18% to 20% for 2030, and therefore reducing the carbon footprint of logistics.

Noah's Train was launched at the United Nations Climate Change Conference in mid-December 2018. In addition to Madrid and Barcelona, the train's European journey also took it to Vienna, Berlin, Paris, Brussels, Rome, Munich and Luxembourg.

### Transport of hazardous goods: minimising extreme environmental risks

Due to its high level of safety, the transport of hazardous goods by rail is a key element for increasing the protection of land and aquatic ecosystems, as well as environments inhabited by humans, as it avoids using other modes of transport with a higher risk of accidents and, therefore, a greater potential impact on biodiversity and human health.

Renfe transported almost 1.8 million tons of hazardous goods in 2019, an increase of 13.1% compared to 2015, which is equivalent to removing around 60,000 journeys of HGVs loaded with hazardous goods per year.

Almost half of freight transported corresponds to four products: ethanol, gaseous hydrocarbons in a liquified mixture (Butane/Propane), ethylene dichloride and ammonia.

### TRANSPORT OF HAZARDOUS GOODS

	2019	2018	2017	2016	2015
Tn/Year	1,760,458	1,796,366	1,715,282	1,466,622	1,556,072

*Renfe, sustainability providers*

## Renfe: minimum effects to biodiversity at its facilities

Renfe's main interactions with biodiversity could occur in facilities located close to protected natural areas. Renfe manages 67 facilities located in protected natural spaces or in areas close to those spaces. Of these, 55 are suburban rail ("Cercanías") stations, with very little effect, and 12 are rolling stock maintenance workshops, where high level environmental precautions are taken.

Renfe's facilities in natural areas or in areas of high biodiversity occupy a very small area of 0.26 square kilometres, equivalent to half a football pitch.

### RENFE INDUSTRIAL FACILITIES CLOSE TO NATURAL AREAS

NATURAL AREA	TYPE OF FACILITY	NAME OF FACILITY	MUNICIPALITY	PROVINCE	AUTONOMOUS REGION
Los Galachos nature reserve	Rolling stock maintenance workshop	Engine and hauled equipment workshop in Zaragoza	Zaragoza	Zaragoza	Aragón
L'Alberá natural area	Rolling stock maintenance workshop	Hauled equipment maintenance workshop in Port Bou	Port Bou	Girona	Catalonia
SPA Costes del Garraf	Rolling stock maintenance workshop	Central repair workshop in Vilanova i la Geltrú	Vilanova i la Geltrú	Barcelona	
Serralada de Marina park	Rolling stock maintenance workshop	Self-propelled rolling stock maintenance workshop in Montcada	Montcada i Reixach	Barcelona	
SCI Costas del Maresme i La Selva	Rolling stock maintenance workshop	Self-propelled rolling stock maintenance workshop in Mataró	Mataró	Barcelona	
Cuenca Alta del Manzanares regional park	Rolling stock maintenance workshop	TALGO maintenance base in Las Matas	Las Rozas	Madrid	
SCI Sierra de Guadarrama	Rolling stock maintenance workshop	Self-propelled rolling stock maintenance workshop in Cercedilla	Cercedilla	Madrid	Madrid
Ramsar de Txingudi area - Bidasoa	Rolling stock maintenance workshop	Hauled equipment maintenance workshop in Irún	Irún	Guipúzcoa	País Vasco
	Rolling stock maintenance workshop	Self-propelled rolling stock maintenance workshop in Irún			
SCI Franja Litoral Sumergida de Murcia	Rolling stock maintenance workshop	Hauled equipment repair workshop in Águilas	Águilas	Murcia	Murcia
SCI Sierra de Malacora	Rolling stock maintenance workshop	Self-propelled rolling stock maintenance workshop in Valencia	Valencia	Valencia	Valencia autonomous region
	Rolling stock maintenance workshop	Engine and hauled equipment maintenance workshop in Valencia			

SCI (Site of Community Importance) - SPA (Special Protection Area)

## Impact avoided from other alternative modes of transport

Renfe has cut its greenhouse gas emissions by 88.3% vs. 1990, so much that, in comparison with other modes of oil-dependent transport, the higher use of our services, the modal shift towards the railway, generates very significant reductions for the Company (and our customers) with regard to their emissions and the effect on biodiversity.

We call this situation “Railway Sustainable Anomaly”: as the railway’s modal share grows the carbon emissions of the whole of the transport sector plunge. When this happens Renfe acts as a carbon sink for the sector.

Now let us imagine that our railway company does not exist. Under the assumption of “non-provision of railway services by Renfe”, if the passenger and freight transport offered by Renfe were replaced by alternative means, details of the annual journeys in avoided thanks to trains in 2019, and their different impacts on climate change and biodiversity, are as follows:

- Cars: 387 million journeys.
- Lorries: 4.3 million journeys.
- Aircraft: 119,600 flights.

Energy consumption and emissions avoided (2019):

- Annual CO<sub>2</sub> emissions savings: 5.7 million tons of CO<sub>2</sub>
- Annual energy savings: 1.1 million tons of oil equivalent.

These savings in energy consumption are equal to those of domestic consumption corresponding to the electricity consumption of a population of 15 million inhabitants, equivalent to the sum of the populations of the autonomous regions of Catalonia, Aragon

and Valencia. In the case of greenhouse gas emissions, the reduction is comparable to domestic emissions in the whole of Spain.

Renfe has become much more than just a responsible and sustainable company: it is one of the largest Sustainability Providers for both its customers and for Spanish society.



*Renfe, sustainability providers*



## Contribution to social progress

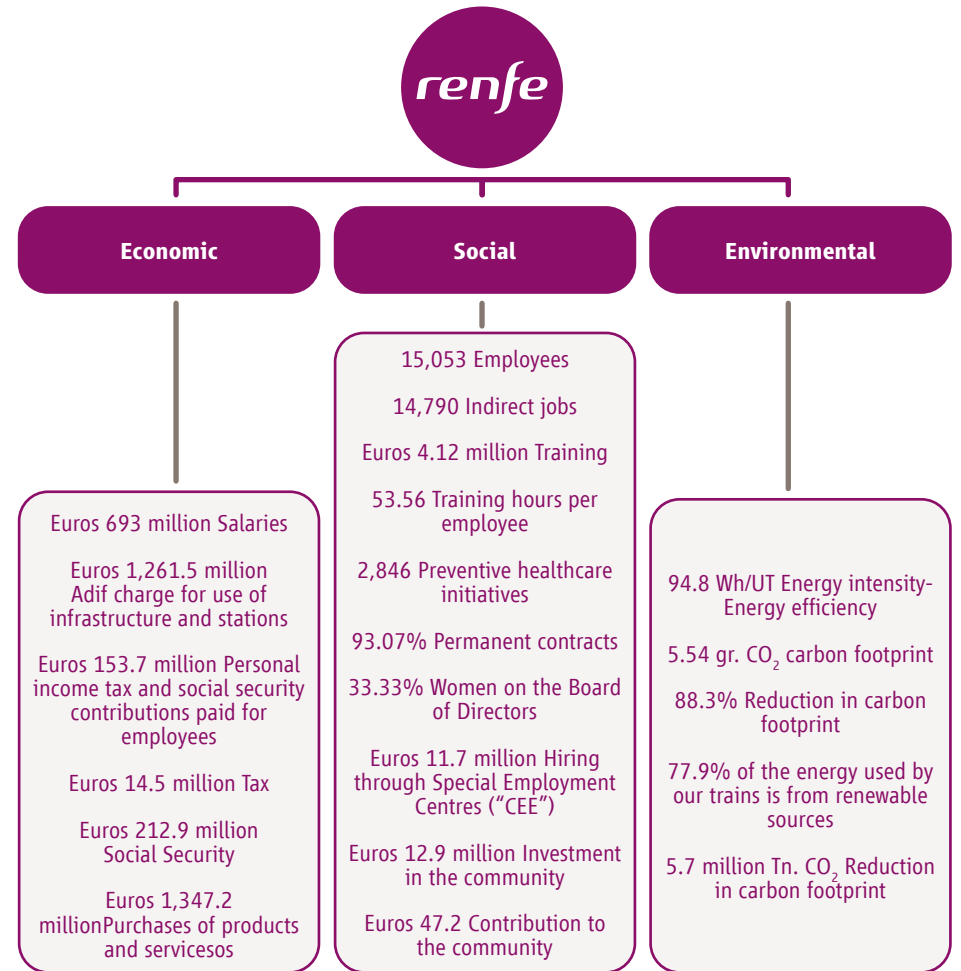


*Contribution to social progress*

## Renfe's contribution to sustainable development in Spain

At Renfe we contribute directly to the national economy through the wealth we generate, the taxes we pay and the purchases we make from our suppliers and others, and indirectly by commissioning security, cleaning and on-board services, etc., and through our contributions to society and our environmental investments, amongst other actions.

In 2019, Renfe's contribution to sustainable development in Spain, in financial terms, amounted to Euros 3,061 million. We created 15,053 jobs directly, and 14,790 jobs indirectly by commissioning services. We also made contributions of Euros 47.2 million to society, investing Euros 12.9 million in the community and contracting with Special Employment Centres for an amount of Euros 11.7 million. In recent years we have reduced our carbon footprint by 88.3% down to 5.54 gr. of CO<sub>2</sub> per unit transported; our energy intensity (energy efficiency-Wh per unit transported) is 94.8 Wh/UT; 77.9% of the traction power for our trains is renewable energy from certified sources; and our impact on biodiversity is minimal, representing an occupied surface area of 0.26 km<sup>2</sup>.



Contribution to social progress



## Accessibility in Renfe

### Comprehensive Accessibility Plan

At Renfe we perceive accessibility as a commitment the company directly undertakes with society to improve our offering and increase the quality of transport services provided.

As a state-owned passenger transport company, at Renfe we never overlook the huge influence mobility has on society and on people's lives in general. Our primary aim, therefore, is to provide a transport system that benefits all citizens and enhances their living conditions.



We are well aware that achieving an accessible railway system that enables us to honour the right to mobility, by removing discriminatory barriers and ensuring users' independence, is no easy task, but we are determined to accomplish this.

Benefitting from the cooperation and support of the world's most prominent disability representative organisations, those that are most familiar with the needs of people with disabilities and reduced mobility, affords us security and endorses our endeavour to achieve our accessibility targets.

With the aim of extending accessibility to all, Renfe has taken as its point of reference the principle of universal accessibility, which entails removing any type of barrier and creating accessible environments, as well as implementing a management system that ensures the services are provided. Disabled persons are more exposed to inaccessibility because, in addition to their physical, sensory or intellectual condition, they are confronted with physical, environmental or interaction barriers.

In recent years, the removal of barriers in transport has created accessible environments, resulting in a universal transport system that is available to all and characterised by comprehensive accessibility. The approach needs to be global and all-encompassing. In other words, accessibility needs to be analysed as a chain (a travel chain), taking into account the sequences that make up a person's activities (day-to-day life, work, leisure, etc.) and their interconnections.

### Objectives of the Plan

The main objectives of the Comprehensive Accessibility Plan are to:

- Bring universal accessibility to the entire travel chain of our railway customers, enabling them to move around obstacle-free from the moment they enter the departure station until they are on board our train, and from the moment they alight

from the train at the end of their journey until they leave the arrival station, while also facilitating intermodality.

- Attain railway service excellence in the eyes of the customer, meeting all the criteria associated with universal accessibility and design for all.
- Make all services accessible, in cooperation with expert organisations, institutions and social agents.
- Improve the features of services provided to passengers with reduced mobility, communication difficulties or other disabilities.
- Achieve an accessible and all-embracing railway system that affords independence to passengers with reduced mobility or other disabilities, in accordance with current legislation.
- Provide a quality railway system of which the Company can feel proud and in which it is reflected, through the combined efforts of all involved.

### Renfe Atendo

Atendo is Renfe's free-of-charge service that provides assistance to passengers with reduced mobility or other disabilities. It is a specialised service that facilitates passenger access to and transit through stations, and provides assistance in boarding and alighting from trains. Renfe Atendo is Renfe's main corporate social responsibility project.

Renfe is continuously enhancing the Atendo service. In 2019 the Company achieved the milestone of six million acts of assistance provided to disabled persons since the start-up of Atendo in 2007, and the service is highly valued by customers. Renfe Atendo currently ensures accessibility for 90% of passengers on long-distance and regional services, on both high-speed and conventional trains.

Moreover, Renfe has already made 100% of its long-distance high-speed ("AVE") and regional high-speed ("Avant") trains accessible, as well as 68% of other long-distance trains and more than 50% of its suburban ("Cercanías") and regional ("Media Distancia") trains.

The Renfe Atendo service is available at 140 accessible stations in Spain, 68 of which offer the service non-stop during station opening hours, subject to assistance being requested at least 30 minutes before the train departure time, while 72 stations provide the service on an ad hoc basis, for which assistance must be requested at least 12 hours before departure.

The main accomplishments of the Atendo service in 2019 are as follows:

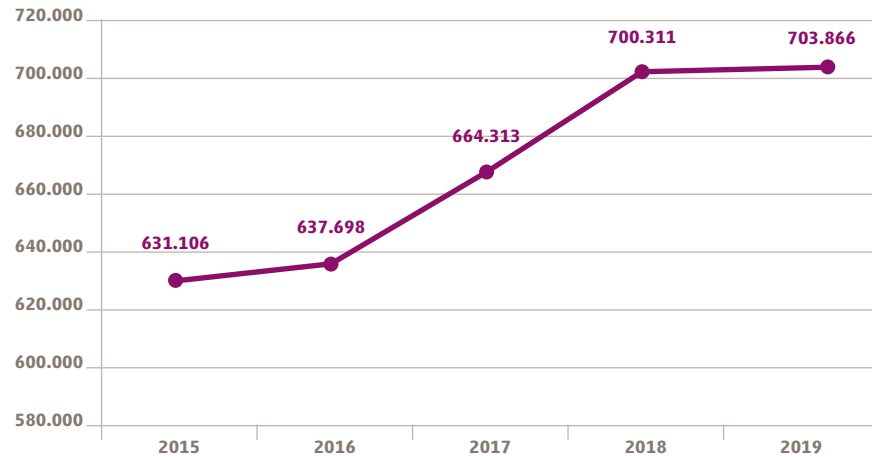
- The number of acts of assistance in 2019 was 0.51% up on the prior year, climbing to 700,866 \*.
- The quality rating of the Renfe Atendo service in 2018 was 9.15 out of 10. The service quality survey for 2019 is currently underway.

The annual average number of claims and complaints lodged per one thousand acts of assistance was 1.51.

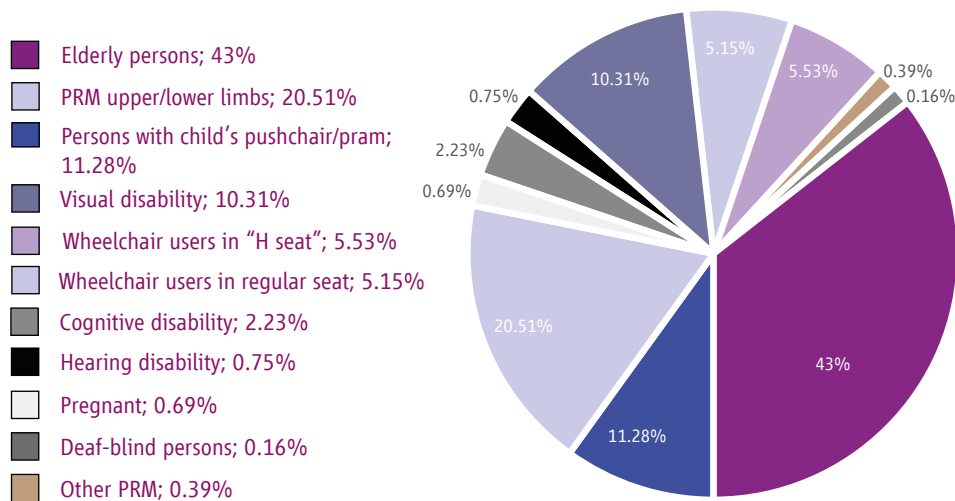
The Renfe Atendo service has been awarded the Universal Accessibility certificate (under standard UNE 170001-2) by the Spanish Association for Standardisation and Certification (AENOR), and this was recently renewed until 2022. In 2019 the first follow-up audit of the system was performed, receiving a rating of Satisfactory. This certification was awarded for the 140 stations that offer the Renfe Atendo service.



**NO. OF ACTS OF ASSISTANCE UNDER THE ATENDO SERVICE**



**DISTRIBUTION OF ACTS OF ASSISTANCE BY TYPE OF DISABILITY IN 2019**



**SVisual service in Atendo**

This service is aimed at hearing-impaired passengers and takes the form of a video interpretation service in sign language.

The system enables communication between the hearing-impaired and hearing persons in real time and is able to simultaneously integrate audio and video. Renfe Atendo personnel are equipped with a tablet enabling them to offer this new service, which is available at 10 stations on a permanent basis: Madrid-Puerta de Atocha, Madrid-Chamartín, Barcelona Sants, Zaragoza, Córdoba, Málaga María Zambrano, Alicante, Valencia Joaquín Sorolla, Sevilla Santa Justa and Vigo Urzaiz.

**Smart signage system for people of different abilities**

Renfe has introduced a pilot experience to implement a smart signage system that will enable people with different abilities to access quality information on items and services available at stations by using their mobile devices.

It is a new system of digital markers that will be installed in the Soto del Henares suburban ("cercanías") station and in the Puerta de Atocha station Club and boarding rooms as of late July.

To access the information, users must download the NaviLens application on their mobile devices. By reading the markers, passengers will have at their disposal all relevant data in accessible formats based on their functional diversities (visual, auditory or cognitive), thus providing excellent help to moving around in rail stations.

*Contribution to social progress*

This mobile app opens up a field of possibilities of enormous value that will allow users to function in stations in an entirely autonomous manner. It offers spoken information to visually impaired passengers or information in video format with descriptive and directional content for customers with these types of needs.



This smart system stands out on account of its versatility and dynamic nature as content can be updated, expanded, modified or adjusted to communication needs at any given moment. Its usefulness can be extended to all public transport users who, using a simple interface, can consult the services offered by the station, train schedules and any other information considered relevant.

This solution also provides answers to overcome language barriers as the information is provided in the language that the users have configured their mobile devices.

### Accessibility collaboration agreements

- Collaboration agreement between CERMI (Spanish Committee of Representatives of Persons with Disabilities) and Renfe. This agreement sets out the framework for collaboration between the two entities, which aims to put into practice programmes and initiatives that support and improve the lifestyle of disabled persons in terms of universal accessibility, design for all and labour integration, within the scope of Renfe’s endeavours.
- Collaboration agreement between Plena Inclusión Madrid (the federation of organisations for persons with intellectual or developmental disabilities) and Renfe Viajeros. Under this agreement, two “Cercanías Familiarisation Seminars” are organised each month as an introduction to suburban (“Cercanías”) rail transport for persons with an autism spectrum disorder or with intellectual or developmental

disabilities. The aim is to familiarise young people and adults who need to use the suburban service to go about their day-to-day activities with the trains operating on that service. This initiative is intended to remove the limitations these passengers currently face by acquainting them with the train’s features and functions.

- Collaboration agreement between Plena Inclusión Madrid, the Spanish Railway Foundation (FFE) and Renfe Viajeros on “Train Outreach Seminars”. These seminars consist of a guided tour through the Delicias Railway Museum and their purpose is to help remove the limitations affecting passengers with intellectual or developmental disabilities, by familiarising them with the history of trains.

Under the collaboration agreement, an easy-to-read Railway Museum information leaflet has been produced, which is available to all visitors.

The guided tours are led by cultural volunteers of the Museum, under the Spanish Confederation of Classrooms for the Elderly (CEATE) programme ‘Elderly Cultural Volunteers to Present the Museums of Spain’, who have previously received training from professionals of the Renfe Viajeros Customer Service department and persons from the Ademo Foundation with an intellectual disability.

- Renfe collaborates with the Special Employment Centre (“CEE”) of Afanias, the association for people with intellectual disabilities, through the publication of its Renfe Atendo service guide in easy-to-read format.

Easy-to-read format is text that has been adapted to simplify reading and comprehension, so that it can be understood effortlessly by everyone, irrespective of their reading and comprehension ability. This accessible easy-to-read format means the text can be readily understood not only by people with a disability, but also by the elderly, tourists, etc.

The renfe.com website includes a specific microsite for people with reading comprehension difficulties, for which basic travel content and a selection of proposed trips are presented in easy-to-read format and accessible apps.

In the “reading corner” of its club lounges at the three major rail terminals – Madrid-Puerta de Atocha, Madrid-Chamartín and Barcelona Sants – Renfe has also included books in easy-to-read format written by well-known and new authors, both able-bodied and disabled.

- Collaboration agreement with the Spanish Confederation of People with Physical and Organic Disabilities (COCEMFE) to carry out the trips organised by the Confederation’s Accessible Tourism Area.

In this first year, 11 trips were organised to different destinations across Spain, and very positive feedback was received from the Confederation members.

- Renfe has created a multi-disciplinary working group to analyse the characteristics of self-service ticket machines and to provide feasible solutions for aspects that present difficulties for people with a disability or reduced mobility. This group benefits from the collaboration of various associations for the disabled, such as ONCE (the Spanish National Organisation for the Blind), FIAPAS (the Spanish Confederation of Families of Deaf People) and the aforementioned CERMI. The group has drawn up technical documents and proposals for the acquisition of new products, and has detected certain characteristics in both the hardware and software for which a solution is required.

### Tarjeta Dorada

In 2019 tickets to the value of Euros 153 million were sold through the Tarjeta Dorada (Golden card), of which 42% were sales made through in-station ticketing systems, 18% were travel agency sales, 34% were online sales and 6% were telephone sales.

By 2019 a total of 2,234,171 Renfe Tarjetas Doradas had been issued to the elderly or the disabled, while 57,106 cards had been issued to carers of disabled passengers.

During 2019, Renfe extended the benefits of the Tarjeta Dorada to groups of people with a disability rating of 33% or more, compared to 65% previously. Consequently, many people

with sensory, intellectual, physical, organic and other disabilities will avail of the discounts offered by the Tarjeta Dorada.

Renfe’s contribution by way of discounts through the Tarjeta Dorada totalled Euros 29 million in 2019.

## Dialogue with stakeholders

Dialogue with stakeholders is constant and enables us to ascertain their needs and expectations, which we can then satisfy, insofar as possible, in a balanced and realistic manner.



*Contribution to social progress*

### MAIN COMMUNICATION CHANNELS

	CUSTOMERS	EMPLOYEES	SUPPLIERS	ALL STAKEHOLDERS
In person and by post:				
• Renfe-Operadora Avenida Pío XII, nº 110 28036 Madrid				
• Renfe Viajeros Sociedad Mercantil Estatal S.A. Avda. Ciudad de Barcelona, 8 28007 Madrid				
• Renfe Mercancías Sociedad Mercantil Estatal S.A. Avda. Ciudad de Barcelona, 4 28007 Madrid				X
• Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal S.A. C/ Antonio Cabezón, S/N 28034 Madrid				
• Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal S.A. Avda. Ciudad de Barcelona, 4 28007 Madrid				
Telephone information service				
• Customer information: 912 32 03 20	X			
• Online sales: 912 180 180				
• Assistance for disabled travellers: 912 140 505				
Website: <a href="http://www.renfe.com">www.renfe.com</a> and <a href="http://www.avlorenfe.com">www.avlorenfe.com</a>				X
Irene: Virtual assistant	X			
Virtual customer service office	X			
Rodalies (Catalonia suburban lines) website: <a href="http://www.rodaliesdecatalunya.cat">www.rodaliesdecatalunya.cat</a>	X			
Mobile web: <a href="http://renfe.mobi">renfe.mobi</a>	X			
Apps for smartphones and tablets	X			
Email				
• <a href="mailto:responsabilidadsocialcorporativa@renfe.es">responsabilidadsocialcorporativa@renfe.es</a>				
• <a href="mailto:medioambiente@renfe.es">medioambiente@renfe.es</a>				
• <a href="mailto:prensa@renfe.es">prensa@renfe.es</a>				
• <a href="mailto:patrocinios@renfe.es">patrocinios@renfe.es</a>				
• <a href="mailto:portaldeproveedores@renfe.es">portaldeproveedores@renfe.es</a>				X

### MAIN COMMUNICATION CHANNELS

	CUSTOMERS	EMPLOYEES	SUPPLIERS	ALL STAKEHOLDERS
Customer service centres	X			
Trade fairs and conventions / Groups				X
Customer committees	X			
Conventions / Participation in discussions				X
Renfe annual report				X
Social media				
• Twitter				
• Facebook				X
• Flickr				
• Youtube				
Press releases	X			X
Renfe corporate intranet: Interesa		X		
2.0-based collaborative environments: digital newsletters containing Renfe information		X		
Communication points at operational work centres and specific campaigns for certain groups		X		
“Contractor Profile” on the Public Sector Procurement Platform			X	X
Institutional relations (regional governments, public authorities, Congress of Deputies, Senate, etc.)				X



## Customer committees

This channel serves as a discussion forum for Renfe and its customers to exchange opinions and proposals. Customer committees are currently up and running for the Cantabria, Valencia, San Sebastian, Bilbao and Asturias suburban (“Cercanías”) hubs and for the Madrid-Segovia-Valladolid regional high-speed (“Avant”) services.

The aim of the customer committees is to bring the company closer to customers so as to continuously improve the service provided by Renfe and to gain insight into our customers’ opinion, evaluating the commitments undertaken by the company in terms of product quality. The customer committees are composed of a representative selection of passengers who use these products on a regular basis.

The following customer committee meetings were held in 2019:

- Valencia hub. Held on 1 October 2019
- Bilbao hub. Held on 17 December 2019
- San Sebastian hub. Held on 19 December 2019
- Madrid-Segovia-Valladolid Avant service held on 28 November 2019

## Customer service centres

Renfe’s customer service centres are located at its busiest passenger stations. This service provides customers with information and allows them to manage any aspect of their trip, such as changes, reimbursements, ticket payments, after-sales service, etc. In 2019 the customer service centres attended to 1,871,679 (non-consolidated December figure) customers at the following stations: Albacete Los Llanos, Alicante Término, Barcelona Sants, Camp de Tarragona, Córdoba Central, Girona, Granada, Lleida Pirineus, Madrid Puerta de Atocha (2), Málaga María Zambrano, Santiago de Compostela, Sevilla Santa Justa, Valencia Joaquín Sorolla, Valladolid Campo Grande and Zaragoza Delicias.

## Dialogue with government entities

In 2019, Renfe created the position of Institutional Representative of the Renfe Group for each regional government. The mission of these representatives is to strengthen two-way communication and promote dialogue between Renfe and the regional institutions, identifying initiatives to improve the communication channels and sharing ideas or suggestions to resolve existing and future problems.

### ‘To know is to understand’ seminars

The purpose of the “To know is to understand” programme is to increase knowledge about customers with any type of disability and improve communications with those customers.

This programme is geared towards increasing social inclusion and the rights of people with disabilities. Its aim is to provide training, both at the induction stage and for the purpose of continuing education, to promote high-quality professional practices based on the knowledge, ethical values and perspective of the people with disabilities.

As part of the training activities for customer service professionals, themed seminars will be held for Renfe employees and customer service providers, covering how to deal with customers and communication, and accessible, understandable relationships with differently abled people.

The purpose is two-fold:

- Initiate contact and gain a more in-depth knowledge of different disabilities.
- Provide a better service to passengers with disabilities who travel on board our trains.

Since the start-up of this programme, a total of six seminars have been organised on intellectual disabilities, Down syndrome, autism, cerebral palsy, deafblindness and hearing impairment. These seminars have been led by people from organisations that specialise in each area of disability.

## Connected to Renfe on social media

### Twitter

Our corporate account, @renfe, provides up-to-date information on travel offers, initiatives that may be of interest and, in general, all Renfe Group news. We will also help resolve any queries users might have. Considered one of the top 10 accounts in Spain by various websites and trade media, and with more than 170,000 followers, 14,000 mentions per month on average and over six million organic impressions, this is the place to connect with Renfe.

We also have the @inforenfe account, with 38,821 followers, which provides real-time information on all types of rail traffic incidents on long-distance and regional services.

The three largest suburban ("Cercanías") hubs also have their own accounts:

- @CercaniasMadrid, with 111,000 followers and a service that provides personalised alerts
- @Rodalies, with 69,339 followers, for Rodalies de Catalunya
- @CercaniasVLC, with 10,000 followers

### **What are Twitter alerts?**

Renfe has developed a pioneering system of direct messaging through Twitter alerts to passengers on Madrid's suburban network and on Rodalies de Catalunya, informing them in real time of any interruptions of service affecting their journeys and travel timetables.

Use of this service, which is available for iOS and Android, is accessed merely by subscribing via direct messaging through the link that appears in the tweet in the profile of our @CercaniasMadrid and @rodalies accounts.

Clicking on the link will open a window in which several automated messages will provide different system configuration options. Choose the lines or sections that are of interest (up to three), the days of the week (Monday to Friday, Saturdays and Sundays, or every day) and the hourly tranche (up to two) on which to receive notifications, as well as the language (Spanish or Catalan).

The subscription may be modified or cancelled at any time, or even paused for a specified period (for example, during the holidays).

Once the subscription has been configured, users begin to receive direct messages from Twitter in real time with notifications affecting the lines and hourly tranches defined. We recommend changing the settings on the mobile device so that these notifications appear even when the screen is turned off.

### Facebook

Since 2011 our Facebook profile is primarily used to publicise promotions and special offers, as well as other appealing content that does not always lend itself to traditional forms of communication, such as recommendations for mini-breaks by train and the best journeys to make using this mode of transport. This social media network generates the most engagement among users, attracting 112,842 fans in 2019.

### Instagram

An essential for railway fans, our Instagram profile has 40,000 followers and is the best showcase for trains in Spain. In addition to featuring very beautiful photos and videos, our stories are used to transmit important events in real time.

### YouTube

In this channel we have compiled historical train TV advertisements, articles on company operations, interviews with Renfe workers and management, corporate videos and new products and services. By 2019, Renfe had attained 10,000 subscribers and 7 million views on its YouTube video channel.

### LinkedIn

With 30,000 followers, our professional account keeps them abreast of developments in training, employment and human resources.

### Blog

Our blog has content from external and internal contributors and covers a very wide range of subjects: destinations, special offers, advice, technical aspects, history, etc. in an array of content that has made this one of the 150 most-visited websites in Spain

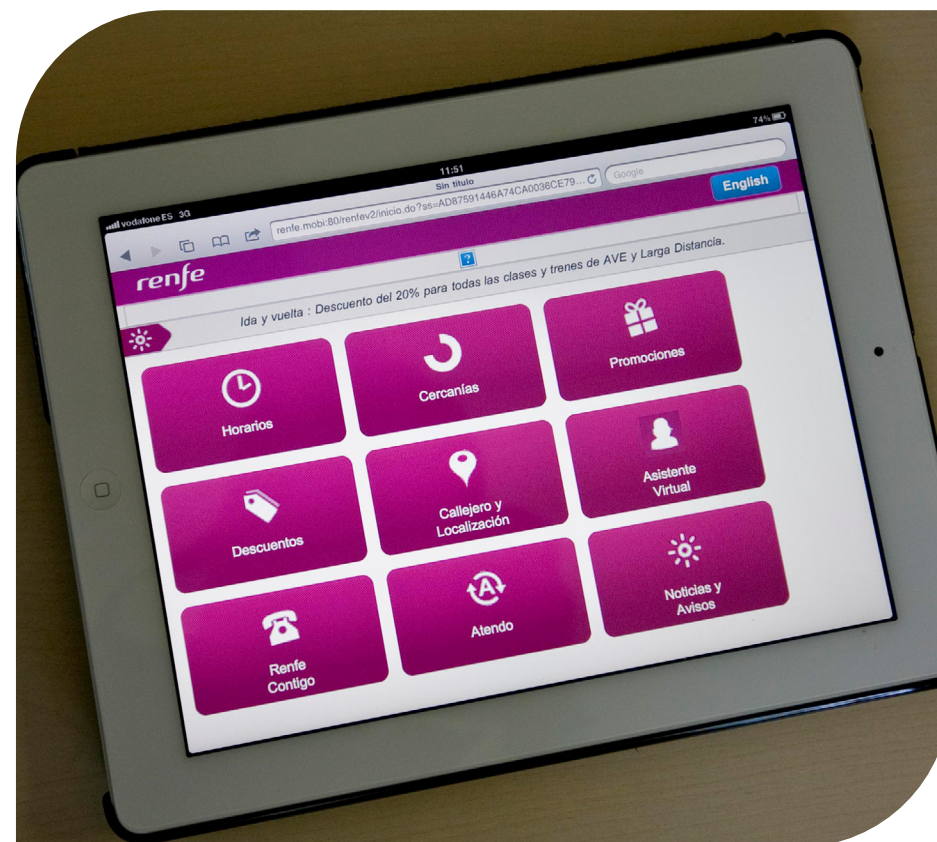
### Flickr

Over one thousand high-quality photographs of Renfe trains, workshops and stations for professionals and for personal use.

### Renfe.com

Renfe's website continues to be one of the most consulted travel sector pages, and the most consulted page in the transport segment. In 2019 it received 168.6 million visits, an increase of 10%. Moreover, the number of Renfe customer visits through mobile apps has grown exponentially. In 2019, it grew by 7% on the previous year. With 24.1 million visits,

the Renfe Ticket app stands out (10% more than in 2018). The Cercanías app has received 12.2 million visits, a 7% rise, whilst the Horarios app has had 3.1 million visits, 14% fewer visits than last year.



*Contribution to social progress*

## Communications with suppliers

The Renfe Group entities publicise their Contractor Profile on the Public Sector Procurement Platform, where general information and contact details are published, as well as details of all tenders in progress, contracts awarded, undecided or abandoned tenders, the templates used in procurement processes, Internal Instructions for Procurements and General Specifications.

The Public Sector Procurement Platform enables suppliers to set up alerts to advise them of Renfe Group publications that could be of interest to them.

Moreover, the Supplier Registration function can be accessed via the Renfe website. This access is restricted to Renfe's suppliers of reference, enabling them to see what data and documentation are already included in the register, so as not to bring them forward again in subsequent procurement procedures in which they take part. The "Suppliers Portal" has a mailbox that enables suppliers to voice their queries regarding the Portal.

## Active presence of Renfe at trade fairs and conventions

Trade fairs, including conventions, seminars, exhibitions, etc. are a marketing tool, a venue not just to showcase its presence, but also to convey messages previously defined by the attendees and by Renfe's commercial and communication objectives. Furthermore, a trade fair provides more business opportunities, increasing the number of commercial and sector contacts and sometimes creating an impact in terms of communications.

Renfe therefore uses trade fairs as an exercise in external relations and to communicate with its stakeholders (suppliers, customers, the general public, specialised professionals, institutional visitors, the media, etc.) by having an active presence at the main forums, conventions, fairs or events, particularly those related to tourism, although each year more and more specific events related to innovation, new technologies, entrepreneurship, etc. are included.

In 2019 Renfe attended or had an active presence at approximately thirty events, foremost among which are FITUR, B-Travel or the International Logistics Show in Spain, but also high-profile international gatherings in the United Kingdom or France, both markets that are commercially important for Renfe.

The main event this year, as every other year, was FITUR (held in Madrid from 23 to 27 January 2019), which serves as the meeting point for tourist professionals and is the leading trade fair for inbound and outbound tourist markets in Latin America. The more than 11,000 corporate participants and 150,000 registered professionals from 165 countries or regions provide an indication of the international standing of this trade fair, which is considered one of the most important tourism and travel industry fairs in the world.

Held in Barcelona, B-Travel is considered the top leisure and tourism trade fair and is oriented towards end and preferred customers. Renfe was also present at this trade fair, where it hosted a large stand with various activities aimed at attracting customers and fostering their loyalty. Between 22 and 24 March, it received more than 35,000 visitors.

SIL, the International Logistics Fair, is considered the leading fair in the logistics, transport, intralogistics and supply chain management in the south of Europe. Renfe Mercancías took part in SIL, which took place from 26 to 28 June 2019, sharing a stand with other companies of the Fomento group. Over 650 companies participated in the 21st edition of the leading transportation and logistics fair.

### **Presence at the COP25 Climate Summit**

Due to exceptional circumstances, the COP25 Chile Climate Summit was held in Madrid. Renfe was also present at this event, which brought together prominent political representatives from 200 countries, as well as environmental, scientific and business organisations. Renfe coordinated the presence and construction of a stand of Spanish public companies, hosting gatherings, discussions and round tables highlighting each of these companies and the actions they carry out to reinforce the government's commitment to the



United Nations Climate Change Conference. In addition to Renfe, public companies AENA, Adif, Correos, ICEX, Loterías, Paradores, Salvamento Marítimo and Tragsa also took part.

### **Noah's Train, in Madrid and Barcelona**

Renfe participated in Noah's Train (El Tren de Noé), an international initiative developed by Rail Freight Forward (RFF), a coalition of European rail freight companies of which Renfe Mercancías forms part. The purpose of the initiative was to raise awareness about the need to promote sustainable freight transport by increasing the use of railways.

To this end, an artistic initiative was carried out using freight trains and coaches which travel throughout Europe. Renfe organised the event at the Príncipe Pío (Madrid) and Francia (Barcelona) stations, setting up the exhibition and adapting them for visits by the general public and for press presentations.

In addition to being present at trade fairs, Renfe has participated in other initiatives, events, seminars or trade fairs including:

- Sponsorships
- Meeting, UIC-CER – Barcelona

### **Innovation**

In 2019 Renfe once more chose to increase its presence and contact with the innovation ecosystem in Spain, maintaining an active presence at professional innovation events, research centres, universities and other forums for innovation and entrepreneurship. In 2019, for the fifth year running, Renfe took part in South Summit, the leading innovation and business development platform that connects the most disruptive start-ups with investors and corporations from around the world.

Renfe also participated in the knowledge and technology transfer forum, Transfiere, in Malaga, as well as in the fifth edition of Startup Olé 2019, an innovation and technological

entrepreneurship forum, which has the support and collaboration of the European Commission. In this edition Renfe was awarded the prize for Best Public Corporation.

Also in Malaga, Renfe attended S-Moving, a leading space for companies, professionals, entities and public authorities in the sectors of smart, autonomous and connected vehicles.

### **Participation in external forums**

To promote transparency in its management, Renfe engages in a continuous dialogue with all of its stakeholders through multiple communication channels, in-person gatherings and involvement in different associations and entities such as:

- Forética (association of corporate social responsibility firms and professionals)
- Club for Excellence in Management through Innovation (Club Excelencia en Gestión Vía Innovación)
- Global Compact Spanish Network
- Spanish Association for Quality (AEC)
- Leading Brands of Spain Forum (FMRE)
- Spanish Association of Freight Transport Users (AEUTRANSMER)
- International Union of Railways (UIC)
- Community of European Railway and Infrastructure Companies (CER)
- International Association of Public Transport (UITP)
- International Rail Transport Committee (CIT)
- Forum Train Europe – Freight
- Latin American Railway Association (ALAF)
- General Contract of Use for Wagons (GCU)
- European Company for the Financing of Railroad Rolling Stock (EUROFIMA)

Moreover, since 2002 Renfe has been a member of Autocontrol – a non-profit association that manages Spain’s advertising self-regulation system – and is committed to ensuring that all of its commercial communications comply with Autocontrol’s Code of Advertising Conduct, based on the Code of Advertising Practices of the International Chamber of Commerce.

**Task Force on CSR in Public Companies – Forética**

The Task Force is a business collaboration platform that aims to promote the exchange of knowledge among participating public companies in the field of corporate social responsibility, and in environmental, social and good governance aspects. It also seeks to highlight business successes, to transfer tools and trends that are relevant internationally, and to make a positive contribution to the leadership of public companies in the domain of corporate social responsibility, all within the new paradigm of Sustainable Development Goals (SDG) and the 2030 Agenda.

During 2019, the Action Group on CSR in public entities has published a “Progress Guide for Public Companies Faced with the Challenge of Transparency and the 2030 Agenda”. The guide was presented during an official ceremony held at the COP25 Climate Change Summit. The document shows the progress and actions that public companies are taking to comply with the achievement of the SDGs and to improve and progress in the field of transparency, as a key principle of good governance and accountability towards their stakeholders.

The Task Force is coordinated by Forética, a benchmark organisation in Spain for the promotion of CSR. Members of the Task Force besides Renfe include Adif, Aena, Aquavall, Canal Sur Radio y Televisión, CESCE, Corporación Empresarial Pública de Aragón, Correos, Emasesa, ENAIRE, Enresa, Extremadura Avante, Grupo ENUSA, Grupo Tragsa, ICEX España Exportación e Inversiones, the Spanish Official Credit Institute (ICO), INCIBE, INECO, INFORMA D&B, ISDEFE, ITVASA, Metro de Madrid, Paradores, RTVE and Valencia Port. It also

comprises COFIDES and the National Healthcare Network for Social Responsibility, through the participation of San Carlos Clinical Hospital, Reina Sofía General University Hospital, Guadarrama Hospital, Tajo University Hospital, Príncipe de Asturias Hospital and Miguel Servet Hospital, as observer members.



## Social action

### Collaboration with Special Employment Centres

Renfe helps to create an inclusive workplace for disabled persons by collaborating with Special Employment Centres (“CEE” as per the Spanish acronym). In 2019, Renfe invested more than Euros 11.7 million in different cases awarded to CEEs.

Notably, since 2005 the Fundación Jardines de España (Gardens of Spain Foundation), an entity engaged in social integration for people with a mental health disability, has been tasked with conservation and maintenance of the gardens at Renfe’s headquarters in Madrid.

### Collaboration with the National Transplant Organisation (ONT)

Renfe collaborates with the National Transplant Organisation (ONT), transporting organs within Spain between towns connected by the railway service, preferably on high-speed long-distance trains. In the event of a cross transplantation, Renfe mobilises different departments – Call Centre, Operations Management Centre, Atendo Service, Service Centres, etc. – to ensure that everything runs according to the established procedure. Renfe also provides tickets for the healthcare personnel travelling with the transplant organ.

### Raising social awareness among customers

Within the context of corporate social responsibility, Renfe has played the videos of various organisations, associations, non-profit entities, etc. on its high-speed long-distance trains, as part of its commitment regarding social inclusion, disability, diversity, the fight against poverty, climate change, SDGs and, in general, in support of the third sector.

The potential audience for the videos projected on our trains for this type of campaign is around 2.5 million passengers.

### Josep Carreras Foundation

Another campaign we supported in 2019 was that of the Josep Carreras Foundation against leukaemia. For more than 30 years, this foundation has promoted all manner of scientific research projects to benefit leukaemia patients.

The video for the campaign “The Best News in the World” was projected on our trains during the month of June, coinciding with Leukaemia Week.

### El Sueño de Vicky (Vicky’s dream)

This Foundation firmly believes that in order to be able to combat and cure childhood cancer, the first requirement is to conduct research. Children with cancer do not need a miracle, they need research.

The foundation raises funds to finance three projects at three different centres, the CIMA of the University of Navarre, Niño Jesús Hospital in Madrid and La Paz Hospital in Valencia.

In March, Renfe supported this foundation, showcasing its work and making an appeal for donations by projecting a video and providing return transportation for a group of 40 people from Valencia after participating in an action called “400 km, 400 members”.

### Spanish Alzheimer Confederation (CEAFA)

The Spanish Alzheimer Confederation (CEAFA) comprises one confederation and 12 regional federations, as well as six single-province associations which in turn encompass over 300 local associations with more than 83,000 members.

They are working to incorporate this disease into the political agenda, seeking to bring about the social commitment required to defend the interests, needs and rights of all people affected by Alzheimer.

The video was aired in September on World Alzheimer's Day.

### **Plena Inclusión (Full Inclusion)**

#ElFuturoesContigo (The Future is With You) was the campaign selected by Plena Inclusión Madrid (the federation of organisations for persons with intellectual or developmental disabilities) to publicise and raise awareness of its work in 2019. The video prepared for this campaign tells the story of a group of people who belong to an association and who decide to explain their reasons, their experiences and their contribution to building a better society.

### **La Gran Recogida de Alimentos ("Great Food Collection") - FESBAL**

Once again, Renfe collaborated with the Spanish Federation of Food Banks (FESBAL) in its "Great Food Collection" project implemented nationwide in Spain.

The 55 food banks across Spain encouraged everyone to take part in an effort to surpass the previous year's figures. In 2019, more than 120,000 volunteers were involved and over 21 million kilos of food were collected.

In November an audiovisual presentation was displayed in all high-speed long-distance trains to encourage participation in two ways: by donating food at the supermarkets collaborating in the campaign and by helping to collect the food items as a volunteer.

### **Actions aimed at employees**

#### ***Spanish Heart Foundation (FEC) - "Heart Race"***

This race is aimed at raising awareness of cardiovascular diseases and their prevention and encouraging a healthy lifestyle. It is organised as part of World Heart Day and around four thousand people take part in each edition.

Renfe is collaborating in this race for the third year running through its employees' participation, as part of the initiatives undertaken by the company to raise awareness among its employees of the importance of sport and leading a healthy lifestyle. A total of 67 workers registered for this event.

#### ***Oxfam Intermon Trailwalker***

This sporting challenge was one of the most successful events in which Renfe employees took part in 2019.

It consists of covering 100 km within 32 hours or 50 km within 16 hours in six-member teams. Whether running or walking, the point is to finish.

But what is most important is the purpose. To fight poverty and hunger using the donations pledged for registrants, which are channelled into over 400 Oxfam Intermón projects involving cooperation, humanitarian action, fair trade and awareness in more than 80 countries.

In 2019, six Renfe teams took part, one in Girona and five in Madrid.



### **The Women’s Race**

This race is the women’s sporting event that attracts the largest number of participants in Europe. It is hosted in eight cities: Valencia, Madrid, Vitoria, Gijón, A Coruña, Seville, Zaragoza and Barcelona.

2019 marked the 15th edition of the race. During these 15 editions, more than one million women have run to raise money for charitable causes, research and the fight against gender-based violence.

In 2019, more than 110 female Renfe employees took part in the race in the various cities where it was held.

### **Committed to combatting gender-based violence**

The Red de Empresas por una Sociedad Libre de Violencia de Género (network of Companies for a Society Free from Gender-based Violence), of which Renfe is a member, aims to raise society’s awareness of gender-based violence and to promote the inclusion of victims of such violence.

Renfe has undertaken to apprise its employees and customers of the campaigns against gender-based violence launched by the Spanish Ministry of Equality.

Renfe aims to demonstrate its commitment to this cause and to achieving a society based on equality between men and women, one that respects fundamental rights and is free of any type of violence against women.

### **“Dona Sangre” (Give Blood) – Cruz Roja**

Renfe continues to collaborate with the Cruz Roja (Spanish Red Cross) in its blood donation campaigns with a range of initiatives conducted throughout the year at its work centres in Madrid. On campaign days, Renfe employees have the opportunity to give blood at their work centre, enabling them to help many people with their donation.

### **Collaboration with Foundations, Organisations and Associations**

#### **Tomillo Foundation**

This foundation is a private, non-profit entity whose mission is to contribute towards improving society by helping people in difficult situations to improve their lives and their community. It works with children, young people and their families to provide them with the tools they need to take responsibility for their lives and their environment through education and employment.



*Contribution to social progress*

Renfe has participated in two projects aimed at students of basic vocational training in the field of Communication and Information Technology during the 2018/2019 and 2019/2020 academic years. "Project Interrail" and "Train Travel", providing transportation to carry out the projects.

Furthermore, Renfe assisted these students with their travel to the Second Chance Schools Congress. Renfe also collaborated with the foundation so that a team of five people, all students of the Tomillo Foundation's Second Chance School, could attend the Summer Campus of the Starters Bootcamp on entrepreneurial techniques and processes.

### **Save The Children**

Save The Children is a non-profit foundation whose mission and founding purpose is the promotion and defence of children's rights within the framework of the Convention on the Rights of the Child signed on 20 November 1989 and any international instruments to implement or supplement it.

Renfe signed a collaboration agreement with this organisation, acting as the official transport provider during this year's events held to commemorate the centenary of its creation.

### **WWF Spain**

This organisation forms part of the WWF network, the largest independent international organisation for the protection of nature and the environment. Its mission is to preserve nature, habitats and species, and to combat the factors that threaten life on Earth.

Renfe has signed a collaboration agreement undertaking to raise awareness of WWF through publicity campaigns using the company's communication media and spaces.

### **UNHCR**

The United Nations High Commissioner for Refugees, UNHCR, is a UN agency mandated to protect refugees and forcibly displaced communities due to conflict, natural disasters, etc., and find solutions to their situation.

Cooperation with this organisation involved the purchase of emergency supplies for the campaign to provide aid those affected by Cyclone Idai in Mozambique, Malawi and Zimbabwe. A monetary contribution for the purchase of 10 family-size tents and 300 blankets.

### **COCEMFE Barcelona**

Agreement with the Francesc Layret COCEMFE Barcelona Federation of entities for people with a physical and organic disorder. Renfe sponsored the 1st Congress on the right to personal independence in Barcelona.

### **VOZES Foundation**

VOZES is a school of life for more than 500 children in the Barcelona districts of Nou Barris, Sant Andreu and Besòs and, since the end of 2015, in the Madrid districts of Vallecas and Carabanchel.

Created in 2005, VOZES is a music-based social project aimed at children and adolescents who do not have the means to study music. This project offers them the opportunity to become fully integrated members of society without sacrificing performance quality or their commitment to music.

Renfe helped with the travel arrangements of the Youth Orchestra of the foundation from Barcelona to Madrid for a large gathering held there.

**Other collaboration agreements**

- Action Against Hunger. Renfe collaborated as the official transport provider for the charity concert ‘Lucha de Gigantes’ (War of Titans) hosted in Madrid. The purpose of this concert was to raise funds to end world hunger through an element as vital as water.
- The Fight AIDS Foundation. This Foundation is a non-profit entity that focuses on providing healthcare, research and teaching in the field of HIV/AIDS. Every year the Foundation organises the People in Red Gala. This is a charity dinner held to raise funds to be able to continue AIDS research. Renfe collaborates as the official transport provider for this gala dinner.
- Reporters without Borders. This is a non-governmental organisation whose mission is to safeguard freedom of the press worldwide and to defend journalists under threat as a result of their work. Renfe collaborates by providing transportation for the events hosted by the organisation in Spain.

**Spanish Paralympic Committee – ADO Plan**

Renfe sponsors the Spanish Paralympic Committee’s ADO Plan for the Support of Paralympic Sport. The Spanish Paralympic Committee is the body that unites and coordinates all top-level competition for people with disabilities in close collaboration with the Spanish National Sports Council.

The ADO Plan is an initiative launched by the Spanish Paralympic Committee, the Spanish National Sports Council and the Ministry of Social Rights and Agenda 2030 whose purpose is to provide Spanish paralympic athletes



**ADOP**  
**Apoyo al**  
**Deporte**  
**Objetivo**  
**Paralímpico**

with the best possible conditions to be able to train to ensure that Spain can successfully take part in the Paralympic Games.

The ADO Plan includes a scholarship programme which provides financial aid so that athletes can dedicate themselves primarily to sports, as well as a services programme which envisages a comprehensive system of training support, including training at high-performance centres and medical services.

**Customer solidarity**

Renfe customers have collaborated with Aldeas Infantiles SOS (SOS Children’s Villages), the Spanish Federation of Parents of Children with Cancer (FEPNC) and the child protection organisation Nuevo Futuro, by voluntarily donating the points accumulated on their +Renfe cards. In 2019 their solidarity raised Euros 14,365.

**CUSTOMER DONATIONS TO NGOS THROUGH +RENFE CARD (Amount in Euros)**

	2019	2018	2017
Aldeas Infantiles (Children’s Villages)	4,410	3,528	5,181
Spanish Federation of Parents of Children with Cancer (FEPNC)	8,778	6,232	7,353
Nuevo Futuro (New Future)	1,177	346	747
<b>Total</b>	<b>14,365</b>	<b>10,106</b>	<b>13,281</b>

**Food wastage on trains**

Renfe intends to reduce to a minimum the amount of food wasted through its on-board catering services. To this end, a new format called “Box” has been introduced for appetisers and snacks, whereby we invite passengers to take their leftovers home or to the office to eat later.

In addition, five minutes before the train's departure the on-board service provider consults the sales system so as to adjust the number of food trays to actual train occupancy. Moreover, in an effort to reduce food wastage, a simple colour-coded sell-by date management system has been implemented for food trays, enabling trays loaded but not consumed to be re-used, provided the three-day cold chain has not been broken.

### **Spanish Railway Foundation (FFE)**

Renfe is a patron of the Spanish Railway Foundation (FFE), a cultural institution whose mission is to promote awareness and use of the railway system through cultural activities, courses and studies, among other initiatives.

The Foundation's goals include conserving historic and cultural railway heritage; encouraging society's knowledge and use of the railway; promoting specialised training and research on the railway; and disseminating technical, economic and social aspects of railway current affairs, as well as cultural features and the social-economic and environmental benefits of rail transport, through periodic publications and other means.

The main activities sponsored by Renfe in 2019 include the following:

#### ***"Caminos de Hierro" photography contest and exhibition***

The Spanish Railway Foundation devised the 'Caminos de Hierro' (Iron Pathways) photography contest in 1986 to foster and encourage artistic photography activities in the railway environment encompassing passengers, stations, trains, tracks, tunnels, etc.

Around 35,000 photographers have taken part in the contest since its creation and more than 78,000 photographs have been submitted, not only from Spain and other European countries, but also from Africa, the Americas and Asia. The contest supports new photographic trends and encourages the participation of young photographers, through the Young Photographer Award created in 1995.

In 2019, the award-winning and shortlisted photographs from the 29th edition of the contest, for which 1,595 photographers from 62 countries submitted 3,697 photographs, continued on their itinerant exhibition and were shown in ten railway station concourses.

The 30th edition of the contest was announced in October and the winners will be announced in April 2020.

#### ***"Antonio Machado" Train Awards for poetry and short stories***

The Antonio Machado Train Awards, a poetry and short story literature contest, are a continuation of the long trajectory defined by the Antonio Machado Short Stories Award, introduced by Renfe in 1977 and organised by the Spanish Railway Foundation since 1985. In 2002, after 25 years of the Short Stories Award, the Spanish Railway Foundation's Board of Trustees agreed to announce the first edition of the Antonio Machado Train Awards for Poetry and Short Stories.

The 2019 "Antonio Machado" Train Awards for Poetry and Short Stories were announced in March with a deadline for submitting works at the beginning of June. The total prize money is Euros 22,000: a First prize of Euros 6,000, a Second prize of Euros 3,000 and four runner-up awards of Euros 500, in each of the two categories. This edition saw the participation of 1,050 authors from 29 countries with a total of 1,685 works submitted, of which 989 short stories and 696 poems.

The jury's decision and the 2019 Train Prizes award ceremony took place at the Foundation's headquarters on 29 October, to commemorate the inauguration of the first railway on the Spanish mainland, the Barcelona-Mataró line, on 28 October 1848.

The twelve winners and finalists were published in the Train Prizes Collection in December.



### **Vías Verdes (Greenways)**

The railway is not only the most ecological means of transport, it also provides us with new leisure options in the form of disused railway lines.

There were more than 7,600 km of disused lines in Spain in 1993. This heritage, with its considerable historic and cultural value, has been gradually recovered from its forgotten state to save it from disappearing altogether, as it offers huge potential to be re-used for ecotourism activity, in keeping with society's new demands. These ancient railway lines are being reconditioned for use by cyclists and hikers, and are accessible to people with a disability or reduced mobility. There are currently more than 2,400 km of Greenways.

Greenways are an ideal means of promoting a new outdoor leisure and sports culture within our society, and one of non-motorised mobility. They manifestly serve to support the bicycle culture, as their use is widespread across all citizens, and play a key educational role, especially as regards youngsters.

### **Historic trains**

The Foundation's remit also includes the custody and operation of historic rolling stock, which it uses to organise the Strawberry Train and the Christmas Train each year, as well as for charter services, cinema and TV filming and events, etc.

In 2019, as part of the Historic Trains campaign, the Strawberry Train (which includes a visit to the cultural heritage of Aranjuez) ran 34 weekend trips in April, May, June, September and October, while the Christmas Train operated from 26 December to 5 January.



**Contribution to social progress**

**Other activities**

- Publication of the results of the Spanish Railway Observatory, and research and studies aimed at reinforcing the presence of the railway in society and influencing strategic development in key aspects such as R&D&i, internal relations and sector regulation.
- Specialised technical training for sector professionals, enabling companies to share their know-how and experience.
- Publication of Vía Libre (trade magazine for railway companies), the Railway Yearbook and other specialist railway sector publications.
- Activities organised in connection with the Madrid-Delicias Railway Museum, the Historic Archive and Railway Library, and the Catalonia-Vilanova i la Geltrú Railway Museum.
- In recent years, Renfe has made a wide variety of vehicles available to the Spanish Railway Foundation to be put to good use in different locations in across Spain.

	2019	2018
	(THOUSANDS OF EUROS)	
<b>CONTRIBUTION TO THE SPANISH RAILWAY FOUNDATION</b>		
Overall contribution	1,560	1,499

**Renfe’s cultural and educational projects**

**“Acercando el objetivo” photography contest**

Madrid suburban lines (“Cercanías”) organised the 11th edition of the photography contest “Acercando el objetivo” (“Homing in through the lens”) to encourage this artistic discipline in a range of formats, including reportage photography, advertising and creative portraits.

Renfe Viajeros’ aim with this contest is to get closer to its customers, while promoting the sustainable and clean means of public transport offered by the train and fostering culture through the art of photography.

**13th Short Story Contest – “A train, a trip, a story”**

This contest aims to encourage suburban train (“Cercanías”) passengers to read, thereby portraying the train in a different way that extends beyond the goals of a transport sector firm to reveal a company committed to improving the surrounding environment and fostering an interest in culture.

Our aim is to involve our passengers and all citizens in this project, where trains serve as the meeting point for passengers and books through the creation of short stories and flash fiction, a literary genre that is currently on the rise.

**Extracurricular activities**

The suburban (“Cercanías”) hubs in Asturias, Madrid Murcia/Alicante and Valencia offer a wide range of extracurricular activities grouped by theme or municipality, with special rates for school groups.

The purpose of this offering is to provide teachers with a tool to help them schedule and prepare all extracurricular activities proposed for each cycle. The aim is also to encourage young people to use the railway as an efficient and environmentally friendly means of transport.

### **Renfe Cercanías Madrid Schools Programme**

In Madrid this programme has been running for 21 years and includes outdoor activities, museum visits, and historic and cultural routes aimed at introducing youngsters to the railway as a sustainable means of transport that also supports culture.

The offering on board the “Knowledge Trains” includes the now well-known “Get to know Cercanías”, “Discover Alcalá de Henares” and “Discover El Escorial” programmes. Notably, the familiar “Aranjuez en route” activity has undergone a complete format overhaul in the last year. All routes include a tour of the old town on the “Chiquitrén” tourist train, plus a choice between three options: a visit to the Royal Palace, a treasure hunt around the town, or outdoor games + canoeing.

“Natural Environment” trains, the Nature Train and a tour of GREFA (native fauna rehabilitation centre) include the “Guadarrama Express”, a programme centred around the Guadarrama electric train, with a range of options: the “Language Comedians”, a tour of Cercedilla led by a performing theatre troupe; the “Compass Train”, inviting school children to learn orienteering through play; “Giner’s Train”, a panoramic tour around the National Park and the Camino del Calvario route (or alternatively, the Camino Smith route); and the “Sörensen Mountain”, to discover the mountain pass and Peñalara Lake.

The Renfe Cercanías Madrid Schools Programme also proposes activities such as “Culture Trains”, with their train + tour offering, including tours of some of the city’s main museums; “Fun Trains” (Warner Amusement Park); and charter trains for group trips.

A range of collaborative activities have been undertaken in Catalonia to promote the use of the train:

- “ARGO!NAUTS” programme: an agreement with the Catalan Agency for Cultural Heritage (Renfe-FGC-TRAM and Moventis) aimed at making cultural heritage more accessible to children in Catalonia. This scheme provides assistance for school trips to 30 heritage sites in Catalonia, such as museums, monuments and archaeological sites. In 2019 Renfe provided 3,000 return tickets to more than 400 schools located in socially and economically deprived areas.
- “SSS-Setmana Sense Soroll” (Noise-free Week): collaboration with the Catalan Ministry of Territory and Sustainability as part of the campaign to raise citizens’ awareness of inner-city noise pollution. It encourages the use of public transport, as city traffic is the main source of urban noise. During this week-long event, awareness and communications initiatives were displayed on self-service ticket machine screens, digital platforms and social media of Rodalies de Catalunya (Catalonia suburban service).
- “Somriu per la infància” (Smile for Childhood) campaign, in cooperation with FEDAIA (Federation of Care and Education Institutions for Children and Adolescents), a group of organisations that work with children, young people and families at risk of social exclusion or neglect (95 entities, 100,000 children, 35,000 families). Renfe took part in this solidarity initiative by providing 1,500 return tickets to PortAventura theme park and by promoting the campaign via its self-service ticket machines and digital media.

- “Setmana de la Mobilitat Sostenible i Segura” (Sustainable and Safe Mobility Week). Rodalies de Catalunya (Catalonia suburban service) helped to publicise this campaign and was involved in the institutional activities through digital media, banners, news items, Twitter and stations (graphic ads on self-service ticket machines, distribution of ticket cases).
- “Pallapupas” campaign: Collaboration with this NGO. (Clowns for Hospitals). Communications initiatives were displayed on self-service ticket machine screens, on-board information screens and digital media of Rodalies de Catalunya (Catalonia suburban service).
- International congress for osteoarthritis patients (OAFI Congress 2018). Congress communications initiatives on self-service ticket machine screens.
- Collaboration with FIRA MATARÓ TREN 2019, the 14th edition of this railway fair. Conferences and workshops, cinema showings, trade exhibitions for railway-related products (miniature railways, model trains, specific publications, etc.).
- Combined tickets for cultural and leisure activities. Renfe cooperates with a number of entities to promote rail travel for cultural and leisure activities: Barcelona-Tourist Bus, Barcelona Aquarium, theatre shows, theme and water parks, etc.
- Sports events. Renfe collaborates in sports events organised, usually by providing free suburban rail transport for those taking part. In 2019, the company was involved in 28 events, representing 7,638 rail journeys.
- Renfe is an integral part of the social fabric of its community and collaborates in all kinds of popular activities by giving discounts and/or laying on additional rail services. In 2019 Renfe collaborated in 14 cultural activities, notably including agreements with the flower festival Girona Temps de Flors, the Jardins Pedralbes

Festival, the Catalonia Railway Museum, the Vida 2019 Festival, CanetRock019, the Castell de Peralada 2019 Festival, the 51st edition of SITGES International Fantasy Film Festival of Catalonia, and the horror film festival TerrorMolins 2019.

The company also reinforces its rail services to facilitate travel to popular celebrations (Carnival, Sant Joan, FiraTàrrrega outdoor performing arts fair, the Santes de Mataró festival, etc.).

- Moreover, the following measures promoted by the Regional Government of Catalonia are in place to encourage people to use public transport and reduce possible environmental pollution:
  - T-Verda – a travel card issued to those who have deregistered a polluting vehicle for scrap.
  - T-Aire – a travel card and additional public transport services that are activated only when traffic is restricted due to high air pollution levels.
- Montseny Natural Park combined ticket (since October 2018), consisting of an entry ticket to the Montseny Natural Park with a 25% discount, which also includes the train journey to Sant Celoni station and the bus from there to the Park.
- “Civisme” (civic behaviour) campaigns, both Renfe’s own and those conducted in collaboration with the Catalan Metropolitan Transport Authority, to prevent graffiti on trains, through press releases and messages on digital media.
- JoSalvoVides (I save lives) campaign, in collaboration with the Bellvitge Biomedical Research Institute (IDIBELL), one of Spain’s leading medical research centres. Media assigned: self-service ticket machine screens, on-board information screens and digital platforms.



- No en Passem ni Una (zero tolerance) campaign in collaboration with the Catalan Regional Government. Messages against sexual harassment on self-service ticket machine screens and digital platforms.
- Collaboration with Utopia Markets'19, a not-for-profit project created to support talent in the fields of photography, poetry and illustration. This collaboration took the form of an initiative with photography students at Barcelona-Arc de Triomf stations, free travel for entrants in an illustration contest, and free access to the exhibition venue for suburban ("Rodalies") service customers.
- Jazz concert at Barcelona-Plaça Catalunya station to celebrate the festivity of Saint Cecilia, patron saint of music.

## Cultural tourism

Renfe continues to promote these products, adding new features each year based on the experience of prior seasons, to enhance itineraries, services and assistance. Alongside its "special" trains, Renfe also allocates some of its trains that are usually assigned to regular services to operate as day-trip trains to particularly attractive tourist destinations. Sometimes actors are on board to bring that little something extra to the day of leisure and culture by train that is railway tourism.

### The Al Ándalus train

The Al Ándalus Train service was launched in 1985 spurred by the same idea that two years earlier had led to the birth of the Transcantábrico: to imbue the Spanish railway network with the atmosphere and attention to detail of the classic luxury tourist trains.



*Contribution to social progress*

The train follows a circular itinerary around southern Spain: from Seville to Jerez de la Frontera, Cádiz, Ronda, Granada, Linares, Baeza, Córdoba and back to Seville.

The season begins in April and ends in October, following a seven-day, six-night itinerary with Monday departures, except for the months of June, July and August, during which the train does not run.

The train is composed of 20 Deluxe suites and 10 Superior class suites, plus four lounge cars: two restaurant cars, a pub car and a library car.

### **The Transcantábrico Gran Lujo**

The Transcantábrico Gran Lujo (deluxe) train, with its original Pullman cars from the late '20s and its 14 suites, is one of the most elegant and exclusive international tourist trains.

It runs along the Cantabrian coast between Santiago de Compostela and San Sebastián (or vice versa), in eight days and seven nights: Santiago de Compostela, Viveiro, Ribadeo, Luarca, Candás Avilés, Gijón, Oviedo, Arriondas, Llanes, Potes, Cabezón de la Sal, Santander, Bilbao, Karrantza and San Sebastián.

It has departures on every Saturday from April to October, except for certain weeks that are reserved solely for charters.

### **The Transcantábrico Clásico**

The Transcantábrico Clásico (classic) train currently follows an eight-day, seven-night itinerary from Santiago de Compostela to León passing through the following locations: Ferrol, Viveiro, Ribadeo, Luarca, Candás Avilés, Gijón, Oviedo, Arriondas, Llanes, Potes, Cabezón de la Sal, Santander, Bilbao, Villasana de Mena, Cistierna and León.

### **La Robla Express**

During the 2019 season, four four-day, three-night journeys were offered in response to the demand for high-quality railway travel aboard a classic train, but in a more informal setting. Two itineraries were on offer: Green Paradise (Bilbao – Oviedo/Oviedo – Bilbao) and La Robla (León – Bilbao/ Bilbao – León).

### **Galicia Tourist Trains**

The Galicia Tourist Trains came about through a number of collaboration agreements entered into by the Regional Government of Galicia, Renfe and Inorde (Ourense Economic Development Institute), which have repeatedly been renewed since being signed in 2013.

These services offer a number of day-trips on board a theme train, accompanied by a specialist guide and with free coach transfers. The routes are designed to promote and present the heritage, nature and culture of the different areas of Galicia.

The following routes are available for this programme:

- Ourense Termal and Versalles Gallego (the Ourense spa and Galician Versailles Route).
- "Los Faros" (the Lighthouse Route).
- "Pazos y Jardines Históricos" (Manor Houses and Historic Gardens Route).
- "Vino de la Ribeira Sacra del Sil" (Ribeira Sacra Wine Route).
- "Vino de las Rías Baixas" (Rias Baixas Wine Route).
- "Vino de Monterrei" (Monterrei Wine Route).
- "Vino Ribeiro-Rías Baixas" (Ribeiro-Rías Baixas Wine Route)
- "Vino Valdeorras-Ribeira Sacra" (Valdeorras-Ribeira Sacra Wine Route)
- La Lamprea (Lamprey Route).

- Lugo Romano (Roman Lugo Route).
- “Mosteiros” (Monasteries Route).
- “Ribeira Sacra del Miño (Ribeira Sacra - River Miño Route).

### Asturias Tourist Trains

- Biosphere and Mine Route. Departing from Gijón and heading for Laviana, on this route the traveller will visit sites located in the Network Biosphere Reserve and also the Museum of Mining.
- Cider and Dinosaur Route. Departing from Oviedo, the train carries travellers to Arriondas. From there, they board a bus to visit the Jurassic Museum and facilities related with the cider culture and industry in both Villaviciosa and Nava.
- Ports and Cliffs Route. This third route departs from Gijón station and heads to the stations at Candás and Cudillero, visiting landmarks related to the sea and the coastal scenery.

### Campos de Castilla

Renfe Viajeros has been operating the Madrid-Soria-Madrid “Campos de Castilla” (Fields of Castile, after Antonio Machado’s poem) train since mid-May. The train makes 16 weekend trips from May to November and includes transport on the regional (“Media Distancia”) train, accommodation and activities on Saturday and Sunday.

An actor in the character of Antonio Machado accompanies passengers on their journey to Soria, affording them a glimpse of the life and works of this poet.

The package includes a tasting of typical produce from Soria. Passengers can enjoy a guided tour of San Saturio Hermitage, San Juan de Duero Monastery and the old quarter of the city, including a cultural activity. In addition, they have free access to the Casa de los Poetas Museum. Passengers will also be given a guided tour of the Laguna Negra natural

monument, the backdrop to Machado’s long poem “La tierra de Alvargonzález”, as well as the Numancia archaeological site.

### Teresa de Ávila Train

The Teresa de Ávila train is operating for a third year under the collaboration agreement between Renfe Viajeros and Ávila City Council. Renfe offers return tickets from Madrid Chamartín to enjoy a day of tourism, culture and cuisine in the city of Ávila. The journey begins with an informative theatrical presentation on board the train. On showing the Renfe ticket, access is provided to the following municipal exhibitions: Superunda-Caprotti Collection, Post-medieval ovens, Mystical Ávila, House of Saint Teresa and Ávila city walls.

### Jose Zorrilla Train

Collaboration agreement between Renfe Viajeros and Valladolid City Council. The journey begins with an informative theatrical presentation on board the Avant high-speed train, which departs Madrid-Chamartín station for Valladolid Campo Grande station from 3 February to 24 November. Presentation of the Renfe ticket at Valladolid Tourist Office entitles the holder to a free “Valladolid Card”, a tourist card that grants access to the José Zorrilla House-Museum brought to life by actors, as well as Valladolid’s municipal museums and Tourist Bus.

### Antonio Machado Train

Under the collaboration agreement between Renfe Viajeros, Segovia City Council and Segovia Tourist Office for the Antonio Machado train to run as of March, Renfe offers return tickets from Madrid enabling passengers to enjoy a day of culture, tourism and cuisine in the city of Segovia. The journey begins with an informative theatrical presentation on board the train. Presentation of the Renfe ticket for the Antonio Machado train entitles the holder to a free “Friends of Segovia Tourist Card”, access to the “Through the Eyes of the Poet”

performance at the Antonio Machado House-Museum, as well as reduced-rate entry to the Antonio Machado House-Museum.

### **Valladolid Wine Train**

Under the collaboration agreement between Renfe Viajeros and Valladolid Provincial Council for the first edition of the “Tren del Vino de Valladolid” (Valladolid Wine Train), on the first Saturday of each month from 14 April to 1 December, as well as 2 and 5 May, 15 August, 12 October and 1 November, Renfe is proposing a return ticket from Madrid on a high-speed Avant train, for passengers to enjoy a day of culture, tourism, cuisine, and especially enotourism in the province of Valladolid. The journey begins with an informative theatrical presentation on board the train. Presentation of the Renfe ticket entitles the holder to a coach transfer from Valladolid station to the winery and vice versa, including a tour, tasting and lunch.

### **Cervantes Train**

A classic among the small format tourist trains is the “Tren de Cervantes” (Cervantes train). This train runs as a suburban (“Cercanías”) unit from Atocha Cercanías suburban line station to Alcalá de Henares and includes a guided tour of the destination city.

On board the train, a troupe of actors dressed in Golden Age attire embody Miguel de Cervantes, Don Quijote de La Mancha and Sancho Panza, re-enacting some of Cervantes’ tales for passengers during the journey.

On arrival in Alcalá de Henares, passengers can take a stroll along Calle Mayor or around Plaza de Cervantes. The tour also takes in the Cervantes Birthplace Museum, the Cisnerian University or the Corral de Comedias theatre, the Santos Niños Cathedral and the Oidor Chapel.

Based on passenger requests reflected in the quality control surveys conducted by Renfe, the city tour has been split into a morning and afternoon session, making for an earlier lunch and thus enabling passengers to take their pick of restaurants.

### **Medieval Train**

Since its creation in 2005, the Medieval train has consolidated its attractive leisure offering, serving as an introduction to the cultural wealth of Sigüenza. Departing from Madrid for a full day trip, this tourist train journey combines art, history, theatre, cuisine and craftwork.

The train is the fruit of a collaboration agreement entered into each year between Renfe and Sigüenza Town Council. The latest agreement signed was in force until December 2018.

Passengers are received at Madrid-Chamartín by a party of characters who welcome them aboard the Medieval train, which stops off in Guadalajara. On arrival in Sigüenza, a guided tour of the town’s landmarks completes the trip.

Jugglers, stilt walkers, musicians and troubadours journey on the train, inviting passengers into a past era on board this service that has proved to be an appealing leisure option for those wishing to discover Sigüenza. Art, history, theatre, cuisine and craftwork come together on this evocative journey, which in 2019 enticed 4,338 passengers on board, giving an average occupancy of 88.6%.

### **Strawberry Train**

As the oldest of the Spanish tourist trains, the “Tren de la Fresa”, or Strawberry Train, embarked upon its thirty-fifth season this year. Running from the end of April to the end of June, and from the end of September to the end of October, this four-coach train consisting of Costa-type wooden carriages that have been running non-stop for almost a century, plus a metal 5000-series coach from the mid-1940s and two storage cars no younger in years,



sets off each weekend, both Saturday and Sunday, to journey between Madrid's Príncipe Pío station and Aranjuez.

At the head of the train the 289-015 electric locomotive, with half a century of trips under its belt, takes passengers to their attractive destination on a journey that in itself represents part of the appeal of this offering. As in previous campaigns, passengers are invited to savour the strawberries served by the on-board hostesses dressed in apparel reminiscent of the 19th century, the era in which this train first came into service.

The product offering for passengers once off the train has been diversified. Two new routes have been added to the now classic visit to the Royal Palace: a river cruise along the Tagus and a ride on the "Chiquitrén" road-going tourist train, offering an in-depth tour of the old quarter of Aranjuez and the Príncipe Garden, an expansive green area with imposing trees that can be conveniently explored through a guided visit. All routes include a guided tour on foot around some of the gardens of the Palace of Aranjuez.



A new feature for this season is the "strawberries and wine" route, which gives passengers the opportunity to discover the Real Cortijo de Carlos III winery for a wine tasting, and to visit the Aranjuez Bullring, home to the Bullfighting Museum. Both of these buildings are graded as monuments of historic and artistic interest.

## Sponsorships

Renfe has a direct collaboration channel through which it sponsors events, entities and activities. This kind of cooperation enables Renfe to take advantage of promotional and communications resources used in events and activities to achieve an advertising presence, bolster the reputation of the Renfe brand and as a means for Renfe to publicise its commercial activities.

Sponsorship activities serve as promotional or advertising support for such events and activities, to which end Renfe is a particularly attractive partner. As sponsorship consideration, Renfe provides enhanced rail transport assistance (facilitating rail travel for attendees at the sponsored events) as well as its own publicity and promotion channels (on-board video screens, initiatives in Renfe's social media accounts, signage at suburban stations, etc.). These amenities – commercial and brand publicity – enable better and greater synergies to be achieved between Renfe and the activities it sponsors, which in turn benefit from association with a public company that is committed to providing optimum services to its customers.

In terms of sectors or areas of interest, Renfe has a very open sponsorship relationship with different entities in multiple sectors, although the most usual activities are cultural and sporting events. Renfe has a contact email [patrocinios@renfe.es](mailto:patrocinios@renfe.es) available for entities interested in information on collaboration.

# Corporate governance



Corporate governance



## Legal form and ownership

The state-owned enterprise Renfe Operadora (the Renfe Group parent) is a public entity of the type provided for in article 84.1 a) of Public Sector Law 40/2015 of 1 October 2015, reporting to the Ministry of Transport, Mobility and Urban Agenda.

It has its own legal personality that is independent of the central government, full legal capacity to act for the furtherance of its aims, and its own assets and financial resources, per the terms set forth in additional provision three of Rail Sector Law 39/2003 of 17 November 2003, and its Statute.

In the discharge of its functions, Renfe Operadora acts with independent management powers, within the limits envisaged in the Rail Sector Law, its Statute and the applicable legislation.

The Group's four subsidiaries, Renfe Viajeros Sociedad Mercantil Estatal, S.A., Renfe Mercancías Sociedad Mercantil Estatal, S.A, Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A. and Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A. were incorporated as corporations (Sociedad Anónima) and are deemed to constitute state-owned trading companies (Sociedad Mercantil Estatal), pursuant to that set forth in article 111 of Law 40/2015. They are governed by their respective Statutes and, failing that, by the Revised Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and by any other such general or specific provisions as may apply, above all the State-Owned Property Law and the General Budget Law.

## Statutory activity

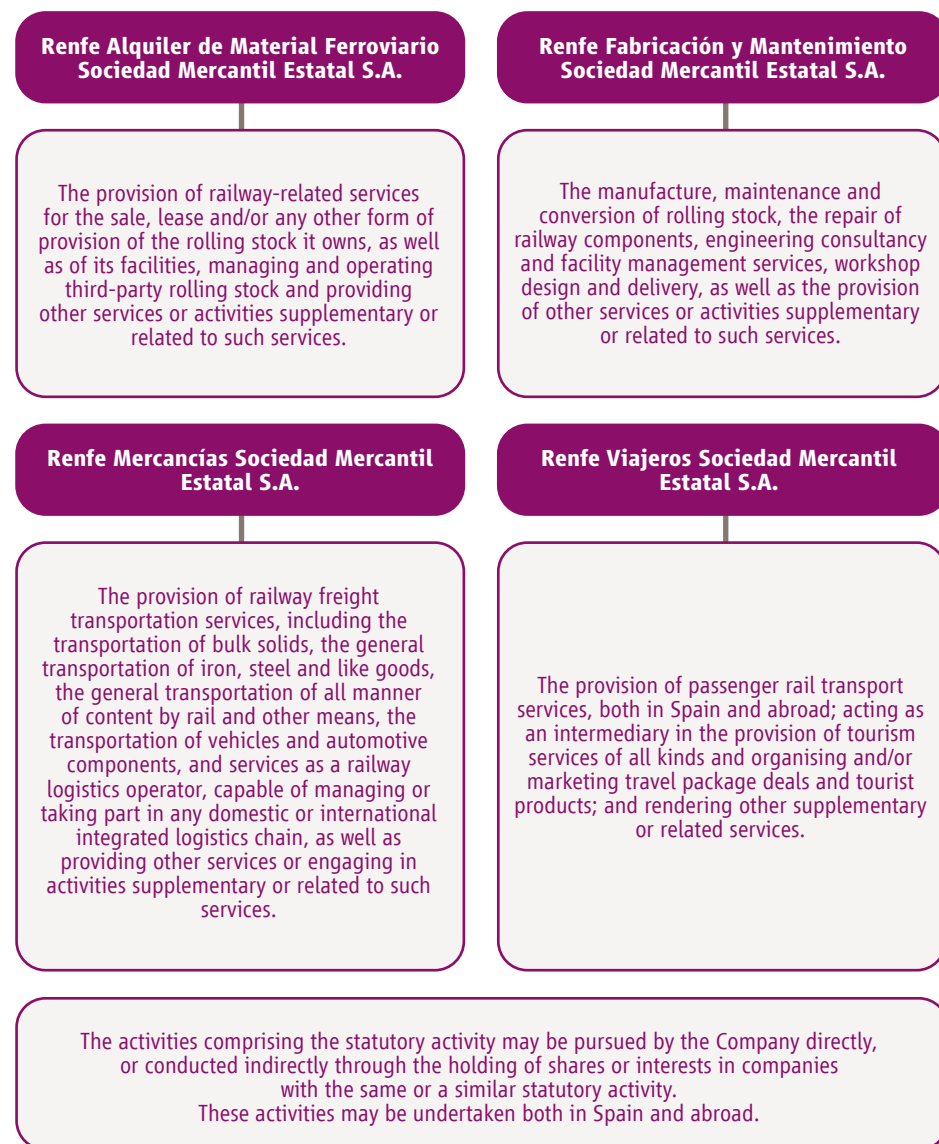
The statutory activity of Renfe Operadora, provided for in article 3 of its Statute, comprises the provision of passenger and freight railway transport services, including the maintenance of rolling stock, as well as of other services and activities supplementary or related to rail transport, per the terms envisaged in the Rail Sector Law and its implementing provisions.

In order to pursue its statutory activity, the state-owned enterprise Renfe Operadora may perform all manner of acts of administration and disposal provided for in civil and corporate/commercial legislation.

Moreover, it may pursue all such commercial or industrial activities as may be related to its statutory activity, including by taking up a stake in Spanish or foreign enterprises or companies, at all times subject to the provisions of the prevailing legislation.



Meanwhile, the statutory activity of each of the four Renfe Group subsidiaries, provided for in article 2 of their Statutes, are as follows:



## PARTICULARS OF THE RENFE GROUP





## Governing bodies of Renfe Operadora

The organisation and operating procedures of Renfe Operadora are provided for in Chapter II of its Statute ("On the organisation and operating procedures of the state-owned enterprise Renfe Operadora", articles 7 through 19).

The entity's governing bodies are:

- The Board of Directors.
- The Chairman.

### BOARD OF DIRECTORS

The Board of Directors is the supreme executive body, and is tasked with overseeing the organisation and management of the company. It is made up of the following members:

- The Chairman of Renfe, as the Board Chairman.
- 15 independent members, appointed by the Ministry of Public Works, three of whom belong to the CCOO, UGT and SEMAF trade unions.
- The Board Secretary.
- The Special Delegate of the Ministry of Finance and Public Administration.

Of the 15 Directors sitting on the Renfe Board at 31 December 2019, 5 are women (33.33%) and 10 are men.

All of the Board members are professionals with extensive experience at public bodies and public and private companies, having demonstrated a significant commitment to the environmental, social and sustainability-related issues affecting Renfe.

The competences of the Renfe Operadora Board, which meets monthly, are provided for in the Renfe Statute, approved by Royal Decree 2396/2004 of 30 December 2004.

As far as remuneration is concerned, the members of the Board of Directors attending its meetings receive the financial compensation authorised by the Ministry of Economy and Finance, at the initiative of the Ministry of Public Works, in line with the provisions of article 14 of the entity's Statute, approved by Royal Decree 2396/2004 of 30 December 2004. Board Members holding senior executive offices receive no remuneration whatsoever, the relevant amount being paid into the Public Treasury.

Of the members of the Board at 31 December 2019, per diems were only paid to 11 directors, with a maximum annual amount of Euros 11,523.27 per director.

### Composition of the Board of Directors at 31 December 2019

#### **Chairman:**

- Mr. Isaías Táboas Suárez  
Chairman of Renfe Operadora

#### **Members:**

- Mr. Benito Bermejo Palacios  
Sub-Director General of Land Transport Management,  
Analysis and Innovation at the Ministry of Public Works
- Ms. Cristina Carcelén Hurtado  
Director of the Office of the Secretary of State for the Budget  
and Expenses at the Ministry of Finance

○ Mr. Miguel Ángel Cilleros Sánchez

UGT Trade Union

○ Ms. Ana de la Cueva Fernández

Secretary of State for the Economy of the Ministry of the Economy and Business

○ Mr. Francisco Ferrer Moreno

Director of the Office of the Secretary of State for Infrastructure,  
Transport and Housing at the Ministry of Public Works

○ Mr. Juan Jesús García Fraile

SEMAF Trade Union

○ Ms. María del Carmen García Franquelo

Director General of Economic Planning and Budgets of the Ministry of Public Works

○ Mr. Rafael García Martínez

CCOO Trade Union

○ Mr. Gerardo Luis Gavilanes Ginerés

Sub-Director General of Economic Studies and Statistics at the Ministry of Public  
Works

○ Mr. Jesús Manuel Gómez García

Deputy Secretary of Public Works

○ Mr. Juan Antonio López Aragón

Advisor to the Minister of Public Works

○ Mr. Ricardo Mar Ruipérez

Advisor on Institutional and International Relations for the Office of the Ministry of  
Public Works

○ Ms. Beatriz Marco Arce

Head of the Technical Office of the Sub-secretariat of the Ministry for Ecological  
Transition

○ Ms. Maria José Rallo del Olmo.

Secretary General of Transport at the Ministry of Public Works

○ Mr. Pascual Villate Ugarte

Sub-Director General of Infrastructure and Transport Planning at the Ministry of Public  
Works



**Board Secretary:**

○ Mr. José Luis Marroquín Mochales

Secretary General and Board Secretary at Renfe

**The Special Delegate of the Ministry of Finance and Public Administration:**

○ Ms. Maria José Gualda Romero

Secretary of State for Budgets and Expenses at the Ministry of Finance

**Functions of the Board of Directors**

Per the entity's Statute and the legislation in force, the Board has the following competences:

- Determining the structure of the entity, approving the general organisational criteria and the guidelines on the preparation and modification of the workforce, as well as establishing the core terms and conditions of remuneration, within the framework referred to in article 20.
- Establishing the rules on the operating procedures and adoption of resolutions specific to the Board of Directors, where not provided for in the Statute.
- Granting initial approval to the annual operating and capital budgets and the multi-year action plan, submitting them to the Ministry of Public Works for processing, per the provisions of General Budget Law 47/2003 of 26 November 2003.
- Approving the annual accounts for each financial year, the directors' report and the proposed distribution of profit/application of losses for the year, all in line with the provisions of the Statute.
- Authorising any credit or other borrowing-related transactions that may be in the entity's interests within the annual limit set in the relevant State Budget Law.

- Approving the railway transportation rates and, where applicable, proposing that the Ministry of Public Works modify the rates charged for services deemed to constitute a public service obligation.
- Acting as the procurement body in any contracts for amounts in excess of Euros 6,000,000, or for a lower amount where deemed advisable.
- Approving the take-up of stakes in any commercial companies whose statutory activity is related to the aims and purposes of the entity, in line with the statutory provisions.
- Approving the creation, within the entity, of corporations, per the provisions of Additional Provision Three of the Rail Sector Law and any other applicable legislation, and observing the employment terms and conditions of the workers affected.
- Granting general or special powers of attorney to specific persons.
- Approving any such agreements, arrangements or contracts as may be deemed advisable or necessary for the pursuit of the entity's purposes, including the acquisition and disposal of real estate and the arrangement of in rem rights.
- Approving general and technical tender specifications.
- Approving, at the instance of the Chairman, any such contract-programmes as may be entered into and seeking to ensure they are duly performed.
- Approving the inventory of assets and rights.
- Approving any mandatory or discretionary reports to be issued by the entity per the provisions of the Rail Sector Law and its implementing provisions or the Statute.
- Approving the guidelines regulating the procedure for conducting the relevant internal investigations into railway accidents.
- Any other competences attributed in the Statute or other provisions.

## Delegation of Functions

The Board of Directors may delegate its competences to the Chairman, to any such Delegate Committees as may be set up and to any other internal bodies as may be determined by the entity, subject to any applicable exceptions per the law and the Statute.

## Background of the Board members

### ○ **Isaías Táboas Suárez**

Degree in History and postgraduate diplomas in Management in the Public Administration from ESADE and Marketing Management from EADA.

He has pursued his professional career in both the public and private sectors. In the public sector, he has served as Secretary of State for Transport (2010-2011), Secretary-General of the President's Office of the Regional Government of Catalonia (2006-2010) and Director of the Office of the Ministry of Justice (2004-2006). Formerly Director of Communications and Institutional Relations at Renfe and Delegate in charge of Property and Planning in Catalonia and Aragón (1991-1996).

In the private sector, he has worked for Universitat Oberta de Catalunya as Director of the UOC publishing house and Eureka Media, S.L. (1996-2004) and as Project Director (2012-2013).

He is currently Chairman of the Editorial Board of Observatorio de las Ideas, and is a founding partner of the companies Global Transport Register, S.L. and Global Line, S.L.

### ○ **Benito Bermejo Palacios**

Public Official in the Higher Corps of General Administrators of the Andalucía Autonomous Regional Government. Degree in Economics and Business, specialising in Trade and Marketing, from Universidad Complutense de Madrid, and a Diploma in Land Transport Company Management from Instituto de Empresa de Madrid.

He started his administrative career in the area of road transport in the Andalusia Autonomous Regional Government, before joining the Directorate-General of Land Transport of the Ministry of Public Works in 1993, in the area of transport inspections.

Since 2009, he has been Sub-Director General of Land Transport Management, Analysis and Innovation at the Directorate-General of Land Transport. Between 2012 and 2015, he sat on the Board of Sociedad de Salvamento y Seguridad Marítima (SASEMAR).

He is a Director in the Passenger and Freight Transport Sections of the National Land Transport Council.

### ○ **Cristina Carcelén Hurtado**

Degree in Economics and Business from Universidad de Jaén.

A public official in the Higher Corps of State Comptrollers and Auditors, she is the Assistant Director General of the Office of the Secretary of State for Budgets and Expenses. She previously served as an advisory director for the above Office.

She has also held positions as Assistant Sub-Director General of Security Systems and Social Welfare Budgetary Programmes, and head of the inter-sectorial area of the Sub-Directorate General of Budgets, both reporting to the Directorate-General of Budgets.

She has sat on the boards of the state-run companies Acuaebro and Sistemas Técnicos de Loterías, and of the state-owned enterprise Fábrica Nacional de la Moneda y Timbre - Real Casa de la Moneda.

### ○ **Miguel Ángel Cilleros Sánchez**

An ex officio official at Renfe Operadora, he has for many years held positions of responsibility as a workers' representative at the UGT trade union. In 1993, he was General Secretary of the Villaverde Central Repair Workshops ("TCR") Union Section in Madrid. He went on to be a member of the Permanent Railway Sector and Tourism Services Committee, in charge of the internal area (Administration and Organisation).



At the VIII Congress staged in Cáceres in 2002, he joined the Executive Committee of the State Federation of Transport, Communications and Maritime Affairs, where he served as Administration Secretary, until the IX Congress held in Gijón in October 2005, where he was elected Secretary General, in charge of the State Federation of Transport, Communications and Maritime Affairs. Following the merger of the UGT Transport, Communications and Maritime Affairs (TCM-UGT) and UGT Trade, Hospitality, Tourism and Gambling (CHTJ-UGT) federations, formalised at the 2014 Constituting Congress, he was named Secretary General of the new post-merger federation: UGT Services for Mobility and Consumption (SMC-UGT). He is currently Secretary General of the UGT Services, Mobility and Consumption Federation.

#### ○ **Ana de la Cueva Fernández**

Degree in Economics and Business from Universidad Autónoma de Madrid, majoring in Quantitative Economics, 1989. She joined the Higher Corps of Central Government Trade Experts and Economists in October 1991.

She has spent her entire career at the Ministry of Economy, where she has held a number of roles, including as the person in charge of the Executive Committee for Economic Affairs, Advisor to the Supporting Unit of the Director General of the Treasury and Advisor to the Sub-Directorate General of the International Financial System, Director of the Office of the Secretary of State for the Economy, at the Ministry of Economy and Finance, and Sub-Director General of Sectorial Analysis and Assistant Sub-Directorate General at the Sub-Directorate General of Export Financing. She has also sat on the Board of Directors of Compañía Española de Seguro de Crédito a la Exportación (CESCE) and Expansión Exterior.

#### ○ **Francisco Ferrer Moreno**

Degree in Economics and Business from Universidad de Murcia. Comptroller and auditor of the Autonomous Region of Murcia, he has spent his entire professional career, of more than 30 years, in the central government administration and the above autonomous region.

Since 2018, he has been the Director of the Office of the Secretary of State for Infrastructure, Transport and Housing. Formerly, he served as senior delegated comptroller of the Department of Public Works and the Murcia public health service. He has also headed the Accounting and Public Audit Divisions of the General Comptroller's Service, with jurisdiction over companies, entities, consortia and foundations in the public sector in the Autonomous Community of Murcia.

He has also been an associate lecturer at the Department of Economic Analysis at Universidad de Murcia and Board Secretary at Caja de Ahorros de Murcia. He is currently Secretary to the Board of Trustees of the foundation that bears the same name.

On 16 July 2018, he was appointed director at Aena SME, S.A.

#### ○ **Juan Jesús García Fraile**

He joined Renfe on 14 July 1980, beginning his professional career as an assistant train driver.

He has worked in the drivers' collective at the residences of Madrid Atocha, Valladolid, Ourense, Vicálvaro Clasificación and Madrid Fuencarral.

He effectively began his union activity within SEMAF in 1991, as a representative on the Madrid C1 Provincial Committee, and was appointed Secretary General of SEMAF in June 1998, an office he holds today.

He has sat on the Board of Directors since 2005.

Moreover, he has been Chairman of ALE, the European Train Drivers Union, since May 2010, and is a member of European Confederation of Independent Trade Unions (CESI).

With a range of different responsibilities, he has taken part in the transformation of the railway industry over recent years, both domestically and at a European level.

— **María del Carmen García Franquelo**

Law Degree from Universidad de Granada and Master’s Degree in Public Management from IEF and EOI. Member of the Higher Corps of State Comptrollers and Auditors.

Until her appointment as Director General of Economic Planning and Budgets of the Ministry of Public Works, she was the Director of Administration at Enresa. She has been Secretary General and Sub-Director General of the Economic Regime of SMEs, and Director of the Office of the Sub-Secretaries of the President’s Office and Health, Social Services and Equality. She has also held various positions as a comptroller at the ICAC, the TDC and at various ministries.



— **Rafael García Martínez**

Degree in Law, majoring in Business, from the Faculty of Law in Valencia, post-graduate doctoral studies in Employment and Social Security Law from the Faculty of Law in Valencia, Master’s Degree in Railway Infrastructure Planning, Construction and Maintenance from Universitat Politècnica de Catalunya, Master’s Degree in Railway-related Civil Protection from Universitat de Valencia and Specialist in Management from Universidad Politécnica de Madrid-Indra Sistemas.

He has held a range of positions at Renfe and Adif in relation to the design and planning of management, safety, hygiene and preventative coordination systems in the area of human resources.

He is currently the CCOO trade union representative on the Renfe board.

— **Gerardo Luis Gavilanes Ginerés**

Degree in Civil Engineering, majoring in Transport, from Universidad Politécnica de Madrid, Degree in Economics and Business, majoring in Economics, from UNED and Master’s Degree in Public Policy Management and Analysis from Universidad Carlos III.

He has held various positions at the Ministry of Public Works, including Sub-Director General of Economic and Statistical Studies, Director of the Budgetary Information Coordination Division and Director of the Economic Advisory Services Division.

He sits on the State Risks Committee (“CRE”), represents the Ministry of Public Works on the Cross-Ministry Statistics Committee and heads various Ministry of Public Works projects partnering with Egypt, Turkey, Bulgaria, Poland and Romania.

He also has international experience with bodies such as the UN; the World Bank and the European Commission (TAIEX), in countries such as Azerbaijan, Germany, Brazil, Bulgaria, Canada, Cape Verde, South Korea, Costa Rica, Egypt, the Czech Republic, the Dominican Republic, Slovenia, Slovakia, the US, Finland, France, Hungary, Japan, Morocco, Poland, Romania, Switzerland, South Africa, Tanzania and Turkey.

### ○ **Jesús Manuel Gómez García**

Degree in Economics and Business from Universidad CEU San Pablo in Madrid and Master's Degree in Public Management from the Instituto de Estudios Fiscales and the Escuela de Organización Industrial. Member of the Higher Corps of State Comptrollers and Auditors and the Technical Corps of Auditing and Accounting.

He has held various offices at the Ministry of Finance, including Delegate Comptroller of the Fund for Orderly Bank Restructuring (FROB), the Spanish Agency for Medicinal and Healthcare Products and the Youth Institute, and Assistant Director of the Office of the Secretary of State for Finance and Budgets. He was Director General of Economic Planning and Budgets at the Ministry of Public Works from 2009 to 2012.

He is currently Delegate Comptroller for the Public State Employment Service and a member of the Budgetary Committee of the Council of Europe.

### ○ **Juan Antonio López Aragón**

Degree in Civil Engineering from Universidad de Granada and career civil servant on the State Civil Engineers Corps.

He is currently an advisor to the Minister of Public Works.

In the past he has had a range of responsibilities within the Ministry of Public Works, at the General Secretariat for Infrastructure, the Directorate-General for Roads and CEDEX as well as Madrid City Council.

### ○ **Ricardo Mar Ruipérez**

Degree in Law and Business Administration from Universidad Pontificia Comillas (ICADE E-3). He is currently Institutional and International Relations Advisor at the Office of the Minister of Public Works and is a member of the Board of Directors of Renfe Operadora and the Governing Board of the port authority Puertos del Estado. From 2012 until June 2018, he was Head of International Relations for the International department of Adif.

From 2009 to 2011, he was Assistant Manager for Planning of the Office of the Minister of Public Works and member of the Board of Directors of Renfe Operadora. From 2004 until 2009, he was advisor to the Minister of Public Works.

### ○ **Beatriz Marco Arce**

Degree in Law from Universidad Autónoma de Madrid and career civil servant of the Higher Corps of Civil Administrators of the State. Since July 2018, she has been head of the Technical Office of the Sub-secretariat of the Ministry for Ecological Transition. Before that, she held various offices at the Secretary of State for Tourism: Sub-director General of Tourism Knowledge and Studies; Assistant Sub-director General of Strategy and Services for the Public Sector; Sub-director General of Tourism Cooperation and Competitiveness. She has also been Director of Tourism at the Spanish Embassy in Japan, Korea and Taiwan, Chicago and Miami, Colombia and Venezuela.

### ○ **M<sup>a</sup>. José Rallo del Olmo**

Degree in Civil Engineering from Universidad Politécnica de Madrid and Degree in Economics from UNED. She also has a Master's Degree in Public Policy Analysis and Management from Universidad Carlos III and has completed the Leadership for Public Management Programme at IESE.

She has been a member of the State Civil Engineers Corps since 1998, having pursued her entire professional career at the Ministry of Public Works. Over the years, she has held the offices of Head of the Technical Office of the Secretariat General for Transport, Sub-director General of Studies and Projects of the Directorate-General for Roads and Advisory Member of the Office of the Secretary of State for Infrastructure and Planning, among others.



### — Pascual Villate Ugarte

Degree in Civil Engineering from Escuela Técnica Superior de Madrid and Master's Degree in Public Management from Universidad Complutense de Madrid. He belongs to the Higher Corps of Information Systems and Technologies of the General State Administration.

He began his professional career at EPTISA and VISA España. He joined the Public Administration in 1993, holding various roles in the Ministries of Economy and Finance and the Environment, acting in the latter as Head of the Budgets Office and Sub-director General of IT Resources and Services. In 2005, he joined the Ministry of Public Works as Director of the Investment Programming Division and, in 2008, he was appointed Director-General of Planning of the same Ministry, where he remained until 2010. He worked at INECO until 2013, as Representative for Northern Spain and, from spring 2012 as Sales Director for Spain.

In 2013, he returned to the Ministry of Public Works as Technical Director of the Sub-directorate General of Infrastructure and Transport Planning and, since December of that same year, has been Sub-director General.

He was a director on the Adif Board of Directors from January 2014 to April 2015 and on that of Renfe Operadora for two stints, the first from May 2008 to July 2010, and the second from April 2015 to date.





## Modifications approved during the year affecting the structure and operation of the Board of Directors:

No changes took place within the Board of Directors in 2019.

### Meeting calls

The Board of Directors meets subject to a call notice and at the initiative of its Chairman, or at the request of at least half of its Members, as often as is necessary for the discharge of the entity's functions and at the very least, eleven times a year. Board meetings may be attended, in a speaking but not voting capacity, by all persons invited to do so at the request of either the Board or the Chairman.

Calls to Board Meetings are issued by the Secretary of the Board in writing, at least forty-eight hours in advance, and the call notice includes the agenda of items to be discussed.

The Chairman may call extraordinary meetings which are not subject to the above notice period where there is in his opinion good reason to do so or at the request of at least one third of the Board Members.

In addition to the Chairman and Secretary or such persons as may substitute them, valid constitution of the Board of Directors meeting shall require the presence or representation, at first call, of at least half of the Members and, at second call, one third thereof. At least one hour must elapse between the first and second call.

Over the course of 2019, the Board of Directors of Renfe Operadora held 11 meetings, the dates of which were as follows:

MEETING NUMBER	DATE
160	29 January 2019
161	4 March 2019
162	25 March 2019
163	7 May 2019
164	27 May 2019
165	1 July 2019
166	29 July 2019
167	30 September 2019
168	21 October 2019
169	25 November 2019
170	18 December 2019

### Regime for the adoption of resolutions

Board resolutions are adopted by absolute majority of the votes cast by the members present in person or by proxy. In the event of a tie, the Chairman has the casting vote.

### Per diems for attending Board Meetings

Board members attending meetings shall receive the financial compensation approved by the Secretary of State for Budgets and Expenses by delegation of the Ministry of Finance and Public Administration, at the initiative of the Ministry of Public Works, per the provisions of Royal Decree 462/2002 of 24 May 2002, on reimbursement of expenses. Board Members holding senior executive offices receive no remuneration whatsoever, the relevant amount being paid into the Public Treasury.

## CHAIRMAN

The Chairman of Renfe Operadora is appointed by means of a Royal Decree adopted by the Council of Ministers at the proposal of the Ministry of Public Works.

### Functions

It falls to the Chairman:

- To represent the company at trial and elsewhere, in any act or contract and with respect to all public and private legal or natural persons.
- To decide to call, to chair and to set the agenda of Board Meetings, leading deliberations and resolving any such ties as may occur in votes, by means of his/her casting vote.
- To oversee fulfilment of the Statute and the resolutions adopted by the Board of Directors.
- To implement Board resolutions.
- To act as the most senior authority with respect to all personnel, to inspect the company's services at the highest level, and to oversee the pursuit of its activity.
- To propose the organisational structure to the Board of Directors and to define the workforce, having regard to the criteria and guidelines approved by the Board of Directors.
- To decide upon the appointment and removal of the company's executive personnel, informing the Board of Directors thereof, and to hire non-executive personnel, setting their remuneration according to the criteria defined by the Board of Directors and that set forth, as the case may be, in the relevant collective bargaining agreement, within the framework of action referred to in article 22 of the Statute.
- To submit to the Board of Directors the rates to be approved or modified by it and those to be proposed to Management for subsequent approval.
- To submit proposed contract-programmes that may be entered into to the Board of Directors for approval.

- To submit the proposed multi-year action plan and operating and capital budgets for the company to the Board.
- To act as the procurement body in contracts for amounts not exceeding Euros 6,000,000, notwithstanding the powers attributed to the Board of Directors under article 9.g) of the Statute and the obligation to inform the above body, every six months, of the actions taken in the exercise of such powers.
- To resolve to bring any actions or appeals that the company is entitled to bring to defend its interests before the public authorities and the courts of justice of any type, level or jurisdiction.
- To submit the annual accounts, directors' report and proposed distribution of profit or application of loss to the Board of Directors for approval.
- To organise the company's expenses and payments and to perform all kinds of collections for whatsoever amounts.
- To decide on any such matters not reserved for the Board of Directors.
- To authorise for issue the annual accounts to be rendered to the Court of Auditors, in accordance with the budget legislation.
- To render annual accounts via the Spanish General State Comptroller (IGAE), together with the auditor's report, the directors' report and the report provided for in article 129 of the General Budget Law.
- To discharge any other duties attributed to him/her by the Statute and other applicable regulations, those not expressly conferred upon other bodies of the company, and such others as may be delegated to him/her by the Board of Directors.

Exceptionally, in cases of urgent need, the Chairman may adopt decisions reserved for the Board of Directors, in which case he/she shall be obliged to report to it on the decisions adopted, at the first ordinary meeting held after the adoption of such decisions, so that they may be ratified.

## State-owned trading companies

***Renfe Viajeros Sociedad Mercantil Estatal, S.A., Renfe Mercancías Sociedad Mercantil Estatal, S.A., Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A. and Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A.***

The governance structure of each of the four subsidiaries of the Renfe Group is set out in Title III of their Statutes (“Corporate bodies”, articles 9 to 22).

The Management and Governance bodies of the four subsidiaries are as follows:

1. The Board of Directors.
2. The Shareholders’ Meeting.

## BOARD OF DIRECTORS OF EACH OF THE STATE-OWNED TRADING COMPANIES

In line with the Statutes and by decision of the sole shareholder of the subsidiaries, the companies are governed and managed by a Board of Directors.

The composition of the Board of Directors of each of the four Renfe Group subsidiaries, their duties, the regime for meetings and resolutions, etc. are defined in their Statutes, which were filed with the Madrid Mercantile Registry and registered upon incorporation of each of such companies. All subsequent modifications to their Statutes have also been filed with the corresponding Mercantile Registry.

### Functions

The Board of Directors is responsible for the management, administration and representation (at trial or elsewhere) of the company pursuant to the powers attributed to it by the Law and the Statutes.

## Delegation of Functions

Subject to the legal provisions in force, the Board of Directors may delegate its powers and duties to an Executive Committee and/or one or several CEOs, the composition and operating regime of which shall be determined by the Board itself. Such delegation may be on joint and several or joint basis.

Under no circumstances may the rendering of accounts and submission of balance sheets to the Shareholders’ Meeting, or the powers granted by such Meeting to the Board, be delegated without express authorisation to do so.

Pursuant to article 249 bis of the Revised Spanish Companies Act (hereinafter the “TRLSC” as per the Spanish acronym) the following duties may not be delegated under any circumstances:

- a) Supervision of the effective functioning of any committees created and of the actions of delegate bodies and executives appointed.
- b) Design of the company’s general policies and strategies.
- c) Authorisation of or dispensation from obligations deriving from the duty of loyalty, per the provisions of article 230 of the TRLSC.
- d) Its own organisation and operation.
- e) Authorisation for issue of annual accounts and submission thereof to the Shareholders’ Meeting.
- f) Preparation of any kind of report required of the Board of Directors by law, provided the operation to which the report refers cannot be delegated.
- g) Appointment and removal of CEOs of the company and establishment of the terms of their contract.

- h) Appointment and removal of executives reporting directly to the Board or any of its members as well as the establishment of the basic terms of their contracts, including their remuneration.
- i) Decisions relating to Director remuneration, within the framework of the Statute and, as the case may be, the remunerations policy approved by the Shareholders' Meeting
- j) Calling of the Shareholders' Meeting and drawing up of the agenda and proposed resolutions.
- k) The policy regarding own shares.  
Any powers delegated by the Shareholders' Meeting to the Board of Directors, unless it is expressly authorised to sub-delegate them.

### Structure and Composition

At 31 December 2019, the composition of the Board of Directors of each of the four state-owned trading companies was as follows:

#### RENFE VIAJEROS SOCIEDAD MERCANTIL ESTATAL S.A.

Mr. Isaías Táboas Suárez (Chairman)
Ms. Anna Balletbó i Puig (Director)
Ms. Elena Espinosa Mangana (Director)
Ms. María del Carmen García Franquelo (Director)
Mr. Teófilo Beltrán Serrano (Director)
Mr. Pedro José Gálvez Muñoz (Director)
Mr. José Luis Marroquín Mochales (Non-director Secretary)
Ms. María Uriel Sevillano Rodríguez (Non-director Deputy Secretary)

#### RENFE MERCANCÍAS SOCIEDAD MERCANTIL ESTATAL S.A.

Mr. Isaías Táboas Suárez (Chairman)
Mr. Koldo García Izaguirre (Director)
Ms. Asunción Cuervo Pinna (Director)
Mr. José García (Director)
Mr. Álvaro Rodríguez Dapena (Director)
Mr. Joan Torres Carol (Director)
Mr. José Luis Marroquín Mochales (Non-director Secretary)
Ms. María Uriel Sevillano Rodríguez (Non-director Deputy Secretary)

#### RENFE FABRICACIÓN Y MANTENIMIENTO SOCIEDAD MERCANTIL ESTATAL S.A.

Mr. Isaías Táboas Suárez (Chairman)
Mr. Jordi Prat Soler (Director)
Ms. Ana Cristina Trifón Arévalo (Director)
Mr. Manuel Gómez Acosta (Director)
Mr. José Luis Marroquín Mochales (Non-director Secretary)
Ms. María Uriel Sevillano Rodríguez (Vicesecretaria no Consejera)

#### RENFE ALQUILER DE MATERIAL FERROVIARIO SOCIEDAD MERCANTIL ESTATAL S.A.

Mr. Isaías Táboas Suárez (Chairman)
Mr. Francisco Bonache Córdoba (Director)
Ms. Cristina Hernández Ferreiro
Ms. Carmen Vélez Sánchez
Mr. José Luis Marroquín Mochales (Non-director Secretary)
Ms. María Puente Peláez (Non-director Deputy Secretary)



### Modifications approved during the year affecting the structure and operation of the Board of Directors:

The composition of the Boards of Directors of the state-owned trading companies underwent the following changes in 2019:

#### RENFE VIAJEROS SOCIEDAD MERCANTIL ESTATAL S.A.:

INCORPORATIONS	RESIGNATIONS
	Mr. José Luis Cachafoiro Vila (Director)
	Ms. Marta Torralvo Liébanas (Director)

#### RENFE MERCANCIAS SOCIEDAD MERCANTIL ESTATAL S.A.:

INCORPORATIONS	RESIGNATIONS
Mr. Koldo García Izaguirre (Director)	Mr. José Luis Cachafoiro Vila (Director)
Ms. Asunción Cuervo Pinna (Director)	Ms. María del Carmen García Franquelo (Director)

#### RENFE FABRICACIÓN Y MANTENIMIENTO SOCIEDAD MERCANTIL ESTATAL S.A.:

INCORPORATIONS	RESIGNATIONS
Ms. Ana Cristina Trifón Arévalo.	Mr. José Luis Cachafoiro Vila (Director)
	Ms. María del Carmen García Franquelo (Director)

#### RENFE ALQUILER DE MATERIAL FERROVIARIO SOCIEDAD MERCANTIL ESTATAL S.A.:

INCORPORATIONS	RESIGNATIONS
Ms. Cristina Hernández Ferreiro	Mr. Alejandro Cros Bernabéu (Director)
Ms. Carmen Vélez Sánchez	Mr. Manuel Fresno Castro (Director)



## Meeting calls

Article 19 of the Statutes stipulates that the Board Meeting may be convened by the Chairman by means of a letter sent to each of its members at least seven (7) days in advance of the meeting being held. The Chairman shall also be obliged to call a meeting whenever requested to do so by any of the Directors, indicating the items to be discussed.

The aforementioned article also reflects the scenarios in which the Deputy Chairman, where one has been appointed, or any other Director where no such appointment has been made, may exceptionally call a Board Meeting and prepare the Agenda.

The Board may also hold meetings by telephone or video-conference provided it is possible to guarantee the identity of Directors attending via such means.

All of the members of the Board must be provided with any available information or documentation necessary for the adoption of resolutions at Board Meetings.

All Directors may be represented at Board Meetings by another person, who must also be an acting Director of the company. Representative powers must be granted in writing and specifically for each meeting and may include instructions regarding the way in which the representative is to vote on each of the items on the agenda.

Board deliberations and resolutions shall be recorded in a Minutes Book, and each set of minutes shall be signed by the Chairman and Secretary or whomsoever may have replaced them at the meeting to which the minutes refer.

## Regime for the adoption of resolutions

Resolutions shall be adopted by absolute majority of the Directors attending the meeting (in person or by proxy), except in cases for which the law requires the vote in favour of two thirds of the members of the Board.

Where no such majority can be obtained for the adoption of resolutions, the Chairman shall have the casting vote to settle any ties in the vote.

## Per diems for attending Board Meetings

On 3 May 2019, the sole shareholder of the four state-owned trading companies resolved to amend, pursuant to the wording of article 217 of the Revised Spanish Companies Act introduced by Law 31/2014 of 3 December 2014, article 18 of the Statutes of the four state-owned trading companies as regards the remuneration of the Boards of Directors, implementing a per diems system to be determined at the Shareholders' Meeting.

Following the approved amendment, the wording of article 18 of the Statutes is now as follows:

"[...]

The members of the Board of Directors of the Company are entitled to receive remuneration for attending meetings, which consists of a maximum amount approved at the Shareholders' Meeting, equal for all members of the Board of Directors attending each board meeting and up to a maximum of 11 meetings per annum. This maximum amount approved at the Shareholders' Meeting may not exceed under any circumstances the maximum amount authorised by the Ministry of Finance based on the Group in which the company is classified, as per the corresponding Ministry of Finance Order in force. The approved amount shall remain in force unless modified at the Shareholders' Meeting by a new agreement.

The remuneration regulated herein shall be consistent with the amount that would be received by members of the Board of Directors for attending or convening meetings that entail travel from their official place of residence."

Taking into consideration the fact that Renfe Viajeros Sociedad Mercantil Estatal, S.A., Renfe Mercancías Sociedad Mercantil Estatal, S.A. and Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A. are classified as GROUP 1 and pursuant to that set forth in the Ministry of Finance and Public Administration Order of 8 January 2013 approving the maximum remuneration for attending board meetings of state-owned trading companies, the Sole Shareholder approved, based on the classification group of these companies, an annual remuneration of Euros 11,994.00 for attending meetings.

As regards Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A., taking into consideration that it is classified as GROUP 3, and pursuant to that set forth in the Ministry of Finance and Public Administration Order of 8 January 2013 approving the maximum remuneration for attending board meetings of state-owned trading companies, the Sole Shareholder agreed, based on the company's classification group, an annual remuneration for attending meetings of Euros 6,854.00.

Receipt of remuneration for attending the aforementioned board meetings of state-owned trading companies was previously approved by the Ministry of Finance in a report issued by the Directorate-General of Personnel Costs and Public Pensions.

Pursuant to that laid out in prevailing legislation, it must be borne in mind that members of the Board of Directors holding Senior Executive offices are not entitled to receive the remuneration specified herein, except for the travel, accommodation and transfer expenses as may be afforded to them by prevailing legislation.

### **Shareholders' Meeting of the four State-owned Trading Companies**

The four Renfe Group subsidiaries are solely-owned companies, their sole shareholder being the state-owned enterprise Renfe Operadora.

In these cases, the sole shareholder shall exercise the powers of the Shareholders' Meeting (article 15 TRLSC), as the deliberative body via which the corporate intent is manifested by decision of the majority in the matters for which it is competent.

### **Types of Shareholders' Meeting**

Shareholders' Meetings may be ordinary or extraordinary and must be called by the Board of Directors of the relevant subsidiary.

The Annual Shareholders' Meeting must be held within the first six months of the financial year to review the conduct of business, approve, as the case may be, the accounts from the previous fiscal year and resolve on the distribution of profit or application of losses for the year.

The Chairman and Secretary of the subsidiary's Board of Directors shall act as Chairman and Secretary of the Shareholders' Meeting.

### **Adoption of Resolutions and Minutes**

The deliberations and decisions of the Sole Shareholder shall be recorded in Minutes drafted or transcribed in a special minutes book and shall be signed by the Chairman and the Secretary.

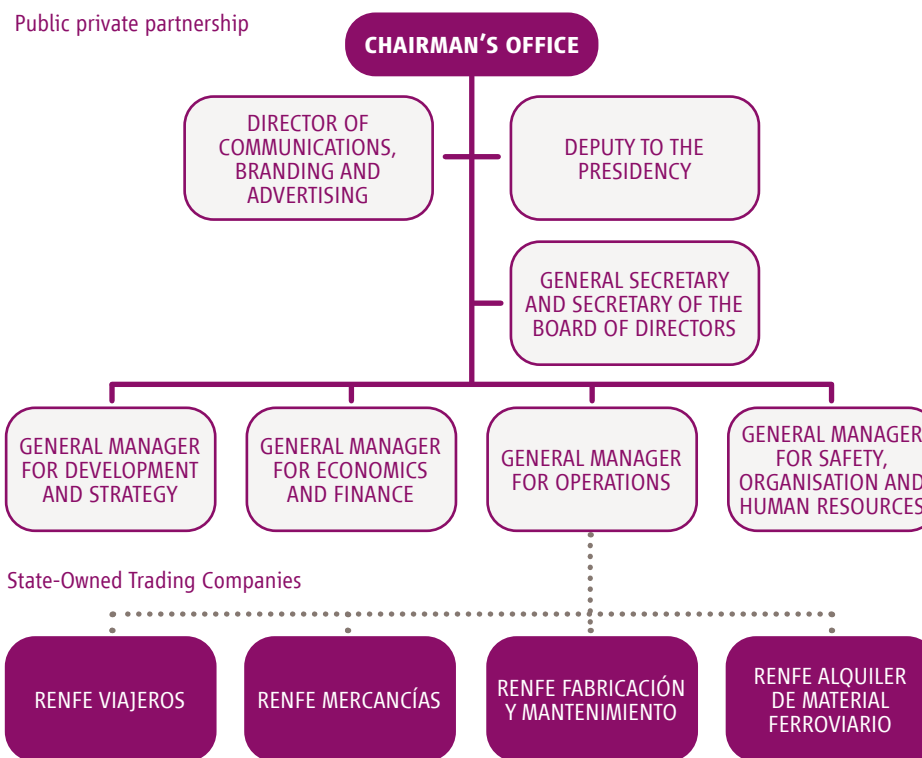




## Internal management body. Steering Committee

The functions, structure and composition of the Steering Committee of Renfe Operadora are defined by the Chairman of the Company, who subsequently reports to the Board of Directors.

At 31 December 2019, the Steering Committee was formed by the Chairman, five General Managers, a General Secretary and Secretary of the Board of Directors, one Director and the four General Managers of the subsidiaries.





NAME AND SURNAMES	POSITION
Isaías Táboas Suárez	Chairman
Jose Luís Cachafeiro Vila	General Manager for Operations
Ángel Jiménez Gutiérrez	General Manager for Safety, Organisation and Human Resources
Marta Torralvo Liébanas	General Manager for Economics and Finance
Manel Villalante I Llaurado	General Manager for Development and Strategy
Jose Luís Marroquín Mochales	General Secretary and Secretary of the Board of Directors
Pilar Oviedo Cabrillo	Deputy to the Presidency
Ángel Faus Alcaraz	Director of Communications, Branding and Advertising
Ramón Azuara Sánchez	General Manager of Renfe Viajeros
Maria Carmen Rincón Córcoles	General Manager of Renfe Mercancías
Francisco Javier Bujedo Mediavilla	General Manager of Renfe Fabricación y Mantenimiento
Joaquín del Moral Salcedo	General Manager of Renfe Alquiler de Material Ferroviario

Of the 12 members of the Renfe Steering Committee at 31 December 2019, three are women (25%) and 9 are men (75%).

### Profiles of the Steering Committee members

#### Isaías Táboas Suárez

Degree in History and postgraduate diplomas in Management in the Public Administration from ESADE and Marketing Management from EADA.

He has pursued his professional career in both the public and private sectors. In the public sector, he has served as Secretary of State for Transport (2010-2011), Secretary-General of the President's Office of the Regional Government of Catalonia (2006-2010) and Director of the Office of the Ministry of Justice (2004-2006).

Formerly Director of Communications and Institutional Relations at Renfe and Delegate in charge of Property and Planning in Catalonia and Aragón (1991-1996).

In the private sector, he has worked for Universitat Oberta de Catalunya as Director of the UOC publishing house and Eureka Media, S.L. (1996-2004) and as Project Director (2012-2013).

He is currently Chairman of the Editorial Board of Observatorio de las Ideas, and is a founding partner of the companies Global Transport Register, S.L. and Global Line, S.L.

He has been Chairman of Renfe Operadora since July 2018.

#### José Luis Cachafeiro Vila

Chemical Sciences Degree from Universidad de Santiago. Until recently he was Deputy Director of Strategic Planning and Studies at Adif. He was Secretary General for Transport at the Ministry of Public Works from 2009 to 2012 and Chairman of Intercontainer Ibérica. Before that, his professional career at both Renfe and Adif involved several positions including Combined Transport Production Director, Director of Customer Service and Information at Stations and Joint Services and, for Viajeros (Passengers), he was also Regional Sales Director and Area Manager for Salamanca, among others.

#### Ángel Jiménez Gutiérrez

With a degree in Sociology from the Universidad Complutense de Madrid, he has been in charge of Management of the Studies Division of the General Development and Strategy Department at the state-owned enterprise since 2017. From 2012 to 2017 he was also Manager of the Market Surveys and Sales Promotion Department and Manager of the Analysis and Projects Department within the General Management of Viajeros (Passengers). Before that, he was General Manager for Safety, Organisation and Human Resources at the company and, from 2004 to 2012, General Manager for Safety, Organisation and International and Relational Human Resources at

Adif. Throughout his long professional career at Renfe, he has also been Director of Organisation, Communications and Development of Human Resources, Director of Internal Communications in the Human Resources Department and Press Office of the company, as well as holding other responsibilities.

#### — **Marta Torralvo Liébanas**

With a Degree in Economics from the Universidad Autónoma de Madrid, she has extensive professional experience in State Administration. She has been a member of the Higher Corps of State Comptrollers and Auditors since 2007, of the Public Treasury Management Corps since 2002 and, within that body, the Technical Corps of Auditing and Accounting and the Technical Corps of the Ministry of Finance. Since 2008, she has been a State Comptroller and Auditor at the National Office of Auditing and Financial Control and Audit of the State Public Sector, of the Spanish General State Comptroller (IGAE). Her responsibilities during this period have included various financial, compliance and operational audits, as well as contract-programme and costs audits at Renfe Operadora, Ferrocarriles de Vía Estrecha, Aena, Enaire, Sociedad Estatal de Infraestructuras del Transporte Terrestre, Ineco and the Madrid Regional Transport Consortium (CRTM), among others. She was an Advisor on Public Enterprises at the Sub-directorate General of State Enterprises and Shareholdings of the Directorate-General of State Property, and has given various courses at the Ministry of Finance's School of Public Finance.

#### — **Manel Villalante I Llaurado**

Manel is an industrial engineer and since 2012 has been Director of Mobility and Transport Infrastructure at the Barcelona Regional Urban Development Agency. With over 30 years of experience in mobility, infrastructure and transport, he has held a number of positions including Director General of Land Transport for the Catalan Government, Director General of Land Transport at the Ministry of Public Works, as well as different executive offices at Ferrocarriles de la Generalitat de Catalunya (FGC) between 2004 and 2007, and Transportes Metropolitanos de Barcelona (TMB),

between 2000 and 2004. He has also been a member of the boards of directors of companies such as Renfe Operadora, TMB, FGC and Consorcio Sagrera Alta Velocidad. He currently directs the postgraduate degree in "Smart Mobility: Intelligent Transport Systems" at Universidad Politécnica de Catalunya, where he has also lectured on Transport Planning and Economics.

#### — **Jose Luis Marroquín Mochales**

Law Degree from Universidad Complutense de Madrid. State Lawyer and Legal Counsel for the Castilla y León Regional Government. Among other positions, he has been Chief State Lawyer of the Secretariat-General of Communications, Secretary of the Board of the Telecommunications Market Commission, Legal Counsel for Retevisión and its Board of Directors and Legal Counsel for Puertos del Estado.

#### — **Pilar Oviedo Cabrillo**

Degree in Economics and Business from Universidad de Deusto and a Senior Management Programme Diploma from Instituto de Empresa. She has pursued her professional career at Renfe and Renfe Operadora since 1989, holding various positions in both the viajeros (passengers) and corporate areas. Prior to her current post, from 2004 onwards she headed up the Purchases and Assets area of both Renfe and Renfe Operadora.

#### — **Ángel Faus Alcaraz**

With a Degree in Journalism from Universidad de Navarra, Ángel has extensive experience in the field of political and institutional communications. The positions he has held to date include Head of Communications for the Socialist Parliamentary Group in the upper house of the Spanish Parliament, a position held since 2014, and Head of Communications for the PSOE at the lower house of the Spanish Parliament during the first legislature of Rodríguez Zapatero. Faus was also Sub-director General of Communications of the Ministry of Defence when Carme Chacón was Minister.

Ángel Faus has worked as advisor in the PSOE Federal Executive for the last three leaders – José Luis Rodríguez Zapatero, Alfredo Pérez Rubalcaba and Pedro Sánchez – in positions of varying responsibility.

He has worked as a consultant in the field of corporate communications at major firms such as Burson Marsteller and Llorente&Cuenca.

He began his professional career in the news department of Cadena SER, Antena 3 and Tele 5. He has lectured on political communication and spoken at a number of seminars and on professional master's programmes.

#### ○ **Ramón Azuara Sánchez**

Degree in Economics and Business from Universidad Autónoma de Madrid. He has pursued his professional career at Renfe and Renfe Operadora, which he joined in 1983. Among other responsibilities, he has held positions as Director of Customers for Suburban Trains ("Cercanías"), Director of Sales and Planning for Suburban Trains, Director of Station Innovation and Projects for Suburban and Regional ("Media Distancia") Trains, and Director of Management Control and Procurement for the General Management of Viajeros (Passengers).

#### ○ **M<sup>a</sup> del Carmen Rincón Córcoles**

Degree in Economics and Business from Universidad Complutense de Madrid. She has pursued her professional career at Renfe, Adif and Renfe Operadora, holding various positions of responsibility within the Management Control, Administration and Procurement area, both for the Commercial Stations Business Unit (Adif) and for the General Management of Mercancías (Freight). She has led the Management Control and Procurement department at Renfe Mercancías since April 2008. She has also held the position of director at companies such as Emfesa S.A, Alfil Logistics S.A, Combiberia S.A. and RailSider Logística Ferroviaria S.A.

#### ○ **Francisco Javier Bujedo Mediavilla**

Francisco Javier is qualified as an Industrial Engineer from the Escuela de Ingenieros Industriales de Bilbao and an Industrial Technical Engineer from the Escuela Técnica Industrial de Santander. Within the Renfe Group and others, he has held the position of Manager of the Central Repair Workshop in Valladolid, Rolling Stock Director for the Grandes Líneas business unit and Rolling Stock Director for the Freight and Logistics Services Department, Technical Director of Rolling Stock for Freight and Logistics, Director of Freight Services for Renfe Fabricación y Mantenimiento, and Manager of the Rolling Stock and Business Development area at Renfe Alquiler de Material Ferroviario. In 2019, he was appointed General Manager of Renfe Fabricación y Mantenimiento.

Apart from his positions within Renfe, he was general manager of Irvia Mantenimiento Ferroviario.

#### ○ **Joaquín del Moral Salcedo**

Joaquín is qualified as a Naval Engineer from the Escuela Politécnica Superior of Universidad de A Coruña. He was Director General for Land Transport at the Ministry of Public Works from January 2012 to July 2018, and a director of Renfe Viajeros and Renfe Mercancías from February 2014 to June 2015. Among other positions held at the Ministry of Public Works, he was Sub-director General for Inspection before International Bodies at the Directorate-General for Transport from June 2008 to January 2012. In 2018, he was appointed General Manager of Renfe Alquiler de Material Ferroviario.

## Functions

The work of the Steering Committee revolves around directing the activities of the state-owned enterprise, Renfe Operadora, by means of the establishment, promotion and coordination of the company's operating policies.

The matters discussed by the Steering Committee can be classified, in general terms, into two large groups and, within such groups, into various categories.

### ○ By formal scope:

- Matters to be reported on.
- Matters to be discussed, debated and decided.

### ○ By content:

- Matters to be referred to the Board of Directors.
- Matters it would be advisable to refer to the Board of Directors for informative purposes.
- Matters to be decided by the Chairman, following deliberation by the Steering Committee.
- Matters to be discussed within the Steering Committee, as they are derived from decisions made by it or by the Board of Directors.
- Matters referred to the Steering Committee for informative purposes, debate and discussion, as the case may be, either because they affect different levels of the company or because so decided by the Chairman.

## Remuneration of Steering Committee Members

The members of the Steering Committee do not receive specific remuneration for attending its meetings.

## Meeting calls

The Steering Committee meets for ordinary meetings once a week, notwithstanding such meetings as may be called at any time where the urgency of the matter so requires.

## Changes throughout the year

The following persons sat on the Steering Committee at some stage during 2019:

NAME AND SURNAMES	POSITION
Isaías Táboas Suárez	Chairman
Jose Luís Cachafeiro Vila	General Manager for Operations
Ángel Jiménez Gutiérrez	General Manager for Safety, Organisation and Human Resources
Marta Torralvo Liébanas	General Manager for Economics and Finance
Manel Villalante I Llaurado	General Manager for Development and Strategy
Jose Luís Marroquín Mochales	General Secretary and Secretary of the Board of Directors
Pilar Oviedo Cabrillo	Deputy to the Presidency
Diego J. Molero Alonso	Director of the Chairman's Office
Ángel Faus Alcaraz	Director of Communications, Branding and Advertising
Ramón Azuara Sánchez	General Manager of Renfe Viajeros
M <sup>a</sup> . Carmen Rincón Córcoles	General Manager of Renfe Mercancías
Abelardo Carrillo Jiménez	General Manager of Renfe Mercancías
Francisco Javier Bujedo Mediavilla	General Manager of Renfe Fabricación y Mantenimiento
Félix Pintado Palacio	General Manager of Renfe Fabricación y Mantenimiento
Joaquín del Moral Salcedo	General Manager of Renfe Alquiler de Material Ferroviario



## State-owned trading companies

Renfe Viajeros S.M.E., S.A., Renfe Mercancías S.M.E., S.A., Renfe Fabricación y Mantenimiento S.M.E., S.A. and Renfe Alquiler de Material Ferroviario S.M.E., S.A.

### Structure and Composition

At 31 December 2019, the composition of the Steering Committees of each of the four subsidiaries was as follows:

#### RENFE VIAJEROS SOCIEDAD MERCANTIL ESTATAL, S.A.

NAME AND SURNAMES	POSITION
Mr. Ramón Azuara Sánchez	General Manager
Ms. María Isabel Martínez de Pinillos	Director of Coordination and Projects
Mr. Antonio Monrocle Muñoz	Director of Safety
Mr. Jose Enrique Cortina Vicente	Director of the Suburban Trains ("Cercanías") Area and Other Public Services
Ms. Sonia Araujo López	Director of the High-Speed Area and Other Commercial Services
Mr. Félix A. Martín Merino	Director of New Products Business and International Passenger Operations

#### RENFE MERCANCÍAS SOCIEDAD MERCANTIL ESTATAL, S.A.

NAME AND SURNAMES	POSITION
Ms. María del Carmen Rincón Córcoles	General Manager
Mr. Rocío Huerta Leiva	Head of Coordination Area
Mr. José Ángel Méndez González	General Manager LOGIRAIL
Mr. Antonio León Barrios	Director of Management Control and Procurement
Mr. Andrés Novillo Romero	Director of Production
Mr. Alejandro Huergo Luz	Marketing Director
Mr. Julián Mata Benselán	Manager of Intermodal Market
Mr. Juan Sagües Cifuentes	Manager of Iron and Steel Market
Mr. Victoriano Castaños Vesga	Manager of Freight-Metric Gauge
Ms. M <sup>a</sup> Jesús Larriba Laguna	Manager of Automobile Market
Ms. Maria Elena Barbo Poza	Manager of Multi-product Market
Mr. Javier Marcide Castroman	Manager of Logistics Projects
Ms. Sara Gil Ferreras	Manager of Innovation and Subsidiaries
Mr. Oscar Pérez-Serrano Fúnez	Manager of Information Technologies and Systems
Mr. José María Reyes Hernández	Manager of Safety
Mr. Antonio Tejero Roldán	Manager of Organisation and HR Area
Ms. Fátima Maria Faustino Custodio	Manager of Legal Counsel, who also acts as Secretary of the Steering Committee

**RENFE FABRICACIÓN Y MANTENIMIENTO SOCIEDAD MERCANTIL ESTATAL, S.A.**

NAME AND SURNAMES	POSITION
Mr. Javier Bujedo Mediavilla	General Manager
Mr. Joaquín Lizcano Abengózar	Director of Investee Management and Business Development
Mr. Manuel Alcedo Moreno	Director of Supplies, Procurement and Logistics
Mr. José Tomás Martín Jiménez	Director of PSO Rolling Stock Maintenance
Mr. Ángel María Espinilla Garrido	Manager of Administration and Management Control Area
Mr. Braulio Venero Pedrosa	Manager of Large Interventions and Components Area
Mr. Raúl López Lobo	Manager of Freight Maintenance Area and other Customers
Mr. Eugenio A. Anubla Lucia	Manager of Installations Area
Mr. Juan José Real Sánchez	Director of Engineering, Safety and Quality
Ms. Teresa Torres Agudo	Manager of Organisation and HR Area
Mr. Mario Esquinas Torres	Manager of Coordination
Mr. J. Ignacio Aguado Fernández	Head of Legal Counsel

**RENFE ALQUILER DE MATERIAL FERROVIARIO SOCIEDAD MERCANTIL ESTATAL, S.A.**

NAME AND SURNAMES	POSITION
Mr. Joaquín del Moral Salcedo	General Manager
Mr. Miguel Angel Solís Márquez	Manager of Material
Mr. Agustín Altemir Allueva	Manager of Finance and Budget Management of Renfe Alquiler
Mr. Francisco Cañamero Palacios	Manager of Commercial Area
Ms. María Puente Peláez	Head of Legal Counsel



## Renfe Group policies

The Renfe Group is committed to responsible business management, based on the fundamental principles of ethics, transparency, integrity and good governance. This commitment is demonstrated by the following:

- Since 2005 it has been a signatory of the Global Compact, an international initiative proposed by the United Nations, which aims to secure a voluntary commitment to Social Responsibility on the part of companies, via the implementation of ten principles based on human, employment and environmental rights and the fight against corruption. These principles are:
  - Respect for human rights
  - Non-discrimination in respect of employment and occupation
  - Respect for individuals
  - Non-complicity in human rights abuses
  - Environmental responsibility
  - Care for the environment
  - Observance of anti-corruption regulations
  - Responsible dealings with third parties
  - Responsibility in dealings with Public Authorities
- It has assumed the Universal Declaration of Human Rights, the OECD Guidelines and the Tripartite Declaration of the International Labour Organisation (ILO) as its own.
- It complies with the provisions of Law 19/2013 of 9 December 2013, on Transparency, Access to Public Information and Good Governance.
- In 2017, the Renfe Group signed up to the World Tourism Organisation's Global Code of Ethics for Tourism. This Code is an all-encompassing set of principles designed as a guide for the key players in tourism development and acts as a

fundamental framework of reference for responsible and sustainable tourism. Aimed at governments, tourism companies, communities and tourists alike, it seeks to help maximise the industry's benefits, while at the same time minimising its potentially negative consequences for the environment, cultural heritage and societies the world over.

- Since 2002, Renfe has been a member of Autocontrol – a non-profit association that manages Spain's advertising self-regulation system – and is committed to ensuring that all of its commercial communications comply with Autocontrol's Code of Advertising Conduct, based on the Code of Advertising Practices of the International Chamber of Commerce.

Particularly noteworthy among the specific policies relating to each of the areas referred to in Law 11/2018 of 28 December 2018, are the following:

### Environmental policy

Renfe's objective with respect to the environment is to reduce and even eliminate the environmental impact of the provision of its services. To achieve this, the organisation complies with an environmental policy, which is based on three fundamental pillars:

- Full environmental adaptation of railway operations through compliance with current environmental regulations and environmental commitments undertaken voluntarily.
- Enhancement of the tangible and intangible environmental assets used in railway activities.
- Appropriate management of the environmental aspects linked to the interrelationship between infrastructure and operations.

Renfe’s environmental commitment reflects the obligations and commitments it has undertaken with respect to the environment, its social context and sustainable development.

Renfe is committed to:

- Setting out its environmental commitments publicly and in writing.
- Voluntarily assuming environmental commitments that go beyond scrupulous compliance by Renfe with the environmental legislation in force.
- Developing the most suitable management instruments to reduce and even eliminate its environmental impact by setting in place the necessary internal resources and procedures.
- Establishing suitable channels for participation by interested parties in Renfe’s environmental management.
- Verifying the effectiveness of its environmental management by monitoring its implementation and fulfilment and continuously updating and adapting it to the demands of society.

The Renfe Group’s environmental policy is thus expected to be updated and adapted along these lines in the coming year.

### **Social and personnel policy**

Among the challenges facing the Renfe Group in 2019 as regards its commitment to its employees, is responding to the need to rejuvenate its workforce while increasing its competitiveness and productivity, to enable it to address the process of liberalising the passenger transport market on the best possible terms.

During this renewal process, one of the challenges it faces upon incorporating new professionals is ensuring the transfer of know-how as outgoing professionals are replaced and adapting its resources to new requirements.

With this in mind, it has worked from all aspects of human resources management on programmes aimed at the professional development of newly hired personnel, as well as of specific groups at both operational level (drivers, sales, maintenance and administration and management personnel) and structural level (support and management personnel).

### **Policy regarding respect for human rights**

The Renfe Group’s code of ethics includes its specific policy regarding respect for human rights.

In this respect, over the course of 2019 Renfe has been working on a draft Human Rights Policy which is currently awaiting approval from the company’s Steering Committee.

### **Policy related to ethical behaviour, good governance and combatting corruption and bribery**

#### **Code of Ethics**

The Renfe Group Code of Ethics (approved by the Board of Directors of Renfe Operadora on 29 April 2014) is considered a basic pillar of the Group’s integrity model and one which upholds its control, compliance, ethics and good corporate governance environment.

The Renfe Group Code of Ethics constitutes another step in the Organisation’s commitment to ethics and integrity, which govern its business management and corporate culture. Inspired by the Ten Principles of the Global Compact and other national and international accords and regulations such as the OECD Guidelines, the International Labour Declaration (ILO) and Law 19/2013 on Transparency, Access to Public Information and Good Governance, the Renfe Group has prepared and communicated a Code of Ethics that sets out the



principles of action to which all employees are subject as regards human rights, respect for individuals, environmental responsibility, anti-corruption, loyalty to the company, integrity, professionalism and competence, confidentiality and use of resources, among others.

It thus constitutes the framework of action for Renfe Group employees in their day-to-day work and dealings with other employees, customers, suppliers, the Administration and society in general. The principles of conduct set out in the Renfe Group Code of Ethics lay down general guidelines, which are designed as a guide for Group employees in the pursuit of their professional activities, taking as a reference the Mission, Vision and Values of the Renfe Group, its Corporate Social Responsibility and Sustainability strategy and its commitments as signatory of the United Nations Global Compact.

The Code of Ethics applies to all Renfe Group companies and enterprises, irrespective of the country in which they operate.

Compliance therewith is understood notwithstanding strict compliance, as the case may be, with the laws of each of the countries in which the organisation operates and respect for the ethical principles of the respective cultures of such countries and the internal regulations of the Group, particularly as regards rail traffic safety.

The principles of this Code also apply to suppliers and other groups who interact with the Renfe Group, to the extent that the values, principles and regulations contained therein can be applied to them.

The principles for action are:

- Respect for human rights
- Non-discrimination in respect of employment and occupation
- Respect for individuals
- Non-complicity in human rights abuses
- Environmental responsibility

- Care for the environment
- Anti-corruption
- Loyalty to the company
- Legislative compliance
- Integrity, professionalism and competence
- Confidentiality
- Use of resources
- Responsible dealings with third parties
- Dealings with Public Authorities

The Renfe Group Code of Ethics is published on the corporate website ([www.renfe.com](http://www.renfe.com)) for access by third parties, and on the intranet for employees.

Awareness of the Code of Ethics is included in the training received by newly hired personnel on joining the Group. This demonstrates the Organisation's constant efforts to ensure that all employees and other stakeholders are both aware of and understand its Code of Ethics.

The Renfe Group's commitment is evident in the creation of its Ethics Committee, which is entrusted with ensuring compliance with the Code of Ethics, and resolving any doubts of interpretation as regards ethics and integrity.

The main functions of the Ethics Committee are as follows:

- Fostering dissemination and awareness of the Code and compliance therewith.
- Interpreting the rules under the Code and overseeing their enforcement.
- Setting up and managing the inquiries, notification and whistleblowing channel.
- Investigating potential breaches and resolving doubts or inquiries raised via the above channel.
- Ensuring the credibility and impartiality of any procedures commenced and the rights of the people purportedly involved in potential breaches.
- Periodically reviewing the Code with the aim of adapting its requirements to the needs of the organisation and its relationship with its environment and its stakeholders, having regard to the suggestions and proposals made by Renfe Group employees. Any review or update of the Code of Ethics is subject to the approval of the Board of Directors of the Renfe Group.

The Operating Regulations of the Renfe Group Ethics Committee contain information on its operation, while the Operating Protocol of the whistleblowing channel provides information on how communications received through this channel are processed.

The Renfe Group has in place a whistleblowing channel ([codigoetico@renfe.es](mailto:codigoetico@renfe.es)), which is available to its employees and any third parties, so that any of its stakeholders are able to express any doubts or suggestions or report any potential breaches of the regulations contained in the Code of Ethics.

In 2019, 12 reports were received, one of which was classed as an inquiry and the rest as complaints.

A number of communication actions were carried out during 2019 to promote awareness and disseminate the Code of Ethics. Furthermore, 22 training sessions were given (1,213 hours of training) to address matters related to the Code of Ethics as part of the Group's Welcome Programme for new employees (1,213 participants).

The Code of Ethics page on the Renfe intranet received 149 visits in 2019, while the website [www.renfe.com](http://www.renfe.com) recorded 951 visits and 182 downloads of the Code of Ethics document.



## Regulatory and Criminal Compliance

Another of the basic foundations of the Group's commitment to ethics and integrity is the prevention of offences in the area of corporate criminal liability (article 31. Bis of the Criminal Code).

Since 2013, the Renfe Group has been working on a series of milestones with a view to setting in place a genuine culture of corporate compliance and conveying it to all members of the Organisation.

These milestones include the approval in December 2018 of the Renfe Group Regulatory and Criminal Compliance Policy which, in line with the commitments included in the Code of Ethics, aims to reinforce the Group's desire to comply with the values demanded by society as regards honesty, transparency and strict observance of the law.

With this Policy, which forms part of the Renfe Group's Organisational and Management Model for Corporate Crime Prevention (Criminal Compliance), the Renfe Group seeks to remain at the forefront of regulatory compliance and prevention of irregularities, taking the Organisation's commitment to ongoing improvement one step further to position itself at the very highest level as regards standards of ethics, integrity and professionalism in the pursuit of its business and its activity.

The Principles and Foundations on which the Renfe Group Regulatory and Criminal Compliance Policies are based, as well as the elements comprising and/or deriving therefrom (e.g. processes, policies, manuals, models, etc.) are as follows:

- Absolute respect for compliance with the legislation in force to which the Renfe Group is subject and all existing internal regulations.

The Renfe Group's Board of Directors expressly declares its total rejection of any kind of offence or breach within the Organisation, placing on record its aversion to and rejection of any possible form of irregularity.

- Communication, by Renfe Group Management, of the set of ethical values that permeates its activity and which are set out in the Code of Ethics to all stakeholders with which the Organisation deals.
- The existence of publicly accessible channels to enable the stakeholders with which the Organisation deals to report any suspected or purported irregularity or breach, of either the Renfe Group Code of Ethics or any other internal or external regulations. The Renfe Group undertakes to ensure that all communications received are investigated with the appropriate legal guarantees, such as protection of whistleblowers from retaliation and handling of all communications subject to the strictest standards of confidentiality. For their part, executives and employees alike undertake to collaborate and cooperate to the extent necessary to clarify the facts in question.
- The creation of an environment of transparency, ethics and compliance among executives and employees by means of dissemination, awareness and training campaigns.

The Renfe Group undertakes to provide its employees with sufficiently frequent training sessions to ensure that their knowledge as regards ethics and compliance is up to date and that they are aware of advances by the Organisation in this regard.

In 2019 the Group put out to tender the creation of a training programme to comply with the requirements of the Criminal Code (article 31 bis), the Public Prosecutor's Office Circular and Supreme Court case law, which all stipulate the obligation to train employees on matters regarding corporate criminal liability (Criminal Compliance). These training sessions will also be used to provide training on the Code of Ethics. This training programme will commence in early 2020.



## Transparency

In the context of Law 19/2013 on Transparency, Access to Information and Good Governance, since 2014 the Renfe Group has dedicated a section of its website to the publication of relevant information to guarantee the transparency of its activities. This information is grouped by subject: organisational structure, functions, economic and financial information, indicators, etc. This last section also offers information on the Renfe Group's relations with its stakeholders, service quality, transparency in recruitment and collective bargaining agreements, the right to access information and matters related to good corporate governance ([www.renfe.com/empresa/LeyTransparencia/Indicadores.html](http://www.renfe.com/empresa/LeyTransparencia/Indicadores.html)).

In the same section, those interested in receiving additional information on the Group in relation to the above Transparency Law, can send their requests to the Transparency Portal of the General State Administration ([transparencia.gob.es/transparencia/transparencia\\_Home/index/Derecho-de-acceso-a-la-informacion-publica/Solicite-informacion.html](http://transparencia.gob.es/transparencia/transparencia_Home/index/Derecho-de-acceso-a-la-informacion-publica/Solicite-informacion.html)).

Renfe received a total of 89 requests for information through the Portal in 2019, up by 12 on the previous year. All requests were answered within the time period stipulated by the Transparency Law. All the information requested was provided in 55 out of the 89 total requests, while partial information was provided in 15 requests. The remaining requests were denied or otherwise rejected for various reasons. The subjects in which most interest was expressed were related to the activity of Renfe Viajeros, followed by corporate aspects of the Group.

Over the course of 2019, the Renfe Group Transparency Unit was integrated into the Institutional Relations area to harness the synergies with this team responsible for responding to requests for information from institutions and stakeholders, thus providing more complete, contextualised and coordinated information to the users of the Transparency Portal.





## Internal control system

The Renfe Group subsidiaries, considered Group companies for the purposes of accounting consolidation, are required to have their annual accounts audited by an external auditor.

The 2019 annual accounts of the main Group companies reporting directly to Renfe Operadora (Renfe Viajeros SME, S.A., Renfe Mercancías SME, S.A., Renfe Fabricación y Mantenimiento SME, S.A., Renfe Alquiler de Material Ferroviario SME, S.A.) were audited by KPMG Auditores, S.L.

However, both the individual and consolidated accounts of the state-owned enterprise Renfe Operadora are subject to oversight by the General State Comptroller (IGAE), via the National Audit Office.

Given Renfe Operadora's status as a state-owned enterprise and, in the case of the other Group companies, their status as public capital enterprises, certain regular communications must be made to public bodies: the Court of Auditors, Banco de España, the Ministry of Finance and Public Administration and the Ministry of Public Works, among others. These communications constitute an additional means of oversight by independent bodies, affording greater certainty and reliability regarding the Group's information.

The Renfe Group also has an Internal Control Over Financial Reporting system (ICOFR). The ICOFR is made up of the various processes that the Renfe Group carries out to provide reasonable assurance as to the reliability of the financial information that is provided to both internal and external stakeholders.

The ICOFR aims to provide reasonable assurance that internal controls work effectively, through the documentation of any relevant processes. An operating analysis is performed for each of these processes, to identify the potential risks associated therewith, as well as the mitigating controls in place. Other possible controls and action plans to improve the process are also being considered with a view to dealing with the risks that threaten the financial

reporting objectives. This entire process is documented in what are known as the risk and control matrices.

As an integral and essential part of the Control System, the Renfe Group has an Internal Audit and Compliance Department, which is responsible for the internal supervision of all Group activity. This department constitutes an independent body within the Group that helps to ensure compliance with established rules, policies, plans, procedures and objectives, and to safeguard its property, the reliability and integrity of its information, and the economical and efficient use of resources, thereby contributing to improvements in the control systems.

The main tasks carried out by the Internal Audit and Compliance Department in 2019 include audit and assurance work, consulting work; the preparation of other specific reports; the development of a Model for the Organisation and Management of Criminal Risk Prevention; improvements to the Corporate Risk Management System; and various internal and external communication actions designed to consolidate a culture of audit, compliance and risks within the organisation

The control system also comprises the Commissions and Committees entrusted with setting up and supervising control units in the different areas of the Group

### Audit and Control Committee of Renfe SOE

The state-owned enterprise, under the framework of that set out in Law 33/2003 of 3 November 2003 on State-Owned Property, considered it pertinent and advisable to set up, on a voluntary basis, an Audit and Control Committee that reports directly to the Board of Directors.

The Board of Directors of Renfe Operadora, at its meeting on 1 April 2014, therefore resolved to create an Audit and Control Committee and approved its Rules of Operation. These rules were modified in 2019.

The purpose of the Committee is to offer the Board of Directors of Renfe Operadora the appropriate technical support on matters of financial reporting and internal control, given the inherent complexity involved in the management processes of organisations, which increasingly require a professional and specialised approach.

Among its functions, the role of the Committee is to support the Board of Directors in its supervisory duties through the regular review of the process to prepare economic and financial information, to oversee internal controls and the independence of the external auditor. It also approves the Annual Work Programme of the Internal Audit and Compliance Department.

At 31 December 2019, this Committee had held two meetings and is composed of one Director Chairperson; two Director Members; one Non-Executive Secretary; and one Non-Executive Deputy Secretary.

### **Audit and Control Committees of the four state-owned trading companies**

Given the nature of these companies and pursuant to that set forth in article 180.3 of Law 33/2003 of 3 November 2003 on State-Owned Property, article 22 of the Statutes of the four State-Owned Trading Companies making up the Renfe Group (Renfe Viajeros; Renfe Mercancías, Renfe Fabricación y Mantenimiento and Renfe Alquiler de Material Ferroviario) regulates the creation of the Audit and Control Committee.

Thus, each of the Boards of Directors, at a meeting held on 23 July 2014 in the case of Renfe Viajeros, Renfe Mercancías and Renfe Fabricación y Mantenimiento and on 31 March 2015 for Renfe Alquiler de Material Ferroviario, created an Audit and Control Committee and approved their Rules of Operation. These rules were modified in 2019.

Likewise, it should be noted that, subsequent to those dates and in view of the reform of Audit Law 22/2015 of 20 July 2015 and its entry into force in 2016, Renfe Viajeros Sociedad Mercantil Estatal, S.A. is considered a public interest entity and its Audit and Control Committee is therefore obliged to comply with the requirements laid out in article 529 quaterdecies ("Audit Committee") of the Spanish Companies Act (Royal Legislative Decree 1/2010 of 2 July 2010).

The purpose of the Committee is to offer the Board of Directors of the company the appropriate technical support on matters of financial reporting and internal controls, given the inherent complexity involved in the management processes of organisations, which increasingly require a professional and specialised approach.

Among its functions, the role of the Committee is to support the Board of Directors in its supervisory duties through the regular review of the process to prepare economic and financial information, to oversee internal controls and the independence of the external auditor. It also approves the Annual Work Programme of the Internal Audit and Compliance Department.

The Audit and Control Committees of the state-owned trading companies Renfe Viajeros and Renfe Mercancías held four meetings in 2019. The Audit and Control Committees of the state-owned trading companies Renfe Alquiler de Material Ferroviario and Renfe Fabricación y Mantenimiento held three meetings.

These Committees are made up of a maximum of three (3) non-executive Directors chosen from among the members of their respective company's Board of Directors and having regard to their knowledge and experience in matters of accounting, audit and risk management.

## Risk management

In 2014, the Renfe Operadora Steering Committee approved the Renfe Group Risk Control and Management Policy, which was presented at the meeting of Renfe Operadora's Board of Directors in December 2014.

The Renfe Group Risk Control and Management Policy aims to establish the general framework for action as well as the basic principles, procedures and responsibilities for controlling and managing the risks facing the Renfe Group.

The risk control and management policy defines the responsibilities of the different members of the organisation in relation to the existence, definition, operation and supervision of the risk management system, with the Board of Directors being responsible for its existence and senior management ensuring its correct implementation.

The aim of this risk management system is to offer reasonable assurance that all relevant risks are identified, assessed and subject to continuous monitoring. The aim is to create an environment in which it is possible to work with risks in a controlled manner, actively managing them and making it possible to take advantage of new opportunities.

Through the management of risks, the aim is to systematise existing internal control procedures and systems and to increase or optimise identification, control and improvement measures where weaknesses that can be dealt with are identified.

The established working methodology for the risk management system defines the following analysis and management blocks:

## General or Business Risks (GRMS):

These are risks faced by the company that could affect the achievement of its objectives. General or business risk management is a process that permits uncertainty to be effectively addressed, while identifying risks and opportunities and optimising the capacity to generate value. This includes strategic, operating and economic and financial risks, etc. Risk management is conducted using a process-based approach based on risk identification, assessment and management.

This system is currently in a development and evolution phase (Phase II) with a view to continuing to work towards the implementation of an effective and mature model.



**Specific Management Risks (SRMS)**

These are risks that may arise within certain areas or functions of the business, and which, by nature, are considered critical and deemed to require independent management.

In certain cases, these risks were already managed before implementation of the risk management system. They include risks relating to rail traffic safety, the environment, self-protection, security, employment and information security.

Other risks included in this area are those associated with the possible perpetration of offences involving corporate criminal liability (Criminal Compliance) and those associated with the generation of financial information - which are managed by means of a system of Internal Control over Financial Reporting (ICOFR).

Individual management systems are in place for these types of risk, with specific models and designs for optimal management, supervision and mitigation of the respective risks, and compliance, in each case, with the relevant legislation.

**Developments and measures adopted**

In recent years, the Organisation has continued to work towards both the ongoing improvement of specific management systems already in place, and the implementation and development of new risk management systems (General or Business Risks System, ICOFR and Criminal Compliance Model).

As regards the General or Business Risk Management System (GRMS), apart from the need to develop the GRMS envisaged in the approved Risk Policy, an additional need has arisen: the new ISO 9001:2015 and ISO 14001:2005 on Quality and Environmental Management Systems (mandatory in 2018 in order to maintain the above certificates) call for promotion of the process approach and risk-based thinking.

The Renfe Group has made a considerable effort in this area and a General or Business Risk Management Model has been set up, which is based on the identification of specific risks that might affect each of the processes set forth in the Renfe Group Process Map.

With the adoption of this process-based risk model, the list of potential threats or events that could affect the Group has been updated, as have the risks identified and assessed, the related controls and mitigating actions in each process; the GRMS has been placed further into the hands of managers, creating a risk culture, promoting the active participation of workers and fostering a more realistic vision and evaluation, in which experience and the quest for ongoing improvement is taken into account.

Considerable work was carried out in 2019 to foster this risk culture, explain what the General or Business Risk Management Model (GRMS) consists of and underline the importance of contributing to its correct functioning. Informative and training sessions were also held with all the areas involved, among other actions.

An IT tool was implemented in 2019 for the management of the GRMS and specific training was given to 129 employees on risk management and how the new IT tool works.

As regards the criminal risk prevention management system, work on the Corporate Crime Prevention Organisation and Management Model for the Renfe Group and its companies (Compliance Model) began in 2015. This Model was verified by an independent third party, which issued a Verification Report on 4 November 2015.

A great deal of work was done to update the Model in 2018 and it was verified once again. Following formal approval of the Renfe Group's Compliance Model in December 2018, the Group continued to work in 2019 on the roadmap established by the Group's Boards of Directors to reach full implementation of the Criminal Compliance Model, adopting the requirements established in the Criminal Code for the prevention of corporate criminal liability (article 31.bis).



Priority was given in 2019 to review and adapt the whistleblowing channel to the new data protection and privacy legislation. The signing of a confidentiality undertaking by all members of the Ethics Committee and all other people who may have access to or become aware of such matters during an investigation process has also become mandatory.

The Operating Regulations of the Renfe Group Ethics Committee have been redesigned to contain information on how it functions. An Operating Protocol for the whistleblowing channel has also been drawn up to explain how communications received via this channel are to be processed.

Another step forward in this area in 2019 was the design and tender of a mandatory Training Plan for all Renfe Group employees (established over two years). Staff will be given classroom training and/or e-learning material depending on their employee profile. This training will commence in 2020.

In parallel to this Training Plan, the Renfe Group's Welcome Programme for new employees in 2019 saw training imparted to over 1,200 new hires on matters relating to the Code of Ethics, Compliance, Audit and Risks.

The Renfe Group also drew up a clause on integrity and anti-fraud in 2019 to be included in individual tender specifications as an obligation with which all tenderers and awardees must comply.

The Renfe Group undertakes to monitor its risk management system, keeping it up to date in order to guarantee ongoing improvement and good corporate practice, with particular attention to criminal risks. The Renfe Group Board of Directors and Management, meanwhile, declare their commitment to the continuous promotion of a true culture of internal prevention, for which purpose self-regulation and monitoring are essential.

## Internal control over financial reporting system

The Renfe Group is currently implementing an Internal Control Over Financial Reporting system (hereinafter "ICOFR" or the "System"), which has been designed as a single ICOFR for the entire Group and as a specific management system within the Group's Risk Management System.

This System provides reasonable assurance as to the reliability of the financial information that is furnished to stakeholders.

Ultimate responsibility for devising and maintaining an appropriate and effective ICOFR at Renfe Operadora and the companies identified as relevant within the scope, lies with their respective Boards of Directors. Responsibility for its implementation, design, assessment and follow-up lies with the Steering Committee of Renfe Operadora. The Internal Audit area is responsible for supervising and assessing the system, evaluating the effectiveness of existing controls and acting upon recommendation to improve the ICOFR. The Audit and Control Committees are in charge of supervising the procedures and systems used to prepare financial information. To this end they approve the ICOFR supervision plan which is part of the Internal Audit area's annual work programme.

The ICOFR is managed from the Finance and Administration Department, which is responsible for maintaining and keeping it up to date, carrying out the reporting processes, identifying new risks and controls and preparing information to be presented to the Directorate-General of Economics and Finance. The area responsible for the ICOFR also carries out supervisory functions within its area of activity, providing ongoing oversight and monitoring the compliance and effectiveness of the ICOFR by means of self-assessments.

In addition to the organisational structure and those responsible, the work process as regards management of the System, which includes identifying risks, among other tasks, has been defined and documented for the management and supervision of the ICOFR. During each reporting period, the companies within the scope and the processes involved

in the ICOFR are established, in accordance with the estimated materiality and based on qualitative and quantitative criteria. In addition to the state-owned enterprise Renfe Operadora, companies included in the scope for 2019 are Renfe Viajeros SME, S.A., Renfe Mercancías SME, S.A., Renfe Fabricación y Mantenimiento SME, S.A. and Renfe Alquiler de Material Ferroviario SME, S.A.

Once the scope has been defined and the significant processes described, the next step is to identify significant risks, i.e., those that can materially affect the key processes and, therefore, have an impact on the financial information, which would prevent objectives and assertions from being fulfilled: existence and occurrence, completeness, measurement, presentation, disclosure and rights and obligations. Analysis is also undertaken to assess whether the risk of fraud is being reasonably minimised and whether the controls are adequately safeguarding assets.

Lastly, the relevant control activities are described so as to respond adequately to the risks associated with the reliability and completeness of the financial information.

Within the scope of the ICOFR, regard is had to the general controls and general IT controls, whereby logical access controls are established, among others, to ensure a suitable segregation of functions.

Over the course of each year, the information contained in the ICOFR is reviewed and updated.

Those responsible for preparing the financial information, as well as those in charge of managing the ICOFR function, receive training and are kept abreast of legislative changes on an annual basis.

The Renfe Group determines the scope of consolidation in accordance with prevailing legislation. The Group also draws up instructions for the year end close and consolidation, which are then distributed to all Group companies and departments that are involved in preparing the financial information. For the companies that are not integrated into the

Group's ERP, the consolidation instructions provide a reporting package with templates to be completed.

The Directorate-General of Economics and Finance is responsible for keeping the Group's economic and financial rules up to date, which include the main administrative procedures and accounting policies applicable to the Group's activity, as well as being responsible for interpreting these policies and resolving queries about how to apply them. These rules are available on the Group's Intranet.

Over the course of 2019:

- Renfe Operadora's Steering Committee approved the ICOFR System Management and Supervision Manual and the ICOFR System Policy. These documents have also been submitted to the Audit and Control Committee of each Group company.
- Implementation began of an IT system designed to facilitate management of the ICOFR and its traceability.
- A collaborative space for ICOFR has been created (ECSCIIF in its Spanish acronym), where the Renfe Group participates alongside other major companies to share experiences, knowledge and best practice in this field.

### **Occupational health and safety**

In terms of occupational health and safety, the Renfe Group has a General Procedure called the Occupational Health and Safety Plan in place which sets out the Group's prevention policy and competences and responsibilities. It acts as the Occupational Health and Safety Management System, the primary objective of which is to integrate this area into all Renfe Group activities and implement the preventive measures required to achieve it.

To carry out this Plan, a number of procedures, protocols, instructions and management tools are in place, which are set out therein. Of these, particularly noteworthy are Prevention



Operating Procedures 1 - Risk assessment, and 18 - Monitoring and control of the preventive planning, which set out the processes for identifying and assessing the risks that exist at workplaces and for implementing the relevant corrective measures to guarantee the health and safety of Renfe Group workers.

The Occupational Health and Safety Plan and the various procedures, protocols, instructions and management tools are essentially prepared according to the provisions of Occupational Health and Safety Law 31/1995 of 8 November 1995 and Royal Decree 39/1997 of 17 January 1997, approving the Prevention Services Regulations.

## Action to combat corruption and bribery

As regards the fight against corruption and bribery, the Renfe Group Code of Ethics is a step further in the organisation's commitment to ethics and integrity, which govern its business management and corporate culture. As noted above, the Renfe Group also has in place a Crime Prevention Model (Criminal Compliance Model) which is aligned with the 2015 reform of the Criminal Code, with the ultimate objective of preventing the perpetration of offences that could hypothetically be committed within the Organisation and establishing an effective, appropriate system for overseeing and controlling compliance with the regulations and internal controls that permits the early identification of any irregularities or weaknesses that may arise in the execution of internal processes, and implementation of any necessary measures to avoid such risks.

With a view to observing a criterion of maximums and ensuring prudent management of criminal risk, the Renfe Group has analysed all of the offences for which the legal entity could be held criminally liable, even where the likelihood and impact of such liability arising is low. More specifically, all of the offences for which its state-owned trading companies could be held directly liable (article 31 bis of the Criminal Code), and those by which the Group could be indirectly affected (article 129 of the Criminal Code), have been analysed. Each of these criminal risks has been assessed in terms of likelihood and impact.

The Renfe Group has made a considerable effort to update and verify the Criminal Compliance Model. Among the work carried out by the Renfe Group to adapt the above model to the provisions of the Criminal Code as regards the prevention of corporate criminal liability (article 31.bis), the following are particularly noteworthy:

### — Organisation and management model for the prevention of corporate criminal risks

The Renfe Group's Organisation and Management Model for the Prevention of Corporate Criminal Risks of Legal Entities, on the basis of which it has been working, was designed in 2014.

A Model has been drafted that sets out and details in a single document all of the requirements of article 31.bis.5 of the Criminal Code. The Model is also adapted to the requirements of Standard UNE 19601 on Criminal Compliance Management Systems.

#### ○ **Regulatory and Criminal Compliance Policy**

The Renfe Group has drawn up a Regulatory and Criminal Compliance Policy, as part of its Organisation and Management Model for the Prevention of Corporate Criminal Risks.

#### ○ **Criminal risk analysis**

One of the key elements of any criminal risk prevention model is the analysis and assessment of criminal risks that could lead to corporate liability (art. 31.bis.5. 1 of the CC). The Renfe Group has carried out a criminal risk analysis using a process-based approach, i.e. the criminal risks are no longer tied to business areas, but rather to each of the processes carried out within the Renfe Group.

#### ○ **Disciplinary regime**

Another of the high-level controls required under article 31.bis.5.5 of the Criminal Code is a disciplinary regime that suitably punishes breaches of the measures established in the Model.

The Renfe Group's Collective Bargaining Agreement provides for a full disciplinary regime. Clause 10 of the Agreement expressly states that: "the Renfe Group and its employees accept that the ethical principles of responsibility and integrity as contained in their Code of Ethics shall be those that will continue to guide their day-to-day activities, assuming an even greater commitment, if possible, to regulatory compliance and observation".

An ad hoc penalty regime has been drawn up for personnel not subject to the Collective Bargaining Agreement in order to comply with the Criminal Compliance Model.

#### ○ **Code of Ethics: Whistleblowing channel, Ethics Committee, Operating Regulations**

The Organisation and Management Models referred to in condition 1 of article 31.bis2 of the Criminal Code "shall impose the obligation to report potential risks and breaches to the body entrusted with overseeing the functioning and observance of the prevention model".

The Renfe Group has had a whistleblowing channel in place since 2014, reports to which are received and managed by an Ethics Committee, which discharges its duties on the basis of internal operating regulations. An operating protocol has also been put in place for the whistleblowing channel.

Communications received through the whistleblowing channel (codigoetico@renfe.es) are handled with the utmost confidentiality, which has been underpinned by the mandatory signing of a confidentiality undertaking by all members of the Ethics Committee and all other people who may have access to or become aware of such matters during an investigation process.

#### ○ **Preparation of regulatory compliance clauses for suppliers**

In line with the provisions of the Renfe Group Code of Ethics and Standard UNE 19601, a clause on integrity and anti-fraud was drawn up in 2019 for inclusion in individual tender documents as an obligation with which all tenderers and awardees must comply.

Additional tools in the Renfe Group's fight against corruption and bribery are the measures, procedures and controls included in the Control Environment for activities and departments related to audit and financial matters, which permit these risks – and therefore the financial offences referred to in our Crime Prevention Model for which the legal entity may be held criminally liable, which include acts relating to corruption and bribery – to be mitigated and controlled.



The economic and financial legislation available to the Group internally sets out the main administrative procedures and accounting policies applicable to Renfe’s operations.

The financial information is prepared by the Directorate-General of Economics and Finance. The budget and the directors’ report are prepared by the Management Control and Budgets Department; the individual and consolidated annual accounts are prepared by the Finance and Administration Department and are authorised for issue by the Companies’ Boards of Directors, and the Chairman in the case of the State-Owned Enterprise. The Audit and Control Committees also carry out their control and oversight role according to their rules of operation and with the support of the Internal Audit and Compliance Department.

The economic-financial regulations set out various procedures, rules and instructions regulating the control of expenditure and investments, the various levels of authorisation thereof and the necessary segregation of duties.

The procurement and acquisition regime applicable to the Renfe Group in 2019 is subject to the rules of Private Law, notwithstanding the fact that contract preparation and awarding is subject to the provisions of the public contracts legislation.

The Renfe Group uses tender specifications to assure itself that tenderers meet its technical and legal competence and capacity and independence requirements.

Moreover, with a view to the ongoing improvement of the above Control Environment, in 2016 the Renfe Group undertook a project for a system of Internal Control over Financial Reporting (ICOFR). This project is designed to ensure the reliability of and offer reasonable certainty as regards the entire operating and non-operating process for the generation of financial information by means of an internal control system similar to that envisaged by the Spanish National Securities Market Commission (CNMV) for listed companies.

Thanks to this project, which is still in an initial phase, the Renfe Group has voluntarily set in place economic-financial risk and control matrices with respect to the most relevant operations and transactions, based on quantitative and qualitative criteria.

This entire system is based on the lines of defence model, set out in various authoritative internationally recognised frameworks.



## Renfe corporate group. Consolidated companies

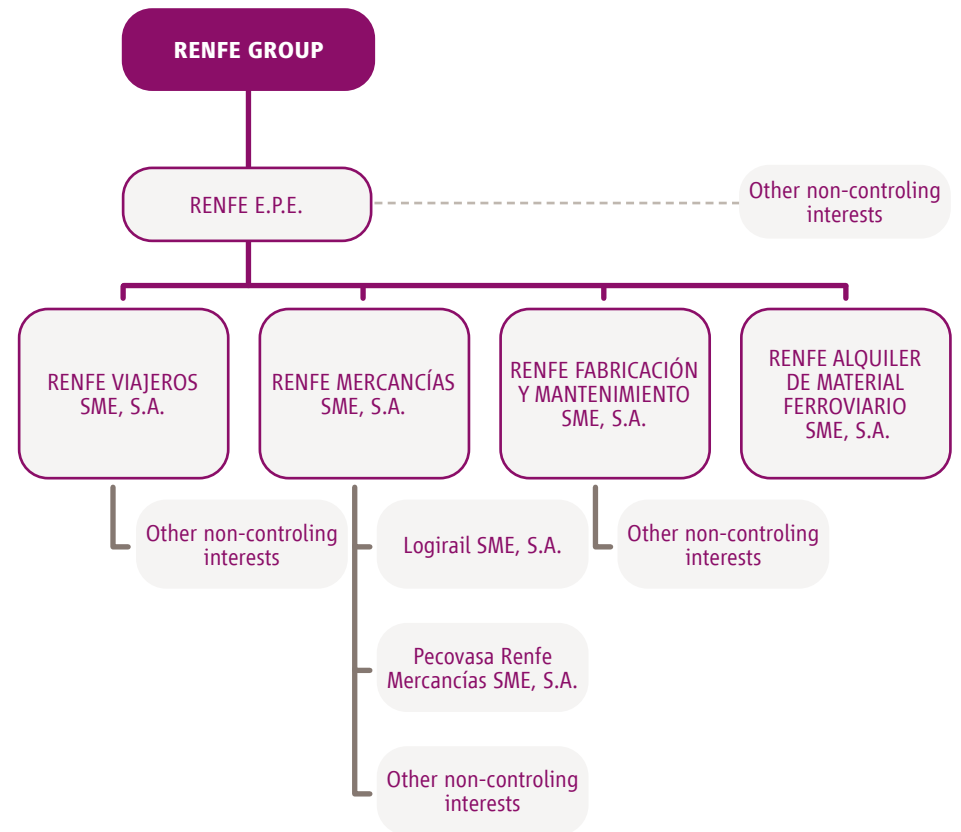
The Renfe Operadora Group as it exists today was created following the implementation of articles 1 and 3 of Royal Decree-Law 22/2012 of 20 July 2012, adopting measures for railway infrastructure and services (hereinafter the RDL).

As stated in its preamble, the aim of such RDL was to set in place a suitable framework to begin the process to liberalise rail travel and to open it up to competition, while offering certain guarantees as regards continuity and public service quality, and providing the former Renfe Operadora with a similar business set up to other European public rail operators.

In short, the organisation set up as a result involved the creation of four state-owned trading companies, the capital of which is owned entirely by Renfe Operadora, which retains its legal status as a state-owned enterprise.



The current corporate structure is summarised in the following chart:



As noted above, the state-owned enterprise Renfe Operadora as it now stands was incorporated as the parent of the group of companies referred to above, the scope of consolidation of which is described in the next section of this report.

Under this new model, the primary objective of the state-owned enterprise Renfe Operadora (hereinafter the SOE) is to ensure the efficient coordination and assignment of public resources, acting as parent of the group and discharging corporate and service functions, as well as managing the holding of stakes in the new companies.

The most noteworthy among the main functions assigned to the SOE are as follows:

- Defining the Group business policy and strategy.
- Legal counsel.
- Human resources, occupational health and safety, medical services, planning of the workforce, selection and recruitment, defining remuneration, training, payroll management and liaison with the
- Social Security and Taxation Authorities.
- Financial, accounting, tax and insurance policy-making.
- Budget control.
- Negotiation of contract-programmes.
- Development of international projects.
- Internal audit of the Group.
- Liaison with external institutions and other entities.
- Rail traffic safety.
- Civil protection and safety.
- Communications, media relations, branding and advertising.

The State-Owned Enterprise Renfe Operadora (the SOE) has a direct or indirect stake in the companies within the scope of consolidation shown below. The chart also indicates the relationship with each investee and details of the stake held:

INVESTEES	RELATIONSHIP	STAKE
Renfe Viajeros SME, S.A.	Group	100%
Renfe Mercancías SME, S.A.	Group	100%
Renfe Fabricación y Mantenimiento SME, S.A.	Group	100%
Renfe Alquiler De Material Ferroviario SME, S.A.	Group	100%
Renfe of America, L.L.C.	Group	100%
Logirail SME, S.A.	Group	100%
Pecovasa Renfe Mercancías SME, S.A.	Group	85,45%
Puerto Seco Ventastur, S.A. (in liquidation)	Group	Indirect stake via PECOVASA
Elipsos Internacional, S.A.	Jointly controlled entity	50%
Nertus Mantenimiento Ferroviario, S.A.	Jointly controlled entity	49%
Actren Mantenimiento Ferroviario, S.A.	Jointly controlled entity	49%
Erion Mantenimiento Ferroviario, S.A.	Jointly controlled entity	49%
Btren Mantenimiento Ferroviario, S.A.	Jointly controlled entity	49%
Irvia Mantenimiento Ferroviario, S.A.	Jointly controlled entity	49%
Intercontainer Ibérica, S.A (in liquidation)	Jointly controlled entity	46%
Railsider Logística Ferroviaria, S.A.	Jointly controlled entity	49%
Raisider Ferrocarril, S.L.	Jointly controlled entity	Indirect stake via Railsider
Railsider Atlántico, S.A.	Jointly controlled entity	Indirect stake via Railsider
Hendaye Manutention	Jointly controlled entity	Indirect stake via Railsider
Railsider Mediterraneo, S.A.	Jointly controlled entity	Indirect stake via Railsider
Railsider Terminales Ferroviarios, S.L.	Jointly controlled entity	Indirect stake via Railsider Atlantico
Construrail, S.A.	Associate	49%
Conte Rail, S.A.	Jointly controlled entity	50%
Alfil Logistics, S.A.	Associate	40%
Sociedad de Estudios y Explotación de Material Auxiliar de Transportes, S.A. (SEMAT)	Associate	36,36%
Transportes Ferroviarios Especiales, S.A. (TRANSFESA)	Associate	20,36%
Albitren Mantenimiento y Servicios Industriales, S.A. (Spin-off of Albatros Alcazar, S.A.) (in liquidation)	Multigrupo	50%
Consorcio Español Alta Velocidad Meca Medina, S.A. (CEAMM)	Associate	26,9%
Europeenne Pour La Financement De Materiel Ferroviaire (EUROFIMA)	Associate	5,22%

### Renfe Viajeros SME, S.A.

At the 2018 year end, Renfe had a stake in Elipsos Internacional, S.A. a company created in December 2000 in the form of a joint venture. The joint venture was set up under Spanish law, and SVD/SNCF and Renfe Viajeros each hold half of the capital. It also holds a 33% stake in Logirail SME, S.A.

### Renfe Mercancías SME, S.A.

Renfe Mercancías is made up of several companies specialising in the various business areas of the company. In some cases, these subsidiaries and investees afford it the flexibility to provide certain services supplementary to transport, its core activity, and in others they give it strategic partners that improve its positioning in certain markets.

#### Investees of Renfe Mercancías SME, S.A.:

INVESTEES	STAKE HELD BY RENFE MERCANCÍAS SME, S.A.
Logirail SME, S.A	34%
PECOVASA Renfe Mercancías SME, S.A.	85.45%
Alfil Logistics, S.A.	40%
Construrail, S.A.	49%
Conte Rail, S.A.	50%
TRANSFESA, S.A.	20.36%
SEMAT, S.A.	36.36%
Railsider Logística Ferroviaria, S.A.	49%
Intercontainer Interfrigo, S.A. (in liquidation)	3.89%

### Renfe Fabricación y Mantenimiento SME, S.A.

The terms for the acquisitions of rolling stock by Renfe since 2000 include participation by Renfe's industrial division in train manufacture (up to 20%) and maintenance (up to 50%). The formula ultimately chosen for Renfe's participation was the creation of trading companies, with a 51% stake held by the winning manufacturer and 49% by Renfe Operadora. Consequently, from 2002 to 2008 a total of six maintenance companies were incorporated: Nertus, Actren, Btren, Erion, Irvia and Albitren. Renfe Fabricación y Mantenimiento also holds a 33% stake in Logirail SME, S.A.

#### Investees of Renfe Fabricación y Mantenimiento SME, S.A.:

INVESTEES	STAKE HELD BY RENFE FABRICACIÓN Y MANTENIMIENTO SME, S.A.	COMPANY	
		NAME	STAKE
<b>Nertus</b> Mantenimiento Ferroviario y Servicios, S.A.	49%	Siemens, S.A.	51%
<b>Actren</b> Mantenimiento Ferroviario, S.A.	49%	Construcciones y Auxiliar de Ferrocarriles, S.A. (CAF)	51%
<b>Btren</b> Mantenimiento Ferroviario, S.A.	49%	Bombardier European Holdings, S.L.U	51%
<b>Erion</b> Mantenimiento Ferroviario, S.A.	49%	STADLER Rail Valencia, S.A.U	51%
<b>Irvia</b> Mantenimiento Ferroviario, S.A.	49%	Alstom Transporte, S.A.U.	51%
<b>AlbiTren</b> Mantenimiento y Servicios Industriales, S.A. (in liquidation)	50%	Grupo Albatros, S.L.	50%



## About the annual report



*About the annual report*

## Scope

Renfe Operadora has prepared its Corporate Social Responsibility Report since 2006, with the aim of communicating its vision, strategy and performance in this area. Renfe's 2019 non-financial information and diversity report recounts its undertakings from 1 January 2019 until 31 December 2019.

The scope of the report encompasses the Renfe Group's activity in the countries where it operates: Spain and Saudi Arabia. Most of the information in the report corresponds to Renfe Operadora and its subsidiaries: Renfe Viajeros Sociedad Mercantil Estatal, S.A., Renfe Mercancías Sociedad Mercantil Estatal, S.A., Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal, S.A. and Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal, S.A.

To give the reader the most complete overview possible of the Renfe Group and its subsidiaries, the information presented on the most salient policies and initiatives, as well as the most relevant quantitative indicators, is generally grouped by the different companies forming the Group, whenever the nature of the companies so permits.

## Law 11/2018 and international standards

This report has been prepared pursuant to Law 11/2018 on non-financial information and in accordance with the core option of the Global Reporting Initiative Guidelines, following the principles and contents defined in the applicable 2016 GRI Standards. For 2019 Renfe has decided to prepare its report according to the core option of the guidelines, reporting at least one indicator of the topics considered material for the company. The material topics were selected based on the results of the materiality analysis. This report constitutes the Renfe Group's 2019 Non-financial Information Statement.

The content index and the table of GRI performance indicators in the report specify the pages and the coverage of requirements, management approaches and indicators. If any core performance indicators have been omitted the reason for this omission has been explained.

Renfe has been one of the signatories of the United Nations Global Compact since 2005. Consequently, it undertakes to respect and promote the 10 principles of the Global Compact in the areas of human and labour rights, the environment and anti-corruption. Renfe prepares its annual progress report through the presentation of the Renfe 2019 non-financial information and diversity statement. The report can be consulted on the websites of the Global Compact, the Global Compact Spanish Network and Renfe.

## Materiality analysis

Renfe performed a materiality analysis to prepare this report. For this analysis, Renfe identified a list of topics by analysing different sources of information (reporting standards, analysis of the press and reports of companies in the sector). These topics were then assessed based on their relevance for the company and its stakeholders.

Outside the company, comparative analyses have been performed with sector and non-sector companies. An evaluation has also been made of the subject matter of opinions and information on the Renfe Group reflected in the press and social media. Lastly, Renfe has a fluid relationship of trust with its stakeholders based on ongoing dialogue, enabling it to ascertain their expectations and communicate its achievements in respect of the business objectives.



## Relevant topics

### Operations and management area

- Service quality and customer satisfaction.
- Customer experience.
- Commercial flexibility and specialised offering.
- New products and services.
- Comprehensive safety (protection and safety, rail traffic safety and cybersecurity).
- Technological development, innovation and digitalisation.
- International presence.

### Corporate governance area

- Anti-corruption.
- Ethics and regulatory compliance.
- Risk management.
- Transparency.
- Governance and business strategy.
- Supply chain management.
- Composition and functioning of the governing bodies.

### Economic area

- Financial performance.
- Investments.
- Financial relationship with Spanish and European central governments.
- Management of public resources.

### Social area

- Relations and dialogue with stakeholders.
- Impact on local communities where we operate.
- Professional development and recognition.
- Two-way transparent communication.
- Management of diversity and equality.
- Occupational health and safety.

### Environmental area

- Combatting climate change, and energy efficiency.
- Environmental management systems.
- Noise protection.
- Various environmental impacts (soil contamination and spills, fire prevention, waste management, etc.).
- Contribution to the conservation of diversity.



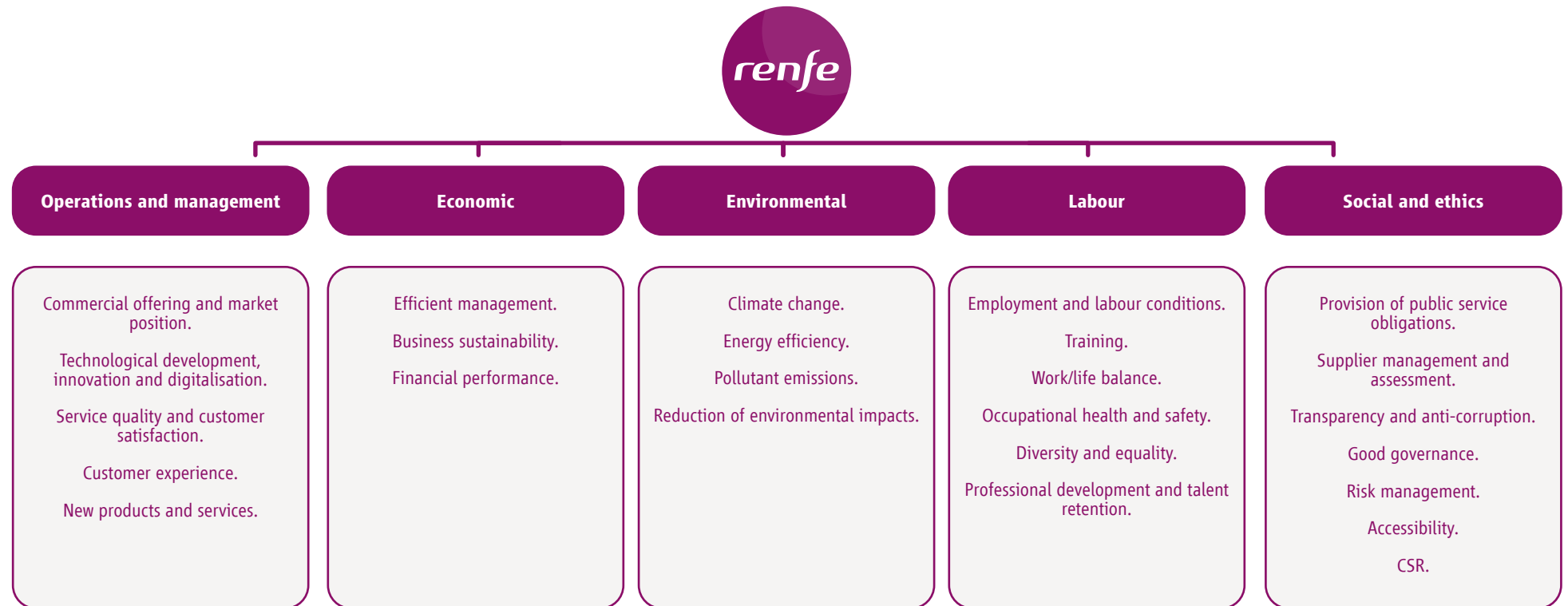
Based on their relevance, degree of influence and the relationship, the Renfe Group has identified the following as its main stakeholders:

MAIN STAKEHOLDERS	COMMUNICATION CHANNELS	RELEVANT TOPICS
Customers	<ul style="list-style-type: none"> <li>• Customer channels and service points.</li> <li>• Corporate website.</li> <li>• Social media.</li> <li>• Satisfaction surveys.</li> <li>• Meetings and committees of customers.</li> <li>• Fairs, forums and gatherings.</li> <li>• Advertising campaigns.</li> <li>• "Club +Renfe" magazine.</li> </ul>	<ul style="list-style-type: none"> <li>• Service quality and customer satisfaction.</li> <li>• Comprehensive safety (protection and safety, rail traffic safety and cybersecurity).</li> <li>• Customer experience. New products.</li> <li>• Commercial flexibility and specialised offering.</li> <li>• Online services.</li> <li>• Technological development, innovation and digitalisation.</li> <li>• Socially responsible company.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Corporate intranet and corporate website.</li> <li>• Email.</li> <li>• 2.0-based collaborative environments.</li> <li>• Personalised letters and messages.</li> <li>• Specific campaigns for certain groups.</li> <li>• Informal meetings and gatherings.</li> <li>• Training initiatives.</li> <li>• Social media.</li> <li>• Representation committees.</li> <li>• Communication points at operational work centres</li> </ul>	<ul style="list-style-type: none"> <li>• Two-way transparent communication.</li> <li>• Management of the company and business sustainability.</li> <li>• Professional development and recognition.</li> <li>• Labour conditions.</li> <li>• Occupational health and safety.</li> <li>• Bolstering Renfe's reputation as an employer.</li> <li>• Commitment to Renfe's values.</li> </ul>

MAIN STAKEHOLDERS	COMMUNICATION CHANNELS	RELEVANT TOPICS
Suppliers	<ul style="list-style-type: none"> <li>• Contractor profile. Tenders.</li> <li>• Meetings.</li> <li>• Conferences, fairs and forums.</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics and regulatory compliance.</li> <li>• Transparency.</li> <li>• Supply chain management.</li> </ul>
Company	<ul style="list-style-type: none"> <li>• Participation in associations and national and international projects.</li> <li>• Meetings and forums.</li> <li>• Corporate website.</li> <li>• Annual CSR report.</li> <li>• Press releases.</li> <li>• Social media.</li> <li>• Advertising campaigns.</li> </ul>	<ul style="list-style-type: none"> <li>• Public service obligations.</li> <li>• Technological development, innovation and digitalisation.</li> <li>• New products and services.</li> <li>• Corporate social responsibility programmes.</li> <li>• Environmental sustainability.</li> <li>• Good governance and ethical conduct.</li> </ul>
Public authorities	<ul style="list-style-type: none"> <li>• Corporate website.</li> <li>• Meetings and forums.</li> <li>• Annual CSR report.</li> <li>• Press releases.</li> <li>• Social media.</li> <li>• Institutional relations (regional governments, public authorities, Congress of Deputies, Senate, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Financial relationship with Spanish and European central governments.</li> <li>• Public service obligations.</li> <li>• Investments.</li> <li>• Management of public resources.</li> <li>• Technological development, innovation and digitalisation.</li> <li>• New products and services.</li> <li>• Corporate social responsibility programmes.</li> <li>• Environmental sustainability.</li> <li>• Good governance and ethical conduct.</li> </ul>



From the joint analysis of the relevant topics for each stakeholder and the most important issues for the business activity, the topics with the greatest impact and/or relevance for the Renfe Group have been determined and classified into five areas (operations, economic, environmental, labour, and social and ethics).



*About the annual report*

## Content index of Law 11/2018, GRI, Global Compact and SDG

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
Shall include the group's business environment, organisation and structure, markets in which it operates, its objectives and strategies, and the main factors and trends that may have a bearing on its future outlook.	102-1	Name of the organisation			• Renfe Group	9	
	102-2	Activities, brands, products, and services			• Renfe Group companies • Brands, products, and services	10-16	
	102-3	Location of headquarters			• Renfe Group companies	11	
	102-4	Location of operations			• Public service obligations • Internationalisation	21-26 30-34	
	102-5	Ownership and legal form			• Legal form and ownership	124-125	
	102-6	Markets and services (with geographical breakdown, by sectors and types of customers and beneficiaries)			• Renfe Group companies • Brands, products, and services • Public service obligations • Internationalisation	10-16 21-26 30-34	
	102-7	Scale of the organisation			• Key Group indicators • Job creation	9-10 52-54	
Total number and distribution of employees by gender, age, country and professional classification; total number and distribution of types of employment contract, average annual number of permanent, temporary and part-time contracts by gender, age and professional classification.	102-8	Information on employees and other workers	1, 6	8	• Job creation	52-58	
	102-9	Supply chain	3, 6	8	• Suppliers	28-30	
Detailed information on the actual and foreseeable impacts of the company's activities on the environment and, where applicable, on health and safety; environmental assessment and certification procedures, the resources deployed in environmental risk prevention, application of the precautionary principle, the amount of provisions and guarantees to cover environmental risks.	102-11	External initiatives	7, 8	7, 13	• Renfe, sustainability provider • Minimising environmental risks • Corporate governance: Risk management	80-93 156-158	Renfe applies the precautionary principle to environmental issues, using preferably technologies and management models that do not harm the environment rather than other more efficient options but with lesser known side effects.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
Association or sponsorship initiatives.	102-12	External initiatives		17	<ul style="list-style-type: none"> <li>• Accessibility in Renfe</li> <li>• Participation in external forums</li> <li>• Collaboration with Foundations, Organisations and Associations</li> </ul>	99-100 108-115	
	102-13	Membership of associations		17	<ul style="list-style-type: none"> <li>• International institutional relations and cooperation</li> <li>• Accessibility collaboration agreements</li> <li>• Participation in external forums</li> </ul>	34 99-100 106-107	

### STRATEGY

Its objectives and strategies, and the main factors and trends that may have a bearing on its future outlook.	102-14	Statement from senior decision-makers				13 17-20	
The key risks in such connection with respect to the group's activities including, where pertinent and appropriate, its commercial relations, products or services, which may have an adverse impact on such areas, and how the group manages such risks, explaining the procedures used to detect and evaluate them in line with the benchmark national, EU or international frameworks used in each area. Information should be included on any impacts detected, providing a breakdown of these, particularly regarding the main short-, medium- and long-term risks.	102-15	Key impacts, risks, and opportunities					In 2019 the Company continued to make headway on Renfe's General Risk Management System (GRMS) and its Criminal Compliance Model. Renfe has also identified the risks related to the areas of rail traffic safety, the environment, self-protection, security, employment and information security. In 2019 further progress will be made in these areas through the identification, prioritisation and assessment of risks, and risk containment and mitigation measures.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>ETHICS AND INTEGRITY</b>							
	102-16	Values, principles, standards, and norms of behaviour	1, 2, 6, 7, 10	5, 8, 12, 16	<ul style="list-style-type: none"> <li>• Mission and vision</li> <li>• Corporate governance: Renfe Group policies</li> <li>• Code of Ethics</li> <li>• Transparency</li> <li>• Control system</li> <li>• Risk management</li> <li>• Action to combat corruption and bribery</li> </ul>	11 148-162	
	102-17	Mechanisms for advice and concerns about ethics	1, 2, 6, 7, 10	5, 8, 12, 16	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Action to combat corruption and bribery</li> </ul>	149-162	
<b>GOVERNANCE</b>							
	102-18	Governance structure			<ul style="list-style-type: none"> <li>• Governing bodies of Renfe Operadora.</li> <li>• State-owned trading companies</li> <li>• Internal management body. Steering Committee</li> </ul>	126-148	
	102-19	Delegating authority			<ul style="list-style-type: none"> <li>• Governing bodies of Renfe Operadora: Delegation of duties</li> <li>• State-owned trading companies: Delegation of duties</li> </ul>	128 136-137	
	102-20	Executive-level responsibility for economic, environmental, and social topics			<ul style="list-style-type: none"> <li>• Governing bodies of Renfe Operadora: Functions of the Board of Directors</li> <li>• State-owned trading companies: functions</li> </ul>	128 136-137	
	102-21	Consulting stakeholders on economic, environmental, and social topics			<ul style="list-style-type: none"> <li>• Biodiversity preservation.</li> <li>• Freight also matters: Noah's train</li> <li>• Dialogue with stakeholders</li> <li>• Materiality analysis</li> </ul>	91 100-107 167-170	



REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>GOVERNANCE</b>							
	102-22	Composition of the highest governance body and its committees			<ul style="list-style-type: none"> <li>Governing bodies of Renfe Operadora.</li> <li>State-owned trading companies</li> <li>Internal management body. Steering Committee</li> </ul>	126-147	
	102-23	Chair of the highest governance body			<ul style="list-style-type: none"> <li>Governing bodies of Renfe Operadora.</li> <li>State-owned trading companies</li> </ul>	126 136-140	
	102-26	Role of highest governance body in setting purpose, values, and strategy			<ul style="list-style-type: none"> <li>Governing bodies of Renfe Operadora: Functions of the Board of Directors</li> <li>State-owned trading companies: Functions</li> </ul>	128 136-137	
	102-27	Collective knowledge of highest governance body			<ul style="list-style-type: none"> <li>Governing bodies of Renfe Operadora: Background of the Board members</li> <li>Internal management body. Steering Committee: Profiles of the Steering Committee members</li> </ul>	129-133 142-144	
A description of the policies applied by the group with regard to these matters, which shall include the due diligence procedures implemented to identify, assess, prevent and mitigate significant risks and impacts, and verification and control procedures, including the measures adopted.	102-29	Identifying and managing economic, environmental, and social impacts	1, 2, 6, 7, 8, 10	5, 7, 8, 9, 10, 11, 12, 13, 16	<ul style="list-style-type: none"> <li>Minimising environmental risks</li> <li>Contribution to social progress</li> </ul>	84-90 95-122	At present a risk analysis is being performed. These risks will be reported in subsequent reports.
The results of such policies, including the key indicators for pertinent non-financial results, enabling any progress to be monitored and evaluated and allowing for comparisons to be drawn between companies and industries, in line with the benchmark national, EU or international frameworks used in each area.	102-30 102-31	Effectiveness of risk management processes. Review of economic, environmental, and social topics.	1, 2, 6, 7, 8, 10	5, 7, 8, 9, 10, 11, 12, 13, 16	<ul style="list-style-type: none"> <li>Minimising environmental risks</li> <li>Contribution to social progress</li> </ul>	84-90 95-122	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>GOVERNANCE</b>							
	102-32	Highest governance body's role in sustainability reporting			• Materiality analysis	167-170	
	102-33	Communicating critical concerns			• Materiality analysis	167-170	
	102-34	Nature and total number of critical concerns			• Materiality analysis	167-170	
Average remuneration of directors and executives, including variable remuneration, per diems and severance payments.	102-35	Remuneration policies	6	5, 8	• Job creation Average remuneration by professional category, age and gender	62 126	The average remuneration of senior management, including the Chairman, was Euros 121,061.33, which includes their fixed and variable remuneration.
<b>STAKEHOLDER ENGAGEMENT</b>							
	102-40	List of stakeholders			• Dialogue with stakeholders • Materiality analysis	167-170	
	102-41	Collective bargaining agreements			• Social relations: Renfe Group's collective bargaining agreement	69	
	102-42	Identifying and selecting stakeholders			• Dialogue with stakeholders • Materiality analysis	101 167-170	
	102-43	Approach to stakeholder engagement			• Indicators of perceived quality • Dialogue with stakeholders • Materiality analysis	26 101 167-170	
	102-44	Key topics and concerns raised	1, 2, 7, 9, 10	5, 8, 9, 11, 13, 16	• Materiality analysis	167-170	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MATERIAL TOPICS AND BOUNDARY</b>							
	102-45	Entities included in the consolidated financial statements			• Renfe corporate group. Consolidated companies	163-165	
	102-46	Defining report content and topic boundaries			• Materiality analysis	167-170	
Materiality analysis	102-47	List of material topics			• Materiality analysis	167-170	
	102-48	Restatements of information					Changes to and restatements of information are specified in each case throughout this report.
If the company complies with the law on non-financial information by issuing a separate report, it must be expressly indicated that such information forms part of the directors' report	102-49	Changes in reporting			• About the annual report	167	As well as being aligned with the core option of the GRI standards, this report also complies with Law 11/2018 on non-financial information.
<b>REPORT PROFILE</b>							
	102-50	Reporting period			• About the annual report	167	2019
	102-51	Date of most recent report			• About the annual report	167	2018
	102-52	Reporting cycle			• About the annual report	167	Annual
	102-53	Contact point for questions regarding the report			• Dialogue with stakeholders	101	<a href="mailto:Responsabilidadsocialcorporativa@renfe.es">Responsabilidadsocialcorporativa@renfe.es</a>
National, EU or international reporting framework used to select the key indicators of non-financial performance	102-54	Claims of reporting in accordance with the GRI Standards			• About the annual report	167	"This report has been prepared in accordance with the GRI Standards: Core option"
	102-55	GRI content index			• GRI content index, Global Compact and SDGs	171-188	
	102-56	External assurance					This non-financial information and diversity statement has been reviewed externally in respect of compliance with Law 11/2018.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH</b>							
	103-1	Explanation of the material topic and its boundary.					The explanation of each material topic is given in the corresponding section of this report.
	103-2	The management approach and its components					The approach to each material topic is explained in the corresponding section of this report.
	103-3	Evaluation of the management approach					The evaluation of the approach to each material topic is set forth in the corresponding section of the report through the impacts disclosed.

## ECONOMIC PERFORMANCE

### MANAGEMENT APPROACH: ECONOMIC PERFORMANCE

Profits obtained country by country, taxes paid on profits	201-1	Direct economic value generated and distributed.		8	<ul style="list-style-type: none"> <li>• Key Group indicators</li> <li>• Group companies</li> </ul>	9-10 13-16 23	
The key elements of the greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; measures set in place to adapt to the consequences of climate change; voluntary medium- and long-term greenhouse gas reduction targets and the measures set in place to this end.	201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	7, 8	7, 8, 11, 13	<ul style="list-style-type: none"> <li>• Renfe's CO<sub>2</sub> emissions fall to record lows (5.54 gr. CO<sub>2</sub> /UT)</li> <li>• Climate change and other atmospheric effects</li> <li>• 2018-2030 Master Plan to Combat Climate Change</li> </ul>	39 83-84	
Public grants received.	201-4	Financial assistance received from the government.	6	9, 11	<ul style="list-style-type: none"> <li>• Tax-related information. Taxation and grants</li> </ul>	23-24	



REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: MARKET PRESENCE</b>							
Average remuneration and evolution thereof, broken down by gender, age and professional classification or like value; pay gap, remuneration of like positions or average remuneration in the company	202-1	Ratios of standard entry level wage by gender compared to local minimum wage.		8	• Diversity management: Remuneration	62-64	
Impact of the company's activity on local employment	202-2	Proportion of senior management hired from the local community.			• Job creation • Contribution to social progress	52 95	
<b>MANAGEMENT APPROACH: INDIRECT ECONOMIC IMPACTS</b>							
	203-1	Infrastructure investments and services supported.	6	8, 9, 11, 13	• Renfe Group companies.	13-16	
Impact of the company's activity on local development; impact of the company's activity on local populations and the territory	203-2	Significant indirect economic impacts.	1, 7, 8	8, 9, 11	• Renfe, sustainability providers • Contribution to social progress	80-93 95-122	
<b>MANAGEMENT APPROACH: PROCUREMENT PRACTICES</b>							
Inclusion of social, gender-equality and environmental issues in the procurement policy; consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them; oversight and audit systems and results thereof.	204	Procurement practices			• Suppliers	28-30	
Impact of the company's activity on local development and employment; impact of the company's activity on local populations and the territory	204-1	Proportion of spending on local suppliers.	2	8	• Key Group indicators • Suppliers	9-10 28-30	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: ANTI-CORRUPTION</b>							
Measures adopted to prevent corruption and bribery; anti-money laundering measures, contributions to foundations and not-for-profit entities.	205-1	Operations assessed for risks related to corruption.	10	16	• Corporate governance: Policy for combatting corruption and bribery	160-162	Renfe's Code of Ethics and crime prevention model define the anti-money laundering measures. Initiatives were also devised in 2019 to prevent any type of criminal activity. Renfe has not made any contributions to influence political campaigns or legislation (sector organisation, lobbying, trade associations).
	205-2	Communication and training about anti-corruption policies and procedures.	10	16	• Corporate governance	148-160	
	205-3	Confirmed incidents of corruption and actions taken.					In 2019 there were no cases of corruption or bribery.

**ENVIRONMENTAL PERFORMANCE**

**MANAGEMENT APPROACH: MATERIALS**

Consumption of raw materials and measures set in place for more efficient use thereof	301-1	Materials used by weight or volume	7, 8	13	• Sustainable use of resources	89-90	
Prevention, recycling and reuse measures, other methods of recovering and eliminating waste; initiatives for combatting food waste.	301-2	Recycled input materials used.			• Railway vehicles and circular economy	88-89	Renfe recognises external difficulties to recover and recycle some non-hazardous waste, such as that from passenger trains. The resolution of these difficulties will be one of the priorities in environmental management in 2020.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: PRODUCTS AND SERVICES</b>							
Prevention, recycling and reuse measures, other methods of recovering and eliminating waste; initiatives for combatting food waste.	301-3	Reclaimed products and their packaging materials.			<ul style="list-style-type: none"> <li>• Circular economy and waste management.</li> <li>• Food wastage on trains</li> </ul>	88-89 112-113	
<b>MANAGEMENT APPROACH: ENERGY</b>							
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	302-1	Energy consumption within the organisation.	7, 8, 9	7, 8, 13	• Renfe, the top consumer of renewable electricity in Spain	82-83	
	302-3	Energy intensity.	7, 8, 9	7, 8, 13	• Renfe, the top consumer of renewable electricity in Spain	82-83	
Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies.	302-4	Reduction of energy consumption.	7, 8, 9	7, 8, 13	• Renfe, the top consumer of renewable electricity in Spain	82-83	
	302-5	Reductions in energy requirements of products and services.	7, 8, 9	7, 8, 13	<ul style="list-style-type: none"> <li>• Master Plan to Combat Climate Change</li> <li>• Renfe, the top consumer of renewable electricity in Spain</li> </ul>	82-83	
<b>MANAGEMENT APPROACH: WATER</b>							
Consumption of water and water supply in accordance with local limitations	303-1	Water withdrawal by source.			• Sustainable use of non-energy resources	89-90	
<b>MANAGEMENT APPROACH: BIODIVERSITY</b>							
Measures taken to preserve or restore biodiversity	304	BIODIVERSITY					
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	7, 9	8	• Protection of biodiversity	91-92	
Impacts caused by activities or operations in protected areas	304-2	Significant impacts of activities, products, and services on biodiversity.	7, 9	8	• Protection of biodiversity	91-92	There have been no significant impacts on biodiversity.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: EMISSIONS</b>							
The key elements of the greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; measures set in place to adapt to the consequences of climate change; voluntary medium- and long-term greenhouse gas reduction targets and the measures set in place to this end.	305-1	Direct and indirect GHG emissions (Scope 1)	7, 8, 9	7, 8, 13	• Effects on the atmosphere: climate change	85-87	
	305-2	Energy indirect (Scope 2) GHG emissions	7, 8, 9	7, 8, 13	• Effects on the atmosphere: climate change	85-87	
	305-4	GHG emissions intensity.	7, 8, 9	7, 8, 13	• Effects on the atmosphere: climate change	85-87	
The key elements of the greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; measures set in place to adapt to the consequences of climate change; voluntary medium- and long-term greenhouse gas reduction targets and the measures set in place to this end.	305-5	Reduction of GHG emissions.	7, 8, 9	7, 8, 13	• Effects on the atmosphere: climate change	85-87	



REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: EFFLUENTS AND WASTE</b>							
<b>SOCIAL PERFORMANCE</b>							
<b>MANAGEMENT APPROACH: EMPLOYMENT</b>							
Total number and distribution of employees by gender, age, country and professional classification; total number and distribution of types of employment contract, average annual number of permanent, temporary and part-time contracts by gender, age and professional classification; number of dismissals by gender, age and professional classification; average remuneration and evolution thereof, broken down by gender, age and professional classification or like value; pay gap, remuneration of like positions or average remuneration in the company, average remuneration of directors and executives, including variable remuneration, per diems, severance payments, payments into long-term savings schemes and any other amounts received, on a disaggregated basis by gender.	401	EMPLOYMENT	1,6	5,8	• Diversity management	53-65	
Organisation of working time		EMPLOYMENT	1,6	5,8	• Organisation of working time	66	
Implementation of disconnection from work policies		EMPLOYMENT	1,6	5,8	• Stable employment	59-61	
Number of dismissals by gender, age and professional classification	401-1	New employee hires and employee turnover.	1, 6	5,8	• Policy of disconnection from work	59-61	
Measures aimed at facilitating a work-life balance and encouraging the joint and responsible sharing thereof by both parents.	401-2	Welfare benefits for employees	1, 6	5,8	• Work/life balance at Renfe	66	
	401-3	Parental leave.	1, 6	5,8	• Social relations: Maternity/paternity leave	69	
<b>MANAGEMENT APPROACH: WORKER/MANAGEMENT RELATIONS</b>							
Organisation of social dialogue, including procedures for notifying, consulting and negotiating with staff	402	LABOUR RELATIONS	1, 6	5,8	• Social relations	69-70	

About the annual report

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: OCCUPATIONAL HEALTH AND SAFETY</b>							
Occupational health and safety	403	OCCUPATIONAL HEALTH AND SAFETY	1, 6	3,5	• Occupational health and safety	67-68	
Percentage of employees covered by collective bargaining agreements by country	403-1	Workers' representation in formal joint management-worker health and safety committees.	1, 3	8	• Social relations: Occupational health and safety in collective bargaining agreements	67-69	
Occupational accidents, in particular their frequency and seriousness, on a disaggregated basis by gender. Number of hours of absenteeism.	403-2	Type and frequency of accidents, occupational illnesses, lost work days, absenteeism and number of fatalities from occupational accidents or illnesses	1	3, 8	• Organisation of work	66	
Occupational illnesses, on a disaggregated basis by gender.	403-3	Workers with high incidence or high risk of diseases related to their occupation	1	3, 8	• Occupational health and safety	67	
Balance of collective bargaining agreements, particularly in the field of occupational health and safety	403-4	Health and safety topics covered in formal agreements with trade unions	3	3, 8	• Social relations	69-70	
<b>MANAGEMENT APPROACH: TRAINING AND EDUCATION</b>							
Training policies in place;	404	TRAINING AND PROFESSIONAL DEVELOPMENT			• Talent management: Training strategy	70-71	
Total hours of training by professional category.	404-1	Average hours of training per year per employee	1	4, 8	• Occupational health and safety • Talent management: Training strategy	67 71-72	
	404-2	Programmes for upgrading employee skills and transition assistance programmes		8	• Talent management	72-75	
	404-3	Percentage of employees receiving regular performance and career development reviews	1, 6	8	• Social relations: Social dialogue	69	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: DIVERSITY AND EQUAL OPPORTUNITY</b>							
Measures adopted to promote equal treatment and equal opportunities for men and women; equality plans (Chapter III of Organic Law 3/2007 of 22 March 2007, for effective gender equality), measures adopted to promote employment, protocols to combat sexual and gender-based harassment, integration and universal accessibility of persons with disabilities; policy on non-discrimination and, if applicable, diversity management.	405	DIVERSITY				65 77-78	
Diversity policy applied in relation to the Board of Directors, management and the specialist committees formed within these bodies, with regard to age, gender, disability or the training and professional experience of their members; including their objectives, measures adopted, how these have been applied, in particular, procedures aimed at including a number of women in the Board of Directors so as to achieve a balanced presence of men and women and the results in the period in which the reports are presented, as well as any measures that the appointments committee may have agreed in respect of these matters.	405-1	Diversity of governance bodies and employees.	6	5, 8	<ul style="list-style-type: none"> <li>Diversity management.</li> <li>Corporate governance: Governance bodies</li> </ul>	53-58 126	
Average remuneration and evolution thereof, broken down by gender, age and professional classification or like value; pay gap, remuneration of like positions or average remuneration in the company	405-2	Ratio of basic salary and remuneration of women to men	1, 6	5, 8	<ul style="list-style-type: none"> <li>Diversity management: Remuneration</li> </ul>	62-64	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: NON-DISCRIMINATION</b>							
Implementation of due diligence procedures in relation to human rights; prevention of risks of breach of human rights and, as the case may be, measures to mitigate, manage and redress any potential abuses committed; complaints of abuse of human rights; equality: measures adopted to promote equal treatment and equal opportunities for men and women; equality plans (Chapter III of Organic Law 3/2007 of 22 March 2007, for effective gender equality), measures adopted to promote employment, protocols to combat sexual and gender-based harassment, integration and universal accessibility of persons with disabilities; policy on non-discrimination and, if applicable, diversity management.	406-1	Incidents of discrimination and corrective actions taken		5, 8	<ul style="list-style-type: none"> <li>Disabled employees</li> <li>Equality</li> <li>Accessibility in Renfe</li> </ul>	65 77-78 96-100	Given that most of Renfe's activity is carried out in Spain it has not been considered necessary to perform a risk analysis in relation to human rights abuses.
Promotion of and compliance with the provisions of the core conventions of the International Labour Organisation as regards respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labour; effective abolition of child labour.					<ul style="list-style-type: none"> <li>Renfe Group policies</li> </ul>	148-152	Given that most of Renfe's activity is carried out in Spain it has not been considered necessary to perform a risk analysis in relation to human rights abuses.
Universal accessibility for persons with disabilities			6	8,10	<ul style="list-style-type: none"> <li>Accessibility in Renfe</li> </ul>	96-100	
Disabled employees.			6	8,10	<ul style="list-style-type: none"> <li>Disabled employees</li> </ul>	65	



REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>							
Implementation of due diligence procedures in relation to human rights; prevention of risks of breach of human rights and, as the case may be, measures to mitigate, manage and redress any potential abuses committed; complaints of abuse of human rights; promotion and compliance with the core provisions of the conventions of the International Labour Organisation regarding respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; and the effective abolition of child labour. Organisation of social dialogue, including procedures for notifying, consulting and negotiating with staff.	407	FREEDOM OF ASSOCIATION	3	8	<ul style="list-style-type: none"> <li>Equality</li> <li>Renfe Group policies</li> </ul>	77-78 148-152	Given that most of Renfe's activity is carried out in Spain it has not been considered necessary to perform a risk analysis in relation to human rights abuses.

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: CHILD LABOUR, FORCED LABOUR, SAFETY MEASURES, EVALUATION</b>							
Implementation of due diligence procedures in relation to human rights; prevention of risks of breach of human rights and, as the case may be, measures to mitigate, manage and redress any potential abuses committed; complaints of abuse of human rights; promotion and compliance with the core provisions of the conventions of the International Labour Organisation regarding respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; and the effective abolition of child labour.	Reference to: 408-1 409-1 410-1 411-1 412-1 412-2	HUMAN RIGHTS	1, 2	8			Given that most of Renfe's activity is carried out in Spain it has not been considered necessary to perform a risk analysis in relation to human rights abuses.
<b>MANAGEMENT APPROACH: LOCAL COMMUNITIES</b>							
Impact of the company's activity on local development and employment; impact of the company's activity on local populations and the territory; relations with the different players of local communities and types of dialogue with them	413	LOCAL COMMUNITIES			<ul style="list-style-type: none"> <li>Contribution to social progress</li> <li>Social action</li> </ul>	95 108-115	
Relations with the different players of local communities and types of dialogue with them	413-1	Operations with local community engagement, impact assessments, and development programmes		8, 9, 10, 11, 13	<ul style="list-style-type: none"> <li>Social action</li> </ul>	108-115	
Impact of the company's activity on local development and employment; impact of the company's activity on local populations and the territory	413-2	Operations with significant actual and potential negative impacts on local communities		8, 9, 10, 11, 13	<ul style="list-style-type: none"> <li>Contribution to social progress</li> <li>Social action</li> </ul>	95 108-115	

REQUIREMENT UNDER LAW 11/2018	GRI STANDARD	SUMMARY DESCRIPTION	GLOBAL COMPACT	SDG	CHAPTER / SECTION	PAGE	COMMENT
<b>MANAGEMENT APPROACH: SUPPLIER ASSESSMENT IN TERMS OF HUMAN RIGHTS, LABOUR PRACTICES AND SOCIAL IMPACT</b>							
Inclusion of social, gender-equality and environmental issues in the procurement policy; consideration of suppliers' and subcontractors' social and environmental responsibility in dealings with them; oversight and audit systems and results thereof.	414-1	New suppliers that were screened using social criteria		5	• Integrating CSR in the supply chain	29-30	
<b>MANAGEMENT APPROACH: CUSTOMER HEALTH AND SAFETY</b>							
Consumer health and safety measures	416	CUSTOMER HEALTH AND SAFETY			• Customer health and safety	27-28	
Systems in place for making claims, complaints received and resolution thereof.	416-1	Assessment of the health and safety impacts of product and service categories		16	• Complaints, fines and penalties	26-27	
	416-2	Incidents of non-compliance concerning the health and safety impacts of product and service categories		16		26-27	

## Independent Verification Report

Independent Verification Report on the Consolidated Non-Financial Information Statement of the State-Owned Entity Renfe-Operadora and subsidiaries for the year 2019.



### Entidad Pública Empresarial Renfe - Operadora

Al Presidente de la Entidad Pública Empresarial Renfe - Operadora

30 de abril de 2020

Muy señor nuestro:

Estamos en proceso de verificar el Estado de Información No Financiera consolidado, que se presenta como documento aparte al Informe de Gestión, correspondiente al ejercicio finalizado el 31 de diciembre de 2019 de la Entidad Pública Empresarial Renfe - Operadora y sociedades dependientes, el cual no nos ha sido aún entregado una vez formulado por el Presidente de la Sociedad dominante.

Nuestro trabajo se encuentra en proceso, quedando pendientes los siguientes procedimientos de verificación:

- Obtención de la carta de manifestaciones del Presidente de la Sociedad dominante y del Informe de Gestión y del Estado de Información No Financiera consolidados debidamente formulados, así como el acta de formulación.
- Verificación de la Información fiscal del citado Estado relativa a los beneficios obtenidos país por país.

Como usted conoce, las conclusiones de nuestro trabajo y nuestra conclusión de verificación será la contenida en el informe de verificación del Estado de Información No Financiera consolidado que emitiremos una vez finalizados los aspectos anteriores.

De acuerdo con su solicitud le informamos que, si desde la fecha de esta carta hasta la fecha de emisión del informe de verificación no ocurre ningún hecho que pueda afectar al citado Estado de Información No Financiera o fuese necesario revelar en el informe de verificación, nuestro informe se redactaría en los siguientes términos:

AUREN AUDITORES SP. S.L.P. inscrita en el R.M. de Madrid, Tomo 33.827, Sección 8, Folio 89, Hoja M-608979, Inscripción 1. C.I.F. B187320287. Avda. General Perón 38 - 28020 Madrid.



Avda. General Perón 38, 28020 Madrid  
Tel. +34 912 037 400  
www.auren.com

AUDITORÍA Y ASSURANCE

About the annual report





### INFORME DE VERIFICACIÓN INDEPENDIENTE DEL ESTADO DE INFORMACION NO FINANCIERA CONSOLIDADO

Al Consejo de Administración de la Entidad Pública Empresarial Renfe-Operadora:

De acuerdo al artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera adjunto (en adelante EINF) correspondiente al ejercicio finalizado el 31 de diciembre de 2019, de la Entidad Pública Empresarial Renfe-Operadora (en adelante, la Sociedad dominante) y sociedades dependientes (en adelante, el Grupo) que forma parte del Informe de Gestión consolidado del Grupo.

El contenido del EINF incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en la tabla "Índice de contenidos Ley 11/2018, GRI, Pacto Mundial y ODS" incluida en el EINF adjunto.

#### Responsabilidad del Presidente de la Sociedad dominante

La formulación del EINF incluido en el Informe de Gestión del Grupo, así como el contenido del mismo, es responsabilidad del Presidente de la Sociedad dominante. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los Sustainability Reporting Standards de Global Reporting Initiative (estándares GRI) seleccionados, de acuerdo a lo mencionado para cada materia en la tabla "Índice de contenidos Ley 11/2018, GRI, Pacto Mundial y ODS" incluida en el capítulo 7.5 del citado Estado.

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error.

El Presidente de la Sociedad dominante es también responsable de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

#### Nuestra independencia y control de calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código de Ética para Profesionales de la Contabilidad emitido por el Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (IESBA, por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.



Nuestra firma aplica la Norma Internacional de Control de Calidad 1 (NICC 1) y mantiene, en consecuencia, un sistema global de control de calidad que incluye políticas y procedimientos documentados relativos al cumplimiento de requerimientos de ética, normas profesionales y disposiciones legales y reglamentarias aplicables.

El equipo de trabajo ha estado formado por profesionales expertos en revisiones de Información No Financiera y, específicamente, en información de desempeño económico, social y medioambiental.

#### Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado. Hemos llevado a cabo nuestro trabajo de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría o de la Revisión de Información Financiera Histórica" (NIEA 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en su naturaleza y momento de realización, y tienen una menor extensión, que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad que se obtiene es sustancialmente menor.

Nuestro trabajo ha consistido en la formulación de preguntas a la Dirección, así como a las diversas unidades de la Sociedad dominante que han participado en la elaboración del EINF, en la revisión de los procesos para recopilar y validar la información presentada en el EINF y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de la Sociedad dominante, para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2019 en función del análisis de materialidad realizado por la Sociedad dominante y descrito en los apartados 7.3 "Análisis de materialidad" y 7.4 "Asuntos relevantes", considerando contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2019.
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación a los aspectos materiales presentados en el EINF del ejercicio 2019.
- Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2019 y su adecuada cumplimiento a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones del Presidente de la Sociedad dominante.



**Conclusión**

Basándonos en los procedimientos realizados en nuestra verificación y en las evidencias que hemos obtenido, no se ha puesto de manifiesto aspecto alguno que nos haga creer que el EINF de la Entidad Pública Empresarial Renfe – Operadora y sociedades dependientes correspondiente al ejercicio anual finalizado el 31 de diciembre de 2019 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los estándares GRI seleccionados, descritos de acuerdo a lo mencionado para cada materia en la tabla "Índice de contenidos Ley 11/2018, GRI, Pacto Mundial y ODS" incluida en el capítulo 7.5 del citado Estado.

**Uso y distribución**

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

Esta comunicación, debe ser leída acompañada del Estado de Información No Financiera sujeto a formulación y se realiza para el conocimiento y uso del Presidente de la Sociedad dominante y, por consiguiente, no debe utilizarse para ninguna otra finalidad. Quedamos a su disposición para cualquier aclaración que pudieran necesitar.

Les saludamos atentamente,

AUREN AUDITORES SP, S.L.P.

35288190A  
ENRIQUE  
ALFREDO  
ENRIQUEZ (R:  
B87352357)

Firmado digitalmente  
por 35288190A  
ENRIQUE ALFREDO  
ENRIQUEZ (R:  
B87352357)  
Fecha: 2020.04.30  
19:44:45 +02'00'

Enrique Enríquez



### **Renfe-Operadora**

Avda. Pío XII, 110 Edificio Caracola 5. 28036 Madrid

[www.renfe.com](http://www.renfe.com)

### **Renfe Viajeros Sociedad Mercantil Estatal S.A.**

Av. Ciudad de Barcelona, 8. 28007 Madrid

### **Renfe Mercancías Sociedad Mercantil Estatal S.A.**

Av. Ciudad de Barcelona, 4. 28007 Madrid

### **Renfe Fabricación y Mantenimiento Sociedad Mercantil Estatal S.A.**

C/ Antonio Cabezón, S/N. 28034 Madrid

### **Renfe Alquiler de Material Ferroviario Sociedad Mercantil Estatal S.A.**

Av. Ciudad de Barcelona, 4. 28007 Madrid

This non-financial information and diversity report has been prepared only in a digital format, with designs that offer accessible visualisation, and is available for public access at [www.renfe.es](http://www.renfe.es)

This report and those of prior years are available on the website of Renfe.

### **Edition:**

### **Deputy to the Presidency**

### **Corporate Social Responsibility Management**

*renfe*