

2021

ANNUAL SUSTAINABILITY
REPORT



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KEY FIGURES FOR 2021

METROVACESA



Active projects

Active units

7,561 units

138 projects

Under comercialization

5,555 units €303k ASP/unit

104 projects

Sales Backlog

3,033 Sold units

€850m (€280k ASP/unit)



Construction

4,007 units

81 projects



Delivery/Sales

1,627 units delivered

€290k ASP/unit

2,093 Pre-sold units

€275k ASP/unit



Land portfolio

42.9 Land sales €m

32,000 Units in land bank

82% Fully permitted



Financials

2,599.3 GAV €m (Dec. 2021)

15.8 NAV €/share (Dec. 2021)

6.2% LTV (Dec. 2021)



Good governance

260.0

Sustainable
corporate debt €m

0

Administrative sanctions
and significant fines for
non-compliance in matters
of corruption

0

Administrative sanctions and
significant fines for non-compliance
in matters of unfair competition,
monopolistic practices and against
free competition



Profit and loss

510.7

Revenues €m

50.8

EBITDA €m

23.7

Pre-tax
profit €m

18.5

Net profit €m



Environmental impact

82%

of homes with
CEE BB or
higher

100%

Environmental
Management System
certification target
(ISO 14001) for
corporate buildings
and residential
development activity

0

Administrative
sanctions for any
infringement of
environmental
regulations

100%

Target for the
implementation of the
domum commitment
in new projects
undertaken



Corporate impact

203

Employees at
year-end

41%

Proportion of women
in the workforce

96%

Proportion of workforce
with permanent
contracts

598.7

Economic value
distributed €m⁽²⁾

295.3

Purchases
volume €m

512.4

Economic value
generated €m⁽¹⁾

(1) Economic value generated calculated as a sum of the items of ordinary income, other income and gains/losses on sale of fixed assets. Data obtained from the 2021 Consolidated Annual Financial Statements of Metrovacesa S.A. and Subsidiaries.

(2) Economic value distributed calculated as a sum of the items of inventory costs, operating costs, financial costs, personnel costs, payments to the Public Authorities and distribution of dividends. Data obtained from the 2021 Consolidated Annual Financial Statements of Metrovacesa S.A. and Subsidiaries.

LETTER FROM THE CEO

Jorge Pérez de Leza, CEO of Metrovacesa



We are in constant progress and evolution. The year 2021, while it started with a significant improvement compared to the same context in the previous year, it has not been free of great challenges. We started the year with a progressive advance against the pandemic thanks to the arrival of vaccines, but it is still part of our lives, and the economy, which retook the path of growth with a 5% advance in GDP, still has a large potential for improvement. In this context, the real estate sector has remained stable, moving forward in its activity with the solidity it has maintained for years.

In the specific case of Metrovacesa, we closed 2021 with the best results since our return to the stock exchange, tripling revenues and with a net profit of 18.5 million euros. Thanks to the strength of these results and driven by a significant increase in housing deliveries and improved margins, Metrovacesa surpassed its annual target for free cash flow, reaching 176.5 million euros. This strong cash generation has allowed us to distribute two dividends totalling 121 million euros in 2021.

We are constantly moving and evolving. At Metrovacesa, we continue to work with enthusiasm in our commitment to contribute value to all our stakeholders.

We expect this positive path to be maintained in 2022, even though we cannot ignore the uncertainty resulting from the recent conflict generated in Europe, after Russia's invasion of Ukraine. I would like to take this opportunity to show my support and solidarity to all those people who are suffering the consequences of such terrible events, which hit us all, not only at an economic and geopolitical level, but also at a social level. Undoubtedly, in this convulsive context, the best response is unity and commitment. At Metrovacesa, we continue to work with all our enthusiasm with the aim of reinforcing our commitment to contribute long-term value to society, to the economy and to the environment.

We are fully aware of the responsibility that companies have and of our contribution to progress towards a more sustainable, advanced, and inclusive society, so I would like to highlight the impact that our activity has had in this regard. We have firmly followed our mission to seek added value growth to satisfy all our stakeholders, making investments that contribute to long-term sustainable development. Therefore, I cannot fail to highlight some of the most relevant achievements made in this period.

Our sustainability strategy fits naturally with our activity and is focused on the development of a responsible and sustainable business model.

In 2021, Metrovacesa has continued to advance in its solid commitment to respect and preserve the environment, social development, and economic boost throughout the entire value chain, through the strategic lines, objectives and proposals framed in the company's sustainability strategy.

In **environmental terms**, it is worth mentioning the signing of a collaboration agreement with Green Building Council España (GBCe) to integrate and certify the sustainability of our projects through the VERDE certification. Additionally, Metrovacesa launched in 2021 the domum initiative, an internally created certification system that allows us to reinforce the requirements of the current regulations and measure the environmental impact of our developments, as well as their economic, health and wellbeing criteria.

From the **social dimension**, Metrovacesa participates in actions and programs to actively promote the development of the communities in which it operates. Thus, in 2021, the company joined the United Nations Global Compact, the largest corporate sustainability initiative in the world, to which we maintain our commitment. The company has also joined Forética and has collaborated during the 2021 fiscal year in the 'Sustainable Cities 2030' project, contributing its experience in the field of sustainable urbanism and working with the rest of the associated companies to identify and address challenges of modern cities.

We have a well-trained team with motivation and initiative, in an environment where special attention is paid to diversity, training, innovation and flexibility at work. Thus, Metrovacesa's Board of Directors approved the Equality and Diversity Policy, which is articulated through the Equality and Attention to Diversity Plan, aimed to guarantee the absence of discrimination and to promote full inclusion. In addition, it has developed the Health and Safety Policy, also approved by the Board of Directors in 2021, which reflects the company's commitment to the health and safety of all its employees, as well as the collaborators working on its projects and its clients.

Finally, as a socially responsible company, Metrovacesa maintains a commitment to the social development of the communities in which it operates. In this regard, the Management Committee has approved the Social Action Strategy, which sets out the general guidelines on which the company's annual Social Action plans are developed.

In terms of **governance**, it should be noted that the Board of Directors added the supervision and monitoring of sustainability policies to the functions of the Nominating, Compensation and Sustainability Committee (CNRS on its Spanish acronym) and has linked ESG objectives to the variable compensation of the management team and the entire workforce by 2022.

The detailed work reflected in these data is included in the following pages of this report, which I encourage you to read in detail as it is a good example of how, we can respond to the demands of society, create value and share it with all our stakeholders in a challenging context, with unity, commitment and enthusiasm.

We are confident in the future, and in 2022 we will continue to strive to make this a sustainable, transparent, integrated, and digitized Company, with solid pillars that will enable us to take advantage of all the opportunities that are yet to come.

1

LONG-TERM VALUE CREATION

1.1. Business model

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1.2. Context and trends

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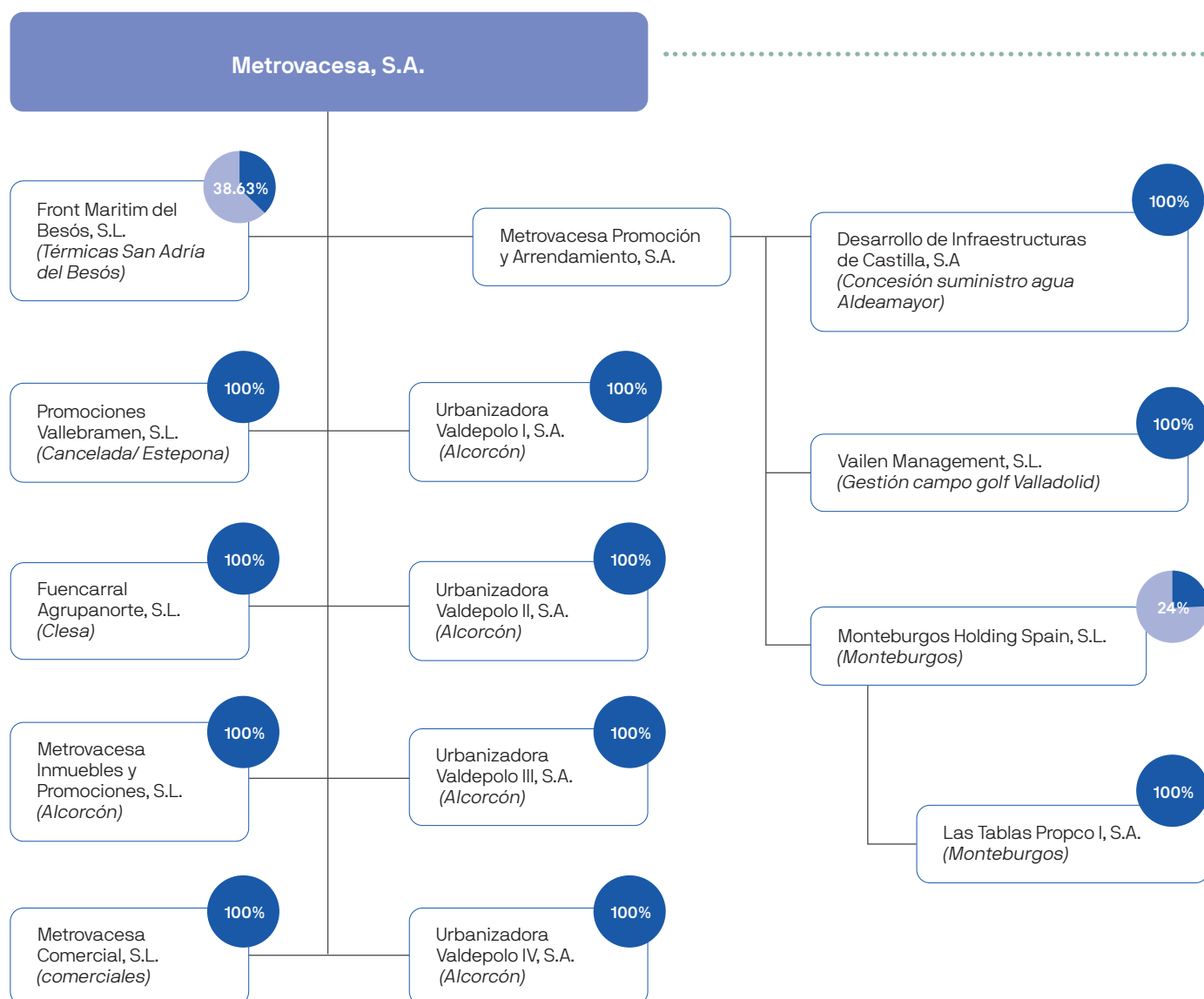
1.1. Business model

Metrovacesa is a benchmark company in the residential development sector in Spain with over 100 years of history behind it.

With a potential development of up to 32,000 homes and a Gross Asset Value (GAV) of 2,599 million euros at December 2021.

Our core activity focuses on **residential development**, complemented by the **development of tertiary projects** and the **active management and sale of land**.

Metrovacesa, S.A., as the parent company, accounted for 95% of the Metrovacesa Group income in 2021, which is made up of the following companies:



Value chain

Metrovacesa is present in all stages of the value chain: from land management, housing development and tertiary development, to land sales:

Land management

Urban land transformation in agreement with different stakeholders



Promotion of innovative and sustainable housing

- Sales to private individuals (BtS)
- Institutional sales (BtR)



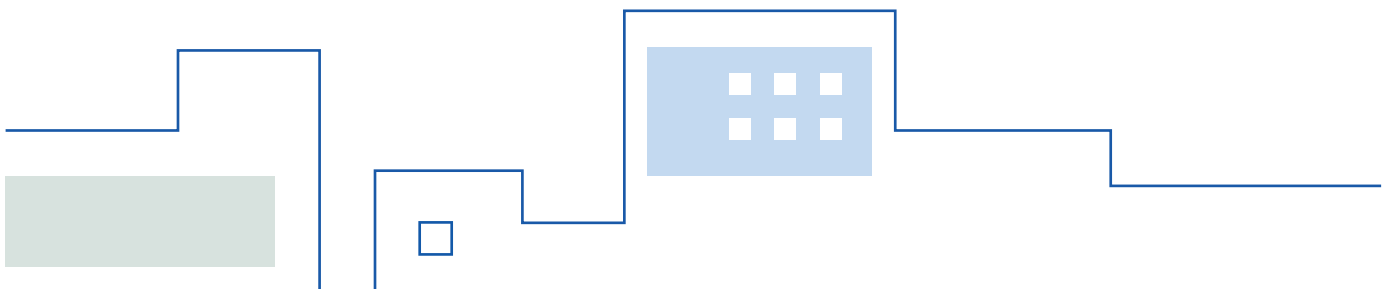
Tertiary Development

- Turnkey projects
- Through JVs



Land sales

With higher concentration of Tertiary use



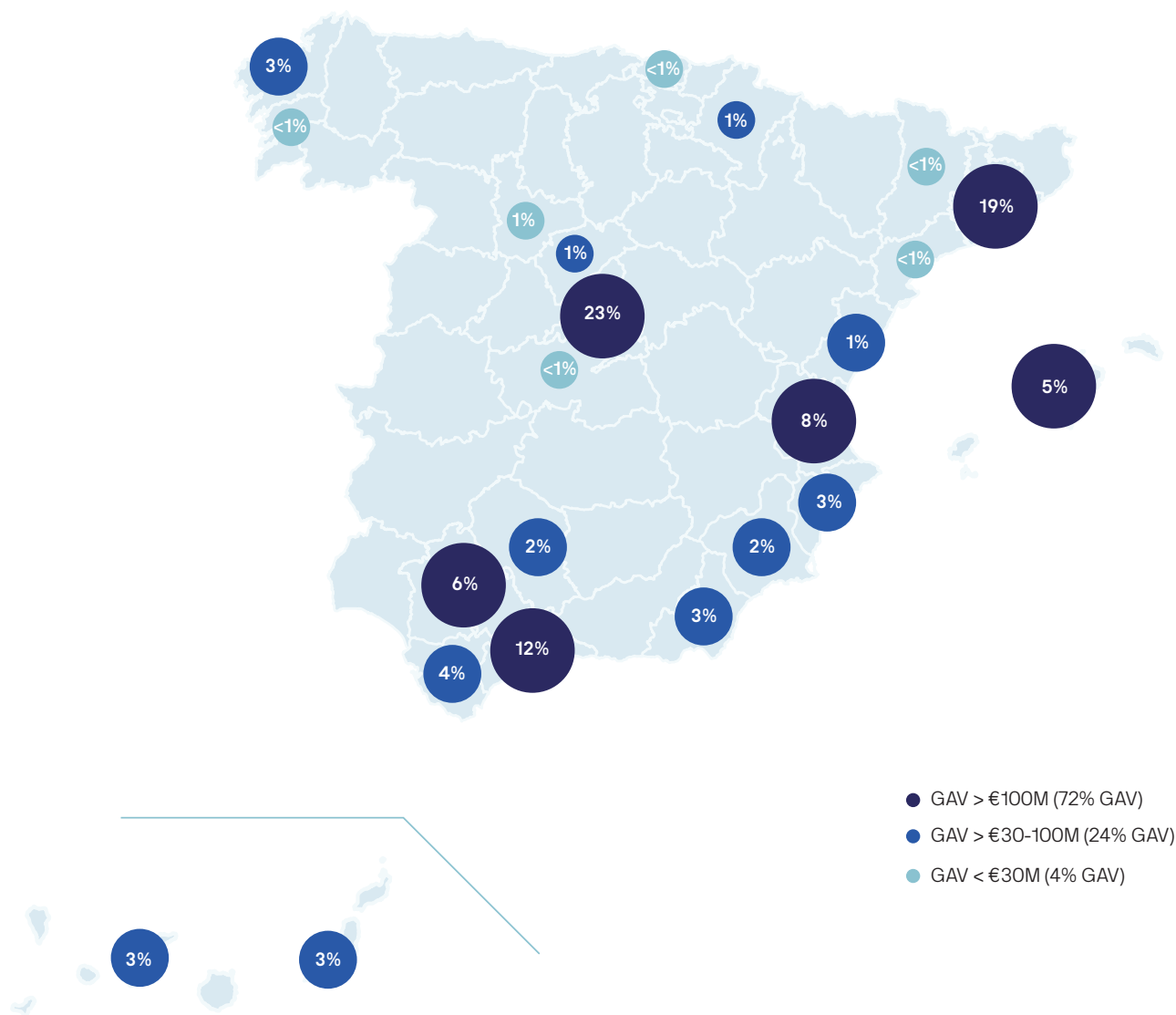
Location of activities

Metrovacesa operates under Spanish law, is registered in Madrid and has its registered office at Calle Quintanavides, 13, Parque Empresarial Vía Norte, 28050, Madrid, Spain.

The Company pursues its corporate activity nationally through its five branch offices:

- Western Andalusia
- Eastern Andalusia
- Catalonia
- Centre - North - Canary Islands
- Levante

The geographic distribution of the Group's asset portfolio, in terms of GAV, is shown below:



The percentage values correspond to the weight in its GAV of each province in the total Group portfolio. Provinces where the Company has a smaller presence, under 10 million euros of its GAV, are not indicated on the map.

Mission, vision and values

Mission



- To provide society with **integrated development solutions** that facilitate home-making and enhance customers lives by means of providing services to top quality, cost and time standards, **always from a socially responsible perspective**.
- To strive for **greater added value** for all stakeholders, investing in **sustainable, long-term development**.
- To combine **sector trends** in real estate development and construction with the **know-how** that comes from the Company's extensive **experience**.

Values



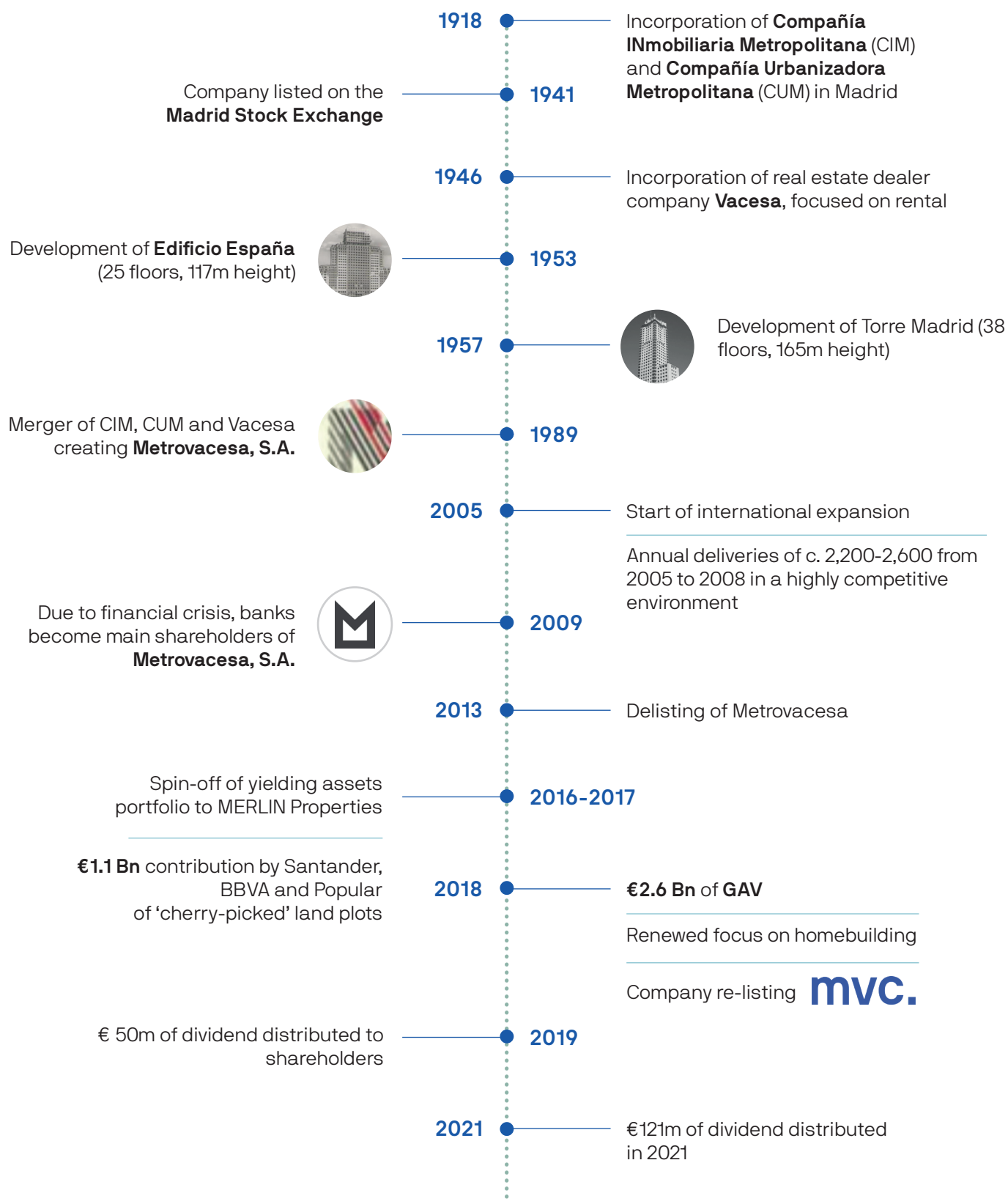
- **Customer-focused:** to prioritise customers in all initiatives, given their satisfaction is Metrovacesa's goal. Accordingly, we strive to meet customer expectations and accompany them throughout the life cycle of the project, maintaining the relationship even after the property has been completed and handed over.
- **Caring for communities:** one of the aspects that sets Metrovacesa apart lies in the benefits it brings to the communities where it operates, providing solutions that enhance people's daily lives.
- **Top quality products:** to offer top quality products that combine innovation with care for the environment. The Company is continually striving to find new work methods, selecting new materials and incorporating new technologies that always represent an innovation in the real estate sector.
- **Return for shareholders:** to work to maximise long-term returns for shareholders, focusing on risk management, while always mindful of Company responsibilities.
- **Committed team:** to endeavour to provide a safe and pleasant environment for employees, in keeping with Company strategy, looking after their development and well-being, seeking their input in the decision-making process and respecting them as persons.
- **Perfect corporate governance:** to operate in an ethical and socially responsible manner. To observe the law, protect the environment and cherish integrity. And promote gender equality and the integration of vulnerable groups.

Vision



To become the leading company in the residential market, the go-to company for customers, employees, communities and shareholders and to continually improve Company financial and operating results, while observing only the highest standards of business conduct.

Over 100 years doing business



Metrovacesa strategy

The Metrovacesa **business strategy** is underpinned by **Company values and principles** and takes a **sustainable approach** to the pursuit of its corporate activities.

Our long-term objectives

1

To reinforce our leading position as a housing developer in Spain.

2

To reach an activity volume of 2,500+ units annually.

3

To have an optimised land portfolio size of c. 6 years of residential activity.

4

Progressively reduce our exposure to commercial assets.

Our path to do it



1.2. Context and trends

Sector context

The Spanish economy grew by 5% in 2021 after recording the biggest adjustment in its history the year before. The **building sector had a positive 2021**, characterised by its capacity to withstand adverse events caused by legislative insecurity and the challenges it has faced, which will persist in the short and medium term.

As far as activity is concerned, a **buoyant demand proved too much for supply** resulting in an upward price swing. Sector employment reflected this heightened demand, thus explaining the net creation of 50,000 jobs in 2021, which marks a 4% rise with respect to the year before and accounts for 6% of all the jobs created in the economy, which is in line with the overall weight of the sector.

In 2021, one of the main challenges the building sector has faced in general, and the residential one in particular, was the rise in construction costs. These increases are mainly explained by the supply bottleneck in certain materials, specifically, the availability and subsequent distribution of some raw materials.

In terms of the residential sector, **the housing demand was particularly dynamic in 2021**, increasing during the year. The number of operations rose to 674,000 houses according to the Spanish Ministry of Transport, Mobility and Urban Agenda (MITMA) figures in 2021, as opposed to 487,300 in 2020 (+38.3%) and 570,000 in 2019 (+18.2%). Operations in new homes was particularly positive, with the purchase and sale of 71,700 homes, 10.6% of the total, albeit still far removed from the 25% average since 2007. Foreign demand accounted for 15% of the purchase and sale transactions according to the Ministry, which is in keeping with 2020 figures, albeit slightly lower than those for 2019.

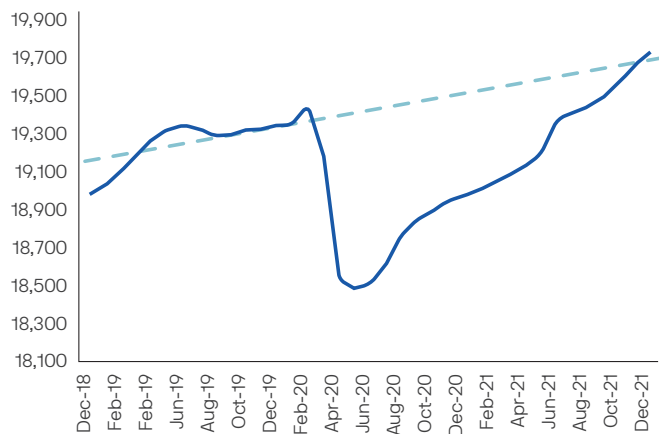
Within the residential sector, **the build-to-rent segment proved one of the most dynamic in 2021**, with 75% of the investment being concentrated, according to CBRE data, in the living segment, and accounting for 55% of the total investment in the sector. The dynamism in this sector can be explained by the attractive returns for investors, given the minimum historical interest rates which, although they greatly facilitate access to financing, also weaken the attraction of investing in alternative assets, particularly in a context of prospectively heightened inflation.

The average house price continued to rise in 2021, by around 3% according to the Spanish National Statistics Institute (INE), in response to the growth in demand. In any event, this rise tends to fluctuate depending on the source consulted, ranging from the 1.5% claimed by the Ministry to 4.5% according to Notaries Public, and seems to have been greater in new homes than in resale ones.

Moreover, **supply also performed well in 2021, despite proving less buoyant than demand**. The number of planning permissions issued for new constructions would be slightly under the 110,000 unit mark for 2021, which represents a rise of over 27% with respect to 2020 - greatly impacted by lockdown - and of 2.4% compared to 2019 figures.

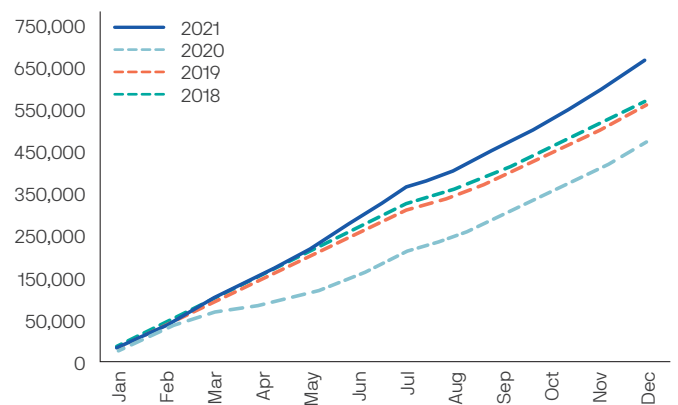
Other supply indicators also pointed in the same direction: **houses begun in 2021 amounted to 108,100 units, which reflects a rise of 26.6% with respect to 2020 and 1.8% on 2019**. Furthermore, **91,400 houses were finished in 2021, which is 6.3% and 16.0% up on 2020 and 2019 respectively**.

Spain: Registration with the Department of Social Security (CVEC) and growth trend prior to the pandemic



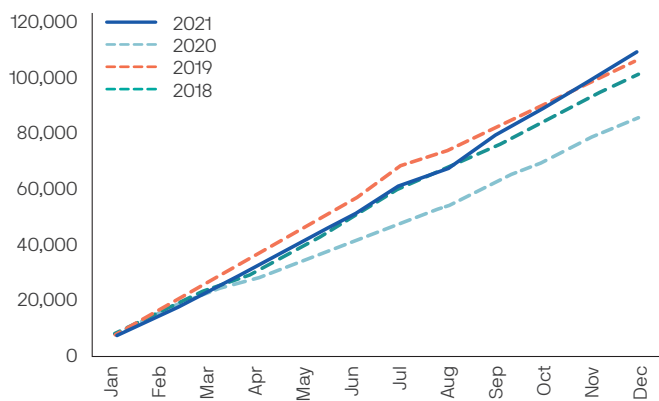
Source: Metrovacesa based on the Department of Social Security

Spain: house sales; Annual accrual



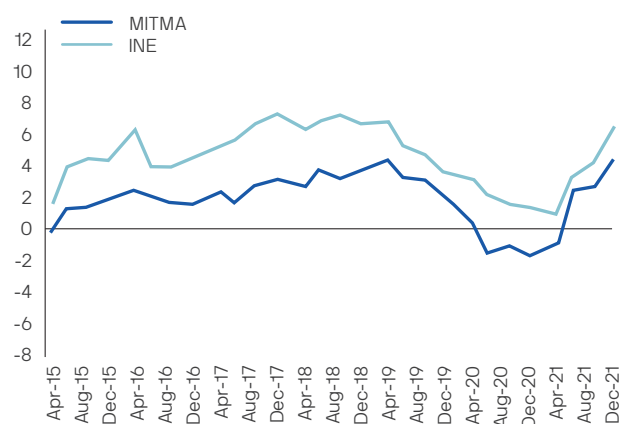
Source: Metrovacesa based on MITMA

Spain: house planning permissions; Annual accrual



Source: Metrovacesa based on MITMA

Spain: price rises (year-on-year, %)



Source: Metrovacesa based on national sources

Sector sustainability trends

The **real estate sector** has been **one of those most impacted by the economic and health crisis** caused by the pandemic, which has seen a slow-down in its activity. Likewise, due to new habits acquired mostly during lockdown, **sector transformation has speeded up** vis-à-vis the integration of **new technologies, flexibility** and the **key role played by sustainability**.

What follows is an analysis of the **main trends that will potentially impact the residential development sector**, the business and Metrovacesa stakeholders.

Trend 1: Climate change and the energy transition



At present, buildings cause 40% of pollutant gas emissions and account for 40% of energy consumption according to the World Green Building Council. Owing to these high energy consumption levels and the heavy dependence on fossil fuels, the building sector and buildings have a key role to play in the transition to renewable and sustainable energies to reduce the carbon footprint. Progress has been made towards more sustainable buildings and constructions, with energy transition paving the way towards this transformation. Advances have also been made in Spanish regulations to fight against climate change, such as the Climate Change and Energy Transition Law, approved in May 2021. Indeed, 2020 saw the coming into force of the Building Technical Code, which requires that newly constructed buildings have practically zero energy consumption.

Metrovacesa's strategic response

Metrovacesa is committed to the transformation process towards a low carbon economy, thereby meeting Sustainable Development Goals (SDGs) and the Paris Agreement. The Company has an environmental management framework in place to ensure respect for the environment and to reduce the impact of its activities. In 2021, it began to implement the ISO 14001 based Environmental Management System with a view to obtaining certification in 2022. Likewise, 2021 saw Metrovacesa join the Green Building Council España (GBCe), the main sustainable building organisation in Spain.

The Company continues to make progress in its commitment to sustainability with a new framework that reaffirms its commitment to the domum quality and sustainability, which sustainably optimises the design and building of its developments. This quality framework encompasses aspects such as energy efficiency and the circular economy.

Trend 2: Sustainable Investment and Financing



The economic and health crisis caused by COVID-19 has seen investors become more strict when it comes to environmental, social, and good governance-related criteria. At the forefront of sustainable investment, the European Union has implemented policies and regulations such as the Sustainable Finance Plan that promotes the aforementioned investment. Furthermore, ratings agencies – including Standard & Poor's, Moody's & Fitch and Morningstar – have added a rating on ESG levels of compliance to their regular financial analysis. Greater awareness of local and European regulations on environmental matters and the commitment of managers and agencies to sustainable development has brought about a paradigm shift in the sector.

Metrovacesa's strategic response

In 2021, Metrovacesa restructured its corporate debt with sustainable financing. The funds obtained by the Company will be allocated to investment in the start of sustainable developments with a confirmed business interest. This sustainable financing is arranged in accordance with Loan Market Association (LMA) Sustainability-Linked Loan Principles (SLLP) thereby attesting to the Company's firm commitment to sustainability.

Trend 3: Circular economy



The building sector is the biggest consumer of raw material and responsible for 35% of globally generated waste. Unstoppable population growth, particularly in urban areas will increase this demand, thereby causing an important shortage of resources. Most of the products used in building processes are highly recyclable, so there is a need to opt for the construction of sustainable buildings and to make greater use of recycled materials. Implementing a circular economy model when designing big city infrastructures will be a key factor in reducing the carbon footprint and achieving goals in the fight against climate change.

Metrovacesa's strategic response

We at Metrovacesa are committed to implementing a circular model; one that will maximise the use of resources to mitigate the environmental impact. This commitment is reflected in the 2020-2022 Sustainability Plan through measures such as the design of a circular economy corporate strategy to define management principles for raw materials, energy, water and waste.

Moreover, in 2021 a life cycle assessment (LCA) was carried out on new developments to identify and assess the impact of the carbon footprint on the buildings with a view to establishing measures to minimise environmental impacts on the operations.

Trend 4: Digitalisation and innovation



Technologically speaking, the real estate sector has advanced greatly over the last year due to the pandemic. Companies have had to reinvent themselves to be able to continue offering their assets more securely, thus turning to technological solutions that have transformed the sector. Moreover, data analysis provides the sector with the possibility of obtaining information in real time on project progress.

On the other hand, cybersecurity is one of the main challenges facing companies. In this regard, it is essential that tools be implemented to detect and take action against cyber attacks.

Metrovacesa's strategic response

At Metrovacesa digitalisation and innovation have been encouraged as key aspects to develop sustainable business. To this end, tools have been implemented both internally and externally to be able to guarantee an enhanced customer experience.

In 2022, our alliance with Datacasa Proptech will be consolidated to market homes by means of a virtual reality space, more popularly known as the Metaverse. This enables the Company to offer innovative and interactive forms that sets it apart from its sector competitors.

As far as cybersecurity is concerned, efforts are ongoing to strengthen the Company's systems through checks and identifying possible areas for improvement. Furthermore, the KnowBe4 platform has been developed to promote digital user awareness in this area.

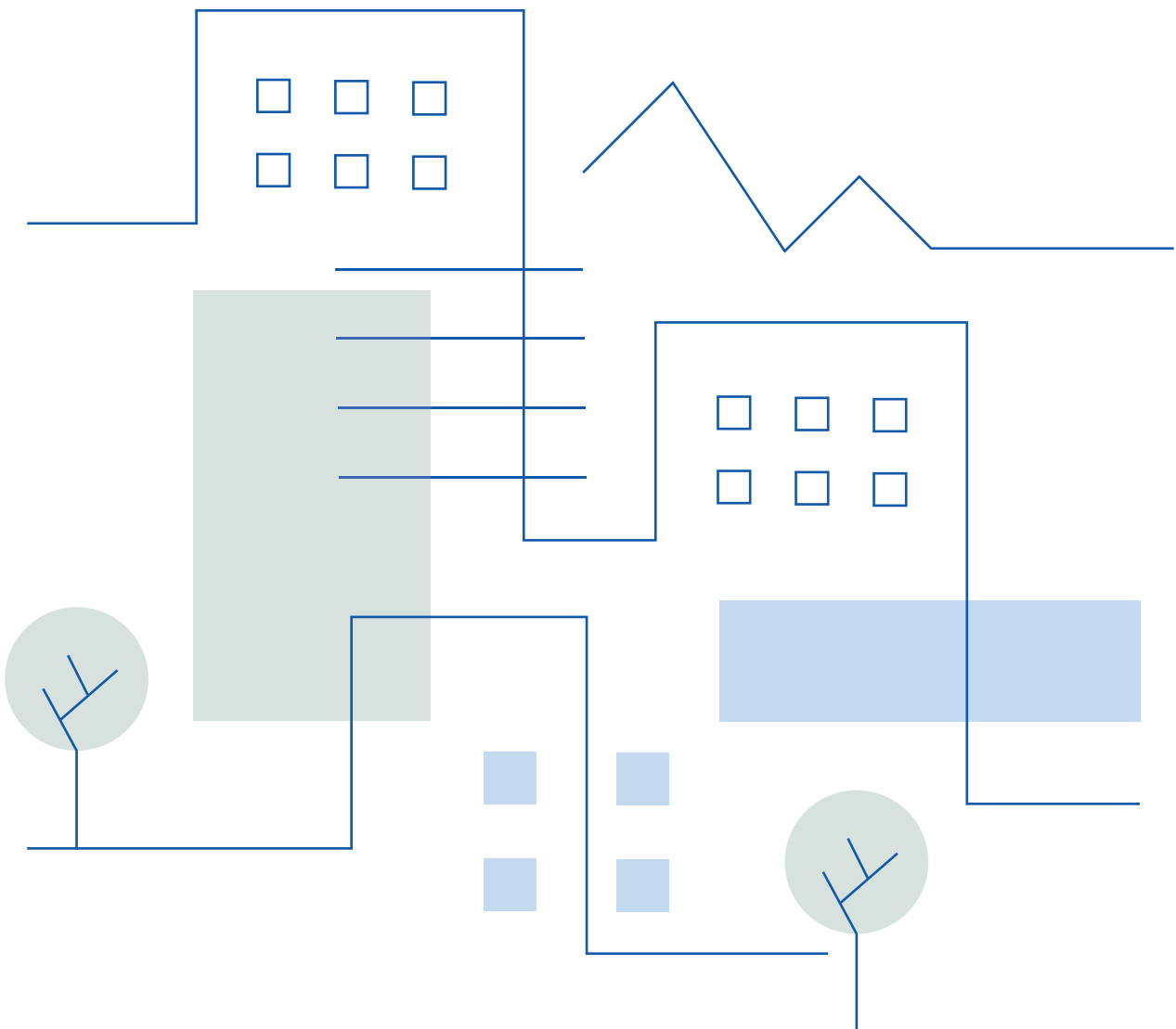
2 GOOD GOVERNANCE AND RISK MANAGEMENT

2.1. Corporate Governance

22

2.2. Risk management

31



2.1. Corporate Governance

The Metrovacesa corporate governance framework is based on the recommendations established in the **Good Governance Code of Listed Companies published by the Spanish National Securities Market Commission (CNMV)** with a view to aligning with the best market practices. In this regard, Metrovacesa is committed to developing a transparent and effective business model and continuously and reliably reporting to stakeholders.

Good governance practices

Metrovacesa's Annual Corporate Governance Report outlines the structure and operation of the governing bodies, mainly the Shareholders General Meeting and the Board of Directors (including its committees), from the perspective of monitoring best practices and recommendations for good corporate governance of listed companies.

[!\[\]\(5a132f13505a6571904d622757b7a8f0_img.jpg\) Click here for more detailed information on the Annual Corporate Governance Report \(ACGR\)](#)

Commitment to good corporate governance and transparency is set out in the **Mission, Vision and Values** of the Metrovacesa Group. The **cornerstones** in the area of corporate governance include the **involvement of the Company's shareholders in corporate life and the maintenance of leadership in the implementation of best practices and transparency.**

With a view to providing greater transparency and ensuring independence, **Metrovacesa is continuously improving internal procedures.** To this end, the Company's actions are based mainly on the following guidelines:

- Maintaining a **good balance** on the **Board of Directors**, with a proportional number of independent directors, to guarantee independent decision making.
- Maintaining a **good balance of men and women** with proven expertise in the sector.
- **Exhaustively monitoring** all matters which could entail **conflicts of interest** between Metrovacesa and its shareholders, as well as **strengthening internal regulations** to make it easier to detect and resolve any such conflicts which may arise.
- **Strengthening risk management and control policies and procedures**, as explained in more detail herein.



Regulatory Framework

- Articles of Association
- Regulations of the Shareholders General Meeting
- Regulations of the Shareholders' Online Forum
- Regulations of the Board of Directors
- Regulations of the Audit and Control Committee
- Regulations of the Appointments, Remuneration and Sustainability Committee
- Internal Rules of Conduct with regard to the Stock Market
- Code of Ethics



Policies that strengthen corporate regulations

- Remuneration Policy for Members of the Board of Directors
- Anti-Corruption Policy
- Conflict of Interest Management Policy
- Board Diversity Policy
- Treasury Stock Policy
- Corporate Tax Policy and Good Tax Practices
- Internal Control over Financial Reporting (ICFR) System Policy
- Financial Information Policy for Review and Approval
- Risk Management and Control Policy
- Sustainability Policy
- Health and Safety Policy
- Equality and Diversity Policy
- Policy for Communication and Contact with Shareholders, Institutional Investors and Institutional Advisers

Shareholders General Meeting

The Shareholders General Meeting is the **highest decision-making and oversight body of Metrovacesa** in matters under its competence pursuant to applicable legislation, being the place where shareholders intervene in essential decision-making processes in the Company.

The shareholders owning both significant direct and indirect interests in the share capital of Metrovacesa, S.A., exceeding 3% of the share capital, at the date of formulation, are as follows:

Breakdown of Metrovacesa shareholder base 31 December 2021	Shares			
	Direct	Indirect	Total	% of capital
Banco Santander Group	48,443,127	26,426,709	74,869,836	49.4%
Banco Bilbao Vizcaya Argentaria Group	14,321,573	17,301,265	31,622,838	20.8%
Inversora de Carso. S.A. de C.V.		8,333,897	8,333,897	5.5%
Quasar Investment. S.a.r.l.		5,990,548	5,990,548	3.9%
Helikon Investments	4,966,158		4,966,158	3.3%
Executives and directors	394,935		394,935	0.3%
Treasury stock	228,420		228,420	0.2%
Other shareholders (free float)	25,269,709		25,269,709	16.7%
TOTAL	93,623,922	58,052,419	151,676,341	100.0%

At Metrovacesa, the principle of **'one share, one vote'** applies, which favours equal treatment among the different shareholders of the company. There is **only one type of share**, which grants the same rights and obligations to all shareholders of the Company. There are no voting restrictions and there is no limit on the number of votes that may be cast by a single shareholder. A **minimum of 10 shares** is required to attend the Shareholders General Meeting.

The **Annual Shareholders General Meeting of 5 May 2021** was held with 80 shareholders present or represented by proxy, representing a total of 128,032,786 voting shares and 84.4% of the Company's share capital. At this meeting, the **distribution of dividends was approved at €0.40 per share charged to retained earnings (issue premium)**, amounting to €60,670,536.

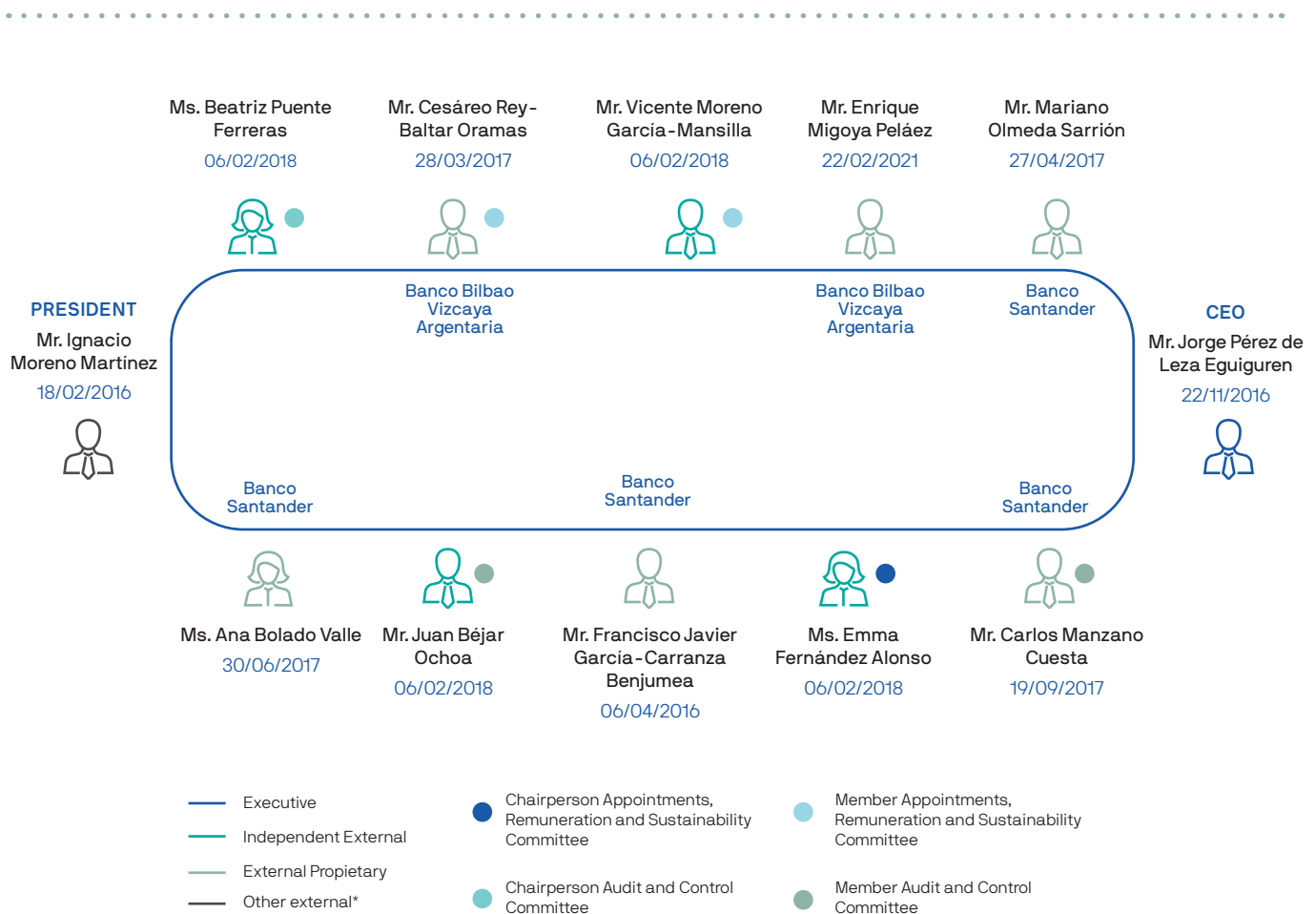
The **Extraordinary Shareholders General Meeting of 30 November 2021** was held with 139 shareholders present or represented by proxy, representing a total of 128,421,231 voting shares and 84.6% of the Company's share capital.

At this meeting, a **second distribution of dividends in 2021 was approved** amounting to €60 million charged to retained earnings (issue premium), which means an approximate value of €0.3955 per share.

Board of Directors

The Board of Directors focuses its activity on **representing, overseeing and managing Metrovacesa**. It is regulated by the Regulations of the Board of Directors, whose purpose is to determine the principles of action of the Board, as well as the basic rules of its organisation and operation and the rules of conduct of its members and their powers. These regulations were approved by the Board itself.

As of 31 December 2021, the Board of Directors consists of the following members:



* In accordance with the provisions of Article 529 duodecies of the Corporate Enterprises Act, Mr Ignacio Moreno Martínez falls into the category of other external directors, as he is neither a proprietary nor an executive director. Nor does he qualify as an independent director since, as explained in the IPO prospectus approved by the CNMV, Mr Moreno is a beneficiary of the incentive plan ("MIP") granted by Banco Santander, S.A. and Banco Bilbao Vizcaya Argentaria, S.A., entitling him to receive amounts for items other than his remuneration as a director.

The Board is made up of **twelve directors**, one of whom is executive, six proprietary, four independent and one defined as other external.

Matrix of competencies of the members of the Board of Directors

Competencies	Equivalent Directors	% Board (equivalent)
Sector experience		
Real estate or similar sector	8	67%
Other related sectors	10	81%
Management experience		
CEO/COO/Managing Director	8	64%
Experience in execution in cycles	6	50%
Financial experience		
Investment banking, investee management, financial markets	9	78%
CFO, Audit, Compliance	5	42%
Corporate governance in listed companies		
Chairperson/Lead Director/Chairperson of Committees	5	44%
Board member/committees	9	72%
Functional experience		
Sales/Marketing	2	14%
Innovation and digital transformation	5	39%
Talent management	8	69%
ESG	4	31%
Macroeconomy and Strategy Building	8	69%
Other		
Gender Diversity/Nationality/Others	5	42%

Diversity on the Board

Metrovacesa has a **Board Member Diversity Policy** in place that aims to ensure that the appointments and re-elections of board members are based on a preliminary analysis of the needs of the Board of Directors, favouring diversity in knowledge, training, professional experience, age and gender, and rejecting any implicit biases which could entail discrimination of any kind, particularly on the basis of gender, disability or other personal conditions. Diversity in senior governance bodies ensures a plural vision that proves more beneficial when it comes to identifying risks and opportunities, thereby making it easier to meet goals.

The selection, appointment and renewal procedures of members of the Board of Directors must be aimed at achieving a diverse and balanced composition, adequate to discharge the duties attributed to the Board by Law, the Company's Articles of Association, and its Regulations, all in the best corporate interest. In particular, **selection procedures must not entail any kind of discrimination by reason of gender**, fostering the selection of female directors such that a balance of genders is obtained among members of the Board of Directors.

Encouraging diversity on governance bodies is a key factor in promoting equality at all Company levels, helping to create a diverse and inclusive environment. At 2021 year-end the Board of Directors had 25% female representation. Notwithstanding the foregoing, it is hereby recorded that on 20 January 2022 Ms Azucena Viñuela Hernández was appointed by the Board of Directors as a new independent director and chair of the Audit Committee through the cooptation procedure, replacing Mr Juan Béjar Ochoa. Consequently, **on the issue date of this report, the number of female directors of the Company represented 33.33% of the composition of the Board and 75% of the independent directors.**

Board assessment and functioning

An internal assessment is conducted every year to check the proper functioning of the Board. Members complete a personal and individual questionnaire approved by the Appointments, Remuneration and Sustainability Committee (ARSC). This assessment seeks the views of all directors on the composition, competencies and operation of the Board of Directors and its committees, as well as on the Chairman and Chief Executive of the Company.

Likewise, the various committees have been issuing the corresponding reports on their activities, as well as reports on the assessment and fulfilment of their obligations, and recommendations on good corporate governance.

Moreover, as recommended in the CNMV Good Governance Code, the **Board of Directors has recourse to an external consultant to assess its functioning at least every three years.** In the analysis of FY 2020, the Company contracted an external advisor to conduct the evaluation of the Board of Directors and its Committees. The process consisted in personal interviews of every member of the Board of Directors and in an evaluation through questionnaires with questions on the recommendations of the CNMV's Good Governance Code, as well as questions on the duties attributed to the Board and its respective Committees by the Corporate Enterprises Act, the Articles of Association and the Regulations of the Board. This evaluation also focused on the **analysis of requirements of corporate governance according to ESG** criteria and on a comparison of the practices considered to be the best in the market being followed by other, similar organisations. In the evaluation of FY 2021, no external advisor was contracted, and the evaluation was conducted internally, following the criteria and methodology used in 2020.

Policy for the Selection and Remuneration of Board Members

Board of Director remuneration is regulated by the **Remuneration Policy for Board Members**.

On 5 May 2021, the Annual Shareholders General Meeting approved a **new Metrovacesa Remuneration Policy for Board Members**, which is expected to be applicable for 2021, 2022 and 2023. This Policy will replace the remuneration policy that was in place for the 2018 to 2020 period. Drafting a new Remuneration Policy involved reviewing the previous one and adapting it to the changes introduced by the Code of Good Governance for Listed Companies. Some of the main changes introduced in the Policy include:

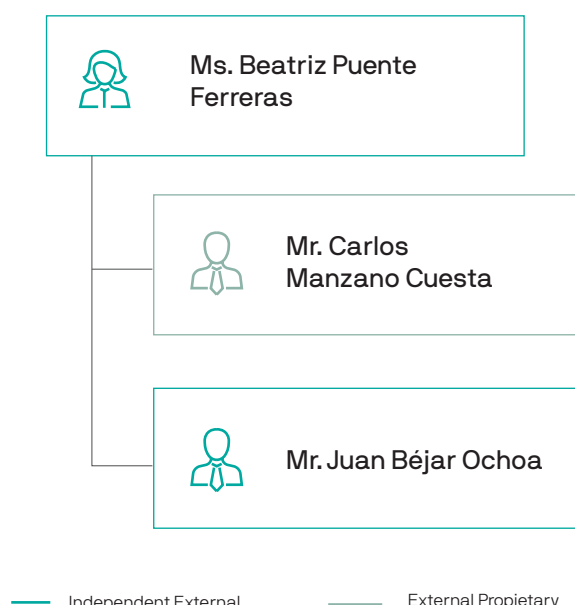
- To establish measures aimed at preventing or managing conflicts of interest.
- To explain how this policy contributes to Metrovacesa's long-term sustainability and strategy.
- To detail performance criteria to which the variable remuneration may be linked.

Likewise, 2021 saw the approval of a **new long-term incentive plan** (New LTIP) for the 2021-2023 period to align the interests of the beneficiaries with the long-term interests of the shareholders; to act as a tool to help motivate and retain the management team; to create a competitive remuneration scheme that is both challenging for the beneficiaries and realistic in market situation and Company terms; and to align with market practices in remuneration matters.

For further information, the **Annual Directors' Remuneration Report** (ADRR) for the financial year 2021 is available on the Company's website under the Corporate Governance section.

Audit and Control Committee

The Audit and Control Committee (ACC) consists of **three members, all of them non-executive with a majority of independent members**, appointed by the Board of Directors at the proposal of or based on a report by the Appointments, Remuneration and Sustainability Committee. As of 31 December 2021, the make-up of ACC was as follows:



The ACC meets whenever called by its chairperson or when requested by two of its members and, in any case, at least four times a year, coinciding with the fifteen days following the end of each calendar quarter. **In 2021, the ACC met 13 times**, all sessions of which were fully attended.

The composition, functions, rules of organisation and operation, as well as the responsibilities attributed to this Committee are regulated in the Articles of Association and in Article 14 of the Regulations of the Board of Directors. The Committee also produces an annual report on its activities.

The functions of the Committee and its activity in 2021 are detailed in section C.2.1 of the Annual Corporate Governance Report.

Appointments, Remuneration and Sustainability Committee

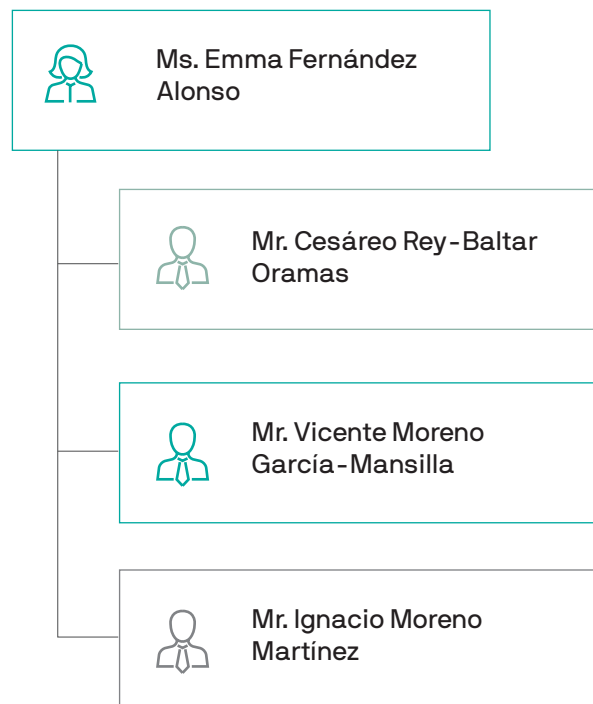
In 2021 the Company Board of Directors unanimously approved the amendments of the Board and Committee Regulations to reflect modifications introduced to the Unified Code of Good Governance and the Corporate Enterprises Act regarding the duties of the Board and its Committees, as well as to attribute to the Appointments, Remuneration and Sustainability Committee (ARSC) supervision and monitoring duties over the sustainability policies. Accordingly, the name of the Appointments and Remuneration Committee was changed to the Appointments, Remuneration and Sustainability Committee.

The ARSC consists of **four members, all of them non-executive**, appointed by the Board of Directors at the proposal of or based on a report by the Appointments, Remuneration and Sustainability Committee. As of 31 December 2021, the composition of the Committee was as follows:

The ARSC meets whenever called by its chairperson or when requested by the majority of its members and, in any case, meets at least four times a year. **In 2021, the ARSC met 7 times**, all sessions of which were fully attended.

The composition, functions, rules of organisation and operation, as well as the responsibilities attributed to this Committee are regulated in the Articles of Association and in Article 15 of the Regulations of the Board of Directors. The Committee also produces an annual report on its activities.

The functions of the Committee and its activity in 2021 are detailed in section C.2.1 of the Annual Corporate Governance Report.



— Independent External

— External Propietary

— Other External

Management Committee

In Metrovacesa there is a Management Committee, made up of company executives, whose regulations which regulate its composition, competencies and operation have been approved by the Group's Chief Executive Officer.

Name	Office
Mr. Jorge Pérez de Leza Eguiguren	Chief Executive Officer
Mr. Borja Tejada Rendón-Luna	Chief Financial Officer
Mr. Eduardo Carreño Orgaz	Residential Operations Director
Mr. Miguel Ángel Melero Puerta	Resources Director
Ms. Raquel Bueno Montávez	Corporate Development Director
Ms. Pilar Martín Bolea	Legal, Compliance and Insurance Director
Ms. Carmen Chicharro Sanz	Commercial, Innovation and Marketing Director
Mr. Enrique Gracia Colldeforns	Tertiary Director
Mr. Miguel Díaz Batanero	Land Director
Mr. Juan Carlos Calvo Mateos	Director of Strategy and Investor Relations

The Group also has an **Oversight Committee** made up of the Finance Department, the Legal Department, the Strategy and Investor Relations Department and the Organisation, Resources and Quality Department, whose composition, competencies and operation are regulated in the **Compliance Manual** approved by the Board of Directors.

For sustainability matters, Metrovacesa has set up an **Internal Sustainability Committee** comprising the different Company areas responsible for implementing and monitoring the lines of action that make up the Group Sustainability Plan.

Finally, Metrovacesa has an **Internal Oversight Body** (IOB) in Prevention of Money Laundering/ Terrorist Financing (ML/TF) matters, whose composition, competencies and operation are regulated in the **ML/TF Manual**, approved by the IOB itself.

2.2. Risk management

Risk management governance

All the Group's managers and employees have a responsibility to support risk management. In this respect, the **Risk Management and Control Policy** establishes the following roles and responsibilities of the persons involved in risk management:

Body	Duties and responsibilities
Board of Directors	<ul style="list-style-type: none"> ■ To establish the Risk Management and Control Policy. ■ To supervise Internal Information and Control Systems.
Audit and Control Committee	<ul style="list-style-type: none"> ■ To supervise the efficacy of Company and Group internal control measures, internal audits and risk management systems. ■ To keep the Board of Directors apprised of all matters resulting from monitoring and supervising the system which could affect Company management.
Management	<ul style="list-style-type: none"> ■ To define a plan for the identification and assessment of risks, to assign duties with regard to any risks identified, and to confirm the results of assessments in order to define their criticality level. ■ To approve and apply the actions proposed by each risk manager, in order to evaluate them in depth and implement response plans. ■ To facilitate the functions of the Internal Audit, giving it the necessary resources. ■ To report periodically to the Audit and Control Committee on the risk control and management carried out in the Company.
Internal Audit	<p>To support the Audit and Control Committee in its duties, by means of performing the following functions:</p> <ul style="list-style-type: none"> ■ Coordinating and supervising the operation of the risk control and management system. ■ Homogenising and consolidating risk identification and assessment reports and the results of the management plans drawn up by each risk manager. ■ Ensuring the risk control and management system operates correctly, providing methodological support to risk managers to identify and assess them. ■ Monitoring the results of scheduled risk management actions and reporting them to the Audit and Control Committee.
Risk Managers	<ul style="list-style-type: none"> ■ To analyse the risk in the areas for which they are responsible, proposing and reporting on monitoring indicators. ■ To propose and implement risk mitigation action plans, reporting on the efficacy of these plans.

Integrated risk control and management

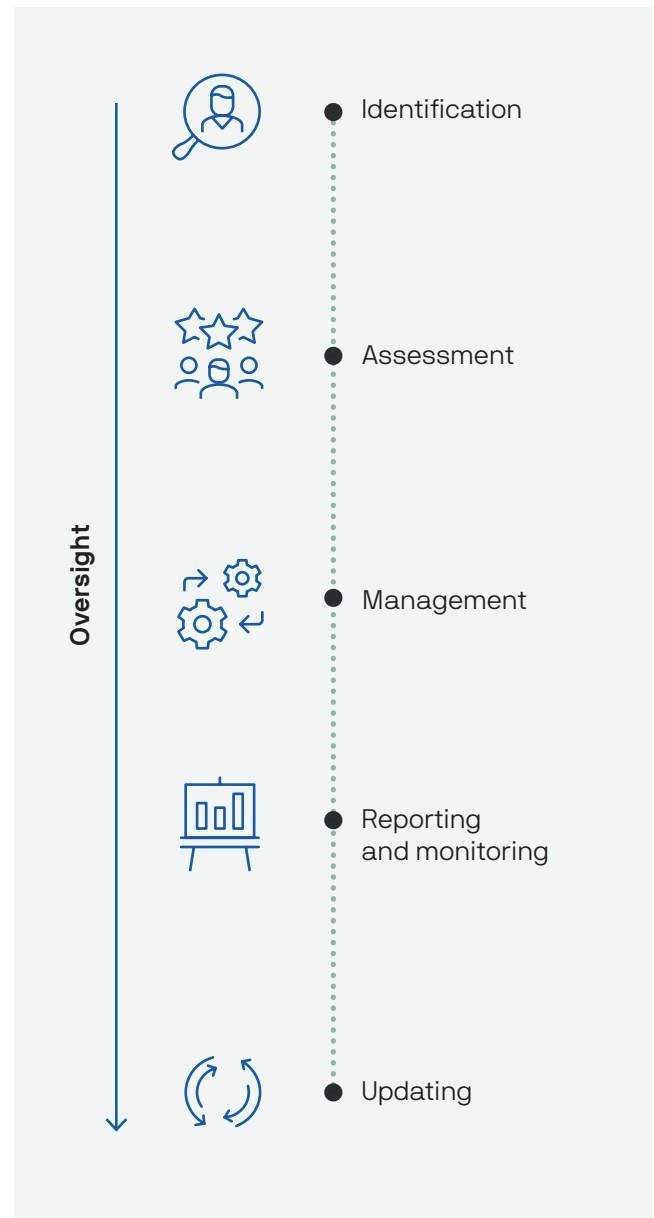
Metrovacesa has a **Comprehensive Risk Management System** (CRMS), the cornerstone of which is the **Risk Management and Control Policy**, approved by the Board of Directors. The purpose of this Policy is to define the principles for identifying, analysing, assessing, managing, and communicating the risks associated with the corporate strategy and operations. Likewise, through this Policy, the Company defines the guidelines to be followed to identify and maintain risks within the approved tolerance limits and to provide the elements so that the Board of Directors can decide on the level of risk acceptable to the Group at any given time.

During the 2021 financial year, **the risk map was updated** which involved the entire organisation, from the Management Committee to those directly responsible for risk management. Likewise, work has continued on identifying, defining and adapting the indicators associated with the most critical risks, redefining, where appropriate, the tolerance levels to adapt them to the current context. In this regard, **the Risk Management and Control Policy was updated** in accordance with the risk map.

In 2021, work was done again on creating an **updated risk and control matrix** for both the Internal Control over Financial Reporting (ICFR) System and the Crime Prevention models. Both models are integrated in a **Corporate Governance, Risk and Compliance (GRC) tool** that allows significant improvements to be made in the traceability of the evidence and lines of authorisation defined, favouring the continuous updating of the risk management and internal control system, as well as its supervision. This matrix is regularly updated by self-assessment statements.

Risk Management Model

The **Comprehensive Risk Management Model** takes into account all significant risks to which the Company may be exposed, particularly any strategic or operational risks which may affect compliance with the Business Plan, whether strategic, operational, financial or compliance with the most relevant applicable regulations. The **Metrovacesa risk management process** is an ongoing one, covering the following stages:



Identification

Metrovacesa's risk management methodology requires **identifying the significant risks that could affect the Company**. This process is coordinated by Internal Audit and validated by Management. The classification of the different risk categories prior to their assessment is updated and reviewed annually.

Following the COSO II methodology, we classified risks into four categories:

- **Strategic:** associated with key long-term objectives and may arise from the actions of other key market stakeholders (customers, competition, regulators, investors or others), changes in the competitive environment or from the business model itself.
- **Operational:** related to the usual operations carried out at Metrovacesa, including risks relating to operating procedures and the business itself.
- **Financial:** related to economic-financial management and the process of obtaining financial information.
- **Compliance:** related to compliance by Company management or employees with internal and external regulations.

Assessment

Similarly, the risk management methodology of the Company requires an **annual assessment of the significant risks identified** that affect the Company, coordinated by Internal Audit, in which the Management assesses the risks identified based on their knowledge and experience.

Management

Risk management refers to the **process carried out by Management to manage the risks that may affect the achievement of Metrovacesa's objectives** in such a way that they are within the levels tolerated by the Company, thereby providing reasonable security with regard to the achievement of the established objectives. Each risk is managed by the different people responsible for risks in the organisation.

In this way, for the risks identified, at least those considered critical, **risk indicators for each specific risk event have been defined**. In those cases where these indicators exceed the established tolerance, the causes have been identified and an action plan has been proposed to help keep the risks within the approved tolerance limits.

Reporting and monitoring

Internal Audit periodically collects the follow-up information on the key risks reported by each manager. This information is submitted to the Audit and Control Committee annually so that it can validate the **Action Plans** identified or propose modifications, so that the Board of Directors can decide on the acceptable level for the Company at any given time.

All the risks considered relevant by Metrovacesa in the current pandemic context have been identified and duly monitored. Where appropriate, the associated risk indicators have been updated, as well as the specific management procedures. In those cases in which the established tolerance levels have been exceeded, managers have been assigned and action plans have been established and reported to the Audit and Control Committee.

Updating

The process of updating the risk model is carried out **annually** and includes the process of identifying and assessing these risks. In any case, the model is updated whenever relevant events occur that affect the company's activities or the environment and, therefore, may affect the Company's risk assessment. To this end, Internal Audit reviews the risk categories and classification and launches a new assessment process, which must take into account the new circumstances in which the company finds itself since the last assessment. The updated model will be submitted to the Audit and Control Committee for review and subsequent approval by the Board of Directors.

Risk universe

During 2021, the Company has reviewed the risk map and has updated policies, consequently giving **more weight to the risks associated with financial uncertainty and asset valuation**. Moreover, the updating led to the **incorporation of the ESG risk as a strategic risk and the risk of pandemics as an operational one** in the corporate risk map.

Sustainability risk management has become particularly important in recent years. This can be explained by the economic and reputational impact it may have on the Company. Likewise, the appropriate management of these risks can be turned into a business opportunity for Metrovacesa's business.

Moreover, **risk taxonomy is analysed annually** to identify emerging risks that may impact the activity. In this regard, it understands the environment in which the Company operates and the role of stakeholders to be able to tackle the risks.

Risks materialized in 2021

In 2021, **commercial and transaction risks** were specifically tackled, boosting their monitoring with the search for and/or redefinition of more suitable indicators that would allow anticipating risks and establishing more effective action plans.

For risks associated with the operations area, **the situation of the construction activity has been especially analysed in relation to the increases in the costs of materials or the deviations from deadlines on projects**. With regard to this the Board of Directors has studied the possible measures that would allow anticipating, limiting or mitigating the risk of market tensions.

Moreover, in the last quarter of 2021, the **risk associated with the urban transformation of the land** portfolio surfaced owing to the unfavourable impact of certain urban development milestones in the classification of concrete lands, and therefore, its value. However, the Company considers that the urban situation of some lands could be reversed, which would limit the economic and operational impact.

3

ETHICS AND
COMPLIANCE

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3.1. Compliance Framework

For Metrovacesa it is **essential to develop all its corporate activities from transparently and with integrity** to meet its business goals and the excellence and quality that characterise its operations.

The Company is aware of the risks caused by poor work practices and the important negative impact they entail, which can easily lead to a loss of reputation, customers, investors, and even administrative sanctions. Accordingly, the Company strives to establish **robust control systems** that ensure regulatory compliance based on the corporate commitments to transparency and responsibility. To this end, the Group has an internal action framework that seeks to further boost the confidence of its stakeholders. The following are particularly noteworthy among the mechanisms in place:

- The Code of Ethics.
- The Criminal Risk Prevention Manual.
- The segregation of functions, powers of attorney and special privileges.
- The Internal Rules of Conduct regarding the Stock Market.

Moreover, the Company works to **internal corporate regulations** that are available to all employees, which comply with the legal obligations and cover all regulatory requirements that govern its activity.

Furthermore, the Legal Department establishes a series of **risk control mechanisms** for the various Business Areas to ensure compliance with the legal regulations that affect the Company. This area participates actively in formalising all operations undertaken by the company, whether business-linked or corporate in nature.

In keeping with the foregoing, Metrovacesa reviewed and updated the following in 2021:

- The **Corporate Ethics Standard and its annexes**, which comprises the Code of Ethics, the Policy on Gifts and the Complaints Box Procedure. During the year, the company has added a Donations and Sponsorship Procedure as an annex.
- The **Corporate Standard for the Prevention of Occupational Risks and its annexes**.
- The **Corporate Regulations for the Oversight Committee**.
- The **Crime Prevention Risk and Control Matrix**.

Furthermore, the Company has strengthened its commitment to honesty and ethical conduct in its corporate activities by adopting **two new policies**:

- The **Anti-Corruption Policy**, which was drawn up in keeping with the main regulatory and best practices references in these matters.
- The **Conflict of Interest Management Policy**, with a view to establishing mechanisms and tools to facilitate the identification, prevention and management of recording and properly monitoring conflicts of interest that might arise in the pursuit of corporate activities.

No significant sanctions were imposed on Metrovacesa for regulatory breaches in 2021.

Code of Ethics

Metrovacesa works to a **Code of Ethics**, duly approved by the Board of Directors, which constitutes the **main management framework under which the basic principles and standards of conduct are established** that are expected of Group directors and teams in the pursuit of corporate activities.

The Code of Ethics is **mandatory and is equally applicable to all employees, managers and directors**, as well as to those **Investee companies** that are within its scope or that do not have a code covering at least the points set out in it. Moreover, **contracts with suppliers and contractors must include their commitment to abide by Metrovacesa's Code of Ethics**, except in the case of suppliers of recognised prestige and size with integrated ethical standards.

Accordingly, the following general principles of conduct have been established:

- Respect for legality.
- Objectivity and Integrity.
- Respect for Human Rights.
- Respect for the environment and urban equilibrium.

Furthermore, this code establishes a **series of principles of action and commitments**:

- In relations with and between employees.
- In relations with corporate stakeholders.
- With respect to competencies and inside information, among others.

It also establishes a series of **guidelines and principles** for the following situations:

- **Conflicts of interest:** requires employees to act at all times in such a way that their private interests, or those of their family members or other persons related to them, do not override those of the Group or its customers. Likewise, the immediate superior, as well as the Oversight Committee, must be informed of any situations that could create a conflict of interest.
- **Relationships and hospitality between the Group and third parties:** prohibits offering, giving gifts, invitations, and other benefits in the context of the employee's professional activities. These guidelines particularly stress the prohibition of offering public officials, politicians and other representatives of public institutions gifts, gratuities or invitations that could compromise their independence or integrity.

Specifically, **in 2021 Metrovacesa strengthened its Code of Ethics**, particularly emphasising the Company's commitment to making sure that its contractors have the requisite prevention measures in place to restrict the environmental impact of their activity. Likewise, **further impetus has been given to commitments in relations with and between employees** as regards the protection of confidential information, IT security, public health, transparency and conflicts of interest, the prevention of money laundering and terrorist financing. Moreover, it has **consolidated the Corporate Gift Policy** by adding modifications to strengthen the regulation.

The Metrovacesa Group and its employees base their relationships with customers, suppliers, competitors and partners, as well as their shareholders, investors and other market agents, on the principles of integrity, professionalism and transparency, consistent with the Group's corporate social responsibility principles.

To ensure compliance with this Code of Ethics, Metrovacesa has posted it on its corporate website to make it available to all Company stakeholders.

➞ [Click here to consult the Metrovacesa Code of Ethics](#)

The Metrovacesa Group does not make donations or contributions, whether direct or indirect, to political parties or organisations or trade union bodies or committees, or to their representatives and candidates, except those expressly permitted by Law.

Collaboration, membership or links with political parties or any other kind of political institution or association, as well as contributions or services to such organisations, must be made in such a way as to render patently clear that they are personal, and any involvement of the Group must be avoided.

➞ [Click here to consult the Metrovacesa Conflict of Interest Management Policy](#)

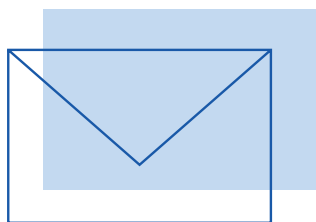
Complaints box

Metrovacesa has a Complaints Box, which is a **corporate whistleblower channel available 24/7 for all stakeholders**, to encourage the reporting of conduct that is not in keeping with corporate action guidelines.

Through the Complaints Box, employees who have knowledge or suspicion of a breach of laws, especially the Criminal Code and regulations related to the prevention of money laundering and the financing of terrorism, the breach of internal regulations, the breach of the Code of Ethics, and/or the existence of financial or accounting irregularities and any similar mode of behaviour should report it for an **investigation to be carried out under strict confidentiality**.

By means of this tool, **complaints received from employees and other stakeholders are managed in a direct, efficient and confidential manner**, allowing **anonymous complaints** to be submitted. To report an incident through the Complaints Box, employees can access the web portal, using the links provided for this purpose on the corporate intranet and website. Interested third parties, who have or will have a relationship with Metrovacesa, may access the Complaints Box on the corporate website.

Moreover, **all the reports submitted through the Complaints Box are received by a party unrelated to the organisation**. In this way, Metrovacesa assures the absence of an incompatibility or conflict of interest with any member of the Oversight Committee, copper-fastens the anonymity of the reporting party and guarantees maximum confidentiality.



In 2021, the **Complaints Box** has been further **reinforced** by implementing a series of modifications such as:

- Specific reference to breaches of regulations with respect to ML/FT prevention matters.
- Reinforcing the commitment to adopting measures to protect the reporting party and to prohibit reprisals.
- Defining the procedure to process reports and to investigate the facts of the matter, as well as to complete the process. Receiving reports by a third party to ensure confidentiality and anonymity.
- Broadening the objective and subjective scope of the Complaints Box.
- Updating the procedure to manage conflicts of interest in the Oversight Committee as a result of a report being made.
- Updating the form used to make a report to allow anonymous ones to be made.
- Adding the requirements established in Directive (EU) 2018/1937 on the protection of persons who report breaches of Union law (acknowledgement of receipt, information to the reporting person, etc.).

Though a report related to the purpose of the Complaints Box was received in 2021, it was shelved without any need for investigation.

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Criminal Risk Prevention Manual

Metrovacesa has a **Corporate Standard for the Prevention of Criminal Risks** to which a **Criminal Risk Prevention Manual** is attached.

The manual establishes the Group's **Criminal Risk Organisation, Prevention, Management and Control Model**, defining its scope of application with respect to all the elements required under Article 31 bis of the Spanish Criminal Code. Moreover, it establishes the **corporate measures** implemented in this area and defines the **principles of management and prevention of criminal risks** within the Group, as well as **the structure and operation of the Oversight Committee** – as a control and supervisory body – based on the provisions of the said Criminal Code, and the **functions of the Board of Directors and Corporate Management** in relation to the model.

To complement these measures, Metrovacesa has procedures and controls in place to prevent the materialisation of criminal risks by all company members.

In 2021, the company updated the **Corporate Standard for the Prevention of Criminal Risks**, introducing the following modifications:

- Updating the background by including the new reference regulations and international standards.
- Reinforcing the general principles of action by including new considerations.
- Including the purpose of the standard in accordance with UNE19601 requirements.
- Defining the bases of the Metrovacesa Model.
- Reinforcing the commitment of the Board of Directors and Corporate Management within the framework of the Metrovacesa Model.

The **Criminal Risk Prevention Manual** has likewise **been reinforced** by a series of updates:

- Making specific mention of the Metrovacesa Group by including the elements required by UNE 19601.
- Including Metrovacesa Management functions in relation to the Model.
- Updating the composition of the Oversight Committee, as well as the characteristics required of its members.
- Adapting the oversight and monitoring method to the internal risk management tools, controls, and indicators.
- Defining the method used to identify and assess criminal risks at Metrovacesa.
- Updating Oversight Committee functions.
- Designating the Compliance Unit as the Oversight Committee secretary.
- Reinforcing information on the consequences of breaches and the prohibition to take reprisals against the reporting person.

Governance of the regulatory framework

Metrovacesa has a series of bodies to ensure and supervise the proper implementation and monitoring of the regulatory framework, as well as the management and maintenance of the Complaints Box:

Board of Directors

Approves the regulatory model and any amendments thereto.

Audit and Control Committee

As the Board delegated Committee, verifies and assesses the effectiveness of the Group's risk management model.

Oversight Committee

Analyses and acts as decision-maker regarding the Criminal Risk Organisation, Prevention, Management and Control Model and the Group's Complaints Box.

Compliance Unit

Works together with the Oversight Committee, supporting it in its day-to-day activities with regard to the Criminal Risk Organisation, Prevention, Management and Control Model.

Internal Audit

Is the department in charge of guaranteeing to the Governing Bodies and senior management that the internal control system established is being effectively supervised. In this regard, the Annual Work Plan of the Internal Audit includes the reviews to be conducted to ensure that the Criminal Risk Organisation, Prevention, Management and Control Model Segregation of functions, powers of attorney and special privileges.

The Oversight Committee is made up of Legal Advice Management – which chairs the body – Organisation, Resources and Quality Management, Finance Management and Strategy and Investor Relations Management, with the collaboration of the Compliance Unit Manager.

On the other hand, Metrovacesa has an **adequate control environment** in which to assess and manage Group risks, especially those relating to the Internal Control over Financial Reporting (ICFR) System. The purpose of this control environment is to **ensure that all the Group's transactions are clearly and accurately** reflected in the Company's accounting records and entries, and in the preparation of financial reporting.

Human Resources Management and the Internal Audit Department shall periodically report to the Oversight Committee any failures to comply or breaches by persons of the Code of Ethics that may have been detected.

Likewise, the Company has an internally developed **risk management, control, and indicator tool**. This comprises **three risk models**: ICFR, the criminal and the general risks model, and makes it possible to **assign responsibilities** and accurately define the **lines of authorisation to implement controls and draw up reports**. Specifically, there are four controls directly related to the Code of Ethics in the criminal model.

Segregation of functions, powers of attorney and special privileges

The **General Framework for Approval of Operations and Powers of Attorney**, approved by the Board of Directors, details the scale of amounts and the manner of exercise of powers, jointly and severally or jointly, which allows for a **limitation on the disposal of funds, contracting and representation**, depending on the amounts and matters. It also includes additional approval requirements for certain transactions based on materiality or risk.

In addition, Metrovacesa has a **segregation of functions matrix** that is regularly reviewed.

Internal Rules of Conduct regarding the Stock Market

The purpose of the Internal Rules of Conduct regarding the Stock Market is to **regulate the rules of conduct to be observed** by Metrovacesa, its governing bodies, employees and other persons subject to the Code in their actions related to the securities market.

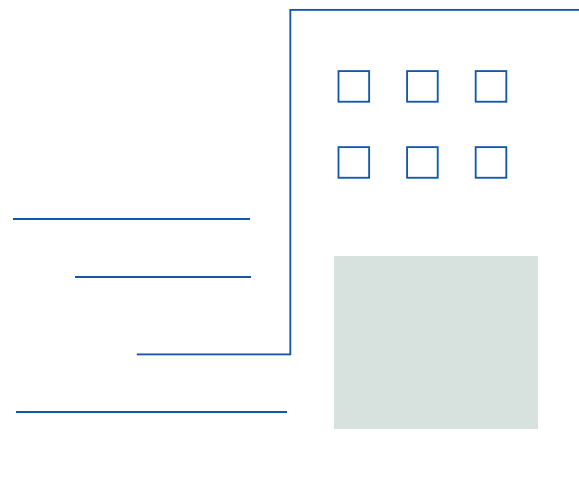
[!\[\]\(17413706fd4997a1a4bdf85c6864eee1_img.jpg\) Click here to consult the Metrovacesa Internal Rules of Conduct](#)

3.2. Culture of ethics

Metrovacesa's **principles and values**, its **Code of Ethics** and all its other compliance and ethics policies and tools **foster a sustainable development and ethics-based culture** that it shares with the entire staff and all its stakeholders.

This culture of ethics primarily seeks to encourage a professional and ethical commitment in employees geared towards **appropriate and correct conduct in the performance of Company activities**, constituting as it does a core element of its business culture.

In 2021, to further promote the culture of ethics, a complete module was dedicated to the corporate ethics standard and the code of ethics, as well as to the policy to manage conflicts of interest, the anti-corruption policy and the donations and sponsorship procedure, within the general framework of staff training in criminal risk and regulatory compliance matters.



3.3. Measures against corruption, bribery and unfair competition

Metrovacesa approved an **Anti-Corruption Policy** in 2021 to attest to the Company's firm rejection of any conduct that may be open to being considered as acts of corruption or bribery.

Metrovacesa **prohibits any kind of corrupt conduct** which, directly or indirectly, may influence decision-making by third parties, whether they be Public Authorities or individuals.

In this regard, the policy describes **general guidelines for conduct** and prohibited conduct that apply to Company members regarding:

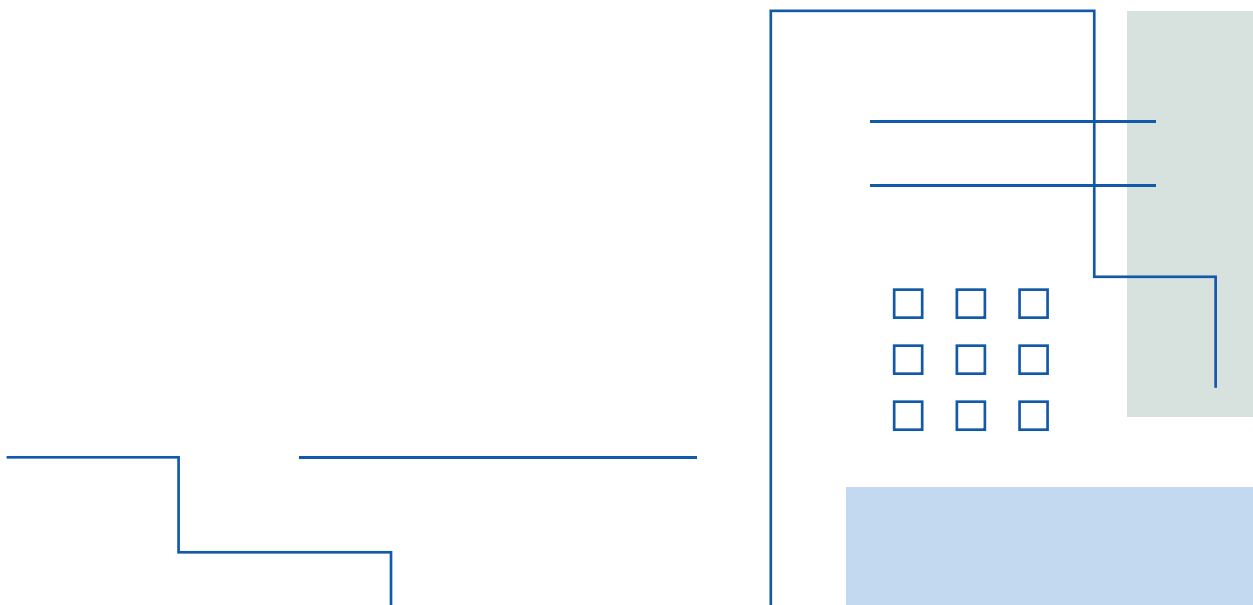
- Relations with public officials and public authorities
- The policy on gifts, invitations and hospitality
- The policy on expenses, per diems and travel
- Accounting records

To complement the foregoing, a **donations and sponsorship procedure** has been created to regulate relations with 'third parties'. This procedure deals with topics such as fee setting and reinforced diligence measures.

In addition, the **risk and control matrix** to prevent crime provides for a large number of controls with different people in charge of reporting and compliance with a view to avoiding crimes of undue influence and business corruption, among others.

[Click here to consult the Metrovacesa Anti-Corruption Policy](#)

In 2021, no cases of corruption, unfair competition, monopolistic practices or against free competition, were detected.



3.4. Prevention of Money Laundering and Financing of Terrorism

Metrovacesa has a **Policy Manual and Procedures to Prevent Money Laundering (ML) and the Financing of Terrorism (FT)** that it regularly updates. These contain, among others, the following corporate policies, and procedures:

- Customer and transaction admission policy
- Annex on international financial sanctions and countermeasures - implementation of listings
- Country risk procedure
- Procedure for reporting transactions potentially relating to ML/FT
- Procedure for application of due diligence measures
- Document retention annex

To complement these, and with a view to properly detecting and understanding the ML and FT risks, Metrovacesa draws up a **Risk Self-Assessment Report (RSR)** that serves as a basis and foundation for what is established in the Corporate Manual.

The Company reinforced the manual in 2021, updating it based on the enactment of Royal Decree-Law 7/2021 of 27 April amending certain articles of Law 10/2010 on the Prevention of Money Laundering and Financing of Terrorism. The following should be highlighted among these amendments:

- Beneficial ownership
- Persons with public accountability
- Data protection in due diligence measures.

ML and FT prevention system

Metrovacesa believes it essential that all Company employees, directors and marketers participate in the prevention of money laundering and financing of terrorism. For this reason, **a prevention system has been defined, divided into three lines of defence**, all of which are supervised by the Board of Directors and the Audit and Control Committee.

A mailbox, managed by the MLPU, is available as a channel for internal communication and for resolving doubts and incidents in this area: pbctft@metrovacesa.com



Board of Directors/ Audit and Control Committee

First Line of Defence



- Marketers external staff Metrovacesa Commercial Staff.
- Development managers.
- Territorial directors
- Land Director and Managers.
- Administration and Customer Service Technicians.

Second Line of Defence



- Internal Oversight Body (IOB).
- Representative with the Commission for the Prevention of Money Laundering and Monetary Offences (SEPBLAC) and authorised persons.
- Compliance officer.
- Money Laundering Prevention Unit
- Other employees who are not in the first or third lines of defense

Third Line of Defence



- Internal Audit

1st Line of Defence

The first filter for the prevention system is in the establishment of the relationship with customers, which is the responsibility of the business areas and departments that act as the **'first line of defence'** against ML and FT. Therefore, special mention should be made of the commercial and business units, which interact with customers and apply due diligence measures.

2nd Line of Defence:

It is the **internal oversight bodies**, which establish, implement, and monitor policies and procedures and control measures together with the rest of the employees. **This second filter was reinforced** in 2021 by dedicating the MLPU full-time to the prevention of money laundering and financing of terrorism.

3rd Line of Defence:

Regular checks on the internal ML and FT system carried out by the Internal Audit Department.



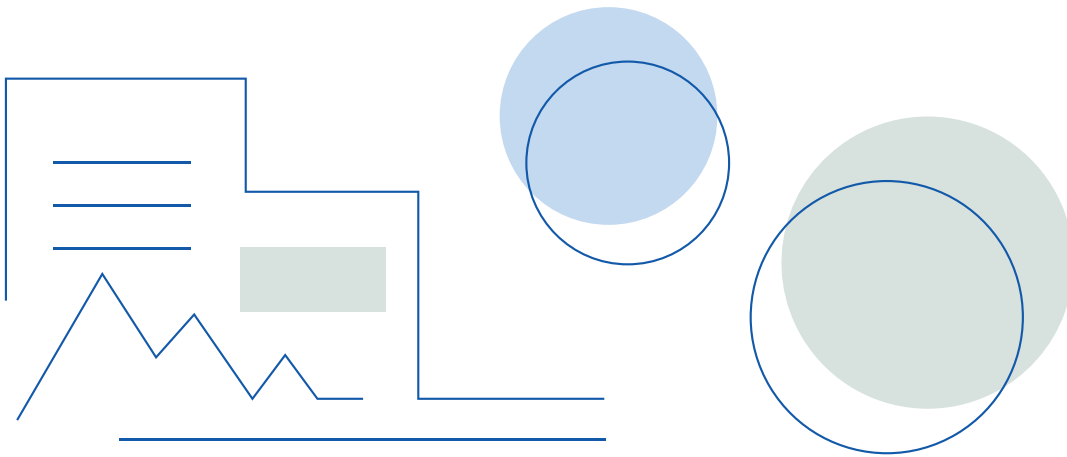
Customers

Likewise, in accordance with current regulations, the **internal control measures and oversight bodies are verified annually by an external expert**. During the verification, the operational efficiency of the prevention system is assessed and, if necessary, possible rectifications or improvements are proposed.

Moreover, every year in which it is not conducting the biennial audit, as part of the continuous monitoring of these matters, the Internal Audit Department **follows up on the recommendations** resulting from the previous year's audit. Likewise, the incidents detected are tested again, particularly focusing on critical ones, and the results of the tests carried out and the monitoring of incidents detected, or recommendations made are reported to the Internal Oversight Body (IOB).

Furthermore, as required under Article 29 of Law 10/2010, **Metrovacesa has measures in place to ensure that employees are familiar with legal requirements** under said law. To achieve this objective, the Company gives **permanent training for the entire staff**, as well as new recruits. In addition, because of their importance in the implementation of due diligence measures, training is provided to marketers' staff.

To complement the foregoing, Metrovacesa prepares an **annual report explaining the activities** and sends it to the Audit and Control Committee. This report **contains all the most important prevention of money laundering and terrorist financing activities** undertaken in the reporting period.



3.5. Data protection

Data protection and information security are a major priority for Metrovacesa. Digitalisation and technologies have become essential tools in creating and facilitating the customer's purchasing experience, particularly last year. The Company is therefore committed to **ensuring data protection and complying with the applicable legislation, as well as informing on data use.**

This commitment was further reinforced in 2021 with the first edition of the **Annual Data Protection Report**, as a summary of the main activities undertaken throughout the year by Metrovacesa pursuant to its key objective of continuing due compliance with the Personal Data Protection Regulations. The Protection Data model is contained in the Corporate Standard.

Metrovacesa oversees proper management of compliance with legislation on protection of personal data, the main references of which are the EU Regulation and the Spanish Organic Law on Data Protections and Guaranteeing Digital Rights. The Company has assigned the Data Protection Officer role to an internal, 'collegiate' body (the **Data Protection Committee**), on which all those Metrovacesa areas that are most involved in identifying and managing data protection risks are represented.

As a parallel action, **regular checks** on data protection compliance were conducted.

As part of its commitment to continuous improvement in data protection matters, Metrovacesa receives expert advice from a specialist company that responds to queries submitted by the different Metrovacesa departments, enhancing the response mechanism through the Privacy Mailbox. Metrovacesa fosters a data protection culture among its employees. This **growing level of individual and collective involvement in Data Protection Privacy** has made it possible to manage key situations early on, efficiently and in a business focused manner.

It should be noted that **in 2021 no information requests have been received from the data protection supervisory authorities.**

A mailbox has been put in place to manage data protection issues: privacidad@metrovacesa.com

Data Protection Committee Functions

- To identify risks
- To provide information and advice
- To monitor compliance
- To assign responsibilities
- Training and awareness
- Auditing and oversight
- To provide advice in impact assessments
- To liaise with supervisory bodies
- To report serious breaches to management and governing bodies
- To deal with complaints, as a preliminary step with the Spanish Data Protection Agency (AEPD)



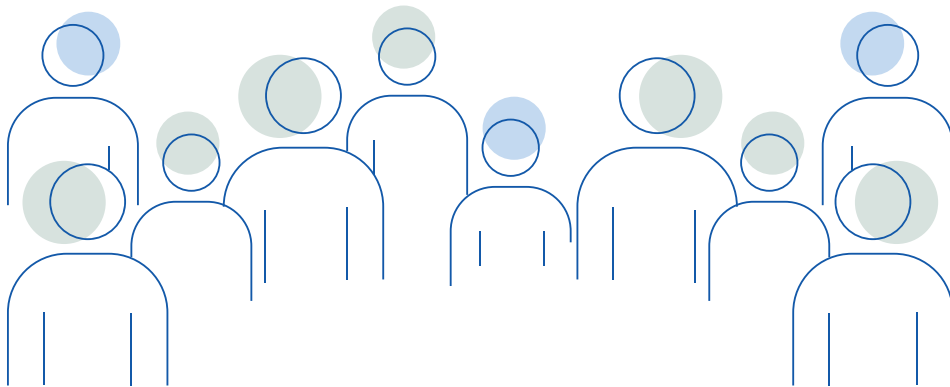
3.6. Respect for Human Rights

Metrovacesa's corporate culture is firmly grounded on **respect for and the protection of Human Rights**. The Company continues to work in all those territories where it operates on the pursuit of the **Sustainable Development Goals (SDGs)** aligning them with its business strategy. Indeed, in 2021, Metrovacesa **signed up to the Global Compact Principles**. In this way it ensures fundamental human rights such as equality, non-discrimination, education, and decent work.

Moreover, Metrovacesa continues observing and promoting the major **International Labour Organization (ILO)** conventions on **freedom of association, collective bargaining, the abolition of discrimination in employment and child labour and the elimination of forced and compulsory labour**. In this regard, Metrovacesa makes available its Code of Ethics to all its stakeholders; a document grounded on the Universal Declaration of Human Rights, while also putting in place policies and assessment and control tools that ensure the commitment to and compliance with Human Rights. Information on corporate standards and the code of ethics is available to all employees on the Metrovacesa internal portal.

Complaint mechanisms, such as the **Whistleblower Channel**, are key tools to enable all stakeholders to submit their Human Rights related complaints and claims, identifying potentially negative impacts and how to react to them. It should be pointed out that **in 2021, Metrovacesa received no human rights-related complaint**.

The Company also promotes respect for these rights among subcontractors, suppliers, and business partners. As stated in the Code of Ethics, respect for the ethical principles of the Metrovacesa Group must, as far as possible, be extended to suppliers and customers or any other person or entity that deals with the Group. The code also states that there shall be no business or commercial relations with entities whose Code of Ethics is not at least respectful of the Group's general ethical principles or does not adhere to them. Metrovacesa, has a **supplier approval** procedure that contains human rights requirements.



3.7. Tax responsibility

Metrovacesa is aware of the **impact its activity has on social and economic development**, from direct and indirect employment to the profits obtained from each of our activities, **for which we pay the corresponding taxes**. Metrovacesa implements the best tax practices as part of its commitment to sustainability.

Metrovacesa gives priority importance to strictly complying with its tax obligations in accordance with the applicable regulations in Spain. Moreover, **Metrovacesa has signed up to the Spanish Tax Office,s (AEAT) Code of Good Tax Practices**.

Tax management and advice services are outsourced at present under a services contract to a specialist provider. The existence of an external tax advisor, independent of the Accounts Department, makes it possible to ensure the proper separation of functions between tax and accounting roles, thereby mitigating tax fraud risks (a necessary control for an effective and fit-for-purpose criminal risk prevention system). This final link in the chain corresponds to the Treasury Department, which is responsible for making tax payments.

In the **financial area**, the Tax Department is the liaison unit to which the requisite tax queries are sent and which monitors **identified tax risks**, and those tax inspection/requirement actions in which the Company is involved, duly reporting to the Management Committee. Furthermore, every six months (coinciding with half-yearly and annual Financial Statements), the requisite **external auditor reviews the tax information** to check it is reasonable and has been duly recorded in accounting.

In this regard, the main magnitudes reflected in the consolidated financial statements for the years ending on 31 December 2021 and 31 December 2020 were:

Results before tax on continuing activities (in thousands of €)		
	2020	2021
TOTAL	-157,441	23,729

Results after tax on continuing activities (in thousands of €)		
	2020	2021
TOTAL	-163,524	18,463

Profit tax paid (in thousands of €)		
	2020	2021
TOTAL	-	4,708*

*Amount paid on account of final settlement

Financial aid from governments in 2021 (in thousands of €)		
		2021
Tax credits	Recognised (in payable tax)	43,607
	Unrecognised (in payable tax)	46,478
	Used to reduce payable tax in 2021	552

4

RESPONSIBLE
BUSINESS

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Metrovacesa’s commitment to sustainable development goes beyond compliance with the applicable legal obligations. The Company understands sustainability as a strategic commitment to respect for the environment, social development, and economic promotion, throughout our value chain, as a contemporary and innovative real estate development company.

Accordingly, Metrovacesa implements its sustainability management framework through the Company’s **Sustainability Policy** and **Sustainability Plan**. Through these tools, which focus on different lines of action aligned with the Sustainable Development Goals (SDGs), the Company works to create **economic, environmental and social value** in the short, medium and long term with a view to **enhancing the well-being of society and its stakeholders**.

4.1. Sustainability Policy

Metrovacesa Sustainability Policy establishes **the basic principles and the general framework of action** that underpin the corporate sustainability strategy and the sustainability practices implemented by the Company, together with the commitments the Company undertakes to its main stakeholders. The general principles governing the sustainability performance of Metrovacesa are as follows:



Commitment to continual improvement of corporate processes.



Commitment to the environment, protecting it and reducing its impact.



Commitment to innovation, opting for technological innovation.



Commitment to transparency and ethical conduct, acting honestly, transparently and with integrity.



Commitment to investors and shareholders, increasing company value.



Commitment to employees, ensuring equal opportunities and attracting and developing talent.



Commitment to customers, meeting their needs and exceeding their expectations.



Commitment to suppliers, communicating corporate sustainability criteria throughout the supply chain.



Commitment to local development, driving socio-economic development in the areas where we operate.



Commitment to competitors, based on respect and regulatory compliance.

The **Sustainability Policy**, which is overseen by the Appointments, Remuneration and Sustainability Committee (ARSC), is **publicly available** on the corporate website.

[Click here for more information.](#)

4.2. Sustainability Governance

The highest governing body responsible for sustainability management is the **Board of Directors**.

The **Audit and Control Committee** is responsible for supervising and assessing the **process of preparing the Company's non-financial or sustainability information**, including this 2021 Annual Sustainability Report, among other information, in order to ensure its integrity.

Moreover, the **Appointments, Remuneration and Sustainability Committee**, as the Board of Director's delegated body, is in charge of **overseeing compliance with the Sustainability Policy, the Sustainability Plan and progress in ESG matters**.

Metrovacesa strives to embed sustainability into its corporate structure and in its way of doing things. Accordingly, as of 2022 employees' **variable remuneration** will be **linked to corporate performance in ESG**.

4.3. Sustainability strategy

In 2021, Metrovacesa continued to make progress in its **firm commitment to respect and protect the environment** and to **drive social and economic development** throughout its value chain through strategic lines of action, objectives and proposals within the framework of the Company's sustainability strategy.

The following initiatives undertaken during the year in each ESG dimension are worthy of mention:

Environmental Dimension (E)

Metrovacesa endeavours to reduce the environmental impact of its operations by taking a precautionary approach to the management and carrying out of activities that may impact the environment. Accordingly, in 2021, Metrovacesa launched the **domum commitment**, its **own classification system** that makes it possible to enhance current regulatory requirements and analyse the **environmental impact of Company developments**, as well as their economic, health and well-being criteria.

The Metrovacesa domum commitment to sustainability is **aligned with the most important actions of the main seals of sustainability in the market**, such as BREEAM, LEED, WELL Building Standards, the VERDE Green Building Council España (GBCe) certification, the SDGs and the new European regulatory frameworks.

Moreover, in 2021 Metrovacesa signed a **collaboration agreement with GBCe**, which encompasses initiatives like:

- The GBCe GREEN sustainability certification for real estate developments.
- Technical training to continue professionalising corporate endeavours related to sustainable construction practices.
- Participating in European projects to assess compliance with EU Taxonomy criteria.
- Speeding-up certification processes using blockchain, among others.

Social Dimension (S)

Metrovacesa participates in **actions and programmes** to actively **develop the communities where it operates**.

In 2021, the Company became a **Participant member** in the **United Nations Global Compact**, the biggest corporate sustainability initiative in the world. By signing up to this, Metrovacesa commits to:

- **Aligning its activity with the Ten Universally Accepted Principles** in the areas of human rights, labour standards, environment and the fight against corruption.
- **Adopting support measures** for UN objectives, currently embodied in the SDGs.
- **Annually publishing the progress** made.

The Company has also collaborated in 2021 on the **'Sustainable Cities 2030'** project spearheaded by Forética, offering its **experience in the field of sustainable urban planning**, working with the other companies involved to identify and take on the challenges currently facing cities.

Through its talent management plan, **Metrovacesa prioritises offering its human resources an attractive environment in which to develop professionally and balance work and home life**. Indeed, this commitment is amply testified to by its having received acknowledgement for the second year running as **one of the 100 best companies in which to work** in the ranking published by the journal Actualidad Económica.

As a result, the Company has a **well-trained and motivated team with initiative**, working in an environment where **special attention is paid to diversity, training, innovation and flexibility** at work. In October 2021, the Metrovacesa Board of Directors approved the Company **Equality and Diversity Policy**, which is implemented through the **Equality and Attention to Diversity Plan**. This is geared towards ensuring the absence of discrimination and encouraging full inclusion.

Moreover, a **Health and Safety Policy** was developed, likewise approved by the Metrovacesa Board of Directors in October 2021, which reflects the Company's commitment to the health and safety of all its customers, employees, collaborators who work on its projects.

Lastly, as a socially responsible company, Metrovacesa remains true to its **commitment to the social development of the communities** where it operates. In this regard, in May 2021, the Management Committee approved the **Social Action Strategy**, which contains the general guidelines on the development of Company Social Action plans.

Corporate Governance Dimension (G)

The Board of Directors at Metrovacesa is in charge of **approving the Annual Sustainability Report**. Moreover, in 2021, the name of the **Appointments and Remuneration Committee was changed to the Appointments, Remuneration and Sustainability Committee (ARSC)**.

In the development of the 'Simple and transparent government' strategy line contained in the Company Sustainability Plan, the Board of Directors approved, during the year, the **updating of the Group Code of Ethics, the Board of Directors members' Remuneration Policy, the Anti-Corruption Policy and the Conflict of Interest Management Policy**.

Likewise, in accordance with the Risk Management and Control Policy, Metrovacesa annually **reviews** and, where appropriate, **updates the current risk model** which, in 2021, resulted in the **inclusion of the ESG risk as a strategic risk** in the corporate risk map.

Sustainability Strategy

Metrovacesa has a sustainability strategy comprising **eight ESG strategy lines** that contain the main actions and initiatives that the Company works to implement, together with an **across-the-board strategic line** focused on creating a **responsible and sustainable business model**.

Accordingly, the following strategic lines are contemplated:

 Enviromental
  Social
  Governance



4.4. Relationship with our stakeholders

Metrovacesa reinforces its **commitment to transparency and value creation** with its stakeholders by maintaining continuous dialogue through several channels. In this way the Company ensures **smooth, responsible and transparent communication** with the different stakeholders, attending to their concerns and needs, while also collaborating and participating with them to generate the most positive impact possible on both society and the environment.

Moreover, to better learn about stakeholder needs and concerns, every year Metrovacesa carries out a **materiality analysis** to identify the most important matters and subsequently prioritise the actions to be taken.

Shareholders, Investors and Analysts



- Shareholders' Meeting
- Shareholders' online forum
- Investor Relations Department
- Corporate website
- Telephone and email
- Corporate presentations and quarterly results
- Conferences, workshops and other events
- Regular meetings (roadshows)
- Asset visits
- Social networks
- Complaints box
- Privacy Mailbox
- Sustainability Mailbox

Employees



- Monthly remote meetings with the CEO
- Performance reviews
- Intranet
- HR Department (including email: rrhmv@metrovacesa.com)
- Corporate policies
- Memos
- In-person meetings
- Work environment survey
- Complaints box
- Suggestions box
- Abuse protocol
- Privacy Mailbox
- Money Laundering/Terrorist Financing mailbox
- Sustainability Mailbox

Competitors



- Participation in sectoral associations
- Conferences, workshops and other sector events
- Telephone and email

Funders



- Corporate website
- Regular meetings

Customers



- Corporate website
- Territorial delegations
- Points of sale
- Call centre and via email
- After-sales service
- Social networks
- Customer satisfaction surveys
- Complaints box
- Privacy Mailbox
- Developments mailbox
- By phone, email and WhatsApp
- Customer Portal and App
- Monthly newsletter
- Communications of relevant milestones
- Forum posts
- Publications in regional and national media
- Sustainability Mailbox

Suppliers



- Approval process
- Regular meetings
- Telephone and email
- Conferences, workshops and other events
- Complaints box
- Privacy Mailbox
- Sustainability Mailbox

Salespersons



- Corporate website
- Metrovacesa4u
- Gamification Platform
- IN-person/virtual meetings
- Customer experience (call centre)
- CRM
- By phone, email and WhatsApp
- Sustainability Mailbox

Society and local environment



- Corporate website
- Regular meetings
- Telephone and email
- Conferences, workshops and other events
- Collaboration with associations and universities
- Social networks
- Communications agency
- Complaints box
- Sustainability Mailbox

Public Authority



- Corporate website
- In-person meetings
- Sustainability Mailbox

4.5. Collaboration in sustainability initiatives

In line with the commitments acquired, Metrovacesa **promotes, participates and collaborates** in a **series of initiatives on sustainability** through which it manages not only to **increase the number of alliances in sustainability matters**, but also to **collaborate with its stakeholders** in various actions and programmes implemented in this area: The following are some examples of these collaborations in 2021:

- Alastria Consortium Association
- Sevillian Business Association of Builders and Promoters of Works (GAESCO)
- Spanish Association for Investor Relations (AERI)
- Association of Property Developers of Madrid (ASPRIMA)
- Association of Property Developers of Cadiz (ASPRICA)
- Association of Developers of Catalonia (APCE)
- Provincial Association of Builders and Developers of Malaga (APC Malaga)
- Provincial Association of Property Developers of A Coruña (APROINCO)
- Provincial Association of Property Developers of Valencia (APROVA)
- Puerta Oeste Alcorcón Association
- SAP Users Association Spain (AUSAPE)
- Spanish Issuers
- Forética
- Construction Labour Foundation
- Green Building Council España (GBCe)
- Complutense Institute of Economic Analysis (ICAE) of the Complutense University of Madrid (UCM) - collaboration to study the real estate cycle
- Institute of Internal Auditors
- Urban Land Institute (ULI)

Moreover, Metrovacesa as a **Participant signatory to the United Nations Global Compact**, includes the 10 principles – related to the environment, the fight against corruption, human rights, and labour practices – in its strategy and activity, together with the Sustainable Development Goals (SDGs). In this way, Metrovacesa manages to **further strengthen its commitment to sustainable development**.

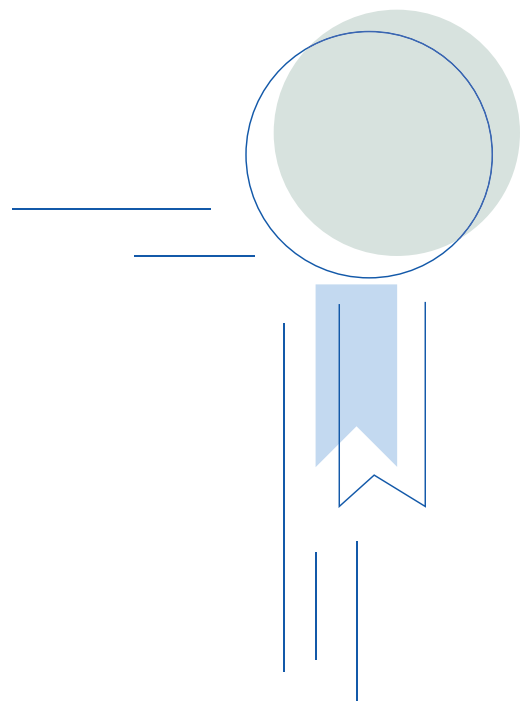
4.6. Acknowledgements in sustainability strategy

100 best companies to work for according to Actualidad Económica

Metrovacesa was acknowledged as one of the 100 best companies to work for in Spain by the specialist journal Actualidad Económica published by the El Mundo newspaper. It highlighted the high score obtained in the 'Talent', 'Remuneration and compensation' and 'Environment' categories. It pointed out that employee training is one of its hallmarks and highlighted workshops in equality, application, and skills training, as well as the more specific plans such as a master's in real estate business management.

Award for the company committed to the SDGs

In September 2021, the Province of Cadiz Business Association recognised Metrovacesa as a company committed to the Sustainable Development Goals established in the 2030 Agenda. The Promueve Confianza initiative and this distinction, backed by the Provincial Council of Cadiz, attest to the commitment to the road map marked out by the Group in its 2020-2022 Sustainability Plan.



4.7. Sustainable financing

In July 2021, Metrovacesa reached an agreement with eleven financial institutions to restructure its **corporate debt**, which was increased to **€260 million** and whose maturity was extended to July 2026. The funds obtained from this financing are to be allocated to investment in land improvement, financing of the start of sustainable developments with confirmed business interest that are open to 'turnkey' investments with institutional investors, the temporary financing of sustainable projects with commercial progress until the signing of the corresponding developer financing, or one-off land purchases, among others.

This **sustainable financing** is in accordance with **Loan Market Association (LMA) Sustainability Linked Loan Principles (SLLPs)** and reflects the *Company's firm commitment to sustainability*, in its broadest sense, and its implementation through the corporate strategy for these matters.

This sustainable financing considers the following Key Performance Indicators (KPIs) for sustainability:

- **Percentage of projects** in progress with **A or B energy classification**.
- Number of **working days** completed by workers hired for the projects by **local companies**.
- **Training hours** for Metrovacesa Group employees.

These KPIs contribute to the following SDGs:



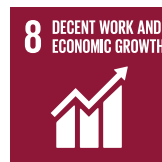
4. QUALITY EDUCATION

4.7. Ensure that all learners acquire knowledge and skills needed to promote sustainable development.



7. AFFORDABLE AND CLEAN ENERGY

7.3. Improve energy efficiency.



8. DECENT WORK AND ECONOMIC GROWTH

8.3. Create decent jobs.



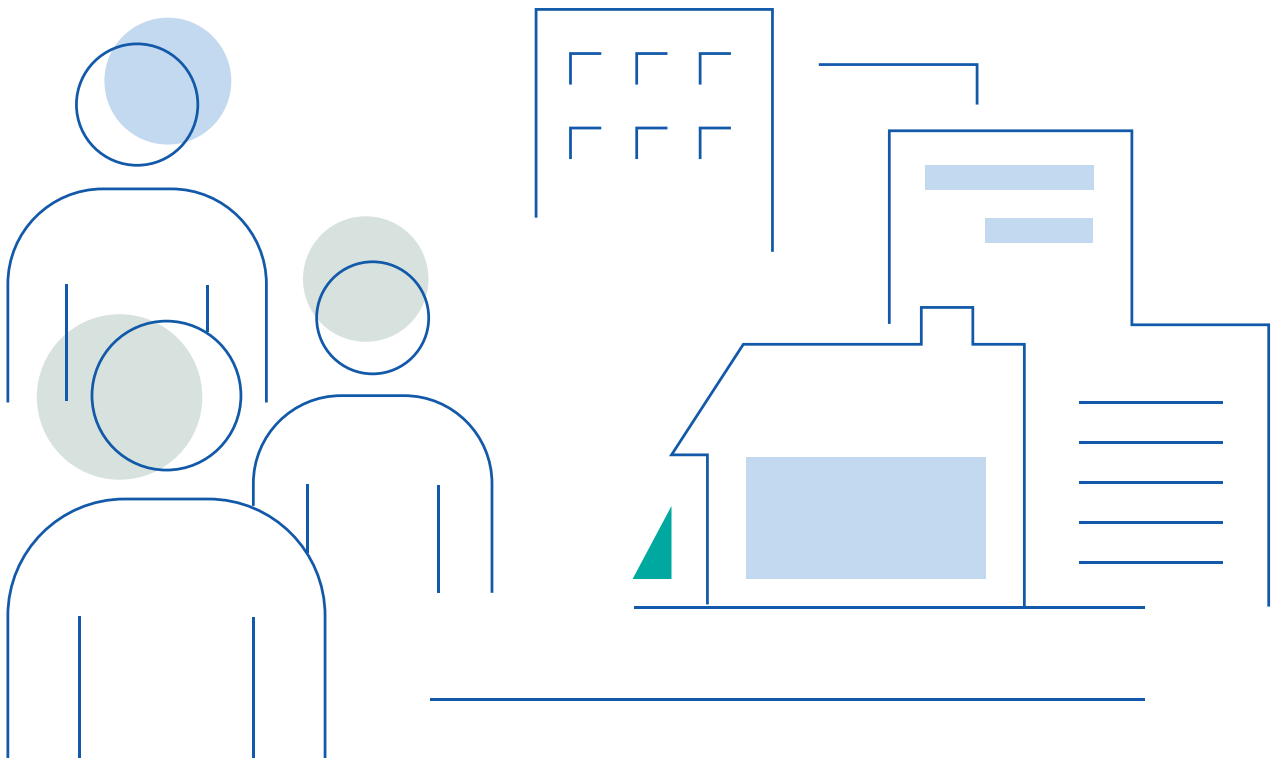
11. SUSTAINABLE CITIES AND COMMUNITIES

11.1, 11.3 and 11.c. Support the building of sustainable buildings.

5

LEADING BRAND
AND SATISFIED
CUSTOMERS

5.1. Distinctive brand value	60
5.2. Customer experience	62
5.3. Customer service	64
5.4 Customer satisfaction	65



5.1. Distinctive brand value

Metrovacesa boosts its brand positioning through traditional media and by driving its presence on digital media. Innovation is an essential building block of corporate strategy, as reflected in the Company's ongoing commitment to technology.

metrovacesa
mvc.

Metrovacesa Brand

Throughout the year, Metrovacesa's communication activities continued to focus on diversifying the spokespersons, map. increasing business activity and driving the Company business plan through different lines of corporate. financial and product communication action.

Key milestones in 2021 were:

- Increasing communication actions at all activity levels to support and showcase the effective rolling out of the Company business plan.
- More diverse positioning and corporate spokespersons, map integrated relational strategy.
- Using construction to strategically position the Company in new sector trends: ESG, social commitment, sustainable urban planning, innovation, etc.

In this regard, the communication strategy led to a 12% general rise in the sending of press releases and communications and roughly a 44% increase in engagement with the main media outlets in 2021.

Furthermore, Metrovacesa presence on social media seeks to foster **smooth and continuous engagement with customers** to boost the corporate strategy, maintaining the community and increasing the dissemination of the most important messages. To this end, the Group pursues a **content personalisation strategy** that seeks to convey corporate values based on sustainability and innovation related goals.

In 2020 and 2021, the following social media participation data were registered (followers):

Platform	2020	2021	Variation
LinkedIn	20,300	24,571	21.0%
Instagram	6,444	8,190	27.1%
Facebook	25,789	26,714	5.3%
Twitter	4,496	4,575	1.8%

Also worthy of mention is the **diversification strategy** Metrovacesa has followed in these matters. In 2021, the Company committed to **supporting its business culture on non-traditional channels**, through initiatives like the one with the drive-in cinema chain, pursuant to which it signed a sponsorship naming right agreement with *Autocine Málaga Metrovacesa*.

Digital Marketing

Metrovacesa promotes **honesty with its customers**, providing them with **truthful, clear, useful and accurate information**.

The Company marketing model consists in **combining online and offline marketing**. Online wise, lead acquisition and the personalised customer service are efficiently integrated into the customer relationship model.

In 2021, the strategy focused on **'micro' monitoring to improve the efficiency of all ongoing marketing actions** with a view to seeking the best mix between portals and digital channels. This resulted in **a 26% rise in lead acquisitions** in comparison to 2020, while also improving the main business funnel rates.

Thus, there has been a **23% increase in customers captured through digital channels between 2020 and 2021**.

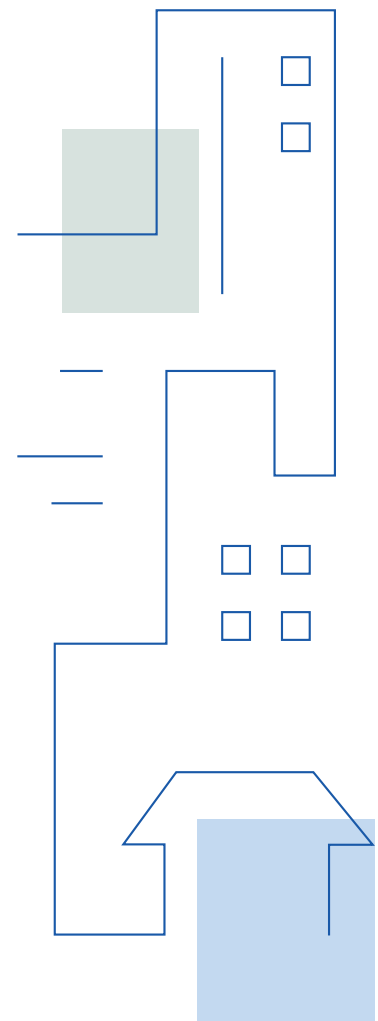
On the other hand, Metrovacesa continues working on business intelligence, on the brand and content, and on performance campaigns like **strategic lines** in its action plan to obtain the maximum rating and information on the interests of Company contacts and to extract personalised information about their needs.

In 2021, the **"La Casa que Eres" (The House you Are) project**, was launched to **arouse the interest of contacts before embarking on the marketing of a development**. This involves identifying their likes and preferences as regards housing types, floor areas and the personalisation of certain rooms, as well as their purchasing power by means of a **digital marketing plan**.

This project has seen Metrovacesa acquire **over 1,000 contacts in over 20 active locations** during the year and has generated **a sales conversion rate of over 1%**.

Metrovacesa "Promueve Confianza" Campaign

Since 2020, Metrovacesa has been carrying out a specific customer communication campaign that encompasses all current corporate marketing and communication initiatives. The **Metrovacesa "Promueve Confianza"** (Promotes Trust) campaign seeks **to consolidate Company positioning, providing customers with peace of mind and informing of Company initiatives** to reinforce their confidence.



5.2. Customer experience

For Metrovacesa, its customers constitute the **starting point for its business development**. Accordingly, the Company advocates **clear, effective and transparent communication** with them through a governance model and loyalty-based strategy.

The Company has different indicators in place for which a tolerance level is established with a view to analysing the risk linked to customer experience. These indicators are shared with the **Audit and Control Committee** for monitoring and subsequent conversion into **action plans** to be implemented in conjunction with branch offices.

Moreover, Metrovacesa holds **ISO 9001:2015** Quality Management System certification, audited by AENOR, for residential property development and land management and development activities at all of its branch offices.

In 2021, **the corporate governance approach to quality was boosted by creating a specialist committee** made up of Corporate Development Management, Residential Operations Management, Land Management, Organisation, Resources and Quality Management and the Quality Department Manager.

[Click here to access the Quality Management System Certification](#)

Customer Centric Strategy

The Metrovacesa **Customer Centric Strategy** is based on a three-prong action approach:



Brand

- Constant presence of the Metrovacesa brand at the point of sale.
- Anticipation of customer needs.
- Enhancement of the exclusivity associated with the Metrovacesa brand.



Product

- Maximum personalisation of the Metrovacesa product in response to customer demand by means of "La Casa que Eres" (The House you Are) type projects.
- Showrooms at the points of sale, which promote transparency and continuous information during the purchasing process.



Purchase process

- Offer of technological solutions that provide the customer with a personalised experience according to their needs and allow them to plan and enjoy their home. The project "Suministros" (Supplies) stands out in this regard.
- Fostering active listening and customer accompaniment, the 360 experience, conducting surveys and the best after-sales service.

The Group has a **Customer Experience** team attached to the Customer Service Department in the Commercial, Marketing and Innovation Area. Given the importance of these matters for the Company, Senior Management **continuously monitors customer loyalty related goals**.

In this way, Metrovacesa continues to work on meeting customer expectations by developing and improving the different processes involved in the home-buying process by pursuing three different objectives:

- **Positioning Metrovacesa as the top-of-mind** choice for home buyers.
- Building a **differentiating link with customers**, from the purchase consideration phase.
- **Centralising all channels**, by means of marketing and communication activities.

To ensure effective strategy roll-out, Metrovacesa has an **internal procedure** for customer experience and service that it implements as a **corporate action framework**. This framework contains the guidelines to manage customers with a view to finding out and proactively assessing their satisfaction with the home-buying process, by strengthening specific actions, such as **updating the Customer Journey** and the **reinforcement of the commercial system**.

Marketing Automation strategy

The Metrovacesa Marketing Automation process comprises **27 active and maximised automatic programmes** involving **personalised communications** for each contact or customer at different points in the business sale and after-sales process. Moreover, in 2021 **over 141 special segmented actions** were sent according to customer type and/or geographical location, in addition to **272 communications** associated with relevant milestones in development projects.

27
automatic programmes
involving personalised
communications

over 141
special
segmented actions

272
communications
associated with
relevant milestones

5.3. Customer service

The Metrovacesa **Customer Experience team**, in collaboration with the **Customer Service Department**, leads the corporate strategy in these matters, ensuring that all the doubts that may arise during the process of buying a new home are resolved, guaranteeing maximum transparency and quality.

To meet these goals, Metrovacesa has a **personalised customer service** managed from a **contact centre** through which it accompanies the customer throughout the purchase process. This **contact centre** is supervised by the Customer Experience Department to ensure **smooth and regular** communication that drives improvements in the worst valued aspects while further strengthening the best ones. Furthermore, with a view to integrating customer satisfaction into corporate processes, Metrovacesa internally encourages the contribution of ideas, the review of and changes to customer service related processes.

In 2021, **76% more customer calls** were received than last year, maintaining **an 88% service level and an average call service time of 4 minutes**, respectively. The **overall customer rating** continued to return a score of **7.6** points, despite the increase in engagement.

The Company **has enhanced the customer browsing experience** with this corporate portal. The **'Metrovacesa customers' portal** can be visited online and via corporate apps. It constitutes a **more innovative exclusive area** that contains detailed information on, among other matters:

- Building progress
- Pictures of the progress of the works
- Payment and document inquiry
- Companies collaborating in its development (architects, builders, etc.)
- Timetable of the edifferent milestones to be reached
- Documentation submitted to Metrovacesa
- Latest news related to the development
- Other content, such as the corporate newsletter

Customer Portal

Metrovacesa has a **private customer service area** to deal with any enquiries about the customer's new home, which is available to the customer as of the signing of the contract.

In 2021, **53% active users** were registered, with the mobile phone the most popular access medium, particularly the iOS operating system.

Each user visits the platform on average four times, with each visit lasting for about three minutes, during which time around two pages are consulted.

Moreover, as far as content is concerned, the "Mis Promociones" (My Developments) section is the most popular accounting for over half of the visits, followed by the payment and documentation sections respectively.

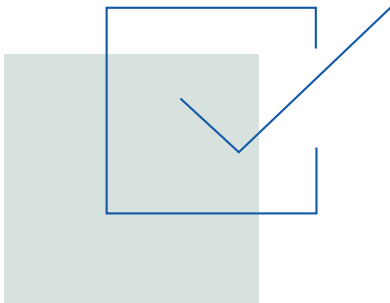
Reinforcement of the commercial system

Metrovacesa has a broad network of outlets spread around Spain, consisting of **52 points of sale and 7 branch offices**.

After the situation caused by the impact of COVID-19, the Group is committed to **updating its strategy to showcase the corporate brand**. In this regard, the number of developments marketed in 2021 increased with respect to the previous year. It is expected to continue consolidating this strategy in 2022 with the opening of new sales offices.

Metrovacesa is mindful of the **direct connection between the marketing process and customer satisfaction and experience**, which led in 2021 to continuing the policy of **improving the requisite procedures and tools** with actions like:

- Continuing the 'Assessment project' to enhance strengths and work on aspects to improve the sales force.
- Sales force training plan based on the results assessment, complementing the general training in place nationwide in Prevention of Money Laundering and improving CRM.
- Continuing the selective marketing strategy by opening new sales offices.
- Developing the Gamification Project to enhance sales force engagement and improve its results.
- Analysing the professional needs of the sales force, the degree to which the Company meets them and sales force performance with respect to their expectations and factors that motivate them.
- Standardising the protocols communicated to customers at all territorial branch offices.



5.4 Customer satisfaction

One of Metrovacesa's **strategic values** is **excellent customer management**. To achieve this, it is necessary to be able to listen to the voice of the customer and incorporate it into corporate processes, products and services.

To this end, the Group carries out studies to **measure the satisfaction** of its customers **at least once a year** using a valuation process based on internationally accepted methodologies. These studies make it possible to know what happens at the critical moments of the customer's decision-making process in order to improve commercial and customer service procedures.

Customer satisfaction is tracked through the following **indicators**:

- NSI (Net Satisfaction Score)
- NPS (Net Promoter Score)
- NES (Net Expectation Score)
- CES (Customer Effort Score)

In 2021, a score of **7.3 was registered in the Recommendation Indicator**, which indicates customer loyalty. Moreover, the sample of the most important surveys on customer engagement increased, reaching an **average score of 8.1 points** and a rise in the **answer rate from 11% to 20%**. Surveys on contract and handover customer satisfaction showed improvements in this area compared to the previous year. Specifically, focus groups were included to obtain valuable information on how customers engage with the Group, and new surveys were included, for instance, those done four months after having handed over the home.

In addition, the mystery shopping technique, was used to monitor **customer experience during the sales process**, returning an **average score of 7.5 in 2021**.

Management of complaints, claims and suggestions

Managing complaints and claims in corporate processes is a **key element in improving the experience of Metrovacesa's customers**.

The Company therefore has an internal procedure in place to efficiently and transparently manage them in order to respond to customer concerns and needs.

Metrovacesa has **different channels for complaints**:

- **Complaints box**: enabled on the corporate website, through which complaints/claims are channelled. They are then analysed and forwarded to the corresponding departments for their correct resolution.
- **Social Networks**: presence on social networks is used to increase customer experience, through a specific protocol to internally manage customer requests, incidents and suggestions directly related to our homes.
- **Customer Service**: all customer incidents that reach the particular department in question are forwarded to specific after-sales management email accounts and are recorded in the CRM tools so that their management and resolution times can be monitored. The Company's Contact Centre operates as part of our Customer Service.
- **After-sales**: each territorial office has an e-mail address so that customers can contact them directly and receive personalised attention.

These channels are used by Metrovacesa to work on **reducing the number of customer experience incidents**. Specifically, in 2021, 58% of the complaints received were related to after-sales incidents, followed by home related ones and those related to the sales stage. However, the Company **dealt with and closed 91% of these complaints on average within 6 days**.

Furthermore, the Company has put in place an **automated procedure to manage complaints internally** and jointly **monitors** comments, complaints and after-sales incidents received at territorial offices.

To complete its customer experience tools, Metrovacesa has complaint forms available to customers at all of its offices. These forms are duly updated in accordance with regulatory developments in these matters.

6

ENVIRONMENTALLY
SUSTAINABLE
DEVELOPMENTS

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6.1. Environmental management model

The Metrovacesa **environmental management model** is defined by the guidelines established in the **Quality, Sustainability and Environmental Policy**. These guidelines seek to **ensure an efficient and responsible quality service** that responds to and exceeds Company stakeholders' expectations in a **proactive and approachable manner** to **create shared value**.

Metrovacesa's commitment to sustainable development goes beyond compliance with the applicable legal obligations. **Metrovacesa understands sustainability as a strategic commitment** and **seeks to optimise the design and building of its developments sustainably**.

Quality, Sustainability and Environmental Policy

This policy establishes a series of **environment related commitments**:

- Protecting the environment by working with a precautionary approach, aiming to **reduce the negative impact of operations**, and striving for an efficient use of resources.
- Establishing the obligation to design projects to mitigate climate change and to enable society to adapt to its possible effects through **clean and environmentally-sustainable technologies**.
- Ensuring **continuous improvement** through the identification, assessment and periodic review of processes, assessing their performance and establishing risk control mechanisms to achieve the proposed objectives.
- **Analysing and being self-critical**, anticipating changing conditions in our environment.
- Having measures in all projects for **collaboration with local public and private institutions as well as the communities** in the areas involved.
- **Conveying our sustainable development criteria to the entire supply chain**, requiring them to adopt a policy of continuous improvement in relation to the integration of sustainable development criteria and responsible behaviour in their lines of business

Environmental management

In 2021, work was done on **preparing the implementation of the ISO 14001 based environmental management system**.

To this end, an in-depth analysis was carried out of the environment related actions already taken, as well as those to be implemented in the next few years, with a view to determining the roadmap to implement and achieve ISO 14001 certification in 2022.

Metrovacesa is working to alleviate the impact of its operations on energy consumption, resources and biodiversity. Among the major measures undertaken with respect to **energy efficiency**, the installation of sensors in offices and the lights out policy at head office as of 7.30 pm from Mondays to Thursdays and from 4.00 pm on Fridays are particularly noteworthy.

Metrovacesa manages **material resources** sustainably, encouraging their rational use. In this regard, the offices provide recycling bins for employees to facilitate the identification and classification of recyclable and non-recyclable material. Furthermore, Metrovacesa is committed to reducing its consumption of paper, opting for new technologies, facilitating split screens at work stations, using a printing management and control system and FSC-certified paper to print out documents.

In 2021, Metrovacesa had no administrative sanctions imposed on it for any infringement of environmental regulations.

6.2. Climate change mitigation and adaptation

Commitment to climate change mitigation and adaptation

Metrovacesa is mindful of the importance of trying to reduce the impact of global warming and considers **mitigating and adapting to climate change as a core feature of its corporate sustainability strategy**.

Buildings are currently one of the main contributors to carbon dioxide emissions and therefore to climate change. This means that, as an indispensable part of society, the sector must adapt to the risks that climate change poses to life in cities. In this regard, the **UN 2030 Agenda for Sustainable Development** establishes **SDG 11. Sustainable Cities and Communities**, which points to the importance of building greener urban environments to encourage decarbonising and to promote sustainability.

The Company is committed to designing projects that make it possible to mitigate the contribution to climate change and that encourage the adaptation of housing to it. Moreover, Metrovacesa is working to reduce carbon emissions by means of **resilient infrastructures and sustainability focused products and services**.

Specifically, the Company strives to **reduce CO2** emissions generated by corporate activity. To this end, it is opting to renew its rental fleet for electric or hybrid vehicles; provides its teams with group transportation to head office; is working to replace the corporate electricity supply with green energy; and offers the pre-installation of electric vehicle chargers in all of its developments, among other measures.

Management of climate risks and opportunities

In 2021, with a view to **integrating climate change related risks that affect the Company into the corporate risk management strategy and the corporate sustainability strategy**, Metrovacesa conducted an **analysis of climate change and energy transition risks and opportunities** in accordance with the **Task Force on Climate Financial Disclosures (TCFD)** recommendations. This Financial Stability Board (FSB) task force stresses the importance of companies disclosing their impact on climate change, encouraging the comprehensiveness of these types of publications by means of a reporting framework to disseminate companies' exposure to climate change that is divided into four core pillars: governance, risk management strategy, metrics and goals.

Metrovacesa's efforts in this area have resulted in a **method to assess physical climate risks and the vulnerability of projects**, enabling it to integrate climate change mitigation and adaptation factors into decision-making. In keeping with this approach, the Group carried out a **climate risks and opportunities identification and assessment exercise**, analysing physical and transition risks and classifying them according to their level of criticality and the probability of them affecting Company projects and subsequently determining any business opportunities depending on their execution horizon and potential impact.

Specifically, Metrovacesa **assesses their physical risks according to a criticality level identified as chronic or acute, and their transition risks according to their risk factors**, which are classified into legal, technological, market or reputational. Furthermore, **it also assesses opportunities with respect to different factors**, classifying them in terms of resources efficiency, energy source, products and services, markets and resilience **and with a short, medium or long-term completion deadline**.

Go to 2.2 Risk management for further information on climate change risk management.

6.3. Integration of sustainability in the activity

The property development process at Metrovacesa is divided into **three stages**:



In 2021, as part of the **urban regeneration** activity, remediation actions were carried out in two places, specifically, in Terrassa and Mollet del Vallès.



Participative urban planning

The projects and urban planning that Metrovacesa develops are designed in a way that makes it possible to reduce costs and deadlines while quality of housing and environment quality are increased.

The **Sustainable Urban Development Department** was created in 2021 to establish a closer relationship between the company and the end user, involving local stakeholders to achieve better acceptance of projects and improving them by incorporating the result of participatory processes.

For instance, the **public participation plan for the Vinival project (Alboraya, Valencia)** that was carried out from October to December 2021. Thanks to this plan, eight information and work sessions were held with associations and neighbours interested in the project, at which thematic workshops were organised about public space, uses and sustainability. The conclusions of this participatory process will be brought together to modify the final version of the plan to be submitted.

The Vinival Sector project, which received Preliminary Approval from the Alboraya Town Council in September 2021, **proposes the regeneration of an old industrial site and its transformation for residential and tertiary use**. A sustainable model has been decided on, with many public spaces to endow a poorly consolidated and fragmented site with a certain urban continuity. This **juxtaposition of uses** will make it possible to attract a stable population and consolidate a residential environment wanting in character on account of its seasonal nature. The **restoration of the old Vinival winery** and the showcasing of its historical value will set the project apart, acting as an anchor to attract talent and encouraging the setting-up of new companies.

A start was made in 2021 on preparing **Preparatory Diagnostics** for the **Benimaclet (Valencia) and Percebeiras (Coruña)** projects geared towards implementing action plans to improve the harmonising of the urban developments with the interests of neighbours from the surrounding area.

On the other hand, Metrovacesa is a partner in the **ARV project: Climate Positive Circular Communities**, which has received €20 million in EU funding from the European Commission within the framework of its Green Deal programme. This European scale project seeks to create energy-efficient communities from already existing buildings. Six European cities are involved in the project: Oslo (Norway), Sønderborg (Denmark), Utrecht (the Netherlands), Karvina (the Czech Republic), Trento (Italy) and Palma de Mallorca (Spain). In the case of Palma, the action refers to the Nou LLevant – La Soledat neighbourhood, where Metrovacesa is building two low-energy consumption developments, which will be monitored by the Palma City Council and the Energy Institute of Catalonia, which are also taking part in the project.

Sustainable Cities 2030

Metrovacesa has signed up to the “Ciudades Sostenibles 2030” project, an initiative designed by Forética, the purpose of which is to encourage business involvement in the development of sustainable cities in Spain and to highlight the importance of public-private collaboration to bring about a resilient, secure, inclusive and sustainable city model.

Sustainable building certifications

Metrovacesa believes in **the need to develop housing and tertiary building projects that are designed with sustainability and well-being in mind.**

At the close of 2021, **61% of Metrovacesa developments** in Spain had **Efficient Energy Rating (EER) Certification categorised as BA-BB**, while **21%** were categorised as **AA**.

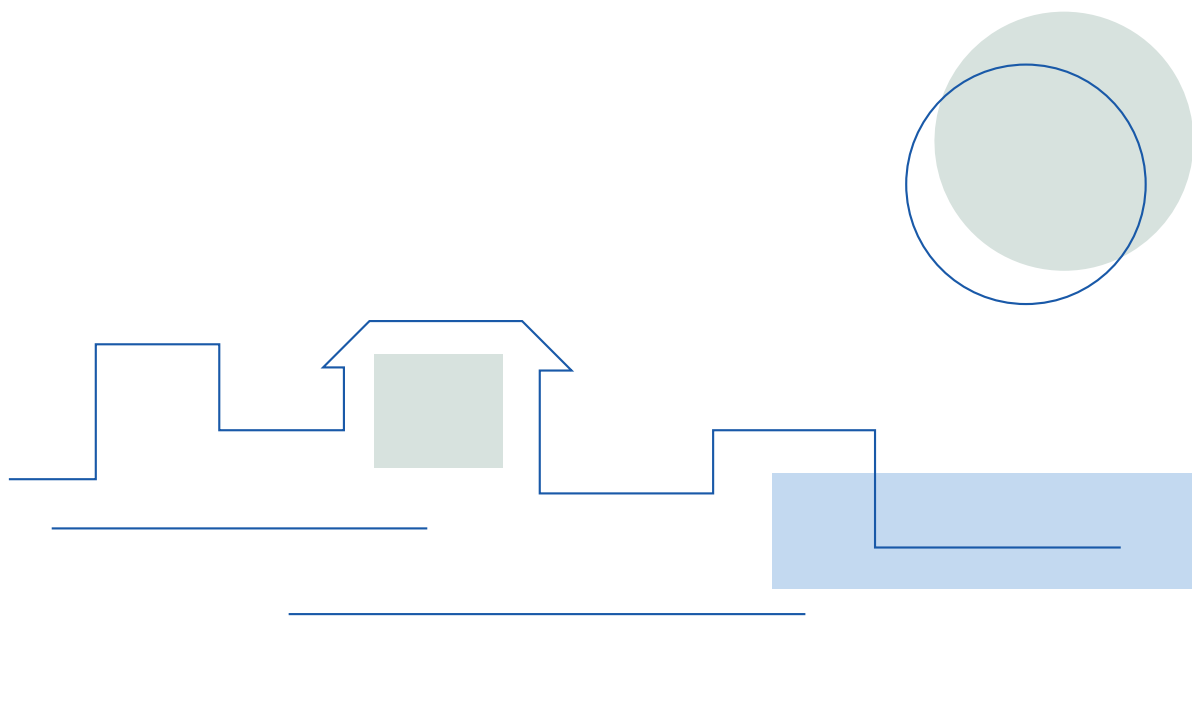
It should be pointed out that **among the Key Performance Indicators (KPIs)** selected by the Company as sustainability criteria for **corporate sustainable financing** the **'percentage of projects in progress with A or B energy classification'** was selected.

At the end of 2021, Metrovacesa presented its new sustainable commitment and quality brand, **domum**. The **Metrovacesa domum commitment** came out of **conceiving and designing housing based on a core development principle: sustainability.**

This assessment tool **makes it possible to categorise developments in accordance with factors such as energy efficiency; the circular economy; and a design in harmony with and adapted to the climate characteristics of the surroundings.** The structure of domum is based on identifying the final **5 categories and 29 subcategories** of which it comprises and a quantification system that makes scoring possible, which will determine the qualification that can be obtained by a development.

Since the launch of domum in November 2021, 100% the new projects undertaken meet this sustainable building commitment.

With a view to boosting its **commitment to sustainable urban planning and building**, Metrovacesa signed a collaboration agreement with Green Building Council España (GBCe), the main sustainable building organisation in Spain, and which forms part of the international network World Green Building Council (WorldGBC). Among other initiatives, this agreement offers Metrovacesa the possibility of certifying its developments with the organisation's **VERDE sustainability certificate.**



Domum commitment categories

Carbon footprint



- Energy efficiency
- Energy efficiency in lighting
- Energy efficiency of household appliances and equipment
- Renewable energies
- Energy monitoring
- Responsible choice of refrigerant

Welfare



- Indoor air quality
- Natural lighting
- Exterior views
- Outdoor space and green areas
- Water quality
- Thermal comfort
- Noise protection
- Emergency program
- Accessibility
- Quality of interior spaces

Water footprint



- Rainwater reuse
- Water saving devices
- Intelligent irrigation

Construction and customization



- Household waste management
- Custom design
- Responsible choice of materials
- Materials with low environmental and economic impact
- Product eco-labeling
- Waste management during construction
- Resilience to climate change

Transportation



- Bicycle infrastructure
- Electric vehicle charging
- Public transportation and other means of mobility



domum Plus



domum Premium



domum Excellent



Life Cycle Assessment

Throughout their life cycle, construction elements or materials are responsible, to a greater or lesser extent, for a series of **changes to or impacts on the environment**. Being aware of the type and extent of these impacts is the first step in making decisions aimed at reducing or eliminating them. .

The **Life Cycle Assessment (LCA)** is a recognised methodology for quantifying the environmental impacts associated with the property development process throughout its life cycle. It also allows two different construction solutions defined for the same enclosure, interior partition, façade element, etc., to be compared in order for the most environmentally sustainable solution to be selected.

An **LCA was conducted on two developments** in 2021 to analyse the carbon footprint impact of the buildings. It was carried out **in collaboration with two external specialist firms** in these types of analyses. Work was also done on generalising its implementation in future launches.

Building Information Modelling (BIM)

BIM technology, present throughout the housing development process, **makes providing intelligence to the construction elements possible, ensuring greater accuracy and traceability during the development of the project and the life of the building**. 3D simulation technology used with BIM:

- Makes architectural design more efficient and precise.
- Enables the generation of digital simulations and smart management.
- Coordinates all project architecture information.
- Makes it possible to specify project design deadlines.
- Detects possible errors early on.
- Helps to improve deadlines.

Metrovacesa has been working since 2019 on implementing the BIM methodology in its project definition process. **The BIM methodology was used on 48 projects** in 2021 and a **BIM Manager** joined the staff.

Key factors for the developer

Costs reduction

- Reduction of total cost.
- Fewer project and site modifications.

Reduced deadlines

- Reduction of time in the development of the project.
- Reduction of the time spent on site.

Increased marketing success

- Faster information development.
- Customer Immersion.

Improved product quality

- More control over the project.
- Reduced error/failure rate.

More sustainable projects

- Reduction of paper consumption in printing and reviewing of projects.
- Agility in the analysis of projects to obtain sustainability certificates.

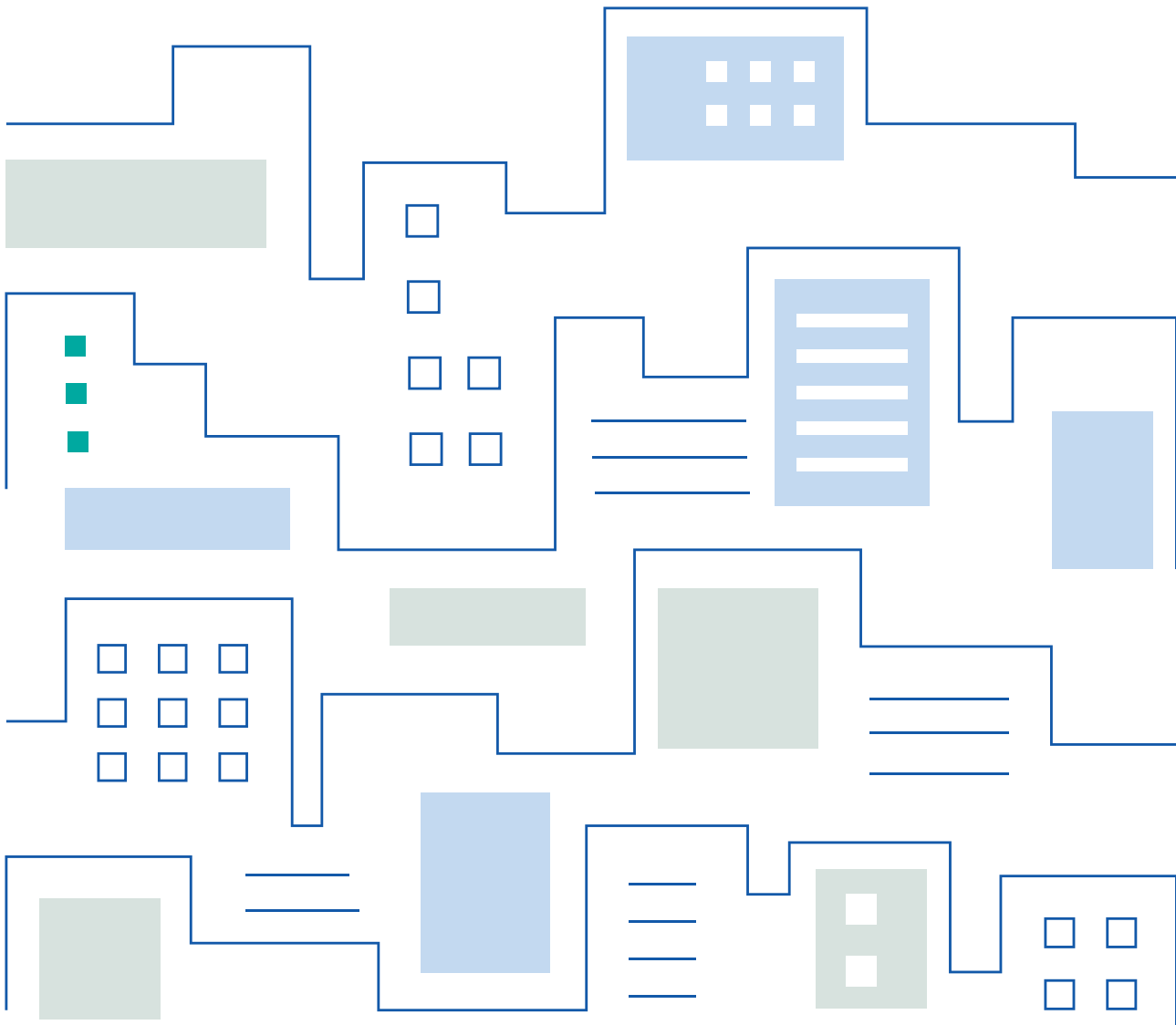
Greater control of information

- Project monitoring through a centralized tool without loss of traceability of its evolution.

7

OUR TALENT

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At Metrovacesa, the **priority is to offer teams an attractive environment** where they can develop professionally and achieve a work-life balance, obtaining a **committed workforce capable of providing excellence and professionalism** to customers.

For this reason, and with the aim of achieving an engaged team, the strategic lines of the Company are directly linked to the management of human capital:

- Capturing and retaining talent.
- Aligning skills, effort and attitudes with business and corporate culture objectives.

Within the framework of these strategic lines, the Group's efforts are focused on:

- **Employing the best professionals**, trained and willing to take on the challenges of growth and sustainability in a demanding market environment.
- **Fostering internal communication** as a tool for creating enthusiasm, confidence and pride in Metrovacesa and its projects.
- **Acting as a lever for cultural change** towards a flexible, dynamic, innovative style of organisation.

Metrovacesa has a **Corporate Human Resources Standard** in place to manage its human capital. It groups together the policies and criteria to be used in the management and development of processes related to Human Resources and its group. Specifically in relation to the following aspects:

- Recruitment, promotion, selection and dismissal policy.
- Performance assessment and training policy.
- Remuneration policy.
- Code of Good Practice and time management.
- Social benefits.
- Protocol for the Prevention, Action, and Punishment of Harassment Situations.

Metrovacesa also has other policies in place related to human capital management, such as:

The **Equality and Diversity Policy** to formalise the Company commitment to promoting a working environment in which everyone, without exception, can contribute to their own personal success and to that of the Company as a whole.

The **Health and Safety Policy** to formalise the Metrovacesa commitment to the health and safety of all its employees and collaborators who work on its projects and its customers.

The **Equality Plan** establishes measures to achieve equality of treatment and of opportunities between men and women and to eliminate gender-related discrimination.

Furthermore, the **Appointments, Remuneration and Sustainability Committee** is the body responsible for overseeing Human Resources matters. To this end it is supported by the **Equality Committee** and a Human Resources Department integrated into **Organisation, Resources and Quality Management**.

7.1. Human capital

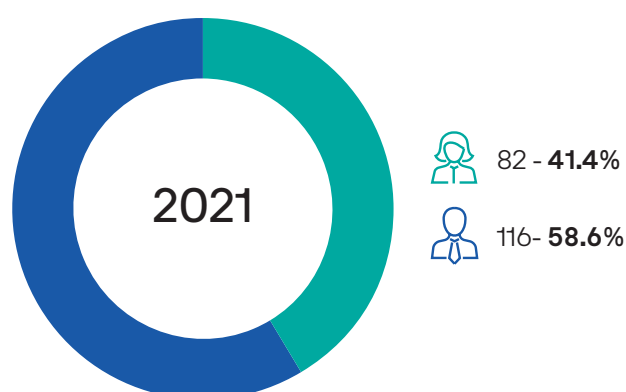
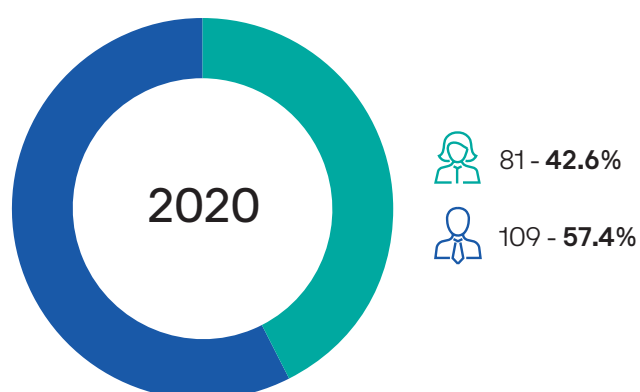
The key cornerstone of Metrovacesa's strategy is to **attract and retain the best professionals in the market**, by **promoting talent and encouraging leadership**. As a result, the Company has a well-trained and motivated team with initiative, in an environment where **special attention is paid to diversity, training, innovation and flexibility at work**.

The workforce at the end of 2021 comprised 203 employees, which represents an increase of 4% compared to the year before and a 7% rise on 2019.

Distribution of employees by professional category and gender												
	2021				2020				2019			
	Female		Male		Female		Male		Female		Male	
Executives	3	4%	15	13%	5	6%	13	12%	6	7%	13	12%
Managers and Technicians	31	37%	68	57%	29	35%	61	55%	31	38%	58	54%
Administrative staff	49	59%	33	28%	50	60%	33	30%	45	55%	32	30%
Miscellaneous	-	-	4	3%	-	-	4	4%	-	-	4	4%
Total	83	100%	120	100%	84	100%	111	100%	82	100%	107	100%
	203				195				189			

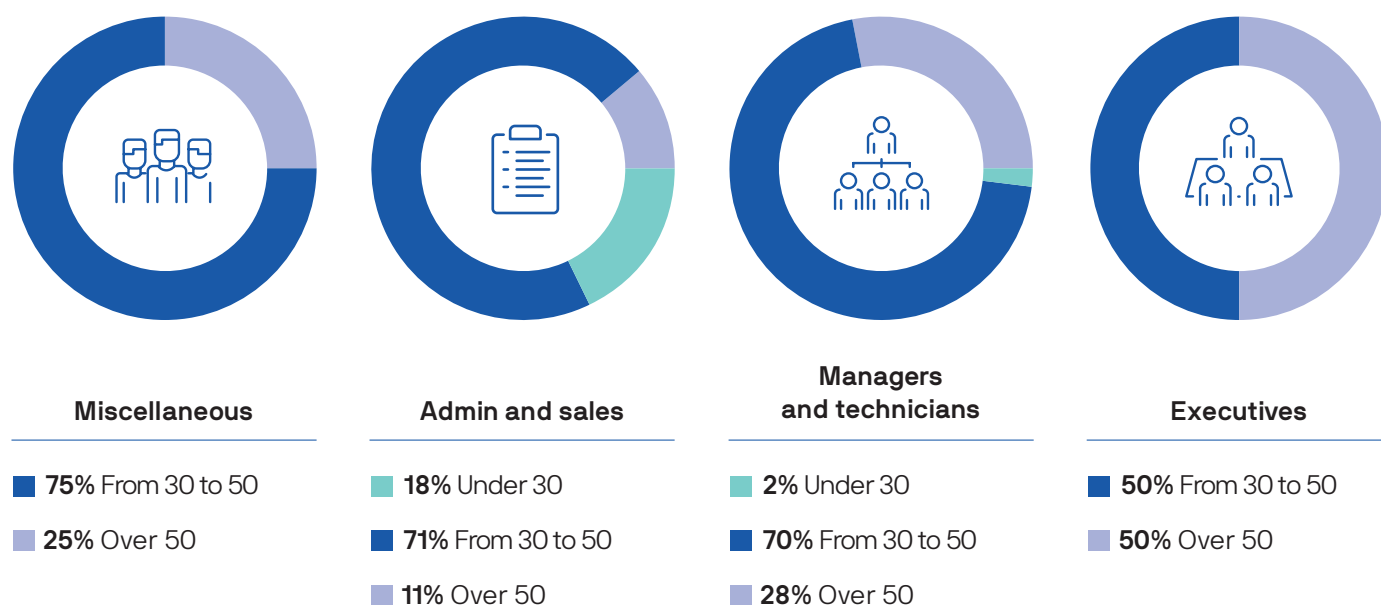
In turn, the average workforce for the year recorded an increase of 4% compared to 2020, with an **average of 198 employees** during the year.

Average employees by gender (2020-2021)



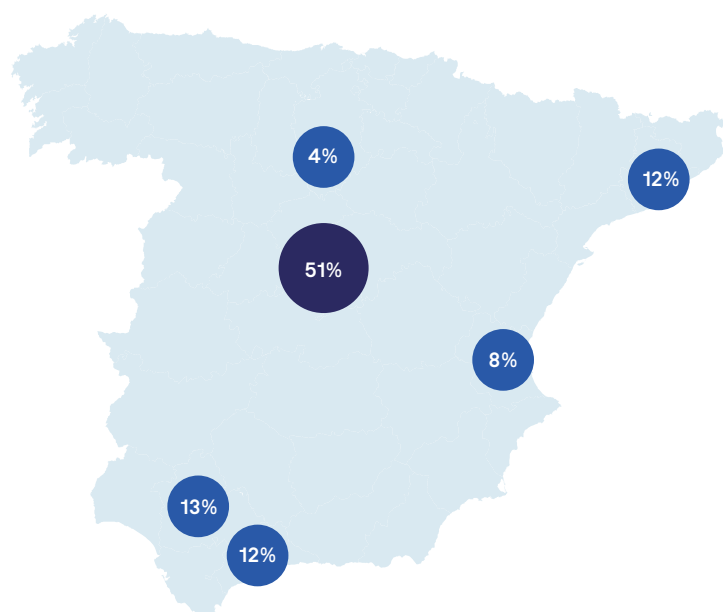
In 2021, the average age of the workforce was **44 years of age**. At Metrovacesa, 68% of the teams are made up of employees from 30 to 50 years old, while 23% are over 50 and 8% under 30.

Specifically, **the distribution of teams by professional category and age** is as follows:



Metrovacesa teams are distributed throughout different regions of Spain and are especially present in the **centre area** (51%).

The geographical distribution of the human capital is presented below:



Distribution of employees by region				
	2021		2020	
Levante	16	8%	15	8%
Centre	103	51%	102	52%
Cataluña	25	12%	22	11%
Castilla y León	8	4%	8	4%
Eastern Andalusia	26	13%	27	14%
Western Andalusia	25	12%	21	11%
Total	203	100%	195	100%

Distribution of employees by contract type and gender

	Female		Male		Total	
Permanent full-time	79	95%	114	95%	193	95%
Permanent part-time	-	-	1	1%	1	1%
Temporary full-time	4	5%	5	4%	9	4%
Temporary part-time	-	-	-	-	-	-
Total	83	100%	120	100%	203	100%

In terms of contract type, **96% of the Company workforce is on a permanent contract** and only 4% on temporary contracts.

Furthermore, **99% of our employees work a full working day**, while only 1% work part-time.

Distribution of employees by contract type and professional category (2021)

	Executives		Managers and Technicians		Admin and sales		Miscellaneous and junior staff		Total	
Permanent full-time	18	100%	99	100%	72	88%	4	100%	193	95%
Permanent part-time	-	-	-	-	1	1%	-	-	1	1%
Temporary full-time	-	-	-	-	9	11%	-	-	9	4%
Temporary part-time	-	-	-	-	-	-	-	-	-	-
Total	18	100%	99	100%	82	100%	4	100%	203	100%

Company **workforce average seniority** is as follows:

	2021						2020					
	Female		Male		Total		Female		Male		Total	
< 1 year	10	50%	10	50%	20	10%	8	10%	6	5%	14	8%
1 - 5 years	54	41%	78	59%	132	65%	59	70%	80	72%	139	71%
5 - 10 years	7	39%	11	61%	18	9%	5	6%	3	3%	8	4%
10 - 15 years	4	33%	8	67%	12	6%	4	4%	8	7%	12	6%
> 15 years	8	38%	13	62%	21	10%	8	10%	14	13%	22	11%
Total	83	100%	120	100%	203	100%	84	100%	111	100%	195	100%

Metrovacesa strives to attract the best talent and provide its employees with a pleasant work, training-driven and recognition-fostering environment. Accordingly, **recruitment and turnover** was distributed as follows in 2021:

Recruitment and turnover by gender						
	Female		Male		Total	
New recruits	19	45%	23	55%	42	100%
Dismissals	2	29%	5	71%	7	100%
Contract termination	3	75%	1	25%	4	100%
Retirement	1	100%	-	-	1	100%
Resignations	13	65%	7	35%	20	100%

New Employee Welcome Plan

Metrovacesa believes that **the employee experience is a key factor** in team management. Accordingly, during the onboarding process, team well-being is becoming increasingly more important. In this regard, the **corporate Welcome Plan** plays a key role in generating a positive impact on new recruits. This plan comprises the following components:

The 'mvc passport'.



The figure of the employee's mentor during their first week.



Welcome session by a representative of each area or department that makes up the Organisation.



The **welcome portfolio**, which contains information on employee-related matters like job description, hierarchy and location. It also contains a general introduction to the Company, the corporate portal and all corporate lines of operation.



Furthermore, in compliance with Occupational Risk Prevention regulations, Metrovacesa has all new team recruits undergo a **medical check-up**. Moreover, it provides **compulsory training in occupational risk prevention** tailored to the job in question, which is further complemented by **special training** in different areas that all new recruits receive **with respect to their functions in the Company**.

7.2 Diversity and equality

Diversity and equal opportunities are key elements in Metrovacesa's pursuit of its corporate goals. The Company **espouses an inclusive business culture, promoting diversity, integration and acceptance in all its undertakings.** Moreover, it has measures in place to avoid any type of discrimination or preference based on race, age, gender, ideology or educational institution during the recruitment and selection process to hire and subsequently develop staff.

This commitment is embodied in the Company's **Equality and Diversity Policy** and **Code of Ethics**, which foster equal opportunities and working conditions for all employees, as well as equal treatment in relations with and engagement between employees and with stakeholders. **No cases of discrimination were detected in 2021.**

Metrovacesa understands that it is key to incorporate the **gender perspective** to make the best use of people's abilities in all their diversity, avoiding any type of discrimination, and this is reflected in the **Recruitment Policy**, which has the following objectives:

- To ensure equal opportunity in the selection process, avoiding gender-based prejudices and stereotypes.
- To foster balanced participation of women and men in all areas and at all levels of the Company.
- To ensure that inclusive language is used throughout the selection and recruitment processes.
- To offer training, awareness, and guidance in equality of opportunities to members of the Human Resources Department and those involved in the selection and recruitment process.
- In terms of gender equality, whenever there are applications from both sexes of equal value to fill the post, the person of the under-represented sex will be chosen.

The guidelines established to incorporate the gender perspective into selection processes **have accomplished the following:**

- **Insertion of 50% women and 50% men in the 2021 Talent Programme**, as opposed to the highly male biased levels of 2018 (86% men and 14% women).
- **Drop in horizontal segregation**, reflecting the increased presence of women in different areas.
- **Equity levels have been reached in 5 of the 9 operational areas (56%).**

Although there is still a higher proportion of men in the workforce, Metrovacesa does not distinguish between women and men in the management of its staff. To this end, the Company has an **Equality Plan**, in force since 2018. Its objective is to establish and develop policies that integrate equal treatment and opportunities between women and men in the Company, promoting and encouraging measures that prevent unequal treatment, eliminate the risk of direct and indirect discrimination based on gender and contribute to greater equality within Metrovacesa and society.

Moreover, the **Equality Principle** has been incorporated as an across-the-board measure in business management, particularly focusing on human resources and communication policies, which continue to prioritise:

- The incorporation into already existing human resources management processes of those issues that ensure a gender and equal opportunity perspective.
- Awareness-raising actions to inculcate gender quality in the Company business culture.

Equality can only be achieved with the commitment of all Metrovacesa employees. For that very reason, in 2021 a voluntary **Unconscious Bias Awareness Workshop (2 hours)** open to all staff was held and was attended by 61 employees. Initiatives like these raise the awareness of professionals to equality issues and provide them with tools to foster an inclusive work environment.

It should be pointed out that **in 2021 Metrovacesa opted to include people at risk of social exclusion and victims of gender violence in selection processes.** To this end, it collaborated with particular Foundations that provided access to such candidates, eventually resulting in the hiring of a gender violence victim.

Inspiring Girls

Metrovacesa collaborated in the 'Inspiring Girls' initiative, which seeks to **heighten the professional ambitions of young girls, as well as their job expectations.** All female members of staff were invited to participate in the initiative back in September 2021, nine of whom, all with different profiles, decided to participate, voluntarily offering to share their work experience with young girls at different schools.

Metrovacesa is committed to the presence of women in decision-making for the company.

The Board of Directors is made up of 25% women (3 out of 12 members), a presence soon to be increased in 2022 with the appointment of Ms Azucena Viñuela Hernández as a new independent director and chair of the Audit Committee. **Metrovacesa ranks above the average percentage** (18.5%) of women on these bodies as stated in the last three annual corporate governance reports of listed companies trading on official markets published and updated by the Spanish National Securities Market Commission (CNMV).

The Management Committee or Management Team is **made up of 40% women** (4 out of 11 members).

Apart from that, it should be noted that, **since the approval of the Equality Plan, the presence of women in Area Management or Department Management positions has increased to 39% (13 out of 33).**

Moreover, in accordance with Organic Law 3/2007 of 22 March on the effective equality of women and men, Metrovacesa has established a **Protocol for the Prevention, Action and Punishment of Harassment**, which establishes a procedure to prevent and take action in case of harassment of any kind in the workplace. The protocol applies to all employees and is aimed at prevention and intervention.

There is also an **Equality Committee** in place. The body is made up of a member of the Management Committee and employees from different departments in positions with varying levels of responsibility, the purpose of which is to help ensure gender equality across the board, propose ideas and establish measures.

Inclusion of people with disabilities

Metrovacesa stands out in its commitment to collaborate with entities that favour the inclusion of people with disabilities, as well as the conciliation of those employees with specific needs.

Metrovacesa has **policies and procedures, as well as training and internal communications that promote an accessible work environment.**

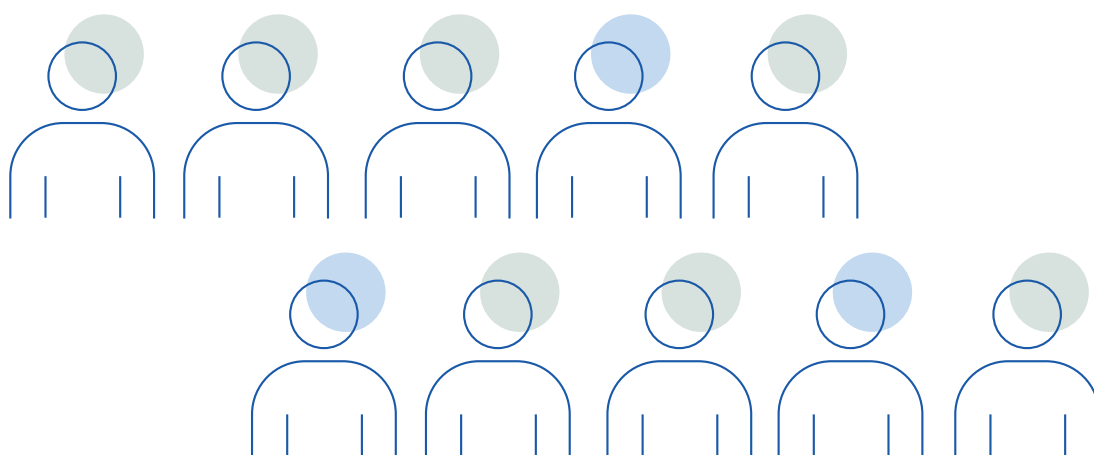
Metrovacesa's work centres are duly adapted to and compliant with current regulations and meet the basic requirements of safety, usability and universal accessibility, devoid as they are of any architectural, urban or communication barriers.

DKV Award

Metrovacesa received the **most inclusive company award given by Fundación Integralia DKV**, which was presented at the "¿Dónde está la discapacidad?" (What disability?) event. At the ceremony, this Foundation commemorated its 21st anniversary by acknowledging all those companies, entities and people who have given professionals with a disability a job and stressed the importance of the business sector's commitment to this group's needs.

Jorge Perez de Leza presented this award during the ceremony in acknowledgement of Metrovacesa's work in this area.

Accordingly, under the General Disability Act, **the Company promotes the social and labour integration of people with disabilities.** It currently has 2 such people employed. In 2021, Metrovacesa signed a service provision contract with **Fundación DKV Integralia** to meet the Company's customer service needs. As a special employment centre, DKV invoiced Metrovacesa for over €300,000 in 2021.

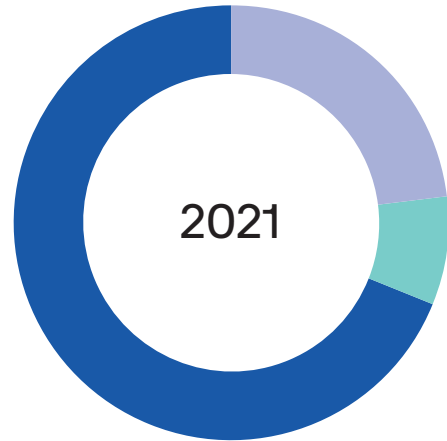


Generational diversity

Metrovacesa is committed to both young and senior talent. Since 2019, the Company has been running the following programmes:

- **Young Talent Programme:** this initiative seeks to **invest in the in-house development of young professionals.** Through this programme, candidates join a comprehensive, two-year training plan in different areas, acquiring fit-for-purpose skills to subsequently hold key positions in the Company. Specifically, in 2021 the Group launched the 5th edition.
- **Senior Talent Programme:** this programme seeks to **incorporate people over 55 years of age with extensive professional experience in key areas** for business.

The combination of both these profiles in the Company is a key factor in meeting the different goals set. Moreover, both programmes mutually reinforce each other through the mentoring initiative that Metrovacesa has established as a learning and knowledge transfer tool. Thus, **senior experience nourishes the professional growth of promising junior employees.**

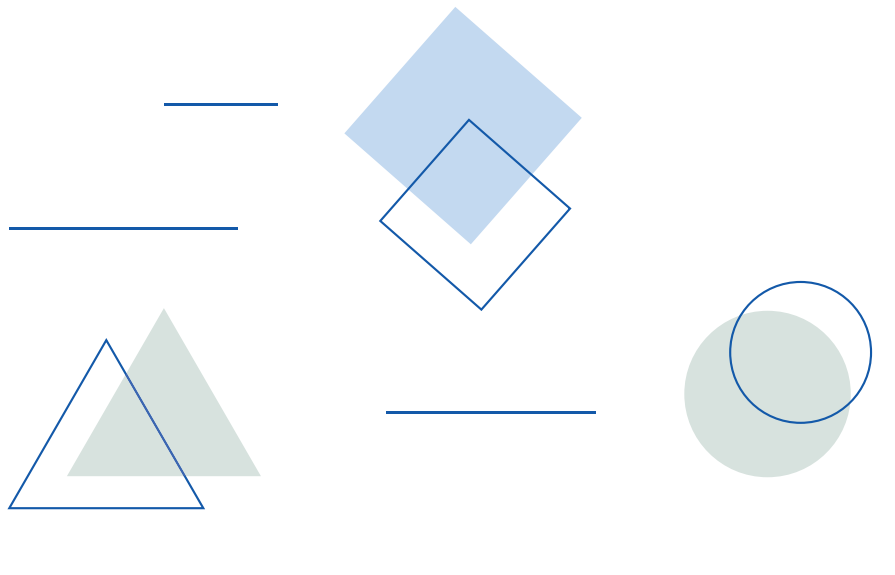


Distribution of employees by age

- 8% Under 30
- 23% From 30 to 50
- 68% Over 50

Average workforce age: **44**

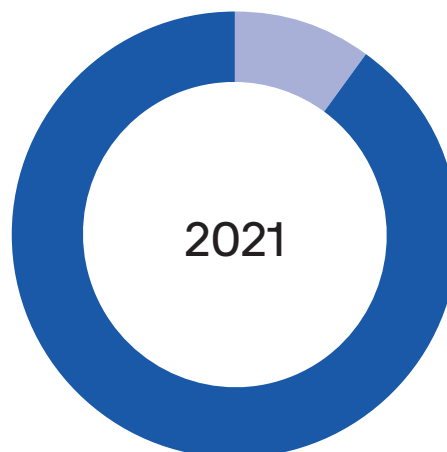
Highest age group concentration
From 30 to 50 (68%)



7.3 Attracting and retaining talent

Metrovacesa believes it is vital to be able to count on only the best professionals in its teams. Accordingly, attracting and retaining talent is a key aspect of human capital management. To this end, the Company has a selection and promotion policy that seeks:

- To ensure the recruitment of the best profile for each post, either via external recruitment or internal promotion.
- Firstly, to cover Metrovacesa's needs by internally promoting Company professionals.
- In the event that Group needs cannot be met internally, and an external process has to be opened, at least one personal interview with the Human Resources Department will be required for the short-listed candidates, and another with who will be the immediate superior of the successful candidate.

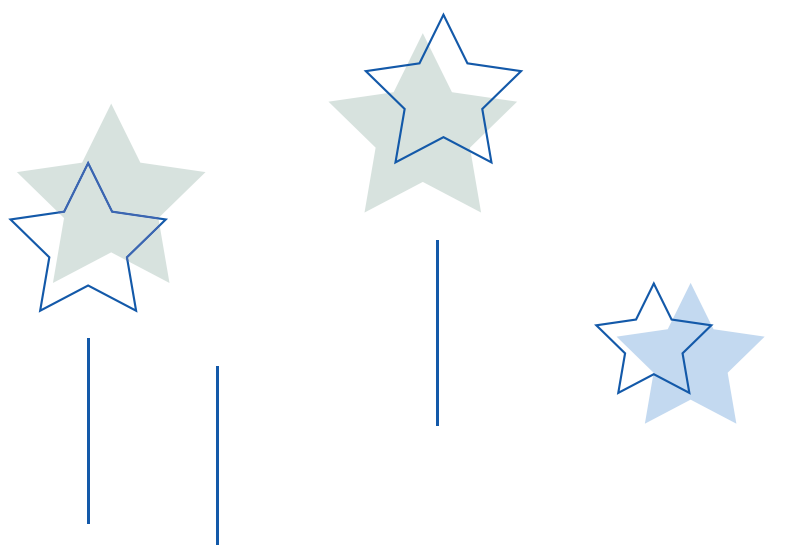


Promotions or changes (10)

■ 90% Promotions

■ 10% Horizontal changes

Likewise, Metrovacesa **guarantees that the hiring process, both internal and external, is carried out under equal opportunity criteria, avoiding any type of discrimination or preference based on race, age, gender, ideology or educational institution**, during the recruitment and selection process, hiring and subsequent development of employees.



Training and professional development

Metrovacesa **invests in human capital to promote corporate culture and values**, ensuring the creation of sustainable value, as well as contributing to the professional development of talent and the well-being of its teams.

The Group continues working to improve in this area. To this end, every year it prepares a **Training Plan** that seeks to **ensure the preparation and training of all Company employees** in the knowledge and skills required to properly perform their duties. This Plan seeks to **cover business needs and the expectations of Company teams**. In this way the Company fosters communication with employees to detect and incorporate those subject areas considered necessary into the training programme.

Metrovacesa guarantees the principle of equal opportunities in the professional development of both genders within the Company.

Metrovacesa can count, for this purpose, on professionals with extensive experience and knowledge of the sector, which favours the **provision of in-house training**. In this way, **the training developed by the Company through external providers is complemented**, applying new technologies and the latest sector trends.

Training and instruction hours for employees in 2021						
	Female		Male		Total	
	Total hours	Average	Total hours	Average	Total hours	Average
Executives	44	3	476	5	520	5
Managers and Technicians	1,102	5	1,993	5	3,095	5
Admin and sales	1,162	5	602	4	1,764	4
Miscellaneous	0	-	8	2	8	2
Total	2,308	3	3,079	5	5,387	5

Training hours given in the year

5,387



Training hours given per employee:

27



Training hours given in Occupational Risk Prevention:

400



Training hours given in Health and Safety:

77



In 2021, Metrovacesa trained its employees in several areas that are essential to the performance of their functions and which also serve to drive their professional careers.

Specifically, the company gave the following noteworthy training:

- Skills training: Metrovacesa gave training in 'personal productivity' and 'integrated communication'.
- A six-module programme in 'Sustainable building' to stress its importance for the Company.
- Training in the implementation of ISO 14001 'Environmental management systems'. The content of this training action complements the six-module programme in sustainable building.
- Technology training: The company gave training sessions in Power BI, Flow and Power Automate, thereby boosting awareness of the importance of IT security for all staff.
- Health training: the Company implemented its 'Metrovacesa against strokes' initiative, sharing information with its employees on how to detect this disease and act should the need arise.
- Compliance training, stressing legal training in criminal compliance, the prevention of money laundering and countering the financing of terrorism and in protecting personal data.
- Internal "Cámara Café" (Coffee break) sessions: the Company provided voluntary, remote sessions for the entire staff to inform them about the BIM projects it is carrying out, stressing the importance of sustainability for Metrovacesa, the corporate strategy in this area and sharing information on SDGs.

Training topics in 2021	Hours
Technical	2,518
Legal	475
Regulations	762
Soil-Urban-Analysis Feasibility	249
Technical-work	1,032
Technology	998
Office automation	240
Systems	758
Skills	946
Communication skills	736
Personal skills	210
Knowledge of Metrovacesa	498
Master	90
Languages	60
Other	277
Total	5,387

Performance assessment

Employee performance assessment is carried out on an annual basis, involving the entire workforce of the company, except for recruits in the last quarter of the year. It is a key tool to assess the competencies of the employee according to the challenges of the market and the needs of the company. At present, Metrovacesa has **two assessment models**:

- **Top-down**: an assessment model from boss to collaborator, mandatory for all members of the organisation. This is a performance self-assessment action that is compared in a session at which both parties share the result of the assessment, in addition to making development and training recommendations.
- **Bottom-up**: a voluntary and anonymous assessment from collaborator to boss.

Based on the results obtained, the **performance of all Company teams can be analysed** in a series of key skills for the proper carrying out of their functions. Moreover, taken overall this assessment is used to **determine the different internal promotions** of various employees based on the business strategy.

Specifically, in 2021, 93% of employees received performance assessment, which in reality represents 100% of Metrovacesa employees, save for new recruits in the last quarter of the year.

Remuneration policy and wage gap

Metrovacesa's remuneration policy follows the **principles of merit, effort and results**, promoting the application of variable remuneration efficiently adjusted to objectives, especially in the positions most directly linked to the achievement of results or reduction of losses.

Human Resources also maintains tables of salary bands by duties and categories adapted to the market situation, which are used to objectively establish the calculation of remuneration for new hires, promotions and salary reviews. In this way, **Metrovacesa ensures that the corporate remuneration policy is gender-bias free**.

In 2021, Metrovacesa **analysed the wage gap** against all current regulatory criteria. The following is a summary of the results obtained:

The **14 remuneration levels** into which the Company has organised the professional categories:

- **10 levels** where the average wage **difference does not exceed 5%**, either way.
- **2 levels** where the wage gap **favours women by over 10%**.
- **1 level** where the wage gap **favours men by over 10%** (13.5%).
- **1 level** where the wage gap **favours men by less than 10%** (nearly 6%).

Metrovacesa conducts a remuneration quality study to analyse if there is a wage gap, and if so, at what levels, and to propose measures to reduce or eliminate it. This study involves assessing jobs, doing a remuneration audit and recording wages.

Accordingly, it was concluded **there was no wage discrimination between men and women in similar positions**. The Company works to watch out for and **reduce those levels where these differences persist** and will continue to do so.

Moreover, it should be pointed out that the **Company has set a target** in its ESG indicators that assess the aforementioned levels that aspires **not to have more than one level with a difference of over 10% in favour of men** and, in any case, to take measures to try and **reduce it to zero**.

Fixed and variable remuneration system

The Group's remuneration system consists of a fixed and variable salary. **100% of the workforce has an annual variable remuneration linked to the fixed remuneration**, which is based on the setting and assessment of annual objectives. These objectives are defined in a knock-on manner in the organisation starting from the budgets and the Business Plan.

Flexible remuneration

On the other hand, Metrovacesa has a **flexible remuneration model**, whereby all employees have the possibility of allocating part of their remuneration to contracting certain products through which they enjoy tax benefits. Some of the products available for contracting include:

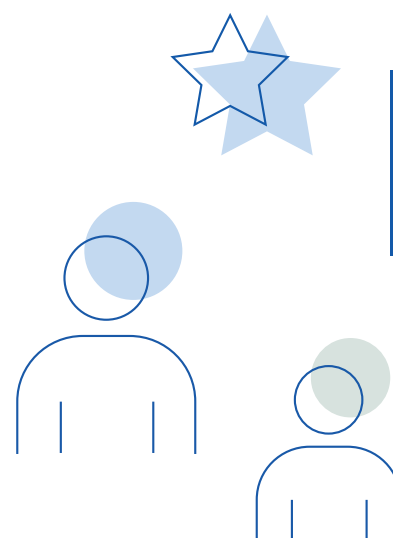
- **Life and accident insurance:** all employees are included and insured in the collective life insurance policy that the Company has taken out.
- **Pension plan:** Metrovacesa Group has set up a jointly promoted and defined contribution Pension Plan, in which all employees of the Group with more than one year seniority are participants. Every year the company contributes 2% of the fixed salary of each employee, and if employees contribute 1% on their own account, the company contributes a further 1%.
- **Restaurant card:** possibility of benefiting from a restaurant card with co-payment.
- **Childcare allowance:** subsidy of a monthly amount for employees who take their pre-school children to a nursery school.
- **Medical insurance:** all employees have free Healthcare and Expense Reimbursement Insurance. There is also the option of including direct family members in this insurance.

Moreover, Company employees enjoy other benefits, such as membership of the "Club METROVACESA". This is a discount programme that offers benefits with respect to the online purchases of over 2,000 brands.

Talent retention

Because of the talent attraction and retention measures implemented, ranging from the New Employee Welcome Plan to team benefits, in 2021 Metrovacesa recorded a **voluntary turnover rate of 10%**.

Turnover rate	2021	2020	2019
Non-voluntary turnover rate	6%	7%	5%
Voluntary turnover rate	10%	3%	9%
Turnover rate	16%	10%	14%



7.4 Employee satisfaction

Metrovacesa is aware that the **well-being and quality of life of its employees both inside and outside the workplace can have a direct impact on the quality of corporate business**. That is why measures have been put in place to create a **healthy and inclusive working environment** and to balance professional activity with personal needs.

Climate surveys

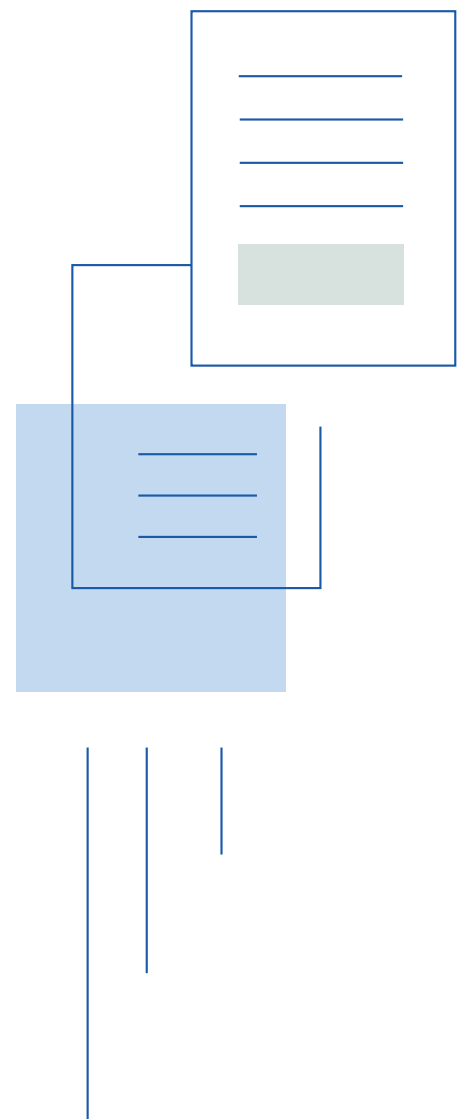
In order to obtain information on professional needs, the degree to which Metrovacesa satisfies these needs, and employee performance in connection with their expectations and factors that motivate them within the company, **weekly work climate surveys are carried out**.

The Company does these surveys on the **Querygo platform**, which is subsequently used as an **engagement tool between employees and management**. In 2021, **average participation stood at 48%, from which an average engagement level of 6.9 out of 10 can be concluded**.

This tool was used in 2021 to learn the opinions of employees about different aspects of shared services departments – speed, attention, proactiveness, solution, among others. Based on these results it was possible, within the variable remuneration system, to assess individual employee shared services targets that had been set at the beginning of the year, with the excellent target being the achievement of a result of over 7. Moreover, previous years were compared with to monitor results progress.

It is also used to find out about healthy habits among the staff, assessing aspects such as diet, physical activity, stress management, rest, health promotion, tobacco and alcohol.

As a result of the surveys, improvement actions are designed for all aspects identified as necessary. Among these, particularly noteworthy are the approval of 1 day's remote working to enhance the home-work life balance and, in internal communication terms, the maintaining of regular CEO communications and the training in integrated communication given to several groups.



Balance and flexibility

Metrovacesa considers it essential to promote policies or procedures that enable work-life balance in order to improve performance and meet the individual needs of its employees. Some of the balance or flexibility measures applied, in addition to those derived from the Flexible Remuneration Plan, include:

- **Arrangement of places in nearby childcare centres.**
- **Company canteen:** both at the head office and in the branch offices, there is a common area with a refrigerator and microwave.
- **Flexible timetable:** flexible start and finish times from Monday to Friday are guaranteed.
- **Flexibility in terms of time:** holidays can be taken when needed, except for 10 days in summer.
- **Personalised day organisation** (autonomy to organise tasks): at Metrovacesa, work is distributed according to objectives. In this regard, workers are free to organise their work and their hours as they see fit.
- **Possibility of remote working 1 day or 2 afternoons a week.**
- **Shorter working day:** every Friday and during the month of August.
- **Time slot for scheduling working meetings:** meetings are scheduled within the core working day.
- **Increase in the length of leave:** leave in the different provinces where there are work centres has been combined and the longest ones apply.
- **Lights out policy:** the lights at the head office, Parque Vía Norte, are switched off at 7.30 pm from Monday to Thursday and at 4 pm on Fridays.
- **Online training:** the training policy includes a number of actions, mainly technical training (regulatory, financial, IT or specialised training), which can be carried out in this way.
- **Transport assistance:** free bus service available in the business park where the head office is located.
- **Work tools that facilitate mobility:** at Metrovacesa, all employees have a laptop and various applications to be able to work and hold meetings remotely at specific times when they cannot go to the workplace for personal reasons.
- **Geographical mobility:** Metrovacesa fosters the professional development of our workers. Whenever a vacancy arises, internal candidates are encouraged to take part in the selection process. The preferences and work-life balance needs of people applying for a change of destination or position are taken into account, providing they fit in with the organisation and with corporate targets.

All employees, whether men or women, that had the right to maternity and paternity leave in 2021 benefited from it. All of those who did so in 2021 returned to their jobs at the end of their respective maternity or paternity leaves.

Maternity and paternity leaves in 2021	Female	Male	Total
Employees with a right to leave	4	3	7
Employees who took leave	4	3	7
Employees who returned after the leave was over	4	3	7

Transparent communication with our employees

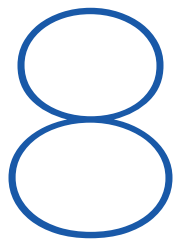
Metrovacesa promotes a continuous and transparent dialogue with our employees, involving them in the Company's guidelines and strategy. In this regard, employees have four channels through which to express their opinions:

- Suggestions box.
- Complaints box.
- Human Resources and Recruitment email.
- Internal portal "Pórtico": where in the 'Features' and 'Employees Area' sections, we incorporate relevant company news, information on new recruitments at the Company, publication of available vacancies and birthdays of colleagues, among others.

Moreover, meetings with the Metrovacesa CEO every quarter have continued.

Collective bargaining agreements

The collective bargaining agreements that apply to the various employees that make up the Metrovacesa Group's workforce are those for the following sectors: Construction; Property Management and Mediation; and Sports Facilities. In any case, **workers' rights to freedom of association and union representation are respected at Metrovacesa. Except for the CEO, all staff employees are subject to the collective bargaining agreement.**



HEALTH AND SAFETY IN OPERATIONS

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8.1. Health and safety management model

Safe and healthy work environment

Metrovacesa strives to ensure a **safe and healthy work environment** for its employees and contractors. To this end, it has a **Corporate Standard for the Prevention of Occupational Risks** that serves as an action framework to promote employee health and safety in compliance with the Occupational Health & Safety Act. This standard contains a set of measures adopted or planned for all corporate activity phases and seeks to reduce or avoid work-related risks. Furthermore, in 2021, the Board of Directors approved a **Health and Safety Policy** to formalise the Metrovacesa commitment to the health and safety of all its employees, as well as its collaborators and customers.

Specifically, the Group defines a series of **objectives** to be met to consolidate its **health and safety management model**:

- Integrate occupational risk prevention into all corporate activities.
- Comply with legal requirements and other required Company voluntary standards.
- Promote a preventive culture among Metrovacesa employees.
- Monitor occupational risk prevention at work centres.

Metrovacesa fosters motivation and health at all its work centres and minimises risks by **planning facility and work process improvement actions and specific training actions** to better identify risks and prevent them.

The Group also has an agreement signed with an **External Prevention Service (EPS)**, a specialised and accredited entity, as a preventive measure for workplace safety, industrial hygiene, ergonomics and applied psycho-sociology.

In this regard, the Company has outsourced the **regular monitoring of the health of its employees**, taking into consideration the risks inherent to their work and having specific medical check-ups regularly carried out through the aforementioned prevention service.

In addition to the foregoing, **Metrovacesa has outsourced an occupational risk prevention consultancy service to a firm** that provides technical assessment for works on which the Company acts as developer, and Coordinates Business Activities with suppliers.

Company management is directly responsible for the health and safety of all Metrovacesa employees. It is in charge of maintaining the defined organisational structure and controlling the different positions, roles and responsibilities involved in risk prevention. Moreover, Occupational Risk Prevention (ORP) services, along with their control and the management of the subcontracted activity, are a matter for the **Risk and General Services Department** (Organisation, Resources and Quality Area).

Preventive Management

Metrovacesa considers **ORP management** to be the cornerstone of its **Prevention Culture**. The Company bases its strategy in these matters on **attitude, responsibility, participation and universality**.

In keeping with the foregoing, Metrovacesa bases its **preventive safety culture** on the following commitments:

- To achieve a high standard of health and safety at work, complying with the legal and other requirements in force in the field of Occupational Risk Prevention.
- To consider occupational risk prevention as a priority objective, which must permeate all corporate actions, integrating it into all Group activities and decisions.

- To conduct training in risk prevention, road safety and health care to encourage secure behaviour in all Company teams.
- To foster a culture of prevention by encouraging information, consultation, and participation of all members of the Group in matters relating to the promotion of health and well-being.
- To ensure that workers' health is monitored, performing regular specific medical check-ups.
- To provide Metrovacesa with the human and material resources necessary to remove hazards and reduce risks to employees' health and safety.
- To carry out preventive management as developer, ensuring that companies involved in projects implement the legally required measures, carry out health and safety studies and that actions are conducted by the health and safety coordinator during the execution phases.
- To coordinate business activities in accordance with Royal Decree 171/2004, of 30 January, which implements Article 24 of Law 31/1995, of 8 November, on Occupational Risk Prevention, in matters relating to the coordination of business activities with all suppliers that provide services to Metrovacesa.
- To monitor accident rates on construction sites in accordance with the International Labour Organization's guidelines, establishing metrics and proposing measures to improve results.

That is why the Company defines the **essential factors of preventive management** as:

Commitment of Management:

Regularly and clearly stated.

Preventive organization:

This involves the entire organisational structure of the Group, although it is led by the Organisation, Resources and Quality Area and specifically by the Regulatory Compliance Unit (RCU), which reports to the Risk and General Services Department and actively collaborates with the External Prevention Service (EPS).

Information, consultation and participation of workers:

One of the fundamental rights of workers is the right to information on the actual state of health and safety in which they work. Metrovacesa informs all workers of the Risk Assessment of their job and they are consulted about it.

Health surveillance:

Metrovacesa has initial/ compulsory medical check-ups done when new recruits occupy their job at the Company, and regular/voluntary ones based on employee consent every year, unless otherwise stipulated by law.

Risk assessment and preventive planning:

The assessment methodology allows risk to be classified according to established standards and the prioritisation of measures to be taken for their elimination or reduction.

Training of workers:

Metrovacesa gives continuous training to workers according to the needs raised at all times.

Moreover, the Company uses the following tools to guarantee the best level of protection for the health and safety of its teams:

- The **Occupational Risk Prevention Plan**, which contains the regulations and operating procedures to define the prevention targets and to assign ORP responsibilities and functions at different levels throughout the Company.
- **Risk Assessment** comprising the following steps:

Identification of the hazards present, by areas, facilities, equipment and/or workstations.

Planning of pending measures and their implementation.

Risk assessment and identification of measures to be taken.

Review of the assessment and update as necessary.

Documentation of findings, detailing the measures already taken and those pending.

Identification of who may suffer harm, taking into account the possibility that there may be groups that are particularly sensitive to certain risks.

- Each workplace has an **Emergency Plan**. It identifies possible situations that require immediate and organised action by a group of people who are specially informed and ready to act in situations such as fire prevention and extinguishing, or first aid, among others.
- A **Works On-site Checklist** that identifies the necessary and mandatory points required before starting work on the project.
- The **Action protocol in the event of an accident at work**, ensuring that all Company employees are provided with the Mutual Insurance Company number that they should call in the event of an accident.

As a complement to the foregoing, when the Group acts as a developer, it is considered to be the owner of the work centre and must take on the following obligations:

- To commission a competent technician to carry out an execution project.
- To commission the preparation of a health and safety study or basic study.
- To appoint an optional management.
- To appoint health and safety coordinators.

In 2021, 400 occupational risk prevention training hours were given to new recruits, to complement the health and safety training given to staff.

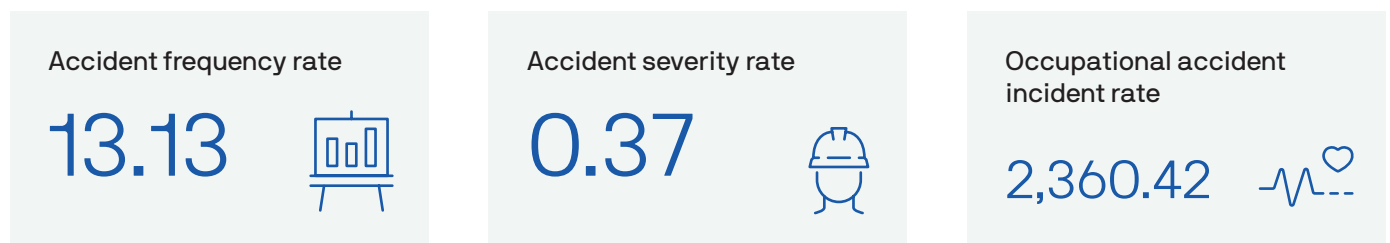
Safety rates

Metrovacesa **strives to establish a work environment that fosters well-being among its teams.** To this end, it **regularly monitors the main health and safety indicators.**

Direct employment



Contractors



Frequency rate
$$\frac{\text{No. of occupational accidents with sick leave} \times 10^6}{\text{Total no. of effective work hours}}$$

Severity rate
$$\frac{\text{No. of days not worked due to occupational accidents with sick leave} \times 10^3}{\text{Total no. of effective work hours}}$$

Incidence rate
$$\frac{\text{No. of occupational accidents with sick leave} \times 10^5}{\text{Average no. of employees exposed}}$$

Note 1: Calculations from the Spanish National Occupational, Health and Safety Institute (INSST).

Note 2: The aforementioned rates correspond to works in progress in 2021 and do not include works completed from January to May.

8.2. Employees well-being and health

Metrovacesa promotes the well-being, health and safety of its employees through **occupational health and safety measures based on risk assessment and existing legislation** on prevention. Moreover, it strives to **enhance the mental, physical and emotional health** of its teams.

In 2021, the Company continued to **implement the Return Plan after the State of Alert** during the first two quarters of the year on account of the continued impact of COVID-19. This protocol specifies all the **preventive measures that employees should consider prior to arriving at, when commuting to and when present at the work centre**, in pursuit of certain basic principles:

- **Ensuring the health** of professionals.
- **Gradual incorporation** based on existing information.
- **Flexibility and balance.**
- **Compliance with the measures and recommendations** of the corporate Prevention Service.
- **Early identification** in case of possible contagion.

However, in the last quarter of 2021, teams returned to the workplace, finishing the year with a mixed working method to reduce the number of employees at work centres on account of the rise in coronavirus cases.

Metrovacesa also promotes the well-being of its employees through different initiatives, such as 'Metrovacesa against strokes'. This educational initiative launched in collaboration with the Fundación Freno al Ictus aims to help employees detect cases and how to act in case of one. Moreover, the Company continues progressing in its efforts to get across to its employees the importance of adopting healthy living habits. To this end, it has added several set questions related to healthy habits in its work environment survey.

Prior to coming back

- Classification of employees into 5 different groups based on a health questionnaire.
- Maximum occupancy of the offices at 50%.
- Flexible start and finish times, as well as the possibility of combining face-to-face and remote work, even on the same day.
- Training in prevention action.

During commutes to the workplace

- Recommendations depending on the type of means of transport, both for commutes to the workplace and within the Vía Norte business park or Office, as well as for business and personal trips.

In the workplace

- Preparation of all workplaces to meet all safety standards, following the recommendations of the Ministry of Health. In addition to the general measures given by the health authorities and the prevention service, the Company reinforced some specific measures for corporate offices.

Protocol in case of contagion

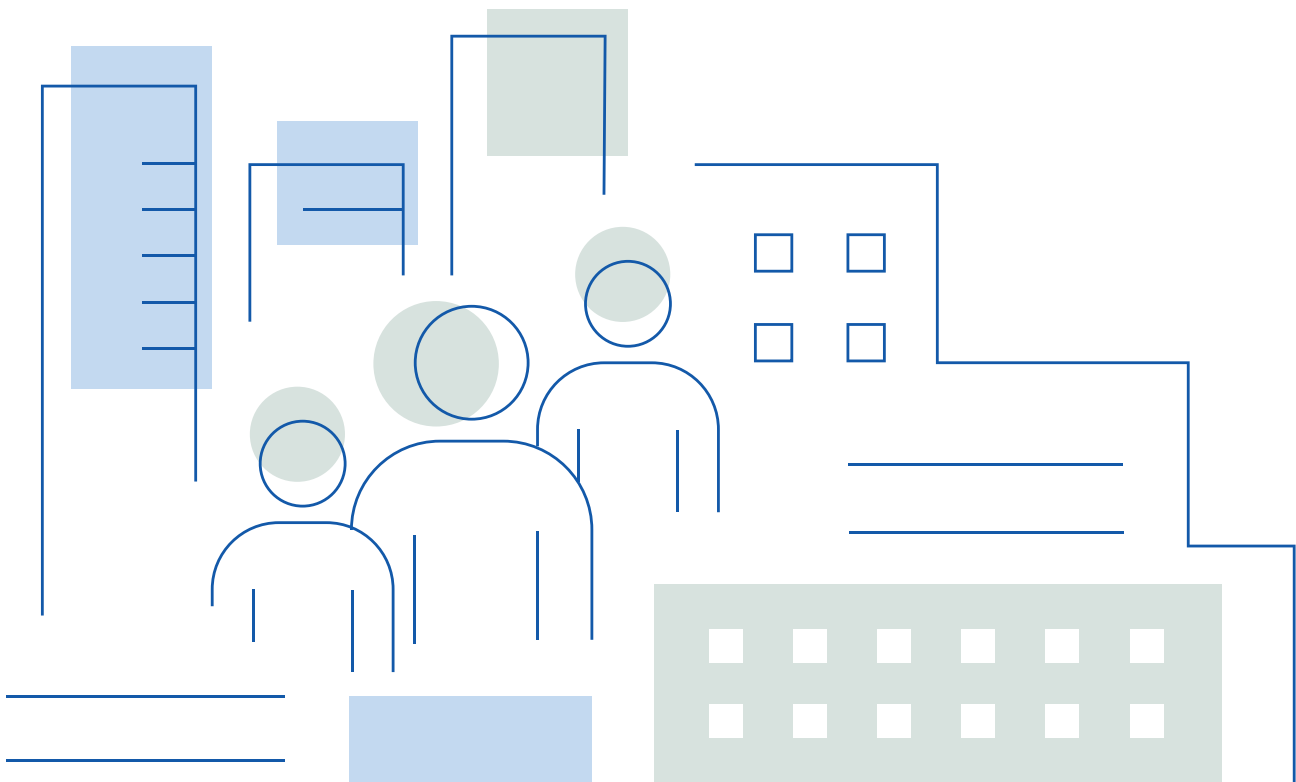
- If a positive case is detected in an office, the person who has tested positive must quarantine, as well as those people who have been in contact with them. Appropriate tests shall also be required after the recommended period.

Metrovacesa against strokes

The challenge posed by this initiative is to promote awareness and social mindfulness of the disease and to put an end to the personal, family and social drama associated with strokes in Spain. With this purpose in mind, an internal training session was organised for employees, information posters were published to raise awareness and information was posted on social networks.

9 RESPONSIBLE SUPPLIER MANAGEMENT

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9.1. Supplier management model

The responsible management of suppliers is a daily operations priority for Metrovacesa. Moreover, the Company considers it vital to commit to the **development of the communities** in which it operates by means of **outsourcing services locally***.

In 2021, there was a **total expense of 438.3 million euros on suppliers** and a **total purchase volume of 295.3 million euros**, practically all of which was local.

The Company ensures that its suppliers meet the social, environmental and ethical standards that underpin Metrovacesa’s corporate activity. To this end, the Company has a **Corporate Purchasing Standard** and a **Corporate Suppliers Standard** in place that establish the chain supply management and contracting framework, respectively. These corporate policies are implemented by the Company to achieve the following objectives:

- To ensure the suitability of the suppliers with which it works.
- To standardise and simplify the contracting process, making it transparent and objective.
- To guarantee that purchases are contracted under the best conditions of price, term and quality.
- To reduce costs and identify synergies.

Moreover, the Group subjects these standards to regular reviews and updates, which must be approved by the **Management Committee** to ensure they are always adapted to meet business needs. **Organisation, Resources and Quality Management** is in charge of this process, with the support of the **Internal Audit Department** for supervisory actions.

Metrovacesa, in turn, adapts its corporate strategy in these matters to the regulatory framework in place and classifies all acquisitions from third parties according to their nature and price into six purchase categories:

Purchase categories

Strategic purchases

Purchases with an impact on the Company’s strategy and global results (purchases from construction companies or main contractors, marketing companies and architects or architectural firms, among others). In case of awards above 5 million euros, the Board of Directors is responsible for the final approval of the procurement.

Special purchases

One-off purchases which, due to the circumstances of the process or the nature of the contracting, do not follow the competitive tendering and awarding processes (e.g. purchases within framework agreements or suppliers of unique urban development projects).

* Local supplier defined as the one who provides a product or service to the company in the same country in which it has been constituted or nationalized.

Premium purchases

Purchases costing 500,000 euros and over that are not classified as strategic or special, awarded through a standard and transparent bidding process. To this end, a set of specifications with technical assessment criteria is drawn up and at least three suitable and approved suppliers are asked to submit quotes to provide the service in question. The contract will be awarded by Area Management and ratified by the Management Committee.

Standard purchases

Purchases for under 100,000 euros but over 30,000 euros. The same bidding process as for premium purchases, although the approval decision rests with management of the Department in question, under the supervision and validation of Finance Management.

Plus purchases

Purchases for under 500,000 euros but over 100,000 euros. The same bidding process as for premium purchases, with the approval process led by Area Management under the supervision and validation of Organisation, Resources and Quality Management.

Basic purchases

Purchases from 10,000 to 29,999 euros. They must have a justification for the award and the level of approval is the same as for standard purchases.

The purchasing processes in place at Metrovacesa include a **review of the contract** before it is signed and a **budget release strategy** adapted to each situation, thus enabling the Group to trace and control decision-making during the purchasing process.

The Company strives each day to improve its daily performance. This explains why, in 2021, the **supplier average payment period** were **34 days**, 6 days less than in 2020 and considerably below the legal maximum of 60 days provided for in Law 31/2014 of 3 December, which establishes measures to combat late payment in commercial transactions.

Metrovacesa's code of ethics is mandatory for all suppliers. To ensure that the Company's corporate ethical principles are observed and to facilitate the effective reporting of any ethical or legal breach of these, Metrovacesa provides its suppliers with two reporting mechanisms to facilitate effective communication of ethical or legal breaches:

- Complaints box
- Data management mailbox, via two email addresses: privacidad@metrovacesa.com and lopd@metrovacesa.com

The information provided through these tools is studied and, where necessary, investigated, sanctioned and remedied.

9.2 Supplier approval and evaluation process

Metrovacesa complements its regulatory framework on responsible supplier management with the **Supplier Approval Process (SAP)**. This process aims to ensure that the supplies contracted comply with the quality level that characterises Company activities. It must be passed by all suppliers prior to formalising the contract.

Accordingly, all Metrovacesa suppliers that provide a service will have been approved pursuant to this process, which is led by the Quality Department and supervised by the Internal Audit Department.

The SAP comprises three stages to ensure it is properly implemented and complied with:

Stage 1: approval application

New suppliers seeking approval must apply through the corporate Suppliers Portal. Suppliers that wish to do business with the Company must complete the questionnaire about their company details (VAT number, address and contact details), the reason for the contracting, estimated invoicing and other basic documentation for Metrovacesa, such as bank account ownership, confidentiality agreement, environmental and quality certifications and a Tax Clearance Certificate, among others.

Stage 2: supplier classification

Metrovacesa has a supplier classification system, which splits suppliers into three groups depending on the risk level and the criticality of their operations and the price of their supplies.

Group	Description of suppliers
GROUP 1: Main suppliers	Suppliers of critical processes of Metrovacesa activity, considered critical for the Company, or whose expected or actual annual invoicing exceeds 200,000 euros. In 2021, Metrovacesa has optimised the classification and subsequent assessment of its main suppliers, differentiating between construction companies and other sectors.
GROUP 2: Secondary providers	Suppliers of non-critical processes of activity and suppliers that invoice or are expected to invoice between 10,000 and 200,000 euros a year.
GROUP 3: Remaining suppliers	Occasional suppliers for one-off purchases of less than 10,000 euros.

Stage 3: supplier analysis

Metrovacesa has a **supplier categorisation process** for those with which it establishes service contracts, which is based on a **financial and ESG analysis** of these entities. It uses a support application to manage this process, which contains a record of all the documents supplied by the service suppliers being analysed.

Metrovacesa asks for different requirements from each group of suppliers depending on their prior classification into main suppliers, secondary suppliers or remaining suppliers.

Main suppliers must meet the following obligations:

- An **internal record** comprising:
 - A basic analysis that includes the assessment of the supplier's experience, quality, safety and environmental certifications, adherence and/or actions in line with the United Nations Global Compact and the scope and implementation of codes of conduct and a public liability insurance policy for over 600,000 euros for suppliers of architecture services.
 - An invoicing concentration analysis. In 2021, the financial criteria in the financial analysis and review were redesigned with it now only being compulsory for construction companies.
 - A tax analysis.
 - A legal analysis.
 - An analysis of the reputation of land and property sales intermediaries in second homes for foreigners.
 - The signing of a confidentiality contract for those whose work entails handling sensitive information and data.

Secondary suppliers must be subject to **internal approval and analysis**. After including all the required information on the Supplier Portal, Metrovacesa carries out the following checks:

- A review of the information provided.
- Confirmation that the supplier is not on money laundering blacklists.
- The signing of a confidentiality agreement, if necessary.

Lastly, for those considered to be **remaining suppliers**, Metrovacesa may **optionally** conduct an inspection of these entities and does not request any approval process, given that it considers these suppliers to carry out **low risk activities**.

All those entities that pass this process are considered to be approved Metrovacesa suppliers. In 2021, **235 suppliers were approved**, 200 of which are main suppliers, 31 secondary and 4 remaining. Specifically, **99%** of these suppliers were **local**, thereby attesting to the Company's commitment to developing the communities where it operates.

Moreover, to ensure the continuous improvement of processes that constitute the Company's core activity, Metrovacesa provides its suppliers with an **assessment procedure on their quality as a contractor**.

9.3 Critical supplier bidding process

Just as Metrovacesa has a bidding process in place for some purchasing categories, it also has a **bidding process for the Company's basic service suppliers** to ensure they supply only the best products and services for Metrovacesa customers.

Construction companies are one of the **main critical suppliers** Metrovacesa works with. Work tenders involving these companies are managed in accordance with Corporate Purchasing and Suppliers Approval Standards, as well as with the Corporate Project Development process. During the bidding process, Metrovacesa prepares the development for marketing and the start of construction. Based on this, Metrovacesa has several selection criteria in place for the contracting of critical suppliers, which further complement the internal analysis and external approval requirements established in the supplier analysis process:

- Approval as Metrovacesa suppliers.
- Previous experience with Metrovacesa on aspects such as meeting deadlines, quality of work and after-sales service, among others.
- Sector references.
- Size of the work to be contracted to foster agreements with local and regional companies for smaller projects, in keeping with Metrovacesa's commitment to stimulating the economic and social development of those communities where it operates.

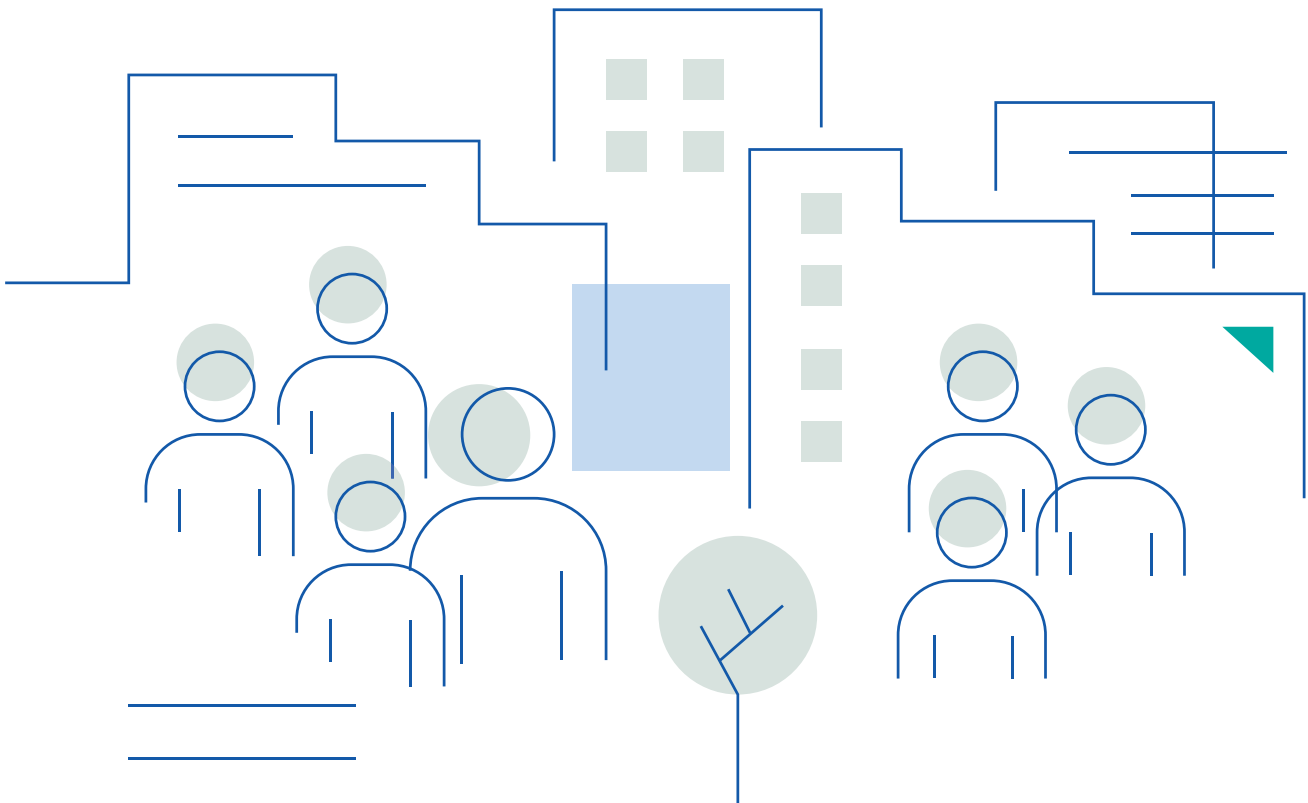
The works tender process, which involves at least three stages, **is led and carried out by the Company Technical Department**, and normally takes **between 10 to 12 weeks**.

At the close of 2021, Metrovacesa had 48 projects in the construction phase, with a total volume of **contracted work of 480 million euros** spread over a diverse portfolio involving 22 local and national construction companies.

10 COMMITMENT TO THE COMMUNITY

10.1. Metrovacesa's contribution to society

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Metrovacesa follows through on its commitment as a responsible Company by way of its 2020-2022 Sustainability Plan, which includes the social development of the communities where it operates. By means of a sustainable social action model, in which all Company hierarchical levels participate, Metrovacesa pursues ways of making a long-term, contribution, which are complemented with one-off contributions, all of which aligned with the Sustainable Development Goals (SDGs) included in the UN 2030 Agenda.

10.1. Metrovacesa's contribution to society

Metrovacesa is firmly committed to the economic and social development of the areas where it operates through its corporate activity. That is why Metrovacesa believes it has a responsibility to provide additional social value to that which is already generated intrinsically by its operations.

Accordingly, as a direct result of its activity in 2021, **an economic value of 512 million euros was generated and 599 million euros were distributed in the Company**, shared out among employees, suppliers and contractors, capital providers, public authorities and distributed dividends.

Distributed economic value per stakeholder (€ in million)		
	2020	2021
Employees	14.7	16.8
Suppliers and contractors	143.0	438.3
Capital providers	13.5	18.0
Public Authorities	6.3	5.1
Distributed Dividends		120.5
Total	177.6	598.7

At the close of 2021, Metrovacesa had **5 new developments with social housing**, which amount to an offer of 262 homes.

Metrovacesa solidarity

The design, implementation and monitoring of the Metrovacesa **Social Action Strategy** is coordinated by the Social Action Committee, an internal, multi-disciplinary team that regularly reports to the Management Committee. Moreover, this strategy is embodied in an annual Social Action Plan and approved by the Management Committee, which specifies all the planned initiatives.

The following are Metrovacesa's **priority contribution target areas**:

- **Social:** it supports the most vulnerable groups, such as people with addictions, people with different abilities, children, young people, families, immigrants and refugees, prison convicts and ex-convicts, homeless people, the elderly, etc.
- **Environmental:** conservation of the environment and raising public awareness of nature, sustainability and the planet's ecological balance.
- **Civil protection:** aid in emergency situations such as natural disasters, wars, terrorist attacks, accidents, pandemics, etc.

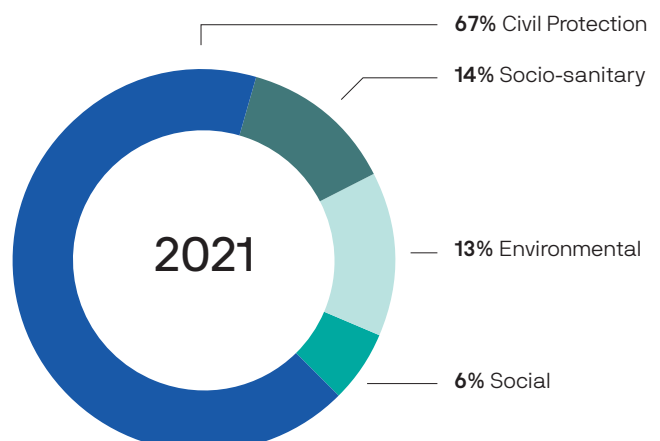
To ensure that this strategy is properly monitored, **Metrovacesa proactively manages its social action** based on engagement with stakeholders by analysing their needs in the areas where it operates, identifying associations to establish a dialogue and to determine possible alliances and analysing collaboration options by assessing the associated impact and cost.

In 2021, Metrovacesa continued to collaborate in tackling the crisis caused by the pandemic. Specifically, it participated in the following **initiatives**:

- Collaboration with the Madrid **Food Bank** through the "Apadrina una calle" (Sponsor a street) campaign, in which it participated with "Calle de Metrovacesa" (Metrovacesa Street). Moreover, it made cash donations to the Barcelona, Malaga, Seville and Valencia Food Banks.
- Cash donation to the "**Todos con La Palma**", (Solidarity with La Palma) campaign set up by FESBAL.

- Participation in the Reforesta association "**Regala un árbol**" (Gift a tree) campaign. Metrovacesa made a gift of 210 trees to its employees for planting on public land in the heart of the countryside. This campaign was selected by employees who took part in a challenge programme related to Sustainability that was organised by the Company.
- Undertaking, in collaboration with Fundación Freno al Ictus, the "**Metrovacesa contra el Ictus**" (Metrovacesa against Strokes) campaign geared towards informing employees on stroke prevention, detection and action.
- Sponsorship of the **6th Golf Solidarity Tournament** held at the Atalaya Club (Estepona) by **Fundación McDonald**, through which enough funds were raised to house a family for 8 months at **Casa Ronald McDonald** in Málaga: a centre designed to give free accommodation to children who receive medical care away from their homes and families.
- Acquisition of a UNICEF **Christmas eCard**.
- **Donation of toys to several local associations.** Worthy of particular mention was the collaboration of the Eastern Andalusia Branch Office with the Fundación Andrés Olivares, consisting in the collection of toys provided by employees and external collaborators over the Christmas season.
- Collaboration with **Fundación Seur** in the "**Tapones para una nueva vida**" (Plastic tops for a new life) project, to collect the plastic tops at offices in order to provide access for children suffering serious illnesses to medical or orthopaedic treatment not covered by the national health system.

Distribution of contributions in 2021 (%)



Corporate volunteering

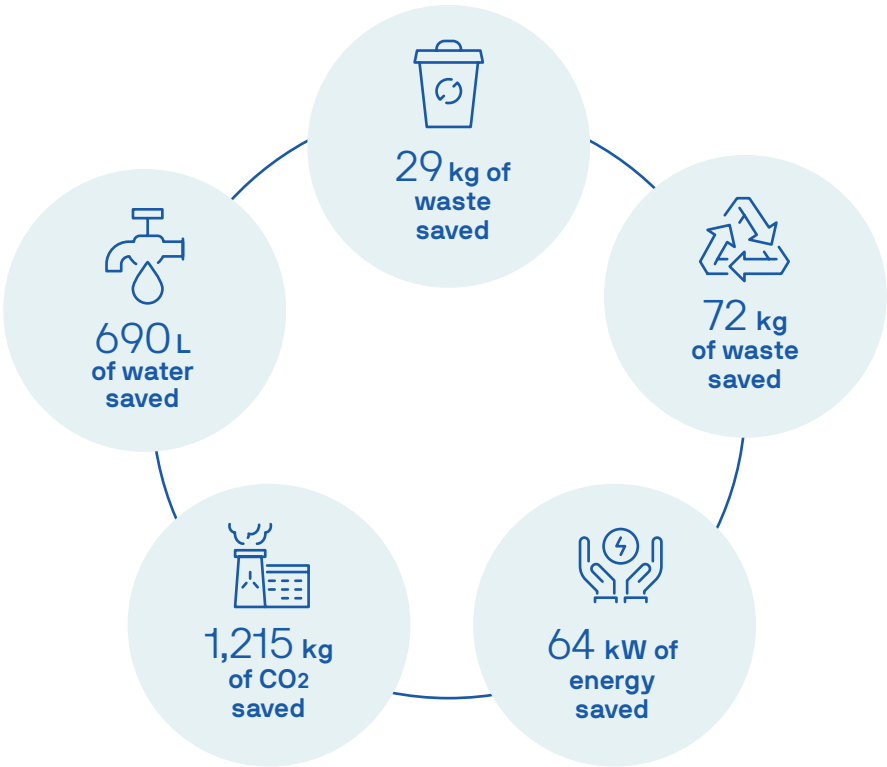
Metrovacesa began work back in 2020 on developing a corporate volunteering plan, though in 2020 and 2021, the number of initiatives was restricted by the COVID-19 health crisis. Nonetheless, despite these restrictions, collaboration was ongoing with **Fundación Juan XXIII** in the planting and harvesting of urban vegetable gardens.

The Company will continue its commitment to set up corporate volunteering initiatives in 2022.

Particularly noteworthy in this context was the sustainable challenges programme launched in 2021 through the DoGood platform, with the twin aims of:

- Conveying to employees the most important concept and elements of the 2030 Agenda, which is the UN initiative to meet Sustainable Development Goals for the next few decades;
- Arousing the awareness of employees to the corporate strategy to meet and achieve Agenda 2030 objectives and goals.

Under this programme, **93 employees registered on the platform** and **470 social and environmental actions** were undertaken with the following accumulated impact:



11 INNOVATION AND CYBERSECURITY

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11.1. Innovation strategy

Fostering innovation forms part of the Metrovacesa DNA. Since the Company adopted its **Innovation Strategy** in 2018 it has endeavoured to **spearhead the creation of innovative products** related to its corporate pursuits.

The **Innovation Strategy** is a **key Company resource to develop its business**. In 2021, innovation continued to be one of the four major **Company commitments to sustainability**, constituting an important pillar in the corporate action policy in this area.

This strategy follows two main lines of action: **internal digitalisation** and the **external promotion of innovation**, and seeks to achieve three major goals:

- Position Metrovacesa as a leader in innovation.
- Offer better products and services to customers through the impetus of attracting innovative talent.
- Foster the use of technology to become a more efficient Company.

To achieve these goals, Metrovacesa set up an **Innovation Observatory** in 2018 to search for start-ups with a view to creating the first, nationwide PropTech Lab specialising in blockchain. Under this initiative, the PropTech ecosystem and blockchain as applied to the real estate sector was reviewed and the first PropTech map was drawn up, thereby establishing the Company as a benchmark in innovation and in identifying strategic opportunities.

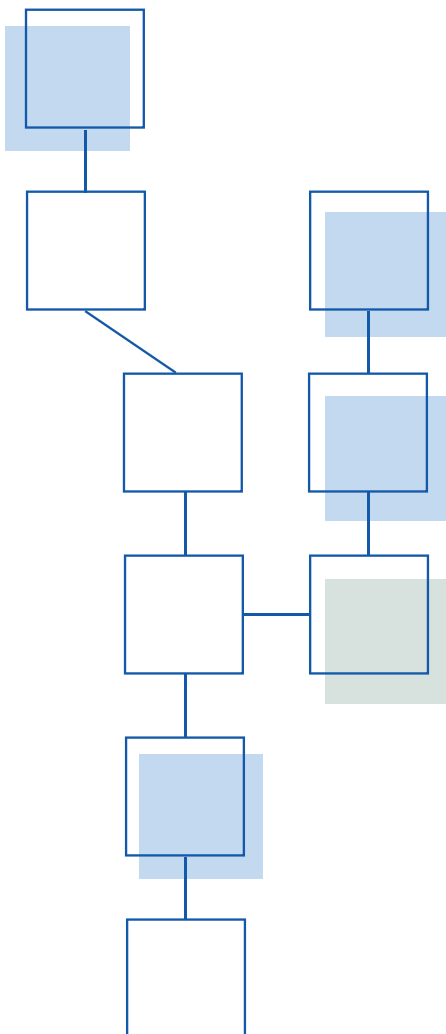
Accordingly, Metrovacesa innovation projects seek to:

- Digitalise processes, resulting in time and cost savings.
- Improve its engagement with customers through the development of the relationship model with them.
- Establish new business models and/or distribution channels.

11.2 Main innovation projects in 2021

In line with its innovation strategy, in 2021 Metrovacesa continued to drive innovation and the **use of customer-focused technology**.

Moreover, the Company has endeavoured to complement the value of its projects with additional initiatives, thus explaining why it is considered a benchmark in the real estate sector.



Blockchain

Since 2019, Metrovacesa has been implementing the BIM methodology to independently manage all the information related to its projects.

In 2021, courtesy of Grant Thornton, a technology consultant, and Alastria, the first Spanish semi-public, multi-sector blockchain network, **Metrovacesa incorporated blockchain into its BIM 360 platform**.

This initiative has positioned the Company as the **first real estate developer in the country to achieve this milestone**, which has boosted its processes and resulted in complete traceability, not to mention the authentication and certification of project-related documents for each stakeholder involved in the development process.

The reason behind the **integrating of BIM and blockchain is to certify the documents and milestones in the development process for the different stakeholders involved with a 'timestamp' assigned in blockchain**, which makes it possible to know with full certainty the time and version of the document that is being certified.

This process will also be applied to the **validating and registering in blockchain of the process to obtain the domum commitment** to validate the energy certification of each project developed by the Company and the Green Building Council España (GBCe) green stamp. In this way, the parameters that are measured in the domum commitment are identified on the Metrovacesa BIM platform and are certified on the Alastria blockchain network.

11.3. Innovation partnerships

Implementing Artificial Intelligence in the online sales process

Together with the Spanish start-up, Datacasas Proptech, which specialises in the linking of big data and neuroscience to analyse customer purchasing profiles, Metrovacesa continues its **commitment to digitalising the purchase process**.

According to the studies done by this *start-up*, customers analyse their purchase options for 1 minute and 40 seconds on average. Accordingly, **Metrovacesa uses Datacasas Proptech Basicnex technology to design innovative sales models**.

This technology offers customers a fully digital experience, **enabling them to be attended to by a virtual salesperson**, to see videos about the project, as well as its associated drawings and bills of materials. Thus, they are kept up-to-date on all the steps involved in reserving and purchasing houses if they so require.

This initiative, though it suits all customer profiles, is particularly **geared towards the foreign customer**, which requires a more comprehensive development of digital channels and more dynamic and visual platforms to explore the foreign real estate market.

Along the same lines, Metrovacesa and Datacasas Proptech have taken a further step towards virtual reality in 2022 by forming an alliance to **market real houses through the metaverse**. Consequently, Metrovacesa has become the first Spanish developer to present its projects in this way.

Other innovation partnerships

Metrovacesa has continued to sign agreements with start-ups that have enabled it to progress towards meeting its goals. Moreover, to add greater impetus to innovation development, the Company acknowledges the endeavours of these undertakings by rewarding their work with different distinctions.

Among others, the following projects particularly stand out:

- **Metrovacesa forms part of Alastria**, a non-profit consortium bringing together over 550 companies to promote digital economy growth by means of fostering the development of blockchain technologies. The Company was the first real estate developer to sign up to this initiative, thus attesting to its commitment to supporting innovation.
- The **domum sustainable commitment**, duly certified in blockchain and aligned with the Green Building Council España (GBCe).
- The project with the **Spanish start-up Qlip** to offer customers at the handover stage a **utilities registration management service**, from registering electricity, water and gas services through to their contracting online, promoting the contracting of green energy products to encourage and extend efficient consumption via renewable sources.
- Collaborating with the **start-up, RealFund**, has made possible the launching in the first quarter of 2022 of the **tokenising of a participation loan to sell real estate developments**. RealFund provides technology, legal cover and accompaniment in this partnership to tokenise real estate assets.

11.4. Acknowledgements and presence in external initiatives

Distinctions

In keeping with its commitment to promoting innovation and its strategy in this area, **Metrovacesa has received the acknowledgement of several different organisations in 2021.**

Among other distinctions, worthy of special mention is Metrovacesa, together with the other companies involved in the project, **winning the second edition of the Reinventing competition** run by **Madrid City Council** for its **“Val Verde” project**. This R&D&I based project aims to **remodel and reconvert the old Clesa factory** in the city centre into a cultural venue that fosters synergies and development.

Metrovacesa also encourages contact with the main start-ups through training seminars and by organising competitions to find the best start-ups that specialise in blockchain.

Our presence in specialist fairs

With a view to consolidating its brand positioning, **Metrovacesa took part in different real estate fairs** during the year. Particularly noteworthy was its presence at **SIMED 2021, in-person attendance at Welcome Home Sevilla**, not to mention its participation in **regional fairs, such as those of Madrid, Valladolid and Bilbao**, among others, through its business partners.

11.5. Cybersecurity

The digital transformation of IT systems and businesses represents a challenge for the cybersecurity and data protection of today's businesses. **Metrovacesa lends great importance to the protection of information in the pursuit of its daily activities.**

Accordingly, through its Systems Department the **Company works to develop, coordinate and better protect the security of its processes, tools and platforms.**

The following are the initiatives undertaken by the Company to secure the proper implementation of the corresponding security measures:

- **Across Group Cybersecurity Plan:** used as a framework for action in these matters.
- **Meetings with suppliers:** quarterly meetings about cybersecurity.
- **Ethical Hacking:** recurrently launching internal cybersecurity attacks as a means of testing the robustness of its systems and identifying areas for improvement.
- **BRS – AWS:** a disaster recovery mechanism to replicate critical services. Data are hosted on a private Cloud with an alternative location in AWS and tests are carried out every year.
- **360° Security:** SOC/SIEM cybersecurity services, FW Management, Application Control, IDS (24x7x365).

In 2021, **Metrovacesa gave over 580 hours of training in information and cybersecurity training to its employees**, which were attended by **98% of the staff**. Furthermore, to drive the training of new talent, the Company has given training in **data protection to new employees**.

Moreover, in addition to improving its information leak systems and processes, initiatives were undertaken to protect against them, **resulting in an investment of over €100,000 in cybersecurity** during the year.

Specifically, Metrovacesa **implemented the KnowBe4 platform** to raise the **awareness of digital users to cybersecurity issues**. This platform offers Company **employee training in phishing** by means of quarterly tests and online visual support based on a variety of theme-based campaigns.

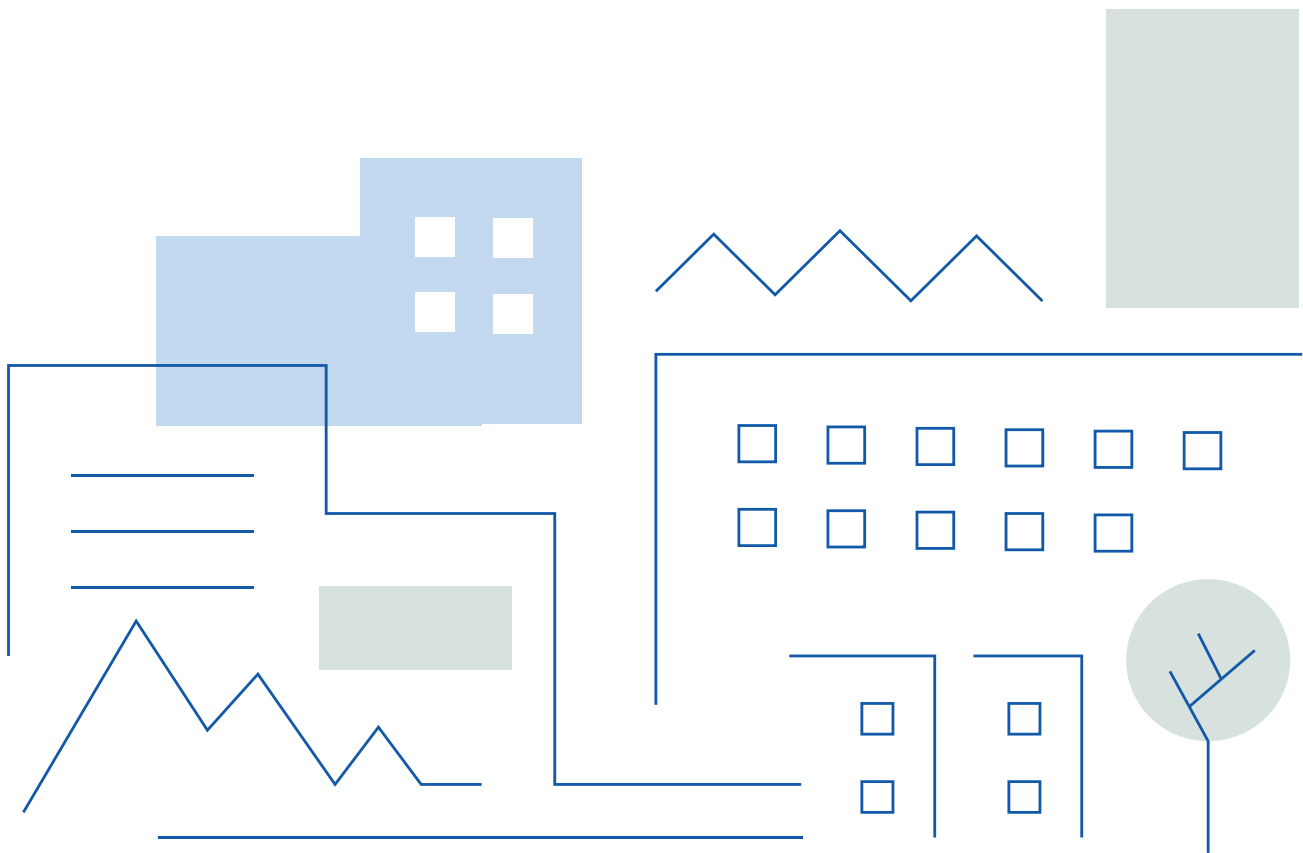
Furthermore, **internal security processes were strengthened** by implementing two-factor authentication in the most critical departments with the aim of extending it throughout the Company; in addition, the Red Trust solution has been deployed to control, centralise and protect Group digital certificates.

During the year, the **business continuity plan** was updated, mobile device management was enhanced to increase productivity and improve the protection of these devices, and work was begun on implementing **ISO 27001 Information Security Management System** requirements in corporate procedures.

All of these initiatives and improvements implemented have made Company information protection and cybersecurity more robust. **In 2021, Metrovacesa did not register any information leak or customer data theft or loss that would have required the taking of extraordinary measures.**

12 ABOUT THIS REPORT

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12.1. Report purpose and the scope of the information

This report seeks to **inform Metrovacesa stakeholders** about Company **commitments, performance, plans and goals** on **environmental, social and corporate governance (ESG) issues**.

It has been drafted in accordance with the main international sustainability standards. Specifically, content is based on the indications given in the accepted **'Core' version of the Global Reporting Initiative (GRI) reporting framework**.

A **materiality analysis** was conducted to draft the report, which covers **all important aspects of sustainability issues** that may impact in the short, medium and long term **the Company and its stakeholders**.

The **information included in this report covers all Metrovacesa Group companies**, except where otherwise indicated.

The **sustainability report contains information on Metrovacesa ESG performance in 2021**, while it has also been considered important to provide **comparative information with previous reporting periods**. Additionally, throughout this document, there are references to **measures currently under development**, as well as to **future targets**, which Metrovacesa cannot guarantee will be met.

All Metrovacesa departments were involved in the drafting process to ensure the precision and accuracy of the information provided.

This report is **supplemented by other reports published by Metrovacesa** in relation to 2021, such as the **2021 Annual Financial Statements** and the **2021 Annual Corporate Governance Report**, all available at www.metrovacesa.com

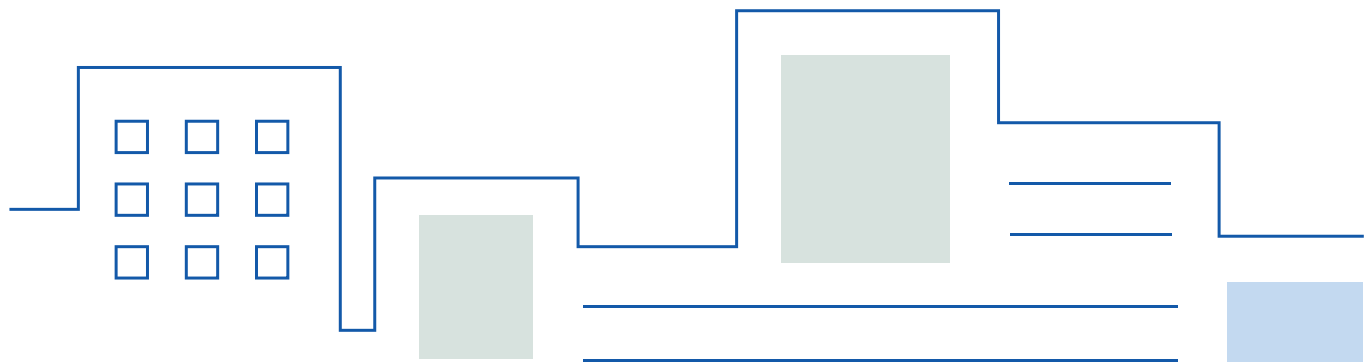


12.2. Materiality

Identification

To draft the Metrovacesa materiality analysis, an **initial list of potential material ESG issues was drawn up** for the Company based on different information sources:

- List of material issues identified by Metrovacesa in its 2020 Annual Sustainability Report.
- Analysis of internal sources: Sustainability Strategy, Code of Ethics and sustainability related corporate policies.
- Benchmark international and sector sustainability leaders: United Nations 2030 Agenda for Sustainable Development, the World Economic Forum's Global Risks Report 2021 and the World Business Council for Sustainable Development's (WBCSD) Macrotrends & Disruptions for 2020-2030.
- International benchmark reporting frameworks: Global Reporting Initiative (GRI), issues contained in the Sustainability Accounting Standards Board's (SASB) materiality map, the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations Guidelines and Law 11/2018 on non-financial information.
- ESG analysts, agencies and information providers: identification of ESG requirements focusing on the real estate sector by prestigious international analysts.



Prioritisation

Based on a comprehensive analysis of the information, **internal and external interviews** were held with different Metrovacesa stakeholders (employees, shareholders, funders, suppliers, sector leaders and non-governmental organisations (NGOs), among others) to **prioritise previously identified issues** according to their importance. This study resulted in **the identification of 17 important issues that were scored according to their importance for the Company and its stakeholders.**

The **material issues** obtained from the analysis are indicated below, also specifying the chapter where Metrovacesa reports on progress made on this matter:



Environmental



Social



Governance

IMPORTANT ISSUES		
	Issue	Chapter
	Biodiversity and natural capital	6. Environmentally-sustainable developments
	Efficient use of resources and promoting the circular economy	
	Environmental management	
	Climate change mitigation and adaptation	
	Housing quality and customer satisfaction and safety	5. Leading brand and satisfied customers
	Responsible purchasing and contractors	9. Responsible supplier management
	Social commitment and contributions	10. Commitment to the community
	Communication and reputation management	4. Responsible business
	Collaborator diversity and equal opportunities	7. Our talent
	Driving talent and employee training	
	Employee and contractor safety, health and well-being	7. Our talent 9. Responsible supplier management
	Good Corporate Governance	2. Good governance and risk management
	Cybersecurity	11. Sustainable innovation and cybersecurity
	Business ethics	3. Ethics and compliance
	Risk and opportunities management	2. Good governance and risk management
	Sustainable innovation and digitalisation	11. Sustainable innovation and cybersecurity
	Promoting sustainable financing	4. Responsible business

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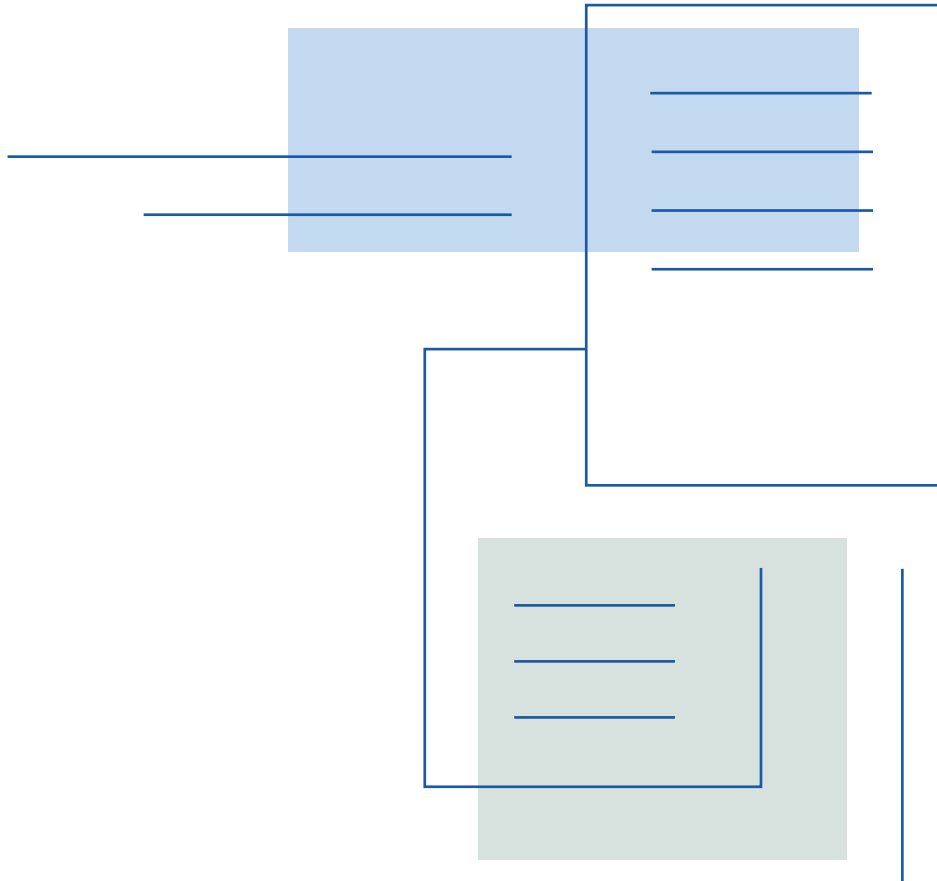


Table of contents of GRI

GRI Standard	Disclosure	Page	Comment
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation		Metrovacesa, S. A.
102-2	Activities, brands, products and services	1.1. Business Model (page 10-15)	
102-3	Headquarters location		C/ Quintanavides, 13, Parque Empresarial Vía Norte, 28050, Madrid, España.
102-4	Location of activities		Spain
102-5	Ownership and legal form		Public Limited Company (S.A.)
102-6	Markets served	1.1. Business Model (p. 10-15)	
102-7	Organisational dimension	7.1. Human capital (p. 77-80)	
102-8	Information about employees and other workers	7. Our talent (p. 75-92)	
102-9	Supply chain	9. Responsible supplier management (p. 99-104)	
102-10	Significant changes in the organisation and its supply chain	1.1. Business Model (p. 10-15) and 9. Responsible supplier management (p. 99-104)	
102-11	Precautionary principle or approach	4.2. Sustainability Governance (p. 51)	
102-12	External initiatives	11.4. Acknowledgements and presence in external initiatives (p. 113)	
102-13	Participation in associations	4.4. Relationship with our stakeholders (p. 54-55) 4.5. Collaboration in sustainability initiatives (p. 56) and 10.1. Metrovacesa's contribution to society (p. 106-108)	
Strategy			
102-14	Statement from senior executive decision-makers	Letter from the CEO (p. 6-7)	
Ethics and integrity			
102-16	Values, principles, standards and norms of conduct	1.1. Business model (p. 10-15) and 3. Ethics and compliance (p. 35-48)	

GRI Standard	Disclosure	Page	Comment
Governance			
102-18	Governance structure	2.1. Corporate Governance (p. 22-30) and 4.2. Sustainability Governance (p. 51) Annual Corporate Governance Report	
Stakeholder participation			
102-40	List of stakeholders	4.4. Relationship with our stakeholders (p. 54-55)	
102-41	Collective bargaining agreements	7.4. Employee satisfaction (p. 90-92)	
102-42	Identification and selection of stakeholders	4.4. Relationship with our stakeholders (p. 54-55)	
102-43	Approach to stakeholder participation	10.1. Metrovacesa's contribution to society (p. 106-108) 12.2. Materiality (p. 118)	
102-44	Key issues and concerns mentioned	12.2. Materiality (p. 117-118)	
Reporting practices			
102-45	Entities included in the consolidated financial statements	1.1. Business model (p. 10-15)	
102-46	Defining report content and topic Boundaries	12.1. Report purpose and the scope of the information (p. 116)	
102-47	List of material topics	12.2. Materiality (p. 117-118)	
102-48	Restatements of information		There has been no restatements of information with respect to previous reports.
102-49	Changes in reporting	12. About this report (p. 115-118)	There have been no significant changes from previous reporting periods in the list of material topics and topic Boundaries.
102-50	Reporting period		2021
102-51	Date of last report		2020
102-52	Reporting cycle	12. About this report (p. 115-118)	Annual
102-53	Contact point for questions about the report	Contact details (p. 129)	
102-54	Statement confirming preparation of the report in accordance with the GRI standards.	12.1. Report purpose and the scope of the information (p. 116)	
102-55	GRI table of contents	13. Table of contents of the Global Reporting Initiative (GRI) (p. 119-128)	
102-56	External assurance		The 2021 Annual Sustainability Report is not externally assured.

GRI Standard	Disclosure	Page	Comment
Material issues			
Sustainable business			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	3. Ethics and compliance (p. 35-48) and 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	4. Responsible Business (p. 49-58)	
103-3	Evaluation of the management approach	4.4. Relationship with our stakeholders (p. 54-55) 12.2. Materiality (p. 117-118)	
Sustainability in housing developments			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	6.1. Environmental management model (p. 68) 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	6.1. Environmental management model (p. 68)	
103-3	Evaluation of the management approach	6.1. Environmental management model (p. 68)	
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302-5	Reductions in energy requirements of products and services	6.3. Integration of sustainability in the activity (p. 70-74)	
GRI 303: Water and Effluents 2018			
303-2	Management of water discharge-related impacts	6.1. Environmental management model (p. 68)	
GRI 304: Biodiversity 2016			
304-2	Significant impacts of activities, products and services on biodiversity	6.1. Environmental management model (p. 68)	
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	6.1. Environmental management model (p. 68)	
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307-1	Non-compliance with environmental legislation and regulations	6.1. Environmental management model (p. 68)	

GRI Standard	Disclosure	Page	Comment
Neutrality and climate adaptation			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	6.2. Climate change mitigation and adaptation (p. 69) and 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	6.2. Climate change mitigation and adaptation (p. 69)	
103-3	Evaluation of the management approach	2.2. Risk management (p. 31-34)	
GRI 305: Emissions 2016			
305-5	Reduction of GHG emissions	6.2. Climate change mitigation and adaptation (p. 69)	
Smart Homes and customer well-being			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	6.3. Integration of sustainability in the activity (p. 70-74) 5.2. Customer experience (p. 62-63) 5.3. Customer service (p. 64) 5.4. Customer satisfaction (p. 65-66) 11.1. Innovation strategy (p. 110) 11.5. Cybersecurity (p. 114) 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	5.2. Customer experience (p. 62-63) 5.3. Customer service (p. 64) 5.4. Customer satisfaction (p. 65-66) 11.1. Innovation strategy (p. 110) and 11.5. Cybersecurity (p. 114)	
103-3	Evaluation of the management approach	5.2. Customer experience (p. 62-63) and 11.5. Cybersecurity (p. 114)	
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No breaches of regulations have been identified in any company activity.
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	11.5. Cybersecurity (p. 114)	

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The best talent for business success			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	7. Our talent (p. 75-92) 8.1. Health and safety management model (p. 94-97) and 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	7. Our talent (p. 75-92) and 8.1. Health and safety management model (p. 94-97)	
103-3	Evaluation of the management approach	7. Our talent (p. 75-92) and 8.1. Health and safety management model (p. 94-97)	
GRI 201: Economic Performance 2016			
201-3	Defined benefit plan obligations and other retirement plans	7.3 Attracting and retaining talent (p. 85-89)	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	7.1. Human capital (p. 77-80) and 7.3 Attracting and retaining talent (p. 85-89)	
401-3	Parental leave	7.4. Employee satisfaction (page 90-92)	
GRI 402: Labor/ Management Relations			
402-1	Minimum notice periods regarding operational changes		Metrovacesa complies with current legislation on the subject, applying the deadlines established therein.
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	8.1. Health and safety management model (p. 94-97)	
403-2	Hazard identification, risk assessment, and incident investigation	8.1. Health and safety management model (p. 94-97)	
403-5	Worker training on occupational health and safety	7.3. Attracting and retaining talent (p. 85-89)	
403-6	Promotion of worker health	8.2. Employees well-being and health (p. 98)	
403-8	Workers covered by an occupational health and safety management system	8.1. Health and safety management model (p. 94-97)	
403-9	Work-related injuries	8.1. Health and safety management model (p. 94-97)	
403-10	Work-related ill health	8.1. Health and safety management model (p. 94-97)	

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GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	7.3. Attracting and retaining talent (p. 85-89)	
404-2	Programs for upgrading employee skills and transition assistance programs	7.3. Attracting and retaining talent (p. 85-89)	
404-3	Percentage of employees receiving regular performance and professional development reviews	7.3. Attracting and retaining talent (p. 85-89)	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	7.2. Diversity and equality (p. 81-84) 2.1. Corporate Governance (p. 22-30)	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	7.2. Diversity and equality (p. 81-84)	
GRI 412: Human Rights Assessment 2016			
412-2	Employee training on human rights policies or procedures	3.6. Respect for Human Rights (p. 47) and 3.2. Culture of ethics (p. 41)	
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GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	9.1. Supplier management model (p. 100-101) and 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	9.1. Supplier management model (p. 100-101)	
103-3	Evaluation of the management approach	9.2. Supplier approval and evaluation process (p. 102-103)	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	9.1. Supplier management model (p. 100-101)	
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	9.2. Supplier approval and evaluation process (p. 102-103)	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.6. Respect for Human Rights (p. 47)	
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	3.6. Respect for Human Rights (p. 47)	

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GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.6. Respect for Human Rights (p. 47)	
GRI 411: Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples		Not applicable due to the market in which the Company operates
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	9.2. Supplier approval and evaluation process (p. 102-103)	
Promoter of and contributor to social			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	10.1. Metrovacesa's contribution to society (p. 106-108) and 12.2. Materiality (p. 117-118)	
103-2	The management approach and its components	10.1. Metrovacesa's contribution to society (p. 106-108)	
103-3	Evaluation of the management approach	10.1. Metrovacesa's contribution to society (p. 106-108)	
GRI 201 Economic Performance co 2016			
201-1	Direct economic value generated and distributed	10.1. Metrovacesa's contribution to society (p. 106-108)	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	10.1. Metrovacesa's contribution to society (p. 106-108)	
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GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	4.Responsible Business (p. 49-58) 12.2. Materiality (p. 117-118)	
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102-17	Advisory mechanisms and ethical concerns	3. Ethics and compliance (p. 35-48)	
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102-21	Consulting stakeholders on economic, environmental, and social topics	4.4. Relationship with our stakeholders (p. 54-55) 12.2. Materiality (p. 117-118)	
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102-26	Role of highest governance body in setting purpose, values, and strategy	2.1. Corporate Governance (p. 22-30)	
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102-28	Evaluating the highest governance body's performance	2.1. Corporate Governance (p. 22-30)	
102-29	Identifying and managing economic, environmental, and social impacts	2.2. Risk management (p. 31-34)	
102-30	Effectiveness of risk management processes	2.2. Risk management (p. 31-34)	

GRI Standard	Disclosure	Page	Comment
102-31	Review of economic, environmental, and social topics	2.2. Risk management (p. 31-34)	
102-32	Highest governance body's role in sustainability reporting	4.2. Sustainability Governance (p. 51)	
102-35	Remuneration policies	2.1. Corporate Governance (p. 22-30) and 4.2. Sustainability Governance (p. 51)	
102-36	Process for determining remuneration	Remuneration Policy for Members of the Board of Directors.	
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	3.2. Culture of ethics (p. 41) and 3.4. Prevention of Money Laundering and Financing of Terrorism (p. 43-45)	
205-3	Confirmed incidents of corruption and actions taken	3.3. Measures against corruption, bribery and unfair competition (p.42)	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.3. Measures against corruption, bribery and unfair competition (p.42)	
GRI 207: Tax 2019			
207-1	Approach to tax	3.7. Tax responsibility (p. 48)	
207-2	Tax governance, control, and risk management	3.7. Tax responsibility (p. 48)	
GRI 415: Public Policy 2016			
415-1	Non-compliance with laws and regulations in the social and economic area	3.1. Compliance Framework (p. 36-40)	
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2021 ANNUAL SUSTAINABILITY
REPORT

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