



GREEN AND
SUSTAINABLE
**FINANCING
FRAMEWORK**

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The following English translation is provided by the Company for information purposes only and is based on the original official document in Spanish available on the Company's website (www.caf.net). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

1 | CAF TODAY

1.1 Vision and strategy

1.2 Our values



Since its incorporation more than 100 years ago, CAF's purpose has been to develop sustainable transport solutions that improve people's quality of life. Today, CAF is a world leader in key transport solutions for the transition to a more sustainable planet which offers innovative alternatives in the field of rail and bus mobility thanks to a committed team ("[Purpose, Mission, Vision](#)" available at www.caf.net).

A CULTURE GEARED TOWARDS SUSTAINABILITY

MISSION

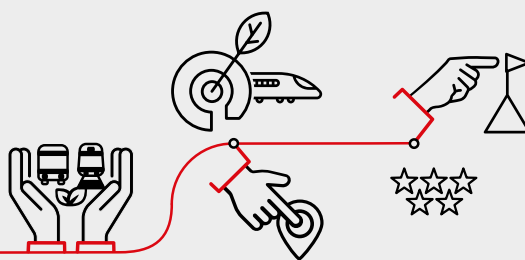
We are a world benchmark when it comes to key transport solutions in transit to a more sustainable planet, and offer, with our dedicated team, innovative rail and bus mobility options.

VISION

To be a leading player of sustainable mobility, committed to a culture of excellence and reliability, whilst ensuring ultimate customer satisfaction and contributing to the progress of society.

PURPOSE

We develop sustainable transport solutions to improve people's quality of life.



**TRUST
IN MOTION**

With a workforce of more than 15,000 people, a portfolio of €14.2bn and annual sales of close to €4bn, CAF is one of the international leaders in the implementation of integrated rail and bus mobility solutions, with extensive experience in handling projects throughout their entire life cycle (analysis and feasibility studies, system design and engineering, system construction and manufacturing, installation and commissioning, operation and maintenance and even financing) across different geographies.

In the rail sector, on a par with the main players in the sector, the Group offers its customers one of the broadest and most flexible product ranges on the market, from integrated transport systems to rolling stock, components, infrastructure, signalling and services (maintenance, rehabilitation and financing).

In terms of the bus business, CAF, through Solaris, has been a pioneer in the development of new products and currently has the most comprehensive range of low- and zero-emission solutions, placing it in a leading position in this segment. Likewise, due to its unique actual experience in electromobility and its strong product offering of zero-emission technologies (electric and hydrogen), it has a unique position in the electromobility market, with all the advantages of conventional technologies, but without industrial activity in the production of internal combustion engines. All in all, Solaris, and thus CAF, is

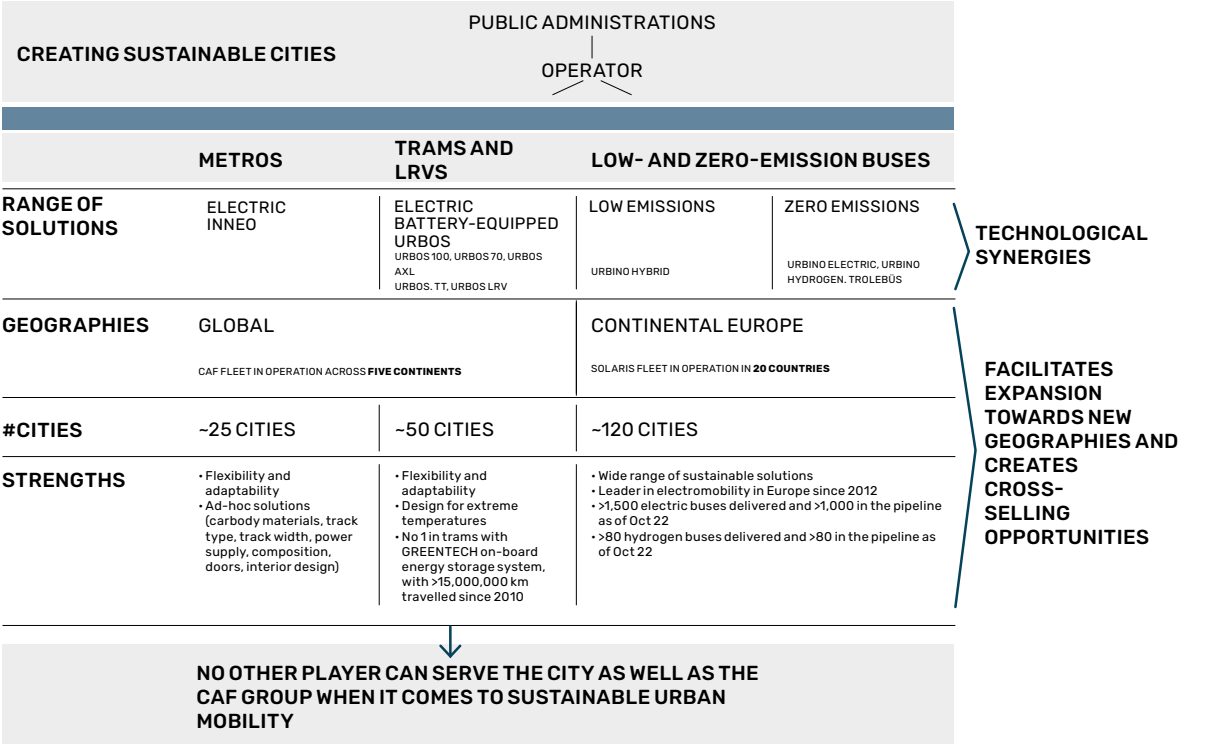
ahead of its European competitors in terms of its portfolio, actual experience and market share.

In both cases, CAF serves a wide variety of customers throughout the world: from municipalities and regional or national public or private administrations, to other railway manufacturers and private companies operating or maintaining systems, or even consortium structures accompanied by financial entities.

With a strong presence in the international market and a strong focus on Europe, the Group has production plants in countries such as Spain, Poland, the United Kingdom, France, the United States, Mexico and Brazil. It also has offices and rail vehicle fleet maintenance centres in more than 20 countries across five continents. This proximity to the customer enables CAF to develop more efficient production and provide excellent support and maintenance service coverage.

With a view to expanding its value offer in sustainable mobility and contributing to decarbonisation, CAF is taking relevant positions in hydrogen solutions. For example, the company is a member of the *European Clean Hydrogen Alliance*.

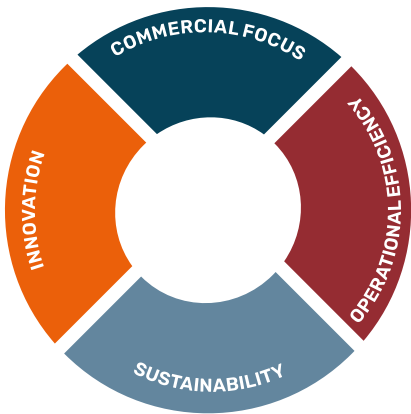
In addition, Europe has chosen the FCH2RAIL consortium, led by CAF, to develop the first hydrogen train approved to run on rail networks of general interest.



1.1 VISION AND STRATEGY

CAF aspires to be a leader in sustainable mobility, committed to a culture of excellence and reliability, receiving the highest degree of customer satisfaction while contributing to the progress of society (“[Vision](#)” available at [www.caf.net](#)).

In December 2022, CAF presented its new Strategic Plan 2026¹ to the market, where it aims to continue a track record of profitable growth and to develop its long-term vision, based on four strategic pillars aimed at increasing total shareholder return:



- Commercial focus**, which will bring recurrence and scalability to the Group. CAF will focus its commercial strategy on Europe, North America and the Asia Pacific – attractive markets with high volume and recurring business. In Buses, Solaris aims to maintain its European leadership in zero-emission mobility in the urban segment, as well as to expand its current portfolio to the inter-city segment in Europe, and to enter North America with a unique zero-emission value proposition.
- Operational efficiency**, to ensure profitability and competitiveness. CAF will improve efficiency in production, engineering and procurement, and complement the current footprint with new industrial capabilities to accompany the commercial focus, while capturing cost efficiencies.
- Innovation**, ensuring that CAF is at the forefront of technology. CAF will establish an innovative mobility strategy by including smart mobility solutions in the portfolio aimed at optimising urban mobility infrastructures. At the same time, it will make progress in its decarbonisation solutions portfolio by extending the range of trains and buses with alternative propulsion (electric and hydrogen), the automation of urban transport systems (metros, trams and buses) and the digitalisation of its processes.

1 Link to CAF’s Strategic Plan: https://www.caf.net/upload/accionista/CAF_PE_2026_EN.pdf

4. **Sustainability**, leading the transition of mobility solutions towards the goal of achieving Net Zero Emissions by 2045, and continuing the previously defined strategy. In this area, the Group aims to continue to address the priority material issues identified by stakeholders and to maintain an above-average position among comparable companies in terms of ratings by ESG² rating agencies.

In line with the four pillars described above, the new Strategic Plan sets the following first-level goals for 2026:

- To grow ahead of the market and achieve total sales of close to €4.8bn.
- To reach an operating profit of around €300m by 2026.
- To distribute dividends in line with earnings.
- To have a net financial debt to EBITDA ratio of around 2.2x after the corporate operations considered in the base case of the Plan.
- **Reduce Scope 1 and 2 emissions by up to 30%, and up to 40% in Scope 3 (referring to product use, in terms of emissions per passenger and km), compared to 2019, with the ultimate goal of becoming a Net Zero Emissions company by 2045.**

1.2 OUR VALUES

There are three values that are the cornerstone of our behaviours (available at www.caf.net):

OUR VALUES



EXCELLENCE

We are committed to a well-done work, constant innovation and the achievement of results.



TRUST.

We work with honesty, integrity and as a team to provide the best response to our stakeholders.



SUSTAINABILITY

We assume our responsibility for the long term, and for the well-being of people and the environment.

Thanks to the culture shared by all the people who make up CAF, we seek to provide a balanced response to the needs of our stakeholders.



2 | **SUSTAINABILITY AT CAF**

2.1 Sustainability as a strategic element

2.2 Environmental management and climate strategy

2.3 Sustainable mobility and eco-efficient products - Decarbonisation



2.1 SUSTAINABILITY AS A STRATEGIC ELEMENT

“Define strategies to combat Climate Change focused on reducing CO₂ emissions and promote the use of renewable energies, investment in R&D&i for the development of sustainable products and technologies and the implementation of environmental management systems.”

CAF's Sustainability Policy 17 December 2020

As a sign of our long-term commitment to society and the environment, CAF's Board of Directors approved its Sustainability Policy³ on 17 December 2020, which defines the Group's main goal with regard to sustainability: “to reconcile the development of its mission with the balanced satisfaction of the needs and expectations of its Stakeholders in order to create value in a sustainable and long-term manner.”

In order to transfer this objective to its day-to-day management, CAF follows the following principles of action when undertaking its activities:

1. Legal compliance and prevention of corruption and other illegal conduct
2. Respect for Human and Basic Rights
3. Compliance with best practices in Good Corporate Governance, Risk Management, Regulatory Compliance and Sustainability
4. Transparency and Confidentiality
5. Responsible Communication
6. Fiscal responsibility
7. Innovation and Sustainability
8. Environment

To ensure compliance with the commitments and principles established in the Sustainability Policy, CAF integrates sustainability aspects into its Business and Management Model, and has governance systems that ensure the integration of ESG criteria and those related to the fight against climate change in the decision-making processes at the highest level and in daily operations.

Sustainability Governance

The Board of Directors, assisted by its committees, is the highest governing body of the Organisation with responsibilities in matters of sustainability and climate strategy and is periodically informed of activities in the area of sustainability and relations with stakeholders in application of the provisions of the Sustainability Policy.

Its functions include the approval of the Sustainability Report, after review by the Appointments and Remunerations Committee. In accordance with Law 11/2018, the Non-Financial Information Statements (NFIS)/Sustainability Report are subsequently ratified by the General Shareholders' Meeting.

Reporting to the Board of Directors, the Appointments and Remunerations Committee is responsible for supervising and evaluating the Sustainability Policy and environmental, climate and social practices. The Audit Committee is responsible for the Non-Financial Internal Information Control System (NFIICS) and risk monitoring.

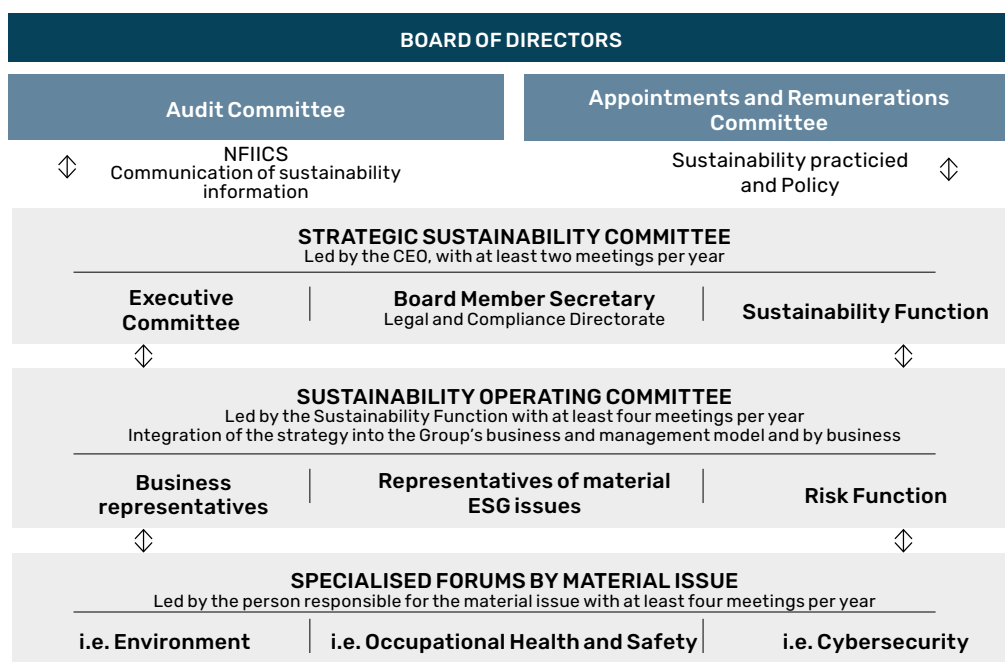
Compliance, deployment and monitoring of sustainability principles and goals, as well as the approval of strategic decisions in this area, in line with the Strategic Plan and the Sustainability Policy, are led by the Chief Executive Officer (CEO) within the Strategic Sustainability Committee. One of the main responsibilities of this committee is to approve and supervise the strategy and main initiatives in the area of sustainability and climate change, reporting in turn to the Appointments and Remunerations and Audit committees.

The integration of the strategy into the Group's Business and Management Model and by business is led by the Sustainability Function in the Sustainability Operating Committee. This committee brings together representatives of the activities carried out by the CAF Group together with representatives of each of the ESG pillars and the Risk Function.

Finally, the management of relevant material issues at Group and business levels is resolved in the relevant specialised forums, which are responsible for implementing the Group's strategy across all functions and areas.

3 Link: <https://www.caf.net/pdf/Politica-de-Sostenibilidad-2020-en.pdf>

CAF's Sustainability Governance Model:

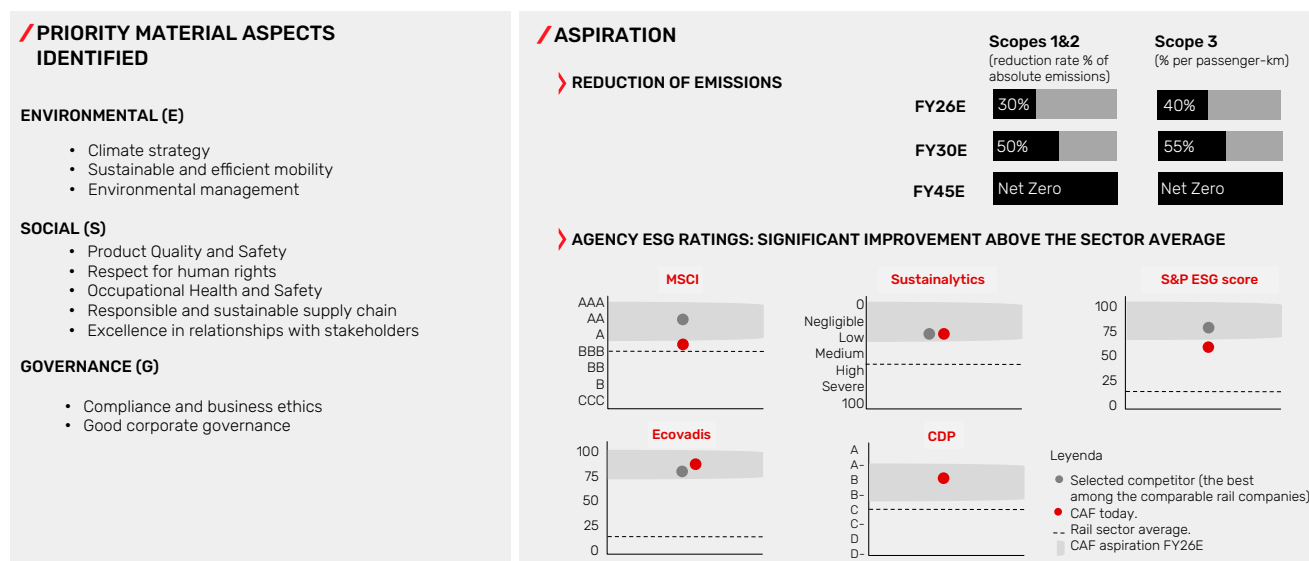


Driven by its growing sensitivity to ESG issues and in line with the increasing requirements of its stakeholders in this area, CAF has shown an improvement in its sustainability management in recent years, highlighting the efforts made in the following areas:

| SUSTAINABILITY AS PART OF OUR STRATEGY | | | |
|--|--|--|--|
| DEGREE OF ALIGNMENT WITH BEST PRACTICES | TRANSPARENCY | COMMITMENT | RATING AGENCIES |
| <ul style="list-style-type: none"> / Materiality analysis carried out in 2021 in accordance with the GRI standard. / Publication of the first "ESG Equity Story" in 2021, which explained the Organisation's sustainability journey. / Adherence to SBTi and Race to Net Zero, showing our commitment to decarbonisation. | <ul style="list-style-type: none"> / Annual publication of a Sustainability Report based on GRI standards, which is integrated into the Company's Management Report. / High degree of eligibility and alignment with the EU Taxonomy for Sustainable Activities. / Management Plan and Sustainability Scorecard implemented in the Group. | <ul style="list-style-type: none"> / Adhered to the United Nations Global Compact since 2020. / Sustainability Committees and specialised forums set up within the Group. / Improved perception of the Group by the main rating agencies. (For more information, see Section 4.7. of this chapter.) / Numerous commitments and external audits such as IRIS, ISO 14001, EMAS or alignment with ISO 26000 in the management of the parent company, CAF S.A. | <div> </div> <div> </div> <div> </div> <div> </div> <div> </div> |

*Updated February 2024.

Within this strategic cycle, we aim to further improve the management of our priority material issues, with a focus on achieving “Net Zero Emissions” by 2045 and a significant improvement in terms of ratings by ESG rating agencies.



2.2 ENVIRONMENTAL MANAGEMENT AND CLIMATE STRATEGY

As we are aware that carrying out our industrial activities has an impact on the environment and in accordance with the 2030 Sustainable Development Goals, CAF promotes measures that contribute to environmental sustainability, such as the development of actions related to the mitigation of the causes of global warming and adaptation to climate change. To this end, CAF developed its [Corporate Environmental Policy](#), published in 2020 and updated in 2023, whose main goal is to define

the general principles and criteria that should govern environmental matters in the Group's management. It also aims to convey the environmental commitments set out in CAF'S [Sustainability Policy](#) to our stakeholders. Thus, the Company considers the environment as a key element of the concept of sustainability, particularly the development of sustainable, more efficient and environmentally friendly integrated mobility solutions.

2.3 SUSTAINABLE MOBILITY AND ECO-EFFICIENT PRODUCTS - DECARBONISATION

In the European Union, greenhouse gas emissions from transport have increased by around 28% between 1990 and 2017. Currently, transport accounts for almost 25% of global CO₂ emissions, of which those from rail accounts for only 0.5%⁴.

At the same time, due to the current trend of urban population growth, there are increasing problems of overwhelming mobility infrastructures and a noticeable worsening of air quality in cities. To avoid these problems, authorities often adopt measures to restrict the circulation of private vehicles.

Faced with this reality, the European Commission, through the European Green Deal, set a target to reduce CO₂ emissions from transport by 90% by 2050. This means that extraordinary efforts must be made in the coming years to meet this target.

In this context, rail and bus transport – as environmentally friendly and high-capacity means of transport – have enormous potential to make a significant contribution to this fight against climate change and congestion in cities, thereby reducing the environmental impact, improving the quality of life of citizens and actively contributing to the protection of the ecosystem.

⁴ European Environment Agency. Communication from the Commission to the European Parliament, the European Council, the council, the European Economic and Social Committee, and the Committee of the Regions - the European Green Deal - Brussels, 11.12.2019 COM (2019) 640 final

To respond to this challenge, one of our lines within the strategic pillar of Innovation consists of the decarbonisation of our product portfolio through the development of alternative propulsion systems to diesel and the reduction of consumption and emissions across our product range.

/ **SECTORAL CHALLENGES**



| KEY TECHNOLOGY | CHALLENGES |
|---|---|
| BEMU | Increased autonomy of catenary-free operation |
| HEMU | Development of HEMU solutions and first contracts. Optimisation of HEMU solutions. |
| Migration to Full-SiC technology | Development and progressive migration to the full range : auxiliary and traction converters and application to BEMU. |

2022 **MAIN LINES OF ACTIVITY**

| | ALTERNATIVE PROPULSION | REDUCTION OF ENERGY CONSUMPTION | REDUCTION OF OTHER EMISSIONS (NOISE AND VIBRATION) |
|-------------|---|--|--|
| | MILESTONES TO BE REACHED | | |
| CAF | BEMU + ELECTRIC BUS <ul style="list-style-type: none">• Project implementation for VRR and NWL (2023)• New BEMU solution with extended autonomy (2027)• Continue to expand electromobility solutions to products in the portfolio (2023-24)• Continuous optimisation of Solaris solutions | HEMU + HYDROGEN BUS <ul style="list-style-type: none">• Hydrogen-powered demonstrator train (2022/2023)• Optimisation of solutions (from 2024 onwards)• E18H2: first hydrogen-powered articulated bus with extended-range fuel cells (2023) | SIC TRACTION' <ul style="list-style-type: none">• Deployment of Full-SiC power technology across the entire product range (2024-27) |
| 2030 | | | <small>*Silicon carbide</small> |



3 | **GREEN AND SUSTAINABLE FINANCING FRAMEWORK**

3.1 Financial instruments linked to sustainability criteria

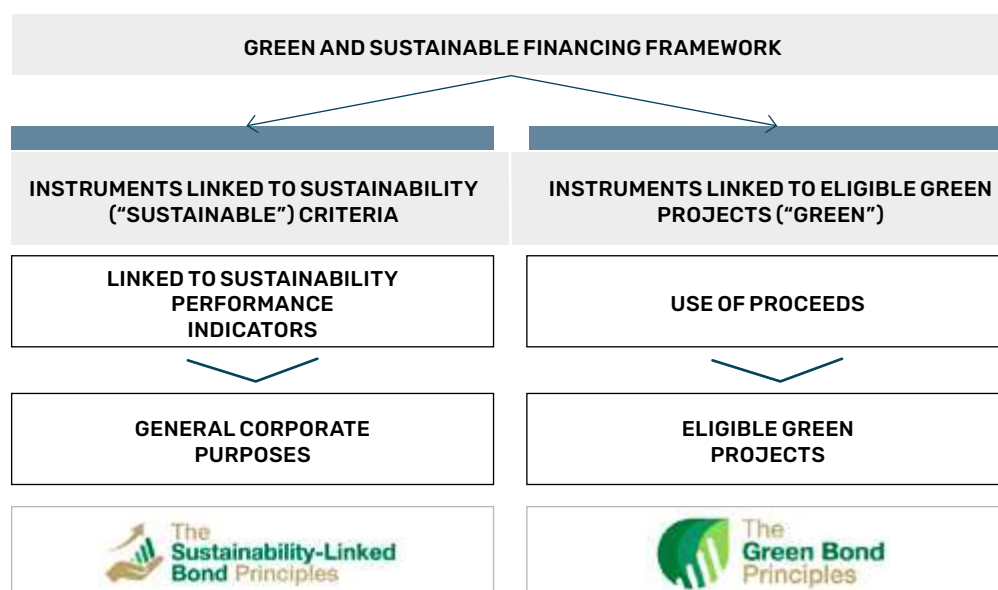
3.2 Financial instruments linked to eligible green projects



This Framework aims to set out the main guidelines for the issuance of two types of financial instruments within the CAF Group:

- Financial instruments linked to sustainability criteria (“sustainable”) (3.1.)
- Financial instruments linked to eligible green projects (“green”) (3.2.)

The Framework will be applicable from the time of its publication for all products issued within the CAF Group, which is understood as the companies forming part of the Company’s consolidated group in financial year 2023⁵.



3.1 FINANCIAL INSTRUMENTS LINKED TO SUSTAINABILITY CRITERIA

This component of CAF’s Green and Sustainable Financing Framework has been developed based on the *International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (SLBP*⁶, June 2023) and *Sustainability-Linked Loan Principles (SLLP*⁷, June 2023), published by the Loan Market Association (LMA).



ICMA’s Sustainability-Linked Bonds (SLBs) aim to develop and promote the key role that debt markets can play in financing and promoting companies that contribute to sustainability (from an environmental, social and/or governance ‘ESG’ perspective). Thus, ICMA’s Sustainability-Linked Bond Principles (SLBP) provide

guidelines including recommendations on structuring, disclosure and reporting aspects.

LMA’s Sustainability-Linked Loans (SLLs) aim to facilitate and support environmentally and socially sustainable economic activity. In this way, the Sustainability-Linked Loan Principles (SLLP) aim to promote the development



and preserve the integrity of sustainability-linked loan products by providing guidelines that embody the fundamental characteristics of sustainability-linked loans.

Both the SLBP and SLLP were published to increase capital allocation to sustainability, through the achievement of material, quantitative, predetermined, ambitious, regularly monitored and externally verified ESG targets, measured by Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs).

⁵ A list of the companies comprising the CAF Group can be found in note 2f) of the *Consolidated Annual Accounts of the CAF Group for financial year 2023* (p. 334–336).

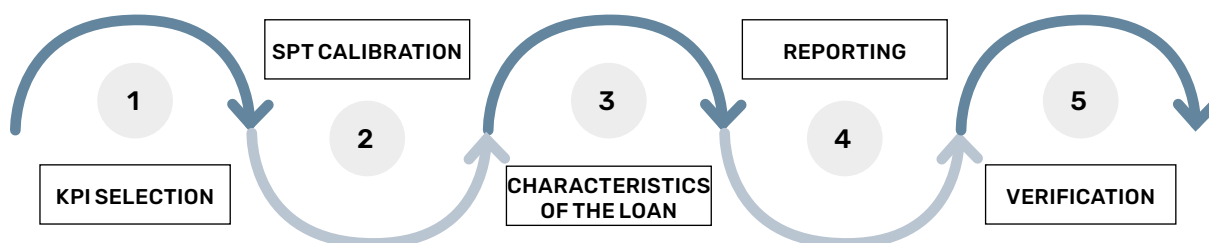
⁶ Sustainability-Linked Bond Principles.

⁷ Sustainability-Linked Loan Principles.

CAF intends to use the “sustainability-linked” component of its Green and Sustainable Financing Framework as a tool to channel investment towards a low-carbon economy aligned with the global sustainability agenda, linking this type of financial instrument to the improvement of corporate and local performance based on the Sustainable Development Goals. This will be possible thanks to the bilateral engagement between CAF and the financial markets, whose contribution will translate into a

broader direct impact on communities and the environment.

The following five aspects – described in detail in the relevant sections – explain how CAF applies the principles and recommendations provided in the SLBP/SLLP for financial instruments linked to sustainability features issued on the basis of this Framework:



3.1.1. Selection of Key Performance Indicators (KPIs) ⁸.

3.1.2. Calibration of Sustainability Performance Targets (SPTs) ⁹.

3.1.3. Specific characteristics of financial instruments linked to sustainability criteria.

3.1.4. Reports.

4. External review.



⁸ Key Performance Indicator.
⁹ Sustainability Performance Target.

3.1.1 Selection of Key Performance Indicators (“KPIs”)

KPIs have been selected in accordance with the SLBP/ SLLP reference principles. Thus, the KPIs included in this Framework:

- Must be relevant, essential and material to CAF’s business, strategy and sustainability performance, addressing ESG challenges relevant to the sectors in which it operates.
- Must also be measurable or quantifiable indicators on a consistent methodological basis that allows for comparability and external verification.

Based on these criteria, the following KPIs were selected:

| KEY PERFORMANCE INDICATORS |
|---|
| KPI 1 - Scope 1 and 2 emissions reductions (%) |
| KPI 2 - Scope 3 emissions reduction (product use) (%) |
| KPI 3 - Degree of alignment with the EU Taxonomy for Sustainable Activities (Turnover) (%) |
| KPI 4 - Frequency rate |

The CAF Group may include one or more KPIs per financial instrument issued under this Framework. Each of these KPIs is described below, including aspects such as their scope, calculation methodology and the base year chosen for target setting.

Notes on the scope of Key Performance Indicators (KPIs)

The scope of this Framework covers the entire CAF Group, which is understood as the companies forming part of the Company’s consolidated group in financial year 2023¹⁰.

In general, and without prejudice to other specific provisions for each KPI considered in this Framework, if acquisitions take place, they will be integrated into the proposed scope for compliance with the SPTs insofar as they apply to them. Thus, data on acquisitions will be included in the KPI calculation after a full calendar year of reporting (1 January to 31 December) has passed. This transition period has been set so that the acquired entities can integrate the sustainability management mechanisms and procedures set out by CAF.

Similarly, if divestments were to take place, the entities would cease to report immediately, consolidating information only for as long as they have been part of the Group. In the calendar year in which the divestment takes place, an annualised estimate may be reported using data prior to divestment as a basis to ensure comparability against the reference year. In the following financial

year, recalculation of the baseline will be assessed if the defined significance thresholds have been exceeded.¹¹

Furthermore, whenever investments/divestments cause a significant impact on the defined KPIs, a recalculation of the base year will be considered following the methodology established in each case.

Due to the varying nature of the selected performance indicators, the scope of each and, where appropriate, the specific mechanisms in place to recalculate the base year in case of significant deviations are specified below.

KPI 1: Scope 1 and 2 emissions reduction (%)

a) Justification for the choice of the KPI

As a rolling stock and bus manufacturer operating worldwide, CAF is very aware of its responsibility to the environment and the importance of business in the fight against climate change. Thus, the reduction of emissions generated in its operations is one of the pillars of CAF’s strategy, as shown by its ambitious goal of achieving carbon neutrality by 2045, the submission of its short, medium and long-term reduction targets to SBTi for validation and the reduction plans currently being implemented at the Company.

Thus, in order to minimise its impact on the environment and climate, the company is focusing its efforts on gradually reducing absolute emissions within its sphere of control – scopes 1 and 2 – through the use of sustainable energy sources and the implementation of energy efficiency improvement measures in its activities and production facilities.

b) Calculation methodologies and scope

In order to set out the Company’s organisational limits for calculating its carbon footprint, the operational control approach has been used, i.e. the emissions generated by the activities of those companies and production centres over which it has operational control are included.

For the calculation of Scope 2 emissions from the use of electricity and thermal energy, a market-based approach has been used, except in those countries where guarantees of origin are not available. In these cases, a location-based approach has been used, in accordance with ISO 14064:2018 and the GHG Protocol.

The greenhouse gases (GHGs) considered include emissions of carbon dioxide, methane and nitrous oxide (CO₂, CH₄ and N₂O respectively), plus hydrofluorocarbons (HFCs) associated with refrigerant gas leakage. For ease

¹⁰ A list of the companies comprising the CAF Group can be found in note 2f) of the [Consolidated Annual Accounts of the CAF Group](#) for financial year 2023 (pp. 334–336).

¹¹ As a general rule, a significant deviation is defined as a deviation of +–5% from the value of the indicator. However, more restrictive criteria may be defined depending on the nature and evolution of the indicator, provided that the criteria used to define the deviation as significant are reported in a transparent manner.

of comparison, total emissions are expressed in tonnes of CO₂ equivalent (tCO₂e).

Following the GHG Protocol guidelines, for the calculation of Scope 1 and 2 emissions, the following have been considered:

- Direct emissions (Scope 1): from fuel consumption from stationary and mobile sources, as well as fugitive emissions from the recharging of fluorinated gases.
- Indirect emissions (Scope 2): arising from electricity consumption and thermal energy consumption.

(c) Base and historical year

2019 has been set as the base year or reference year for the reduction targets (fixed base year¹²).

The emissions generated and the reduction achieved during the 2019–2023 period have been:

| Area | Scope | tCO ₂ e ₂₀₂₃ ¹³ | tCO ₂ e ₂₀₂₂ | tCO ₂ e ₂₀₂₁ | tCO ₂ e ₂₀₁₉ |
|-----------|--------------------|--|------------------------------------|------------------------------------|------------------------------------|
| CAF Group | Scope 1 | 28,973 | 28,116 | 28,665 | 31,463 |
| | Scope 2 | 7,662 | 7,089 | 16,407 | 18,809 |
| | Total 1 + 2 | 36,635 (-32.6%) ¹⁴ | 35,205 (-31.9%) | 45,072 (-10%) | 50,272 (Base year) |

KPI 2: Scope 3 emissions reduction (product use) (% g CO₂e/passenger-km)

a) Justification for the choice of the KPI

CAF prioritises activities aimed at replacing fossil fuels and reducing transport energy costs to provide highly efficient mobility alternatives, which set out the path to a sustainable, clean, green and emission-free future.

Thus, in line with its sustainable and eco-efficient mobility strategy described in Section 2.3. and its “Net Zero” target in 2045, CAF focuses on the emissions arising from the use of its products throughout their useful life. These emissions are the Company’s largest source of Scope 3 emissions and their reduction is therefore a key aspect of the Company’s performance in this area.

b) Calculation methodologies and scope

The indicator will be expressed as the percentage reduction in the ratio (tonnes of CO₂ equivalent emitted/passenger-kilometre) compared to the same ratio in the base year (2019). For the calculation of this ratio, in the absence of specific sector regulations, CAF has established its own calculation methodology which has been validated during the external verification process of the Group’s carbon footprint calculation.

This methodology uses the following formula to calculate the emissions from the use of our products:

$$\text{Emissions per vehicle} \left[\frac{\text{grCO}_2}{\text{pass-km}} \right] = \frac{\sum_{i=1}^{\text{lifespan}} \text{consumption} \left[\frac{\text{grCO}_2}{\text{pass-km}} \right] \cdot \text{Annual km} \cdot \text{number of vehicles} \cdot \text{nominal capacity} \cdot \text{emission factor}_{\text{year}}}{\text{nominal capacity} \cdot \text{lifespan} \cdot \text{number of vehicles} \cdot \text{annual km}}$$

The scope has been defined following the operational control approach, as in KPI 1. The calculation of this indicator considers all vehicles sold in the reporting year, whether in the rail or bus segment, assuming all emissions generated in the estimated lifetime of each vehicle and considering all means of propulsion (electric, hybrid, diesel, hydrogen, etc.).

(c) Base and historical year

2019 has been set as the base year or reference year for the reduction targets (fixed base year¹⁵).

¹² The base year will be recalculated if significant changes, errors or omissions (+/-5%) are identified following the pro rata recalculation method.
¹³ Data for December and part of November have been estimated on the basis of a previously defined methodology. In future reports, the historical data will be updated with the actual values.
¹⁴ The base year has been recalculated to allow for comparability with the reported scope in 2022 and 2023. The recalculated values for the base year in 2022 were: Scope 1 32,387 tCO₂e, Scope 2 19,374 tCO₂e. In 2023, the recalculated values for the base year were: Scope 1 34,707 tCO₂e, Scope 2 19,636 tCO₂e.
¹⁵ The base year will be recalculated if significant changes, errors or omissions (+/-5%) are identified following the pro rata recalculation method.

The emissions generated and the reduction achieved during the 2019–2023 period have been:

| Area | Scope | 2023 ¹⁶ | 2022 | 2021 | 2019 ¹⁷ (base year) | Actual % Δ 2019–2023 |
|-----------|---|--------------------|-----------|-----------|-----------------------------------|-------------------------|
| CAF Group | Scope 3, product use (tCO ₂ e) | 3,438,358 | 2,898,192 | 2,945,993 | 6,749,610 | - |
| | Scope 3, product use (g CO ₂ e/passenger-km) | 6.35 | 9.21 | 6.90 | 11.87 | 46.8% |

KPI 3: Degree of alignment with the EU Taxonomy for Sustainable Activities (Turnover)

a) Justification for the choice of the KPI

As stated in Article 8 of the EU Taxonomy Regulation for Sustainable Economic Activities, for reports published from 1 January 2023 onwards on information for financial year 2022, non-financial companies that are public interest entities and have more than 500 employees, as is the case of the CAF Group, must disclose the proportion of economic activities that are eligible/non-eligible and aligned with the EU Taxonomy. This information is presented according to total turnover, capital expenditure (CapEx) and operating expenditure (OpEx), in accordance with Article 10.2 of the delegated act supplementing Article 8 above.

Specifically, in the development of this KPI, the % of the total turnover of the CAF Group which is aligned with the EU Taxonomy for Sustainable Activities has been used, as a sign of the relevance of the Company's performance as a key player in driving the transition towards a decarbonised economy.

b) Calculation methodologies and scope

To calculate the degree of alignment of the CAF Group's activities with the Taxonomy, the first step is to calculate eligibility, i.e. the proportion of the company's activities or projects that are considered potentially sustainable (eligible) out of the total number of activities and projects that comply with the criteria and aspects of the standard.

Once eligibility has been calculated, the activities that also meet the requirements to be considered as aligned will be analysed. For this purpose, eligible activities and projects are checked to ensure that, in addition to complying with the Minimum Safeguards, they also meet the following requirements:

- Meet the criteria for substantial contribution to climate criteria (mitigation and/or adaptation).

- Do no significant harm (DNSH¹⁸) to the other goals (water protection, circular economy, pollution prevention and biodiversity).

| Degree of alignment with the EU Taxonomy for Sustainable Activities (Turnover) (%) = |
|---|
| Turnover aligned with the EU Taxonomy for Sustainable Activities / Total CAF Group Turnover |

The breakdown of the calculation and activities included in this indicator are reported annually in the CAF Group Sustainability Report.

(c) Base and historical year

2022 was proposed as the base or reference year, as this was the first year in which the Group reported this indicator, in accordance with the disclosure requirements described in EU Regulation 2021/2178. In the two years in which this indicator has been published, there has been an upward trend in the degree of alignment:

| 2023 | 2022 |
|------|------|
| 80% | 76% |

KPI 4: Frequency rate

a) Justification for the choice of the KPI

The people who make up the CAF Group are key to developing a sustainable project, as can be seen in the Company's Sustainability Policy and Code of Conduct. Thus, as CAF is aware that carrying out its activities may pose risks for the health and safety of people, adopts the necessary measures to ensure a safe and healthy working environment, eliminating or taking all reasonable and feasible practical measures to reduce risks to an acceptable level and integrating prevention as part of the organisational culture.

¹⁶ Data for December and part of November have been estimated on the basis of a previously defined methodology. In future reports, the historical data will be updated with the actual values.
¹⁷ The base year has been recalculated to allow for comparability with the reported scope in 2022 and 2023. The recalculated values for the base year in 2022 were: 7,101,469 tCO₂e and 11.94 gCO₂/passenger-km. In 2023, the recalculated values for the base year were: 7,499,806 tCO₂e and 11.93 gCO₂/passenger-km.
¹⁸ Do No Significant Harm (DNSH).

Given the diversity of locations and activities carried out in the organisation and the importance of people in ensuring the success of the Company, CAF considers the improvement of the health and safety conditions of its employees to be one of its main challenges.

In this context, it is necessary to define metrics to assess the Company's performance in this area. Among the different health and safety metrics available, the frequency rate is one of the Group's main accident rate indicators, as it allows us to measure and quantify specific events or incidents considered relevant and, at the same time, provides an adequate view of annual trends, avoiding deviations due to specific incidents. Thus, by analysing these trends, this indicator allows us to establish and monitor preventive plans and strategies to reduce accident rates in the medium to long term, as well as to define specific targets and goals that show the Company's commitment to reducing and improving this key performance indicator.

Through the achievement of the goals set and the development of preventive actions, CAF has experienced a progressive reduction in the accident rate among employees at Group level in recent years, both in this rate and in the severity and absolute frequency rates.

The main actions that have led to this reduction are:

- Drawing up annual occupational health and safety plans.
- Annual update of health and safety protocols.
- Development of training and health and safety awareness programmes.

b) Calculation methodologies and scope

The frequency rate considers the number of occupational accidents resulting in at least one day of sick leave per million hours worked at its sites and facilities.

$$= \frac{\text{Frequency rate}}{\text{no. of accidents with leave in the reporting year}} \div \frac{\text{hours worked in the reporting year}}{1.000.000/\text{hours}}$$

(c) Base and historical year

Although 2018 was the first year in which the Group reported this indicator, 2022 will be taken as the base year or reference year for the reduction of the rate. This choice was made because it was considered that by 2022, an optimal degree of coverage had been reached to ensure the quality of the data and the calculation methodology was already mature and well established within the Company's management.

| 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|------|-------|-------|------|------|------|
| 14.1 | 15.16 | 17.28 | 18.0 | 20.9 | 20.4 |



3.1.2 Calibration of Sustainability Performance Targets ("SPTs")

Sustainability Performance Targets (SPTs) will be set in line with the CAF Group's strategy, with the aim of achieving a substantial improvement in the respective KPIs within a pre-defined timeframe prior to the issuance of any instrument linked to this Framework.

The following table presents the target values of the different KPIs selected for this strategic cycle (2024–2026), with respect to the base year established in each case (see Section 3.1.1. for more information).

| Indicators | Targets | | | |
|--------------|-----------|-------|-------|-------|
| | Base year | 2024 | 2025 | 2026 |
| KPI 1 | 2019 | 30.0% | 30.0% | 30.0% |
| KPI 2 | 2019 | 30.5% | 35.3% | 40.0% |
| KPI 3 | 2022 | 82.0% | 84.0% | 84.0% |
| KPI 4 | 2022 | 14.0 | 13.8 | 13.5 |

SPT 1: Scope 1 and 2 emissions reduction (%)

In 2021, CAF set the target of reducing the intensity of carbon emissions generated in its activities to reach "Net Zero Emissions" by 2045 within its Sustainability Plan. This target reflects the Group's ambition to contribute to the fight against climate change by reducing the carbon footprint generated by the activities within its sphere of control.

a) Targets

In 2023, a 32.6% reduction in Scope 1 and 2 emissions was achieved compared to the base year (2019). This shows the effectiveness of the reduction plans underway. The challenge for the coming years is to decouple the Scope 1 and 2 emissions curve from the expected increase in production¹⁹ in order to maintain a 30% reduction in absolute emissions in 2019 with production levels well above base year levels. In relative terms, it is estimated that maintaining this 30% reduction target on absolute emissions in 2019 would result in a reduction in emissions intensity over sales of approximately 60% in 2026.

Thus, with the goal of achieving "Net Zero Emissions" by 2045 in mind, and for the purposes of this Framework, the following annual absolute emissions reduction targets are set for this strategic cycle:

| tCO ₂ eq | 2024 | 2025 | 2026 |
|------------------------------------|------|------|------|
| Implementation vs base-line (2019) | -30% | -30% | -30% |

Base year: 2019

*Annual reduction targets submitted to SBTi for validation: 2024=-21%, 2025=-25.2%, 2026=-30%

b) Strategy to meet the target

CAF's Scope 1 and 2 emissions come mainly from the company's energy consumption. Thus, the Group's strategy to meet SPT1 is to increase energy efficiency and promote the use of renewable energy across its own operations and facilities.

In this regard, CAF has carried out various activities as part of the "Net Zero Emissions" initiative, including, among others:

- Calculation and external verification of the Organisation's carbon footprint, following the guidelines and approach of the GHG Protocol and IPCC, complying with the requirements developed in the ISO 14064:2018 standard.
- Completion of the CDP (Carbon Disclosure Project) climate change questionnaire (score B in 2023);
- Definition of the CAF Group's short- and long-term reduction targets for the three scopes. These targets were submitted to SBTi for validation in the first quarter of 2023.
- Expansion of the scope of sites consuming 100% renewable electricity with guarantee of origin (e.g. Solaris Bus & Coach and Euromaint Rail AB).

SPT 2: Scope 3 emissions reduction (product use) (% g CO₂e/passenger.km)

Reducing Scope 3 to Net Zero Emissions, as well as for direct emissions, is also a target set by CAF in 2021 and included in the Strategic Plan 2026.

The Scope 3 reduction targets focus on the reduction of emissions from the use of the product during its lifetime, as they account for the majority of the Group's Scope 3 emissions.

a) Targets

The intermediate targets to reach the final target set by the Company within the current strategic cycle are as follows:

¹⁹ By 2026, the Group expects average year-on-year sales growth of more than 10% compared to 2021. More information is available in the [Strategic Plan 2026](#), p. 61.

| g CO ₂ eq | 2024 | 2025 | 2026 |
|------------------------------------|-------|-------|------|
| Implementation vs base-line (2019) | 30.5% | 35.3% | 40% |

Base year: 2019

b) Strategy to meet the target

CAF prioritises activities aimed at replacing fossil fuels and reducing the energy costs of transport to provide highly efficient mobility alternatives, which set out the path to a sustainable, clean, green and emission-free future.

Proof of this is the 46.8% reduction obtained in 2023 compared to the base year (2019), in the ratio (g CO₂eq/passenger-km) that measures the emissions generated in the product use phase (Scope 3) of the vehicles delivered, both in the Rail and Bus segments.

A significant decrease in this ratio is expected in the coming years due to the reduction in sales of fossil fuel vehicles accompanied by the zero-emission initiatives of the Innovation Plan, confirming that CAF's solutions are among the most efficient in the transport sector for mobility.

SPT 3: Degree of alignment with the EU Taxonomy for Sustainable Activities (Turnover)

In order to lead the transition towards cleaner and more sustainable transport, the CAF Group defines among its main goals the increase in the proportion of its activities aligned with the European Union's sustainability guidelines.

This indicator is expressed as the degree of alignment of the Group's activities with the EU Taxonomy for Sustainable Activities expressed as a percentage of total turnover.

a) Targets

In 2022, the first year in which CAF was required to report on both eligibility and alignment, the Group achieved a 76% alignment of its activities with the EU Taxonomy for Sustainable Activities. This good result in the degree of alignment on sales was confirmed in 2023, reaching a degree of alignment of 80%.

On this basis, the intermediate targets up to reach the final target set by the Group for the current strategic cycle are as follows:

| Degree of alignment with the EU Taxonomy (turnover) | 2024 | 2025 | 2026 |
|---|------|------|------|
| Implementation vs baseline (2022) | 82% | 84% | 84% |

Base year: 2022

b) Strategy to meet the target

To increase the proportion of aligned activities, CAF intends to progressively increase the activities that meet the criteria of substantial contribution to the goal of climate change mitigation and adaptation, considering also that these activities will do no significant harm to other environmental goals identified in the regulation²⁰, and must comply with minimum social safeguards.

As one of the group's strategic pillars is the transition to clean and sustainable transport, alignment with the EU taxonomy will allow CAF's investors and stakeholders to know what percentage of its activities or investments are actually contributing to environmental and sustainability goals, and the group's contribution towards the transition to a more sustainable, low-carbon economy.

²⁰ Climate change adaptation, climate change mitigation, water protection, circular economy, pollution prevention and biodiversity.

SPT 4: Frequency rate

The reduction of the frequency rate is a consolidated fact at CAF, which is why it is considered an ambitious target in line with the Group's commitments and values. The downward trend in the accident rate at CAF in recent years means that realistic annual targets can be set until the goal set in this strategic cycle has been reached.

a) Targets

In 2022, this rate was reduced to 15.16 (14.1 in 2023). Thus, 2022 will be considered as the base year on which the values obtained during the current strategic cycle will be compared, the annual targets of which are shown below:

| Frequency rate | 2024 | 2025 | 2026 |
|---------------------------|------|------|------|
| Expected annual evolution | 14.0 | 13.8 | 13.5 |

Base year: 2022

b) Strategy to meet the target

To meet these targets, it is essential to carry out a detailed analysis of the incidents that have occurred in order to identify their causes and determining factors. Effective preventive and corrective measures must also be put in place. Thus, the Occupational Health and Safety Plans implemented annually by CAF define the planning of this preventive activity and the goals in terms of occupational health and safety.

In addition to the actions identified in Section 3.1.1. for this indicator, employee involvement and commitment is a key element in the success of this accident reduction strategy. It is therefore essential to create a preventive culture that gets the people who make up the CAF workforce involved and encourages them to actively participate, present ideas and suggestions to establish safety improvement processes. In addition, positive contributions that help to improve safety at work should also be recognised and rewarded. In this respect, plans are being implemented to improve the preventive culture at CAF, which will contribute to reducing accidents at work and occupational illnesses.

In terms of health promotion activities, plans are being deployed to promote healthy lifestyles that improve the physical and mental well-being of workers. These plans include, among others, individualised prevention and rehabilitation programmes for the musculoskeletal system based on proven methodologies, which are aimed at improving mobility and strength, and pain perception.

3.1.3 Characteristics of financial instruments linked to sustainability criteria

The characteristics of financial instruments linked to sustainability criteria issued under this Framework, to be used for general corporate purposes, may vary depending on whether or not the SPTs defined in Section 3.1.2 are met. Although interest rate variation is the predominant option, other financial characteristics may be considered on a case-by-case basis.

Thus, for each instrument issued under this Framework, its specific financial characteristics will be detailed in the template included in Annex II or equivalent, which will be included together with the product documentation. In this template, at least the detailed KPIs and SPTs, the triggering events and, if any, the interest rate variation mechanism or other financial characteristics should be considered, whether or not the SPT is met within the agreed period. In this regard, the necessary language should be included in the instrument documentation to consider the occurrence of exceptional or extreme events that may have a significant impact on the calculation of the KPI, including regulatory changes, redefinition of the SPTs, or adjustments to the scope or baseline of the indicators considered. In addition, back-up mechanisms will be described in case KPIs or SPTs cannot be calculated or observed satisfactorily.

Similarly, using the template included in Annex II, an internal register will be kept to track all instruments issued under this component of the Framework.

3.1.4 Reports

CAF's Sustainability Committees (operational and strategic) are the bodies in charge of monitoring the evolution and reporting efficiently and transparently on the performance and calculation of the KPIs included in this Framework.

The report will include the following points:

- The outcome of Key Performance Indicators (KPIs), including baselines where relevant.
- SPT verification assurance report describing the performance against the SPTs and their impact on the financial and/or structural characteristics of the products issued under this Framework.
- Any information that allows investors to monitor the level of ambition of the SPTs (i.e. update on the sustainability strategy or any information relevant to the analysis of KPIs and SPTs).

To ensure that investors and other stakeholders have up-to-date and adequate information on CAF's sustainability strategy and the performance of the indicators

included in this Framework, information on sustainability-linked instruments issued will be disclosed on an annual basis in the Group's Statement of Non-Financial

Information (NFI), following the template included in Annex I.

3.2 FINANCIAL INSTRUMENTS LINKED TO ELIGIBLE GREEN PROJECTS

This section covers financial instruments whose proceeds (in part or in whole) are earmarked for new eligible green projects or existing assets, as defined in Section 3.2.1. of this Framework.

These types of instruments aim to assist and boost CAF's initiatives to reduce its own carbon footprint, as well as increase its sustainable investments, playing a key role in the transition to a low-carbon economy.



This section of CAF's Green and Sustainable Financing Framework has been developed based on the Green Bond Principles (GBP ²¹) (June 2021) of the International Capital Markets Association (ICMA) and the Green Loan Principles (GLP ²²) (2023) developed by the Loan Market Association (LMA).

Thus, the guidelines included

below are intended to ensure that any instruments issued by the CAF Group are aligned with these standards and with the transition to an environmentally friendly, low greenhouse gas emitting economy.

Thus, all financial instruments categorised as “green” that are issued under this Framework will have to address the following points:

3.2.1. Use of proceeds

3.2.2. Project evaluation and selection process

3.2.3. Management of proceeds

3.2.4. Reports

4. External review

3.2.1 Use of proceeds

CAF will use proceeds from green financial instruments to finance or refinance sustainable projects, assets or services, which are aligned with the sustainability criteria set out in the ICMA Green Bond Principles (GBP), the LMA Green Loan Principles (GLP), the EU Taxonomy for Sustainable Activities and CAF's Sustainability Policy and Strategy.

A list of eligible projects based on these criteria and principles is provided below:



²¹ Green Bond Principles.
²² Green Loan Principles.

| GBP/GLP criteria | Economic Activity* | Related SDGs | Examples of eligible projects. |
|---|---|-----------------------|---|
| Clean transport and circular economy (modernisations) | 3.3 Manufacturing of hypocarbon technologies for transport | SDG 9, SDG 11, SDG 13 | Manufacture, repair, maintenance, renewal, conversion and modernisation of vehicles (rail and bus). |
| | 3.19 Manufacture of rolling stock rail components | | Manufacture, installation, technical consultancy, refurbishment, modernisation, repair, maintenance and conversion of products, equipment, systems and software related to rail components. |
| | 6.14 Infrastructure for rail transport | | Construction, modernisation, operation and maintenance of surface and underground railways, bridges and tunnels, stations, terminals, rail service facilities (273) and safety and traffic management systems, including the provision of architectural, engineering, draughting, building inspection, surveying and mapping services, as well as services performing physical, chemical and other analytical testing of all types of materials and products. |
| Renewable energy | 4.1. Electricity generation using solar photovoltaic technology | SDG 7, SDG 13 | Engineering development and construction (EPC) of photovoltaic plants. |
| Clean transport and pollution prevention and control | 8.2. Data-driven solutions to reduce greenhouse gas emissions | SDG 13 | R&D&I projects focused on reducing greenhouse gas emissions. |

* Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment ([link](#))

3.2.2 Project evaluation and selection process

The people in the economic-financial department linked to eligible projects according to the criteria defined in the previous section will inform CAF's Sustainability Function of the existence of a project likely to be associated with a financial instrument classified as "green". Thus, the Sustainability Function will assess the alignment of the project with the criteria defined in 3.2.1. and will supervise the aspects of the process related to its area, including the identification and monitoring of the impact indicators established in each product, in coordination with the relevant governance bodies and the areas involved.

Eligible activities and projects will be those aimed at facilitating the transition towards a sustainable and low-carbon economy, in line with the Net Zero and emissions reduction targets set by the European Union. In addition, they will be prioritised according to the materiality and relevance of the project in the transition to a low-carbon economy and its feasibility, as well as its impact on the reduction of greenhouse gas emissions.

Given that most of the projects and activities developed by CAF are eligible according to the EU Taxonomy for Sustainable Activities, priority will be given to those projects included in Section 3.2.1. that meet the current criteria for taxonomic alignment: comply with the Technical Selection Criteria and Minimum Safeguards, and do not cause significant harm to other environmental goals (DNSH).

3.2.3 Management of proceeds

CAF will allocate proceeds from “green” financial instruments to new or pre-existing projects, selected according to the criteria of Section 3.2.1. Thus, during the life cycle of these instruments, CAF will ensure that the proceeds match the allocations to “green” projects that have been made during that period.

At the time of drawdown of the proceeds of a green bond, loan or financial instrument, the proceeds will be used for the payments of the selected projects pending at that time. The remaining drawn balance will be transferred to the accounts or financial products used by the group for the management of its surplus liquidity, leaving sufficient trail in the control systems of the amount transferred to be allocated to the chosen projects. As more payment obligations are generated in relation to the selected projects, these proceeds will be drawn from the Group’s surplus cash, decreasing the record of green bond or green loan proceeds pending allocation, until the amounts disbursed are fully consumed.

In order to monitor this process, the Company will maintain an Internal Register of Financial Instruments and Green Projects (Annex III), which will be expanded and updated at least annually. In line with its commitment to maintain a high level of transparency in its management, CAF will request a review of the management of the proceeds by an independent third party at the request of the issuing institution or as set out by the particular conditions of each product.

The impact of green projects associated with financial instruments issued under this Framework will also be monitored, according to the template included in Annex III c. This will be done using the metrics defined in each instrument which will include, at the very least, measures on their positive impact on the fight against climate change and other Sustainable Development Goals. When the nature of the project allows it, additional indicators will be reported in order to broaden the reporting of the impact generated.

The following is a non-exhaustive list of possible impact metrics for the selected green projects:

| Impact indicators |
|--|
| Avoided emissions (tCO ₂ e) |
| Emissions per passenger/km |
| Fossil fuels avoided (t) |
| Energy savings produced (Mwh) |

3.2.4 Reports

During the life cycle of green financial instruments issued under this Framework, CAF will issue an annual internal monitoring report that will be shared, in whole or in part, with relevant stakeholders as defined for each product. This report, based on the Internal Register of Financial Instruments and Green Projects (Annex III), will include a list of the “green” financial instruments issued and/or active during the year (Annex III a), a description of the projects to which proceeds have been allocated during the year together with the amounts allocated (Annex III b) and the impact of each project according to the metrics established for each product (Annex III c).



4 | **EXTERNAL REVIEW**

4.1 Second Party Opinion (SPO)

**4.2 Review of the performance and management of financial
instruments issued under this Framework**



4.1 SECOND PARTY OPINION (SPO)

Prior to the issuance of any instrument under this Green and Sustainable Financing Framework, the CAF group has commissioned a Second Party Opinion (SPO) in order to verify its credibility and impact. This opinion includes a review of the following aspects:

- Its alignment with the Green Bond Principles (GBP) and the Sustainability-Linked Bond Principles (SLBP) published by the ICMA.

- Its alignment with the Green Loan Principles (GLP) and the Sustainability-Linked Loan Principles (SLLP) published by the LMA.
- The sustainability credentials of the issuer.

The full report is available on CAF's website (www.caf.net). In addition, the Group undertakes to ensure that any changes to its Green and Sustainable Financing Framework will be subject to review by the issuer of this Second Party Opinion (SPO).

4.2 REVIEW OF THE PERFORMANCE AND MANAGEMENT OF FINANCIAL INSTRUMENTS ISSUED UNDER THIS FRAMEWORK

4.2.1 External review of financial instruments linked to sustainability or "sustainable" criteria

CAF will conduct an annual independent limited assurance review of "sustainable" financial instruments issued under this Framework until maturity. These reviews will be conducted by a suitably qualified provider and will be disclosed through an independent verification report including the level of compliance with the targets and KPIs linked to the various financial products under consideration.

The result of the verification will be published within six months after the end of the financial year on the company's website, as well as in other media deemed appropriate by CAF.

4.2.2 External review of financial instruments linked to eligible or "green" projects

For the review of financial instruments rated "green", CAF will conduct a separate review as specified for each product. These reviews will be carried out by a qualified provider and will be annexed to the internal annual report described in Section 3.2.4.

The outcome will be communicated internally and with relevant stakeholders whenever deemed necessary.



5 | ADJUSTING, MODIFYING AND UPDATING THE GREEN AND SUSTAINABLE FINANCING FRAMEWORK



CAF's Green and Sustainable Financing Framework will be updated in conjunction with the new strategic cycle (2027–2030) and will be reviewed regularly in order to respond to the evolution of the best practices in the market, as well as to ensure it is aligned with future updates to the principles on which it is based.

Furthermore, if there are significant changes to the reporting perimeter, the calculation methodology used, the Company's sustainability strategy and/or if any variable, KPI or SPT²³ needs to be adjusted, it will be

necessary to review and update any components of the Framework affected by these changes.

As a result of these reviews, updates or addenda to this Framework may be published and are subject to approval by the Second Party Opinion (SPO) provider, except for minor modifications. In any event, any updates or revisions to this Framework will maintain or enhance the current transparency and reporting commitments, and will be published on CAF's website (www.caf.net), replacing the previous version if appropriate.



23 Deviations from the defined SPT that exceed $\pm 5\%$ for 2 consecutive years are considered significant.

6 | ANNEXES

**6.1 Annex I - Annual Report on Performance Indicators and Targets (KPIs/SPTs)
Associated with Financial Instruments Linked to Sustainability Criteria**

6.2 Annex II - Register of Financial Instruments Linked to Sustainability Criteria

6.3 Annex III - Internal Register of Financial Instruments and Green Projects

6.4 Annex IV - Glossary



6.1 ANNEX I - ANNUAL REPORT ON PERFORMANCE INDICATORS AND TARGETS (KPI/SPT) ASSOCIATED WITH FINANCIAL INSTRUMENTS LINKED TO SUSTAINABILITY CRITERIA

a) KPI/SPT monitoring - Summary table

| KPI | SPT (Year XXXX) | Result (Year XXXX) | % Compliance |
|-------|-----------------|--------------------|--------------|
| KPI 1 | | | |
| KPI 2 | | | |
| KPI 3 | | | |
| KPI 4 | | | |

b) KPI/SPT monitoring - Details on indicator evolution

| KPI X | Base year | 2024 | 2025 | 2026 |
|--------------|-----------|------|------|------|
| SPT | | | | |
| Results | | | | |
| % Compliance | | | | |

6.2 ANNEX II - REGISTER OF FINANCIAL INSTRUMENTS LINKED TO SUSTAINABILITY CRITERIA

| ISIN | Type | Details ²⁴ | Amount | Issue | Maturity | Review | Associated KPI/SPT |
|------|------|-----------------------|--------|-------|----------|--------|--------------------|
| | | | | | | | |
| | | | | | | | |

6.3 ANNEX III - INTERNAL REGISTER OF FINANCIAL INSTRUMENTS AND GREEN PROJECTS

a) Monitoring of issued “green” financial instruments

| ISIN | Description | Type | Amount | Issue | Maturity | Project | Reporting period assignment | Period-end balance |
|------|-------------|------|--------|-------|----------|---------|-----------------------------|--------------------|
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

²⁴ Includes agreed mechanism of variation depending on the achievement of the SPT and triggering events.

b) Allocation of proceeds to eligible green projects

| Project name | Description | Amount allocated | Date of allocation | ISIN | Comments |
|--------------|-------------|------------------|--------------------|------|----------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

c) Monitoring of the impact generated by the selected green projects

| Project | KPI/unit | Year 1 | Year 2 | Year 3 | Year n |
|---------|----------|--------|--------|--------|--------|
| | | | | | |
| | | | | | |
| | | | | | |

6.4 ANNEX IV - GLOSSARY

Financial instrument: bonds, loans and other products offered by financial institutions, such as credit lines, guarantees and derivatives, for which the issuer is eligible on the basis of this Framework.

KPI: Key Performance Indicators are quantifiable metrics used to measure the evolution of selected indicators.

SPT: Sustainability Performance Targets are measurable improvements in Key Performance Indicators that issuers undertake to meet within a set timeframe. SPTs should be ambitious, material, consistent with the issuer's overall sustainability/ESG strategy and, where possible, comparable within the sector in which it operates.

Scope 1: direct greenhouse gas (GHG) emissions. For example, emissions from combustion in boilers, furnaces, vehicles, etc., which are owned or controlled by the Organisation. It also includes fugitive emissions (e.g. air conditioning leaks, CH₄ leakage from ducts, etc.).

Scope 2: indirect GHG emissions associated with the generation of energy (electricity/heat) purchased and consumed by the Organisation.

Scope 3: other indirect GHG emissions. Examples of Scope 3 activities are the extraction and production of materials procured by the organisation, business travel by external means, transport of raw materials, fuels and products (e.g. logistics activities) by third parties or the use of products or services offered by others.

Baseline: The baseline is a fixed point of reference for comparison which is used to assess the achievement of an SPT.

SDG: The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

UNEP: The United Nations Environment Programme (UNEP) is the world's leading environmental authority. Its mandate is to assess the state of the environment and the causes of environmental impacts.

SPO: A Second Party Opinion (SPO) provides an independent assessment of the accuracy and completeness of a bond, loan, financial product or framework which is used for strategic decision-making by investors.

Avoided emissions: emissions that would not be generated or would be avoided by not carrying out a certain economic activity.

Taxonomy for Sustainable Activities of the European Union: It is the instrument used in the European Union to define which activities are considered as "sustainable" and to channel capital flows towards these types of projects and activities in order to contribute to the transition towards a low-carbon economy.

Eligibility and taxonomic alignment: Eligible activities are those that can potentially contribute to one or more of the environmental goals of the Taxonomy and are therefore included in the Taxonomy. If, in addition, these activities do not cause significant harm to any of the other goals and are carried out in accordance with established minimum, social and human rights safeguards, they are considered to be **aligned** activities.

SBTi: The Science Based Targets Initiative (SBTi) is a collaboration between the Climate Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wildlife Forum (WWF) which was established to help companies set emissions reduction targets in line with science and the Paris Agreement.

