



2022 | 2023

SUSTAINABILITY IN ACTION

MLO REPORT



metroligero
oeste

INDEX

04	Report profile
06	Letter from the chairman
10	Management approach
18	About us
26	MLO Profile
40	01 ENVIRONMENTAL IMPACT MANAGEMENT
42	1.1 Energy efficiency and consumption of natural resources
50	1.2 Impacts on the environment
54	02 SOCIAL: PEOPLE AND THEIR DEVELOPMENT
56	2.1 Management of our talent
60	2.2 Family work balance
63	2.3 Occupational health and safety
66	2.4 Internal dialogue and labour practices

70	03 SOCIAL: RELATIONS WITH USERS, SUPPLIERS AND THE LOCAL COMMUNITY
72	3.1 Quality and transparency in service delivery. We seek operational excellence
78	3.2 Sustainable mobility in cities (road safety and environmental education, and promotion of sustainable transport)
84	3.3 Social actions with the local community (sport, culture, social exclusion, disability and bringing students closer to the world of work)
88	3.4 Responsible management of supplier relations
92	04 GOOD GOVERNANCE, RESPONSIBILITY AND INTEGRITY: BOARD OF DIRECTORS, SHAREHOLDERS AND MANAGEMENT
94	4.1 Good governance practices
98	4.2 Ethics and integrity in business activities
102	4.3 Project strength and soundness and making the most of opportunities
106	4.4 Management of operational and business risks
109	4.5 Promoting stakeholder dialogue and communication
112	GRI Index



REPORT PROFILE

Metro Ligero Oeste (“MLO”) has prepared its Sustainability Report every two years since 2017. This is, therefore, the fourth report and covers the **calendar years 2022 and 2023**.

The previous Sustainability Report, covering the 2020 to 2021 period, was published on July 27, 2022.

This report, covering the period *January 2022 to December 2023* (“the Report”), as well as previous reports, can be found on our website:

www.metroligero-oeste.es/en/responsibility-and-commitment

MLO has prepared this report in accordance with GRI standards and the AA1000APS standard’s AccountAbility principles. The practice of transparency supports our commitment to the authenticity of the information contained in this report, which presents a balanced and reasonable view of performance. The absence of requests from our stakeholders to date supports the decision not to submit the report for external evaluation.

The person responsible for the statements contained in this report is the company’s Managing Director.

For any questions that may arise in relation to the contents of this report, please contact us by email: sostenibilidad.mlo@metroligero-oeste.es.





LETTER FROM THE CHAIRMAN

This year, I am once again sharing our most significant achievements for the period covered by this Sustainability Report.

In the last report, for the years 2020 and 2021, I reflected on the context of that time and the challenges we faced, many of which persist and continue to impact our lives and operations. Outstanding among these challenges are the volatility of energy costs and, in particular, the climate emergency, which remains an urgent threat requiring decisive action. Now we must add the advance of Generative Artificial Intelligence and its transformative potential, the need to invest in our energy transition, as well as political and strategic changes at a global level. I would also add the growing concern about cybersecurity and changing economic trends, such as inflation and interest rates. This complex landscape urges us to rethink our mind-set and our approach to the mobility of the future also, where sustainability and climate change mitigation must be key priorities.

Although the previous report was characterized by exceptional challenges such as the Covid-19 pandemic and the extreme weather episode that affected Madrid in early 2021, in this one we have witnessed a gradual recovery in demand

and the adoption of new mobility habits that have transformed the employment and mobility landscape in our area of influence. Teleworking, which has become a partially adopted practice in our business centres, has significantly influenced demand and mobility patterns. However, despite these changes, demand for our service has undergone a 46% increase compared to the users transported in the previous period, demonstrating our users' trust and their preference for our services. And all the people who use Metro Ligero Oeste are increasingly manifesting their full satisfaction with the service we offer. The latest Quality of Service Index shows that 95% of users considers the service "excellent or satisfactory", giving Metro Ligero Oeste the best score in its history (8.4 out of 10) in valuation and quality of service.

During the 2022-23 period, we not only maintained our commitment to the responsible and sustainable management of our services but we also leveraged the accumulated experience to drive new strategies. These actions led us to redefine objectives and specific actions within our Strategic Sustainability Plan, allowing us to move toward a more responsible and transparent future.

Along these lines, we updated our Strategic Plan and ESG Scorecard for the 2022-23 period, consolidating indicators that reflect our commitment to responsible practices and adapting to sustainable development trends. As part of the restructuring of our strategic plan, we have introduced changes in the presentation of our environmental performance data compared to previous reports. These modifications allow us to provide a clearer and more comprehensive overview of our sustainability efforts and achievements, in addition to identifying areas for improvement and growth opportunities.

I am proud to point out that our efforts to improve our performance have been internationally recognised. In the Global Real Estate Sustainability Benchmark (GRESB) 2023, we achieved second place worldwide in the urban transport sector. With an overall score of 90 points and significant improvements in the environment, social and governance areas, we reaffirmed our commitment to providing quality service and continuing to move toward a more sustainable future.

The current complex context, dominated by the climate emergency, the emergence of Generative AI, the energy transition, and geopolitical and economic changes, leads us to a change of mind-set regarding the mobility of the future, in which sustainability is a priority.

We want to assume a relevant role as decisive actors and accelerators of sustainable mobility in the cities of the future, so we assume our responsibility and a strong commitment to drive change in our sector.

With regard to labour, I would like to highlight the successful negotiation and signing of the collective agreement on working conditions at the company in 2023. Our ISO 45001 certification and priority focus on occupational health and safety are fundamental pillars of our corporate culture. And we continued to implement policies and practices that encourage a balance between our employees' work, family and personal lives, thus maintaining our commitment to corporate social responsibility. As a result, we successfully renewed our efr (Family Responsible Company) certificate, promoted by the Másfamilia Foundation, which reflects our on-going commitment to our employees' integral well-being.

In the environmental field, we made significant progress in reducing our impact and promoting eco-efficient practices. We registered very significant decreases in the consumption of natural resources and our carbon footprint during this period that I would like to highlight: an 8% reduction in total water consumption, 31.7% in gas consumption, 21.3% in maintenance energy and a 27.21% reduction in our carbon footprint.

These achievements are the result of our continued commitment to energy efficiency and the implementation of innovative measures, such as self-generation of electricity from renewable sources. The installation of 1,600 photovoltaic panels at our facilities is a clear example of our commitment to clean and sustainable energy. It has meant self-generation of 13% of the energy consumed and the annual generation of 1.2 GWh. Moreover, the creation of an Energy Committee has strengthened our ability to identify and seize opportunities for

improvement in our energy efficiency. Thanks to the actions taken by this committee, we achieved a total savings of 7% in energy consumption during the period in question, demonstrating our commitment to innovation and operational excellence.

I would like to take this opportunity to point out that the cumulative total number of investments in system improvements and innovations since the beginning of our operation has reached close to 43.1 million euros. This achievement not only supports our on-going effort, but also underscores our contribution to the safe and sustainable mobility of the future.

In terms of our commitment to the community, we consolidated our line of work, deepening our knowledge of social needs and trying to meet them as far as possible. Thus, we continue to broaden our contributions, especially with regard to SDG 11, through initiatives focused on sustainable mobility. Additionally, we carried out actions with the local community in the areas of sport, culture, social exclusion, disability and in bringing students closer to the world of work. Among these activities, I would like to highlight the preparation and dissemination of the accident prevention campaigns “#DesconectaMiraCruza” (“DisconnectLookCross”) and “De la mano llegamos siempre más lejos” (“Hand in hand we always get farther”), specifically aimed at younger and older users, respectively. These campaigns reached a joint audience of more than three million people.

In short, this period was marked by significant challenges and outstanding achievements in our pursuit of sustainability and corporate responsibility, which we

reconciled with the measures necessary to address the risks arising from the context I cited at the beginning.

I am signing off, reiterating that we will continue to move in this direction, reaffirming our commitment to a more sustainable and transparent future, especially focused on assuming a relevant role as decisive actors and accelerators of sustainable mobility in the cities of the future. Sustainability and climate change mitigation are top priorities on any company's agenda, but even more so in our case because of the responsibility we have and the commitment we adopted to drive change in our sector. And, naturally, we will achieve this, just as we have advanced in the past, thanks to the commitment of all our employees to the company's mission and vision. Their professionalism, integrity and honesty will enable us to successfully address the challenges of the future.

Máximo del Río Ortiz
Chairman of the Board of Directors
Metro Ligero Oeste





MANAGEMENT APPROACH

AN INCREASINGLY
MATURE MANAGEMENT MODEL
BASED ON SUSTAINABLE DEVELOPMENT
PRINCIPLES


During the 2022/23 period, we reaffirmed our commitment to the responsible and sustainable management of our service and this, together with our accumulated experience, led us to promote new strategies within our Strategic Sustainability Plan.

This plan follows ESG criteria (environmental, social, governance) to continue adapting to an environment that is constantly changing and full of uncertainties. To follow up on the implementation of our plan we created a Balanced Scorecard proposal with key sustainability indicators, making it possible to measure results and identify priorities for achieving our objectives.

We also carried out an exhaustive review of the relevant issues that affect our context, making a SWOT analysis (strengths, weaknesses, opportunities and threats) of the company, and monitoring objectives aimed at meeting the expectations of our stakeholders. The results of this work, driven by the continuous search for improvement, will be disclosed in detail in our report.

This exercise was highlighted as one of our management strengths during the external quality audit conducted in 2021, successfully meeting the challenges posed for the adoption of good governance practices:

- To consolidate the proposal of the strategic plan and sustainability scorecard and to implement it as a single tool for tracking the strategic objectives defined, with indicators that make it possible to monitor the company's operational, economic, environmental and social performance.
- To adapt the parameters that constitute the strategic plan and the sustainability scorecard to ESG ratings criteria, in order to keep up with the main trends in this area.

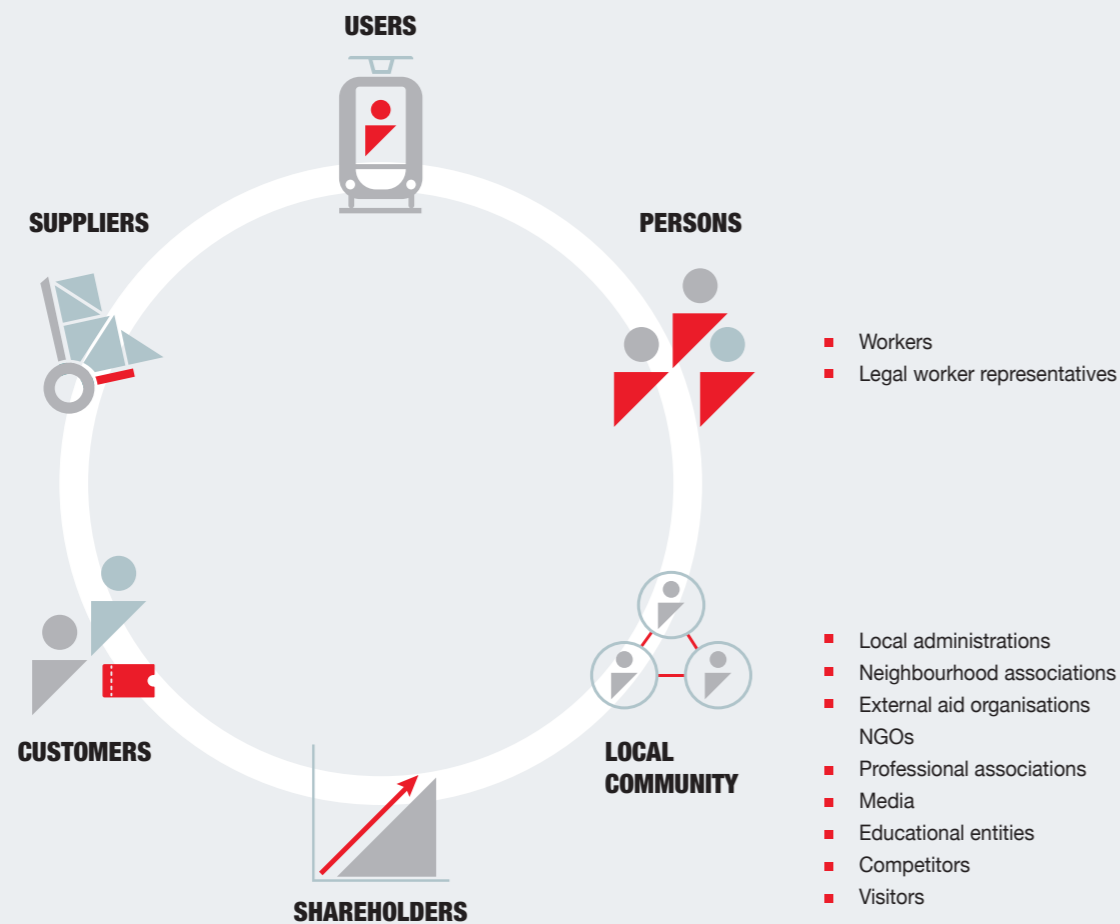


Focused on sustainability, we updated our Strategic Plan and ESG Scorecard for the period 2022/23, consolidating indicators that reflect our commitment to responsible practices and adapting to sustainable development trends.

COMMITMENT TO OUR STAKEHOLDERS

In September 2021, we requested the participation of all our workers in a survey to update the strategies to follow with stakeholders through the Power-Interest methodology.

During 2022, we worked based on the results obtained and other substantial improvements, such as digitalizing the stakeholder relationships map in the MLO Portal, updating communication channels, planning actions related to needs and expectations, etc.



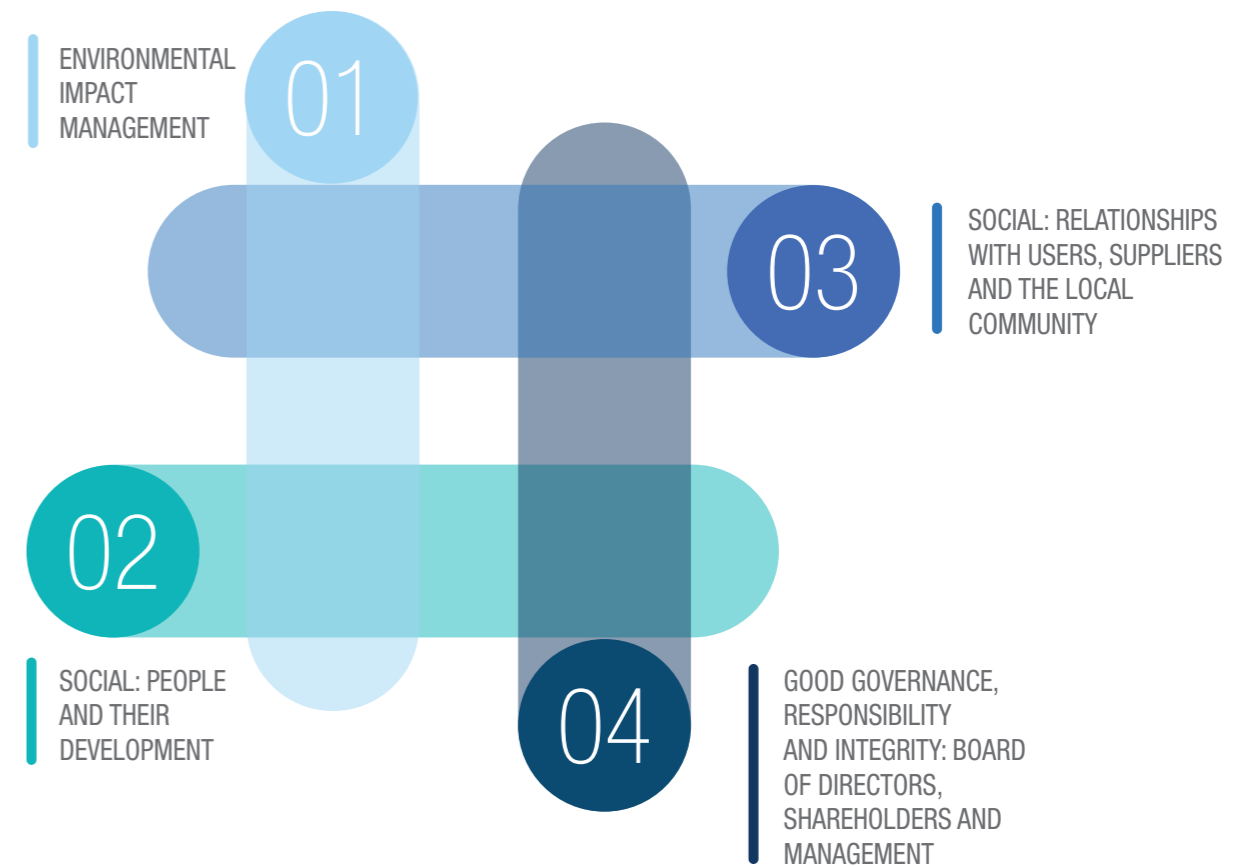
REVIEW OF MATERIAL TOPICS

In April 2023, as mentioned above, we carried out a complete review and analysis of the list of material topics, including the results of the SWOT analysis, the risk analysis of our value chain and studies by leading analysts in the sector. A specialised consultant with extensive experience in the field collaborated with us in this work.

As a result of this analysis, we identified the need to refocus two of the topics: family-work balance and sustainable mobility in cities (road safety and environmental education, and promotion of sustainable transport).

We also updated the list of material issues and adjusted the pillars and objectives of our Strategic Sustainability Plan:

PILLARS



With this restructuring, we have organised the report in such a way that each pillar is developed in an individual chapter, grouping them according to the three sustainability ESG pillars. The full list of relevant topics is now available in the report index for easy reference.



STRATEGIC SUSTAINABILITY PLAN REVIEW PROCESS

In July 2021, the General Management made the decision to start a project to reorganise our strategic objectives, aligning them with the ESG trend to meet shareholder expectations. Along these lines, we collaborated throughout 2022 with the Area Directors to define relevant actions and advance those that were pending according to the strategies set by General Management.

In 2023, we implemented this project and carried out the follow-up in the CEOC (Strategy and Corporate Organisation Committee) commissions. Activity planning and progress are available with total transparency on the MLO Portal to any worker wanting to consult them. The new methodology is explained below, as well as a brief explanation of each of the elements:

Environmental, social and corporate governance factors that are taken into account when managing a company



The "E" for "Environmental" covers the effect that the company's activity has on the environment, directly or indirectly, and the rational use of natural resources (e.g. carbon footprint, water use, waste management, etc.)



The "S" for "Social" includes the impact on its social environment, community, customers or employees (e.g. diversity and equal opportunities, working conditions, safety and health, data protection, etc.)



The "G" for Governance refers to the company's corporate governance (e.g. transparency policies in its public information or its codes of conduct and anti-corruption programs, etc.)



STRATEGY OBJECTIVES (2022/2023)

ESG concept	Pillar	Line	Scope of application	Strategy	Target	
ENVIRONMENT	P1	Environment	L11	Efficient use of raw materials	Optimisation of electrical energy consumption	A.- Verify / know electrical energy use in the greatest possible detail B.- Improvement actions on the current system: - Consume less electrical energy for the same production - Produce more, with the same electrical energy consumption - Reduce electrical energy consumption through reducing production - Increase own generation of electrical energy for self-consumption C.- Protect the system and react to unjustified consumption events
			L12	Impacts on the environment	Minimise the environmental impact of the carbon footprint caused by the exercise of activities	A.- Monitor the impact of our activities on the carbon footprint B.- Investigate possible options for reducing the carbon footprint C.- Implement actions aimed at reducing the carbon footprint
SOCIAL	P2	Social: People and their development	L21	Promotion and development of internal human capital	Constant assessment of present and future training and agile, transparent communication needs, both vertically and horizontally, to achieve a close connection between the worker and the company	A.- Training: knowledge and tracking of the necessary or additional training received by and pending for each employee B.- Fluid two-way communication, both interdepartmental and between non-consecutive hierarchical levels C.- Recognition (monitoring and evaluation)
			L22	Family - work balance	To facilitate the reconciliation of employees' personal and work life, the basis for stable, good-quality employment	A.- Internally, enhancement and externally, recognition of current working conditions B.- Analysis and implementation of new measures
			L23	Occupational health and safety	Ensure that each worker thinks of occupational risk prevention (ORP) points as a fundamental part of carrying out their job	A.- Have a staff fully sensitized to ORP topics B.- Facilitate and humanise access to the preventive information that applies to each worker
	P3	Social: Relationships with users, suppliers and the local community	L24	Internal dialogue and labour practices	Maintain a transparent, constructive, sincere and collaborative relationship with the workers' legal representatives	A.- Regular and clear relations with workers' legal representatives with a marked temporary character (medium term) B.- Facilitate the management/knowledge of acquired benefits and rights in the company/worker relationship
			L31	The user and provision of the service offered	Focus on the user experience and operational excellence	A.- Connected, informed and satisfied user, whether in degraded mode or in normal mode B.- Demonstrable and controlled operational excellence and ability to react to breaches of the established limits
			L32	Responsible and sustainable transport in cities	Inform and raise social awareness through road safety and/or environmental education sessions, activities to promote sustainable transport, as well as close collaboration with entities and agencies aligned with our strategy	A.- Maximize our capacity to collaborate with different organisations in efforts to promote responsible and sustainable mobility B.- Promote actions to encourage responsible and sustainable transport mobility
			L33	Social actions with the local community (sport, culture, social exclusion, disability and bringing students closer to the world of work)	Participate in social action initiatives that respond to the needs identified in contact with local interest groups Promotion, to the extent possible, of employment opportunities and bringing students closer to the world of work (in collaboration with educational institutions)	A.- Thorough knowledge of social needs and the capacity to react agilely B.- Promote students' familiarisation with MLO's work experience
L34	Responsible supplier relationship management	Improve the management and monitoring of supplier operations, including social and environmental requirements in selection and evaluation, the introduction of procurement policies that minimise the risks of bad practices, and the promotion of dialogue and collaboration	A.- Agile and efficient technical/administrative relationship with suppliers B.- Transparent company with active dialogue channel			



We are consolidating a sustainable transformation by redefining objectives, strategies and concrete actions that allow us to move toward a responsible and transparent future.

ESG concept	Pillar	Line	Scope of application	Strategy	Target	
GOVERNANCE	P4	Good governance, responsibility and integrity Board of Directors, shareholders and management	L41	Good governance practices	Improve the governance and management processes established in the organisation, including its Board of Directors (shareholders). Internal operational excellence - tracking of indicator scorecards	A.- Response to internal (Board and shareholders) and external (administration) management requirements B.- Improvement of MLO's organisation and management processes
			L42	Ethics and integrity in business activities	Ensure that the organisation's activities are carried out, by people, in an ethical and responsible manner, observing the code of ethics, the criminal behaviour prevention system and control mechanisms	A.- Maintain an ethical behaviour message implanted internally and externally
			L43	Project strength and soundness and making the most of opportunities	Generate present and future value in MLO, through innovation, renewal and system growth. Monitoring of matters related to the organisation's income statement and economic viability.	A.- Major Maintenance Activities B.- Durability of the organisation beyond the concession period C.- Innovation and development
			L44	Management of operational and business risks	Control of risks in the operation, with people and due to equipment obsolescence.	A.- Risks identified and assessed B.- Threats duly handled to minimise risks C.- Be a company prepared to control non-manageable risks
			L45	Promote dialogue and communication with stakeholders	Enhance transparency and communication with the media, press, social media, professional associations and others	A.- Make our strategic sustainability plan, outstanding actions and future challenges known to our stakeholders B.- Increase MLO's visibility (by increasing the number of corporate publications in local media and social media)

ABOUT US

COMMITMENTS AND POLICIES

We are a responsible, sustainable mobility company that puts its daily effort into providing its passengers with an efficient, high-quality service.

- We are firmly committed to sustainable development.
- We minimize the possible environmental impacts of our activity through a reactive and value-based approach.
- We care about all stakeholders involved in or affected by our project.
- We are committed to inclusive, transparent and sustained economic growth

For the last 16 years, we have maintained this commitment in all our actions to meet the demands of a population of more than 200,000 inhabitants, including residents and workers in the area.

16 YEARS OF RESPONSIBILITY AND COMMITMENT



MISSION

To offer a safe, punctual, accessible and sustainable mobility service.

VISION

The search for excellence that enables us to be a national benchmark in the passenger transportation industry.

VALUES

Professionalism, integrity, transparency, innovation, respect and pride in belonging to the organisation.

INCORPORATION OF COMMITMENTS AND POLICIES



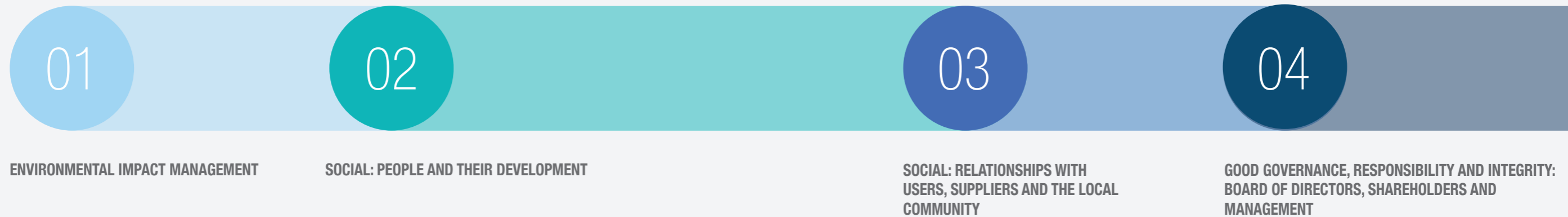
We approved a new Strategic Sustainability Plan with an ESG approach, implementing concrete actions in four key pillars for a responsible future.

We have a solid, comprehensive ethics management system that encompasses a code of ethics, values statements, principles and behaviour guidelines. This system is designed to guide us and direct our actions, establishing a clear framework of ethical and responsible behaviour for every member of our organisation.

Additionally, we have approved a new Strategic Sustainability Plan in line with our ESG policies, guided by the Board of Directors and shared with all our stakeholders. This plan is constructed around four lines of action:

The responsibility for the implementation and scope of the objectives outlined in this plan lies with our General Management and our Management Committee, responsible for carrying out the actions through the teams in their respective areas. We provide the necessary information to ensure that our teams are properly trained and aligned with the ethical and sustainability principles established in this plan.

PILLARS



PROCESSES TO REMEDY NEGATIVE IMPACTS

Our Integrated Management System is characterized by procedures designed to detect risks and opportunities. The main objective of these processes is the minimization and, where possible, the eradication of negative impacts on our operations. Simultaneously, we seek to achieve and maximize the positive impacts in various areas of our business activity.

This proactive approach contributes to strengthening the organisation's resilience and maximizing its positive contribution to its business and social environment.

MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

Among the procedures for requesting advice and raising concerns we have communication channels with our stakeholders, such as complaints and claims mechanisms, as well as mechanisms for receiving suggestions and concerns.

These communication channels play a crucial role in providing our stakeholders with a direct avenue to express their concerns, provide feedback, ask questions or raise any questions they deem relevant in a fully confidential manner.



As part of our on-going improvement and adaptation process, during this cycle we conducted an internal review of our stakeholder map. This involved analysing and evaluating the information collected through the aforementioned communication channels. The comments and demands that our stakeholders communicated to us in the course of our interactions are included in this analysis.

Reviewing the stakeholder map allows us to better understand their perspectives, expectations and concerns. Integrating these elements helps us adjust our strategies and operations in a way that is more aligned with the needs of our stakeholders.



COMPLIANCE WITH LEGISLATION AND REGULATIONS

Regulatory compliance is a fundamental principle for MLO, and is part of our Integrated Management System. We can guarantee compliance with all legal requirements applicable to our activity but also with those to which we have voluntarily subscribed. Plus, regulatory compliance is reinforced by our code of ethics and as a result, during this period, we did not receive any complaints about activities, or any administrative, monetary or judicial penalizations of any kind.

MEMBERSHIP IN ASSOCIATIONS

We are a member of leading partnerships in the field of public transport, which reflects our commitment to excellence and sustainability in our industry. Among the associations we belong to are:

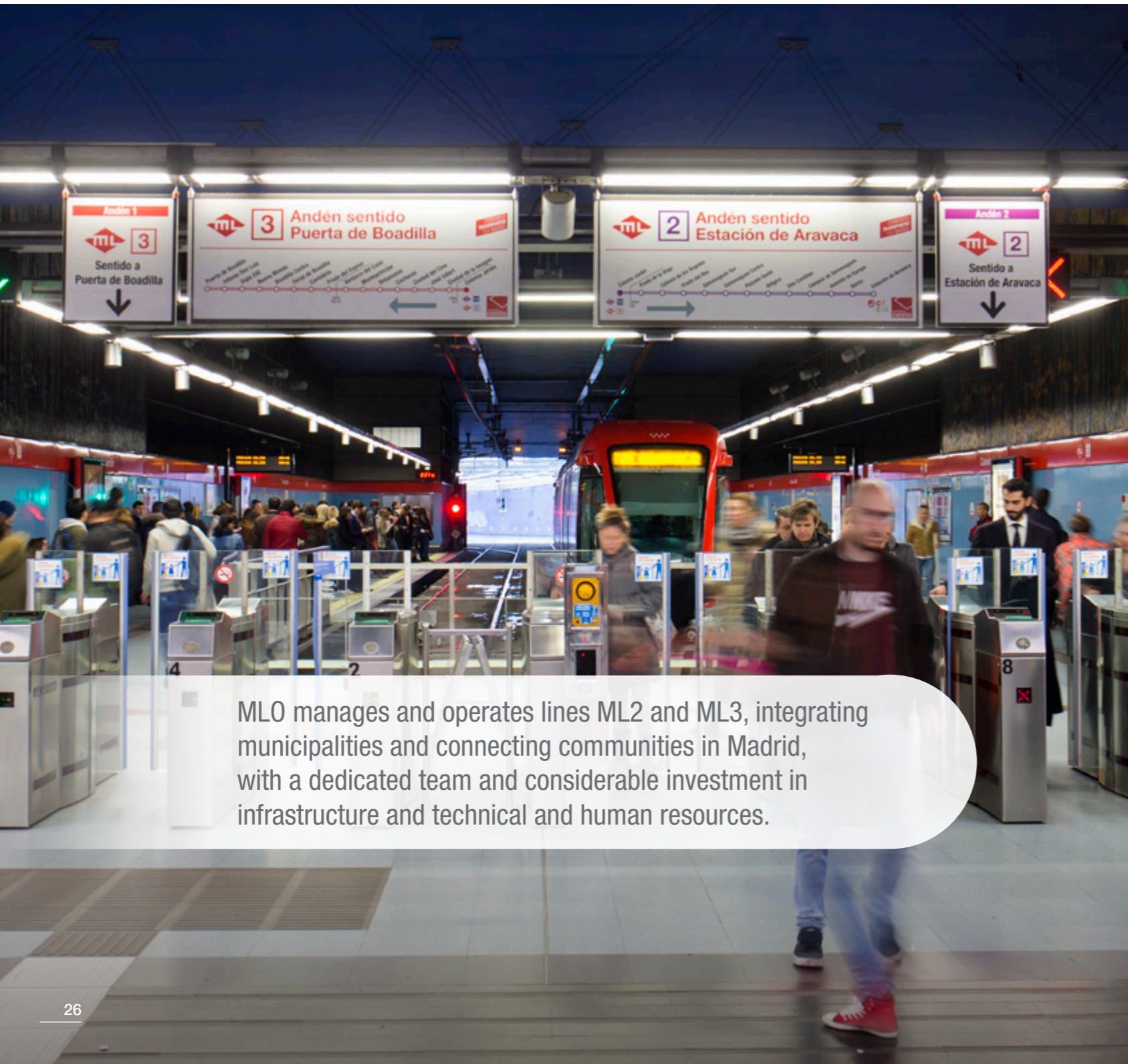
- The International Association of Public Transport (UITP), where we have been members since January 2008. This organisation brings together professionals in the field of national, regional and local urban mobility, with members in 96 countries.
- ATUC, Association of Urban Public Transport Operators, which consists of public and private bus, tube and railway companies responsible for urban mass transport in Spain's major cities.

We are also a member of Forética, a leading organisation in sustainability and corporate social responsibility in Spain, in fact, we participated in its 'Sustainable Cities 2030' initiative; of the Association for Management Progress (APD) and the Spanish Maintenance Association (AEM).

MLO PROFILE

Metro Ligero Oeste, S.A., known as “MLO”, operates as a concession holder responsible for the construction and operation of a light rail system that manages the ML2 and ML3 lines. These lines provide connections between the municipalities of Boadilla del Monte, Alcorcón, Pozuelo de Alarcón and Madrid, connecting to the transport network managed by the Madrid Regional Transport Consortium, which includes the Metro, suburban rail, and city and intercity buses.

Since July 2007, MLO has been in charge of the system’s operation and comprehensive maintenance, covering both infrastructure and rolling stock, with a team consisting of 224 people. Our headquarters is located in Ciudad de la Imagen, in the municipality of Pozuelo de Alarcón (Madrid). The initial project represented a significant investment of approximately 673 million euros for rolling stock, works, facilities, technical equipment and human teams.



MLO manages and operates lines ML2 and ML3, integrating municipalities and connecting communities in Madrid, with a dedicated team and considerable investment in infrastructure and technical and human resources.



297* PEOPLE
Jobs created

** Includes direct MLO employees and those who work for stable subcontractors. 95.53% had permanent contracts during the 2022 and 2023 period.*



224
Direct employees

73
Indirect employees



95.53%
Had permanent contracts during the 2022 and 2023 period

COLLECTIVE BARGAINING AGREEMENTS AT MLO

At MLO we defend our workers’ right to collective bargaining and maintain a commitment to sustainable human management that is reflected in the collective agreements signed over the years, from the Company Agreement signed in 2009 to the most recent Convention on Metro Ligero Oeste Working Conditions signed in 2023.

- Company Agreement: 01/01/2009 – 31/12/2012
- Collective Agreement I: 01/01/2013 – 31/12/2016
- Collective Agreement II: 01/01/2017 – 31/12/2021
- Collective Agreement III: 01/01/2022 – 31/12/2025

PASSENGERS TRANSPORTED

In the previous Report, we highlighted the significant impact of the pandemic on the number of trips made in Spain, as well as travel's progressive recovery over the last year. In the 2022-2023 period, demand continued to increase gradually as the situation stabilized, with 46% growth during this period.

Mobility habits have undergone significant changes, especially with regard to work, where remote working has been partially adopted in the business centres of the municipalities in our area. This trend has had an impact on demand during working days. However, it should be noted that, despite this, demand has increased by 41%.

Regarding weekends, we observed a more marked increase in the number of users on Saturdays (43%) compared to holidays and Sundays. Additionally, the afternoon rush hour expanded, starting from approximately 2:00 p.m. and continuing through 7:00 p.m.

We have continued to work closely with the CRTM to improve the service offered and adapt it to these new conditions.



11,018,826
Total number of passengers transported in 2022/2023
+46%
from the previous period

5,123,808
Passengers transported in 2022
5,895,018
Passengers transported in 2023



PASSENGER EVOLUTION IN 2022/2023

By type of day compared to 2020/2021

WORKING DAYS
2022: 374,305
2023: 429,403
Average: 401,854 +45%

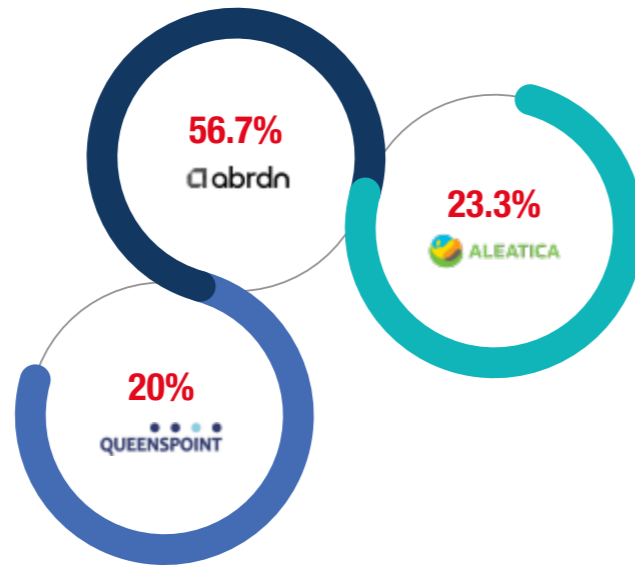
SATURDAYS
2022: 28,294
2023: 32,933
Average: 30,614 +53%

HOLIDAYS / SUNDAYS
2022: 24,360
2023: 28,915
Average: 26,637 +49%

The data presented are monthly.

GOVERNANCE STRUCTURE

At present, our shareholders consist of three outstanding business groups, all recognised for their prestige in their respective areas of activity.



GOVERNANCE STRUCTURE AND COMPOSITION

Our governance structure is responsible for decision-making and the oversight of social, environmental and governance impact management, and is based on the General Shareholders' Meeting and the Board of Directors.

The annual General Shareholders Meeting is composed of five shareholders (two companies and three infrastructure funds), whose legal representatives set the meeting dates.

On the other hand, the Board of Directors meets four times a year and is made up of seven non-executive proprietary members, including the shareholders' legal representatives and two members appointed by the Community of Madrid as the grantor authority, in an advisory capacity. In addition, they are supported by the Board of Directors Secretary from a prestigious law firm.

The average seniority of our Directors is approximately five years.

Representation at the executive level rests with our Managing Director, who is responsible for implementing the Board of Directors strategies.

DESIGNATION AND SELECTION OF THE TOP MANAGEMENT BODY

Our Board of Directors is governed by the legal regulations established in our bylaws and in the partner agreement arrived at among the shareholders, which includes questions such as appointments and management of supplier contracts.

It is important to note that our Board of Directors assumes the responsibility of directing and supervising the company's Sustainability Policy, although it delegates its management to our Management Committee.

In addition, in the area of compliance, the Board has appointed our current Director of Administration and Control as Director of Compliance.

Our governance structure, based on the General Shareholders' Meeting and the Board of Directors, monitors the impacts on society, the environment and governance matters, supported by the diverse representation and accumulated experience of its members, with an executive approach headed by our Managing Director.

CHAIRMAN OF THE TOP MANAGEMENT BODY

Our process for selecting the Chairman of the Board of Directors is to follow the proposal and election of the majority shareholder, which appoints one of its directors to this position.

Our Chairman of the Board is currently the representative of the biggest shareholder, abrdn, and does not exercise executive functions in the organisation.


ROLE OF THE TOP MANAGEMENT BODY IN OVERSEEING IMPACT MANAGEMENT

As the highest management body, the Board of Directors oversees the management of the impacts of good governance rigorously and regularly. Our Board meets four times a year, addressing issues related to sustainability at each meeting. During these meetings, the scorecards that reflect our performance in terms of sustainability are presented and analysed, as well as the strategic plan designed to promote sustainable practices in all areas of the organisation.

In addition, we issue global company reports on a monthly basis, detailing our sustainability actions and results. They include information related to our financial statements, the maintenance indicators of our main systems, user demand, accident rates, user complaints, fraud tracking and indicators included in our contract with the regional government.

These reports allow our Board to stay informed about progress toward achieving our sustainability goals and to make informed decisions to continuously improve our performance in this area.

In short, our Board of Directors plays an active and committed role in overseeing the management of good governance impacts, ensuring that sustainability is a priority in all our decisions and actions.



Our Board of Directors ensures that sustainability is a priority in all our decisions and actions through active oversight.

ROLE OF THE TOP MANAGEMENT BODY IN PRESENTING SUSTAINABILITY REPORTS

The responsibility for carrying out material analyses, gathering information and drafting the Sustainability Report lies with General Management and its Management Committee. The Board of Directors is responsible for reviewing and approving the draft report submitted.

CONFLICTS OF INTEREST

Our top management body is committed to always protecting the interests of all those involved in operations, implementing suitable procedures and measures to identify and resolve any conflicts of interest that may arise.

The members of our Board of Directors and our employees must exclusively prioritise the interests of the company, avoiding any personal activity that may generate conflicts of interest. Should such situations arise, a channel is provided to report them to the Legal Requirement Compliance Management, which is responsible for quickly detecting them and actively participating in their resolution.

COMMUNICATION OF CRITICAL CONCERNS

Any relevant matter that may involve reputational risks, penalties, legislative or operational changes, among others, is immediately referred by the Managing Director to the Board of Directors.

In addition, our general monthly reports include the list of interest group complaints for the relevant period.



KNOWLEDGE AND EVALUATION OF THE TOP MANAGEMENT BODY'S PERFORMANCE

With regard to knowledge and evaluation of the top management body's performance, it should be said that we have no control over the background of the members of the Board of Directors. The evaluation of their training and performance lies with the majority shareholder.

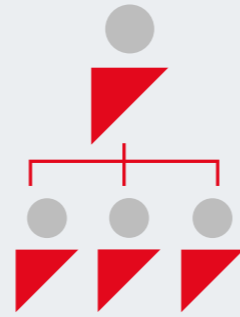
REMUNERATION POLICIES

Regarding our remuneration policy, it should be noted that the members of the Board of Directors are not remunerated and none of the company's executives is considered senior management. Moreover, we do not make a calculation of total annual compensation.

COMPANY MANAGEMENT

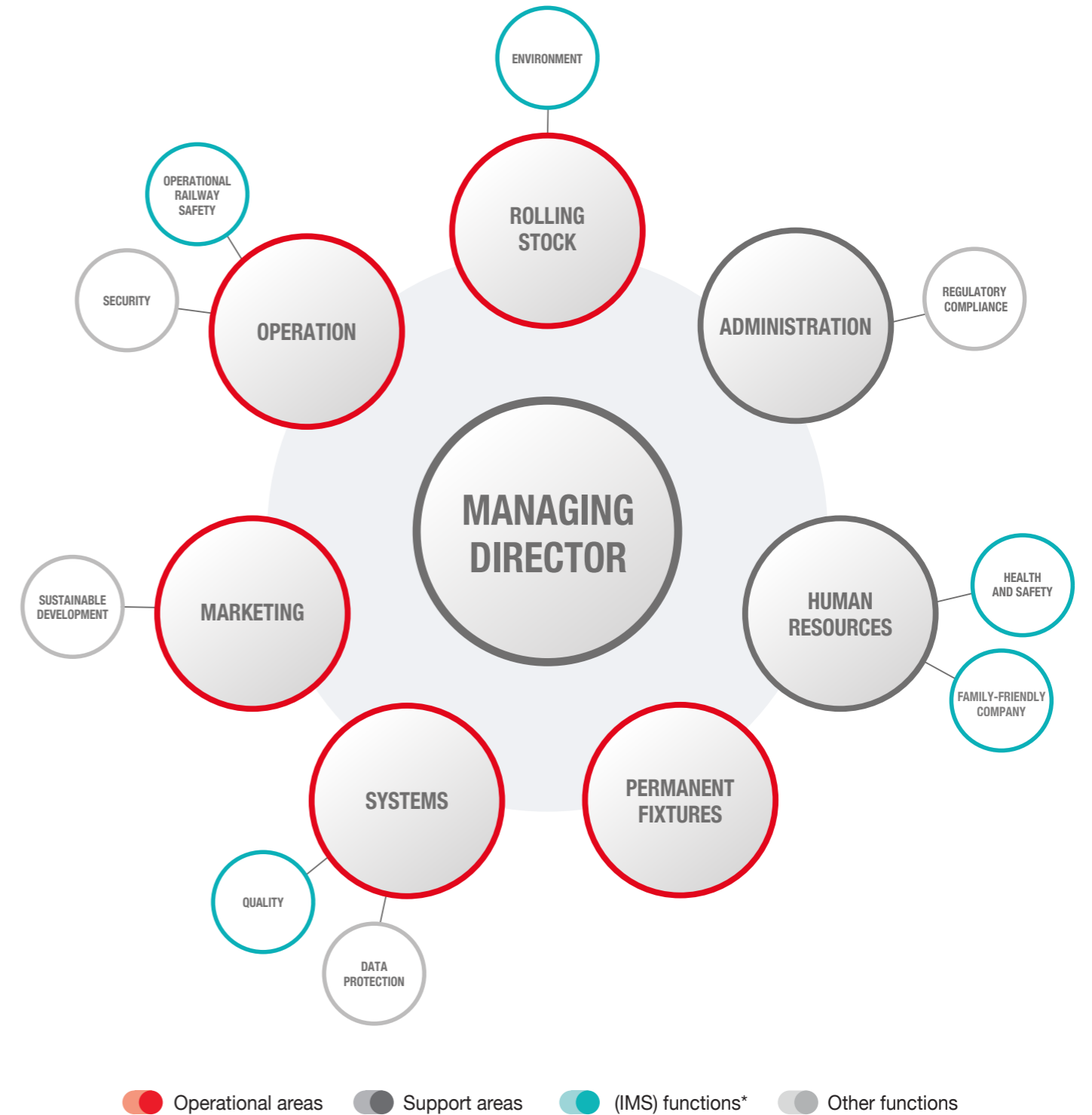
DELEGATION OF RESPONSIBILITY FOR IMPACT MANAGEMENT

The Board of Directors delegates executive responsibility for managing our impacts on the economy, environment and people to the Managing Director. The Managing Director relies on the directors of the different areas, who are part of the Management Committee, to develop strategies in these areas.



INTERNAL STRUCTURE OF MLO

Our functioning is supported by various committees that constitute our management bodies. These committees operate under the coordination of the General Management, and their structure and functioning are detailed below.



* Integrated Management System functions.

MLO INTERNAL ORGANISATION

Strategy and Corporate Organisation Committee (CEOC), Internal Regime Committee (CRI), whose functions include strategic management of the organisation and oversight of human resources, including the disciplinary regime.

Works Council (CE), which is upon request. This committee is the representative and collegiate body for all workers as a whole, for the defence of their interests. The rights of information and consultation and the powers of the Works Council shall be those laid down in Article 64 of the Workers' Statute.

The IMS(Integrated Management System) Audit Coordination Committee (CA), biannual, manages and plans the findings of the audits done on MLO by certification companies.

The Operational Health and Safety Committee (COSyS) mentioned in the previous report is now managed internally through the MLO Portal.

OPERATIONS

Project and Investment Oversight Committee (CSPel), Integrated Management Committee (CGI), Operations Area Management Unit (UGZO), Change Management Technical Committee (CTGC), Legal Requirement Oversight Committee (CRL), responsible for the operational management of the company, follow-up of the Integrated Management System and compliance with applicable legal requirements.

SAFETY

Operational Railway Safety Committee (CSFO), Occupational Health and Safety Committee (CSS), Business Activity Coordination (CAE), Accident Investigation Committee (CIA), Crisis Committee (CC), Drug Addiction Oversight Committee (CDRG), where all matters relating to railway safety, occupational risk prevention and any other safety and emergency related issues at MLO are addressed.



01

ENVIRONMENTAL IMPACT MANAGEMENT

We continue to mature and we are making significant progress in optimizing energy efficiency and the effective use of natural resources. At the same time, minimizing and redressing the environmental impacts generated by our operations plays a crucial role in our daily activities.

As a result of the restructuring of our strategic plan, we have introduced changes in the presentation of our environmental performance data compared to previous reports.

We foster a culture of environmental responsibility where optimizing energy efficiency and minimizing environmental impacts are fundamental pillars of our daily operations.



13.3 To improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



6.3 To improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally



12.5 To substantially reduce waste generation through prevention, reduction, recycling and reuse policies

1.1 ENERGY EFFICIENCY AND CONSUMPTION OF NATURAL RESOURCES

We continue to make progress, with improvements in reducing our emissions and using energy efficiently. There has been a notable reduction in the consumption of natural resources such as energy, water and gas. Moreover, we are dedicating significant efforts to minimizing our carbon footprint.

WATER CONSUMPTION

IRRIGATION



285 m³
2022/2023 Average (m³/Year)

-20%*
compared to the previous period

** This decrease in water consumption is mainly due to improvements implemented thanks to our maintenance plan.*

WASHING TUNNEL



From now on, we will not include the data relating to the water consumption of our washing tunnel in our reports, since its relevance in the overall analysis is minimal. This is because most of the water used in this process is recycled in the facility itself.

TOTAL WATER CONSUMPTION



2,934 m³
2022/2023 Average (m³/Year)

-8.4%
compared to the previous period



As for discharges, wastewater generated during maintenance and cleaning work is subjected to treatment before being discharged into the public system. This process ensures that these waters comply with the quality and volume standards established by current legislation. It is important to emphasize that no accidental spills were registered during the specified period.

GAS CONSUMPTION



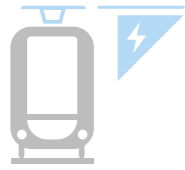
27,069 m³
2022/2023 Average (m³/Year)

-31.7%*
compared to the previous period

** This reduction is attributed to the fact that during the period 2020/2021, measures related to COVID-19 increased gas consumption, mainly due to the need for greater ventilation. It should be noted that, within this value, 13.40% corresponds to temperature management in the warehouses.*

ENERGY EFFICIENCY

TRACTION ENERGY



5,904,330 KWh
Energy used to move the light rail trains

-1.9%

2022/2023 Average (m³/Year) compared to the previous period

MAINTENANCE ENERGY



1,111,003 KWh
Energy used in maintenance tasks

-21.3%

2022/2023 Average (m³/Year) compared to the previous period

ENERGY FACILITIES



2,034,520 KWh
Energy used in the tramway system's service functions: escalators and lifts, among others

-8.6%

2022/2023 Average (m³/Year) compared to the previous period

Energy intensity

0.30 KWh/user*km

The calculation is made by dividing total electrical energy consumption (8,953,103kWh) among the total users (5,961,182) by the average distance (5,025km)

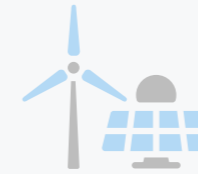
GHG emission intensity

0.007 kg CO₂eq./user*km

The calculation is made by dividing the total equivalent CO₂ emissions (198,407 kg CO₂e) among the total users (5,961,182) by the average distance (5,025km)

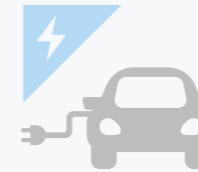
EMISSIONS REDUCTION

2023 Data



99.99% OF CONSUMPTION

Electrical energy with a renewable origin and a guarantee certificate



The use of electric vehicles at MLO has made it possible to prevent emission of

33 t CO₂eq. into the atmosphere

CARBON FOOTPRINT



Scope 1
198.38 t CO₂eq.

Scope 2
0.02 t CO₂eq.

198.41 t CO₂eq.

Total 2023

-27.21%*

* This decrease is mainly due to the reduction in natural gas consumption.

We are working on the Scope 3 emission calculations

TRAFFIC-FREE CITIES



Using MLO reduces congestion and promotes sustainable mobility

3,122* t CO₂eq.

Estimation of emissions avoided compared to private cars

* Taking into account a petrol-powered car with an average consumption of 6.9 litres per 100 km, an occupancy rate of 1.2 people and average trips of 5,025 kilometres.



NOTEWORTHY ACTIVITIES 2022/2023

- To promote the use of electric vehicles, we increased the number of recharging stations in workshops and depots.
- We are committed to the self-generation of electric power from renewable sources. Therefore, we have installed 1,600 photovoltaic panels on workshop and depot roofs. This measure has led to a self-generation of 13% of the energy consumed and the annual generation of 1.2 GWh.
- We obtained the 100% renewable energy certificate of origin for the electric power we acquire.
- We created an Energy Committee in order to improve our energy efficiency, made up of General Management and the areas of Administration, Operations, Rolling Stock, Systems and Permanent Installations. Within its functions:
 - We carried out a thorough analysis of different areas of energy consumption.
 - Subsequently, we formulated proposals for actions aimed at improving efficiency, considering factors such as the positive impact generated and the time needed for implementation, as well as technical and economic feasibility. Among these factors, we made the decision to implement certain actions by establishing priorities such as, for example, reducing energy consumption through the optimization of outdoor lighting in workshops and garages.
 - Finally, we evaluated the effectiveness of the measures implemented.

As a result of these actions, we achieved a total savings of 7% in energy consumption during the 2022/2023 period.

- In our on-going effort to minimize our carbon footprint, we managed to reduce the fluorinated gas load in the air conditioning equipment throughout our fleet by more than 25%.

Additionally, we produced a detailed report that analyses the alternatives for replacing current gases with those having lower global warming potential (GWP) in the air conditioning equipment on our trains and in our permanent installations.

We also defined the key concepts related to our carbon footprint, and created a specific report to calculate our footprint, addressing Scopes 1 and 2.

- In order to reduce traction energy consumption, we completed the replacement of conventional luminaires with LED lights in our entire vehicle fleet. Plus, we installed LED headlights in part of our fleet, making it easier to reduce or adjust lighting on platforms and in tunnels.



- We installed vinyl screens to serve as solar filters in the driver's cabs and passenger areas in order to reduce the energy used for air conditioning inside our light rail trains.
- We validated the current use of our energy dashboard, where the whole energy flow is organised, including supplier company connections and the self-supply source (solar panels), with detailed tracking of the evaluation and impact of different situations.

- We set the alarm limits for each meter so that if there is a measurement error it can be detected and corrected quickly.

CHALLENGES FOR THE FUTURE



- Renew the electrical measurement management system and its integration into the Energy Remote Control.
- Improve the current energy scorecard, including the light rail consumption detail (Energy Measurement System on board).
- Integrate scope three data on the carbon footprint into the scorecard.
- Install new LED headlights throughout the light rail fleet.
- Develop a map that includes analysis of photovoltaic panel installation in the different MLO car parks or those nearby.
- Design and implement a new platform lighting control system.

1.2 IMPACTS ON THE ENVIRONMENT

In this section of the report, we present the strategies that guide our efforts toward achieving the objectives derived from our environmental and social commitments. Our focus is on the mitigation and repair of the environmental impacts generated by our activity, demonstrating our commitment to the sustainability and well-being of the communities in which we operate. Moreover, we seek to promote a culture of awareness among our workers, encouraging responsible practices that contribute to care of the environment in all our daily activities.

Our commitment to communities' sustainability and well-being is reflected in our daily actions, where we prioritize the mitigation and repair of environmental impacts, promoting a culture of awareness among our workers.

TOTAL VOLUME OF WASTE GENERATED IN 2023 IN KG (HAZARDOUS AND NON-HAZARDOUS) 2022-2023 AVERAGE:

 NON-HAZARDOUS	233,103	 HAZARDOUS	17,431
Sand	28,980	Oil	2,651
Aluminium	490	Aerosols	70
Scrap metal	14,490	Antifreeze	10
Copper	240	Lead-acid batteries	537
Rubble	167,085	Detergents	73
Air filters	200	Non-halogenated solvent	10
Wood	1,150	Lubricants	110
Paper	2,190	WEEE	1,964
Plastic	4,460	Packaging	1,070
Pruning	7,110	Contaminated rags and absorbent material	2,280
Mixed waste	2,570	Equipment that still has HFCs	291
Toner and inks	62	Sludge with HC	7,720
Alkaline batteries	50	Ni-Cd batteries/lithium batteries	62
Luminaires	756	Laboratory chemicals	20
Textiles	270	Contaminated metals	40
Sludge from septic tanks	3,000	Paint waste	240
		Adhesives and sealants	5
		Hazardous batteries	110
		Grinding waste	170

Total generated 250,534 Kg

We manage all our waste in accordance with current regulations and by applying the waste hierarchy. 97% of our waste receives some kind of recovery treatment (90% recycling, 1% reuse, 6% other types of recovery).

In terms of carbon monoxide and nitrogen oxides emissions, we make an air quality analysis, measuring the emissions of the heating boiler and ACS, obtaining the following results:

PARAMETER	UNITS	AVERAGE VALUE	LIMITING VALUE
CO Concentration	mg/Nm ³	5.2 ± 1.5	1,806
NOx Concentration	mg/Nm ³	50.3 ± 2.9	615

We do not produce emissions of ozone-depleting substances.

NOTEWORTHY ACTIVITIES 2022/2023

- We continued holding our internal events on environmental awareness in order to optimize and reduce the amount of waste generated. Additionally, we trained our procurement and warehouse employees on the use of safety data sheets and their updating in accordance with the laws in force.
- We have continued to do research on the use of dry lubricants, expanding the installation of lubricant sticks in a third of our fleet, which allows us to reduce the use of water for cleaning under the trams and the amount of waste we generate.



CHALLENGES FOR THE FUTURE:

- Reduce the Global Warming Potential (GWP) load in cabin air conditioning equipment through gas substitution.

02

SOCIAL: PEOPLE AND THEIR DEVELOPMENT

We promote the development of our human capital, considered our main asset and a fundamental pillar in our business strategy.

We facilitate the reconciliation of employees' personal and work life, recognising that this balance is the basis for stable, good-quality employment. Additionally, we constantly ensure the safety and occupational health of our workers, prioritising their well-being in all our operations.

We strive to continually improve our labour practices, driving innovation and promoting open and constructive internal dialogue. We believe that the exchange of ideas and collaboration are key to strengthening our company and the well-being of our employees.

We promote the integral development of our human team, prioritising their well-being, personal-professional life balance and safety to promote a work culture of excellence and collaboration.



3.4 To promote mental health and well-being



5.5 To ensure women's full and effective participation and equal opportunities for leadership



8.8 To protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

2.1. MANAGEMENT OF OUR TALENT

We strive to strengthen our commitment to integrating people at all levels of the organisation, recognising and valuing the diversity of experiences and skills that each individual brings.

Additionally, we have a proactive approach in order to strengthen talent attraction and retention. We strongly believe in the importance of having a diverse and highly qualified team to drive innovation and the sustainable growth of our company.

Through training and professional development programs, we promote our employees' growth and personal fulfilment. We also implement policies and practices that foster an inclusive, collaborative work environment that values the well-being of each team member.

Our mission is to create an environment where talent can develop, where people feel valued, motivated and committed to contributing to the success and sustainability of our organisation.



We foster an inclusive environment and value the diversity of experiences and skills of each individual, thus strengthening our commitment to the integration and development of talent at all levels of the organisation.

HOURS OF TRAINING



IN 2022:
3,385 TRAINING HOURS
15 hours/worker

IN 2023:
3,104 TRAINING HOURS
14 hours/worker



3,244 TRAINING HOURS
Average for the 2022/2023 period

+65%* than in the previous period

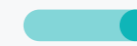
* The accentuated growth is due to the recovery of normality post-pandemic

TRAINING COURSES



In 2022:
42 COURSES

In 2023:
53 COURSES



48 COURSES
Average for the 2022/2023 period

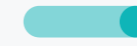
-5% than in the previous period

TRAINING RATING



8.26
OUT OF 10
In 2022

7
OUT OF 10
In 2023



Average score
7.64 OUT OF 10

-18.8%* compared to the previous period

* The drop is due to the change of concept in assessing training effectiveness



Every year we offer the option of providing an employee with the opportunity to pursue a master’s degree that contributes to the development of their skills and competencies.

PERFORMANCE REVIEWS

75% of our total workforce receives periodic performance reviews.

By category and gender:		Man	Women
Information Aux.		77.78%	22.22%
Driver		88.73%	11.27%
Inspector		62.50%	37.50%
Habi Inspector		85.71%	14.29%
Team Leader		100.00%	0.00%
PCC Operator		85.71%	14.29%
A Operator	If Mgmt.	77.78%	22.22%
A Operator	Rolling Stock Mgmt.	100.00%	0.00%
A Operator	Systems Mgmt.	100.00%	0.00%
B Operator	If Mgmt.	100.00%	0.00%
B Operator	Rolling Stock Mgmt.	100.00%	0.00%
B Operator	Systems Mgmt.	100.00%	0.00%

*The categories of A and B Operators and Team Leaders consist of men only and we did 100% of performance reviews.

NOTEWORTHY ACTIVITIES 2022/2023

- We developed a digitised system for assessing training satisfaction.
- We carried out two training actions focused on the management of emotions through mindfulness techniques, with participation by workers from all groups.
- We executed a project on the office employee experience, thanks to which we identified certain actions that will be implemented during the next period.
- We made the decision to extend conflict management training to the customer service staff.
- Within our culture of continuous improvement, we made an analysis of training needs, including those focused on innovation, technology and leadership.
- We worked on the development of a training management application that includes online training.
- We initiated the development of a common performance assessment guide for office staff.
- During this period, no joint knowledge management sessions were held.

CHALLENGES FOR THE FUTURE:

- Create a common tool for evaluating the professional development of our office staff.
- Develop a training itinerary to enhance the soft skills of those who manage teams within the organisation.

2.2 FAMILY WORK BALANCE

At MLO, we recognise that reconciling family and work life is critical to ensuring stable, quality employment for our employees. Therefore, we facilitate this balance, providing support and flexibility to our workers so that they can fulfil their professional and personal responsibilities harmoniously.

In 2023, the Másfamilia Foundation renewed our efr (Family Responsible Company) certificate, maintaining our high level at C+. At MLO, we continue to implement policies and practices that encourage conciliation between our employees' work, family and personal lives. These measures are designed to promote a balance between work and family responsibilities, allowing our employees to satisfactorily fulfil their professional and personal commitments.

We believe that by facilitating the work-personal life balance, we not only promote the well-being and satisfaction of our employees, but also strengthen the bond of loyalty with the company and contribute to a more productive and positive work environment.

Benefits and conciliation measures can be enjoyed by all workers, regardless of the type of their employment relationship with the company.

In 2022, nine men took parental leave, while no women did. In 2023, no men or women used parental or maternity leave. All employees who have applied for it, regardless of gender, have made use of the available parental leave and their return-to-work rate has been 100%.

HIGH QUALITY EMPLOYMENT



2023

4.47% Temporary contracts

95.53% Permanent contracts

13 PEOPLE

Average contracts for 2022/2023

6.7%

Average rotation index 2022/2023

	2022	2023
Workers	224	224
Hires	9	16
Contract terminations	19	11
Turnover rate	8.49%	4.92%

More than 90% of contract terminations were linked to the end of temporary contracts.

At MLO we promote harmony between work and family life, ensuring an environment where our employees can satisfactorily fulfil their professional and personal responsibilities. Maintaining our commitment, we renewed our efr certificate and are continuing to implement policies that strengthen this balance, thus promoting the well-being and loyalty of our employees.

NOTEWORTHY ACTIVITIES 2022/2023

- We continued collaborating with schools in initiatives to bring students closer to the world of work, from secondary school to postgraduate students.
- In the framework of the negotiation of the new collective working agreement, we implemented several initiatives related to labour reconciliation, among which are:
 - The option of remote work two afternoons or one day a week for office workers, in those positions that allow it, offering this possibility to almost 100% of the office staff.
 - After assessing the impact on operations, we determined the feasibility of eliminating the weekend shift for maintenance personnel. This has allowed maintenance personnel not to work on weekends.
- During the 2022/2023 period, we conducted a survey in order to evaluate the use of the social benefits available in the company and satisfaction with them.

About 80% of the workforce is aware of the conciliation measures made available by the company and 100% of the people who use them rate them as good or very good.

CHALLENGES FOR THE FUTURE

- Improve the score level obtained in the efr certification assessment.
- Disseminate our conciliation and co-responsibility measures to the whole workforce.

2.3 OCCUPATIONAL HEALTH AND SAFETY

Beyond complying with legal obligations regarding occupational safety and health, we are certified to the requirements of the ISO 45001 international standard and actively promote the comprehensive well-being of our employees.

We recognise the paramount importance of safety and health in the workplace to ensure a safe and healthy environment. This is why we work on constant improvements in order to ensure well-being and strengthen the protection of our staff.

This includes promoting a culture of prevention with participatory awareness talks in which we improve preventive figures, such as the preventive resource. Additionally, we provide repeat theoretical and practical training in specific subjects in all those areas that we consider fundamental in our day-to-day work.



Our ISO 45001 certification and the active promotion of the integral well-being of our employees reflect our priority focus on occupational safety and health, implementing a culture of prevention and continuous improvement in all our activities.

ACCIDENT RATE



17* ACCIDENTS WITH MEDICAL LEAVE
Period average 2022/2023

5 Accidents more than the previous period



9.5* ACCIDENTS WITHOUT MEDICAL LEAVE
Period average 2022/2023

Same number of accidents as in the previous period

* All accidents that have occurred have been minor



224 WORKERS
Total number of workers



- In the context of the analysis and management process for identified risks, we concluded the Smart Job Project, which we successfully implemented throughout the fleet, infrastructure and Central Control Post. Currently, it is controlled from Station Remote-Control (SRC), pending its definitive integration into the Operation Assistance System (OAS), which is undergoing a migration process.
- We installed anti-flash vinyls in the driving cabs of the entire fleet to avoid glare in certain light conditions.
- We trained all maintenance staff in the safe use of small machinery.
- We improved the procedure for designating the preventive resource, including a checklist that clarifies function.

NOTEWORTHY ACTIVITIES 2022/2023

- Within our intranet, we enabled the option for each employee to be able access their personal file and consult the documentation associated with the occupational risk prevention area.
- We developed a database that allows our internal staff to check information related to their Personal Protective Equipment (PPE) digitally.
- In 2023, we reviewed and updated our workplace health promotion plan on the prevention of drug dependency and consumption of psychoactive substances.
- We integrated the aspects relating to risk prevention into the procedures and the technical instructions for specific jobs in the maintenance area.

CHALLENGES FOR THE FUTURE

- Establish a participatory policy that involves the health and safety committee as well as intermediate management and occupational risk prevention agents, with the aim of raising awareness about hazard prevention in the workplace.
- Raise awareness about the prevention of workplace harassment, as well as the effects of alcohol and psychotropic substance consumption in the professional environment.
- Develop a tool that makes it possible to improve and facilitate authorisations remotely, whether related to Prevention or the Railway Safety Management System.



2.4. INTERNAL DIALOGUE AND LABOUR PRACTICES

In our on-going commitment to sustainability, we deeply value internal dialogue and the constant improvement of our work practices.

We recognise the importance of open and constructive dialogue with the workers' legal representatives, as well as with all our employees, as a means to promote a fair, collaborative and productive work environment.

Therefore, we worked to improve the dialogue with the workers' legal representatives, ensuring fluid, transparent communication that makes it possible to effectively address our employees' concerns and needs. In addition, we promote a direct and open dialogue with all workers, encouraging participation and continuous feedback.

Managing the work environment is a priority for us, as we recognise its impact on the well-being and satisfaction of our employees. We implement measures to promote a positive work environment that fosters trust, mutual respect and collaboration among all members of the organisation.

We are also committed to the constant improvement of our work practices. We strive to identify areas of opportunity and implement initiatives that promote justice, equity, diversity and inclusion.

2023 (Data as of 31 December 2023)



(In 2022, data for men and women were the same as in 2023.)

	2023
% women in top management	25.00%
Employees < 30	2.22%
Employees 30-50	67.11%
Employees > 50	30.67%
Male employees with disabilities %	1.34%
Female employees with disabilities %	1.79%

Our focus on internal dialogue and work practices reflects our commitment to creating a work environment where all employees feel valued, respected and motivated to contribute to the success and sustainability of our company.



PAY EQUITY

In 2023, the Interprofessional Minimum Wage (SMI) was set at €15,120. On the other hand, our lowest salary per collective agreement corresponds to the category of C operator and is €18,278.25, which represents an increase of 20.88% over the SMI.

The wage-setting policy is based on the tables included in the current collective agreement, which establishes levels of remuneration by categories, regardless of the characteristics of the individual.

Moreover, at MLO we have an Equality Plan and an Equality Commission, made up of company representatives and workers, which ensures equality between men and women in the workplace and, in particular, as regards the pay policy and the promotion of equal opportunities between men and women in access to employment and in the development of their professional career. The Commission does follow-up to ensure that there is no wage gap within the company, for any reason.

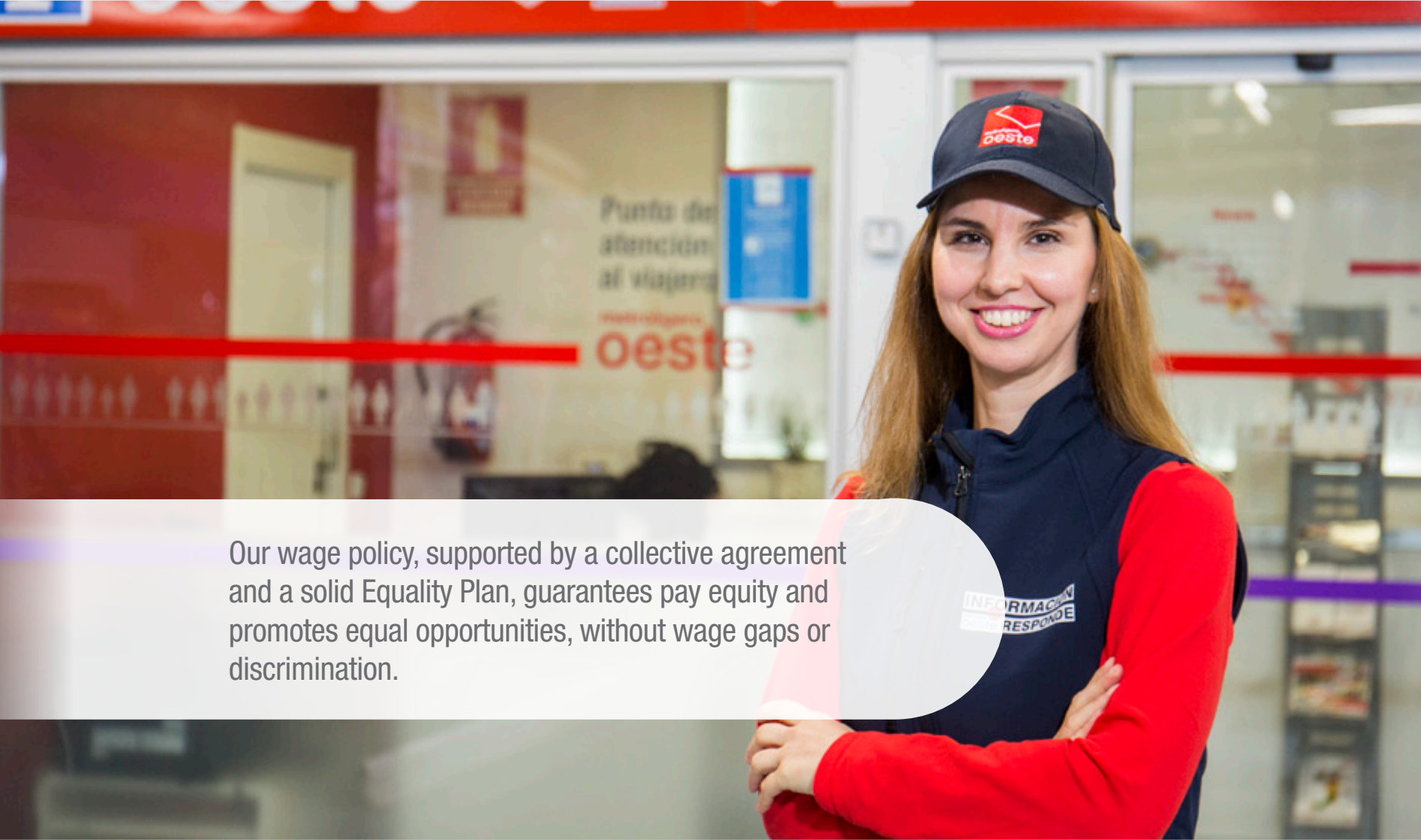
It should be noted that there have been no cases of discrimination during this period.

NOTEWORTHY ACTIVITIES 2022/2023

- We have reassessed needs, and given the return to normal after the pandemic, we believe that the creation of an online knowledge event platform is not a priority.
- We published our Equality Plan and the established actions will be implemented in the next period.
- On 21 December 2022, MLO's III Collective Agreement with the workers' representatives was signed for the following four years.
- We finalised the development of version 2.0 of the employee portal, with all the improvements suggested by both employees and administrators.
- As mentioned in point 2.2, we initiated the development of a common performance assessment guide for structural office staff.

CHALLENGES FOR THE FUTURE

- Implement the actions identified in the "Employee Experience" project carried out with office staff in 2023.
- Launch the actions established in the company's Equality Plan published in 2023.



Our wage policy, supported by a collective agreement and a solid Equality Plan, guarantees pay equity and promotes equal opportunities, without wage gaps or discrimination.

03

RELATIONS WITH USERS, SUPPLIERS AND THE LOCAL COMMUNITY

We strive to improve our users' experience and the quality of our service provision, always seeking operational excellence.

Our actions in the local community pursue both educational and social objectives. In the educational field, we seek to promote and facilitate opportunities for students to integrate into the work world. At the social level, we work to satisfy their needs, trying to invest our efforts in improving their quality of life.

We work closely with our suppliers to ensure that working conditions in our supply chain are safe, dignified and respectful and that our business operations are conducted in an ethical and sustainable manner. Likewise, we work on the continuous improvement of our professional relationship, establishing guidelines and commitments to improve the results of their performance and the quality of the service they provide us.

Our commitment goes beyond operational excellence; we work to improve the quality of life not only of our users, but also of our community, by promoting educational and social initiatives in addition to promoting sustainable mobility. We also guarantee safe, dignified and respectful working conditions throughout our supply chain.



3.6 To halve the number of global deaths and injuries from road traffic accidents



4.4 To substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
4.7 To ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development



11.2 To provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
11.4 To strengthen efforts to protect and safeguard the world's cultural and natural heritage



12.8 To ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

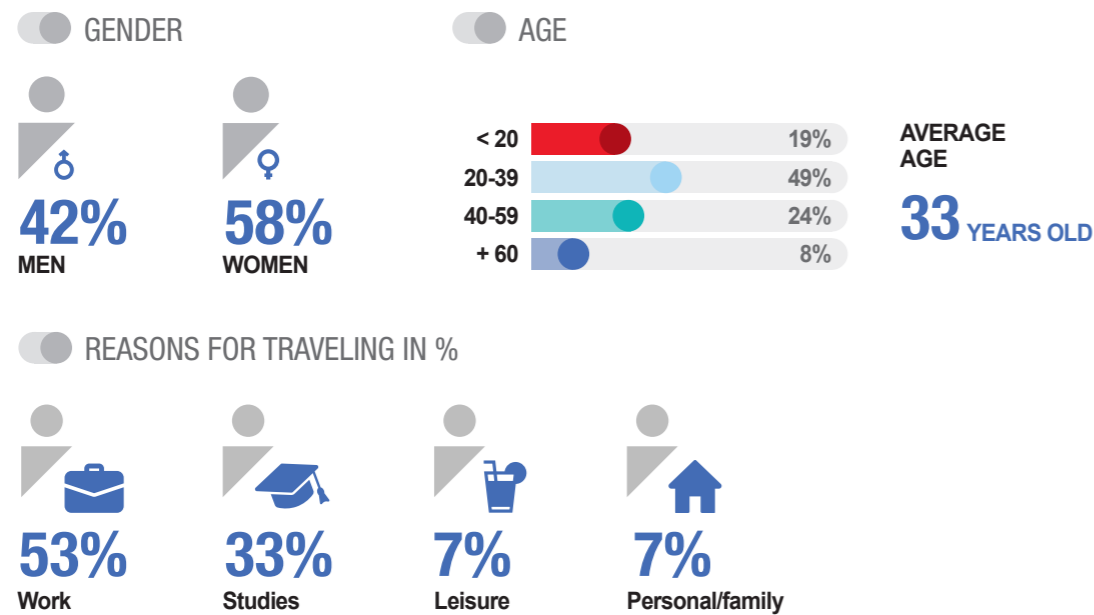
3.1 QUALITY AND TRANSPARENCY IN SERVICE DELIVERY. WE SEEK OPERATIONAL EXCELLENCE

Our aim is to offer the inhabitants of the Community of Madrid a safe, accessible, punctual, efficient mobility service that respects economic, social and environmental needs.

We maintain an on-going commitment to improve the user experience, service quality and raise overall service delivery indicators.

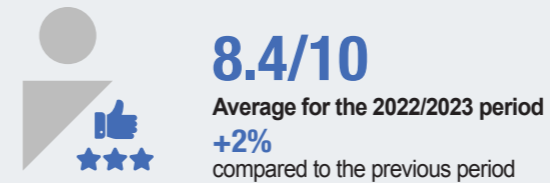
Over the course of this period, we have strived to go further, adopting proactive management aimed at user well-being.

USER PROFILE



We are committed to continuously improving the mobility service provided in the Community of Madrid, seeking excellence in quality and transparency.

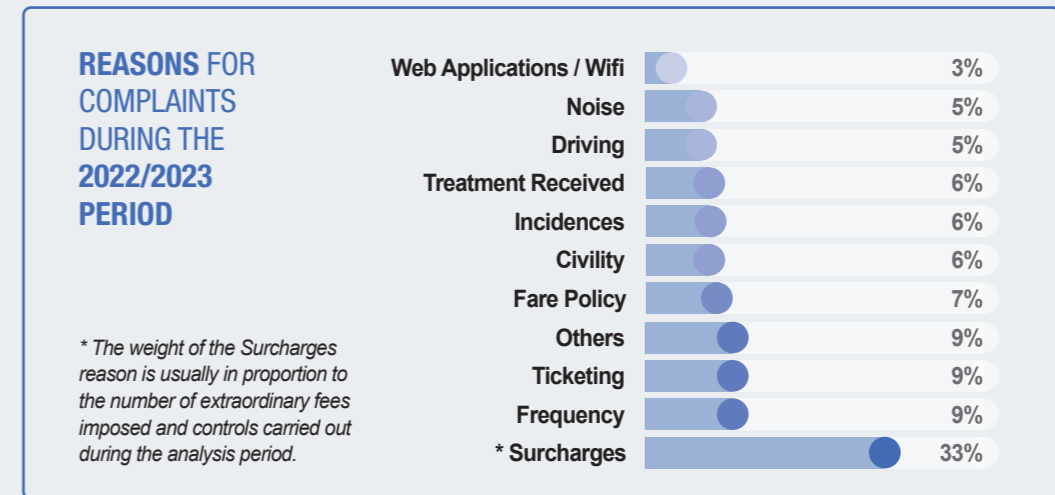
USER SATISFACTION



CUSTOMER SERVICE DATA 2022/2023



* The increase compared to the previous reporting period is due to the increase in passengers as normality returned after the pandemic.



PROPERTY LOST AND DELIVERED IN 2022/2023



* The increase compared to the previous reporting period is due to the increase in passengers as normality returned after the pandemic.

NOTEWORTHY ACTIVITIES 2022/2023

- As planned, we moved ahead with the global project to improve the passenger information system and to establish an accessible multi-channel communication system. We implemented a prototype at the depot stop, involving the replacement of the old TV monitors with an LED display having an updated design, better information distribution and an improved advisory system. We also incorporated the “Bucle T” service for users with hearing aids.
- The comprehensive review of our Web and App assets will be postponed until next year while the update of the telephony and interphone services in the event of network incidents is currently under study.
- Regarding the improved coexistence among users, we finished the creative development of a civic campaign that will be launched soon on the network.



- In the field of operational safety, the advanced driving assistance system (SIMOVE) was completed and tested throughout the MLO fleet, including automatic action on emergency braking in the event of excessive speed.
- In order to improve the experience of our users and offer added value to travellers who greatly appreciate the ability to stay connected, we implemented a new free power bank loan service for charging mobile phones and other electronic devices.

PUNCTUALITY 2022/2023



99.99%* Almost all trips left on time

** In order to ensure data accuracy and uniformity, it was decided to incorporate the same punctuality indicator calculation defined by the Regional Transport Consortium of Madrid, regularly reported to this entity. This daily calculation per line allows to monitor the degree of compliance with the planned versus real schedule.*

ACCIDENT RATE 2022/2023



2.64* Number of accidents per million kilometres travelled (average for the 2022/2023 period)

** This figure indicates the number of collisions with cars unrelated to MLO, and all of them were minor.*

SERVICE AVAILABILITY 2022/2023

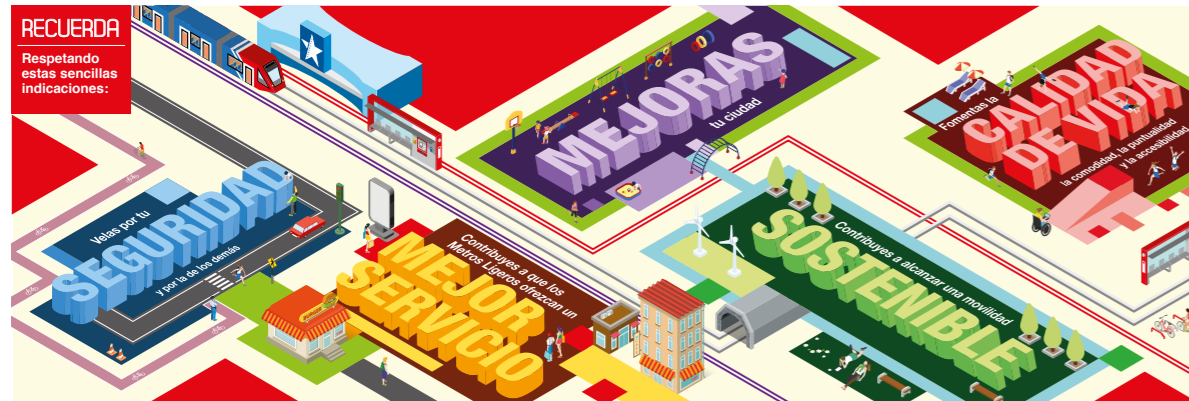


99.99% Of km travelled with respect to the km planned





- **In order to ensure safety during service provision**, we provide information to users through various channels, such as signage in facilities and vehicles. Additionally, we carry out awareness campaigns on road safety aimed at different groups, through talks, posters, vinyl banners and digital materials promoted on our website, social networks and media. We also publish guides on harmonious coexistence, among other actions included in the educational project mentioned in point 3.2 of this section.



- Plus, in our workshops we have preventive maintenance programs set up for the units that provide the service. These programs are carried out every 16,000, 33,000, 50,000, 100,000, 200,000 and 600,000 kilometres and include overhauling each and every train system, as well as cleaning or the replacement of worn components. Every day, we inspect the condition of the equipment of the different systems located on the roof, inside and underneath the train, as well as the vehicle's overall functioning. We also make the corrections necessary for possible faults detected during these daily inspections.
- We clean and disinfect all MLO facilities and light rail trains daily, to ensure a safe and healthy environment for our users. In addition to this routine cleaning, we carry out a thorough cleaning of our light rail trains every 15 days. We also have them fumigated inside every six months. During this process, we thoroughly disinfect every corner of the space used by travellers, thus ensuring conditions of optimal hygiene and well-being for all our passengers.



CHALLENGES FOR THE FUTURE

- Completely redesign our website and app.
- Launch the civic campaign developed during 2023 throughout the network, as well as on our digital channels.
- Analyse the impact of Lean Manufacturing methodology on the management of the long rolling stock maintenance cycle as part of a continuous improvement process. The goal is to optimize the organisation of maintenance work to provide excellent service to the user.
- Implement the RCM model (Reliability-Centred Maintenance) in the point motor system to optimize maintenance plans and ensure maximum equipment availability.

- In order to monitor the effectiveness of all these aspects concerning the quality of the service provided, an independent company is contracted on a biennial basis, alternating with the Regional Transport Consortium of Madrid, to carry out an exhaustive opinion study on the quality of the service provided on our lines ML2 and ML3. This study involves conducting surveys among our users in order to understand their level of satisfaction and expectations with regard to various aspects of the service.

The results obtained allow us to identify areas for improvement and define concrete action plans. These results are shared with all the corresponding areas of our organisation, and the most relevant aspects are incorporated into the MLO context analysis, thus contributing to more comprehensive and proactive management of our operational performance.

3.2 SUSTAINABLE MOBILITY IN CITIES (ROAD SAFETY AND ENVIRONMENTAL EDUCATION, AND PROMOTION OF SUSTAINABLE TRANSPORT)

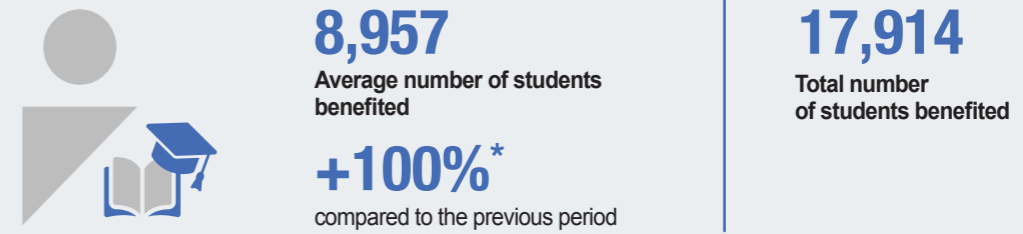
TRANSFORMING CITIES

Our work within the educational field continues to be a priority for us. We are progressively succeeding in impacting and sensitizing a greater number of schoolchildren, families and professionals in our area of influence.

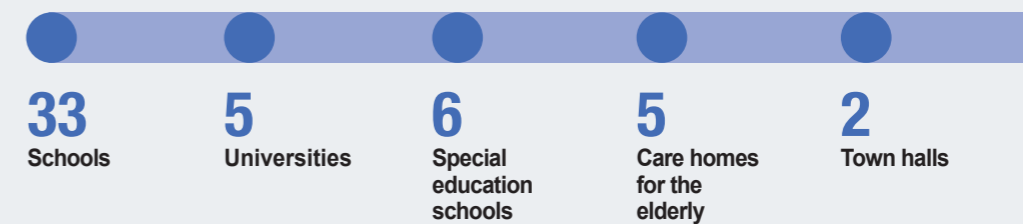
Working hand in hand with local administrations and in collaboration with other entities, we are moving forward with the aim of positively influencing people's mobility, seeking to promote responsible practices to achieve a beneficial impact on the environment.

Our actions in this area contribute to achieving **goal 11.2 of the Sustainable Development Goals** set by the United Nations for 2030.

EDUCATION 2022/2023



* The exponential increase is largely attributed to the gradual normalization of key activities after the post-pandemic period.



We contribute to the transformation of cities, moving toward sustainable mobility through road safety and environmental education and the promotion of responsible transport.



NOTEWORTHY ACTIVITIES 2022/2023

- We continued our collaboration with the municipalities of Pozuelo de Alarcon and Boadilla del Monte, maintaining our current line of work.
- During this period, we continued the Road Safety Education Project, implementing a constant updating and improvement process. We concluded the digitization of the didactic materials and transferred them to the local police department to support the talks on road safety given by their agents who do outreach with the students in the area.
- With the aim of reducing or eliminating risk situations, we launched the **#DesconectaMiraCruza*** campaign, which aims to raise awareness among younger users of the importance of eliminating mobile phone and headphone use when approaching or crossing the tracks where our vehicles run.

To achieve this, we created a visual warning sign that has been painted on the pedestrian track crossings. In addition, we designed and communicated friendly, jovial messages in stations and stops, on social media, during school visits to the depots and in the talks on road safety education given in the area schools together with AESLEME (Association for the Study of Spinal Cord Injury) and teaching agents of the local police of Boadilla del Monte and Pozuelo de Alarcon.

This campaign also enjoyed the collaboration of other external entities to amplify its message. Area schools joined us as well: the Somosaguas university campus of the UCM, the local police department of Pozuelo de Alarcon, the municipalities of Boadilla del Monte and Pozuelo de Alarcon, and the Pozuelo Environmental Education Classroom, which is assuming a relevant role in the campaign's dissemination in its activities, among students and also teachers.

IMPACTS OF THE #DESCONECTAMIRACRUZA CAMPAIGN



Reached an audience of about
3,000,000 PEOPLE

Via talks, visits and other events in the area, social media, web, local media and regional radio and television such as Telemadrid or Onda Madrid

We renewed our support for several **outstanding activities** in collaboration with local schools, ranging from early childhood education through A-levels:

- Environmental cycling routes in collaboration with the Department of Security of the City Council of Pozuelo de Alarcon.
- European Mobility Week: bike route from the Pozuelo Environmental Education Classroom to the guided tour of our depots, passing through the Adolfo Suárez Forest Reserve and using the municipality's bike lanes.
- Electric Mobility Circuit, Teen Smart City Pozuelo (Mini-Forest for Biodiversity): This program aims to illustrate how technology contributes to improving cities, making them more sustainable and intelligent. In addition, students have the opportunity to enjoy an exciting mobility circuit with electric karts.
- Reciclo Pozuelo together with a pioneering project to take advantage of plastic packaging to turn waste into a resource.

- Path through the forest reserve - self-guided tour where students learn to find their way and identify the flora and fauna.
- Renewable energies and biodiversity circuit, where issues of sustainability, circular economy and climate change are explored.
- Green classroom of the future: Reforesting Action: This space presents the perfect opportunity to generate synergies between art and nature, bringing creativity and science to the centre. A very representative example is the creations made with nets and plants and small hanging aquatic mini-gardens.
- Reading refuge: an old kiosk has been transformed into a reading corner where users exchange books surrounded by a Miyawaki Miniforest, clone arboretum and mycological garden. A great circular economy example.



CHALLENGES FOR THE FUTURE

- Continue to improve the Road Safety Project through collaborations with experts in this field in the Community of Madrid. Among other tools, we are considering the creation of a didactic microsite that addresses the topics covered, aimed at students from 6 to 18 years old, in order to serve as a complementary resource for the road safety educators.
- Continue and consolidate the existing line of work with the town councils of Pozuelo de Alarcón and Boadilla del Monte.



3.3 SOCIAL ACTIONS WITH THE LOCAL COMMUNITY (SPORT, CULTURE, SOCIAL EXCLUSION, DISABILITY AND BRINGING STUDENTS CLOSER TO THE WORLD OF WORK)

DEVELOPMENT OF INITIATIVES IN COLLABORATION WITH THE LOCAL COMMUNITY

We strive to meet expectations and raise the quality of life in our community through partnerships in key areas such as education, disability and sport.

Throughout this period, we maintained and strengthened the line of work with the main actors involved, such as agencies, associations and local foundations.



SOCIAL AND CULTURAL INITIATIVES



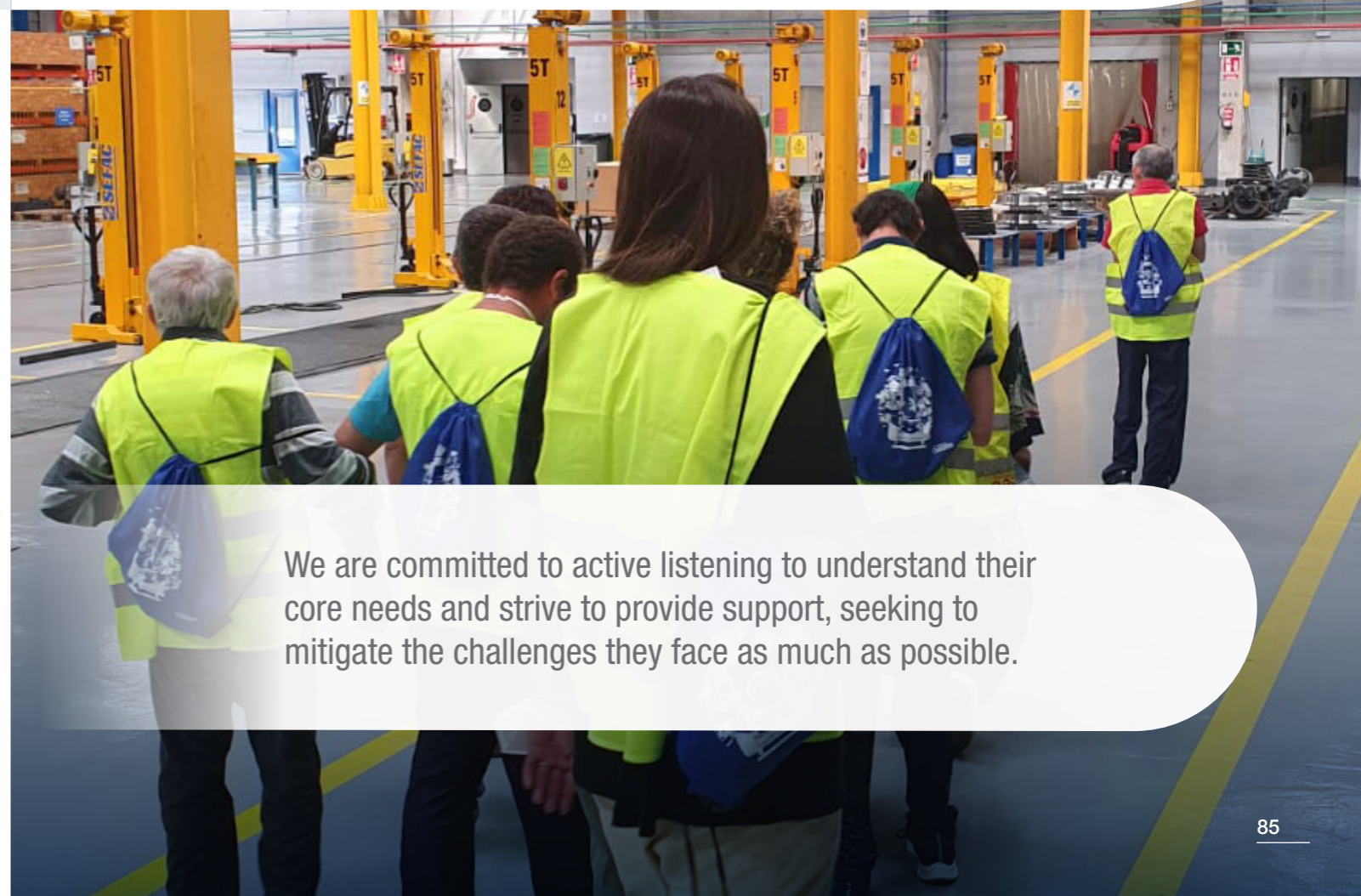
3,738
Beneficiaries
(average for the 2022/2023 period)

+37% compared to the previous period

7,476
Total number
of beneficiaries

** MLO collaborates with an inclusive basketball team of the Gil Gayarre Foundation in different areas thanks to the Veritas Basketball Club. Moreover, it supports the annual Veritas Tournament, in which about 1,000 players participate.*

16 YEARS
taking part in the Boadilla
del Monte Three Kings Parade



We are committed to active listening to understand their core needs and strive to provide support, seeking to mitigate the challenges they face as much as possible.



NOTEWORTHY ACTIVITIES 2022/2023

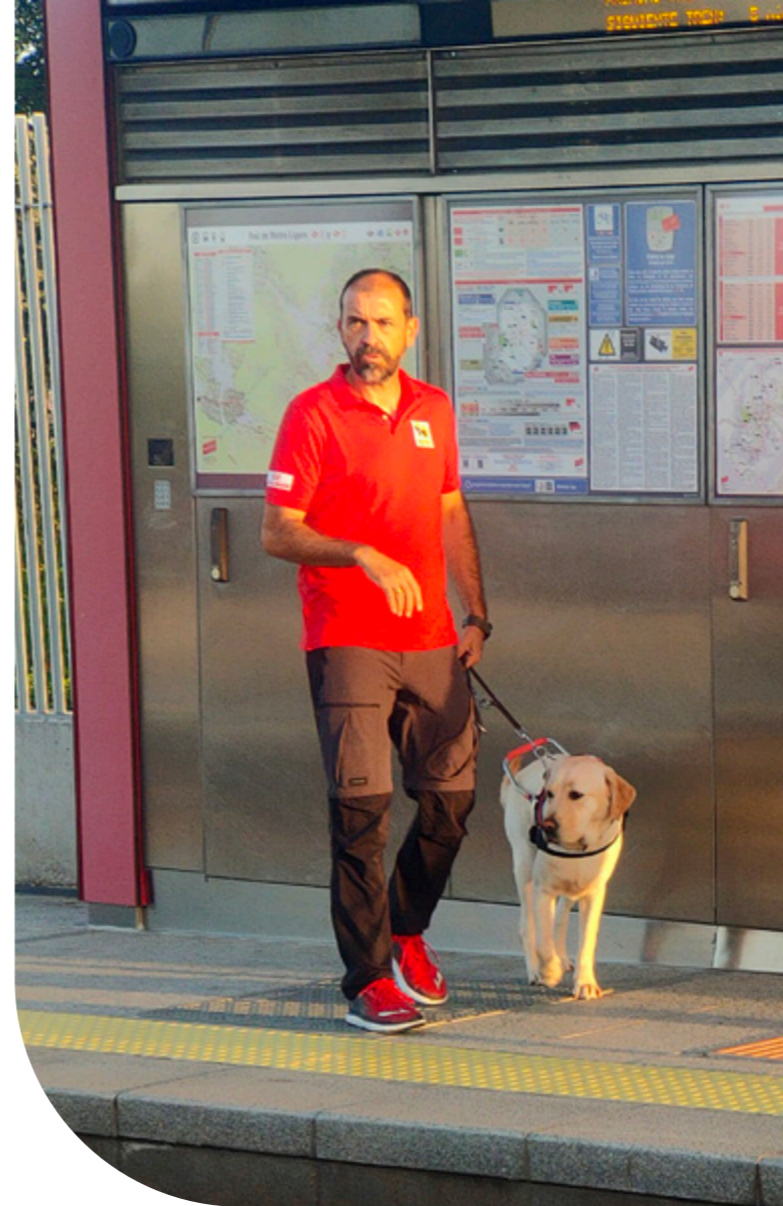
- We continued the line of work carried out during the previous period with the local community, deepening our understanding of their social needs and doing our best to meet them.

COLLABORATIONS IN EDUCATION, DISABILITY AND SPORT

SOCIAL COMMITMENT



- With **Fundación Cal Pau**
- With **Fundación Hogar Don Orión**
- With **Afánias**
- With **ONCE-FOPG**
- With **Ayto. de Boadilla**
- With **Ayto. de Pozuelo**



CHALLENGES FOR THE FUTURE

- Strengthen and maintain existing social collaboration projects in our environment.
- Study the possible implementation of a volunteer policy within MLO.
- Create an internal communication and dissemination channel about the social work performed by the collaborating entities.



HOGAR DON ORIONE

During this period, we addressed the home's needs, focusing on renewing machinery and improving facilities to ensure the provision of higher quality services to the residents. Plus, we provided users with experiences on the light rail, thus promoting social inclusion.

CAL PAU FOUNDATION

At MLO, we established an active collaboration with the Women, Equality and Diversity Space, with the aim of improving the quality of life of many people with disabilities. The initiative seeks to provide them with the necessary tools to develop their own life projects, participate in the community and make autonomous decisions. Within this framework, MLO also engages in the recruitment of staff to accompany the participants in various activities, thus strengthening our commitment to inclusion and diversity.

FOPG

We renewed our collaboration with the ONCE Guide Dog Foundation (FOPG), sponsoring another litter of puppies in the hope that they will become future guide dogs.

This renewed collaboration plays a crucial role in enabling the ONCE Guide Dog Foundation to deliver more than 140 guide dogs annually to people with visual impairments. Currently, in Spain, there are already more than 1,000 guide dogs that have positively transformed the lives of their users, significantly improving their mobility and promoting their autonomy. We are proud to contribute to this noble cause, which has such a significant impact on the lives of people with visual impairments.

AFANIAS

We renewed our collaboration with the Afánias Pozuelo community in order to improve the quality of the Occupational Centre, a fundamental space for the daily routine of 143 people with intellectual disabilities. In the last two years, this collaboration has enabled significant improvements, such as a new paint job, a gym upgrade and the improvement of the common rest areas.

Moreover, we had the opportunity to become more familiar with the supervised housing and the experimental residence located in Pozuelo de Alarcón, where the autonomy of people with disabilities is promoted. This experience allowed us to understand first-hand the positive impact that these initiatives have on the lives of those who participate in them.





3.4 RESPONSIBLE MANAGEMENT OF SUPPLIER RELATIONS

In accordance with our Comprehensive Management System, certified according to ISO standards 9001, 14001, 45001, and EFR 1000-2, as well as the AENOR SFO (Operational Railway Safety) certification, we are committed to continuous improvement. This is why we have implemented a new approval procedure for our suppliers since 2023, including the evaluation of their performance. This procedure includes principles to protect labour and the environment, prevention of occupational risks, and human rights, as well as the measures applicable if they fail to comply with their obligations. After the technical analysis of the required documentation, we ask them to familiarise themselves with the provisions of our corporate policies and code of ethics and comply with them.

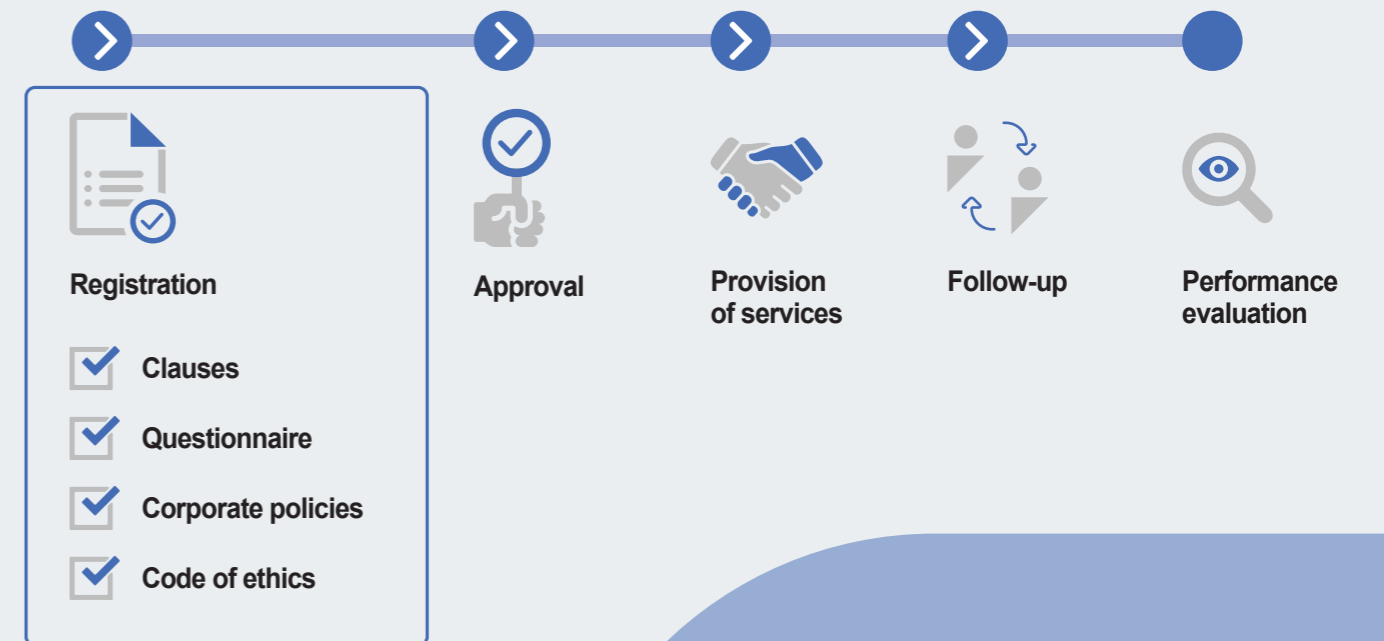
Our suppliers' performance directly affects the achievement of our Strategic Plan, which is why we continuously evaluate various factors such as quality, deadlines and delivery from an environmental standpoint.

Suppliers and subcontractors are actively involved during this process, aware of the evaluation of their performance. The feedback received is essential for optimizing our services and correcting possible errors.

We consider it essential to establish partnerships, mainly with national suppliers, thus strengthening our commitment to sustainable development and corporate social responsibility. This approach not only allows us to ensure compliance with ethical and legal standards, but also contributes to boosting the local economy and promoting socially responsible business practices. We are firmly committed to excellence in all of our operations, and this policy reflects our firm intention to build long-term business relationships based on ethical and sustainable values.

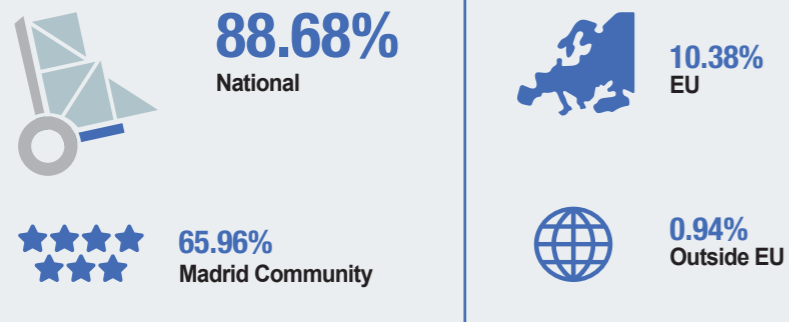


Our commitment to the ethical and sustainable management of relationships with our suppliers reflects our pursuit of excellence and local development.

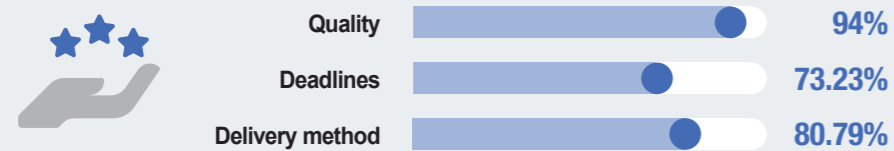




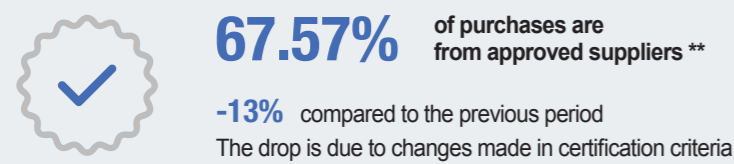
OUR SUPPLIERS



Proportion of expenditure on local suppliers average vendor performance evaluations from all areas*



* In the criteria subject to evaluation, "price" was replaced by "delivery method", since the first is already considered at the initial stage of the procurement process.



** All approved suppliers meet the environmental and social criteria required by MLO.

NOTEWORTHY ACTIVITIES 2022/2023

- We started the process of designing our vendor portal, leaving its development pending due to the need to make prior improvements in security and storage through Microsoft 365. This portal is projected to be an essential communication channel for this stakeholder group, so we are working diligently to overcome any obstacles and carry out its implementation efficiently.
- In addition, we identified a list of trusted suppliers and held the two scheduled annual meetings with the aim of following up on the business relationship between MLO and these suppliers.
- We also implemented a new supplier approval procedure that strengthens our social and sustainability commitment.



CHALLENGES FOR THE FUTURE

- Develop the supplier portal designed during this period, ensuring its effectiveness and ease of use to strengthen relationships with our suppliers. This means improving communication and document management and streamlining approval and assessment processes.
- Establish ESG clauses that must be included in contracts with our suppliers.

04

GOOD GOVERNANCE, RESPONSIBILITY AND INTEGRITY: BOARD OF DIRECTORS, SHAREHOLDERS AND MANAGEMENT

GOOD GOVERNANCE FOLLOWING ESG CRITERIA

Our actions comply with the principles of transparency, effectiveness, accountability, ethics and integrity under ESG (Environmental, Social, Governance) criteria.

To this end, we have established good corporate governance practices that help us manage operational and business risks and opportunities in order to strengthen and increase the soundness of the MLO project.

In our accountability exercise, we continue to focus on promoting dialogue and communication with our stakeholders.

Our commitment to transparency, effectiveness and ethics, guided by ESG criteria, drives us to strengthen our business through good corporate governance practices and on-going dialogue with our stakeholders.



9.4 To upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes



12.6 To encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle



16.5 To substantially reduce corruption and bribery in all their forms

4.1 GOOD GOVERNANCE PRACTICES

At MLO, we have been undergoing an internal transformation since 2016, marked by changes in our shareholding that have driven our goal of positioning ourselves as leaders in transparency and good governance.

In 2017, we adopted our Strategic Plan focused on sustainable management.

In 2018/2019, we revised elements of our corporate culture, unified procedures under our Integrated Management System, and established a strategic planning process for sustainable development. This materialized in a Sustainability Plan with objectives, specific actions and allocated budgets. We periodically review this plan according to established monitoring and evaluation procedures.

In 2020/2021, we implemented a scorecard to measure our sustainability indicators, as well as to set the appropriate priorities for achieving our objectives.



metroligero
oeste

In 2022/2023, we integrated ESG criteria into the design of our Strategic Plan, which led to the emergence of new courses of action. We also carried out an exhaustive review of the relevant issues that affect our context, making a SWOT analysis (strengths, weaknesses, opportunities and threats) of the company and monitoring objectives aimed at meeting the expectations of our stakeholders. More information about this in the “Management Approach” section of this report.

Firm in our commitment to sustainability, and in order to continue improving our performance during this period, we once again participated in the Global Real Estate Sustainability Benchmark (GRESB), an organisation specialising in the industrial sector and in assessing the environmental, social and governance performance of companies around the world.



**METRO LIGERO OESTE,
SECOND PLACE IN WORLD
URBAN TRANSPORT
OPERATIONS ACCORDING
TO THE #GRESB 2023 STUDY**



**OVERALL
SCORE**

Improvement of the overall score, going from the 86 points obtained last year to **90 in this year's study**.



**PROMINENT
STANDING IN THE
REST OF THE
STUDY'S RANKINGS**

Second place in Management and third place in Performance, situated 5 and 6 points, respectively, above the industry average in both areas.

Our desire to continue improving our performance is reflected in our outstanding results in the Global Real Estate Sustainability Benchmark (GRESB) 2023, where we reached the second position worldwide in the urban transport sector. With an overall score of 90 points and significant improvements in environment, social and governance, we reaffirmed our commitment to providing quality service and continuing to move toward a more sustainable future.

NOTEWORTHY ACTIVITIES 2022/2023

- During the period covered by this report, we updated our Strategic Sustainable Development Plan by integrating ESG criteria, and we revised the corresponding scorecard. This allows us to track the strategic objectives established, using indicators that help us monitor the company's operational, economic, environmental and social performance.
- We also carried out an exhaustive review of the relevant issues that affect our context, making a SWOT analysis (strengths, weaknesses, opportunities and threats) of the company, and monitoring objectives aimed at meeting the expectations of our stakeholders.
- We also continued with the digitisation of processes and their communication through the MLO Portal. We would like to highlight the creation of the "MLO Identity" section on the Portal, which includes all the corporate information necessary for new hires and third-party communications in digital format.
- Moreover, we established an annual meeting plan to monitor the status of staff in each area together with the general management and human resources management. Among other points, it includes the evaluation of overall employee performance, the emotional situation, and monitoring of staff needs.

CHALLENGES FOR THE FUTURE

- Make an analysis of the reorganisation of the current internal committees, exploring opportunities for improvement, assessing the current situation, communicating findings to those involved and executing the actions necessary to implement the changes.
- Adapt the organisation's cultural elements (Mission, Vision and Values) to the new concept of emerging sustainable urban mobility in cities of the future.
- Prepare the first Sustainability Report (CSRD) with information corresponding to 2025, to be published in 2026.



4.2 ETHICS AND INTEGRITY IN BUSINESS ACTIVITIES

To ensure integrity and ethics in all our activities, we implement a management model based on the following key elements:

- The existence of a Governance Policy that commits our employees and our contractors to following rules on policies against bribery, corruption and fraud, as well as the protection of human rights.
- We have a Code of Ethics that sets the standards and principles of professional and ethical conduct that must be followed by all persons within the company in the execution of their functions, and establishes the mechanisms for reporting complaints and protecting the complainant.
- Additionally, our prevention systems are designed to detect and prevent any illicit or criminal behaviour.
- Likewise, our oversight and control mechanisms allow us to ensure effective compliance with these regulations and policies.

The combination of principles of integrity and ethics in all our activities is based on a strong governance policy, a rigorous code of ethics, effective prevention systems and strong oversight mechanisms.



NOTEWORTHY ACTIVITIES 2022/2023

- At the end of the period covered in this report, the definition of the monitoring process for the implementation of the Code of Ethics in our organisation is in an advanced stage. This involves the development of control and monitoring mechanisms and integration into our Integrated Management System and the scorecard.
- In order to promote a culture of transparency and accountability in all our actions, we have disseminated our Code of Ethics among all our stakeholders through our corporate website, which makes an accessible reporting channel available. This channel provides our employees, customers, suppliers and other stakeholders with a reliable means of reporting any conduct contrary to our values and ethical principles.
- In our on-going quest to promote a strong ethical culture within our organisation, we have developed an employee training and information session plan on our Code of Ethics that will be implemented early in the next period. These sessions are primarily aimed at ensuring that all members of our team are fully familiar with the principles and values that guide our business actions and explaining the channels and procedures available for making suggestions and complaints, emphasizing our commitment to transparency and accountability.

RISKS AND ANTI-CORRUPTION PROCEDURES

As part of our **overall risk assessment** process, we devoted particular attention to the specific issue of corruption by analysing all our operations. The result did not reveal any significant corruption risks.

During the last year of this period, we began the process of reviewing and updating the risks related to our Code of Ethics and our crime prevention manual.

The organisation's anti-corruption procedures are available to all members on the MLO portal. We are working on the development of the training and information session plan for our employees; see above.

During the period explored in this report, we did not record any incidents of corruption.

Our anti-corruption commitment is strong: after thorough analysis, we confirmed the absence of significant risks in our operations and we continue to strengthen our ethical and crime prevention systems to maintain this integrity.

CHALLENGES FOR THE FUTURE

- Conclude the definition of the process for monitoring the implementation of the Code of Ethics in our organisation. This involves the development of control and monitoring mechanisms and integration into our Integrated Management System and the sustainability scorecard.
- Adapt the current harassment protocol to the legislation on equality plans and LGBTI protocols.
- Implement the training and information session plan for our employees on our Code of Ethics, designed during this period.

4.3 PROJECT STRENGTH AND SOUNDNESS AND MAKING THE MOST OF OPPORTUNITIES

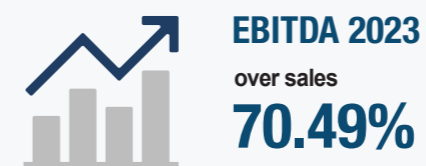
In a dynamic and constantly evolving world, value generation has become the cornerstone of our business strategy, oriented toward the present and the future. We recognise that, in order to generate sustainable value, it is imperative to engage our stakeholders in all areas of our business and make a strong commitment to them.

The essence of our business strategy is focused on innovation, renewal and sustainable growth, which are the pillars that underpin our commitment to sustainability, and the way these points contribute to the construction of a solid, resilient project.

In this sense, we have established a Responsible Procurement and Contracting Policy. We manage our resources efficiently and aim our investments toward sustainable development.

Resource optimisation, active participation in working groups in the sector, and the promotion of sustainable public transport, as part of a comprehensive sustainable urban mobility strategy, are specific actions that reinforce our capacity to generate economic value and furnish MLO's project with strength and soundness.

Our business strategy is founded on innovation, renewal and sustainable growth, involving our stakeholders and committing ourselves to building a solid, resilient project.



Economic Data	2022		2023	
Turnover	78.4 M€	100%	76.3 M€	100%
Net operating profit	61.7 M€	77.90%	53.8 M€	70.49%
Pre-tax profit	48.2 M€	61.40%	23.5 M€	30.87%
Applicable net profit	36.1 M€	46%	17.7 M€	23.15%
Aggregate investment in improvements	38.7 M€		43.1 M€	

Value generated, distributed and retained	2022	2023
Direct economic value generated	78.4 M€	76.3 M€
Economic value distributed	35.6 M€	53.2 M€
Economic value retained	42.8 M€	23.1 M€
Financial assistance received from the government (subsidies)	4 K€	19.5 K€
Investments in supported infrastructure and services	2 M€	4.3 M€

FISCAL APPROACH

Our Board of Directors is the governing body responsible for formally reviewing and approving the company's tax strategy.

We assume the commitment to comply with fiscal obligations in tax matters in a timely manner, in accordance with current regulations. Responsibility for the tax strategy and governance lies with our financial management, which has processes to identify, manage and monitor risks.

CHALLENGES FOR THE FUTURE

- Prepare a study on possible expansions of the MLO network.
- Analyse potential opportunities to generate and/or supply energy to third parties.

NOTEWORTHY ACTIVITIES 2022/2023

- We created a registration protocol for the participation of our employees in activities and events organised by professional associations in the sector.
- At MLO, we undertake to create an environment that drives innovation and the development of scientific knowledge in engineering in all areas, with an operations, maintenance and organisation-based approach. During this particular period, we want to highlight our innovative work in the development of a unique and exclusive design, as well as in the elaboration of execution plans for the staircase at our Montepíncipe stop, which serves San Pablo CEU University. The new structure combines a novel and accessible design, while offering an economical solution in terms of maintenance.
- We continued to focus on collaborative opportunities with leading universities, promoting innovation and technology transfer in the provision of commercial services, as well as with associations and other professionals in the public transport sector.
- We reviewed all the projects for technological renewal and handling obsolescence in order to be able to classify them as innovation projects and thus be able to present them in the annual accounts. During the period covered by this report, we carried out 97.04% of the projects included in the investment plan. Execution of the actions yet to be completed will continue in the near future.
- In order to propose improvements in sustainable urban mobility planning in the area surrounding MLO, we did an initial study of the concept map of the transport corridor within the MLO network. However, the emergence of new scenarios and variables to consider during the last half of 2023 forced us to reconsider and rethink the development of this study. It is therefore still in the analysis and development phase.
- We proceeded to produce and internally analyse a readjustment model of the concession's financial economic plan, which now contemplates the possibility of increasing the concession term beyond the initial 30 years.



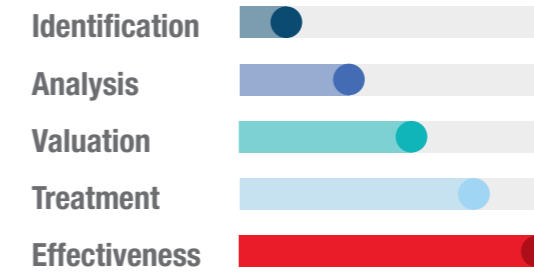
4.4 MANAGEMENT OF OPERATIONAL AND BUSINESS RISKS

In the area of operational and business risk management, our integrated system includes risks and opportunities in all our processes. This system allows us to address them properly by managing changes, minimizing negative impacts and maximizing opportunities to achieve the expected results and improve our performance.

In analysing the context of our organisation, we use a SWOT matrix (strengths, weaknesses, opportunities and threats), which evaluates the relevant internal and external factors. We carried out periodic reviews, and the last one of this period took place in November 2023. Moreover, we presented an ESG risk analysis to the Board of Directors that same year. These analyses and their results are essential for defining the strategic objectives for the next period.

In each section, we include the actions planned or carried out to mitigate the possible effects of the risks detected and take advantage of the opportunities analysed.

Our risks and opportunities fall into different categories, such as operational, rail/traffic safety, occupational risk prevention, environmental, information systems and data protection. They are managed based on a specific methodology:



Our integrated system addresses risks and opportunities in all processes, managing changes, minimizing impacts and maximizing results, supported by periodic SWOT and ESG analyses that allow us to define strategic objectives.

NOTEWORTHY ACTIVITIES 2022/2023

- We integrated the risk and opportunity management of all the analysis groups into a single platform, “MLO Portal”, along with the process for managing changes and monitoring the actions generated by these changes.
- We reviewed our long-term investment plan for 2023-2036 in response to possible network obsolescence, improvements and optimisations.
- Our Crisis Manual was recently updated and published on the employee portal, following the guidelines of the UNE-ISO 22320:2013 standard. This manual, complementary to the Self-Protection Plan, was designed with the specific objective of ensuring a coordinated and effective response of all areas to situations of special relevance.

In addition to this update, we developed specific action protocols for two critical scenarios: accidents involving serious injuries and/or victims, and extreme snowfall. These protocols not only cover the immediate response to such eventualities, but also include detailed monitoring of weather conditions that could affect our services. This way, we are prepared to anticipate and address service needs in the event of adverse weather events.

To ensure clear understanding and effective implementation of these measures, we created an action guide that integrates all this information. This guide was published and communicated to all areas internally, ensuring that all teams are properly informed and prepared to act in a coordinated and effective manner in the event of a crisis or emergency.

CHALLENGES FOR THE FUTURE

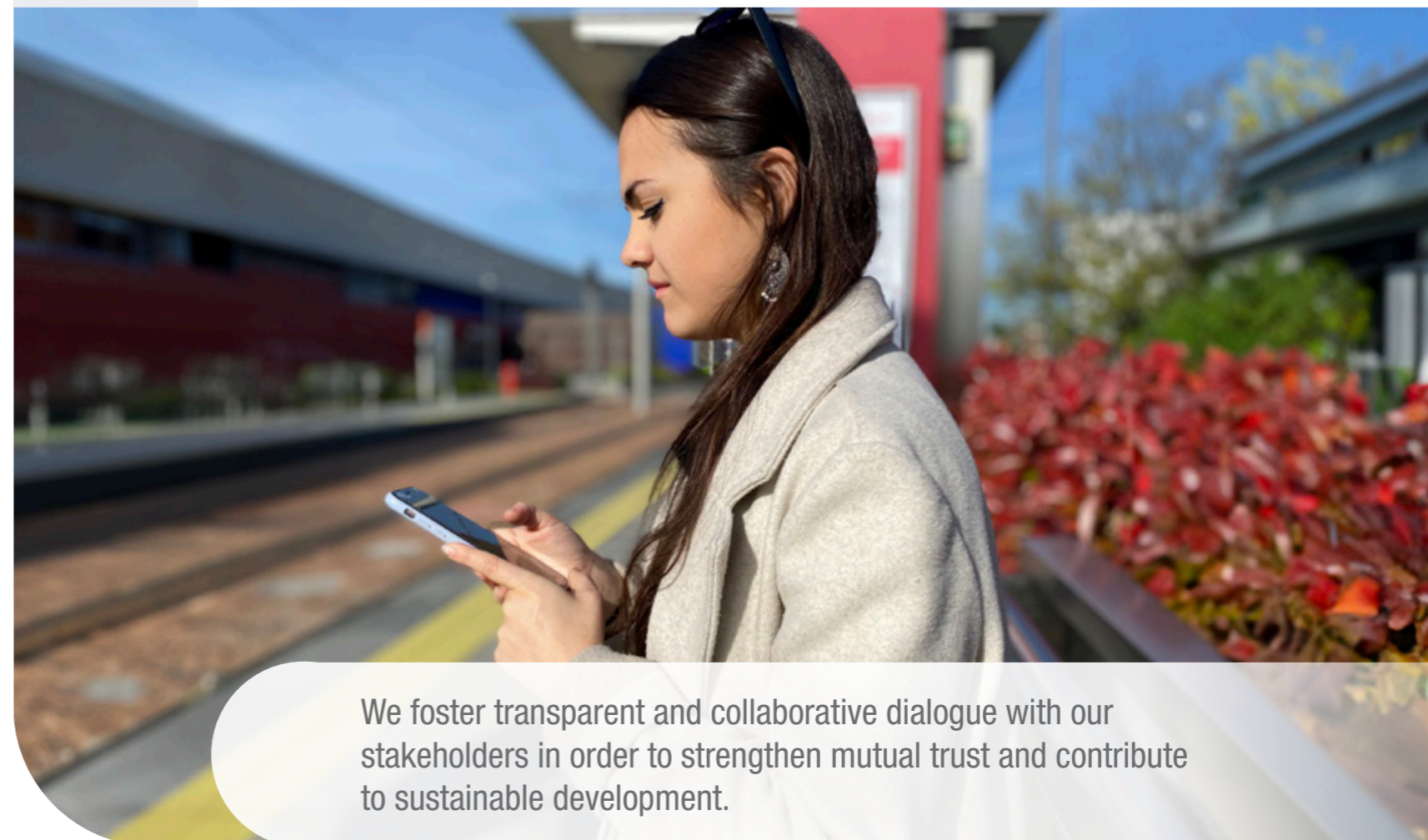
- Reformulate the company’s investment plan for the years 2025-2036, taking into account different service provision scenarios and the effect of equipment obsolescence.
- Implement the ENS (National Safety Scheme) and obtain the corresponding mid-level certification.

4.5 PROMOTING STAKEHOLDER DIALOGUE AND COMMUNICATION

In the current context of sustainability-oriented business management, strengthening transparency and effective communication with stakeholders has emerged as a fundamental element.

In an interconnected world, where business decisions have a direct impact on various spheres of society, the promotion of dialogue appears as an essential vehicle for understanding our stakeholders’ expectations, concerns and needs. Through transparent and proactive communication, we seek not only to provide information, but also to establish open and collaborative channels for a constructive exchange that enriches our decision-making and strengthens the bonds of mutual trust.

We make sure that relevant information is accessible, as well as encouraging genuine, two-way dialogue. This approach seeks to contribute to sustainable development by building strong and transparent relationships with our employees, customers, suppliers and the broader community.



We foster transparent and collaborative dialogue with our stakeholders in order to strengthen mutual trust and contribute to sustainable development.



MLO APP*

5,948 DOWNLOADS
Average for the 2022/2023 period

+66%
compared to the previous period

MLO WEBSITE*

277,716 VISITS
Average for the 2022/2023 period

+25%
compared to the previous period

2022 PERIOD
271,115 VISITS

2023 PERIOD
284,316 VISITS

*Visitors to our website and MLO application are frequent commercial service passengers.

MLO PROFILES ON OUR SOCIAL MEDIA THROUGH DECEMBER 2023



FACEBOOK
11,186
FOLLOWERS



X
3,800
FOLLOWERS



INSTAGRAM
3,000
FOLLOWERS



LINKEDIN
972
FOLLOWERS



TIKTOK
1,189*
FOLLOWERS

* Launched in 2023

There have been no substantiated claims regarding privacy violations or loss of customer data during this period.

ACTUACIONES DESTACADAS 2022/2023

- We published our third Sustainability Report following GRI Standards guidelines, incorporating an English edition.
- In our search to identify more effective communication channels and perfect the process of listening and responding to our stakeholders, we launched our channel on TikTok, in addition to finalising the study for the implementation of a customer service channel through our WhatsAppMLO.
- Additionally, we developed improved selection and planning of informative content aimed at passengers, which will be published through our various communication channels.
- In terms of our interaction with stakeholders, we evaluated the results of an internal survey and made substantial improvements. These improvements include digitising the relationship map on the MLO Portal, updating our communication channels, and planning specific actions in line with the needs and expectations identified.
- Regarding our “visitor” stakeholders, we perfected the protocol for managing these visits. This improvement includes the updating of information materials intended for them, including the program, safety information, and the implementation of a visit satisfaction assessment process to collect feedback and thus continuously optimise their experience.

CHALLENGES FOR THE FUTURE

- Implement a pilot test of the instant messaging customer service channel.



GRI INDEX

Declaration of use	Metro Ligerio Oeste, S.A has prepared the report in accordance with GRI standards for the period between January 2022 and December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	Non-existent as of the date of publication

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF. NO. FROM THE GRI SECTOR STANDARD
			REQUIREMENTS	REASON	EXPLANATION	
General contents						
GRI 2: General Disclosures 2021	2-1 Organisational details	MLO Profile				
	2-2 Entities included in the preparation of the organisation's sustainability reports	MLO Profile				
	2-3 Period covered in the report, frequency and contact point	Report Profile				
	2-4 Restatements of information	-		No corrections have been made to previously published information		
	2-5 External assurance	Report Profile				
	2-6 Activities, value chain and other business relationships	MLO Profile				
	2-7 Employees	MLO Profile				
	2-8 Workers who are not employees	MLO Profile				
	2-9 Governance structure and composition	MLO profile / Governance structure				
	2-10 Designation and selection of the top management body	MLO profile / Governance structure				
	2-11 Chairman of the top management body	MLO profile / Governance structure				
	2-12 Role of the top management body in overseeing impact management	MLO profile / Governance structure				
	2-13 Delegation of responsibility for impact management	MLO profile / Governance structure				
	2-14 Role of the top management body in presenting sustainability reports	MLO profile / Governance structure				
	2-15 Conflicts of interest	MLO profile / Governance structure				
	2-16 Communication of critical concerns	MLO profile / Governance structure				
	2-17 Collective knowledge of the top management body	MLO profile / Governance structure				
	2-18 Evaluation of the top management body's performance	MLO profile / Governance structure				
	2-19 Remuneration policies	MLO profile / Governance structure				
	2-20 Process for determining remuneration	MLO profile / Governance structure				
	2-21 Total annual compensation ratio	MLO profile / Governance structure				
	2-22 Declaration on the Sustainable Development Strategy	Letter from the Chairman				
	2-23 Commitments and policies	About us				
	2-24 Incorporation of commitments and policies	About us				
	2-25 Processes to remedy negative impacts	About us				
	2-26 Mechanisms for seeking advice and raising concerns	About us				
	2-27 Compliance with legislation and regulations	About us				
	2-28 Membership in associations	About us				
	2-29 Approach to stakeholder engagement	Management approach				
	2-30 Collective bargaining agreements	MLO Profile				
Material topics						
GRI 3: Material topics 2021	3-1 Process for identifying material topics	Management approach				
	3-2 List of material topics	Management approach				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF. NO. FROM THE GRI SECTOR STANDARD
			REQUIREMENTS	REASON	EXPLANATION	
Economic performance						
GRI 3: Material topics 2021	3-3 Managing the material topics	4.3. Project strength and soundness and making the most of opportunities				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4.3. Project strength and soundness and making the most of opportunities				
	201-4 Financial assistance received from the government	4.3. Project strength and soundness and making the most of opportunities				
Market presence						
GRI 3: Material topics 2021	3-3 Managing the material topics	2.4. Internal dialogue and labour practices/ Wage equity				
GRI 202: Market presence 2016	202-1 Ratios between the standard initial grade salary by gender and the local minimum wage	2.4. Internal dialogue and labour practices/ Wage equity				
Indirect Economic Impacts						
GRI 3: Material topics 2021	3-3 Managing the material topics	3. Relationships with users, suppliers and the local community				
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	4.3. Project strength and soundness and making the most of opportunities				
	203-2 Significant indirect economic impacts	3. Relationships with users, suppliers and the local community				
Sourcing practices						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.4. Responsible supplier relationship management				
GRI 204: Sourcing practices 2016	204-1 Proportion of spending on local suppliers	3.4. Responsible supplier relationship management				
Anticorruption						
GRI 3: Material topics 2021	3-3 Managing the material topics	4.2. Ethics and integrity in business activities				
GRI 205: Anticorruption 2016	205-1 Operations assessed on the basis of corruption-related risks	4.2. Ethics and integrity in business activities				
	205-2 Communications and training on anticorruption policies and procedures	4.2. Ethics and integrity in business activities				
	205-3 Confirmed incidents of corruption and actions taken	4.2. Ethics and integrity in business activities				
Taxation						
GRI 3: Material topics 2021	3-3 Managing the material topics	4.3. Project strength and soundness and making the most of opportunities/ Tax system				
GRI 207: Taxation 2019	207-1 Tax system	4.3. Project strength and soundness and making the most of opportunities/ Tax system				
	207-2 Fiscal governance control and risk management	4.3. Project strength and soundness and making the most of opportunities/ Tax system				
Materials						
GRI 3: Material topics 2021	3-3 Managing the material topics	-		This issue is not considered relevant		
Energy						
GRI 3: Material topics 2021	3-3 Managing the material topics	1.1. Energy efficiency and consumption of natural resources				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	1.1. Energy efficiency and consumption of natural resources				
	302-3 Energy intensity	1.1. Energy efficiency and consumption of natural resources				
	302-4 Reduction of energy consumption	1.1. Energy efficiency and consumption of natural resources				
	302-5 Reduction of energy requirements for products and services	1.1. Energy efficiency and consumption of natural resources				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF. NO. FROM THE GRI SECTOR STANDARD
			REQUIREMENTS	REASON	EXPLANATION	
Water and effluents						
GRI 3: Material topics 2021	3-3 Managing the material topics	1.1. Energy efficiency and consumption of natural resources				
GRI 303: Water and effluents 2018	303-4 Water discharge	1.1. Energy efficiency and consumption of natural resources				
	303-5 Water consumption	1.1. Energy efficiency and consumption of natural resources				
Emissions						
GRI 3: Material topics 2021	3-3 Managing the material topics	1.1. Energy efficiency and consumption of natural resources				
GRI 305: Emissions 2016	305-1 Direct GHG emissions (scope 1)	1.1. Energy efficiency and consumption of natural resources				
	305-2 Indirect energy-associated GHG emissions (scope 2)	1.1. Energy efficiency and consumption of natural resources				
	305-3 Other indirect GHG emissions (Scope 3)	-	We do not currently have the calculation	We will soon report on the calculations corresponding to these emissions		
	305-4 GHG emission intensity	1.1. Energy efficiency and consumption of natural resources				
	305-5 Reduction of GHG emissions	1.1. Energy efficiency and consumption of natural resources				
	305-6 Emissions of ozone-depleting substances(ODS)	-	They are not monitored because they are not material			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions into the air	1.2. Impacts on the environment				
Waste						
GRI 3: Material topics 2021	3-3 Managing the material topics	1.2. Impacts on the environment				
GRI 306: Waste 2020	306-3 Waste generated	1.2. Impacts on the environment				
	306-4 Waste not intended for disposal	1.2. Impacts on the environment				
	306-5 Waste intended for disposal	1.2. Impacts on the environment				
Environmental assessment of suppliers						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.4. Responsible supplier relationship management				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.4. Responsible supplier relationship management				
Employment						
GRI 3: Material topics 2021	3-3 Managing the material topics	2. Social: People and their development				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2.2. Family - work balance				
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees	2.2. Family - work balance				
	401-3 Parental leave	2.2. Family - work balance				
Health and safety at work						
GRI 3: Material topics 2021	3-3 Managing the material topics	2.3. Occupational health and safety				
GRI 403: Health and safety at work 2018	403-1 Occupational health and safety management system	2.3. Occupational health and safety				
	403-2 Hazard identification, risk assessment and incident investigation	2.3. Occupational health and safety				
	403-3 Workplace health services	2.3. Occupational health and safety				
	403-4 Workers' participation, consultation and communication on health and safety at work	2.3. Occupational health and safety				
	403-5 Occupational health and safety management system	2.3. Occupational health and safety				
	403-6 Promotion of employee health	2.3. Occupational health and safety				

GRI STANDARD / OTHER SOURCE	CONTENT	LOCATION	OMISSION			REF. NO. FROM THE GRI SECTOR STANDARD
			REQUIREMENTS	REASON	EXPLANATION	
	403-7 Prevention and mitigation of impacts on health and safety at work with a direct link through business relationships	3.4. Responsible supplier relationship management				
	403-8 Occupational health and safety management system coverage	2.3. Occupational health and safety				
	403-9 Injuries due to work accidents	2.3. Occupational health and safety				
	403-10 Occupational ailments and diseases	2.3. Occupational health and safety				
Training and education						
GRI 3: Material topics 2021	3-3 Managing the material topics	2.1. Management of our talent				
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	2.1. Management of our talent				
	404-2 Employee skills development programs and transition assistance programs	2.1. Management of our talent				
	404-3 Percentage of employees who receive periodic evaluations of their performance and career development	2.1. Management of our talent				
Diversity and equal opportunity						
GRI 3: Material topics 2021	3-3 Managing the material topics	2.4. Internal dialogue and labour practices				
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	2.4. Internal dialogue and labour practices				
	405-2 Ratio between the basic salary and the remuneration of women and men	2.4. Internal dialogue and labour practices/ Wage equity				
Non-discrimination						
GRI 3: Material topics 2021	3-3 Managing the material topics	2.4. Internal dialogue and labour practices				
GRI 406: Non-discrimination 2016	406-1 Cases of discrimination and corrective actions taken	2.4. Internal dialogue and labour practices				
Local communities						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.3. Social actions with the local community				
GRI 413: Local communities 2016	413-1 Operations with local community participation programs, impact assessments and development	3.3. Social actions with the local community				
Social assessment of suppliers						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.4. Responsible supplier relationship management				
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers that were screened using social criteria	3.4. Responsible supplier relationship management				
Customer health and safety						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.1. Quality and transparency in service delivery				
	416-2 Non-compliance cases relating to the impacts of product and service categories on health and safety	3.1. Quality and transparency in service delivery				
Marketing and labelling						
GRI 3: Material topics 2021	3-3 Managing the material topics	3.1. Quality and transparency in service delivery				
GRI 417: Marketing and labelling 2016	417-1 Requirements for information and labelling of products and services	3.1. Quality and transparency in service delivery				
Privacidad del cliente						
GRI 3: Material topics 2021	3-3 Managing the material topics	4.5. Promoting dialogue and communication with stakeholders				
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and loss of customer data	4.5. Promoting dialogue and communication with stakeholders				



metroligero
oeste