ANNUAL REPORT

2024

CAF

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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.cafmobility.com).

In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

This publication, which is also published in Basque and Spanish, includes the legal documentation relating to CAF and Subsidiaries.

More information on CAF and its products, together with the information required by law for shareholders and investors, can be obtained on the website www.cafmobility.com

LETTER FROM THE CHAIRMAN AND THE EXECUTIVE DIRECTOR

Dear shareholder,

The year 2024 was the second year of the current strategical cycle, defined by our 2023-2026 Strategic Plan, currently in force. Two years marked by the geopolitical instability created by the conflicts in the Ukraine and the Middle East, still ongoing, and other macroeconomic factors that we hope to soon put behind us. Despite the above, during the past year, the Group has achieved results fully in line with the targets established, in addition to making significant progress in developing the strategic lines we established in said Plan.

Thus, the growing demand for sustainable mobility solutions continued to generate a favorable market dynamic that allowed us to reach a figure of EUR 4,707 million in new contracts, a figure that equates to a Book-to-Bill of 1.1x, the result of an eminently selective commercial approach. As a result, the volume of our backlog at the end of the last fiscal year came to EUR 14,695 million, a historic record that equates to 3.5 times the revenue achieved during the period.

Specifically, said figure reached EUR 4,212 million for the Group as a whole, giving continuity to the path of growth of recent years as it implies a further interannual increase of 10%, at the same time that our profitability also progressed, reaching a consolidated EBIT of EUR 216 million, 21% higher than the previous year, to thus give an operating margin of 5.1% for the fiscal year. For its part, attributable net profit reached EUR 103 million for the whole of the year 2024, accompanied by an improved net financial position at the close of the fiscal year with a figure of EUR 226 million and a ratio of 0.7x to EBITDA.

At the same time, the acceleration of climate change and the constant evolution of the regulatory frameworks and their impact on the Group confirm that **Sustainability** is a strategic factor to be taken into consideration, beyond its contribution to economic progress, social well-being, and the protection of the environment in the territories in which we operate. In this respect, the steps taken in this area during the past fiscal year have been significant. For example, the publication of our first Green and Sustainable Financing Framework (fully active and used in our financial activities); the establishing of even more ambitious goals in relation to emissions into the atmosphere, aligned with the SBTi (to establish these at 55% for the year 2030); the conduction of a Double Materiality Analysis according to ERSR European Standards; and the publication of our Sustainability Master Plan, resulting from said analysis and which will constitute the backbone of our action in the coming years with a view to achieving our vision and objectives in terms of Sustainability.

Additionally, despite the instability of the aforementioned economic environment, during the 2024 fiscal year we were also able to make progress in the other three strategic lines considered in our 2023-2026 Plan: commercial focus, operating efficiency, and innovation.

In the **commercial area**, noteworthy were the contracts obtained in Europe. Starting with Spain and, specifically, with the collaboration established with Metro Madrid for the renewal of its fleet with 80 new automatic trains. And with Barcelona and Vitoria-Gasteiz, through hydrogen buses and more sustainable and more accessible trams.

Also in France, Italy, Germany, and the Netherlands. For example, through a contract for 22 new Oxygène trains for SNCF, a client that is thus renewing its trust placed in CAF, or the tram contracts for Rome, Bologna and Palermo, in addition to the integration of the battery passport for electric buses for Germany and bus contracts for various Italian cities. Signaling deserves a special mention, where in addition to various line equipment contracts and control centers for ADIF, the incorporation of our ERTMS solution in the Netherlands and the achieving of the first contract in the United Kingdom, forming part of the British railway signaling modernization plan being undertaken by Network Rail, are also noteworthy.

CAF also reinforced its global leadership through the receipt of relevant projects outside Europe, such as in the United States, for example, through the new contract for up to 35 tram units with an on-board power source, capable of operating without a catenary, for the city of Omaha (Nebraska). Also deserving of mention in the US is the winning of the first Solaris contract, specifically for four 12 m and 18 m electric buses for King County Metro (Seattle) and another 12 optional ones, an order that constitutes an initial milestone within Solaris' strategic expansion plan in the US that we hope to develop over the coming years. Also in the Americas, the contracts for the supply of units for the Medellín Metro (Columbia) and for the Santiago Metro (Chile) complete the list of the most relevant contracts this fiscal year.

In terms of **operating efficiency**, we have set ourselves the goal of optimizing production processes, engineering, and purchases, supplementing their current industrial footprint with new capacities that back the aforementioned commercial focus on the target geographical areas defined in our Strategic Plan, at the same time as maximizing efficiency in operating costs.

Additionally, we continued with the improvement processes in terms of efficiency in fleet maintenance activities through the deployment of the new Digital Operating Model (SOM), which has already been implemented in over 35 work centers. And also through the RSNEXT transformation program, the goal of which is none other than to increase the profitability of the Rail Services area. Improvement processes that have also extended to the bus segment, where we have been able to continue increasing the productivity of the plants, at the same time as reducing the exposure to instability events in the supply chains.

Finally, there are various technological initiatives under way the goal of which is none other than to improve the competitiveness of our products over their whole life cycle. Technology such as the virtual validation of developments or the digital twin are already applied across the board to all business areas, facilitating and optimizing the activities of development, approval, and maintenance. Digitalization focusing on efficiency and the reduction of production times and our progress in cybersecurity and Artificial Intelligence, with various use cases already implemented, complete the digital development program under our strategic line of **innovation**.

Indeed, the different innovation programs have continued to move forward with promising results. Thus, in terms of decarbonization, for example, through new generations of alternative propulsion systems, whether battery or hydrogen-based, with which we have updated our value proposal in railway and buses.

And also in terms of the autonomous and automatic mobility program, where we would highlight remote and autonomous driving of trams (for example, such as those installed and tested on the Oslo tram system), the new ADAS assisted driving systems we have equipped our buses with, the successful certification of our CBTC GoA2 solution and the subsequent launch of our OPTIO commercial solution in the area of automatic metros, an area of great strategic interest, or the automation of systems on the main network and the evolution of the ERTMS successfully tested, for example, in the NS (Netherlands Railway) fleet.

In terms of our corporate governance, CAF continued its efforts to incorporate the best practices and legislative developments that have taken place in this period into its regulations, as well as to maintain its commitment to the recommendations established by the public bodies and supervisory authorities.

Aware that the challenges will continue to exist, but also that new opportunities will arise through which to consolidate our leadership, our priority will be to execute the actions and achieve the goals established in our Strategic Plan. At CAF we are committed to making an active contribution to building a future in which people can move and relate to one another in a more efficient, safer, and more environmentally-friendly way. This is the path we have set for ourselves and which we will continue to tread with determination, with the conviction that our efforts are having a positive and lasting impact on people's lives, the health of the planet, the business results we have achieved and the Group's contribution to all its stakeholders.

None of this would have been possible without the contribution and commitment shown on a daily basis and the work of all the people who make up the CAF Group when it comes to overcoming the difficulties and challenges they have had to face in exercising their duties, and to whom we would like to give our most sincere thanks.

We would also like to thank you, dear shareholder, for your continued support of our project. Thank you for your continued trust in us and in our work to build a CAF Group that is ever more robust, competitive and sustainable.

Kind regards,

Andrés Arizkorreta García
Chairman

Javier Martínez Ojinaga
Executive Director

RAILWAY PROJECTS

LOCAL AND REGIONAL TRAINS

- AB Transitio (Sweden)
- Auckland (New Zealand)
- Caminhos de Ferro Portugueses (Portugal)
- Companhia Brasileira de Trens Urbanos (Brazil)
- Companhia Paulista de Trenes Metropolitanos (Brazil)
- Department of Transportation (Philippines)
- Ethiad Rail (United Arab Emirates)
- Eusko Trenbideak-Ferrocarriles Vascos (ET/FV)
- Ferrocarriles Españoles de Vía Estrecha (FEVE)
- Ferrocarrils de la Generalitat de Catalunya (FGC)
- Finnish Railways (VR Ltd)
- Heathrow Airport Express (UK)
- Hong-Kong Airport Express
- Irish Rail (Ireland)
- Izban (Turkey)
- London North Eastern Railway (UK)
- Montenegro
- Myanmar Railways (Myanmar)
- Nederlandse Spoorwegen (Netherlands)
- Northern-Arriva (UK)
- Northern Ireland Railways (North Ireland)
- Northern Spirit (UK)
- Qbuzz (Netherlands)
- Red Nacional de Ferrocarriles Españoles (RENFE)
- Régie autonome des transports parisiens (France)
- Regione Autonoma Friuli Venezia Giulia (Italy)
- Secretaría de Comunicaciones y Transportes (Mexico)
- Serveis Ferroviaris de Mallorca (SFM)
- SJ AB (Sweden)
- Société Nationale de Chemins de Fer Français (France)
- TransPennine-First Group (UK)
- Transport for New South Wales (Australia)
- West Midlands - Abellio, JRE, Mitsui & Co (UK)
- Wales & Borders - KeolisAmey
- Zweckverband Nahverkehr Westfalen-Lippe (Germany)
- Zweckverband Schönbuchbahn (Germany)
- Zweckverband Verkehrsverbund Rhein-Ruhr (Germany)

CITY

TRAMS

- Alcalá de Guadaíra
- Amberes
- Amsterdam
- Antalya
- Belgrade
- Besançon
- Bilbao
- Birmingham
- Bonn
- Bolonia
- Boston
- Budapest
- Calgary
- Canberra
- Cádiz-Chiclana
- Cincinnati
- Cuiabá
- Debrecen
- Edinburgh
- Essen
- Stockholm
- Freiburg
- Granada
- Hannover
- Houston
- Jerusalem
- Kaohsiung
- Lieja
- Lisbon
- Lund
- Luxembourg
- Manila
- Marsella
- Maryland
- Mauricio
- Montpellier
- Nantes
- Omaha
- Oslo
- Palermo
- Rome
- Seville
- Sidney
- St. Etienne
- Tallinn
- Tel Aviv
- Utrecht
- Valencia
- Vélez-Málaga
- Vitoria
- Zaragoza

METRO

- Amsterdam
- Algiers
- Barcelona
- Bilbao
- Bucharest
- Brussels
- Caracas
- Istanbul
- Helsinki
- Hong Kong
- London
- Madrid
- Malaga
- Medellin
- Mexico
- Nápoles
- New Delhi
- Oslo
- Palma (Mallorca)
- Quito
- Rome
- Santiago de Chile
- São Paulo
- Seville
- Washington

ARTICULATED LIGHT RAILWAY

- Amsterdam
- Buenos Aires
- Monterrey
- Pittsburgh
- Sacramento
- Valencia

MAIN LINES

INTERCITY TRAINS

- Tilting trains S/598 (RENFE)
- Diesel trains S/599 (RENFE)
- Electric trains S/449 (RENFE)
- Diesel trains for Algeria
- Intercity Push-Pull Service Ireland
- Diesel trains - Corsica
- Diesel trains - Tunisia
- Diesel trains - France
- Trains for Saudi Arabia
- Sardinia diesel trains
- Northern Ireland trains
- US trains
- Caledonian Sleeper Escocia

HIGH SPEED TRAINS

- High Speed Trains and Variable Gauge Trains S-120 and S-121 (RENFE)
- High Speed Trains for the Madrid-Seville Line
- Shuttle Trains S-104 (RENFE)
- High Speed Trains for Turkey
- High Speed Trains for Norwa

BUSES

Solaris, a subsidiary of the CAF Group, is one of Europe's leading bus manufacturers. The company has delivered more than 25,000 vehicles over 35 countries. Over the course of 25 years of operations in the sector, Solaris has established itself as the European leader in terms of market share for electric buses. The company also offers a wide range of products that provide state-of-the-art zero-emission solutions for public transport.

/ THE CAF GROUP IS AN INTERNATIONAL BENCHMARK WHEN IT COMES TO SUPPLYING COMPREHENSIVE MOBILITY SYSTEMS, OFFERING END-TO-END PROJECT AND ENGINEERING MANAGEMENT, INCLUDING SYSTEM DESIGN, CIVIL WORKS, SIGNALLING, ELECTRIFICATION AND OTHER ELECTROMECHANICAL SYSTEMS, THE SUPPLY OF ROLLING STOCK, AS WELL AS SYSTEMS OPERATION AND MAINTENANCE.

2024 DIRECTORS' REPORT **OF THE CONSOLIDATED GROUP**

CAF GROUP BUSINESS MODEL **AND OUTLOOK**

/ AT THE CLOSE OF THE SECOND YEAR OF THE CURRENT STRATEGIC CYCLE, FRAMED WITHIN THE STRATEGIC PLAN 2023-2026, THE GROUP HAS MADE SIGNIFICANT PROGRESS IN ALL THE DEFINED LINES OF WORK, REMAINING FULLY ALIGNED WITH THE OBJECTIVES SET FOR ACHIEVING THE ANNOUNCED RESULTS.

At the close of the second year of the current strategic cycle, framed within the Strategic Plan 2023-2026, the Group has made significant progress in all the defined lines of work, remaining fully aligned with the objectives set for achieving the announced results.

CAF is currently configured as a multinational group with more than 100 years of experience, distinguished by its position as one of the international leaders in the implementation of comprehensive rail and bus mobility solutions. The company has solid experience in managing projects developed in multiple geographies covering all stages of the life cycle: viability analysis and studies, system design and engineering, construction and manufacturing, installation and start-up, operation, maintenance and even financing.

- In the railway sector, the CAF Group offers its customers one of the widest and most versatile ranges of products on the market. Its offering covers complete transport systems to rolling stock, components, infrastructure, signalling and services, such as maintenance, refurbishment and financing. These capabilities, together with the Group's current diversity of solutions, position CAF at the level of the main players in the sector.

  Within this area, activity related to railway vehicles not only generates value but also strengthens other business areas. Furthermore, railway services contribute significantly to the Group's profitability, complemented by integrated solutions and systems, whose participation in company results is expected to grow progressively.

- In the bus sector, CAF, through Solaris, has led innovation in the development of new products and currently offers the most complete range of low and zero emission solutions. Its positioning in electromobility is unique, backed by its leadership in zero-emissions buses, a verified experience in this area, and a solid offering in zero emissions advanced technologies, such as electric and hydrogen. Solaris, and by extension, the CAF Group, have the advantage of not being conditioned by the production of internal combustion engines, which reinforces their commitment to a decisive effective transition towards electromobility. Thanks to these features, Solaris outperforms its European competitors in terms of backlog, practical experience and market share.

- In both sectors, CAF serves a wide diversity of clients worldwide, including municipalities, regional and national administrations, both public and private, railway manufacturers, private system operators and maintenance companies. Likewise, it works with transport administrations that require consortium structures, backed by entities with a financial profile. It aims to be the global benchmark in sustainable urban mobility, offering an unrivalled value proposition that includes metros, trams, light rail vehicles (LRVs) and low and zero emission buses. This position is backed by solid technological synergies and extensive cross selling opportunities between the railway and bus sectors, in a context in which urban public transport will be consolidated as a fundamental pillar in any future mobility scenarios.

The following aspects make CAF stand out as a leading multinational group:

- **State-of-the-art technology:** The company is positioned at the head of innovation, with strategic investments in key areas for mobility, such as decarbonisation, automation, digitalisation and competitiveness, to build a sustainable, interconnected, multimodal and safe transport model.

- **Global scope and European leadership:** CAF operates in more than 60 countries, with a particularly strong position in Europe. In the railway sector, it has a solid industrial infrastructure in Spain, France, the United Kingdom, the United States, Brazil and Mexico, as well as more than 100 maintenance centres worldwide. The company has executed over 225 projects valued at approximately EUR 35,000 million, delivered over 5,000 trains and refurbished over 1,000 carriages. In the bus sector, CAF operates an industrial plant in Poland, with a consolidated presence in more than 870 cities in 33 countries and more than 25,000 buses in operation. In recent years, the Group has strengthened its commercial focus in Europe, expanding its industrial capacity in France, establishing a new production base in Newport (United Kingdom), consolidating its presence in Poland through the acquisition of Solaris and managing maintenance workshops in the Nordic region through EuroMaint.

- **Qualified human team:** CAF has more than 16,000 employees, highly trained and aligned with the company's vision. Among them, there are nearly 6,000 university graduates, of whom more than 3,000 are engineers dedicated to innovation, product design and project management activities.

- **Commitment to sustainability:** The company stands out in sustainability, surpassing the sector average, supported by recognitions such as the "low risk" rating by Sustainalytics and the "Gold" medal awarded by Ecovadis. Furthermore, CAF is making significant progress in reducing Scope 1, 2 and 3 emissions, in line with the objectives established in its Strategic Plan.

- **Financial strength:** CAF has a solvent and proven financial capacity, reflected in a controlled Net Financial Debt / EBITDA ratio, which reinforces its stability and projection.

- **Trust and repetitiveness of its customers:** The high increasing level of satisfaction of its customers and repeat contracts is proof of CAF's reliability. This translates into an order book of over EUR 14 billion, giving the company high business visibility for the coming years.

As anticipated at the end of the previous year, the defined Strategic Plan establishes the following main objectives for 2026:

- Achieve growth above that of the market and reach total sales of close to EUR 4.8 billion.

- Situate operating profit at around EUR 300 million by 2026.

- Guarantee a dividend distribution in keeping with profit performance.

- Preserve financial stability, maintaining a balanced Net Financial Debt / EBITDA ratio.

- To reduce scope 1 and 2 emissions by 30% and scope 3 emissions by 40% with respect to 2019, progressing towards the goal of becoming a net zero emissions company by 2045.

Since the definition of the Strategic Plan 2026 in the second half of 2022, the hypotheses supporting said plan have undergone significant evolution due to various contextual factors. Among them are: changes in the geopolitical area (such as conflicts in the Ukraine and the Middle East), the macroeconomic climate (high interest rates, persistent inflation and supply shortages), as well as internal aspects (including a historical hiring record at the end of 2022, exceeding expectations contemplated in said Strategic Plan 2026, and the impacts on operations related to the change of ERP at CAF, S.A.)

CAF GROUP BUSINESS MODEL **AND OUTLOOK**

All the objectives set for 2024 have been fully achieved:

- A Book-to-Bill index equal to or higher than 1, prioritising a selective recruitment strategy.
- Sales growth of around 10% compared to 2023.
- An improvement in profitability compared to 2023.
- A dividend distribution proposal aligned with the evolution of financial results.
- Maintaining a stable net financial debt.
- Improvement in ESG indicator rating, consolidating commitment to sustainability.

In this regard, 2024 was crucial to strengthen the foundations of the company's future strategy, despite an environment characterised by uncertainty and instability. Despite this, among the main milestones attained to date within each of the four strategic axes, the following stand out:

1. COMMERCIAL FOCUS:

CAF reaffirms its commitment to sustainable mobility in 2024, achieving technological progress and projects that stand out. In Spain, of note was the collaboration with the Madrid underground to renew the fleet with 80 trains, including automatic driving units. In addition, the FCH2Rail project successfully validates hydrogen and battery hybrid trains after 10,000 kilometres of testing. In cities such as Barcelona and Vitoria, CAF promotes sustainable solutions with hydrogen buses and more accessible trams.

In Europe, CAF consolidates its leadership with contracts in France, Italy, Germany and the Netherlands. SNCF extends its trust with 22 new Oxygène trains, while Roma and Palermo modernise their transportation systems. In Germany, of note was the inclusion of the battery passport in electric buses and, in the Netherlands, the inclusion of the ERTMS system and automatic operation tests that improve railway efficiency. Furthermore, the following signalling contracts obtained should be highlighted due to their importance: (i) in Spain to renew the traffic control and signalling systems of the conventional network, involving ADIF metric gauge and high speed trains, and (ii) the first signalling contract obtained in the United Kingdom, which forms part of the plan to modernise railway signalling systems in the United Kingdom, to be carried out by Network Rail, the owner and manager of infrastructures in most of the English, Scottish and Welsh rail network.

CAF strengthens its global leadership through important projects outside Europe, consolidating its position as a benchmark in sustainable and latest generation transport:

- In the United States, the Omaha Streetcar Authority (Nebraska) has contracted the supply of up to 35 high-tech catenary-free trams. This project is part of the development of a new streetcar network in Omaha. The vehicles, supplied by CAF, will operate with on-board energy, marking a technological milestone in the country.
- Also, Solaris has taken an historical step in its strategy with the signing of its first zero-emissions bus supply contract in the USA. with King County Metro, which provides transit service to the city of Seattle, WA and 34 other cities. The contract involves the supply of two electric battery buses 12 metres long and two articulated buses 18 metres long. The agreement also includes an option for up to 12 additional units.
- In Colombia, CAF leads the supply of modern trains for the Medellín Metro, a key system for the mobility of millions of people.
- In Chile, it will implement state-of-the-art trains for the Santiago Metro, optimising the capacity and comfort of daily transportation.

2. OPERATIONAL EFFICIENCY:

Within the framework of the Strategic Plan, CAF has set itself the objective of optimising efficiency in production, engineering and purchasing, complementing its current industrial footprint with new capabilities that support the commercial focus in the strategic geographies defined in the Plan, while maximising cost efficiencies.

Among the most significant initiatives to attain this objective is the preparation and implementation of a detailed plan aimed at ensuring the operating capacity and competitiveness required to execute the current portfolio, complying with the deadlines, cost and quality standards established. To this end, a new transfer office has been established in the vehicle business to prepare the production facilities and thus be able to undertake the projects in progress.

Likewise, improvements are being promoted in the efficiency of production processes through the deployment of the new Digital Operating Model (SOM), already implemented at over 35 centres and the RSNEXT transformation programme, which focuses on improving profitability within the services area. In the bus segment, processes have been reviewed and measures have been established to continue improving direct labour productivity and reducing missing critical parts.

Alongside this, multiple initiatives are being implemented in the technological field to reinforce the competitiveness of the products throughout their entire life cycle. The most significant include the implementation of advanced tools, such as virtual validation and the digital twin, which are applied on a cross-cutting basis in all phases of the Group's businesses, including the design, validation, approval and maintenance.

3. INNOVATION:

Progress in the 4 axes defined in the Innovation Management Plan:

- Decarbonization and zero emissions program progressing on its different fronts. Specifically, progress in the alternative propulsion systems, such as those based on energy storage in batteries or the use of hydrogen as a fuel.

- Autonomous and automatic mobility programme, highlighting (i) remote and autonomous driving in trams and ADAS for buses, (ii) progress in the CBTC GoA2 system with successful tests and certifications and the launch of the OPTIO solution with high interest; and (iii) automation of mainline systems and ERTMS performance.

- Digitalisation programme with projects aimed at reducing costs or periods, the implementation of cybersecurity and the Digital Platform and the implementation of Digital Twin and Artificial Intelligence technologies.

- Product backlog extension programme, highlighting: (i) the improvement of the data generation process to set up signalling systems, the standardisation of tram and substation systems, (ii) the development of the SIL 3 certified emergency brake for trams; and (iii) the development of interurban electric buses for the European market and of urban buses for the US market.

4. SUSTAINABILITY:

It is worth remembering that in 2023 the CAF Purpose was defined, “developing sustainable transport solutions that improve people's lives”, and updated our Mission, Vision and Values, maintaining sustainability as a cross-cutting and backbone element for the success of the company's strategy.

During 2024, the Sustainability Master Plan was developed, which responds to the result of Double Materiality, the commitments of the Strategic Plan and the Sustainability Policy (the latter updated in December 2024). This plan will regulate the most significant procedures of 2025 and 2026, which are summed up into 10 strategic initiatives and 11 strategic objectives.

For additional information, please consult the Non-Financial Statement - Sustainability Report of this report.

Looking ahead to 2025, the great ambition for profitable growth of the Strategic Plan continues:

- Continue the growth path, ensuring a book-to-bill greater than 1, with a priority approach regarding strategic offers within the geographies selected.

- Maintain focus on improving profitability by strengthening the pipeline of transformation initiatives planned for 2025, aimed at achieving the established results.

- Begin expansion into new markets in specific segments and products, with the aim of consolidating our global presence in strategic areas.

- Implement the 2025 Innovation Management Plan through various programmes, thus ensuring the competitive positioning of our products and services in the medium term.

- Accompany this growth with an effective strategy for attracting and retaining talent, ensuring the development and sustainability of the organisation.

The full Strategic Plan document 2023-2026 is available on the CAF corporate website (www.cafmobility.com).

BUSINESS PERFORMANCE **AND RESULTS**

/ IN 2024, CAF HAS REACHED AN ORDER INTAKE LEVEL OF EUR 4,707 MILLION, TAKING ITS BACKLOG TO A RECORD HIGH OF EUR 14,695 MILLION, A NEW HISTORICAL HIGH. THE GROUP'S REVENUE IS ALSO AT ITS HIGHEST LEVEL, IN LINE WITH THE TARGET FOR THE YEAR, WITH SIGNIFICANT GROWTH IN BOTH SEGMENTS. IN TERMS OF RESULTS, THE GROUP'S EBIT AMOUNTED TO EUR 216 MILLION.

MAIN INDICATORS

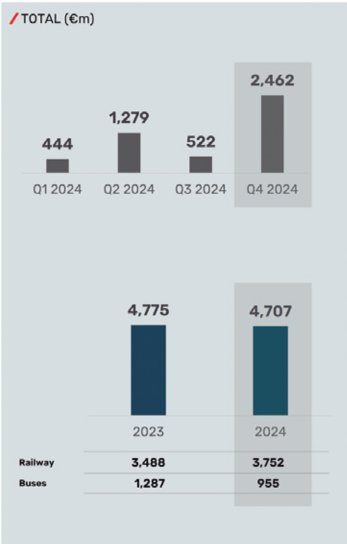
Figures in millions of euros (*)	2024	2023	Change (%)
Order Intake			
Order intake in the year	4,707	4,775	-1%
Order intake / Revenue ratio (Book-to-bill)	1.1	1.2	-10%
Backlog	14,695	14,200	3%
Backlog / Revenue ratio	3.5	3.7	-6%
Profit and cash flow			
Revenue	4,212	3,825	10%
Profit/(Loss) from operations (EBIT)	216	179	21%
Consolidated profit/(loss) for the period attributable to the Parent	103	89	16%
Working capital	(11)	(74)	85%
CAPEX	96	82	17%
Cash flow	72	55	32%
Capital management and liquidity			
Net Financial Debt	226	256	-12%
Net Financial Debt / EBITDA ratio	0.7	0.9	-22%
Available liquidity	1,165	956	22%
Equity attributable to the Parent	882	855	3%
Proposed dividend per share (**)	**1.34**	**1.11**	**21%**

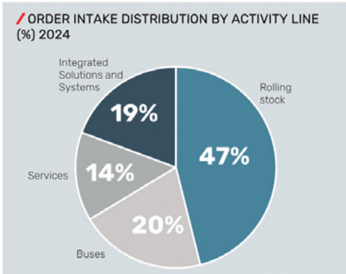
(*) Definitions of the indicators are provided in the "Alternative Performance Measures" section.
(**) Proposal for gross dividend per share for the 2024 financial year subject to approval by the 2025 General Shareholders' Meeting.

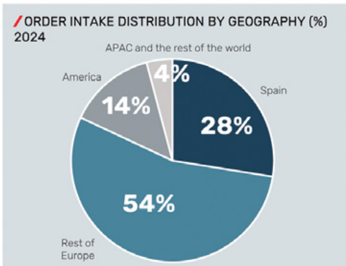
ORDER INTAKE

In 2024, CAF has reached an order in take level of EUR 4,707 million, slightly down on the previous year (-1%) and in line with the yearly objective. This has allowed the order backlog to rise to EUR 14,695 million, a new historical high. The group's Book-to-Bill ratio is 1.1: 1.1 in the railway segment and 1 in the bus segment.

These high order intake figures are the result of the positive trend in order intake in the two segments, and by geographical area, especially in the European market. The breakdown of order intake by line of activity and geographical area is as follows:







Acceleration of order intake in Q4 2024, contributing over half of the annual total.

Of note is the **strong order intake in the railway segment** in Q4 2024, which includes, among other orders, the following:

- Rolling stock in Spain, France, Italy, the Netherlands, Colombia and Chile.
- Integrated systems in Mexico.
- Contract renewals for maintenance services across various regions, notably Spain, along with new agreements in the Middle East

Btb=1.1 for the Group as a whole in 2024.
Btb=1.1 in the railway segment.
Btb=1.0 in the bus segment.

40% of rolling stock orders in 2024 stem from customer-exercised options, demonstrating a high level of **trust and satisfaction**.

>€7bn in future exercisable options for the customer, which are not included in the current backlog.

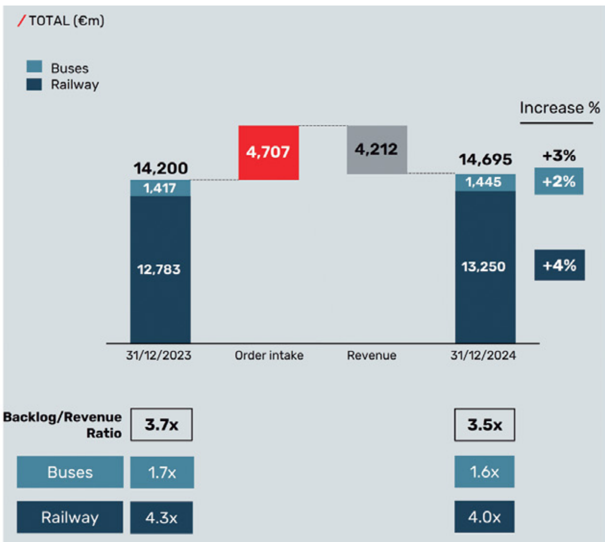
Geographically, **Spain** stands out, where CAF has been awarded both batches tendered (approx. €800m) by a well-known customer, Metro Madrid.

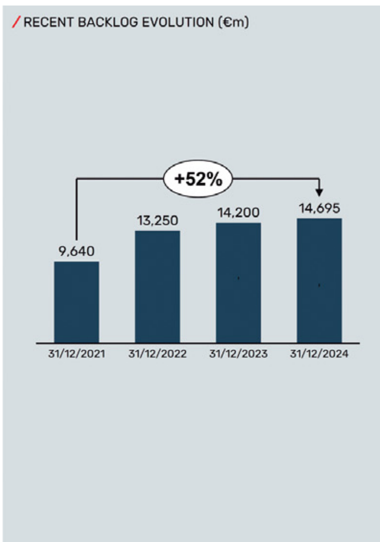
The historical volume of projects within CAF's pipeline remains stable.

BACKLOG

The foregoing has enabled backlog to rise by 3% on the previous year, despite the significant increase in sales for the year, reaching a record level of EUR 14,695 million. This favourable evolution continues the positive trajectory of recent years, which confirms the good moment the sector is experiencing and the Group's favourable positioning.

The backlog at year-end represents 3.5 times revenue, providing a high visibility for future sales. Likewise, it is characterised by its broad diversification, both geographically and by business.





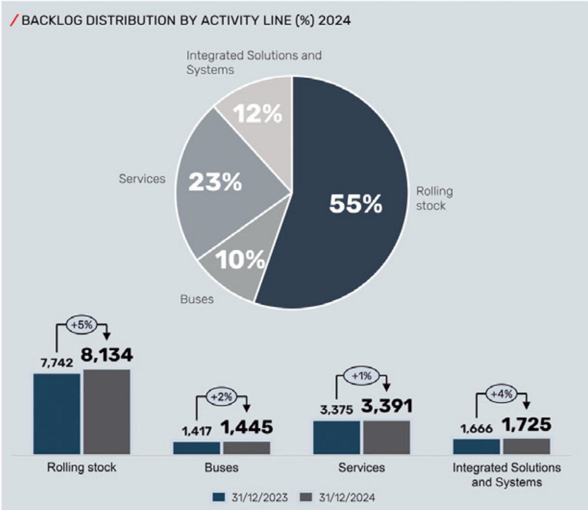
THE BACKLOG **CONTINUES TO GROW**
(+52% vs. 2021)

>€7bn IN FUTURE OPTIONS THAT ARE NOT INCLUDED IN THE CURRENT BACKLOG

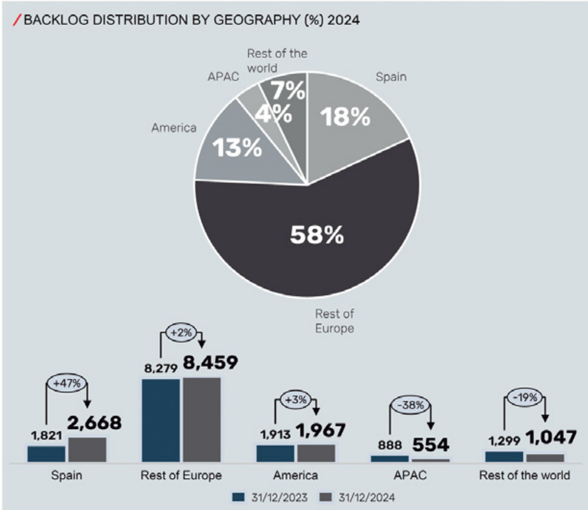
BROAD **VISIBILITY OF FUTURE REVENUE**
(Backlog/Revenue Ratio = 3.5x)

BUSINESS PERFORMANCE
AND RESULTS

As in previous years, the weight of the backlog in Europe, the largest accessible market in the world, is growing.



- **Progress** in the backlog **across all lines of activity**.
- **Rolling stock** continues to account for more than half of the consolidated backlog.



- The significant order intake in Spain increases **Europe's share** in the backlog to 76%.
- **APAC and the rest of the world** reduce their backlog due to strong sales performance throughout the year.

RESULTS

The evolution of all variables has been very positive, with double-digit growth in the main profit lines.

(EUR million)	2023	2024	Var. 2024/2023
REVENUE	**3,825**	**4,212**	**+10%**
OPERATING RESULT - EBIT	**179**	**216**	**+21%**
% EBIT Margin	**4.7%**	**5.1%**	
Financial result	(44)	(52)	+19%
Finance income	28	25	-10%
Finance cost	(69)	(68)	-2%
Exchange rate differences	(5)	(9)	+101%
Other financial Costs/Income	1	0	-133%
Result of companies accounted for using the equity method	**6**	**(3)**	**-155%**
PROFIT (LOSS) BEFORE TAX	**141**	**161**	**+14%**
Income tax	(48)	(53)	+10%
Net profit (loss) after tax	92	108	+17%
Non-controlling interests	3	4	+39%
PROFIT (LOSS) ATTRIBUTABLE TO THE PARENT COMPANY	**89**	**103**	**+16%**

Continuation of the **Group's growth trajectory**, supported by **both businesses**

Generation of **€216m in operating result (+21%)** driven by higher revenue and **profitability growth (+0.4 p.p.).**

Stability in financial expenses.

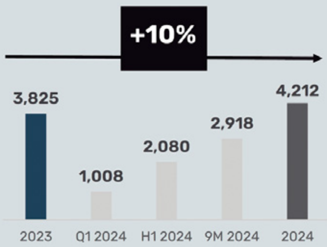
Overall, **the net profit attributable to the parent company reaches €103m,** representing a **16% increase.**

Earnings per share increase by the same amount: +16%.

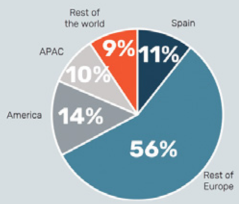
Revenue

The Group's revenue is at its highest level, in line with the target for the year, with significant growth in both segments:

/ CONSOLIDATED



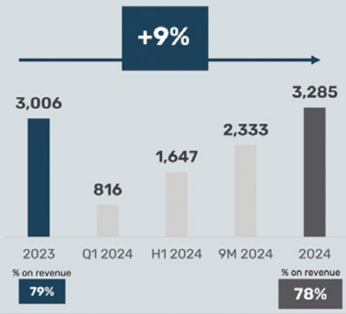
Revenue exceeds €4bn for the first time



Project execution concentrated in Europe, Solaris' historical market and home to the largest portion of the railway backlog

In 2024, **the execution of projects in America, APAC and the Rest of the world** has intensified, thus increasing their relative significance

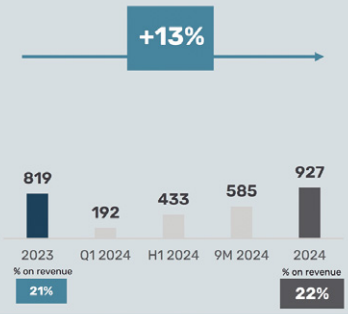
/ RAILWAY



Year-on-year growth in the railway segment is nearing double digits primarily driven by the strong backlog at the start of the financial year.

Significant contribution from **integrated projects** and activities related to **signalling and railway services.**

/ BUSES

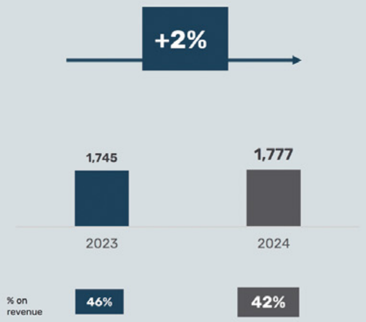


Year-on-year revenue growth >10% for the second consecutive year, driven by i) a higher number of buses delivered, and ii) the higher average price of deliveries.

Railway segment revenue

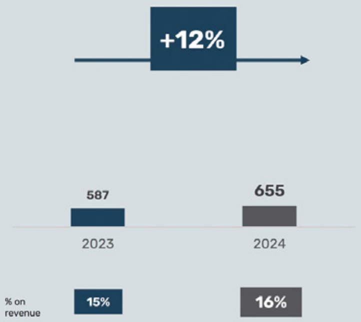
All railway activities contribute favourably to growth.

/ ROLLING STOCK



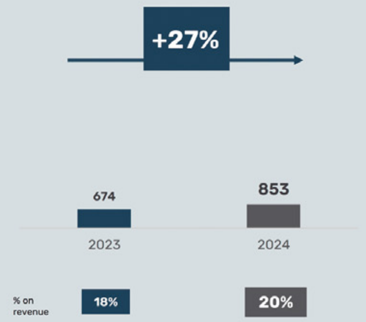
The **most notable supply projects** have been the regional trains for SNCF (France), the Regiolis regional units (France), the long-distance trains for Etihad Rail (UAE), the trains for Myanmar and the metros for Docklands Rail (UK), which, together, **account for a third** of the year's revenue.

/ SERVICES



Significant increase in revenue associated with the rise in service activity in the **Nordic countries** (via Euromaint), the **United Kingdom** (through various service contracts signed in recent years) and **Brazil**.

/ INTEGRATED SOLUTIONS AND SYSTEMS



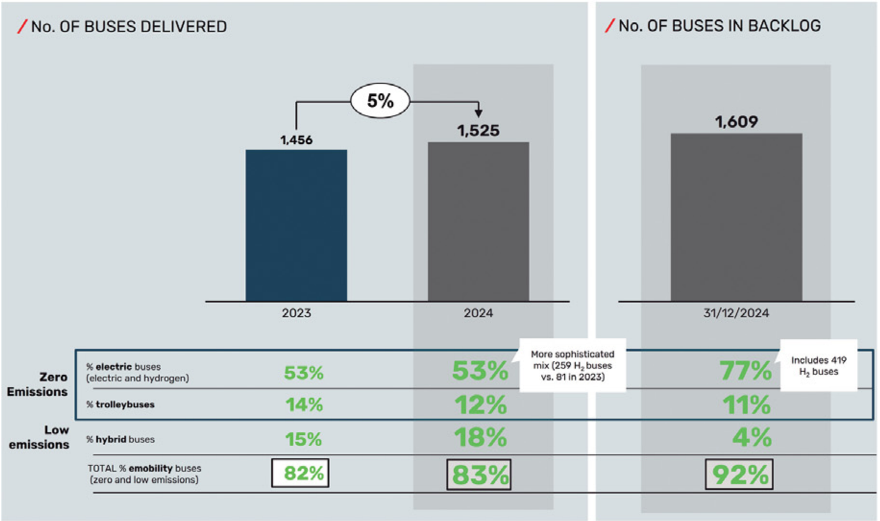
Revenue from integrated solutions and systems **accelerates** once again **at a rate of around 30%.**

Integrated projects in Mexico have generated the bulk of this increase, although signalling activity has also **seen significant progress, growing 37% year-on-year.**

BUSINESS PERFORMANCE
AND RESULTS

Bus Segment revenue

Solaris increased the number of buses delivered by 5% compared to the previous year, with a similar weight of the zero emissions range. Significant growth in sales of hydrogen buses is highlighted.



After a record **fourth quarter in delivery volume**, Solaris implements the execution plan for 2024 and **increases delivery volume by 5%,** in line with expectations.

The **proportion of zero-emission buses within total deliveries has remained unchanged compared to 2023**, standing at 53%. However, the internal composition has shifted significantly, with the **number of hydrogen buses delivered tripling** from 81 in 2023 to 259. This highlights **Solaris' leadership and technological capability in executing** complex zero-emission bus solutions.

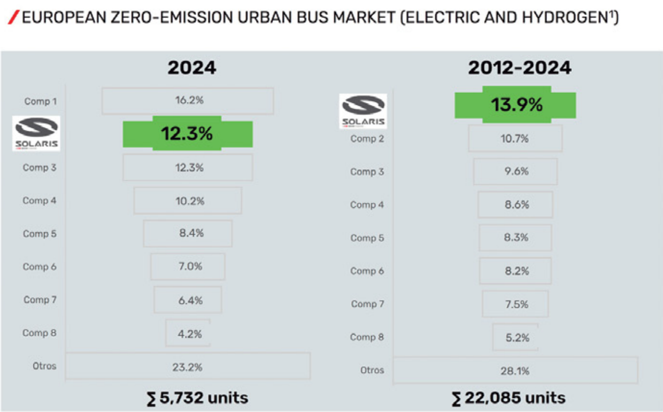
Alternative fuel buses account for over 80% of the year's deliveries, specifically 83%.

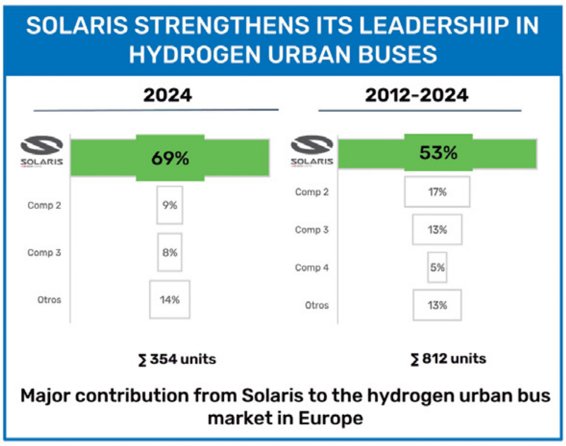
Buses delivered to customers from 12 countries. Italy, Poland, Germany, Romania, Sweden and Spain are the primary destinations for fleets delivered in 2024.

Record proportion of the zero-emissions range within the backlog.

Solaris maintains the historical leadership in zero-emission urban buses in Europe (2012-2014), especially highlighting the market share in hydrogen buses.

BUSES REVENUE



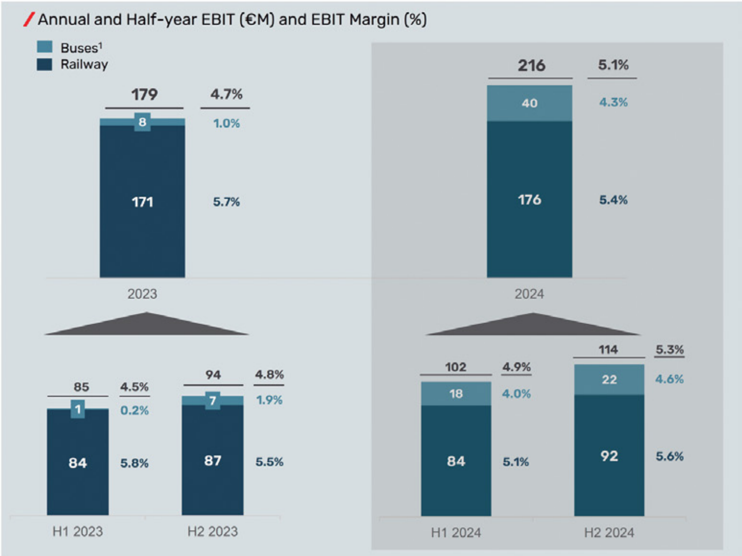


IN 2024, THE PENETRATION RATE OF ZERO-EMISSION URBAN BUSES IN EUROPE IS 48%[1].
100% OF URBAN BUSES PURCHASED BY 2035 MUST BE ZERO-EMISSION.
HIGH POTENTIAL FOR SOLARIS IN EUROPE OVER THE NEXT DECADE.

1. Source: DVV Media Group. 5,732 zero emission buses registered of a total of 11,945 registered buses. MMA > 8t. Includes EU27 (excluding UK and Ireland, where Solaris does not participate), Norway and Switzerland.

EBIT

The Group's EBIT was EUR 216 million (5.1% of sales), 21% higher than the previous year. The Railway segment's EBIT grew by 3% compared to the previous year, while the Bus segment's EBIT reflected a year-on-year improvement of €32 million, going from an EBIT margin of 1% in 2023 to 4.3% in 2024.



The **Group's EBIT increases by 21% to €216m.**

By segment:

Railway:

The year's execution has been affected by the rise in costs associated with certain projects in the backlog, as anticipated in the plan.

Annual results were also negatively impacted by the implementation of the new ERP at the beginning of the financial year.

Buses:

Notable improvement in EBIT and profitability for the year.

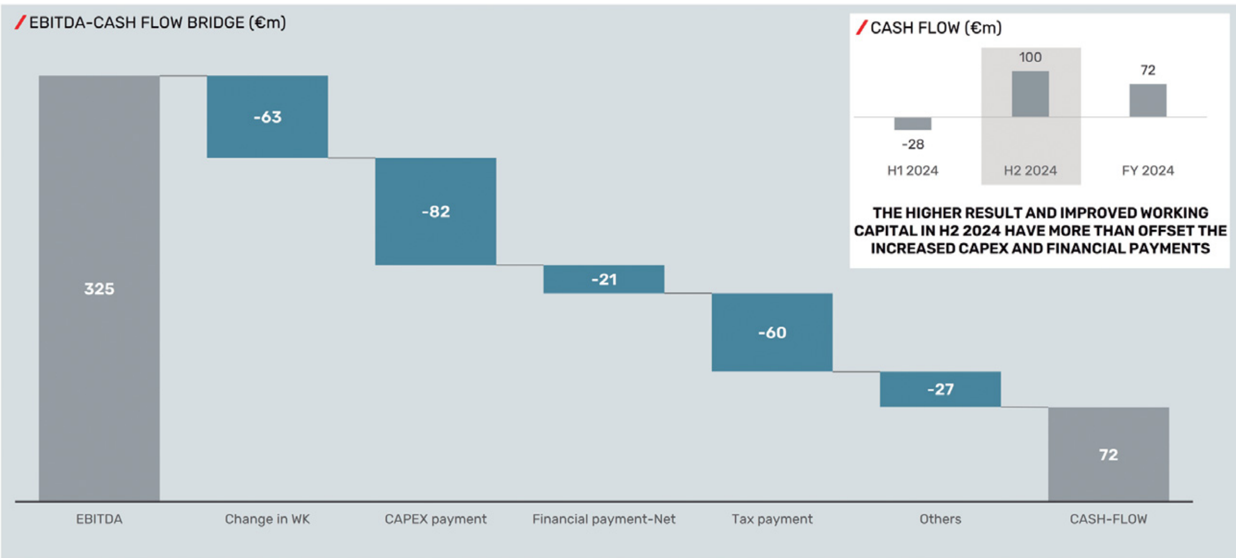
Notable increase in deliveries for contracts with post-inflation prices.

Margin improvement in H2 2024 driven by the seasonality of deliveries (volume effect) and their variety, with continued growth expected in 2025.

1. The Bus EBIT figure disclosed already excludes the amortisation of Solaris being taken by the CAF Group (approx. €6m/year).

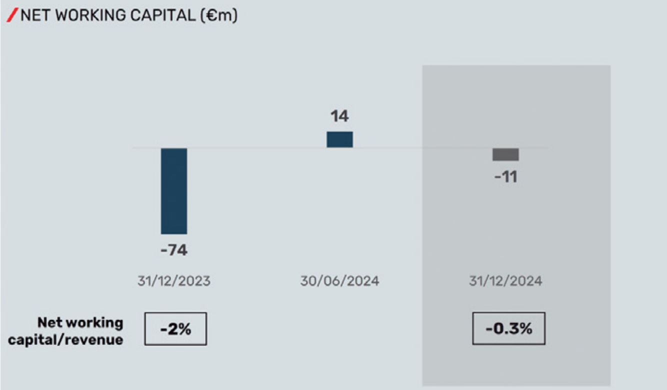
CASH-FLOW AND BALANCE SHEET

The EBITDA level and the containment of investment in property, plant and equipment and R&D&I as well as working capital, despite the increased activity in the year, generated cash flow for the year of EUR 72 million, before dividend payments.



As can be observed in the accompanying table, the control of working capital, despite the increased activity, was fundamental in the generation of cash flow for the year.

BUSINESS PERFORMANCE
AND RESULTS



Working capital under control at the end of 2024.

By segment:

Railway:

Stability throughout 2024 despite the increase in activity.

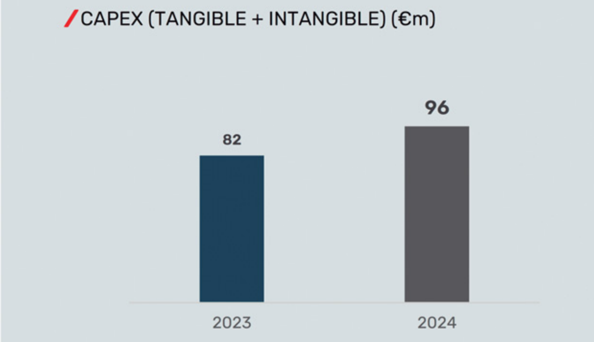
Positive contribution in H2 2024 from prepayments related to new orders.

Buses:

Consumption of working capital over the year, with two distinct periods:

- H1 2024: increase in working capital due to the **ramp-up in manufacturing**, accompanied by seasonal delivery patterns in H2 2024
- H2 2024: decrease due to **high delivery volume**, offset by an increase due to **higher average manufacturing prices** (backlog variety) at the end of 2024

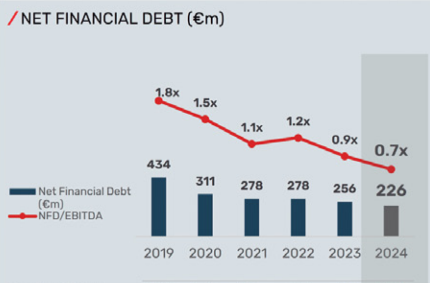
LOW WORKING CAPITAL CONSUMPTION IN A HIGH-GROWTH CONTEXT



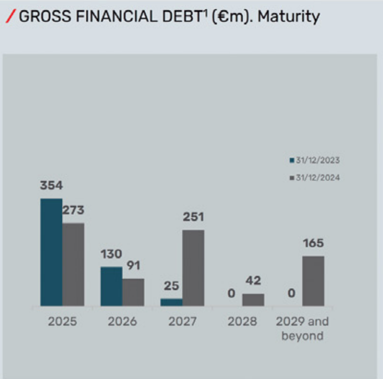
	2023	2024
Intangible	43	47
Tangible	39	49

Additionally, it should be noted that in 2024 the Investment Plan has been executed, aimed at covering the Group's needs in the short and medium term.

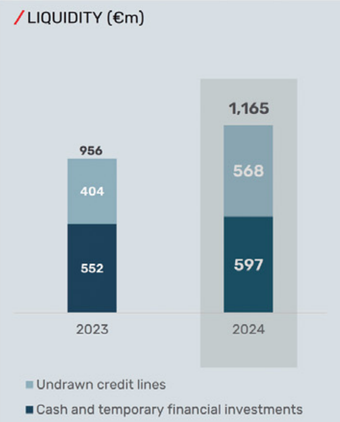
Hence, in a complex macroeconomic climate, Net Financial Debt has been reduced by EUR 30 million in the year, to EUR 226 million. The Net Financial Debt/EBITDA ratio is 0.7 times, below the level prior to the acquisitions made by the Group in recent years (Solaris, EuroMaint, among others).



	2019	2020	2021	2022	2023	2024
Gross Financial Debt	1,079	995	967	874	820	833
Treasury and Financial Investments	645	684	689	596	564	607
Net Financial Debt	**434**	**311**	**278**	**278**	**256**	**226**



RENEGOTIATION OF LONG-TERM DEBT, WITH EXTENDED MATURITIES AND REDUCED COST



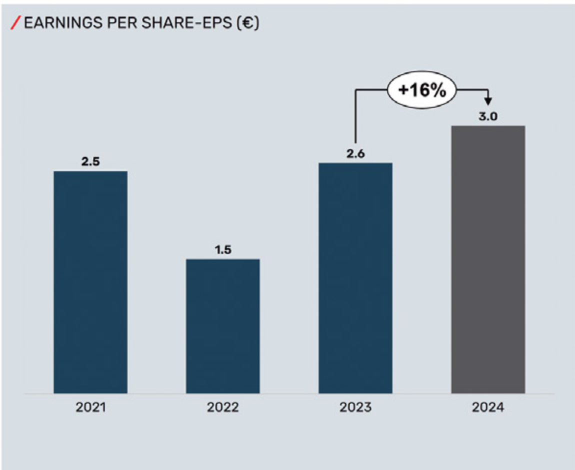
STRONG FINANCIAL POSITION WITH HIGH LIQUIDITY AVAILABLE

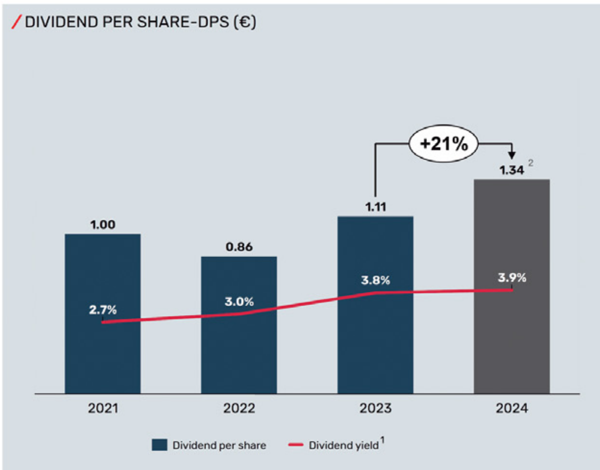
1. It refers to bank borrowings.

All of this allows us to maintain a strong balance sheet in a context of increasing activity:

(EUR million)	31/12/2023	31/12/2024
Fixed Assets	1,371	1,268
Working capital	(74)	(11)
Net Assets	**1,297**	**1,257**
Equity	868	896
Net Financial Debt	256	226
Other assets and liabilities	173	135
Equity and Net Liabilities	**1,297**	**1,257**

The financial strength of the Group allows it to maintain its commitments with shareholders. The proposed application of results consists of allocating EUR 46 million to the distribution of dividends, a figure that represents an amount of EUR 1.34 per share and a dividend yield of 3.9%.





GROWING SHAREHOLDER REMUNERATION

1. Calculated as: Dividend per share / Mean share price for the year.
2. Proposed gross dividend per share to be charged to the 2024 financial year, subject to approval at the 2025 Annual General Shareholders´ Meeting.

RAILWAY **SEGMENT**

/ CAF REACHED AN ORDER INTAKE VALUE OF EUR 3,752 MILLION IN THE RAILWAY SEGMENT, IN LINE WITH THE YEAR'S TARGET, WHICH INCREASED THE BACKLOG TO EUR 13,250 MILLION. EUROPE CONTINUES TO GAIN WEIGHT IN THIS BACKLOG DUE TO IMPORTANT SUCCESSES OBTAINED IN THIS MARKET IN THE YEAR.

COMMERCIAL ACTIVITY

In 2024, CAF reached an order intake value in the railway segment of EUR 3,752 million, in line with the year's target, which increased the backlog to EUR 13,250 million, a new record high. The Book-to-Bill ratio is 1.1. As in previous years, Europe continues to gain weight in the order book due to the important successes obtained in this market in the year.

Europe

- On the French market, the French operator SNCF Voyageurs has once again trusted CAF to supply 22 intercity trains, called Oxygène, which will provide a service on the Bordeaux-Marseilles line, added to the 28 trains contracted in 2019, earmarked to the Paris-Limoges-Toulouse and Paris-Clermont-Ferrand lines. The initial Oxygène train contract envisaged the option of extending supply in up to 75 additional trains. The purchase of new intercity rolling stock material is financed by the State as the authority that manages the TET (Territorial Equilibrium Network), for medium- and long-distance trains that provide a service between the main French cities not connected by high-speed trains.

- On the Spanish market, CAF and Metro Madrid have signed two important contracts: one for the supply of 40 narrow gauge units–which would circulate along line 1-, and another for the purchase of 40 broad gauge units, which would provide a service to travellers on lines 6, 8 and 11. The narrow gauge units will operate on line 1, which links 1 the stations of Pinar de Chamartín and Valdecarros, a line which contains the route inaugurated in 1919, on which the Madrid underground has been growing for over a century. The wide-gauge trains intended to operate on the circular line are designed for fully automatic operation without a crew. These agreements also include the development and implementation of a fleet life cycle optimisation programme, envisaging the possibility of increasing the number of units to be supplied in the future. Metro Madrid is undergoing a renovation plan, financed by the European Investment Bank, to achieve greater energy efficiency and increase its transport capacity.

Through the railway maintenance company Actren, CAF has signed a comprehensive railway contract with RENFE for the coming five years for trains belonging to the 120 and 120,050 series manufactured by CAF. The contract covers the maintenance of these electric trains, which can reach a maximum speed of 250 km/h and are equipped with the Brava bogie, which allows the track gauge to be changed during operation. The maintenance of these trains, which will take place at four different workshops, involves a great technical complexity and has greater requirements than those of conventional trains, thereby highlighting the trust newly demonstrated by RENFE. These units currently circulate throughout the whole Spanish network, communicating the high-speed line with those cities that this infrastructure does not reach, including those that link Madrid with Logroño, Pamplona and the Basque Country, or Barcelona with Valencia and the Basque Country, and internal services in Catalonia.

CAF has signed important signalling contracts with ADIF: firstly, in the conventional broad gauge network, it will modernise the Ourense Traffic Control Centre, renew the signalling and fixed telecommunications systems of the Trubia and Collanzo tranche in Asturias (line 764 of ADIF

/ THROUGHOUT 2024, CAF'S VARIOUS MANUFACTURING PLANTS WORKED ON OVER 27 DIFFERENT PROJECTS, COMPLETING A TOTAL OF 219 TRAINS OF DIFFERENT CATEGORIES AND COMPOSITIONS, SPREAD ACROSS PROJECTS AROUND THE WORLD.

RAM), eliminate the Telephone Block between Los Cotos and Cercedilla (line C9 of the Madrid commuter service), and, lastly the project also in Asturias for the renewal of the signalling and fixed telecommunications systems of the Trubia and San Esteban de Pravia tranche and the tranche between Pravia and Cudillero (lines 762 and 740 of ADIF RAM).

In addition, ADIF Alta Velocidad has also selected CAF, this time together with FCC Industrial and Revenga Smart Solutions, to promote the Mediterranean Corridor through the execution of the project that includes the drafting of the basic and construction projects, the execution of the works, conservation and maintenance of the interlocking facilities, train protection system, CTC, auxiliary detection systems, fixed telecommunications and the energy supply system for the Murcia-Almería high-speed line and the Pulpí-Aguilas branch.

Additionally, Euskotren signed a contract to supply new units for operation on the Vitoria-Gasteiz tram network, thereby increasing the fleet serving the capital of Alava to 10 extra-long units.

- In Italy, the Bologna municipal council (Comune di Bolonia) awarded CAF the Framework Agreement to supply up to 60 trams, which includes the maintenance of units over four years, and the delivery of the park parts and special tools for the fleet. Initially, a first contract has been signed for the delivery of 33 units, which could be extended within a maximum period of 6 years to the 60 trams mentioned above or even up to 72 trams (an additional 20% provided for by law), which would more than double the value of the operation if all the options contemplated were implemented. The units designed by CAF belong to the Urbos tram platform, a model that already has a fleet of more than 1,000

vehicles in service in more than 20 countries on five continents.

On the other hand, the Italian operator ATAC S.p.A., the company that manages public transport in the metropolitan area of Rome, has exercised a first option for expansion contemplated in the Framework Agreement for the tram supply project that was awarded to CAF at the end of last year. The Framework Agreement included a first contract covering the design and manufacture of an initial number of 40 trams, with the possibility of increasing the number of units in the project by 81 more vehicles, up to a total of 121. With the signing of this second contract, the Rome operator has decided to increase supply with an initial extension of 20 additional trams, including their maintenance over a five-year period.

Finally, one year after the signing of the first contract, The Comune di Palermo has decided to carry out a first extension of the agreement with the acquisition of 14 additional trams. Last year, the joint venture formed by the Italian company Sis Scpa and CAF was awarded the project for the construction of the new lines A, B and C of the Palermo tram and the supply of the units that will provide a service on such tranches. In this case, the new units will be earmarked to the new tranches D, E2, F and G of the tram network, whose construction shall be tendered shortly.

- Sporveien, the public urban transport operator of the municipality of Oslo, has once again placed its trust in CAF as a supplier of vehicles to operate urban transport in the city. In this case, the contract signed with CAF covers the supply of 20 metro and their corresponding park parts, also contemplating the option to increase the number of units by up to 90 additional units to serve the Oslo underground network, T-Bane, which structures the city through its over 85 kilometres of track. All CAF mobility solutions are designed to operate in the demanding weather conditions of snow and extreme temperatures typical of the Norwegian capital's climate. These new metro units will have on-board batteries, which will enable autonomous movement in the event of an accidental loss of voltage in the overhead lines, allowing the safe evacuation of passengers at a station on the line or the possibility of moving around the operator's depot without the need for overhead lines.

- In the Netherlands, GVB, the operator responsible for public passenger transport in the Amsterdam area, has agreed with CAF to supply 13 additional metro units, model M7. It is an option envisaged in the contract signed with CAF in 2018, which initially envisaged the supply of 30 trains. The delivery of the new metro units will enable the replacement of the oldest units in the fleet, which were also supplied by CAF in the 1990s and which have reached the end of their useful life.

- Also, the Dutch public transport operator, Qbuzz, belonging to the FS Group, has selected CAF to supply 10 commuter trains, and their corresponding park parts, whose delivery is envisaged from 2028. The new units will be earmarked to provide a service on the line that links the cities of Dordrecht and Geldermalsen (the "MerwedeLinge line"). These new trains will substitute the units that currently cover the line's service and that do not have the ERTMS signalling system, which do include the new units, whose implementation on part of the line is envisaged for 2027.

- It should be noted that CAF has also achieved another great milestone in the signalling business with its first contract in the United Kingdom, obtaining third position in the ERTMS Level 2 digital signalling framework agreement (batch 2). This agreement is part of the plan to

modernize railway signalling systems in the United Kingdom that will be carried out by Network Rail, the company that owns and manages the infrastructure of most of the railway network in England, Scotland and Wales. It is a plan that will have a duration of ten years, and for which over EUR 4,600 million divided into two batches will be allocated; firstly, the conventional signalling with a budget of EUR 1,170 million (batch 1) and, secondly, the digital signalling, with a budget of EUR 3,500 million (batch 2), in which CAF will participate. The main objective will be to modernise the British railway infrastructure, equipping it with the most innovative technology, which will increase the capacity of the network, while providing it with greater reliability and safety during operation.

- EuroMaint also made a significant contribution to the backlog, highlighting mainly the renewal of major contracts.

Other markets

- CAF has signed a contract in the United Arab Emirates with the operator Etihad Rail, which covers the comprehensive maintenance for 5 years of the locomotives and passenger cars of the nine diesel-electric Push-Pull trains that CAF is currently manufacturing for this operator. The agreement can be extended up to 15 years, in 5-year periods. These maintenance operations are planned to be carried out at the operator's new workshop to be built in the Al Faya area, east of the capital Abu Dhabi.

- The Omaha Streetcar Authority, the interlocal agency created by the City of Omaha and Omaha Metro to develop the city's new streetcar network project, has chosen CAF as the supplier of the units that will provide service on the aforementioned line. The contract includes the initial supply of six trams with their corresponding park parts and special tools, with the agreement contemplating the option of increasing this number in the future by up to 29 additional units. These trams are capable of operating on sections without overhead lines thanks to on-board power technology.

- In Colombia, Empresa de Transporte Masivo del Valle de Aburrá Limitada – Metro de Medellín LTDA., operator of the Medellín underground, awarded CAF the design and

supply of 13 metro for its metropolitan network. The new units will be similar to those previously delivered by CAF, they will be composed of 3 cars each and will have full interoperability with the current fleet in operation. These units will be earmarked to provide a service on the A and B lines to provide a response to the increased passenger demand envisaged for the coming years.

- On the other hand, in Chile, Empresa de Transporte de Pasajeros Metro S.A. - Metro Santiago, company of the state of Chile, has chosen CAF to design, supply and maintain 6 new units with 5 cars each for the extensions of Line 6. With those contracted this year, more than 45 units will be manufactured and maintained by CAF that will be able to provide service on Lines 3 and 6 in Santiago without personnel on board, in a completely automated manner and supervised from a control centre. If we add those that provide service on Line 1 of the Chilean capital, the number of CAF units exceeds 80.

In addition to the contracts signed during the year, the FCH2Rail project has been successfully completed, confirming the viability of developing an emission-free hybrid fuel cell and battery technology that offers a competitive alternative to diesel trains. The CIVIA unit manufactured by CAF and provided by Renfe to the project was equipped with a zero-emission energy generation system that uses electric energy from hydrogen fuel cells and batteries, allowing the vehicle to run in electric mode on electrified infrastructure as well as in hybrid mode on sections of the network without overhead lines. This unit, modified at CAF's Zaragoza factory, obtained the first authorisation from Adif for the circulation of hydrogen train tests on the RFIG (General Interest Railway Network), exceeding all the risk analysis and security validation processes inherent to the testing of new technologies.

This prototype travelled more than 10,000 km in hydrogen mode, demonstrating the reliability of the new technology in a wide range of power conditions and energy demand in scenarios that included operation in different climatic and operational conditions, travelling for several months on different routes mainly in Aragon, Madrid and Galicia, as well as in Portugal.

Hand in hand with the operator NS, the ATO (Automatic Train Operation) system was satisfactorily tested on the European Train Control System (ETCS) on the trains supplied to this Dutch operator. It is an important milestone on carrying out the ATO system tests on passenger trains that circulate on lines with a high traffic density and investigates the possible benefits of automatic driving in terms of improving punctuality and reducing energy consumption.

INDUSTRIAL ACTIVITY

Throughout 2024, CAF's different manufacturing plants worked on over 27 different projects, each in different manufacturing phases, completing a total of 219 trains of different categories and compositions, leading to a total of 980 carriages manufactured.

And we should not forget the manufacture of other railway components which, as in the case of wheels, have exceeded 66,000 units manufactured, or the more than 3,300 gearboxes completed.

In short, 27 projects distributed throughout the whole of the world and that cover almost all existing morphologies in the railway rolling stock material market.

In a more detailed manner, it must be said that some projects have reached their end, such as the contract with the city of Freiburg for the delivery of 8 trams with the completion of the last 3 units, or the order of 15 trams for the Portuguese city of Lisbon with the delivery of the last 3 trains, the 8 trams of the contract signed for the city of Granada with the delivery of the 5 last units, the 5 trams manufactured in full in this year, earmarked to the Australian city of Canberra, as well as the total of the 8 trams of the contract signed with the American city of Kansas, the 5 commuter trains for Mallorca, the 12 underground units of the contract signed with the city of Amsterdam, or the 6 trains for the RENFE commuter network within the RAMYA project in their batch 2, with the delivery of the last 5 units.

In another order, a significant portion of industrial activity was occupied by projects which or first begun to be manufactured in 2024, or those that, having commenced in previous years, have continued their development, as is the case of the 6 trains delivered for the Brussels underground, 18 underground units of the order for 43 trains for Docklands, and 8 trains formed of 2 carriages and another 8 trains formed of 3 carriages of the DMU (Diesel Multiple Unit) type for the operator Wales & Borders, 31 trams of the 87 contracted for the city of Oslo, 30 trams for Jerusalem of a total order of 114 units, 15 additional trams to the 4 already delivered in the previous year, of the total of 20 contained in the second batch for the Belgian city of Antwerp, the second of the 28 trains of the order taken out with the French operator SNCF, 19 trains broken down into 6 carriages for Myanmar, 15 trains formed of 4 carriages for the Coradia platform for the TFA project, and the first of the trains for the same platform and 4 carriages for Dakar, as well as the first 2 trams of the 51 contracted by the city of Budapest, the first 2 trams of the 51 contracted for the German city of Essen, the first of the 28 trains of the AKT project contracted by the Swedish operator AB Transitio, the first 3 trams of the extension of 5 units contracted by the city of Seville, the first 2 locomotives for the French operator RATP, the first 10 trains of the extension project for 23 units for the New Zealand city of Auckland or the first LRV (Light Rail Vehicle) of the extension order contracted for the US city of Maryland.

As for the rest of the projects, already in the initial stages of assembly, it is worth highlighting the progress in the manufacturing of the project contracted by the operator Etihad of the United Arab Emirates, in the composition of locomotives and towed cars, the contract signed with the German operator VRR or the trams for Tel Aviv or the Andalusian city of Alcalá de Guadaíra.

The most significant products manufactured in 2024 were as follows:

	No. CARS
Medium-distance DMU Wales and Borders (2-car unit)	16
Medium-distance DMU Wales and Borders (3-car unit)	24
Medium distance SNCF	10
AKT medium distance AB Transitio	4
Regiolis medium distance TFA	60
Coradia medium distance Dakar	4
Commuter trains Majorca	20
Commuter trains Myanmar	114
Commuter trains Auckland	30
RENFE suburban trains – RAMYA Batch 2	10
Brussels Metro	36
Amsterdam Metro	36
Docklands Metro	90
Maryland LRV	5
Antwerp Tram (Bidirectional)	75
Freiburg Tram	21
Oslo Tram	155
Jerusalem Tram	150
Lisbon Tram	15
Granada Tram	25
Essen Tram	4
Canberra Tram	25
Seville Tram	15
Budapest Tram	10
Kansas Tram	24
RATP Locomotives	2
TOTAL	**980**

BOGIES	
With mechanic-welded chassis	1,116

WHEEL SETS AND COMPONENT UNIT – MiiRA	
Wheel set (power car + push-pull car)	3,943
Axles	11,246
Monoblock wheels	66,150
Resilient wheels	2,477
Gearboxes	3,315
Wheel tyres	1,376

BUS
SEGMENT – SOLARIS

/ SOLARIS' REVENUE IN 2024 STOOD AT EUR 927 MILLION, REPRESENTING GROWTH OF OVER 13% COMPARED TO 2023 AND REPRESENTS ITS HISTORICAL SALES RECORD.

Solaris sums up 2024. Strong sales growth, market expansion, and prestigious awards

/ Solaris has sold a total of 1,525 vehicles in 2024, which represents a 4.7% increase compared to 2023.

/ The company’s revenues in 2024 stood at €927 million, representing a growth of over 13% compared to 2023 and represents its historical sales record.

/ Electric buses, hydrogen buses, trolleybuses, and hybrid vehicles accounted for a record 83% of total sold vehicles in 2024.

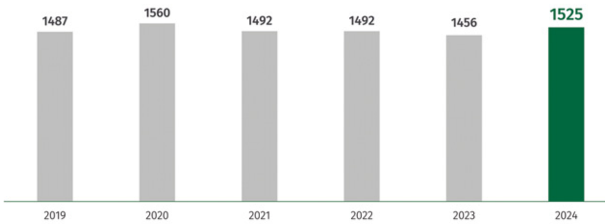
/ In 2024, Solaris signed its first contract for the supply of electric buses in the USA market. This is a milestone toward achieving the company's strategic plans to enter the zero-emission bus market in the USA and Canada.

/ The world's first series-produced bus with a battery passport has been the Solaris Urbino 18 electric model, which joined the BVG fleet in Berlin in 2024.

/ The hydrogen bus by Solaris was recognized as the best city bus of 2025 in the prestigious international industry competition.

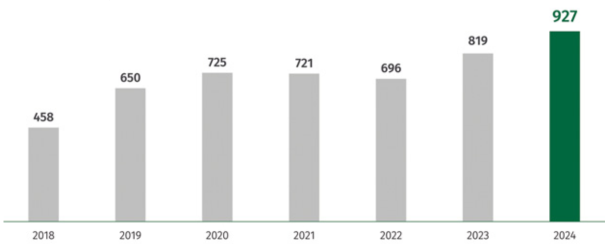
In 2024, Solaris has demonstrated with its production and sales results that it is a company well-equipped to navigate the ever-changing market landscape and resilient in the dynamically shifting economic environment. Solaris has sold a total of 1,525 vehicles, achieving sales of 927 million euros (+13% compared to 2023). This figure is its historical record for revenues.

SALES OF SOLARIS VEHICLES
IN 2019-2024, IN UNITS



Consolidated sales of Solaris
Source: Solaris

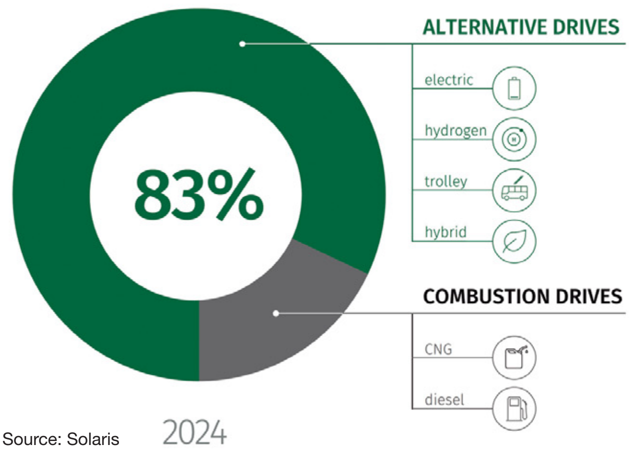
SOLARIS REVENUE
IN 2018-2024, IN MILLION EUR



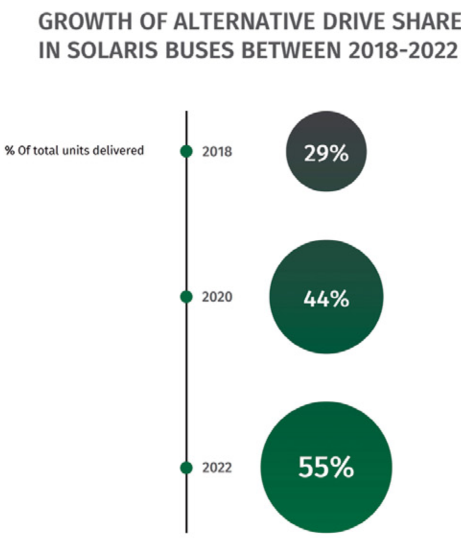
Source: Solaris

/ IN 2024, SOLARIS SIGNED ITS FIRST CONTRACT FOR THE SUPPLY OF ELECTRIC BUSES TO THE USA MARKET. THIS IS A MILESTONE TOWARDS ACHIEVING THE COMPANY'S STRATEGIC PLANS TO ENTER THE ZERO-EMISSION BUS MARKET IN THE USA AND CANADA.

SHARE OF ALTERNATIVE DRIVES IN SOLARIS BUSES
IN 2018-2024, IN UNITS



Source: Solaris



It is worth emphasizing that the vast majority of contracts executed in 2024 were for the supply of vehicles with completely zero-emission or low-emission drives. Electric buses, hydrogen buses, trolleybuses, and hybrid buses achieved the highest share in the company's history, reaching 83% of total sales.

The growing share of low- and zero-emission vehicles in Solaris' sales mix, shows good market recognition and the manufacturer's ability to adapt to market expectations. In most EU countries, the share of e-mobility vehicles in the transport mix has been growing dynamically in the last few years. With years of experience in building its product offering in this segment, Solaris is very well prepared to meet the changing expectations of end-users.

In 2024, Solaris delivered its products to customers in 12 countries. Major recipients of Solaris vehicles included operators from Italy, Poland, Germany, Romania, Sweden and Spain. In 2024, Solaris sold a total of 544 electric buses. It is also worth noting, the company achieved the record sales of hydrogen buses in 2024, delivering as many as 259 units. Trolleybuses also played a significant role among the zero-emission vehicles sold, with 180 units delivered.

BUS
SEGMENT – SOLARIS

Among the largest contracts completed by Solaris in 2024, the following can be highlighted:

- Delivery of 245 buses to ATAC Roma carrier in the capital of Italy, including 110 Urbino 18 mild hybrid vehicles and 135 (out of a total of 248 ordered) Urbino 12 CNG buses.
- Delivery of 100 hybrid buses to ARST and 38 electric buses to CTM Cagliari in Sardinia.
- Delivery of 100 Solaris Trollino 12 trolleybuses to Bucharest, in Romania.
- Delivery of 83 Solaris Urbino 15 LE electric vehicles to the Nobina operator in Sweden.
- Delivery of 48 Urbino 18 mild hybrid buses to MPK Łódź, Poland.
- Delivery of 37 Solaris Urbino 12 hydrogen buses to TPER Bologna (out of a total of 130 ordered), Italy.
- Delivery of 36 Solaris Urbino 12 hydrogen buses to TMB Barcelona, Spain.
- Delivery of 36 Solaris Urbino 12 electric buses to ATM Milan, Italy.

As for the future, the company maintains a solid backlog. At the end of 2024, Solaris had a backlog of 1,445 million euros (1,609 vehicles and long-term maintenance contracts), of which 92% of the vehicles correspond to zero and low emission buses.

In 2024, Solaris has secured significant contracts for low and zero-emission vehicles. Among them, the following orders for hydrogen buses are worth mentioning:

- In France, Solaris hydrogen buses will play a key role in hydrogen pilot project by Île-de-France Mobilités. The manufacturer has been selected, with the support of the CATP (Centrale d'Achat du Transport Public), to deliver to France a total of 22 Urbino 12 hydrogen buses by 2025. The aim was to evaluate the potential of hydrogen technology for the region's public transport system. This trial is part of the initiatives and investments undertaken since 2018 to renew the entire bus fleet in Île-de-France under one of Europe's most ambitious and fastest renewal programs.
- Another contract in France for delivery of hydrogen buses won in 2024 by Solaris was in city of Belfort. The local operator ordered eight articulated Urbino 18 hydrogen buses which are scheduled for the delivery in the second half of 2025. The vehicles were purchased by the public entity SMTC (Le Syndicat Mixte des Transports en Commun du Territoire de Belfort), which brings together transport operators in the region. The ultimate operator of the new hydrogen buses will be the Régie des Transports du Territoire de Belfort (RTTB), which manages mobility, including bus transport, in Belfort.
- In Italy, the transport operator APAM Esercizio S.p.A. from Mantua, placed an order for five modern Solaris Urbino 12 hydrogen buses. Deliveries are scheduled for the end of 2025. Located in the Lombardy region, Mantua is targeting hydrogen solutions in its efforts to decarbonize the region. It is worth noting that the province of Mantua is participating in a project to establish a Hydrogen Valley which aims to produce 1,500 tons of hydrogen from renewable sources per year.
- In Germany, the public transport operator in Cologne, Regionalverkehr Köln GmbH (RVK) continued its cooperation with Solaris in 2024, placing a new order for nine buses Urbino 12 hydrogen buses and eleven articulated Urbino 18 hydrogen buses. Once the order is fulfilled, the hydrogen fleet in Cologne will consist of 84 Solaris buses, with 64 vehicles already delivered by the end of 2024. The supply of the newly ordered buses is scheduled for the first half of 2025. The continued investment in hydrogen-based public transportation confirms Cologne's commitment to the development of hydrogen technology, which is becoming the foundation for the city's public transportation system.
- In 2024 In-der-City-Bus GmbH (ICB), the public transport operator in Frankfurt am Main, placed an order for 9 Solaris Urbino 18 hydrogen buses. There are already 23 hydrogen-powered Solaris buses running in the metropolis, supplied between 2022 and 2024. Deliveries of the articulated buses from the latest order are scheduled for July 2025. The carrier aims for a fully electrified bus fleet by the early 2030s, which is in line with the climate protection goals set by Frankfurt am Main.
- Additionally it is worth to mention that in 2024 Solaris secured contracts for delivery of 32 hydrogen buses to Wuppertal in Germany and 14 hydrogen buses to Keolis Metz and 7 hydrogen Urbino do Keolis Peschadoires in France.

Among the contracts for the delivery of electric buses, the most important ones signed by the company Solaris in 2024 can be indicated:

- In the Netherlands, has been signed a contract for the delivery of 30 electric buses to the operator Arriva. 26 Urbino 12 electric and 4 articulated Urbino 18 electric will serve traffic in West-Brabant region and will join Arriva's fleet in 2025. The investment is part of Arriva's plan to make the entire bus fleet in the region zero-emission by the start of the new concession on the 6th of July 2025. The buses are set to arrive in West-Brabant in the first half of 2025.

- Additionally, Transdev Nederland Holding selected Solaris Bus & Coach as the supplier for a relevant order of 96 electric buses. Deliveries are scheduled for the last quarter of 2025. The modern fleet of battery-powered Solaris buses will serve public transportation in the province of Utrecht, central Netherlands. Transdev Nederland Holding is one of the largest operators in the Netherlands and a leader in zero-emission mobility. The order for 96 electric Solaris buses is a part of the company's strategy to replace the entire fleet in Utrecht with zero-emission vehicles. Currently, the city operates 50 bus lines, serving 30 million passengers annually.

- In 2024, Solaris secured a contract with Nobina Skåne for the delivery 92 electric buses. The order includes both 15-meter and 18-meter models for the towns of Malmö, Gothenburg, and Karlstad.

- In Belgium, Solaris has won a tender for up to 45 double-articulated Urbino 24 electric buses, that will be integrated into the transport network of the Belgian city of Liège. The first order under this tender was placed for 18 buses. This is the largest tender for double-articulated buses won by the manufacturer to date. The unique 24-meter length of these double-articulated buses translates into high passenger capacity, making them ideal for high-frequency Bus Rapid Transit (BRT) systems. The Urbino 24 electric buses generate no emissions at the point of use, thus supporting the development of sustainable transportation and enhancing the quality of life of city residents. The 24-meter Solaris bus was first unveiled to the public at Busworld Europe 2019 and was developed exclusively as a platform for zero-emission vehicles, including electric buses and trolleybuses.

- In Sweden Solaris secured a contract with Keolis Sverige, one of Sweden's largest transport operators in the country, to supply 46 electric buses. The order includes 19 Solaris Urbino 12 electric buses and 27 Solaris Urbino 15 LE electric models, which will operate on routes in Dalarna region. The first deliveries are scheduled for 2025.

- Finally, one of Solaris' key achievements in 2024 was securing its first contract to deliver electric buses to a client in the USA. The Group's strategic plan published in December 2022 announced the entry of Solaris in the North American market, with a value proposition consisting of pure zero-emission buses. In December 2024 Solaris achieved a milestone step towards the execution of its strategy, signing its first contract for zero-emission buses deliveries in the U.S. with King County Metro, which provides transit service to the city of Seattle, WA and 34 other cities. Solaris' first contract in the U.S. market involves the delivery of two 40-foot battery electric buses and two 60-foot articulated buses. The agreement also includes an option for up to 12 additional units. Vehicle deliveries are expected in the second half of 2026. These buses will be based on an electric-born platform designed specifically for the North American market, compliant with all U.S. regulations, including FMVSS and ADA compliance. This platform will feature the most progressive battery bus technology developed by Solaris in its 15 years of experience in battery buses, including advanced electrical propulsion systems, Solaris' proprietary battery integration technology and state-of-the-art connectivity features, service proven in the European market.

In 2024, Solaris became the first company in the world to develop and obtain the so-called battery passport for electric bus. The world's first series-produced bus with a battery passport is the Solaris Urbino 18 electric model, which in 2024 joined the BVG fleet in Berlin.It was delivery of first bus out of 50 units ordered by BVG within this contract. The battery passport is a digital document

BUS
SEGMENT – SOLARIS

providing detailed information on the battery's origin and composition, fostering more responsible and sustainable raw material management. Solaris delivered the battery passport vehicle three years ahead of EU regulations. According to the new Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, a digital battery passport will be required from February 18, 2027, for each battery, including those in electric vehicles. The document aims to increase transparency throughout the battery lifecycle – from raw material extraction and use to recycling. Electric vehicle batteries contain valuable and rare materials, and their responsible management is crucial for preserving natural resources and minimizing environmental impact. The battery passport enables the tracking of raw materials such as lithium, cobalt, and nickel, promoting responsible and ethical sourcing. Access to detailed data on composition and environmental impact also supports efficient recycling and optimal use of renewable materials.

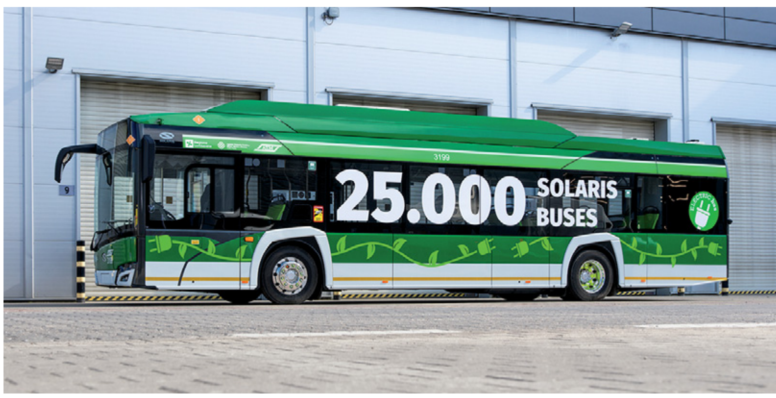
The year 2024 was significant for Solaris also in terms of winning important and prestigious industry awards.

- In September 2024, the international Bus of the Year jury has awarded the title of Bus of the Year 2025 to the Solaris Urbino 18 hydrogen. This marks the second title for a Solaris vehicle and the first time in the competition's history, which has been held since 1989, that a zero-emission hydrogen-powered vehicle has won. The statuette for the best bus of 2025 was presented the manufacturer of Urbino 18 hydrogen. This is the second time that a Solaris vehicle has won the Bus of the Year title. In 2017, the prestigious honour went to the Solaris Urbino 12 electric – a battery-powered bus. This time, industry experts appreciated the advantages of hydrogen technology and awarded the articulated version of the Solaris Urbino 18 hydrogen, which is powered by electricity generated in a hydrogen fuel cell. Solaris is therefore the first company in the history of the competition to win the title for both battery-powered bus and now a hydrogen-powered bus.

The Bus Euro Test, which precedes the Bus of The Year award, is a prestigious industry competition organized since 1989 by the Association of Commercial Vehicle Editors (ACE). The competition is held every two years and each time the event' host is a jury member from a different European country. The winning vehicle receives the title of the best bus for the next year, so in this year's edition the title is "Bus of the Year 2025". The jury evaluates such factors as acceleration, braking distance, vibration and noise levels, as well as the subjective feelings of the jury, who test the bus as both drivers and passengers.

To date, Solaris has delivered over 430 hydrogen buses to its customers, with over 400 more in the company's order backlog.

- Another prestigious award for zero-emission buses Solaris gained in October 2024. Battery-powered Urbino 12 electric with modular drive was awarded the "Sustainable Bus Award 2025" in the "Urban" category. The Sustainable Bus Award is an international competition that recognises the most innovative and sustainable buses and coaches introduced to the European market.



In 2024, the company continued to implement actions related to sustainability and ensuring compliance with the highest standards of corporate governance in line with strategic goals and the plan for 2024-2026. Among the main projects completed last year in the sustainability area, the following can be mentioned:

- Continuation of adapting the entire organization to the requirements of the new EU CSRD (Corporate Social Responsibility Directive) as part of the European Green Deal, which obliges Solaris, as a member of the CAF Group, to report on sustainable development from 2024.

- Commencement of CBAM reporting concerning the import of certain goods into the European Union.

- Preparation for reporting on deforestation according to the EU EUDR regulation, aimed at reducing forest degradation caused by excessive consumption in the EU.

- Continuation of environmental product analyses. In 2024, the Urbino 18 hydrogen vehicle type was assessed. The plan for the coming years is to obtain EPD labels (Environmental Product Declaration) for all vehicle types. This analysis allows the company to identify processes, materials, and components that have the greatest environmental impact. With the obtained information, Solaris can continue to work on improving the product profile throughout its life cycle.

- Publication of the fourth Solaris sustainability report, which presents the company's activities in sustainability area in a comprehensive manner.

In 2024, Solaris Bus & Coach was recognized in several competitions related to sustainable development activities. The Company was awarded:

- Silver CSR Leaf by "Polityka". This way, the weekly "Polityka", Deloitte, and the Responsible Business Forum reward leaders of sustainable development among Polish enterprises.

- Platinum Award in the "E" (Environment) category in the ESG Innovator competition, organized by the ESG Association. The Solaris Urbino 18 hydrogen bus was submitted to the competition as an innovative, zero-emission product, manufactured in a sustainable production process.

- Diamond Planet in the "Net-zero Promoter" category in the "Together for the Planet" competition. Sustainable practices implemented in the company in the pursuit of achieving zero emissions by 2045 were awarded.

During the reporting period, Solaris actively promoted its offerings on many fronts. Among the most significant events in the promotion of Solaris products and brand during the reporting period were:

- Mobility Move 2024, March 5-7, 2024, Berlin, Germany, an event organized by VDV, the Association of German Transport Companies, is one of the largest exhibitions dedicated to electric buses in Europe. Solaris presented the electric Urbino 12 in a new version.

- Next Mobility 2024, May 8-10, 2024, Milan, Italy. Solaris presented the Urbino 12 Hydrogen bus at the fair.

- EUMO 2024 (European Mobility Expo), 1-3 October 2024, Strasbourg, France. The company presented the Solaris Urbino 12 hydrogen bus, which offers a range of up to 600 km without generating any emissions at the point of use.

- TRANSEXPO international public transport fair, 6-18 October 2024, Kielce, Poland. Solaris presented the Solaris Urbino 18 hydrogen bus, the prestigious winner of the Bus of the Year 2025 award.

- FIAA (International Bus and Coach Fair), 22-25 October 2024, Madrid, Spain. Solaris presented the hydrogen-powered Urbino 18, the winning vehicle of the Bus of the Year 2025 competition.

R&D&i
ACTIVITY

/ THE INNOVATION MANAGEMENT PLAN CONTEMPLATES MORE THAN ONE HUNDRED PROJECTS GROUPED INTO THE FOLLOWING INNOVATION PROGRAMMES: ZERO EMISSIONS, AUTONOMOUS AND AUTOMATED VEHICLES, DIGITALISATION AND PRODUCT PORTFOLIO EXTENSION.

/ ALL OF THE ABOVE COMBINED THE EXECUTION OF PROJECTS AIMED AT ASSIMILATING TECHNOLOGIES WITH THE DEVELOPMENT OF PRODUCTS BASED ON SUCH TECHNOLOGIES AND STRATEGIC PROJECTS.

In the last months of fiscal year 2023, the CAF Group's new Innovation Management Plan for the year 2024 was defined, aligned with the Strategic Plan.

The Innovation Management Plan, defined according to the Innovation Process, includes the innovation projects of the following businesses: CAF Rolling Stock, CAF I+D, Rail Services, MiiRA, CAF Power & Automation, CAF Signalling, CAF Turnkey & Engineering, Lander, Orbital, Cetest and Solaris.

The Innovation Management Plan contemplates more than one hundred projects grouped into the following Innovation Programmes:

• **Zero emissions**

- Alternative propulsion systems, such as those based on energy storage in batteries or the use of hydrogen as fuel.
- Reduction of energy consumption through on-board energy optimisation and management systems.
- Reduction of other emissions such as EMC and Noise.

• **Autonomous and Automatic Vehicle**

- Remote autonomous driving on trams and ADAS for buses.
- Development of CBTC for automatic metro systems.
- Automation of mainline systems and ERTMS performance.
- Enabling technologies such as 5G and secure positioning.

• **Digitalisation**

- Projects aimed at reducing costs or deadlines.
- Implementation of cybersecurity and digital platform.
- Digital Twin and Artificial Intelligence Technologies.

• **Product portfolio extension**

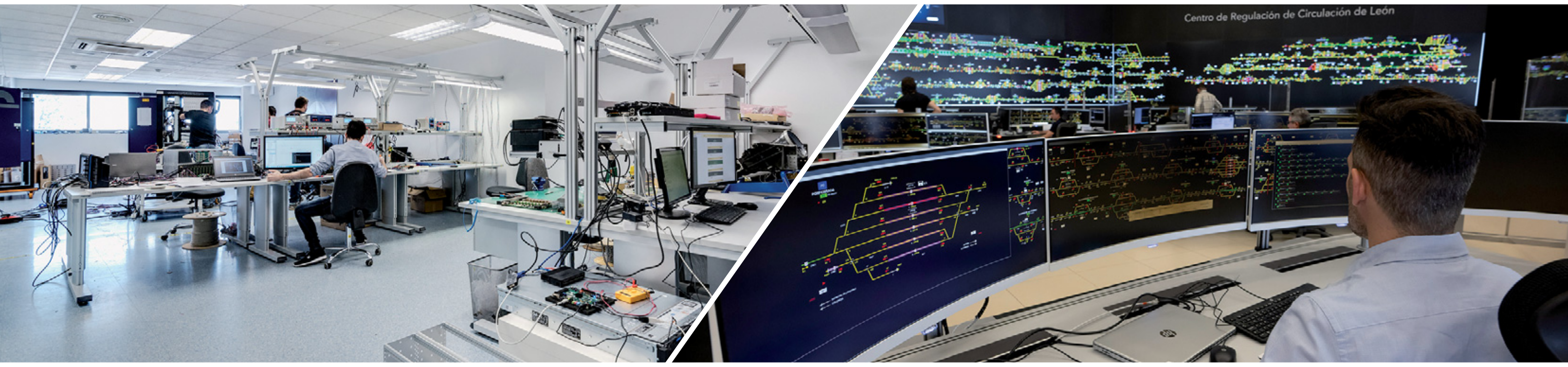
- Transportation systems: improvement of the data generation process for the configuration of signalling systems, standardisation of tram systems and substations.
- Rolling Stock vehicles: SIL 3 certified emergency brake for tram vehicles. Low floor LRV for the USA.
- Buses: interurban electric bus for the European market. Urban electric bus for the US market.
- Services: train and track geometry monitoring systems.

All of the above combined the execution of projects aimed at assimilating technologies with the development of products based on such technologies and strategic projects.

To finance these projects, the Group has relied on various types of R&D subsidies, most notably the aid obtained from:

• Provincial Government of Gipuzkoa
• Basque Autonomous Community Government
• Government of Spain
• French Government
• European Commission

In addition, we have continued to collaborate very intensively with different technology centres and universities.



The CAF Group is participating in collaboration projects within the scope of national programs and also the European framework program Horizon Europe. Noteworthy projects included:

- **FCHRAIL,** a project within the framework of FCH JU (Fuel Cells and Hydrogen Joint Undertaking), involving the design and manufacture of a prototype based on an existing RENFE three-carriage commuter unit. Under this project, a new electric generation system will be installed, based on the hybridisation of energy from hydrogen cells and batteries, making it one of the first railway bimode vehicles with a hydrogen cell.

- **EURAIL,** in 2022, CAF formalised its participation as a founding member in the EU RAIL initiative. This programme promotes R&D in the railway sector in Europe with a contribution of over EUR 1,200 million. In this regard, it participates in five large projects that were signed in the previous year and whose operations began in January 2023.

- **CLUG 2.0** a project driven by the main European infrastructure managers, aims to demonstrate an autonomous train localisation system involving a SIL4 level of safety that does away with the need for signalling infrastructure.

- **ERABIL+,** a project located within the zero emissions initiative that shares the objectives of the H2PLAN project and which also favours collaboration and guarantees the competitiveness and excellence of the agents of the Basque Research Network, around technologies for the use of hydrogen in industry and mobility applications, adapted to the needs of the Basque industrial fabric and which can be easily transferred.

- **RAIL SPACE,** a project that responds to CAF's strategy of researching, studying and training in digital disciplines that are fundamental to the mobility sector, with the aim of bringing open, interoperable and cyber-secure Data Spaces closer as a transformative lever for modernising the railway sector.

- **MODCA,** a project that will address the technological field of materials and manufacturing processes with the aim of reducing as much as possible the duration of the fatigue test in the approval of conical rubber/metal primary suspensions of bogies. The objective pursued is to reduce the usual duration of the test from one month to at least one week and preferably a couple of test days.

- **SILICON BURMUIN,** a project comprising a total of 10 agents from the Basque Network that will focus on the use of knowledge in neuroscience existing in the Basque Country to generate a disruptive Neuomorphic IP due to the current compromised situation of production following the scarcity of microelectronic components and systems.

- **TCRINI2,** a project made up of a total of eight agents of the Basque Network, aims to develop technologies that allow maintenance work to be optimised. The developments carried out within this project will take advantage of current developments in areas such as artificial intelligence, Big data, Digital Twins, cloud computing, etc., to apply them to the field of maintenance of critical elements of railway and road infrastructure.

- **AUTOTRAM,** a project encompassed within the autonomous vehicle initiative, mainly aims to develop methodologies and tools for 3D modelling and simulation that allow the validation of new safe absolute positioning systems and train the industry in the virtual validation of autonomous trams.

- **DYNAMAIN,** a project within the Digitalisation initiative to evolve the LeadMind platform by adding predictive functionality through the development of an intelligent layer that will enable a paradigm shift in the maintenance of railway assets towards dynamic and intelligent maintenance based on CBM (Condition Based Maintenance). A maintenance strategy for the vehicle and its systems will be enabled based on the actual and expected health status, instead of current strategies based on the kilometers travelled by the train.

- **IT4OCC,** a project within the Digitalisation initiative, aims to research enabling technology to develop an automated system for managing digital train services from the ground in order to reduce the costs associated with the implementation, management and operation of digital train services.

- **DATACCESS,** a project encompassed in the Digitalisation initiative that generally aims to facilitate access to a massive database originating from the railway system through Cloud Computing tools based on data cybersecurity. All of this will enable access to both internal and external users who will be able to interact with the information to exploit it as appropriate.

- **AIDOL,** a project encompassed in the Digitalisation initiative, which aims to include Artificial Intelligence in the internal tool LOTO (**L**ife Cycle Cost **O**ptimisation **To**ol Box), which, from the railway dynamics perspective, enables the complex interactions between the dynamic variables and operation conditions to be modelled, simulated and foreseen, together with the costs associated with the maintenance and operation of railway assets.

- **RAILABEL,** a project encompassed within the Digitalisation and autonomous vehicle initiative and, more specifically, in the technological area of artificial intelligence. The project aims to develop an agile multi-sensor data labelling and data processing module, validated and compliant with the OpenLabel automotive standard. The validation of these systems ranges from the collection and processing of real-time operation data to the simulation of complex and varied scenarios. This is essential to ensure that advanced driving systems can effectively cope with and respond to a wide range of conditions, from adverse weather to emergency situations.

- **BAYESRAIL,** a project encompassed in the Digitalisation initiative, which aims to improve the accuracy and reliability of digital models, taking advantage of the information available on CAF's digital platform, and applying Bayesiana advanced interference techniques.

- **PLATIA,** a project within the Digitalization initiative that aims to research and generate knowledge to define the artificial intelligence architecture for two generic use cases based on Generative Artificial Intelligence: Virtual Assistant (Chatbot) and Platform for automatic generation of content from existing documentation.

- **VIRTREN 2,** a project that aims to research and generate knowledge about acoustic, vibrational and thermal phenomena inside the vehicle in order to characterise them accurately and reliably through new calculation methodologies and simulation tools. The resulting methodologies will be designed to address challenges facing the train of the future: sustainability, digitalization and comfort.

- **DIAVOLO,** a project that aims to generate knowledge around the wheel-lane dynamic by monitoring to service critical parameters of the rolling system, as a channel to be able to perform a smart diagnosis of problems that have a great impact on the optimisation of the entire system's LCC.

- **INNOFILT,** a project within the scope of electromagnetic compatibility of train systems, whose main objective is to advance innovative non-invasive filtering solutions for the railway sector in order to mitigate problems and maximise system efficiency.

- **MoreDigital,** a project encompassed in the Digitalisation initiative, which aims to investigate methodologies that enable the future development of reduced system models and industrial processes based on the physics that governs them and also on the methodologies that make them possible to be integrated into digital twins.

- **AIDDYA,** a project encompassed in the Digitalisation initiative, which aims to develop an Artificial Intelligence system that can replicate and optimise the railway dynamic simulation capacities of the physical multibody model (MBS), making the most of the advantages of AI to improve the efficiency and adaptability of the simulation system in the railway area.

In addition, in the area of railway engineering, the company is involved in more than 60 vehicle manufacturing and refurbishment projects. Among the latest projects contracted, the following engineering projects stand out:

- Projects based on consolidated platforms: the Alcalá de Guadaíra, Palermo, Roma, Bologna tramway systems and the extension of the Vitoria system, regional trains for VRR (Germany), units for SJ (Sweden) and Coradia Polyvalent units for Aquitaine (France) and Senegal. Extension of metro units for Amsterdam, Medellín and Santiago de Chile
- EMUs for Qbuzz (Netherlands)
- Trams for Omaha (United States)
- Broad and narrow gauge units for the Madrid metro system
- Units for the Oslo metro system
- Double deck train units for NS (the Netherlands)
- LRVs for Germany (Bonn and Hannover)
- LRVs for Boston (United States)
- Units for RENFE (medium distance and commuter trains)
- EMUs for Euskotren (S/980)
- Tri-mode units for London North Eastern Railway (LNER)
- EMUs for the Philippines
- Extension of the Oxygène SNCF intercity units for the Bordeaux-Marseilles line

Solaris has maintained its leading position for many years in providing low- and zero-emission urban transport solutions to cities across Europe. Keen to be at the forefront of manufacturers influencing ecological change in public transport, the company continually invests in further development. Of note among the leading R&D projects carried out by the company's engineering teams in 2024 were the following:

- Implementation of the Solaris Urbino 18 electric with modular control engineering in serial production. The aim of the project was to design and implement the production and sale of an 18-metre articulated city bus with electric propulsion, offering greater capacity to accommodate more passengers compared to existing vehicles of this type, while also maximising battery capacity and autonomy. The product enhances Solaris' competitive offering by providing a vehicle with improved operating parameters.

- In 2024, a similar R&D project was implemented for a 12-metre bus. After a series of tests and studies, approval for this type of vehicle was obtained. They continued with the work to optimise the design in terms of material costs and energy consumption. The offer was commenced and, as a result, the first customers were obtained and the first contracts were signed to supply these buses.

- In 2024, a major R&D project focused on cybersecurity was carried out. The company implemented a bus-level cybersecurity management system, in accordance with the requirements of UN Regulations 155 and 156 and related requirements. In 2024, recognition was obtained of compliance with Regulations 155 and 156, certifying the conformity of the company and its products with the cybersecurity and software supervision requirements. Obtaining these approvals was preceded by audits and the acquisition of certificates that accredit the implementation of the CSMS and SUMS (Cybersecurity Management System and Software Update Management System).

- In addition, R&D work continued in 2024 related to the company's entry into the United States and Canadian markets and into the zero-emission intercity bus segment in Europe.

INVESTMENTS

/ IN THE TRAIN MANUFACTURING IT IS WORTH MENTIONING THE EXTENSION OF THE GROUP'S PRODUCTION CAPACITY BEING CARRIED OUT TO MEET ITS HIGH ORDER BACKLOG. IT IS ALSO EXPANDING ITS TESTING AREAS AT SEVERAL PLANTS, ADAPTING THEM TO THE SPECIFIC TECHNICAL REQUIREMENTS OF THE VEHICLE TYPES IT WILL DEVELOP IN THE COMING YEARS.

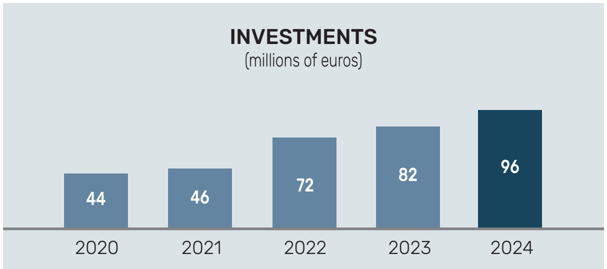
/ REGARDING THE BUS BUSINESS, WE CAN HIGHLIGHT THE CONSTRUCTION OF A NEW WAREHOUSE EARMARKED TO GAS VEHICLES PRODUCTION.

The CAF Group's material investments in 2024 amounted to EUR 49 million. The most salient investments were as follows:

Furthermore, with regard to train manufacturing and the extension of production capacity being carried out by the Group to meet its high order backlog, we must mention the extension and modernisation of the welding areas and the sanding down of boxes through the robotisation and automation of such processes, which will improve execution times and efficiency. Likewise, manufacturing equipment was renewed, highlighting new production means for structures, the installation of watering systems, a new transborder, subset tip-levers and the electronic retrofit of robots and the fitting out of warehouse areas. It should also be noted that the testing area is being expanded in several plants, with the aim of dealing with the new projects initiated by the company, while at the same time adapting them to the specific technical needs of the types of vehicles to be developed in the coming years.

In relation to the Group's plants internationally, we can highlight the investments made in 2024 at the Newport plant (United Kingdom), where the industrialisation and expansion of new production lines is being carried out for its fitting out to the manufacturing of Urbos tram platform projects, providing the plant with the appropriate facilities and machinery for this type of vehicles. Likewise, with respect to France, the upgrading of the facilities is continuing, together with works related to the transfer and standardisation of industrial processes at the French factory of Reichshoffen, to optimally adapt it to different projects currently being implemented by the CAF Group. As regards the plant located in Bagnères-de-Bigorre, investment has begun to adapt the plant to future projects. This objective mainly includes a change in the industrial layout of the plant and an increase in capacity in the unit testing area. Lastly, we must mention the implementation at the Elmira plant (United States) of a new automated facility for the welding of boxes, roofs and end carriages, as well as the extension of the painting area with a new cabin that will combine the painting and shot blasting activities.

In the Services business, we must mention that activities have begun related with engineering and design, and the first phases of the construction of the new deposits and workshops in Germany, related to the activity to be carried out in the coming years within the framework of the supply



and maintenance project over 33 years involving BEMU units for VRR and NWL. Also worth mentioning are the investments made in EuroMaint workshops in Scandinavian countries aimed at adapting and updating the equipment of their facilities.

In the MiiRA wheel set activity, the most significant investment was the new installation of a wheel heat treatment facility, equipped with the most modern technology for the wheel manufacturing process, which incorporates automatic handling throughout the entire line. This investment, which began in 2022, will be fully operational during the first quarter of 2025, offering improvements both from a technical point of view, thanks to the homogeneity in the heating process and the temperature control of the treatment, and in terms of greater cost efficiency of the process itself. This is accompanied by the ongoing investor effort of the area in the renewal and fitting out of its facilities to provide them with the most modern equipment and tools that comply with the customers' demanding requirements.

As regards the Bus business, noteworthy among the investments being made by Solaris in Poland are the construction of a new warehouse earmarked to gas vehicle production and the modernisation of the previous warehouse to convert it into a production warehouse adapted to propelled units for alternative fuels, all to meet the increased hydrogen and CNG bus manufacturing needs, taking into account the specific demands and regulations for this type of vehicle in terms of security conditions. The robotic welding installation has also been renovated to modernise it and thus be able to meet the highest technical demands in manufacturing today.

Investments made in intangible assets in 2024 amounted to EUR 47 million. Of this amount, the most significant investment has been the one corresponding to the implementation process of the new ERP, the start-up phase of which has been carried out by the Group this year. Likewise, the measures established in the corporate cybersecurity policy continue to be deployed, as well as the recommendations established by the different audits in this area. Furthermore, the initiative should be highlighted to implement a project management system in product lines and technical management, to improve efficiency in engineering projects, by standardising tasks and optimising processes, contributing, among other improvements, data quality, robustness, scalability and usability. Finally, we would like to point out the investment aimed at integrating the information systems of the Reichshoffen plant in France, which will ensure the continuity of its activity in an optimal manner.

MAIN RISKS
AND UNCERTAINTIES

/ IT IS NOTEWORTHY THAT DURING 2024 BOTH THE NET FINANCIAL DEBT FIGURE AND THE NET FINANCIAL DEBT / EBITDA RATIO IMPROVED, IN AN ENVIRONMENT OF GROWTH IN THE CAF GROUP'S ACTIVITY.

/ IN 2024, THE GROUP'S PARENT REFINANCED A SIGNIFICANT PORTION OF ITS LOAN MATURITIES, CONSIDERABLY EXTENDING ITS AVERAGE DEBT TERMS.

The CAF Group is exposed to various risks inherent to the activities it carries on and to the various countries and markets in which it operates, which may prevent it from meeting its objectives.

With the commitment to addressing this matter, the CAF Group's Board of Directors establishes the mechanisms and basic principles to appropriately control and manage risks through the General Risk Management and Control Policy. This policy, which is aligned with the Group's mission, vision and values, expresses its commitment to providing greater certainty and security in:

- Achieving the strategic objectives set by the CAF Group with a controlled volatility;
- Providing the utmost level of guarantees to shareholders;
- Protecting the CAF Group's results and reputation;
- Defending the interests of its stakeholders; and
- Ensuring business stability and financial strength in a sustained way over time.

To do so, the General Risk Management and Control Policy is implemented throughout the entire CAF Group by means of an Integrated Risk Management and Control System. This system constitutes a series of rules, processes, procedures, controls and IT systems, whereby all the risks are appropriately managed by means of the following system phases and activities, which include:

1. Establishment of the risk-management context for each activity, by setting, inter alia, the level of risk the Group considers to be acceptable.

2. Identification of the various risk types, in line with the main risks detailed in the Policy, faced by the Group.

3. Analysis of the risks identified and what they entail for the CAF Group as a whole.

   - Corporate Risks – Risks affecting the Group as a whole.
   - Business Risks – Risks specifically affecting each of the businesses/projects, which vary in accordance with the particularities in each case.

4. Risk assessment based on the level of risk that the Group considers acceptable (risk appetite).

5. The measures envisaged to address the identified risks.

6. Regular monitoring and control of current and potential risks through the use of information and internal control systems.

The Integrated Risk Management System adopted by the CAF Group detailed above is aligned with international standards as regards the use of an effective methodology for the comprehensive analysis and management of risks and the Three Lines of Defence Model in relation to the allocation of responsibilities in the risk management and control area.

In this regard, the Board of Directors is ultimately responsible for the General Risk Management and Control Policy, and approves the appropriate procedures to identify, measure, manage and control risks. It is also responsible for establishing clear lines of authority and responsibility and requires the existence of appropriate methodologies to measure the various types of risks and the effective internal controls to manage them. It is the body responsible for establishing and monitoring the Integrated Risk Management and Control System implemented at the Group and verifies whether the significant risks for the Group are consistent and fall within the defined risk tolerance level.

The Audit Committee is responsible for the independent oversight or assessment of the effectiveness of the Integrated Risk Management and Control System implemented and of the procedures designed to monitor it. In doing so, it will be supported by the Risk Management Department and additionally by the Internal Audit function.

The most significant risks facing the Group can be categorised as follows:

- **Strategic risks:** these are risks arising from the uncertainty that macroeconomic and geopolitical conditions represent, in addition to characteristics inherent to the industry and markets in which the Group operates and the strategic planning and technological decisions adopted.

- **Financial Risks:** arising from market fluctuations (financial and commodities markets), contractual relations with third parties (customers, debtors) and counterparties related to investments in financial assets and financial liabilities (banks, investors). The subcategories of risks that are included are as follows:

  — Market risk, which includes the following risks:

    - Interest rate risk: risk of fluctuations in interest rates that might give rise to changes in the Group's profit or loss and the value of its assets and liabilities.

    - Foreign currency risk: risk arising from fluctuations in exchange rates of one currency with respect to another with a possible effect on future transactions and the valuation of assets and liabilities denominated in foreign currency.

    - Commodity price risk: risk arising from changes in prices and market variables relating to commodities required in the businesses' supply chain.

  — Credit risk: this risk relates to doubtful debts, insolvency proceedings or bankruptcy or possible default on payment of quantifiable monetary obligations by counterparties to which the Group has actually granted net credit that is yet to be settled or collected.

  — Liquidity and financing risk: in relation to liabilities, it is the risk tied to the impossibility of performing transactions or breach of obligations arising from operating or financing activities due to a lack of funds or access to financial markets, either because of a drop in the Parent's credit rating or other reasons. In relation to assets, it is the risk of being unable to find at any given time parties to purchase an asset at the arm's length price or to obtain an arm's length price.

  The Group's exposure to market risk and credit risk and the use of derivative financial instruments to hedge the risks to which its activities are exposed is detailed in Note 16 "Management of financial risks and Derivative financial instruments" to the consolidated financial statements. Liquidity risk is addressed further in the following section.

- **Legal Risks:** arising from the preparation and performance of various types of agreements and obligations (commercial, administrative, intellectual and industrial property, etc.) and the possible contingencies arising therefrom. Risks relating to legal proceedings, administrative procedures and claims are also included.

- **Operating Risks:** inherent to all the Group's activities, products, systems and processes that have an economic and reputational impact arising from human/technological errors, insufficiently robust internal processes, or the involvement of external agents.

- **Corporate Governance Risks:** arising from potential non-compliance with the Group's corporate governance system, which governs the design, integration and operation of the governance bodies and their relations with the Group's stakeholders and is rooted in the Group's commitment to ethical principles, best practices and transparency as the Group seeks to defend its interests and create sustainable value.

- **Compliance and Regulatory Risks:** arising from the breach of applicable national and international regulations and laws irrespective of the activity in question, included in the following large blocks: (i) Commercial and Competition (market abuse, corporate obligations and securities market regulations, antitrust and unfair competition), (ii) Criminal (prevention of crimes, including those arising from corruption), (iii) Labour, (iv) Tax and (v) Administrative (including personal data protection regulations, environmental laws, etc.).

MAIN RISKS
AND UNCERTAINTIES

Due to its global risk scope, the Integrated Risk Management and Control System is continuously updated to include new risks that might affect the Group as a result of changes in the environment or revised objectives and strategies, as well as updates that arise from lessons learned from monitoring and controlling the system.

The Israel-Palestine conflict poses a risk of uncertainty in the markets in which the Group operates. The current conflict is affecting the execution rates of several Israeli projects. Even so, the Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

The supply chain continues to be part of the businesses focus. That is why actions such as the signing of framework contracts with key suppliers of equipment and supplies continue to be implemented, linking price indexation to the performance of market indexes for the medium term. Alongside this, actions such as outsourcing purchases continue to be deployed to mitigate increased prices and cover the volume of purchases necessary for the global allocation of workloads.

It should be noted that in 2024, the Group's main supplier of aluminium profiles, Costellium, suffered flooding at its main plant and generated supply problems, leading to the consequent risk of plant downtime and delays in the execution of contracts. In order to respond to these risks, different response plans have been activated to mitigate the impact of this event. The impact of this incident on sales and results in 2024 has not been significant.

However, and as has been observed, increased costs caused by inflation and interest rates have improved their tendency with respect to the previous year.

The contingencies managed in the Compliance area are part of the overall risks supervised within the system and a description of the material topics for 2024 can be found in Note 25 to the consolidated financial statements and in the Consolidated Non-Financial Information and Sustainability Information Statement.

LIQUIDITY AND CAPITAL RESOURCES

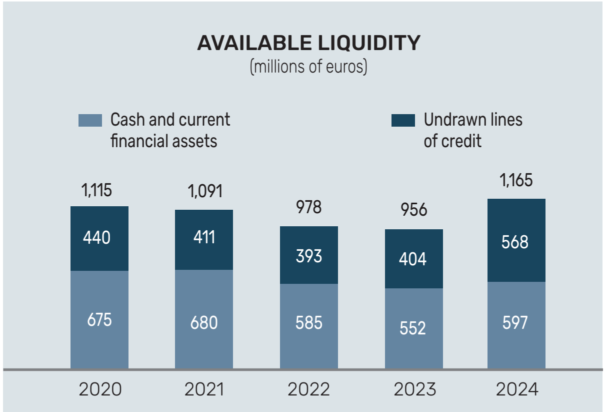
Availability of short-term liquidity

The CAF Group constantly assesses its available liquidity, including cash balances, short-term liquid investments, the availability of lines of credit, access to short-term capital market instruments and the generation of cash flows from operating activities, in order to meet the Group's liquidity needs at all times.

When assessing the CAF Group's short-term liquidity needs, the following factors, among others, are taken into consideration: the historic volatility of the Group's liquidity needs, their seasonality, the maturity profile of the liabilities, the needs arising from investment plans, the expected level of customer advances and the evolution of working capital. To define target levels of available liquidity worse-than-base-case scenarios are taken into consideration.

In December 2017, Construcciones y Auxiliar de Ferrocarriles, S.A. registered a short-term promissory note issuance programme on the Irish Stock Exchange, renewed for annual periods in December 2018 and December 2019. In December 2020, the programme registered on the Irish Stock Exchange was replaced — as it was not renewed at maturity — by a promissory note issuance programme with similar characteristics, included on 21 December 2020 on the Spanish Alternative Fixed Income Market ("MARF") for a maximum volume of EUR 250 million, subsequently renewed for annual periods in December 2021, 2022, 2023 and 2024. Since 2018, the Group has made various placements under these programmes, thus providing it with an alternative source of funding to existing credit facilities and enabling it to diversify the sources of its funding and add an additional source of liquidity.

Sources of short-term available liquidity include liquid assets, current financial assets and undrawn lines of credit. The evolution of the Group's available liquidity in recent years is as follows:



Capital structure

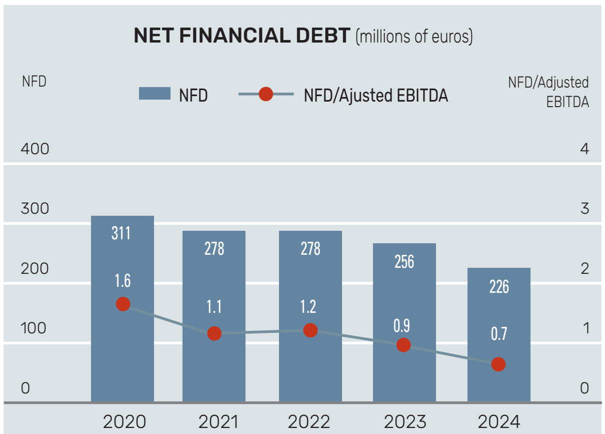
The Group's capital management is aimed at achieving a financial structure that optimises the cost of capital, ensuring a sound financial position. This policy makes it possible to make the creation of value for shareholders compatible with access to financial markets at a competitive cost in order to meet both debt refinancing needs and the investment plan financing requirements not covered by funds generated by the business activities carried on.

The Group sets as an objective maintaining a leverage ratio and creditworthiness in line with the profile of its businesses.

The CAF Group regularly assesses the appropriateness of its liability structure, and takes into consideration the projected cash flows, the maturity profile of its debt, the foreseeable evolution of its working capital and other future liquidity needs.

In 2018 Construcciones y Auxiliar de Ferrocarriles, S.A. acquired all the share capital of the Polish bus manufacturer Solaris. Also, in 2019 it acquired all the shares of EuroMaint, a leading Swedish train maintenance company. The cost of these acquisitions was financed primarily with additional long-term debt of the Group's Parent. These acquisitions have had a significant impact on the Group's gross financial debt figures, both due to the increase in debt at the Group's Parent Company to purchase the shares, and to the inclusion in the scope of the Solaris Group.

The main aggregates of the Group's liability structure have performed as follows in recent years:

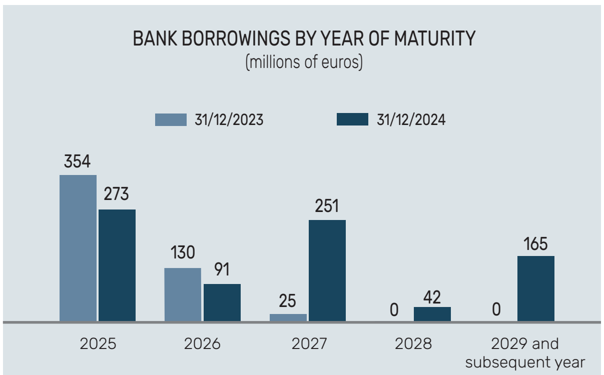


MAIN RISKS
AND UNCERTAINTIES

It is noteworthy that during 2024 both the Net Financial Debt figure and the Net Financial Debt / EBITDA ratio improved, in an environment of growth in the CAF Group's activity.

The CAF Group is constantly renegotiating its financial liability structure, in order to minimise borrowing costs and bring maturities into line with its needs, within the possibilities offered by bond markets.

The maturity schedule of the Group’s borrowings at 31 December 2024, compared with that existing at the end of 2023 was as follows:



During the 2024 financial year, the Group's parent company refinanced a significant portion of the loan maturities, resulting in a significant extension of the average maturities of its debt.

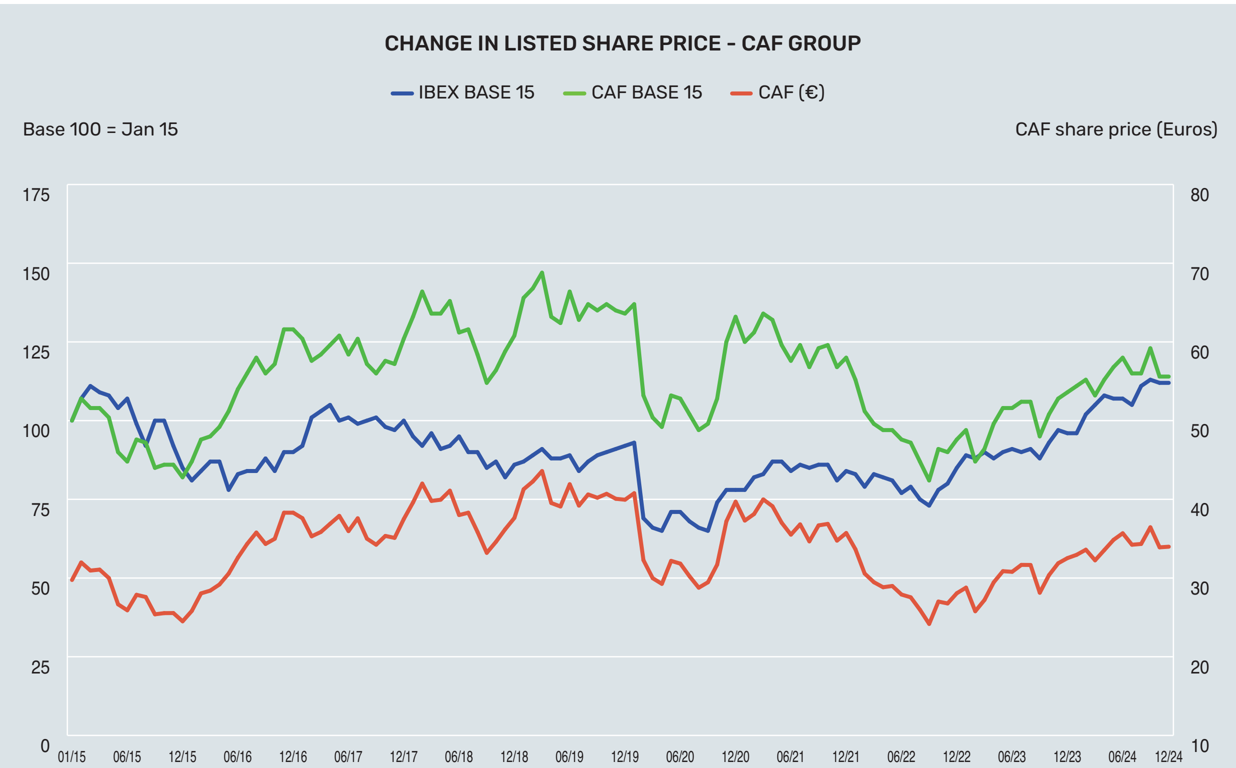
On 28 October 2016, Solaris Bus & Coach, sp. z.o.o. (Solaris) arranged various financing facilities with a consortium of Polish banks. This financing included a loan tranche and a credit line tranche that were repaid during the 2024 financial year.

On 20 August 2024, Solaris Bus & Coach, sp. z.o.o. (Solaris) took out new financing facilities to replace the previous one, with a new bank consortium, comprising both Polish and international banks. This funding comprises EUR 300 million to comply with its Strategic Plan, with a portion consisting of credit lines and another portion of revolving loans, maturing at three years, extendable for up to an additional two years by agreement of the parties. This debt package establishes compliance with certain financial covenants, which were being complied with at 31 December 2024.

EUR Millions	2020	2021	2022	2023	2024
Gross debt Concessions	142	113	80	50	25
Gross debt Solaris	164	171	197	117	138
Gross debt Corporative	689	682	597	653	670
Total	**995**	**967**	**874**	**820**	**833**

STOCK MARKET **INFORMATION**

	2024	2023	2022	2021	2020
Share price					
Market capitalisation at year-end (millions of euros)	1,198	1,118	908	1,255	1,346
Closing price (euros)	34.95	32.60	26.50	36.60	39.25
Minimum price (euros)	31.10	24.05	22.30	33.05	25.20
Maximum price (euros)	37.75	33.50	38.00	42.10	43.30
Data per share (euros)					
Earnings per share (EPS)	3.02	2.60	1.52	2.51	0.26
Dividend per share	1.34	1.11	0.86	1.00	0.00
Stock market ratios					
PER (average market price/EPS)	11.24	11.28	18.56	14.88	127.70
Market average price/EBITDA adjusted	3.58	3.52	4.18	5.02	5.71
PBV (average market price/BV)	1.32	1.18	1.25	1.76	1.82
Dividend yield	3.9%	3.8%	3.0%	2.7%	0.0%
Pay-out ratio (Dividend/EPS)	44%	43%	56%	40%	0%
Liquidity ratios					
Free-float rotation	40%	62%	83%	51%	70%
Traded volume (millions of shares)	6.9	10.2	13.4	8.6	11.3



OTHER **INFORMATION**

EVENTS AFTER THE REPORTING PERIOD

At 31 December 2024, the Group had a firm backlog of approximately EUR 14,695 million (EUR 14,200 million at 31 December 2023) (Note 11).

ACQUISITION AND DISPOSAL OF TREASURY SHARES

During the year 2024, various operations with treasury shares have been carried out in the continuous market. The breakdown of treasury shares held by Construcciones y Auxiliar de Ferrocarriles, S.A. is as follows:

	NO. OF SHARES	NOMINAL VALUE (thousands of euros)	AVERAGE PURCHASE PRICE (euros)	TOTAL COST (thousands of euros)
Treasury shares at 31 December 2024	37,832	11	33.91	1,283

Note 13-b to the consolidated financial statements provides additional information on the treasury share operations carried out in 2024.

PAYMENTS TO SUPPLIERS

In relation to the information on the average payment period to suppliers, the information required by the Second Final Provision of Law 31/2014, of 3 December (modified through the Third Additional Provision of Law 18/2022, of 28 September) is detailed below, prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016:

	2024	2023
	Days	Days
Average period of payment to suppliers	77.54	77.76
Ratio of transactions settled	76.01	75.94
Ratio of transactions not yet settled	83.02	83.43
	Thousands of Euros	Thousands of Euros
Total payments made	1,376,120	1,316,672
Total payments outstanding	344,136	353,440

Year 2024

INVOICES PAID TO SUPPLIERS IN A PERIOD SHORTER THAN THE LEGAL MAXIMUM PERIOD			
Thousands of Euros	Number of invoices	% to total payments	% to the total number of invoices
442,535	126,969	32%	34%

Year 2023

INVOICES PAID TO SUPPLIERS IN A PERIOD SHORTER THAN THE LEGAL MAXIMUM PERIOD			
Thousands of Euros	Number of invoices	% to total payments	% to the total number of invoices
398,084	102,530	30%	27%

In order to reduce this period to the maximum payment period established by Law 11/2013, the Group is making an effort to align events giving rise to payments with those giving rise to collection in order to reduce the payment time without losing the necessary liquidity.

ALTERNATIVE PERFORMANCE MEASURES

The CAF Group's financial information contains not only figures and metrics drawn up in accordance with applicable accounting standards, but also other indicators known as Alternative Performance Measures (APMs). APMs are essentially figures adjusted from those presented in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRS). They should therefore be read in conjunction with the financial reporting measures and not in isolation.

APMs are important to those who rely on the financial information because they are the measures used by the CAF Group's management to assess its financial performance, cash flows or financial position in making financial, operational or strategic decisions for the Group.

The following APMs have been used as part of the financial information of the CAF Group:

Order intake: includes firm orders received during the period and modifications that may have been made to orders from prior periods.

Millions of Euros	31/12/24	31/12/23
+ Backlog at end of period	14,695	14,200
- Backlog at beginning of period	(14,200)	(13,250)
+ Revenue	4,212	3,825
Order intake	**4,707**	**4,775**

Order intake / Revenue ratio (Book-to-bill): ratio obtained by dividing “Order intake” for the year by “Revenue” as shown on the consolidated statement of profit or loss for the period. This ratio gives an indication of the volume of future “Revenue”.

Millions of Euros	31/12/24	31/12/23
Order intake for the period	4,707	4,775
Revenue	4,212	3,825
Order intake / Revenue ratio (Book-to-bill)	**1.1**	**1.2**

Backlog: this represents the volume of firm orders that will be recognised in the future under “Revenue” in the interim consolidated statement of profit or loss. An order is considered firm only when it generates obligations between the CAF Group and the customer, which, in the case of sales of trains, buses and services, is deemed to occur when the contract between the parties is signed. The outstanding amount includes only the contractual options already executed by the customer, less the best estimation of contractual penalties.

Backlog / Revenue ratio: obtained by dividing the Backlog for the current period by “Revenue” as stated in the consolidated statement of profit or loss for the previous year. This ratio gives an indication of the volume of future "Revenue".

Millions of Euros	31/12/24	31/12/23
Backlog – current period	14,695	14,200
Revenue for the period	4,212	3,825
Backlog / Revenue ratio	**3.5**	**3.7**

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): the EBITDA indicator is calculated by deducting from “Operating result” the amounts recognised under “Depreciation and amortisation charge” and “Impairment and gains or losses on disposals of non-current assets”. EBITDA is adjusted to reflect significant non-recurring items or events that are not expected to occur in the coming years, such as litigation arising outside the normal course of business, restructurings or company acquisition costs, etc.

Millions of Euros	31/12/24	31/12/23
Profit/(Loss) from operations (EBIT)	216	179
Depreciation and amortisation charge	110	104
Impairment and gains or losses on disposals of non-current assets	(1)	2
EBITDA	**325**	**285**
Other adjustments	-	-
Adjusted EBITDA	**325**	**285**

EBIT margin: ratio obtained by dividing the “Operating profit/(loss)” by “Revenue” in the consolidated statement of profit or loss for the period. This indicator provides useful information about the Group's operating profitability.

Millions of Euros	31/12/24	31/12/23
Profit/(Loss) from operations (EBIT)	216	179
Revenue	4,212	3,825
EBIT margin	**5.1%**	**4.7%**

Net margin: obtained by dividing “Consolidated profit/(loss) for the year attributable to the Parent” by “Revenue” in the consolidated statement of profit or loss for the period.

Millions of Euros	31/12/24	31/12/23
Consolidated profit/(loss) for the period attributable to the Parent	103	89
Revenue	4,212	3,825
Net margin	**2.5%**	**2.3%**

Working capital expenditure: calculated as the difference between current assets and current liabilities. Current assets and liabilities exclude all items that are classified as Net financial debt, Fixed assets and Other assets and liabilities. This measure is used by CAF Group management when managing and making decisions related to the cash conversion cycle of the business, as effective working capital management enables an optimal level of investment in working capital so as not to jeopardise the company's solvency and ability to honour its short-term payment obligations. The following table provides a breakdown:

Millions of Euros	31/12/24	31/12/23
+ Other non-current assets	4	5
+ Inventories	636	477
+ Trade receivables for sales and services	2,264	2,209
+ Other receivables	209	196
- Other receivables - Concessions (current assets) (Notes 8-b.2 and 11)	(118)	(122)
+ Other current assets	28	16
- Other non-current liabilities	(72)	(103)
- Current provisions	(386)	(365)
- Suppliers and other payables	(2,569)	(2,382)
- Other current liabilities	(7)	(5)
Working capital expenditure	**(11)**	**(74)**

Fixed assets: it is calculated by subtracting from total non-current assets the fixed asset items that are part of the calculation of the "Net financial debt" indicator, non-current hedging derivatives of assets, deferred tax assets, non-current assets for refund rights and assets for rights of use, as well as current liabilities for fixed asset suppliers. It also includes "Other receivables" related to concessions and financial assets at amortised cost as part of current assets.

Millions of Euros	31/12/24	31/12/23
+ Intangible assets	475	470
+ Property, plant and equipment (Note 7)	408	404
+ Investments accounted for using the equity method (Note 8-a)	36	45
+ Non-current financial assets	255	342
- Financial investments - Non-current assets (Notes 8-b.2 and 13)	(10)	(12)
+ Other receivables - Concessions (current assets) (Notes 8-b.2 and 11)	118	122
+ Other current financial assets at amortised cost (Note 12)	1	16
- Dividends pending collection	-	(11)
- Payable to non-current asset suppliers (Note 14)	(15)	(5)
Fixed assets	**1,268**	**1,371**

Other assets and liabilities: it is obtained from the consideration of the following non-current assets and liabilities and current assets and liabilities:

Millions of Euros	31/12/24	31/12/23
+ Right-of-use assets (Note 7)	90	86
+ Non-current hedging derivatives - Non-current assets	1	22
+ Deferred tax assets	171	179
+ Current hedging derivatives - Current assets	23	19
+ Current tax assets	13	13
+ Dividends pending collection	-	11
- Non-current provisions	(146)	(134)
+ Investments accounted for using the equity method recorded in liabilities (Note 8-a)	5	-
- Non-current financial liabilities - Other financial liabilities	(87)	(87)
+ Non-current repayable interest-bearing advances (Notes 13 and 14)	9	6
- Deferred tax liabilities	(147)	(165)
- Non-current hedging derivatives - Non-current liabilities	(2)	(22)
- Current financial liabilities - Other financial liabilities	(49)	(78)
+ Current repayable interest-bearing advances (Notes 13 and 14)	1	2
+ Payable to non-current asset suppliers (Note 14)	15	5
- Current tax liabilities	(17)	(15)
- Current hedging derivatives - Current liabilities	(15)	(15)
Total Other assets and liabilities	**(135)**	**(173)**

CAPEX: calculated as the sum of additions in the year to "Other intangible assets" and "Property, plant and equipment", excluding rights of use, which are detailed in Notes 6-b and 7-a to the consolidated financial statements.

Millions of Euros	31/12/24	31/12/23
Additions to Other intangible assets	47	43
Additions to Property, plant and equipment	49	39
CAPEX	**96**	**82**

OTHER INFORMATION

Cash flow: calculated as the change in Net Financial Debt between the previous and the current period, excluding the effect of dividend payments to shareholders.

Millions of Euros	31/12/24	31/12/23
+ Net financial debt at the beginning of the period	256	278
- Net financial debt at the end of the period	(226)	(256)
+ Dividends paid to shareholders in the period	42	33
Cash flow	**72**	**55**

Net Financial Debt: obtained by taking into account the non-current assets and liabilities and current assets and liabilities detailed below:

Millions of Euros	31/12/24	31/12/23
+ Interest-bearing refundable advances (Note 14)	11	8
+ Bank borrowings - Non-current liabilities (Note 15)	549	509
+ Bank borrowings and debt instruments - Current liabilities (Note 15)	273	303
- Financial investments - Non-current assets (Note 8-b.2)	(10)	(12)
- Current financial assets (Note 12)	(24)	(109)
- Cash and cash equivalents	(573)	(443)
Net Financial Debt	**226**	**256**

Net Financial Debt / Adjusted EBITDA: “Net Financial Debt” divided by Adjusted EBITDA. This ratio gives an indication of the Group's ability to meet its Net Financial Debt with the cash flows generated by its ordinary activities.

Millions of Euros	31/12/24	31/12/23
Net Financial Debt	226	256
Adjusted EBITDA	325	285
Net Financial Debt / Adjusted EBITDA	**0.7**	**0.9**

Gross Financial Debt: the sum of the liability items that make up the calculation of “Net financial debt”.

Millions of Euros	31/12/24	31/12/23
+ Interest-bearing refundable advances (Note 14)	11	8
+ Bank borrowings - Non-current liabilities (Note 15)	549	509
+ Bank borrowings and debt instruments - Current liabilities (Note 15)	273	303
Gross Financial Debt	**833**	**820**

Available liquidity: represents the amount of available Cash and cash equivalents plus the amount of undrawn credit facilities. It shows the Group's ability to honour its obligations from the normal course of its business. The following table provides a breakdown:

Millions of Euros	31/12/24	31/12/23
Current financial assets – Current financial investments (Note 12)	24	109
Cash and cash equivalents	573	443
Credit facilities and other undrawn financial balances (Note 15)	568	404
Available liquidity	**1,165**	**956**

Stock market capitalisation: means the total value of the Parent's shares issued on the stock exchange at the end of the period, calculated as the result of the number of shares issued by their quoted price on that date.

	31/12/24	31/12/23
Number of shares issued (in millions of shares)	34.28	34.28
Quoted price at close	34.95	32.60
Stock market capitalisation (Millions of Euros)	**1,198**	**1,118**

Dividend per share: ratio obtained by dividing the amount of the proposed dividends to be paid out in the year by the number of Parent shares issued on the stock exchange at the end of the period.

	31/12/24	31/12/23
Proposed dividend to be distributed (in millions of euros)	45.94	38.05
Number of shares issued (in millions of shares)	34.28	34.28
Dividend per share (in euros)	**1.34**	**1.11**

PER ratio: obtained by dividing the current period's average share price by “Net earnings per share”.

	31/12/24	31/12/23
Average price for the year (in euros)	33.94	29.37
Net earnings per share (in euros)	3.02	2.60
PER	**11.24**	**11.28**

Average share price/Adjusted EBITDA: obtained by dividing the product of the number of shares issued by the average share price for the current period by adjusted EBITDA for the period.

	31/12/24	31/12/23
Number of shares issued (in millions of shares)	34.28	34.28
Average price for the year (in euros)	33.94	29.37
Average capitalisation (in millions of euros)	**1,163.46**	**1,006.80**
Adjusted EBITDA (in millions of euros)	325	285
Market average price/Adjusted EBITDA	**3.58**	**3.52**

PBV ratio: obtained by dividing the current period's average share price on the stock exchange by the book value of the shares, where the book value is obtained by dividing “Equity attributable to the Parent” by the number of shares issued.

	31/12/24	31/12/23
Average price for the year (in euros)	33.94	29.37
Equity attributable to the Parent (in millions of euros)	882	855
Number of shares issued (in millions of shares)	34.28	34.28
Book value per share (in euros)	25.73	24.94
PBV ratio	**1.32**	**1.18**

OTHER INFORMATION

Dividend yield: obtained by dividing the Dividend per share by the current period's average share price on the stock exchange.

	31/12/24	31/12/23
Dividend per share (in euros)	1.34	1.11
Average price for the year (in euros)	33.94	29.37
Dividend yield (%)	**3.9%**	**3.8%**

Pay-out: obtained by dividing Dividend per share by Net earnings per share.

	31/12/24	31/12/23
Dividend per share (in euros)	1.34	1.11
Net earnings per share (in euros)	3.02	2.60
Pay-out (%)	**44%**	**43%**

Free-float rotation: ratio that compares the volume of shares traded with the estimated number of shares included in the float, excluding those shares held by significant shareholders, members of the Board of Directors and treasury shares. The estimated free float % is disclosed in the Annual Corporate Governance Report (section A.11).

	31/12/24	31/12/23
Volume of securities traded (in millions of titles)	6.86	10.17
Number of shares issued (in millions of shares)	34.28	34.28
Free-float (%)	49.80%	47.56%
Number of estimated floating shares (in millions of shares)	17.07	16.30
Free-float rotation (%)	**40%**	**62%**

ANNUAL CORPORATE **GOVERNANCE REPORT**

The Annual Corporate Governance Report for 2024 forms part of the Directors' Report and is published on CAF's website (www.cafmobility.com), following notification to the Spanish National Securities Market Commision.

ANNUAL REPORT **ON DIRECTORS' REMUNERATION**

The Annual Report on Directors' Remuneration for 2024 forms part of the Directors' Report and is published on CAF's website (www.cafmobility.com), following notification to the Spanish National Securities Market Commision.

CONSOLIDATED NON-FINANCIAL STATEMENT AND **SUSTAINABILITY INFORMATION 2024**

CONTENTS

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.cafmobility.com). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

1/

LETTER FROM THE CHAIRMAN

1/

LETTER FROM THE CHAIRMAN [2-22]

"The Sustainability Master Plan, published at the end of 2024, acts as our compass and main lever of change to achieve our vision and goals in this area, developing and specifying the direction set out in the Sustainability Axis of the 2026 Strategic Plan."

Armed conflicts in Europe and the Middle East, along with geopolitical instability, have once again marked the complicated international agenda. Against this unfavourable backdrop and despite not having reached a satisfactory agreement on financing climate action, COP 29[1] reaffirmed the climate emergency facing the planet and the need for all stakeholders to move forward with greater integrity and determination towards the goal of net zero emissions.

Evolving regulatory frameworks and accelerating climate change underline that sustainability is not only a strategic factor to consider, but a fundamental pillar for economic progress, social well-being and the protection of the planet.

From a business perspective, our role is to make visible the viability of sustainable business solutions from an economic, environmental and social point of view, as well as to support ambitious objectives and regulatory frameworks that create the right conditions to accelerate green investments.

In this context, at CAF we have continued to move forward with determination to strengthen our leadership in sustainable mobility, following the guidelines set by the principles of our Sustainability Policy and aligned at all times with the goals of the 2026 Strategic Plan.

Our robust sustainability governance model has been instrumental in guiding and monitoring our environmental, social and governance practices this year. In this regard, we highlight the following actions:

1. The publication of our first Green and Sustainable Financing Framework; reinforcing the coherence between our financial activities and our sustainability commitments.

2. The redefinition of our greenhouse gas emissions reduction targets, which are more ambitious than those previously announced in our Strategic Plan, and their validation by SBTi[2]. These new targets raise the absolute scope 1 and 2 emissions reduction from 50% to 55% in 2030.

OBJECTIVES VALIDATED BY SBTi	2030	2045
Reduction of CO_2 emissions. Scope 1&2	55%	Net Zero
Reduction of CO_2 emissions. Scope 3 (product use)		

1 Conference of the Parties These are high-level meetings organised by the United Nations that bring together States, regional organisations and State actors. In this case, the focus of the summit is negotiations on climate change.

2 Science Based Targets Initiative.

3. Conducting the Double Materiality Assessment according to the European Sustainability Reporting Standards (ESRS) and following the EFRAG[3] guidelines, thus extending our holistic approach to managing impacts, risks and opportunities (IROs) to our entire value chain.

4. The publication of our Sustainability Master Plan in response to the outcome of the Double Materiality Assessment, which in turn develops the Sustainability axis of the 2026 Strategic Plan and acts as our compass and main lever of change for the achievement of our sustainability vision and objectives.

5. The implementation of training activities for nearly 250 key people in sustainability management at CAF, as well as for the Board of Directors and the Strategic Sustainability Committee, has been crucial to better understanding the importance of these issues from an external and internal perspective.

6. The strengthening of our management model with the updating of the Sustainability Policy as a consequence of new regulatory requirements, the demands of stakeholders and rating agencies. This update marked the culmination of an ambitious system review process that resulted in the establishment and updating of other dependent policies published throughout the year.

7. The adoption of the recommendation of the CNMV and the ICAC for the preparation of the Sustainability Report, in accordance with the Corporate Sustainability Reporting Directive (CSRD), and the European Sustainability Reporting Standards (ESRS), including the additional aspects required by the Spanish Law 11/2018 and the standards of the Global Reporting Initiative (GRI).

2025 will continue to be marked by a complex international landscape, possibly conditioned in terms of sustainability by the approach ultimately implemented by the new US government. In Europe, we will be keeping an eye on the "omnibus" reform suggested by the President of the European Commission, which could simplify three particularly relevant sustainability-related laws, such as the already mentioned CSRD, the Corporate Sustainability Due Diligence Directive (CS3D) and the EU Taxonomy of Sustainable Activities.

Aware that challenges will persist, but also that opportunities will arise to consolidate our leadership, our priority will focus on implementing the actions and achieving the objectives of the Master Plan, thus consolidating our firm commitment to Sustainability, and integrating best practices in the field, as well as recent and pending regulatory changes.

At CAF we are determined to actively contribute to building a more sustainable, interconnected and safe future, in which people can move efficiently and in a way that respects the environment. This is the path we have set out on and will continue to follow with determination, convinced that our efforts generate a positive and lasting impact on the lives of people and the health of the planet.

Thank you for continuing to trust us.
We are CAF, we are committed to sustainability.

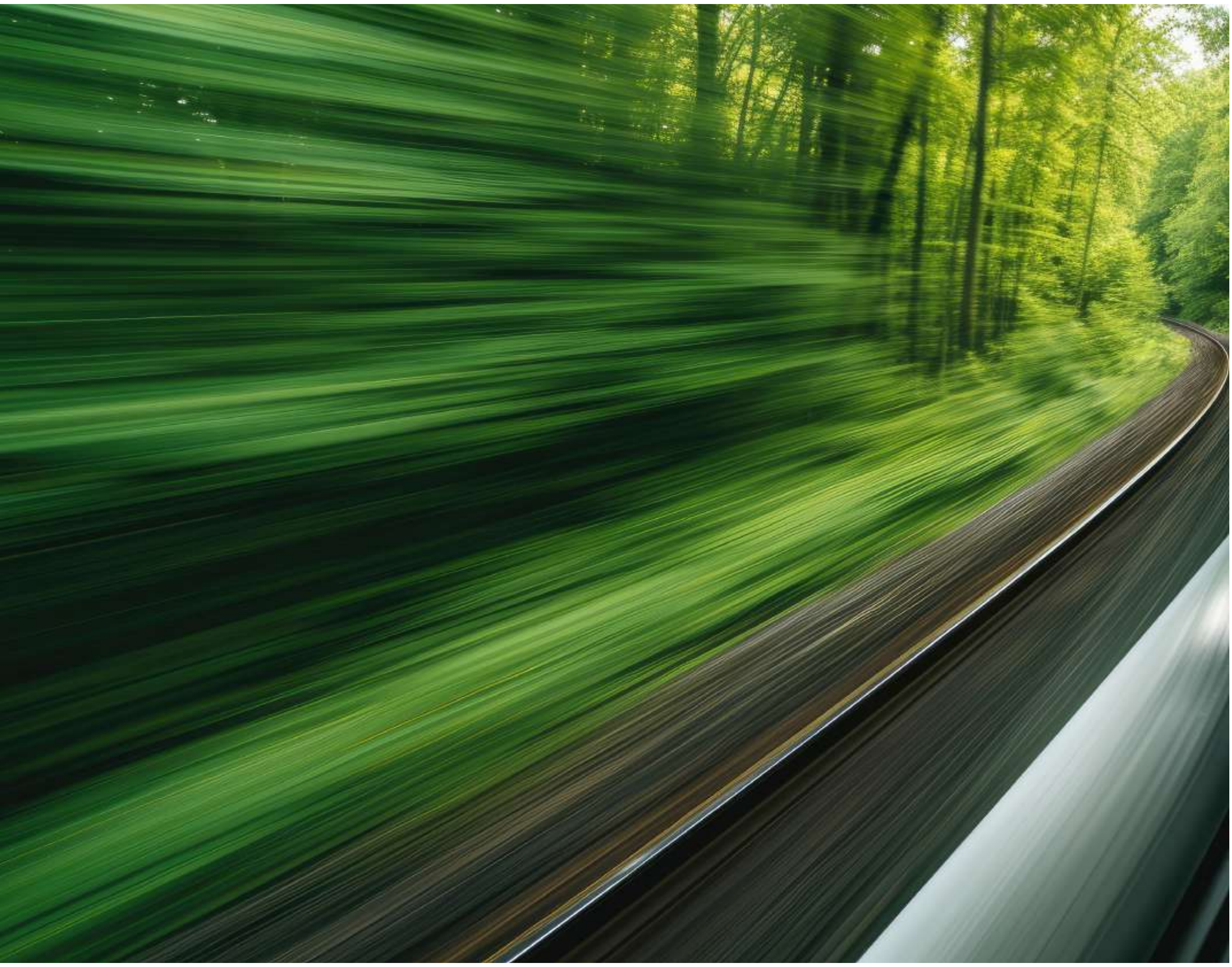
Sincerely,

Andrés Arizkorreta
Chairman of the Board of Directors

3 European Financial Reporting Advisory Group.

2/

ABOUT CAF



2.1 OUR SUSTAINABLE BUSINESS MODEL [GRI 2-1,2-6, 2-29]

CAF is a multinational group with more than 100 years of experience offering integrated transport systems at the forefront of technology that provide high value-added sustainable mobility for our customers.

We are international leaders in the implementation of comprehensive rail and bus mobility solutions, with extensive experience addressing projects throughout the entire project life cycle (feasibility analysis and studies, system design and engineering, system construction and manufacturing, installation and commissioning, operation and maintenance and even its financing) in a multitude of geographies.

Our portfolio of comprehensive mobility solutions is available on the corporate website. In summary, we can highlight: [SBM-1_01]:[1]

/ RAILWAY	/ BUS
In the railway sector, we offer one of the broadest and most flexible product ranges on the market, from complete transport systems to rolling stock (components, vehicles, infrastructure, signalling) and services (maintenance, rehabilitation and financing). These capabilities and current range of solutions place us on par with the main competitors in the sector. Within this area, the rail vehicle market generates and secure other operations, while rail services yield profits, supported by integral solutions and systems that are expected to play a growing role in the Group's success. The 2024 CAF portfolio includes an electric drive system, powered by hydrogen fuel cells and lithium batteries.	In the field of buses, CAF, through Solaris, has been a pioneer in the development of new products and currently has the most complete range of low and zero emission solutions. We are also well positioned in electromobility as we are one of the leaders in zero-emission mobility in Europe due to our unique real experience in electromobility, strong proposal for zero-emission technologies (electric and hydrogen) and for having all the advantages of conventional technologies, but without business or industrial activity in the production of internal combustion engines. All in all, Solaris, and therefore CAF, maintain a good position compared to our European competitors in portfolio, real experience and market share.

The growing number of routes in urban centres and the increase in air pollution have made sustainable public transport a necessity.

CAF systems are efficient and competitive, with great potential to reduce environmental impact and improve the quality of life of citizens. The e-mobility buses and city trams equipped with CAF's Greentech technology are the best examples of this philosophy.

The CAF GROUP stands out for being **versatile, flexible and capable of always adapting** to its clients' needs, in all areas.

With a strong presence in the international market and a great focus on Europe, we have factories in Spain, Poland, the United Kingdom, France, the United States, Mexico and Brazil. Likewise, we have offices and maintenance centres for railway vehicle fleets in more than 20 countries on 5 continents. This proximity to the customer allows us to develop more efficient production and provide excellent coverage of assistance and maintenance services.

Both in the Rail and Bus Segments, the CAF Group provides services to a wide variety of clients all over 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 financially oriented entities.

As an international Company, our product and service offering is global and must comply with the current legislation of each market. We therefore ensure the utmost respect for compliance with local regulations and refrain from offering products and/or services that are prohibited in the markets where we conduct business. In any case, CAF is not aware of any jurisdictions in which its portfolio has any type of restriction or veto. [SBM-1_05].

More information on geographical distribution and main operations can be found in "2.4. Main Figures".

1 Except where otherwise mentioned in this section, there is no record of any material changes in the offer of products and services during the current financial year. [SBM-1_01]

RESILIENCE OF STRATEGY AND BUSINESS MODEL [SBM-1_23, SBM-3_10]

Although sustainability has always been a key and intrinsic element of CAF's activity, the deployment of the 2026 Strategic Plan[2] (elaborate in 2022), underscored the role of sustainability as a prominent strategic priority, since this aspect represents one of the four essential pillars of the strategy and is inherently intertwined with the other pillars.

- **Commercial focus**: CAF will focus business activities in Europe, North America and Asia Pacific with recurrence and scale. In the Bus sector, CAF aims to maintain its European leadership in zero-emission mobility and expand into other markets. Sustainability is therefore an essential pillar of CAF's efforts to achieve a turnover of roughly €4.8 billion by 2026, with a target degree of alignment with the European Taxonomy of Sustainable Activities of 84%.
- **Operational efficiency**: the Group will improve its efficiency in production, engineering and purchasing, and will complement its current footprint with new industrial capacities that accompany the business focus, while capturing cost efficiencies. In addition, it will implement efficiency programmes in all activities to strengthen its competitiveness, with an expected annual recurring impact of between €35-50M. By being more efficient, we will minimise our negative impacts on the environment while improving costs.
- **Innovation:** The Organisation will advance its decarbonisation proposal by expanding 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 (virtual homologation and approval environments, cybersecurity, etc.). In section "2.7 Innovation and technology: keys to sustainable mobility", there is more in-depth information on these four innovation programmes (zero emissions, autonomous and automatic mobility, digitalisation and extension of the product portfolio).
- **Sustainability:** The Company is committed to sustainable growth, environmentally friendly, leading the transition of mobility solutions towards the goal of achieving net zero emissions by 2045.

Derived from the inclusion of this sustainability axis in the 2026 Strategic Plan, the mission, vision, and values where updated, and for the first time CAF's purpose was defined as **"developing sustainable transportation solutions that improve people's lives."**

To comply with, CAF estimated an investment level of roughly €550-650 million for the acumulative period 2023-2026, considering that the colume of CapEx and OpEx associated with sustainability-related investments will be aligned with the EU Taxonomy of Sustainable Activities, that is, close to 80%. (Further information in section "4.9.1. European Union Taxonomy for sustainable activities")

This Strategic Plan was developed with the support of a consulting firm, based on internal and external context analysis, in which one of the key inputs to define the deployment to be carried out in the sustainability pillar was the result of the materiality analysis carried out in 2021 and a SWOT analysis. Thanks to the impetus of the Plan, progress has been made in various environmental, social and governance aspects in recent years. Section "4.1 Sustainability at CAF" entails greater detail concerning CAF's trajectory in Sustainability and the main actions in 2024.

Thus, as part of the strategy, the Group defined its top-level targets for 2026, considering sustainability goals as business objectives [SBM-1_21]:

- Grow above the market and reach total sales close to 4,800 million euros.
- To place the Operating Result in 2026 at around 300 million euros.

2 Document accessible through our website https://www.cafmobility.com/en/press-room/2026-strategic-plan/

- Distribute dividends in progression with the results.
- Have a Net Financial Debt / EBITDA ratio of around 2.2x after the corporate operations envisaged in the Plan's base case.
- **Reduce scope 1 and 2 emissions by up to 30%, and up to 40% in scope 3 (referring to the use of the product, in terms of emissions per passenger and km), with respect to 2019, with the ultimate goal of becoming a net zero-emissions Company in 2045.**

The relevant 2024 milestones include the Double Materiality Assessment (more details in sections 4.4 and 9.6) and Sustainability Master Plan[3], which is based on the Double Materiality Assessment results (section 4.5) and, in turn develops the Sustainability axis of the 2026 Strategic Plan. These steps lead to a review of our responsible management scorecard and our[4] short-, medium- and long-term sustainability goals. ("4.7. "Responsible Management Scorecard"

By identifying our impacts, risks and opportunities, we have been able to validate that our strategy includes the most relevant sustainability issues, helping us to strengthen the resilience of our business model and increasing our capacity to address the challenges arising from our activity.

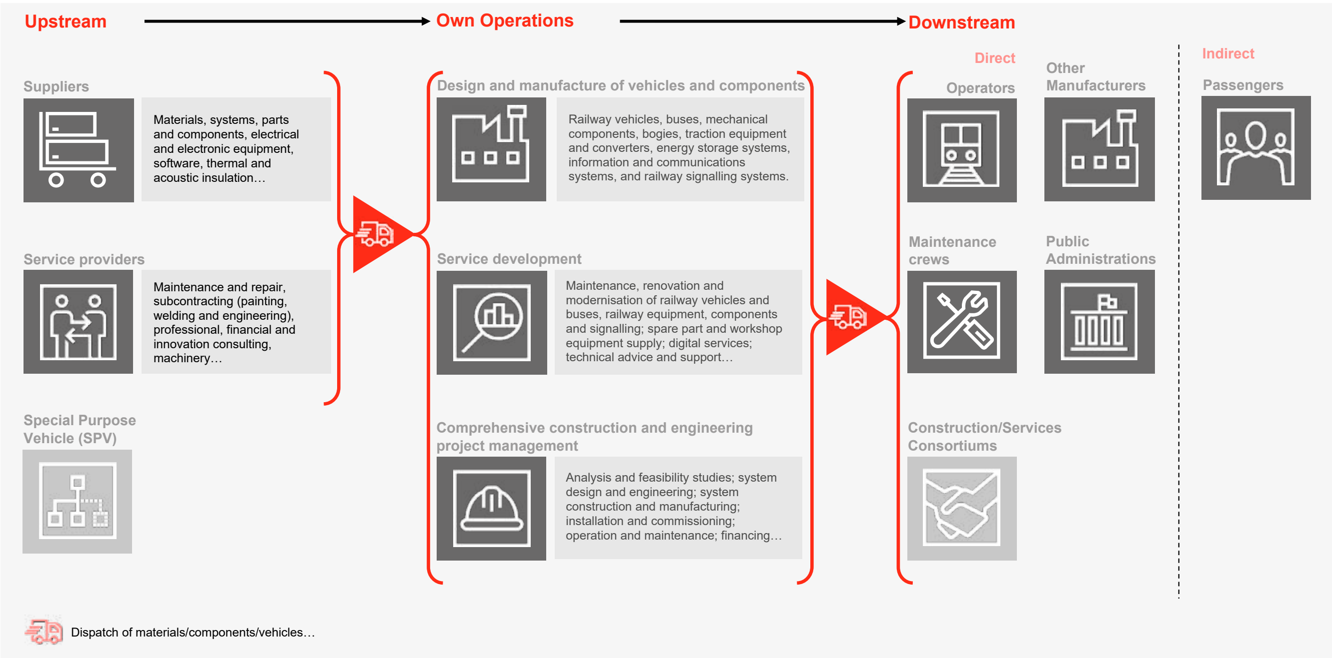
Consequently, we have formulated and/or revised targeted policies that respond to the distinct concerns in environmental, social, and governance areas, ultimately resulting in an updated Sustainability Policy[5]. We have also set ourselves targets for tracking key metrics and incorporated actions designed to address the main points detected, helping us to prevent, mitigate and remedy the possible effects derived from our impacts and risks, and also maximising the value of our opportunities.

In short and after all the Assessment carried out, at CAF we believe that the opportunities in sustainability exceed the risks in this area.

2.2 SUSTAINABILITY IN THE VALUE CHAIN [2-6]

At CAF, sustainability is a cross-cutting principle that bring together each step of our value chain, from the selection of suppliers to the delivery and operation of our sustainable mobility solutions. This commitment not only aligns with the targets defined in the 2026 Strategic Plan and the goal of reaching net zero emissions by 2045, but also reinforces our proactive contribution in the transition towards a more sustainable future.

Our value chain is structured in three main blocks: "upstream", "own operations" and "downstream". This model seeks to integrate sustainability into each phase of the lifecycle of our products and services, maximising the positive impact on the communities where we operate and our stakeholders, while minimising our environmental impact. [SBM-1_25]



3 Document accessible through our website https://www.cafmobility.com/en/about-us/sustainability/
4 Our goals are global and thus apply to all the geographical areas where we operate and all our products and services, regardless of the corresponding customers [SBM-1_22]
5 Document accessible through our website https://www.cafmobility.com/en/about-us/sustainability/

Upstream

In this block we include all suppliers and collaborators who provide materials, components and essential services for the manufacturing of rail solutions, buses and other related systems. The Responsible Purchasing Programme and the Supplier Code of Conduct ensure sustainability in this area by fostering traceability and compliance to Environmental, Social, and Governance (ESG) criteria right from the start of the supply chain. In addition, we work closely with our strategic partners to identify opportunities for continuous improvement, prioritising innovative and sustainable solutions that guarantee a positive impact throughout the entire supply chain. [SBM-1_28]

To strengthen the positive impact in this block, we have developed training programmes for suppliers, with a focus on sustainable innovation and resource efficiency. We also encourage collaboration in circular economy initiatives and certifications that guarantee the sustainability of the materials used. Through regular audits and digital assessment tools, we ensure that each supplier meets established sustainability standards. [SBM-1_26]

Key areas:

- **Suppliers of materials and components**: They supply resources such as steel, electrical and electronic systems, specialised software and thermal insulation, all of which are essential to ensuring the quality and sustainability of our products.
- **Service providers**: They provide maintenance, engineering, consultancy and financial services linked to innovation, ensuring that our operations have the best specialised support.
- **Special Purpose Vehicles (SPV)**: They develop specific, large-scale turnkey projects, which enables them to address highly complex initiatives with an efficient structure aligned with sustainability standards.

Own operations

Our core activities are firmly rooted in the design and production of vehicles and components for the rail and bus markets, service development, and comprehensive construction and engineering project management. They all serve to reinforce our commitment to transforming mobility towards a more sustainable, efficient and interconnected model. Our manufacturing facilities in Europe and the United States emphasise a strategy that focuses on sustainable design, energy conservation, and minimising waste. Furthermore, our facilities are designed to operate under strict sustainability standards, integrating latest technologies that minimise resource consumption and optimise productivity.

Process digitisation also plays a fundamental role in this block, allowing for greater real-time monitoring of operations and a material reduction in the waste generated. We have implemented intelligent management systems that optimise energy efficiency and improve security at our facilities. Collaboration between different departments and the establishment of common objectives allow for a comprehensive approach to addressing sustainability challenges.

Key areas:

- **Product design and manufacture:** Rail vehicles, low and zero emission buses, traction systems, batteries and signalling technology. Our commitment to eco-design ensures that each product is developed taking into account its entire lifecycle, minimising its environmental footprint and enhancing efficiency at all stages. [SBM-1_27]
- **Associated services:** Predictive maintenance and rehabilitation of vehicles to extend their useful life, which not only benefits our customers, but also significantly reduces environmental impact. We add value through the introduction of digital solutions that optimise maintenance planning and management.
- **Comprehensive project management:** It includes everything from feasibility studies to operation and maintenance in turnkey projects. This ensures that each solution is fully tailored to the specific needs of the clients and communities in which we operate, promoting balanced socio-economic development.

Downstream

The impact of our sustainable mobility solutions extends to operators and end users, promoting connected and low-carbon cities. We actively collaborate with public administrations, manufacturers and operators to optimise performance and sustainability. This collaborative approach not only improves operational efficiency, but also fosters a positive impact on local communities.

End-user feedback is also a key component in this block. We implement digital systems that collect data on the use of our solutions, allowing us to introduce continuous improvements and ensure an optimal user experience. We are also committed to fostering the use of technologies that promote accessibility so that our solutions are inclusive and beneficial for everyone. [SBM-1_27]

Key areas:

- **Operators and maintainers:** They implement and maintain our systems and vehicles, ensuring they are operated to the highest standards of efficiency and safety. We provide specialised training and advanced digital tools that optimise operation and maintenance.
- **Passengers:** End users of our transport solutions, benefiting from greater accessibility and reduced emissions. We actively promote education and awareness on sustainable mobility to strengthen users' commitment to the environment. Our systems also aim to improve the travel experience, ensuring passenger comfort and safety.

With this comprehensive view of the value chain, we reaffirm our commitment to leading the way towards sustainable mobility, providing innovative solutions that improve quality of life and reduce environmental impact. As we move forward, we continue to work to strengthen our capabilities, expand our partnerships and ensure that every link in our value chain contributes to a more sustainable and resilient future for generations to come. [SBM-1_25]

2.3 A CULTURE GEARED TOWARDS SUSTAINABILITY [GRI 2-23, 2-29]

As discussed at the beginning of this chapter, sustainability has always been integrated in CAF's strategy and culture. A clear indication of this is the sustainability dimension outlined in the 2026 Strategic Plan, which has been further advanced through the recent publication of the Sustainability Master Plan[6].

With a clear awareness of the need to bolster corporate culture to address the challenges identified in the 2026 Strategic Plan, CAF is resolutely focused on its **Purpose** of "developing sustainable transport solutions that improve people's lives".

Similarly, our Mission reflects the added value in sustainable mobility of the Group's integrated transport systems: "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."

Aligned with our Mission, our Vision is: "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."

Similarly, our corporate values, which apply to all of the Group's activities, reflect our commitment to the principles set out in the Sustainability Policy and make them more present in our day-to-day activities, while at the same time constituting the backbone of our behaviour:

OUR VALUES

EXCELLENCE
We are committed to high standards, constant innovation, and achieving results.

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

SUSTAINABILITY
We take long-term responsibility for people's health and the environment.

A CULTURE GEARED TOWARDS SUSTAINABILITY

PURPOSE
We develop sustainable transportation solutions that improve people's lives.

MISSION
We are a global benchmark in key transportation solutions for the transition to a more sustainable planet, offering innovative alternatives in the rail and bus mobility sector, driven by our committed team.

VISION
As a leader in sustainable mobility, we are committed to a culture of excellence and reliability, achieving the highest level of customer satisfaction while contributing to worldwide progress.

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

6 For more information, please refer to the section "Resilience of Strategy and Business Model" in this chapter, and section "4.5. "Sustainability Master Plan"

2.4 MAIN FIGURES

[GRI 2-6, 2-1]

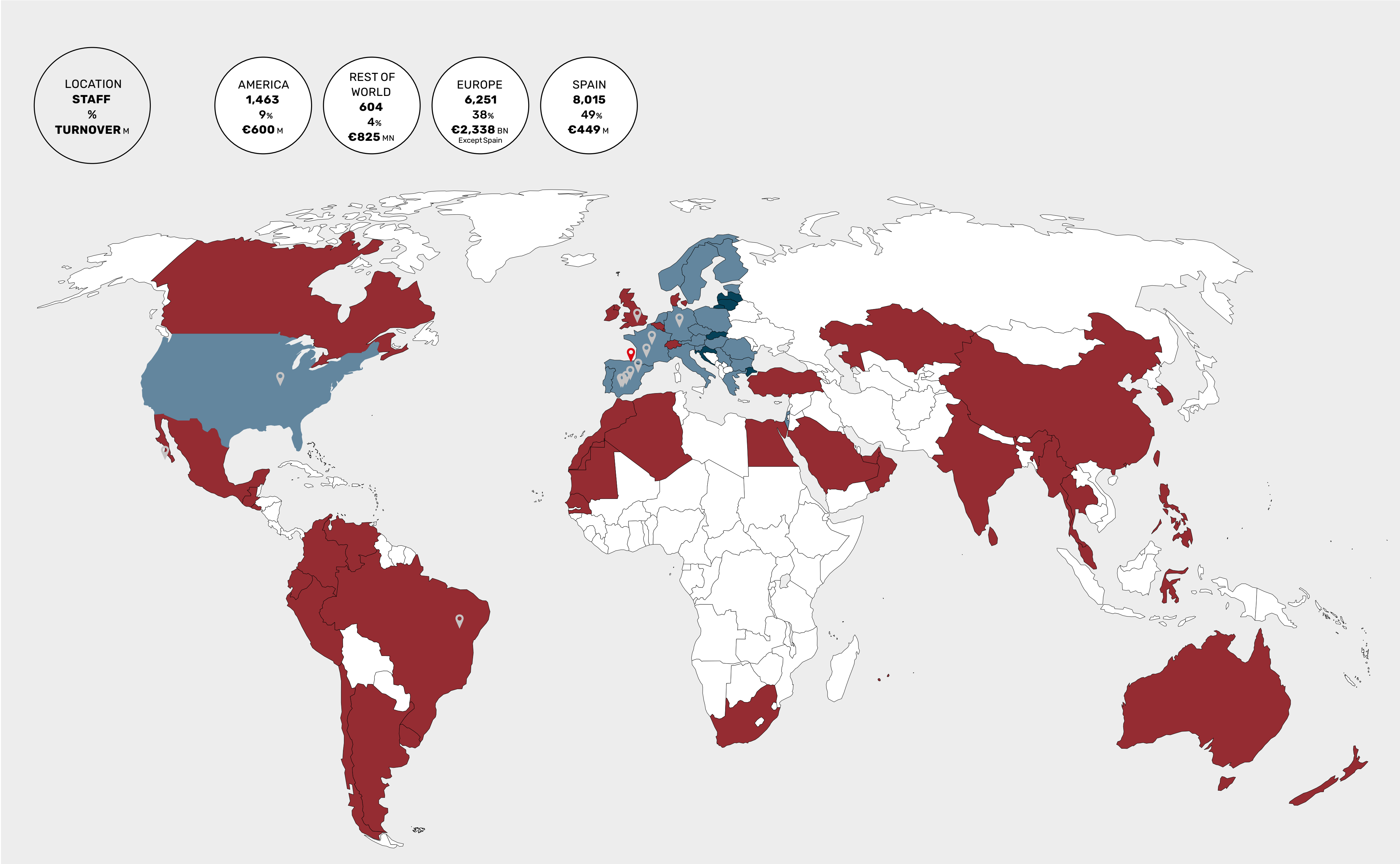
CAF is committed to the field of transportation on a worldwide scale with a workforce exceeding 16,000 and a network of over 100 companies[7]. Together, they deliver a global mobility solution across technology, manufacturing, maintenance and other enterprises, achieving a groundbreaking turnover of over €4,000 million and a portfolio of €14,500 million.

Our main operations are in Manufacturing - Automobiles & Other Transport Vehicles, according to the European Sustainability Reporting Standards (ESRS). After reconciling our financial statements, we have concluded that our income in this financial year in this sector has been €4,212 million, corresponding to the figures indicated for railway activity (€3,285 million, including inter-segment) and buses (€927 million) under IFRS 8 Operating Segments (more information in Note 5 of the Consolidated Financial Statements). [SBM-1_06, SBM-1_07, SBM-1_24]

It is crucial to highlight that CAF does not significantly engage in other sectors covered by ESRS, especially those related to fossil fuels (such as coal, oil, and gas), chemical manufacturing, arms manufacturing, or tobacco production. [SBM-1_08, SBM-1_09, SBM-1_1, SBM-1_11, SBM-1_12, SBM-1_13, SBM-1_14, SBM-1_15, SBM-1_16, SBM-1_17, SBM-1_18, SBM-1_19, SBM-1_20]

As of 2024, CAF is active in upwards of 60 railway sectors and over 30 bus sectors, aligning with the statistics released in 2023. The United States is presented as a new market for the bus division in this financial year, thus fulfilling one of the objectives anticipated in the 2026 Strategic Plan [SBM-1_02, SBM-1_03, [SBM-1_04].

OVER	OVER	OVER	OVER	OVER
100	**100**	**16,000**	**€4,000M**	**€14,500M**
YEARS	COMPANIES	EMPLOYEES	IN TURNOVER	PORTFOLIO



FACILITIES AND OFFICES

HEADQUARTERS

PRODUCTION PLANTS

RAILWAY
+ 60 COUNTRIES

BUSES
+ 30 COUNTRIES

RAIL + BUSES

7 Consolidated Financial Statements of the CAF Group. Financial Year 2024. Note 2.f)

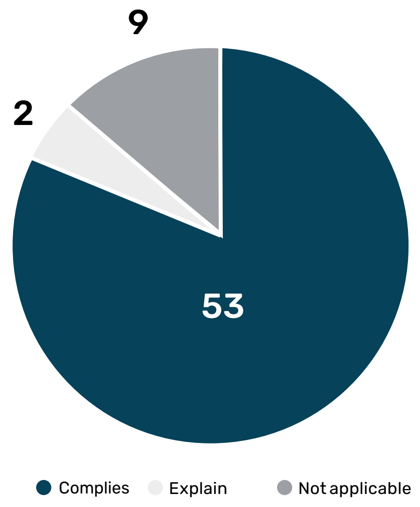
2.5 CORPORATE GOVERNANCE [GRI 2-9]

CAF carries out its activity bearing in mind the importance of appropriate and transparent management as an essential factor for generating value, improving economic efficiency and strengthening the confidence of its shareholders and investors, all of which is implemented through a Corporate Governance model based on the concept of "Good Corporate Governance".

Our Corporate Governance model is based on the commitment to legality, ethical principles, good practices and transparency, and is articulated around the defence of social interest and the creation of sustainable value for our stakeholders.

Proof of this commitment to the best and most recognised good corporate governance practices is CAF's high level of compliance, as a listed parent Company, with the recommendations of the Code of Good Governance for listed companies of the Spanish National Securities Market Commission (CNMV) ("CGG"-Code of Good Governance), as detailed in Section G of the Annual Report on Corporate Governance ("ARCG"), and summarised below:

Degree of Compliance with the Recommendations of the Code of Good Governance applicable to CAF in 2024



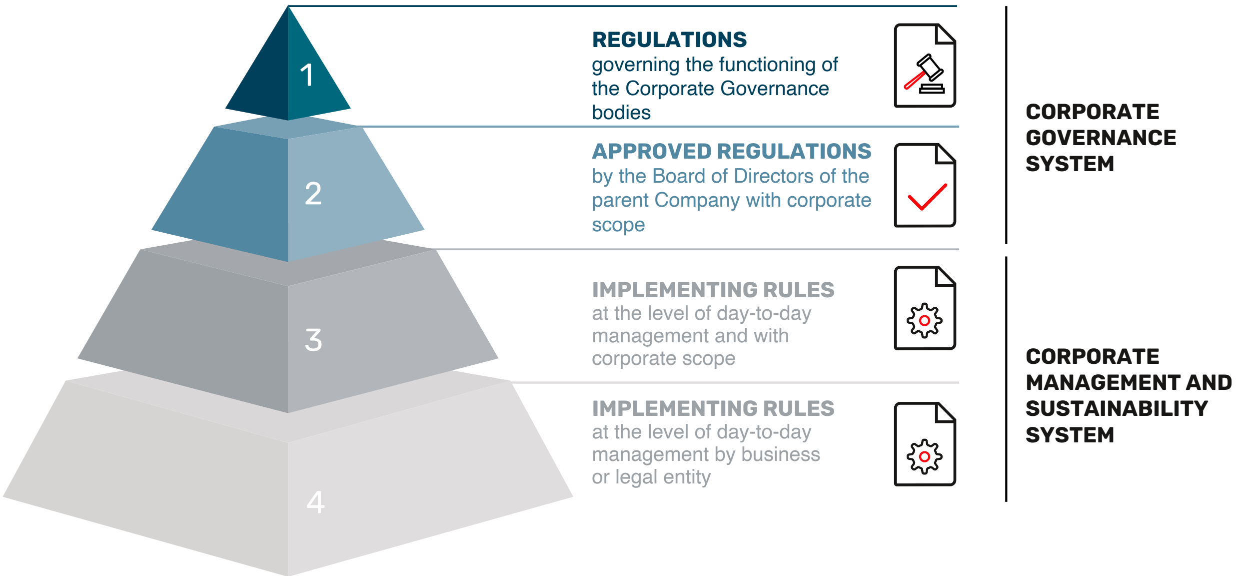
During fiscal year 2024, the Company fully complied with all applicable recommendations, except for Recommendation 61 (on the payment of variable remuneration in shares or share-linked instruments) and Recommendation 17 (which requires at least one third of board members to be independent directors in companies that are not large cap companies).

The reasons why these two recommendations were not complied with are specified in Section G of the ARCG corresponding to the reported financial year.

2.5.1 GENERAL REGULATORY FRAMEWORK

[GRI 2-9, 2-23]

The general regulatory framework for Corporate Governance is composed of the Internal Regulatory System, which is made up of four hierarchical levels of rules, as follows:



Specifically, the Corporate Governance System is the set of rules with the highest hierarchy within the Internal Regulatory System (the latter comprising all standing Group regulations). These regulations primarily aim to ensure the correct functioning of the Corporate Governance Bodies and define the strategic policies of the Company. They are based on a commitment not only to ethics, good practices and transparency, but also to the defence of the company's interests **(Levels 1 and 2).**

2.5.2 EFFECTIVENESS AND APPLICATION OF THE CORPORATE GOVERNANCE SYSTEM [GRI 2-23]

At CAF we are highly committed to maintaining a Corporate Governance System that is fully updated and aligned with the legitimate expectations of the different stakeholders.

Internal regulations are reviewed regularly in order to improve or update their content.

To this end, during 2024, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, agreed to submit to the Ordinary General Shareholders‘ Meeting the approval of a new Directors’ Remuneration Policy, applicable to financial years 2024, 2025 and 2026, with the main purpose of developing the characteristics of the variable remuneration system, both in the short and long term, taking into consideration the highest standards of Corporate Governance and best market practices. The proposal was approved by a large majority of votes at the General Meeting.

Likewise, at its meeting on 10 October, the Board approved the Cybersecurity Policy, covering the basic principles and commitments regarding information security and cybersecurity of the Group and its value chain, and establishing the bases for internal governance in this area. This Policy was drawn up on the basis of the legislative developments promoted by the European Union and their projection in Spain, in addition to the recommendations, practices and standards established by supervisory bodies and authorities, especially the Cybersecurity Code of Good Governance published by the CNMV in July 2023.

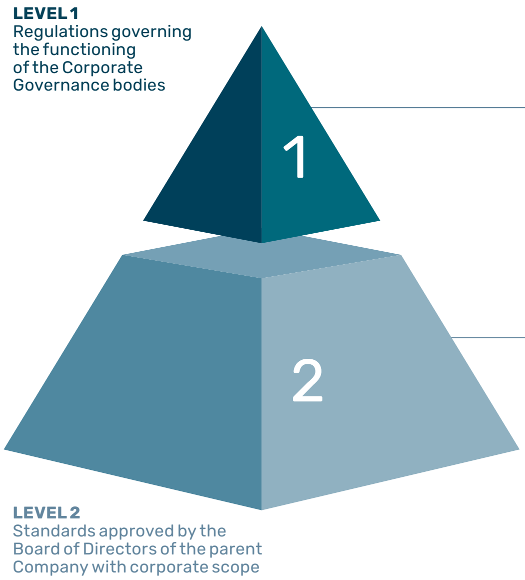
Additionally, following the approval of the Spanish Securities Markets and Investment Services Act (Law 6/2023 of 17 March), and the publication of explanatory circulars by the CNMV on aspects of market abuse and management of privileged information, the Board approved, at the proposal of the Audit Committee, the update of the Internal rules of conduct in the Securities Markets at its meeting of 14 November 2024.

Furthermore, in its session of 17 December 2024, the Board agreed to update the Rules of the Audit Committee, Rules of the Appointments and Remuneration Committee Rules of the Board of Directors primarily with the aim of adapting them to the developments arising from various legislative provisions, including, most notably, the Spanish Gender Parity Act (Law 2/2024 of 1 August), as well as the recommendations of Technical Guide 1/2024 on Audit Committees of Public Interest Entities ('Technical Guide'), published by the CNMV, which, in turn, incorporates the content of the Corporate Sustainability Reporting Directive (CSRD - EU Directive 2022/2464) concerning non-financial and diversity reporting by large undertakings and groups.

In the same session, the Board approved the Crime Prevention, Anti-Corruption and Anti-Fraud Policy, as the basis of the Crime Prevention System replacing the Crime Prevention Manual, and updated the Diversity and Board Member Selection Policy with the fundamental aim of adapting its content to the new legal obligations regarding gender equality.

On the same date, the Board also approved a new Sustainability Policy, within the framework of the new legislation applicable to sustainability in the short and medium term, and the Stakeholder demands.

The CAF Group's Corporate Governance System is depicted below, with an indication of the main milestones for the 2024 financial year:



Updated in 2024
New in 2024

- Bylaws
- Regulations of the General Shareholders' Meeting
- Regulations of the Board of Directors
- Audit Committee Regulations
- Regulations of the Appointments and Remuneration Committee

- Diversity and Board Member Selection Policy
- Directors' Remuneration Policy*
- General Policy regarding communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors
- Sustainability Policy
- General Risk Control and Management Policy
- Fiscal Policy
- Liquidity and Financing Policy
- Market Risk Policy
- Investment Policy
- Code of Conduct
- Crime Prevention Manual
- Internal rules of Conduct in the Securities Markets
- Competition Law Compliance Manual
- Related-Party Transactions Manual
- Corporate Policy and Procedure for the Management of the Internal Reporting System
- Human Rights Due Diligence Policy
- Cybersecurity Policy
- Crime Prevention, Anti-Corruption and Anti-Fraud Policy

* In the case of the Directors' Remuneration Policy, its approval corresponds to the General Meeting, at the proposal of the Board of Directors.

The Corporate Governance regulations governing the corporate bodies (i.e. Bylaws and Regulations of the General Shareholders' Meeting, Board of Directors and Committees) and the Policies and Other Corporate Governance, Ethics and Compliance Rules are permanently updated and remain available to the general public on the corporate website in accordance with the applicable legislation.

Equally noteworthy is the progress made in 2024 in relation to the deployment of the rules of the Code of Conduct, through the development and strengthening of the Corporate Compliance System, referred to in section 7.2. of this report.

Beyond the developments identified, it has not been deemed necessary to amend any regulations, policies or internal rules of the Company's Corporate Governance System during the year, as it is considered that they are in accordance with legal and good governance requirements and serve the Company's corporate purpose.

It should be noted that the Appointments and Remuneration Committee, in the exercise of its functions, issued for presentation to the Board, at its December meeting, its report on monitoring compliance with the Company's Corporate Governance rules and on the periodic evaluation and review of its Corporate Governance System, confirming effective compliance with said rules during the reported year, as well as the adequacy of the System to the corporate interest and the legitimate interests of the remaining stakeholders, in accordance with the established strategic lines.

In any case, the Board of Directors maintains its process of continuous improvement to progress in the design of its corporate governance system, through different action plans to be developed in 2025.

2.5.3 GOVERNANCE STRUCTURE

[GRI 2-9, 2-13]

The governance and administration of the Group and the parent Company are entrusted to the General Shareholders' Meeting and to the Board of Directors.

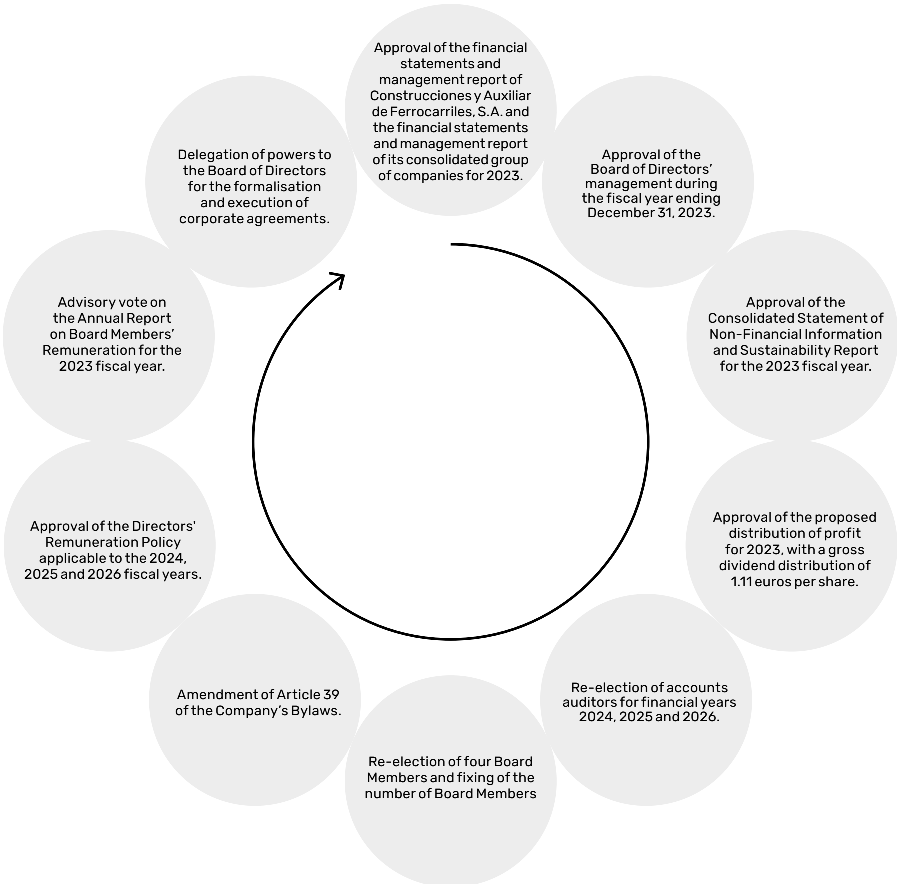
The Company also has two Committees of the Board of Directors: The Audit Committee and the Appointments and Remuneration Committee.

The Management Team is the link between the Board of Directors and the rest of the Company.

2.5.3.1 GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting represents all the Company's shareholders and is the highest decision-making body for the matters that fall within its scope.

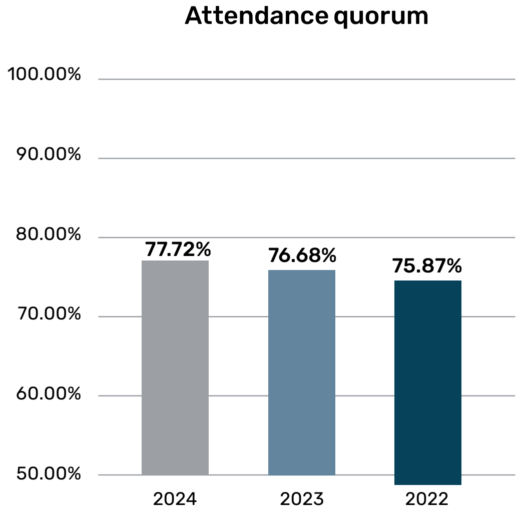
On 15 June 2024, the Company held its Ordinary General Shareholders' Meeting, enabling both physical and remote attendance. The following topics were discussed:

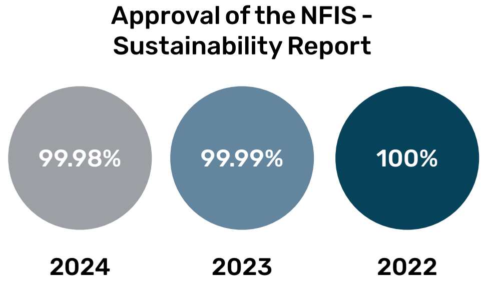


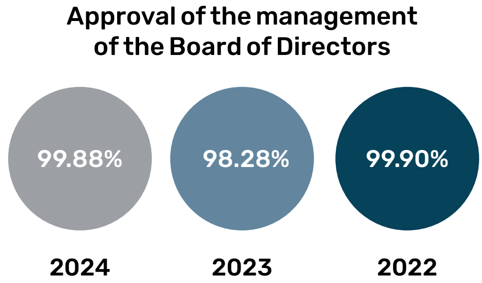
The Statement of Non-Financial Information - Group Sustainability Report was submitted to the General Meeting for approval as a separate agenda item.

All resolutions proposed by the Board of Directors were approved by sufficient majorities, with an average of more than 94% voting in favour.

Some noteworthy indicators from the 2024 General Shareholders' Meeting







2.5.3.2 THE BOARD OF DIRECTORS AND ITS COMMITTEES [2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 405-1] [GOV-1_08, GOV-1_09, GOV-1_10, GOV-1_11, GOV-1_12, GOV-1_13, GOV-1_14, GOV-1_15, GOV-1_16, GOV-1_17, G1. GOV-1_01, G1.GOV-1_02, S1-9_06]

The Board of Directors

Except for matters that fall within the scope of the General Shareholders' Meeting, the Board of Directors is the competent body for adopting resolutions on all kinds of matters pertaining to the corporate purpose.

The Board acts as the decision-making centre at a strategic level and therefore focuses its activity on providing general guidance and supervision, establishing general strategies and controlling the ordinary management delegated to the Management Team, notwithstanding the powers attributed to it by Law which cannot be delegated.

In accordance with best practices in corporate governance, the positions of CEO and Chairman of the Board of Directors are separated.

The CEO of the Company has been granted all the powers that correspond to the Board, according to the Law and the corporate bylaws, with the sole exception of those that cannot be delegated in accordance with the Law.

CAF has a Diversity and Board Member Selection Policy, which has been updated, as indicated above, in the reported financial year. This Policy, of a specific and verifiable nature, aims to ensure that proposals for the appointment and re-election of directors are based on a prior analysis of the skills required by the Board of Directors, as well as to promote equality and diversity in its composition, applying criteria that ensure the absence of implicit biases that may constitute discrimination based on age, sex, sexual orientation and identity, gender expression, disability or any other personal condition. Specifically, the Appointments and Remuneration Committee verifies compliance with this Policy annually through a specific report that is presented to the Board and which is additionally reported on in the Annual Corporate Governance Report, as provided for in Recommendation 14 of the CGG.

The changes in the composition of these bodies during the year evaluated have been the following:

- On 15 June 2024, the General Shareholders' Meeting resolved to re-elect Ms. Idoia Zenarrutzabeitia Beldarrain (Proprietary Director), Ms. Marta Baztarrica Lizarbe (Executive Director), Ms. Carmen Allo Pérez (Independent Director) and Mr. Manuel Domínguez de la Maza (Proprietary Director) for the statutory period of four years, as well as the setting of the number of Directors at eleven, following the resignation of a director whose term of office also expired on the day of the Meeting.

As a result, a vacancy was created on the Board, as well as on the Appointments and Remuneration Committee.

In the Report of the Board of Directors on the fixing of the number of directors, presented to the General Shareholders' Meeting, the Board stated its intention to fill the vacancy created on the Board with a new member with the category of independent, preferably female.

- At its meeting on 17 December 2024, the Board of Directors agreed to appoint Ms. Carmen Allo Pérez as a new member of the Appointments and Remuneration Committee, to fill the vacancy generated in this body.

The market was promptly informed of all the changes described above through the corresponding communications of other relevant information to the CNMV, and on the corporate website.

Accordingly, the composition of the Board of Directors of CAF, S.A. at the end of 2024 was as follows:

Mr. Javier Martínez Ojinaga
EXECUTIVE DIRECTOR
2015

Ms. Begoña Beltrán de Heredia Villa
INDEPENDENT DIRECTOR
2023

Ms. Carmen Allo Pérez
INDEPENDENT DIRECTOR
2016

Mr. Juan José Arrieta Sudupe
OTHER EXTERNAL DIRECTOR
2008

Ms. Idoia Zenarrutzabeitia Beldarrain
PROPRIETARY DIRECTOR
2020

1991
Mr. Andrés Arizkorreta García
CHAIRMAN

2016
Ms. Marta Baztarrica Lizarbe
EXECUTIVE DIRECTOR AND SECRETARY OF THE BOARD

2017
Mr. Julián Gracia Palacín
INDEPENDENT DIRECTOR

1992
Mr. Luis Miguel Arconada Echarri
OTHER EXTERNAL DIRECTOR

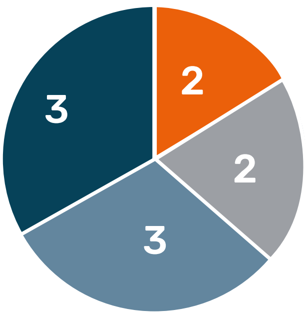
2020
Mr. Manuel Domínguez de la Maza
PROPRIETARY DIRECTOR

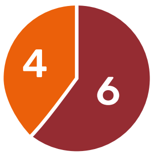
Therefore, at the date of publication of this report, the number of external or non-executive directors is 8, which constitutes an ample majority on the Board of Directors. Meanwhile, the number of executive directors, which stands at two, is considered to be the minimum necessary, taking into account the complexity of the group and the percentage of participation of these directors in the Company's capital. [GOV-1_01] The CAF Board of Directors comprises 10 members in total (2 executive, 2 proprietary, 3 'other external' and 3 independent), of whom 4 are women (1 executive, 1 Proprietary director and 2 independent), with no direct representation of employees or other workers on the Company's Board of Directors in accordance with the pertinent legislation in force concerning corporations. [GOV-1_03, GOV-1_02, GOV-1_07, S1-9_01, S1-9_02]

BOARD MEMBERS	NUMBER	PERCENTAGE (%)
Executives	**2**	**20%**
Non-executives	**8**	**80%**
Independent	3	30%[1]
Proprietary	2	20%[1]
Other External	3	30%[1]
Total	**10**	**100%**

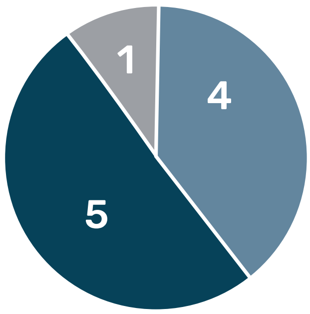
1. Percentage calculated on the total number of directors.

Composition of the Board of Directors





Seniority of members on the Board of Directors



[GOV-1_05]

The composition of the Board and its Committees is proportionate and diverse in terms of category, gender, knowledge and experience, complies with the requirements of the Company's internal regulations and contributes positively to the quality of the decision-making process and its ability to fulfil the functions assigned to them.

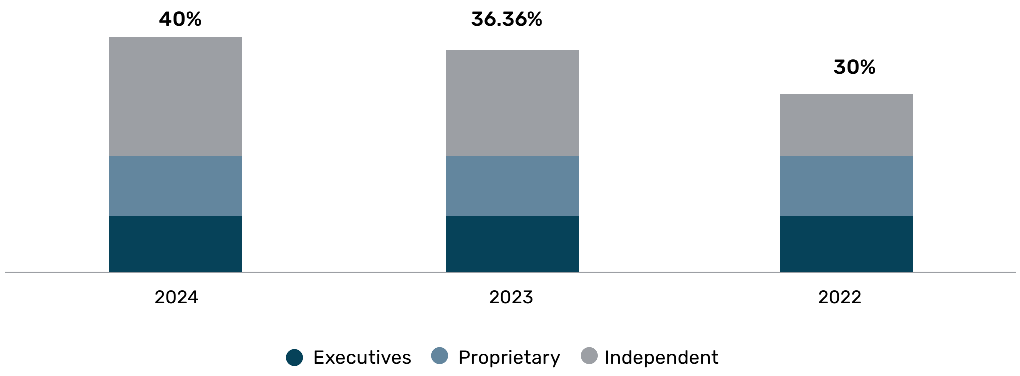
In particular, in line with the provisions of Recommendation 15 of the CGG the Board is balanced, with a large majority of non-executive directors and an adequate proportion of proprietary and independent directors.

The requirement of proportionality between shareholding and representation on the board of directors established in Recommendation 16 of the CGG is also met.

In relation to the recommended percentage of independent directors, as a result of the vacancy created on the Board, the proportion of directors in this category fell to 30%. [GOV-1_05]. Therefore, at the end of the reported financial year, it remains slightly below the percentage recommended by Recommendation 17 of the CGG which promotes that the number of independent directors represents at least one third of the total number of directors in entities not considered to be large-cap companies. As indicated above, the Board of Directors has stated its intention to restore the previous balance in terms of the presence of independent members.

As regards gender diversity, CAF has for years been making a direct commitment to the presence of women on the Board, which has resulted in progress in this area. Specifically, at the end of the reported year, the number of female directors out of the total number of members of the Board reached 40%. This percentage of female directors is in line with the Recommendation 15 of the CGG, as well as with that incorporated in article 529 bis of the Capital Companies Act, in its latest version, which will be applicable to CAF as from 30 June 2027. [S1-9_01, S1-9_02]

The following chart shows the evolution of the presence of women on CAF's Board of Directors in recent years [GOV-1_06]:



With regard to their profile, Directors have a varied educational background, with degrees and postgraduate training in disciplines such as, yet not restricted to, Economic and Business Sciences, Industrial Engineering, Exact Sciences and Law. They also have, as a whole, professional experience related to the Company's sectors, products and geographic locations, enriched with skills that are relevant to CAF's future strategy, in line with the objectives of diversity of training and professional experience included in the Diversity and Board Member Selection Policy. [GOV-1_04]

CAF permanently posts updated information on the personal and professional profiles of the members of the Board of Directors on its corporate website, including other activities and positions on other boards of directors, the category of directors to which they belong, and all other information stipulated in Recommendation 18 of the CGG. It is also reported on in the ARCG.

No member of the Board of Directors has held comparable positions in public administration in the two years prior to their appointment, in the current reporting period. [G1-5_11]

Directors may obtain the necessary advice to fulfil their duties, including, if circumstances so require, external advice on specific matters. This is set out in article 21 of the Rules of the Board of Directors available on the company's website.

Prior to the meetings, the documentation necessary for the preparation of the items on the agenda and the presentations to be made at the meetings is circulated among the Board members.

In the ordinary meetings of the Board, space is reserved for updating topics related to the evolution of the business that are considered of interest to the directors.

Additionally, senior executives are frequently invited to these meetings, which favours access to the necessary information and continuous training in the Company's business areas.

Furthermore, within the framework of the training programme, the members of the Board have attended, during the reported year, training sessions on various subjects relevant to the Company and, in particular, on sustainability, prevention of occupational risks and quality.

Remuneration of directors [2-19, 2-20], [GOV-3_01, E1.GOV-3_01, E1.GOV-3_02]

The CAF Directors' Remuneration Policy, applicable to financial years 2024, 2025 and 2026, was approved by the General Shareholders' Meeting on 15 June 2024 and is available on the corporate website.

The most significant changes in the current policy, as compared to the policy applied by the Company in recent years, are the further development of the characteristics of the variable remuneration system, both in the short and long term, and the inclusion of the possibility of remunerating executive directors through shares, stock options or remuneration indexed to share value. These new developments, together with a more rigorous analysis of comparable companies and greater interaction with shareholders, institutional investors and proxy advisors, reflect CAF's efforts to align policy with performance expectations and strengthen investor confidence.

The remuneration system for Board Members is based on the fundamental principle of attracting and retaining the best professionals, rewarding them based on their level of responsibility and their professional career, based on internal equity and external competitiveness. Likewise, CAF conceives the compensation scheme of its directors and managers as a fundamental factor in contributing to the business strategy and to the interests, sustainability and creation of long-term value of the Company.

The Policy establishes a remuneration system for directors (i) for their status as such and (ii) for executive functions.

The members of the Board of Directors are remunerated in their capacity as such in one or more of the following ways:

- A fixed allowance for membership of the Board of Directors;
- A fixed allocation for membership on committees;
- Allowances for attendance at meetings held by the Board of Directors or its committees; and
- A fixed allowance for the performance of other duties or responsibilities.

In addition to the items contemplated in the preceding paragraph, executive directors may receive remuneration consisting of one or more of the following items:

- A fixed annual remuneration;
- Variable remuneration, both short and long term, with indicators or parameters linked to their performance and that of the Company or its group;
- An assistance benefit consisting of life insurance;
- A long-term defined contribution savings system;
- Indemnities for termination, provided that it was not due to a breach of the duties of a director;
- And indemnities for the assumption of post-contractual exclusivity and non-competition obligations.

The annual variable remuneration is linked to the achievement of specific, ambitious but realistic economic-financial objectives and non-financial objectives that faithfully reflect the expectations of the Company. It should be noted that although the accrual period for the annual variable remuneration is one financial year, it contributes to the achievement of the Company's results and sustainable performance, both in the short and long term, given that (i) the achievement of the objectives on which it is based is expected to have an impact on the Group's performance both in the short term (as is the case with parameters such as the level of cash flow or sales) and in the long term (as is the case with parameters such as the level of contracting and sustainability indicators), and (ii) given the nature of CAF's business, achieving the objective in relation to several of the parameters, such as the level of contracts or customer satisfaction, is the result of the prior dedication of resources and efforts over a significantly longer period of time.

The economic-financial objectives of the short-term variable remuneration will have a weight of at least 80% of the total incentive and must be specific, quantifiable and aligned with the social interest and with the strategic objectives of the Company. Some examples of economic-financial parameters that could be included are the achievement of a certain level of contracts, sales, gross operating profit or cash flow. Furthermore, subject to the approval of the General Meeting, parameters referenced to the value of the shares may be included.

Non-financial objectives will have a maximum weight of 20% of the total short-term incentive and will promote sustainability and the creation of long-term value for the Company. Some examples of non-financial parameters that could be included are the level of customer satisfaction, the organisational health index, the result of the Ecovadis sustainability assessment, the reduction of CO_2 emissions or other ESG parameters and indicators that promote sustainability. Likewise, minimum objectives will be set for each of the parameters that are determined, below which the short-term variable remuneration associated with the parameter in question will not be accrued. [GOV-3_02, GOV-3_03, GOV-3_04, GOV-3_05]

At the beginning of each financial year, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, will determine the maximum amount that the annual variable remuneration may amount to, the parameters on which it is based, its weighting, the inclusion, where appropriate, of key parameters and the objectives to be achieved in relation to each parameter. Once the financial year has ended, it is the responsibility of the Board of Directors, following a proposal from the Appointments and Remuneration Committee, to assess the degree of compliance with the aforementioned objectives and determine the annual variable remuneration accrued. [GOV-3_02, GOV-3_04, GOV-3_06]

The Annual Directors' Remuneration Report (ADRR) for 2024, published both on the corporate website and on the CNMV website, provides additional information on the metrics, weightings, targets to be met and other considerations regarding the variable remuneration of directors, both in the short and long term. [GOV-3_03, GOV-3_04]

In addition, CAF has approved a Long-Term Incentive Plan for the period from 1 January 2023 to 31 December 2026, covering the entire cycle of the Strategic Plan and the duration of the Remuneration Policy. [GOV-3_04]

The fulfilment of the long-term incentive plan will be measured based on an economic-financial metric (aggregate EBIT operating profit for the period 2023-2026) and a non-financial metric (reduction of CO_2 emissions (Scope 3) at the end of financial year 2026), with a weighting of 85% and 15%, respectively, of the total incentive. [GOV-3_03, GOV-3_04, GOV-3_05]

For the aggregate EBIT Operating Profit metric, a target has been set that is in line with the aspirations of the Strategic Plan, and which is demanding and challenging for the management team. [GOV-3_04]

For its part, the metric for the Reduction of CO_2 Emissions (Scope 3) has been introduced in response to suggestions received from the main proxy advisors to incorporate non-financial parameters into the long-term incentive plan. Of the possible non-financial metrics, the one chosen is considered to be especially relevant as it constitutes one of the main sustainability objectives established in the Strategic Plan and responds to the important decarbonisation commitments assumed by the Company towards its stakeholders. [GOV-3_02, GOV-3_04]

The objectives associated with each metric and the conditions for their accrual are detailed in section 3.2.2. of the Directors' Remuneration Policy.

It is planned that the payment of the variable components will be deferred over time to allow the Board of Directors to adequately measure the degree of achievement of the objectives and assess whether any circumstances arise that make it advisable to reduce (malus) the variable remuneration to be received by executive directors, such as serious breaches of their obligations, the introduction of qualifications in the auditor's report or the need to reformulate the Company's financial statements. The Company may also claim clawback of any variable remuneration paid on the basis of inaccurate data. Therefore, the Company considers that exposure to excessive risk is reduced and that the remuneration mix shows a balance between fixed and variable components and serves the Company's long-term objectives, values and interests.

The Board of Directors is responsible for the individual determination of the remuneration of each director, within the framework of the Directors' Remuneration Policy, based on the corresponding proposal of the Appointments and Remuneration Committee.

In addition, the Appointments and Remuneration Committee has important functions in the design of the Company's remuneration policies assigned to it in its specific Regulations, which can be consulted on the corporate website. Thus, in accordance with sections 14 and 15 of article 3 of the Regulations of the Committee, the Committee is responsible for proposing to the Board the remuneration policy for directors and general managers or those who perform senior management duties under the direct supervision of the Board, managing directors, as well as the individual remuneration and other contractual conditions of executive directors, ensuring compliance with them. The Committee is also responsible for periodically reviewing the remuneration policy applied to Directors and senior management and for ensuring that their individual remuneration is proportionate to that paid to other Directors and senior management of the Company.

In preparing its proposals, the Appointments and Remuneration Committee engages in a process of direct dialogue with major shareholders and institutional investors and the main providers of voting advisory services, in order to obtain prior opinions and align the proposals with the points of interest expressed, prior to their approval.

In the performance of its functions, the Committee is advised by external consultants specialising in technical or particularly relevant matters (article 15, section 2 of its Regulations). The Committee is responsible for ensuring that the independence of external advice provided to the Committee is not affected by conflicts of interest (Committee Regulations, Article 3, paragraph 18).

It is up to the shareholders gathered at the General Meeting to approve the Directors' Remuneration Policy. Likewise, the ADRR is submitted annually to the consultative vote of the General Shareholders' Meeting, and this Report is also part of the Management Report that the Company draws up annually.

The 2023 ADRR, submitted to an advisory vote at the Ordinary General Shareholders' Meeting held on 15 June 2024, was approved by a majority of 91.10% of the votes of the shareholders present or represented.

In turn, the Directors' Remuneration Policy submitted for approval to the aforementioned General Shareholders' Meeting was approved with more than 97% of the votes in favour.

This Policy came into force upon its approval by the aforementioned Meeting and will also be applicable during financial years 2025 and 2026, except for any modifications, adaptations or updates that may be approved at all times by the Company's General Shareholders' Meeting. [GOV-3_06]

The CAF's 2024 ADRR breaks down all the information on the application of the Remuneration Policy during the reported financial year, as well as on the defined metrics and weightings, the accrual of incentives, and other relevant information on the Company in terms of remuneration.

Assessment of the performance of the Board of Directors and its Committees [GRI 2-18]

The Board of Directors, based on the reports prepared by its Committees, carries out an annual evaluation of the quality and efficiency of the operation of the Board itself and its Committees.

The evaluation process allows for the annual assessment of compliance with legal requirements, guidelines and best practices in Corporate Governance, as well as the Internal Regulatory System relating to the operation of the bodies examined and for monitoring the action plans established for each year. The results of these assessments lead to the definition of new improvement initiatives to help the Board and its Committees design and comply with the Corporate Governance System.

The assessment process for financial year 2024 has been completed with satisfactory results. Information on this process is included in section C.1.17 of the ACGR.

The Board has set new specific action plans aimed at continuing, in 2025, the drive for continuous improvement in the area of Good Corporate Governance.

2.5.3.3 COMMITTEES OF THE BOARD OF DIRECTORS

[GRI 2-9, 2-12, 2-13] [GOV-1_08, GOV-1_09, GOV-1_10, GOV-1_11, GOV-1_12, GOV-1_13, GOV-1_14, GOV-1_15, GOV-1_16, GOV-1_17, G1.GOV-1_02, G1.GOV-1_02]

For its better functioning, the Board has two committees: The Audit Committee and the Appointments and Remuneration Committee.

Both are made up of three members, two of whom are independent.

The Activity Reports of the Committees give an account, among other aspects, of the tasks carried out by each Committe during the year, the agenda of the meetings held during that period and the attendees at those meetings. In compliance with Recommendation 6 of the CGG, both reports are published on the Company's website sufficiently in advance of the General Shareholders' Meeting.

Areas supervised by the Board Committees on Internal Control, Corporate Governance and Sustainability

BOARD OF DIRECTORS						
Audit Committee					Appointments and Remuneration Committee	
Financial Information and Non-Financial Information	Tax	Risks	Compliance	Cybersecurity	Corporate Governance	Sustainability

AUDIT COMMITTEE. Breakdown

POSITION	NAME	TYPE OF BOARD MEMBER
CHAIRWOMAN	Ms. Begoña Beltrán de Heredia Villa	Independent
MEMBERS	Ms. Carmen Allo Pérez	Independent
	Mr. Juan José Arrieta Sudupe	Other External

Rules of operation and composition

The Audit Committee is essentially regulated under article 37 bis of CAF's bylaws. This regulation is further implemented in the Rules of the Board of Directors and, especially, in its own Regulations, which specify the most relevant aspects, including, yet not restricted to: its nature, composition, functions and scope, operating rules, powers and relations with third parties.

In particular, in relation to internal control systems, the powers of the Committee include the supervision and assessment of the control and management systems for financial and non-financial risks relating to the Company and, where appropriate, to the group, including operational, technological, which include those related to cybersecurity and artificial intelligence, legal, sustainability, political, reputational risks or risks related to corruption, in addition to supervising the Company's internal risk control and management system, in general.[GOV-1_09]

As indicated above, the Audit Committee Regulations were updated in December 2024, following the publication of CNMV Technical Guide 1/2024 on Audit Committees, in order to incorporate the following main modifications:

- Adaptation of terminology to the CSRD Directive and to said Technical Guide, and inclusion of other adjustments in accordance with the new recommendations contained therein.
- Incorporation of the figure of the verifier of sustainability information, as well as its regime, comparable to the one

applicable the accounts auditor, taking into account the Technical Guide, as well as the foreseeable amendment of article 529 quaterdecies of the Capital Companies Act as a result of the Draft Act on Corporate Information on Sustainability.

- Updating the functions of monitoring the effectiveness of internal control, review of information and supervising risks, expressly incorporating non-financial information into the scope of these functions.
- Establishment of the necessary collaboration between the Audit Committee and the Appointments and Remuneration Committee, particularly in matters of Sustainability.

As provided for in article 2 of its Regulations, the Committee is composed of three non-executive directors, two of whom have the status of independent directors, including its Chairwoman. As a whole, the members of the Committee have knowledge and experience in accounting, auditing and financial and non-financial risk management, including sustainability, as well as relevant technical knowledge in relation to the Company's sector of activity.

The Secretary of this Committee is the same as the Secretary of the Board of Directors.

The composition of the Committee is diverse in terms of age, gender, professional experience, personal skills and industry knowledge.

Function monitoring

The Audit Committee met on 7 occasions during the reported year. It has covered all the functions attributed to it in auditing, internal audit, financial and non-financial reporting, internal control and risk management systems, supervision of internal codes of conduct and the Internal Reporting System, corporate transactions and related-party transactions.

In the exercise of these powers, the Head of Internal Audit has periodically reported to the Committee during financial year 2024 on the degree of compliance and adequacy of the Group's internal control, the review of published information, the tracking of the main financial and tax risks, and the conclusions of the audit work according to its annual plan of activities.

In turn, the Compliance Function has reported to the Committee on compliance with internal codes of conduct and the Internal Reporting System (whistleblowing channels), as well as the associated internal control systems.

With regard to Risk Management, the Committee receives a half-yearly report from the Risk Function on the main risks (financial and non-financial) of the Company in order to supervise its control and management systems. Of such management has given an account to the Board of Directors, which is ultimately responsible for the General Risk Control and Management Policy.

The Head of the Tax Function has reported to the Audit Committee on tax-related activities in the year under review.

The Committee has also been briefed on the implementation of the General Policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. It has also overseen the communication strategy and relations with shareholders and investors, including small and medium-sized shareholders, through the annual report provided by the Shareholders and investors office. In turn, the Head of Cybersecurity Function reported on the activities carried out by such Function in 2024.

The main actions carried out by the Committee in financial year 2024 are detailed in section C.2.1 of the ACGR.

APPOINTMENTS AND REMUNERATION COMMITTEE. Breakdown

POSITION	NAME	TYPE OF BOARD MEMBER
CHAIRMAN	Mr. Julián Gracia Palacín	Independent
MEMBERS	Mr. Luis Miguel Arconada Echarri	Other External
	Ms. Carmen Allo Pérez	Independent

Rules of operation and composition

As in the case of the Audit Committee, the legal regime of the Appointments and Remuneration Committee is contained in the Corporate Bylaws, in the Board of Directors Regulations and in its specific Regulations. Specifically, Article 37 of the Corporate Bylaws refers to the composition and functions of the Committee. The Regulations of the Board also lay down certain rules on its composition and functioning. Finally, the Committee's Regulations regulate in greater detail critical aspects of this Committee, such as its powers, operating rules and relations with other bodies of the Company.

The Regulations of the Appointments and Remuneration Committee have been amended by the Board of Directors at its meeting held on 17 December 2024, to include the following main modifications:

- To incorporate as a role of the Committee the function that the procedures for the selection of Board Members favour equality between women and men, diversity and do not suffer from implicit bias, in order to reinforce the Company's commitment to this in this area, in line with the provisions of article 529a of the Capital Companies Act, as amended by the Organic Law on parity representation; and
- To establish the necessary collaboration between the Audit Committee and the Appointments and Remuneration Committee, particularly in matters of Sustainability.

As provided for in article 4 of its Regulations, the Committee is composed of three non-executive directors. Its size favours the efficient functioning of the body, the participation of all its members and agility in decision-making. Two of its members have the status of independent directors, including its Chairman.

The Secretary of this Committee is the same as the Secretary of the Board of Directors.
The composition of the Committee is diverse in terms of age, gender, professional experience, personal skills and industry knowledge.

As indicated in previous sections, the Board of Directors, at its meeting on 17 December 2024, approved the nomination of Ms. Carmen Allo Pérez as a new member of the Appointments and Remuneration Committee, with the category of independent, in order to re-establish its composition, in accordance with the provisions of article 529 quindecies, section 1, of the Capital Companies Act and article 4.1 of its Regulations.

Function monitoring [GOV-1_09]

The Appointments and Remuneration Committee met five times in 2024, and when deemed appropriate, it has required the presence of the CEO and senior management personnel. The main issues addressed and analysed by the Committee during the year, and which have made up its main areas of supervision, have been those of Corporate Governance, in particular those affecting the composition of the Board and its evaluation, the Sustainability Policy and practices, and the remuneration of Board Members and members of senior management.

As regards sustainability issues, the Committee has received the report from the Head of the Sustainability Function on the main activities carried out in this area in 2024, as well as on the Sustainability Management Plan. After its analysis, the Committee concluded that both the activities and the results obtained in the assesed financial year show positive levels of progress and achievement and confirm that the Sustainability Policy is being properly implemented. Equally noteworthy is the submission by the Committee to the Board of Directors of the proposal to modify the Corporate Sustainability Policy, in order to adapt it to the latest regulatory requirements in this area. With regard to the supervision and evaluation of CAF's Corporate Governance System and rules, the corresponding report has also been issued. In this report the Committee has positively assessed the adequacy of the Corporate Governance System to the social interest and to the satisfaction of the legitimate interests of CAF's stakeholders, in line with the strategy set. Additionally, it has confirmed effective compliance with the rules of Corporate Governance, without prejudice to which the Commission will continue to monitor the new regulatory guidelines and good governance recommendations, and will promote the necessary adaptations of the Corporate Governance System.

In addition, the Committee has verified compliance with the Diversity and Board Member Selection Policy in 2024, issuing the corresponding supervisory report, which confirms the proper application of the Policy in the re-election processes of the directors, as agreed by the Ordinary General Meeting of Shareholders. held on 15 June, concluding that the policy had been satisfactorily complied with the provisions both in relation to the the selection process, as well as with regard to the conditions to be met by the candidates in terms of good repute, solvency, competence, experience, training, qualifications, dedication and commitment to the function of Director.

The main actions carried out by the Committee in financial year 2024 are detailed in section C.2.1 of the ACGR.

2.5.4 SUSTAINABILITY OVERSIGHT BY THE BOARD OF DIRECTORS

[2-12, 2-16, 2-17, 2-26]

Supervision of Sustainability by the Board of Directors.

According to the Sustainability Policy, updated by the Board of Directors on 17 December 2024, our main objective is to conciliate the development of our Mission with the balanced satisfaction of the needs and expectations of stakeholders to create value in a sustainable and long-term manner.

This has been formalised through public agreements and adherence to external initiatives, gradually leading to better results and increasing transparency.

CAF's sustainability governance is structured through the following levels:

- The Board of Directors is the highest governing body with responsibilities in the area of Sustainability. It sets the foundations for the Group's internal governance and defines the strategic objectives in this area.

In particular, it is responsible for:

- The approval, review and monitoring of this Policy.
- Approval of the Sustainability Report.
- The attribution of specific powers of direct supervision in matters of Sustainability to the Appointments and Remuneration Committee and the Audit Committee, in the terms indicated below.

- Reporting to the Board of Directors, corresponds to the Appointments and Remuneration Committee:
  - Evaluating and periodically reviewing the Policy in order to ensure that it fulfils its mission of promoting the social interest.
  - Overseeing that the Company's environmental and social practices are in line with the strategy and policy set; and
  - Supervising and evaluating the engagement processes with the different stakeholders.

The Audit Committee, for its part, is entrusted with the following functions:

- Overseeing the process of preparation, presentation and integrity of non-financial information, including Sustainability information.
- Ensuring the correct functioning of the Non-Financial Information Internal Control System, which includes Sustainability information.
- Supervising the control and risk management systems associated with Sustainability.

- Under the supervision of the Board of Directors, assisted by its Committees, the Strategic Sustainability Committee, led by the CEO, ensures compliance with, deployment and monitoring of Sustainability principles and objectives, as well as the approval of decisions in this area, in line with the Strategic Plan and the Sustainability Policy.

The supervisory exercise by the Board of Directors is articulated through the reports presented by the Heads of the different Functions, either directly or through one of its Committees, within the framework of their respective powers.

Regarding risk and opportunity management, CAF has an integrated risk control and management system. This system includes the necessary instruments to ensure the identification, assessment and tracking of risks of any nature, including non-financial ones, establishing adequate due diligence mechanisms with a projection over the CAF Group, in order to adopt measures for the prevention, mitigation and, where appropriate, reparation of adverse impacts, particularly in the areas of Human Rights and Environment. [GOV-1_09]

Moreover, CAF conducts a double materiality assessment, specifically in the area of Sustainability, to identify, assess and monitor material impacts, risks and opportunities. [GOV-1_09]

As established in its Risk Control and Management Policy, CAF integrates the vision of risk and opportunity in its management, ensuring a clear separation of functions between those who take risks and opportunities and those who supervise them. CAF also promotes effective measures to mitigate them, reports transparently to regulators and external agents, and updates its Corporate Governance standards to ensure legal compliance. [GOV-1_09]

For more information on Sustainability Governance, refer to section 4.3 of this report.
[GOV-2_01, GOV-2_02, GOV-2_03]

Communication of Critical Concerns

The Internal Audit, Compliance, Risk, Sustainability, Cybersecurity and Corporate Governance Functions are competent to communicate critical concerns to the highest governing body or its committees, within the framework of their individual reports. In the respective report for each of the Functions, the most relevant aspects of their respective areas and competences have been prioritised, and no critical concerns have been communicated.

On the other hand, CAF has a computerised Internal Reporting System open to all its stakeholders and to any third party, allowing at all times employees and other persons related to the Company, such as members of the board of directors, shareholders, financial investors, customers, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the Company that they become aware of within any company of the Group.

For further details on the number of communications received through this channel and their nature, see section 7.2 of this Report.

2.6 VALUE CREATION AND STAKEHOLDERS [2-29], [SBM-2]

CAF's Strategic Framework is structured around two pillars: the business strategy, which establishes which products, markets, customers and technologies to address; and the management strategy, which defines how the business strategy is to be carried out (company governance; policies, procedures, management committees, processes, etc.). The combination of both strategies results in creating value, in the form of Results. For CAF, creating value means satisfying the needs and expectations of its Stakeholders.

Specifically, and in the case of Shareholders, CAF seeks to create value through the positive trend of Earnings per Share, an adequate distribution of this, and constant communication with the market that ultimately contributes to shareholder return.

	2024	2023	2022	2021	OUTLOOK
Earnings per share (€)	3.02	2.6	1.52	2.51	Upward progression
Dividend per share (€)	1.34[1]	1.11	0.86	1.00	Upward progression in line with results
Dividend yield	3.9%	3.8%	3.0%	2.7%	-
Pay-out ratio (Dividends/EPS)	44%	43%	56%	40%	–

1 Proposal subject to approval at the General Shareholders' Meeting.

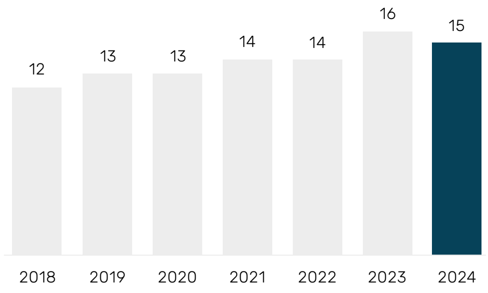
Earnings per share continued to grow in 2024, driven especially by a bus business with highly recovered margins and in a less turbulent external context than in previous years. Accordingly, earnings per share of 3.02 euros were recorded in financial year 2024, and the dividend per share that the Board of Directors is proposing to the General Shareholders' Meeting is 1.34 euros per share (44% payout), boosting shareholder remuneration.

CAF maintains fluid and continuous communication with the market through numerous channels, and makes available to shareholders general information regarding share and dividend performance, communications of relevant events for the business (contract awards, corporate operations, strategic milestones), economic-financial information, documentation related to the Shareholders' Meeting, as well as diverse documentation on Corporate Governance.

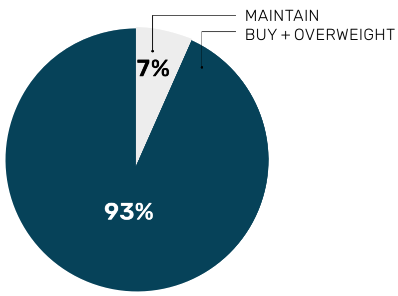
At the end of 2024, 15 financial analysts maintain active coverage on CAF, following the cancellation of coverage by Mirabaud Securities due to the closure of its branch in Spain. Financial analysts issue independent reports on the value of CAF on a recurring basis, based on close monitoring of business performance and published results. At the end of 2024, 93% of analysts recommend buying/overweighting CAF shares, with a potential of more than 30%[8].

8 Source: FactSet, 3 February 2025.

NO. OF ANALYSTS WITH STABLE CAF COVERAGE



ANALYSTS' RECOMMENDATION AS AT 31 DECEMBER 2024



ANALYSTS WITH STABLE CAF COVERAGE AT 31 DECEMBER 2024

Stakeholders, formally identified for the first time in the definition of the Code of Conduct in 2011, are at the centre of CAF's strategy, and the Sustainability Policy, updated this year, confirms their validity and defines the commitments made to each of them: Shareholders, customers, employees, suppliers and society [SBM-2_02].

SHAREHOLDERS
EMPLOYEES
SOCIETY
SUPPLIERS
CUSTOMERS

CAF is committed to generating value for its shareholders and investors, guaranteeing safe and sustainable transport systems for its clients, promoting the professional development, safety and equality of its employees and the value chain, fostering a responsible supply chain and contributing to the development of the communities where it operates. [SBM-2_03]

Accordingly, we make the following commitments to each Stakeholder [SBM-2_05]:

Commitment to Shareholders and Investors

CAF is committed to generating value for shareholders and investors through the return on invested capital in order to compensate the risk assumed by them. Similarly, CAF is firmly committed to ensuring the participation of these shareholders and investors in the decisions that affect them, and to treating them equally, guaranteeing that they receive the same information and are able to exercise their rights, avoiding any situation of privilege or advantage, within the framework of the Company's corporate interest.

Commitment to Customers

CAF is committed to satisfying the needs and expectations of its customers by offering integral transport systems of high quality, safety, reliability and availability and responding to the new social needs of sustainable mobility.

Commitment to Employees

CAF undertakes to promote the professional development of its employees and to use the necessary means to eliminate or reduce occupational risks by promoting a culture of prevention among all the people who work at CAF. The Group also undertakes to respect diversity, the right to equal treatment and opportunities in access, training, promotion and working conditions, as well as the integration of people with disabilities. The development of these commitments is reflected in the People Policy available on our website.

Commitment to Suppliers

CAF is committed to developing a sustainable supply chain and a responsible purchasing model, defining a general framework for action shared with suppliers; requiring that they comply with the general principles of the Group's Code of Conduct in the way in which they are applicable to them in accordance with the provisions of the Corporate Supplier Code of Conduct and the Purchasing Policy, promoting aspects relating to Respect for Human Rights, Decent Working Conditions, Business

Ethics, the Environment, Health and Safety; and relying on reliable supplier organisations, to whom CAF's needs and expectations are conveyed in a structured manner.

Commitment to Society

CAF is committed to the socially and environmentally sustainable development of the communities in which it operates, by reducing the environmental impact of its operations and the products/services it offers and by promoting activities that contribute to economic development, the generation of knowledge, the promotion of education, social and cultural promotion and respect for economic, social and cultural rights.

These commitments are deployed at the level of ordinary management following the guidelines set out in the social responsibility guide under ISO 26000:2012 [SBM-2_04], through the Sustainability Governance Model described in section 4.3 and in accordance with CAF's Management and Sustainability System, which establishes specific policies, procedures, initiatives and objectives for each of the Stakeholders. This system includes the CAF Group's management strategy, which, together with the business strategy, complements the Group's overall strategic framework.

CAF's Communication Policy, initially approved by CAF's Board of Directors at its meeting on 28 October 2015 as the General Policy regarding Communication of Economic and Financial, Non-Financial and Corporate Information, and contacts with Shareholders, Institutional Investors and Proxy Advisors, and last modified on 17 December 2020, develops CAF's commitment to participation and dialogue with stakeholders and specifies the responsible communication practices that constitute a principle included in the Sustainability Policy.

Likewise, the Manual that develops this Policy aims to develop the basic corporate principles and criteria indicated in CAF's Communication Policy.

As described in the Sustainability Policy, our objective is to build a relationship of trust with our Stakeholders [SBM-2_05]. For this reason, we encourage continuous and effective communication with them through the following communication channels, with the aim of promoting their participation and involvement in CAF's objectives and in those areas in which their activities are affected.

STAKEHOLDERS	COMMUNICATION CHANNELS	
SHAREHOLDERS[9]	• Shareholders and Investors Services Office • Spanish National Securities Market Commission (CNMV) communications • General Shareholders' Meeting • Regular briefings	• CAF Website (www.cafmobility.com) • Internal Information System (Whistleblowing Channels) • Survey of shareholders, investors and financial analytics
CUSTOMERS	• Meetings with potential clients • Customer meetings on projects • Client Audits • Audits of the Quality and Safety Management System • CAF Website (www.cafmobility.com)	• Internal Information System (Whistleblowing Channels) • Customer Satisfaction Surveys • Online platforms • Industry trade fairs
EMPLOYEES	• CAF Portal • Internal communication channels • Direct communication • Union representation • Corporate magazine	• Internal Information System (Whistleblowing Channels) • CAF Website (www.cafmobility.com) • Organisational Health Survey
SUPPLIERS	• Supplier portal • CAF Website (www.cafmobility.com) • Specific supplier relationship platforms	• Supplier audits • Internal Information System (Whistleblowing Channels) • Supplier Satisfaction Surveys
SOCIETY	• CAF Website (www.cafmobility.com) • Direct relationship with public administrations • Participation in forums and associations	• Internal Information System (Whistleblowing Channels) • Non-Financial Information Statement / Sustainability Report • Society communication assessment survey

9 The information related to Shareholders is included in CAF's Annual Corporate Governance Report, available on the corporate website. Communication channel for both the institutional inverstor and the minority shareholder.

In addition to greater dissemination and quality of the information available to the market and the CAF Group's stakeholders, these channels are essential for understanding their concerns and interests in terms of sustainability, and also a key to defining CAF's strategy and actions in this area.

Specifically, in 2024, our Stakeholders have been particularly important in the process of drawing up the Sustainability Master Plan. The Double Materiality Assessment has been carried out following the regulations of the CSRD standard and the implementation guide published by EFRAG. Our internal key Company personnel (corporate functions and business lines) participated in its validation, as well as external organisations representing our shareholders, suppliers, customers and society. Through interviews and workshops, the Double Materiality criterion has been applied to assess the relevance of each topic. The prioritised issues have been those that significantly impacted both the company's performance and the expectations of stakeholders [SBM-2_07]. Consequently, and as the Double Materiality Assessment is the basis for the definition of the Sustainability Master Plan, both the Master Plan and the actions and initiatives defined in it are born to respond to the interests and concerns of our Stakeholders. [SBM-2_08]

For the assessment of stakeholder perception and to find out their concerns and expectations, the satisfaction and assessment of communication with them is measured and tracked on a regular basis. [SBM-2_06]

The results of this evaluation are reported to the Operational Sustainability Committee, which is responsible for monitoring and improving it and which in turn reports periodically to the Strategic Sustainability Committee. Every year, a report is also drawn up on the performance of the CAF Communication Policy, which is submitted directly to the Audit Committee, which in turn reports to the Board of Directors. This report includes a disclaimer regarding, among other things, the results of the communication satisfaction surveys group. [SBM-2_12]

The following table shows both the trend and the scope of the measurement:

Satisfaction of our Stakeholders

				2024		2023	
STAKEHOLDER TYPE	**MEASURE**	**OUTLOOK**	**TARGET (0 -10)**	**RESULT (0-10)**	**SCOPE (0-100%)**	**RESULT (0 -10)**	**SCOPE (0-100%)**
SHAREHOLDERS	% of votes in favour of the approval of the annual accounts and the management report (General Shareholders' Meeting)	Stability in results and scope	≥ 9.5	9.99	≥ 77% of the subscribed capital with voting rights	9.99	≥ 76% of the subscribed capital with voting rights
CUSTOMERS	Annual survey	Stability in results and scope	7.9	8.0	≥ 99% sales	7.9	≥ 84% sales
EMPLOYEES	Annual survey	Improved result Stability in scope	6.7	6.7	≥ 96% of the workforce	6.6	≥ 94% of the workforce
SUPPLIERS	Annual survey	Stability in results and scope	≥ 8.0	8.3	≥ 83% of purchases	8.4	≥ 81% of purchases
SOCIETY[10]	Biennial survey (2023)	Stability in results and scope	≥ 8.0	8.5	≥ 84% of the workforce	8.5	≥ 84% of the workforce

10 The Society Stakeholder for CAF Group is identified with the communities in which it operates with industrial and service activities, as well as the geographies where it delivers its products and services, considering both the economic and environmental impact. In addition, CAF Group promotes a positive impact with activities in collaboration with agents that contribute to economic development (public administrations, business associations, clusters, groups of companies, etc.), knowledge generation (innovation-oriented associations, knowledge centres, research and/or technological centres, etc.), promotion of education (educational entities or entities for the promotion of employment) and social and cultural promotion (public and/or private entities supporting social and/or cultural projects), in the regions in which it operates.

The overall assessment of stakeholder satisfaction in financial year 2024 has been positive, with the objectives set for 2024 having been met for each of the stakeholders and an increase in the scope of the Customers, Suppliers and Employees stakeholders (in Society, no measurement was made in 2024 as it is a biennial survey).

Our management model, personalised attention and continuous improvement, is allowing us to improve the satisfaction of our customers, and to make the whole delivery a recommendation for future activities, as demonstrated by the more than 225 projects or orders awarded in more than 60 countries in recent years, which translates into a record order book, and repeat business from our customers. It is worth noting that in 2024 the scope of the customer satisfaction survey has increased, with a coverage of 99% of CAF's total sales.

It is also worth mentioning that the established target of 6.7 has been reached in the People section and the scope of the survey has been extended, reaching 96% of the people who make up CAF. The outlook for the coming years is that the result will improve.

Similarly, in Suppliers, in addition to increasing the scope to 83% coverage of CAF purchases, the result remains above 8.0.

Assessment of communication to stakeholders

			2024		2023	
STAKEHOLDER TYPE	**MEASURE**	**OUTLOOK**	**RESULT (0 -10)**	**SCOPE (0-100%)**	**RESULT (0 - 10)**	**SCOPE (0-100%)**
SHAREHOLDERS	Annual and biennial survey	Stability in results and scope	7.8 1st consolidated measurement	≥ 85% of financial analysts with coverage (2023) ≥ 74% of shareholders and investors (year 2024)	7.1 1st measurement	≥ 85% of financial analysts with coverage
CUSTOMERS	Annual survey	Stability in results and scope	8.4	≥ 99% sales	8.0	≥ 84% sales
EMPLOYEES	Annual survey	Improved result Stability in scope	6.6	≥ 96% of the workforce	6.7	≥ 94% of the workforce
SUPPLIERS	Biennial survey	Stability in results and scope	7.9	≥ 83% of purchases	8.0	≥ 81% of purchases
SOCIETY[11]	Annual survey	Improved result Stability in scope	7.4	≥ 84% of the workforce	7.4	≥ 84% of the workforce

The general assessment of satisfaction with communication to stakeholders continues to be positive. In Customers, the result has been improved with a considerable increase in the scope. In Employees and Suppliers, the result remains at values very similar to 2023, having increased the scope of measurement in both.

On the other hand, with regard to the Shareholders stakeholder, it is worth noting that in 2024 a new criterion has been applied for the calculation of a consolidated assessment of CAF's communication with shareholders, investors and financial analysts, which includes the assessment obtained in three surveys: i/ Quick Event Feedback (annual), ii/ Shareholder and investor survey (every two years), and iii/ Survey of financial analysts (biennial).

The biennial surveys are carried out in alternate years, although they contribute annually to the calculation of the indicator with the latest available data. While the results of the surveys can be consolidated, the scope of each survey is independent, which is why the scope is indicated separately in the table.

In summary, we are not only improving the evolution of the indicator, but also working to increase the scope of measurement to the whole Group and all Stakeholders.

11 The criterion for measuring the scope in the Society Stakeholder is the number of employees of the Group's legal entity that has a relationship with the surveyed entity. The survey has become biennial and therefore there has been no measurement in 2024. In 2023, the survey was sent to 200 entities, compared to 86 in 2022. The Group's legal entities that have a relationship with these 200 entities represent 84% of the CAF Group's total workforce.

2.7 INNOVATION AND TECHNOLOGY: KEYS TO SUSTAINABLE MOBILITY

Over the last few decades, innovation has been fundamental to CAF's growth and has allowed us to offer products at the forefront of technology. We have developed crucial systems for our vehicles (electric traction, energy storage systems, electronic train control and diagnostic systems, signalling systems, etc.) and have expanded our offering with new products and services, making us global suppliers of sustainable transport systems.

Recognising that innovation lies in knowledge and the people behind it, at CAF we prioritising strengthening our internal capabilities for technological development.

2.7.1 INNOVATION IN PRODUCTS AND SERVICES

CAF prioritises constant innovation in its products and services, responding to the growing global demand for increased travel, the reduction of fossil fuels and the impact of climate change on the sustainability of transport. Innovation is thus one of the Group's four strategic axes in the Strategic Plan 2026, along with the business focus, operational efficiency and sustainability.

The CAF Group's innovation strategy is implemented annually through our Innovation Management Plan. This plan combines activities to develop and evolve our products and services, along with activities to generate knowledge and proprietary technology. These activities differentiate the CAF Group from its competitors, allowing it to offer high-value products in the field of sustainable mobility.

Currently, CAF's innovation activity is structured into four innovation programmes:

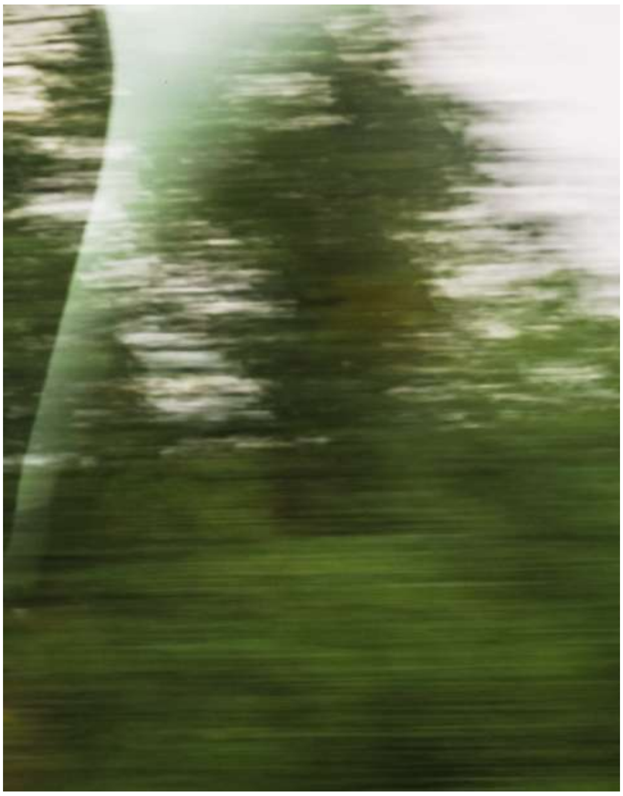
- Zero emissions: efforts to develop alternative propulsion systems to diesel, reduce fuel consumption and minimise emissions from our vehicles.
- Autonomous and automatic mobility: focussed on developing automated vehicles, increasing the safety and efficiency of transport systems.
- Digitalisation: encompassing various activities that optimise internal and external processes through digitalisation, including measures to guarantee cybersecurity in our products and services.
- Product portfolio extension: includes activities aimed at developing better and more competitive products and services for both the CAF Group's customers and passengers.

The following sections list some of the outstanding activities and lines of work in our plan that have an impact on sustainable mobility.

ZERO EMISSIONS

Within the framework of a coordinated strategy to reduce environmental impact, we have addressed different areas of work:

- Development of vehicles with propulsion systems based on batteries and hydrogen. These alternatives seek to replace hydrocarbon-based mobility, eliminating direct CO_2 emissions.
- Improvement in battery-based energy storage systems. Successive generations of batteries have shown notable advances in storage capacity, as well as in charging and discharging power. By way of example, the energy storage capacity per kilogram of a high-capacity battery tripled in less than 10 years.
- Advances in storage and refuelling protocols for hydrogen vehicles.
- Development of technologies to reduce the energy consumption of vehicles through improvements in the efficiency of components, such as power equipment based on new Silicon Carbide (SiC) transistors. This technology allows for a reduction in vehicle consumption of between 8% and 10%.
- Implementation of intelligent systems for energy management in vehicles, including advanced driver assistance systems (ADAS) and automatic driving systems. These systems allow for reductions in vehicle consumption of between 15% and 30%.



- Reducing fuel consumption by reducing drag and vehicle weight.
- Reduction of noise and vibrations both inside and outside vehicles, as well as minimisation of electromagnetic emissions.

In this area, we would highlight the contribution of European collaborative projects such as FP4-Rail4EARTH, FCH2RAIL, Train Léger innovant, STASHH, and AVOGADRO outlined in the following section.

Further information on the results of the Zero Emissions Programme can be found in section "5.3.3 Zero and low emission products".

AUTONOMOUS AND AUTOMATIC MOBILITY

Smart mobility brings benefits for operators and improves the safety and comfort of travellers. Progress towards autonomous and automatic vehicle operation is key to driving an increase in transportation capacity, improving energy efficiency and guaranteeing punctuality and fluidity in door-to-door movements.

In this sense, at the CAF Group we focus on various areas:

- Automatic protection systems for trains: ERTMS Baseline 3.
- Automatic train operation (ATO) systems based on ERTMS and on Class B signalling systems.
- Communications-Based Train Control System (CBTC).
- Advanced Driving Assistance Systems (ADAS).
- GoA4 autonomous driving on main line without passengers.
- Remote driving in depot.
- Advances in the interior and exterior perception of vehicles through computer vision and Artificial Intelligence.
- Safe positioning of vehicles without the need to install specific equipment on the road.
- Development of 5G communications and the Future Railway Mobile Communication System (FRMCS).
- Implementation of onboard systems for diagnosis and control capable of guaranteeing the safety of critical functions.

This programme has seen significant contributions from a number of collaborative projects, both European and national, FP1-MOTIONAL, FP2-R2DATO, and FP6-FutuRe, which are outlined in the following section.

CAF is leading the transformation of rail transport through the development of advanced technological solutions.

The Corporate Innovation Programme for Autonomous and Automatic Vehicles in urban and metropolitan areas notably includes the Alive project and the development of CBTC OPTIO technology. Both developments reaffirm our commitment to sustainability and energy efficiency in transport.

The Alive project seeks to develop a comprehensive solution for autonomous driving of CAF vehicles, optimising resources and improving operational flexibility in urban environments. In partnership with the Oslo public transport operator, Sporveien, CAF has adapted the SL18 trams, of which 87 units will be delivered to renew the local fleet, allowing functions such as remote driving and remote control in controlled environments to be validated. Alive powers centralised management that optimises time, energy and infrastructure usage. With these innovations, the project not only increases operational efficiency, but also improves customer experience, consolidating itself as a technological benchmark in the railway sector.

CAF-developed CBTC OPTIO takes metropolitan transport to the next level by combining CBTC technology with a focus on operational sustainability. Communications-Based Train Control (CBTC) is an advanced railway control system that allows for highly accurate management of train movements, improving the efficiency and safety of transport.

OPTIO improves the quality and frequency of urban transport by increasing the capacity to meet demands during periods of high density, optimising energy consumption in daily operations and ensuring maximum punctuality and reliability in safety-critical functions. In addition, its flexible and scalable design allows it to adapt to the specific needs of each city and operator, offering customised solutions for more efficient and profitable transportation.

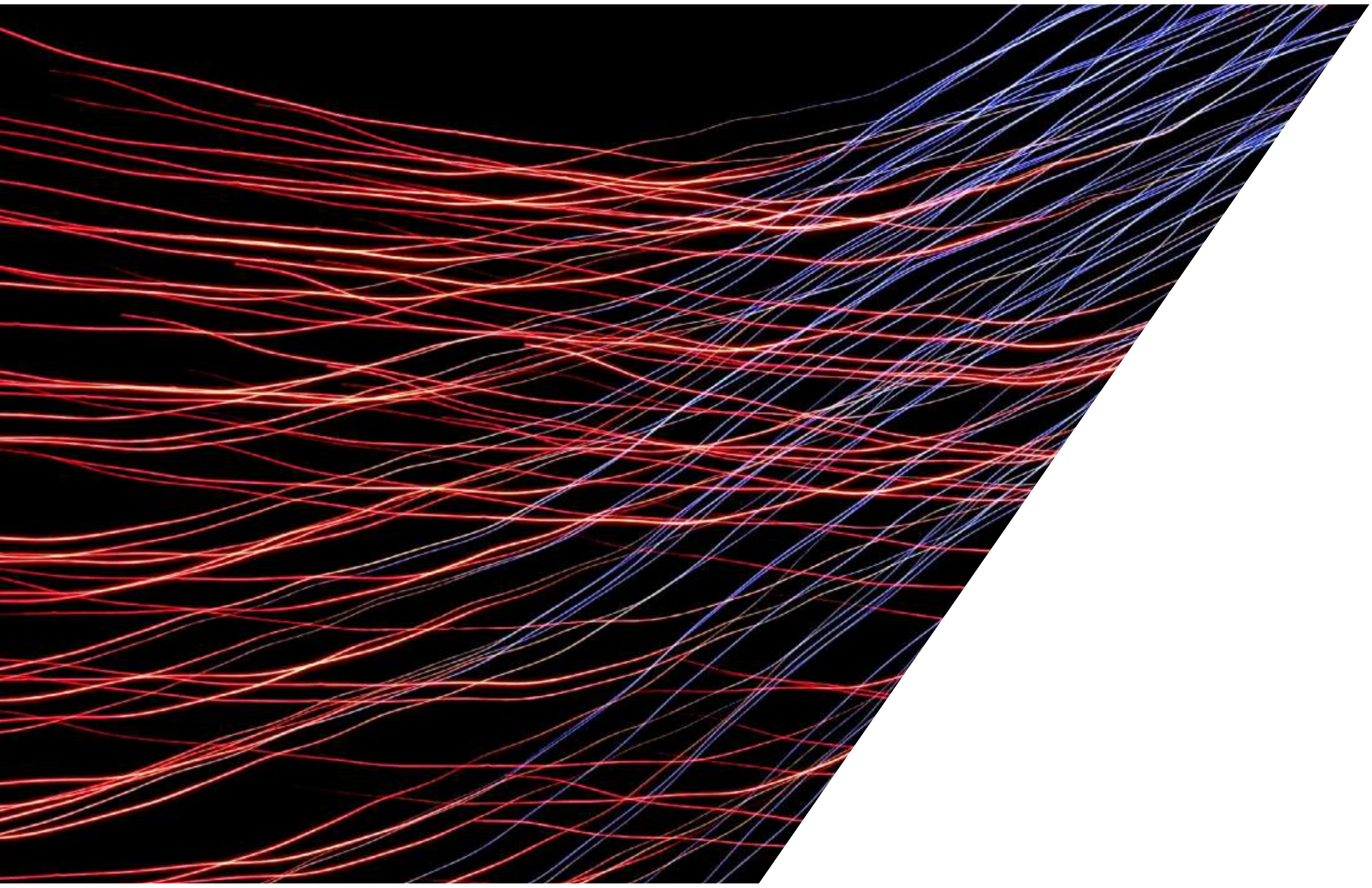
Advances in autonomous and automatic mobility are not limited to the urban environment, as demonstrated by the ATO Endurance and ATO Automatic Shunting projects, completed in 2024 after being jointly developed with NS (the public operator of passenger rail transport in the Netherlands) since 2023. ATO Endurance tested the Automatic Train Operation (ATO) GoA2 system, with automatic driving but with a driver in the cab, travelling along the Dutch railway network, regardless of the track protection system installed (ETCS/ATB). Furthermore, ATO Automatic Shunting validated remote operation of a train in manual (GoA1), automatic (GoA2) and autonomous (GoA4) modes in a mixed environment (depot and main track). The final demo included tasks such as coupling and uncoupling trains, changing cabs and autonomously detecting obstacles.

DIGITALISATION

At CAF we understand the enormous importance of the current digital transformation process that covers all areas of society. Therefore, we dedicate a considerable part of our innovation efforts to developing our rail and bus transport digitalisation vision. We are making progress in the following areas:

- Technology development to implement a complete data collection and transmission infrastructure throughout the transportation system, including sensorisation and communications aspects.
- Handling and analysing large volumes of information using Big Data techniques.
- Application of advanced data analysis techniques (Artificial Intelligence, Machine Learning, Deep Learning, etc.).
- Use of these technologies to create applications in key areas such as diagnosis, maintenance, energy consumption and operations.
- Development of real-time vehicle monitoring systems, both on-board (LeadMind Platform and eSConnect) and in infrastructure (Wayside LeadMind).
- Implementation of model-based systems engineering (MBSE) to support requirements, design, analysis and validation during all phases of the lifecycle.
- Creation of BIM (Building Information Modelling) models to centralise construction project information in a single digital information model.
- Cybersecurity.

This programme has been greatly helped by the contribution of European partner projects such as IAM4RAIL and TCRINI, which are described in the following section.



FEATURED INNOVATION PROJECTS IN PROGRESS OR COMPLETED IN 2024

CAF Group actively participates in the main R&D partnerships in the sector, enabling it to make a significant contribution to the integral evolution of mobility.

In November 2021, Europe's Rail (EU-Rail), the successor to Shift2Rail, was created as part of the Horizon Europe (2020-2027) programme. Its focus is on accelerating the research and development of innovative technologies and operational solutions to lead the transformation of the railway sector, driving the green and digital transition in Europe. This innovation programme takes the form of collaborative research and innovation projects (Flagship Projects - FP) involving various actors in the European railway sector, including infrastructure managers, operators, manufacturers, suppliers and technology centres, etc. CAF has a relevant participation in this programme as one of its founding members.

We moved forward on five collaborative projects during 2024 that started in 2023 and will continue until 2026. These projects are focused on technologies and on the design and validation of concepts that we will integrate into the vehicle prototypes in the final phase of EU-Rail. Starting in 2026, we will begin developing prototypes to validate the technologies in representative environments.

	FP1-MOTIONAL The MOTIONAL project is working on developing requirements, specifications and operational solutions for the future European Rail Traffic Management System. This project promotes the railway as the backbone of a sustainable transport system for passengers and goods. In 2024, we advanced in the development of the functionality of the regulator and the mixed planning tool, both by timetable and by frequency, improving efficiency in rail traffic management. In addition, we have worked on integrating the traffic management system with the automatic train driving system. We have also contributed to the development of high-level specifications for the project's demonstrators and use cases, ensuring that they meet the established objectives.
	FP2.R2DATO The R2DATO project aims to move towards the goal of complete train automation by 2030, taking advantage of digitalisation in order to optimise the use of infrastructure on existing rail networks. In 2024, we have made significant progress in the functional breakdown of the autonomous driving system, including the definition of functional and non-functional requirements based on use cases. In addition, we have developed the core system architectures, accompanied by a thorough security analysis for key functions. In parallel, we have worked on the design of the validation and certification process. As part of these efforts, we have implemented specific demonstrators of some technologies and use cases, highlighting the remote driving of the tram in Oslo, which exemplifies advances in technology and real-world applicability.
	FP3-IAM4RAIL IAM4RAIL focuses on developing innovative technologies that reduce costs, extend the service life and improve the efficiency of the railway system, covering infrastructure and rolling stock. In 2024, we have made progress in the development of vehicle monitoring systems and algorithms for predictive maintenance, as well as a support tool for decision-making in maintenance planning. Work has also been carried out on the definition and detailed planning of the demonstrators that will be implemented in the coming months, consolidating the foundations for their successful execution.

	FP4-RAIL4EARTH The Rail4EARTH project focuses on improving railway sustainability and contributing to the goals of a climate-neutral Europe by 2050. It advances technologies to increase energy efficiency and develops electric trains with batteries to replace current diesel fleets. We made further progress in the development of a traction chain and an efficient, long-range energy storage system for Battery Electric Multiple Units (*BEMU*), and secured laboratory validation in 2024. In addition, we have contributed to the development of eco-friendly air conditioning systems, as well as innovative tools and solutions focused on the Circular Economy and Environmental Data Management, promoting sustainability in the railway sector. In parallel, we have worked on validating acoustic and aerodynamic models of various train platforms, using correlation with results obtained in experimental tests to ensure their accuracy and reliability.
	FP6-FUTURE The FutuRe project seeks to improve the profitability of regional railways through new innovative technologies or through the optimised use of existing ones, complying with safety standards and improving the reliability, availability and capacity of the system. It seeks to revitalise regional lines, addressing infrastructure, rolling stock and services. In 2024, we played a key role in outlining the design of upcoming signalling systems for regional routes, in addition to establishing the functional and operational criteria for this kind of infrastructure. In addition, we have worked on identifying and defining use cases and scenarios for demonstrators of various signalling solutions, including ETCS L3, ATO and TMS, with the aim of validating and optimising these technologies under real-world conditions.

In addition, we work on several innovative projects at European and national level, collaborating with external business partners:

	FCH2RAIL The European project FCH2RAIL aims to develop a bi-mode electric/hydrogen railway prototype, capable of operating with electricity on sections with catenary or with hydrogen fuel cells on non-electrified sections. In addition, the train includes batteries that allow it to reduce its consumption. It is also part of the scope of the project to work on establishing the regulations for operating this type of vehicle in Europe. Beginning in January 2021 and ending in November 2024, the project has successfully demonstrated the viability of electric/hydrogen bi-modal vehicles by transforming a Renfe Civia train. This train travelled more than 10,000 kilometres in Spain and Portugal, meeting strict service requirements without recording any incidents.
	TRAIN LÉGER INNOVANT The SNCF's Train Léger Innovant project aims to revive regional lines with an innovative vehicle, keeping lifecycle costs under control. The new type of vehicle will be lighter and have zero direct emissions in order to replace the diesel trains currently in use. One of the main objectives of the project is to develop a vehicle with a reduced carbon footprint.
	STASHH The European project StasHH aims to establish an open standard for hydrogen fuel cell modules in heavy mobility in terms of size, interfaces, control and test protocols. + **AVOGADRO** The AVOGADRO project focuses on developing high-performance hydrogen refuelling stations.
	TCRINI The TRCINI 2 project aims to develop technologies to optimise maintenance work. The developments made within this project will take advantage of current developments in areas such as artificial intelligence, big data, digital twins, cloud computing, etc. with the aim of applying them to the maintenance of critical elements of railway and road infrastructure.

2.7.2 INNOVATION IN PROCESSES

At CAF Group we are committed to continuous improvement and excellence in operations. To achieve these objectives, within the annual Management Plans we recurrently implement different innovative programmes, transformational initiatives and efficient methodologies, focused on optimising operational processes. These initiatives and methodologies have not only allowed us to reduce costs, but have also boosted quality, customer satisfaction, operational efficiency and environmental commitment, reaffirming CAF's commitment to continuous improvement and excellence in its operations.

MOVE Rolling to Excellence

CAF rolled out the global MOVE transformation programme in 2018, concentrating on railway vehicle activities to motivate all sectors of the organisation to boost their efficiency regarding costs, quality, and timelines. This programme has enabled us to successfully implement over 1,500 initiatives in key areas such as Operations, Quality and Contract Management, covering all phases of projects, from the tendering to the guarantee phase. Consequently, MOVE achieved material productivity gains of between 5% and 20% in areas such as Engineering, Purchasing, Manufacturing, Quality and Testing.

Since 2023, we have integrated mechanisms to identify competitive improvement initiatives in process management, establishing an annual target of reducing the overall cost of operations by 2%. This approach reinforces efficiency and continuous improvement, following the methodology consolidated by MOVE: identifying initiatives, assessing their impact, defining an implementation plan and guaranteeing rigorous tracking until the final milestone is reached, thus ensuring the expected results for the Company.

In 2023, we launched the Portfolio Execution Plan (PEC), a new improvement programme focused on ongoing projects, which has continued to be active throughout 2024. Its main objective is to consolidate the organisation's growth, guaranteeing profitability, quality and compliance with deadlines in the portfolio projects. This programme focuses on driving sustainable operational growth that strengthens long-term competitiveness. It also ensures the effective implementation of improvements defined in optimisation programmes and off-cycle initiatives, guaranteeing their positive impact on the company's profitability and financial results.

The successful implementation of the MOVE programme in rail vehicle operations has paved the way for other CAF Group operations to adopt similar initiatives, such as RSNEXT in maintenance services and IMPULSE in signalling, thus broadening the scope of transformation and continuous improvement.

RSNEXT

CAF rolled out the RSNEXT maintenance service transformation programme in 2023, in keeping with the 2023–2026 Strategic Plan. This programme aims to drive excellence through a comprehensive transformation in all aspects of the business, leveraging the best capabilities of people, digital innovation and process optimisation to achieve the greatest possible impact.

The RSNEXT programme is structured around 5 Strategic Initiatives, which are broken down into 9 Lines of Impact Work.

One of the most innovative and strategic Lines of Impact Work is related to the Efficiency of the Operating Model, which is closely linked to operational transformation and the implementation of new digital technologies.

The main objective of this line is to optimise production processes through the use of digital tools and Lean methodologies, transforming the current operating model into a new Smart Operating Model (SOM). This transformation is based on the following key elements: Digitalisation and automation, advanced data analytics, continuous improvement in maintenance plans and lifecycle costs, Lean process redesign, intelligent planning and quality and safety control.

During 2024, significant progress has been made on key elements of the RSNEXT programme, highlighting the following actions:

- Implementation of the digital tool LEADMIND for remote vehicle monitoring and predictive maintenance in 25 projects.
- Implementation of the MES digital tool for digital production management in 15 workshops.
- Adoption of the Lean Value Stream Mapping tool in 91 projects, to implement Lean methodologies in processes.

The main objective of the IMPULSE programme, launched in 2023 for railway signalling activity, is to improve operational efficiency and achieve significant savings in several key areas of the organisation. This programme brings together more than 200 strategic initiatives in critical areas such as product development, engineering, purchasing and administrative processes, in order to optimise operations in a comprehensive manner.

Some of the improvements implemented include:

- Optimisation of internal tools to increase the level of automation.
- Improvements in manufacturing activity, including automatic generation of drawings, standardisation of cabinets and reuse of simulators.
- Standardisation of processes for better management of software versions in engineering.
- Optimisation in the design and use of wiring, together with the search for alternative suppliers.
- Establishment of framework agreements with key suppliers to guarantee strategic supplies.
- Lower overheads, including savings in energy consumption, insurance, alternative payment methods, etc.

IMPULSE has had a notable impact on the organisation, improving product quality and customer satisfaction through greater agility in processes and a better capacity to respond to their needs.

In the coming years, IMPULSE will continue to face the challenge of maintaining a culture of continuous improvement, aligning efforts to optimise long-term operations. To ensure that the benefits and improvements implemented are sustainable, dedicated resources and a robust governance framework have been established to support this continued evolution.

Furthermore, Lean Manufacturing methodology has been a key pillar in CAF's strategy to optimise its facilities and operations. This approach focuses on minimising waste and maximising customer value. As a result, significant improvements in cost, quality, lead times and manufacturing capacity have been achieved, while prioritising safety and occupational well-being, reducing the emission of harmful substances and environmental impact.

Improved safety and ergonomics have been decisive in the development of production processes. We have implemented new assembly stations and platforms, integrated cranes, manipulators, hoists and clamping devices, and reorganised production processes. We have replaced tools with more advanced ones and we have redesigned fixtures to make them easier to manipulate, all with the aim of achieving these improvements in production processes.

At the same time, we have taken significant steps in the implementation of automation in our production processes. Automated stations for handling, measuring and forging railway axles have proven to be innovative and efficient, not only optimising processes but also ensuring precision and efficiency in production. In the bus segment, increased automation in tasks such as the cutting of floorboards, felts and foams, the polishing of exterior panels, hydrogen refuelling and welding by welding robots have been particularly relevant.

At the same time, waste generation has been reduced by reusing components such as transport packaging, while also adopting measures to reduce or eliminate them completely.

Automation of the welding process of aluminium carbody structures

The start of the manufacture of carbody structures for the SJ Programme has marked a milestone in the automation of the welding of aluminium structures by robots, an initiative that began more than two years ago.

The project started with tests in the Istanbul Metro Programme, evaluating the feasibility of automated welding with encouraging results. With the AKT Programme for Transitio (Sweden), we redesigned the process to maximise the use of robots, adapting existing equipment and implementing a facility capable of welding frames, roofs and carbodies to high quality standards.

Our challenge for 2024 has been to adapt this facility to alternate the production of carbodies for the AKT and SJ programmes, using the same tools, optimising the use of space and increasing production flexibility. Both trains will operate in Sweden, but they have different carbody structures.

The benefits achieved include improvements in ergonomics, product quality and efficiency, including technical advances such as high-speed double-wire welding, the almost total elimination of straightening and tracking cameras that adapt to variations in weld joints.

The results of this innovation have been satisfactory, thanks to the strategic vision and effort of the team involved. This case exemplifies our firm commitment to excellence in manufacturing process innovation.

DIGITALISATION

At the CAF Group, we are immersed in a comprehensive digital transformation that covers products, production and management. The cornerstone of this change is the implementation of a new ERP (Enterprise Resource Planning) system, acting as a catalyst to modernise all management tools. This ERP not only seeks global and flexible management, but also adapts to emerging needs, being the technological engine for other transformative initiatives.

The implementation of this system is crucial to evolve services, processes and communications within CAF, facilitating continuous digital integration between various functions and activities of the Group. It is expected to provide greater agility and flexibility in project management and monitoring, integrating and standardising business processes to significantly improve information management and budget control in real time.

This new system will also improve the harmonisation, standardisation and visibility of activities related to supplier management, optimising costs. The digital continuity between the Design (PLM) and Operations Management (ERP) tools will allow the integration of processes in Purchasing, Quality, Manufacturing and Testing.

The ultimate goal is to achieve robust data governance, with unified coding of materials and suppliers, as well as accurate analytical reporting through a new Business Intelligence tool. The selected ERP, a market leader, offers the possibility of incorporating the best practices of leading companies and developing a global map of applications with full connectivity and integration.

ZIABOGA
TAKING THE TURN TO EXCELLENCE

Launched in 2019, the Ziaboga project aims to implement the new ERP system, with the selection of the specific solution and supplier. After completing phases typical of an implementation of this magnitude (including proof and exploration, detailed design based on functional specifications, design optimisation, unit and integrated tests and user training), the system was commissioned in May 2023 for the power and control equipment activity, after more than three years of work.

In January 2024, another key milestone was achieved with the start of activities using the new ERP at the CAF S.A. corporate headquarters, a material step given the complexity of its functions and the diversity of activities involved (which include vehicles, services, wheelsets and modernisations in the railway segment).

During 2024, the main focus has been on stabilising and optimising the new system implemented as much as possible. At the end of this period, we assessed that the implementation has been a success and that the level of maturity in the implementation is high. Furthermore, additional functionalities have been added to the system, identifying, prioritising and implementing packages of improvements according to the specific needs and demands of each line of business. These improvements have involved adjustments to the initial model to improve its capacity to respond to the challenges of CAF's different activities.

Moreover, we have made progress in preparing for the roll-out of the new ERP in other subsidiaries related to the aforementioned businesses.

In addition to implementing the new ERP, we have adopted various measures at CAF to improve Company processes through digitalisation. These include the introduction of virtual validation and approval processes, automated testing and validation environments, digitalisation of documentation in logistics, manufacturing, quality and maintenance, developments aimed at digital continuity between IT systems, the adoption of graphical programming languages to simplify code generation and the automation of management tasks.

2.7.3 OPEN INNOVATION

In recent years, CAF's collaboration with various suppliers, commercial partners, technology companies and research centres has been key to driving innovation in the Group. European and national R&D funding programmes, such as EU-Rail, described in section "2.7.1 Innovation in products and services" also recognise and encourage these partnerships.

An outstanding partnership has been with the Ikerlan Technology Centre, initiated in 2006 for the development of its own traction equipment. Ikerlan has contributed in multiple aspects, from traction systems to the on-board energy storage system (OESS), even covering signalling and railway infrastructure.

In addition, at CAF we have established subsidiaries such as Traintic (2002), Trainelec (2007) (now CAF Power & Automation) and CAF Signalling (2010), to market products developed in the Group's R&D department. These subsidiaries are leaders in their sector and have expanded and improved their range of products thanks to significant investments in innovation.

LeadMind®
EASING YOUR WAY TO FUTURE MOBILITY

A recent example is CAF Digital Services, founded in 2020, which markets LeadMind, CAF's data-driven digital platform. This subsidiary emerged after years of R&D projects focused on the digitalisation of trains, including data acquisition, management and analysis.

CAF STARTUP STATION

The CAF Group's collaboration also extends to the startup ecosystem. CAF Ventures, launched in 2015, and the Venture Client unit CAF Startup Station, created in 2020, seek to partner with startups offering innovative solutions in the rail and bus sectors. This approach allows long-term relationships to be built and has led to successes such as simulation models of battery cooling systems and the RFID system for the identification and traceability of axles.

In addition, CAF collaborates through technology licences, facilitating access to its own developments to other companies and adopting third-party developments to improve its processes and products. This strategy expedites the commercialisation of proven and trusted products.

3/

2024 A YEAR OF ACTIVITY AT A GLANCE

FEBRUARY

MILESTONES
- EINF Publication – Sustainability Report 2023 (Approved by the Board of Directors).

RECOGNITIONS
- CAF is included in the S&P Global Sustainability Yearbook 2024, standing out among the 30 most sustainable Spanish companies.

S&P Global

MARCH

MILESTONES
- Update of the Supplier Code of Conduct.

APRIL

MILESTONES
- Publication of the first Green and Sustainable Financing Framework.

SEPTEMBER

MILESTONES
- Publication of the Conflict Minerals Statement.

RECOGNITIONS
- Solaris Urbino 18 Hydrogen recognised as the "Bus of the Year 2025".

OCTOBER

MILESTONES
- Completion of our first Double Materiality Assessment, following the guidelines of the Corporate Sustainability Reporting Directive (CSRD) and the guidance published by the European Financial Reporting Advisory Group (EFRAG).

RECOGNITIONS
- Solaris Urbino 18 Hydrogen receives the Kielce Fair Medal for its innovation in hydrogen buses.

NOVEMBER

MILESTONES
- SBTi validates the emissions reduction targets.

SCIENCE BASED TARGETS

- Successful completion of the FCH2Rail project, the first hydrogen train to be tested on the Spanish and Portuguese rail networks.

FCH2RAIL

RECOGNITIONS
- CAF is recognised as a Top Employer 2024.
- Solaris has been awarded the Diamond Planet in the "Together for the Planet" programme in the "Net-Zero Promoter" category, and the Platinum Award in the "ESG Innovator" competition in category E (Environment) held in Poland.

DECEMBER

MILESTONES
- Solaris delivers the world's first electric bus with battery passport.
- Publication of the Sustainability Master Plan.
- Publication of the Crime prevention, anti-corruption and anti-fraud Policy.
- Publication of the People Policy.
- Publication of the Ecodesign Policy.
- Environmental Policy update.
- Occupational Health and Safety Policy update.
- Purchasing Policy update.
- Sustainability Policy update.

RECOGNITIONS
- "Leading Company" distinction at the ESG Transparency Awards 2024.

ESG TRANSPARENCY AWARD

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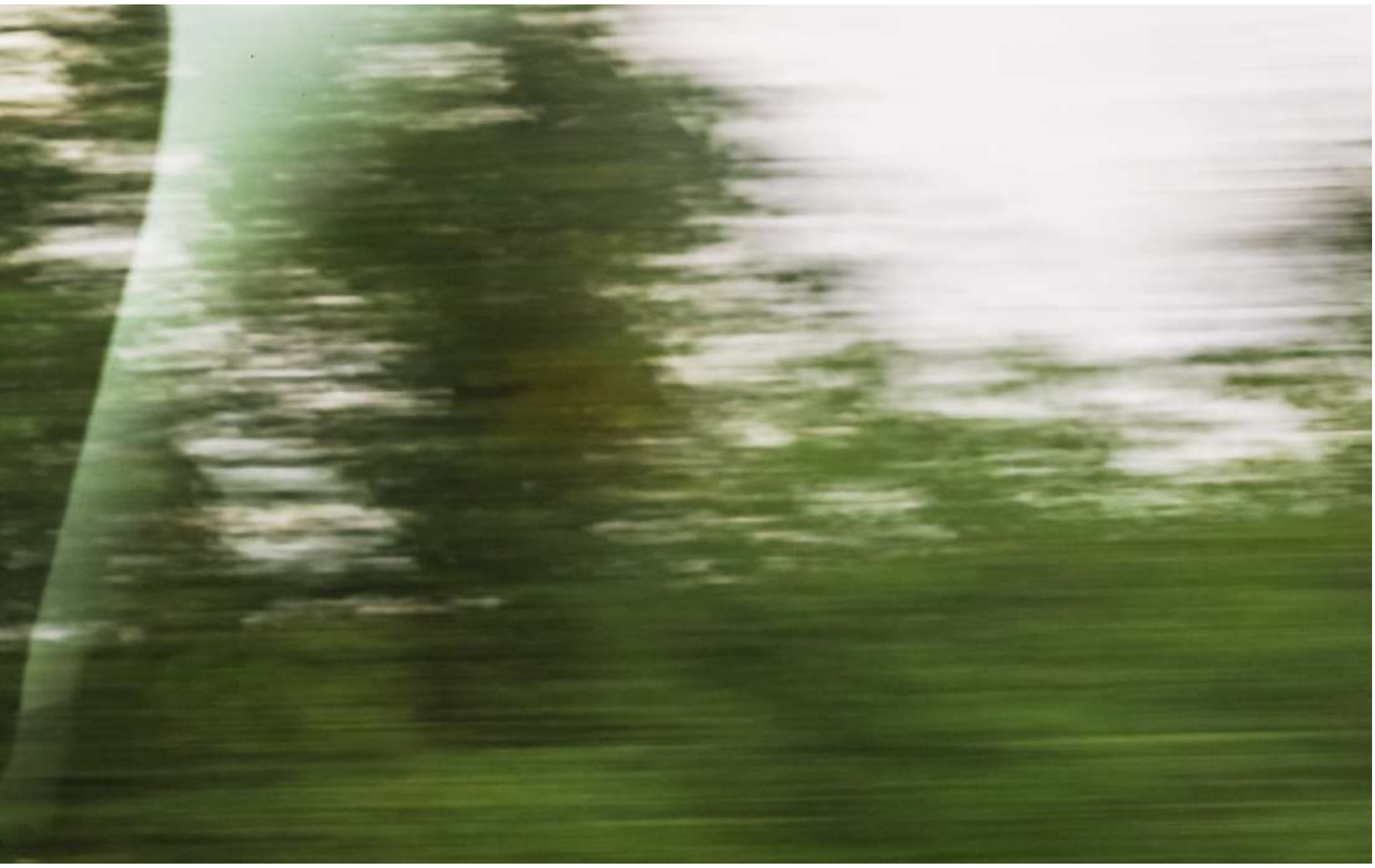
HOW WE UNDERSTAND SUSTAINABILITY

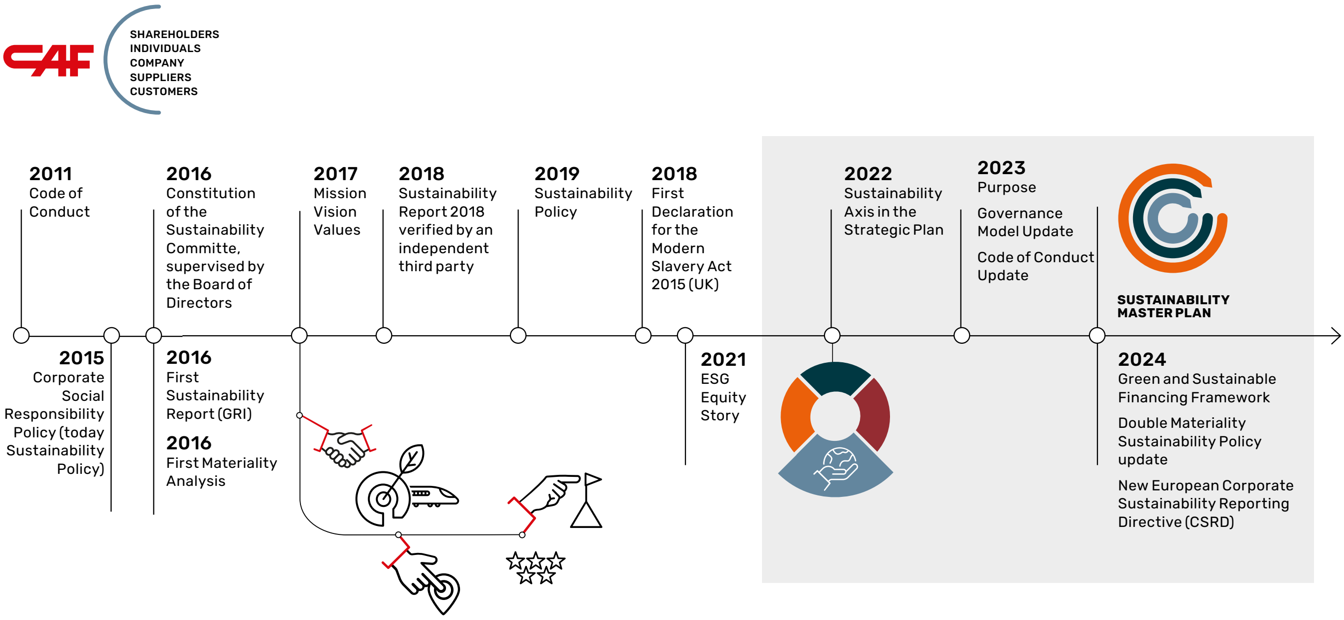


4.1 SUSTAINABILITY AT CAF

Sustainability continues to establish itself as a cornerstone of CAF's corporate strategy, not only setting the direction of our operations but also reinforcing the culture and values that guide the organisation's behaviour. Our company has been integrating Environmental, Social and Governance (ESG) criteria into its business model since we were founded over a century ago, and in 2024 this integration is more robust and coherent than ever.

The year 2023 marked a turning point with the implementation of the Strategic Plan 2026, in which sustainability appears as one of the four fundamental pillars of the corporate strategy. To respond to the ambitious challenges set, during 2023 at CAF we reinforced the corporate culture, updating the Mission, Vision and Values and defining the Company's Purpose for the first time: “Developing sustainable transport solutions that improve people's lives.” This new cultural framework reinforces corporate identity and further aligns the entire organisation with the demands of a rapidly changing environment.

More information in sections 2.1 and 2.2 of this Report.



Within this context, we remain firmly committed to bolstering our industry-leading position in sustainable mobility, under-pinned by the principles of our Sustainability Policy and in line with the goals of the 2026 Strategic Plan.

Our robust sustainability governance model has been instrumental in guiding and supervising the environmental, social and governance practices developed throughout this Report, of which we can highlight the following actions in 2024:

1. Publication of our first **Green and Sustainable Financing Framework** (section 4.9)
2. Redefinition and **validation by** SBTi[1] of our greenhouse gas emissions reduction targets (section 5.3.2.)
3. Conducting the **Double Materiality Assessment** according to the European Sustainability Reporting Standards and the EFRAG[2] guidelines (section 4.4)
4. Publication of our **Sustainability Master Plan** (section 4.5)
5. The implementation of **training activities** for nearly 250 key people in sustainability management at CAF, as well as for the Board of Directors and the Strategic Sustainability Committee.
6. **Strengthening** of our **management model** based on system review and standardisation, culminating in the establishment and regular updating of the Sustainability Policy and other related policies (section 4.2)

1 Science Based Targets Initiativee
2 European Financial Reporting Advisory Group

In short, sustainability at CAF in 2024 is characterised by the consolidation of a solid, coherent and transparent framework for action. Strengthening the governance model and integrating sustainability into the core of strategic decision-making positions CAF on a path of continuous improvement, prepared to anticipate challenges, take advantage of opportunities and generate sustainable value for all Stakeholders.

4.2 POLICY AND SUSTAINABILITY COMMITMENTS [2-23]

4.2.1 Sustainability Policy

Considering the new sustainability legislation applicable in the short and medium term and the demands of Stakeholders, on 17 December 2024 the Board of Directors resolved to update the Sustainability Policy of 17 December 2020.

CAF's main objective in terms of sustainability is to reconcile the development of its purpose with the balanced satisfaction of the needs and expectations of Stakeholders for the creation of value in a sustainable manner, throughout the value chain and in the long term. All of this is carried out in compliance not only with legal obligations, but also with best practices in terms of Good Corporate Governance, Risk Management, Compliance and Sustainability.

Basic principles

To achieve the stated objective, at CAF we are guided by the following principles of action in the development of our activities:

1. Good Corporate Governance
2. Due Diligence Approach
3. Ethics and Compliance
4. Respect for Human and Fundamental Rights.
5. Crime prevention and anti-corruption
6. Risk and opportunity management
7. Transparency, Confidentiality and Responsible Communication
8. Fiscal responsibility
9. A commitment to innovation and cybersecurity
10. Environmental Protection

The strategic initiatives that the Group establishes in terms of Sustainability are aligned with these principles, develop the commitments included in the Strategic Plan and respond to the material impacts, risks and opportunities in environmental, social and governance aspects identified in the Double Materiality Assessment. Our commitment to sustainability is also outlined in the CAF Code of Conduct.

Commitments to Stakeholders

At CAF we are committed to generating value for our shareholders and investors, guaranteeing safe and sustainable transportation systems for our clients, promoting the professional development, safety and equality of our employees and the value chain, fostering a responsible supply chain and contributing to the development of the communities where we operate.

We also disclose information to our stakeholders in an accessible, up-to-date and comprehensive manner through the various communication channels established in the General Policy regarding Communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors.

For further information, please refer to section 2.6 Value creation and stakeholders

Metrics and targets

CAF is committed to the principles of sustainability and to the fulfilment of the commitments established in its Sustainability Policy, and has thus defined a Sustainability Master Plan with concrete initiatives embodied in a balanced scorecard accessible on the website www.cafmobility.com and reflected in section 4.7 of this chapter.

Additionally, we have performance indicators and short, medium and long-term goals that are part of the Sustainability Report in accordance with the best practices adopted by the Group. The robustness of these metrics is ensured through appropriate internal control systems.

More information in section "7.1.3 Sustainability Information Internal Control System (SIICS)

4.2.2 Other commitments

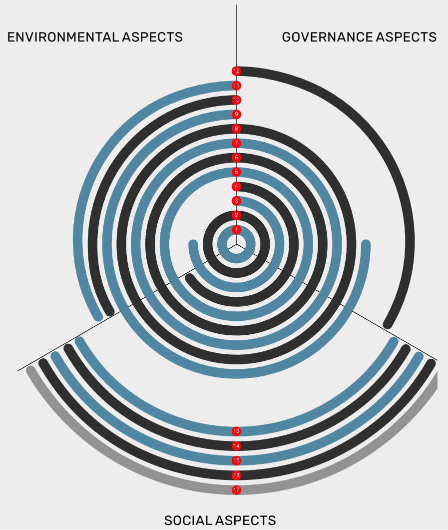
We have also made the following voluntary sustainability commitments here at CAF:

- **Corporate Management and Sustainability System aligned with ISO 26000:2021:** The management model is aligned with the ISO 26000:2021 corporate social responsibility guide, which has allowed CAF S.A. to secure a positive third-party verification (LRQA).
- **Independent third-party verified Sustainability Report:** CAF has published its first Sustainability Report in accordance with the requirements of the ESRS and the Spanish Law 11/2018 on Non-Financial Reporting and Diversity, verified with a limited assurance by an independent entity (E&Y), thus ensuring the quality, credibility and comparability of the information disclosed.
- **Adherence to the United Nations Global Compact:** Since 2020, the Company has supported the ten principles of the Global Compact, reinforcing its contribution to the 2030 Agenda and the UN Sustainable Development Goals (SDGs).
- **Contribution to the Sustainable Development Goals (SDGs):** CAF contributes to various SDGs through our mobility solutions, technological innovation and responsible management of the value chain, reinforcing our positive impact on the environment and communities.
- **Participation in sector-specific initiatives:** Our partnership and involvement in Railsponsible and other initiatives promotes the adoption of sustainable practices throughout the rail sector supply chain, greatly amplifying the impact of responsible actions.
- **Adherence to the Science Based Targets initiative** (SBTi) **and emission reduction targets:** In line with the Paris Agreement, CAF's emission reduction targets for 2030 and 2045 have been validated by SBTi. The targets are rooted in scientific rigour and enable the company to transparently measure, verify and communicate its actions on climate change, helping to limit global warming to below 2°C (or 1.5°C) compared to pre-industrial levels.

4.2.3 Management and Sustainability System

[MDR-P]

In addition to our Sustainability Policy, we also have a Corporate Management and Sustainability System to articulate the CAF management model, policies and processes. Through this system, we manage and monitor the impacts, risks and opportunities identified in the Double Materiality Assessment. Accordingly, based on the analysis and implementation of the CSRD in the Group, numerous cross-cutting and specific policies were updated and developed further throughout 2024. Some basic information on these policies will be detailed in this section.



CORPORATE ESG POLICIES AND RULES

1. Code of Conduct
2. Sustainability policy
3. Human Rights Due Diligence Policy
4. Cybersecurity Policy
5. General Policy regarding Communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors
6. Other Corporate Governance, Ethics and Compliance Policies and Standards
7. Code of conduct for suppliers
8. Purchasing Policy
9. Conflict Minerals Statement
10. Environmental Policy
11. Ecodesign Policy
12. Crime prevention and anti-corruption and anti-fraud Policy
13. Occupational health and safety Policy
14. Products and services safety Policy
15. Quality excellence Policy
16. People Policy

SPECIFIC ESG POLICIES AND RULES

You can request the specific policies of the Group's activities by writing to esg@caf.net

17. Politica per la parita' di genere (Italia)

Transversal principles of action

- Code of Conduct
- Sustainability Policy
- Human Rights Due Diligence Policy [S1-1_05, S1-1_07]
- General Policy regarding Communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors
- Supplier Code of Conduct
- Purchasing Policy
- Conflict Minerals Statement
- Other Corporate Governance, Ethics and Compliance Policies and Rules

Principles of action related to environmental standards

- Environmental Policy
- Ecodesign Policy

The Environmental Policy addresses climate change mitigation and adaptation, and renewable energy through the purposes, metrics and targets considered in its creation and implementation [E1-2_01]. This also includes the principles associated with the mitigation of negative impacts related to air pollution [E2-1_01].

The Ecodesign Policy addresses the transition towards abandoning the use of raw resources, including the relative increase in the use of secondary (recycled) resources and sustainable sourcing through the purposes, metrics and targets mentioned therein [E5-1_01, E5-1_02].

Principles of action related to social standards

[S1-1_01]

- People Policy [S1-1_10, S1-1_11, S1-1_12, S1-1_13]
- Occupational Health and Safety Policy [S1-1_09]
- Products and services Safety Policy
- Quality Excellence Policy

Guiding principles related to governance standards

- Crime Prevention, Anti-Corruption and Anti-Fraud Policy
- Cybersecurity Policy

For further information about these policies, please visit www.cafmobility.com

Key content [MDR-P_01]

These Policies reflect CAF's commitment to sustainability and define the principles that we assume as a Group to integrate sustainable practices, aligned with the limits of the planet and respect for human rights, in all our processes, activities and relationships with stakeholders.

All policies are structured according to the following key contents:

- Introduction and purpose
- Scope
- Basic principles
- Commitments to stakeholders
- Metrics and targets
- Governance and oversight
- Channels of communication, participation and dialogue with stakeholders
- Internal Information System (reporting channels)
- Review and update
- Approval and dissemination

Scope [MDR-P_02]

Compliance with these policies is mandatory for all CAF entities, including all employees, managers and members of the administrative bodies of any CAF organisation, regardless of role or geographical location.

Investee companies that do not belong to CAF because they do not have a sufficient shareholding to ensure control are encouraged to ensure that their principles of action are consistent with the provisions of each policy, at least insofar as they coincide with the General Principles of the CAF Group's Code of Conduct.

Similarly, in application of the due diligence criteria, these principles can be extended to third parties in the value chain (business partners), especially to their project partners, agents and suppliers and, where appropriate, to their customers, depending on the type of commercial relationship, in a reasonable manner and proportionate to the risk. Objective factors such as whether CAF has operational control or has a decisive capacity to influence the third party, or similar criteria recognised in the main international good practice guides, will be taken into account to define the specific requirements for the different categories of Business Shareholders.

Responsible for implementation [MDR-P_03]

Policy governance and oversight are duly defined in the policies, indicating, in any case, who is responsible for their implementation and supervision.

Third-party standards [MDR-P_04]

Each policy, where applicable, includes reference to third-party standards or initiatives that the company undertakes to comply with through the application of the policy.

Stakeholder consideration [MDR-P_05]

At CAF, ongoing dialogue and transparency are the basis of our relationship with our stakeholders. Our activities serve to create solid value that stands the test of time for all of them. We thus share information with them about our sustainability strategy and how it is articulated, in addition to incorporating their perspective.

This commitment to stakeholders is made explicit in the corresponding section of each policy.

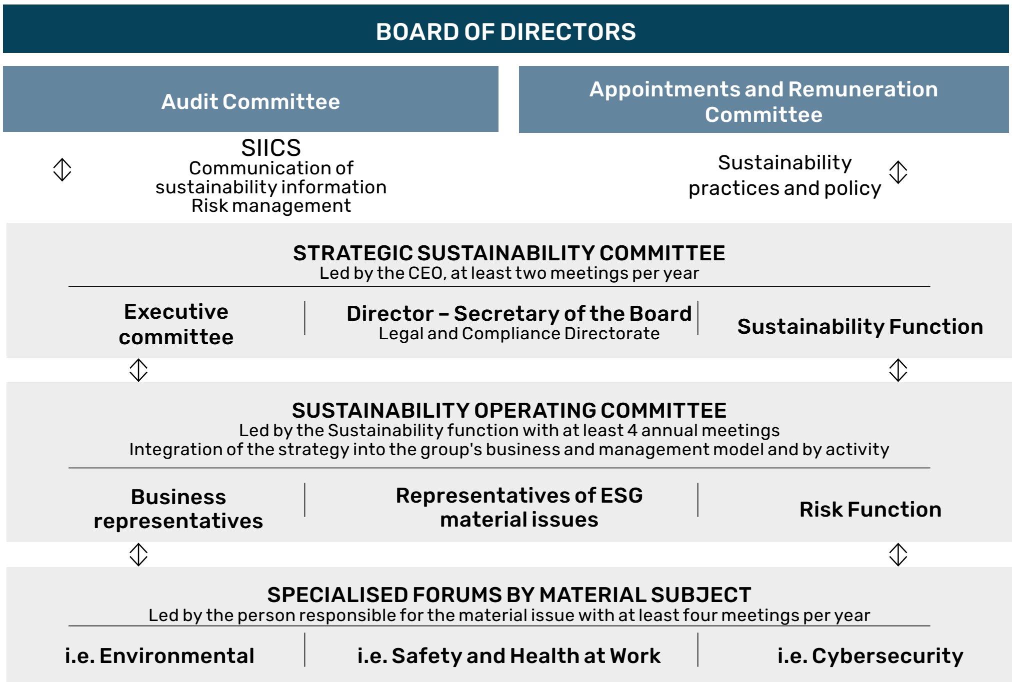
Accessibility of policy for stakeholders [MDR-P_06]

Every policy details the channels of communication, participation and dialogue with stakeholders, including the internal information system (whistleblowing channels).

The Corporate Quality function coordinates and implements the appropriate communication, training and awareness-raising actions to raise awareness and put into practice those Policies that affect the business.

4.3 SUSTAINABILITY GOVERNANCE [2-12, 2-13, 2-14]

CAF's governance in terms of Sustainability is structured on several levels according to the following scheme:



In section 2.5.4. Supervision of the Board of Directors in matters of sustainability” provides a detailed description of the powers, responsibilities and functions of the committees and functions included in our Sustainability Governance Model. CAF has had a Sustainability Delegation of Authority (DoA) model since 2023. This model describes the functions, roles and responsibilities of all the bodies and departments involved in ESG-related management.

The Sustainability Function is the internal body responsible for the development, implementation and application of the strategic guidelines established by the Board of Directors and its Committees in relation to Sustainability. Its main responsibilities include ensuring that decisions are implemented correctly, acting as reviewers of these decisions and managing Non-Financial or Sustainability Information Internal Control System (SIICS).

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

There were five Strategic Sustainability Committees, one of them celebrated as an extraordinary session, and one sustainability training session (full attendance by all committee members) held in 2024. The Sustainability Operations Committee also held a further five meetings, one of them extraordinary.

Together with the aforementioned governance structure, CAF has a structured set of coordinated and complementary systems that enable the orderly management of Corporate Governance, Risk Management, Compliance and Sustainability and the interaction between them. To this end, each of the systems has different managers who, in addition to managing their own areas, interact with the rest.

- Corporate Governance System
- Corporate Internal Risk Control and Management System
- Corporate Compliance System
- Sustainability Information Internal Control System (SIICS)

The internal control systems are deployed at the level of ordinary management through the Corporate Management and Sustainability System, where policies, initiatives and specific objectives are established for each of the stakeholders, which are adjusted and reviewed according to the requirements of each of the systems described.

4.4 DOUBLE MATERIALITY ASSESSMENT [3-1, 3-2, 3-3]

Over the first six months of 2024, CAF conducted an extensive Double Materiality Assessment, following the guidelines of the Corporate Sustainability Reporting Directive (CSRD) and the guide published by the European Financial Reporting Advisory Group (EFRAG). This study has focused on identifying in greater detail which Environmental, Social and Governance (ESG) factors are most critical for our strategy and for the set of stakeholders with which we interact.

The principle of Double Materiality gives us a comprehensive perspective of the challenges and opportunities that CAF faces. On the one hand, the outside-in view examines how external elements – such as current or developing regulations, technological advances, evolution of demand or changes in financial markets – can impact our competitiveness, resilience and strategic decision-making. Moreover, the inside-out vision delves into the positive and negative impacts that our activities can have on the environment, people and society in general, whether in terms of reducing emissions, job quality in the value chain or waste management. [SBM-3_02]

Based on this approach, we have identified the impacts, risks and opportunities that arise from this assessment, indicating in which segments of the value chain (own operations, upstream or downstream) they are concentrated and how they connect with the business.

At the same time, we have determined how these risks and opportunities currently and in advance impact the business model, the value chain, our strategy and decision-making, describing the actions that CAF has already implemented - or plans to implement - to manage them. This may involve adjustments to strategy or business model, for example, adopting new clean technologies or reviewing internal practices related to occupational health and safety. [SBM-3_03]

Methodology and stakeholder engagement
[IRO-1_01, IRO-1_02, IRO-1_06, IRO-1_14, IRO-2_01]

To ensure the highest quality and reliability of the results, the methodology followed for the Double Materiality Assessment was structured in four consecutive phases:

- **Understanding**: In this initial stage, we review the regulatory framework and carry out an in-depth study of sector trends and the expectations of key stakeholders (investors, customers, regulators, employees, etc.). The scope and assessment criteria were defined based on our 2026 Strategic Plan and corporate policies, thus guaranteeing consistency with the company's long-term vision.
- **Identification**: We then draw up a preliminary list of Impacts, Risks and Opportunities (IROs), based on internal information (policies, procedures, indicators) and external sources (market studies, sectoral references, international standards). This identification addressed the entire lifecycle of our activity, ranging from the relationship with suppliers to the delivery of the final product to customers and end users.
- **Assessment**: Through interviews and workshops with key areas of the organisation, complemented by consultations with stakeholders, the Double Materiality criterion was applied to prioritise the most relevant issues. The topics that were ultimately considered priorities were those with the greatest potential to impact the company's performance, the environment or people, as well as those that aroused the greatest interest among stakeholders.
- **Definition and Validation**: The process concluded through the review and validation by Senior Management and the Strategic Sustainability Committee of the identified material IROs, verifying their alignment with CAF policies and corporate objectives. In this way, the Double Materiality Assessment is consolidated as a strategic tool for decision-making, providing rigor and transparency.

This participatory and open approach has made it possible to incorporate the view of various stakeholders. Moreover, to ensure the traceability of the conclusions reached, the information gathered during the financial year has been meticulously recorded.

During the process, we carefully examined how these impacts (positive, negative or potential) relate to our strategy, over what time horizons (short, medium or long term) they are expected to manifest themselves and where they originate (in our own operations or in our relationship with suppliers, Partners or clients).

In addition, the nature of each impact was characterised and it was specified whether it derives directly from CAF's activity or arises from the practices of third parties in the value chain. [SBM-3_04, SBM-3_05, SBM-3_06, SBM-3_07]

Results of the Double Materiality Assesment
[IRO-1_03, IRO-1_04, IRO-1_05, IRO-1_07, IRO-1_08, IRO-1_09, IRO-1_10, IRO-1_11, IRO-1_12, IRO-1_13, IRO-2_02, IRO-2_03, IRO-2_13]

The issues identified in the Double Materiality Assesment are structured around three dimensions: Environmental, Social and Governance. Each one integrates different priority IROs, which, in turn, translate into action plans and definition of indicators for monitoring.

Topic	Sub-Topic	Impact -	Impact +	Risk	Opportunity
E1: Climate Change	Climate change adaptation		○	●	●
	Climate change mitigation	●	●	●	●
	Energy	●			●
E2: Pollution	Pollution of Air	○	●	●	
	Substances of concern	●			
	Substances of very high concern	●		○	
E5: Resource Use and Circular Economy	Resource inflows, including resource use	●		●	
	Resource outputs related to products and services		○		●
	Waste	○			
S1: Own Staff	Working conditions of own workforce	○	○	●	○
	Equal treatment and opportunities for all own workforce	○	●		●
	Other labour rights of own workforce			○	
S2: Value Chain Workers	Working conditions of workers in the value chain	○			
	Other labour rights of workers in the value chain	○			
S3: Affected Collectives	Economic, social and cultural rights of communities	●			
S4: Consumers and Final Users	Personal safety of consumers or end users		●	○	
	Social inclusion of consumers and end users		○	●	●
G1: Business conduct	Corporate culture		●	●	●
	Protection for whistleblowers		○		
	Political engagement and lobbying activities		○		
	Management of relationships with suppliers including payment practices	○	○		
	Corruption and bribery	●	●		

● Priority material ○ Material

Some of the more prominent topics identified include:

ENVIRONMENTAL DIMENSION (E)
E1: Climate Change: Climate change mitigation, Climate change adaptation, Energy.
E2: Pollution: Pollution of air, Substances of concern, Substances of very high concern.
E5: Resource Use and Circular Economy: Resources inflows (including resource use), Resource outflows related to products and services, Waste.
SOCIAL DIMENSION (S)
S1: Own Workforce • Working conditions: Health and safety, secure employment, adequate wages, collective bargaining, freedom of association and rights to information and consultation. • Equal treatment and opportunities: Training and skills development, Diversity, Gender equality and equal pay for work of equal value. • Other work-related rights: Privacy.
S2: Workers in the value chain: • Working conditions: Health and safety. • Other work-related rights: Child labour, Forced labour.

S3: Affected Collectives:
• Communities' economic, social and cultural rights: Land-related incidents.
S4: Consumers and End Users: • Personal safety: Security of a person, health and safety. • Social inclusion: Access to products and services.
GOVERNANCE DIMENSION (G)
G1: Business Conduct: • Corporate culture. • Protection for whistleblowers. • Political commitment. • Management of relationship with suppliers including payment practices. • Corruption and bribery.

These topics reflect the main areas of focus for CAF and, in turn, encompass specific IROs—such as the reduction of greenhouse gas (GHG) emissions, the scarcity of raw materials, workforce diversity or the prevention of corrupt practices—that require adjustments in our management model to effectively address the identified challenges.

The full list of the 66 identified IROs—with further details on their current and potential financial impacts, estimated time horizons and anticipated funding sources—is available in Annex 9.6 of this Report.

Prioritising these issues does not mean neglecting other relevant issues identified in the process: Our vision is comprehensive and seeks to encompass all dimensions that influence CAF's overall performance.

Thus, thanks to this assessment, we have confirmed the need to continue promoting decarbonisation and energy efficiency initiatives and programmes to protect people's well-being (both in our own operations and in the value chain). Furthermore, the results of the study validate the work already started to strengthen corporate culture and compliance policies, in order to avoid reputational or economic risks.

From a financial perspective, the current and anticipated effects of the most significant risks and opportunities have been analysed, considering different scenarios of regulatory and social requirements and covering the short, medium and long term. This includes the possibility of investing increasingly in innovation and clean technology – essential for anticipating market changes – as well as evaluating the impact that the introduction of environmental taxes or fees would have on our cost structure. CAF is managing these findings by studying different sources of financing and strengthening its financial position to maintain competitiveness in the face of possible scenarios of greater pressure. [SBM-3_08, SBM-3_09]

The report does not include information on changes in impacts, risks and opportunities compared to previous periods [SBM-3_11], since this was the Group's first Double Materiality Assesment. In subsequent years, emerging issues will be communicated in future updates of the material topics.

All the IROs described here are framed within the European Sustainability Reporting Standards (ESRS), but CAF also discloses additional issues which, although not mandatory, are considered essential for stakeholders and the achievement of our corporate goals. [SBM-3_12]

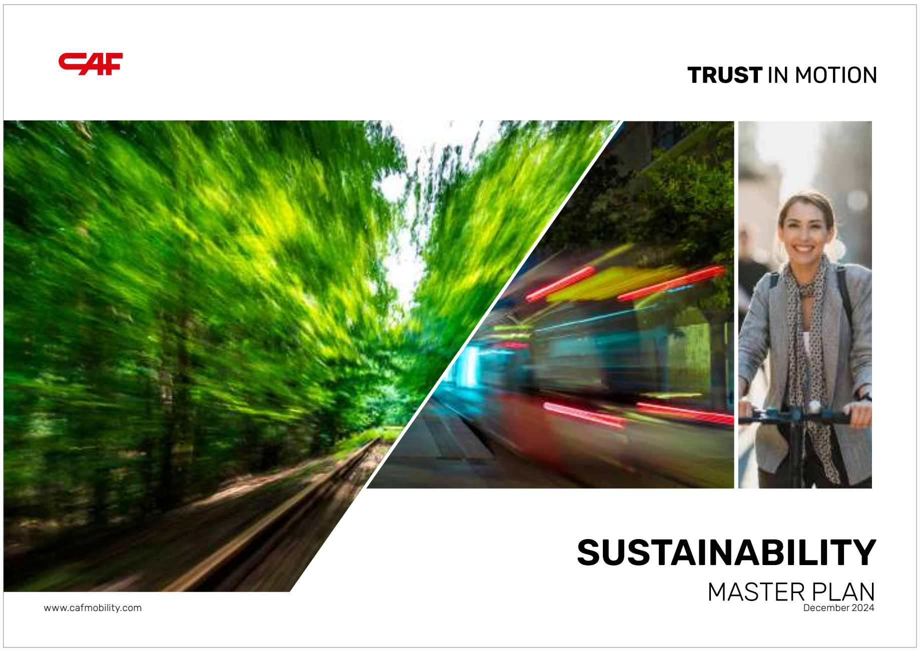
Material issues have been prioritised in the design and approval of our Sustainability Master Plan, which in turn reinforces the lines of action set out in the 2026 Strategic Plan. This planning informs the evolution of CAF corporate practices, promoting responsible growth, risk anticipation and the leveraging of opportunities on the path of ESG transformation.

Furthermore, we will continue to regularly review the relevance of these impacts and the effectiveness of our responses, in order to align CAF's strategy with an increasingly dynamic and demanding context in terms of sustainability. At the same time, we will promote open and transparent dialogue with all stakeholders involved, driving continuous improvement, sustainable growth and respect for the environment and the people who form part of our value chain.

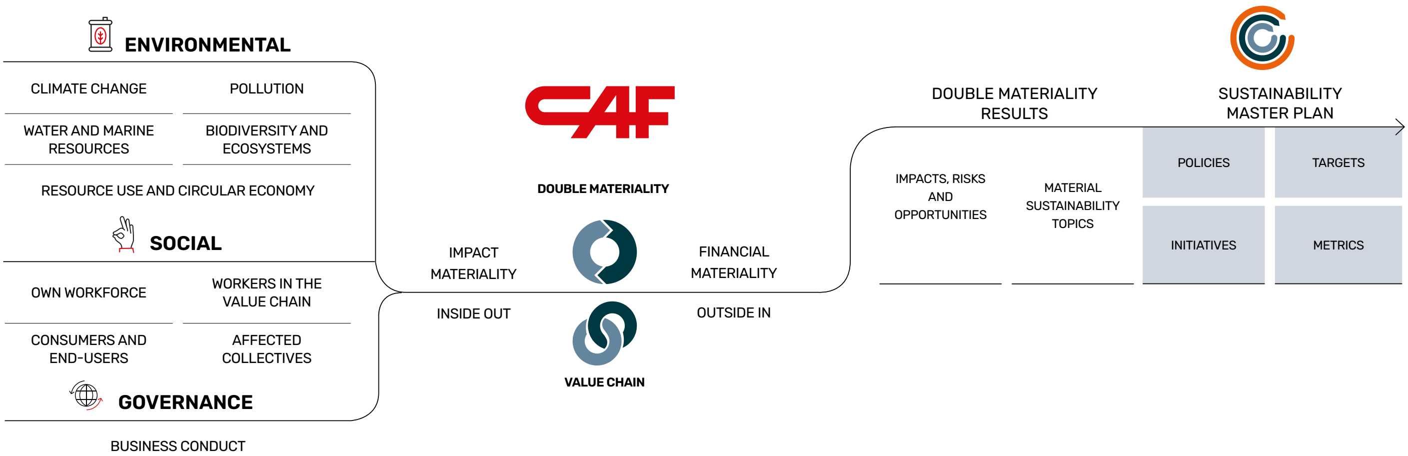
4.5 SUSTAINABILITY MASTER PLAN

The Sustainability Master Plan (SMP) is CAF's comprehensive commitment to a business model that not only addresses global challenges, but also promotes solutions that have a positive impact on people, the environment and governance.

This Plan, which covers the period 2024-2026, is CAF's response to the impacts, risks and opportunities identified in the Double Materiality Assesment carried out in 2024 and is aligned with the objectives defined in the 2026 Strategic Plan.



Through a structure organised into three strategic pillars, ten key initiatives and eleven strategic goals, the SMP integrates sustainability as the backbone of all CAF activities, ensuring compliance with the Sustainability Policy and commitment to our stakeholders. The Plan's governance ensures that each action is supported by a robust, transparent and effective monitoring model, which guarantees the correct implementation, evaluation and communication of results.



It should be noted that, for reasons of confidentiality and sensitivity of the information, CAF does not provide in this Report the amounts corresponding to Capital Expenses (CapEx) and Operating Expenses (OpEx) for the initiatives mentioned below. However, these amounts are duly identified internally and we can confirm that they are included in the economic and financial projections of the 2026 Strategic Plan. [MDR-A_06, MDR-A_07, MDR-A_09, MDR-A_10, MDR-A_11, MDR-A_12, BP-1_05]

Stakeholders have participated in setting goals through their involvement in the Double Materiality Assesment [MDR- T_11].

/ Environmental Pillar

In a global context marked by the climate emergency, the SMP positions CAF as a key player in the transition towards emission-free mobility. This commitment is not limited to reducing the carbon footprint, but encompasses a comprehensive vision to minimise pollution, optimise the use of resources and preserve ecosystems.

Our ambition to decarbonise the value chain translates into concrete actions. Thus, through initiatives such as reducing greenhouse gases (GHG) in our operations, we are actively working to exceed international standards, but we do not stop there. With the Zero Emissions Innovation Programme, we have taken a further step in the development of advanced technologies such as next-generation batteries and hydrogen-powered vehicles, designed to reduce not only emissions, but also noise and vibrations, improving the user experience while minimising impacts on the environment.

Furthermore, eco-design has become a strategic lever to ensure that our products, from their conception, integrate sustainable solutions. In doing so, we not only reduce the environmental impact, but also encourage innovation, positioning CAF as a benchmark in sustainable and responsible mobility.

Actions and resources in relation to material sustainability issues and monitoring the effectiveness of policies and actions through targets [MDR-A, MDR-T, MDR-M]

INITIATIVE 1	DECARBONISING OUR OPERATIONS AND REDUCING POLLUTION	
Description: [MDR-A_01, MDR-A_04] **Scope:** [MDR-A_02]	Implement effective measures to significantly reduce greenhouse gas (GHG) emissions and environmental pollution in all CAF Group operations. We seek not only to meet, but to exceed international sustainability standards, actively contributing to the fight against climate change and the improvement of environmental quality. To fulfil this initiative, CAF has planned different actions, including the validation of our short, medium and long-term emission reduction targets by the SBTi, as well as the implementation of measures to achieve them; the quantification of the financial impact of the risks and opportunities derived from climate change and the extension of ISO 14001:2025 certification coverage in the Group.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have therefore been set for 2024, 2025 and 2026. However, in terms of reducing scope 1 and 2 emissions, targets have also been set for 2030 and 2045.	
Expected results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Reduction of CO_2 emissions. Scope 1&2 – 2025: 25.2% – 2026: 30% – 2030: 55% – 2045: Net zero • Sustainability assessment CDP – 2025: A- – 2026: A-	
Results obtained [MDR-A_05]	**2024**: • Emissions reduction 29.3% • Sustainability assessment CDP B	**2023**: • Emissions reduction 32.6% • Sustainability assessment CDP B
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Reduction of CO_2 emissions. Scope 1 and 2.	Absolute target. Percentage of absolute emissions reduction for scopes 1 and 2 measured in tonnes of CO_2 equivalent (tCO_2eq) Base year and reference value: 2019 Validated by SBTi
	Sustainability assessment CDP	Absolute target Not applicable reference value
Scope of target [MDR-T_04]	Reduction of CO_2 emissions. Scope 1 and 2.	Own operations
	Sustainability assessment CDP	Upstream Own operations Downstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Reduction of CO_2 emissions. Scope 1 and 2.	Refer to section "5.3.2 Decarbonisation strategy" for more information on the methodology used to calculate emissions.
	Sustainability assessment CDP	Rating carried out by an external rating agency according to its own methodology, applied in a homogeneous manner to all participating companies.
Associated Policies [MDR-T_01]	Sustainability Policy; Environmental Policy; Ecodesign Policy	

INITIATIVE 2	BOOSTING THE ZERO EMISSIONS INNOVATION PROGRAMME	
Description: [MDR-A_01, MDR-A_04] **Scope:** [MDR-A_02]	Boosting decarbonisation of urban bus and rail products by implementing activities related to technologies, equipment and vehicles with battery and hydrogen accumulation, energy efficiency and the reduction of other emissions such as noise, vibration and electromagnetic emissions (EMI/EMC). To comply with this initiative, CAF has planned various actions, including the promotion of low/zero emission rail transport solutions and the development of a specific plan to reduce scope 3 emissions (product use) by reducing consumption, divided between rail transport and road transport.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Accordingly, targets have been set for 2024, 2025 and 2026. However, targets have also been set for 2030 and 2045 in terms of reducing scope 3 emissions.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Reduction of CO_2 emissions. Scope 3 (product use) – 2025: 35.3% – 2026: 40% – 2030: 55% – 2045: Net zero • Taxonomy Alignment (% Turnover) – 2025: 84% – 2026: 84%	
Results Obtained [MDR-A_05]	**2024**: • Reduction of Scope 3 emissions (product use): 33.1%; • Taxonomy Alignment (Turnover) 82.1%	**2023**: • Reduction of Scope 3 emissions (product use): 46.8%; • Taxonomy Alignment (Turnover) 80%
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Reduction in Scope 3 CO_2 emissions (product use)	Relative objective. Percentage reduction in scope 3 emissions (product use) measured in CO_2e/passenger-km) Base year and reference value: 2019 Validated by SBTi
	Taxonomy Alignment	Absolute target, turnover aligned with total turnover of the Group in % Not applicable reference value
Scope of target [MDR-T_04]	Reduction in Scope 3 CO_2 emissions (product use)	Downstream
	Taxonomy Alignment	Own operations
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Reduction in Scope 3 CO_2 emissions (product use)	Please refer to section "5.3.2 Decarbonisation strategy" for information on the methodology.
	Taxonomy alignment	More information on the methodology used in section 9.5.
Associated policies [MDR-T_01]	Sustainability Policy; Environmental Policy; Ecodesign Policy	

INITIATIVE 3	DEVELOPING AN ECODESIGN PROGRAMME	
Description: [MDR-A_01, MDR-A_04] Scope: [MDR-A_02]	Enhancing ecodesing as a lever for reducing the environmental impact of products, as well as improving resource efficiency (reducing long-term costs) and promoting innovation. This, in turn, will improve CAF Group's position as a reference in sustainability to meet the demand for sustainable products. To fulfil this initiative, CAF has planned different actions, including the development of an Ecodesign Manual or Ecodesign Programme to help implement the principles of the Ecodesign Policy, the promotion of eco-design actions through the consolidation of a methodology and the subsequent publication of tracking indicators and the promotion of Environmental Labels and Declarations according to ISO 14020.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Recyclability/recoverability rate of vehicles with Environmental Labels and Declarations according to ISO 14020 – 2025: ▼ BUS: recyclability 94% recoverability 95% ▼ RAILWAY: recyclability 90% recoverability 92% – 2026: ▼ BUS: recyclability 94% recoverability 95% ▼ RAILWAY: recyclability 92% recoverability 94%	
Results Obtained [MDR-A_05]	**2024:** • BUS: – Recyclability 94% – Recoverability 95%	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Recyclability/recoverability rate of vehicles with Environmental Labels and Declarations according to ISO 14020	Absolute target, recyclability and recoverability rate as a percentage of the total weight of the product. Not applicable reference value According to ISO 14020
Scope of target [MDR-T_04]	Recyclability/recoverability rate of vehicles with Environmental Labels and Declarations according to ISO 14020	Own operations
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Recyclability/recoverability rate of vehicles with Environmental Labels and Declarations according to ISO 14020	More information on the methodology used in section "5.4. Circular Economy and sustainable use of resources".
Associated policies [MDR-T_01]	Sustainability Policy; Environmental Policy; Ecodesign Policy; Purchasing Policy; Supplier Code of Conduct	

/ Social Pillar

At CAF, we believe that there can be no sustainability without a firm commitment to people. For this reason, the second pillar of the SMP focuses on people's talent and well-being, consolidating a vision in which teams are the driving force behind our goals.

Attracting and retaining talent is not just an operational task, it is a strategic priority for us. In this way, we have strengthened our global strategy for attracting and developing talent, ensuring that each employee finds at CAF an equitable and inclusive environment where they can grow personally and professionally. At the same time, diversity and inclusion are values that are an essential part of our identity, creating a space where each individual contributes value from their uniqueness.

On the other hand, protecting those who are part of our organisation is a responsibility that we take seriously. In this sense, we have developed a solid preventive culture that seeks to reduce the risks associated with workplace accidents and occupational diseases. Through specific improvement plans, we promote the physical and mental well-being of our employees, reinforcing safety as an essential pillar of our success.

Actions and resources in relation to material sustainability issues and monitoring the effectiveness of policies and actions through targets [MDR-A, MDR-T, MDR-M]

INITIATIVE 4:	STRENGTHENING THE GLOBAL STRATEGY FOR TALENT ATTRACTION AND DEVELOPMENT	
Description: [MDR-A_01, MDR-A_04] **Scope:** [MDR-A_02]	Driving a shared talent management strategy aligned with our values by implementing best practices and optimising talent acquisition and development processes to ensure the growth of the overall business with a focus on key geographies. To comply with this initiative, CAF has planned various actions, including strengthening CAF's position as an employer with the different stakeholders in this field in key geographies, implementing programmes focused on medium- and long-term development that establish career paths and ensure succession in critical positions and defining a plan on diversity, equity and inclusion that allows for consistency and alignment with business needs by establishing priority areas of action and the level of ambition.	
Time horizon [MDR-A_03]	The timeline is aligned with the timeline of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The main KPIs used to monitor the initiative and its expected results are the following: • Organisational Health Index – 2025: 6.8 (out of 10) – 2026: 6.8 (out of 10)	
Results Obtained [MDR-A_05]	• **2024**: 6.7 • **2023**: 6.6	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Organisational Health Index	Absolute target, Organisational Health index assessment score from 1 to 10 Not applicable reference value Not applicable based on scientific research.
Scope of target [MDR-T_04]	Organisational Health Index	Own operations
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Organisational Health Index	More information about the methodology used in section "6.1 People".
Associated policies [MDR-T_01]	Sustainability Policy; People Policy	

INITIATIVE 5:	BUILDING A POSITIVE PREVENTIVE CULTURE	
Description: [MDR-A_01, MDR-A_04] **Scope**: [MDR-A_02]	Deploying improvement plans to build a positive preventive culture that contributes to reducing accidents at work and occupational diseases. In order to comply with this initiative, CAF has planned various actions, including: measuring the degree of compliance with the action plans of the businesses/headquarters in the Corporate Forum on Occupational Health and Safety (OHS); defining criteria for carrying out diagnoses through NOSACQ 50 studies (frequency, scope, etc.) in the Corporate OHS Forum and their inclusion in the review of the Corporate OHS Policy; and, finally, extending the coverage of the ISO 45001:2018 certification to the entire Group.	
Time horizon [MDR-A_03]	The timeline is aligned with the timeline of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The main KPIs used to monitor the initiative and its expected results are the following: • Frequency rate – 2025: 13.8 – 2026: 13.5	
Results Obtained [MDR-A_05]	• **2024**: 13.8 • **2023**: 14.1	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Frequency rate	Absolute target. This is the number of workplace accidents resulting in at least one day of leave per million hours worked at CAF centres and facilities. Not applicable reference value Not applicable based on scientific research.
Scope of target [MDR-T_04]	Frequency rate	Own operations
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Frequency rate	This is the number of workplace accidents resulting in at least one day of leave per million hours worked at CAF centres and facilities.
Associated policies [MDR-T_01]	Sustainability Policy; People Policy; Occupational Health and Safety Policy.	

/ Governance Pillar

The third pillar of the SMP acknowledges the importance of a solid and responsible governance model as the basis for sustainability. This approach not only reinforces transparency and integrity in our operations, but also ensures that every decision is aligned with corporate values and strategic objectives.

In an increasingly digital and interconnected world, security and cybersecurity are critical elements to ensure the trust of our customers and partners. CAF has optimised its cybersecurity programme, ensuring that both systems and products meet the highest standards of quality and protection. At the same time, our value chain has been transformed through sustainable practices that incorporate environmental, social and governance (ESG) criteria, maximising the positive impact at each stage of the process.

In addition, we have strengthened our management model with advanced digital tools that allow for more agile and precise control of non-financial information. This not only ensures compliance with regulatory standards, but also strengthens our ability to adapt to an increasingly demanding regulatory environment.

Actions and resources in relation to material sustainability issues and monitoring the effectiveness of policies and actions through targets [MDR-A, MDR-T, MDR-M]

INITIATIVE 6:	OPTIMISING THE CYBERSECURITY PROGRAMME	
Description: [MDR-A_01, MDR-A_ 04] **Scope**: [MDR-A_02]	Deploying and implementing the Corporate Cybersecurity Policy with the objective of complying with the applicable regulatory and legislative framework, meeting the contractual requirements of customers or other stakeholders, and improving the level of maturity, training and awareness in the organisation. To fulfil this initiative, CAF has planned different actions, both to reinforce cybersecurity in the organisation and in its products and services.	
Timeline [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Rating cybersecurity (BitSight): Scale 0-820. – 2025: 720/820 – 2026: 730/820	
Results [MDR-A_05]	• **2024**: 720/820 • **2023**: 660/820	
Target (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Cybersecurity rating (BitSight)	Absolute target Not applicable reference value Not applicable based on scientific research
Scope of target [MDR-T_04]	Cybersecurity rating (BitSight)	Upstream Own operations Downstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Cybersecurity rating (BitSight)	More information on the methodology used in section "7.3 Cybersecurity".
Associated Policies [MDR-T_01]	Sustainability Policy; Cybersecurity Policy; Internal Reporting System Policy; Personal Data Protection Policy; Products and Services safety Policy; Supplier Code of Conduct	

INITIATIVE 7:	BOOSTING THE AUTONOMOUS AND AUTOMATIC MOBILITY INNOVATION PROGRAMME	
Description: [MDR-A_01, MDR-A_04] **Scope**: [MDR-A_02]	Developing and promoting advanced technologies for the creation of autonomous and automated transport solutions, thus improving efficiency, safety and sustainability in mobility. To fulfil this initiative, CAF has planned different actions, including the promotion of solutions to improve the safety of commercialised vehicles (Advance Driver Assistance Systems) and the assessment of the positive implications of autonomous driving: Reduction in the number of accidents and operational efficiency.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Degree of compliance with the progress of the Innovation Programme in Autonomous and Automatic Mobility – 2025: 100% – 2026: 100%	
Results Obtained [MDR-A_05]	• **2024:** 97%.	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Degree of compliance with the progress of the Innovation Programme in Autonomous and Automatic Mobility	Absolute target, Degree of programme fulfilment, in percentage terms, with the total programme being 100% and progress being measured according to previously defined milestones. Not applicable reference value Not applicable based on scientific research
Scope of target [MDR-T_04]	Degree of compliance with the progress of the Innovation Programme in Autonomous and Automatic Mobility	Upstream Own operations Downstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]		Not applicable
Associated Policies [MDR-T_01]	Sustainability Policy; Products and Services safety Policy.	

INITIATIVE 8:	BOOSTING SUSTAINABILITY IN OUR SUPPLY CHAIN THROUGH THE IMPLEMENTATION OF THE RESPONSIBLE PURCHASING PROGRAMME	
Description: [MDR-A_01, MDR-A_04] **Scope:** [MDR-A_02]	Selecting and developing our suppliers, incorporating, among others, environmental, social and governance (ESG) criteria in the approval and awarding processes. To fulfil this initiative, CAF has planned different actions, including implementing ARIBA SLP in national and international subsidiaries, mapping supply chain risks and carrying out periodic audits of suppliers that do not reach the threshold score. Implementing SEDEX; and incorporating environmental, social and governance (ESG) sustainability criteria into the procedures for approval and awarding of contracts to suppliers.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • % Purchases from suppliers with high/medium ESG risk – 2025: 2.3% – 2026: 2.0%	
Results Obtained [MDR-A_05]	• **2024**: 1.1% • **2023**: 2.5%	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	% Purchases from suppliers with high/medium ESG risk	Absolute target, total purchases from medium/high ESG risk suppliers with respect to total procurement. Not applicable reference value Not applicable based on scientific research
Scope of target [MDR-T_04]	% Purchases from suppliers with high/medium ESG risk	Upstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	% Purchases from suppliers with high/medium ESG risk	More information on the methodology used in section "7.5 Responsible supply chain management".
Associated Policies [MDR-T_01]	Sustainability Policy; Purchasing Policy; Conflict Minerals Statement; Supplier Code of Conduct; Human Rights Due Diligence Policy.	

INITIATIVE 9:	STRENGTHENING THE MANAGEMENT MODEL IN RESPONSE TO THE REGULATORY TSUNAMI AND ADVANCED MANAGEMENT BEST PRACTICES	
Description: [MDR-A_01, MDR-A_04] **Scope**: [MDR-A_02]	Updating the Management Model and integrating it into business to satisfy the needs and expectations of stakeholders in the value chain in a balanced way, obtaining results in ESG rating agencies above our peers. To fulfil this initiative, CAF has planned different actions, including the updating of corporate policies and their governance in accordance with the regulatory developments in terms of sustainability (CSRD, CS3D, Raw Materials, IRIS, Conflict Minerals, etc.), the integration of corporate policies in business and the development of aspects of due diligence in Human Rights related to Affected Groups, in particular improving stakeholder participation as provided for in the CAF Group's Human Rights Due Diligence Policy.	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results:	
	• Customer satisfaction rating – 2025: 7.9 – 2026: 8.0 • S&P Sustainability Assessment – 2025: 68 – 2026: 70 • Sustainalytics Sustainability Assessment – 2025: Low – 2026: Low	• MSCI Sustainability Assessment – 2025: A – 2026: A • Ecovadis Sustainability Assessment – 2025: 75 – 2026: 75
Results Obtained [MDR-A_05]	• Customer satisfaction rating – 2024: 8.0 – 2023: 7.9 • S&P Sustainability Assessment – 2024: 60 – 2023: 63 • Sustainalytics Sustainability Assessment – 2024: Low – 2023: Low	• MSCI Sustainability Assessment – 2024: AA – 2023: A • Ecovadis Sustainability Assessment – 2024: 79 – 2023: 83
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Analysts' assessment and ESG rating	Absolute target Not applicable reference value Not applicable based on scientific research
Scope of target [MDR-T_04]	Analysts' assessment and ESG rating	Upstream Own operations Downstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Regarding index ratings, these are ratings carried out by external rating agencies according to their own methodology, applied in a homogeneous manner to all participating companies.	More information on the methodology for calculating the Customer Satisfaction Index can be found in section "2.6. Value creation and stakeholders".
Associated Policies [MDR-T_01]	All policies	

INITIATIVE 10:	ENHANCING THE INTEGRITY OF SUSTAINABILITY DATA AND COMPLIANCE MANAGEMENT BY DIGITISING ASSOCIATED INTERNAL CONTROL SYSTEMS	
Description: [MDR-A_01, MDR-A_04] **Scope:** [MDR-A_02]	Improving the reporting and internal control systems (NFIICS/SIICS) and Compliance Risk Management Systems by digitising and strengthening them, thus ensuring a more agile, accurate and secure management of non-financial information. To fulfil this initiative, CAF has planned different actions, including the definition and implementation of the SIICS processes according to the results of the Double Materiality; its subsequent migration to SAP GRC Process Control, the deployment of a sustainability information reporting tool that allows compliance with CSRD requirements, including XBRL taxonomy (labelling of ESRS data points); and the design, implementation and training of users in SAP GRC Process Control - Compliance	
Time horizon [MDR-A_03]	The time horizon is associated with the horizon of the Sustainability Master Plan. Targets have thus been set for 2024, 2025 and 2026.	
Expected Results [MDR-A_04, MDR-T_02]	The following main KPIs are used to monitor the initiative and its expected results: • Percentage of SIICS controls associated with the datapoints to be reported, implemented in SAP GRC Process Control: – 2025: 25% – 2026: 50%	
Results Obtained [MDR-A_05]	New initiative, not applicable	
Goal (absolute or relative) [MDR-T_03] **Reference value/Base year** [MDR-T_05, MDR-T_06] **Based on scientific research** [MDR-T_10]	Percentage of SIICS controls associated with the datapoints to be reported, implemented in SAP GRC Process Control	SIICS controls associated with the datapoints to be reported, implemented in SAP GRC Process Control with respect to total controls Not applicable reference value Not applicable based on scientific research, since it is not environmental
Scope of target [MDR-T_04]	Percentage of SIICS controls associated with the datapoints to be reported, implemented in SAP GRC Process Control	Upstream Own operations Downstream
Period [MDR-T_07]	Annual	
Methodology and hypothesis [MDR-T_08]	Percentage of SIICS controls associated with the datapoints to be reported, implemented in SAP GRC Process Control.	
Associated Policies [MDR-T_01]	Sustainability Policy; General Risk Control and Management Policy; General Policy regarding communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors; Compliance Policies.	

Integrated and transparent supervision

The Sustainability Master Plan (SMP) is based on a solid governance model that guarantees its effective implementation, rigorous supervision and full alignment with CAF's strategic goals. The Board of Directors, assisted by its committees, assumes maximum responsibility for sustainability and climate strategy, with the coordinated support of the Strategic Sustainability Committee and the Sustainability Operating Committee.

Sustainability governance (described in section 4.3) ensures SMP initiative integration into the business model and their effective management in all Group areas. The Responsible Management Scorecard, presented in section 4.7, facilitates transparent and detailed monitoring of key sustainability indicators, ensuring that progress is communicated periodically through the Annual Sustainability Report, results presentations and other key communications. This approach reinforces our commitment to transparency and the trust of our stakeholders.

4.6 CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In 2015, the United Nations General Assembly unanimously adopted the 2030 Agenda for Sustainable Development, which establishes 17 Sustainable Development Goals (SDGs). These goals provide a global framework that inspires governments, businesses and civil society to end poverty, protect the planet and improve the lives and prospects of people everywhere.

At CAF we remain committed to achieving these goals, actively contributing through our business activity and our approach to sustainability. The Company has the greatest positive influence over the following SDGs in accordance with Railsponsible initiative guidelines.

ENVIRONMENTAL AXIS

PROMOTION OF SUSTAINABLE MOBILITY

- Continuous research and development of products and services to respond to the global trend of increasing mobility, climate change and the limitation of fossil fuels.
- Designing greener means of transport, with lower noise emissions, consuming less energy in use and generating less pollution.
- Involvement with the network of national and international innovation-oriented associations.

REDUCING THE ENVIRONMENTAL FOOTPRINT OF OPERATIONS

- Development of strategies to combat climate change, such as reducing energy consumption and promoting energy efficiency.
- Efficient management of natural resources in production.
- Reduction, reuse and recycling of the waste produced.

PROMOTING RESPONSIBLE PURCHASING

- Sustainability commitment requirements in the Supplier Code of Conduct.
- Requirement of compliance with the REACH Regulation and the UNIFE Railway Industry Substance List for suppliers.
- Assessment of supplier sustainability management through the Ecovadis platform.
- Participation in the Railsponsible sector initiative for the development of sustainable practices along the rail industry value chain.
- Employee training and awareness-raising on sustainability issues.
- Development of small and medium-sized local suppliers.

SOCIAL AND ETHICAL AXIS

PROFESSIONAL DEVELOPMENT AND BUSINESS ETHICS

- Commitment to scrupulous respect for basic rights, equal treatment and non-discrimination.
- Promotion of high standards of professional ethics, prevention of fraud and corruption and respect for competition law.
- Implementation of people development and occupational health and safety policies, shared among all the Group's activities in the different geographical areas.

CONTRIBUTION TO SOCIETY

- Economic promotion of the environment through the hiring of local workers and suppliers.
- Provision of products and services in accordance with high quality and safety standards for customers and users.
- Support for entrepreneurship, through collaboration with start-ups and entrepreneurs.

True to this commitment, and following the preparation of the Sustainability Master Plan and the Double Materiality Assessment in 2024, we are addressing the implementation of the actions defined in this reporting year. This process reinforces the strategic alignment of the company's initiatives with the SDGs identified as priorities, maximising our positive impact on the people, environment and communities in which we operate.

OBJETIVOS DE DESARROLLO SOSTENIBLE

4.7 RESPONSIBLE MANAGEMENT SCORECARD

Responsible management requires tracking tools that enable performance assessment, guarantee transparency and enable evidence-based decision-making. In this regard, at CAF we have established a dashboard with key ESG (Environmental, Social and Governance) indicators, which facilitates the monitoring of priority objectives, ultimately supervised by the Board of Directors.

This dashboard offers a clear and concise overview of progress in the most relevant areas, promoting continuous improvement, adaptation to new regulatory requirements and the alignment of actions with corporate strategy and stakeholder expectations.

INDICATORS[1]		CONSOLIDATED									
		REAL					OBJECTIVE				
		FY24		FY23	FY22	FY21	FY24E	FY25E	FY26E[3]	FY30E[3]	FY45E[3]
CO_2 emission reduction. Scope 1&2 (base year 2019, SBTi)	↑better	29.3%	●	32.6%	31.5%	-	21.0%	25.2%	30.0%[2]	55.0%[2]	Net Zero[2]
CO_2 emission reduction. Scope 3 (product use) (base year 2019, SBTi)	↑better	33.1%	●	46. 8%	22.9%	-	30.5%	35.3%	40.0%[2]	55.0%[2]	Net Zero[2]
EU taxonomy alignment(Turnover) (%)	↑better	82.1%	●	80%	76%	-	82.0%	84.0%	84.0%		
Frequency rate	↓better	13.8	●	14.1	15.2	17.3	14.0	13.8	13.5		
Customer satisfaction rating (1/10)	↑better	8.0	●	7.9	7.8	7.7	7.9	7.9	8.0		
Organisational health index (1/10)	↑better	6.7	●	6.6	6.6	6.4	6.7	6.8	6.8		
CDP Sustainability Assessment	↑better	B	●	B	B	-	A-	A-	A-		
Sustainalytics Sustainability Assessment	↓better	Risk Low	●	Risk Low	Risk Low	Risk Low	Risk Low	Risk Low	Risk Low		
MSCI Sustainability Assessment	↑better	AA	●	A	BBB	BBB	A	A	A		
S&P Sustainability Assessment	↑better	60	●	63	64	54	66	68	70		
Ecovadis Sustainability Assessment	↑better	79	●	83	75	65	75	75	75		

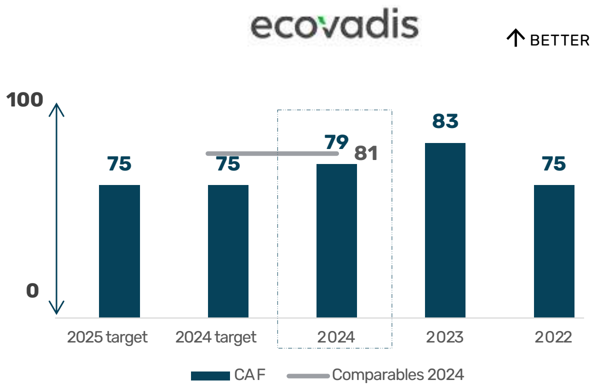
1. The configuration of the Responsible Management Scorecard responds to the main material issues identified in the Double Materiality Study carried out in 2024. CAF reports the evolution of these indicators on a quarterly basis in the Sustainability section of its website. Independently of this selection of indicators, CAF will report the quantitative Datapoints identified as material in its Sustainability report.
2. Net-Zero Path validated by SBTi (Science Based Targets initiative)
3. Strategic Plan 2026 Objectives. The emissions reduction target for scope 1&2 of the Strategic Plan amounted to 50.0% by FY30. The SBTi validation required an adjustment to 55.0%.

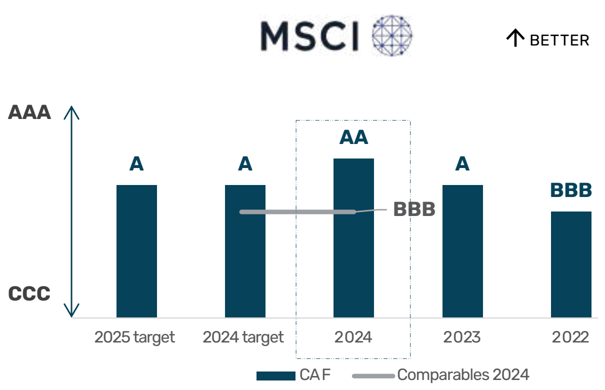
● BETTER THAN TARGET ● WORSE THAN TARGET, ● WORSE THAN TARGET, BUT THE SAME OR BETTER THAN LAST YEAR

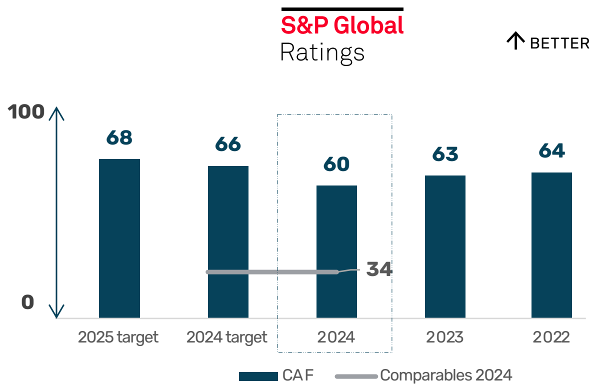
4.8 ASSESSMENTS BY ESG RATING AGENCIES

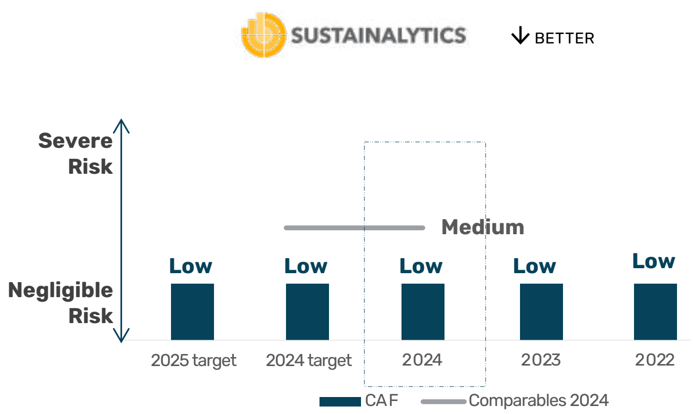
We have already discussed how sustainability is one of the four pillars of the 2026 Strategic Plan, and our defined objectives in this regard include improving ESG rating agency scores for investors and thus remain above our peers.

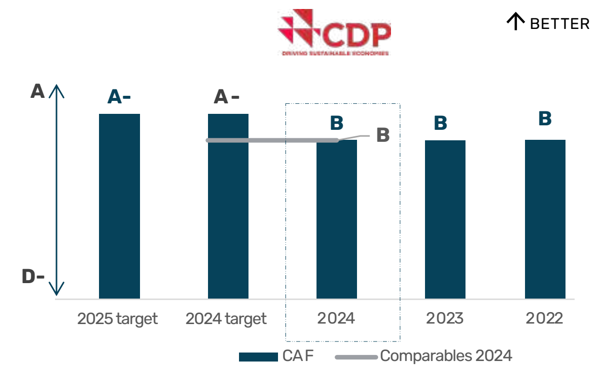
Below are the main external ESG assessments in force at the end of 2024, their trends over the years and the objective set for 2025.











4.9 SUSTAINABLE FINANCE

Sustainable finance is essential to carry out the ecological transition towards a climate-neutral economy, directing capital towards assets that not only generate economic value, but at the same time are useful for society and not harmful to the environment. In fact, the achievement of the Sustainable Development Goals (SDGs) and climate agreements make it necessary to mobilise enormous financial flows, many of which must come from the private sector.

4.9.1 EUROPEAN UNION TAXONOMY FOR SUSTAINABLE ACTIVITIES

In March 2018, the European Commission announced its "Action Plan: Financing Sustainable Growth", marking the start of an ambitious and global strategy with the aim of aligning finance with the achievement of the commitments of the Paris Agreement and the European Union (EU) 2030 Agenda for Sustainable Development. This plan promoted the adoption of a regulatory framework whose main axis is Regulation (EU) 2020/852 on the Taxonomy of Sustainable Activities, aimed at establishing a classification system that, based on objective criteria, determines which economic activities can be considered sustainable.

Since its entry into force, the Taxonomy has been developed through specific delegated acts, most notably the Climate Delegated Act (2021) and its subsequent amendments (including the 2023 amendment), as well as the Environmental Delegated Act, which addresses the remaining four environmental objectives. This set of rules provides a clear roadmap for identifying and assessing the contribution of economic activities to EU environmental objectives, thereby encouraging the redirection of capital flows towards sustainable investments.

In accordance with the provisions of article 8 of the Taxonomy Regulation, CAF, as a non-financial entity of public interest with more than 500 employees, has been complying with its disclosure obligations since its 2022 Sustainability Report. These requirements include the periodic communication of the proportion of eligible and ineligible economic activities according to the Taxonomy in relation to the total business volume, investments in Capital Expenses (CapEx) and Operating Expenses (OpEx), as provided for in article 10.2 of the delegated act that complements article 8 of the Regulation.

In the first year of application (2021), we published the degree of eligibility and non-eligibility of CAF activities with regard to the objectives of Climate Change Mitigation and Adaptation. Beginning in 2022, our reports included not just eligibility criteria but also an evaluation of how well activities correspond with the Taxonomy. In this regard, an aligned activity is construed as follows:

- It is included among the activities recognised by delegated acts (eligible).
- Meets the criteria for substantial contribution to applicable climate goals.
- It does not cause significant harm to other environmental objectives.
- It meets the minimum social guarantees required.

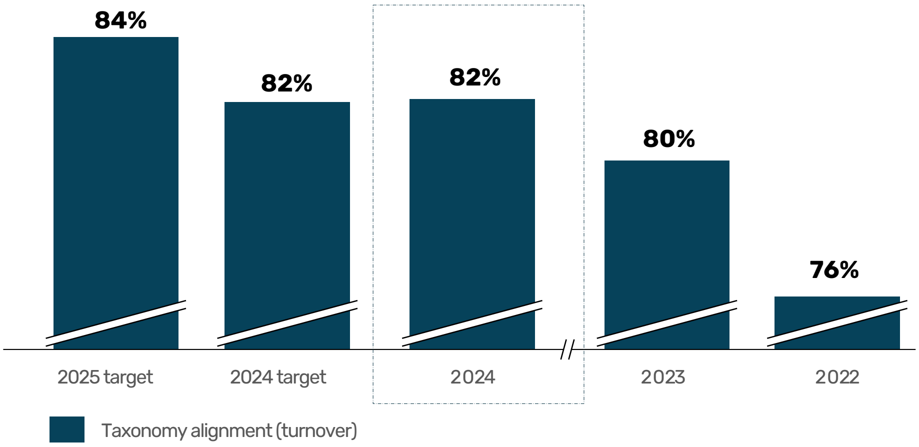
In 2023, we expanded the coverage of our analysis to include not only the activities contemplated in the Climate Delegated Act (and its amendment published in 2023), but also those included in the Environmental Delegated Act. However, the CAF Group does not currently carry out activities included in this last act. The analysis covered all the companies within the Group's consolidation scope, thus allowing for a comprehensive view of environmental performance under the Taxonomy criteria.

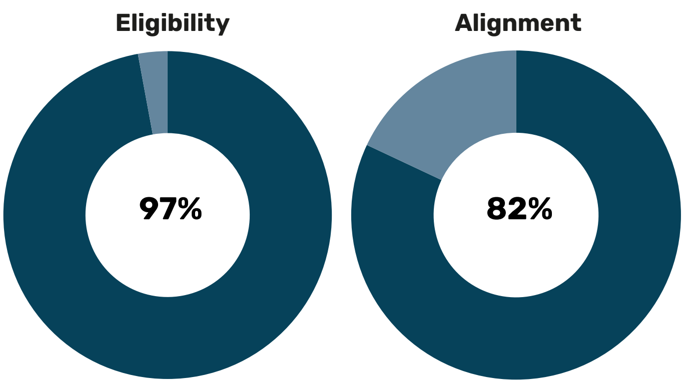
The 2023 results demonstrated a notable alignment and qualification with the Taxonomy, placing CAF in a pivotal role in the transition to a low-carbon economy. Thus, almost all of the Group's activities fall within the objective of Climate Change Mitigation. Eligible and aligned activities include the manufacturing and maintenance of railway vehicles, low-emission buses, the construction and modernisation of railway infrastructure, the development of EPC projects for photovoltaic plants and the implementation of digital solutions that optimise operational efficiency and promote sustainable mobility.

In financial year 2024, we reported on the eligibility and alignment of the activities contemplated in the Climate Delegated Act and amendment thereof published during the period, as well as the activities included in the Environmental Delegated Act. It is important to highlight that, similar to last year, the CAF Group is not engaged in any of the activities mentioned in the latter.

The analysis carried out to determine the eligible activities in accordance with the criteria established by the European Commission in the Taxonomy, as well as their subsequent alignment with it, covers all the companies that make up the consolidation perimeter of the CAF Group.

As a result of this analysis, the results obtained are presented below regarding the contribution of CAF's activities to the objective of “Climate Change Mitigation”, under which almost all of the Group's activities are framed:





INDICATORS [1]	2024	2023	2022
% Eligibility Turnover	97%	97%	97%
% Turnover Alignment	82%	80%	76%
% CapEx Eligibility	96%	97%	99%
% CapEx Alignment	81%	74%	87%
% OpEx Eligibility	98%	98%	97%
% OpEx Alignment	82%	75%	82%

1 To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Description of activities

From the analysis carried out, it is established that according to the Delegated Regulation (EU) 2020/852, the eligible activities within CAF Group are the following:

CAF GROUP ACTIVITY	TAXONOMIC ACTIVITY: CLIMATE CHANGE MITIGATION
Manufacturing, installation, technical consulting, renovation, modernisation, repair, maintenance and reconversion of products, equipment, systems and software related to railway components	3.19. Manufacturing of rail rolling stock constituents
Manufacture, repair, maintenance, renewal, conversion and modernisation of vehicles and rolling stock (railway and bus).	3.3. Manufacture of low-carbon technologies for transport
Construction and modernisation of rail transport infrastructure, as well as engineering and associated services (signalling, testing, etc.).	6.14. Infrastructure for rail transport
Engineering, Procurement and Construction (EPC) of photovoltaic plants	4.1. Generation of electricity through solar photovoltaic technology
Data-driven digital solutions to make performance and sustainable mobility more efficient	8.2. Data-driven solutions for GHG emissions reductions

Detailed information on the results of the current year is presented in Annex 9.5 of the 2024 Sustainability Report, following the standardised format required by regulation. In addition, a methodological note is provided explaining the process of calculating the eligibility and alignment indicators for Turnover, CapEx and OpEx, thus ensuring the clarity, comparability and transparency of the information reported.

4.9.2 GREEN AND SUSTAINABLE FINANCING FRAMEWORK

At CAF we are aware of the key role that sustainable finance plays in the transition towards a fairer, more inclusive and low-carbon economy. As proof of this, during the first half of 2024, we have consolidated our commitment with the publication of our first “Green and Sustainable Financing Framework”. This milestone, endorsed by a Second Party Opinion (SPO) issued by a renowned independent verification body, has allowed the Company to align its financial instruments with international best practices in sustainable finance.

Following the publication of the Framework, we have begun to structure and execute financial transactions under its umbrella, worth close to €850 million in guarantees and loans, thereby demonstrating our ability to direct capital towards projects, assets and objectives aligned with our sustainability strategy.

This approach not only reinforces the Company's commitment to integrating ESG (Environmental, Social and Governance) criteria into our business model, but also demonstrates our contribution to the transition towards sustainable mobility, the mitigation of climate change and the protection of the environment.

CAF's Green and Sustainable Financing Framework contemplates the issuance of two types of financial instruments:

- **Financial instruments linked to sustainability criteria ("sustainable")**: Based on the Sustainability Linked Bond Principles (SLBP, June 2023) of the International Capital Market Association (ICMA) and the Sustainability Linked Loan Principles (SLLP, June 2023) of the Loan Market Association (LMA). These instruments are linked to the Company's performance in relation to specific ESG targets, driving continuous improvement and corporate responsibility.
- **Financial instruments linked to eligible green projects ("green")**: Based on the ICMA Green Bond Principles (GBP, June 2021) and the Green Loan Principles (GLP, 2023) developed by the Loan Market Association (LMA). These instruments are intended to finance projects with clear environmental benefits, such as emissions reduction, energy efficiency, the circular economy or sustainable mobility.

GREEN AND SUSTAINABLE FINANCING FRAMEWORK

INSTRUMENTS LINKED TO SUSTAINABILITY CRITERIA ("SUSTAINABLE")	INSTRUMENTS LINKED TO ELIGIBLE GREEN PROJECTS ("GREEN")
LINKED TO SUSTAINABILITY PERFORMANCE INDICATORS	USE OF PROCEEDS
↓	↓
GENERAL CORPORATE PURPOSES	ELIGIBLE GREEN PROJECTS
The Sustainability-Linked Bond Principles	The Green Bond Principles

Every financial operation issued under this Framework must satisfy the guidelines and criteria under the aforementioned international guides, thus ensuring the integrity, transparency and credibility of the issues. The explicit link between CAF's business strategy, our sustainability objectives and the financing raised in the capital markets underlines the Company's commitment to creating long-term value for all our stakeholders.

In short, the Green and Sustainable Finance Framework, already operational and backed by ongoing operations, places CAF at the forefront of sustainable finance, reinforcing our position as a benchmark in the sector and consolidating our role in the transformation towards a greener, more resilient economic model that is respectful of people and the environment.

The following results concern the four indicators included in the Green and Sustainable Financing Framework, and demonstrate that CAF has satisfactorily met three of the four Sustainability Performance Targets (SPT).

The characteristics of the financial instruments linked to sustainability criteria issued under this Framework may vary depending on whether or not the defined SPTs are achieved. Although interest rate variation is the predominant option, other financial characteristics may be considered in each case. Thus, depending on the KPIs selected in each instrument, it is possible that a variation in its characteristics may be reduced or not obtained if any of the SPT are not met.

A) KPI/SPT TRACKING - SUMMARY

KPI/SPT		CAF GROUP (2024)		
		SPT	Result	Compliance
KPI 1. CO_2 emission reduction. Scope 1&2	↑better	30.0%	29.3%	No
KPI 2. CO2 emission reduction. Scope 3 (product use) (%)	↑better	30.5%	33.1%	Yes
KPI 3. EU taxonomy alignment (turnover) (%)	↑better	82.0%	82.1%	Yes
KPI 4. Frequency rate	↓better	14.0	13.8	Yes

RAIL	BUSES
Result (2024)	
13.0%	64.6%
31.9%	42.6%
77.6%	97.8%
15.1	10.3 (1) | 10.6 (2)

(1) Bus segment
(2) Solaris Bus & Coach Sp. (parent company)

B) KPI/SPT MONITORING - INDICATOR EVOLUTION DETAIL

KPI 1. CO2 EMISSION REDUCTION. SCOPE 1&2 (%)	CAF GROUP			
	Base year 2019 (1)	2024	2025	2026
SPT (↑better)	54,343	30.0% 38,040	30.0% 38,040	30.0% 38,040
Results (tCO_2e)		29.3% 38,443		
Compliance		No		

(1) The 2019 base year figure before recalculation was 50.272 tCO_2e.

KPI 2. CO2 EMISSION REDUCTION. SCOPE 3 (PRODUCT USE) (%)	CAF GROUP			
	Base year 2019 (2)	2024	2025	2026
SPT (↑better)	11.93	30.5% 8.29	35.3% 7.72	40.0% 7.16
Results (Intensity (gCO_2/PKM))		33.1% 7.98		
Compliance		Yes		

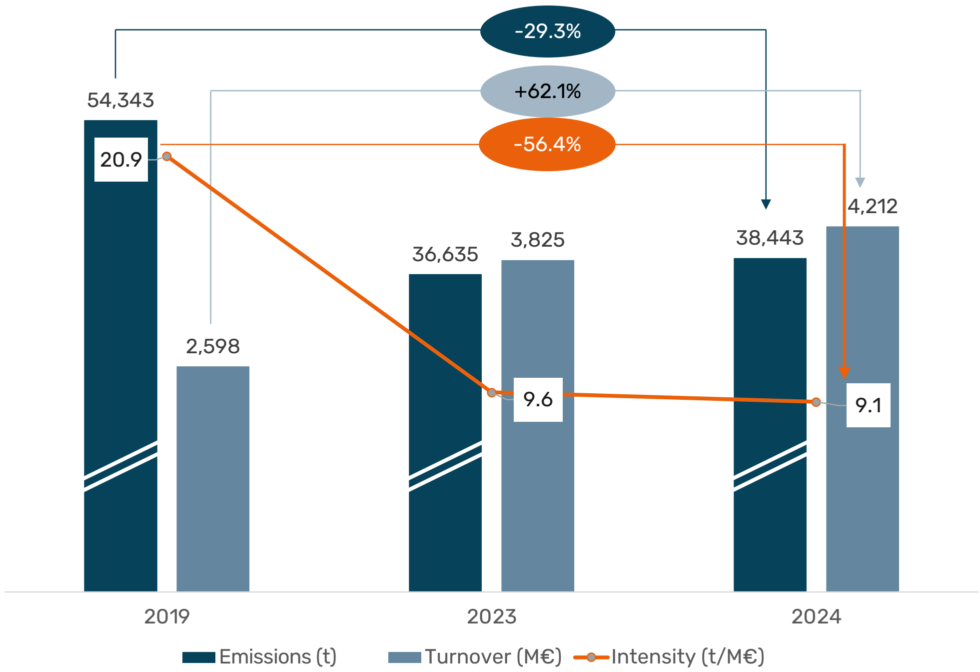
(2) The 2019 base year figure before recalculation was 11.87 gCO_2/PKM

KPI 3. EU TAXONOMY ALIGNMENT (TURNOVER) (%)	CAF GROUP			
	Base year 2022	2024	2025	2026
SPT (↑better)	76.0%	82.0%	84.0%	84.0%
Results		82.1%		
Compliance		Yes		

KPI 4. FREQUENCY RATE	CAF GROUP			
	Base year 2022	2024	2025	2026
SPT (↓better)	15.2	14.0	13.8	13.5
Results		13.8		
Compliance		Yes		

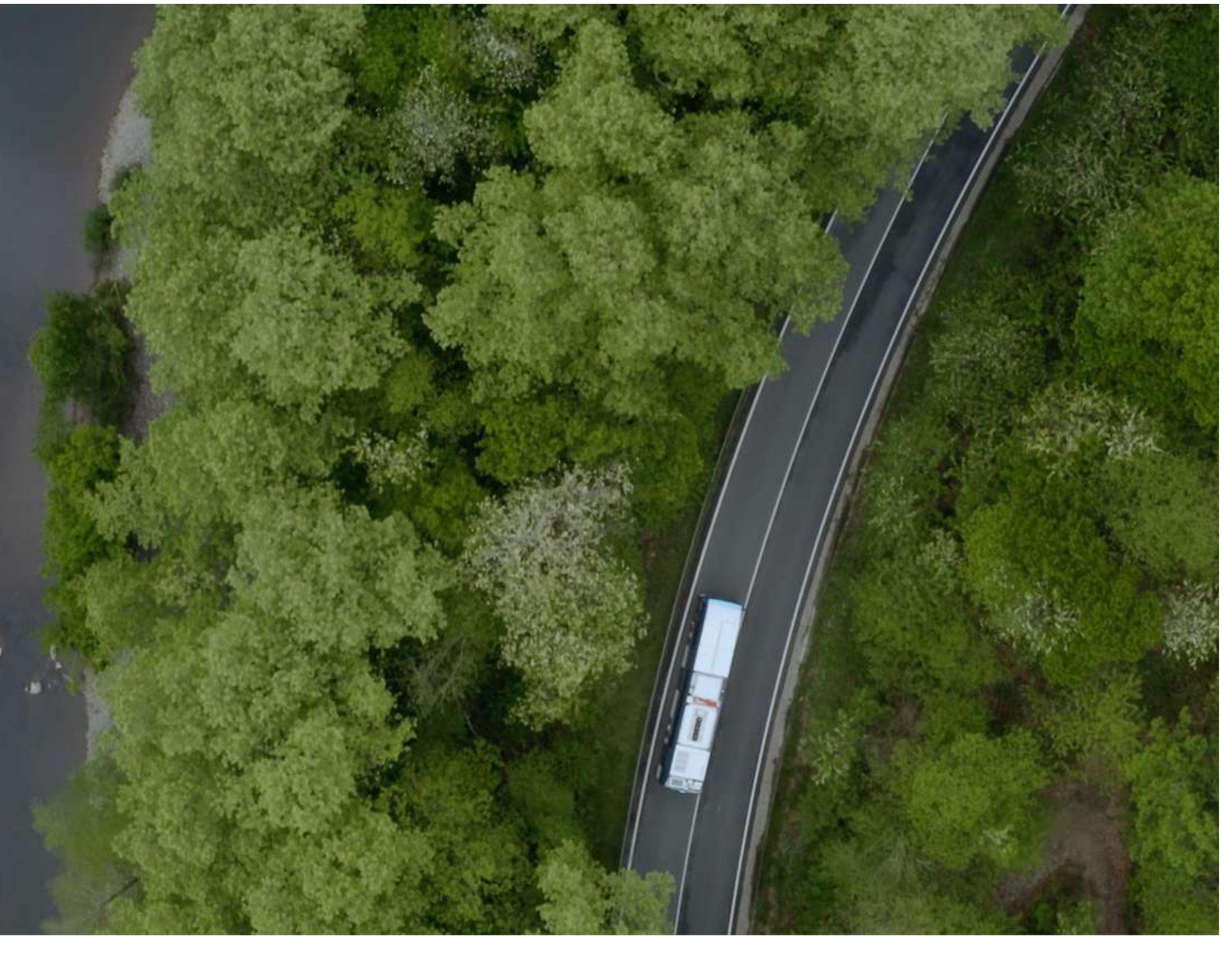
Despite not meeting KPI1 in absolute terms, the chart illustrates that if we consider the increase in sales obtained in the period 2019-2024 (+62.1%), the reduction in emissions in intensity over sales reaches a value of 56.4%. In other words, our 2019 emissions in terms of sales were 20.9 tCO_2e/M€, thus reducing emissions to 9.1 tCO_2e/M€ in 2024.

1&2 EMISSIONS



5/

OUR COMMITMENT TO THE ENVIRONMENT



The CAF Group is aware that its industrial activities have an impact on the environment. Thus, in line with the provisions of the United Nations Global Compact for Sustainable Development 2030 of which it is a signatory, it is committed to promoting measures that contribute to environmental sustainability, as well as developing actions in relation to the mitigation of the causes of global warming and adaptation to Climate Change.

As part of our ongoing commitment, we updated the Corporate Environmental Policy in 2024 to comply with the new Corporate Sustainability Reporting Directive (CSRD), specifically adding new obligations regarding atmospheric emissions. This document aims to unify policies, ways of doing things and management tools. It also defines and track environmental guidelines among the different activities of the Group.

A new Ecodesign Policy was defined from the results of the Double Materiality Assessment, in which all the Ecodesign principles for products and services are materialised, and the Supplier Code of Conduct and the Purchasing Policy have been updated to include commitments that contribute to strengthening a sustainable value chain.

The Corporate Environmental Policy, defined within the Corporate Environmental Forum and approved by CAF's Management, has as its main objective to define the general principles and criteria that must govern the Group in environmental matters. Furthermore, it projects to stakeholders the environmental commitments established within CAF's Sustainability Policy, which considers the environment to be a main element of the concept of sustainability.

Thus, the CAF Group's Corporate Environmental Policy integrates the **principle of environmental precaution** by preventing the environmental impact of the set of activities it carries out. Along the same lines, it adopts the necessary and economically viable measures to control and minimise its significant environmental aspects, including, yet not restricted to atmospheric emissions, energy consumption and waste generation, with a view to preserving natural resources, reducing environmental impact and promoting continuous improvement.

In terms of governance, there is a Corporate Environmental Committee, which includes the participation of the Management together with the Corporate Environmental Coordinator of the parent company, which coordinates and promotes all actions deemed necessary to achieve and improve environmental performance and addresses aspects relating to the environmental management of the Group. Furthermore, the Corporate Environmental Forum serves as a meeting point for those responsible for the environment of all the Group's activities, constituting an indispensable tool for the coordination of environmental actions in all segments and activities of the Group.

In the external sphere, in order to respond to the expectations and interests of its Stakeholders in relation to the preservation of the environment, the increasingly demanding regulatory requirements and the constant analysis of management by analysts, evaluators and different agents of civil society, CAF maintains a fluid relationship with them by establishing open communication channels with institutions and parties such as the Administration, local communities and/or civil society associations, etc.

5.1 ENVIRONMENTAL MANAGEMENT

One of the principles of the Corporate Environmental Policy is the implementation of environmental management systems with the aim of minimising the environmental impact of the Group's operations. Through its implementation, the applicable legal requirements are identified and evaluated, compliance with which is periodically monitored. Similarly, to ensure the achievement of the objectives established by the Organisation, an assessment is made of the effectiveness of the measures adopted.

Thus, the CAF Group has environmental management certificates and evaluation and monitoring mechanisms that go beyond the legal requirements in each of the countries in which it operates.

In 2024, in compliance with the objective of extending the scope of the environmental management systems implemented in the Organisation, the centres with an environmental management system certified under the requirements of the ISO 14001:2015 standard cover 85% of the Group's total workforce, including facilities in both business segments (rail and buses). With the achievement of this milestone, all plants in the railway vehicle manufacturing activity have an environmental management system certified under the ISO 14001:2015 standard. Looking ahead to 2025, we will continue to extend this certification to other national and international subsidiaries of the Group.

Moreover, it should be noted that, in 2024, CAF S.A., the Group's parent company, has maintained the certificate of excellence in environmental management, based on the European EMAS Regulation “Eco-Management and Audit Scheme”, fulfilling the objective set.

CERTIFICATIONS	2025 TARGET	2024 TARGET	2024	2023	2022
ISO 14001:2015	> 85% of the workforce	> 83% of the workforce	85% of the workforce	83% of the workforce	80% of the workforce
EMAS	Maintenance	Maintenance	CAF S.A.	CAF S.A.	CAF S.A.

In all certified centres, internal and external inspections and audits are carried out annually, based on standard ISO 14001:2015. These inspections and audits assess the progress made in the implementation and certification of the environmental management system, its effectiveness and, in particular, verify the correct application of CAF policies, as well as compliance with legal and customer environmental requirements, etc. As a result of these audits, corrective and improvement actions are established for the management system. Likewise, environmental programmes are developed to monitor and improve systems, including environmental awareness actions for personnel.

5.2 ENVIRONMENTAL RISK MANAGEMENT [2-27]

Following the implementation of the CAF Group's Corporate Environmental Policy, deployed in 2022, the Environmental Compliance Risk Management Procedure was created, developing a unified methodology for environmental risk management in the Organisation, formally documenting the process that had been applied to date.

This procedure considers all significant environmental impacts for the Group in the risk identification process, thereby identifying the main environmental risks associated with both the products and services offered by the Company, as well as the industrial activities it carries out. These risks include the use of polluting materials; failure to optimise the consumption of energy and natural resources (electricity, fuel, water, etc.); contamination of water and soil; etc.

In identifying the Impacts, Risks and Opportunities (IROs) of the Double Materiality Assessment carried out in 2024, consideration has been given to the risks and opportunities that have so far been managed by the Environmental Risk Management Procedure. (More information in section 9.6 of this Report).

Starting in 2024, the Corporate Risk Control and Management System will integrate both the environmental risks identified since 2022 and the new environmental IROs identified in 2024.

The impacts arising from these risks can include irreversible damage to the ecosystem and its effect on society, as well as fines and inspections related to non-compliance with environmental laws.

These impacts have a direct impact in the short term, although they can also have an impact in the medium term, as a characteristic of environmental impacts is that they can last over time.

In this regard, it should be noted that in 2024, as in the previous year, no provisions or guarantees have been made for environmental risks, as there are no lawsuits or contingencies related to the protection and improvement of the environment, nor have there been any environmental pollution events. In addition, there has been no environmental noncompliance resulting in environmental fines or penalties during the year.

Furthermore, during 2024, work has been carried out to improve the maturity of existing mitigation measures and controls.

The environmental risks associated with climate change, both physical and transition risks, are analysed in greater detail in section 5.3.1.

5.3 CLIMATE STRATEGY

[201-2, EG 305, 305-1, 305-2, 305-3, 305-4, 305-5]

Climate change is one of humanity's greatest global challenges in the 21st century, but it is a source of great opportunities for committed companies that seek to contribute to the decarbonisation of the economy.

CAF takes on the commitment and challenge of decarbonisation as its own. Additionally, the recognition of this issue is so significant that combating climate change has become a central element of our approach. This challenge provides CAF with a range of opportunities derived from decarbonisation, one of which is the aspiration to lead the transition towards sustainable mobility. Likewise, the Group is committed through its Sustainability Policy and its Environmental Policy to developing actions related to mitigating the causes of global warming and adapting to Climate Change, promoting measures that contribute to environmental sustainability.

Our climate strategy is based on the following pillars:

- Identification and quantification of risks and opportunities arising from climate change (More information in section 5.3.1);
- Decarbonisation strategy that sets out the guidelines and objectives for achieving the ambition of reaching net zero emissions (Net-Zero) by 2045. This strategy, described in section 5.3.2, includes short-, medium- and long-term commitments to reduce emissions generated by the Group's activities (scope 1, 2 and 3).
- Decarbonisation of our portfolio of mobility solutions by developing alternative propulsion systems and reducing consumption and emissions across our entire range of products. (5.3.3)

The organisation's resilience to climate challenges has been directly integrated into strategic planning, through the 2026 Strategic Plan and the Sustainability Master Plan. Both documents reflect CAF's commitment to the transition towards a more sustainable business model, establishing clear objectives in terms of emissions reduction and climate adaptation. Therefore, as part of the definition of the Group Strategy, the resilience of our business model has been analysed, including aspects related to sustainability, such as climate change and the risks and opportunities derived from it. Further details can be found in section “2.1 Our sustainable business model”.

However, given that CAF's strategy and business model are aligned with decarbonisation objectives, as shown in the initial chapters of this report, a detailed resilience analysis dedicated to climate change has not been executed. [E1.SBM-3_02, E1.SBM-3_03, E1.SBM-3_04, E1.SBM-3_05, E1.SBM-3_07]

5.3.1 Risks and opportunities arising from climate change [201-2]

To address the identification and assessment of climate-related Impacts, Risks and Opportunities (IROs), a Double Materiality Assessment has been carried out, taking as a reference the Climate Risk Analysis carried out by CAF following the provisions of the Task Force on Climate-Related Financial Disclosures (TCFD) and the environmental compliance risks (refer to point 5.2). This process enabled us to gain a deeper understanding of the relationship between our activity with the environment and climate change, analysing both the impacts of the climate on the business and CAF's contribution to the climate crisis.

During the Double Materiality Assessment, we closely examined how our activities could generate greenhouse gas (GHG) emissions and other environmental impacts, in direct operations and throughout our value chain. This analysis has covered the main sources of emissions, considering not only the direct emissions from our facilities and production processes, but also the indirect emissions derived from energy consumption and, more importantly, those generated in the use phase of the products sold, which represent the majority of the Group's carbon footprint [E1.IRO-1_01]. Likewise, the impact of the risks and opportunities that may affect CAF as a company has been analysed.

A detailed breakdown of the identified material IRO, together with an assessment of their impact and the management strategies adopted, is included in section 9.6 of this report [E1.SBM-3_01].

In parallel with the identification of emission sources, CAF has evaluated the real and potential impact of its activity on climate change, including an assessment of the evolution of its emissions in different future scenarios. This assessment has been carried out based on the Group's strategic plans, considering the adoption of more sustainable technologies, the evolution of the energy mix and regulatory expectations regarding carbon [E1.IRO-1_01].

Climate risk analysis has allowed us to identify and classify the main challenges we face as an organisation, grouping them into physical and transition risks.

Thanks to this approach, CAF not only meets the requirements of transparency and disclosure on climate matters, but also reinforces its ability to adapt to regulatory and market changes, guaranteeing the sustainability of the business in the long term.

During fiscal year 2024, at CAF we have continued to develop and improve both the methodology and the systematics for the management and analysis of the Risks and Opportunities derived from climate change within the framework of the Comprehensive Risk Management System.

The main improvements include: (i) the granularity of the analysis (identification of the exact location of each site); (ii) the updating of climate scenarios for climate change risks and opportunities; and (iii) the evolution of assumptions and foundations for calculating financial impacts.

i. Granularity of analysis [E1.IRO-1_04]

The main novelty in the exercise of physical risks has been to focus the analysis on the specific location (geolocated) from each of our sites. The physical locations that are susceptible to climate threats have been inventoried and the potential impacts on these locations have been assessed, assuming variables and information that are external and independent of meteorological phenomena. Please refer to section 5.3.1.1 for further information.

ii. Update of climate scenarios [E1.IRO-1_03, E1.IRO-1_05, E1.IRO-1_07, E1.IRO-1_10, E1.IRO-1_13, E1.IRO-1_08, E1.IRO-1_15]

To carry out the exercise, a corporate assessment framework is proposed, including the definition of climate scenarios and time horizons to consider. This assessment framework is defined based on the TCFD Recommendations and the requirements of emerging legislation.

Three time horizons are defined, considering the short (2030), medium (2040) and long (2050) term, as well as the solutions offered by CAF:

CLIMATE SCENARIOS

SUSTAINABILITY

SCENARIO 1: SSP1 - 1.9 + NZE +1.5°C

- **SSP1 - RCP 1.9** – Sustainability
- **NZE** – Net Zero Emissions by 2050
- **Net Zero 2050**

• Net zero emissions are assumed by 2050.

• A global temperature increase of no more than 1.5°C.

SCENARIO 2: SSP1 - 2.6 + APS +1.7°C

- **SSP1 - RCP2.6** – Business as usual
- **APS** – Announced pledges
- **Below 2°C**

• Net zero CO2 emissions will not be achieved in 2050 but in 2070.

• There is a temperature increase of no more than 2°C.

SCENARIO 3: SSP2 - 4.5 + STEPS +2.7°C

- **SSP2 - RCP 4.5** – Regional rivalry
- **STEPS** – Stated Policies
- **NDCs** – Nationally Determined Contributions

SCENARIO 4: SSP5 - 8.5 +STEPS[1] +4.5°C

- **SSP5 - RCP 8.5** – Fossil Fuel Development

• There is no great push from political agents, who limit themselves to fulfilling the commitments made.

• A temperature increase of no more than 2.7°C is assumed.

• A temperature increase of no more than 4.5°C is assumed.

TIME HORIZONS

CURRENT	MEDIUM TERM	LONG TERM
2030	**2040**	**2050**
CAF 2026 Strategic Plan and decarbonisation objectives: 55% reduction in Scope 1+2 emissions and 55% reduction in Scope 3 emissions - product use (tCO_2e/pkm).		Objectives of the Paris Agreement

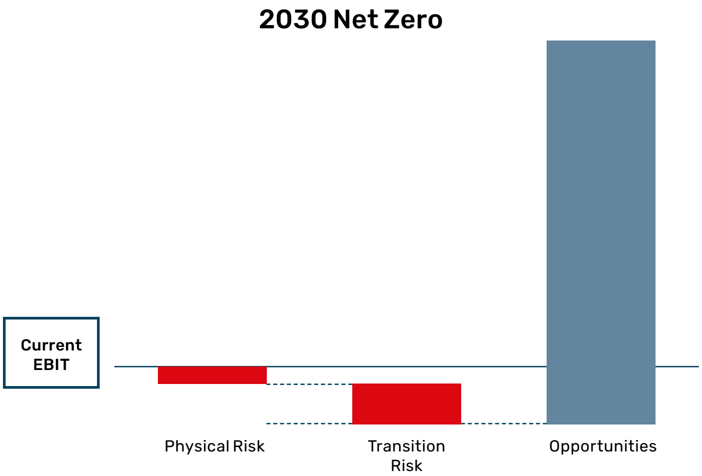
[1] STEPS has been used as it is the most pessimistic scenario for transition risk and the objective is to measure the most pessimistic impact from a physical point of view.

iii. Assumptions and bases for the calculation of the financial impacts [E1.IRO-1_16]

In order to calculate the financial impacts, specific variables and assumptions have been established for an adequate quantification of the risks and opportunities. Please refer to section 5.3.1.1 for further information.

The selected climate scenarios are compatible with the accounting criteria used by CAF to prepare its financial statements [E1.IRO-1_16].

The quantification of risks and opportunities carried out by applying the updated methodology shows a picture that, taking as an example the time horizon to 2030 in a "Net-Zero" scenario, would be as follows:



The chart shows how, at CAF, we estimate that the amount of opportunities arising from climate change is approximately 7 times the amount of risks arising from the same cause.

Our pledge to achieve a Decarbonisation Strategy, aiming for zero net carbon emissions by 2045, shapes this encouraging trajectory. Among the milestones that justify the opportunities with respect to the risks are:

- Intermediate and achievable objectives for 2030;
- Reduction targets for 2030 and 2045 validated by SBTi;
- Less impact of the carbon tax.

Likewise, the product mix, in which, for example, electric vehicles are increasingly in demand, is a reality today. Furthermore, it is estimated that both future demand and market/customer requirements for more sustainable means of transport will be covered by the portfolio and current trends of the CAF Group products.

CAF's Corporate Risk and Opportunity Management and Analysis Framework, based on the TCFD recommendations regarding the risks and opportunities arising from climate change, considers the following categories analysed in detail in this chapter:

5.3.1.1. Physical Risks

5.3.1.2. Transition Risks

5.3.1.3. Opportunities

5.3.1.1 PHYSICAL RISKS [E1.IRO-1_02]

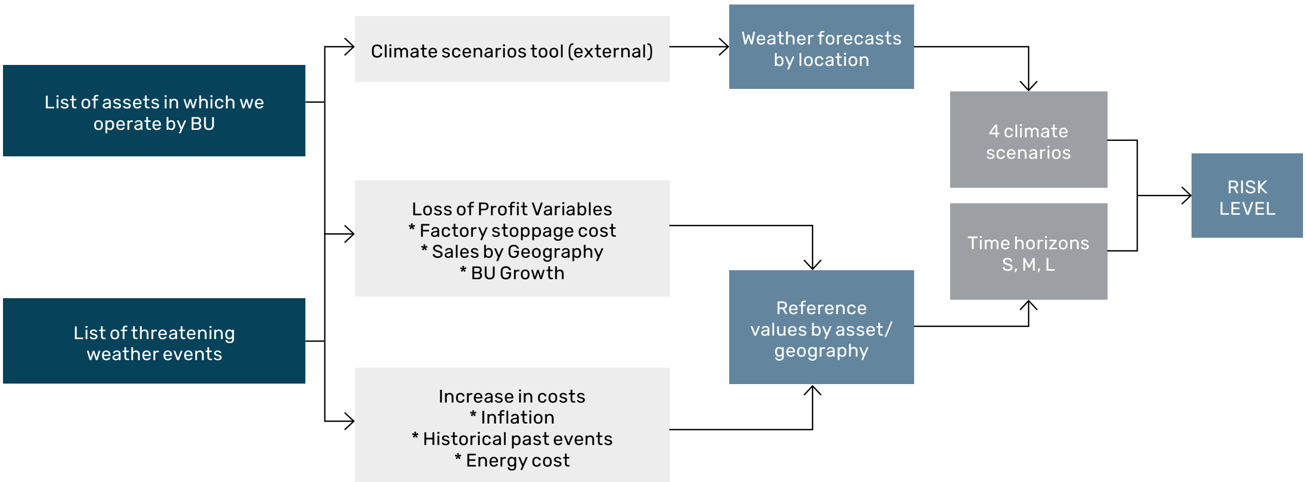
a) Valuation method

In its Sixth Risk Assessment (AR6), the Intergovernmental Panel on Climate Change (IPCC) projects different Representative Concentration Pathways (RCP) of greenhouse gases and analyses their impacts on the global increase in surface temperature, the intensification of the global water cycle and the reduction of the planet's CO_2 absorption capacity. Such effects might trigger weather events that, in line with the recommendations from the Carbon Disclosure Project (CDP) and the TCFD, are identified as [E1.IRO-1_07]:

Acute threats: whose impact is sudden and rapidly evolving, as is its resolution. It includes: Extreme precipitation and hurricanes/monsoons.

Chronic threats: whose impact grows gradually over time and lasts for several periods. It includes: Rising temperatures, rising sea levels and decreasing rainfall.

Within the framework of the Integral Risk Management System, we consider that these threats pose a risk directly linked to the locations worldwide in which we work.



As it illustrated in the graph above, the main variables for calculating physical risks include the probability and/or frequency of potential meteorological phenomena. To do this, we have used specific and independent sources of information, from CIMP6 databases, to enable us to obtain the appropriate geolocated physical variables for our assets. This has allowed us to identify the geographies in which we could be most vulnerable and to prioritise the appropriate response plans. [E1.IRO-1_06]

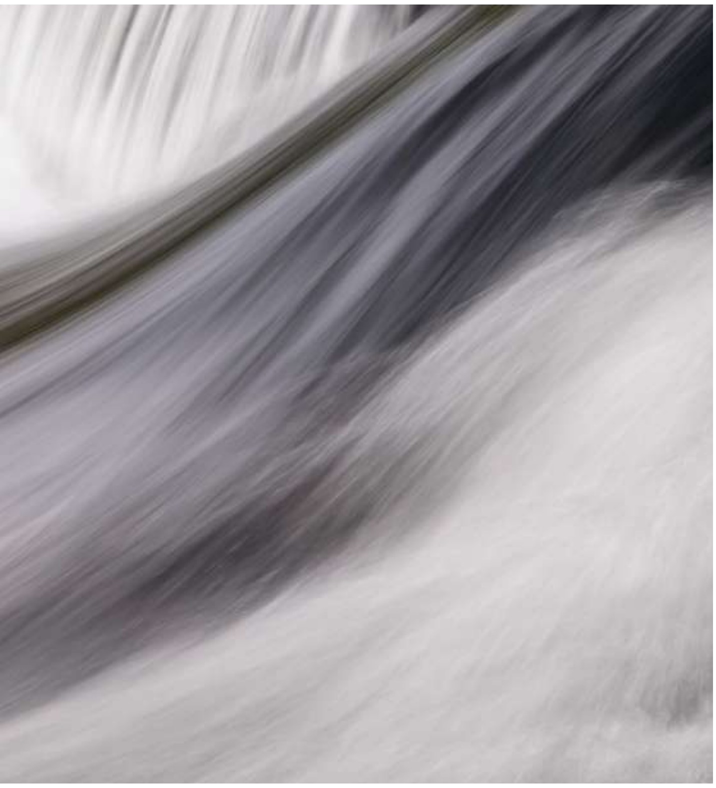
Likewise, additional variables such as loss of profits and increased costs have been used to complement the calculation of financial impacts.

b) Main physical risks identified

As a result of the assessment process described in the previous section, it is concluded that there is no physical risk that is particularly preponderant compared to the rest. In general, we see an upward and negative trend in the results, regardless of whether the climate scenario used is more pessimistic or the time horizon extends further into the future.

Among the identified physical risks, there is the acute risk of extreme winds. This is due to the increase in the frequency of occurrence to a greater extent than other risks do not manifest. In the case of floods caused by extreme rainfall, i.e. the concentration of high precipitation in short periods of time, this also represents a physical climatic risk to be taken into consideration due to the location of some assets in areas where the frequency of these events tends to increase over longer time horizons and in scenarios of higher emissions.

On the other hand, the risk associated with possible water shortages has also been assessed, considering its possible impact on the normal development of productive activities in the organisation's different businesses. Its relevance as a risk is not so high given that the vast majority of processes do not require large quantities of water and our locations are not located in areas of high water stress.



5.3.1.2 TRANSITION RISKS AND OPPORTUNITIES [E1.IRO-1_09]

a) Valuation method

Transition risks and opportunities encompass the potential impacts derived from the uncertainty generated by the actions taken worldwide to combat climate change.

We have thus used CDP and TCFD recommendations to conduct analyses that include the risks and opportunities concerning the following categories: market, products and services, and resource efficiency.

We have carried out the assessment of both risks and opportunities following our usual procedures, in which, for each event, we estimate a probability of occurrence and an economic impact. Additionally, for risks that may generate a reputational impact, this impact is also assessed on a five-level scale based on the intensity of the damage.

b) Main transition risks and opportunities identified [E1.IRO-1_11]

The final chart of section 5.3.1 illustrates that the dangers associated with transition are marginally greater than those posed by physical risks. However, as can be clearly seen, the opportunities are estimated at 7 times the sum of the two types of climate risks.

In its pursuit to lead the energy transition, CAF recognises that a sustainable and eco-friendly context offers more opportunities than a negative one.

The trend towards sustainable mobility solutions and changes in customer behaviour towards green products or product lines are some of the main pillars in the fight against climate change. For CAF, this commitment to mobility represents, without a doubt, a great opportunity. With a broad portfolio of sustainable products and already being a leader in certain markets, such as urban electric mobility with buses, the growth of the markets in which we are already present and the possibility of accessing new markets with sustainable mobility proposals represent strategic opportunities. Likewise, the efficiency of our facilities and our production processes has been analysed as another opportunity to consider. [E1.IRO-1_12] By making our processes more efficient, it is possible to reduce the consumption of supplies (gas, electricity, etc.), which is also in line with our decarbonisation objective.

Finally, it is also worth highlighting other opportunities such as capturing public funding or green financing.

Regarding transition risks, the fight against climate change and global climate agendas have led to new limits in different industries and sectors. Conventional industries, including those in service-oriented fields, are increasingly being compelled to adapt to a new set of climate-related commitments and standards that they have not previously encountered.

Thus, due to this demand, investment in green projects and commitment to pioneering technologies is seen as the key to the Organisation's growth. In this context, there is always the risk of investing in technologies that do not reach the expected maturity. Similarly, there are other transition risks related to the potential cost associated with carbon emissions. This last risk could be relevant for CAF; however, considering the existing decarbonisation plan, the effect of the increase in the carbon price in the different scenarios is offset by the reduction in the group's emissions.

The risk of potential sanctions has also been analysed, as well as the costs associated with adapting to regulations and complying with ESG reporting obligations. Considering the existing track record and the work already in progress, this risk is not seen as very significant.

Finally, it has been concluded that there is no asset/site in the organisation that is incompatible with a transition towards a climate-neutral economy. [E1.IRO-1_14]

5.3.1.3 MONITORING, CONTROL AND IMPROVEMENT

The monitoring and control of climate change risks and opportunities is carried out within the framework of the Comprehensive Risk Control and Management System, in other words, in an integrated manner and following the same channels used for all the Group's risks and opportunities.

Due to their characteristics, causes and areas of impact, these risks have been incorporated into the standardised framework of our assurance map, where we identify the individuals responsible for each risk and the secondary line of defence for every risk category. The different risks associated with our impact on the climate and vice versa cover both the strategic and operational areas as well as compliance (more information on risk management in the CAF Group in section 7.1).

Thus, our periodic risk reports for Management and the Audit Committee are always based on the complete catalogue of risks, paying special attention to the most relevant ones on each occasion.

In addition, compliance with, deployment of and tracking of the principles and objectives of Sustainability, including the climate strategy and its impacts, in line with the Strategic Plan and the new Sustainability Policy, is overseen by the Strategic Sustainability Committee (more information on Sustainability Governance in section 4.3).

5.3.2 DECARBONISATION STRATEGY

[E1-1_01]

At CAF, we continue to work towards the challenge of decarbonisation, integrating it as a main axis of our strategy, as reflected in our Strategic Plan 2026; with a commitment to sustainable growth focused on the environment and actively contributing to the transition towards net-zero emissions mobility.

Likewise, the Double Materiality Assessment carried out in 2024 in accordance with the requirements established in the European Sustainability Reporting Standards (ESRS) confirms that climate change continues to be one of the most relevant priorities for our stakeholders. The priority nature of these issues is reflected in several strategic initiatives included in the Sustainability Master Plan.

Our strategic commitment to decarbonisation and the energy transition is demonstrated by our joining the Science Based Targets Initiative (SBTi) and Race to Zero in 2021, international initiatives aimed at aligning efforts in the fight against climate change and the Paris Agreement [E1-1_12]. Similarly, CAF has committed to achieving net zero carbon emissions by 2045 and to establish a business framework that aligns with the principles of the Paris Agreement. To this end, we have made public our short, medium and long-term GHG emission reduction targets, which have been validated by SBTi and which are compatible with limiting global warming to 1.5°C. [E1-1_02]

To meet these objectives and in order to promote strategies against Climate Change focused on reducing greenhouse gas (GHG) emissions and promoting renewable energies, the Group has carried out various activities during the year 2024, including:

- In the field of managing the risks and opportunities derived from climate change, an update has been made of the analysis quantifying these risks and opportunities based on climate scenarios. This work consolidates the framework developed in 2022, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and updates the risk and opportunity analysis for the current financial year to respond to the changing context of the CAF Group. More information in section 5.3.1.
- Once again, the CAF Group's CDP (Carbon Disclosure Project) climate change report for the year 2024 has been completed, maintaining a B rating. It has also been reported for the first time in CDP Forest[1], achieving a C rating.
- This year, the carbon emissions of the CAF Group have once again been assessed and validated by an external party, encompassing Scopes 1, 2, and 3, in accordance with the standards set forth by the GHG Protocol, IPCC (International Panel for Climate Change), and ISO 14064:2018.

EMISSIONS REDUCTION TARGETS

	SCOPE 1&2[1,3] (% reduction of absolute emissions of scope 1+2)	SCOPE 3 - PRODUCT USE[1,2] (% reduction in emissions intensity per passenger-km)
FY26E	-30%	-40%
FY30E	-55%	-55%
FY45E	Net Zero	Net Zero

1. Base year 2019, since it is the most recent year for which complete and validated information is available on the Group's climate footprint. A fixed base year is considered and the recalculation method used is the pro-rata method.
2. Given the relevance of category 11 - Use of scope 3 product (c. 96% of total Scope 3 emissions in 2019) an intensity target is set for this category. The reduction in the ratio of emissions generated by energy consumption during the useful life of our products delivered in the period (rail and bus) normalised per passenger and kilometre is calculated.
3. The reduction target set out in the 2026 Strategic Plan for 2030 (50%) has been revised by SBTi to 54.7%. For this reason, the Group has set this KPI to 55%.

1 The **CDP Forest** is a CDP product that focuses on helping companies measure and manage their dependencies, impacts, risks and opportunities related to forests. Its main objective is to reduce deforestation and forest degradation driven by the production of commodities such as timber, livestock products, soybeans and palm oil, among others.

With the objective of achieving decarbonisation, CAF has begun crafting a **Decarbonisation Plan** that outlines the strategic approaches planned to reach our emission reduction goals and the specific tasks that will be carried out.

Decarbonisation Plan [E1-1_03]

During 2024, we began to draw up the Company's Decarbonisation Plan, in which we define the roadmap towards the neutrality envisaged for 2045. To this end, the evolution of the Group's carbon footprint from 2019 to 2023 and the forecasts for future GHG emissions have been studied, taking into account the effect of possible reduction measures applied over a given time horizon, considering the operational and investment capacity to implement some of these measures.

This Decarbonisation Plan details the strategic levers planned to achieve CAF's objectives and the actions to be developed. Specifically, the measures proposed for the **reduction of Scope 1, 2 and 3 emissions** (category 11: Use of product) **of the Group** are as follows:

Scope 1: Reduction measures in relation to stationary combustion.

Much of the effort of these measures is focused on natural gas, the consumption of which is especially significant in the Group's parent company for the manufacture of railway components (37% of scope 1+2 (2024)). The first and most important measure is to reduce gas consumption by installing new, more efficient production processes. Specifically, the €5M investment for the installation of a new wheel heat processing line, expected to be operational in the first half of 2025, is expected to reduce Scope 1+2 emissions by a total of approximately 1,280 tCO_2eq[1] by 2025. This measure is expected to be accompanied by a feasibility analysis of the consumption of renewable gas as a substitute for natural gas, or, where appropriate, the purchase of natural gas with a guarantee of origin to achieve the 2030 Scope 1 and 2 reduction targets (55% compared to the base year). These measures will be complemented by others of less importance such as changing the working calendar or replacing mobile fuels and refrigerant gases.

Scope 2: Purchase of electricity with guarantees of origin.

Since the year 2023, the main companies involved in the manufacture of vehicles, components and services at a national level the railway segment, and the main companies in the bus segment will use 100% renewable electricity with a guarantee of origin. In this way, by 2024, 75.6% of the electricity consumed will come from renewable sources. Likewise, during 2024 a plan has been defined to extend this measure to the rest of the international offices, with the aim of continuing to increase the percentage of energy from renewable sources to ensure that, by 2027, 88% of the electricity consumed comes from renewable sources [E1-1_15].

More information in the Energy section, in subsection 5.4.1. of this chapter.

Scope 3 (Category 11, Product Use)

Regarding the measures aimed at reducing these emissions and the possible obstacles that may arise and that could be key to achieving the reduction objectives in the medium and long term, the following stand out:

- **Replacing fossil fuels** with other energy sources to power our vehicles (energy storage in batteries, hydrogen and other sustainable fuels such as HVO).

- **Electricity emission factor** of the countries in which our products operate. As is discussed in this and other chapters, the Company is working on the development of zero or low emission solutions and on reducing the consumption of our vehicles. However, it is not within our power to determine the type of electricity generation in the countries where the customer uses our products.

[1] Regarding the emissions that would be generated in 2025 without the implementation of this wheel processing line.

To achieve the target of zero net emissions by 2045, CAF has initiated an **investment plan that aligns with the Decarbonisation Plan**, ensuring that climate variables are factored into the Company's financial planning.

The specific planned CAPEX and OPEX values are not disclosed as they are sensitive information, however, the declared investments of this plan are aligned with the European Union Taxonomy at a percentage close to 80%. [E1-1_04, E1-1_05, E1-1_06, E1-3_06, E1-3]

In a similar manner, activities will keep evolving, primarily directed towards the execution of plans aimed at reducing business scale. Specifically, we will work on the following aspects:

- The definition and development of a methodology for calculating the Scope 4 emissions indicator for calculating tonnes avoided.
- The definition of an internal carbon price.
- The development and implementation of an improved tool for carbon footprint management.

It should be noted that the resources allocated to achieving the reduction objectives will be defined in the corresponding management plans of the Group's various activities.

Therefore, we can affirm that CAF's Decarbonisation Plan is fully integrated and harmonised with the company's general strategy and financial planning. [E1-1_13]

More information related to the investment, financing and alignment with the EU Taxonomy of CAF's Decarbonisation Plan, in chapter "4.9 Sustainable Finance" [E1-1_08, E1-1_09, E1-1_10, E1-1_11] and in Annex 9.5.

As detailed in the 2026 Strategic Plan, CAF's strategy is to increase sales of sustainable products over time. Turning to facilities, none with blocked emissions were detected [E1-1_07].

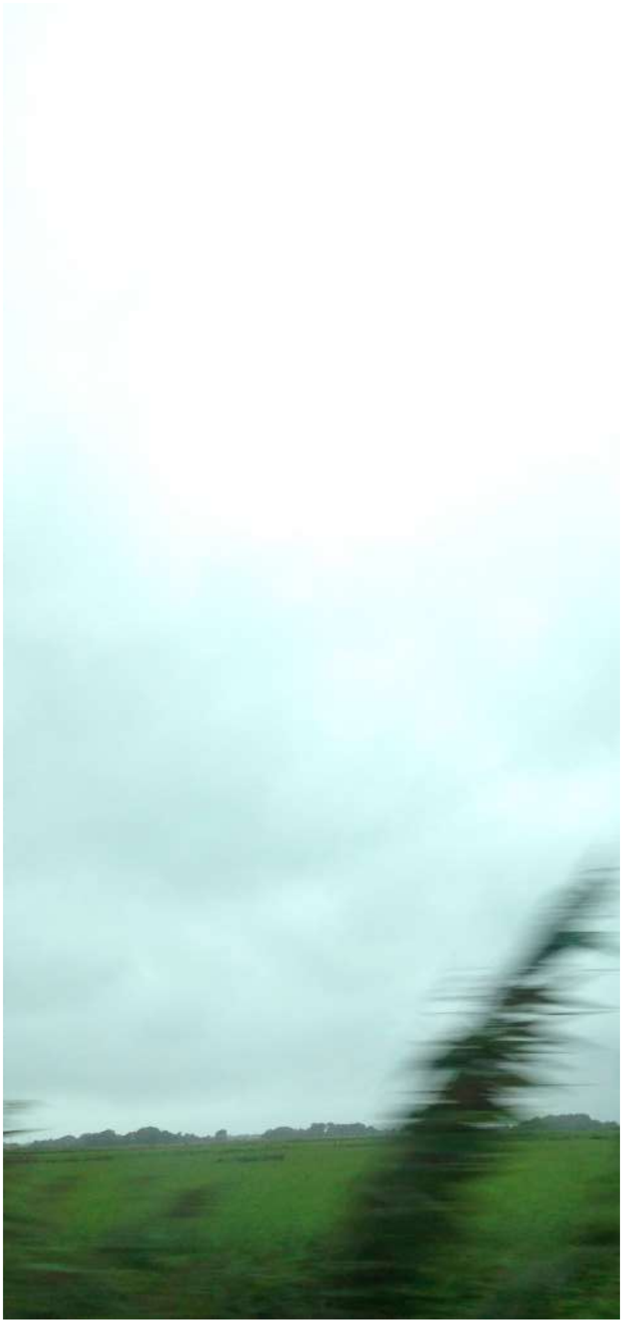
CAF's Board of Directors has ratified the emission reduction targets and the Net Zero goal, which are featured in the Decarbonisation Plan, thereby ensuring their complete integration with the Company's strategic direction [E1-1_14].

Actions and resources related to climate change policies [E1-3]

CAF has implemented actions designed to achieve the climate change-related objectives defined in its policies. Section "4.5. Sustainability Master Plan" outlines the main actions carried out and planned.

Objectives related to climate change mitigation and adaptation [E1-4]

Following the insights gained from the Double Materiality Assessment, CAF has vowed to create specific targets to tackle each unique IRO, which also ensures adherence to its policies. These targets are described in section "4.5. Sustainability Master Plan".



5.3.2.1 Trends in greenhouse gas emissions (GHG) [305-1, 305-2, 305-3, 305-4, 305-5, 305-7]

The calculation of the carbon footprint has been carried out following the criteria of ISO 14064:2018 and the GHG Protocol, with a consolidation approach by operational control. The calculations for obtaining the footprint are integrated into an internal calculation tool, developed by a specialised consultant and approved by an independent auditor.

Previously, a materiality assessment was carried out to identify the most significant emission sources generated in the activities carried out by the Group. As a result of this analysis, the following sources are included in the calculation of the footprint [E1-3_15]:

- **Direct emissions (Scope 1)**: From fuel consumption in stationary and mobile installations, as well as fugitive emissions from the recharging of fluorinated gases.
- **Indirect emissions (Scope 2)**: emissions from electricity and thermal energy consumption.
- **Other indirect emissions (Scope 3)**: product use, production and transport of materials to the Group's sites, transport of the product to the customer, waste management and transport, water consumption, employee commuting and business trips.

The emission factors used in the calculation of CAF's carbon footprint come from the following sources and are frequently used in this type of analysis and approved by verification bodies: [E1-6_15]

- DEFRA Greenhouse Gas Reporting, Conversion Factors: emission factors developed by the UK Department for Business, Energy and Industrial Strategy, used by many international organisations to calculate the carbon footprint.
- SimaPro: reference software for carbon footprint and lifecycle analysis, which has an extensive library of specific emission factors for the processes and materials involved in this financial year. This software consulted the Ecoinvent 3.0 database.
- IPCC Sixth Assessment Report: global reference values for GHG emissions and climate change, published by the Intergovernmental Panel on Climate Change.
- International Energy Agency (IEA): Emission factors of electricity produced in each country according to its generation mix.
- Projections of the evolution of IEA emission factors for the Product Use category.

the greenhouse gases (GHG) included in the calculations indicated are expressed in tonnes of CO_2 equivalent (tCO_2e), and include emissions of carbon dioxide, methane and nitrous oxide (CO_2, CH4 and N2O respectively), in addition to hydrofluorocarbons (HFC) associated with refrigerant gas leaks.

No biogenic emissions or the presence of PFC, SF6 or NF3 gases were identified in the CAF Group. [E1-6_17, E1-6_24, E1-6_28]

Scope 1 and 2 emissions

With the objective of reducing Scope 2 GHG emissions derived from the consumption of electricity and thermal energy, the Company has established an Action Plan to increase the percentage of renewable energy used in its facilities. Thus, currently, 75.6% of the Group's electricity consumption comes from renewable sources with a guarantee of origin, which has resulted in a 63% reduction in Scope 2 emissions compared to the base year (2019) in financial year 2024, thus achieving the proposed Scope 1 + 2 reduction target.

In this regard, it should be noted that the main companies in the national Vehicle, Component and Service manufacturing activities in the railway segment and the main activities in the Bus segment consume 100% renewable electricity with a guarantee of origin and, in 2025, it is expected to continue expanding the scope of this measure to other centres in international headquarters.

Scope 3 emissions

In relation to scope 3, after carrying out a materiality assessment of the categories identified by the GHG Protocol in this scope, the material categories have been included in the Group's carbon footprint, as they are relevant to the Company's activity and calculations can be made based on primary data or, if this is not possible, on solid estimates. Thus, the following categories are included [E1-6_26]:

- Purchased goods and services (1),
- Upstream transportation and distribution (4),
- Waste (5),
- Business travel (6),
- Employee commuting (7),
- Downstream transportation and distribution (9),
- Use of sold products (11),
- Franchises (14).

In this regard, the following categories are excluded: (2) Capital goods, (3) Fuel and energy-related activities and (15) Investments, due to their low significance. (8) Leased assets in pre-operating stages, (10) Transformation of products sold and (13) Leased assets in subsequent stages are excluded as they are not applicable and (12) Processing at the end of the useful life of products sold is excluded due to a lack of information. [E1-6_27]

84% of the Scope 3 activity data used in the calculation comes from primary data obtained from suppliers and value chain partners [E1-6_25] (corresponding to categories 1, 4, 5, 6, 7, 9 and 14). Category 11 has been excluded from this calculation because it is fully calculated from projections of vehicle consumption in the use phase.

The category for which reduction targets have been established based on SBTi methodology is category 11; emissions from the use phase of our products during their useful life, as it made up nearly 96% of the Group's scope 3 emissions in 2019. The defined target measures the ratio (g eq CO_2 / passenger-km) of emissions generated by energy consumption in the product use phase during the lifetime of the vehicles, both in the Rail and Bus segments, delivered in the reporting year (2024 in this case), considering the base year 2019 as a reference.

It should be noted that for the calculation of scope 3 emissions - Product use, CAF has developed its own methodology validated by an independent auditor that allows us to have a solid and stable basis for the calculation of these emissions. Although this methodology guarantees the reliability of the data obtained in our calculation, **the lack of a sector-specific methodology that establishes the parameters considered makes it impossible to compare the data between the different actors in the sector**, as it cannot be guaranteed that the same parameters and scopes have been used for the calculation.

As can be seen in the table below, the ratio of emissions derived from the use of products in Scope 3 has been reduced by 33.1% in 2024 compared to 2019, with the expected reduction target being 30.5%. Therefore, the mix of vehicles delivered in 2024 has met the targets set for this period. For the coming years, a progressive reduction in the delivery of fossil fuel vehicles is expected, accompanied by the Zero Emissions Programme improvement initiatives of the Innovation Management Plan described in the next section, which will lead to a reduction in emissions of this scope.

Below are the results of the calculation of the CAF Group's carbon footprint and its trend, verified by an external accreditation body and calculated using the methodology defined in the previous points. [E1-6_01, E1-6_02, E1-6_04, E1-6_05, E1-6_07, E1-6_08, E1-6_09, E1-6_10, E1-6_11, E1-6_12, E1-6_13]

	RETROSPECTIVE				
	2024	2023[2]	2022	2019 (BASE YEAR)[1]	COMPARISON (%2024/2019)
SCOPE 1 GHG EMISSIONS					
Gross scope 1 GHG emissions (tCO_2eq) - CAF Consolidated Group	31,166	28,835	30,306	34,707	-10%
SCOPE 2 GHG EMISSIONS					
Gross scopes 2 + 2 GHG emissions (market based) - CAF Consolidated Group (tCO_2eq)[3]	7,277	7,586	7,305	19,636	-63%
Gross scope 2 GHG emissions (location based) - CAF Consolidated Group (tCO_2eq)[4]	20,701	18,764	19,962	26,984	-23%
Gross scopes 1 + 2 GHG emissions (market based) - CAF Consolidated Group (tCO_2eq)	**38,443**	**36,421**	**37,612**	**54,343**	**-29.3%**
SCOPE 3 GHG EMISSIONS					
Total gross indirect GHG emissions (scope 3) (tCO_2eq)	**3,642,717**	**3,552,313**	**3,003,208**	**7,623,373**	**-52.2%**
Cat.1: Purchased goods and services (Raw materials + water)	90,766	83,326	80,121	72,264	26%
Cat. 4: Upstream transportation and distribution	1,949	2,304	2,265	5,917	-67%
Cat. 5: Waste	419	958	1,123	1,199	-65%
Cat. 6: Business travel	6,262	5,989	3,704	9,016	-31%
Cat. 7: Employee commuting	13,605	13,436	11,117	18,183	-25%
Cat. 9: Downstream transportation and distribution	12,276	7,919	6,664	16,998	-28%
Cat 11: Use of sold products[5]	3,517,422	3,438,358	2,898,192	7,499,806	-53.1%
Cat. 14: Franchises	17	21	21	-	-
TOTAL GHG EMISSIONS					
Total GHG emissions (Location based) - (tCO_2eq)	**3,694,585**	**3,599,912**	**3,053,476**	**7,685,063.22**	**-51.9%**
Total GHG emissions (Market based) - (tCO_2eq) - Total GHG emissions	**3,681,160**	**3,588,733**	**3,040,819**	**7,677,715.39**	**-52.1%**

Total GHG emissions

4. Base year 2019 recalculated to allow comparability with the reported scope in 2023 and 2024. Actual year 2019 data were as follows: Scope 1: 31,463 tCO_2e, Scope 2 (location based): 26,672 tCO_2e; Scope (market base): 18,809 tCO_2e.
5. Actual data for 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 61 of IS 23).
6. Market based: methodology for calculating based on generators to the CAF purchase by contract of bundled electricity with instruments, or instruments dissociated on their own (GHG Protocol Scope 2 Guidance, Glossary, 2015).
7. Location based: location-based calculation methodology that quantifies Scope 2 GHG emissions based on average power generation emission factors for given locations, including local, subnational or national boundaries (GHG Protocol, "Scope 2 Guidance", Glossary, 2015).
8. The targets for GHG Protocol Category 11 (Use of Sold Products) are shown as gCO_2/km·passenger.

Regarding the information contained in the table above, the following aspects must be taken into consideration:

- The data presented correspond to the actual emissions within the scope of the CAF Group in each of the periods and do not include recalculations.
- The scope of the information in this section is that of operational control, corresponding to FY24. Furthermore, in the case of scope 3, the relevant companies upstream and downstream of the CAF value chain have been considered in the calculation [E1-6_29]. Please refer to the Verification Statement of the GHG Emissions Report for more details in Annex 9.8.1.
- Companies outside operational control have not been considered in scope 1 and 2 calculations (investee companies, such as associates, joint ventures or unconsolidated subsidiaries)
- There have been no significant changes in the definition of what constitutes the reporting company and the upstream and downstream stages of its CAF value chain [E1-6_14]
- 2019 has been taken as the base year for the entire CAF value chain [E1-6_16]
- At CAF we do not have emissions regulated by emissions trading [E1-6_08]

For Scope 1+2 and Category 11: Use of sold products, the targets and results of the last three years are shown below:

	RETROSPECTIVE					MILESTONES AND TARGET YEARS			
	2024	2023	2022	2019 (BASE YEAR)[1]	2019/2024 (COMPARISON)	% 2024/2019	% 2026/2019	% 2030/2019	% 2045/2019
SCOPE 1+2 GHG EMISSIONS (tCO_2e) (MARKET BASED)	38,443	36,421	37,612	54,343	-29.3%	-21%	-30%	-55%	-90%
SCOPE 3 GHG EMISSIONS Cat 11: Use of sold products (Ratio gCO_2/km-passenger)	7.98	6.35	9.21	11.93	-33.1%	-30.5%	-40%	-55%	-97%

Following the Decarbonisation Strategy detailed in the previous section, CAF has managed to reduce the gCO_2e/km-passenger ratio in Scope 3 emissions - Use of products by 33.1% compared to 2019 data. In the coming years, this index is expected to progressively decrease, driven by the increase in sales of zero and low-emission vehicles and the developments of the Zero Emissions Programme of the Innovation Management Plan.

However, in 2024, the evolution of this indicator has not followed the same improvement trend compared to 2023, due to external factors such as the composition of the energy mix in the different countries and the distribution of the products sold during the year. Given that these variables can generate inter-annual fluctuations, the analysis of these objectives should focus on medium- and long-term evolution, where CAF's strategy is clearly still oriented towards the reduction of emissions. In this regard, the objectives set for the coming years reinforce the company's commitment to decarbonisation and improving the environmental performance of its products.

The total emissions (market based) for FY24 are broken down below by the main activities of CAF's value chain and segment. [E1-6_03, E1-6_06]:

	RAILWAY	BUS	TOTAL
Scope 1 GHG emissions (tCO_2e)	27,562	3,604	31,166
Scope 2 GHG emissions (tCO_2e)	5,792	1,485	7,277

	RAILWAY	BUS	TOTAL
Cat.1: Purchased goods and services (water) (tCO^2e)	14	4	18
Cat.1: Purchased goods and services (raw materials) and Cat. 4: Transportation and distribution (upstream)[1]	66,997	25,700	92,697
Cat. 5: Waste	350	69	419
Cat. 6: Business travel	5,012	1,250	6,262
Cat. 7: Employee commuting	11,314	2,291	13,605
Cat. 9: Downstream transportation and distribution	8,405	3,871	12,276
Cat 11: Use of sold products	2,962,940	554,482	3,517,422
Cat. 14: Franchises	18	-	18
TOTAL SCOPE 3 GHG EMISSIONS (tCO_2eq)	**3,055,050**	**587,667**	**3,642,717**

1. The results for categories 1 and 4 are combined because they include the same emissions from the two activity segments.

Greenhouse Gas (GHG) emissions intensity by net revenue [E1-6_32],

The intensity levels of greenhouse gas (GHG) emissions for the years 2023 and 2024 are detailed below:

	2024	2023[2]	2022
GHG emissions 1+2 (location based) (tCO_2eq)	51,867	47,599	50,268
GHG emissions 1+2 (market based) (tCO_2eq)	38,443	36,421	37,612
Total GHG emissions (location based) (tCO^2eq) [E1-6_30]	**3,694,585**	**3,599,912**	**3,053,476**
Total GHG emissions (market based) (tCO^2eq) [E1-6_31]	**3,681,160**	**3,588,733**	**3,040,819**
Net Income (millions of euros)[1] [E1-6_21]	4,212	3,825	3,165
Intensity of GHG emissions 1 + 2 (location based) (tCO_2eq/ millions of euros)	12.31	12.44	15.88
Intensity of GHG emissions 1 + 2 (market based) (tCO_2eq/ millions of euros)	9.12	9.51	11.88
Intensity of total GHG emissions (location based) (tCO_2eq/ millions of euros)	**877**	**941**	**964**
Intensity of total GHG emissions (market based) (tCO_2eq/ millions of euros)	**874**	**938**	**960**

1. Net income corresponds to figures declared in the CAF Group's Consolidated Financial Statements for 2022, 2023, 2024, Note 6 b) of the Management Report

[E1-6_33, E1-6_34, E1-6_35]

2. Actual data from 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 61).

In addition to the measures aimed at reducing Scope 3 - Product Use emissions described in section 5.3.3, for the remaining categories, we have developed, among others, the following measures during 2024:

- Extension of measures to promote sustainable mobility (use of bicycles, public transport, walking, etc.) through participation in challenges within the company, installation of new shared car parks and expansion and improvement of bicycle and scooter parking facilities (coverings, locks, fences, sockets and repair stations).

- Maintenance of the mitigation of emissions from the business travel category in scope 3 through the booking of Sustainable Aviation Fuel (SAF), in collaboration with an airline.

GHG removals and GHG mitigation projects financed by carbon credits

Over the course of 2024, we have neither contributed to the elimination of GHG in our own operations nor in our value chain, nor have we had GHG mitigation projects financed through carbon [E1-7]

CAF has not made any public statements involving the use of carbon credits. [E1-7_21, E1-7_22, E1-7_23, E1-7_24, E1-7_25]

In order to meet our target of reaching Net Zero by 2045, a plan to neutralise residual emissions will be drawn up in the coming years. [E1-7_20]

Internal carbon pricing system

No internal carbon pricing system has yet been established at CAF. [E1-8]

5.3.3 ZERO AND LOW EMISSIONS PRODUCTS

Greenhouse gas emissions from transport in the European Union increased by approximately 28% between 1990 and 2017. The transport sector currently accounts for almost 25% of global CO_2 emissions, while rail accounts for only 0.5% of this total[2].

The European Green Deal, driven by the European Commission, sets the objective of reducing CO_2 emissions from transport by 90% by 2050. This challenge requires an exceptional effort in the coming years to decarbonise transport.

On the other hand, in recent decades, the growth of the urban population has generated increasing problems of congestion on the roads and a notable deterioration in air quality. Faced with this reality, transportation authorities are forced to adopt measures to restrict the circulation of private vehicles.

In this context, rail and bus transport stand out as sustainable, high-capacity means of transport that have considerable potential to curb climate change and urban congestion. These means of transportation can significantly reduce environmental impact, improve the quality of life of citizens and play an active role in preserving the ecosystem.

At CAF, aligned with these objectives, we prioritise developments that allow the substitution of fossil fuels and the reduction of energy consumption in transportation. These solutions promote highly efficient mobility alternatives, thus charting the path towards a sustainable, clean, environmentally friendly and emissions-free future.

2 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.

Following the Decarbonisation Strategy detailed in the previous section, CAF has achieved a 33.10% reduction in the g CO_2e/km-passenger ratio in Scope 3 emissions - Product use. In the coming years, a progressive decrease in this index is expected, driven by the increase in sales of zero and low-emission vehicles and the developments of the Zero Emissions Programme of the Innovation Management Plan[3].

CAF holds a prominent position as the leading supplier of zero-emissions buses in Europe, including battery-electric buses, hydrogen fuel cell buses and trolleybuses. A total of 2,800 battery-powered electric buses have been delivered in 22 countries, more than 430 hydrogen fuel cell buses in 10 countries and 2,250 trolleybuses in 19 countries.

By the end of 2024, Solaris will have delivered a total of nearly 5,500 zero-emission vehicles, making it one of Europe's leading ZEV manufacturers. In fact, at the end of the year, zero and low-emission buses accounted for 83% of all the Company's deliveries. It is important to note that zero-emission buses make up a remarkable 65% of the total buses delivered.

In the railway segment, 84% of the trains delivered in 2024 are zero or low emission, with 76% of the total units delivered being zero emission trains.

SUSTAINABLE SOLUTIONS

At CAF, we place emphasis on continuous innovation of our products and services, in response to the growing need to reduce fossil fuels and the emissions associated with the use of our products.

We are committed to providing customised mobility solutions for transport operators seeking to migrate towards low or zero emission mobility. We recognise the diversity of challenges that public transportation faces in the future, and that is why we offer the most extensive and diverse portfolio of vehicles adapted to these market needs.

Within our portfolio of sustainable products, the following solutions stand out:

Zero emissions

Our zero-emission vehicles include electric and hydrogen options, created to meet the diverse needs of operators, passengers and drivers.

Today, electric and hydrogen buses can offer driving ranges similar to vehicles with conventional combustion engines, without generating local emissions. At CAF we distinguish ourselves by our practical experience and by our product portfolio, which surpasses that of our competitors.

In the field of rail vehicles, CAF is proud to have been awarded the world's largest contract for battery-powered vehicles. Furthermore, throughout 2024, we have demonstrated the ability of our hydrogen train prototype to operate on demanding lines and services in Spain and Portugal, operating reliably and efficiently under all types of weather conditions. This prototype is also capable of using electricity from the catenary in electrified sections, which reinforces its versatility and efficiency.

3 In the absence of sector-specific legislation, CAF has established its own calculation methodology for the calculation of this ratio, which has been validated by an auditor. Thus, the comparability of this data with other actors in the sector is limited.

URBOS TRAM

Electric vehicles that may include an energy storage system (ultracapacitors and/or batteries) to operate on non-electrified sections.

At CAF, we have been pioneers in innovative solutions, introducing trams in passenger service on non-electrified sections since 2010. Furthermore, we were the first in the world to implement a full catenary-less tram system, in 2018.

METRO INNEO

Electric vehicles used in major European cities (London, Amsterdam, Brussels, Rome, Madrid, Barcelona, etc.) for their high capacity, reliability and low consumption.

CIVITY REGIONAL TRAIN

Efficient trains with zero-emission electric, battery and hydrogen options.

In 2021, CAF won a record contract to supply 63 battery electric trains to German transport authorities (ZV VRR and NWL). In addition, this contract was expanded by 10 additional trains in 2022. This same year, Renfe awarded a contract for another 28 electric trains equipped with batteries.

In 2024, CAF has successfully completed the demonstration phase of the hydrogen bimodal train prototype, demonstrating its ability to operate on commercial lines in Spain and Portugal. This type of vehicle uses hydrogen cells and batteries, and generates only heat and water vapour as by-products, without emitting CO_2 or substances harmful to health or the environment.

URBINO ELECTRIC BUS

Silent, emission-free electric buses, versatile and adapted to different cities.

CAF electric buses offer a wide range of options: From different lengths (9, 12, 15, 18 and 24 metres) to different alternatives in motorisation, types of batteries and charging methods. This versatility allows precise adaptation to the specific needs of each client and city, considering the climate, urban traffic, demand on routes and even topography.

In total, CAF has delivered 2,800 battery-electric buses in 22 countries.

URBINO HYDROGEN BUS

Hydrogen buses for greater autonomy, zero-emission operation and quick recharging.

CAF's hydrogen bus range currently consists of two models: 12 and 18 metres in length. These vehicles are especially useful in transportation areas that demand great autonomy and flexibility in the provision of services. The synergy between electric and hydrogen buses accelerates the transition towards zero-emission public transport, ensuring effective decarbonisation of the sector. This transition is essential to ensure safe and sustainable urban environments in the future.

In 2024, Solaris delivered 259 hydrogen buses, consolidating its position as a leader in this segment. The company has received orders for more than 400 additional hydrogen vehicles, with delivery dates extending through 2027.

TROLLINO TROLLEYBUS

Silent, emission-free electric trolleybuses, including hybrid models with batteries and/or hydrogen cells to operate on non-electrified sections.

Trolleybuses offer a wide variety of options in terms of vehicle length (12, 18 and 24 metres), motorisation, battery/hydrogen cell capacity, and type of catenary connection. Their low environmental impact, consolidated technology and reduced infrastructure costs, together with silent and comfortable driving, position them as fundamental elements in the transformation of urban transport towards a modality that is more respectful of the environment and residents.

All of these zero-emission vehicles demonstrate CAF's commitment to sustainable mobility, offering solutions adapted to the specific needs of each city and transport operator, accelerating the transition towards zero-emission mobility.

Low emissions

CIVITY BI-MODE AND TRI-MODE REGIONAL TRAIN

Trains capable of operating in electric, diesel (bi-mode) and battery-powered (tri-mode) modes, making them extremely versatile units due to their ability to use different propulsion technologies on electrified and non-electrified sections of the network.

In addition, in tri-mode trains, the batteries allow braking energy to be recovered, which reduces the train's consumption. This is especially relevant when the train operates on diesel fuel, as it leads to a relevant reduction of emissions, thus providing a more sustainable and environmentally friendly transport.

In 2023, CAF was awarded the first contract for tri-mode Intercity trains in the UK, for the delivery of 10 units that will provide a service on the east coast of England.

URBINO HYBRID

Urbino hybrid buses have a driveline consisting of one or more electric motors and a conventional diesel generation. These buses can employ energy storage in the form of batteries or ultracapacitors. This solution allows a reduction in fuel consumption of 20-30% on average, compared to traditional diesel vehicles. In addition, they can cover certain distances without emissions. The range includes 12 and 18-metre models.

CAF also offers Mild-Hybrid solutions that recover braking energy for storage, reducing emissions beyond the rigorous Euro 6 standards for diesel engines. These solutions achieve a 5% reduction in diesel fuel consumption.

An internationally recognised product portfolio

The bus segment's portfolio of emission-free products has had a significant impact on public transportation globally, receiving international recognition, among which we highlight the following received in the last three years:

2024

Sustainable Bus Award 2025 (International Industry Press) in the bus category for the Urbino E12 electric bus.

2024

International Public Transport Fair (Kielce Trade Fair Medal) (Poland): Award for the Urbino E18 H2 hydrogen bus.

2024

Bus of the Year 2025 (Commercial Vehicle Publishers Association - International) for the Urbino E18 H2 hydrogen bus.

2024

Platinum Award in the environmental category (ESG Innovator – Poland) for the development of the Urbino E18 H2 bus.

2023

Corporate Social Responsibility Silver Leaf (Polityka weekly - Poland) for supporting the Sustainable Development Goals and the Urbino E18 H2 hydrogen bus.

2022

Busplaner Innovation Award (International): The Urbino E9 LE electric bus won in the category “Electric bus: Interurban”.

2022

International Public Transport Fair (Kielce Trade Fair Medal) (Poland): Prize for the Urbino E18.75 electric bus.

2022

Green Eagles of the newspaper “Rzeczpospolita” (Poland) for Ecological Innovation on an Industrial Scale for its electric and hydrogen buses.

2022

Corporate Social Responsibility Silver Leaf (Polityka weekly - Poland) for supporting the Sustainable Development Goals and the Urbino E9 LE electric bus.

TRUST
IN MOTION

LEADING THE WAY TO ZERO-EMISSION URBAN MOBILITY

Our journey towards sustainable mobility

Our identity at Solaris revolves around cutting-edge innovation and eco-friendliness, often spearheading technological developments within the sector. Anticipating the growing need for cleaner transportation, we have been investing in the development of clean propulsion technologies for nearly two decades. We are pioneers in the implementation of electric and hydrogen solutions in urban bus fleets throughout Europe.

A comprehensive Zero Emissions portfolio

Today, we are proud to be the only European manufacturer offering a complete range of low and zero emission buses. Our portfolio already includes more vehicles with alternative propulsion systems than conventional ones. We have delivered the largest number of electric and hydrogen buses in Europe and have been the leader in this segment on the continent for over a decade. In total, 2,800 battery-electric buses have been delivered in 22 countries, more than 430 hydrogen fuel cell buses in 10 countries and 2,250 trolleybuses in 19 countries. By the end of 2024, Solaris will have delivered a total of nearly 5,500 zero-emission vehicles, making it one of Europe's leading ZEV manufacturers.

Thanks to our accumulated experience, backed by hundreds of millions of kilometres travelled by our electric buses in various climatic and geographical conditions, we have perfected reliable and efficient solutions.

We work hand in hand with our clients at all stages of the project, from feasibility studies to technical support and after-sales service, adapting our solutions to the specific needs of each city and transport operator. With this active collaboration, we contribute significantly to the green transformation of public transport.

Specialised after-sales service

Our after-sales service network plays an essential role in ensuring the quality and operational continuity of our zero-emission vehicles. We have a specialised team that ensures the necessary technical support to maximise the positive impact of our solutions.

Driving the hydrogen trend

We recognise the enormous potential of hydrogen as a transformative technology in transportation. Since 2014, we have developed hydrogen fuel cell vehicles, standing out as leaders in this emerging sector. In 2019, there were 32 hydrogen buses registered in continental Europe; by 2023, that figure had risen to 172 vehicles, of which almost half, 77 buses (44.5%), were Solaris. To date, we have secured contracts for more than 400 hydrogen buses.

Our Urbino 18 hydrogen model was awarded 'Bus of the Year 2025' and recognised as 'ESG Innovator' in the Environment category, reaffirming our position as a leader in sustainable mobility.

With each project, we continue to transform urban transport, moving towards a cleaner and more responsible future for generations to come. In 2024, 83% of the buses we delivered were low- or zero-emission models, and we reaffirmed our commitment to lead this change in 2025 and in the years to come.

In the railway segment, the FCH2RAIL Hydrogen Train prototype earned the 2024 Best Innovation Award executed by the Clean H2 Partnership for its stationary test bench.

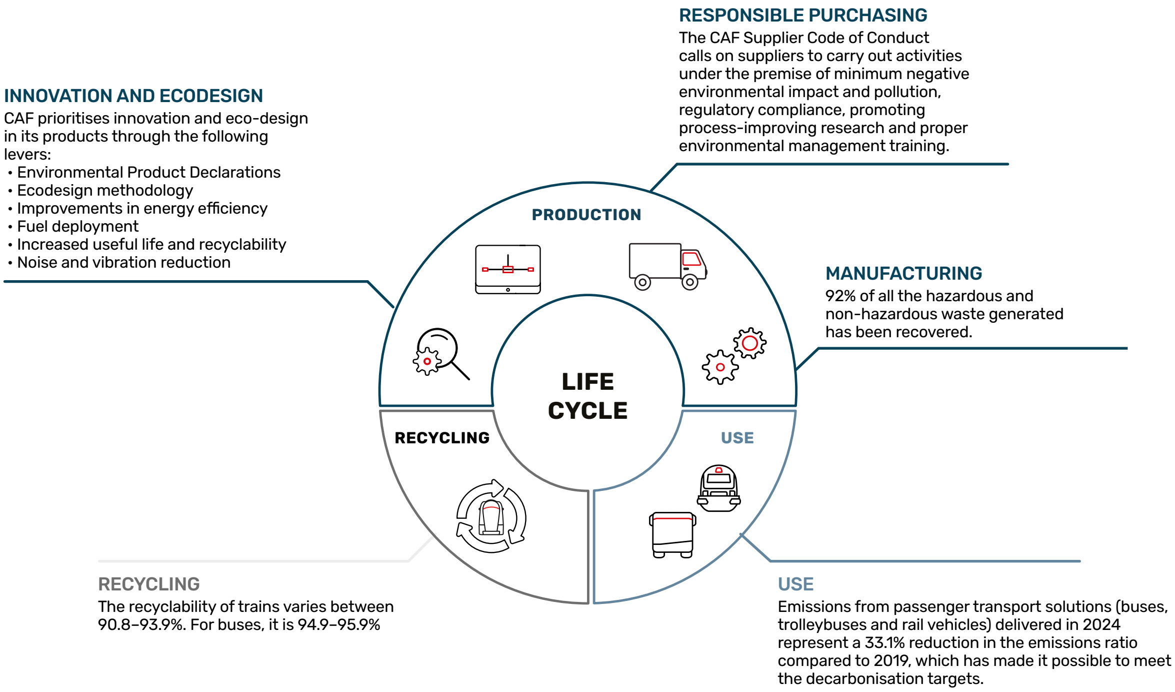
5.4 CIRCULAR ECONOMY AND SUSTAINABLE USE OF RESOURCES

CAF is aware that its industrial activities have an impact on the natural environment and it therefore incorporates the lifecycle approach into its management as a pillar of sustainability. The phases that make up this cycle are research and development, design, responsible purchasing, manufacturing, use and, lastly, recycling of the product. This approach demonstrates CAF's support for the transition to an efficient economy in the use of resources.

During 2023, the circularity of the Company's activity was assessed for the first time, analysing the circularity indicators of the Organisation's performance. In this way, the company's capacity to close the materials cycle was assessed (based on ISO 59020 and CTI of the World Business Council for Sustainable Development (WBCSD). Over the course of 2024, we worked to improve and strengthen the collection of information and improve the quality and consistency of data, supported by the Responsible Purchasing Programme (refer to section 7.5 for more information).

With the aim of identifying the Impacts, Risks and Opportunities related to the use of resources and the circular economy, at CAF we have carried out a Double Materiality Assessment analysing the company's entire value chain [E5.IRO-1_01]. This method has fostered an open exchange with stakeholders, enabling the collection of a detailed perspective on their needs and expectations [E5.IRO-1_02].

For further information, please refer to sections 4.4 and 9.6.



Actions and resources related to the use of resources and the circular economy [E5-2]

CAF has implemented actions designed to achieve its objectives defined in its policies. Section 4.5 of this report presents the main actions taken and planned in relation to the use of resources and the circular economy.

Targets related to resource use and the circular economy [E5-3]

Following the insights gained from the Double Materiality Assessment, CAF has vowed to create specific targets to tackle each unique IRO, which also ensures adherence to its policies.

All these goals and objectives relating to the use of resources and the circular economy are described in section 4.5 of this report.

5.4.1 Sustainability and efficiency in production processes

Consumption of natural resources [EG 301, 301-1]

Environmental criteria are taken into account when purchasing materials for manufacturing processes, with particular emphasis on the selection of reusable and recyclable materials. The majority of purchases made are already processed materials, included in components, with metal being the most common element. However, raw materials, all of which are recyclable, for manufacturing components are also acquired. Among these, metals stand out for their higher consumption, specifically steel and aluminium profiles and sheets, and steel ingots consumed in the manufacturing of railway and bus vehicles. These materials are classified as non-renewable.

In 2024, CAF handled a total of 75,062 t of the raw materials described above. The following tables show greater detail [E5-4_01, E5-4_02, E5-4_03, E5-4_04, E5-4_05, E5-4_06]:

-	t 2024	% OVER t OF TOTAL RAW MATERIALS 2024
Biological raw materials [E5-4_02]	380	0.5
Technical raw materials [E5-4_02]	74,683	99.5

		2024		2023[3]		2022	
	Type of raw material [E5-4_01]	t	%	t	%	t	%
Biological raw materials[1]	Wood	380	0.5	346	0.5	459	0.6
Technical Raw Materials	Steel and aluminium profiles and sheets	16,938	22.6	14,601	21.1	16,249	22.5
	Steel ingots	57,159	76.1	53,596	77.6	54,965	76.2
	Others[2]	585	0.8	494	0.7	480	0.7

1. The figure for biological raw materials corresponds to the consumption of wood for flooring (Bus).
2. The figure for 'Others' corresponds to the consumption of adhesives (Bus).
3. Actual data from 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 68).

These data were extracted from the business process management software (SAP). The consolidation methodology has been the calculation of the carbon footprint verified by LRQA (Verification Report available in Annex 9.8.1) [E5-4_06]

CAF is currently gathering information regarding raw materials, aiming to disclose in upcoming years the proportion of recycled or secondary materials as a component of our commitment to transparency [E5-4_03, E5-4_04, E5-4_05, E5-4_08].

Beyond the acquisition of these materials, CAF, S.A. incorporates materials that contribute to environmental sustainability into its technical processes. For example, recycled or secondary steel is used to manufacture the wheels and axles.

With regard to the purchase and use of chemical substances, the CAF Group is within the scope of the REACH Regulation, and in turn, requires its suppliers to comply with it. Equipment suppliers for trains are required to align with the UNIFE Railway Industry Substance List (RISL), which specifies the materials and substances that are not allowed under European and international laws governing the railway industry. Information has been transmitted throughout the entire supply chain for the substances, preparations and articles covered by the REACH Regulation. Likewise, throughout 2024, a new General Chemical Substances Policy has been defined that is applicable to the design and manufacture of railway vehicles in manufacturing plants, which responds to CAF's Corporate Environmental Policy, and with the main objective of reducing the impact on the environment derived from the activities carried out throughout the entire lifecycle of its products (production, use, maintenance and end of life). Refer to section 6.2.3 for further information.

The main actions performed by the Group for a more sustainable use of raw materials consist of the reduction in the designed weight of products, the reuse of materials and packaging and the use of greener materials. Specifically, during 2024, the use of various alternative cleaning products and degreasers has continued to spread, thus reducing the danger of the product as well as the consumption of raw materials and the generation of waste.

Water and effluents [EG 303, 303-1, 303-2, 303-3, 303-5]

The water used by CAF is mostly for domestic consumption and therefore, as a result of the Double Materiality Assessment, it is not considered a material aspect for the company. In terms of manufacturing processes, water is primarily used for cooling equipment and in installation to ensure the tightness of trains and buses. To do this, both mains water and river water are used (only in the Group's parent company, CAF S.A.), in accordance with local limitations and restricting the consumption of river water to its use in closed circuits.

The Group is aware that water is a scarce asset that needs to be preserved and therefore, a series of actions have been carried out with the aim of promoting a more sustainable use of this resource, among which the following stand out:

- implementation and promotion of a rational use of water, through the implementation of closed circuits and environmental awareness-raising among staff;
- establishment and control of the consumption of all water resources through the implementation of procedures defined on the basis of the authorisations and permits defined by each Administration;
- Avoid water harvesting in water-stressed areas;
- checking leaks and watertightness of installations to reduce consumption and impact.

Likewise, to promote the sustainable use of water throughout our supply chain, CAF uses the ECOVADIS tool to evaluate its target suppliers, positively valuing the measures they implement in relation to water management and analysing suppliers that have a potentially significant impact on this resource, such as battery and tyre suppliers.

The CAF Group's water consumption is shown below:

WATER CONSUMPTION (ML)	2024	2023[1]	2022
THIRD PARTY CONSUMPTION	120.38[2]	111.14	105
SURFACE WATER CONSUMPTION	59.5[2]	57.63[2]	51.89
TOTAL WATER CONSUMPTION (ML) [3]	**179.88**	**168.77**	**156.89**

1. Actual data for the year 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 69 of IS 23).
2. Increase in consumption due to an increase in production in several centres that consume surface water.
3. There was no consumption of recycled/reused water.

All of the water consumed by the Group is water with a dissolved solids concentration ≤ 1000 mg/l and approximately 63% of the water consumed is from areas with low or medium water stress.[4]

With regard to discharges, CAF has authorisations to discharge into sewers or watercourses, and stores chemicals and materials in conditioned places to prevent pollution of rainwater. Likewise, the cleaning of the train units carried out during maintenance operations is carried out in appropriate facilities to guarantee the quality of the water discharged. In addition, a waste filtering system is in place, the parameters of the waste water are checked and controlled, defining objectives for improvement. Similarly, the centres maintain open communication with the authorities that manage the corresponding wastewater at each location.

Energy [EG 302, 302-1, 302-3, 302-4]

In its Sustainability Policy and Corporate Environmental Policy, the Group has made a commitment to "define strategies to combat Climate Change focused on reducing CO_2 emissions and promoting renewable energy." To achieve this commitment, the Group has defined the following main objectives: the promotion of renewable energies, savings in energy consumption generated by its activity and the promotion of environmental policies within the Group and at all the sites where it operates and collaborates.

In 2024, as a result of the action plans for the reduction of energy consumption in the CAF Group, the following efficiency measures, among others, have been taken:

- **Commitment to maintaining** the use of **100% renewable energy** with guarantee of origin across all CAF locations in Spain[5], while also finalising a detailed contract for the period from 2025 to 2028.
- **Implementation of a new heat treatment line** in the Group's parent company, with a renewed layout, which will substantially improve the energy efficiency of the wheel forging workshop, starting from its commissioning in 2025[6].
- **Commissioning of a photovoltaic installation** on the roof of a Solaris warehouse with a capacity of 0.260 MW.
- **Energy audits**: carrying out energy audits and implementing the resulting actions.
- **Lighting[7]:** Maximising the use of natural light, replacing old lighting fixtures with more efficient ones and setting up automatic shut-off. The lighting overhaul in three of the Group's subsidiary warehouses in 2024 successfully cut down electricity consumption by 583 MWH/year.
- **Reduction of fossil fuel consumption:** Replacement of combustion forklifts with electric forklifts.
- **Energy consumption control and optimisation:** adjusting equipment and heating temperatures, installing gas and electricity meters, programming air conditioning operation, replacing key energy efficiency elements in production processes (e.g. forklifts), leak checks at pneumatic facilities, etc. For example, in one of the bus segment's sites, they have managed to use an air heating system that consumes between 5 and 6 times less electricity than ordinary electric radiators.
- **Environmental training and awareness** on the rational use of energy designed for management profiles.
- Definition of **new energy indicators and targets** to identify possible energy efficiency savings.

4 Source: World Resource Institute, https://www.wri.org/data/aqueduct-global-maps-40-data
5 Except for Trenasa, which will switch to renewable energy with a guarantee of origin in 2025.
6 The start-up of this facility has been delayed until 2025 due to technical problems.
7 This measure is also considered to reduce light pollution in our facilities.

CAF's energy consumption and the proportion of renewable/non-renewable energy sources are presented in the following table [E1-5_04, E1-5_09, E1-5_15]:

ENERGY CONSUMPTION	2024	2023[5]	2022
Consumption of fuel from crude oil and petroleum products (MWh) [E1-5_11]	11,674	11,436	11,625
Fuel consumption from natural gas (MWh) [E1-5_12][1]	139,026	128,332	122,438
Consumption of electricity, heat, steam and refrigeration purchased or acquired from fossil sources (MWh) [E1-5_14][2]	32,996	34,603	32,899
TOTAL FOSSIL FUEL-BASED ENERGY CONSUMPTION (MWh) [E1-5_02, E1-5_16]	**183,696**	**174,371**	**166,962**
PROPORTION OF FOSSIL FUELS IN TOTAL ENERGY CONSUMPTION (%)	**73%**	**74%**	**75%**
Fuel consumption by renewable source, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh) [E1-5_06]	735	191	55
Purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh) [E1-5_07]	66,525	60,204	54,856
Consumption of self-generated renewable energy not used as fuel (MWh) [E1-5_08]	141.7	-	-
TOTAL RENEWABLE ENERGY CONSUMPTION (MWh) [E1-5_05]	**67,260**	**60,395**	**54,911**
SHARE OF RENEWABLE SOURCES IN TOTAL ENERGY CONSUMPTION (%)	**27%**	**26%**	**25%**
TOTAL ENERGY CONSUMPTION (MWh)[4] [E1-5_01]	**250,956**	**234,766**	**221,873**
ENERGY INTENSITY (MWh/M€) [E1-5_18, E1-5_19][3]	**59.6**	**61.4**	**70.1**

1: Natural gas consumption for heating the facilities represents approximately 17% of its total consumption. This section includes the consumption of Compressed Natural Gas (CNG)
2: In 2024, 22% of thermal energy consumption came from renewable sources with guarantee of origin. That figure was 14% in 2022 and 2023.
3: To calculate total energy consumption per net income, CAF has considered that its total energy consumption corresponds to a sector of high energy consumption, and therefore has used the CAF group's 2024 net income for the calculation, as shown in CAF's Financial Statements.[E1-5_20, E1-5_21]
4: No consumption was made of the following: fuel from coal and its derivatives [E1-5_10], fuel from nuclear sources [E1-5_03] and fuel from other fossil sources (MWh) [E1-5_13].
5: Actual data for 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 71 of IS 23).

The CAF Group has also maintained systems for the generation of renewable energies at its facilities. Accordingly, in 2024, the Beasain facilities of the parent company enabled the generation of renewable energy, equivalent to 14% of the factory's annual electricity consumption, from the solar panels installed on the roof of the workshops and the hydroelectric plant belonging to the CAF Group.

The following table shows the total energy generated by CAF in recent years:

ENERGY GENERATION	2024	2023	2022
RENEWABLE ENERGY GENERATION (MWH)[1] [E1-5_17]	3,002.6	1,974	2,009

1: Including generation of the hydroelectrical power station.

Renewable energy generation for third parties

At the CAF Group, our sustainable solutions go beyond the realm of vehicles, integrating a solid commitment to the energy transition. In this context, the Group's Energy unit, created more than 15 years ago, has played a key role in the development of sustainable infrastructures, focusing its activity on the design, construction and commissioning of renewable energy generation facilities for our customers. This effort is complemented by the provision of specialised operation and maintenance services in all the projects we manage, ensuring their efficiency and continuity.

Our approach is based on collaboration with a highly trained multidisciplinary team, which develops innovative solutions and offers high value-added services. This commitment ensures the delivery of optimal results that meet our clients' objectives in terms of time, cost and scope, reaffirming our sustainable and future-oriented vision.

PROMOTING ENERGY SUSTAINABILITY THROUGH INTERNATIONAL SOLAR PROJECTS

Since its creation in 2007, CAF's Energy unit has consolidated its presence in Europe, Latin America, Africa and the Middle East, reaching an installed capacity of 500 MWp under the EPC modality. We have developed emblematic projects, such as a 9.5 MWp plant in El Salvador, the largest in Central America in 2020, and Llanos del Potroso in Chile, our first ground-based project with 10.5 MWp. In 2021, we are committed to large-scale utility-scale plants, developing projects such as PV Armenia in El Salvador and PV Soleol IV in France, which together total 40 MWp, reaffirming our commitment to the energy transition.

In 2022, we took a decisive step with the PV Sandalia and PV Karalis projects in Italy, which total 120 MWp, becoming the largest we have executed. These plants, as well as being significant in terms of their size, prevent the emission of 146,000 tonnes of CO_2 per year, equivalent to planting nine million trees or supplying clean energy to 173,470 homes. This achievement demonstrates our ability to lead the development of large-scale sustainable solutions.

We are currently forging ahead with major projects such as the 41 MWp cluster in Chile and a 77.4 MWp plant in Bologna, Italy, which includes 23 kilometres of medium voltage lines and a step-up substation. This project will prevent more than 100,000 tonnes of CO_2 per year and supply 35,000 homes.

These initiatives strengthen our position in strategic markets and reflect our commitment to a sustainable energy future.

Management of electricity supply and transition to a sustainable energy model

In an environment where energy is a strategic factor for industrial competitiveness, CAF has consolidated an electricity supply management strategy that guarantees stability, sustainability and economic efficiency. Thus, we have evolved towards a more resilient supply model that is aligned with our decarbonisation objectives, ensuring that our electricity consumption comes from renewable sources, thus materially reducing our impact through greenhouse gas (GHG) emissions generation.

Until 2024, CAF has managed its electricity supply through contracts that guarantee the acquisition of renewable energy certified with Guarantees of Origin (GO). In this context, 75.6% of the Group's electricity consumption came from renewable sources with a guarantee of origin, an indicator that has remained steady compared to financial year 2023 but is expected to continue to increase progressively in the coming years.

With the aim of optimising the stability of supply and improving economic efficiency, CAF will implement a new supply approach from 2025 through a long-term power purchase agreement (PPA), which will cover a substantial percentage of the Group's electricity consumption with 100% renewable energy. This model will provide cost stability, predictability in financial planning and greater alignment with sustainability goals.

The new energy model will ensure a stable and predictable supply, mitigating market volatility through long-term pricing. At the same time, it will reduce the average cost of electricity supply, thus optimising the company's financial management. Security of supply will be enhanced by having renewable energy in stable conditions, while the integration of various Group units within the same energy scheme will improve operational efficiency. In addition, the strategy minimises exposure to regulatory changes, protecting CAF from fluctuations in carbon prices and new fossil fuel regulations.

Reducing the carbon footprint is another key benefit, as the model allows progress towards decarbonisation and achieving the objectives set for 2030 and 2045. Finally, the agreement offers flexibility in energy management, allowing for long-term strategic planning and the ability to adapt to future consumption needs, consolidating a more resilient and efficient energy model.

Use of contractual instruments and effects on Scope 2 GHG emissions

- **Percentage of contractual instruments used in relation to Scope 2 GHG emissions** [E1-6_18]: In 2024, 75.6% of CAF's electricity consumption (corresponding to 65% of Scope 2 emissions) came from energy supply contracts with renewable generation attributes, specifically backed by guarantees of origin. These contracts have enabled a material reduction in the company's carbon footprint as part of its decarbonisation strategy. From 2025, greater renewable energy coverage is expected with the implementation of a PPA (Power Purchase Agreement), further optimising the positive impact on Scope 2 GHG emissions.
- **Types of contractual instruments used in relation to Scope 2 GHG emissions** [E1-6_19]:
  CAF has structured its electricity supply strategy through the following contractual instruments:
  - Guarantees of Origin (GO): Main mechanism used until 2024 to certify the renewable origin of the energy purchased.
  - Power Purchase Agreements (PPA): Implementation planned from 2025 to ensure long-term renewable energy supply with price stability and reduced exposure to market volatility.
  - Standard electricity supply agreements: Used to supplement energy supply in case of specific requirements or consumption fluctuations.
- **% of contractual instruments used for the purchase of energy with renewable generation attributes in relation to Scope 2 GHG emissions** [E1-6_21]:
  75.6% of the electricity consumed by CAF in 2024 came from contracts with renewable generation attributes backed by Guarantees of Origin (GO). With the adoption of a PPA-based model from 2025 onwards, the percentage of renewable coverage is expected to increase, consolidating the company's commitment to sustainability and the reduction of GHG emissions.
- **% of contractual instruments used for the purchase of energy attributes in a disaggregated manner in relation to Scope 2 GHG emissions** [E1-6_22]**:**
  In 2024, CAF's electricity consumption from renewable sources did not come from the unbundled acquisition

of energy attributes (0% unbundled instruments). All the energy acquired under electricity supply contracts included renewable attributes through Guarantees of Origin (100% bundled instruments). However, currently 24.4% of CAF's electricity consumption does not have renewable origin certification. From 2025, the implementation of PPAs will ensure that the entire supply comes from renewable sources, eliminating the need to acquire attributes independently.

- **Types of contractual instruments used for the purchase of bundled energy with renewable attributes or for the acquisition of energy attributes in a disaggregated manner** [E1-6_23]**:**
  CAF has used the following types of contracts in its energy supply strategy:

  - Electricity supply contracts with Guarantees of Origin (GO): Main mechanism used to date to certify the renewable origin of the electricity consumed.
  - Power Purchase Agreements (PPA): From 2025, this long-term energy purchasing model will be implemented, guaranteeing supply stability and reducing energy costs with a renewable focus.
  - Conventional electricity supply contracts: Used as a complement in exceptional situations to ensure continuity of supply.

The transition to a more sustainable energy model, supported by renewable energy purchase agreements, reinforces CAF's strategy in terms of decarbonisation and operational efficiency, aligning with its climate commitments for 2030 and 2045.

Waste [EG 306, 306-1, 306-2, 306-3, 306-4, 306-5]

The CAF Group aims to reduce, reuse and recycle the waste produced by the activities it carries out and, therefore, is committed to the circular economy through its adherence since 2017 to the Circular Economy Pact of the Ministry of Agriculture and Fisheries, Food and Environment in Spain (Ministerio de Agricultura y Pesca, Alimentación y Medio Ambiente en España - MAPAMA).

Waste management[8] is carried out in accordance with the following premises:

1. Reduce waste generation at source, for example by using recycled materials, returnable supplies and returning surplus material to the supplier.
2. Maximise the reuse, recycling and recovery of waste, such as extending the shelf life of paints or using washable and reusable cleaning rags. Along these lines, by 2024, 92% of the total amount of hazardous and non-hazardous waste generated will have been recovered, with the aim of improving the amount of waste recovered. During 2024, it is worth highlighting the participation of one of the Group's subsidiaries in an industrial symbiosis project with other companies aimed at reducing or giving a second life to our waste.
3. Promote awareness campaigns on waste segregation and minimisation.
4. Proper treatment and management of waste, based on defined waste management procedures, and with managers close to the facilities and assessing our supply chain partners for their environmental performance.

During 2024, it is worth highlighting the objective of reducing expired materials defined and controlled at several of the Group's railway maintenance sites. Likewise, with the same objective, in vehicle manufacturing plants, a 75% reduction in the indicator of queues and expired paint has been achieved in the last 4 years, by changing the way adhesives are supplied with a local supplier in order to achieve a reduction in stocks and a reduction in expired adhesives. This indicator is monitored in the procurement process of the railway activity.

8 Actions to combat food waste are not considered because this content is not material to the CAF Group's activity, as concluded from the Double Materiality Assessment carried out in 2024.

The generation of CAF waste can be summarised in the following tables:

WASTE TYPE	2024 (kg)	2024 (%)	2023 (kg)[2]	2023 (%)[2]	2022 (kg)	2022 (%)
HAZARDOUS WASTE[1]	3,954,028	10%	3,337,195	9%	3,112,120	9%
NON-HAZARDOUS WASTE	36,329,182	90%	33,128,118	91%	32,823,000	91%
TOTAL [E5-5_07]	**40,283,210**	**100%**	**36,465,313**	**100%**	**35,935,120**	**100%**

	NON-HAZARDOUS WASTE			HAZARDOUS WASTE			TOTAL		
	2024 (kg)	2023 (kg)	2022 (kg)	2024 (kg)	2023 (kg)	2022 (kg)	2024 (kg)	2023 (kg)	2022 (kg)
RECOVERED [E5-5_08]									
PREPARATION FOR REUSE	372,049	376,967	22,000	111,531	80,019	-	483,580	456,986	22,000
RECYCLING	32,249,332	28,776,908	27,822,000	1,197,456	1,158,056	1,468,000	33,446,788	29,934,964	29,290,000
OTHER RECOVERY OPERATIONS	2,022,584	2,368,574	1,136,000	1,053,287	995,188	427,700	3,075,871	3,363,763	1,563,700
TOTAL WASTE RECOVERED	**34,643,964**	**31,522,450**	**28,980,000**	**2,362,274**	**2,233,264**	**1,895,700**	**37,006,239**	**33,755,713**	**30,875,700**
NOT RECOVERED [E5-5_09]									
LANDFILL	707,844	664,360	2,504,000	519,014	204,460	243,020	1,226,858	868,820	2,747,020
INCINERATION	172,012	154,283	716,000	248,021	233,210	370,400	420,033	387,493	1,086,400
OTHER DISPOSAL OPERATIONS	805,361	787,025	623,000	824,719	666,261	603,000	1,630,080	1,453,286	1,226,000
TOTAL WASTE NOT RECOVERED	**1,685,217**	**1,605,668**	**3,843,000**	**1,591,754**	**1,103,931**	**1,216,420**	**3,276,971**	**2,709,600**	**5,059,420**
TOTAL WASTE	**36,329,182**	**33,128,118**	**32,823,000**	**3,954,028**	**3,337,195**	**3,112,120**	**40,283,210**	**36,465,313**	**35,935,120**

1. No radioactive waste is generated at CAF. [E5-5_16]
2. Actual data from 2023. Partially estimated year-end results were presented in the 2023 Sustainability Report (page 72).

At CAF only 8% of our waste is not recovered (which is equivalent to a total of 3,276,971 kg). [E5-5_10, E5-5_11]

The data in the tables above were calculated from management information provided by the waste managers at each of the group's sites (type, quantity and management method) and the calculation of the carbon footprint has been validated by LRQA (refer to the verification report in Annex 9.8.1 for further information). [E5-5_17]

Annex 9.7 of this report provides this information broken down in detail [E5-5_12, E5-5_13, E5-5_14]. This includes information on packaging waste (percentage recycled, etc.). [E5-5_04, E5-5_05]

Protection of biodiversity [EG 304, 304-1]

In reference to the actions carried out by the CAF Group in relation to the protection of biodiversity, the Group is aware of the responsibility it has in the protection of biodiversity and in not deforesting the places in which it operates and therefore controls said impact by carrying out Environmental Impact Assessments (EIA), in the places/projects that as required, and developing products that respect the environment (more information in section 5.4.2 Product sustainability).

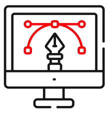
Currently, the Group's sites are not located in protected areas where there may be a particular impact on biodiversity.

In 2024, CAF demonstrated its dedication to safeguarding biodiversity and combating deforestation by submitting a report to the CDP Forest rating, where it achieved a C rating for that reporting year. However, in the Double Materiality Assessment carried out in 2024, it was concluded that the protection of biodiversity is not a material issue for the Group, and therefore no new initiatives have been defined in the Sustainability Master Plan.

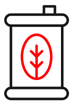
5.4.2 PRODUCT SUSTAINABILITY

At CAF, we are committed to the development of sustainable products that promote a positive impact on society and the environment. Our dedication to eco-friendliness drives a continued focus on innovation and collaboration with leaders in research and education.

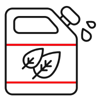
Through strategies focused on eco-design, energy efficiency, the adoption of sustainable fuels, durability and recycling, as well as noise and vibration reduction, we constantly seek to improve sustainability across our entire range of products, from vehicles to signalling systems and infrastructure.



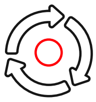
Eco-design methodology



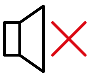
Improvements in energy efficiency



Deployment of sustainable alternative fuels



Increased useful life and recyclability



Reduction of noise and vibrations

This commitment to ecodesign was made visible in 2024 through the approval and subsequent publication of the Group's Ecodesign Policy on the CAF website. The purpose of this Policy is to establish the principles to ensure that CAF's products and services demonstrate an improvement in their environmental performance by measuring and minimising the environmental impact of products and services at all stages from the acquisition of materials, design and development, manufacturing, delivery and installation, use (including reuse, maintenance, repair, renewal and improvement) to end-of-life treatment and disposal.

Ecodesign methodologies

CAF has been an active player in promoting methodologies for the ecological transformation of the sector. For example, we have collaborated in the "Life Cycle Assessment" working group of the railway association UNIFE, which focuses on defining how to implement environmental legislation and regulations in the lifecycle processes of railway products.

To promote more efficient and environmentally friendly means of transportation, CAF has incorporated the Product Sustainability Function. This integration of Ecodesign methodologies in our engineering processes aims to optimise and control environmental impacts from conception to the complete lifecycle of products. This translates into concrete actions: Maximise energy efficiency, use sustainable materials while minimising their quantity, reduce atmospheric emissions, reduce noise and vibrations and promote the circular economy.

Making the ecological footprint visible

CAF evaluates the environmental footprint of its products through lifecycle analysis (LCA). These analyses form the basis for the elaboration of Environmental Product Declarations (EPDs) for our customers.

In 2011, CAF established the world's first verified EPD for a tram, the Urbos tram in Zaragoza, in accordance with ISO 14025. This study was based on the LCA following the guidelines of ISO 14040 and 14044. Since then, CAF has certified trains representative of its wide range of products, including trams, metros and regional trains, accumulating an extensive EPD record and consolidating its position as one of the railway manufacturers with the highest number of declarations.

In 2024, CAF presented a new EPD for the URBOS 100 tram for Liège, Belgium, and also launched the first two EPDs for railway vehicle axles made from forged and rolled steel.

Lifecycle analyses have enabled us to identify the processes, materials and components with the greatest environmental impact. Thanks to this information, we can more effectively direct our efforts toward reducing the adverse environmental impact of our products. In the coming years, we plan to expand our work in this area, broadening the scope of analysis to include other vehicle types.

In 2024, CAF has been developing an internal tool to calculate the environmental impact of a product from a lifecycle perspective in the early stages of design. Efforts are underway to create a Materials Passport for vehicles, enabling improved recognition of the materials used in trains and facilitating more effective management once they reach the end of their operational lifespan.

Moreover, in line with our environmental policy, we comply with European Regulation EC 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Additionally, in the railway segment we comply with the requirements of the UNIFE Railway Industry Substances List (RISL), which lists the materials and substances prohibited by European and international legislation specifically for the railway industry. We are currently improving our processes and tools to optimise the management of the chemical substances used in the supply of our vehicles.

LIST OF EPDS OBTAINED BY CAF IN THE RAILWAY AND BUS SEGMENTS:

- URBOS 100 tram for the city of Zaragoza
- URBOS AXL for Stockholm Lokaltrafik A35 Tram Units
- CIVITY EMU regional electric train for the Friuli-Venezia Giulia region
- URBOS AXL for Stockholm Lokaltrafik A36 Tram Units
- Metro Units M300 for Helsinki Metro Transport
- URBOS 100 tram for the city of Kaohsiung
- URBOS 100 tram for Oslo
- INNEO for Docklands Light Railway of London
- URBOS 100 tram for Liège
- Forged and rolled monobloc steel wheels for railway applications
- Forged and rolled EA1N & EA1T steel axles for railway applications
- Forged and rolled EA4T steel axles for railway applications
- URBINO 18m Electric
- URBINO 12m Hybrid

ENERGY EFFICIENCY IMPROVEMENT [302-5]

At CAF we prioritise improving energy efficiency in our products and services. Thanks to the measures mentioned below, we have achieved a significant reduction in the energy consumption of our vehicles. From 2019 to 2023, the Urbino 12 Electric bus recorded a 28% drop in energy consumption, while the Urbino 18 Electric bus achieved a 25% reduction in its energy usage between 2020 and 2023. Likewise, improvements in 12- and 18-metre hydrogen buses have been 30% and 15%, respectively[9].

As for the railway segment, a target was set for 2023 to reduce vehicle consumption by 20% within 6 to 7 years.

Consumption reduction measures

Among the measures adopted to reduce the consumption of our products, the following stand out:

Efficient traction systems

We use high-efficiency equipment in traction systems and advanced technologies to minimise losses and optimise energy consumption:

- We introduce SiC (Silicon Carbide) transistor technology, reducing energy consumption by between 8 and 10%.
- We develop advanced control strategies to minimise losses in electric motors.

Energy recovery during braking

We prioritise energy recovery during braking to reduce consumption and improve the efficiency of trains, buses and trolleybuses.

Modular storage and intelligent battery management systems

We create modular accumulation systems that store the energy generated during braking.

We incorporate the BMS (Battery Management System) to optimise the performance and useful life of the batteries.

Energy optimisation during trips

The DAS (Driver Advisory System) and ATO (Automatic Train Operation) assess in real time how to obtain the best energy efficiency according to the planned route and travel time. This information allows driving to be optimised from an energy efficiency perspective and thus obtain reductions in vehicle consumption between 15% and 30%.

We also adopt strategies that reduce energy consumption, such as partially disconnecting the traction system when power demand is low.

Weight reduction and drag

We design lighter vehicles to reduce energy demand, while maintaining high quality and safety standards. To achieve this, we reduce the weight of components (structures, coatings, bogies, reducers, battery modules, etc.) and adopt lightweight vehicle and system architectures.

We optimise vehicle geometry to reduce drag using CFD (Computational Fluid Dynamics) simulations.

Reduction of energy consumption of auxiliary equipment

In addition to incorporating low-consumption auxiliary equipment, we define different operating modes (parking, cleaning, maintenance, etc.) to activate only the auxiliary equipment necessary in each case and ensure that they operate efficiently.

To reduce energy consumption during operation, we implement strategies that allow auxiliary systems to operate at their optimal point and make the most of internal energy flows.

9 Values verified by tests according to the requirements of standard UITP E-SORT1.

Efficient air conditioning and thermal insulation

We optimise the efficiency of the air conditioning system, second in energy consumption after the traction system, by using efficient, environmentally friendly refrigerants and improving energy efficiency by adopting various solutions such as the use of heat pumps and regulating the outside air according to indoor CO_2 levels. Acting on the HVAC control parameters can generate up to 15% energy savings.

From 2023, CAF has started to use natural refrigerants in the air conditioning systems of its vehicles, replacing the current technology based on fluorinated gases that have a higher environmental impact in terms of greenhouse effect.

With the aim of improving thermal insulation, CAF installs insulating panels on the entire surface of vehicles and establishes maximum limits of thermal transmission in key components such as doors, windows and intercirculation corridors. For example, between 2019 and 2020, our buses experienced a 10% improvement in their thermal insulation thanks to various measures, such as changing the insulating material.

Efficient equipment sizing

In our vehicles we adjust the performance of the equipment according to need to avoid oversizing that could lead to increases in weight and consumption. To this end, we have refined our dimensioning tools and monitor our vehicles during service to gain a better understanding of their operation and performance.

Deployment of sustainable alternative fuels

Offering our customers environmentally friendly alternatives to diesel propulsion is a key priority for CAF. In recent years, we have developed several new vehicles with reduced or zero emissions.

Buses and trains with on-board energy storage systems (batteries) stand out. To date, we have supplied around 5,500 buses of this type to more than 20 countries. Additionally, in 2021, CAF was awarded the world's largest contract for battery electric trains for the German transport authorities ZV VRR and NWL.

VRR PROGRAMME: FIRST BATTERY-POWERED TRAINS FOR CAF'S MAIN LINE

The NMN (Niederrhein Münsterland Netz) project represents a key step forward in CAF's commitment to sustainability and innovation in the railway sector. Located in North Rhine-Westphalia, Germany's most populous region, the project covers the manufacture of 76 battery electric multiple units (BEMU) and their maintenance for 33 years. Designed in long and short versions to optimise operations in two sub-networks in the region, this project reinforces CAF's capacity to lead the transition towards cleaner mobility in strategic and highly demanding markets, after winning a highly competitive bidding process.

The relevance of the project lies in the fact that it is CAF's first in the segment of electric trains for mainline tracks with batteries, marking a milestone in our commitment to sustainable mobility. This development seeks to establish a platform for battery-powered electric vehicles that responds to global demands, consolidating CAF as a benchmark in innovative railway solutions. In 2024 we will have completed the first train in the series, which will undergo testing to obtain certification and begin operations in 2027.

This project exemplifies how sustainability and innovation are integrated into competitive and responsible solutions, strengthening CAF's leadership in the international railway sector and its ability to open new opportunities in strategic markets such as Germany.

On the other hand, Solaris has deployed buses powered by Hydrogen and Compressed Natural Gas (CNG) in different European cities. Hydrogen vehicles are considered zero emissions as they emit only water vapor, while CNG vehicles reduce the emission of harmful particles.

In the bus segment, we have been pioneers in offering these technological solutions to the market, positioning ourselves as the European leader in zero-emission buses.

Moreover, CAF has developed a prototype hydrogen-powered train that has demonstrated its ability to operate on commercial lines in Spain and Portugal. This project (FCH2RAIL) has been backed by the Clean Hydrogen Partnership (erstwhile FCH2 JU), a European Commission agency that promotes the development of hydrogen and fuel cells, and will be completed in 2024.

The FCH2Rail project, successfully completed in 2024, represents a major milestone in the development of zero-emissions railway technology. This initiative, with a budget of €14M and backed by European funds, has been led by a consortium comprising CAF, Renfe, Adif, Toyota and other strategic partners. Its main objective has been to develop a hybrid bimodal train, powered by hydrogen fuel cells and LTO batteries, capable of operating both in electrified networks, capturing electricity from the catenary, and on non-electrified lines. Dynamic tests, carried out in Spain and Portugal, confirmed the viability of the prototype, which travelled more than 10,000 km in hydrogen mode.

Among the milestones achieved, the first authorisation in Spain for the operation of a hydrogen train on the Zaragoza-Canfranc line, a particularly demanding route, stands out. This made it possible to validate the behaviour of the energy generation and storage systems. The train was subsequently tested on various routes in Aragon, Madrid, Galicia and Portugal, evaluating its performance in various operating and climatic conditions.

Furthermore, the project has actively contributed to updating European standards, facilitating the incorporation of hydrogen technology into the continent's railway networks.

The success of the FCH2Rail project highlights our firm commitment to sustainable mobility, demonstrating the potential of hydrogen as a viable and efficient alternative to diesel traction. In this context, the test bench developed jointly by CNH2 and CAF for the assessment of the hydrogen-based traction system was recognised with the Best Innovation Award by the Clean Hydrogen Partnership in November 2024.

The CAF Group also supplies diesel vehicles with batteries to reduce fuel consumption (hybrid solutions), achieving consumption reductions of between 20-30%. In 2024, CAF was awarded the first contract for tri-mode Intercity trains (electric/diesel/batteries) in the United Kingdom for the delivery of 10 units that will serve the east coast of England.

Likewise, the diesel engines of the bi-mode trains supplied to the Nordic market can operate with paraffinic diesel or B30 biodiesel.

The focus on offering alternatives to diesel is not limited to vehicles. In our infrastructure activity, we have developed charging points for electric vehicles. Additionally, in 2020, we created a tool to simulate the intelligent charging management of a fleet of electric buses and in 2021 another tool to simulate the refuelling of heavy hydrogen-powered vehicles, such as buses and trains. In 2022, we started the AVOGADRO research project on hydrogen refuelling stations (HRS), which has been extended until 2024. This project seeks to create a simulation model of the operation of these stations to define optimal refuelling protocols according to the operational needs of hydrogen train fleets. We are also carrying out a generic safety analysis for hydrogen refuelling stations, as they currently lack specific regulations.

Increased service life and circularity [E5-5_01]

Useful life

CAF Group vehicles are designed to meet the most demanding useful life standards on the market. Trains have a useful life of between 30 and 40 years, while that of buses is 15 years, [E5-5_02], standard market values and demonstrated by CAF [E5-5_06]. We achieve these lifecycles through continuous improvements in the durability of components from their conception.

Structural elements of trains, such as the body structure, chassis and bogie axles, are designed, calculated, manufactured and tested to ensure durability. The rest of the train systems, such as couplings, propulsion systems, brakes, air conditioning, doors and control systems, are subjected to shock and vibration tests according to the IEC 61373 standard to ensure their resistance in service.

As for buses, new or significantly modified models undergo a 1-million-kilometre road endurance test in various extreme conditions. This test aims to adjust the vehicle to achieve the useful life and standards expected by the design team and our customers, always guaranteeing maximum safety.

At CAF we are constantly working to improve the useful life of components that suffer wear and tear during use, such as batteries, wheels, tyres, axles, gearboxes, brake discs, seals, bearings, shock absorbers, bumpers, linings, gaskets, filters and lubricants. In addition, thanks to our extensive experience in the supply and maintenance of vehicles, we guarantee the optimisation of consumables (lubricants, sand, brake pads, etc.), thus reducing their consumption.

The service lives of our vehicles are linked to the respective Maintenance Plan. We have a department dedicated to improving the reliability, availability, maintainability/repairability (RAM) and lifecycle costs (LCC) of our vehicles. CAF has its own maintenance optimisation process, which details the activities to analyse and implement improvements in the frequency of preventive maintenance, thus prolonging the useful life of the components involved. All the maintenance services we offer include the application of this process, to improve preventive frequencies and, consequently, increase the durability of the components.

At CAF we apply the EN 50126 standard to demonstrate the maintainability/repairability of our railway products [E5-5_03, E5-5_6].

On the other hand, the systematic monitoring of our vehicles allows us to detect early deviations, which makes it possible to take corrective actions based on years of data analysis. This action optimises maintenance strategies and leads to significant improvements in component life. For example, the Wheel Life Optimisation initiative has achieved improvements of 20 to 200% in wheel life, thanks to the development of knowledge, tools and optimised maintenance processes.

CAF'S LEADMIND DIGITAL PLATFORM: A KEY ALLIANCE FOR SUSTAINABILITY, INNOVATION AND OPERATIONAL EFFICIENCY

CAF's LeadMind Digital Platform is a leading example of how technology can transform the railway sector, improving operational sustainability. By integrating data, artificial intelligence (AI) and advanced analytics tools, the platform enables operators to optimise resources, reduce costs and improve efficiency and service quality.

These data not only benefit operability, but are also key to innovating and increasing the competitiveness of our products, optimising designs, improving train reliability and reducing lifecycle costs (LCC).

Artificial intelligence plays a crucial role in this process, combining with various applications to effectively manage the vast amounts of data obtained. This makes it possible to achieve two fundamental objectives in the railway industry: lowering the LCC and optimising the service, increasing availability, managing incidents and improving on-time service.

With a focus on continuous evolution and the integration of new data sources, such as infrastructure, signalling and maintenance, in addition to the more than 500 vehicles monitored, CAF's Digital Platform LeadMind is positioned as a key ally in the design, operation and maintenance of more sustainable transport systems, contributing to the advancement of mobility worldwide.

Circularity

At the CAF Group we have a train modernisation activity that focuses on updating and reusing these vehicles. This initiative is aligned with our commitment to sustainability, as it extends the useful lifecycle of railway assets and reduces the demand for new manufacturing.

CAF ENGINEERED MODERNISATIONS: OUR COMMITMENT TO THE CIRCULAR ECONOMY

At CAF, we have been working on the refurbishment and modernisation of railway fleets for years, and in 2017 we decided to take a firm step in this direction by consolidating a specific organisational model for this activity. Since then, we have created a dedicated team that leverages the technical knowledge and operational processes of the CAF Group. Our approach is focused on offering the market a value proposition that includes:

- Extend the useful life of fleets, facing the challenges derived from the ageing and obsolescence of critical subsystems.
- Update fleets to current safety and comfort standards for users.

To achieve these objectives, we have identified and worked on overcoming key challenges such as reverse engineering, which allows us to recover and digitise technical information on vehicles not manufactured by CAF, integrating uncharted modifications. In addition, we have deployed operations in regions with no previous railway industrial presence, always guaranteeing the quality standards that characterise the CAF Group.

Currently, our modernisation business has a solid portfolio of projects worldwide. We have successfully completed several projects, consolidating this activity as a fundamental pillar within the business areas.

			REHABILITATED TRAINS				
CUSTOMER:	**VEHICLE TYPE**	**COUNTRY**	**2024**	**2023**	**2022**	**2021**	**2020**
AUCKLAND TRANSPORT	EMU	New Zealand				15	12
RENFE (FEVE)	EMU	Spain	3	2	4		
MEDELLÍN METRO NETWORK	Metro	Colombia	2	18	15	7	
JTMT	Tram	Israel	12	30	4		
SUBURBAN RAILWAYS	EMU	Mexico	13	3			
TRANSLINK	DMU	United Kingdom			4	3	
RATP	EMU	France	7				
		TOTAL	37	53	27	55	12

Our efforts in modernisation enhance the efficiency of our clients' financial, operational, and maintenance resources while simultaneously encouraging high-value local job creation, thereby supporting the development of the technological industrial ecosystem in the regions we serve.

Our activity is also fully aligned with the principles of sustainability and circular economy. Extending the useful life of trains significantly reduces the consumption of materials and resources, avoiding the need to manufacture new units. This reduces our carbon footprint, promotes the reuse of components and reinforces our commitment to waste reduction. At CAF we continue to lead initiatives that contribute to a more sustainable future, combining technology, innovation and environmental responsibility.

At the CAF Group we carefully select materials during the design stage, following Ecodesign principles and considering their recyclability, always respecting technical and functional requirements. We are committed to designing products that can be easily disassembled at the end of their useful life and, where possible, we use homogeneous materials to facilitate separation and recycling.

In addition, a recyclability analysis of the products is carried out in accordance with ISO 22628 (buses) and ISO 21106 (trains) [E5-5_06]. According to the EPD (Enviromental Product Declaration) carried out by the CAF Group, the trains and buses manufactured by the CAF Group have a high rate of recyclability and recoverability:

RECYCLABILITY RATES/ RECOVERABILITY IN PRODUCT (%) [E5-5_04]	ROLLING STOCK	BUS
RECYCLABILITY RATE[1]	≈90.8-93.9%	≈94.9-95.9%
RECOVERABILITY RATE[2]	≈94.7-98.7%	≈95.1-96.1%.

1. Recyclability rate: Includes those materials that can potentially be recycled and/or reused.
2. Recoverability rate: Includes those materials that can potentially be recycled, reused or recovered in the form of energy.

In addition, we generate recycling/end-of-life manuals at the client's request. These manuals offer detailed instructions on how to proceed at the end of the life of the vehicle and the materials used in operation and maintenance. This manual includes instructions for the proper disassembly of each item into its minimum parts and the appropriate final management treatments applicable to its composition, which may be (in order of preference): a particular known and applicable recycling process, energy recovery, or final disposal in a landfill or with an authorised manager.

In our buses, we guarantee the recyclability of the components of our vehicles by marking parts made of metals, plastics and elastomers, in compliance with applicable regulations.

The first mass-produced bus with a battery passport

The Solaris Urbino 18 electric model, which has recently been added to the BVG fleet in Berlin, is the world's first mass-produced bus with a battery passport. Solaris has delivered this vehicle three years ahead of the EU regulations coming into force, which will require battery passports for all electric vehicles from February 2027.

This digital document provides detailed information on the origin, composition and environmental impact of the battery and allows the tracing of materials such as lithium, cobalt and nickel, promoting the responsible management of these strategic resources. In addition, it provides key information on carbon footprint, critical raw material content and efficient recycling, supporting the circular economy in the battery sector.

The company also operates the Battery HUB, a specialised centre that handles all battery-related operations, driving the development of the circular economy around lithium-ion batteries. **With the growth of electric mobility, CAF reaffirms its commitment to the responsible and sustainable management of key components of emission-free transport.**

We have established partnerships with certified waste management companies specialised in batteries and accumulators, ensuring adherence to ISO 9001, ISO 14001, and relevant regulations governing these products. By processing batteries, we recover metals (aluminium, zinc, cadmium, cobalt, lithium, copper, nickel, lead, manganese, brass, mercury, etc.) and other materials (plastics, paper, etc.), promoting reuse in various industrial processes and contributing to the saving of natural resources, energy and water.

In addition, we are working on finding a second life for our batteries to increase their useful life. In partnership with an energy holding company, we are developing an innovation project to reuse the batteries of Urbino electric buses in new applications such as the stabilisation of electrical networks in modern energy distribution infrastructures.

On the other hand, our vehicles are mainly made up of metal parts with a recyclability rate close to 100%, which also include a high percentage of recycled material. As an example, a study on the recycled material content in the stainless steel structures of our buses reveals a range of recycled content between 89.8% and 93.9%. This recycled material content is not limited to metal parts. For example, plastic inspection hatches on buses contain 50% recycled material.

CAF has also defined an ambitious circularity goal: achieve a minimum of 20% (by weight) recycled or circular material content in all its vehicles. This commitment reinforces our contribution to reducing environmental impact and transitioning towards a more sustainable and efficient production model.

Reduction of noise and vibrations

Noise, in addition to affecting humans, influences nature by altering the habitats of animals and ecosystems.

The main sources of noise in a vehicle[10] are its systems, the rolling noise and aerodynamics. At CAF, we have a specialised noise and vibration area dedicated to reducing noise levels both inside and outside the vehicle, as well as minimising vibrations transmitted to the ground. From the initial phase of the project, this team collaborates to achieve an optimal design that meets regulatory and contractual standards, continually improving the acoustic and vibrational performance of our products. Additionally, our technical team has developed knowledge, tools and methodologies to accurately predict the noise and vibration levels of our solutions.

To reduce noise levels, our team exhaustively analyses the causes (through calculations, wheel-rail interaction studies, etc.) and applies effective mitigation measures: use of insulating and absorbing materials, vibro-acoustically optimised construction solutions, efficient aerodynamic shapes and optimised rolling profiles, etc.

Once manufactured, our trains undergo static and on-track noise testing to validate compliance with contractual and regulatory requirements.

During 2024, we have made progress in developing models for the virtual validation of compliance with exterior and interior noise requirements when stationary. This type of validation allows the solutions necessary to achieve the project's objectives to be defined and optimised without the need to have the train manufactured, thus avoiding future modifications to the train.

Furthermore, our buses undergo the “1 Million Kilometre Test”, a rigorous road endurance test that is carried out for each prototype and relevant design modification. This test is carried out on different types of pavements and extreme conditions to perfect the design, reach the standards expected by the company and its customers, optimising driving, and minimising the noise and vibrations generated. Among the improvements made to reduce the noise generated by electric buses between 2018 and 2022, those related to the selection of absorbent materials, insulators and suspension elements stand out, as well as improvements in the cooling and thermal conditioning system of the batteries.

Road tests have shown that zero-emissions buses equipped with electric motors generate considerably less noise than their conventional combustion engine equivalents.

5.5 POLLUTION

The CAF Group identifies pollution management as a strategic initiative within its Sustainability Master Plan, in accordance with the results of the Double Materiality Assessment carried out in 2024. As part of this exercise, CAF has examined the locations of its sites and its business activities when identifying its Impacts, risks and Opportunities related to pollution throughout the company's value chain [E2.IRO-1_01]. The only outcomes observed in this analysis are related to Air Pollution and Substances of Very High Concern.

The locations where manufacturing plants are located have been found to be most likely to be contaminated. [E2.IRO-1_03]

10 Regarding our facilities, the preventive and control measures established in the applicable permits are carried out to minimise noise pollution.

As detailed in Chapter 4.4, during the Double Materiality Assessment, CAF regularly consulted with stakeholders to identify Impacts, Risks and Opportunities related to pollution [E2.IRO-1_02].

Actions and resources related to pollution

Considering the results of the Assessment, CAF has implemented actions designed to achieve the objectives established in its Policies, thus responding to the Impacts, Risks and Opportunities related to pollution throughout the company's value chain. These actions can be found in detail in Chapter "4.5. Sustainability Master Plan".

In cases where these actions include commitments related to upstream and downstream activities in the value chain (suppliers and/or customers), the types of action for said commitments are detailed. [E2-2_02, E2-1_01]

Pollution-related goals and objectives [E2-1_03]

Following the insights gained from the Double Materiality Assessment, CAF has vowed to create specific targets to tackle each unique IRO, which also ensures adherence to its policies.

All these objectives are described in section 4.5 of this report. [E2-3_01, E2-3_02, E2-3_03, E2-3_04, E2-3_09]

In financial year 2024, no significant sanctions or incidents related to pollution have been identified. [E2-6_04, E2-6_05]

5.5.1 Air pollution

The CAF Group's commitment to sustainability is reflected in its firm efforts to reduce air pollution, achieving significant milestones in recent years. One of the areas of greatest impact has been the reduction of emissions of Volatile Organic Compounds (VOC), key compounds that affect air quality and contribute to climate change. Over the past 11 years, CAF S.A. manufacturing plants have reduced these emissions by 80%. This result exemplifies how sustainable strategies can translate into tangible benefits for the environment.

In the specific case of bus painting, one of the operations with the highest intensity of use of chemical substances, the reductions are even more notable. Over the last four years, VOC emissions have decreased by 24%, an achievement facilitated by the implementation of innovative technologies and more sustainable processes. These technologies include the use of solvent-free water-based paints, which significantly reduce the release of harmful compounds into the air and the replacement of traditional glues with self-adhesive adhesives, which are less polluting and safer for the work environment.

These initiatives not only demonstrate CAF's environmental leadership, but also underline the Company's commitment to technological innovation and operational excellence, aligning with the objectives of its 2026 Strategic Plan.

Below are the quantities of pollutants emitted into the atmosphere at CAF S.A. manufacturing sites with an impact on air quality, in accordance with the criteria established in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January, excluding greenhouse gas (GHG) emissions, which are described in previous sections [E2-4_01, E2-4_02, E2-4_03, E2-4_04]:

Tonnes	2024	2023
NOX	4,895.37	4,933.52
PARTICLES	5,257.65	4,957.50

1. Only air pollution is material to CAF, with soil and water pollution not considered material according to the company's Double Materiality Assessment.

The values compiled in this table have been compiled by directly measuring the emissions and following the E-PRTR (European Pollutants Release and Transfer Register) emissions calculation procedure and belong to the manufacturing sites of CAF, S.A. (Beasain, Irún and Zaragoza) [E2-4_08, E2-4_09, E2-4_10, E2-4_15]

Moreover, at the CAF Group we have not identified the generation or material use of microplastics in our group [E2-4_05, E2-4_06, E2-4_07].

The Double Materiality Assessment carried out in 2024 has identified air pollution as a key material issue for CAF for the first time, something that had not been identified in previous years. This finding has prompted the inclusion of air pollution in the Sustainability Master Plan, approved in 2024, under the strategic line "Leading the transition towards emission-free mobility." Within this line, strategic initiatives have been designed with sub-initiatives and specific actions aimed at mitigating air pollution generated by CAF operations.

To ensure effective management of this material issue, environmental performance indicators have been defined and specific objectives have been established that will allow monitoring the evolution of emissions and their progressive reduction. In addition, responsibility for its implementation has been assigned to different areas within the organisation, ensuring structured governance that facilitates compliance with regulatory and reporting requirements. With this planning, CAF will be in a position to respond to the demands for environmental information on air pollution in the coming years.

5.5.2 Substances of concern

The responsible management of chemical substances of concern is also considered in CAF's sustainability strategy. These substances, due to their toxic or persistent nature, require rigorous control to mitigate their impact on the environment and human health.

In this context, CAF's Sustainability Master Plan integrates concrete actions to address this challenge in a proactive and systematic manner.

Firstly, a specific policy has been developed to regulate the use and acquisition of these substances, either directly or as components of purchased products. This legislative framework will not only ensure compliance with international regulations, such as the REACH Regulation or the Railway Industry Substance List (RISL) of UNIFE, but will also establish more demanding internal standards that promote continuous improvement.

In addition, CAF has begun identifying and cataloguing substances of concern in its product portfolio. This process will allow the company to obtain greater traceability and control over its management, reducing risks and promoting responsible practices throughout the entire value chain. In this exercise, there are no consolidated data available on the quantification of the volume of substances of concern. However, work is being done on it to report it in future years [E2-5_01, E2-5_02, E2-5_03, E2-5_04, E2-5_05, E2-5_06, E2-5_07, E2-5_08, E2-5_09, E2-5_10, E2-5_11, E2-5_12, E2-5_13].

The Double Materiality Assessment carried out in 2024 has determined, for the first time, that the management of substances of concern constitutes a material issue for CAF, something that had not been identified in previous exercises. This conclusion has led to the incorporation of this issue into the Sustainability Master Plan, developed and approved in 2024. Specifically, it has been integrated into the strategic line 'Leading the transition towards zero-emission mobility', which encompasses various strategic initiatives that, in turn, are broken down into sub-initiatives and specific actions focused on the responsible management of substances of concern. [E2-1_02]

To ensure effective implementation in line with sustainability and transparency standards, specific indicators have been defined and measurable objectives established to monitor progress in this area. Likewise, responsibility for its management has been assigned to different key areas within the organisation, ensuring structured governance of the material issue. This will enable CAF to comply with the information and reporting requirements on this matter demanded by sustainability legislation, providing structured and reliable data in the information relating to 2026. The recent update of CAF's Ecodesign Policy complements this approach, promoting the integration of sustainability criteria in the early stages of product design. This ensures that technical decisions not only consider performance and economic viability, but also the associated environmental impacts throughout the product lifecycle.

With these actions, CAF reaffirms its commitment to responsibly addressing the environmental challenges of the sector, promoting a transition towards more sustainable production and consumption models. Through transparency in its management and reporting of progress in future years, the company strengthens its position as a benchmark in sustainability, innovation and environmental responsibility.

6/

OUR COMMITMENT TO PEOPLE

6.1 PEOPLE [2-7, 2-30, EG 401, 401-1, 401-2, EG 402, EG 404, 404-1, 404-3] [S1.SBM-3_04]

The people who make up CAF are key to the development of a sustainable project and, in line with this principle, CAF establishes commitments in this regard through its People Policy, Sustainability Policy and Code of Conduct.

The People Policy defines the core principles needed to ensure that the right people are available to deploy CAF's strategy in a sustained manner, guaranteeing a safe, fair and inclusive working environment, while also fostering the wellbeing, development and commitment of people in line with its values and ensuring compliance with high ethical and labour standards.

These commitments are mainly rolled out as part of the Corporate People Management Process, which defines a proprietary standard common to all the Group companies.

As proof of this, in 2024 CAF has been recognised as a Top Employer for its activities in Spain and France. This certification, awarded by the Top Employers Institute, recognises companies that implement best practices in talent management and create an excellent work environment.

The scope of certification includes the main activities of the railway segment: rolling stock, services, signalling, integral projects, components, etc. Roughly 50% of the people in the Group would be under practices certified under this seal.

The certifying body has highlighted the following areas of CAF: Business Strategy, Purpose and Values, Digitalisation of Human Resources, Ethics and Integrity and Sustainability.

Earning the Top Employer certification highlights the collective effort and passion of everyone who helps make CAF a remarkable place to work, bolsters our employer image, and encourages us to keep striving for ongoing process improvements.

top EMPLOYER España Spain 2024 FOR A BETTER WORLD OF WORK

6.1.1 QUALITY WORKING ENVIRONMENT

Quality, stable employment continues to be a characteristic that sets CAF apart. Employee experience and knowledge constitute one of the cornerstones of CAF's competitive position in all its current activities. This is demonstrated by the permanent employee ratio, which stands at 94% at the conclusion of the reporting period. If we look at the distribution by gender, age, professional group and region, the percentage of permanent contracts remains above 80% in all cases[1].

Note 22 of the Consolidated Financial Statements includes information related to the number of employees, breakdowns by gender and category, and associated expenses. [S1-6_17]

The generation of quality employment also implies the need to organise work in accordance with the labour legislation of each country and the applicable collective bargaining agreements. Accordingly, each Group company determines aspects relating to working hours, rest periods, calendar, holidays, leave, sabbaticals, and social benefit agreements in accordance with market practices, including contributions to pension funds or health insurance, etc. This is reflected in the Policy and guidelines on remuneration management and labour relations, defined and applicable to the Group. Furthermore, each company establishes measures aimed at facilitating work-life balance. Some of them have to do with the regulation of the working day, which is generally monitored by recording the time of entry and exit.

The regulation of telecommuting is present in some of the most relevant legal entities. This new regulation allows for certain activities to be carried out from home, on a voluntary basis and to a greater or lesser degree depending on the situation, mainly related to work-life balance. At the moment there are regulations that facilitate the possibility of carrying out the activity remotely in a percentage that ranges between 20% and 60% of the working calendar. It also includes measures concerning the right to digital disconnection.

For detailed information on employee characteristics (own workforce), see appendix "9.7 Detailed indicator tables".

1 The annual average number of part-time contracts is not broken down by gender, age and professional classification, as they do not represent a significant proportion of the Group's workforce.

6.1.2 RIGHT TALENT

CAF aims to establish a value proposition that resonates with its core values, attracting and engaging the talent essential for its business endeavours, all while maintaining an appropriate scale.

Throughout 2024, we intensified our resolve to recruit, train, and retain skilled professionals via initiatives that promote CAF as an exceptional location for building a career.

On the one hand, the Employer Brand Committee has been created. This body is responsible for developing initiatives to deploy the talent attraction strategy and is made up of human resources teams from the different businesses and key geographies. In addition to monitoring indicators and commitments in this area, this space has enabled the sharing of best practices in attracting talent, strengthening a global talent management strategy.

Moreover, the focus has been placed on improving the candidate experience, in line with our commitment to offering a positive digital experience. Thus, we took steps in 2024 to optimise our presence on key platforms for attracting talent such as the CAF website, our employment portal, LinkedIn and YouTube, where a specific Talent section has been enabled.

We have also promoted our values and strengthened our brand by giving visibility to the positive experiences of our employees through videos and testimonials from employees from diverse businesses and geographies. Their stories highlight the employment journey at CAF, adding a personal touch to our brand and fostering trust within the community.

These initiatives reflect our ongoing commitment to people, innovation and sustainability, including in talent management. At CAF, we continue to build an environment in which our professionals can grow and develop their full potential.

In 2024, the Group's average number of employees increased to 15,916, reaching 16,333 as at 31 December. The workforce at the end of the period increased by 882 people, thus adapting to the Group's needs in its various activities and geographies. [S1-6_15] [S1-6_16]

The change in staffing levels in 2024 responds to the need to respond to the implementation of the project portfolio. Growth is monitored for adequate growth in both the rail and bus segments and in corporate functions.

Talent acquisition is one of the key levers for meeting the business challenges of the Group's various activities and special focus is placed on both its execution and on improving its performance. CAF has a specific recruitment policy, encompassed within the people management process, which defines the common corporate framework for recruitment and internal mobility. This activity consists of an initial phase of approval of the onboarding plan, a selection process that can be either internal or external, the contracting and finally the welcome plan. Through this process, equal opportunities in access are guaranteed.

CAF is currently carrying out a serie of activities to provide adequate resources to the different activities in the different geographical areas, of which the main ones are: presence at national and international job fairs, open days, and the publication of vacancies on various employment platforms, social media and the corporate portal. During 2024, 2,342 recruitment processes were carried out in the Group's various activities.

Likewise, internal mobility, as well as being an activity that provides flexibility to respond to the needs of ongoing projects, is considered basic in the development of people throughout their working lives. Worker mobility is an activity that is facilitated through training programmes included in training plans, as well as in unplanned training activities, which aim to provide the skills needed to take on new responsibilities. Internal mobility processes are common in all of CAF's main activities.

In this area, and with a medium-term vision, the defined development activities derived from the exercises to identify talent with potential carried out in previous years have been deployed. The aim of these actions is to have people prepared for the challenges of the different activities.

In 2024, the dynamic has continued for the publication of internal vacancies in some of the main activities and the definition of career plans associated with the assessment processes. This chapter emphasises the application of development initiatives, extending this practice to a global context. It is worth remembering that career plans in CAF allow people to be directed towards one of these pathways: leadership of people and/or projects, functional versatility or technical specialisation.

Throughout the year, the process of identifying critical positions and their potential successors, which began in 2023, has also continued. This activity is part of the programme of initiatives that aim to adopt good practices in talent management that add value to businesses.

6.1.3 CONTINUOUS LEARNING ECOSYSTEM

CAF is committed to promoting a learning ecosystem that enables the continuous development of talent. Professional development opportunities are provided to all individuals, recognising that their growth is key to the sustainability of the project. In addition to offering training programmes, from technical training to training in interpersonal skills, CAF includes in its talent management processes activities that promote the development of people to achieve business objectives.

The CAF Group has continued to leverage Talent Hub as our primary learning environment during 2024. This initiative, which began in 2023, focuses on fostering talent and increasing value to support the company's overall business objectives and functions. Behind the four strategic axes; commercial focus, operating efficiency, innovation and sustainability, there are ambitious challenges and objectives that demand an agile development of knowledge and increasingly complex technology. Managing learning processes in a comprehensive, agile and practical way is critical for teams to contribute to the maximum and for CAF to be competitive in the markets with the best solutions and services.

In order to ensure an effective and efficient training process, three large blocks of activity are defined within it, which are periodically monitored through a series of indicators. The initial phase consists of carrying out a training needs assessment, integrating both the vertical perspective of each function, as well as the horizontal perspective in cross-cutting training subjects (for example: occupational health and safety, quality, product and service safety, regulatory compliance, etc.). Once this training plan has been approved and announced, it can begin to be implemented and assessed on three levels (satisfaction, effectiveness and annual review) so that it can be brought further into line with the activity’s priorities and rendered more effective.

This process has been systematically reviewed over the years under a dynamic of continuous improvement, integrated into process management in some cases and always in response to the activity's needs.

CAF implements a customisable learning experience that blends different modalities, including in-person classes, digital content, and training facilitated through our e-learning system.

More than 270,000 hours of training have been conducted at the group level in 2024, an average of 18 hours per person[2]. In relation to gender, the training hours amounted to 17 for women and 18 for men. The average number of hours of training for operators was higher on average, receiving 18 hours of training, one hour more on average than employees.

Similarly, the satisfaction results and the effectiveness of the set of training actions exceed the objectives set in the people process for the period 2024, standing at 8.8 and 8.7 respectively.

Integrated into the same process is performance evaluation, as one of the elements that energise the development of the organisation's people. 87% of people from both the parent company and the group of national and international companies have received an assessment, following the defined system[3]. 83% of women have received an evaluation and 88% of men. Likewise, 91% of workers have been evaluated in 2024, as well as 84% of employees. [S1-13_01]

The corporate people management process defines a model for assessing both general and technical competencies associated with each person's position. In addition, university graduates and middle management are included in an evaluation system through which individual objectives are set for them.

2 Data representative of 97% of the Group's workforce.
3 Data relating to those sites where the performance appraisal system is in place.

6.1.4 DECENT AND EQUITABLE WAGES [S1-10_01, S1-10_02, S1-10_03]

CAF is committed to offering people salaries that ensure a decent standard of living. The organisation establishes mechanisms to guarantee equal pay, ensuring that all people, regardless of their gender, race, sexual orientation, gender identity, ethnic origin, disability, age, religion or other condition, receive fair and equitable compensation.

The treatment of setting and managing remuneration within the CAF Group is developed in accordance with the provisions of the Remuneration Management Policy that is applicable to the Group. The purpose of this corporate regulation is to ensure that remuneration is addressed appropriately in terms of internal consistency while taking into account external competitiveness and the alignment of remuneration with the challenges and needs of the lines of business. The Group usually refers to information prepared by specialist consultants to establish salary levels on the basis of the market and role.

These general criteria are specified in adequate salary levels in all countries where CAF is present, taking into account the minimum salary established by law or collective agreement applicable in each case. In addition, a comparative living wage analysis has been carried out on employee salary levels using benchmark index recognised by the HDI[4], Human Development Index, as well as other supplementary living wage reference sources specific to the region. This analysis concluded that the remuneration of all CAF employees is above the living wage.

For this period, average worker remuneration[5] was €46,324.

	2024	2023	2022
Average remuneration	46,324	43,299	41,128

The ratio of the remuneration of the highest paid person to the average remuneration of its employees (the “CEO to worker compensation ratio”) stands at 15.5. The calculation was based on the CEO's earnings specified in the Annual Directors' Remuneration Report (ADRR) and corresponding to the remuneration of the rest of the Group's personnel [S1-16_02, S1-16_03]

Within the framework of the Job and Compensation Framework initiative, the CAF Group has launched a comprehensive job and compensation mapping project in 2024, which includes the definition of a global job framework for support functions and key activities in the rail and bus segments. Likewise, during this period, internal teams have been trained in the selected levelling methodology and the deployment process has begun for key positions in the organisation, thus ensuring a fair structure in line with best practices.

4 Reference index used: Wage indicator (Benchmark recognised by the HDI and accepted by Ecovadis) and Living Wage (Benchmark not recognised by the HDI and accepted by Ecovadis).

5 All annual fixed remunerative items for full-time employees available to all the Group’s employees were used. Variable concepts linked to an evaluation of objectives are included, considering the amount at 100% achievement. The average exchange rate for the year was used to translate the data to euros.

6.1.5 Social dialogue [S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_05, S1-2_06, S1-2_07, S1-2_08]

CAF respects and guarantees the right of workers to freely associate and participate in collective bargaining on working conditions. It encourages open and constructive dialogue between the company and workers' representatives, recognising the importance of workers' participation in decision-making that affects their working conditions. It supports the creation of representative bodies that facilitate communication and collaboration, ensuring that workers can exercise their right to defend their interests through this means. The procedures for informing and consulting employees and negotiating vary across the Group, which provides greater flexibility to use the most appropriate routes based on the traditions and customs in each region and legal jurisdiction.

In 2024, the Negotiating Committee was formed with the participation of 15 people appointed by European legal entities from 8 countries (Spain, Poland, France, Czech Republic, Lithuania, Latvia, Italy and Sweden) and Central Management to set up a European Works Council in the CAF Group in accordance with the provisions of Directive 2009/38/EC of the European Parliament and of the Council on the establishment of a European Works Council in Community-scale companies and Community-scale groups of companies, and Spanish Law 10/1997, on the rights of information and consultation of workers in Community-scale companies and groups, in accordance with the pertinent legislation in force.

In 2024, all employees of the parent company and the national subsidiaries of all the Group's activities are covered under sectoral or company collective agreements, which as a whole are of general application to all workers. At the international level, collective bargaining on different issues (pay, working time and working hours) is also noteworthy in different geographies. 70% of the CAF Group's workforce is subject to a collective agreement and 69% of the workforce is represented by employee representatives.

In addition, with the aim of promoting internal communication in a systematic, agile and widespread manner, adapted to current habits, throughout 2024, constant communication has been maintained through the publication of nearly 548 news items in the CAF Group's communication application.

In addition, since 2018 and at least every two years, studies are systematically launched on the perception of CAF people on aspects related to management practices and their leaders, organisational culture, satisfaction, commitment, etc., in all relevant Group activities. Additionally and as in previous years, direct communication activities have continued to be promoted both in virtual and in-person formats.

6.1.6 DIVERSITY, EQUALITY AND INCLUSION

[EG 202, 202-1, EG 405, 405-1, EG 406, 406-1, 2-21] [S1.SBM-3_12]

6.1.6.1 EQUAL OPPORTUNITIES

As indicated in the People Policy, Code of Conduct, Sustainability Policy, and Diversity and Board Member selection Policy, a cornerstone of CAF's commitment to people is respect for diversity and the right to equal treatment and opportunities for all genders. To this end, the Group does not tolerate any type of harassment and promotes a diverse, inclusive and equitable work environment where diversity is valued and respected. To ensure this commitment, CAF establishes initiatives that guarantee and promote equal opportunities for all people, regardless of their origin, gender, ethnicity, sexual orientation, gender identity, age, religion, marital status, socioeconomic condition or ability. In addition, it adopts measures to ensure equitable application of human resources processes throughout their working lives. The deployment of conciliation measures is also promoted.

The CAF, S.A. collective bargaining agreement (for the Beasain, Irun and Madrid centres) seeks to promote the access of women to employment and the effective implementation of the principle of equal treatment and non-discrimination in working conditions between men and women.

In the recruitment and selection processes, equal opportunities for entry are guaranteed by maintaining non-discriminatory criteria, through open recruitment for all people, the use of objective selection requirements and without taking into account situations not related to the job. The incorporation rate for women in 2024 surpassed men by a margin of one percentage point.

Likewise, equal access for men and women to training is guaranteed, in order to promote the development of their professional career and its adaptability to the requirements of jobs, improving their internal employability.

The Group is committed to promoting equal opportunities through internal policies and strategies and to ensuring that employees have the same opportunities to develop their potential. Consequently, it will adopt the appropriate measures and decisions in the event of any action that constitutes or causes discrimination based on sex.

In order to maintain comprehensive control over these commitments and their respective initiatives, all of the Group's companies at the end of the financial year comply with the legal regulations regarding the development of equality plans and have different management mechanisms, such as the protocol for action in the event of sexual harassment or harassment based on sex and equality committees, with representation from the company and its employees, in order to prevent and, where appropriate, resolve cases of sexual harassment and workplace discrimination based on sex. Steps began in 2024 to comply with Royal Decree 1026/2024 of 8 October, implementing measures for equality and non-discrimination of LGTBI community members in companies.

In addition, the scope of the equality committee is particularly salient in the parent company. It is tasked with creating, implementing and monitoring equality plans, analysing possible measures and actions that would foster a proper work-family life balance. This commission analyses and monitors equality indicators each year, analysing issues such as periodic monitoring of selection processes, monitoring of staff who request and/or avail themselves of the work-life balance measures that apply to the headcount as a whole, broken down by gender, and monitoring of the promotion system for operators and employees.

Similarly, in recent years the Company has been taking steps to disseminate the equality plans and sexual and gender-based harassment protocols internally through the usual means, and to promote the use of egalitarian and inclusive language both in internal and external communications. Complaints relating to this matter are processed through the Internal Information System (reporting channel) and the activity details are reported in chapter 7.2.5.

6.1.6.2 EQUAL PAY FOR WORK OF EQUAL VALUE

The overall wage disparity across all activities of the Group[6] is -0.9%. The increased presence of women in the employee professional group has impacted the average remuneration of this gender, reversing the gap from the previous period. [S1-16_01]

	2024		2023	2022
	AVERAGE REMUNERATION €	GENDER PAY GAP	GENDER PAY GAP	GENDER PAY GAP
BY GENDER				
Female	46,658.92 €	-0.9%	0.4%	1.4%
Male	46,253.41 €			
BY AGE				
Younger than 30	31,600.80 €	-10%	-8%	-7%
30–50 age bracket	47,147.34 €	-5%	-4%	-3%
50 or older	54,570.71 €	9%	12%	9%
BY PROFESSIONAL GROUP				
Employee	54,679.04 €	15%	16%	17%
Operators	35,973.07 €	12%	15%	16%

6 The gender pay gap was calculated on the basis of all employees, including senior management and executive directors and senior managers.

The average remuneration by age at the CAF Group reveals a correlation between age and remuneration earned, as shown in the table. Likewise, in terms of the gender pay gap, if we analyse the data by age group it is negative (-10%) in the under 30 years of age segment and the remuneration of women is higher than the remuneration of the men. The gap is also negative in 30–50 years of age segment (-5%). However, in the over 50 age group, women's pay is lower, with a positive pay gap (9%).

Remuneration in the CAF Group, according to professional groups, is organised into two large groups: employees[7] and operators. The average remuneration for employees is €54.679,04 compared with €35.973,07 for operators. In both cases the pay gap is positive, as in previous periods. Within the employed group the gap is 15% and in the operators group it is 12%, in both cases narrowing slightly.

If we analyse the data by groups, the seniority factor is identified as one of the causes of the differences in remuneration by gender. On average, men's length of service across all CAF activities is 24% higher among employees and 31% among operators.

	2024	
PROFESSIONAL GROUP	**GENDER PAY GAP[8]**	**DIFFERENCE IN SENIORITY[9]**
Employee	15%	24%
Operators	12%	31%

The data relating to the pay gap are also influenced by the asymmetrical nature of the gender distribution of the various socio-demographic groups. Although the average remuneration of women as a whole is only 0.9% higher than the average total remuneration of men, when the averages of both groups are compared by professional category, the difference is reversed. The reason is the lower number of women compared to men in general (17% of the total are women), as well as their asymmetric distribution by professional group. The following table shows the distribution of the workforce by professional group and gender at the end of the year.

	2024	
PROFESSIONAL GROUP	**FEMALE**	**MALE**
Employee	88%	48%
Operators	12%	52%
Total	100%	100%

This is due to the fact that the majority of women belong to the employees' category (specifically 88%) and the average remuneration for this category is higher than that of the operators' category. Meanwhile, 52% of the men at CAF belong to the operators' category, the average remuneration of which is lower than that of the employee's category.

In any case, the collective agreements in force, together with the regulations relating to remuneration applicable at the CAF Group companies, nevertheless guarantee equal treatment by setting salary conditions without taking gender into account.

The treatment of remuneration for directors of the parent company responds to transparency criteria applicable to a listed company. In this regard, the details and individual breakdown of the conditions for the group of directors, which includes the only female senior executive, are reflected in the remuneration report prepared for this purpose and published in accordance with the regulations in force. Furthermore, the remuneration of the Directors and other members of senior management is included in the Annual Corporate Governance Report of Listed Companies.

7 The Professional Group of Employees includes University Graduates, Middle Management and Administrative Staff.
8 (Average Remuneration of Men by Group – Average Remuneration of Women by Group)/Average Remuneration of Men by Group.
9 (Average Seniority of Men per Group – Average Seniority of Women per Group) / Average Seniority of Men per Group

6.1.6.3 UNIVERSAL ACCESSIBILITY

With a view to encouraging diversity, CAF respects universal accessibility by taking into account criteria that enable both its working environment and its manufactured products to respect human diversity and to be safe, healthy, functional, understandable and aesthetically pleasing.

CAF promotes physical access to its facilities by ensuring that all new investments in industrial buildings and services, and all refurbishments and fitting out of general service facilities are conducted pursuant to the accessibility regulations and standards of the location.

As regards the accessibility of its products and services, CAF's priority from the design stage is the accessibility of its products and services to guarantee universal use for the entire population. The designs must be usable, without special adaptations or modifications, by disabled and able-bodied people alike.

All products manufactured by CAF are designed to meet, and in some cases exceed, the accessibility requirements laid down in the legislation of each country in which tender processes are held, as well as the requirements of reference EU legislation.

Railway rolling stock manufactured by CAF meet the requirements set out in the 2014 EU technical specifications for interoperability relating to accessibility for persons with reduced mobility, while urban buses are built in accordance with the specifications indicated in Annex IV of Directive 2007/46, which creates a framework for the approval of motor vehicles, recently amended by EU Regulation 2017/2400. These provisions include the requirements of Regulation No. 107 of the Economic Commission for Europe of the United Nations (UNECE) on uniform provisions concerning the approval of category M2 or M3 vehicles with regard to their general construction and in particular their accessibility for passengers with reduced mobility.

CAF's extensive experience in the implementation of accessibility projects enables the Group to offer maximum quality in this regard, ensuring ease of use, since any passenger can use its transport without the need for prior experience, usability, as the vehicles' access points are perfectly signposted and there are mechanisms that ensure that all types of passengers can use them, and simplicity, since physical ability or disability does not affect the user experience.

In terms of information accessibility, CAF is firmly committed to the accessibility of its website, and wants its contents to reach as many users as possible, regardless of their disability status. To do this, it uses standard technologies established by the W3C and follows the WAI 1.0 Accessibility Guidelines. The use of W3C standards such as XHTML 1.0 Transitional for valid semantic markup and cascading style sheets (CSS) for design guarantees website performance and content printing on different devices and platforms.

Lastly, it should be noted that the CAF Group meets the requirements of the legislation relating to the rights of people with disabilities and their social inclusion in each country. This is achieved through the direct hiring of workers with a certified disability[10] and through the adoption of alternative measures envisaged in current legislation.

10 The CAF Group employs 140 people with disabilities (135 in 2023).

6.2 OCCUPATIONAL HEALTH AND SAFETY [GRI 403, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10] Guidance-to-3-3-a [S1.SBM-3_03, S1.SBM-3_05]

In the CAF Group, we know that carrying out our activity can generate risks for the health and safety of people, so we work to develop actions that build safety, promoting measures that contribute to protect people against occupational risks.

CAF Group activities expose our employees and subcontractors to occupational health and safety risks. The activities carried out by the various companies of the Group can be undertaken in own facilities, in customer facilities, in the testing of supplied transport products (trains and buses), as well as in infrastructure and signalling projects. In other words, activities are carried out in different geographical areas and workplaces of different owners, with very different levels of Occupational Health and Safety (OHS) culture, as well as on the part of clients, partners, subcontractors or the destination country itself.

This diversity of activities and locations means that the safety, ergonomics, hygiene and psychosocial risks to which our salaried and subcontracted workers (own personnel) are exposed are of a different nature.

Given the diversity of activities and locations in which we operate and with the Safety and Health of workers being one of our main material issues in the CAF Group, we have an Occupational Health and Safety (OHS) Policy and controls to ensure compliance with the applicable legislation in this area in the geographies where we are present. We have established a perpetual framework at CAF for the identification, assessment, and management of OHS risks related to our activities. This process includes the identification and categorisation of the risks present or derived from the different work activities we carry out in order to eliminate or minimise their impact on the safety and health of people, implementing mitigation measures and specific action plans. These mechanisms are periodically reviewed and updated to ensure their effectiveness and suitability to changing circumstances.

Over the course of 2024, we formulated a set of OHS reporting guidelines to specify how to report CAF Group Occupational Health and Safety information. The established methodology complies with the provisions of the GRI, the NEIS and Law 11/2018 regarding non-financial information and diversity.

As a result of the assessment and interpretation of the various applicable regulations and standards and considering the information reported in previous years, guidelines have been described for the definition of salaried and non-salaried staff. Individuals who hold a job with the firm are classified as salaried workers, and they represent the collective workforce. On the other hand, non-salaried own personnel are defined as individual contractors who provide services to the company (self-employed workers) and workers provided by companies dedicated primarily to employment-related activities, on a recurring basis and necessary for the execution of the Company's activity. At CAF we call this staff external. [S1.SBM-3_01] [S1.SBM-3_02]

The CAF reporting procedure is applicable to all persons who fall within the definition of salaried and non-salaried personnel, but excludes workers in the company's up/downstream value chain.

Likewise, in the Double Materiality Assessment carried out in 2024, in accordance with the requirements established in the European Sustainability Reporting Standards (ESRS) (indicated in section 4.4), the corresponding impacts, risks and opportunities have been analysed, and it is confirmed that the Health and Safety of people continues to be one of the most relevant priorities for our stakeholders. The priority nature of this issue is reflected in the strategic initiative included in the Sustainability Master Plan (section 4.5), with the aim of "Prioritising the safety and health of people". Specifically, the strategic initiative of "Building a positive preventive culture" is defined, which seeks to promote a safe work environment through policies and practices that minimise risks and promote the physical and mental well-being of employees, ensuring a positive preventive culture. To this end, improvement plans are implemented to build a positive preventive culture that contributes to reducing work accidents and occupational diseases.

Annex 9.6 lists all the IROs, including the ones related to Occupational Health and Safety.

6.2.1 OCCUPATIONAL HEALTH AND SAFETY POLICY [403-1]

Throughout 2024, we have updated the Occupational Health and Safety Policy (available at www.cafmobility.com), in order to respond to the new Corporate Sustainability Reporting Directive (CSRD). The Policy applies to anyone within our Organisation, including CAF employees and subcontractors, and covers all the entities that make up CAF.

The Policy aims to guarantee the health and safety of people, highlighting its commitment to employ the necessary means to eliminate or reduce occupational risks by promoting a preventive culture among those who carry out their professional work at CAF. Likewise, this Policy complies with international OHS standards and regulations, drawing on references from international organisations such as, but not limited to, the World Health Organisation (WHO) and the International Labour Organisation (ILO).

As we roll out the Corporate OHS Policy across the Group, we are successfully meeting our commitments, using the basic action principles from this policy as our framework.

The Corporate Policy was developed by the Corporate OHS Forum, which consists of individuals tasked with overseeing occupational health and safety across the Group's key operations, and it has since received approval from CAF Management. It is in this same forum that we are driving the deployment of the Corporate Policy in the Group.

Throughout 2024, the improvement action plans have continued to be strengthened to achieve the objectives set in order to achieve alignment with the Policy. Through these action plans, significant progress has been achieved in the Group's businesses with respect to the principles defined in the Policy. Additionally, throughout this year, the deployment of the unified methodology for managing occupational health and safety risks has continued in the most representative companies of the CAF Group.

In summary, it is essential to recognise that the Corporate OHS Policy is shaped by the outcomes of the Double Materiality Assessment, particularly focusing on the critical need to “prioritise the well-being and safety of people”.

6.2.2 OHS MANAGEMENT SYSTEMS

[403-1, 403-8] [S1-14_01]

One of the principles of the OSH Policy is to establish or reinforce OSH Management Systems focused on continuous improvement, and that contribute to integrating the preventive culture into all of its activities. Through these management systems, the applicable legal requirements are identified and evaluated, with periodic monitoring of compliance. The effectiveness of the measures adopted is also evaluated to ensure achievement of the stated objectives.

Through the occupational health and safety policies defined in the management systems of the Group's activities, CAF management expressly declares its firm commitment to maintain and improve the systems in a way that guarantees compliance with current legislation, assuming the protection of workers against occupational risks. These policies manage prevention in company activities and decisions, technical processes, work organisation and development conditions, and promote hierarchical integration: executive, management, employee and trade union representative. To this end, the human and material resources necessary to achieve these objectives are made available.

To achieve zero accidents and improve occupational health and safety conditions, and responding to the principles of the OSH Policy, at CAF we have implemented OSH Management Systems and we promote their extension.

In the field of OSH, the Group has certifications and evaluation and monitoring mechanisms that go beyond the legal requirements in each of the countries in which the Group is present.

In this regard, in 2024, we achieved the target set for our own salaried personnel, with 83% of the Group's total workforce covered by an OHS management system certified under the requirements of ISO 45001:2018. This achievement was due in large part to the secured certification not only for the companies Actren Mantenimiento Ferroviario, S.A., CAF Signalling Comandataria and CAF Arabia, but also for the Trenasa vehicle manufacturing plant[11], in which regard certification in this standard has now been secured for all our vehicle manufacturing plants. Looking ahead to 2025, we will continue to extend this certification to other national and international subsidiaries of the Group.

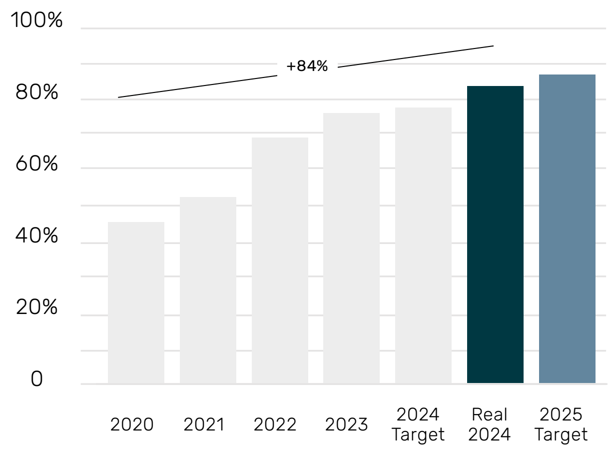
11 Trenasa certification secured in January 2025.

CERTIFICATION	2025 TARGET[2]	2024 TARGET	2024	2023	2022	2021
ISO 45001:2018 [1]	87%	77%	83%	75%	68%	52%

[1] % of the total workforce of the Group at the end of the financial year.
[2] The target for 2025 is estimated based on the current workforce in 2024.

The following shows the evolution of the coverage of OHS management systems certified under standard ISO 45001:2018 across the Group:

Certified ISO 450001:2018



Internal audits are conducted at all the plants in order to perform an internal follow-up of the management system implemented, or in the process of being implemented, as per the requirements of the ISO 45001:2018 standard, and the legal requirements applicable according to the legislation in force in each country. Qualified internal auditors evaluate the effectiveness of the management system and the correct application of CAF Policies. As a result of these internal audits, corrective actions are established to remedy any non-conformities that may have been identified and improvement actions for the management system.

Furthermore, in addition to the audits of the management systems that are carried out, legal audits are conducted in those companies where applicable, in compliance with the legal requirements applicable in those countries.

With regard to non-salaried staff, there is no information available on the percentage of members covered by the company's health and safety management system [S1-14_01].

The OSH management system is structured to develop, implement and supervise activities that constitute a systematic prevention of work accidents, occupational diseases and material damage. This management system establishes the management principles and the system procedures and processes that implement the prevention activities.

The management system implemented at CAF not only ensures the health and safety of its employees but addresses issues to prevent or mitigate the risks of workers from other companies that carry out their activities at CAF's facilities and those who visit CAF's facilities. To this end, within the management system, the measures and means of coordination with these companies are established regarding the application of regulations on occupational risk prevention and the coordination of business activities. It also includes procedures for managing visits to CAF facilities in terms of information on the risks and prevention measures to be adopted.

6.2.3 PREVENTIVE ACTIVITIES AND PREVENTION PLANS [S1.SBM-3_11]

Risk assessment [403-2]

One of the main activities of the management system is risk assessment, a process aimed at estimating the magnitude of risks that could not be avoided and obtaining the necessary information to adopt preventive measures. After identifying the risks in terms of workplace, job or activity, whether they be to do with safety, hygiene, ergonomics or psycho-sociology, an assessment is made of these risks, which include, yet are not limited to, any that may result in a workplace injury with serious consequences[12]. Risk assessment is carried out in all workplaces where activities are carried out, both in the company's own facilities and in those of third parties, such as activities carried out at the destination. This process includes the activities of the company's own workers and those of subcontracted companies, managed through the coordination of business activities.

12 Accident injury with major consequences: work-related injury resulting in death or injury such that the worker cannot or does not fully recover their pre-accident health, or the worker is not expected to fully recover their pre-accident health within six months.

Once the risk assessment has been carried out, employees and non-employed workers whose work or workplace is controlled by CAF are informed of the results of the risk assessment and the prevention, protection and emergency measures to be adopted. Risk assessors are those with the necessary training and skills as established in the relevant legislation. The procedures related to this process designate the team entrusted with the task and describe the methodology and frequency of the process and how to document it.

We focus on recognising, assessing, and managing the risks tied to our Group's operations in order to lessen or eradicate their negative effects on people's health and safety, thus responding to one of the basic OHS principles of our corporate OHS policy. To manage these impacts, risks and opportunities, we implement specific mitigation measures and action plans.

In any case, when the risk assessment identifies a significant risk of negative impacts on the safety and health of personnel, the necessary measures will be adopted to guarantee their protection, prioritising it over other operational or commercial factors. This guiding principle ensures that risk management in the Group is carried out with the utmost rigor, prioritising a safe work environment and fulfilling our corporate commitment to occupational health and safety. [S1-4_08]

Occupational health services [403-3, 403-6]

At CAF we have occupational health services in the Group companies, complying with the legal requirements applicable in each of the corresponding countries.

In particular, the parent company has its own prevention service for our plants in Beasain and Irún, where we take charge of the specialities of Occupational Safety, Industrial Hygiene and Health Monitoring, with the rest of the specialities being contracted out to an external prevention service, in addition to the company's own prevention service at the Zaragoza plant, where we take charge of the specialities of Occupational Safety, Industrial Hygiene, Ergonomics and Applied Psychosociology and Health Monitoring. In these services, we have competent and qualified personnel to perform the corresponding functions, as well as sanitary services authorised by the competent authority in each case, to guarantee a quality service and allow workers to use them.

The annual Occupational Risk Prevention Plans of the Group companies set out the guidelines to be followed with regard to health surveillance, both individual and collective, health promotion, as well as other activities such as emergency management and the management of training and information activities. In the annual plans we include lines of action and specific actions to guarantee health surveillance that covers all workers and that complies with the applicable legal requirements.

The occupational health services of each Group company are responsible for carrying out health surveillance of workers, in compliance with the legislation applicable in each country. This surveillance is carried out by means of a set of activities whose objective is the early detection of health alterations, mainly related to work, both at individual and collective level, derived from exposure to risk factors (physical, chemical, biological, ergophysical or psychosocial) to which the different groups of professionals are exposed, depending on the activity they carry out and the place where they work. All identified risk factors can lead to some health damage, illness or injury that can be detected by different diagnostic methods. For each professional group exposed to certain risk factors, a periodicity is established for the application of diagnostic methods, and, as a conclusion, the aptitude or non-aptitude of the workers is established. These activities are based on, but not limited to, ‘scheduled health check-ups’, ‘on-demand health consultations’ and ‘epidemiological studies’.

For scheduled health examinations, and taking into account the results of the risk assessment carried out by the competent personnel in each case, protocols are defined to monitor the health of workers, which are set out in specific procedures or documents. These documents set out all the details of its development and cover all the factors involved in monitoring the health of workers. Likewise, they consider the current legislation in each case, the guides and protocols published by the health authorities of each country, and serve as a reference for carrying out periodic health examinations as a fundamental tool for health surveillance.

These Protocols are reviewed and updated periodically, adapting them to the new working conditions of the different professional groups.

Likewise, and within the health monitoring activities that we carry out in the Group companies, as an example to be highlighted, we have procedures for action in situations of pregnancy and breastfeeding, which are generally aimed at adopting a set of measures aimed at protecting women and their children at work during pregnancy and breastfeeding situations. Specifically, the risk for pregnancy or breastfeeding to which the worker is exposed is determined, a medical certificate is drawn up stating whether the conditions of the job position have a negative influence or not on the health of the worker, foetus or infant, and recommendations are established regarding the adaptation, limitation, change of job position or application of the risk allowance during pregnancy.

Thus, we have procedures for the labour adaptation of sensitive workers or workers with psychophysical limitations, whose objective is to establish the mode of action for workers who are sensitive to risk factors at work and for those with physical or psychological limitations in order to assign them to suitable jobs to preserve their health and/or safety and that of third parties.

Annually, in the Occupational Risk Prevention Plans or planning of the preventive activity of each head office, we define the objectives to be met in this area, in the terms considered appropriate, as well as the specific content and manner of carrying out the examinations to achieve them.

Regarding health promotion activities, our objective is to collaborate with the national health system in promoting healthy lifestyles that improve the physical and mental well-being of workers. At the parent company, we include these activities in the annual Occupational Risk Prevention Plan and report on their development through meetings of the Occupational Health and Safety Committees to the workers' representatives. The activities promoted focus on encouraging a healthy diet and physical exercise, the prevention of infectious diseases, medical check-up, and training and information in the area of first aid, health and ergonomics.

With regard to health promotion, we should add that in the rest of the Group's subsidiaries we are also tackling this type of activity with campaigns that aim to promote and provide guidelines to ensure that employees acquire healthy habits both at work and in their personal lives.

OHS Social Dialogue and Communication [403-4]

In the field of OSH, we promote social dialogue managed through formal worker/company committees. Each of the main manufacturing plants of CAF's rail vehicle and bus activities, as well as the signalling activities, turnkey projects and the subsidiaries of the railway maintenance services activity, have an Occupational Health and Safety Committee, with the participation of the Management, the prevention delegates, the prevention service and, where appropriate, those responsible for the activity. These committees are responsible for collecting information from the different operational levels and approving occupational risk prevention plans, establishing objectives and improvement plans to mitigate the impacts and risks in the area of OSH, involving workers in their definition. These committees also adopt the appropriate decisions and follow up on the proposed actions, pursuing achievement of the objectives set. [S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_05, S1-2_06, S1-2_07, S1-2_08]

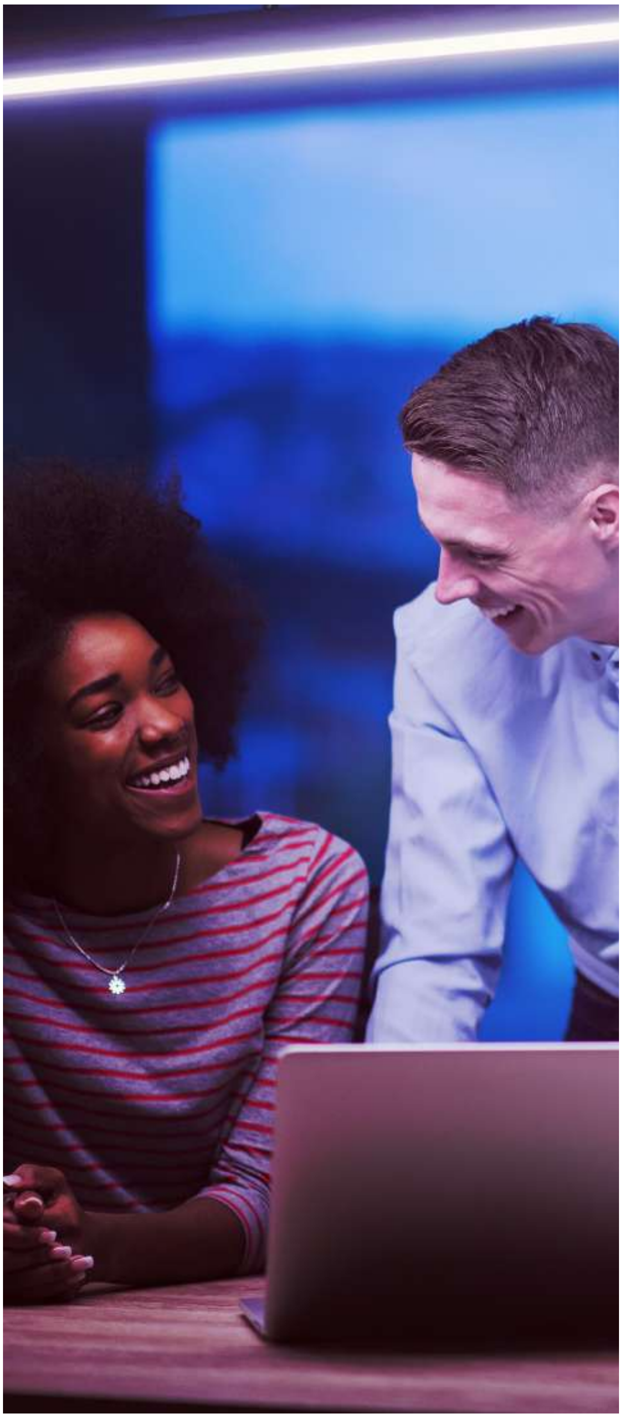
The operation of these occupational health and safety committees is set out in regulations or internal documents that respond to the legal requirements applicable in each country in question, which also detail the composition of this consultation and participation body, the powers and responsibilities of each of the parties represented therein, as well as the frequency and some other details of the operation of this forum. [S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_05, S1-2_06, S1-2_07, S1-2_08]

In other Group companies, we have defined forums for employee consultation and participation that serve as a channel of communication with stakeholders, through which proposals and relevant issues of interest are collected. [S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_05, S1-2_06, S1-2_07, S1-2_08]

All these mechanisms together enable the representation of the 95%[13] of the Group's total employees in the field of OSH.

In addition, in the OSH management system, we have tools and communication channels for notifying situations of danger or incidents, and for proposing measures and actions to reduce risks and avoid incidents or accidents that cause damage to people's health. These are specific working and management forums where we discuss OSH issues, where workers can report hazardous situations, both directly and through workers' representatives in the various consultation and participation bodies available, ensuring that workers are protected from any kind of retaliation. In these forums and through the existing communication channels, we carry out informative campaigns on the need to report this type of incidents in a process of continuous improvement, and to avoid damage to people's health.

In addition, possible communications and/or complaints that may arise in the field of OHS are channelled through the CAF Group Internal Reporting System and the available complaints channel, providing special protection to whistleblowers in accordance with the applicable legislation in each case.



13 In 95% of the total employees of the Group are included the companies that have productive activities and the most representative Group companies. The companies that are left out have office activities.

Prevention Plans [403-1, 403-2]

Based on collaboration with the social partners and social dialogue in OSH matters and with the aim of reducing the accident rate and improving working conditions at Group companies, we set up different lines of action that we integrate into the annual Occupational Risk Prevention Plans, which constitute the planning of the preventive activities to be carried out in each of the Group's companies.

This planning of preventive activity includes specific objectives, with dates of completion and periodic evaluation of their fulfilment. The Annual Plan for the Prevention of Occupational Risks and the objectives established for that period are presented for consultation to the Occupational Health and Safety Committees, which are the bodies that monitor and adopt decisions in each case to best achieve the objectives set. In locations where there is no Occupational Health and Safety Committee, this monitoring is carried out through the forums defined for the consultation and participation of workers.

The annual prevention plans include actions to mitigate or eliminate the risks and negative impacts arising from the activities we carry out, including actions for their remediation or repair, where appropriate. To this end, the necessary human and material resources are provided to achieve the objectives and to manage significant impacts. At the same time, initiatives or good practices that demonstrate a positive effect in improving these impacts are identified and then extended to other companies in the Group.

Preventive risk control activities

[403-2, 403-7]

In addition to risk assessment or health monitoring, there are other preventive risk control activities such as safety inspections, work observations, safety walks, management of personal protective equipment, development of safety procedures and instructions, emergency preparedness and response, and mechanisms to control risks arising from the supply of equipment or materials that may be integrated into CAF manufacturing processes, etc. We collect all these activities in the annual Occupational Risk Prevention Plans.

Safety inspections of workplace conditions or places allow for the dynamic and effective assessment of occupational risks in different work areas. We carry out these inspections periodically, in accordance with the annual plans and the planning of preventive activities, and subsequently follow up on the corrective measures and anomalies identified during the inspections.

Work observations are carried out as a complement to safety inspections, in order to complete effective control of workplace risks. This activity aims to observe tasks to detect and report unsafe situations or behaviours in the processes that may result in harm to people or things. Analogous to safety inspections, task analysis is carried out periodically to check that the worker's manner, safety instructions or any specific instructions received by workers are being carried out correctly.

Additionally, in several Group companies, safety walks are being carried out by those responsible in the workplaces. These walks are intended to observe the tasks and identify the improvements necessary to carry out the work safely, encourage participation and communication with workers, as well as to demonstrate the preventive commitment of Management and improve its relationship with workers. These types of activities are one of the levers that help us generate a positive preventive culture.

On the other hand, and within the framework of the annual Prevention Plans, we manage personal protective equipment (PPE). Taking as a reference the evaluation of risks in the workplace, from the point of view of hygiene (presence of contaminants) or from the point of view of safety (situations that may cause an accident), we define the degree of protection necessary to specify the appropriate equipment. Once defined, we train and inform the operators on the correct use and maintenance of these and, through the different preventive activities of the system, we monitor the use of these by the workers.

In addition, through the development and definition of safety procedures and instructions, we establish the preventive measures to be adopted in the work processes and operations that we consider critical. These specific documents are available together with the rest of the management system documentation, and we transmit the information on the risks and preventive measures contained in them to the workers through the workers' information procedure.

With regard to action in emergency situations, at each of the Group's manufacturing sites and in the other companies where it is applicable, we have specific procedures are in place to identify the situations that could lead to an emergency, as well as the specific points or facilities where they could occur, and to develop the measures to be adopted in the different emergency situations. In order to train and inform the Organisation's personnel in emergency preparedness and response, in addition to the emergency drills in accordance with the Annual Drill Plan included in the annual Occupational Risk Prevention Plan at each headquarters, we carry out training actions in environmental awareness talks and training in OSH, fire extinction and first aid.

With regard to the risks arising from the supply of equipment or materials that may be integrated into CAF's manufacturing processes due to commercial relations with its suppliers, CAF has control mechanisms and procedures to identify and evaluate them, and to define prevention and protection measures to reduce them.

In the case of incorporating new work equipment, machinery or installation subject to industrial regulations and their subsequent modifications, we establish mechanisms to ensure that they comply with the minimum conditions required to guarantee the safety and health of operators and other persons affected by their operation. The development of this activity is defined in the specific procedures for the control of machinery and installations defined at each site. Thus, we have specific procedures for the design of new workplaces where we establish considerations for the design of workplaces that eliminate or reduce occupational health and safety risks at their source.

When it comes to incorporating a chemical product or substance into the production process, we also establish methodologies to control and manage procurement and incorporation, establishing criteria for the technical definition and purchase of chemical products and substances.

CHEMICAL SUBSTANCES
Management of chemical substances

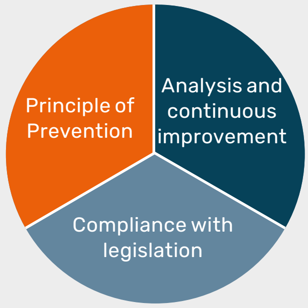
Throughout 2024, a new General Policy on Chemical Substances has been defined that is applicable to the design and manufacture of railway vehicles.

In response to CAF's Corporate Environmental Policy and Corporate OHS Policy, and with the main objective of reducing the impact on people's health and safety and on the environment resulting from the activities carried out throughout the entire lifecycle of its products (production, use, maintenance and end of life), CAF has launched this initiative to increase the protection of workers, as well as subcontractors, against occupational hazards, the reduction of their environmental footprint and the delivery to customers of products that are safer for users and more respectful of the environment.

According to the policy, the management of materials and chemical substances at CAF is based on the following basic principles:

- Compliance with international and/or national legislation applicable in the different regions of the world where CAF components and vehicles are manufactured or operated.
- The analysis and continuous improvement of chemicals and materials during the collection and production phases, seeking to actively replace those that contain substances hazardous to human health or the environment.
- Application of the prevention principle whereby if a substance is detected that may be dangerous to the environment or health, a technically viable alternative that is less harmful or dangerous is selected.

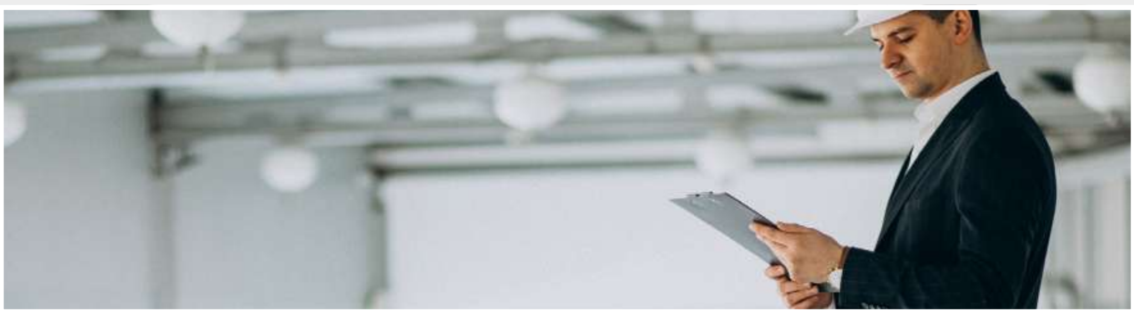
Basic principles for the management of chemical substances



Likewise, in response to the provisions of the General Chemical Substances Policy, a chemical substances management procedure has been drawn up with the aim of ensuring the integral management of chemical substances present in CAF, both in mixtures and in articles, reducing the impact of its activities on the environment and on people's health. The management of chemical substances, mixtures and materials in articles is based on the basic principles and General Policy of CAF with regard to substances, which establishes which substances, materials and mixtures can be used in CAF based on their chemical characteristics.

In general, the Railway Industry Substance List (RISL) is taken as a reference to ensure compliance with the reference regulations, which is periodically updated by the Chemical Risk Topical Group of UNIFE, of which CAF is a member and includes, among others, the reference regulations in the following countries: USA, Canada, Australia and Europe.

Throughout 2025, we will continue to strengthen this initiative.



OSH training [403-5]

The training of workers in health and safety at work is derived from the risks identified in the risk assessment of the jobs and activities carried out, and from the corresponding sectoral regulations in each case. We integrate this training into CAF's annual Training Plan. We have a training/information process on risks, prevention measures, protection and emergency measures to be adopted in the workplace, which we carry out for new employees through an onboarding programme. In addition, depending on the tasks to be carried out by the worker and the risks involved in their job, we provide specific training in Occupational Risk Prevention, and we update it when new risks appear or there are changes that require the training to be updated.

At the same time, awareness-raising actions are carried out through training, awareness-raising talks, welcoming plans, workers' meetings, etc.

Worker training is geared towards the risks that are present in their activities, such as the specific risks of the job, how to act in an emergency (including fire drills) and first aid, training in the prevention of musculoskeletal injuries, training in psychosocial risks and harassment protocols, psycho-educational workshops, in the use of work equipment, at heights or electrical risk, in hygienic risk and use of chemical products, etc.

Incident management [403-2]

Relevant activities of the management system include the investigation of accidents and incidents, the aim of which is to take the necessary measures to prevent their recurrence by obtaining data to define the facts, identify the hazards, assess the risks and establish the basic causes that gave rise to them. The investigation process is carried out in accordance with the criteria established in the specific procedures defined for this process. We analyse accidents and incidents as a whole to detect the organisation's critical points and repetitive root causes, following up on corrective actions. In addition, we carry out regular statistical analyses of accidents that have occurred in Group companies. Finally, to adopt the measures derived from this process and determine the necessary improvements to the occupational health and safety management system, we take into account the same hierarchy established above. With regard to the reporting of incidents and in order to convey the importance of reporting such situations, we conduct information campaigns on the need to report this type of incident as part of a process of continuous improvement, and to prevent damage to people's health.

In particular, in 2024, a disciplinary procedure opened for an incident that occurred in the context of asbestos-cement removal work contracted to a specialised company is being monitored. This event has not had a material impact, particularly on the health of the workers, and is being appealed by CAF.

Preventive culture [403-2]

In line with what is included in one of the basic principles of action of the Corporate OSH Policy, in relation to building a positive preventive culture, throughout 2024 we have continued with projects to improve the preventive culture in several Group companies.

Thus, we have set in motion processes to diagnose the status of the culture of prevention, using the NOSACQ-50 (Nordic Occupational Safety Climate Questionnaire), which is used to determine the culture of prevention in an organisation. Through these processes, we are developing and implementing improvement plans. Taking into account the preventive culture diagnoses made to date with the NOSACQ-50 questionnaire, the preventive culture index at Group level is 3.0[14] (on a scale of 1 to 4).

In 2025, we will continue with the action plans defined, which will include actions aimed at improving their level of preventive culture.

14 Data obtained from preventive culture diagnoses carried out on 69% of the Group's workforce.

6.2.4 OCCUPATIONAL RISK PREVENTION IN FIGURES

[403-9, 403-10] [S1-14_02, S1-14_03, S1-14_04, S1-14_05]

In relation to the accident rate objectives, we mainly measure four indicators:

- Frequency Index[15].
- Severity Index[16].
- Absolute Frequency Index[17].

The tables below show the evolution of these indicators, both for CAF employees and for workers who are not directly employed by CAF, separately and jointly. The rate of identified occupational diseases[18] is also presented.

CAF GROUP (CAF WORKFORCE)									
INDICATOR	2024			2023			2022		
	M	W	T	M	W	T	M	W	T
Frequency Index[1]	16.35	1.54	13.81	16.9	2.25	14.1	17.66	2.70	15.16
Severity Index	0.41	0.09	0.35	0.44	0.06	0.37	0.41	0.09	0.35
Absolute Frequency Index	57.69	5.95	48.82	65.96	9.01	55.13	60.0	8.91	51.44
Occupational Disease Rate	18.79	0.00	15.53	12.96	3.90	11.4	18.17	0.00	15.26

[1] Target 2024: 14

Compared to 2023, there has been a noticeable decline in the accident rates among CAF employees, although the occupational disease rate have had an uptick. Given the circumstances, the goals set for these indicators for 2024 were met. In this regard, it is worth highlighting the achievement of the Group level target for the Frequency Index, which was 14.

WORKERS WHO ARE NOT DIRECTLY EMPLOYED BY CAF									
INDICATOR	2024			2023			2022		
	M	W	T	M	W	T	M	W	T
Frequency Index	5.30	8.61	5.66	16.25	8.55	14.96	9.53	7.40	9.09
Severity Index	1.63	0.26	1.48	0.4	0.18	0.37	0.20	0.49	0.26
Absolute Frequency Index	19.83	11.07	18.87	25.12	14.67	23.36	14.76	12.95	14.39
Occupational Disease Rate	0	0	0	0	0	0	0	0	0

15 Frequency Index: number of accidents with sick leave* 1,000,000/man hours worked (MHW).
16 Severity Index: number of working days lost* 1,000/MHW.
17 Absolute Frequency Index: number of total accidents* 1,000/MHW.
18 Occupational Disease Rate: number of occupational diseases* 10,000/number of workers.

In the case of workers who are not CAF staff, it can be seen that the frequency index and absolute frequency index have fallen considerably, while the severity rate increased in 2024.

OWN WORKFORCE: CAF GROUP (CAF WORKFORCE) & WORKERS WHO ARE NOT DIRECTLY EMPLOYED BY CAF[1]			
INDICATOR	2024		
	M	W	T
Frequency Index	13.79	2.62	12.03
Severity Index	0.69	0.12	0.60
Absolute Frequency Index	48.93	6.72	42.27
Occupational Disease Rate	14.42	0	12.10

OWN WORKFORCE: CAF GROUP (CAF WORKFORCE) & WORKERS WHO ARE NOT DIRECTLY EMPLOYED BY CAF			
INDICATOR	2023		
	M	W	T
Frequency Index	16.75	3.23	14.23
Severity Index	0.43	0.08	0.37
Absolute Incidence	58.75	9.89	49.65
Occupational Disease Rate	9.51	3.22	8.53

The following is a breakdown of information on work-related injuries during the last few financial years and their evolution, for CAF employees and workers who are not directly employed by CAF (own staff), separately and jointly.

CAF GROUP (CAF WORKFORCE)										
INDICATOR		2024			2023			2022		
		M	W	T	M	W	T	M	W	T
Fatalities as a result of a work-related injury [S1-14_02]	No.	0	0	0	0	0	0	0	0	0
	Rate[2]	0	0	0	0	0	0	0	0	0
Serious work-related injuries (excluding fatalities)	No.	0	0	0	1	0	1	0	0	0
	Rate[2]	0	0	0	0.05	0	0.04	0	0	0
Recordable work-related Injuries[1]	No.	359	7	366	319	10	329	325	10	335
	Rate[2]	16.35	1.54	13.81	16.86	2.25	14.08	17.66	2.70	15.16
Occupational Diseases	No.	25	0	25	16	1	17	20	0	20
	Rate[3]	18.79	0	15.53	12.96	3.90	11.4	18.17	0	15.26

[1] The data reported on recordable work-related injuried for the year 2022 in the 2023 Sustainability Report were incorrect. This table reports the corrected data for this indicator for the year 2022.

[2] Rate=numberx1,000,000/MHW

[3] Occupational Disease Rate: number of occupational diseases * 10,000/number of workers.

WORKERS WHO ARE NOT DIRECTLY EMPLOYED BY CAF										
INDICATOR		**2024**			**2023**			**2022**		
		M	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Fatalities as a result of a work-related injury [S1-14_02]	No.	2	0	2	0	0	0	0	0	0
	Rate	0.3	0	0.27	0	0	0	0	0	0
Serious work-related injuries (excluding fatalities)	No.	3	0	3	0	0	0	0	0	0
	Rate	0.45	0	0.40	0	0	0	0	0	0
Recordable work-related injuries[2]	No.	35	7	42	66	7	73	20	4	34
	Rate	5.30	8.61	5.66	16.25	8.55	14.96	9.53	7.40	9.09
Occupational Diseases	No.	0	0	0	0	0	0	0	0	0
	Rate	0	0	0	0	0	0	0	0	0

[2] The data reported on recordable work-related injuried for the year 2022 in the 2023 Sustainability Report were incorrect. This table reports the corrected data for this indicator for the year 2022.

OWN WORKFORCE: CAF GROUP (CAF WORKFORCE) & WORKERS WHO ARE NOT DIRECTLY EMPLOYED BY CAF										
INDICATOR		**2024**			**2023**			**2022**[1]		
		M	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Fatalities as a result of a work-related injury [S1-14_02]	No.	2	0	2	0	0	0	0	0	0
	Rate	0.07	0	0.06	0	0	0	0	0	0
Serious work-related injuries (excluding fatalities)	No.	3	0	3	1	0	1	0	0	0
	Rate	0.11	0	0.09	0.04	0	0.04	0	0	0
Recordable work-related Injuries	No.	394	14	408	385	17	402	345	14	359
	Rate	13.79	2.62	12.03	16.75	3.23	14.23	16.83	3.30	14.51
Occupational Diseases	No.	25	1	25	16	1	17	16	1	17
	Rate	14.42	0	12.10	9.51	3.22	8.53	9.51	3.22	8.53

[1] The data corresponding to the year 2022 were not reported in the 2023 Sustainability Report. The data are reported in the current report to show the history of 3 consecutive years.

There were no work-related injuries with serious consequences among CAF workers in 2024.

The main types of occupational injuries that occurred in the year 2024 among CAF workers have been mainly of the following type:

- Physical overexertion of the musculoskeletal system.
- Falls and stumbles.
- Blows and cuts with tools.
- Particle projections.

Among the workers not directly employed by CAF, there have been five work-related injuries with serious consequences, two of which resulted in fatalities. In both cases the cause was crushing or being hit by a load.

In the case of the three accidents considered serious, the causes were also impact or becoming trapped by loads.

Additionally, the injuries from the rest of the accidents have been mainly of the following type:

- Blows and cuts with tools.
- Particle projections.

As for the occupational diseases recorded in 2024, they were mainly due to musculoskeletal disorders and some hearing loss.

6.3 QUALITY AND PRODUCT SAFETY [EG416, 416-1, 416-2]

At CAF, we believe that in order to provide safe products and services to our customers and achieve maximum loyalty, we must involve all stakeholders in our operational processes (design, supply, manufacturing, validation, delivery, warranty and maintenance).

Thanks to our extensive experience in the development and implementation of the Management System, CAF collaborates with other stakeholders (operators, maintainers, suppliers, integrators, etc.) in working groups led by UNIFE with the aim of evolving and improving international regulations on quality and safety.

6.3.1 Product and service quality

In accordance with our Sustainability Policy, on 18 December 2020 we approved the first version of the Quality Excellence Policy, which we last updated in September 2024 and is available on the CAF website. This new update responds to the requirements established by the new regulation CSRD, based on which it has greater detail and content.

The policy is corporate in scope and aims to establish the basic principles that allow us to satisfy the needs and expectations of our customers, offering high-quality, reliable and available products and services. It is the responsibility of the Executive Committee to ensure compliance with this Policy, under the leadership of the Economic-Financial and Strategy Department (CFSO).

The main risks CAF faces should it not be able to fulfil the commitments acquired in this area are: (i) difficulty in establishing a trust-based relationship with its customers, (ii) breach of contract and possible customer claims, and (iii) customer dissatisfaction with both the product/service and with the development process thereof with CAF.

The impacts of these risks would ultimately lead to claims related to projects committed to customers, reputational damage to CAF's image and a fall in the number of orders in the future. These impacts will have a direct short-, medium- and long-term effect, respectively. The management of these risks is integrated into the corporate risk management and control system detailed in Chapter 7.1. Risk management.

Process quality management systems

The principle of continuous improvement in Quality Management is a primary objective for CAF, implemented at all stages and levels of the organisation. From the initial design phase of products and services to after-sales service, every process and practice is geared towards maintaining and raising quality standards. The integration of Quality into the Management Model allows for constant monitoring and proactive adaptation to changes and challenges in the legal and market environment. Furthermore, its Quality Management System is continuously evaluated and improved through a rigorous process of internal and external audits, exhaustive analyses of risks and opportunities and constant feedback from stakeholders. These systematic processes ensure that CAF can effectively identify and address any areas for improvement, ensuring that its Quality practices remain at the forefront.

Committed to a process-driven approach, CAF management has undertaken to establish quality management systems that will lead the entire organisation in prioritising customer satisfaction and loyalty, while also ensuring that the needs of other stakeholders are met. This management system is certified or accredited under various standards, including the quality standards listed below.

During the present financial year, we have maintained all ISO9001 and IRIS certifications, and we have retained Silver recognition in IRIS for the Rolling Stock and Maintenance activities.

Certification	Field	Outlook	Scope 2024	Scope 2023
ISO 9001	Quality Management	Stability	92% of Group workforce certifiable	92% of Group workforce certifiable
IRIS/ISO 22163	Railway applications — Quality management system	Stability	91% staff of the railway activity (design and manufacturing)	87% staff of the railway activity (design and manufacturing)

It should be noted that the CAF Management Model is deployed throughout the Group, so the actual scope of the system in each area exceeds the scope of the certificates. The Model is adapted to local legislation, customer requirements and/or the specific nature of the activity.

It should also be noted that CAF is a founding member of the International Rail Quality Board (IRQB), a global consortium that brings together leading companies in the railway sector: operators (customers), system integrators (competitors) and equipment manufacturers (suppliers). Established in September 2018, the IRQB aims to foster a global culture of quality throughout the rail sector, especially by promoting the use of the IRIS Certification® system worldwide, to ensure high product quality. We believe that better quality will ultimately improve daily mobility in sustainable and collective transport, rail and bus.

Communication with customers and guarantee of supply

In the market research phase and before awarding a project or order, the main channels of communication with potential customers include the website, trade fairs, magazines, social networks and meetings, to name a few, which are usually included in the Marketing Plan.

CAF's contracts include numerous requirements related to meeting delivery deadlines, homologation needs, manufacturing localisation requirements, and other operational risks. Accordingly, once the project is awarded, a multidisciplinary project team is formed, led by a manager, to execute the contract in terms of quality, safety, cost and deadline, as well as maintaining constant communication with the customer. This relationship makes it possible to anticipate the resolution of possible unforeseen events in an effective and coordinated manner.

The documentation provided to the customer in the project phase usually includes product safety manuals and documentation, accompanied by specific training on the correct use of the product.

Typically, the specific communication channels with each client are usually agreed upon with them at the beginning of the project or order and typically include monthly reports, project monitoring meetings at Manager level and quarterly high-level project monitoring meetings. Additionally, the document management tool to be used for official project communications is agreed with the customer, as well as the approval flows and valid interlocutors (for example: Minutes of official meetings with client, Project Management Plan, scorecard and project indicators, etc.).

In recent years, the use of online platforms has spread as a useful and effective tool for customer communication.

Within the railway sector, the Aconex platform serves as a digital collaboration tool that facilitates interaction with customers, allowing all stakeholders to manage the information generated throughout each project in one centralised system. It includes the management and distribution of all controlled documents and all formal correspondence. It ensures consistency and traceability for all parties and improves the flow of communication.

In the Bus segment, the following online platforms are offered to customers:

- Magbus. Web platform https://www.magbus.global/ used by 100% of customers, with full documentation, instructions and full access to the catalogue of pieces and spare parts, with an online shop where the customer can place orders in a quick, easy and intuitive way.
- eSNOTE. Platform created to facilitate daily cooperation with customers. It allows monitoring of the bus status, as well as reporting and visualisation of faults. It also informs about the necessary maintenance services and allows you to see the status of the requested repairs. It is used by customers, their external administrations and a large part of the component suppliers, to whom requests are redirected.
- eSCONNECT Online platform for bus fleet management and remote diagnosis.

In addition, CAF continues to promote its presence at the main sector trade fairs, both rail and bus, where it promotes and communicates the Company's image and its range of products and services, being an important channel for contact with customers, suppliers and other actors related to the sector, as well as the ideal framework for carrying out important commercial work.

The main trade fairs in which CAF participated during 2024 were:

ROLLING STOCK SEGMENT	
March	MUBIL MOBILITY EXPO in Irún (Spain), March 17–18. Local fair organised in collaboration with various organisations in the Basque Country (Gipuzkoa Provincial Council, Basque Government and Basque Energy Agency).
September	INNOTRANS at Messe (Berlin), 24–27 September. This is the most important international fair in the railway sector, held every 2 years.
October	GLOBAL RAIL in Abu Dhabi (United Arab Emirates), 8–10 October. First edition of this conference with Etihad Rail as a collaborating organisation.
November	• SAUDI RAIL in Riyadh (Saudi Arabia), 20–21 November. Fair promoted by Saudi Arabia Railways with support from the Ministry of Transport and Transport General Authority (TGA). • RAIL LIVE in Zaragoza (Spain), 26–27 November. Main railway congress in Spain with institutional support from RENFE, ADIF and Tranvía Zaragoza.
BUS SEGMENT	
March	MOBILITY MOVE in Berlin (Germany), 5–7 March, one of the largest trade fairs and congresses for electric buses in Europe.
May	NEXT MOBILITY in Milan (Italy), 8–10 May, focusing on public and collective transport, especially on low-emission and zero-emission solutions.
October	• The EUROPEAN MOBILITY EXPO, in Strasbourg (France), 1–3 October, focuses on public transport and sustainable mobility. • The International Public Transport Fair TRANSEXPO in Kielce (Poland), 16–18 October, is one of the largest events of its kind in this part of Europe, presenting innovative solutions in the field of urban mobility. • International Bus and Coach Trade Fair (FIAA), 22–25 October in Madrid, a pivotal event in the European transportation sector. This year, Solaris presented the hydrogen-powered Urbino 18, a bus that was recently awarded the title of 2025 Bus of the Year.

In accordance with the General Policy Regarding Communication of economic and financial, non-financial and corporate information, and contacts with shareholders, institutional investors and proxy advisors, CAF uses annual satisfaction surveys with its customers to assess the efficiency of its communication channels, as indicated in the section 2.6. Value creation and Stakeholders. In 2024, we achieved a higher level of customer communication satisfaction than in 2023, with the evaluation extending to 99% of total CAF sales.

Customer complaint management

To meet customer expectations throughout the entire lifecycle and ensure compliance with the applicable legal requirements, a proprietary quality and safety management system has been implemented, which includes the assessment of all of the Group's significant product and service categories. This system defines the customer claim and complaint procedures, which describe the mechanisms for following up on and resolving such claims and complaints, and for monitoring specific indicators.

CAF understands a customer complaint to be any formal complaint received from the customer about contractual aspects that cannot be classified as any of the following: (i) deviation report, (ii) pending points or customer cautions, (iii) deviations from customer audits, or (iv) quality lists shared with customers, with open points derived from product or process quality inspections.

Once the claim is received, the procedure for managing customer claims is applied, which has the following phases:

Registration and preliminary analysis → **Diagnosis and corrective actions** → **Final report and feedback to the customer** → **Follow up and close**

- Preliminary analysis or pre-diagnosis: A preliminary analysis of the complaint is carried out, initiating the complaint process and recording the initial information.
- Diagnosis and corrective actions: The complaint is shared with the technical team, who analyse and discuss the information received and then prepare the diagnosis, jointly defining the following aspects:
  - The need or not for immediate or remedial action. If needed, immediate/remedial actions are established with those responsible and deadlines.
  - The root-cause analysis of the complaint, using different problem-solving techniques such as the "5 Whys", "Ishikawa", 4D, 8D, etc.
  - The definition of corrective actions, establishing those responsible and deadlines.
- Final report and feedback to the customer: Once the analysis has been carried out, the complaint report is drawn up and sent with initial feedback to the customer by the agreed deadline.
- Tracking and closing the claim: Open customer complaints (pending closure) are regularly monitored, as well as the status of immediate/remedial actions and corrective actions arising from them. Once all the actions of a claim have been carried out, the claim is formally closed and the Non-Conformity Report (NCR) is prepared.

During 2024 we have received a total of 4 new customer complaints at CAF, all of them in the railway segment. All four are open and in the process of being resolved.

Of the 5 unresolved complaints from 2023, two have been resolved in the rail segment and another two in the bus segment, leaving the fifth complaint pending resolution. In total, as of the date of publication of this report, there are 5 open complaints, 4 in the rail segment and 1 in the bus segment.

To evaluate the correct implementation of this process, in addition to the customer satisfaction indicator and customer complaints mentioned previously, the non-quality cost indicator is available. Customer complaints form part of, among other aspects, the cost of non-quality at CAF.

INDICATOR	PERSPECTIVES 2025	SCOPE 2024	TRENDS 2024	SCOPE 2023	TRENDS 2023
Non-Quality Costs	Stability in scope. Stability in outcome	98% of sales	Positive. Exceeding Target	>74% sales	Positive. Exceeding Target

Adequate customer orientation, together with the implementation of process-based Quality Management Systems to guide the company towards continuous improvement, has allowed us not only to improve the satisfaction and loyalty of our customers, but also to reduce non-quality costs in recent years. In 2024, we have reduced non-quality costs, extending the scope to 98% of CAF's total sales.

6.3.2 Product and service safety

In accordance with the provisions of the Sustainability Policy, in 2020 the Group defined the Product and Service Safety Policy with a corporate scope, with the aim of establishing the basic principles that allow us to offer safe products and services for users, customers and other stakeholders.

Product and service safety is considered to be everything that relates to the physical safety of individuals using our products and services, as well as the IT security of our products, services and facilities. The scope therefore excludes everything related to occupational health and safety, for which there is a separate policy.

The year 2024 saw a comprehensive update to the corporate Safety Policy, which now distinctly categorises cybersecurity into a single policy to amplify its significance. The core tenets and substance of the policy, along with CAF's dedication to safety, remain largely unchanged and have, in fact, been strengthened concerning the handling of possible incidents and accidents.

The roll-out of the corporate-level Safety Policy continues to be carried out through the corporate manual generated in 2022, which has also been updated and aligned with the new Policy during 2024.

Health and physical safety

The Technology Division is responsible for ensuring compliance with the Product and Service Safety Policy. Failure to fulfil commitments in the area of safety in the environment in which CAF carries out its activities can have a direct impact on the health and physical integrity of users. The risks faced by CAF in this area include, by order of time horizon of impact: (i) stoppage of operations in the event that a safety problem has occurred or is suspected, (ii) return of products and services suspected of being unsafe, (iii) sanctions and/or legal claims opened by customers or others affected (iv) and reputational damage, impacting the Company in its relationship with all its stakeholders. The management of these risks is integrated into the corporate risk management and control system detailed in Chapter 7.1. Risk Management.

As outlined in the Safety Policy, CAF aims to perpetually advance and refine safety and safety management to ensure adherence to legal and contractual obligations, and fulfil the demands and expectations of customers and stakeholders.

The Group's Businesses each have their own safety management system, although these are integrated into the Group's management system. These systems have undergone mandatory (and, more usually, voluntary) certification process that certify their solvency and compliance with the basic regulatory and legislative benchmarks on which they are based. In 2024, these processes remained valid, but those requiring renewal were duly renewed (e.g. CAF Signalling).

In general, therefore, the activities associated with the railway sector verify the conformity of their safety management systems with the EU 402/2013 and/or 779/2020 Regulations (and subsequent amendments), which refer respectively to the adoption of a common safety method for risk assessment and the mandatory certification of entities in charge of vehicle maintenance. Likewise, the majority comply with the provisions of the European reference standard on railway safety: EN 50126: 1999 (or its most recent version of 2017) “Railway Applications - Specification and Demonstration of Reliability, Availability, Maintainability and Safety (RAMS)”.

During 2024, we continued to apply the valid version of the Safety Policy Development Manual as normal under the supervision of the now well-established Corporate Safety Committee, with the aim of increasing its degree of maturity, increasing synergies between the Group's different activities, and acquiring sufficient information to enable us to make sound decisions about its future versions.

In financial year 2024, the Corporate Safety Committee launched a pilot programme for the compilation and dissemination of knowledge on safety management referred to as the Practical Safety Guides (PSG). Open to all CAF employees (and also disseminated to all of them), the programme aimed to be an initiative in the consolidation of a common safety culture, focused on promoting best practices and experience in the field. The programme marked a key achievement in 2024 with the development, endorsement and release of the first seven instructional guides.

In 2024, all existing mandatory and voluntary certifications have been maintained:

Certification	Field	Scope	Outlook
EU 779/2020 (Rail Europe)	Maintenance Safety Management	100% on certifiable activity	Unchanged
EU 402/2013 - EN 50126 (Rail)	Operational Safety Management	97% on certifiable activity	Unchanged

In addition, it is still common for customers and/or the relevant authorities to require the assessment of all projects developed for the railway sector according to regulated processes, either legally or in accordance with the regulations prescribed for each of these. These project conformity assessments usually require the additional participation of independent bodies, which judge the extent to which Safety Management Systems are specifically applied to the development of each product (or provision of each service).

In the bus sector, products are subject to international legally established approval processes which on their own guarantee safety. Even so, these are supplemented by the Group's commitment to establish its own safety management system (currently in the process of development), which is also based on compliance with the ISO 26262 standard “Road Vehicles – Functional Safety”.

In the aforementioned Safety Policy, CAF is committed to protecting people from accidents and incidents caused by or related to our products and services.

In 2024, the established safety management metrics were solidified, with the four primary indicators now being disclosed to the public. These are:

HEALTH AND PHYSICAL SAFETY INDICATORS	SCOPE	2024	2023	CHANGE	OUTLOOK
Safety incidents without personal injury per year caused by our products/services.	CAF	17	21	Unchanged	Unchanged
Accidents per year, caused by our products/ services, with personal injuries.	CAF	0	0	Unchanged	Unchanged
% Coverage of Safety Management System (SMS) certification	CAF	77.7%	71.4%	Unchanged	Unchanged
%SMS coverage with employees involved in Safety activities	CAF	82.3%	79.9%	Unchanged	Unchanged

The indicators have been stable throughout financial year 2024 versus previous years. Particularly noteworthy is the absence of accidents attributable to CAF.

Any safety incident or accident requires immediate remedial actions, a root-cause analysis and definitive corrective actions. This is an area where, as previously indicated, the Safety Policy Development Manual has been strengthened and clarified throughout 2024. In addition, the Corporate Safety Committee is in the process of drafting a Corporate Procedure to further reinforce and guide practices associated with this issue.

CAF continues to be a member of UNIFE's “Safety Assurance Mirror Group”. This group monitors the activities of the ERA (European Union Agency for Railways), maintaining continuous contact with it, in relation to the Railway Safety Directive (EU) 2016/798, which establishes provisions to ensure the development and improvement of the safety of the Union's railway system. It contributes to the development and application of the Common Safety Methods (CSM) and Entities in Charge of Maintenance (ECM) Regulations, as well as the activities of the ERA in Safety Culture and Human and Organisational Factors.

The Group also participates in committees related to international standardisation, such as those associated with the EN50126, EN50128 and EN50129 railway safety standards.

In this regard, we maintain our committee seats in AENOR/UNE CTN 200/SC 56, and for CENELEC CLC/SC 9X. In this way, CAF is aware of all regulatory developments relating to national and international standards (ISO, IEC and EN) and is able to influence their content.

The Corporate Safety Committee continues to integrate and disseminate good safety practices among the Group's companies, as well as to be involved in the effective resolution of emerging "conflicts" (or issues that go beyond the scope of a single Group company).

Consumers and end users

This section is a comprehensive overview of how the rail and bus sector can address the requirements established by the CSRD from different angles related to end users.

In both the rail and bus segments, when we talk about the end user, we are referring to the passenger. It is essential to understand that our relationship with passengers is not based on a traditional consumption model. Unlike products that are consumed and exhausted, our vehicles are mobility tools that facilitate transportation and connect communities.

Our trains and buses are designed to offer a safe, comfortable and efficient travel experience. Rather than serving as items that are simply consumed, we serve as facilitators, helping people to travel to their final destination. True "consumption" occurs in the travel experience itself, not in the vehicle. By manufacturing vehicles that promote public transport, we contribute to a more sustainable model. We therefore see ourselves as partners in urban and rural mobility, working and investing to create a world where transport is accessible, efficient and sustainable, where our products also help reduce the carbon footprint by promoting the shared use of transport.

As rolling stock manufacturers, our direct client is usually the service operator and never the passenger. Although we do not have direct contact with the passenger, our solutions are intended for them and therefore we assume responsibility for the use that our passengers will make of our products. Although our products are not "consumed" in the traditional sense, they play a crucial role in the daily lives of millions of people. Ultimately, we provide long-lasting solutions that enable them to offer continuous services to passengers. This means our focus is on quality and constant innovation to improve the end-user experience.

A detailed breakdown of the identified material IRO, together with an assessment of their impact and the management strategies adopted, is included in section 9.6 of this report. [S4.SBM-3]

Passenger-Related Policies

At CAF we have developed policies focused on the quality, safety, satisfaction and well-being of our passengers, in order to also respond to the material impacts, risks and opportunities mentioned above and which are related to all our passengers. Among others, the Human Rights Due Diligence Policy, Quality Excellence Policy, Product and Service Safety Policy, Cybersecurity Policy, Ecodesign Policy and Environmental Policy. All of them are published on our website. [S4-1_01]

Our Quality Excellence Policy establishes systematic procedures to identify and evaluate the risks associated with our products and services. This includes collecting data on passenger safety and customer satisfaction, allowing us to identify areas for continuous improvement. In addition, our Human Rights Due Diligence Policy ensures that regular assessments are conducted to identify potential human rights violations in our operations and supply chain.

The Product and Service Safety Policy is essential to managing risks related to physical security. We implement advanced technologies and rigorous protocols to ensure our vehicles are safe for daily passenger use.

Furthermore, our Cybersecurity Policy specifically addresses protection against digital threats, ensuring that both our customers and end users are protected against potential cyber incidents. In the event that negative impacts or incidents related to our products or services are identified, we have clear mechanisms for remediation.

Our Ecodesign Policy seeks to minimise environmental impact from the product design stage, and also includes strategies to continuously improve our processes in response to the concerns raised by customers and users.

Through our Environmental Policy, we are committed to reducing our ecological impact while improving the end-user experience.

Our **Human Rights Due Diligence Policy** establishes a clear framework for identifying, preventing and mitigating any possible negative impact on human rights in our operations.

This includes a particular focus on respecting the rights of our passengers, ensuring that all our products and services are developed and offered without compromising their dignity and fundamental rights. [S4-1_02, S4-1_03]

We are committed to maintaining an open dialogue with our customers, who are ultimately the ones in direct contact with end users. We employ surveys, focus groups, and other feedback strategies to gain insight into their concerns and fears regarding their rights. This commitment is reflected in our **Quality Policy**, which prioritises customer satisfaction as an essential component of respect for their rights. [S4-1_04]

We are committed to ensuring that our passenger-related policies are aligned with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

Our policies are designed to meet the standards set by these international instruments. This includes a proactive approach to identifying and mitigating risks that may affect passengers. We ensure that our business practices respect fundamental human rights, promoting a safe and fair environment for all. [S4-1_06]

To date, we have not received any formal notifications of specific cases of non-compliance related to the UN Guiding Principles on Business and Human Rights, the ILO Declaration or the OECD Guidelines involving our passengers in our downstream value chain. However, we maintain an open system for feedback and complaints, allowing us to address any concerns that may arise. [S4-1_07]

In the event of situations involving non-compliance, we have procedures in place to appropriately investigate and remedy any negative impact on human rights. This includes a firm commitment to transparency and dialogue with all affected stakeholders. [S4-1_05]

We are committed to reviewing and updating our policies regularly to ensure their continued alignment with international standards. In addition, we foster an organisational culture that prioritises respect for human rights in all our operations, thereby ensuring that our end users are treated with dignity and respect.

Processes for interacting with passengers

As a manufacturer of trains and buses, our interaction with passengers is limited. Consequently, we cannot factor in the positive or negative consequences that may impact them, nor the opinions of our passengers, in our activities. [S4-2_02] As we do not have direct access to their opinion, we have no direct commitment to them regarding their needs and expectations [S4-2_03], we do not have a role in CAF with the responsibility of fulfilling these commitments [S4-2_04] and neither can we assess the effectiveness of these commitments. [S4-2_05]

Our clients, the transport operators, are the ones who directly interact with passengers to gather their needs and expectations. The construction requirements for our vehicles are provided to us by means of these specific specifications drawn up by the operators, which we must comply with in order to be eligible to be awarded the order. We understand that many of the needs and expectations of passengers are already included in these specifications and are therefore directly applicable to our designs. [S4-2_01] These also include requirements to meet the needs of particularly vulnerable passenger groups (families with children, people with disabilities and the elderly). [S4-2_06]

However, we recognise the importance of understanding the needs and expectations of end users. To this end and in line with our Quality Policy, we have established collaborative processes with our clients, which are transport operating companies:

- We maintain a constant dialogue with the companies that use our vehicles to better understand how they impact the passenger experience. This includes regular meetings and annual customer satisfaction surveys based on a specific process.
- We conduct sector research and trend analysis in collaboration with transport sector associations. These initiatives allow us to capture relevant information about passenger preferences and expectations. An example is CAF's participation in the International Rail Quality Board (IRQB), a global consortium that brings together leading companies in the railway sector: operators (customers), system integrators (competitors) and equipment manufacturers (suppliers).
- We participate in numerous industry-specific trade fairs, where we ensure ongoing communications with our customer base (further information in section 6.3.1).

In response to our customer interactions, we gain valuable inputs to implement improvements to our designs, such as optimising passenger comfort, improving energy efficiency and incorporating accessible features for people with reduced mobility. [S4-2_07]

Processes to remedy negative impacts and channels for consumers and end users to raise concerns.

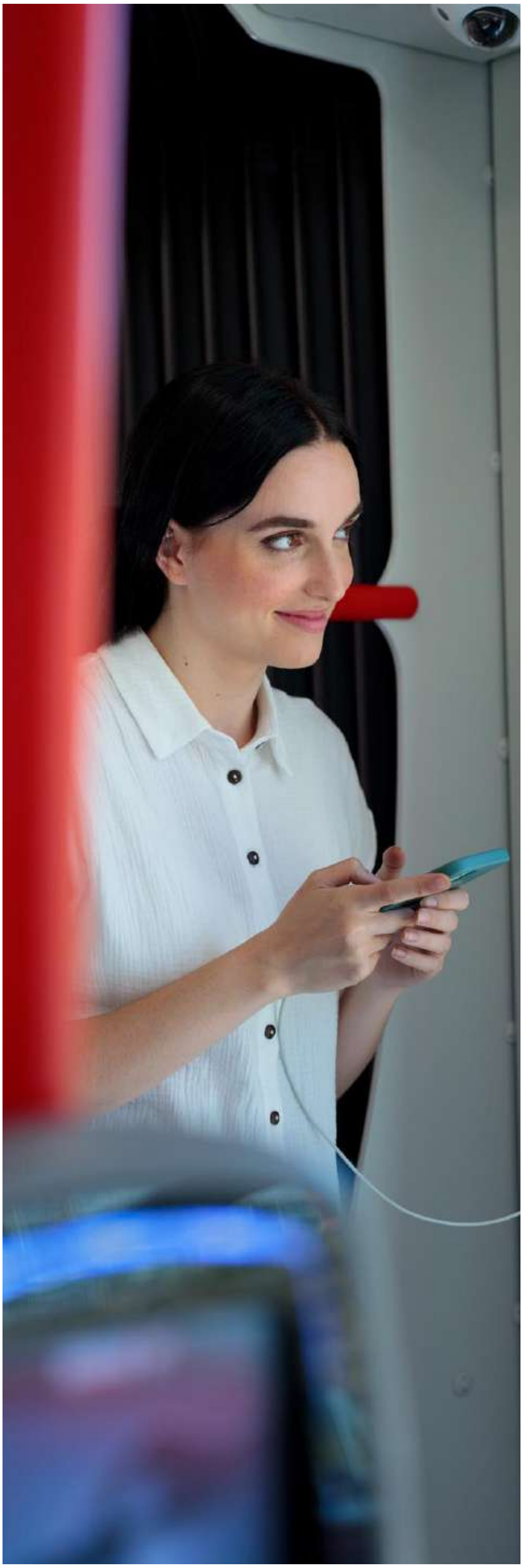
CAF is committed to identifying and remedying any material negative impact that may arise in relation to our end users, the passengers. Although no current negative impacts have been identified in our Double Materiality Assessment, we recognise the possibility that they may arise in the future. For this reason, we have established a robust process for **managing complaints** through our transport operators (refer to section 6.3.1 Customer Complaint Management). This process allows us to collect, repair and evaluate the repair of the negative impacts caused to our passengers and that are attributable to our products and services. [S4-3_01]

We use analytical tools to track the progress and resolution of each reported case, ensuring a timely and appropriate response. In addition, we involve relevant stakeholders in the periodic review process to ensure that the resolution is effective. [S4-3_04]

With our Quality Policy we are committed to implementing quality management systems focused on customers and continuous improvement. They are externally audited every year in accordance with ISO9001 in general and IRIS in particular in the railway segment. These rules require robust processes for managing customer complaints. Our customers are aware of the existence of these processes as a way of raising their complaints or claims and getting them addressed. [S4-3_05]

Although it is the transport operators who have direct channels for interacting with passengers and although we do not have direct contact with them, we have implemented an **Internal Information System (whistleblowing channel)** accessible through our website that could be used by passengers to raise their complaints, concerns or needs. [S4-3_02] This anonymous channel is designed to be easy to use and fully accessible so that end users to communicate directly with us without intermediaries. However, our passengers' complaints and claims are usually managed through our customers, who then send them to us. [S4-3_03]

In order to protect anyone who uses our Internal Information System and suffers any retaliation for doing so, we have the Internal Information System Policy that has been developed in compliance with the different international and national regulatory requirements for the protection of whistleblowers. [S4-3_06]



Actions and resources in relation to consumer and end-user policies

Regarding the measures taken on negative material impacts in relation to our passengers, no specific measures have been taken since there have been no identified negative impacts. However, we maintain a proactive approach to remedy any negative impact that may occur and affect our passengers, through the systematic application of our Customer Complaint Management process (see section 6.3.1 Customer Complaint Management), where each complaint is associated with a diagnosis and implementation of corrective actions and subsequent feedback to the customer. [S4-4_01, S4-4_02, S4-4_03, S4-4_04, S4-4_05, S4-4_06, S4-4_07, S4-4_12]

The initiatives approved in both our Sustainability Master Plan and the Sustainability Management Plan represent the main actions to mitigate the risks and capitalise on the opportunities identified in relation to our passengers, see section "4.5 Sustainability Master Plan". These initiatives are monitored periodically by the Sustainability Operating Committee, where their effectiveness is measured and reported to the Strategic Sustainability Committee. [S4-4_08, S4-4_09] These initiatives help to avoid causing potential significant negative impacts on our passengers. [S4-4_10] Moreover, in the current financial year, no serious human rights incidents related to our passengers have been reported. [S4-4_11]

Targets related to consumers and end users

Following the insights gained from the Double Materiality Assessment, CAF has vowed to create specific targets to tackle each unique IRO, which also ensures adherence to its policies. These targets are described in section "4.5. Sustainability Master Plan" [S4-5]. As a manufacturer of trains and buses, our direct interaction with end users is limited, as our products are purchased by public transport operators and railway companies. However, we have developed a structured approach to setting goals that respond to the needs and expectations of our customers, who in turn represent the end users. This process includes the following stages:

1. Analysis of the specifications:

- The specifications provided by our clients are essential to defining our objectives. This analysis includes a thorough review of the technical and environmental requirements set out in the specifications, ensuring that we fully understand the expectations related to product performance and environmental impact.
- Trend Identification: Through analysis of multiple specifications, we identified common trends in market demands that reflect emerging end-user needs.

2. Target Setting:

- Objectives are set based on the requirements derived from these specifications, as well as our own strategic initiatives. These are:
- Reduction of Negative Impacts: We are committed to meeting specific environmental standards set out in the specifications, such as reducing emissions during operation and manufacturing.
- Promoting Positive Impacts: We seek to innovate in features that improve the end-user experience, such as accessibility and comfort, aligning our goals with what our customers request.
- Proactive Risk Management: We identify risks associated with regulatory or technological changes (such as the transition to electric vehicles) and establish proactive objectives to adapt to these demands.

3. Performance Tracking:

- To ensure that we are meeting these objectives, we implement a rigorous monitoring and evaluation system that includes:
- Internal Audits: We conduct regular audits to assess compliance with the requirements set out in the specifications and to measure our performance in relation to environmental and quality objectives.
- Reports to Clients: We provide regular reports to our clients on progress towards meeting set targets, including data on emissions, energy efficiency and other relevant indicators.
- Review Meetings: We hold regular meetings with our customers to discuss the performance of our products and gather feedback on how they impact the end user experience. This allows us to adjust our strategies and objectives as needed.

4. Incorporating Feedback:

- Although we do not have direct access to end users, we value the feedback we receive from our customers. This process includes:
- Operator Surveys: We conduct surveys targeting our customers (operators) to gather information on end-user satisfaction and areas where improvements can be made.
- Usage Data Analysis: We collaborate with our customers to analyse data on the use of our vehicles, which helps us identify patterns and areas where we can innovate or improve.

5. Continuous Innovation:

- We are committed to continuous innovation in response to changing market needs. This involves:

- Research and Development (R&D): We invest in R&D to develop cleaner and more efficient technologies that not only meet current requirements but also anticipate future market demands.
- Collaboration with Stakeholders: We work collaboratively with regulators, industry associations and other stakeholders to ensure our goals are aligned with broader industry expectations and societal needs.

Conclusion

Through this structured approach, our company is committed to establishing clear and measurable objectives that respond to the needs expressed by our customers in their specifications. Although our direct access to end users is limited we work diligently to ensure that our business decisions reflect their expectations and contribute positively to social impact.

6.4 SOCIETY

CAF is aware that its activities have a direct and indirect impact on the development of the local communities where it operates and on the well-being of society at large, through sustainable and environmentally friendly mobility solutions, as indicated throughout the report.

As established in its Sustainability Policy, the CAF Group is committed to the socially and environmentally sustainable development of the communities in which it operates, through the reduction of the environmental impact of its operations and products/services and the promotion of activities that contribute to economic development, the generation of knowledge, the promotion of education, and social and cultural promotion.

CAF has increased contributions to non-profit organisations and associations in the aforementioned areas by 7%:

	2024	2023
Contributions to non-profit organisations and associations (€)	889,079	829,480

This commitment is articulated through the Manual for the Development of Social Commitments, which defines the areas of contribution of CAF's social commitments to the stakeholder Society, and seeks to ensure that CAF's collaborative activities that impact local communities in the area of social commitments are in accordance with the Code of Conduct, the Sustainability Policy, and the measures established in the Crime Prevention Manual.

In addition to respecting the social, economic, cultural and linguistic environments in which the Group carries on its activity, the following risks are associated with these commitments: (i) the adverse impact of its activities on local communities; (ii) lack of alignment between the corporate objectives of the CAF Group and respect for the various communities; (iii) the difficulty in establishing sustainable, enduring relationships with local communities; (iv) ineffective cooperation with the public authorities and local entities; and (v) lack of respect for social, economic, cultural and linguistic scenarios.

These risks are integrated into the corporate risk control and management system detailed in section 7.1, which provides a sequence of activities aimed exclusively at their management. This process meets the risk and opportunity analysis of the frame of reference.

6.4.1 COMMUNITY ECONOMIC DEVELOPMENT INITIATIVES

The CAF Group contributes to the promotion of industrial transformation and competitiveness in the area by collaborating with a different intensity and scope with specific initiatives and actions that can affect the economy of the localities in which it operates at domestic and international level.

Among these initiatives, the collaboration at regional level, started more than 10 years ago, stands out, which has resulted in the creation of Goierri Valley and CAF's participation in the project as a driving company and member of the Tractor Companies Committee. Set up in 2017 for the purpose of being the drive behind the industrial transformation of the Goierri region, its objective is to promote the development of industry in the Goierri region by fostering collaboration between companies and other public agents in areas that affect their competitiveness (diversification of markets and products, innovation and training). The following activities carried out by CAF in this association during 2024 are particularly noteworthy:

- Active participation in the various forums organised by the association (Driver Committee, Driver Forums, Multilevel Forums), sharing experiences and needs, to collaborate in solving common problems detected.
- Active participation in several of the sessions of the Hydrogen Round Table and the Prevention Round Table, analysing the opportunities and possible collaborations that may result in the coming years between the companies of the association.
- Active participation in the Goierri Investment Board initiative, as part of the DIBERTSIFIKAZIORANTZ project, financed by the Eskualdeak programme of the Provincial Council of Gipuzkoa, to explore the collaboration interests of companies in the region, crossing the strategic challenges and investment interests of the companies.
- Furthermore, within the BarNETik initiative promoted by the Development Agency of the Region, GOIEKI and piloted by the Lehendakari Agirre centre on the future Governance Model of Goierri, CAF has actively participated together with the representatives of the municipalities of the region and the main economic agents, in the definition of the agreement that will govern the Governance Model, in order to address the strategic challenges of said region. The agreement is expected to be signed at the beginning of 2025, with CAF participating as one of the companies in the decision-making forum.

Furthermore, CAF has actively participated in the working groups on the ENERGIA strategic challenge, whose mission is to reduce the region's level of emissions to 55% by 2030. The scope of participation has been especially focused on the working forums together with town councils and the main driving forces in the region in SUSTAINABLE MOBILITY.

CAF continues to participate in the activities of economic entities with business or sectoral relevance to a different extent. In these entities CAF has a vocation both to represent the interests of the Company, as well as to contribute from its position and to promote aspects that may be of general interest. Below are some of the entities in which it has participated throughout 2024:

ADEGI	CÍRCULO DE EMPRESARIOS	Alamys
apd	Foro de Marcas Renombradas Españolas	unife THE EUROPEAN RAIL INDUSTRY
CEOE Empresas Españolas	CAMARA DE GIPUZKOA GIPUZKOAKO BAZKUNDEA	MAFEX SPANISH RAILWAY ASSOCIATION
KUDEAKETA AURRERATUA EUSKALIT GESTIÓN AVANZADA	CLUB DE EXPORTADORES E INVERSORES	DIPC Donostia International Physics Center
CÍRCULO DE EMPRESARIOS VASCOS	UITP ADVANCING PUBLIC TRANSPORT	IE BUSINESS FOUNDATION
Spanish Chamber of Commerce in the United Kingdom EST 1886	Cámara de Comercio de España	

6.4.2 THE GENERATION OF KNOWLEDGE

At CAF, we are actively dedicated to generating knowledge in our operating environment. We achieve this by collaborating closely with innovative networks, participating in standardisation committees, and promoting learning alongside academic institutions and leading technology centres. Below, we mention some of the most fruitful alliances that have emerged in the field of innovation. These collaborations have allowed us to make significant progress in developing innovative ideas and solutions that make a difference in our industry.

Participation in the network of innovation-oriented associations

CAF is part of various national and international associations linked to transportation and innovation, which include:

ASSOCIATIONS AIMED AT RESEARCH AND DEVELOPMENT OF THE RAILWAY SECTOR

- Europe's Rail Joint Undertaking (EU-Rail JU)
- European Rail Research Advisory Council (ERRAC)
- Chips Joint Undertaking (JU Chips) (formerly KDT JU)
- Railway Innovation Hub (RIH)

RAIL INDUSTRY ASSOCIATIONS THAT ENCOURAGE INNOVATION AND STANDARDS DEVELOPMENT

- UNIFE (European Rail Supply Industry Association)
- UNISIG (Signalling Industry Association)
- ERWA (European Railway Wheels Association)
- MAFEX (Spanish Railway Association)

PUBLIC TRANSPORT BUSINESS PARTNERSHIPS

- UITP (International Association of Public Transport)
- VDV (Industry Association for Public Transport in Germany)

ASSOCIATIONS AIMED AT THE DEPLOYMENT OF SUSTAINABLE MOBILITY SOLUTIONS

- Clean Bus Deployment Initiative

ASSOCIATIONS AIMED AT THE DEPLOYMENT OF HYDROGEN TECHNOLOGIES AND HYDROGEN VALLEYS

- Hydrogen Europe (NEW – IG)
- European Clean Hydrogen Alliance
- Basque Hydrogen Corridor (BH2C)
- Masovian Hydrogen Valley
- Greater Polish Hydrogen Valley

ASSOCIATIONS FOCUSED ON INNOVATION IN SPECIFIC AREAS

- Information Technology for Public Transport (ITxPT)
- Polish Scientific Society of Combustion Engines (PTNSS)
- Cybersecurity Forums

Participation in standardisation committees

The standardisation entities in which CAF has the most relevant representation are listed below:

INTERNATIONAL STANDARDS ORGANISATIONS

- IEC (International Electrotechnical Commission)
- CEN (European Committee for Standardisation)
- CENELEC (European Committee for Electrotechnical Standardisation)

NATIONAL STANDARDS ORGANISATIONS

- AENOR/UNE (Spanish Association for Standardisation and Certification)
- PKN (Polish Committee for Standardisation)

Promotion of knowledge in collaboration with technology centres and universities

CAF constantly develops innovative solutions and expands its knowledge and competence through various means, including important collaborations with technological and educational centres. In some cases, it even participates in the governing bodies of these centres.

TECHNOLOGY CENTRES

- BAIC (Basque Artificial Intelligence Centre)
- CEIT
- CiCnanoGUNE
- Cidetec
- CITEF (Research Centre for Railway Technologies)
- CNH2
- DLR (German Aerospace Center)
- DIPC (Donostia International Physics Center)
- Eurecom
- FCITICG (Foundation for the Research Centre in Information and Communication Technologies of Galicia)
- Foundation for the development of new Hydrogen Technologies in Aragon
- IIT (Technological Research Institute)
- Ikerlan
- Itainnova
- Leartiker
- Lortek
- Naitec
- Tecnalia
- Vicomtech
- Vivratec
- Others: Austrian Institute Of Technology (AIT) – Austria, CiCenergiGUNE – Spain, Spanish National Research Council (CSIC) – Spain, French Alternative Energies and Atomic Energy Commission – France, Community of universities and establishments University of Burgundy - Franche-Comté (COMUE UBFC) – France, IDEKO – Spain, IDONIAL – Spain, French Institute of Science and Technology for Transport, Development and Networks (IFSTTAR) – France, Institute of Communication and Computer Systems – Greece, Pilsen Research and Testing Institute – Czech Republic, SINTEF – Norway, Tekniker – Spain, TNO – Netherlands, Virtual Vehicle Research GmbH – Austria, VTT – Finland, etc.

UNIVERSITIES

- University of Navarra - Tecnun
- Mondragon University
- University of the Basque Country
- Deusto
- University of Oviedo
- Polytechnic University of Valencia
- AGH University of Science and Technology in Krakow
- Poznan University of Technology
- University of Ghent
- University of Huddersfield
- University of Melbourne
- Others: Université Burgundy Franche-Comté (UBFC) - France, University of Patras - Greece, Politecnico di Torino - Italy, University of Leeds - United Kingdom, Vrije Universiteit Brussel (VUB) - Belgium, University of West Bohemia - Czech Republic, Universidad Pública de Navarra - Spain, etc.

6.4.3 COLLABORATION IN THE EDUCATIONAL FIELD [2-28, EG 203, 203-2, EG 413]

CAF remains committed to training future professionals and with this in mind establishes a number of agreements to collaborate with educational institutions or entities that foster youth employment in the area in which it operates.

Educational entities or entities for employment promotion

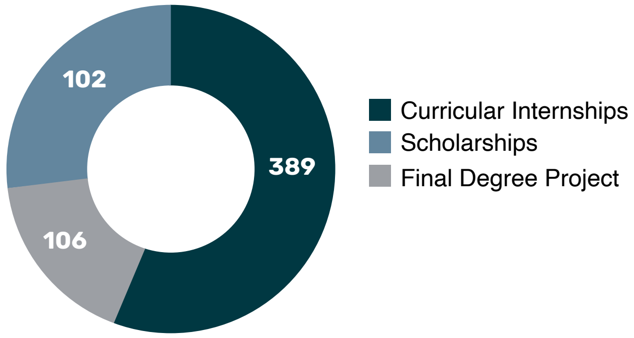
NATIONAL	INTERNATIONAL
• University of the Basque Country • University of Mondragon • Deusto University • University of Navarra (Tecnun) • Public University of Navarra • University of Zaragoza • Polytechnic University of Madrid • University Carlos III Madrid (UC3M) • UAX - University Alfonso X El Sabio • Complutense University of Madrid • University of Alcalá de Henares • University of Lleida • Guipúzcoa Chamber of Commerce • Higher Technical School of Engineering (ICAI) • Novia Salcedo Foundation • University of Navarra Foundation • Company Foundation • Goierri Eskola • CIFP Don Bosco • FP Tolosaldea • CIFP Plaiaundi • La Salle FP • FP Bidasoa • IES Virgen de la paz • IES Gaspar Melchor de Jovellanos • ETI - Polytechnic Centre of Tudela • La Caparrella Vocational Training Institute	• Institut des Techniques d'Ingénieurs de l'Indutrie des Pays de la Loire • ESTIA Engineering School • Corning Community College • St Julians High School • Liswerry High school • CFAI • IUT Haguenau • IUT Lille • INSA • Lycee Stanislas Wissembourg • Lycée heinrich nessel Haguenau • Lycée Sainte Philomène Haguenau • Lycée Schuman Haguenau • ENIT Tarbes (School Engineer) • Autonomous Mexico State University • University of the Valley of Mexico • Technological Institute of Tlalnepantla • La salle university • Faculty of Higher Studies of Cuautitlán Izcalli • University of Science and Technology in Krakow (AGH) • Poland Poznan University of Technology, Poland • Wyzsza Szkola Bankowa w Poznaniu

“More than 550 company placements”

These collaboration agreements can provide access to training programmes for CAF employees, but their main objective is to offer opportunities for transition between education and the world of work through placements at the various CAF Group sites both locally and internationally.

In this area, during 2024, the collaboration agreements that CAF maintains with the main engineering schools in key geographies have been consolidated, such as the university-business classrooms at Tecnun-University of Navarra, Mondragon University, University of the Basque Country and University of Deusto and the collaboration with the Polytechnic University of Madrid. These agreements foster closer contact with students early on, allowing them to have contact with the reality of CAF from the facilities of the different educational entities. The second edition of the 'Encuentro Alumn@s Aulas CAF' conference took place in 2024, which gave university students an opportunity to showcase the projects they developed in the academic year, along with the distribution of diplomas.

With this objective, the CAF Group encourages managing placements to facilitate completing studies through curricular internships, undertaking final projects for university degrees and master's degrees, as well as scholarships for postgraduates, providing students with their first work experience complemented by training. More than 550 placements have been offered this year. In order to implement this initiative, the headquartes and its subsidiaries collaborate with the Novia Salcedo Foundation and the University of Navarra Business Foundation to support youth in their professional integration through proactive measures and teamwork.



Internationalisation Scholarship Programmes

CAF is clearly committed to internationalisation and is aware of the need for people with an international profile. It is considered important to promote this profile in society and, to this end, CAF collaborates annually with the Basque Government on the Global Training scholarships and BEINT scholarships. These programmes make university degrees available to young people and higher vocational training. A powerful mechanism that allows for paid internships in companies and organisations abroad, in activities and projects related to their academic and professional profile for at least 6 months.

In 2024, the international activity promoting scholarships for graduates at CAF Group headquarters has been developed in countries such as the United Kingdom, Finland, Hungary, the Netherlands, Belgium, Sweden, Germany and Norway.

European initiatives coordinated by UNIFE

During 2024, CAF has continued its participation in the "Staffer" initiative promoted by the European Commission and coordinated by UNIFE, which brings together 32 partners from across the European Union and its railway community.

The railway is one of the main engines of the European strategic objective of smart, ecological and sustainable growth. This has been endorsed when the European Commission defined 2021 as the European Year of the Railway. The industry is currently suffering from a considerable lack of expertise, as a large part of its workforce will retire over the next 10 years, just when technological progress will require greater capability.

The consortium's aim is to develop a holistic strategy that identifies current and emerging needs regarding competencies, while at the same time cooperating with the industry and vocational and educational training institutions to design specific training and education programmes. They will improve employability and the professional opportunities in the railway industry by establishing trans-European mobility programmes and creating employment practices for students, apprentices and staff. "Staffer" expects to offer human capital solutions at all levels of the railway value chain, covering the needs of both the supply industry and the railway operators community. 2024 has been the year in which the initiative has culminated, with a special emphasis on drawing conclusions and recommendations for the implementation of guidelines, programmes and processes aimed at strengthening the railway sector, ensuring that the necessary competency profiles are developed to respond to current and future challenges. In this sense, the initiative has been concluded in October 2024 with the publication of the final report that condenses the key elements developed over these four years: https://www.railstaffer.eu/wp-content/uploads/2024/10/241021_STAFFER-FINAL-REPORT.pdf.

Of particular note is the summary of the different work fronts, which have made it possible to identify the key competences necessary to respond to the challenges of the sector, as well as the existing training offer and the different professional qualification standards in the different educational models. From here, suggestions for executing a strategy and action plans that ensure the development of essential skills, along with specific policy recommendations and components to be included in current policies. In parallel, communication actions, participation in events and organisation of conferences have also been carried out, aimed at increasing the attractiveness of the sector for potential candidates. The initiative has bolstered relationships and fostered new relationships between different stakeholders in the railway industry, educational institutions, manufacturers of railway components and operators, which certainly contributes to fortifying the sector and harmonising goals and priorities.

6.4.4 COLLABORATION WITH SOCIAL AND/OR CULTURAL INITIATIVES

In addition to the various initiatives mentioned above, the CAF Group collaborates with public and/or private entities to support social, knowledge and cultural projects that have a positive impact on the communities where it is located.

Below are some of the institutions with which CAF has actively collaborated throughout 2024, contributing to their development.

Collaboration in social activities

SuEskola Foundation

CAF collaborates with this foundation, which is a training centre for fire prevention and extinguishing, using innovative technology with real fire.

Green Dachshund Foundation

The Green Dachshund Foundation was founded in 2012 by Solaris Bus&Coach to help the most vulnerable. The Foundation's regular beneficiaries include our employees and their immediate families, as well as the local community. Green Dachshund provides constant support to the Kowanówko Special School Complex by donating computers, classroom supplies, educational aids and other equipment that contribute to the better functioning of the centre. The Foundation's Board, whose members work as volunteers without receiving any kind of remuneration in return, is responsible for managing the organisation's activities.

Promotion of culture and linguistics

Bikain Certificate

At CAF we promote the use of Basque in our workplaces. Proof of this is the possession of the Bikain certificate, both in Beasain and Irún plants. In both cases, the certificate is silver and has remained valid through 2024. This certificate measures the management of language policy and is regulated by the Department of Culture and Language Policy of the Basque Government.

CAF-Elhuyar Awards

These awards are given annually and recognise the work of those who carry out scientific and technological dissemination in Basque. Different areas are taken into account, such as the most original popular science article, articles based on doctoral theses, science journalism and articles on the primary sector. Likewise, the Merit Award is awarded for the work carried out in the normalisation of Basque in a certain area. The creation grant in applied science is also awarded to the scientific society.

Igartza Literary Creation Grant

CAF, together with Beasain Town Council and the Elkar publishing house, is organising this important prize. Awarded for the first time in 1994, its objective is to give young writers an opportunity. The contest has its own essence, since it is not a finished work that is awarded, but rather the project. The final work is presented within one year of the award of the prize and is published the following spring. In March 2024, Lizar Begoña Madariaga presented her 2022 award-winning work, which she finally titled 'Mundu zitalaren kontra'. In September, Irati Irizar presented her work as the winner of the 2023 competition and Ane Zubeldia Magriñá was named as the winner of the 2024 edition with her work entitled ‘Datorren udan ez gara hemen biziko’.

7 /

OUR COMMITMENT TO RESPONSIBLE GOVERNANCE

7.1 RISK MANAGEMENT [2-12, 2-13]

At CAF, we firmly believe in the importance of correctly managing uncertainty in order to achieve our objectives and turn our vision into reality. This is stated in our General Risk Control and Management Policy, approved by the Board of Directors, where we set out the basic principles for the control and management of risks and opportunities of all kinds, which enables us to:

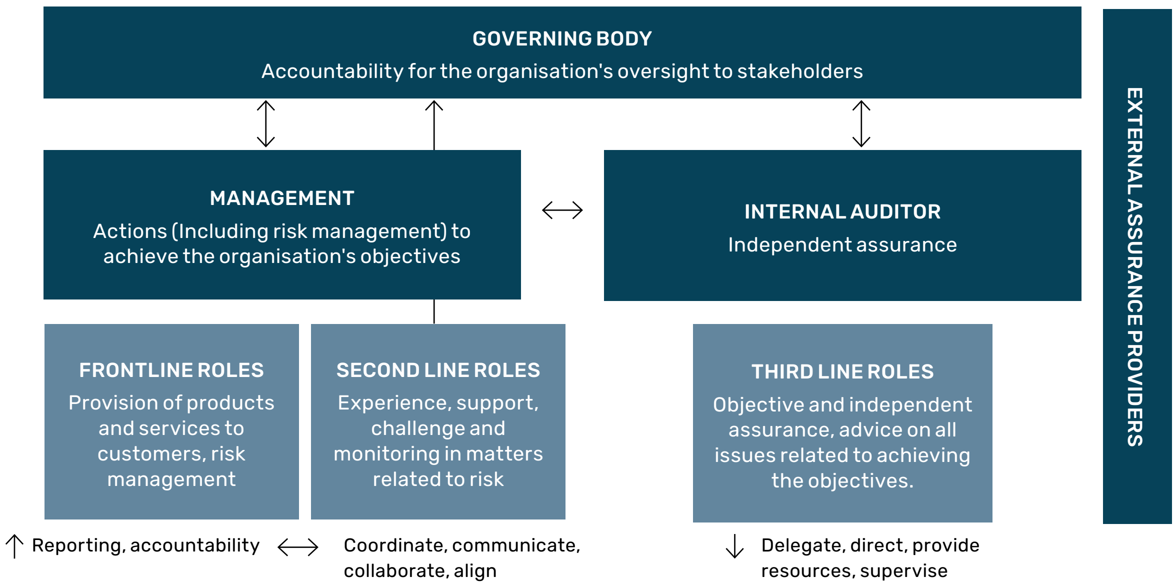
- Achieve our strategic objectives with controlled volatility;
- Provide the highest level of assurance to our shareholders;
- Protect our results and reputation;
- Defend the interests of our stakeholders; and
- Secure business stability and financial strength consistently over time.

Our comprehensive risk management model reflects international standards which sets out an effective methodology for risk and opportunity analysis and integrated management, and also the assignment of responsibilities under a three lines model.

7.1.1 THREE LINES MODEL

Our Board of Directors sets the General Risk Control and Management Policy and oversees internal reporting and control systems. Our Audit Committee supervises and examines the group's risk control and management systems, and also oversees the Company's internal risk control and management function.

Corporate Management is tasked with all activities aimed at achieving the Organisation's targets and objectives, including the ones related to risk and opportunity management. It is thus responsible for fostering a culture with an awareness for its own risk appetite.



Every activity we undertake involves uncertainties as risks that can divert us from achieving our objectives, or as opportunities to be exploited to maximise them. For this reason, all functions that carry out any activity at CAF, both in the provision of products and services and in support areas, always keep in mind the importance of anticipating and identifying uncertain events, evaluating them and, if appropriate, managing them. This is how our first line works.

With an entire organisation focused on risk and opportunity management, the work of the second line is crucial in three aspects:

1. Ensure the correct evaluation and quantification of risks: From their knowledge and experience, with the independence they enjoy, they challenge the assessments of the front line and support the latter in quantification.
2. Provide management with information on the different types of risks in an understandable and common language that allows risk-based decision making.
3. Ensure that the company's global risk level remains within the appetite established by the Board of Directors, maintaining sufficient independence for its proper functioning and reporting directly to the Audit Committee.

In general, the role of second line of assurance is assigned to the Risk Management Department. Integrated into the Economic-Financial and Strategy Department and under the direct supervision of the Audit Committee, this department is responsible for ensuring the proper functioning of the Integrated Risk Control and Management System, keeping us at levels consistent with our risk appetite. However, we have complementary second lines of assurance in the Group, depending on specific areas of expertise or internal control systems.

The third line is made up of the Internal Audit team. From the objectivity, authority and credibility conferred by its independence from Management, it evaluates the suitability and effectiveness of risk management and governance. Its systematic analysis and reporting of its findings to both Management and the Governing Body promotes and facilitates continuous improvement.

7.1.2 RISK MANAGEMENT METHODOLOGY

The risk management model is homogeneous for the entire Company and for any type of risk.
The model consists of the following activities:

1	Establishment of the risk management context for each activity by setting, inter alia, the level of risk the Group considers to be acceptable
2	Identification of the various risk types to which the Group is exposed, in line with the main risks detailed in the Policy
3	Analysis of the risks identified and their impact on the CAF Group as a whole: • Corporate Risks – Risks affecting the Group as a whole • Business Risks – Risks specifically affecting each activity/project, which vary in accordance with the particularities in each case.
4	Risk assessment based on the level of risk that the Group considers acceptable (risk appetite)
5	The measures envisaged to address the identified risks.
6	Regular monitoring and control of current and potential risks through the use of information and internal control systems.

Additionally, there is a single catalogue of risks for the whole Group. This catalogue defines a first hierarchical level consisting of strategic, financial, legal, operational, corporate governance and compliance risks. These are subdivided into more specific risks within each of the categories. Each category or subcategory of risk clearly defines the level of risk, type of management (corporate or business) and the management measures envisaged.

The risks and opportunities identified in the climate change analysis, as well as the risks, opportunities and impacts derived from the Double Materiality Assessment, together with the rest of the Company's risks and opportunities, are included in the aforementioned catalogue.

The main risks related to sustainability, due to their intrinsic nature, are operational, corporate governance and compliance with Human Rights, people, the environment and the commission of crimes. For the above, the aim is to act at all times under the protection of the law, the values and standards of conduct reflected in the Code of Conduct and the principles and good practices reflected in corporate policies, under the principle of 'zero tolerance' towards the commission of illegal acts and situations of fraud.

Regarding the Recommendations of the Code of Good Governance for Listed Companies, CAF complies with all those relating to the "Risk Control and Management Function" (as detailed in section 2.5 of this document).

7.1.3 SUSTAINABILITY INFORMATION INTERNAL CONTROL SYSTEM (SIICS)

Context and history of the SIICS at CAF

Over recent years, at CAF we have traced a path of progress in terms of sustainability that has led us to design and reinforce our internal control systems, with the aim of strengthening the reliability and integrity of sustainability information. This journey began in 2021, when, motivated by the growing demand for transparency and the evolution of regulatory requirements, we carried out a materiality assessment that laid the foundations for our sustainability reporting strategy.

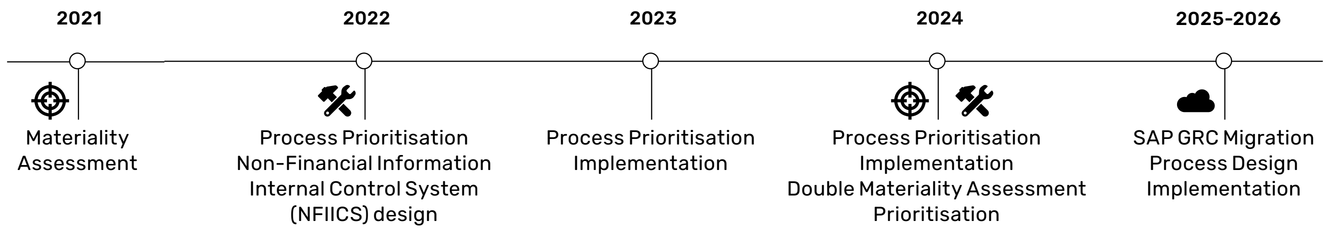
In 2022, based on the results of this materiality assessment and the information reported in the Sustainability Report and in the responsible management scorecard, a diagnosis was made of the processes and flows of information construction existing in the field of sustainability, with the support of specialised external collaborators.

This work resulted in a general roadmap, a diagnosis of the key indicators, a specific roadmap for each indicator analysed and an assessment of the criticality of each indicator studied from the point of view of its construction and internal control.

After the diagnostic phase and with the indicators classified according to their criticality, the indicators were grouped by process, with indicators that have a similar information flow being grouped together in the same process. Subsequently, these processes were prioritised according to the criticality of the indicators they contained.

Accordingly, these defined the guidelines of what we now call the Sustainability Information Internal Control System (SIICS), previously the Non-Financial Information Internal Control System (NFIICS).

This step forward also fulfils one of the strategic objectives defined in our Sustainability Master Plan: **"Strengthen the integrity of sustainability information and compliance management by digitising associated internal control systems."** Accordingly, we constantly strive to improve our Sustainability Information Internal Control Systems (SIICS), ensuring they are consistent with the financial information and making them more agile:



Based on global best practices and standards, SIICS uses the COSO[1] report as its primary reference point, especially in the 2023 interpretative report of reference on how the ICIF-2013 can be applied to sustainable business activities and sustainability reporting to establish or improve internal controls over sustainability reporting and regulatory compliance.

By 2025, CAF aims to start implementing the SAP GRC tool to manage its Sustainability Information Internal Control System reporting system. This software is intended to merge multiple reporting management systems into a unified solution, and in some cases, provides the capability to automate and digitise information handling procedures. Until the full implementation of the aforementioned software, the Corporate Quality team will be responsible for collecting evidence associated with the controls that are being implemented. Likewise, this function, in coordination with the Sustainability team, is responsible for ensuring the integrity of the system, promoting the development and updating of processes and procedures, as well as ensuring their correct execution.

1 Committee of Sponsoring Organisations of the Tradeway Commission.

Scope and main characteristics of the SIICS [GOV-5_01]

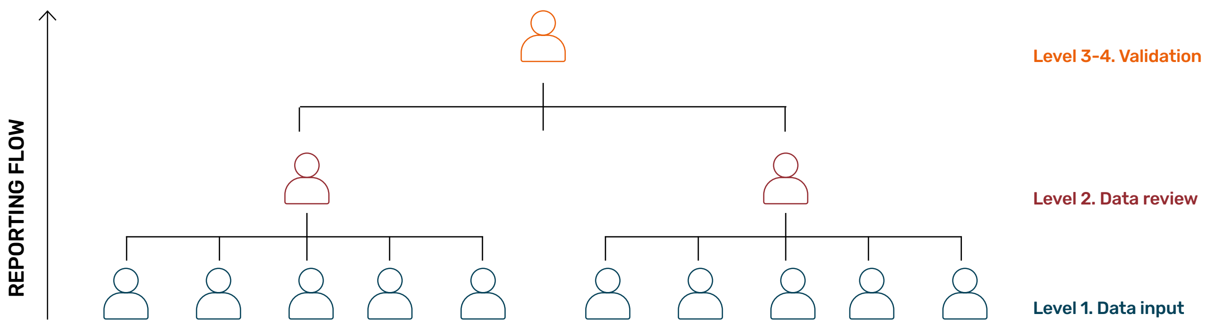
The SIICS covers all processes for capturing, consolidating and reporting sustainability information, mainly that reflected in our Sustainability Report and in the indicators of the Responsible Management Scorecard, leaving aside financial information subject to the Financial Information Internal Control System. In order to maintain maximum homogeneity in terms of financial scope, this scope is reviewed at least once a year, adding or excluding companies as appropriate.

When it comes to entities that participate in multiple lines of business, the allocation criteria defined by the financial area is applied and exclusions are analysed in the sustainability area under common criteria.

These guidelines, along with the reporting schedule, responsibilities and operating method, are described in the Consolidation and Reporting Procedure. Furthermore, this procedure clearly defines the specific tasks within the reporting process, as well as the description of responsibilities by level, ensuring adequate traceability and assignment of functions at each stage of the process.

1. Appointment of data collection officers > **2. Appointment of data validation officers** > **3. Completion of the information in the tool by the person responsible for compilation** > **4. Review and approval of data by validation managers** > **5. Notification to Sustainability team for review** > **6. Consolidation of information**

7. Review of consolidated information > **8. Reflection of information in reporting** > **9. Review of reporting** > **10. Approval of reporting** > **11. Internal communication process**



The main characteristics of the SIICS can be summarised in four pillars:

1. **Identification and assessment of specific risks** in each reporting process.
2. **Design of controls** to guarantee information accuracy, completeness and consistency.
3. **Progressive implementation in digital tools**, with the aim of integrating these controls into SAP GRC Process Control and into a future specialised reporting tool that is aligned with CSRD and allows the use of the XBRL taxonomy.
4. **Continuous adaptation to the new demands** of Double Materiality, international legislation (ESRS) and stakeholder expectations.

Furthermore, information management is governed by reporting principles (precision, relevance, balance, accuracy, clarity, comparability, exhaustiveness, periodicity and verifiability) that reinforce the reliability and transparency of the sustainability data presented by CAF.

Risk assessment and prioritisation methodology [GOV-5_02]

The core of our SIICS is based on a robust risk assessment methodology, inspired by the materiality assessment of 2021 and adapted with the Double Materiality Assessment that we carried out in 2024.

And so on until the end of 2024:

- We have mapped the **sustainability information construction processes**, grouping those that cover critical areas such as resource consumption, responsible purchasing, health and safety, etc.
- We then used this map to determine the **criticality** of each process in terms of its **potential impact**, **likelihood of occurrence** and **relevance** to CAF's sustainability strategy. In this regard, we have initiated a review of the criticality of the processes based on the results of the materiality assessment carried out in this exercise.
- Given that not all processes present the same level of risk, we established an **order of priority for the implementation of controls and improvement actions.**

This methodology allows us to focus first on those areas where the risk is higher or where the reputational and operational impact is greater, thus ensuring the effectiveness of the SIICS in each phase of implementation.

On the other hand, the updating and review of processes is continuous. Thus, during the current financial year, the adaptation of existing processes to the new ESRS requirements has continued.

Main identified risks and mitigation strategies [GOV-5_03]

In the course of our **consolidation and reporting process**, we uncovered critical risks tied to the collection, processing, and presentation of sustainability information. Among them, the following stand out:

- **Information gathering:** Risks to data integrity and validity (origin, accuracy, estimates, etc.) due to failure to follow established guidelines.
- **Incorrect period:** The sustainability data being collected does not correspond to the reporting period.
- **Risk of regulatory non-compliance:** Linked to the growing regulatory complexity (ESRS, CSRD, Sustainable Finance Taxonomy).
- **Incorrect consolidation:** Lack of integrity and consistency in the consolidation of information for the period.

We've adopted controls to mitigate these risks, including yet not limited to:

- **Risk and control matrices** have been formulated, illustrating each link in the operation and providing clear assignments of responsibility.
- **Flowcharts outlining the operational procedures** have been created, detailing the sequential processes involved in gathering, verifying, and merging data.
- We are moving towards **digitalisation** by adopting **SAP GRC Process Control**, which provides traceability and facilitates the automation of controls.
- We planned the **implementation of a specialised reporting tool** that complies with CSRD requirements, including the integration of XBRL taxonomy.

Integration into CAF's internal functions and processes [GOV-5_04]

The strength of the SIICS lies not only in the definition of risks and controls, but also in its integration into CAF's daily operations and its alignment with other management systems.

- **Each function or business unit actively collaborates** to ensure that the controls in place are workable and aligned with actual operations.
- The **Sustainability** function acts as **coordinator**, promoting cross-departmental communication and offering specific training so that all areas understand the objectives and procedures of the SIICS.
- The **reporting instructions** are periodically reviewed to incorporate the findings of the risk assessment and to ensure **consistency** with ESRS requirements.
- As we progress in the **implementation** of the new tools, **the interconnection between the reporting systems** and SAP GRC Process Control is being enhanced, seeking synergies and the automation of validations.

Communication and reporting to governing bodies [GOV-5_05]

Aware of the importance of effective supervision, we have structured a clear reporting flow in line with our highest governing bodies:

- **CAF's Board of Directors** is responsible for the existence and maintenance of an adequate and effective Sustainability Information Internal Control System (SIICS).
- **The Audit Committee**, assuming the powers delegated to it by the Board of Directors, is the body responsible for supervising, among other things, the process of preparing and presenting non-financial information relating to CAF and the integrity of that information, as well as the effectiveness of internal control systems, in particular the SIICS, risk management systems, and the systems and mechanisms linked to CAF's internal codes of conduct. They are also responsible for discussing with the sustainability information verifiers any material weaknesses in the internal control system detected during the course of the check, without compromising their independence. These functions are reflected in the Regulations of the Audit Commission.
- **The Strategic Sustainability Committee** is responsible for designing, implementing, updating and driving the Sustainability Information Internal Control System.
- **The Economic - Financial and Strategy Department CFSO** draws up, implements and oversees ongoing maintenance of a proper adequate and effective Sustainability Information Internal Control System (SIICS).

Actions and resources related to Responsible Governance policies [S2-4]

CAF has implemented actions designed to achieve the objectives related to Responsible Governance defined in its policies. Section "4.5. Sustainability Master Plan" outlines the main actions carried out and planned.

Targets related to Responsible Corporate Governance [S2-5]

Following the insights gained from the Double Materiality Assessment, CAF has vowed to create specific targets to tackle each unique IRO, which also ensures adherence to its policies. These targets are described in section "4.5. Sustainability Master Plan"."

7.2 ETHICS AND COMPLIANCE

7.2.1 CORPORATE COMPLIANCE SYSTEM AND COMPLIANCE FUNCTION

Our Corporate Compliance System is intended for the prevention, detection and early management of compliance risks.

It is made up, among other, of those rules, formal procedures and material actions that aim to ensure that the CAF Group acts in accordance with ethical principles and applicable legislation, preventing and acting against incorrect conduct or conduct contrary to ethics, the law or the Internal Regulatory System, which may be committed within the organisation or in its activity. [G1-1_01]

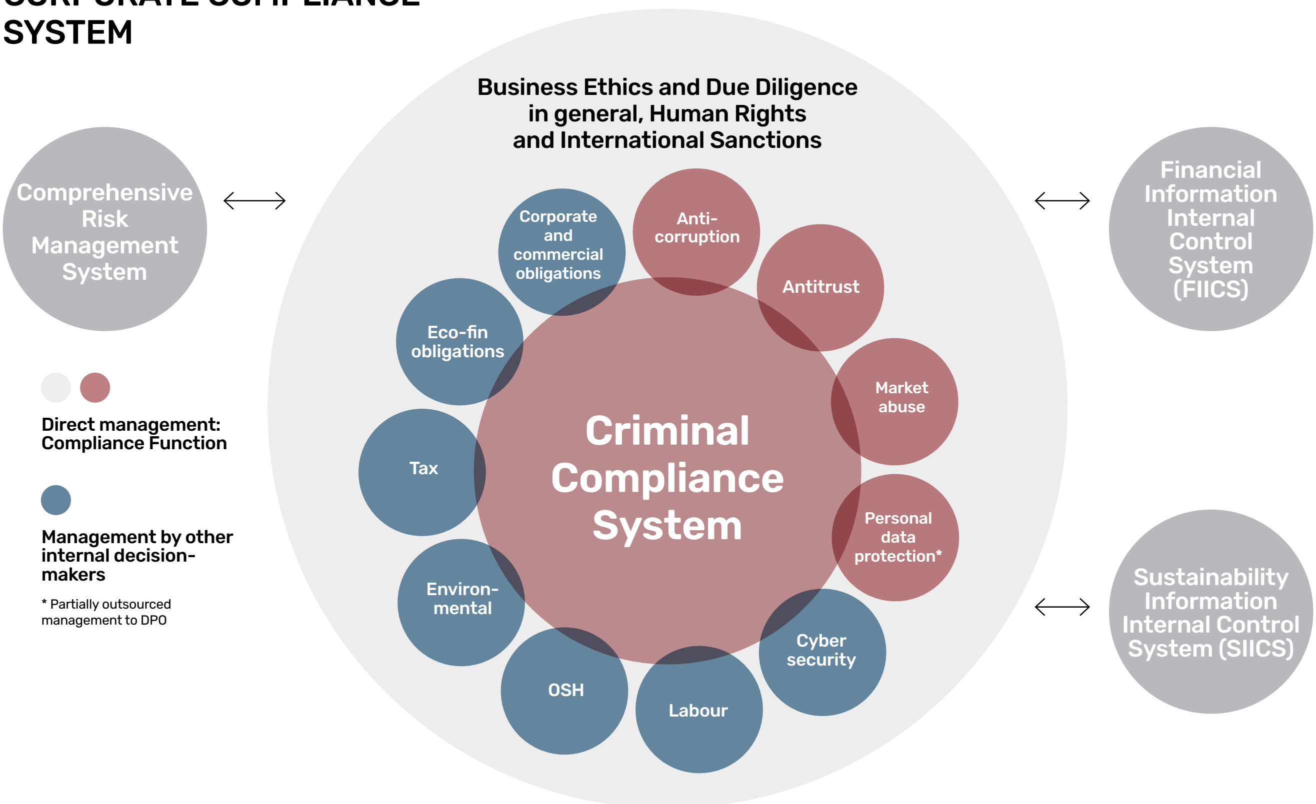
The Board of Directors approves the Compliance policies and ensures that they are aligned with the CAF Group's strategy. It also attributes to the Audit Committee the supervisory powers of the aforementioned Corporate Compliance System, and appoints the Compliance Function.

The Audit Committee exercises reasonable oversight over the implementation of the Corporate Compliance System and its effectiveness. Senior Management, in turn, supports the Compliance Function in achieving the CAF Group's objectives in terms of Compliance in all matters necessary within the scope of its own competencies. [2-12, 2-13]

The CAF Group Compliance Function is the body with autonomous surveillance and control powers, which is tasked with supervising the operation and compliance of the Corporate Compliance System as a whole and the direct management of at least the following areas: (i) Business Ethics and Due Diligence in general, Human Rights and International Sanctions, (ii) Criminal Compliance, (iii) Anti-Corruption, (iv) Antitrust, (v) Market Abuse and (vi) Personal Data Protection. In addition, this function is responsible for supervising other areas managed by different managers. [G1-1_01, G1-5_01]

It also coordinates with other corporate functions with other internal control and risk management responsibilities. All of the above is done based on the following scheme:

CORPORATE COMPLIANCE SYSTEM



To this end, the Compliance Function, at a minimum, have the appropriate knowledge, skills and experience and at all times have the integrity, autonomy and independence necessary to be able to carry out its responsibilities.

In the event of a collegiate Compliance Function, one of its members shall act as the Delegate of the Internal Reporting System (whistleblowing channels) mentioned later in this report and will be considered the Corporate Head of Compliance, without simultaneously being able to be the head of other Functions or Departments outside Compliance, thus permanently having the necessary independence. [G1-1_01]

Furthermore, the Compliance Function has the necessary competencies and powers to carry out the principles and objectives defined in the Policies corresponding to each of the areas and has a Corporate Department and Compliance Delegates with functional dependence within the Group, being able to delegate their own powers to any of the above, with sufficient organisational freedom to ensure the correct implementation of the Corporate Compliance System.

COMPLIANCE FUNCTION

↕

Corporate Compliance Department

↕

Compliance Delegates / Compliance Officers of subsidiaries and business units
and in some relevant geographies

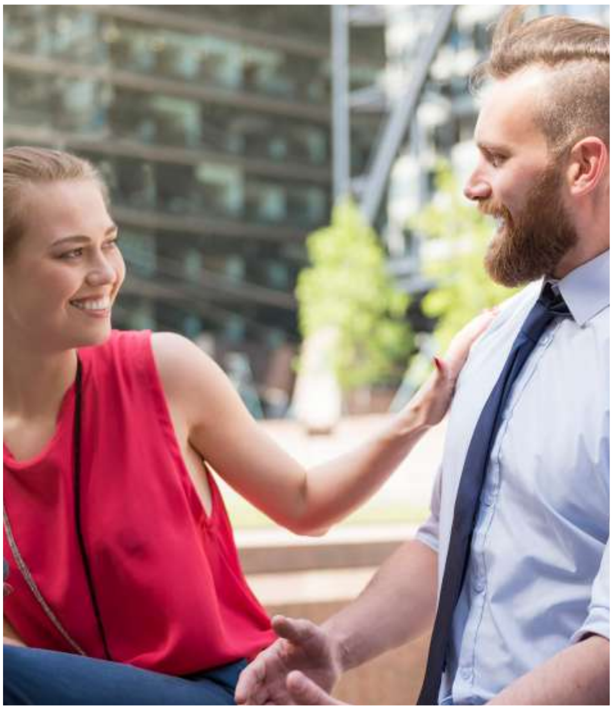
The Compliance Function approves several activity reports during the year, one of which constitutes the annual report of the Compliance Function, periodically reporting to the Audit Committee on the relevant aspects of the different areas of Compliance and their significant risks and, in particular, on compliance with the internal Codes of Conduct and on the Internal Reporting System (whistleblowing channels). For more details about the structure, functions and competencies of the Board Committees, please refer to section 2.5.

7.2.2 COMMITMENTS AND COMPLIANCE POLICIES

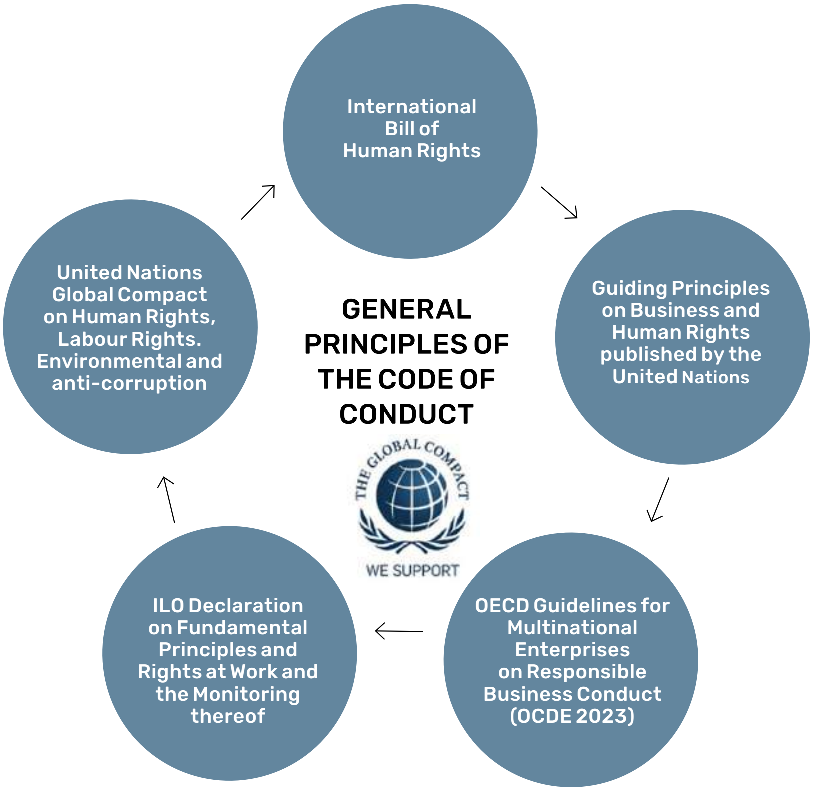
Code of Conduct

The Board of Directors of CAF keeps the CAF Group's Code of Conduct updated (the initial version of which dates from 27 July 2011), which establishes at all times the commitments and standards of good practice in force in terms of business ethics.

In this way, the Code of Conduct reflects a statement of compliance at the highest level and a guarantee of leadership and commitment to ethics, sustainability and good governance of the CAF Group, and is the cornerstone that serves as the basis for internal policies and operating standards. [2-23] [G1-1_01]



The General Principles of the CAF Group Code of Conduct are imperative rules of conduct and ethical standards that are founded in the scrupulous respect for laws, Human Rights, public freedoms and Fundamental Rights, the principles of equal treatment and non-discrimination, protection against child labour and any other principles contained as a minimum, in the following instruments and their corresponding and future implementing regulations:



Furthermore, the General Principles of the Code of Conduct are the minimum basis that must govern any conduct or business actions of CAF and its value chain in general, and will therefore be mandatory for both Members of the CAF Group[2] and Business Partners[3] in accordance with the particularity of each type and in accordance with the levels set out in the relevant standards and best practice guidelines.

2 Employees, shareholders, directors or members of a governing body of any CAF Group entity.
3 Third parties in the value chain with whom the CAF Group has established some type of business relationship and especially project partners, agents, suppliers and clients.

In accordance with the General Principles of the Code of Conduct, a number of behavioural criteria have been defined which help to make ethical requirements more specific and facilitate the understanding and application of the established ethical standards. [2-24]

	BEHAVIOURAL CRITERIA
General Aspects	• Business ethics • Due Diligence Approach • Respect for Human Rights • Limitations arising from International Sanctions
Crime Prevention, Anti-Corruption and Conflict of Interests	• Crime Prevention • Anti-corruption and prevention of bribery, policy regarding gifts, favours, donations and sponsorships • Conflict of interests
Competition and promotional activity	• Antitrust Law • Prevention of Unfair Competition • Advertising
Market abuse and insider information	
Personal data protection and privacy	• Confidentiality and privacy • Special personal data protection
Protection of company assets	• Cybersecurity • Responsible use of technology and artificial intelligence • Protection of intangible assets
Tax liability	
Respect and protection of people	• Occupational Health & Safety • Equal opportunities and work-life balance • Training and information • Equality • Moral integrity
Solvency and professionalism of the CAF Group	• Quality and excellence • Reputation and prestige • Honesty and integrity
Commitment to Sustainability	• Sustainable business model • Commitment to the environment • Commitment to the community
Transparency of information	

2024 Update

- Crime Prevention, Anti-Corruption and Fraud Policy
- Update of the Internal Regulations of Conduct in the Securities Markets

These General Principles, in turn, are developed through specific policies in each area, which complement the aforementioned behavioural criteria through more specific guidelines for action.

The CAF Group Code of Conduct is available on the corporate website (www.cafmobility.com) since its approval, in an easily identifiable section.

Due Diligence Approach

The CAF Group assumes a due diligence approach in accordance with applicable regulations, which determines a set of obligations and responsibilities in terms of identifying, measuring and controlling the impact of activities in relation to the prevention of actual or potential adverse effects. [2-23]

In this regard, we adopt a proactive approach to due diligence throughout our global value chain on an ongoing basis, which is why we establish the appropriate frameworks, procedures and processes to monitor and mitigate potential negative impact in terms of regulatory compliance. [G1-1_01]

Risk management

For us, compliance risks go far beyond mere compliance with the applicable legal and regulatory framework, extending the assumed ethical standards to all geographies in which we operate, even where local legal requirements may be less demanding, thus ensuring consistent global performance.

Consequently, Compliance risks also cover compliance with our commitments regarding Business Ethics, contained in the Code of Conduct and in the internal policies and standards that develop or complement it.

Based on the above, our approach to risk management is twofold: By projects and by processes.

COMPLIANCE RISK MANAGEMENT

BY PROJECTS	BY PROCESSES
↓	↓
DUE DILIGENCE MEASURES	PROCESS ANALYSIS
Human rights Third parties International Sanctions Competition analysis	1. Identification of potential crimes or infractions 2. Evaluation of presence in processes 3. Calculation of probability and inherent risk 4. Identification of controls 5. Evaluation of the strength of controls 6. Residual risk calculation

7.2.3 ETHICAL COMMITMENTS IN BUSINESS PROCESSES AND RELATIONSHIPS WITH THIRD PARTIES

The General Principles of the Code of Conduct and other standards that make up the Corporate Compliance System lay the foundations for the adoption of controls and procedures that are incorporated and executed directly in the business processes that make up the Corporate Management and Sustainability System. [2-23, 2-24]

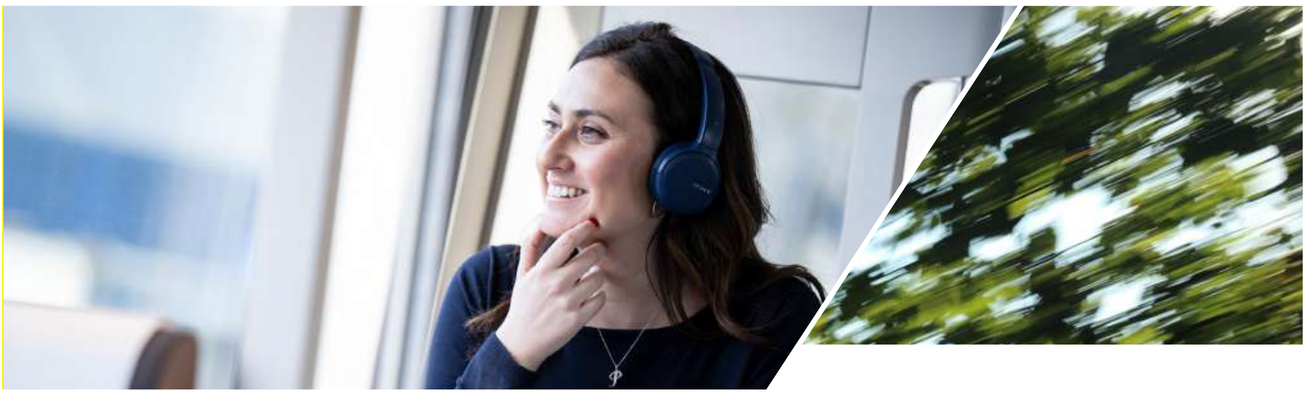
Internal coordination

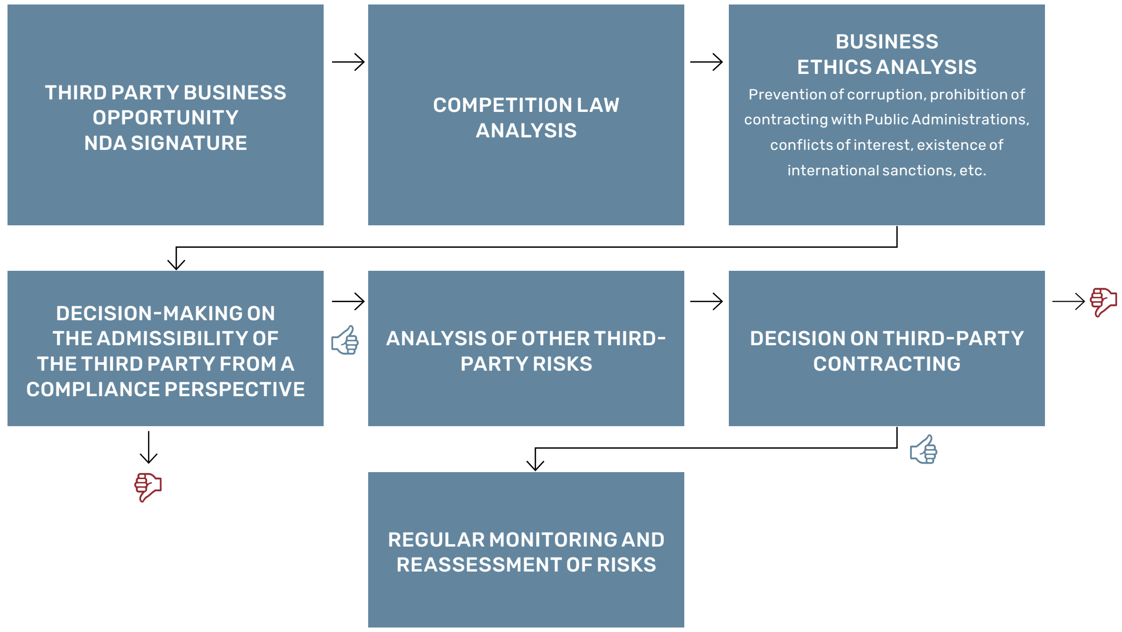
To ensure the harmonisation of the application of internal rules of conduct at a corporate level, the Corporate Compliance Department coordinates with the Compliance Delegates of the business units and with the corporate area of Responsible Purchasing for the proper interpretation of the controls and, where appropriate, for their adaptation to the processes of each of the activities, taking into account their special characteristics. Due diligence is also monitored on major projects. [G1-3_05]

Formalisation of relationships with third parties

The CAF Group's Due Diligence Manual for contracting with third parties formalises and standardises the due diligence measures that allow the verification of the degree of compliance with the General Principles of the Code of Conduct prior to establishing a contractual relationship with a third party.

The basic controls included in this Due Diligence procedure for contracting with third parties, with regard to project partners and agents, are carried out on an individual basis and are, in summary, the following:





For this assessment of project partners and agents, several international sources and databases are used to monitor and assess risks and in particular to check the existence of potential contingencies and the possible inclusion of said third parties in international sanctions lists. By 2024, artificial intelligence has been introduced in a controlled manner for data screening and improved analysis.

Compliance requirements for suppliers are defined in a similar way although adapted to the different categories, with a greater degree of automation in order to handle a high volume and according to the circumstances of the supply chain, using a specific tool for this purpose which is linked to the aforementioned international databases for consultations. Customer requirements are tailored to different customer circumstances.

Consequently, 100% of the Business Partners with whom we contract are previously assessed in accordance with the requirements described, as the CAF Group can only contract with third parties that obtain a favourable assessment as “suitable” at Compliance level.

7.2.4 DISSEMINATION, TRAINING AND CONSULTATIONS

Disclosure

The CAF Group's corporate internal communications app has a specific Compliance section that gives all CAF Group employees (more than 16,000) access, in a single common place, to the most relevant rules and working documents on Compliance, distinguishing between corporate and country-specific, and can be accessed from any device at any time.

Additionally, Company Bylaws and Regulations of the General Shareholders' Meeting, Board of Directors and Committees and the Policies and other Corporate Governance, Ethics and Compliance Rules, as well as other relevant information about the Company, are also available to the general public on the corporate website itself in an updated and permanent manner in accordance with the applicable regulations. [2-23, 2-24] [G1-3_05]

Compliance documents are systematically translated into the languages used at corporate level, which are Spanish, Basque and English, and sometimes into other languages of countries in which the CAF Group operates, including: Polish, French, Brazilian Portuguese, Swedish, Italian or German.

Training

Training is one of the fundamental pillars to ensure knowledge and compliance with the requirements of the Corporate Compliance System by all professionals of the Group companies. [205-2]

This training, provided by Compliance, includes global training initiatives on topics of a general nature and applicable to the majority of the workforce, and additionally develops specific training plans aimed at certain groups of professionals for whom specific Compliance needs have been identified. [412-2]

Thus, in 2024, the permanent actions aimed at raising awareness and disseminating the different Compliance regulations have continued and two new training modules have been configured relating to i) Code of Conduct and Corporate Compliance System, and ii) Internal Reporting System, incorporating measures to become more dynamic and assess the knowledge of those trained, for its launch in 2025. Both training courses will be compulsory for all eligible CAF Group personnel. As a result of these developments, existing training in relation to crime prevention has been updated. [2-24, 205-2] [G1-1_10, G1-3_06]

The main figures in this area are shown below:

TRAINING

E-LEARNING

- Code of Conduct and Corporate Compliance System
- Crime Prevention (previously Code of Conduct included)
- Internal Reporting System
- Personal Data Protection

Compulsory courses included in the Reception Plan

- Antitrust
- Due Diligence

Courses aimed at teams dedicated to bid and project management

IN PERSON

- Corporate Compliance System
- Specific sessions (market abuse or others)

At the end of the year, although the dissemination of the Code of Conduct and the Crime Prevention Manual has been generalised to all employees, the corresponding training has been launched in accordance with plans adjusted to the needs of the different recipients within the Group. In 2024, 90% of the people included in the training plan in this subject have completed it. Since the start of the plan, more than 8,500 people have been trained (of which, 934 in 2024 and 1.045 in 2023). General anti-corruption training is included in this training plan, notwithstanding the forthcoming specific training programme which will be mentioned in the corresponding section of this report. [G1-3_06, G1-3_07]

Regarding personal data protection, in 2024, 80% of the people included in the corresponding plan have completed the training and more than 4,500 people have been trained (1,292 in 2024 and 323 in 2023).

Likewise, a training system is maintained, including the aforementioned programmes in the welcome plans for new employees. Training materials are constantly revised and updated.

Likewise, 76% of people have completed the internal training plan on Due Diligence for contracting with Third Parties and Due Diligence in matters of Human Rights, which is equivalent to more than 800 people trained in these matters as of the date of this Report (of which, 505 in 2024 and 95 in 2023).

As of the date of this document, 90% of the people included in the Competence training plan have completed it. Since the programme began, over 1,200 people have been trained (232 in 2024, and 72 in 2023).

Likewise, the Corporate Compliance Department and Delegates provide with general presentations on the Corporate Compliance System, and on specific areas to the Business Executive Committees and key employees of the organisation. [G1-1_10, G1-3_06, G1-3_08]

In addition, 100% of the CAF Group's project partners, in all the regions where it operates, are informed of the existence and mandatory compliance with the General Principles of the CAF Code of Conduct.

Consultations

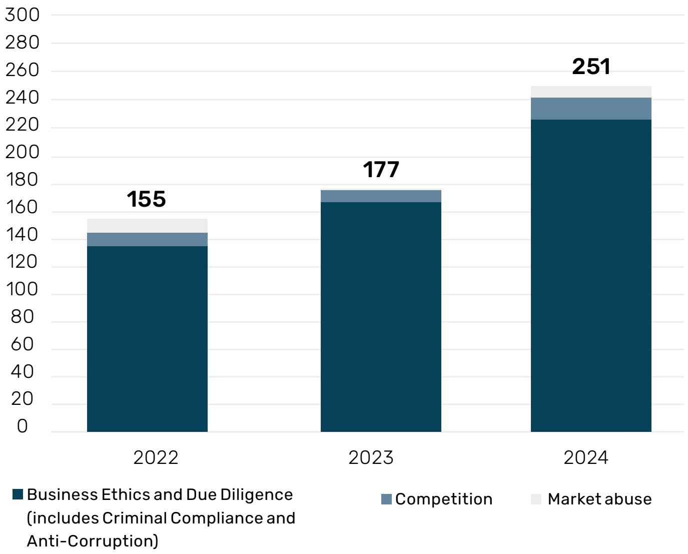
All CAF Group professionals are obliged to attend the training sessions on ethics and compliance when these are convened and the possibility and duty of diligence, where appropriate, to communicate or pass on to the Compliance Function any queries, doubts and concerns that may arise in relation to the content of the Code of Conduct, as well as its internal regulations for its development and practical implementation. The Compliance Function keeps open, discloses and manages the appropriate channels for this purpose.

This consultation formula is the ordinary and most agile mechanism for obtaining answers to any doubts or questions that may arise in this area. However, the Internal Reporting System must be used if an infringement or irregularity is to be reported, applying the corresponding whistleblower protection guarantees, in accordance with its specific applicable regulations and as indicated in the following section.

A Compliance Help Desk was launched in 2024 as a comprehensive guide for the entire workforce to locate the Compliance representative according to the issue, sector, or country associated with their inquiries. [2-26]

As a result of the foregoing, the CAF Group's compliance culture has been evolving favourably, obtaining very significant support as demonstrated, among others, by the figures for annual queries received internally:

EVOLUTION OF THE NUMBER OF CONSULTATIONS HANDLED BY THE CORPORATE COMPLIANCE DEPARTMENT



7.2.5 INTERNAL REPORTING SYSTEM (WHISTLEBLOWING CHANNELS)

The Internal Reporting System Policy and the Corporate Procedure for Managing the Internal Reporting System approved by the Board of Directors of CAF, after consultation with the legal representatives of the workers, establish the basic rules for the management and operation of the Internal Reporting System that integrates all whistleblowing channels into a single computer tool. Both the Policy and the Procedure comply with the different international and national regulatory requirements for the protection of whistleblowers and the fight against corruption and remain publicly accessible on the corporate website. [2-25, 2-26] [G1-1_02, G1-1_05]

The main characteristics of said Internal Reporting System are summarised below: [G1-1_08]

The **CAF Group's Internal Reporting System** is managed by means of an IT tool, as the preferred channel for reporting actions or omissions constituting a criminal, serious or very serious administrative or criminal offence, as well as breaches related to the Code of Conduct or any other rule of the CAF Group's Internal Regulatory System.

Who can report?	How?	When?
Anyone can make a communication. In addition, the CAF Group's internal regulations provide special protection for certain whistleblowers in accordance with the applicable legislation in each case.	By accessing the corporate webpage https://caf.integrityline.com/, which is a channel where anyone can send **spoken** or **written** messages **anonymously** or with **identification**, indicating the recipient or identified Group entity.	When there is knowledge of one of the aforementioned infractions, or reasonable grounds and indications to think so, even when there is no conclusive evidence.

Who manages the information?

- Responsible for the Internal Reporting System.
- Responsible for the Information Channels.
- Case managers.

They will have the appropriate competence, integrity, authority and independence to perform their duties.

The Internal Reporting System is permanently active and configured for all subsidiaries of the CAF Group with 50 or more employees or others required by local legal requirements, having followed in each case the corresponding procedures for its approval and implementation.

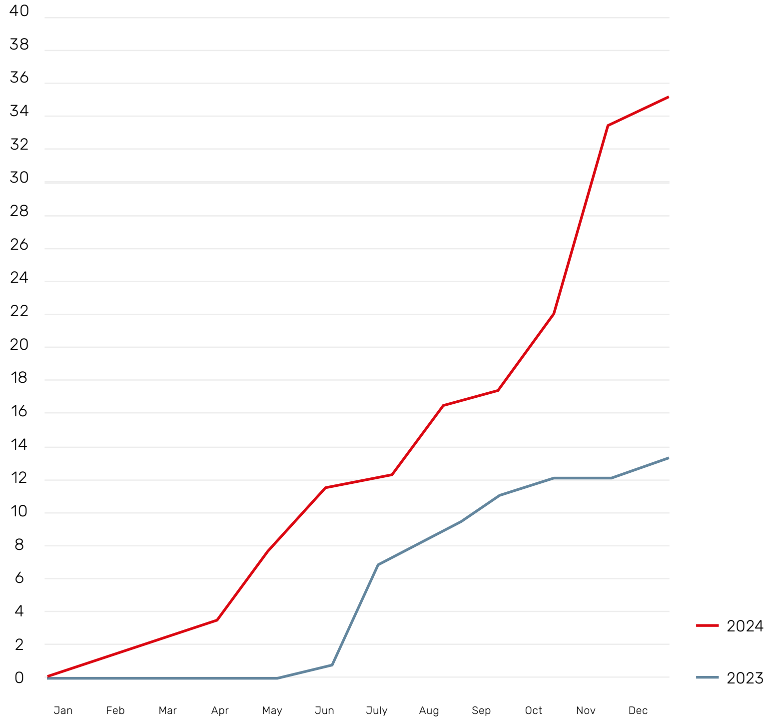
The Head of the Internal Reporting System Manager is a collegiate body appointed by the Board of Directors of the parent company, which has delegated to one of its members the powers of management and processing of investigation files. This System Delegate is a manager of the organisation who exercises their role independently of the administrative and governing body of the organisation, who does not receive instructions of any kind in the performance of his or her duties and who has all the personal and material means necessary to carry them out. Likewise, the Managers of each specific channel have the appropriate competence, integrity, authority and independence, as well as the necessary resources to perform their functions. [G1-1_08, G1-3_02]

They have all received the necessary training to manage the cases and share common models of procedure and documentation to ensure homogeneous processing.

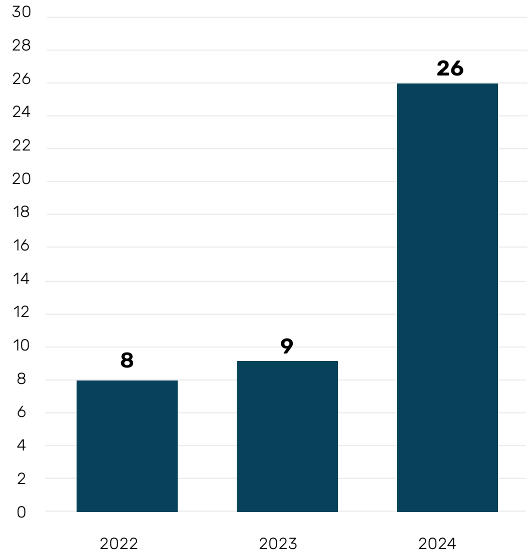
All CAF Group employees were informed of the implementation of the Internal Reporting System and informative documentation on the operation of the whistleblowing channels, the protective measures for whistleblowers and the recipients of the reports from each channel is accessible on the corporate website. In addition, a new specific training module on the Internal Reporting System is scheduled to be launched next year. [G1-1_05, S1-3_01, S1-3_02, S1-3_05, S1-3_06, S1-3_07, S1-3_08, S1-3_09, S1-3_10, S2-3_02, S2-3_03, S2-3_04, S2-3_05, S3-3_15]

During 2024, the different whistleblowing channels were monitored continuously and their proper functioning was periodically checked, with 32 complaints being registered, which gave rise to 19 cases in the Internal Reporting System. Three internal investigations have also been initiated ex officio. The breakdown and trends in complaints and internal investigations carried out in the CAF Group in the last three years are shown below: [S1-17_07, S3-3_11, S3-3_12, S3-3_13, S3-3_14]

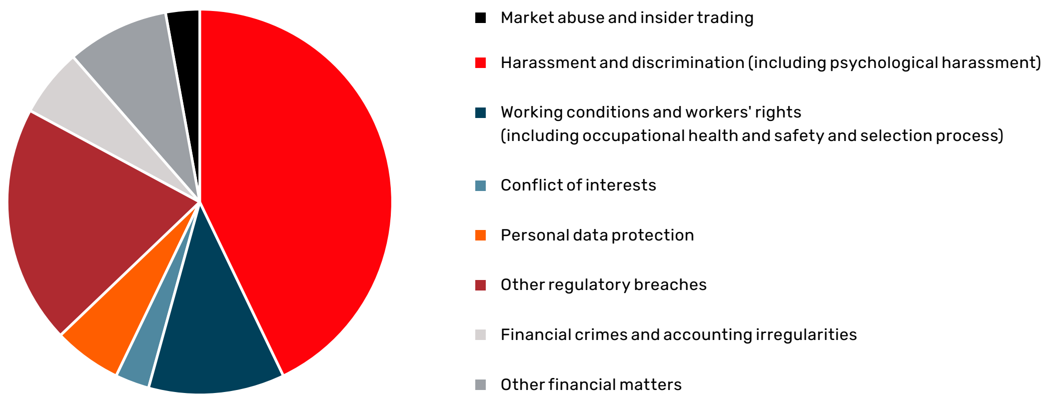
TRENDS IN THE TOTAL NUMBER OF WHISTLEBLOWING CASES AND INTERNAL INVESTIGATIONS



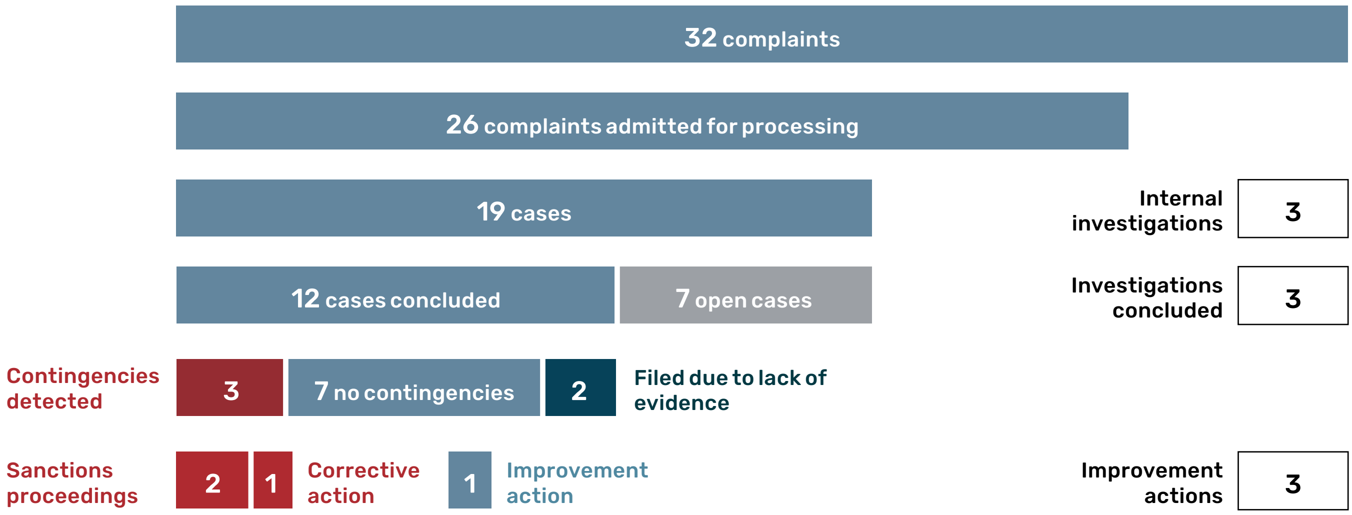
ANNUAL TREND IN THE NUMBER OF ACCEPTED COMPLAINTS IN PROCESS



COMPLAINTS RECEIVED BY THE IRS AND INTERNAL INVESTIGATIONS BY TYPE IN 2024



Following the conducted inquiries, by the close of 2024, enhancements were implemented in certain internal procedures, while in other instances, appropriate disciplinary actions were initiated.



The cases that remained open at the end of 2024 are still being processed within the procedural deadline set for them and, although they have not been concluded within the reporting period, as of the date of this report they are at a very advanced stage of processing and no contingencies are foreseen in any of them. [S1-17_03]

Further details on the categories monitored in relation to Human Rights in this regard are provided in section 7.2.7. In any case, we confirm that no complaints were received for this reason in the reported year.

7.2.6 COMPLIANCE WITH LAWS AND REGULATIONS

It should be noted that in 2024 no fines or sanctions have been received for significant breaches of laws, regulations or commitments. [2-27]

With regard to the management during 2024 of significant contingencies from previous years as described in note 25 of the consolidated financial statements, the following should be noted:

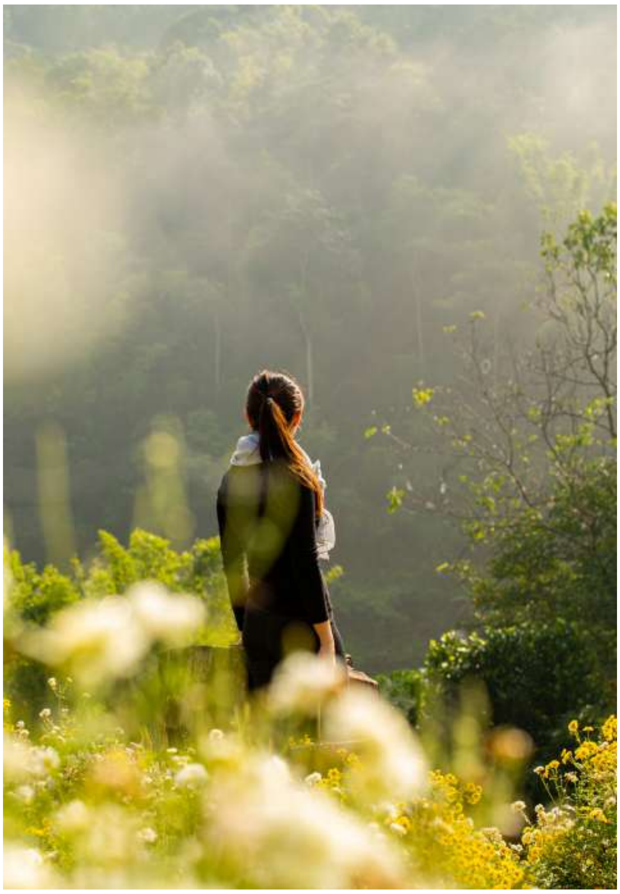
CAF Brasil is part of a consortium in Brazil, the purpose of which is the performance of a construction contract for a new tramway and the supply of rolling stock for the tramway. CAF's scope in the consortium basically entails the supply of the rolling stock and the signalling.

Various administrative and court proceedings have been initiated in relation to this project, in which, among other issues, the potential termination of the contract, alleged irregular practices, the imposition of payments for damages, fines and penalties or the potential breach of contract by both the consortium and the customer are under analysis, mainly in relation to civil engineering work. The CAF Group's subsidiary in Brazil is a defendant in these proceedings. In one of these proceedings, the competent judge granted an interim injunction against the subsidiary in Brazil in the form of a prohibition to dispose of real estate and vehicles as security for possible liabilities that may result from an eventual court ruling against the subsidiary. The subsidiary is continuing to defend its interests in these proceedings.

Additionally, in another administrative procedure initiated by the Authorities of the State of Mato Grosso in relation to said project, in the second half of 2021 the administrative body sanctioned the Consortium and its members with a fine amounting to 96,170,604.55 Brazilian reais (the subsidiary company participates in the Consortium with 36.8%) and the prohibition of contracting with public entities for five years in the State of Mato Grosso and for two years in Brazil. The Consortium and the subsidiary have appealed this administrative sanction, and have obtained from the judicial authorities a precautionary suspension of the effectiveness of the fine imposed and of the prohibition on arranging public contracts in Brazil. Also in relation to this project, the subsidiary continues to challenge in court the termination of the contract requested by the State of Mato Grosso and the consequences arising from this decision, in relation to which the competent courts ordered the precautionary suspension of the effectiveness of the fine imposed as a result of the termination. In relation to the above, the ongoing proceedings against the State of Mato Grosso and the fines and penalties imposed on the Consortium have been suspended, under an agreement of July 2024. This agreement also provides for the definitive annulment of these procedures, fines and penalties, once certain established conditions are met. Likewise, the subsidiary continues to monitor the potential involvement of any employee of the subsidiary in alleged corrupt practices.

Meanwhile, in a lawsuit into the validity of a contractual extension to supply several additional units, CAF and its subsidiary in Brazil, together with other railway material manufacturing companies, were ordered in the first instance to pay a fine of BRL 10,000,000 (plus its update) each, and have been banned from taking part in public tenders in Brazil and from claiming tax incentives or borrowing relief for five years. Both CAF and its subsidiary in Brazil filed a judicial appeal against said decision. In June 2024, a judgment was issued in favour of CAF and its subsidiary in Brazil, annulling the previous resolution and said annulling judgment has become final. [2-27]

Finally, contingency management during financial year 2024 in the field of Competition Law is included later in its specific section.



7.2.7 RESPECT FOR HUMAN RIGHTS AND INTERNATIONAL SANCTIONS

Commitments regarding Human Rights

Through the Human Rights Due Diligence Policy, the Board of Directors of CAF remains committed to fostering a culture of ethics and compliance at the highest level, assuming in greater detail our responsibility to respect Human Rights in the scope of our operations and value chain, and specifying the means available to effectively carry out management focused on Due Diligence and accountability for the effectiveness of this process. All of this in accordance with the General Principles of the Code of Conduct and based at least on the following instruments and their corresponding present and future developments: [2-23] [S1-1_03, S2-1_01, S3-1_07]

- International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights),
- Guiding Principles on Business and Human Rights published by the United Nations,
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD 2023),
- Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the Monitoring thereof, and
- the United Nations Global Compact on Human Rights, labour rights, the environment and anti-corruption, to which CAF is a signatory. [S3-1_06, S4-1_06]

On the basis of the above, and in view of the need to adapt due diligence to specific commitments linked to our activity, some general and specific Human Rights commitments included in this Policy are listed below: [S3-3_10]

GENERAL COMMITMENTS REGARDING HUMAN RIGHTS

1. Child protection
2. Non-discrimination principle
3. Respect for labour rights
4. Respect for the rights of people with disabilities
5. Respect for the rights of minorities and indigenous people
6. Respect for gender equality
7. Principle of racial non-discrimination
8. Prohibition of torture and inhuman treatment
9. Prohibition of human trafficking
10. Environmental responsibility
11. Compliance with regional Human Rights standards
12. Compliance with applicable regulations in each jurisdiction
13. Privacy management compliance and the management of new technologies and artificial intelligence with respect for human rights

COMMITMENTS IN THE CAF GROUP'S RECURRING BUSINESS AND ACROSS THE VALUE CHAIN

1. Rejection of forced or compulsory labour and child labour
2. Respect for diversity and principle of non-discrimination
3. Promotion of gender equality
4. Freedom of association and collective bargaining
5. Health, safety and well-being
6. Fair and favourable working conditions
7. Rejection of corrupt practices
8. Responsible taxation
9. Privacy and personal data protection
10. New Technologies and Artificial Intelligence
11. Extension of Human Rights commitments to Business Partners

ADDITIONAL COMMITMENTS TO COMMUNITIES AND SOCIETY AND IN MATTERS OF THE ENVIRONMENT

1. Respect for the rights of communities
2. Respect for the rights of minorities and indigenous peoples
3. Prohibition of racial discrimination
4. Prohibition of torture and genocide
5. Prohibition of human trafficking
6. Respect for the Human Right to a clean, healthy and sustainable environment
7. Respect for regional standards and local norms on respect for human rights

The CAF Group is aware that its activities may have a direct or indirect influence on the communities and geographies in which it operates. The Group is therefore committed to respecting the rights of these local communities, contributing to their economic and social growth. There is a strong connection between personal conditions, economic and social development, and the general well-being of the community. In this regard, the Group undertakes to carry out actions both through the provision of services itself and through new business activities or, in certain cases, through the promotion of economic, social or cultural development through non-business channels in the communities where it operates, in order to advance social inclusion. In particular, the CAF Group is committed to ensuring that its systems, equipment, mobility solutions, products, and services are designed to be accessible to all stakeholders, ensuring that the safety and physical wellbeing of its customers and end users are never at risk, to the extent reasonably foreseeable. [407-1] [S3.SBM-3_01, S3.SBM-3_05, S3.SBM-3_07, S3-1_01, S3-1_02, S3-1_04, S4-1_02, S4-1_03, S4-1_04]

In connection with the above, the CAF Group respects the rights of minority and indigenous groups in accordance with the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities and the United Nations Declaration on the Rights of Indigenous Peoples beyond what is required by local legislation, thus complying with international standards. Similarly, the Group protects cultural, historical and religious heritage sites, avoiding participating in their damage or destruction and in interference with free access to them by local or indigenous groups. The access of local and indigenous communities to their livelihoods is also taken into consideration. The CAF Group, when developing its projects and within its framework of action, is committed to involving all relevant stakeholders as much as possible, including indigenous and tribal communities, in order to promote active community participation during the projects. [411-1] [S3-1_03, S3-1_04]

These commitments serve as a basis for the identification of risks and the configuration of the necessary procedures and controls in the area of Human Rights.

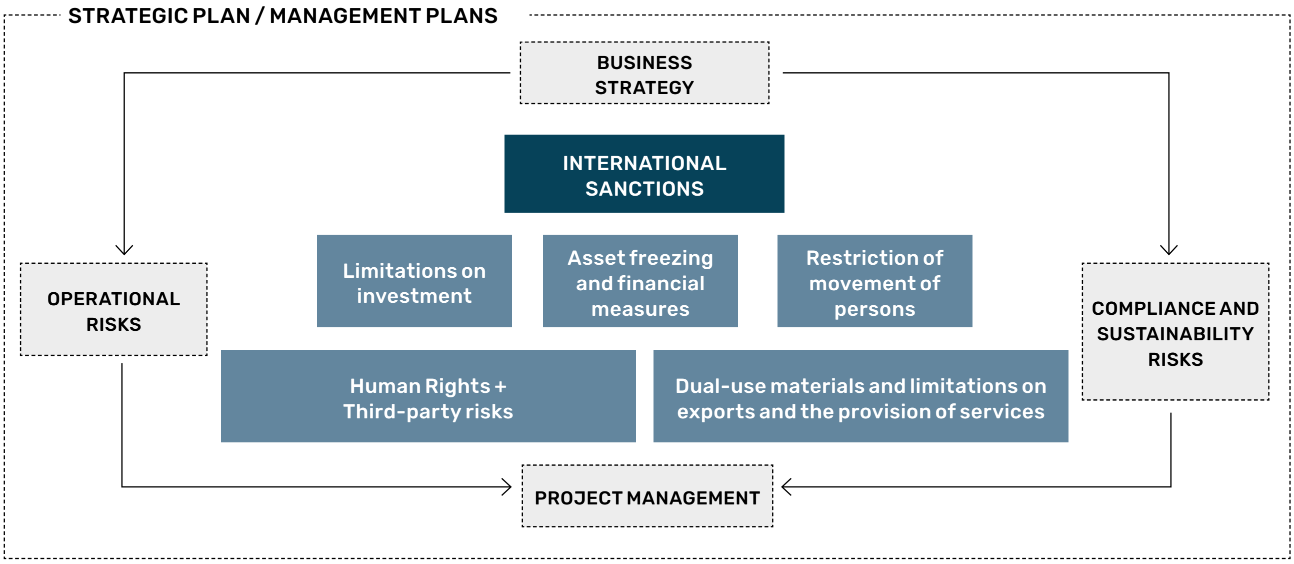
Accordingly, CAF has for many years had a specific Human Rights Due Diligence Procedure in place, in line with the requirements of the United Nations Guiding Principles on Business and Human Rights and the OECD

Guidelines for Multinational Enterprises, approved and developed by the Compliance Function, as detailed below. [412-1] [S2-1_09, S2-3_01]

Limitations arising from International Sanctions

At CAF we are committed to developing our activities and relationships with Business Partners and, in general, other Stakeholders, respecting, in any case, the limits imposed by the sanctions and/or restrictions of the European Union and other international reference bodies in relation to different products, markets, jurisdictions, groups, companies, public administrations or individuals. The CAF Group's activities must therefore comply with not violating international or EU limits, sanctions or restrictions that may apply. [2-25] [S2-1_05]

In this context, the Compliance Function is responsible for maintaining the Due Diligence Manual on International Sanctions updated, which develops the General Principles of the Code of Conduct in order to identify the basic areas of due diligence that must be managed in the different activities carried out by the CAF Group and to establish a basic minimum procedure to ensure strict compliance with the limitations imposed on certain activities through international sanctions, especially in the case of compliance with Human Rights or limitations on international exports, without prejudice to the other areas specified in the aforementioned Manual and other applicable regulations:



Due diligence and general risk management in matters of Human Rights and International Sanctions in operations

The CAF Group's Human Rights and International Sanctions Due Diligence procedure is an example of our priorities and ethical approach in the way we do business. [2-23] [S2-1_02, GOV-4_01]

As part of our due diligence efforts, CAF focuses on identifying and evaluating Human Rights-related risks right from the start of a business opportunity, before any initial proposals, in accordance with the commitments outlined in our Human Rights Due Diligence Policy, including the potential for noncompliance with current International Sanctions. The joint application of both analyses ensures greater efficiency and proper management of the different risks. [S2-1_03, S2-1_04, GOV-4_01]

A key element of the risk assessment approach in this area is that the interests of the affected parties are prioritised, namely the Human Rights holders, instead of focusing exclusively on the company's interests, in accordance with the requirements of Directive 2024/1760 on corporate due diligence (also referred to as CS3D or CSDDD) with regard to the detection, assessment and management of actual and potential adverse effects.

For their part, the risks of International Sanctions may sometimes be linked to Human Rights, but sometimes not, in accordance with the scheme of the previous section, and the analysis must be adapted to the specific circumstances of the case.

To this end, it is essential to update the country risk list annually for Compliance purposes, taking into account human rights assessment factors and other relevant factors such as the existence of conflict in the country, the number of fundamental ILO conventions ratified or the corruption perception index, among others.

The impacts derived from said risks could result in sanctions related to the violation of Human Rights and/or International Sanctions in addition to specific sector regulations and reputational impact. Regulatory breaches are reflected in the short term, but the reputational impact has an impact in the medium term due to its more progressive materialisation.

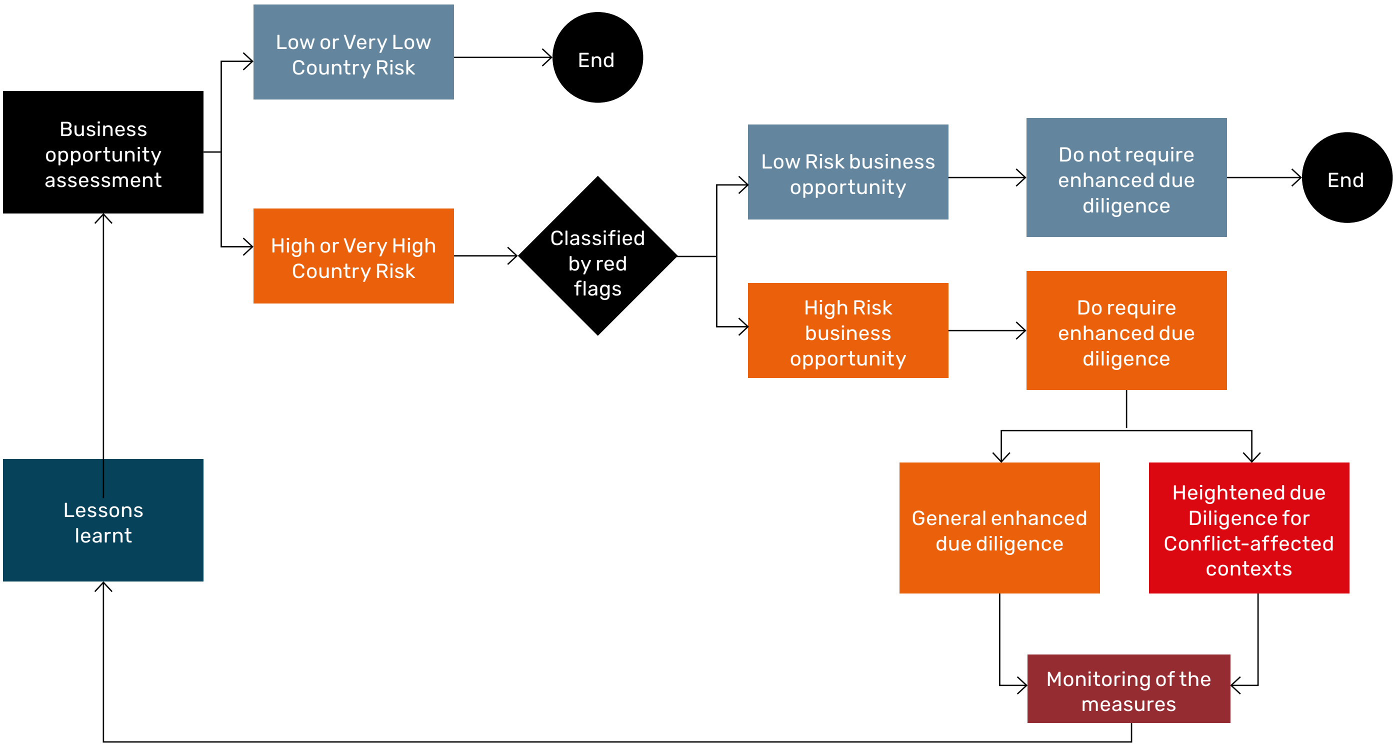
During the 2024 financial year, CAF carried out a robust update and development of its risk management system, which applies to all ongoing Projects and at the corporate level (i.e. for all CAF Group entities).

In particular, the capture of data and the generation of risk matrices and control inventory within CAF's internal Human Rights Due Diligence procedure have been improved, linking them with the categories extracted from the main international instruments on Human Rights and Fundamental Freedoms and other complementary regulations of good practices [412-1] [S2-1_01], such as the recent Heightened Human Rights Due Diligence Guide for companies in conflict-affected contexts published by the United Nations Development Programme (UNDP). The improvement of this system already takes into consideration the prevalence of severity over probability as indicated in section 45 of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 (supplementing the CSRD Directive), given that the impact assessment remains very high by default, regardless of probability.

At the same time, the need has been observed to adapt the study to the specific circumstances of each project, taking into account the particularities presented by certain business units of the Group. This adjustment has resulted in an instructional resource that has been made accessible to these business units, aiming to clarify the relevant activities according to each business's classification and to implement stricter Due Diligence in response to any raised red flags.

In accordance with the updated risk management system, business opportunities are prioritised based on the level of potential risk and those that require the application of enhanced due diligence are subject to a comprehensive questionnaire of 39 key questions that allows for the analysis of each of the relevant areas to be considered: i. Military use, ii. Execution Risk, iii. Geopolitical context, iv. Conflict Minerals, v. Expropriations and land use, vi. Local content and suppliers, vii. Local procurement, viii. Discrimination against minorities, ix. Free movement of persons, x. Indigenous communities, xi. Environment, xii. Potential international sanctions, xiii. Type of conflict.

As a result of the foregoing, this analysis is run in all our operations, prioritising according to country risk level and considering factors such as, yet not limited to, geographical location, specific project circumstances and business activities to be carried out by the CAF Group and its Business Partners, following the scheme described below:



Thus, in an initial phase, it is analysed whether the country, region or city in which the potential project is located, or its characteristics, have a level of risk that a priori requires the adoption of special measures regarding potential associated impacts.

In a second phase, a classification is carried out based on the characteristics of the activity and the specific business opportunity to determine whether enhanced due diligence is appropriate.

The third phase consists of a specific study of the particular circumstances of the case to evaluate the potential risks and impacts and, if appropriate, the preventive management measures to be adopted if the project is classified as admissible. There are certain standardised actions depending on the identified risk. In other cases, the appropriate course of action is analysed on a case-by-case basis based on the specific circumstances of the project. [S3-4_05, S3-4_06]

Enhanced due diligence specialties are also applied for armed conflict zones or similar situations where appropriate.

Due to the sector of our activity, projects involving the construction of infrastructure and civil works are particularly relevant as there is a higher risk of causing incidents to the groups affected by CAF's direct operations or through its value chain in high-risk countries. If it is a conflict zone, the analysis is adjusted to the particular context. [S3-4_06]

Related to the above, the Double Materiality Assessment identified the hypothetical displacement of local communities during construction activities as a potential material impact. More information in section "9.6. Impacts, Risks and Opportunities identified in the Double Materiality Assessment". [S3.SBM-3_06]

In this sense, enhanced due diligence seeks to identify the potential impacts of our activities on the aforementioned groups, which in the case of CAF are those who live or work in CAF's operating sites, factories, facilities or other physical operations, with special focus on the following aspects: [S3.SBM-3_01, S3.SBM-3_02, S3.SBM-3_03, S3-2_01]

- Whether or not expropriations of private property are or have been necessary prior to the execution of the project.
- If any modification of land use is foreseeable before or during the project.
- If there are indigenous communities that could be directly or indirectly affected by the execution of the project.
- Whether the project could potentially influence the unrestricted movement of people or pose challenges for a specific group, whether directly or indirectly. In this regard, the following categories are taken into consideration:
  - Affordability: the price factor could indirectly exclude some groups, as could the available payment methods.
  - Accessibility: for people with disabilities, minors, depending on the language or nationality, etc.
  - Adequacy and adaptation: if it does not cover the needs of a particular sector of the population; if it does not reach a specific area with a social problem, if it is not suitable in other terms (cultural, etc.).
- If during the execution of the project alterations and/or modifications to the normal functioning of a specific area may be caused, such as building works, noise, waste, as well as traffic diversions or access difficulties and even the need to displace the population.
- If it is foreseeable that a significant volume of waste will be generated on-site that is potentially hazardous or requires specialised attention.
- If it may be necessary to build a well or water pipeline.
- If, as a result of the execution of the project, any environmental modification could occur in the affected area (felling of trees, modification of a watercourse, etc.).

In the case of a conflict zone, the consequences of CAF's business activities are analysed, assessing:

- If there is a real or potential negative impact on human rights or the conflict related to the activities (actions or omissions), products or services of the company in any of the States involved in the conflict.
- If so, whether the company's activities in any of the States involved in the conflict increase the risk of that impact.
- Whether the activities of the company in any of the States involved in the conflict would be sufficient in themselves to generate that impact.

In any case, this analysis places priority on respect for the rules of International Humanitarian Law and internationally agreed Human Rights, and considers both the potential widespread impacts linked to the nature of the activity, as well as hypothetical individual or specific incidents. [S3.SBM-3_04]

Finally, positive impacts on specific relevant projects are taken into account. [S3.SBM-3_05]

Due diligence analyses are taken into consideration by the different internal bodies that make business decisions in each of the corresponding areas, and the Compliance Function establishes the system for tracking measures in those projects that finally materialise for the supervision of those considered relevant. [S3-4_04, S4-4_12]

In application of the above, in the aforementioned initial phase, 100% of the CAF Group's projects and offers are analysed from the perspective of Human Rights.

	2024	2023	2022	TARGET
Projects analysed from the perspective of Human Rights (in %)	100	100	100	100

Meanwhile, and as a result of the second and third phases of the aforementioned analysis, the number of operations subject to enhanced Human Rights Due Diligence assessments in 2024 rose to 30 [S2-1_02, S1-17_08, S3-3_11].

Monitoring of relevant projects

During 2024, ongoing projects awarded in previous years which were subject to general enhanced or heightened due diligence were monitored. [S1-1_06]

The Jerusalem Light Rail project stands out because it is a comprehensive project that is partially located in territories subject to political controversy, which is also subject to heightened due diligence for areas of armed conflict or similar situations and for which the impact of hypothetical international sanctions and human rights risk management are taken into account, as described in the previous subsection [S3-3_12, S4-1_02].

With regard to the legislation surrounding the conflict, the CAF Group has closely followed the resolutions and pronouncements of different international organisations on the matter, comparing them at all times with external expert advisors in the field.

No complaints have been received directly from affected communities, nor have significant reputational risks or opportunities related to these communities been identified [S3-4_09]. However, the CAF Group's Reputational Risk Committee, which is responsible for analysing, on an ongoing basis, the different impacts that may arise from the different aspects of reputational risk, in particular, those of Communication, Risk or Compliance, has been tracking the potential reputational risk arising from the Project, and to date no quantifiable damage has been identified as a result. [S3-4_08]

Regarding Human Rights risks, the CAF Group has carried out several re-evaluations for this project, the most recent being in 2024.

The stakeholders considered in the risk analysis are mainly the workers and the local civilian population, taking into account various aspects of the population and groups of transport users. [S3.SBM-3_01, S3.SBM-3_07]

The most noteworthy risks, potential impacts and adoption of control measures [S3-4_01] of the project according to the aforementioned updated risk management system, both generalised by the nature of the activity and specific to the project [S3.SBM-3_04], are as follows:

- **Geopolitical context and evolution of the conflict:** these risks have become more relevant in light of the worsening of the conflict and have required the establishment of specific action plans, with more frequent monitoring than usual. CAF has analysed in detail the consequences of CAF's business activities in this context. The conclusions of the aforementioned analysis confirm the absence of adverse impacts linked to CAF's activities.
- **Discrimination against minorities:** It has been verified that the necessary measures continue to be implemented to avoid any direct or indirect discrimination against the population concerned. To this end, the existence of elements to prevent discrimination on ethnic, nationality, religious or other grounds has been confirmed, verifying that the transport system is accessible to any person, that signs and signals are kept multilingual (including Arabic and Hebrew), that the passenger service office continues to function correctly (with representation of multiple cultural groups among its employees), as well as other similar verifications. [S3.SBM-3_08]
- **Free movement of persons**: This risk is closely linked to the correct functioning of the transport service in the absence of discrimination, considering factors such as affordability, accessibility and suitability and adaptation for passengers, in accordance with the provisions of the previous point.

In accordance with the ongoing monitoring of the Project's due diligence measures, no deficiencies in the design and/or operational effectiveness of the implemented control activities have been identified to date. [S3-4_04]

In light of these considerations, the views of various experts were taken into account in order to compare best practices and developments in the field.

The positive impacts of the project reported in previous years remain unchanged, despite the circumstances, given that the usual operation of the means of transport has been maintained, without access limitations, and the safeguards that prevent any discrimination, as will be indicated later, guaranteeing at all times the use of the tram for the entire population, without distinction between user groups.

In this regard, it is worth recalling the social impact analysis commissioned by CAF to an independent external expert, which found that the light rail is, rather, a catalyst for compliance with a series of interrelated Human Rights, such as facilitating access to places of worship, to essential public services such as educational and health centres and promoting the free movement of people. [S3.SBM-3_05, S4-1_03]

After the application of the established internal procedures, throughout financial year 2024, no violation of Human Rights derived from the CAF Group's participation in any project has been detected.

Human Rights Risk Management in the Workplace

In relation to the Human Rights aspect that concerns the labour sphere, the commitments are deployed through the corporate people management process, and in addition to all that is applicable in the preceding section on due diligence, through the Labour Relations Policy and the Guidelines that implement it, minimum requirements are established that ensure internal coherence in aspects such as labour regulation, collective bargaining and legal representation of workers, fundamental rights, equality and non-discrimination, employment contracts and social security. [407, 407-1]

Likewise, in December 2024, the Corporate Human Resources Department approved the People Policy, with the aim of establishing the basic principles for having the necessary people to ensure the deployment of CAF's strategy in a sustained manner, guaranteeing a safe, fair and inclusive work environment, promoting the well-being, development and commitment of people aligned with CAF's values and ensuring compliance with high ethical and labour standards.

To ensure compliance with the Group's general commitments, a labour compliance risk management procedure has been developed to cover issues such as human rights. The procedure also establishes a unified methodology for labour compliance risk management in the Group. This procedure considers the following risks: (i) violation in terms of hiring, (ii) violation in terms of working hours and their registration, (iii) violation in terms of social security or equivalent, (iv) violation in terms of termination of employment, (v) violation in terms of outsourcing, (vi) violation of the principle of equal treatment and/or discrimination at work; (vii) lack of freedom of association and collective bargaining in own facilities and/or third-party centres, (viii) child exploitation, (x) insufficient inclusion of people with disabilities, and (xi) others that are analysed on a case-by-case basis depending on the particularities of the project in question. [408, 408-1, 409, 409-1]

In this sense, we adopt the measures that we consider necessary to guarantee, both in our own operations and among our suppliers, compliance with the provisions of the fundamental conventions of the International Labour Organisation (ILO) related to:

- The ability of workers to exercise their rights to freedom of association and collective bargaining in all the countries in which they carry out their activities; [407]
- Avoidance of child labour, forced or compulsory labour, and the assignment of hazardous work to young people. [408-1, 409-1]
- Equality and non-discrimination in working conditions, prohibiting the adoption of decisions that may lead to direct or indirect discrimination of workers based on gender, origin, including racial or ethnic origin, marital status, social status, religion or convictions, political ideas, sexual orientation, union membership or not, family ties with people belonging to or related to the company, and language.
- Ensuring a safe and healthy working environment is one where risks are eliminated or where all reasonable and practicable practical measures are taken to reduce risks to an acceptable level and where prevention is integrated as part of the organisational culture.

Additionally, two specific protocols are defined: the Protocol of action in the event of sexual harassment or gender-based harassment and harassment based on sexual orientation, gender identity and/or gender expression and the Protocol of action for the prevention of Psychological Harassment at Work, incorporated in the Occupational Risk Prevention Management System. Both protocols reflect the management's declaration in these areas and aim to establish the necessary measures to prevent and avoid the aforementioned situations, as well as to establish the procedures for action in the event of a risk materialising.

Throughout the year 2024, there have been no cases of protected discrimination (whether based on gender, racial or ethnic origin, nationality or religion or beliefs, disability, age, sexual orientation or other relevant forms of discrimination), including harassment. Consequently, no fines, sanctions or compensation for damages have been imposed in this regard. [S1-17_01, S1-17_02, S1-17_05, S1-17_06, S1-17_11]

Nor has any case of human rights violations been processed among the workers employed directly or through business relationships by the Group, nor have any fines or sanctions been imposed for this reason. [S1-17_08]

Chapter 6, which deals with the workplace, covers issues related to non-discrimination and equal opportunities.

Stakeholder Consultations

The CAF Group regularly assesses which Stakeholders should be included in specific actions that could affect Human Rights, making an effort to understand the concerns of those who may be impacted, thus considering affected groups in general, indigenous communities in particular and especially vulnerable groups where appropriate [S3-2_06], consulting them directly in a way that takes into account language and other possible obstacles to effective participation. [2-23]

In cases where it is not possible to carry out this type of consultation, Group companies must consider reasonable alternatives, such as consulting independent experts, including Human Rights defenders and other people from civil society.

Within the framework of the relationship with stakeholders, all concerns and queries received from various groups, such as shareholders and investors, customers, NGOs and associations representing the civilian population, and public administrative bodies and authorities, have been addressed. In particular, in 2024, the Office of the United Nations High Commissioner for Human Rights (OHCHR) has invited CAF to voluntarily provide information on the Jerusalem project in relation to the database of companies that carry out activities that require special monitoring in terms of Human Rights. As at the date of this report, collaboration remain ongoing, currently in its initial stages, and there is no information available regarding the anticipated future actions. [S3-2_02, S3-2_03, S3-2_04, S3-2_05, S3-2_08, S3-3_11]

To date, contact has been maintained with communities affected by specific projects with a greater degree of impact on the civilian population due to their nature, taking into account the result of the interactions. In addition, the approval of a formal procedure is being considered within the current strategic cycle, which will systematize the process, identify internal governance and allow for the evaluation of effectiveness and the setting of goals for collaboration with the affected groups. [S2-1_08, S3-3_12, S3-5_01, S3-5_02, S3-5_03]

In 2024, the potential existence of indigenous communities was taken into account in the analysis of risks and impacts, but no project has materialised that has required the adoption of specific safeguard measures, in accordance with the Guidelines on Indigenous Peoples' Issues of the United Nations Development Group, with special relevance to their lands and territories, natural resources and the environment. [S3-2_07]

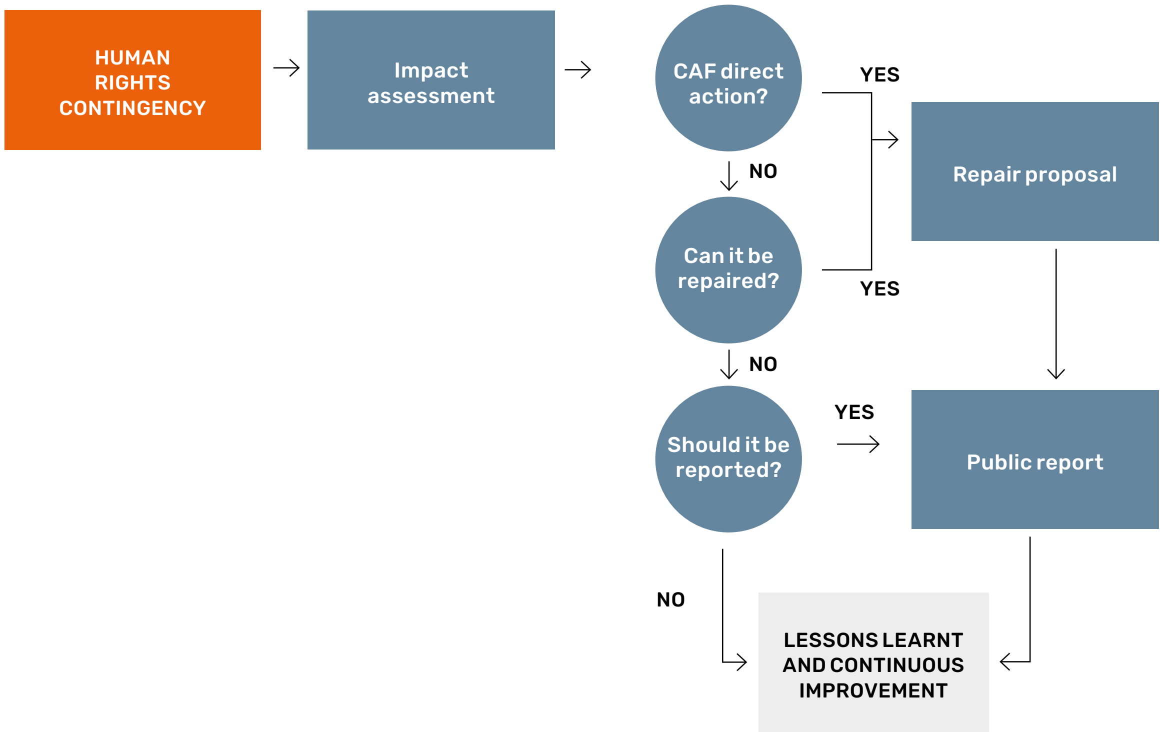
Nevertheless, we constantly disseminate and make available to potential stakeholders the information necessary to raise awareness of our Human Rights Due Diligence subsystem, as well as the different principles, guarantees and obligations that govern its application.

Remedial measures for potential impacts

At CAF we assume the provisions of the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises regarding measures to repair potential impacts on human rights expressly in the Human Rights Due Diligence Policy and Procedure.

Therefore, if at any point in a project a human rights impact materialises, appropriate actions will be analysed and taken to remedy the negative consequences on human rights that have been caused or contributed to by the direct actions of the CAF Group. Depending on the circumstances, it may be possible for CAF Group to play a role in the remediation process even if it has not caused or contributed to the negative consequences of our activity. [S3-1_05, S3-3_10, S3-4_07, S4-1_05]

The management of hypothetical contingencies would be carried out in accordance with the following scheme:



In accordance with the above, in 2024 no human rights impacts have materialised as a result of the CAF Group's participation in any project. Therefore, there has been no need to take remedial measures. [S1-17_09, S1-17_10, S3-4_02, S3-4_03, S3-4_10]

Handling of human rights complaints

The Internal Reporting System described in section 7.2.5 of this chapter already complies with the future requirements of the European Directive 2024/1760 on Corporate Due Diligence (also referred to as CS3D or CSDDD) in terms of having a publicly accessible reporting mechanism through CAF's corporate website to make complaints in the event of becoming aware of a possible violation of Human Rights with respect to the operations of any CAF Group entity or its Business Partners with regard to compliance with the General Principles of the Code of Conduct. [2-25] [S2-3_01, S3-3_11, S3-3_12]

During the 2024 financial year, no human rights complaints have been received through the Internal Reporting System, nor have any complaints been reported to the OECD National Contact Points for Multinational Enterprises related to CAF, nor have any internal investigations been processed for this reason. [S1-17_03, S1-17_04, S1-17_08]

The following table summarises the tracking and evolution of the complaints received and cases identified of human rights violations and, in particular, violations of the rights of indigenous peoples within the CAF Group during the last few years: [S1-17_12, S3-4_11, S4-4_11]

	2024	2023	2022	TARGET
Number of complaints received and internal investigations into human rights in the Internal Reporting System	0	0	0	0
Number of complaints submitted to an OECD National Contact Point	0	0	0	0
No. of cases of human rights violations	0	0	0	0
No. of incidents of violations involving rights of indigenous peoples	0	0	0	0

Compliance with the Modern Slavery Act 2015 (UK) and Modern Slavery Act 2018 (Australia)

For the purposes of the Modern Slavery Act 2015 (UK), CAF complies with the obligation to publish on the corporate website a report describing in detail the Slavery and Human Trafficking Policy, Slavery and Human Trafficking Due Diligence Processes in Business and Supply Chains and Slavery and Human Trafficking Training available to staff, together with the other content suggested by the Act and the Secretary of State's guidance.

In relation to the provisions of the Modern Slavery Act 2018 (Australia), the aforementioned declaration is used by CAF in its capacity as the parent company of the CAF Group that operates in Australia, although it covers all activities carried out by the different companies that make up the CAF Group in Australia and, consequently, has the nature of a Joint Declaration. And the latter, regardless of whether it is an entity that must report or does so voluntarily.

Compliance with the Transparency Act (Norway)

For the purposes of the provisions of Section 5 of the Transparency Act (Norway), the content of the information to be reported on human rights and decent working conditions is detailed in this section, as well as in section 2 of this report.

Human Rights due diligence procedures apply to all CAF Group entities without exception. However, the entities referred to in Section 2 of the Transparency Act will indicate this in their respective individual annual accounts.

7.2.8 CRIME PREVENTION, ANTI-CORRUPTION AND CONFLICTS OF INTEREST

Crime Prevention

In developing the Code of Conduct, the Board of Directors of CAF, S.A. approved the initial version of the Crime Prevention Manual on 29 April 2015, establishing a crime prevention programme. [2-15]

The aforementioned rules, in their successive updates, represent a common framework of good practices and basic action policies that must be systematically observed as a minimum established at corporate level for the management and prevention of the risks of committing crimes within the CAF Group, notwithstanding the specificities approved in each case derived from the requirements of the legal system applicable to international subsidiaries, and which will prevail where applicable. [G1-3_01]

On 17 December 2024, the CAF Board of Directors approved the Crime Prevention and Anti-Corruption and Fraud Policy. This Policy identifies the fundamental principles and objectives that must be complied with and defines the reference framework and essential elements of the Criminal Compliance System and the Anti-Corruption Management System, as detailed areas of the CAF Group's Corporate Compliance System, based on respect for the law and the application of the main good practice guides in the prevention of corruption.

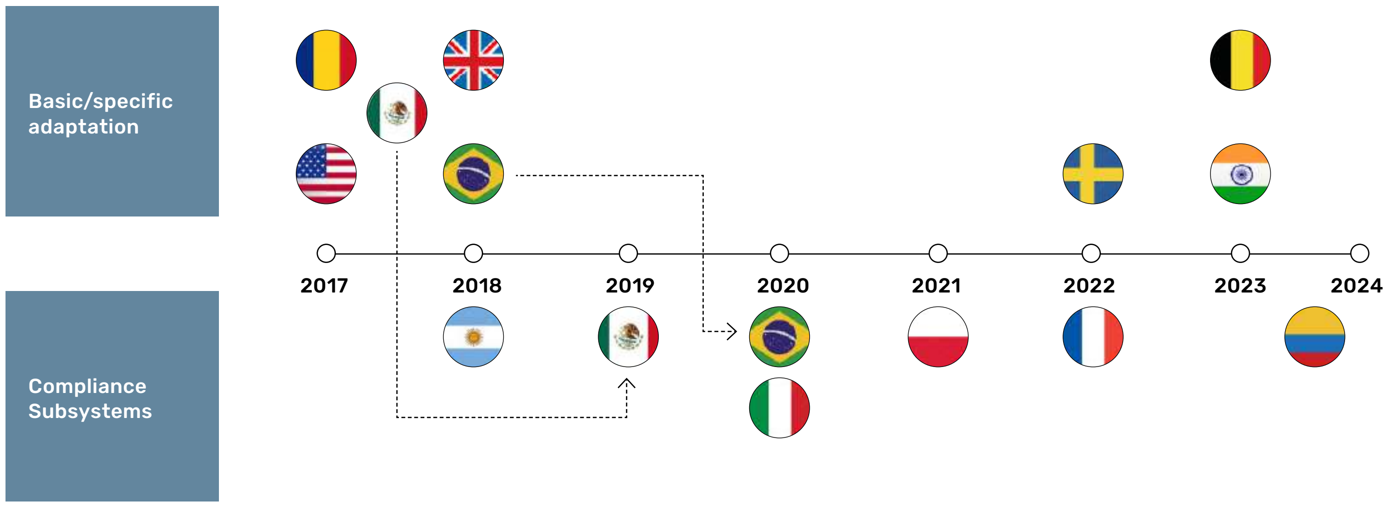
The pre-existing Crime Prevention Manual remains as a development regulation within the competences attributed to the Compliance Function and establishes that, whenever circumstances so require, the risks of committing criminal conduct shall be reassessed, updating the consequent internal risk map, and in any case, such reassessment shall be made at least every four years.

International adaptation

The international dimensions of the CAF Group as at 31 December 2024 encompassed 85 foreign subsidiaries in 43 countries across the five continents.

When the application of the framework established by corporate standards is insufficient, an international adaptation of crime prevention measures can be made for a specific country, and in some cases for a specific subsidiary, either by adapting the content of the general corporate guidelines of the Crime Prevention Manual, or by developing a complete Compliance sub-programme that allows for the establishment of specific guidelines, all of which will depend to a large extent on the existing legal regulations in the country in question and the degree of flexibility that these regulations allow in order to maintain the common corporate model.

At the international level, in 2024, the development of Compliance subprogrammes that feed the Criminal Compliance System has continued and the Compliance subsystem for Colombia has been formalised with the appointment of the local Compliance Officer in accordance with the applicable legislation:



Risk management

At CAF we periodically carry out an analysis of the different activities in the exercise of which risk situations may arise that give rise to the commission of any of the crimes that have been classified as “Relevant Crimes”, generating a matrix of Criminal Compliance risks. This matrix allows the identification of actions that merit further attention from the perspective of crime prevention and the development of the inventory of controls and other risk management measures. [G1-1_11, G1-3_03]

The activities of the CAF Group that deserve special attention for the purposes of the above are: (i) public calls for tender; (ii) performance of public and private contracts; and (iii) end-to-end projects.

The risks identified in the risk map are specifically managed: (i) through the implementation of the guidance policies and the introduction of controls and risk mitigation measures; (ii) by raising the awareness of all the individuals in the CAF Group to which the Criminal Compliance System applies through training and dissemination activities; (iii) by managing an Internal Reporting System that enables detection of behaviours that breach the Code of Conduct or the Crime Prevention Manual; and (iv) by adapting the corporate Criminal Compliance System to the subsidiaries of the CAF Group to ensure the implementation of the general guidelines across all the Group companies as well as compliance with local regulations in countries that require the establishment of specific guidelines in accordance with their own legislation. [G1-3_01]

The impacts arising from such risks are economic penalties and other more serious penalties in relation to the offences described above, in addition to damaging CAF's brand image or reputation. The aforementioned impacts have a direct reflection both in the short term and in the medium-long term on the Company's activity.

During financial year 2024, criminal risk assessments were conducted on some railway segment entities to ensure greater adaptation to their specific business processes.

Likewise, the implementation of a harmonised computerised risk management and control tool has begun for several of CAF's internal control systems and in particular for the areas of Compliance (including Criminal Compliance and Corruption), seeking to standardise the key elements so that the platform can be used by different areas, obtaining synergies between the aforementioned systems. The tool will enable the deployment of key controls in the different CAF Group organisations, as well as recording the design and effectiveness evaluations carried out on them.

Anti-corruption and prevention of bribery

The fight against corruption and bribery is one of the most relevant issues in terms of corporate responsibility, both from an ethical point of view, as it undermines commitments to transparency and integrity, as well as criminal prevention, and from an economic point of view, as it jeopardises the basis for the correct functioning of the market, including free competition. [205]

In this context, at CAF we are aware of the importance of our efforts, as a key player in the business community, in the fight against corruption and bribery and, consequently, we show zero tolerance towards any act of corruption and bribery, whether in the public or private sector, in line with the highest levels of compliance with applicable legal and ethical standards and with our Compliance culture. [205-3] [G1-4_01]

The [Crime Prevention and Anti-Corruption and Fraud Policy] [G1-3_01] lays the foundation for a homogeneous application of the principles of corruption prevention for all countries in which the CAF Group operates and the Anti-Corruption Management System complements the Criminal Compliance System for the management of corruption and fraud, both in the strict sense and with respect to other acts that, depending on the circumstances and applicable regulations, could eventually be considered acts of corruption. [G1-4_02]

The prohibited acts and acts subject to control, as set out in the aforementioned Policy, are shown below:

Prohibited acts:

CORRUPTION	Abuse of power, which is used by the people to whom it was entrusted for their own particular benefit. This concept includes both facilitation payments and extortion payments in accordance with the provisions of the CAF Group's Code of Conduct.
BRIBERY	Offer, give or even promise or acceptance of money, gifts, pecuniary advantage or other type of undue advantage as an incentive to do something dishonest, illegal or that constitutes a violation of trust in the course of commercial activity, either directly or through the intermediation of commercial agents or other third-party intermediaries, such as consultants, representatives, distributors, contractors and suppliers, etc.
FRAUD	In addition to offences that have such legal status, any deliberate act of deception for gaining profit or to harming another party and shall be treated in the same manner as corruption.

Acts subject to control:

Gifts and hospitality	Relations with civil servants	Donations, Sponsorships and collaboration agreements

As a result of this new Policy, specific training on Anti-Corruption will be created to complement the existing training, both for employees and for Senior Management and the Board of Directors. [G1-3_03]

The main risks related to the fight against corruption and bribery are the following: (i) corruption between individuals; (ii) bribery; (iii) corruption in international transactions; and (iv) influence peddling. [G1-4_04]

Money laundering is also included in the catalogue of significant offences for the CAF Group.

The probability of the occurrence of corruption and bribery risks increases in processes linked to commercial strategy and the supply chain. [G1-1_11]

There have been no cases of corruption or bribery during financial year 2024. Likewise, there have been no convictions or fines for violations of anti-corruption laws. [205-3] [G1-4_01, G1-4_02, G1-4_04]

Policy on gifts and hospitality, donations and sponsorships

CAF promotes, as an essential principle, the prohibition of accepting or offering gifts and hospitality (gifts or favours) whose value is not merely symbolic and intended to promote the Group's brand image.

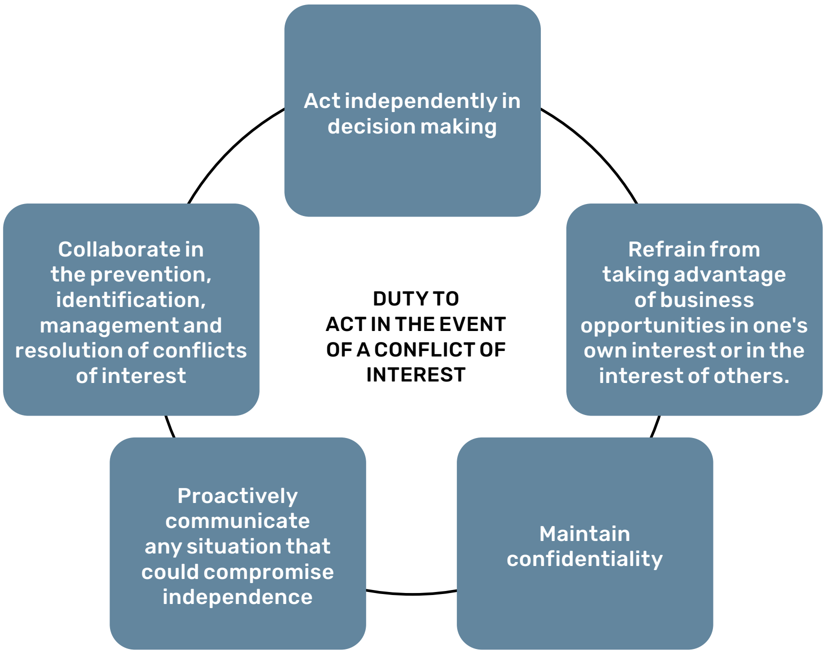
In accordance with the provisions of the CAF Group's Code of Conduct, donations, sponsorships or collaboration agreements must be made in accordance with the provisions of applicable laws and never directly or indirectly linked to illegal acts, in addition to following the authorisation procedures established at any given time.

In compliance with the legislation of each country in which it operates, the CAF Group will refrain from carrying out any prohibited activity in relation to the financing of political parties or sponsorship of events whose sole purpose is political activity. [G1-5_02, G1-5_03, G1-5_06, G1-5_07, G1-5_08, G1-5_09, G1-5_10]

No political contributions of a direct or indirect nature with significant scope were made during the reporting period. CAF is a company with a neutral position regarding political parties. [415, 415-1] [G1-5_02, G1-5_03, G1-5_06, G1-5_07, G1-5_08, G1-5_09, G1-5_10]

Conflict of interests

All Members of the CAF Group must avoid any conflict of interest to which they may be exposed and which may alter the independence of decision-making or pose a potential risk of unfair action, based on the general principles or parameters of behaviour developed in detail in the CAF Group's Code of Conduct, the essential elements of which are set out below:



Thus, the CAF Group's Internal Regulatory System has mechanisms for the prevention and management of conflicts of interest for specific cases in various regulations.

For example, as part of their duty of loyalty, the members of the CAF Group's management bodies must avoid situations of conflict of interest and, in particular, observe the specific provisions included in the CAF Regulations of the Board of Directors, which include, among others, the regime applicable to the duties of abstention of Directors, waiver of prohibitions and reporting duties; as well as the provisions of the CAF Group's Related Party Transactions Manual.

Likewise, the shareholders and participants of CAF Group companies may find themselves in a situation of conflict of interest on the occasion of the General Meetings of CAF Group companies, which, if applicable, will affect the exercise of their respective rights of representation and voting at such meetings, in accordance with the terms of the applicable regulations in this respect.

Likewise, the CAF Group requires its Business Partners to develop conduct or behaviour that does not jeopardise compliance with the obligations, principles and limits assumed by CAF in matters of conflicts of interest, ensuring, in any case, compliance with its due diligence obligations, through timely coordination, transparency and communication.

The Company publishes information related to conflicts of interest and related matters in accordance with the provisions of the regulations applicable to listed companies. In this respect, the Annual Report on Corporate Governance published annually indicates the mechanisms established to detect, determine and resolve possible conflicts between the company and/or its group, and its directors, executives, significant shareholders or other related parties. The Regulations of the Board of Directors stipulate that any conflicts of interest in which Directors may be involved must be disclosed in the notes to the annual accounts.

7.2.9 COMPETITION

CAF is committed to promoting free competition and to comply with any local, national or international Competition Law regulations in order to avoid any conduct that may constitute an infringement of such regulations, such as collusive or restrictive agreements, abuse of dominant position or prohibited concentrations, and we are also committed to collaborating with the authorities that regulate the market. [206, 206-1]

In this sense, we are committed to competing in the markets freely and in accordance with antitrust regulations.

In order to fulfil this commitment and effectively prevent compliance risks in the area of Competition Law, CAF decided to implement a specific corporate Competition Law Compliance System.

In execution of the above, the CAF Group Competition Law Compliance Manual approved by the CAF Board of Directors remains in force, establishing the premises of the Compliance System in matters of Competition Law, specifically within a corporate context.

Likewise, the Compliance Function has created the Competition Law Compliance System through a Corporate Model Procedure for Competition Inspections (dawn raids) and a Procedure for the Assessment of Consortia with Competitors. This system shall be systematically employed whenever the shareholders involved in potential contracts are competitors.

On 13 June 2022, the CAF Group received the KOMP SARIAK distinction from the Basque Competition Authority (AVC), in recognition of its Corporate Competition Compliance System.

Lehiaren Euskal Agintaritza
Autoridad Vasca de la Competencia

As far as due diligence measures in the field of Competition Law are concerned, as mentioned above, once a business opportunity with a third party that is a competitor is identified, the professional must comply with the provisions of the Evaluation Procedure for consortiums with competitors.

In this regard, it should be noted that 100% of the consortiums entered into with competitors are previously analysed and evaluated in accordance with the provisions of the aforementioned Procedure.

Regarding risk management in this area, in 2024 the Competition risk maps for each activity in the railway segment have remained in force.

The situation regarding the main specific issues or contingencies managed during financial year 2024 in this area (as described in note 25 of the consolidated disclosure) is updated below:

In March 2014, following completion of an administrative investigation process initiated in May 2013 into the participation of several rolling stock manufacturers, one of which is a subsidiary of the CAF Group in Brazil, in public tenders, the Brazilian Administrative Council for Economic Defence (CADE) initiated administrative proceedings arising from possible anti-competitive practices.

In July 2019 the CADE tribunal issued an administrative decision ordering the subsidiary to pay a fine of BRL 167,057,982.53 and advised the competent authorities not to grant the subsidiary certain tax benefits for a period of five years. The subsidiary has appealed CADE's decision in court, following the completion of CADE's administrative process. Also, as a result of the investigations carried out by CADE, other authorities, including the State Public Prosecutor's Office of Sao Paulo-MP/SP, initiated administrative and judicial proceedings, either against CAF Brasil, CAF S.A. or any of its employees.

With regard to the penalty proceedings initiated in December 2017 by the Spanish National Markets and Competition Commission (CNMC), as of the date of this report the case concluded with notification of the resolution on 30 September 2021, bringing to a close the administrative route that has been the subject of a contentious-administrative appeal before the National High Court. The main aspects of the case and the resolution, which affect CAF Signalling, S.L.U., are that in 2015 this CAF subsidiary allegedly joined the cartel initiated in 2002 by other entities, consisting of distribution agreements between the various companies involved. The subsidiary company was charged with exercising this conduct for a shorter duration than all the other sanctioned companies (from April 2015 to December 2017) and received a fine of €1.7 million. CAF, S.A. is jointly and severally liable for payment of the fine based on the economic unit that makes up the parent company and subsidiary for the purposes of competition regulations. As part of this same case, two former directors of CAF Signalling were also fined. At the time of this report, CAF, S.A. and CAF Signalling have filed a contentious-administrative appeal against the CNMC resolution with the National High Court, having accepted the precautionary suspension of payment of the fine until the National High Court rules on the merits of the matter. The proceedings relating to the prohibition on public tendering is also suspended. [206, 206-1]

7.2.10 MARKET ABUSE AND INSIDER INFORMATION

The Internal Rules of Conduct in the Securities Markets, available on the corporate website www.cafmobility.com, is the internal rule approved by the Board of Directors to establish the basic rules regarding the prevention of market abuse. To this end, the aforementioned Regulation defines certain rules for the management of insider lists, the control and transparent communication of Inside Information, as well as for the carrying out of treasury stock transactions or market research, among other matters.

On 14 November 2024, the CAF Board of Directors approved an update to the aforementioned Regulation to introduce adaptations to the legislation on market abuse and other rules of the Corporate Compliance System.

Said Regulation is applicable to: (i) Members of the Board of Directors of the parent company; (ii) Management personnel of CAF or Group entities with regular access to inside information and competence to take management decisions affecting the future development and business prospects of the Company and (iii) Other personnel of the Company and/or companies in its group who, by reason of the activities and services in which they engage, may have regular or occasional access to inside information, either on a permanent basis or for such period as may be determined from time to time, as well as other persons outside CAF who provide advisory services to CAF.

The Compliance Function and the Economic - Financial and Strategy Department of the parent company keep the CAF Group's Manual for Management and Communication of Insider Information and Other Relevant Information up to date, which serves as a development of the aforementioned Regulation.

7.2.11 PERSONAL DATA PROTECTION

The CAF Group Code of Conduct includes in a specific section the special protection required for the management of personal data. All information of a sensitive nature that we manage at CAF must be treated with absolute confidentiality and secrecy and, in particular, that which includes personal data. [418-1]

In this regard, at CAF we have developed and deployed a Personal Data Protection Policy to ensure compliance with current legislation in all territories in which the Company carries out its activities. This Policy, and the Manual that develops it, establishes the organisational and technical measures necessary to guarantee the correct management of the personal data processed by CAF professionals and by third parties related to any Group company. The following is a summary of the basic principles that should govern this type of treatment: [418]

BASIC PRINCIPLES REGARDING THE PROTECTION OF PERSONAL DATA

Fairness, loyalty and transparency	Data minimisation	Privacy by design and by default	Security and privacy awareness
Purpose limitation	Limitation of the retention period	Accuracy	Availability, integrity and confidentiality

To guarantee compliance with the regulations applicable in each jurisdiction, the CAF Group has, among others, Data Protection Delegates appointed in legally obligated entities, with a data protection office that can be external or internal made up of experts in the matter and with regulatory developments adapted to the needs of each of them.

This is without prejudice to the fact that each CAF company is, in any case, responsible for the processing of personal data in the sphere of its own activity and in accordance with the provisions of the applicable legislation.

Additionally, the risks regarding the processing of personal data are evaluated taking into account the rights and freedoms of natural persons, and the necessary security measures are applied in order to avoid possible negative consequences for the interested parties.

CAF has established the necessary mechanisms for appropriate coordination with the cybersecurity area in the event of breaches affecting personal data. In particular, the Compliance Function appoints one of the participants in the CAF Group's Cybersecurity crisis cabinet.

During 2024, there have been no serious incidents related to data protection.

Likewise, we have not received any substantiated complaints regarding violations of customer privacy. [418-1]

7.3 CYBERSECURITY

Information security and privacy

Digital mobility is revolutionising the transportation sector. It allows more efficient management of operations, optimising processes and improving service availability and capabilities. It improves reliability and maintainability and offers a superior user experience, with greater convenience and personalised services. In summary, digital mobility is an essential pillar for transport optimisation.

However, exposure to cyberthreats is also increasing, making it crucial to implement robust cybersecurity measures. We want our customers to feel confident in choosing us as their strategic partner in sustainable mobility and that is why we have structured the CAF cybersecurity programme to cover all the necessary aspects and areas.

At CAF, cybersecurity or information security is a priority. We are aware that our customers trust us to offer them sustainable mobility solutions, and that is why we strive to protect the business and personal data of all our Stakeholders.

During 2024, the Cybersecurity Policy was revised, adapted, and subsequently approved by the group's Board of Directors, a change that reflects the strategic aspect of the cybersecurity function for the group. The new policy has been implemented in response to the provisions of the CAF Group's Code of Conduct, Sustainability Policy and General Risk Control and Management Policy. Its content responds to the information security requirements derived from European, Spanish Directives and other international references. The main change with respect to the previous one is in terms of governance, and in particular it lays the foundations for the **Group's internal governance** in the area of cybersecurity, specifically for the distribution of functions and the establishment of a framework of relations between the Board of Directors, the Audit Committee, the Corporate Head of Cybersecurity, the Chief Technology Officer and the Corporate Cybersecurity Committee.

The Board of Directors sets the foundations for this governance by approving the policy and its monitoring, assigning the audit committee the supervision of the cybersecurity function. The corporate head of the cybersecurity function (CISO) regularly reports to the committee and other forums on the status of the function within the group.

The Corporate Cybersecurity Committee, with the presence of executive management through the Chief Technology Officer (CTO), manages, together with the corporate head of the cybersecurity function (CISO), all activities in this area. All of this greatly reinforces information security management and its continuous improvement, guaranteeing the deployment of an information security culture across the entire organisation and establishing all the necessary organisational and technical measures to guarantee the confidentiality, integrity and availability of information.

Furthermore, the Policy seeks to promote continuous improvement in risk management and ensures the protection of people and data against incidents, monitoring compliance through performance indicators and a zero-tolerance approach to security breaches.

Although the model and the corporate cybersecurity policy are already based on recognised international standards, it is worth noting that several of our businesses have already been ISO27001 certified. The certification is an important milestone for the organisation as it demonstrates that cybersecurity is a strategic aspect of the Company, and allows us to remain a trusted supplier to our customers and other stakeholders. During this year, ISO27001 certificates were maintained or extended for railway rolling stock activities, railway services and railway signalling.

We cannot forget the large number of new regulations and directives that are being drawn up at national or international level, which are created with the aim of guaranteeing a high common level of cybersecurity by the European member states. Our Cybersecurity policy and plans include, as it could not be otherwise, initiatives that ensure our alignment with the new NIS2 directive and the code of good practices published by the CNMV, among others. All of them require us not only to establish good cybersecurity practices but also to strictly comply with them in order to remain competitive.

As part of the **tracking and monitoring** process for all the initiatives in the group's cybersecurity programme, the Corporate Cybersecurity Committee periodically reviews the indicators that allow us to track progress and identify possible deviations or areas for improvement. In reference to one of these indicators, during 2024, no serious incidents affecting the group's operations have been detected, nor have any incidents related to privacy or data theft/leakage been detected. [GRI 418]

Within the organisation's **cybersecurity programme and initiatives**, in addition to the review of the function's policy and governance, we can highlight the following aspects and improvements made during 2024:

- We **continuously track** the organisation's level of maturity in cybersecurity by reviewing the status of the controls or measures deployed in the group. This internal control or supervision process for the **controls and measures** established has been revised and improved by increasing the number of controls to be deployed by the businesses. The new controls respond to the current context, risks, threats and requirements. In addition, the process has been automated by integrating its management into a Governance, Risk and Compliance (GRC) tool, thus enabling centralised management.
- **Cybersecurity in the supply chain** has become one of the most important risks for organisations**.** In this regard, we have made improvements to communicate our policies and commitments to our suppliers. We have included cybersecurity in the code of conduct for suppliers and in the supplier homologation process, sending questionnaires that allow us to establish their level of risk in terms of cybersecurity and thus be able to define improvement actions.
- Corporate **managed cybersecurity services (SOC)** are critical for monitoring and incident management, which is why the service has been renewed this year, including greater monitoring and incident response capabilities. We have upgraded our capabilities in identifying cyberthreats via our cyberintelligence service, strengthened our protection with additional technical measures, and enhanced our incident response through forensic analysis, among other developments.
- CAF adopts a zero tolerance approach to security and thus guarantees compliance with legal and contractual obligations, in addition to meeting the needs and expectations of our clients and other stakeholders. That is why we expose ourselves to **independent third-party audits** in areas such as the Information Security Management System under the international standard ISO27001 or technical audits to identify possible vulnerabilities and weaknesses in our infrastructures and applications. In the same way, we continuously track our attack surface using independent third-party platforms such as Bitsight, which also provides a cybersecurity rating for our organisation. As this rating progresses positively, it reinforces the confidence that our partners and other stakeholders place in our organisation.
- At CAF, we encourage and promote cybersecurity **culture and awareness** among employees in all areas and fields. As part of the actions to promote the group's culture and awareness, we have continued to send informative pills to employees every month with the aim of raising awareness in the field of cybersecurity and thus promoting the message that cybersecurity is everyone's business. Phishing campaigns have also been carried out on different groups of employees and we have reviewed and renewed the 'Manual for the Proper Use of Information Systems' to adapt it to our policies and make appropriate use of the assets provided by the company to employees. The manual also establishes employee responsibilities and defines

incident reporting mechanisms. The manual must be reviewed and accepted by all employees.

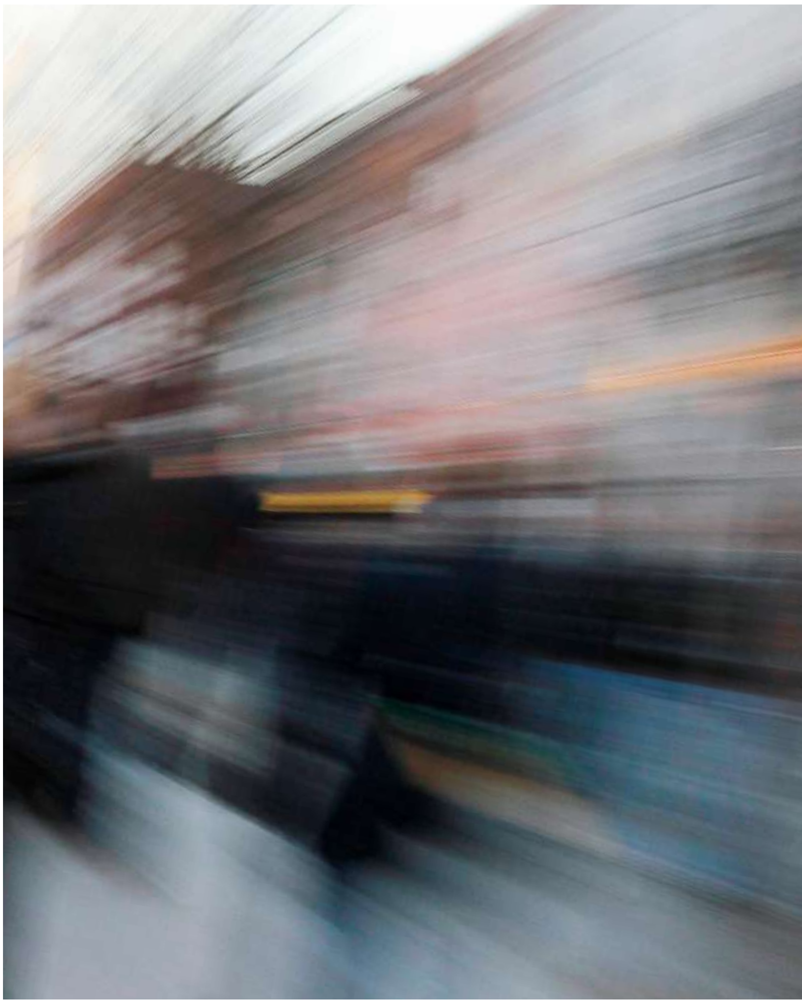
- In relation to **Business Continuity** and our capacity for **resilience**, a cyber incident simulation exercise was carried out, where, with the help of external specialists, the cyber incident crisis committee met. The scenario of the exercise simulated a ransomware, focusing more on the organisational management of the resulting crisis, and not so much on the technical aspects. Therefore, the exercise focused on the non-technical areas such as risks, communications, legal, HR, etc. During the exercise, different impacts that the materialisation of a cybersecurity threat of these characteristics could have on the organisation were evaluated, as well as the response actions that the Crisis Committee was adopting. The result of the exercise reflects an improvement in the level of maturity and capacity of the group compared to the previous year. Similarly, a simulation exercise of the contingency plan has been carried out, where we have carried out a recovery test of our systems and data in a secondary data centre, ensuring our capacity to recover in the event of a disaster or crisis.
- **Data protection** by design (in other words, applying the principles of protection in the design processes of the organisation's systems and procedures) and by default (minimising data so that only that which is necessary for the purposes of the processing is subject to it) is an integral part of our business processes. Likewise, risk assessments are carried out on personal data processing, considering the rights and freedoms of individuals, and the necessary security measures are applied in order to avoid possible negative impacts to the different Stakeholders. To guarantee compliance with the applicable regulations in each jurisdiction, CAF has appointed Data Protection Officers across all legally required entities. There is also a corporate data protection office, which can be external or internal, coordinated by the Group's Compliance Function.

Cybersecurity in products and services

Cybersecurity is integrated into all phases of our projects, products and services. This is done under the Corporate Cybersecurity Policy approved by the Board of Directors, responding to the current context and the different stakeholders.

We apply **cybersecurity by design** following international standards IEC62443 or TS50701 in project management, product development, operation and maintenance. Likewise, our bus segment complies with the requirements of UNCECE R155/156 legislation for product approval from July 2024.

In the railway sector, cybersecurity activities for programmes or projects have been formalised according to standards IEC62443-2-4 and TS50701. These include everything from preliminary design and risk analysis to the definition of requirements for suppliers and validation tests, where vulnerability and penetration analyses are carried out, which are necessary for end-customer acceptance.



	OFFER	DESIGN AND ENGINEERING		MANUFAC-TURING	TESTING AND VALIDATION			ACCEPTANCE
	Offer	Basic engineering	Detailed Engineering	Manufacturing	Origin	Factory	Via	Acceptance
ACTIVITIES	• Review applicable standards • Revision of specifications • Specification and CbC*	• Risk analysis • Definition of architecture • Define cybersecurity requirements	• Monitoring changes and reviewing risk analysis • CbC supplier tracking	• Monitoring changes and reviewing risk analysis • Review and approval of supplier requirements verification protocols • Document cybersecurity testing protocols	• Review execution of test protocols • Monitoring closure of detected vulnerabilities	• Vulnerability and penetration testing • Monitoring closure of detected vulnerabilities	• If required, additional cyber-security testing • Document cybersecurity guides	• Secure formal asset owner acceptance • Final delivery of cybersecurity documents
DELIVERABLES	• Cybersecurity Management Plan Offer • Cybersecurity Management Plan Offer	• Cybersecurity Management Plan • Cybersecurity Case Study	• Cybersecurity Case Study	• Cybersecurity Case Study • Test plan	• Test report • Cybersecurity Case Study	• Test report • Cybersecurity Case Study	• Test report • Cybersecurity Case Study	• Test report • Cybersecurity Case Study • Hardening guides • BOM* and SBOM*

*CbC = Clause by Clause BOM = Bill Of Materials SBOM = Software Bill Of Materials

Within the existing product development process, a series of activities and processes have also been incorporated that ensure the cybersecurity of the final product is taken into account from planning, development, manufacturing and delivery to the customer. These activities are in line with industrial cybersecurity reference standards IEC 62443-4-1 and IEC 62443-4-2.

In this context, the product development lifecycle has been modified to include the role of cybersecurity engineer or manager, define secure development guides and product threat analysis methodology. Activities have also been incorporated to ensure the cybersecurity of the product (SL-T 2 requirements, static code reviews, vulnerability and penetration tests) and of the development environment, ensuring the integrity of the binaries and the correct segregation of profiles and users. This process has already been implemented in signalling products and is planned to be expanded to more CAF Group products and activities in the future.

Over the past year, we have continued to emphasise cybersecurity management across our supply chain. Our approach has included consistent consultations with key suppliers to obtain insights into their cybersecurity practices and their compliance with standards ISO27001, IEC62443-4-1 and IEC62443-4-2, as well as identifying the expected Security Level of their products, in line with our expectations and those of our customers, with the aim of proactively ensuring that all products received comply with our cybersecurity standards.

We want to support our customers in the operation and maintenance of products throughout their lifecycle with our cybersecurity services, which include threat and vulnerability management, patching, monitoring and incident response. This is why we have launched an initiative this year to deploy these capabilities across the group and thus align ourselves with our customers' expectations.

With the aim of ensuring that we meet customer expectations and comply with legislation (e.g., NIS2, Cyber Resilience Act CRA), we have formulated a strategy and a clear roadmap that ensures we can guide our clients through all stages of their projects.

Our aim is to apply our experience and knowledge to improve the security and efficiency of railway systems. Collaboration between the different actors in the sector is essential to achieve regulatory harmonisation that benefits all users. CAF participates in the development of cybersecurity standards (new railway sector cybersecurity standard IEC63452) by attending the working groups of the different national and international institutions and organisations.

Cybersecurity is part of CAF's global innovation process. Staying at the cutting edge of technology in this area ensures passenger security and the operational efficiency of transport systems.

7.4 TAX TRANSPARENCY

7.4.1 MISSION AND COMMITMENT IN TAX MATTERS [207-1]

The approval by the Board of Directors of a Corporate Fiscal Policy in 2017 enabled, inter alia, the principles that were already applicable internally to be expressly embodied and crystallised in the drawing up of CAF's tax objective and commitments; all of this was made accessible to all stakeholders through the publication of the aforementioned Policy on the corporate website, together with the other Corporate Policies. This Policy is reviewed annually by the Audit Committee and the Board.

A second element, designed to supplement the previous one, was the Fiscal Policy Implementation Handbook, approved on 4 December 2018 and updated in May 2022, which is published on the CAF Group's corporate website and is applicable to all the Group companies in all the countries in which the Group operates.

CAF's tax objective consists essentially of ensuring compliance with the tax legislation in force in each territory in which it operates, thus avoiding tax contingencies and fostering cooperation with the tax authorities.

CAF's ultimate objective is to build trust and distribute value in the domestic and international market through responsible action, particularly with regard to taxes; this objective also makes it possible to design a corporate strategy and ensure consistent tax behaviour throughout the organisation, which ultimately makes it possible to: (i) satisfy the stakeholders; (ii) maintain a relationship based on mutual trust with the tax authorities; and (iii) contribute to improving communities by paying taxes.

7.4.2 FISCALLY RESPONSIBLE BEHAVIOUR [207-1]

The Fiscal Policy includes the following principles of action in tax matters of the CAF Group, which are a development of the fundamentals of the Code of Conduct, the Sustainability Policy and the General Risk Control and Management Policy, and which must guide the actions of all those persons and entities to which it is applicable:

1. Comply at all times with its tax obligations.
2. Collaborate at all times with the Tax Administrations.
3. Avoid the use of opaque structures, processes or systems designed solely for tax purposes.
4. Avoid making investments or carrying out operations in or through territories classified as tax havens or non-cooperative jurisdictions, in accordance with Spanish legislation, or territories with low or no taxation, with the sole purpose of reducing the tax burden. Investments or operations in these territories will only be permitted when they respond to business reasons and are aimed at undertaking the activity included in CAF's corporate purpose, subject to prior approval by the Board of Directors in the cases provided for by law and regulations.
5. Commit to ensure that there is always a valid economic rationale for tax actions.
6. Prevent and reduce, as far as possible, tax risks in the course of its activities, while maintaining a prudent risk profile.
7. Ensure compliance at all times with the obligations relating to related party transactions, maintaining a responsible transfer pricing policy in accordance with the arm's length principle, thus avoiding the erosion of tax bases through non-arm's length pricing.
8. Manage its intangible assets responsibly, avoiding the use and generation of intangible assets for purely tax purposes.

CAF's Fiscal Policy specifies that all the principles mentioned above will be implemented in accordance with CAF's general principles, specifically those relating to good faith and integrity vis-à-vis all stakeholders.

7.4.3 FISCAL GOVERNANCE AND RISK MANAGEMENT [207-2]

As a general rule, the Audit Committee, and ultimately the Board of Directors, is responsible for ensuring that the CAF Group complies with the Fiscal Policy. To this end, the Board of Directors is expressly responsible for establishing internal control mechanisms and for ensuring the flow of information from the Economic-Financial and Strategy Department to the Audit Committee, for subsequent referral to the Board.

Periodically, at least once a year, the Corporate Tax Function reports to the Audit Committee on the Company's performance in tax matters.

In addition, the Audit Committee and the Board of Directors must approve any investment transaction of the Group in non-cooperative jurisdictions to ensure that the CAF Group's activity in these countries is strictly business driven.

Tax risk is managed within the Comprehensive Risk Management and Control System and it is headed by the Corporate Tax Function, which controls and monitors the main corporate tax risks affecting all the activities and geographical areas.

In turn, fiscal management is subject to the internal risk management system and, consequently, is subject to close scrutiny by Internal Audit.

In addition, the CAF Group has implemented an open Internal Reporting System so that any employee or stakeholder outside the company can make any communication regarding the company's tax management.

The tax-related content was primarily obtained from internal reporting used to prepare the Group's consolidated financial statements, which are subject to external audit.

7.4.4 RELATIONSHIP WITH STAKEHOLDERS ON TAX MATTERS [207-3]

The Sustainability Policy approved by CAF's Board of Directors defines the Sustainability objective, principles and commitments to stakeholders that CAF adopts in the course of its activities. These principles specifically include tax responsibility.

The CAF Group has a cooperative relationship with the various tax authorities with which it has dealings as a result of its activity, based on the principles of transparency and good faith. In this regard, on 3 December 2024, the Group's subsidiary Solaris Bus & Coach, the company where the main activity of the bus segment is carried out, signed a cooperation agreement with the Polish tax authorities. Adherence to this Cooperation Programme demonstrates a conscious responsibility for the proper fulfilment of tax obligations and the desire to establish cooperative relations with the tax administration.

It thus promotes transparent, clear and responsible reporting of its main tax aggregates. The CAF Group is committed to preparing and filing the Country-by-Country Report in due time and form. This annual report discloses key aspects of the financial statements for each of the jurisdictions in which the Group is present, and they provide the local tax authorities with visibility as to the earnings, tax paid, employees and other significant information regarding the business activities.

The tax commitments undertaken by the CAF Group in its Corporate Fiscal Policy with respect to compliance with its tax obligations in all the territories and jurisdictions in which it operates, where a prudent fiscal policy is always observed, also applies to its relationship with external fiscal policy advisers.

7.4.5 COUNTRY-BY-COUNTRY REPORTING [207-4]

Below is the significant information on the profits obtained by country and the taxes on profits paid in the main locations where the CAF Group operates:

COUNTRY	2024		2023	
	PROFIT (LOSS) BEFORE TAX [1]	INCOME TAX PAID (RECOVERED) [2]	PROFIT/(LOSS) BEFORE TAX	INCOME TAX PAID (RECOVERED)
Germany	1,523	818	2,261	965
Saudi Arabia	6,566	112	4,737	483
Australia	1,358	524	1,068	512
Brazil	45,552	11,952	38,618	10,348
Chile	1,446	1,003	3,160	2,637
Colombia	(455)	(1,480)	277	250
Spain	3,533	8,049	(2,684)	5,825
Israel	2,024	532	2,000	446
NAFTA [3]	49,414	31,582	54,905	24,756
Poland	19,551	6,104	(8,281)	(625)
United Kingdom	9,516	(550)	3,875	1,658
Sweden	2,158	24	(4,566)	42
France	9,428	0	14,387	0
Italy	3,600	191	337	490
Norway	(1,079)	31	(2,154)	34
Other	1,434	846	3,527	1,212
Adjustments [4]	5,061	0	29,191	0
TOTAL	**160,630**	**59,738**	**140,658**	**49,033**

1. Profits before taxes for each country including dividend elimination adjustments.
2. Income tax payments for financial year 2024 obtained from the consolidated cash flow statement in the consolidated financial statements. Note 17 of the consolidated disclosure details the material tax adjustments that determine the tax bases in each country, being fundamentally the tax credits that the Group maintains in Spain and Poland and the temporary adjustments to the tax base in Brazil and NAFTA for accelerated depreciation.
3. This grouping includes countries whose breakdown would involve revealing information protected by contractual confidentiality clauses. With the current breakdown and that included in the individual and consolidated financial statements, investors and other stakeholders receive sufficient information to understand the Group's performance, results and situation and the impact of its activities.
4. Results of entities accounted for using the equity method and the elimination of the provision for investees in the consolidation process.

With regard to public subsidies received, the support of the public administrations for the Group's activity is noteworthy, especially in the development of Research, Development and Innovation (R&D&I), as indicated in the corresponding section of the Management Report. The amount of operating subsidies recognised in the accompanying consolidated profit and loss statement for financial year 2024 amounts to €15.143 million (versus €12.946 million in 2023).

7.5 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

At CAF, we understand that a responsible, sustainable and ethical supply chain is essential to fulfil our commitment to responsible mobility and to ensure operational efficiency and compliance with objectives throughout the supply chain. [2-6] [S2.SBM-3_01] For this reason, we work with a wide network of suppliers, selected not only for their technical and operational capacity, but also for their alignment with our values of sustainability, innovation and quality.

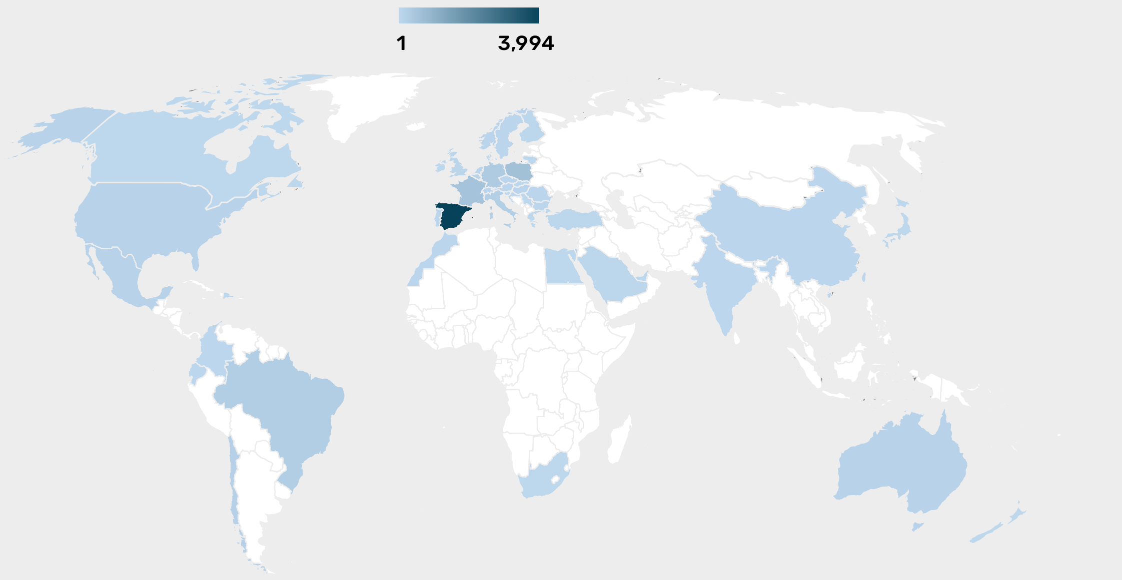
Our supply chain management is based on a robust framework of policies and strategic commitments. [S2.SBM-3_01] This framework includes key policies such as our Corporate Purchasing Policy, Environmental Policy, Safety Policy, Occupational Health and Safety Policy, Internal Code of Conduct, and Supplier Code of Conduct, which have been recently reviewed and updated. In addition, over the past year, we have strengthened this framework by incorporating new policies, such as the Human Rights Due Diligence Policy, the Sustainability Policy and the Crime Prevention Policy. These guidelines are aligned with the Principles of the United Nations Global Compact, covering human rights, respect for the environment and the fight against corruption and are applicable to both our operations and those of our business partners. [S2-1_03, G1-2_02, G1-2_03] [G1-2_02] [G1-2_03]

In addition, we have strengthened our global commitment to strategic initiatives such as the Railsponsible Climate Pledge, which promotes sustainable practices in the railway industry, and our public position on the use of Conflict Minerals, updated this year.

This set of policies and commitments offers a comprehensive guide that not only directs our organisation to generate a positive impact, but also establishes a standard of responsibility for all our business partners, strengthening the resilience and sustainability of our supply chain and allowing us to move forward together towards a future that is more respectful of the environment and society as a whole. [S2.SBM-3_01, S2.SBM-3_02, S2.SBM-3_03]

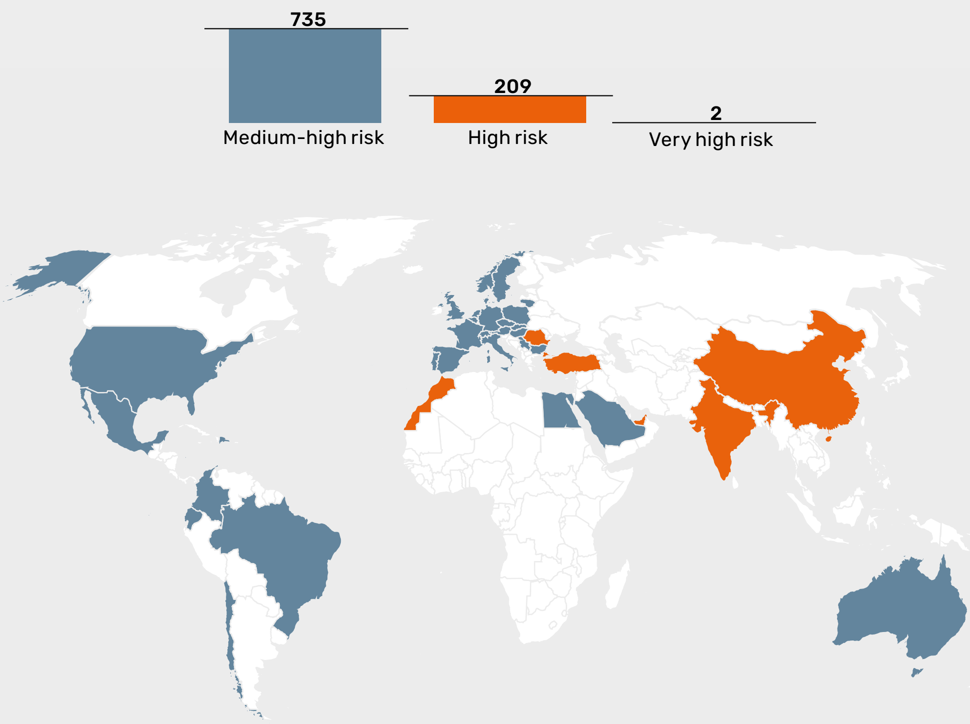
During 2024, the CAF Group allocated approximately €3.16 billion to procurement and services provided by roughly 8,000 Tier-1 suppliers, who interact with and invoice the CAF Group directly. These providers are distributed across more than 50 countries, although the majority are located in the European Union, as shown in the first of the following maps. [S2.SBM-3_01] In this context, we identified various risks associated with social, ethical and environmental issues, including: possible violations of business ethics by suppliers; noncompliance with laws and regulations by suppliers; lack of respect for the protection of human rights; and participation in corrupt acts, such as bribery. [S2.SBM-3_04, S2.SBM-3_05] [414-2] The impacts derived from these risks may result in the loss of suppliers and penalties/non-compliance with contracts with clients and the image or reputation of the CAF brand. [S2.SBM-3_07] [204-1]

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS



Source: Ecovadis IQ+Vitals. It considers all CAF suppliers, whether or not they have been assessed by Ecovadis.

GEOGRAPHICAL DISTRIBUTION OF SUPPLIERS AT RISK



Source: Ecovadis IQ+Vitals. It considers all CAF suppliers, whether or not they have been assessed by Ecovadis.

7.5.1 SUPPLY CHAIN STRATEGY AND OBJECTIVES

During 2024, as a result of the application of our risk management and sustainability strategy in the supply chain, we have carried out the following improvement actions. These initiatives have strengthened collaboration with stakeholders and aligned us with global standards and expectations in supply chain management: [S2-SBM-3_01]

a) Publication of new documents and/or updates:

Supplier Code of Conduct: includes new requirements in the areas of Human Rights, International Sanctions and Export Control, Equal Treatment, Procurement of Raw Materials, Protection of Intellectual and Industrial Property, as well as reference to the new Internal Reporting System (whistleblowing channel). In addition, it extends the standards of conduct in terms of the Environment, Anti-Corruption and Bribery Control and Cybersecurity to its entire supply chain [S2-1_03, G1-2_02, G1-2_03].

- **Conflict Minerals Statement:** As an intermediate user of tin, tantalum, tungsten and gold (3TG), CAF requires its suppliers and subcontractors to implement legal, ethical and sustainable practices, in line with the OECD Due Diligence Guidance and European Regulation EU/2017/821.
- **Purchasing Policy:** Through this policy, CAF establishes principles and guidelines that integrate ethical compliance, sustainability and the promotion of competitiveness. This is achieved through transparent processes, standardisation of digital tools and continuous monitoring of results through a clear and efficient governance system. [G1-2_01]
- **Sustainability Policy:** CAF is committed to integrating environmental, social and governance criteria into its purchasing decisions and relationships with suppliers. This includes promoting responsible and sustainable practices throughout the supply chain, ensuring that suppliers meet appropriate ethical, labour and environmental standards. In other words, CAF recognises the importance of its suppliers as strategic partners and we are committed to fostering relationships based on transparency, trust and mutual benefit. [S2.SBM-3_06]

- **Human Rights Due Diligence Policy:** This document strengthens CAF's commitment to responsible purchasing by integrating respect for human rights into all its operations and value chain. Responsible practices are promoted through training, awareness-raising and dissemination, aimed at both employees and key suppliers, with the aim of fostering an ethical and sustainable culture throughout our organisation and supply chain. [S2-1_03]
- **Crime Prevention Policy:** This document complements the previous policies by establishing specific mechanisms for the prevention of crimes, corruption and fraud in purchases, through the implementation of an Anti-Corruption Management System and the corresponding disclosure and information that is necessary to ensure a culture of transparency and responsibility in purchases.

b) Extension of the Responsible Purchasing Programme:

The application of the Responsible Purchasing Programme has been extended to signalling, engineering and refurbishment activities within the railway segment and has been reinforced in the bus segment, thus offering greater coverage of CAF's activities as a whole. [S2.SBM-3_01]

c) Participation in sectoral initiatives:

- **Railsponsible:** Consolidation of CAF's participation in the Railsponsible sector initiative, which has allowed us to collaborate with the main operators and manufacturers in the sector, sharing best practices and contributing to the development of sustainable practices in the value chain of the railway industry.

RAILSPONSIBLE

- **SRI:** The aim of belonging to EcoVadis' Sustainable Rail Initiative (SRI) is to accelerate each member's individual sustainable procurement programme through a harmonised assessment standard and a strong joint message to suppliers to help improve the ESG footprint of the sector's value chain.

sustainable rail initiative
powered by ecovadis

d) Implementation of digital improvements:

We have moved forward this year in implementing tools that expand our capacity for assessment and tracking of the performance of all suppliers, not only those identified as strategic or Target, in such a way that negative impacts can be prevented or mitigated. [308-1, 414-1] These solutions serve to harmonise the calculation of key indicators, ensuring consistency in methodologies (same calculation criteria, homogeneous data sources, etc.), and strengthen our capacity for analysis and decision-making.

- **Ecovadis IQ + Vitals:** On this platform, we have identified almost all our suppliers across the entire supply chain. This facilitates the identification of critical areas and opportunities for improvement. Thanks to the transparency and traceability it offers, CAF can access reliable information on the sustainability practices of its suppliers, making it possible to track potential problems and take prompt action. Moreover, by proactively detecting high-risk areas, we can mitigate negative impacts by requesting Vitals assessments from providers located in these risk areas and efficiently drive corrective actions. [308-2, 414-2]

- **ARIBA RISK:** a supplier-related risk management tool for suppliers that enables the identification of risks in key areas such as compliance, finance and operations. This platform facilitates continuous analysis of supplier performance, offering real-time visibility to our buyers on potential threats. In addition, it enables the implementation of preventive or corrective measures in an agile and efficient manner, ensuring that the supply chain remains aligned with sustainability standards. [308-1, 414-1]

- **SAC Analytics:** analysis solution that consolidates data related to supplier receptions in all CAF activities that are under the Responsible Purchasing Programme. This tool helps optimise decision-making through customisable reports and a comprehensive view of the supply chain.

7.5.2 COMMUNICATION WITH SUPPLIERS

CAF is fully committed to promoting and protecting human rights and eradicating human trafficking, forced or compulsory labour and child labour throughout its supply chain. [408-1, 409-1] [S2.SBM-3_01, S2.SBM-3_04, S2.SBM-3_05] This commitment is based on international frameworks such as the **United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**, and which results in the publication of internal policies and declarations, as well as the obligation to accept the **CAF Supplier Code of Conduct for all our business partners**. [S2-1_03, S2-1_06]

Through this approach, standards of behaviour in areas such as Human Rights, child labour, forced labour and precarious working conditions, International Sanctions, Export Control, Equal Treatment (to protect vulnerable groups, including women, migrant workers and young people, fostering an inclusive and equitable working environment), Procurement of Raw Materials, Protection of Intellectual and Industrial Property, and the new Internal Reporting System (whistleblowing channel), with special emphasis on the Environment, Anti-Corruption, Bribery Control and Cybersecurity. [S2-2_01, S2-2_07]

CAF requires all its suppliers to accept the Supplier Code of Conduct. It is essential that CAF's suppliers accept and commit to this code in order to strengthen commercial relationships, guarantee long-term sustainability and move towards more sustainable and responsible practices within the Sustainability (ESG) framework. [414-1] [S2-2_06]

Acceptance of the Code of Conduct is verified by means of the mandatory compliance questionnaire which all suppliers registered with ARIBA SLP must complete. Currently, 78% of qualified suppliers have accepted the Code of Conduct in its latest approved version. [S2-2_03, S2-2_04]

Over the past year, no material cases of noncompliance with the United Nations Guiding Principles, the ILO Declaration or the OECD Guidelines have been identified in our supply chain. If detected, CAF has established processes to address and correct these situations, including specific audits, direct dialogue with the suppliers involved and corrective measures designed to prevent their recurrence. [414-2] [S2-1_08]

CAF has established several two-way communication mechanisms with its suppliers to pinpoint and manage the real and potential impacts on workers in the supply chain. However, it is essential to establish a specific methodology that facilitates the direct participation of these workers in decision-making. To achieve this objective, regular assessments are performed through personal interviews, visits to the workplace, and open lines of dialogue with representatives from labour unions or committees. [2-26]

Although CAF does not currently have Global Framework Agreements or agreements with international trade union federations on labour human rights, the company relies on the aforementioned mechanisms to gather information on workers' perspectives. This approach makes it possible to optimise decision-making and improve impact management, ensuring respect for their fundamental rights, including the right to collective bargaining.

When defining objectives within the value chain, CAF considers both the impact on workers and their work environment, integrating sector-specific reference frameworks and control mechanisms that guarantee fair conditions and respect for their rights. To this end, periodic reviews are carried out to assess performance and monitor progress in labour and social matters. Through these processes, opportunities for improvement are identified that contribute to strengthening the conditions of workers throughout the supply chain.
In addition, the Company continues to explore new strategies to strengthen dialogue and collaboration with workers, their representatives and other key stakeholders, with the aim of building a safer, more equitable and sustainable environment. [S2-2_01, S2-2_02, S2-2_05, S2-2_07, S2-2_08]

- Supplier Satisfaction Surveys. The recent analysis of these surveys reveals a high level of satisfaction among suppliers, reaching a score of 8.3 out of 10 in terms of general satisfaction and 7.9 out of 10 when asked specifically about the level of satisfaction regarding the communication channels established with them. Despite these positive results, CAF will continue its commitment to continuous improvement and address identified opportunities to further optimize interactions in the coming year. To this end, specific Action Plans have been established which include, but are not restricted to, measures aimed at increasing and improving direct contact with certain suppliers to ensure improved communication and the reduction of administrative procedures as far as possible. [S2-2_06] More information about satisfaction surveys and Stakeholders in section 2.6 of this Report.

- CAF's own communication channels, managed internally, to deal with complaints, concerns and queries that our suppliers or their workers may need to pass on to us. [2-26] [S2-3_02]
  - For questions related to the Supplier Code of Conduct, the following email address is available: esg@caf.net, to report potential conflicts of interest or any violation of business ethical principles by CAF professionals
  - Internal Reporting System of the CAF Group, accessible on the website https://www.cafmobility.com/ and which guarantees protective measures for whistleblowers, in accordance with applicable legislation.

During 2024, no notifications of conflicts of interest or violations of commercial ethical principles were received through this reporting channel from suppliers.

The openness and accessibility of these channels reinforce CAF's commitment to commercial ethics and the construction of solid and transparent relationships with its suppliers, guaranteeing integrity and efficiency in all commercial operations. [S2-2_01]

The 2024 Double Materiality Assessment has established, for the first time, that the issue of late payments to suppliers (especially SME suppliers) is a material concern for CAF, which had not been recognised in previous analyses. The identification of supplier payment periods as a material impact has led to the incorporation of this topic into the Sustainability Master Plan, developed and approved in 2024.

Currently, the CAF Group makes payments in accordance with the commercial practices of each country and the different sectors in which it operates, considering the legal regulations existing in each jurisdiction and without a standardised payment policy in the Group.

The average payment period of the Group in 2024 was 63 days, although there is some variation depending on the jurisdiction. In Spain, the average payment period is 76 days and the Group is making an effort to reduce payment times. In the rest of Europe, the average payment period is 56 days and in the rest of the world, 45 days.

The Group has created a reverse factoring service without recourse to aid small and medium-sized suppliers in Spain, facilitating early payment access, where CAF will fulfil the payment obligation to the credit institution on maturity. As of 31 December 2024, 247 suppliers have access to this policy, with a total of €292 million paid out in 2024 through this method. [G1-6_01, G1-6_02, G1-6_03, G1-6_05]

During financial year 2024, the CAF Group had no legal proceedings due to late payments [G1-6_04].

7.5.3 SUSTAINABILITY IN SUPPLIER MANAGEMENT

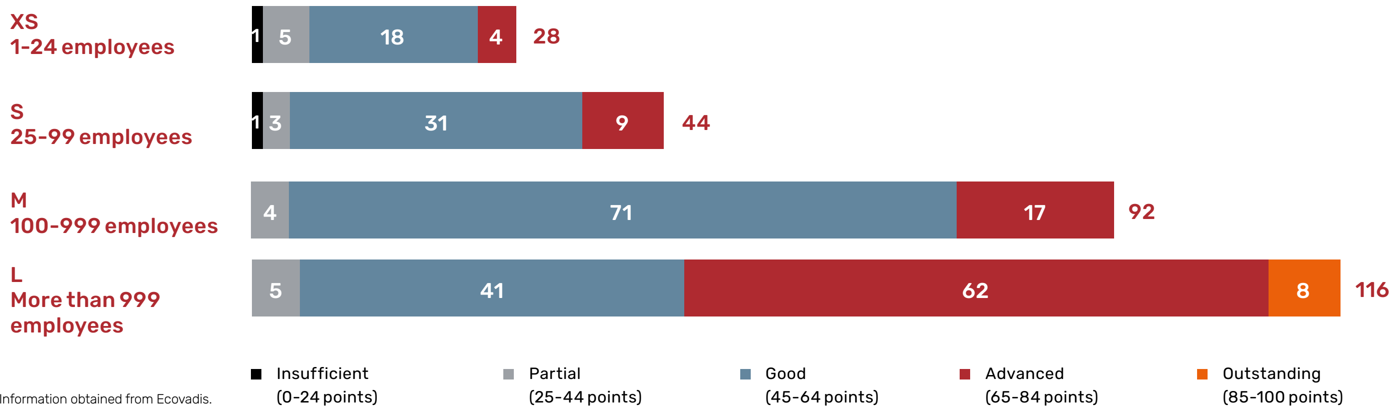
As part of our commitment to comprehensive and transparent management, CAF carries out a Double Materiality Assessment to identify, assess and track material impacts, risks and opportunities. As established in its Risk Control and Management Policy, CAF integrates the vision of risk and opportunity in its management, ensuring a clear separation of functions between those who assume risks and opportunities and those who supervise them. [S2.SBM-3_01, S2.SBM-3_07] CAF also promotes effective measures to mitigate them, reports transparently to regulators and external agents, and updates its corporate governance standards to ensure legal compliance.

a) Risks associated with specific groups of workers:

Countries where there is a significant risk of labour exploitation, child labour or forced labour have been identified. [S2.SBM-3_04, S2.SBM-3_08] [408-1, 409-1] These risks are present mainly in countries with emerging economies where working conditions, particularly for women, migrant workers and young people, may be more vulnerable to abuse. [S2.SBM-3_03, S2.SBM-3_05] [407-1]

- **Women in emerging economies**: Women face occupational hazards due to unsafe conditions, low wages and limited access to basic labour rights. These conditions are most prevalent in regions such as Southeast Asia and parts of Africa. CAF's relationship with suppliers in these regions is very limited and they are always considered as Target suppliers, which means they are subject to a prior assessment and monitoring throughout the commercial relationship. [S2.SBM-3_09]
- **Migrant workers:** In countries with significant migration flows, where CAF has projects, such as Mexico, Turkey or Saudi Arabia, migrant workers are particularly vulnerable to labour exploitation and the absence of formal contract, exposing them to material risks related to the lack of social and legal protection. Likewise, these suppliers are subject to continuous evaluation under our Responsible Purchasing Programme. [S2.SBM-3_02, S2.SBM-3_03] [409-1]
- **Workers in high environmental risk contexts, and especially younger workers:** In sectors involving the extraction of natural resources (processing of metals such as steel and aluminium and the use of minerals critical for the manufacture of electronic components) and industrial production (manufacturing, metal working), workers in general, and young people in particular, face risks related to exposure to toxic substances and dangerous environments related to occupational accidents due to inadequate training and precarious working conditions. Applying the sector's criteria for the selection of Target suppliers, all these suppliers are subject to an assessment in accordance with the requirements of the Responsible Purchasing Programme. [408-1] [S2.SBM-3_04, S2.SBM-3_05]

Below is the breakdown* of suppliers/business groups with risk to workers according to the size of the organisation:



*Information obtained from Ecovadis.

b) Environmental risks according to the sector of activity of our suppliers

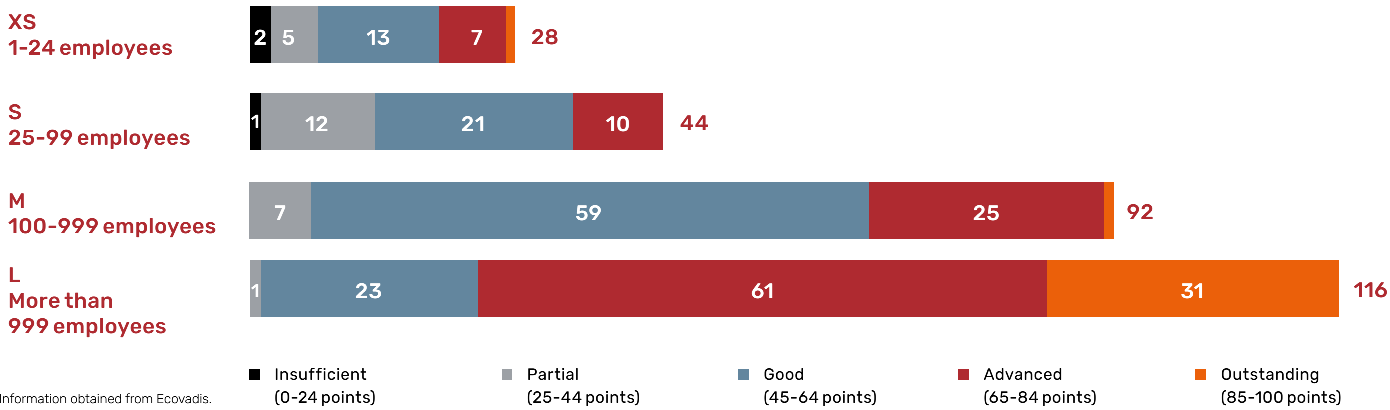
In accordance with CAF's supply needs, we face various potential environmental risks associated with the different sectors involved in the products and services supplied: [308-1, 308-2]

- **Extraction of Raw Materials** (minerals and metals): The extraction of raw materials, such as minerals and metals, through large-scale mining can cause various negative impacts. These include deforestation, which eliminates natural habitats and leads to biodiversity loss; water pollution due to toxic waste used in mineral separation; emissions of polluting gases, such as CO2, methane and suspended particles, resulting from extraction and processing processes; and the problem of conflict minerals, linked to unethical labour practices, unsafe conditions and environmental damage in certain regions. [S2.SBM-3_04]
- **The manufacture of equipment (steel and aluminium) and electronic components**: Steel and aluminium production are notable for their high energy consumption, with aluminium smelting being one of the main contributors to the global carbon footprint. Additionally, the process generates toxic by-products, including slag, chemical waste, and sulphur dioxide

emissions. On the other hand, the manufacturing of electronic components involves the use of toxic chemicals and heavy metals such as lead, mercury and cadmium, which pose risks of soil and water contamination. Additionally, the process generates electronic waste that is difficult to recycle or manage due to the combination of hazardous and non-biodegradable materials.

- **Transport and logistics** have a considerable environmental impact, especially sea and air transport, which are common for the transfer of materials and components from global markets, generating material carbon emissions. Furthermore, there is a strong dependence on the consumption of fossil fuels, which implies an intensive use of non-renewable energy in logistics activities.

Below is the breakdown* of suppliers/business groups with environmental risk according to the size of the organisation:

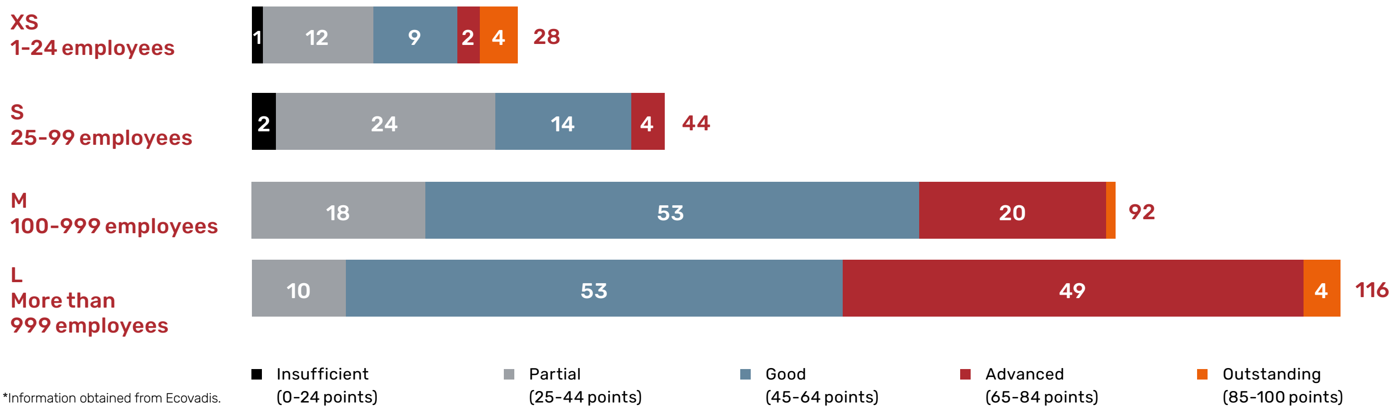


*Information obtained from Ecovadis.

c) Risks associated with social and ethical aspects:

The Responsible Purchasing Programme analyses supplier risks that affect standards, business strategies and ethical aspects. Services such as legal advice and consulting present risks due to a lack of transparency in audits and monitoring. Furthermore, pressure to meet commercial objectives can also encourage practices such as bribery or conflicts of interest. [414-2] [S2.SBM-3_05, S2.SBM-3_07]

Below is the breakdown* of suppliers/business groups with social/ethical risk according to the size of the organisation:



*Information obtained from Ecovadis.

7.5.4 SUPPLY CHAIN MONITORING METHODOLOGY

At CAF we have implemented the following measures designed to identify and mitigate risks related to these groups, ensuring that their working conditions are monitored and that corrective measures are taken when necessary. [308-1]

- **EcoVadis IQ + Vitals:** To identify and classify the preliminary risk of active and potential suppliers, we use EcoVadis IQ, a platform with artificial intelligence capabilities that provides detailed analyses of the potential risk of suppliers in real time. This tool assesses suppliers in multiple key areas, including sustainability, business ethics, environment, labour practices, human rights and anti-corruption, providing a comprehensive overview of their social and environmental performance.
- **Risk Mapping and Assessments in Agencies:** Once a supplier has been identified as a Target, according to the selection criteria explained above, it is required to share the result of its ESG assessment. This assessment must be carried out on Ecovadis or any other equivalent platform. If the results are not sufficient, specific audits are implemented and, where appropriate, corrective action plans adapted to the context.

ARIBA SLP (Supplier Lifecycle Performance): Reinforcing its use during 2024 in the bus segment and extending it to other Group activities such as renovations, signalling and engineering, within the railway segment. This system ensures that suppliers comply with established qualification requirements, including relevant certifications such as ISO, IRIS, OHSAS, our Supplier Code of Conduct and corporate sustainability policies.

- **ARIBA Risk:** To monitor the most critical risks, the tool collects information from various sources, including EcoVadis and issues alerts on potential risks such as human rights violations, negative environmental impacts or ethically questionable behaviour. Moreover, it scrutinises financial data and checks for the presence of suppliers on global sanctions lists using platforms like D&B and Exiger, enabling timely corrective measures to be undertaken. [308-1, 414-1]

Thanks to these mechanisms, in 2024, 74% of Target suppliers (363 out of 487) have been assessed in accordance with our approach, without blocking the qualification of any necessary supplier or identifying any material deviations from our Supplier Code of Conduct.

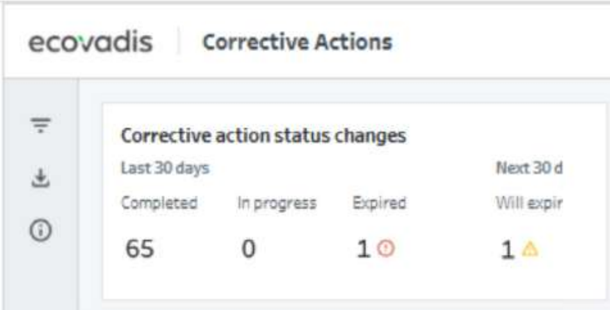
These measures reflect our commitment to transparency, continuous improvement and proactive management of social and occupational risks throughout our value chain. [308-2, 414-2]

7.5.5 RESULTS OF THE RESPONSIBLE PURCHASING PROGRAMME

Information related to the risk level of suppliers is available in different CAF tools for those responsible for supplier selection, as well as for the award of contracts and services. With the aim of guaranteeing a transparent selection process in line with our principles of sustainability and compliance with legislation, the activities included in the Responsible Programme use ARIBA RISK or EcoVadis IQ to analyse the level of risk of suppliers registered on the ARIBA SLP platform, or in their ERP. This assessment is performed based on specific criteria and information collected from various sources integrated into ARIBA RISK, including, but not limited to, Exiger, D&B, EcoVadis, which provide complete and up-to-date data by default.

Of the total of approximately 8,000 suppliers of the CAF Group, around 7,200 are covered by the CAF Group's Responsible Purchasing Programme, resulting in 487 Target suppliers. [308-1, 414-1] [S2.SBM-3_04, S2.SBM-3_05, S2.SBM-3_09] This selection has been made taking into account the material risks described above and associated with its operation. [S2.SBM-3_08, S2.SBM-3_07]

This comprehensive approach, which combines the use of tools that allow us to identify potential risks in our suppliers associated with environmental protection, social responsibility and ethical behaviour, and the application of processes to establish corrective actions and/or audits on the findings, allows us to mitigate negative impacts and promote best practices that strengthen environmental, social and governance performance in our supply chain. During 2024, a total of 65 corrective actions were managed through EcoVadis with our Target suppliers. [308-2, 414-2] [S2.SBM-3_06, S2.SBM-3_07, S2.SBM-3_09]



One of the positive impacts of the implementation of the Responsible Purchasing Programme is that, during 2024, 88 of these Target suppliers have achieved a material improvement in their assessment result, with 5 of them moving out of the risk zone. These results show that CAF, by applying this initiative, generates a positive material impact on the supply chain, thus minimising labour and social risks, those related to precarious working conditions or the vulnerability of certain groups of workers, as well as the conservation of the environment and biodiversity. [308-2, 414-2] [S2.SBM-3_06]

On the other hand, the opportunities we identify are related to continuous improvement in compliance with our ethical and sustainability criteria by our suppliers, which results in greater stability in our supply chain and a reduction in operational risks. [S2.SBM-3_07] By ensuring that our suppliers comply with appropriate labour standards and environmental conditions, we are not only promoting a fairer and safer work environment, but we are also generating opportunities for improvement for the workers themselves, such as their professional training, improved working conditions and access to a more inclusive work environment. Accordingly, as part of our commitment to continuous improvement in the value chain, it is worth highlighting, for example, the action led by the railway segment with one of our Target suppliers. This initiative recommended establishing a health and safety forum, with the aim of strengthening dialogue between management and workers, improving the identification and mitigation of occupational risks and promoting a safer and more participatory work environment. This initiative reflects our proactive approach to managing material opportunities related to workers in our supply chain, in line with our principles of sustainability and social responsibility.

Results of the Responsible Purchasing Programme

As a result of the extension of the Responsible Purchasing Programme to the activities of the CAF Group related to engineering, signalling and renovations, the volume of coverage of the Programme, considering the financial consolidation of the companies under the programme with respect to the total reported in procurement and external services of the group, amounts to 80%.

Once the total supplies and external services contracted during 2023 in the companies that are part of the Responsible Purchasing Programme have been analysed, each business draws up its own list of Target suppliers based on the criteria already specified in the previous sections of this Sustainability Report. This analysis resulted in the identification of 615 Target suppliers out of a total of approximately 7,200 suppliers. Of the 615 Target suppliers identified based on the information from the previous year, during 2024 a commercial relationship was maintained with 487 Target Suppliers. These suppliers are part of the Responsible Purchasing Programme. [308-1, 414-1] [S2.SBM-3_05]

The target set by CAF is to achieve 92% of Target suppliers assessed above 44 points in EcoVadis, or equivalent agency. That is to say, they must at least complete the questionnaire that includes aspects aligned with international standards and the responses must be subject to analysis by experts. This process should measure the performance of suppliers in relation to sustainability and the results of the assessment should be expressed in a score ranging from 0 to 100 points. Suppliers with a higher score have better sustainability management.

When an assessment does not meet the standard set by CAF, the supplier is required to implement an action plan to address the identified weaknesses. At the end of the year, of the total of 363 suppliers assessed (corresponding to 289 business groups), 26 have a score below 45 points, and will be asked to establish an action plan that will allow them to reach an EcoVadis score above the risk level. [308-2, 414-2]

The SQA area conducted approval audits on 62 new suppliers in 2024 and included sustainability criteria. In addition, 5 specific sustainability audits were conducted at supplier facilities. [308-1, 414-1]

For the tracking of the indicators of the Responsible Purchasing Programme, the SAC (System for Analytical Control) tool was developed as the official consultation platform for the KPIs of the Responsible Purchasing Programme, which streamlined data consolidation for calculating programme-associated KPIs. Integrated with the purchasing ERPs for S4/HANA, BAAN and GMAO and, by means of an upload file for NAVISION, LN and other SAPs, this tool facilitates enhanced data gathering and handling concerning ethical buying practices, thereby boosting both the effectiveness and dependability of result tracking.

At the end of 2024, the following results have been obtained from SAC in the activities included in the Responsible Purchasing Programme:

	TARGET SUPPLIERS (WITH ACCOUNTED RECEIPTS)	HIGH RISK PURCHASE <25	MEDIUM PURCHASE RISK < 45 > 25	% PURCHASE FROM SUPPLIERS WITH VALID EVALUATION	% PURCHASE FROM *TARGET* SUPPLIERS
CAF Group	487	0.08%	1.06%	37%	48%

To continue strengthening our sustainable practices in the acquisition of products and services, we have defined the following improvements and actions to be implemented in the coming months:

- Establish processes that include the participation of workers in social audits or direct consultation mechanisms (surveys, on-site visits, communication with union representatives). [S2-2_07]
- Implement traceability strategies that enable risk identification and mitigation at all levels of the chain (Tier-2, Tier-3, etc.)
- Implementation of SEDEX: Specify tracking mechanisms, additional audits or training for high-risk suppliers.
- Develop specific programmes (e.g. carbon footprint reduction in transport, circular economy initiatives for electronic components) and report associated results.

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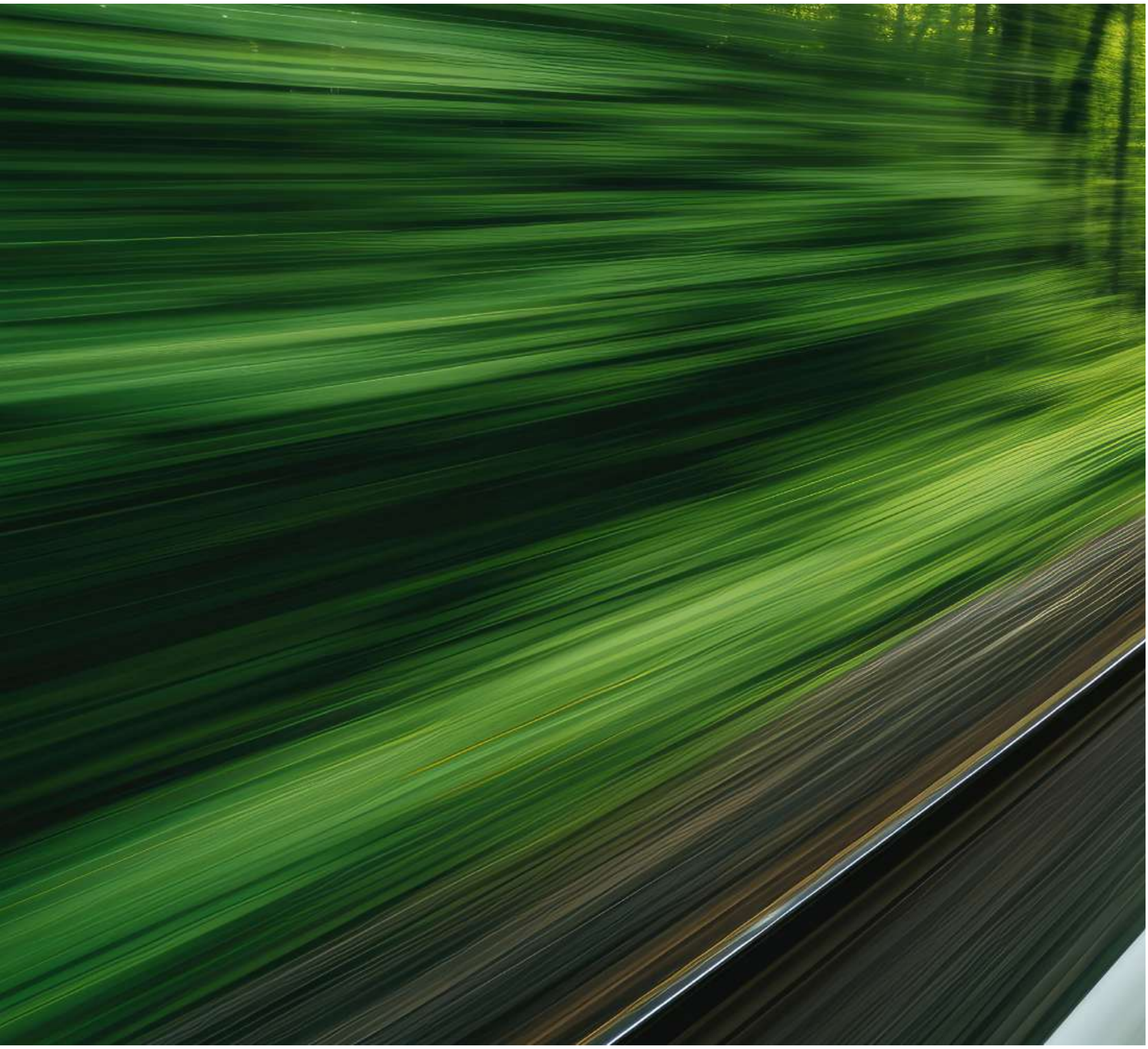
ABOUT THIS REPORT

8.1. Basis for the preparation of this report



8.1 BASIS FOR THE PREPARATION OF THIS REPORT [2-2, 2-3, 2-4, 2-26]

At CAF, the preparation of the **Sustainability Report** reflects our commitment to transparency and regulatory compliance, in line with the **Corporate Sustainability Reporting Directive (CSRD)**, the **European Sustainability Reporting Standards (ESRS)** and the Spanish **Law 11/2018 on Non-Financial Information and Diversity.** This document integrates our main actions, results and commitments in sustainability, following a rigorous methodological approach that guarantees the homogeneity and comparability of the information reported.

With this approach, CAF's Sustainability Report not only meets regulatory requirements, but also reinforces our commitment to excellence in sustainability management.

8.1.1 Basis for preparing the Report

The CAF Consolidated Non-Financial Statement and Sustainability Information, referred to as the Sustainability Report throughout the document, is one of the main communication tools in this area and in the relationship with its Stakeholders. Thus, it is a clear and rigorous compilation of the relevant information related to the most significant positive and negative impacts generated on its various stakeholders in terms of sustainability during the current financial year, as well as the main risks and opportunities identified. Likewise, throughout the document, the Group's strategic priorities and the actions developed to continue advancing towards sustainable and responsible mobility are detailed.

This Report, which refers to the period from 1 January to 31 December 2024 [2-3], covers the activities carried out by the CAF Group (Construcciones y Auxiliar de Ferrocarriles S.A.) [2-1]

The Report has been prepared on a consolidated basis, ensuring that the information presented is consistent with the Group's financial statements. This approach guarantees that financial and sustainability data share a single consolidation framework, facilitating a comprehensive and consistent view of the Group's activities [BP-1_01].

In this regard, we confirm that the scope of consolidation of the Sustainability Report coincides with that used in the Consolidated Financial Statement and Management Report. This alignment allows reporting on the activities of all companies included in the financial perimeter, whenever possible, in accordance with the criteria established in our Sustainability Information Internal Control System (SIICS). This system also defines the parameters for periodically reviewing said perimeter, ensuring its updating and adaptation to changes in the structure of the Group [BP-1_02].

The list of entities included in the Report corresponds to the information included in the Notes to the Consolidated Financial Statements 2024, Note 2 f) [2-2] [BP-1_02]. Sustainability information is included for those investee companies over which it controls more than 50%. As a general rule, environmental indicators consider those companies and facilities over which there is effective operational control.

This Report includes consolidated information on all CAF Group entities. It also includes sustainability information from our subsidiary Solaris (Solaris Bus & Coach and its subsidiaries) which is exempt from reporting individual or consolidated sustainability information, in accordance with Articles 19a(9) and 29a(8) of Directive 2013/34/EU. [BP-1_03]

In preparing this Report, CAF has not, as a general rule, made any omissions for reasons of future developments or ongoing negotiations [BP-1_06], or for reasons of intellectual property, know-how or innovation results [BP-1_05]. In cases where any type of omission is made, the reasons for it and the affected data will be indicated in section "9.1 Table of contents of the ESRS". Similarly, in the event that a data point is reported by reference, its location will be included in this same section. [BP-2_20]

8.1.2 Value chain coverage

The scope of this Report covers both upstream and downstream activities in our value chain, allowing us to evaluate the impacts generated throughout the life cycle of our products and services. This comprehensive approach allows us to identify and manage risks and opportunities associated with our operations, from the supply of raw materials to the final phase of use and disposal. Accordingly, the Report reflects our commitment to a holistic approach to sustainability, covering both upstream suppliers and the impact on customers and end-users. [BP-1_04]

More information about our value chain in subsection "2.2. Sustainability in the value chain".

8.1.3 Exclusions and use of estimates

The Sustainability Information Internal Control System (SIICS) also establishes clear criteria for the inclusion and exclusion of companies in the Report. Exclusions, whether temporary or permanent, require a thorough review and authorisation by the sustainability area under specific assumptions, such as lack of significant activity, inability to obtain reliable data, or non-applicability of certain indicators, e.g. due to lack of staff.

In cases where specific data is not available, we use estimates based on recognised methodologies, such as sector averages or indirect approximations. These estimates are applied ensuring the highest possible precision and are complemented by strategies aimed at improving the quality of the information reported in future years. [BP-2_03]

8.1.4 Definition of time horizons

For the purposes of reporting sustainability information and performing the Double Materiality Assessment, we have applied the time horizons defined in the European Sustainability Reporting Standards. [BP-2_01, BP-2_02]

Thus, time horizons are structured into three levels:

- Short term (1 year): This horizon represents the current year on which this report is based (2024).
- Medium term (1-5 years): This horizon comprises a period of four years, between the reporting year and the following five years. For the purposes of the objectives presented in the Report, we take the reference year 2026, in line with our Strategic Plan 2026 and the Master Plan 2025-2026.

Long term (+ 5 years): CAF's most ambitious objectives are formulated in this time horizon, demonstrating its commitment to sustainability and long-term impact in order to lead the transition towards a sustainable and responsible mobility model for the planet. The goal of achieving net zero carbon emissions is thus set for 2045.

8.1.5 Metrics, estimates and sources of uncertainty

Throughout this report, data on upstream or downstream stages of the value chain are explicitly identified based on estimated data from indirect sources, such as sectoral averages or benchmark values. It also describes the basis used to prepare these estimates, the level of accuracy achieved and the actions taken to improve their accuracy in future periods. [BP-2_03, BP-2_04, BP-2_05, BP-2_06]

In addition, the main sources of uncertainty are explained, as well as the assumptions, judgements and approximations used in measuring these metrics [BP-2_08, BP-2_09]. These details allow our stakeholders to better understand the strengths and limitations of the data presented, highlighting planned measures to reduce uncertainty and ensure greater robustness in future reporting.

Although this Sustainability Report presents data obtained from estimation sources with measurement uncertainty, CAF has not identified any data with a high level of uncertainty. [BP-2_07]

8.1.6 Updating information

Throughout the document, changes, if any, in the preparation or presentation of the information from prior periods are explained in detail, including the reasons for such changes [BP-2_10] and how they contribute to a better understanding of our performance. In these cases, CAF will disclose revised comparative figures, unless it is impossible to do so. If comparative adjustments were not possible due to practical limitations, this situation will be explicitly indicated. [BP-2_11] In such cases, the difference between the figure reported in the prior period and the revised comparative figure shall be additionally disclosed [BP-2_12].

Likewise, if applicable, a description of the material errors[1] identified in previous periods and the corrective actions implemented will be included. [BP-2_13, BP-2_14, BP-2_15] In this way, we seek to reinforce transparency and confidence in the consistency of the information disclosed.

8.1.7 References to regulations and standards

This Report has been designed to meet the requirements of the European Sustainability Reporting Standards (ESRS) and the Spanish Law 11/2018 on Non-Financial Information and Diversity, which set out the main sustainability reporting requirements. In addition, and fundamentally in those cases in which there are no other applicable regulations, the document is developed based on the Global Reporting Initiative (GRI) Standards, providing a widely accepted international frame of reference. [BP-2_16, BP-2_1].

In addition, this Sustainability Report describes the Company's annual progress in implementing the Ten Principles of the United Nations Global Compact in the areas of human and labour rights, environment and anti-corruption [BP-2_16].

1 An error is considered material when the difference between the reported data and the corrected data is greater than 5%.

The areas where these regulatory frameworks are partially or fully applied are detailed, clearly identifying the requirements and data points integrated by reference. This includes an exhaustive list of the reported Data Points, aligned with the ESRS and the Spanish Law 11/2018, which ensures that each specific requirement related to environmental, social and governance aspects has been adequately addressed.

Annexes 9.1, 9.2, 9.3, 9.4 provide details on how the mentioned regulations and standards have been applied, specifying their usage and location within the document. [BP-2_17].

This precise reference allows readers to identify how regulatory and normative standards are met, providing a clear basis for future verifications or audits. This ensures regulatory compliance and consistency while reinforcing our alignment with international best practices. This approach not only promotes transparency in our performance, but also ensures that the information provided is clear, structured and relevant to our stakeholders [BP-2_2].

8.1.8 Results and Outlook

The Group reiterates its commitment to transparency and regulatory compliance, guaranteeing the quality and relevance of the information disclosed in this Sustainability Report. This document reflects a collective effort aimed at promoting sustainable development and meeting the expectations of our stakeholders, thereby consolidating our role as an agent of positive change in the global environment. Our commitment to continuous improvement drives us to continue advancing in the integration of sustainability into every aspect of our operations and strategic decisions.

8.1.9 Contact information

For any clarification, inquiry, or suggestion regarding this report or its contents, please contact: esg@caf.net [2-3]

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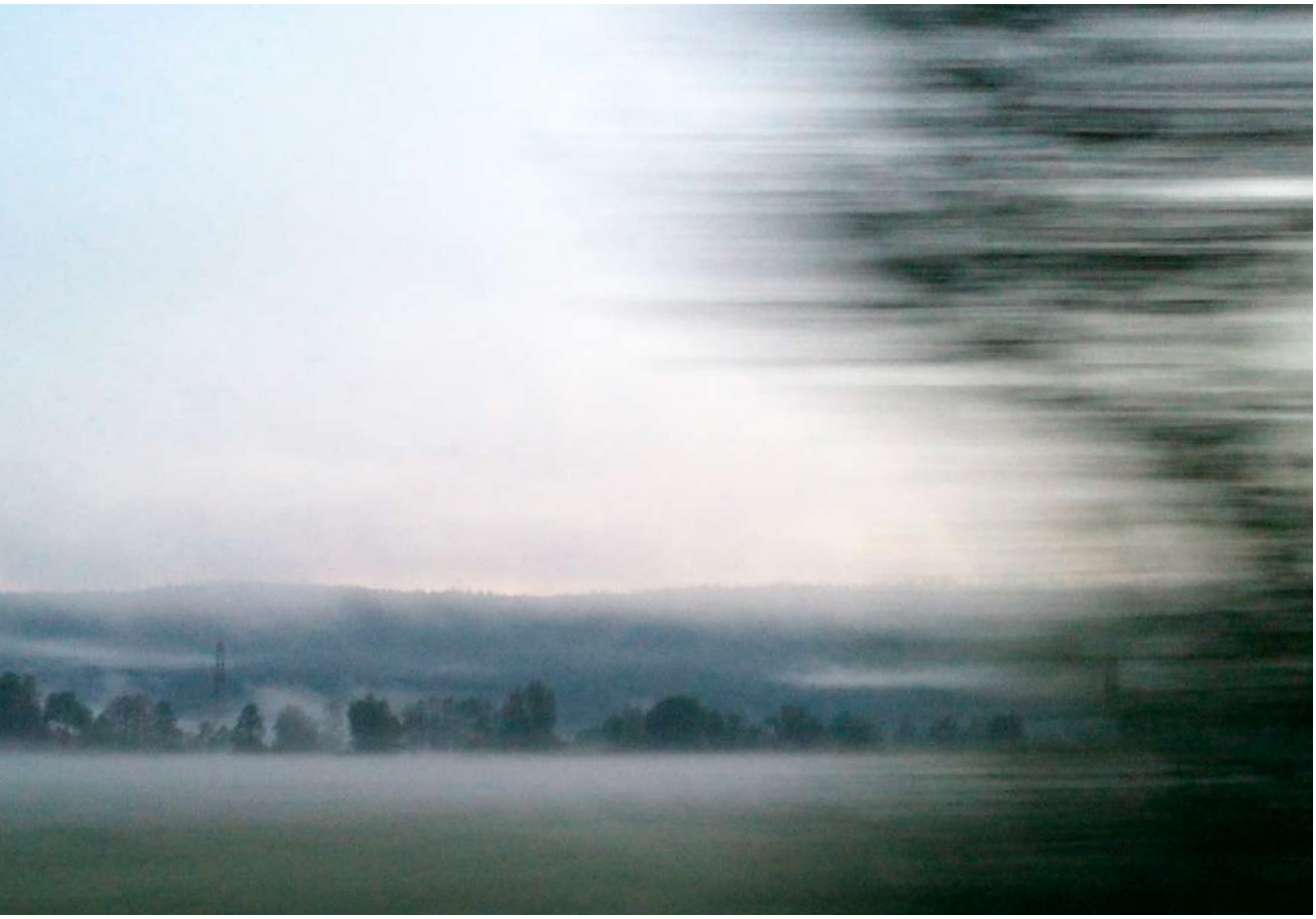
ANNEXES



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E1.MDR-A	Disclosure to be reported if the undertaking has not adopted actions	E1.MDR-A_13-14	51-68
E1.MDR-T	Tracking effectiveness of policies and actions through targets	E1.MDR-T_01-13	51-68
E1-4	Targets related to climate change mitigation and adaptation	E1-4_01	57-68
		E1-4_02	57-68
		E1-4_03	57-68
		E1-4_04	57-68
		E1-4_05	57-68
		E1-4_06	57-68
		E1-4_07	57-68
		E1-4_08	57-68
		E1-4_09	57-68
		E1-4_10	57-68
		E1-4_11	57-68
		E1-4_12	57-68
		E1-4_13	57-68
		E1-4_14	57-68
		E1-4_15	57-68
		E1-4_16	57-68
		E1-4_17	57-68
		E1-4_18	57-68
		E1-4_19	57-68 (Voluntary requirement)
		E1-4_20	57-68
		E1-4_21	57-68
		E1-4_22	57-68
		E1-4_23	57-68
		E1-4_24	57-68
E1.MDR-T	Disclosure to be reported if the undertaking has not set any measurable outcome-oriented targets	E1.MDR-T_14-19	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E1-5	Energy consumption and mix	E1-5_01	105
		E1-5_02	105
		E1-5_03	105
		E1-5_04	105
		E1-5_05	105
		E1-5_06	105
		E1-5_07	105
		E1-5_08	105
		E1-5_09	105
		E1-5_10	105
		E1-5_11	105
		E1-5_12	105
		E1-5_13	105
		E1-5_14	105
		E1-5_15	105
		E1-5_16	105
		E1-5_17	105
		E1-5_18	105
		E1-5_19	105
		E1-5_20	105
		E1-5_21	105

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	E1-6_01	92
		E1-6_02	92
		E1-6_03	94
		E1-6_04	92
		E1-6_05	92
		E1-6_06	92
		E1-6_07	92
		E1-6_08	92
		E1-6_09	92
		E1-6_10	92
		E1-6_11	92
		E1-6_12	92
		E1-6_13	92
		E1-6_14	93
		E1-6_15	90
		E1-6_16	93
		E1-6_17	90
		E1-6_18	107
		E1-6_19	107
		E1-6_21	94, 107
		E1-6_22	107
		E1-6_23	108
		E1-6_24	90
		E1-6_25	91
		E1-6_26	91
		E1-6_27	91
		E1-6_28	90
		E1-6_29	93
		E1-6_30	94
		E1-6_31	94
		E1-6_32	94
		E1-6_33	94
		E1-6_34	94
		E1-6_35	94

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	E1-7_01	95
		E1-7_02	95
		E1-7_03	95
		E1-7_04	95
		E1-7_05	95
		E1-7_06	95
		E1-7_07	95
		E1-7_08	95
		E1-7_09	95
		E1-7_10	95
		E1-7_11	95
		E1-7_12	95
		E1-7_13	95
		E1-7_14	95
		E1-7_15	95
		E1-7_16	95
		E1-7_17	95
		E1-7_18	95
		E1-7_19	95
		E1-7_20	95
		E1-7_21	95
		E1-7_22	95
		E1-7_23	95
		E1-7_24	95
		E1-7_25	95
E1-8	Internal carbon pricing	E1-8_01	95
		E1-8_02	95
		E1-8_03	95
		E1-8_04	95
		E1-8_05	95
		E1-8_06	95
		E1-8_07	95
		E1-8_08	95
		E1-8_09	95
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-9_01-44	Phased-in Disclosure Requirements (To be reported in future reporting periods)
ESRS E2. POLLUTION			
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	E2.IRO-1_01	121
		E2.IRO-1_02	122
		E2.IRO-1_03	121
E2.MDR-P	Policies to manage its material impacts, risks and opportunities related to pollution	E2.MDR-P_01-06	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E2-1	Policies related to pollution	E2-1_01	51, 122
		E2-1_02	123
		E2-1_03	122
E2.MDR-P	Disclosures to be reported in case the undertaking has not adopted policies	E2.MDR-P_07-08	51-68
E2.MDR-A	Actions and resources in relation to pollution	E2.MDR-A_01-12	51-68
		E2-2_02	122
E2.MDR-A	Disclosures to be reported if the undertaking has not adopted actions	E2.MDR-A_13-14	51-68
E2.MDR-T	Tracking effectiveness of policies and actions through targets	E2.MDR-T_01-13	51-68
E2-3	Targets related to pollution	E2-3_01	57-68
		E2-3_02	57-68
		E2-3_03	57-68
		E2-3_04	57-68
		E2-3_09	57-68
E2.MDR-T	Disclosures to be reported if the undertaking has not adopted targets	E2.MDR-T_14-19	51-68
E2-4	Pollution of air, water and soil	E2-4_01	122
		E2-4_02	122
		E2-4_03	122
		E2-4_04	122
		E2-4_08	123
		E2-4_09	123
		E2-4_10	123
		E2-4_15	123
E2-5	Substances of concern and substances of very high concern	E2-5_01	123
		E2-5_02	123
		E2-5_03	123
		E2-5_04	123
		E2-5_05	123
		E2-5_06	123
		E2-5_07	123
		E2-5_08	123
		E2-5_09	123
		E2-5_10	123
		E2-5_11	123
		E2-5_12	123
		E2-5_13	123

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	E2-6_01-03	Phased-in Disclosure Requirements (To be reported in future reporting periods)
		E2-6_04	122
		E2-6_05	122
		E2-6_06-10	Phased-in Disclosure Requirement (To be reported in future reporting periods)
ESRS E5. RESOURCE USE AND CIRCULAR ECONOMY			
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related risks and opportunities	E5.IRO-1_01	101
		E5.IRO-1_02	101
E5.MDR-P	Policies to manage its material impacts, risks and opportunities related to resource use and circular economy	E5.MDR-P_01-06	51-68
E5-1	Policies related to resource use and circular economy	E5-1_01	51-52
		E5-1_02	51-52
E5.MDR-P	Disclosures to be reported in case the undertaking has not adopted policies	E5.MDR-P_07-08	51-68
E5.MDR-A	Actions and resources in relation to resource use and circular economy	E5.MDR-A_01-12	51-68
E5-2	Actions and resources related to resource use and circular economy	E5-2_01	57-68 (Voluntary requirement)
		E5-2_02	57-68 (Voluntary requirement)
		E5-2_03	57-68 (Voluntary requirement)
		E5-2_04	57-68 (Voluntary requirement)
		E5-2_05	57-68 (Voluntary requirement)
		E5-2_06	57-68 (Voluntary requirement)
		E5-2_07	57-68 (Voluntary requirement)
		E5-2_08	57-68 (Voluntary requirement)
		E5-2_09	57-68 (Voluntary requirement)
		E5-2_10	57-68 (Voluntary requirement)
E5.MDR-A	Disclosures to be reported if the undertaking has not adopted actions	E5.MDR-A_13-14	51-68
E5.MDR-T	Tracking effectiveness of policies and actions through targets	E5.MDR-T_01-13	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
E5-3	Targets related to resource use and circular economy	E5-1_01	57-68
		E5-3_02	57-68
		E5-3_03	57-68
		E5-3_04	57-68
		E5-3_05	57-68
		E5-3_06	57-68
		E5-3_07	57-68
		E5-3_08	57-68
		E5-3_09	57-68
		E5-3_10	57-68 (Voluntary requirement)
		E5-3_11	57-68 (Voluntary requirement)
		E5-3_12	57-68 (Voluntary requirement)
		E5-3_13	57-68
E5.MDR-T	Disclosures to be reported if the undertaking has not adopted targets	E5.MDR-T_14-19	51-68
E5-4	Resource inflows	E5-4_01	102
		E5-4_02	102
		E5-4_03	102-103
		E5-4_04	102-103
		E5-4_05	102-103
		E5-4_06	102-103
		E5-4_08	103
E5-5	Resource outflows	E5-5_01	116
		E5-5_02	116
		E5-5_03	116
		E5-5_04	109, 119
		E5-5_05	109
		E5-5_06	116, 119
		E5-5_07	109
		E5-5_08	109
		E5-5_09	109
		E5-5_10	109
		E5-5_11	109
		E5-5_12	109
		E5-5_13	109
		E5-5_14	109
		E5-5_15	109
		E5-5_16	109
		E5-5_17	109
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	E5-6_01-06	Phased-in Disclosure Requirements (To be reported in future reporting periods)

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
ESRS S1. OWN WORKFORCE			
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	S1.SBM-3_01	133
		S1.SBM-3_02	133
		S1.SBM-3_03	133-137
		S1.SBM-3_04	125-128
		S1.SBM-3_05	133-137
		S1.SBM-3_06	No material impacts on the workforce have been identified due to transition plans to reduce environmental impact and achieve more sustainable operations. No restructuring, job losses or significant changes in job creation or staff training are anticipated.
		S1.SBM-3_11	135-137
		S1.SBM-3_12	129-132
S1.MDR-P	Policies to manage material impacts, risks and opportunities related to its own workforce	S1.MDR-P_01-06	51-68
S1-1	Policies related to own workforce	S1-1_01	51
		S1-1_03	184
		S1-1_04	184
		S1-1_05	51
		S1-1_06	190
		S1-1_07	51
		S1-1_09	51
		S1-1_10	51
		S1-1_11	51
		S1-1_12	51
		S1-1_13	51
S1.MDR-P	Disclosures to be reported in case the undertaking has not adopted policies	S1.MDR-P_07-08	51-68
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	S1-2_01	129, 138
		S1-2_02	129, 138
		S1-2_03	129, 138
		S1-2_04	129, 138
		S1-2_05	129, 138
		S1-2_06	129, 138
		S1-2_07	129, 138
		S1-2_08	129, 138

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3_01	181
		S1-3_02	181
		S1-3_05	181
		S1-3_06	181
		S1-3_07	181
		S1-3_08	181
		S1-3_09	181
		S1-3_10	181
S1.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to its own workforce	S1.MDR-A_01-12	51-68
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	S1-4_01	51-68
		S1-4_02	51-68
		S1-4_03	51-68
		S1-4_04	51-68
		S1-4_05	51-68
		S1-4_06	51-68
		S1-4_07	51-68
		S1-4_08	136
		S1-4_09	51-68
		S1-4_19	51-68
S1.MDR-A	Disclosures to be reported if the undertaking has not adopted actions	S1.MDR-A_13-14	51-68
S1.MDR-T	Targets set to manage material impacts, risks and opportunities related to own workforce	S1.MDR-T_01-13	51-68
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5_01	51-68
		S1-5_02	51-68
		S1-5_03	51-68
S1.MDR-T	Disclosures to be reported if the undertaking has not adopted targets	S1.MDR-T_14-19	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
S1-6	Characteristics of the undertaking's employees	S1-6_01	281-282
		S1-6_02	281
		S1-6_03	283
		S1-6_04	281
		S1-6_05	281
		S1-6_06	283
		S1-6_07	282
		S1-6_09	282
		S1-6_10	282
		S1-6_11	284-285
		S1-6_12	284-285
		S1-6_13	285
		S1-6_14	281-284
		S1-6_15	126
		S1-6_16	126
		S1-6_17	125
		S1-6_18	282 The annual average number of part-time contracts is not broken down by gender, age and professional classification, as they do not represent a significant proportion of the Group's workforce.
S1-7	Characteristics of non-employees in the undertaking's own force	S1-7_01-10	Phased-in Disclosure Requirement (To be reported in future reporting periods)
S1-8	Collective bargaining coverage and social dialogue	S1-8_01-08	Phased-in Disclosure Requirements (To be reported in future reporting periods)
S1-9	Diversity metrics	S1-9_01	19-20
		S1-9_02	19-20
		S1-9_03	282-283
		S1-9_04	282-283
		S1-9_05	282-283
		S1-9_06	17
S1-10	Adequate wages	S1-10_01	128
		S1-10_02	128
		S1-10_03	128
S1-11	Social protection	S1-11_01-11	Phased-in Disclosure Requirements (To be reported in future reporting periods)
S1-12	Persons with disabilities	S1-12_01	Phased-in Disclosure Requirement (To be reported in future reporting periods)
		S1-12_03	Phased-in Disclosure Requirement (To be reported in future reporting periods)

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
S1-13	Training and skills development metrics	S1-13_01	127
		S1-13_02	Phased-in Disclosure Requirement (To be reported in future reporting periods)
		S1-13_03	285
		S1-13_04	Phased-in Disclosure Requirement (To be reported in future reporting periods)
S1-14	Health and safety metrics	S1-14_01	134-135
		S1-14_02	143-145
		S1-14_03	143
		S1-14_04	143
		S1-14_05	143
		S1-14_06-07	Phased-in Disclosure Requirements (To be reported in future reporting periods)
S1-16	Remuneration metrics (pay gap and total compensation)	S1-16_01	130-131
		S1-16_02	128
		S1-16_03	128
S1-17	Incidents, complaints and severe human rights impacts	S1-17_01	191
		S1-17_02	191
		S1-17_03	183, 193
		S1-17_04	193
		S1-17_05	191
		S1-17_06	191
		S1-17_07	181
		S1-17_08	189, 191, 193
		S1-17_09	193
		S1-17_10	193
		S1-17_11	191
		S1-17_12	193

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
ESRS S2. WORKERS IN THE VALUE CHAIN			
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	S2.SBM-3_01	207, 209-211
		S2.SBM-3_02	207, 212
		S2.SBM-3_03	207, 212
		S2.SBM-3_04	207, 210, 212, 215
		S2.SBM-3_05	207, 210, 212, 214-216
		S2.SBM-3_06	208, 215
		S2.SBM-3_07	207, 211, 214-215
		S2.SBM-3_08	212, 215
		S2.SBM-3_09	212, 215
S2.MDR-P	Policies to manage material impacts, risks and opportunities related to value chain workers	S2.MDR-P_01-06	51-68
S2-1	Policies related to value chain workers	S2-1_01	184, 187
		S2-1_02	186, 189
		S2-1_03	186, 207-210
		S2-1_04	186
		S2-1_05	186
		S2-1_06	210
		S2-1_08	192, 210
		S2-1_09	185-186
S2.MDR-P	Disclosures to be reported in case the undertaking has not adopted policies	S2.MDR-P_07-08	51-68
S2-2	Processes for engaging with value chain workers about impacts	S2-2_01	210-211
		S2-2_02	210
		S2-2_03	210
		S2-2_04	210
		S2-2_05	210
		S2-2_06	210-211
		S2-2_07	210, 216
		S2-2_08	210
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	S2-3_01	186,193
		S2-3_02	181, 211
		S2-3_03	181
		S2-3_04	181
		S2-3_05	181
		S2-3_06	N/A
		S2-3_07	N/A
S2.MDR-A	Action plans and resources to manage its material impacts, risks and opportunities related to value chain workers	S2.MDR-A_01-12	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	S2-4_01	51-68
		S2-4_02	51-68
		S2-4_03	51-68
		S2-4_04	51-68
		S2-4_05	51-68
		S2-4_06	51-68
		S2-4_07	51-68
		S2-4_08	51-68
		S2-4_09	51-68
		S2-4_10	51-68
		S2-4_11	51-68
		S2-4_12	51-68
S2.MDR-A	Disclosures to be reported if the undertaking has not adopted actions	S2.MDR-A_13-14	51-68
S2.MDR-T	Targets set to manage material impacts, risks and opportunities related to value chain workers	S2.MDR-T_01-13	51-68
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S2-5_01	51-68
		S2-5_02	51-68
		S2-5_03	51-68
S2.MDR-T	Disclosures to be reported if the undertaking has not adopted targets	S2.MDR-T_14-19	51-68
ESRS S3. AFFECTED COMMUNITIES			
S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	S3.SBM-3_01	185, 189-190
		S3.SBM-3_02	189
		S3.SBM-3_03	189
		S3.SBM-3_04	189-190
		S3.SBM-3_05	185, 189-190
		S3.SBM-3_06	188
		S3.SBM-3_07	185-190
		S3.SBM-3_08	190
S3.MDR-P	Policies to manage material impacts, risks and opportunities related to affected communities	S3.MDR-P_01-06	51-68
S3-1	Policies related to affected communities	S3-1_01	185
		S3-1_02	185
		S3-1_03	185
		S3-1_04	185
		S3-1_05	192
		S3-1_06	184
		S3-1_07	184
S3.MDR-P	Disclosures to be reported in case the undertaking has not adopted policies	S3.MDR-P_07-08	51-68

DISCLOSURE REQUIREMENT (DR)	DR NAME	IDENTIFIER (ID)	LOCATION, REFERENCE OR DIRECT RESPONSE
EUROPEAN SUSTAINABILITY REPORTING STANDARD (ESRS) 2024			
S3-2	Processes for engaging with affected communities about impacts	S3-2_01	189
		S3-2_02	192
		S3-2_03	192
		S3-2_04	192
		S3-2_05	192
		S3-2_06	192
		S3-2_07	192
		S3-2_08	192
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	S3-3_10	184, 192
		S3-3_11	181, 189, 192-193
		S3-3_12	181, 190, 192-193
		S3-3_13	181
		S3-3_14	181
		S3-3_15	181
		S3-3_16	N/A
S3.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to affected communities	S3.MDR-A_01-12	51-68
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	S3-4_01	190
		S3-4_02	193
		S3-4_03	193
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9.3 GLOBAL REPORTING INITIATIVE INDEX

GRI content index	
DECLARATION OF USE	CAF has reported the information contained in this GRI Content Index for the period 01/01/2024/ 31/12/2024 with reference to the GRI Standards mentioned in this section.
GRI 1 USED	GRI 1: Fundamentals 2021

CONTENT	REFERENCE	LOCALISATION OR DIRECT RESPONSE
GENERAL CONTENT (2021)		
1. THE ORGANISATION AND ITS REPORTING PRACTICES		
2-1 Organisational details	Direct response	This Report covers the activities at the Group level of CAF (Construcciones y Auxiliar de Ferrocarriles S.A.). The headquarter of the Organisation is located at: Calle José Miguel Iturrioz, 26. 20.200 Beasain (Guipúzcoa), Spain
	Consolidated CAF Group Financial Statements Report for the year 2024	Nature and activity of the controlling entity (Note 1)
	Consolidated CAF Group Management Report for the 2024 financial year	Evolution and business results Railway segment Bus segments - Solaris
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2-16 Communication of critical concerns	2.5 Corporate governance	27-28
2-17 Collective knowledge of the highest governing body	2.5 Corporate governance	21-23, 27-28
2-18 Evaluation of the performance of the highest governing body	2.5 Corporate governance	21-23
2-19 Remuneration policies	2.5 Corporate governance	21-26
	Annual Report on Corporate Governance 2024	Sections C.1.13, C.1.14, C.1.39, C.2.1
	Annual Report on Remuneration of Directors of Listed Companies 2024	Complete
2-20 Process for determining remuneration	2.5 Corporate governance	21-23
	Annual Report on Corporate Governance 2024	Sections C.1.13, C.1.14, C.2.1
	Annual Report on Remuneration of Directors of Listed Companies 2024	Complete
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201-3 Defined benefit plan and other retirement plan obligations	Consolidated CAF Group Financial Statement and Management Report for 2024	Note 19 to the Financial Statements
201-4 Financial assistance received from the government	Consolidated CAF Group Financial Statement and Management Report for 2024	Notes 14, 15 and 21 d) to the Financial Statements
Diversity and equal opportunities (2016)		
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	6.1. People	125-132
401-1 New employee hires and employee turnover	6.1. People	125-132
	9.7. Detailed indicator tables	284
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1. People	125-132
Worker-company relations (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.1. People	125-126
402-1 Minimum notice periods regarding operational changes	GRI Index	The provisions of the applicable agreement or, subsidiarily, the corresponding local legislation are complied with in this regard.

CONTENT	REFERENCE	LOCALISATION OR DIRECT RESPONSE
Occupational health and safety (2018)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.2. Occupational Health & Safety	133-145
403-1 Occupational health and safety management system	6.2. Occupational Health & Safety	134-135, 139
403-2 Hazard identification, risk assessment and incident investigation	6.2. Occupational Health & Safety	135-136, 139-140, 142
403-3 Occupational health services	6.2. Occupational Health & Safety	136-137
403-4 Worker participation, consultation, and communication on occupational health and safety	6.2. Occupational Health & Safety	138
403-5 Worker training on occupational health and safety	6.2. Occupational Health & Safety	142
403-6 Promotion of worker health	6.2. Occupational Health & Safety	136-137
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.2. Occupational Health & Safety	139-140
403-8 Workers covered by an occupational health and safety management system	6.2. Occupational Health & Safety	134-137
403-9 Work-related injuries	6.2. Occupational Health & Safety	143-145
403-10 Work-related ill health	6.2. Occupational Health & Safety	143-145
Training and teaching (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.1 People	127
404-1 Average training hours per year per employee	6.1 People	127
	9.7. Detailed indicator tables	251
404-3 Percentage of employees receiving regular performance and career development reviews	6.1 People	127
Diversity and equal opportunities (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.1 People	129-132
405-1 Diversity in governing bodies and employees	2.5 Corporate governance	17-20
	6.1 People	129-132
	Annual Report on Corporate Governance 2024	Sections C.1.5, C.1.6, C.1.7, C.1.17, C.2.1
Non-discrimination (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.1 People	129-132
406-1 Discrimination cases and corrective actions taken	6.1 People	129-132

CONTENT	REFERENCE	LOCALISATION OR DIRECT RESPONSE
Freedom of association and collective bargaining (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	184-194
407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	GRI Index	No sites and suppliers have been identified as having a significant risk with respect to freedom of association and collective bargaining.
Child Labour (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	184-194
	7.5. Responsible supply chain management	207-216
408-1 Operations and suppliers with significant risk of child labour cases	GRI Index	No centres have been identified with a significant risk regarding child labour. As for suppliers, through the Responsible Purchasing Programme, a sustainability evaluation is carried out on target suppliers that may present a potential risk of child labour based on a country risk analysis. An action plan is developed in cases in which the score obtained could indicate that the risk is higher. (More information in section 7.5.) Through these channels, no suppliers have been detected with significant risk of child labour.
Forced or compulsory labour (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	184-187
	7.5. Responsible supply chain management	207-216
409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labour	GRI Index	No centres have been identified with a significant risk regarding forced labour. With regard to suppliers, through the Responsible Purchasing Programme, a sustainability assessment is carried out on target suppliers that may present a potential risk of incidents of forced labour, based on a country risk analysis. An action plan is developed in cases in which the score obtained could indicate that the risk is higher. (More information in section 7.5.) Through these channels, no suppliers have been detected with significant risk of child labour.
Indigenous peoples' rights (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	183-194
411-1 Cases of violations of the rights of indigenous peoples	GRI Index	No cases of violations of indigenous peoples' rights have been detected in this exercise.
Human rights assessment (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	183-194
412-2 Training of employees in human rights policies or procedures	7.2. Ethics and compliance	179

CONTENT	REFERENCE	LOCALISATION OR DIRECT RESPONSE
Local communities (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	184-194
413-2 Operations with significant negative impacts - actual and potential - on local communities	GRI Index	No operations centres have been identified with significant negative effects on local communities.
Social assessment of suppliers (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.5. Responsible supply chain management	207-216
414-1 New suppliers that were selected with social criteria	7.5. Responsible supply chain management	207-216
414-2 Negative social impacts in the supply chain and actions taken	7.5. Responsible supply chain management	207-216
Public Policy (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	196-197
415-1 Contributions to political parties and/or representatives	7.2. Ethics and compliance	196-197
Customer health and safety (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	6.3. Quality and product safety	146-157
416-1 Assessment of health and safety impacts of product or service categories	6.3. Quality and product safety	146-157
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	6.3. Quality and product safety	146-157
Customer privacy (2016)		
3-3 Management Approach	4.4. Double Materiality Assessment	54-56
	7.2. Ethics and compliance	199-200
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	7.2. Ethics and compliance	199-200

9.4 TABLE OF CONTENTS OF THE GLOBAL COMPACT

THE 10 GLOBAL COMPACT PRINCIPLES	REFERENCE
HUMAN RIGHTS	
PRINCIPLE 1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	2.1 Our sustainable business model
	2.3 A culture geared towards sustainability
	7.2 Ethics and Compliance
PRINCIPLE 2. Businesses should make sure that they are not complicit in human rights abuses.	7.2 Ethics and Compliance
	7.5 Responsible supply chain management
LABOUR STANDARDS	
PRINCIPLE 3: Companies must support freedom of association and the effective recognition of the right to collective bargaining.	2.1 Our sustainable business model
	6.1 People
	7.2 Ethics and Compliance
	7.5 Responsible supply chain management
PRINCIPLE 4: Businesses must support the elimination of all forms of forced or coerced labour.	2.1 Our sustainable business model
	7.2 Ethics and Compliance
	7.5 Responsible supply chain management
PRINCIPLE 5: Businesses should support the effective abolition of child labour.	2.1 Our sustainable business model
	7.2 Ethics and Compliance
	7.5 Responsible supply chain management
PRINCIPLE 6: Companies must support the abolition of discriminatory practices in employment and occupation.	6.1 People
	7.2 Ethics and Compliance
	7.5 Responsible supply chain management
ENVIRONMENT	
PRINCIPLE 7: Businesses should maintain a precautionary approach that favours the environment.	5.1 Environmental management
	5.3 Climate strategy
PRINCIPLE 8: Companies must encourage initiatives that promote greater environmental responsibility.	2.7 Innovation and technology: Keys to sustainable mobility
	5.1 Environmental management
	5.3 Climate strategy
	5.4 Circular economy and sustainable use of resources
	7.5 Responsible supply chain management
PRINCIPLE 9: Companies must promote the development and dissemination of environmentally friendly technologies.	2.7 Innovation and technology: Keys to sustainable mobility
	7.5 Responsible supply chain management
ANTI-CORRUPTION	
PRINCPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.	2.1 Our sustainable business model
	2.3 A culture geared towards sustainability
	7.2 Ethics and Compliance

9.5 DEGREE OF ELIGIBILITY AND ALIGNMENT WITH THE EUROPEAN TAXONOMY OF SUSTAINABLE ACTIVITIES ON TURNOVER, CAPEX AND OPEX

Methodological notes on the calculation of taxonomic indicators

Scope

All the companies that make up CAF Group's consolidation scope have been considered in the analysis carried out to establish the eligible activities under the European Commission's Taxonomy criteria.

In the process of preparing and calculating the indicators, the absence of any double counting has been ensured by obtaining Turnover, OpEx and CapEx (excluding intra-group movements) from the consolidation tool, a single and complete source which is subject to continuous internal control reviews established by the Group. Also, considering that CAF activities mainly contribute to the Climate Change Mitigation objective, the process has been designed in such a way that it is not possible to allocate projects to other objectives, thus avoiding double counting of a project/activity under more than one taxonomic objective.

It is worth mentioning that some of the Group's activities, namely those listed under headings 3.3., 4.1., 6.14 of Annexes I and II of the Climate Delegated Act, are eligible under both the Mitigation and Adaptation to Climate Change objectives. However, our activities fit the substantial contribution criteria defined for the Climate Change Mitigation objective, but have a lesser fit with the Climate Change Adaptation objective. For this reason, it has been decided to carry out the analysis with respect to the objective of Climate Change Mitigation, as reflected below.

On the other hand, it is assumed that the activities and the degree of eligibility and alignment on sales for a company are applicable to the CapEx and OpEx of the same company. [BP-2_09]

Description of eligibility and alignment indicators

General aspects

For the Climate Change Mitigation objective, with which the Group's operations have a greater degree of alignment, the attached table shows the activities carried out by CAF, the activities included in the taxonomy that have been considered eligible and the substantial contribution criteria applicable to our activities.

CAF GROUP ACTIVITY	MITIGATION OF CLIMATE CHANGE
Manufacture, repair, maintenance, renewal, reconversion and modernisation of rolling stock.	**3.19. MANUFACTURING OF RAIL ROLLING STOCK CONSTITUENTS** As explained in the description of this activity in Annex 1 of the Regulation amending the Climate Delegated Act, this includes not only manufacturing, but also installation, consultancy, renewal, upgrading, repair, maintenance, retrofitting of products, equipment, systems and software related to rail constituents detailed in point 2.7 of Annex II to Directive (EU) 2016/797 and which are necessary for the activities covered by 3.3. The CAF Group has carried out an analysis of the activity or activities carried out by each Group company, identifying the aforementioned activities. Regarding the substantial contribution criteria applicable to CAF activities in this category, the following stand out: • Constituent and services essential for the environmental performance, operation and functioning over the lifetime of zero direct (tailpipe) CO_2 emission trains, passenger coaches and wagons, as described in section 3.3 of Annex I of the June 2023 Regulation amending the Climate Delegated Act.

Manufacture, repair, maintenance, renewal, reconversion and modernisation of vehicles (rail and buses).	**3.3 MANUFACTURE OF LOW-CARBON TECHNOLOGIES FOR TRANSPORT** As explained in the description of this activity in Annex 1 of the Climate Delegated Act, this includes not only manufacturing, but also repair, maintenance, refurbishment and modernisation. The CAF Group has carried out an analysis of the activity or activities carried out by each Group company, identifying the aforementioned activities. Regarding the substantial contribution criteria applicable to CAF activities in this category, the following stand out: • trains, passenger coaches and wagons that have zero direct (tailpipe) CO_2 emissions; • trains, passenger coaches and wagons that have zero direct tailpipe CO_2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available (bimode) • urban, suburban and road passenger transport devices, where the direct (tailpipe) CO_2 emissions of the vehicles are zero; • Until 31 December 2025, vehicles designated as categories M2 and M3(75) that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle)(76), and comply with the latest EURO VI standard
Engineering development and construction (EPC) of photovoltaic plants	**4.1. ELECTRICITY GENERATION USING SOLAR PHOTOVOLTAIC TECHNOLOGY** As explained in the description of this activity in Annex 1 of the Climate Delegated Act, this includes the construction or operation of solar photovoltaic (PV) electricity generation facilities. The CAF Group has carried out an analysis of the activity or activities carried out by each Group company, identifying the aforementioned activities. Regarding the substantial contribution criteria applicable to CAF activities in this category, the following stand out: • The activity generates electricity using solar photovoltaic technology.
Construction and modernisation of infrastructure for railway transport, as well as engineering and associated services (signalling, testing, comprehensive project management, etc.)	**6.14 INFRASTRUCTURE FOR RAIL TRANSPORT** As explained in the description of this activity in Annex 1 of the Climate Delegated Act and the Regulation of June 2023 amending it, it is defined as the manufacture, installation, technical consultancy, retrofitting, upgrade, repair, maintenance and repurposing of products, equipment, systems and software related to assembled railway track fixtures and/or rail constituents detailed in Points 2.2 to 2.6 to Annex II of Directive (EU) 2016/797. The CAF Group has carried out an analysis of the activity or activities carried out by each Group company, identifying some of the aforementioned activities. Regarding the substantial contribution criteria applicable to CAF activities in this category, the following stand out: • electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems. • Infrastructure and installations intended for the transfer of passengers from rail to rail or from other modes to rail.
Data-driven digital solutions for efficient performance and sustainable mobility	**8.2 DATA-DRIVEN SOLUTIONS FOR GHG EMISSIONS REDUCTIONS** As explained in the description of this activity in Annex 1 of the Delegated Climate Act, it is defined as the development or use of ICT solutions for collecting, transmitting, storing data and at its modelling and use, where those activities are predominantly aimed at providing data and analytics enabling GHG emission reductions. The CAF Group has carried out an analysis of the activity or activities carried out by each Group company, identifying the aforementioned activities. In this case, the activity is not considered to be aligned due to the difficulties in demonstrating the substantial contribution criterion, as accounting criteria group together different types of software projects in the same category, which may be more or less in line with the criteria referred to in Annex I of the Climate Delegated Act.

It should be noted that all eligible activities for the CAF Group indicated in the table above are considered enabling activities', as described in Annex I of the Climate Delegated Act.

Likewise, the CAF Group does not carry out activities related to nuclear energy and fossil gas contemplated in the Complementary Delegated Climate Regulation, as shown in the following table:

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Compliance with the *DNSH (Do No Significant Harm)* criteria has been evidenced by various means at the corporate and project level, including:

- Analysis of risks and opportunities of climate change, as described in section 5.3.1. of this Report;
- Corporate Environmental Policy and its development Manual;
- Environmental Impact Assessments or similar, if applicable;
- Ecodesign and recyclability criteria;
- Waste management plans and evidence of corresponding waste removals;
- Technical data sheets of products and components used in our projects;
- Procedures for handling and using dangerous chemical substances;
- Noise and emission measurements at our facilities and projects, among others.

For more information on the corporate criteria regarding the management of the main environmental aspects, please refer to the corresponding sections in Chapter 5: 'Our commitment to the environment'.

Regarding minimum social safeguards, the main evidence focuses on the Corporate Compliance System and the people management approach, as well as the policies and documents associated with these areas, among which the following stand out:

- Code of Conduct;
- Due Diligence Policy on Human Rights;
- Human rights risk assessments;
- Internal Reporting System (whistleblowing channels);
- Fiscal Policy, among others.

For more information on these issues, see sections 6.1. and 7.2. of this report.

The calculation methodology used for the taxonomic indicators referred to in this Report is described below.

Turnover

The proportion of Turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 shall be calculated as the part of the net turnover derived from products or services, including intangible ones, associated with economic activities that conform to the taxonomy (numerator), divided by the net turnover (denominator) as defined in Article 2(5) of the Directive 2013/34/EU.

Specifically, in the case of the CAF Group, the denominator corresponds to the net turnover of the Consolidated Financial Statements for 2024.

For the calculation of eligibility, the numerator corresponds to the net turnover of the Consolidated Annual Accounts of the activities that have been considered as eligible in the Taxonomy.

For the calculation of the alignment or fit with the Taxonomy, the numerator meets, in addition to the above, the substantial contribution criteria to the climate change mitigation objective (detailed in the table above), does not cause significant harm to the other objectives (climate change adaptation, water protection, circular economy, pollution prevention and biodiversity) and meets the minimum social safeguards, as indicated in the general aspects section of this methodological note.

OpEx:

The OpEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the latter includes non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct costs related to the day-to-day maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continuous and efficient operation of those assets.

Specifically, in the case of the CAF Group, the denominator corresponds to the consolidated operating expense accounts for the year 2024 associated with R&D expenses, short-term leases and maintenance and repairs.

For the calculation of eligibility, the numerator corresponds to R&D expenditure, and the amount of expenditure accounts for short-term leases and maintenance and repairs associated with the activities that have been considered as eligible in the Taxonomy.

For the calculation of the alignment or fit with the Taxonomy, the numerator meets, in addition to the above, the substantial contribution criteria to the climate change mitigation objective, does not cause significant harm to the other objectives (climate change adaptation, water protection, circular economy, pollution prevention and biodiversity) and meets the minimum social safeguards, as indicated in the general aspects section of this methodological note.

CapEx:

The CapEx ratio referred to in Article 8(2)(b) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator; the denominator is the additions to tangible and intangible assets during the relevant financial year before depreciation, amortisation and any revaluations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

Specifically, in the case of the CAF Group, the denominator corresponds to all the cost additions in fiscal year 2024 of tangible fixed assets and intangible fixed assets, reflected in the movement of fixed assets in the Consolidated Annual Accounts.

For the calculation of eligibility, the numerator corresponds to the amount of additions in cost to tangible fixed assets and intangible fixed assets of the activities that have been considered as eligible in the Taxonomy.

For the calculation of the alignment or fit with the Taxonomy, the numerator meets, in addition to the above, the substantial contribution criteria to the climate change mitigation objective, does not cause significant harm to the other objectives (climate change adaptation, water protection, circular economy, pollution prevention and biodiversity) and meets the minimum social safeguards, as indicated in the general aspects section of this methodological note.

It should be noted that there have been no changes, with respect to previous years, in the criteria used and/or the calculation methodologies applied to obtain the eligibility and alignment indicators reflected in this Report.

Turnover - Consolidated

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	5,772	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	2,846,234	68%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	69%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	36,464	0.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	E	
Infrastructure for rail transport	**CCM 6.14.**	569,004	14%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10%	E	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		3,457,472	82%	82%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	80%	E	
Of which: enabling		3,457,472	82%	82%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	80%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	2,713	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	624,449	15%	EL	EL	N/EL	N/EL	N/EL	N/EL								16.5%		
Infrastructure for rail transport	CCM/CCA 6.14.	-0	-0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	6,766	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Turnover from eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		633,927	15%	15%	0%	0%	0%	0%	0%								16.6%		
A. Turnover from ineligible activities according to taxonomy (A.1+A.2)		4,091,400	97%	97%	0%	0%	0%	0%	0%								97%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
Turnover from ineligible activities according to taxonomy		120,143	3%																
Total		4,211,543	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

PROPORTION OF TURNOVER/TOTAL TURNOVER		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	82%	97%
CCA	0%	97%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.

CapEx - Consolidated

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	134	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	91,567	76%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	67%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	5	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Infrastructure for rail transport	**CCM 6.14.**	6,473	5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
CapEx of environmentally sustainable activities (conforming to taxonomy) (A.1)		98,180	81%	81%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	74%	E	
Of which: enabling		98,180	81%	81%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	74%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	127	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	17,339	14%	EL	EL	N/EL	N/EL	N/EL	N/EL								23%		
Infrastructure for rail transport	CCM/CCA 6.14.	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	35	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		17,501	14%	14%	0%	0%	0%	0%	0%								23%		
A. CapEx of eligible activities according to the taxonomy (A.1+A.2)		115,681	96%	96%	0%	0%	0%	0%	0%								97%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to the taxonomy		5,423	4%																
Total		121,104	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Proportion of CapEx/Total CapEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	81%	96%
CCA	0%	95%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%
*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.		

OpEx - Consolidated

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	31	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	48,487	69%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	58%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	411	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
Infrastructure for rail transport	**CCM 6.14.**	9,058	13%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	15%	E	
OpEx from environmentally sustainable activities (conforming to the taxonomy) (A.1)		57,987	82%	82%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	75%	E	
Of which: enabling		57,987	82%	82%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	75%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	71	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	10,596	15%	EL	EL	N/EL	N/EL	N/EL	N/EL								21%		
Infrastructure for rail transport	CCM/CCA 6.14.	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	951	1.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
OpEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		11,619	16%	16%	0%	0%	0%	0%	0%								23%		
A.OpEx of eligible activities according to taxonomy (A.1+A.2)		69,606	98%	98%	0%	0%	0%	0%	0%								98%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
OpEx from ineligible activities according to the taxonomy		1,322	2%																
Total		70,927	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Ratio of OpEx/Total OpEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	82%	98%
CCA	0%	97%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%
*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.		

Turnover - Rail

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Turnover conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	5,772	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	1,939,360	59%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	60.7%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	36,464	1.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.7%	E	
Infrastructure for rail transport	**CCM 6.14.**	569,004	17%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	13%	E	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		2,550,599	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	75.4%	E	
Of which: enabling		2,550,599	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	75.4%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	2,713	0.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	604,460	18%	EL	EL	N/EL	N/EL	N/EL	N/EL								20.4%		
Infrastructure for rail transport	CCM/CCA 6.14.	-0	-0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	6,766	0.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Turnover from eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		613,938	19%	19%	0%	0%	0%	0%	0%								20.5%		
A. Turnover from ineligible activities according to taxonomy (A.1+A.2)		3,164,537	96%	96%	0%	0%	0%	0%	0%								96%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
Turnover from ineligible activities according to taxonomy		120,143	4%																
Total		3,284,680*	100%																

*Considers external sales.

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

	Proportion of turnover/total turnover	
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	78%	96%
CCA	0%	96%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.

CapEx - Rail

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	134	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	73,466	72%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	63%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	5	0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%	E	
Infrastructure for rail transport	**CCM 6.14.**	6,473	6%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
CapEx of environmentally sustainable activities (conforming to taxonomy) (A.1)		80,079	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	70%	E	
Of which: enabling		80,079	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	70%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	127	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	16,551	16%	EL	EL	N/EL	N/EL	N/EL	N/EL								26%		
Infrastructure for rail transport	CCM/CCA 6.14.	-	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	35	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		16,712	16%	16%	0%	0%	0%	0%	0%								26%		
A. CapEx of eligible activities according to the taxonomy (A.1+A.2)		96,791	95%	95%	0%	0%	0%	0%	0%								96%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to the taxonomy		5,423	5%																
Total		102,215	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Proportion of CapEx/Total CapEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	78%	95%
CCA	0%	94%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.

OpEx - Rail

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacturing of rail rolling stock constituents	**CCM 3.19.**	31	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	35,191	62%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	51%	E	
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	411	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%	E	
Infrastructure for rail transport	**CCM 6.14.**	9,058	16%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	18%	E	
OpEx from environmentally sustainable activities (that fit the taxonomy) (A.1)		44,691	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	71%	E	
Of which: enabling		44,691	78%	78%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	71%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacturing of rail rolling stock constituents	CCM 3.19.	71	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	9,999	18%	EL	EL	N/EL	N/EL	N/EL	N/EL								24%		
Infrastructure for rail transport	CCM/CCA 6.14.	-	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Data-driven solutions for GHG emissions reductions	CCM 8.2.	951	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
OpEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		11,022	19%	19%	0%	0%	0%	0%	0%								27%		
A.OpEx of eligible activities according to taxonomy (A.1+A.2)		55,712	98%	98%	0%	0%	0%	0%	0%								98%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
OpEx from ineligible activities according to the taxonomy		1,322	2%																
Total		57,034	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Ratio of OpEx/Total OpEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	78%	98%
CCA	0%	96%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%
*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.		

Turnover - Bus

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of turnover conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	906,874	98%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	98%	E	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		906,874	98%	98%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	98%	E	
Of which: enabling		906,874	98%	98%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	98%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	19,989	2%	EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Turnover from eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		19,989	2%	2%	0%	0%	0%	0%	0%								2%		
A. Turnover from ineligible activities according to taxonomy (A.1+A.2)		926,863	100%	100%	0%	0%	0%	0%	0%								100%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
Turnover from ineligible activities according to taxonomy		-	0%																
Total		926,863*	100%																

*Considers external sales.

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Proportion of turnover/total turnover		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	98%	100%
CCA	0%	100%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.

CapEx - Bus

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	18,101	96%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	97%	E	
CapEx of environmentally sustainable activities (conforming to taxonomy) (A.1)		18,101	96%	96%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which: enabling		18,101	96%	96%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	789	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								3%		
CapEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		789	4%	4%	0%	0%	0%	0%	0%								3%		
A. CapEx of eligible activities according to the taxonomy (A.1+A.2)		18,890	100%	100%	0%	0%	0%	0%	0%								100%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
CapEx of ineligible activities according to the taxonomy		-	0%																
Total		18,890	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Proportion of CapEx/Total CapEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	96%	100%
CCA	0%	100%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%
*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.		

OpEx - Bus

FINANCIAL YEAR		2024		SUBSTANTIAL CONTRIBUTION CRITERIA						NO SIGNIFICANT HARM CRITERIA									
Economic activities (1)	Codes (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx conforming to taxonomy (A.1) or eligible according to taxonomy (A.2), year N-1 (18)	Enabling activity category (19)	Transition activity category (20)
Text		thousands of euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORMING TO THE TAXONOMY)																			
Manufacture of low-carbon technologies for transport	**CCM 3.3.**	13,297	96%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	97%	E	
OpEx from environmentally sustainable activities (that fit the taxonomy) (A.1)		13,297	96%	96%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which: enabling		13,297	96%	96%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	97%	E	
Of which: transition		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2 ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES THAT DO NOT COMPLY WITH THE TAXONOMY)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Manufacture of low-carbon technologies for transport	CCM/CCA 3.3.	597	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								3%		
OpEx of eligible activities according to the taxonomy but not environmentally sustainable (activities that do not comply with the taxonomy) (A.2)		597	4%	4%	0%	0%	0%	0%	0%								3%		
A.OpEx of eligible activities according to taxonomy (A.1+A.2)		13,893	100%	100%	0%	0%	0%	0%	0%								100%		
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																			
OpEx from ineligible activities according to the taxonomy		-	0%																
Total		13,893	100%																

Note on the European Taxonomy of Sustainable Activities indicators on Turnover, CapEx and OpEx

To calculate the indicators related to the European Taxonomy of Sustainable Activities, the following parameters have been considered: Turnover corresponds to the net turnover in the 2024 Consolidated Financial Statements; CapEx corresponds to the total additions in cost in 2024 of property, plant and equipment and intangible assets, as reflected in the movement in property, plant and equipment in the Consolidated Financial Statements; and finally, OpEx corresponds to the 2024 consolidated operating expense accounts associated with R&D expenses, short-term leases, and maintenance and repairs.

Ratio of OpEx/Total OpEx		
	which conforms to the taxonomy by objective	eligible according to taxonomy by objective
CCM	96%	100%
CCA	0%	100%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%
*In line with the reporting obligations, this year 0% is reported for these four objectives as it was not possible to analyse the alignment of these objectives.		

9.6 IMPACTS, RISKS AND OPPORTUNITIES IDENTIFIED IN THE DOUBLE MATERIALITY ANALYSIS [SBM-3_01, SBM-3_02]

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
1	Environ-mental	E1: Climate Change	Climate change mitigation	Own Operations	Climate change mitigation through solutions offered by CAF	Contribution to climate change mitigation through the reduction of GHG emissions achieved as a result of the use of certain products and services developed and solutions offered by the CAF Group.	Dependence of IP-1 on O-5	Positive	Actual	Short Term (1 year)
108	Environ-mental	E1: Climate Change	Climate change mitigation	Own Operations	Investment in R&D&I for the development of sustainable products and technologies	Development of products and technologies that respect the environment through investment in R&D&I in sustainability (e.g. eco-design), digitalisation and autonomy.		Positive	Actual	Short Term (1 year)
8	Environ-mental	E1: Climate Change	Climate change mitigation	Downstream	Contribution to climate change through GHG emissions in the subsequent phases of the value chain	Contribution to climate change through the emission of GHGs in the subsequent phases of the value chain associated with the distribution services of CAF products to its clients (category 9 of scope 3) and the use of railway vehicles and buses (category 11 of scope 3), among others.	Dependence of IN-9 on R-3	Negative	Actual	Short Term (1 year)
6	Environ-mental	E1: Climate Change	Climate change mitigation	Own Operations	Contribution to climate change through GHG emissions in own operations	Contribution to climate change through the emission of GHG in own operations associated with fuel consumption, fugitive emissions due to recharging of fluorinated gases and the consumption of electricity from fossil sources and thermal energy (scope 1 and 2).		Negative	Actual	Short Term (1 year)
12	Environ-mental	E1: Climate Change	Energy	Downstream	Energy consumption in the value chain (downstream)	Fuel consumption in the distribution services of CAF Group products to customers and consumption of fuel and electricity from fossil sources in the operation of CAF Group railway vehicles and buses.	Dependence of IN-10 and IN-12 on R-9	Negative	Actual	Short Term (1 year)
7	Environ-mental	E1: Climate Change	Climate change mitigation	Upstream	Contribution to climate change through GHG emissions in the previous phases of the value chain	Contribution to climate change through the emission of GHGs in the previous phases of the value chain associated with the acquisition of goods and services by suppliers (category 1 of scope 3) and the transportation services of said goods and services to CAF (category 4 of scope 3).		Negative	Actual	Short Term (1 year)
2	Environ-mental	E1: Climate Change	Climate change adaptation	Upstream/ Downstream	Adaptation of infrastructure to climate change by CAF's commercial partners	Contribution to the adaptation of transportation infrastructure to climate change and extreme weather events that may occur more frequently through the use of different materials, the installation of greater drainage capacity, adequate maintenance of the road and road bed, the appropriate adjustment of the temperature of the stress-free rail, the adaptation of the infrastructure design to the rise in sea level or other activities of a similar nature in the construction activity carried out by CAF's commercial partners.	Dependence of IP-2 on O-1	Positive	Actual	Short Term (1 year)
1	Environ-mental	E1: Climate Change	Climate change adaptation	Upstream/ Downstream		Increase in income resulting from the growing demand for railway infrastructure construction projects developed by CAF Group's business partners with specifications for adaptation to climate change and related extreme weather events (consideration of climate predictions in design standards, use of construction materials more resistant to high temperatures, enabling natural ventilation systems, etc.).	Dependence of IP-2 on O-1	Opportunity	N/A	Long Term (more than 5 years)
8	Environ-mental	E1: Climate Change	Energy	Own Operations		Increased income as a result of the development of energy efficient products, establishing specific and quantified energy efficiency objectives per year, satisfying market demand in this area.		Opportunity	N/A	Long Term (more than 5 years)
7	Environ-mental	E1: Climate Change	Energy	Transversal		Reduction of operating expenses and exposure to their variability as a result of the establishment of specific and quantified objectives per year related to the progressive abandonment of the consumption of non-renewable energy (fuels and electrical energy from fossil sources) throughout the value chain of CAF Group.		Opportunity	N/A	Long Term (more than 5 years)
5	Environ-mental	E1: Climate Change	Climate change mitigation	Own Operations		Increase in income associated with the adequate positioning of the CAF Group in the face of the increase in demand for zero or low emission transportation solutions in order to mitigate the effects of climate change.	Dependence of IP-1 on O-5	Opportunity	N/A	Long Term (more than 5 years)
3	Environ-mental	E1: Climate Change	Climate change mitigation	Own Operations		Financial impacts associated with the transition towards decarbonization of CAF's portfolio of products and solutions due to regulatory or market factors. (Transition risk)	Dependence of IN-9 on R-3	Risk	N/A	Medium Term (1 - 5 years)
2	Environ-mental	E1: Climate Change	Climate change adaptation	Own Operations		Reduction in income due to slowdown in operations, increase in expenses and reduction in the value of the CAF Group's assets as a result of the impact on them by physical events associated with climate change (increase in temperatures, increase in precipitation...) (Physical risk)		Risk	N/A	Long Term (more than 5 years)

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
6	Environ-mental	E1: Climate Change	Climate change mitigation	Transversal		Increase in expenses as a result of the imposition of a carbon tax or fees applicable to the entire CAF Group value chain. (Transition risk)		Risk	N/A	Long Term (more than 5 years)
17	Environmental	E2: Pollution	Pollution of air	Downstream	Reduction of air pollution as a result of the use of developed products and services	Reduction of air pollution as a result of the use of rail vehicles and buses powered by electricity or hydrogen developed by the CAF Group.		Positive	Actual	Short Term (1 year)
25	Environmental	E2: Pollution	Substances of concern	Transversal	Environmental pollution and impact on people's health due to the use of biocidal products and substances of concern throughout the value chain in the production and maintenance activities of vehicles and components	Pollution of the environment and impact on people's health as a result of the use of biocidal products and other substances of concern throughout the value chain in the manufacture and maintenance of railway vehicles, buses and parts and components by the CAF Group.	Dependence of IN-25 on R-17	Negative	Actual	Short Term (1 year)
27	Environmental	E2: Pollution	Substances of very high concern	Transversal	Environmental pollution and impact on human health due to the use of PFAS and other substances of extreme concern throughout the value chain in the production and maintenance activities of vehicles and components	Environmental pollution and impact on human health as a result of the use of PFAS and other substances of extreme concern throughout the value chain in the manufacturing and maintenance of railway vehicles, buses and parts and components (refrigerants, electronic components, batteries, fuel cells, plastics, textiles, lubricants, adhesives, paints, hydraulic fluids, firefighting foams, etc.) by Grupo CAF.	Dependence of IN-27 on R-19 and R-20	Negative	Actual	Short Term (1 year)
13	Environmental	E2: Pollution	Pollution of air	Upstream	Air pollution upstream in the value chain	Air pollution through the emission of nitrogen oxides (NOx), Volatile Organic Compounds (VOCs) and other pollutants in the upstream phases of the value chain, for example in the development of outsourced services (welding), in the manufacturing of products supplies (materials, parts and components, electrical and electronic equipment, etc.), as well as their transportation to CAF Group facilities.		Negative	Actual	Short Term (1 year)
11	Environmental	E2: Pollution	Pollution of air	Own Operations		Imposition of fines and sanctions and implementation of corrective actions as a result of litigation arising from non-compliance regarding air and noise pollution.	Dependence of IN-14 on R-11	Risk	N/A	Short Term (1 year)
19	Environmental	E2: Pollution	Substances of very high concern	Own Operations		Imposition of fines and sanctions and implementation of corrective actions as a result of litigation arising from non-compliance regarding the use of substances of extremely concern (e.g. PFAS) in the CAF Group's own operations.	Dependence of IN-27 on R-19 and R-20	Risk	N/A	Medium Term (1 - 5 years)
46	Environmental	E5: Resource Use and Circular Economy	Resources inflows, including resource use	Upstream	Extraction and use of finite non-renewable resources in the previous phases of the value chain for the production of processed materials and key components	Extraction and use of finite non-renewable resources (raw materials such as iron and bauxite, critical minerals such as nickel and cobalt, etc.) in the previous phases of the value chain for the production of processed materials and key components supplied by the CAF Group, deriving in its gradual exhaustion.	Dependence of IN-46 on R-37	Negative	Actual	Short Term (1 year)
116	Environmental	E5: Resource Use and Circular Economy	Waste	Downstream	Generation and incorrect management of waste in the subsequent phases of the value chain	Impact on the environment due to the generation and incorrect management of waste associated with the activities carried out in the subsequent phases of the value chain of maintenance and end-of-life management of CAF Group vehicles.	Dependence of IN-116 on R-42	Negative	Actual	Short Term (1 year)
54	Environmental	E5: Resource Use and Circular Economy	Waste	Own Operations	Sending to landfill, incineration and other types of disposal of waste generated in own operations.	Impact on the environment due to sending to landfill, incineration and other types of disposal of waste generated in own operations.	Dependence of IN-54 on R-41	Negative	Actual	Short Term (1 year)
50	Environmental	E5: Resource Use and Circular Economy	Resource outflows related to products and services	Own Operations	Design, manufacturing and generation of products that promote responsible end-of-life management	Contribution to the circular economy in the CAF Group's own operations, through the design, manufacturing, maintenance, repair and modernisation of products and components.	Dependence of IP-50 on O-40	Positive	Actual	Short Term (1 year)

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
49	Environmental	E5: Resource Use and Circular Economy	Resource outflows related to products and services	Upstream	Provision of materials to facilitate the recyclability of manufactured products	Contribution to the circular economy in the previous phases of the CAF Group's value chain by selecting and sourcing materials to increase the potential recyclability rate of manufactured products and developing circularity actions in collaboration with the supply chain to reduce the consumption of non-renewable finite resources.		Positive	Actual	Short Term (1 year)
40	Environmental	E5: Resource Use and Circular Economy	Resource outflows related to products and services	Own Operations		Increase in income as a result of the competitive advantage provided by the production of rail vehicles and buses manufactured by CAF Group with raw materials and recyclable materials, which meet eco-design criteria, and based on other characteristics related to the circular output of valued resources by the market.	Dependence of IP-50 on O-40	Opportunity	N/A	Long Term (more than 5 years)
37	Environmental	E5: Resource Use and Circular Economy	Resource inflows, including resource use	Upstream		Increase in operating expenses as a result of the increase in prices of raw materials or relevant/strategic materials necessary for the manufacture of CAF Group products due to their scarcity, being vulnerable to external factors that may seriously affect their extraction and the entire supply chain.	Dependence of IN-46 on R-37	Risk	N/A	Medium Term (1 - 5 years)
36	Environmental	E5: Resource Use and Circular Economy	Resource inflows, including resource use	Own Operations		Increase in expenses to replace the entry of products and services not designed with circularity criteria, intensive in the use of primary raw materials, etc. with products and services that do meet these criteria, due to growing market demand or future regulatory requirements on the CAF Group's own operations.	Dependence of IN-47 on R-36	Risk	N/A	Long Term (more than 5 years)
110	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations	Increased knowledge of internal staff as a result of R&D&I activities	Increased knowledge of internal staff as a result of R&D&I activities, enabling the acquisition of new skills, know-how and practical experience that can be applied in the creation of innovative products or services.	Dependence of IP-110 on O-89	Positive	Actual	Short Term (1 year)
117	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations	Affecting employees as a result of the lack of diversity and inclusion of people of different genders, ages, races, religions, etc.	Affecting employees as a result of the lack of diversity and inclusion of people of different genders, ages, races, religions, etc. in the CAF Group, which homogenises the corporate culture, limits creativity and creates a toxic work environment in the absence of strong support systems for under-represented employees.		Negative	Actual	Short Term (1 year)
3	Social	S1: Own Workforce	Working conditions	Own Operations	Reduction in the safety and health of own personnel in the face of climate change	Reduction in the health and safety of own personnel as a result of the lack of anticipation of adaptation measures to climate change (e.g. through extreme weather events).	Dependence of IN-3 on R-51	Negative	Potential	Long Term (more than 5 years)
61	Social	S1: Own Workforce	Working conditions	Own Operations	Protection of the safety and health of own personnel	Protection of the health and safety of the CAF Group's internal staff by ensuring the best conditions and measures for the prevention of accidents and illnesses.		Positive	Actual	Short Term (1 year)
59	Social	S1: Own Workforce	Working conditions	Own Operations	Promotion of collective bargaining for internal staff	Promotion of the right of our internal staff to enjoy fair working conditions, collective bargaining and freedom of association.		Positive	Actual	Short Term (1 year)
63	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations	Promotion of gender equality in terms of opportunities and remuneration	Promotion of gender equality through the selection, promotion, training and remuneration of our own staff based on principles of equality and without addressing gender criteria.		Positive	Actual	Short Term (1 year)
105	Social	S1: Own Workforce	Working conditions	Own Operations	Development of business cybersecurity activities in own operations	Protecting the well-being of employees and the integrity of business assets through the development of business cybersecurity activities.		Positive	Actual	Short Term (1 year)
55	Social	S1: Own Workforce	Working conditions	Own Operations	Quality employment	Promotion of quality and stable employment for internal staff.	Dependence of IP-55 on O-44	Positive	Actual	Short Term (1 year)
64	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations	Training development of our internal staff	Development of internal staff through the execution of training plans (combining face-to-face, virtual and e-learning formats), performance evaluation (in both general and technical skills) and as part of the usual practice of their work.	Dependence of IP-64 on O-54	Positive	Actual	Short Term (1 year)

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
57	Social	S1: Own Workforce	Working conditions	Own Operations	Adequate remuneration of internal staff	Decent remuneration, adjusted to the training, experience, responsibilities and functions of employees.		Positive	Actual	Short Term (1 year)
89	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations		Increase in income as a result of an increase in internal operational efficiency due to the gradual digitalization and integration of the CAF Group's functions and systems.	Dependence of IP-110 on O-89	Opportunity	N/A	Medium Term (1 - 5 years)
99	Social	S1: Own Workforce	Equal treatment and oppotunities for all	Own Operations		Increase in income and positioning as well as increase of access to funding as a result of promoting diversity and inclusion, which can broaden accessibility to CAF Group talent, as well as encouraging creativity, flexibility and a mix of perspectives to enhance the Group's competitiveness and performance.		Opportunity	N/A	Medium Term (1 - 5 years)
43	Social	S1: Own Workforce	Working conditions	Own Operations		Reduction in income due to a slowdown in operations and an increase in hiring expenses as a result of an increase in the turnover of the CAF Group's own personnel due to inadequate working conditions due to employment instability.		Risk	N/A	Medium Term (1 - 5 years)
51	Social	S1: Own Workforce	Working conditions	Own Operations		Reduction in income due to reputational impact and slowdown of operations as well as increased expenses due to litigation resulting from work-related injuries or illnesses of CAF Group's own personnel in the ordinary performance of their activity at its own facilities.	Dependence of IN-3 on R-51	Risk	N/A	Medium Term (1 - 5 years)
59	Social	S1: Own Workforce	Other work-related rights	Own Operations		Reduction of income due to reputational impact, imposition of fines and sanctions and implementation of corrective actions as a result of litigation due to loss or leak of personal data due to breaches, resulting in access to personal and confidential information from malicious third parties.		Risk	N/A	Medium Term (1 - 5 years)
44	Social	S1: Own Workforce	Working conditions	Own Operations		Increase in income due to improved productivity and reduction of hiring expenses as a result of the loyalty of our own personnel and attraction of new talent by guaranteeing safe and stable employment with adequate working conditions.	Dependence of IP-55 on O-44	Opportunity	N/A	Medium Term (1 - 5 years)
74	Social	S2: Workers in the value chain	Other work-related rights	Upstream	Child labour in the supply chain	Violation of the human rights of workers in CAF's supply chain in terms of child and forced labour, especially in risk countries with lax labour regulation.	Dependence of IN-74 on R-66	Negative	Actual	Medium Term (1 - 5 years)
5	Social	S2: Workers in the value chain	Working conditions of value chain workers	Upstream/ Downstream	Reduction in the health and safety of workers in the value chain in the face of climate change	Reduction in the safety and health of workers in the value chain as a result of companies' own upstream and downstream activities.	Dependence of IN-5 on R-64	Negative	Actual	Short Term (1 year)
82	Social	S3: Affected Communities	Communities' economic, social and cultural rights	Upstream/ Downstream	Displacement of indigenous peoples from their lands due to construction activities of CAF Group's business partners	Displacement of indigenous peoples in the development of construction activities by CAF Group's business partners resulting in their loss of ancestral territories, which can have serious social, cultural and economic consequences for these communities, including loss of cultural identity, degradation of traditional ways of life and loss of access to key natural resources for their subsistence.	Dependence of IN-82 on R-72	Negative	Actual	Long Term (more than 5 years)
112	Social	S4: Consumers and End-Users	Personal safety of consumers and/or end-users	Own Operations	Increased safety of rail vehicles and buses as a result of R&D&I activities	Increased safety for customers and end users as a result of R&D&I activities and increased internal technological capacity, ensuring the quality and safety of products and services.		Positive	Actual	Short Term (1 year)
88	Social	S4: Consumers and End-Users	Personal safety of consumers and/or end-users	Own Operations	Development of quality products and services for customers and end users	Protection of the safety, health and well-being of end-users (passengers) through the development of quality products and services (e.g. installation of efficient HVAC and efficient ventilation systems to protect passengers against the spread of viruses, provision of pram parking areas, etc.).		Positive	Actual	Short Term (1 year)
107	Social	S4: Consumers and End-Users	Personal safety of consumers and/or end-users	Own Operations	Development of surveillance and cybersecurity product services for clients	Protecting the well-being of customers and end users by developing surveillance and cybersecurity services to support customers during the operation and maintenance of products (threat and vulnerability management, patch management, monitoring and response to cybersecurity incidents, etc.).		Positive	Actual	Short Term (1 year)

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
106	Social	S4: Consumers and End-Users	Personal safety of consumers and/or end-users	Own Operations	Development of product cybersecurity activities in own operations	Protection of the well-being of clients and end users through the development of cybersecurity activities (following international standards IEC62443, IEC 62443-4-1, IEC 62443-4-2 and TS50701) in all stages of project creation and delivery, products and services.		Positive	Actual	Short Term (1 year)
91	Social	S4: Consumers and End-Users	Social inclusion of consumers and/or end-users	Own Operations	Increase in the well-being of end users through the accessibility of vehicles manufactured by CAF Group	Increase the well-being of end users through the accessibility of vehicles manufactured by the CAF Group and infrastructures built by its commercial partners.		Positive	Actual	Short Term (1 year)
95	Social	S4: Consumers and End-Users	Social inclusion of consumers and/or end-users	Own Operations		Increase in income and positioning as well as reduction in the cost of capital as a result of customer loyalty by offering innovative products.		Opportunity	N/A	Long Term (more than 5 years)
90	Social	S4: Consumers and End-Users	Social inclusion of consumers and/or end-users	Own Operations		Increase in income as a result of the good positioning of the CAF Group in the face of the opportunity presented by the global trend towards the autonomous operation of vehicles and mobility systems. CAF has the initiative to create a common technological base for all applications, serving as a backbone in future implementations. This initiative is conceived as a long-term project, aimed at keeping pace with competitor developments and customer demand.		Opportunity	N/A	Long Term (more than 5 years)
93	Social	S4: Consumers and End-Users	Social inclusion of consumers and/or end-users	Own Operations		Reduction in income as a result of the loss of capacity to offer interesting products to customers due to insufficient innovation.		Risk	N/A	Long Term (more than 5 years)
77	Social	S4: Consu-mers and End-Users	Personal safety of consumers and/or end-users	Downstream		Reduction in income, positioning and share value due to reputational impact, imposition of fines and sanctions and implementation of corrective actions as a result of events affecting the physical safety of end users (passengers) of vehicles manufactured by CAF Group due to quality failures, design/manufacturing errors, derailments, terrorist attacks, etc.		Risk	N/A	Long Term (more than 5 years)
93	Governance	G1: Business Conduct	Corporate culture	Own Operations	Robust corporate culture in own operations	Robust corporate culture in its own operations supported by, among other mecha-nisms, its own Code of Conduct that encourages conducting business ethically and in accordance with applicable regulations, thus contributing to a fair/ethical corporate environment and supporting the best results for society.	Dependence of IP-93 on O-97	Positive	Actual	Short Term (1 year)
102	Governance	G1: Business Conduct	Corruption and bribery	Own Operations	Prevention of corruption and bribery in own operations	Prevention of corruption and bribery in own operations through the establishment of internal legal and ethical regulations as well as through the development of periodic training on Compliance.		Positive	Actual	Short Term (1 year)
99	Governance	G1: Business Conduct	Management of relationships with suppliers including payment practices	Own Operations	Delays in payments to suppliers, particularly to SMEs	Delays in payments to suppliers, particularly SMEs, which are especially vulnerable to such practices.		Negative	Actual	Short Term (1 year)
104	Governance	G1: Business Conduct	Corruption and bribery	Own Operations	Materialisation of corruption and bribery cases in risk countries	Affecting investors or employees as a result of the materialisation of incidents of corruption and bribery in risk countries where CAF operates.	Dependence of IN-104 on R-84	Negative	Actual	Long Term (more than 5 years)
95	Governance	G1: Business Conduct	Protection of whistleblowers	Own Operations	Protection of whistleblowers in own operations	Protection of whistleblowers as a sign of the CAF Group's commitment to ethical culture and regulatory compliance, integrating all the channels of the Group's entities into a single computer platform so that its own personnel can report (anonymously if prefe-rred) on actions, infractions, non-compliance or indications of non-compliance with applicable internal and external regulations.		Positive	Actual	Short Term (1 year)
100	Governance	G1: Business Conduct	Management of relationships with suppliers including payment practices	Own Operations	Fair contract conditions	Negotiating fair contracting terms and avoiding collusion and price fixing to ensure fair payment practices in the procurement of key products.	Dependence of IP-100 on O-98	Positive	Actual	Short Term (1 year)

SUSTAINABILITY CLASSIFICATION				DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY				IMPACT CATEGORISATION		
ID UNIQUE	ESG CATEGORY	ESRS TOPIC	ESRS SUB-TOPIC	LOCATION IN THE VALUE CHAIN	IMPACT	DESCRIPTION OF IMPACT, RISK OR OPPORTUNITY	DEPENDENCE	TYPE	ACTUAL/ POTENTIAL	TIMEFRAME (SHORT / MEDIUM / LONG TERM)
97	Governance	G1: Business Conduct	Political engage-ment and lobbying activities	Own Operations	Promoting the competitiveness of the railway industry by supporting sector associations	Increase in the well-being of society as a result of promoting the competitiveness of the rail industry and the integration of new and advanced technologies in innovative rail product solutions that the CAF Group carries out through its membership and participa-tion in sectoral associations that advocate for the aforementioned matters.		Positive	Actual	Short Term (1 year)
97	Governance	G1: Business Conduct	Corporate culture	Own Operations		Increase in income and access to financing as well as reduction in the cost of capital due to improved transparency and communication channels with CAF Group stakeholders.	Dependence of IP-93 on O-97	Opportunity	N/A	Medium Term (1 - 5 years)
80	Governance	G1: Business Conduct	Corporate culture	Own Operations		Imposition of fines and sanctions for non-compliance with regulations applicable to CAF in terms of sustainability (CSRD, CS3D, European Taxonomy, European Green Deal, Euro-pean Union Climate Law, Climate Change and Energy Transition Law, European Union Circular Economy Plan, Declaration of Climate Emergency in Spain, Energy Efficiency Directive, EU Deforestation Regulation, Sustainable Mobility Law, among others).		Risk	N/A	Short Term (1 year)
86	Governance	G1: Business Conduct	Corporate culture	Own Operations		Reduction in income due to reputational impact and interruption of operations and increase in expenses to repair systems affected by cyber attacks on the CAF Group.		Risk	N/A	Long Term (more than 5 years)

9.7 DETAILED INDICATOR TABLES

9.7.1 Detailed tables of indicators chapter 5: Our commitment to the environment.

a) Waste generated in the CAF Group by type of waste and final destination (t)

WASTE GENERATED IN THE CAF GROUP BY TYPE OF WASTE AND FINAL DESTINATION (KG)										
WASTE TYPE	2024									
	REUSE 24	RECYCLING 24	OTHER RECOVERY 24	TOTAL RECOVERED	%REC.	INCINERATION 24	LANDFILL 24	OTHER DISPOSAL 24	TOTAL DISPOSED	%DIS.
Non-hazardous waste (NHW)	372,049	32,249,332	2,022,584	34,643,964	95%	172,012	707,844	805,361	1,685,217	5%
Packaging waste (wood, paper, cardboard and plastic)	161,441	4,290,289	1,154,086	5,605,815	95%	8,765	141,393	114,680	264,838	5%
Metal waste	3,092	27,240,178	512,545	27,755,815	100%	-	33,124	4,524	37,648	0%
Other NHW	207,516	718,866	355,953	1,282,334	48%	163,247	533,327	686,157	1,382,731	52%
Hazardous waste (HW)	111,531	1,197,456	1,053,287	2,362,274	60%	248,021	519,014	824,719	1,591,754	40%
Paint residue	12,025	198	131,828	144,051	38%	77,279		154,978	232,257	62%
Oily residues	92,030	380,897	125,097	598,025	55%	12,947	55,175	420,728	488,850	45%
Packaging waste	874	33,953	48,559	83,386	70%	16,186	2,430	16,478	35,094	30%
Batteries and batteries	3,310	114,208	1,492	119,010	100%	244	0	214	458	0%
Other HW	3,292	668,200	746,311	1,417,803	63%	141,365	461,409	232,321	835,095	37%
Total waste generated (Kg)	483,580	33,446,788	3,075,871	37,006,239	91.87%	420,033	1,226,858	1,630,080	3,276,971	8.13%

9.7.2 Detailed tables of indicators chapter 6: Our commitment to people.

[SBM-1_03, SBM-1_04]

a) Number of employees (number of people) of the CAF Group (at year-end; HC)*

[S1-6_01, S1-6_02, S1-6_04, S1-6_04, S1-6_05, S1-6_14]

	2024		2023		2022	
	NUMBER	%	NUMBER	%	NUMBER	%
BY GENDER						
Male	13,483	83%	12,814	83%	12,159	84%
Female	2,850	17%	2,637	17%	2,367	16%
BY AGE						
Younger than 30	2,443	15%	2,219	14%	1,982	14%
30–50 age bracket	10,268	63%	10,289	67%	9,833	68%
Over 50 years of age	3,622	22%	2,943	19%	2,711	19%
BY PROFESSIONAL GROUP						
Employee	9,038	55%	8,693	56%	7,958	55%
Operators	7,295	45%	6,758	44%	6,568	45%
BY COMPANY COUNTRY						
Europe	**14,266**	**87%**	**13,582**	**88%**	**13,033**	**90%**
Spain	8,015	49%	7,687	50%	6,960	48%
Poland	2,721	17%	2,393	15%	2,546	18%
Sweden	973	6%	928	6%	974	7%
United Kingdom	881	5%	898	6%	949	7%
France [1]	878	5%	904	6%		
Rest of Europe	798	5%	772	5%	1,604	11%
America	**1,463**	**9%**	**1,300**	**8%**	**976**	**7%**
Mexico	785	5%	687	4%	436	3%
Brazil	281	2%	241	2%	209	1%
Chile [2]	194	1%	155	1%		
US	128	1%	135	1%	126	1%
Rest of America	75	0.50%	82	1%	205	1%
Rest of the world	**604**	**4%**	**569**	**4%**	**517**	**3%**
BY NATIONALITY [3]						
Europe	**14,072**	**86%**	**13,434**	**87%**	**12,940**	**89%**
Spain	7,984	49%	7,693	50%	7,100	49%
Poland	2,650	16%	2,356	15%	2,514	17%
Sweden	969	6%	924	6%	852	6%
France	923	6%	936	6%	905	6%
United Kingdom [4]	763	5%	783	5%		
Rest of Europe	783	5%	742	5%	1,569	11%
America	**1,546**	**9%**	**1,363**	**9%**	**1,024**	**7%**
Mexico	782	5%	688	4%	441	3%
Brazil	302	2%	261	2%	223	2%
Chile	195	1%	158	1%	124	1%
United States [5]	115	1%	118	1%		
Rest of America	152	1%	138	1%	236	2%
Rest of the world	**715**	**4%**	**654**	**4%**	**562**	**4%**
TOTAL						
	16,333		15,451		14,526	

*Headcount (HC)

1. In 2022, the workforce of France was included in "Rest of Europe".
2. In 2022 the Chilean workforce was included in "Rest of America".
3. The 2022 data are classified by country of origin because no record of nationality was kept.
4. In 2022, the UK workforce was included in "Rest of Europe".
5. In 2022, the US workforce was included in "Rest of America".

b) Workforce by type of contract (at year-end; HC)[1]

[S1-6_07, S1-6_09, S1-6_10, S1-6_14, S1-6_18, S1-9_03, S1-9_04, S1-9_05]

	2024				2023				2022			
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
BY GENDER												
Male	12,634	94%	849	6%	12,134	95%	680	5%	11,384	94%	775	6%
Female	2,661	93%	189	7%	2,442	93%	195	7%	2,143	91%	224	9%
BY AGE												
Younger than 30	2,013	82%	430	18%	1,847	83%	372	17%	1,545	78%	437	22%
30–50 age bracket	10,197	95%	519	5%	9,877	96%	412	4%	9,365	95%	468	5%
Over 50 years	3,085	98%	89	2%	2,852	97%	91	3%	2,617	97%	94	3%
BY PROFESSIONAL GROUP												
Employee	8,611	95%	427	5%	8,240	95%	453	5%	7,384	93%	574	7%
Operators	6,684	92%	611	8%	6,336	94%	422	6%	6,143	94%	425	6%
BY COMPANY REGION												
Europe	13,600	95%	666	5%	13,083	96%	499	4%	12,341	95%	691	5%
America	1,170	80%	293	20%	1,028	79%	272	21%	764	78%	213	22%
Rest of the world	525	87%	79	13%	465	82%	104	18%	422	82%	95	18%
TOTAL												
	15,295	**94%**	**1,038**	**6%**	**14,576**	**94%**	**875**	**6%**	**13,527**	**93%**	**999**	**7%**

1. No data is included regarding workers with non-guaranteed hours since this is not a type of contract used in the Group.

c) Workforce by type of contract (average; HC)

[S1-6_03, S1-6_06, S1-6_14, S1-9_03, S1-9_04, S1-9_05]

	2024				2023				2022			
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY	
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
BY GENDER												
Male	12,424	94%	740	6%	11,738	95%	658	5%	10,736	93%	816	7%
Female	2,580	94%	172	6%	2,322	92%	193	8%	1,989	90%	228	10%
BY AGE												
Younger than 30	1,798	83%	359	17%	1,573	82%	347	18%	1,277	76%	407	24%
30–50 age bracket	10,039	95%	465	5%	9,592	96%	411	4%	8,915	94%	537	6%
Over 50 years of age	3,167	98%	87	2%	2,895	97%	92	3%	2,533	96%	100	4%
BY PROFESSIONAL GROUP												
Employee	8,431	95%	6,573	5%	7,912	94%	470	6%	6,778	92%	592	8%
Operators	422	93%	490	7%	6,148	94%	381	6%	5,947	93%	452	7%
BY COMPANY REGION												
Europe	13,422	96%	535	4%	12,690	96%	541	4%	11,562	94%	722	6%
America	1,088	79%	287	21%	928	81%	212	19%	761	77%	224	23%
Rest of the world	494	85%	90	15%	443	82%	97	18%	402	80%	98	20%
TOTAL												
	15,004	94%	912	6%	14,060	94%	851	6%	12,725	92%	1,044	8%

d) New hires (HC) [S1-6_13, S1-6_14]

	2024		2023		2022	
	NUMBER	RATE[1]	NUMBER	RATE	NUMBER	RATE
BY GENDER						
Male	1,915	14%	1,654	13%	2,207	18%
Female	427	15%	475	18%	524	22%
BY AGE						
Under 30 years of age	908	37%	913	41%	864	44%
Between 30 and 50 years of age	1,247	12%	1,072	10%	1,476	15%
Over 50 years of age	187	6%	144	5%	391	14%
BY COMPANY REGION						
Europe	1,706	12%	1,528	11%	2,383	18%
America	480	33%	443	34%	187	19%
Rest of the world	156	26%	158	28%	161	31%
BY REGION OF NATIONALITY/ORIGIN						
Europe	1,657	12%	1,485	11%	2,325	85%
America	500	32%	464	24%	226	8%
Rest of the world	185	26%	180	28%	180	7%
TOTAL						
	2,342	**14%**	**2,129**	**14%**	**2,731**	**19%**

1. New hires/workforce at the end of the period.

e) Turnover (HC) [S1-6_11, S1-6_12]

	2024		2023		2022	
	NUMBER	RATE[1]	NUMBER	RATE	NUMBER	RATE
Voluntary	1,003	6%		7%		6%
Non-voluntary	234	1%		1.5%		4%

1. In 2024, unlike in previous years, the number of voluntary and non-voluntary departures is detailed, in line with the requirements of the CSRD for the years from 2024 onwards.

f) Non-voluntary departures (HC) [S1-6_13]

	2024		2023		2022	
	NUMBER	RATE[1]	NUMBER	RATE	NUMBER	RATE
BY GENDER						
Male	103	1%	123	1%	396	3%
Female	23	1%	17	0%	43	2%
BY AGE						
Under 30 years of age	26	1%	22	1%	88	4%
Between 30 and 50 years of age	74	1%	83	1%	262	3%
Over 50 years of age	26	1%	35	1%	89	3%
BY PROFESSIONAL GROUP						
Employee	80	1%	64	1%	127	2%
Operators	46	1%	76	1%	312	5%
TOTAL						
	126	**1%**	**140**	**1%**	**252**	**2%**

1. Non-voluntary terminations/employees at the end of the period.

g) Absenteeism rate (HC) [S1-6_11, S1-6_12, S1-6_13]

	2024	2023	2022
Absenteeism rate[1]	4.9%	5.9%	5.1%
Lost hours	1,395,957	1,285,398	1,109,708

1. The absenteeism rate for 2022 and 2023 corresponds to 88% of the group's average workforce and takes into account hours lost due to accidents and illness. The absenteeism rate for 2024 corresponds to 97% of the group's average workforce.

h) Total training hours [404-1] [S1-13_03]

	2024		2023		2022
	AVERAGE HOURS PER PERSON	TOTAL HOURS	AVERAGE HOURS PER PERSON	TOTAL HOURS	AVERAGE HOURS PER PERSON
BY GENDER					
Male	18	226,703	19	188,817	17
Female	17	45,383	24	46,506	19
BY AGE					
Under 30 years of age	26	226,703	38	52,041	18
Between 30 and 50 years of age	18	45,383	19	153,546	18
Over 50 years of age	11		12	29,736	14
BY PROFESSIONAL GROUP					
Employee	17	144,236	26	138,271	19
Operators	18	127,850	22	97,051	16
TOTAL					
	18	272,086	20	235,323	18

g) Percentage of employees covered by collective bargaining agreement and/or employee representation by country

	2024		2023	2022
	COLLECTIVE BARGAINING COVERAGE	SOCIAL DIALOGUE - REPRESENTATION OF WORKERS	COLLECTIVE BARGAINING COVERAGE	COLLECTIVE BARGAINING COVERAGE
EUROPE	**74%**	**73%**	**76%**	**72%**
SPAIN	100%	89%	100%	100%
POLAND [1]	0%	34%		
FRANCE [2]	100%	98%	100%	100%
SWEDEN	38%	38%	38%	35%
UNITED KINGDOM	100%	99%	100%	-
REST OF EUROPE [3]	51%	20%	52%	43%
AMERICA	**57%**	**56%**	**38%**	**40%**
MEXICO	45%	45%	22%	12%
BRAZIL	100%	100%	100%	100%
CHILE [4]	93%	93%	62%	-
UNITED STATES [5]	0%	0%	0%	-
REST OF AMERICA [6]	21%	0%	6%	37%
REST OF THE WORLD	**14%**	**9%**	**12%**	**14%**

1. Working conditions in Poland are set out in what are called "Work Regulations" which are not considered collective agreements according to the GRI definition.
2. In 2022, the workforce of France was included in "Rest of Europe". The data for the United Kingdom for 2022 has been updated applying the same criteria as in this report.
3. In 2022, the workforce of France was included in "Rest of Europe". In 2023 this country is shown separately. In 2022 and 2023 the Polish workforce was shown separately and in 2024 it is included in "Rest of Europe".
4. In 2022 the Chilean workforce was included in "Rest of America".
5. In 2022, the US workforce was included in "Rest of America".
6. In 2022 the workforce in Chile and the United States was included in "Rest of America". In 2023 these countries are shown separately.

9.8 EXTERNAL ASSURANCE

9.8.1 CAF Group carbon footprint verification report

LRQA Independent Assurance Statement

Relating to CAF GROUP's GHG Report for the 2024 calendar year

Terms of Engagement

This Assurance Statement has been prepared for CAF GROUP.

LRQA was commissioned by Construcciones y Auxiliar de Ferrocarriles, S.A. to assure its GHG Report for the calendar year 2024 (hereafter referred to as "the Report").

The Report relates to direct GHG emissions, indirect GHG emissions from imported energy and other indirect GHG emissions related to transport, goods and services used by CAF GROUP and use of CAF GROUP's products.

CAF GROUP's geographical boundary includes its head office operations located at Beasain, Spain and other sites included in Annex 1 to this Assurance Statement.

The main activities of the organization include the design and manufacture of railway vehicles, railway maintenance services, integral systems and services in the railway sector, and design and manufacture of urban and intercity buses and the GHG emissions have been consolidated using an operational control approach.

The following GHG emissions were excluded from the Report:

Due their low contribution, representing less than 1% of the total GHG emissions:

- GHG emissions from water consumption in companies whose activity is limited to offices with less than 10 employees; and
- GHG emissions from transport flows of the product.

Due to the lack of an accepted calculation method:

- GHG emissions related to the components that are included directly into the vehicle and that are not transformed by CAF GROUP;
- GHG emissions associated with testing at customer facilities;
- GHG emissions associated with subcontracted civil works;
- GHG emissions associated with the product at end of life.

Management Responsibility

CAF GROUP 's Environmental Manager was responsible for preparing the claim, Report, for conformity with ISO 14064-1:2018, and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with CAF S.A., parent entity of the CAF Group. Ultimately, the Report has been approved by, and remains the responsibility of CAF GROUP.

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LRQA

LRQA's Approach

Our verification has been conducted in accordance with ISO 14064–3:2019, '*Specification with guidance for verification and validation of greenhouse gas statements'* to provide limited assurance that GHG data as presented in the Report have been prepared in conformance with ISO 14064–1:2018, '*Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals'.*

To form our conclusions the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- conducted site tours of the facilities and reviewed processes related to the control of GHG emissions data and records;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records;
- verified historical data and records at an aggregated level for the calendar year 2024.

Level of Assurance & Materiality

In accordance with our contract agreement, the assurance was conducted at a limited level of assurance at a materiality of 5%. The opinion expressed in this Assurance Statement has been accordingly formed.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the GHG emissions for direct GHG emissions, energy indirect GHG emissions and other indirect GHG disclosed in the Report as summarized in Table 1 below are not materially correct and that the Report has not been prepared in conformance with ISO 14064–1:2018.

LRQA's Recommendations

Although there has been improvement in the consistency of the calculation method, governance, and controls, which has provided greater systematic traceability and has provided more comparable results over time, it is suggested to move towards a tool that allows easier traceability of calculations and data from aggregated data to specific data.

Signed

Dated: 10 February 2025

UKAS VALIDATION & VERIFICATION 0001

Silvia Matabuena
LRQA Lead Verifier
LRQA reference number: SGI00002144

Table 1. Summary of CAF GROUP's, GHG Emissions Report Calendar Year 2024

Scope of GHG emissions	Tonnes CO_2e 2024
Direct GHG emissions (Category 1)	31 166
Energy indirect GHG emissions (Category 2, Location-based)	20 701
Energy indirect GHG emissions (Category 2, Market-based)	7 277
Indirect GHG emissions from transport (Category 3)	34 110
Indirect GHG emissions from goods and services used by CAF GROUP (Category 4)	91 185
Indirect GHG emissions from use of CAF S.A.'s products (Category 5)	3 517 422
Location-based and Market-based are terminologies from Annex E of ISO 14064-1:2018.	

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Annex 1. Location of Companies included in CAF GROUP's GHG Report, Calendar Year 2024

• Algeria	• Germany	• Norway
• Argentina	• Greece	• Poland
• Australia	• Hungary	• Turkey
• Austria	• India	• Romania
• Belgium	• Israel	• Saudi Arabia
• Brazil	• Italy	• Slovak Republic
• Chile	• Latvia	• Spain
• China	• Lithuania	• Sweden
• Colombia	• Mauritius	• Switzerland
• Czech Republic	• Mexico	• United Kingdom
• Denmark	• Netherlands	• United States
• France	• New Zealand	• Venezuela

9.8.2 Independent assurance report on key performance indicators included in CAF's Green and Sustainable Financing Framework

Independent Practitioner's Assurance Report regarding the key performance indicators included in the Green and Sustainable Financing Framework of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To the Management of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.

Scope

We have been engaged by CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. to perform a "limited assurance engagement", here after referred to as the engagement, to report on Key Performance Indicators based on consolidated information and segmented by sector (railway and bus). (the "Subject Matter") contained in the accompanying CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A's Verification report for the fiscal year ended February 2025 for the period from January 1, 2024, to December 31, 2024. (the "Report").

Criteria applied by CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A

In preparing the Subject Matter, CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A applied the the compliance with the indicators in accordance with (Criteria). These Criteria were specifically designed within a Green and Sustainable Financing Framework. Therefore, the subject matter under analysis may not be suitable for other purpose.

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A's responsibilities

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this engagement as agreed with CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. on January 15, 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report.

The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

Our firm applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of formulating inquiries, primarily directed at the individuals responsible for preparing and calculating the following indicators and related information, as well as applying certain analytical and other appropriate procedures based on consolidated information and by segments (railway and bus):

- KPI 1: Reduction of Scope 1 and 2 emissions (%).
- KPI 2: Reduction of Scope 3 emissions (product use) (%).
- KPI 3: Degree of alignment with the European Taxonomy for Sustainable Activities (% of revenue).
- KPI 4: Frequency index.

Our procedures have included:

- Conducting interviews with relevant personnel to understand the process of collecting, organizing, and reporting on the subject matter under analysis during the period.

- Verifying the correct application of calculation criteria in accordance with the methodologies described in the Criteria.
- Performing analytical review procedures to support the reasonableness of the data.
- Identifying and testing the assumptions underlying the calculations.
- Conducting sample-based tests on the underlying data sources to verify the accuracy of the information.

We also performed such other procedures as we considered necessary in the circumstances.

Other matters[I]

This report can under no circumstances be considered an audit report in accordance with prevailing audit regulations in Spain. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed and the evidence obtained, we are not aware of any material modifications to the Key Performance Indicators based on consolidated information and segmented by sector (railway and bus) analyzed as of December 31, 2024, that would require adjustments for their presentation in accordance with CAF's Green and Sustainable Financing Framework

Restriction on distribution and use[J]

This report has been prepared solely for the information and use of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. for the purpose of verifying the associated performance information and data. Consequently, it should not be used for any other purpose or distributed to third parties without our express written consent. We do not accept any liability to any third party other than the intended recipients of this report.

ERNST & YOUNG, S.L.

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Alberto Castilla Vida

February 24th 2025

9.8.3 Verification Report on the Consolidated Non-Financial Statement and Sustainability Information 2024

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information for the year ended December, 31st 2024

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES S.A. AND SUBSIDIARIES

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

To the shareholders of Construcciones y Auxiliar de Ferrocarriles S.A.

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have conducted a limited assurance engagement on the Consolidated Non-Financial Information Statement ("NFIS") and sustainability information for the year ended December 31, 2024 of Construcciones y Auxiliar de Ferrocarriles S.A. (the "Entity") and subsidiaries (the "Group"), which is part of the Group's consolidated management report.

The content of the NFIS contains information in addition to that required by prevailing company law in respect of non-financial information, specifically the sustainability information prepared by the Group for the year ended December 31, 2024 (the "sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council, as regards corporate sustainability reporting (the "CSRD"). The sustainability information was also subject to limited assurance.

Based on the procedures applied and the evidence obtained, no matter has come to our attention that would cause us to believe that:

a) The Group's NFIS for the year ended December 31, 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described above, as explained for each matter in table *9.6 Impacts, risks and opportunities identified in the Double Materiality Assessment* of the NFIS.

b) The sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying *9.1 Table of contents of the European Sustainability Reporting Standard*, including:

- That the description of the process for identifying the sustainability information to be disclosed included in 4.*4. Double Materiality Assessment* is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
- Compliance with ESRS.
- Compliance with the disclosure requirements included in subsection *4.9.1 European Union Taxonomy for Sustainable Activities* on the environment in the sustainability in formation with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

Basis of conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Auditors on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* of our report.

We have complied with the independence and other ethics requirements laid down in the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement, and monitor a system of quality management that includes policies and procedures covering compliance with its ethics requirements, professional rules and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The preparation of the NFIS in the Group's consolidated management report is the responsibility of the directors of Construcciones y Auxiliar de Ferrocarriles S.A. The NFIS has been prepared in accordance with the content required by prevailing company law and in conformity with the selected ESRS criteria, as well as other criteria described for each matter of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, due to fraud or error.

The directors of Construcciones y Auxiliar de Ferrocarriles S.A are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the sustainability disclosures, the entity's directors are responsible for developing and implementing a process for identifying the disclosures to be included in the sustainability information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the sustainability information. This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.

- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.

- Assessing the materiality of the identified impacts, risks and opportunities.

- Making assumptions and estimates that are reasonable under the circumstances.

The directors are also responsible for the preparation of the sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and the disclosure requirements, included in subsection *4.9.1 European Union Taxonomy for Sustainable Activities* of the section on the environment in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the directors consider relevant to enable the preparation the sustainability information that is free from material misstatement, whether due to fraud or error.

- Selecting and applying appropriate methods for the presentation of sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the sustainability information, the entity's directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, which, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the NFIS and sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to disclosures in the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited assurance engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and sustainability information, reviewing the processes used for compiling and validating the information presented in the NFIS and sustainability information, and applying certain analytical procedures and sample review tests as described below:

For assurance of the NFIS:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
- Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described *in 4.4 Double Materiality Assessment* of the NFIS, considering the content required in prevailing company law.
- Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.
- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.
- Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For assurance of the sustainability information:

- Making inquiries of Group personnel:
  - To understand the business model, the policies and management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
  - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.
- Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting relevant information for the preparation of its sustainability information.

- Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.

- Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the sustainability information is effectively included.

- Evaluating whether the structure and presentation of the sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.

- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the consolidated management report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the sustainability information are met.

- Obtaining a representation letter from the directors and management regarding the NFIS and sustainability information.

Other information

The persons in charge of the entity's governance are responsible for other information. Other information comprises the consolidated financial statements and the rest of the information included in the consolidated management report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the consolidated management report.

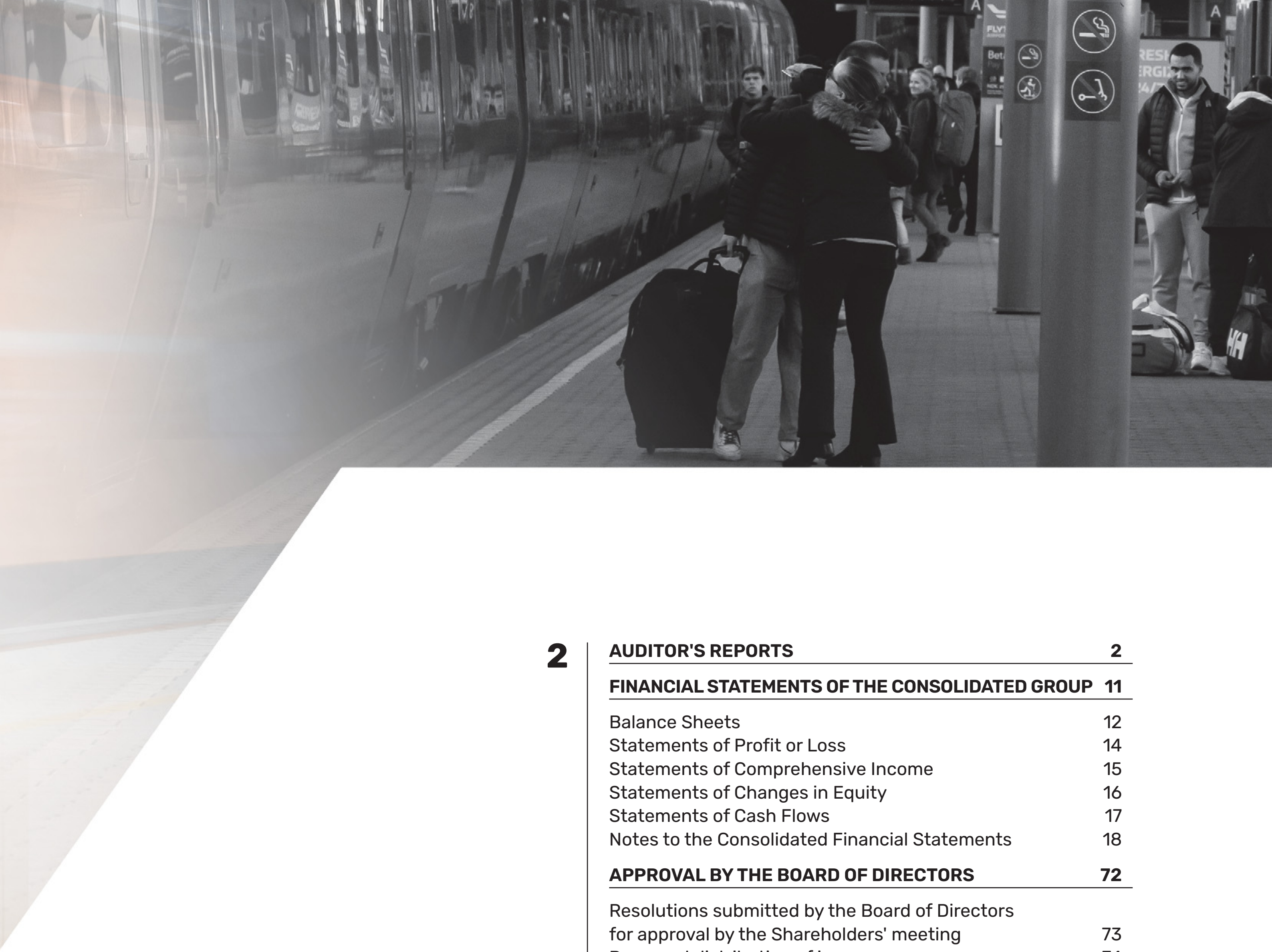
Our assurance report does not cover other information and we do not express any form of assurance conclusion on it.

Our responsibility in connection with our engagement to assure the sustainability information is to read the other information identified and consider whether it is materially inconsistent with the sustainability information or the knowledge we have obtained during the assurance engagement that could indicate material misstatements in the sustainability information.

ERNST & YOUNG, S.L.

Alberto Castilla Vida

February 26th 2025



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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Construcciones y Auxiliar de Ferrocarriles, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2024 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Revenue recognition in long-term contracts using the measurement of progress method

Description	The Group carries out an important part of its activity through long-term construction contracts. As indicated in Note 3.f.1 of the attached notes to the consolidated financial statements, the income and results corresponding to contracts for the construction of trains and traction equipment are recorded, in general, based on the estimated progress measurement of the same, obtained based on the percentage that represents the number of hours allocated to the contract over the total of the budgeted hours. The amount of revenue recognized in 2024 in relation to this type of contract by applying the progress method amounted to 1,777,388 thousand euros. The revenue recognition from these contracts requires significant estimates to be made in relation to, among other aspects, the total costs to be incurred, the number of hours allocated over the total budgeted hours or the estimation of the margin considering the expected income and the costs estimated to be incurred, as well as, where appropriate, the amount of the modifications and claims on the initial contract that will finally be accepted by the client. We have considered this area as a key audit matter in our audit due to the relevance of the amounts involved and the complexity associated with said estimates, which entail the application of judgments by the Group's Management in determining the assumptions considered, since changes in the aforementioned assumptions could give rise to material differences in the recorded income. The breakdowns corresponding to the aforementioned income are disclosed in Note 5.b of the attached notes to the consolidated financial statements.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Understanding of the process established by the Group Management for the management of projects in the budgeting and contract execution phases and for the recognition of revenue, and evaluation of the design and implementation of the relevant controls established in the aforementioned process. ▶ Selection of a sample of projects, taking into consideration both quantitative and qualitative criteria, for which the corresponding contracts have been obtained for their reading and understanding of the most relevant clauses and their implications, as well as the budgets and follow-up reports of the execution of the projects. ▶ Evaluation, for said contracts, of the reasonableness of the assumptions considered by the Group Management through meetings held with the technical staff and those responsible for the development of the projects, analyzing the reasons for the deviations between the initially planned costs and the actual costs and its impact on the estimation of the margin of the projects. ▶ Review of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financial information.

Registration and valuation of provisions and contingencies related to commercial contracts

Description

The Group has recorded provisions as of December 31, 2024, under the headings "Non-current provisions" and "Current provisions", to meet obligations for guarantees and technical assistance and contractual responsibilities that are detailed in Note 19 of the attached notes to the consolidated financial statements amounting to 360,794 and 70,531 thousand euros, respectively.

The evaluation of the contingencies derived from the commercial contracts and, where appropriate, the valuation of the possible associated provisions, requires complex estimates to be made by the Group's Management, which entails the application of judgments in the determination of the assumptions considered in relation to said estimates, associated, among other aspects, with the eventualities that occurred during the execution of the contracts, including the identification of causes not attributable to the Group, which are conditioned by a high degree of uncertainty.

We have considered this area a key audit matter in our audit due to the complexity of the judgments inherent in assigning value to the key assumptions considered and the variation in such judgments that could lead to material differences in the amounts carried at the date, having a significant impact on the consolidated balance sheet and profit and loss account.

The information regarding the criteria applied by Group Management and the main assumptions considered in determining the corresponding provisions and their amounts, as well as their movement during the year, is disclosed in Notes 3.f, 3.l and 19 of the attached notes to the consolidated financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by the Group's Management for the identification, assessment and recording of contingencies arising from commercial contracts that may be provisioned, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Obtaining the detail of recorded provisions and selecting a sample, taking into consideration quantitative and qualitative criteria, for which the documentation that supports the estimates made has been obtained and reviewed.
- Understanding and evaluation, for said provisions, of the reasonableness of the key assumptions considered for their quantification based on consultations with the Management and other professionals of the Group in charge of the matters from which contingencies that could be provisioned could arise and, in their case, to written statements from third parties, such as legal advisors, regarding the current situation of the contingencies and the evaluation of the risk derived from them, estimated cash outflows and their probability of occurrence.
- Carrying out a general analytical review of the movement of the different provisions recorded, obtaining evidence and supporting documentation about them and considering our expectations about their potential evolution, obtaining responses from Management to our inquiries in the event of deviations with respect to those expectations.

- Review of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financial information.

Valuation of goodwill and other intangible assets

Description

As indicated in Note 6 of the accompanying notes to the consolidated financial statements, the net book value of the headings "Goodwill" and "Other intangible assets" as of December 31, 2024 amounts to 187,594 and 287,215 thousand euros, respectively.

The Group's Management assesses goodwill and intangible assets with indefinite useful lives to impairment tests annually and when circumstances indicate that their book value may be affected and, for the rest of the intangible assets, it evaluates, at least closing of each financial year, the existence of evidence that they could be impaired. If there is evidence, it estimates their recoverable amounts based on the present value of the future cash flows generated by the cash-generating units to which said assets are assigned.

The determination of the recoverable amount requires making complex estimates, which entails the application of judgments in establishing the assumptions considered by the Group's Management in relation to said estimates.

We have considered this area as a key audit matter in our audit due to the relevance of the amounts involved and the complexity inherent in the estimation process in determining the recoverable amount of the aforementioned assets.

The information regarding the valuation standards applied and the main assumptions considered in determining the impairment of intangible assets is included in Notes 3.a and 3.c of the attached notes to the consolidated financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by the Group's Management to identify signs of impairment and determine the recoverable amount of goodwill and other intangible assets, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Review of the model used by Group Management to determine the recoverable amount, in collaboration with our valuation specialists, covering, in particular, the mathematical coherence of the model, and the reasonableness of projected cash flows and discount rates and long-term growth. In carrying out our review we have held interviews with those responsible for developing the model and used recognized external sources and other available information to compare the data used.
- Analysis of the reasonableness of the allocation of assets to the different cash-generating units.
- Review of the sensitivity analyzes carried out by the Group's Management with respect to the estimates made in determining the recoverable amount due to changes in the relevant assumptions considered.
- Review of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable regulatory framework for financial information.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, were provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless said directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threads or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Construcciones y Auxiliar de Ferrocarriles, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of Construcciones y Auxiliar de Ferrocarriles, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 26, 2025.

Term of engagement

The ordinary general shareholders' meeting held on June 15, 2024 appointed us as auditors for 3 years, commencing on December 31, 2024.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 2021.

ERNST & YOUNG, S.L.

The original signed in Spanish

February 26, 2025

FINANCIAL STATEMENTS OF **THE CONSOLIDATED GROUP**

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.cafmobility.com). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

Consolidated Balance Sheets

at 31 December 2024 and 2023 (Thousands of Euros)

Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

Assets	Note	31/12/24	31/12/23 (*)
Non-current assets:			
Intangible assets	**6**		
Goodwill		187,594	186,244
Other intangible assets		287,215	284,421
Total intangible assets		**474,809**	**470,665**
Property, plant and equipment	**5 & 7**	**497,634**	**489,887**
Investments accounted for using the equity method	**8**	**41,114**	**45,308**
Non-current financial assets	**8**	**254,708**	**341,795**
Non-current hedging derivatives	**16**	**1,483**	**21,995**
Deferred tax assets	**17**	**170,655**	**178,677**
Other non-current assets	**20**	**4,475**	**4,763**
Total Non-current assets		**1,444,878**	**1,553,090**
Current assets:			
Inventories	**10**	**635,701**	**477,138**
Trade and other receivables			
Trade receivables for sales and services	11	2,263,952	2,209,245
Other receivables	11	208,863	196,301
Current tax assets		13,043	13,178
Total Trade and other receivables		**2,485,858**	**2,418,724**
Current financial assets	**12**	**25,188**	**125,448**
Current hedging derivatives	**16**	**22,622**	**19,064**
Other current assets	**20**	**28,071**	**16,099**
Cash and cash equivalents		**573,539**	**442,791**
Total Current assets		**3,770,979**	**3,499,264**
Total Assets		**5,215,857**	**5,052,354**

Equity and liabilities	Note	31/12/24	31/12/23 (*)
Equity:	**13**		
Shareholders' Equity			
Registered share capital		10,319	10,319
Share Premium		11,863	11,863
Other accumulated reserves and profit for the year attributable to the Parent		1,037,799	976,850
Treasury shares and equity investments		(1,283)	(1,268)
Total Shareholders'Equity		**1,058,698**	**997,764**
Valuation adjustments			
Hedges		15,604	18,800
Translation differences		(192,108)	(161,327)
Total Valuation Adjustments		**(176,504)**	**(142,527)**
Equity attributable to the Parent		**882,194**	**855,237**
Non-controlling interests		**14,057**	**12,946**
Total Equity		**896,251**	**868,183**
Non-current liabilities:			
Non-current provisions	**19**	**145,831**	**133,683**
Non-current financial liabilities	**14 & 15**		
Bank borrowings and debt instruments or other marketable securities		548,864	509,154
Other financial liabilities		86,930	87,426
Total Non-current financial liabilities		**635,794**	**596,580**
Deferred tax liabilities	**17**	**146,752**	**164,821**
Non-current hedging derivatives	**16**	**2,153**	**21,893**
Other non-current liabilities	**20**	**72,412**	**103,299**
Total Non-current liabilities		**1,002,942**	**1,020,276**
Current liabilities:			
Current provisions	**19**	**385,957**	**364,722**
Current financial liabilities	**14 & 15**		
Bank borrowings and debt instruments or other marketable securities		273,396	303,029
Other financial liabilities		49,462	78,037
Total Current financial liabilities		**322,858**	**381,066**
Trade and other payables			
Suppliers and other payables	18 & 25	2,568,486	2,382,729
Current tax liabilities		17,099	14,952
Total Trade and other payables		**2,585,585**	**2,397,681**
Current hedging derivatives	**16**	**14,979**	**15,666**
Other current liabilities	**20**	**7,285**	**4,760**
Total Current liabilities		**3,316,664**	**3,163,895**
Total Equity and liabilities		**5,215,857**	**5,052,354**

(*) Presented for comparison purposes only (Note 2-e).
The accompanying Notes 1 to 27 are an integral part of the consolidated balance sheets at 31 December 2024.

Consolidated Statements of Profit or Loss

for the years ended 31 December 2024 and 2023 (Thousands of Euros)

Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

(Debit) Credit	Note	2024	2023 (*)
Continuing operations:			
Revenue	5 & 9	4,211,543	3,825,285
+/- Change in inventories of finished goods and work in progress		33,805	52,803
In-house work on non-current assets		9,158	4,091
Procurements	21-a	(2,342,470)	(2,227,766)
Other operating income	21-d	39,165	34,860
Staff costs	22	(1,063,129)	(918,293)
Other operating expenses	21-b	(563,085)	(485,305)
Depreciation and amortisation charge	21-e	(110,428)	(104,446)
Impairment and gains or losses on disposals of non-current assets	21-e	1,585	(2,415)
Profit/(Loss) from operations		**216,144**	**178,814**
Finance income	21-f	25,307	27,998
Finance costs	21-f	(67,670)	(68,801)
Changes in fair value of financial instruments		(469)	1,408
Exchange differences		(9,414)	(4,674)
Impairment and gains or losses on disposals of financial instruments	8	(3)	5
Financial profit/(loss)		**(52,249)**	**(44,064)**
Result of companies accounted for using the equity method	8	(3,265)	5,908
Profit/(Loss) before tax		**160,630**	**140,658**
Income tax	17	(52,984)	(48,341)
Profit/(Loss) for the year from continuing operations		**107,646**	**92,317**
Consolidated Profit/(Loss) for the period		**107,646**	**92,317**
Attributable to:			
The Parent		103,255	89,158
Non-controlling interests	13	4,391	3,159
Earnings per share (in euros)	13		
Basic		3.02	2.60
Diluted		3.02	2.60

(*) Presented for comparison purposes only (Note 2-e).
The accompanying Notes 1 to 27 are an integral part of the consolidated statements of profit or loss for 2024.

Consolidated Statements of Comprehensive Income
for 2024 and 2023 (Thousands of Euros)
Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

	Note	2024	2023 (*)
A) Consolidated profit/(loss) for the year:		**107,646**	**92,317**
B) Other comprehensive income - Items not reclassified to profit or loss:		**(4,453)**	**(13,690)**
Arising from actuarial gains and losses	19	(1,809)	(3,504)
Equity instruments at fair value through other comprehensive income	8	(2,644)	(10,186)
C) Items that may be reclassified subsequently to profit or loss:		**(33,800)**	**33,716**
Cash flow hedges:		**4,114**	**(347)**
Revaluation gains/losses	16	3,719	(78)
Amounts transferred to profit or loss		395	(269)
Translation differences:		**(30,531)**	**27,674**
Revaluation gains/losses	13	(30,531)	27,674
Share of other comprehensive income recognised for investments in joint ventures and associates:		**(6,615)**	**6,444**
Revaluation gains/losses			
Cash flow hedges	8 & 16	(10,511)	7,468
Translation differences		(153)	(214)
		(10,664)	7,254
Amounts transferred to profit or loss			
Cash flow hedges	8 & 16	4,049	(810)
		4,049	(810)
Tax effect		**(768)**	**(55)**
Total comprehensive income (A+B+C)		**69,393**	**112,343**
Attributable to:			
The Parent		64,825	108,698
Non-controlling interests	13	4,568	3,645

(*) Presented for comparison purposes only (Note 2-e).
The accompanying Notes 1 to 27 are an integral part of the consolidated statements of comprehensive income for 2024.

Consolidated Statements of Changes in Equity

for 2024 and 2023 (Thousands of Euros)

Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

	Equity attributable to the Parent							
	Shareholders' equity							
	Share capital	Share Premium	Other accumulated reserves and profit for the year attributable to the Parent	Treasury shares and equity investments	Hedges	Translation differences	Non-controlling interests	Total equity
Balances at 31 December 2022 (*)	**10,319**	**11,863**	**930,787**	**(1,292)**	**12,544**	**(188,302)**	**12,406**	**788,325**
Total comprehensive income	**-**	**-**	**75,467**	**-**	**6,256**	**26,975**	**3,645**	**112,343**
Transactions with shareholders or owners	**-**	**-**	**(29,404)**	**24**	**-**	**-**	**(3,105)**	**(32,485)**
Dividends payable (Note 13)	-	-	(29,481)	-	-	-	(3,105)	(32,586)
Transactions in treasury shares (net) (Note 13)	-	-	77	24	-	-	-	101
Balances at 31 December 2023 (*)	**10,319**	**11,863**	**976,850**	**(1,268)**	**18,800**	**(161,327)**	**12,946**	**868,183**
Total comprehensive income	**-**	**-**	**98,802**	**-**	**(3,196)**	**(30,781)**	**4,568**	**69,393**
Transactions with shareholders or owners	**-**	**-**	**(37,853)**	**(15)**	**-**	**-**	**(3,457)**	**(41,325)**
Dividends payable (Note 13)	-	-	(38,052)	-	-	-	(3,457)	(41,509)
Transactions in treasury shares (net) (Note 13)	-	-	199	(15)	-	-	-	184
Balances at 31 December 2024	**10,319**	**11,863**	**1,037,799**	**(1,283)**	**15,604**	**(192,108)**	**14,057**	**896,251**

(*) Presented for comparison purposes only (Note 2-e).

The accompanying Notes 1 to 27 are an integral part of the consolidated statements of changes in equity for 2024.

Consolidated Statements of Cash Flow

for the years 2024 and 2023 (Thousands of Euros)

Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

	Note	2024	2023 (*)
Cash flows from operating activities:			
Profit/(Loss) before tax		160,630	140,658
Adjustments for			
Depreciation and amortisation charge	6, 7 & 21	110,428	104,446
Impairment losses		(49)	(30)
Other income and expenses		(8,578)	(2,068)
Gains and losses on disposals of non-current assets	6, 7 & 21	(1,585)	2,415
Result of companies accounted for using the equity method	8	3,265	(5,908)
Finance income		(25,307)	(27,998)
Finance costs		67,670	68,801
Changes in working capital	3-d, 10 & 11	(62,828)	(116,157)
Other cash flows from operating activities			
Income tax recovered / (paid)	17	(59,738)	(49,033)
Other amounts received / (paid) relating to operating activities		923	(8,994)
Net cash (used in) from operating activities (I)		**184,831**	**106,132**
Cash flows from investing activities:			
Payments due to investment			
Group companies and associates		(441)	-
Property, plant and equipment, intangible assets and investment property	6 & 7	(86,064)	(78,944)
Other financial assets	8 & 12	(7,450)	(9,960)
Proceeds from disposal			
Group companies and associates	8	-	159
Property, plant and equipment, intangible assets and investment property	6 & 7	1,715	313
Other financial assets	8 & 12	157,387	119,296
Dividends received		14,401	536
Interest received	8 & 12	18,158	9,237
Net cash (used in) / from investing activities (II)		**97,706**	**40,637**
Cash flows from financing activities:			
Disposal/(purchase) of equity instruments - treasury shares	13	184	101
Proceeds/(Payments) relating to financial liability instruments			
Issue	14 & 15	797,305	450,894
Repayment	14 & 15	(833,757)	(544,430)
Dividend payments and returns on other equity instruments paid	13	(41,509)	(32,586)
Other cash flows from financing activities			
Interest paid	14 & 15	(52,544)	(51,672)
Net cash (used in) / from financing activities (III)		**(130,321)**	**(177,693)**
Net increase / (decrease) in cash and cash equivalents (I+II+III)		**152,216**	**(30,924)**
Cash and cash equivalents at beginning of the period		442,791	473,344
Effect on cash of foreign exchange rate changes		(21,468)	371
Cash and cash equivalents at end of the period		**573,539**	**442,791**

(*) Presented for comparison purposes only (Note 2-e).
The accompanying Notes 1 to 27 are an integral part of the consolidated statements of cash flow for 2024.

NOTES TO THE CONSOLIDATED **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

Construcciones y Auxiliar de Ferrocarriles, S.A. and Subsidiaries composing the CAF Group

1.- DESCRIPTION AND ACTIVITIES OF THE PARENT

Construcciones y Auxiliar de Ferrocarriles, S.A. (CAF or "Parent") was incorporated in 1917, for an indefinite period of time, in San Sebastián (Gipuzkoa) and its registered office is located at Calle José Miguel Iturrioz 26, Beasain (Gipuzkoa) (Spain).

The Parent did not change its name in the last financial year.

The corporate purpose is described in article 2 of its Bylaws, which are available on the Parent's website (www.cafmobility.com).

The Group currently engages mainly in the sale of rail and bus mobility solutions, and its main centre of activity is in Beasain (Gipuzkoa) (Spain).

The Parent, Construcciones y Auxiliar de Ferrocarriles, S.A.as part of its business activities, holds majority ownership interests in other companies (Note 2-f).

2.- BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of presentation

The 2024 consolidated financial statements of the CAF Group have been authorised for issue by the directors:

- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, including International Accounting Standards (IASs) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and by the Standing Interpretations Committee (SIC). The principal accounting policies and measurement bases applied in preparing the Group's accompanying consolidated financial statements are summarised in Note 3.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant standards in this connection, which are specified in Note 3.
- So that they present fairly the CAF Group's consolidated equity and consolidated financial position at 31 December 2024 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Parent and by the other Group companies. However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements (IFRSs) differ from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with International Financial Reporting Standards.

The CAF Group's 2023 consolidated financial statements were approved by CAF's General Shareholders' Meeting held on 15 June 2024. The consolidated financial statements of the Group and the financial statements of the Group companies for financial year 2024 have yet to be approved by their respective General Meetings. However, CAF's Board of Directors considers that the aforementioned financial statements will be approved without any changes.

b) Adoption of new standards and interpretations issued

In 2024, various modifications and/or interpretations of IAS 1 relating to the classification of current and non-current liabilities, amendments to IFRS 16 in relation to lease liabilities and changes to IAS 7 and IFRS 17 regarding the statement of cash flows and breakdowns of financial instruments, entered into force. These amendments did not have a significant impact on the preparation of these consolidated financial statements.

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the most significant new standards, amendments and interpretations that had been published by the IASB but which had not come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were as follows:

New standards, amendments and interpretations	Obligatory application in annual reporting periods beginning on
Approved for use in the European Union	
Amendments and/or interpretations	
Modifications to IAS 21 – Effect of variations in exchange rates due to the absence of convertibility	1 January 2025
Not yet approved for use in the European Union –	
New rules -	
IFRS 18 – Presentation and Breakdown of Financial Statements	1 January 2027
IFRS 19 – Entities not Publicly Accountable: Breakdowns	1 January 2027
Amendments and/or interpretations –	
Amendments to IFRS 9 and IFRS 7 – Classification and valuation of financial instruments	1 January 2026
Annual improvements to IFRS	1 January 2026

The Group performed a preliminary assessment of the impact that the future application of the standards that come into force in annual reporting periods beginning on or after 1 January 2025 will have on the consolidated financial statements. The Group considers that the application of the new standards and amendments will not have a significant impact on its consolidated financial statements.

c) Presentation currency

These consolidated financial statements are presented in euros, since it is the currency of the main economic area in which the Group operates. Foreign operations are accounted for in accordance with the policies described in Note 2-f.

d) Use of estimates

Estimates were occasionally made in the consolidated financial statements of the CAF Group for 2024. These estimates, which were made on the basis of the best information available, relate basically to the following:

- The assessment of possible impairment losses on certain assets (Notes 6, 7, 8, 9, 10, 11 and 12);
- The assumptions used in the actuarial calculation of pension and other obligations to employees (Note 19);
- The useful life of the property, plant and equipment and intangible assets (Notes 3-a and 3-b);
- The fair value of certain financial assets (Note 3-d);
- The calculation of provisions and penalties that reduce the selling price (Notes 11, 19 and 25-a);
- The assessment of the probability of having future taxable profits against which unused recognised tax assets can be utilised (Note 17);
- Changes in estimated costs in the budgets for construction projects performed and percentage of completion (Note 3-f).

Although these estimates were made on the basis of the best information available at 31 December 2024 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated statement of profit or loss.

e) Comparative information and correction of errors

As required by IAS 1, the information relating to 2024 contained in these notes to the consolidated financial statements is presented, for comparison purposes, with information relating to 2023.

f) Consolidated group and basis of consolidation

Scope of consolidation

The accompanying consolidated financial statements include the Parent and the companies over which it exercises control; control is defined as the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

The accompanying consolidated financial statements for the year ended 31 December 2024 have been prepared on the basis of the separate accounting records as at that date of Construcciones y Auxiliar de Ferrocarriles, S.A. (Parent – Note 1) and of the subsidiaries and associates listed below:

Rolling stock segment	% of control or influence	Location	Line of business
Fully consolidated companies –			
Construcciones y Auxiliar de Ferrocarriles, S.A.	Parent	Gipuzkoa	Marketing and manufacture of rolling stock equipment and components
Actren Mantenimiento Ferroviario, S.A.	51%	Madrid	Maintenance
Aerosuburbanos, S.A.P.I. de C.V.	100%	Mexico City	Transport services
BWB Holdings Limited (*)	100%	Nottingham	Engineering
CAF Arabia Company	100%	Riyadh	Manufacturing and maintenance
CAF Argelia (EURL)	100%	Algiers	Manufacturing and maintenance
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	100%	Buenos Aires	Repairs and maintenance
CAF Brasil Indústria e Comércio, S.A.	100%	São Paulo	Manufacturing and maintenance
CAF Belgium, S.P.R.L.	100%	Brussels	Manufacturing and maintenance
CAF Canada Inc.	100%	Calgary	Engineering
CAF Chile, S.A.	100%	Santiago de Chile	Manufacturing and maintenance
Construcciones y Auxiliar de Ferrocarriles CAF Colombia, S.A.S.	100%	Medellin	Manufacturing and maintenance
CAF Deutschland GmbH	100%	Munich	Manufacturing and maintenance
CAF Deutschland Real Estate GmbH	100%	Munich	Maintenance
CAF Digital & Design Solutions, S.A.U.	100%	Jaén	Manufacturing and maintenance
CAF Diversified Business Development, S.A.U.	100%	Gipuzkoa	Holding Company
CAF Egypt for Transportation Systems	100%	Cairo	Maintenance
CAF Engineered Modernizations, S.L.U.	100%	Gipuzkoa	Engineering
CAF France, SAS	100%	Paris	Manufacturing and maintenance
CAF Greece Single Member, S.A.	100%	Markopoulo	Manufacturing, repair and maintenance
CAF Group UK Limited	100%	Coventry	Holding Company
CAF Hungary Kft	100%	Budapest	Manufacturing and maintenance
CAF I+D, S.L.U.	100%	Gipuzkoa	R&D
CAF Investment Projects, S.A.U.	100%	Gipuzkoa	Business development
CAF India Private Limited	100%	Delhi	Manufacturing and maintenance
CAF Israel Rails Ltd.	100%	Tel Aviv	Manufacturing and maintenance
CAF Italia, S.R.L.	100%	Rome	Repairs and maintenance
CAF México, S.A. de C.V.	100%	Mexico City	Manufacturing and maintenance
CAF Netherlands, B.V.	100%	Utrecht	Manufacturing and maintenance
CAF New Zealand Limited	100%	Auckland	Manufacturing and maintenance
CAF Norway AS	100%	Oslo	Manufacturing and maintenance
CAF Polska, s.p. z.o.o.	100%	Poznan	Engineering
CAF Portugal Unipessoal, Lda.	100%	Lisbon	Manufacturing and maintenance
CAF Power & Automation, S.L.U.	100%	Gipuzkoa	Electronic and power equipment
CAF Rail Australia Pty Ltd	100%	Sydney	Manufacturing and maintenance
CAF Rail Digital Services, S.L.U.	100%	Gipuzkoa	Maintenance
CAF Rail Luxembourg, S.À R.L.	100%	Luxemburg	Manufacturing and maintenance
CAF Rail Philippines Inc.	100%	Makati City	Tests
CAF Rail Traincare, Ltd.	100%	Coventry	Manufacturing and maintenance
CAF Rail UK Limited	100%	Belfast	Manufacturing and maintenance
CAF Reichshoffen, SAS	100%	Reichshoffen	Manufacture and design
CAF Rolling Stock UK Limited	100%	Newport	Manufacturing
CAF Sisteme Feroviare S.R.L.	100%	Bucharest	Manufacturing and maintenance
CAF Signalling, S.L.U.	100%	Gipuzkoa	Signalling
CAF Signalling, S.L.S. Com.	100%	Bizkaia	Engineering
CAF Signalling México, S.A. de C.V.	100%	Mexico City	Signalling
CAF Signalling Uruguay, S.A.	100%	Montevideo	Signalling
CAF Sinyalizasyon Sistemleri Ticaret Limited Sirketi	100%	Istanbul	Signalling
CAF Taiwan Ltd.	100%	Kaohsiung	Manufacturing and maintenance
CAF Track Test Center, S.L.U.	100%	Navarre	Track testing
CAF Turnkey & Engineering, S.L.U.	100%	Bizkaia	Engineering
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	100%	Istanbul	Manufacturing and maintenance
CAF USA, Inc.	100%	Delaware	Manufacturing and maintenance
Centro de Ensayos y Análisis Cetest, S.L.	100%	Gipuzkoa	Tests
Ctrens - Companhia de Manutençao, S.A.	100%	São Paulo	Lease services
Construcciones Ferroviarias de Madrid, S.L.U.	100%	Madrid	Maintenance
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	100%	Mexico City	Building and Maintenance
Corporación Sefemex, S.A. de C.V.	100%	Mexico City	Rendering of services
Corporación Trainemex, S.A. de C.V.	100%	Mexico City	Rendering of services
EuroMaint Bemanning AB	100%	Solna	Maintenance
EuroMaint Components and Materials AB	100%	Solna	Maintenance
EuroMaint Gruppen AB	100%	Solna	Maintenance
EuroMaint Rail AB	100%	Solna	Maintenance
EuroMaint Rail AS	100%	Oslo	Maintenance
Geminys, S.L.	100%	Gipuzkoa	Operating manuals
Lander Simulation and Training Solutions, S.A.U.	100%	Gipuzkoa	Simulators
Lander Simulation India Private Limited	100%	New Delhi	Simulators
Metro CAF (Mauritius) Ltd.	100%	Mauritius	Manufacturing and maintenance

Rolling stock segment	% of control or influence	Location	Line of business
Myanmar CAF Limited	100%	Bahan Township	Repairs and maintenance
Orbital Sistemas Aeroespaciales, S.L.U.	100%	Navarre	Aeronautical solutions
Orbital Aerospace, GmbH.	100%	Munich	Engineering
Provetren, S.A. de C.V.	100%	Mexico City	Lease services
Rail Line Components, S.L.U.	100%	Gipuzkoa	Marketing
Regiotren, S.A. de C.V.	100%	Mexico City	Lease services
Rifer SRL	100%	Milán	Component maintenance
Sermanbra - Serviços de Manutençao Brasil Ltda.	100%	São Paulo	Maintenance
Sermanfer, S.A.U.	100%	Madrid	Maintenance
Sermantren, S.A. de C.V.	100%	Mexico City	Rendering of services
Tradinsa Industrial, S.L.	100%	Lleida	Repairs and maintenance
Tram Liège Maintenance S.A.	65%	Liege	Maintenance
Trenes CAF Venezuela, C.A.	100%	Caracas	Manufacturing and maintenance
Trenes de Navarra, S.A.U.	100%	Navarre	Manufacturing

Rolling stock segment	% of control or influence	Location	Line of business
Companies accounted for using the equity method (Note 8)			
Arabia One for Clean Energy Investments PSC.	40%	Ma'an	Power generation
Asiris Vision Technologies, S.A.	22.33%	Gipuzkoa	Automated production
Blue and White - Blue Line Jerusalem Light Rail, Ltd.	50%	Petach Tikva	Manufacturing and maintenance
CAF AtkinsRéalis Digital Signalling, Limited	50%	Coventry	Signalling
CFIR Light Rail Ltd (***)	50%	Petach Tikva	Lease services
Consorcio Traza, S.A. (**) (***)	25%	Zaragoza	Holding Company
Ferrocarril Interurbano S.A. de C.V.	49.63%	Mexico City	Manufacturing and equipment
Ferrocarriles Suburbanos, S.A.P.I. de C.V. (***)	43.35%	Mexico City	Transport services
Great River City Light Rail Pty Ltd (***)	30%	Sydney	Operation and maintenance
LAVI Light Rail O&M Ltd	50%	Petach Tikva	Operation and maintenance
SHACHAF - The Purple Line Light Rail Ltd (***)	50%	Petach Tikva	Lease services
Momentum Trains Holding Pty Ltd (***)	25.50%	Sydney	Lease services
Plan Metro, S.A. (***) (****)	40%	Gipuzkoa	Lease services
PL Light Rail Maintenance, Ltd.	50%	Ramat Gan	Maintenance
Purple Line Transit Operators LLC	49%	Delaware	Operation and maintenance

(*) This company owns all of the shares of Quincey Mason Practice, Ltd., BWB Consulting, Ltd. and BWB Regeneration, Ltd.
(**) This company holds an 80% stake in the Company S.E.M. Los Tranvías de Zaragoza, S.A.
(***) These companies are engaged in concessions for the running of operating systems, the supply of fleet and the subsequent maintenance and leasing of railway equipment. The CAF Group's operations with these companies involve the supply of fleet and the performance of turnkey projects, as well as the maintenance of railway equipment and material.
(****) The CAF Group holds a 40% stake in the capital of this company, although the shares with economic rights are equivalent to 25.5% of the company's profits, as set out in the shareholders' agreement.

Buses segment	% of control or influence	Location	Line of business
Fully consolidated companies –			
Solaris Bus & Coach, sp. z.o.o.	97.33%	Bolechowo	Solutions for urban transport
Solaris Austria, GmbH	97.33%	Vienna	Solutions for urban transport
Solaris Belgium, SRL.	97.33%	Villers-le-Bouillet	Solutions for urban transport
Solaris Bus Canada, Inc.	97.33%	Toronto	Solutions for urban transport
Solaris Bus Ibérica, S.L.U	97.33%	Navarre	Solutions for urban transport
Solaris Bus US, Inc.	97.33%	Wilmington	Solutions for urban transport
Solaris Bus & Coach Latvia Ltd.	97.33%	Riga	Solutions for urban transport
Solaris Czech spol. S.R.O.	97.33%	Ostrava	Solutions for urban transport
Solaris Danmark Bus A/S	97.33%	Padborg	Solutions for urban transport
Solaris Deutschland GmbH	97.33%	Berlin	Solutions for urban transport
Solaris France S.A.R.L.	97.33%	Ennery	Solutions for urban transport
Solaris Hellas, S.A.	68.13%	Athens	Solutions for urban transport
Solaris Interurban Bus sp. z.o.o.	97.33%	Warsaw	Solutions for urban transport
Solaris Italia S.R.L.	97.33%	Rome	Solutions for urban transport
Solaris Netherlands, B.V.	97.33%	Riethoven	Solutions for urban transport
Solaris Norge AS	97.33%	Oslo	Solutions for urban transport
Solaris Schweiz GmbH	97.33%	Hausen	Solutions for urban transport
Solaris Slovakia S.R.O.	97.33%	Kosice	Solutions for urban transport
Solaris Sverige AB	97.33%	Malmö	Solutions for urban transport
UAB Solaris Bus & Coach LT	97.33%	Kaunas	Solutions for urban transport

Changes in the scope of consolidation

Year 2024

In 2024, the following companies were formed CAF AtkinsRéalis Digital Signalling, Limited, in which the CAF Group has a 50% stake, and Lander Simulation India Private Limited, in which the CAF Group has a 100% stake, and Solaris Bus US, Inc., Solaris Bus Canada, Inc. and Solaris Interurban Bus sp. z.o.o., in which the Group has a 97.33% stake. Likewise, the liquidation of companies Solaris Estonia OÜ and Galilee Rail Ltd has been carried out.

Finally, the company Light TLV NTA Ltd has changed its corporate name to SHACHAF - The Purple Line Light Rail Ltd.

Year 2023

During the 2023 financial year, companies CAF Signalling México, S.A. de C.V., CAF Canada Inc., Galilee Rail Ltd, CAF Greece Single Member, S.A., CAF Rail Philippines Inc. and Myanmar CAF Limited were established. Likewise, Openaco Trading Co. Ltd. was liquidated.

Consolidation method

“Subsidiaries” are defined as companies over which the Parent has the capacity to exercise control; control exists when the Parent has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities. The financial statements of the subsidiaries are fully consolidated with those of the Parent. Accordingly, all balances and effects of the transactions between consolidated companies were eliminated on consolidation.

Meanwhile, “associates” are companies over which the Parent is in a position to exercise significant influence, but not outright control or joint control. A “joint venture” is an arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. In the consolidated financial statements, investments in associates and joint ventures are accounted for using the “equity method”, i.e. at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations, less any impairment of the individual investments (in the case of transactions with an associate, the related profits or losses are eliminated in proportion to the Group's ownership interest).

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control, which exists only when decisions on significant activities require the unanimous consent of the parties sharing control. When a Group company carries on its activities under the framework of a joint operation, the Group as a joint operator will recognise the following in relation to its ownership interest in the joint operation:

- its assets and liabilities, including its share of any assets and liabilities held or incurred jointly;
- its share of the revenue and expenses arising from the joint operation.

Translation of foreign currency financial statements

The financial statements in foreign currencies were translated to euros using the “year-end exchange rate” method, which consists of translating all the assets, rights and obligations to euros at the closing exchange rates and the statement of profit or loss items at the average exchange rates for the year.

The difference between the amount of the foreign companies’ equity translated at historical exchange rates (except for the profit or loss for the year, which is translated as stated above) and the asset value arising from the translation of the assets, rights and obligations at the closing exchange rates is presented in equity under “Translation differences” in the consolidated balance sheet, net of the portion of the difference that relates to non-controlling interests, which is recognised under “Equity - Non-Controlling Interests”.

g) Climate change

CAF aspires to lead the transition towards sustainable mobility, which is why the challenge of decarbonisation constitutes one of the main axes of its strategy. Thus, reinforcing its commitment to sustainable and long-term development, the Group consolidated sustainability as one of the four axes of its 2026 Strategic Plan (available at www.cafmobility.com). In this axis, the transition towards net zero emissions mobility stands out as the main purpose. This same priority is reflected in the Sustainability Master Plan (available at www.cafmobility.com), which integrates the strategic initiative associated with the decarbonisation of our operations.

The Company's strategic commitment to decarbonisation and the energy transition is reflected in its inclusion in the SBTi (Science Based Targets Initiative) and the Race to Zero, international alignment initiatives in the fight against climate change and the Paris Agreement. CAF has also made public its short- and long-term emission reduction targets, which have been validated by SBTi, with an ambition to achieve net zero carbon emissions (Net Zero) by 2045.

To meet these commitments and promote climate strategies focused on reducing Greenhouse Gas (GHG) emissions and promoting renewable energies, during the year 2024, the Group carried out various activities, among which the following stand out:

- Carrying out the double materiality analysis in accordance with the requirements established in the European Sustainability Reporting Standards (ESRS). The results of this analysis, published in the 2024 Consolidated Non-Financial Information and Sustainability Information Statement, confirm that climate change continues to be one of the most relevant priorities for our stakeholders. The priority nature of these issues is reflected in several strategic initiatives included in the Sustainability Master Plan, which address aspects such as decarbonisation of operations, zero-emission mobility and eco-design management. CAF's Sustainability Master Plan was published in December 2024 and develops the roadmap to be followed in the current strategic cycle to respond to the Group's priority issues in this area.
- In the area of managing risks and opportunities arising from climate change, an analysis of the quantification of these risks and opportunities based on climate scenarios was conducted. This work consolidates the framework implemented in 2022, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and updates the risk and opportunity analysis to respond to the changing context of the CAF Group.
- Deployment of reduction plans for the businesses to comply with the reduction targets set at Group level.

Within this decarbonisation process, the Group is immersed in the transition towards zero emissions vehicles, mainly electric and hydrogen, with a significant impact on the Bus segment and considerable activity in the Railway sector through the implementation of innovative solutions that substitute diesel vehicles. The potential impacts of this transition have been considered in the re-evaluation of the useful life of the intangible and material assets of the subsidiaries. Within the framework of this periodic review, the transition to zero-emission vehicles has required reevaluating the useful life of capitalized development expenses, adjusting them individually to each project. Likewise, the useful lives of property, plant and equipment have been reviewed, and no material adjustments were required in 2024 compared to the useful lives detailed in previous years.

In chapter "5. In the 2024 Consolidated Non-Financial Information and Sustainability Information Statement, additional information is collected on the Group's performance in terms of climate change and other matters related to sustainability, under "Our commitment to the environment". Specifically, more detailed information on the analysis of risks and opportunities derived from climate change and the progress made in this period is provided in section 5.3.1. "Risks and opportunities derived from climate change" of the aforementioned Report. As a result of the analysis carried out on the most significant risks and opportunities, no impairments have been detected on assets, provisions and/or significant contingencies to be disclosed in the attached consolidated financial statements.

h) Macroeconomic situation

The Israel-Palestine conflict poses a risk of uncertainty in the markets in which the Group operates.

Currently, the CAF Group is executing the following contracts in Israel:

Jerusalem City Light Rail Extension Project. This project was awarded in 2019 under public-private participation to the consortium consisting of CAF and Shapir. The project consists of extending the network by 27 kilometres and 53 new stations, as well as the delivery of 114 trams. In addition to supplying new units, CAF is carrying out the refurbishment of 46 units currently in service, including signalling, energy and communications systems, and project integration. In addition, CAF has a 50% stake in the company that manages the operation and maintenance activity of the two tram lines for an initial period of 25 years for maintenance and 15 years for operation, extendable up to 25 years.

Purple Line Project of the Tel Aviv city light rail. This project was awarded in 2022 by NTA Metropolitan Mass Transit Systems under public-private participation to the consortium involving CAF and Shapir. Within the project, CAF executes the design and manufacturing of 98 tram units, the supply of signalling, energy and communications systems, and the integration of the project. In addition, CAF has a 50% stake in the special purpose vehicle that manages the line's maintenance activity during the 25-year concession.

The current conflict is affecting the pace of execution of both projects, although normal operations are being maintained on the Jerusalem city light rail line. The Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

In addition, the variations in inflation and interest rates during the year have been considered in the hypotheses used in the following cases: i) preparation of recoverability tests for non-financial assets, including goodwill, as well as the discount rates applied and the sensitivity analyses performed (Notes 6 and 7); ii) the updating of the value of actuarial obligations (Note 19); iii) the updating of budgets of contracts with customers, having reviewed and updated the cost of wages and raw materials (Note 11); and iv) the valuation of financial assets (Note 8).

3.- ACCOUNTING PRINCIPLES AND POLICIES AND MEASUREMENT BASES APPLIED

The principal accounting policies used by the CAF Group in preparing its consolidated financial statements as at 31 December 2024 and 2023 were as follows:

a) Intangible assets

Goodwill

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow and is not amortised. Instead, these cash-generating units are tested for impairment at least once a year using the methodology described in Note 3-c and, where appropriate, are written down.

Other intangible assets

Intangible assets (internal computer software developments and development projects for which there are no doubts as to their technical and commercial success) are measured at their acquisition cost or accumulated production cost applied in accordance with inventory measurement bases (Note 3-e).

Commercial relations, customer portfolio and trademarks arise mainly from business combinations (acquisitions of Solaris, EuroMaint, BWB, Rifer, Orbital and Reichshoffen) and are recognised initially at acquisition-date fair value, which is their deemed cost.

Other intangible asset items are amortised on a straight-line basis at rates based on the following years of estimated useful life:

	Years of estimated useful life
Commercial Relationships and Customer Portfolio	1.5 – 18
Patents, Licenses and Trademarks	20 – indefinite useful life
Development expenditure	3 - 8
Computer software and other	2 - 10

b) Property, plant and equipment

Items of “Property, plant and equipment” are measured at acquisition cost. The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised as an increase in the cost of the asset.

The items of property, plant and equipment are depreciated on a straight-line basis at rates based on the following years of estimated useful life:

	Years of estimated useful life
Buildings	17 – 50
Plant and machinery	3 – 12
Transport equipment (Leasing)	5 - 10
Other fixtures, tools and furniture	3 – 10
Other items of property, plant and equipment	4 – 20

To determine the depreciation of leasing transport items recognised as a result of bus contracts with repurchase option and whose income is recognised as an operating lease (Notes 3-f and 3-j), the residual value of the assets concerned —calculated as the estimated fair value at the repurchase date— is deducted from their value. These assets are depreciated over the life of the operating lease contracts.

c) Impairment of assets

At each balance sheet date, the CAF Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets might have suffered an impairment loss. Whether or not any indication of impairment exists, intangible assets with an indefinite useful life are tested annually for impairment. If such cases, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is deemed to be the present value of estimated future cash flows.

d) Financial instruments

In accordance with the classification criteria established by IFRS 9, the Group classifies its financial assets in the following categories:

Financial assets

The financial assets held by the Group are classified on the basis of the nature of the financial asset's contractual cash flows and the business model for managing its financial assets, in the following categories:

1. Financial assets at amortised cost

This category includes financial assets that are held for the purpose of collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are initially recognised at fair value and are subsequently measured at amortised cost.

The Group calculates a loss allowance for expected credit losses taking as a reference the expected losses in the next 12 months, unless the credit risk has increased significantly, in which case the Group calculates the loss allowance taking as a reference the expected life of the financial instrument.

In order to calculate this impairment, the Group uses as reference the creditworthiness of the borrowers, which is estimated using information available in the market (ratings) and adjusted following a case-by-case analysis of the collection guarantees available.

The Group derecognises a financial asset when all the risks and rewards of ownership of the asset have been transferred to another entity or when the contractual rights to the cash flows from the asset expire.

2. Financial assets measured at fair value through other comprehensive income

Equity instruments that the Group has made the irrevocable election to classify as financial assets at fair value through other comprehensive income are recognised in this category.

The financial assets included in this category are initially recognised at fair value including any transaction costs. These assets are subsequently measured at fair value through other comprehensive income. The cumulative gain or loss is not transferred to profit or loss on disposal of these equity instruments. Dividends are recognised under “Finance Income” in the consolidated statement of profit or loss.

The Group has designated all its investments in equity instruments as measured at fair value through other comprehensive income (Note 8).

3. Financial assets at fair value through consolidated profit or loss

Assets that do not meet the requirements to be included in either of the other two categories are included in this category. The financial assets included in this category are initially recognised at fair value which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration given. Directly attributable transaction costs are recognised in consolidated profit or loss. After initial recognition, the assets in this category are measured at fair value through consolidated profit or loss.

Financial liabilities

Commercial liabilities whose settlement is managed by financial entities are recorded under the headings “Trade and other payables – Suppliers and other payables” in the consolidated balance sheet, to the extent that the CAF Group has only transferred the management of payment, remaining as the primary entity responsible for the payment of debts vis-à-vis commercial creditors, without changes in the maturity or the granting of additional financial guarantees.

Borrowings are recognised initially at fair value less the transaction costs incurred. They are subsequently measured at amortised cost, and any difference between the funds obtained (net of the costs required to obtain them) and the repayment value is recognised in the statement of profit or loss over the term to maturity of the debt using the effective interest method.

The Group only derecognises financial liabilities when the obligations giving rise to them are cancelled, eliminated or expire.

Derivative financial instruments

The Group uses these instruments to hedge the foreign currency risk to which its project contracts and certain investments in investees are exposed, and to hedge the interest rate risk arising from loan drawdowns (Note 16).

The fair value of the derivative financial instruments was calculated including the credit risk, the entity's own credit risk for liability derivative financial instruments, and the counterparty's credit risk for asset derivative financial instruments.

The Group reviews the conditions for a financial derivative to qualify for hedge accounting to ensure that such conditions are met, i.e.: (1) it hedges one of the following three types of risk: fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation; (2) it effectively eliminates any risk inherent to the hedged item or position throughout the projected term of the hedge; and (3) there is suitable documentation to evidence that the financial derivative was arranged specifically to hedge certain balances or transactions and how it was intended to achieve and measure the effectiveness of the hedge, provided that this was consistent with the Group's risk management policy.

The CAF Group has defined financial risk management objectives and policies which set forth, in writing, the policy in respect of the arrangement of derivatives and hedging strategy.

These financial instruments are initially recognised at acquisition cost. The changes in the fair value of the derivative financial instruments that were designated and effective as hedges are subsequently recognised as follows:

- In fair value hedges, the gains or losses arising on both the hedging instrument and the hedged item attributable to the type of risk being hedged are recognised directly under “Financial Loss” in the accompanying consolidated statement of profit or loss. The Group recognises as fair value hedges the hedges arranged for construction work when the necessary conditions are met for hedges of this nature (existence of a firm commitment).
- In cash flow hedges, the gains or losses attributable to the effective portion of the hedging instrument are recognised temporarily in equity under “Valuation Adjustments - Hedges”. This method is used by the Group to hedge projects in which the hedged risk is not a firm and signed commitment but rather a highly probable forecast transaction, and for interest rate hedges. To the extent that a highly probable transaction gives rise to a firm commitment, the amounts previously recognised in equity are reclassified to profit or loss.
- In hedges of net investments in foreign operations, the gains or losses attributable to the portion of the hedging instrument qualifying as an effective hedge are recognised temporarily in equity under “Translation Differences”.

Fair value measurements of financial assets and liabilities are classified according to the following hierarchy established in IFRS 13:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i-e. as prices) or indirectly (i-e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

The breakdown of the CAF Group's assets and liabilities measured at fair value according to the levels indicated above at 31 December 2024 and 2023 is as follows (in thousands of euros):

Year 2024

	Level 1	Level 2	Level 3	Total
Assets				
Equity instruments (Note 8-b)	-	-	3,185	3,185
Derivatives (Note 16)	-	24,105	-	24,105
Other financial assets (Note 12)	31	-	-	31
Total Assets	**31**	**24,105**	**3,185**	**27,321**
Liabilities				
Derivatives (Note 16)	-	17,132	-	17,132
Other financial liabilities (Note 14)	-	-	117	117
Total liabilities	**-**	**17,132**	**117**	**17,249**

Year 2023

	Level 1	Level 2	Level 3	Total
Assets				
Equity instruments (Note 8-b)	-	-	7,757	7,757
Derivatives (Note 16)	-	41,059	-	41,059
Other financial assets (Note 12)	86,144	-	-	86,144
Total Assets	**86,144**	**41,059**	**7,757**	**134,960**
Liabilities				
Derivatives (Note 16)	-	37,559	-	37,559
Other financial liabilities (Note 14)	-	-	38,771	38,771
Total liabilities	**-**	**37,559**	**38,771**	**76,330**

The fair value of the derivative financial instruments was calculated using mainly variables based on observable market data (year-end exchange rates and yield curves).

To calculate the fair value of equity instruments, the Group uses appropriate measurement techniques based on the circumstances and on the volume of inputs available for each ownership interest, attempting to maximise the use of relevant observable inputs. These investments were measured at fair value using the business model of each one and the contractual terms and conditions thereof, assessing different scenarios and using discount rates checked with independent experts (Note 8-b).

e) Measurement of inventories

Raw materials and other supplies and goods held for resale are measured at the lower of average acquisition cost or net realisable value.

Work in progress and finished and semi-finished goods are presented net of costs already settled as described in Note 3-f and are measured as follows:

- Materials and expenses allocated to each project: at the average acquisition or production cost.
- Processing costs: based on standard hourly absorption rates for labour and direct and indirect production overheads, which do not differ significantly from actual hourly rates.
- For inventories that require a period of more than twelve months to be ready for sale, cost includes borrowing costs.

f) Recognition of revenue and profit

The Group's main sources of revenue are formalised through contracts and orders accepted by customers which may include, individually or in combination, the following goods and services which are identified as separate performance obligations:

- Supply of train fleet
- Supply of bus fleet
- Maintenance of train and bus fleets (manufactured by the CAF Group or third parties) during their useful life (estimated on average at 10 years for buses and 25-30 years for trains), or in shorter periods of time depending on the customer's maintenance strategy.
- Refurbishment of customer-owned trains
- Civil works that include integrated engineering solutions for railway systems and infrastructure in general.
- Signalling systems
- Sale of train and bus equipment and components: traction equipment, wheel sets, reduction gearboxes and spare parts in general.

The main characteristics of each of these are described below, grouped according to how the performance obligations are met:

f.1) Performance obligations that are fulfilled over time

*** Construction of trains and traction equipment**

Revenues from performance obligations for the construction of trains and traction equipment relate to rolling stock and other items specifically negotiated with customers on the basis of mutually agreed technical terms and conditions through a prior specification sheet as part of an offer. CAF therefore designs and manufactures vehicles tailored to the individual needs of each customer. Along with the delivery of the trains and traction equipment, the same performance obligation being considered, it is customary to deliver what are known as fleet parts (or strategic spare parts) and equipment for the maintenance workshops so that the customer can ensure, at all times, the availability of all trains in operation.

Trains and traction equipment are built as soon as the contract is signed, starting with the design and ending with the contractually established warranty period once the trains have been made available to the customer.

These obligations are met throughout the life of the contract, from signature to completion of the various agreed obligations, as the trains are built to the technical specifications agreed individually with each customer. Additionally, the contracts include cancellation clauses that provide for the right to be paid for the work completed to date.

The technical specifications of the trains and traction equipment, with specific designs to suit each customer's needs, making it more difficult to find an alternative use for the trains and equipment in the event of contract cancellation, as the Group would have to incur significant costs to adapt them to other customers, assuming they are not downright incompatible.

This type of performance obligation also includes a warranty period that is not a differentiated service but is there to ensure the proper functioning of the trains. These are industry-standard warranties and feature standard terms and conditions in accordance with the legal requirements of each country in which the Group operates. The Group estimates the related provision for future warranty claims based on historical information on warranty claims, as well as recent trends that may suggest that past cost information may differ from the cost of future claims.

This type of performance obligation usually takes more than a year to complete, and advance payments are often received from customers. Invoicing and payment schedules depend on the degree of performance of each project and invoicing milestones take place during the main phases of the projects (signing of the contract, approval of the design, launching of orders to suppliers, delivery of the first unit, mass delivery of units, delivery of warranty, etc.). In the initial stages of a project (contract signature, design approval, orders delivered to suppliers, delivery of initial units) it is common for billing milestones to exceed recognised revenues, while as the project progresses and moves into delivery phases, revenues typically exceed cumulative billing until the deliveries are made and the train warranty period ends and there is no longer any significant financing component to the project. In addition, the price introduces an element of variability and the customer may establish penalties depending on the fulfilment of delivery milestones, which may therefore modify the likely price of the transaction.

In this type of contract, it is common to include an option to purchase additional units, the price of which may vary depending on when the option is exercised. In this case, the CAF Group identifies each set of units as a separate obligation, recognising the original contract and, if applicable, the option exercised separately.

For train and traction equipment construction contracts, the Group generally recognises revenue and profit for each contract based on the estimated measure of progress of the contract, calculated as a percentage of the number of hours assigned to the contract out of the total hours budgeted.

Once the projected profit or loss on each contract has been determined, the Group applies the following correcting coefficients to determine the profit or loss and revenue (correcting indexes that were re-assessed in 2024, considering the characteristics of the current backlog):

- With a measure of progress of between 0% and 10%, no profit or revenue is recognised, in order to take into account the initial margin of uncertainty in the contracts in the long term.
- From 10% onwards, a percentage of profit and revenue equal to the percentage of contract completion is recognised.
- The progress of the hours allocated in the design phase is limited based on the percentage represented by the budgeted cost for the design phase with respect to the project's total budgeted cost.

*** Contracts for the construction of civil works, refurbishments, signalling and engineering services**

In this type of performance obligation, the CAF Group agrees upon an integral system solution with the customer; one that includes civil works and building, electrification, signalling, communications and other systems, which encompasses the preliminary design, supply management, construction and commissioning of both railway systems and infrastructure in general so as to provide a solution tailored to the specific needs of the customer.

These contracts include a warranty period that is not a differentiated service but relates to the proper functioning of the construction or service. They are industry-standard warranties and feature standard terms and conditions in accordance with the legal requirements of each country in which the Group operates. Meanwhile, the Group has similar warranties in place with its main subcontractors and therefore no significant warranty provisions are recorded.

The term of these contracts is usually more than one year. In these cases, billing and payment schedules are pegged to the achievement of various project milestones and the degree of project completion and do not differ significantly from the revenues recognised. Therefore, there is no significant financing component.

Revenue and profit or loss on civil works, signalling and engineering services contracts are recognised by reference to the estimated measure of progress of the contract, calculated on the basis of the costs incurred compared with the total budgeted costs.

The CAF Group analyses for each contract the applicable regulatory framework for unilateral cancellations, in order to guarantee the right to be paid for the services rendered to date at a price that reflects the cost plus margin incurred.

*** Maintenance contracts**

The CAF Group provides maintenance services for trains, buses and systems, in relation to material delivered by both CAF and other manufacturers. The duration of maintenance contracts varies, depending on the customer's specific needs and maintenance strategy.

These revenues are established on the basis of fees that are negotiated in each contract, with revenues recognised over the life of the contract on the basis of the method that best reflects the percentage of progress made at the relevant time. In the case of multi-year projects with monthly invoicing where the resources used to render the service are linear, it is assumed that the invoicing is equivalent to revenues, in the absence of a significant financing component.

However, in those maintenance contracts where the resources to perform the service are not linear (mainly when major overhauls or repair work are required) the cost to be incurred in each of them is estimated and the income is from the billings is deferred to the periods in which the major repair work is to take place. The resulting difference is recorded as either non-current or current “Liabilities under contract”, depending on whether the major repair work is expected to be performed within a period of more or less than 12 months, respectively.

f.2) Performance obligations that are fulfilled at a specific point in time

*** Sales of buses**

CAF Group sells a wide range of diesel, electric, hydrogen and hybrid buses for urban transport.

This type of contract involves the manufacture of products which, depending on the type of customer, require small modifications that do not deviate significantly from the technical specifications. The asset is not transferred until actual delivery to the customer, whereupon the revenue is recognised. A delivery period is stipulated in the contractual conditions, and penalties may be imposed in the event of late delivery. In the event that the customer refuses to accept the buses at time of delivery for technical or other reasons, the CAF Group does not recognise the revenue until the buses are formally accepted.

The Group also undertakes to provide a warranty period for the buses, in accordance with the law and industry practice, without taking into account required maintenance work and normal product wear and tear. Management estimates the related provision for future warranty claims based on historical information on warranty claims, as well as recent trends that may suggest that past cost information may differ from the cost of future claims.

These contracts come with a short performance period, with invoicing to the customer being chiefly linked to the time of acceptance of the buses by the customer. As a result, there is no significant financing component.

In certain bus contracts there are repurchase options (buybacks) in which a case-by-case analysis is performed to determine whether control has been transferred to the customer. Such contracts can be performed as an obligation to repurchase the asset (forward contract), or as an obligation to repurchase the asset at the customer's request (put option).

The transfer criterion in these cases is based on whether or not the customer has a significant economic incentive to exercise that right. If it is considered that the customer has a significant economic incentive to exercise that right, the entity shall account for the revenue as an operating lease over the term of the transaction until the date of the repurchase option (Notes 3-j and 20).

The main factor taken into consideration in order to conclude as to whether there is an economic incentive for the client is the relationship of the repurchase price to the expected market value of the bus at the date of the repurchase.

If it is concluded that the customer does not have a significant economic incentive to exercise its right, the revenue is recognised as if it were the sale of a product with a right of return. In this case, a large proportion of the revenue is recognised when the bus is delivered. Also, a liability for the amount to be returned to the customer and an asset for the right of return are recognised in the consolidated balance sheet. If finally the bus is not returned at the right date, the Group recognises the liability as revenue and the asset as an expense (Note 20).

*** Wheel sets and spare parts**

The Group also sells other products such as assembled axles, wheels and reduction gearboxes for the railway market and other spare parts for both rolling stock and buses. In these cases, the Group recognises the revenue when the customer takes control of the asset and the performance obligation is fulfilled.

f.3) Common aspects

Potential losses on contracts are recognised in full when they become known or can be reliably estimated.

The Group only recognises income arising from claims or contract scope modifications once the customer has accepted the claim and there is evidence of such acceptance in the form of a contractual amendment or similar legal document.

Based on the revenues realised, the projected profit or loss on each contract and the measure of progress, inventories are derecognised with a charge to the related heading of the consolidated statement of profit or loss and with a credit to “Inventories” on the asset side of the consolidated balance sheet (Note 10).

Income from financial assets

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. In any case, interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the consolidated statement of profit or loss.

g) Balance sheet balances relating to revenue recognition

Unlike the method used to recognise revenue from contracts, the amounts billed to the customer are based on achievement of the milestones established in the contract. The difference between revenue recognised on each project (Note 3-f) and the amount billed for the project is recognised as follows:

- If the difference is positive, “Contract assets” under “Trade and other receivables – Trade receivables for sales and services” (Note 11).
- If the difference is negative, “Contract liabilities” under “Trade and other payables – Suppliers and other payables” and “Other non-current liabilities” (Note 11).

h) Current/Non-current classification

Items are classified under "Current assets" and "Current liabilities" (contract assets, contract liabilities and short-term provisions) which may be realised or settled in more than twelve months, since they form part of the company's normal operating cycle as established in the applicable legislation. Considering the items as a whole, the directors estimate that the current assets will be realised essentially in the short term and, in any event, the current liabilities to be settled in more than 12 months exceed the current assets that would be realised in more than 12 months (Notes 11 and 19).

i) Income tax

The expense for income tax and other similar taxes applicable to the foreign consolidated entities are recognised in the consolidated statement of profit or loss, except when it results from a transaction the result of which is recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred tax liabilities are recognised for all taxable temporary differences, unless, in general, the temporary difference arises from the initial recognition of goodwill. Also, deferred tax assets are recognised for tax loss and tax credit carryforwards and temporary differences to the extent that it is considered probable that the consolidated entities will have sufficient taxable profits in the future against which the deferred tax assets can be utilised, considering for such purpose the projections based on the backlog.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

j) Leases

The Group as lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. The Group recognises a right-of-use asset and a corresponding liability for all lease contracts that do not qualify as current leases (those with a maximum term of 12 months from the commencement date) or low value leases (based on the IFRS value of USD 5,000). In such cases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Group as lessor

The Group acts as lessor in certain bus contracts (Note 3-f). Leases in which the contract establishes that the risks and rewards of ownership are transferred to the lessee are classified as finance leases, and all others are classified as operating leases.

Revenue under operating leases is recognised on a straight-line basis over the lease term, less the repurchase option price. The initial direct costs incurred in negotiating and entering into the operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

k) Administrative concessions

Concessions represent arrangements between a public sector grantor and CAF Group companies to provide public services such as preventative, corrective and inspection services for various railway lines through the operation of infrastructure. Revenue from providing the service may be received directly from the users or, sometimes, through the concession grantor itself, which regulates the prices for providing the service.

The concession right generally means that the concession operator has an exclusive right to provide the service under the concession for a given period of time, after which the infrastructure assigned to the concession and required to provide the service is returned to the concession grantor, generally for no consideration. The concession arrangement must provide for the management or operation of the infrastructure. Another common feature is the existence of obligations to acquire or construct all the items required to provide the concession service over the concession term.

These concession arrangements are accounted for in accordance with IFRIC 12, “Service Concession Arrangements”. In general, a distinction must be drawn between two clearly different phases: the first in which the operator provides construction or upgrade services which are recognised as intangible or financial assets by reference to the stage of completion pursuant to IFRS 15 “Revenue from Contracts with Customers”, and a second phase in which the operator provides a series of maintenance or operation services for the aforementioned infrastructure, which are recognised in accordance with the same standard.

An intangible asset is recognised when the demand risk is borne by the operator and a financial asset is recognised when the demand risk is borne by the grantor, since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. Finance income arising from measurement of the financial asset of concessions at amortised cost is recognised under “Revenue” in the consolidated statement of profit or loss. Since they meet the required conditions, the concessions recognised by the Group (Note 8) are classified as financial assets.

l) Provisions and contingent liabilities

When identifying obligations, the Parent distinguishes between:

- Provision: a present obligation (legal or constructive) as a result of past events when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- Contingent liability: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the Group's control; or possible obligations whose occurrence is unlikely or whose amount cannot be reliably estimated.

Provisions are recognised when it is probable that the obligation will have to be settled and the amount can be measured reliably. Contingent liabilities are not recognised and are only reported in the consolidated financial statements, except for those arising from business combinations.

Provisions are recognised on the basis of the best estimate of the expenditure that will be required to settle the present obligation at the reporting date. Provisions are fully or partially reversed when they cease to exist or when the obligations are reduced, respectively.

Provisions for guarantees are recognised when the significant risks and rewards of a project are transferred to the customer.

Expected losses on onerous contracts are recognised when the best estimate of total contract costs exceeds the expected contract revenue.

Provisions are discounted to reflect the present value of expected expenses where the effect of the time value of money is material.

4.- DISTRIBUTION OF THE PROFIT OF THE PARENT

The proposed distribution of the profit that the Parent's directors will submit for approval by the General Shareholder’s Meeting is as follows:

Distribution	Thousands of Euros
Distributable profit	
Profit/(Loss) for the year	94,484
Distribution	
To dividends	45,936
To voluntary reserves	48,548

5.- SEGMENT REPORTING

a) Basis of segmentation

Segment reporting on the CAF Group in the accompanying consolidated financial statements is structured as follows:

- By business unit, distinguishing between the "Rolling Stock" and the "Buses" operating activities.
- Information based on the Group's geographical location and products and services group is also included.

b) Basis and methodology for segment information

Segment revenue and expenses relate to those directly attributable to the segment and, accordingly, do not include interest, dividends or gains or losses arising from the disposal of investments or on debt redemption or repayment transactions. Segment assets and liabilities are those directly related to the segment's operating activities or to the ownership interests in companies engaged in that activity.

In accordance with the basis for primary segment reporting set forth in IFRSs (IFRS 8 "Operating Segments"), the CAF Group considered the two business units operated by it as its primary segments, since it considers that its organisational and management structure and its system of internal reporting to its managing and executive bodies are such that the risks and returns are affected predominantly by the fact that its operations are performed in one or the other business area, taken to be all of the related products and services. Accordingly, the segmentation is made up of the CAF Group's identifiable components that are subject to risks and returns that are different from those of components operating in other economic environments.

Therefore, the Group defined the following segments, which it considers fulfil the internal consistency requirements with regard to the similarity of their economic conditions, policies or the risks arising from the applicable regulations, exchange rates or proximity of activities and are differentiated with respect to the other segments for the same reasons:

- Rolling stock
- Buses

Segment information about the businesses is as follows:

Segmentation by business unit	2024 (Thousands of Euros)				
	Rolling stock	Buses	General	Inter-segments	Total
External sales	3,284,680	926,863	-	-	4,211,543
Inter-segment sales	447	6	-	(453)	-
Total sales	**3,285,127**	**926,869**	**-**	**(453)**	**4,211,543**
EBITDA	**259,921**	**65,066**	**-**	**-**	**324,987**
Amortization of fixed assets (Notes 6, 7 and 21)	(85,396)	(25,032)	-	-	(110,428)
Impairment and gains or losses on disposals of non-current assets (Notes 6, 7 and 8)	1,383	202	-	-	1,585
EBIT	**175,908**	**40,236**	**-**	**-**	**216,144**
Financial profit/(loss)	(26,006)	(26,243)	-	-	(52,249)
Result of companies accounted for using the equity method	(3,265)	-	-	-	(3,265)
Profit/(Loss) before tax	**146,637**	**13,993**	**-**	**-**	**160,630**
Income tax					(52,984)
Profit/(Loss) for the year from continuing operations					**107,646**
Profit/(Loss) attributable to non-controlling interests					4,391
Profit/(Loss) attributable to the Parent					**103,255**
ASSETS	**3,848,710**	**946,964**	**492,601**	**(72,418)**	**5,215,857**
LIABILITIES	**2,893,456**	**690,913**	**807,655**	**(72,418)**	**4,319,606**
Intangible asset and property, plant and equipment additions (Notes 6 and 7)	102,219	18,890	-	-	121,109

Segmentation by business unit	2023 (Thousands of Euros)				
	Rolling stock	Buses	General	Inter-segments	Total
External sales	3,005,911	819,374	-	-	3,825,285
Inter-segment sales	1,480	-	-	(1,480)	-
Total sales	**3,007,391**	**819,374**	**-**	**(1,480)**	**3,825,285**
EBITDA	**252,128**	**33,547**	**-**	**-**	**285,675**
Amortization of fixed assets (Notes 6, 7 and 21)	(78,998)	(25,448)	-	-	(104,446)
Impairment and gains or losses on disposals of non-current assets (Notes 6, 7 and 8)	(2,443)	28	-	-	(2,415)
EBIT	**170,687**	**8,127**	**-**	**-**	**178,814**
Financial profit/(loss)	(19,489)	(24,575)	-	-	(44,064)
Result of companies accounted for using the equity method	5,908	-	-	-	5,908
Profit/(Loss) before tax	**157,106**	**(16,448)**	**-**	**-**	**140,658**
Income tax					(48,341)
Profit/(Loss) for the year from continuing operations					**92,317**
Profit/(Loss) attributable to non-controlling interests					3,159
Profit/(Loss) attributable to the Parent					**89,158**
ASSETS	**3,864,831**	**780,574**	**470,926**	**(63,977)**	**5,052,354**
LIABILITIES	**2,915,747**	**535,692**	**796,709**	**(63,977)**	**4,184,171**
Intangible asset and property, plant and equipment additions (Notes 6 and 7)	93,360	13,995	-	-	107,355

Assets and liabilities for general use, which notably include the Parent's net financial debt and deferred and current tax assets and liabilities, were not allocated to the other segments. Similarly, the reconciling items arising from the comparison of the result of integrating the financial statements of the various business segments (prepared using management criteria) with the CAF Group's consolidated financial statements were not allocated.

The breakdown of sales, by product group and type of service provided, is as follows (in thousands of euros):

	2024	2023
High-speed, regional and commuter trains	1,096,484	972,322
Metros	249,464	262,706
Trams and light metros	380,497	467,678
Bogies and other	50,943	42,927
Trains	**1,777,388**	**1,745,633**
Services (*)	**654,597**	**586,685**
Buses (**)	**926,869**	**819,374**
Integral Systems, Equipment and Other (***)	**852,689**	**673,593**
Total	**4,211,543**	**3,825,285**

(*) Mainly includes all revenues from maintenance services and sales of railway spare parts.
(**) Includes, in addition to bus sales, revenue from after-sales services related to this segment (maintenance and spare parts).
(***) Mainly civil construction, refurbishment, signalling and engineering contract revenue.

The information based on geographical location is as follows:

1.- The distribution of sales by geographical area at 31 December 2024 and 2023 is as follows (in thousands of euros):

	2024	2023
Spain	448,575	453,001
Rest of Europe	2,338,153	2,283,846
Europe	2,786,728	2,736,847
America	600,157	476,736
APAC	429,741	314,131
Rest of the world	394,917	297,571
TOTAL	**4,211,543**	**3,825,285**

In 2024 and 2023, no customers represented 10% or more of the Group's total revenue.

2. The breakdown of net investments in property, plant and equipment by geographical area at 31 December 2024 and 2023 is as follows (in thousands of euros):

Geographical area	2024	2023
Spain	169,136	166,197
France	81,611	78,061
United Kingdom	48,854	48,350
Poland (*)	99,062	102,168
Rest of the world	98,971	95,111
Total	**497,634**	**489,887**

(*) Includes buses leased under the operating lease model not in operation in that country.

6.- INTANGIBLE ASSETS

a) Goodwill

Changes in goodwill in the years ended 31 December 2024 and 2023 were as follows:

Year 2024

	Thousands of Euros		
	Balance at 31/12/23	Translation differences	Balance at 31/12/24
Solaris	91,578	1,382	92,960
BWB Holdings Limited	5,395	259	5,654
Euromaint	9,192	(291)	8,901
Orbital	1,508	-	1,508
CAF Reichshoffen	77,800	-	77,800
Other	771	-	771
Total	**186,244**	**1,350**	**187,594**

Year 2023

	Thousands of Euros			
	Balance at 31/12/22	Impairment losses	Translation differences	Balance at 31/12/23
Solaris	84,901	-	6,677	91,578
BWB Holdings Limited	5,286	-	109	5,395
Euromaint	9,171	-	21	9,192
Orbital	4,008	(2,500)	-	1,508
CAF Reichshoffen	77,800	-	-	77,800
Other	771	-	-	771
Total	**181,937**	**(2,500)**	**6,807**	**186,244**

During the financial years 2024 and 2023, recoverability tests were carried out on the goodwill of the subgroups Solaris, BWB Holdings Limited, Euromaint, Orbital and CAF Reichshoffen, SAS.

The projections are prepared for each cash-generating unit on the basis of past experience and best available estimates, considering the time horizon that allows the business model to be normalised in each case. These estimates are consistent with the Company's business plans. The main components are:

- Earnings projections
- Investment and working capital projections

The main parameters used for this recoverability test, as well as the sensitivity analysis of the enterprise value of the companies to changes in the main assumptions in the model, are as follows:

Year 2024

	Solaris	BWB Holdings Limited	Euromaint	Orbital	CAF Reichshoffen
Carrying amount at 01/01/24 (thousands of euros)	91,578	5,395	9,192	1,508	77,800
Value considered representative to determine the recoverable amount (*)	Value in use	Value in use	Value in use	Value in use	Value in use
Estimated number of years covered by cash flow projections	5	4	8	4	6
% of residual value to recoverable amount	75%	77%	51%	86%	59%
Long-term growth rate used	2%	2%	2%	2%	1.5%
Discount rate used (*)	9.9%	10.3%	9.5%	11%	9%

(*) Cash flows and discount rate used after taxes. The application of cash flows and pre-tax discount rate would not change the valuation obtained for each cash-generating unit.

Sensitivity analysis	2024									
Amounts in thousands of euros	Solaris		BWB Holdings Limited		Euromaint		Orbital		CAF Reichshoffen	
	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp
Growth rate:	(60,622)	78,196	(2,453)	3,124	(3,825)	5,008	(1,412)	1,765	(8,812)	11,523
Discount rate:	124,688	(96,387)	4,391	(3,421)	14,119	(10,878)	2,331	(1,858)	16,249	(12,203)

Year 2023

	Solaris	BWB Holdings Limited	Euromaint	Orbital	CAF Reichshoffen
Carrying amount at 01/01/23 (thousands of euros)	84,901	5,286	9,171	4,008	77,800
Value considered representative to determine the recoverable amount (*)	Value in use	Value in use	Value in use	Value in use	Value in use
Estimated number of years covered by cash flow projections	5	3	8	3	7
% of residual value to recoverable amount	79%	85%	63%	80%	96%
Long-term growth rate used	2%	2%	2%	2%	1.5%
Discount rate used (*)	10.6%	10.3%	9.5%	12.3%	9%

(*) Cash flows and discount rate used after taxes. The application of cash flows and pre-tax discount rate would not change the valuation obtained for each cash-generating unit.

Sensitivity analysis	2023									
Amounts in thousands of euros	Solaris		BWB Holdings Limited		Euromaint		Orbital		CAF Reichshoffen	
	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp	-100 bp	+100 bp
Growth rate:	(38,808)	49,051	(2,633)	3,351	(4,534)	5,930	(854)	1,069	(13,701)	17,916
Discount rate:	90,081	(70,984)	4,206	(3,298)	14,856	(11,324)	1,458	(1,166)	27,809	(21,050)

Following this analysis, the estimated value of companies is higher than their book value in all cases. In the worst sensitivity scenarios shown above, the company value is higher than its carrying amount, except in the case of Euromaint (a 100 bps increase in the discount rate would involve impairment of the cash generating unit of EUR 7,080 thousand).

b) Other intangible assets

The changes in the year ended 31 December 2024 in “Other intangible assets” and in the related accumulated amortisation accounts were as follows:

	Balance at 31/12/23	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/24
Cost:						
Commercial relationships and customer portfolio	79,294	-	-	-	224	79,518
Patents, licenses and trademarks	140,286	-	(5)	-	1,735	142,016
Development expenditure	176,011	15,329	270	(1,024)	511	191,097
Computer software and other	129,220	31,912	(269)	(1,609)	51	159,305
Total cost	**524,811**	**47,241**	**(4)**	**(2,633)**	**2,521**	**571,936**
Accumulated amortisation:						
Commercial relationships and customer portfolio	(21,973)	(6,447)	-	-	(240)	(28,660)
Patents, licenses and trademarks	(34,841)	(9,052)	9	-	(485)	(44,369)
Development expenditure	(137,262)	(13,880)	4	1,024	(289)	(150,403)
Computer software and other	(45,782)	(16,485)	(9)	1,559	(40)	(60,757)
Total accumulated amortisation	**(239,858)**	**(45,864)**	**4**	**2,583**	**(1,054)**	**(284,189)**
Impairment:						
Development expenditure	(532)	-	-	-	-	(532)
Total Impairment of value	**(532)**	**-**	**-**	**-**	**-**	**(532)**
Net:						
Commercial relationships and customer portfolio	57,321	(6,447)	-	-	(16)	50,858
Patents, licenses and trademarks	105,445	(9,052)	4	-	1,250	97,647
Development expenditure	38,217	1,449	274	-	222	40,162
Computer software and other	83,438	15,427	(278)	(50)	11	98,548
Other intangible assets, net	**284,421**	**1,377**	**-**	**(50)**	**1,467**	**287,215**

The changes in the year ended 31 December 2023 in “Other intangible assets” and in the related accumulated amortisation accounts were as follows:

	Balance at 31/12/22	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/23
Cost:						
Commercial relationships and customer portfolio	78,299	-	-	-	995	79,294
Patents, licenses and trademarks	132,600	-	(411)	-	8,097	140,286
Development expenditure	169,037	8,047	-	(3,213)	2,140	176,011
Computer software and other	93,326	34,881	247	(305)	1,071	129,220
Total cost	**473,262**	**42,928**	**(164)**	**(3,518)**	**12,303**	**524,811**
Accumulated amortisation:						
Commercial relationships and customer portfolio	(16,775)	(6,153)	1,385	-	(430)	(21,973)
Patents, licenses and trademarks	(22,705)	(8,760)	(1,381)	-	(1,995)	(34,841)
Development expenditure	(123,136)	(16,128)	-	3,213	(1,211)	(137,262)
Computer software and other	(36,471)	(8,920)	(4)	305	(692)	(45,782)
Total accumulated amortisation	**(199,087)**	**(39,961)**	**-**	**3,518**	**(4,328)**	**(239,858)**
Impairment:						
Development expenditure	(402)	(130)	-	-	-	(532)
Total Impairment of value	**(402)**	**(130)**	**-**	**-**	**-**	**(532)**
Net:						
Commercial relationships and customer portfolio	61,524	(6,153)	1,385	-	565	57,321
Patents, licenses and trademarks	109,895	(8,760)	(1,792)	-	6,102	105,445
Development expenditure	45,499	(8,211)	-	-	929	38,217
Computer software and other	56,855	25,961	243	-	379	83,438
Other intangible assets, net	**273,773**	**2,837**	**(164)**	**-**	**7,975**	**284,421**

The research and development expenditure incurred in 2024 amounted to EUR 46,161 thousand (EUR 30,832 thousand was recognised in the consolidated statement of profit or loss and EUR 15,329 thousand were capitalised). Research and development costs incurred in 2023 amounted to EUR 37,503 thousand (EUR 29,456 thousand was recognised in the consolidated statement of profit or loss and EUR 8,047 thousand was capitalised). These amounts do not include basic engineering costs associated with contracts.

Additions recognised as developments in 2024 relate to costs incurred in the development of new products including, inter alia, alternative technologies to diesel propulsion, signalling systems for underground trains, and driver assistance, energy management and automation for trains, buses and trams. In addition, developments have been carried out based on Artificial Intelligence and the Digital Twin aimed at efficiency in the design and reduction of lead times in putting vehicles into operation. Additionally, computer software additions relate to the final phase of the implementation process of the new management software (ERP). This is accompanied by the deployment of the measures established in the corporate cybersecurity policy, together with the recommendations established by the different auditors in this area. Lastly, also of note was the implementation of a new management system in product lines and technical management, to improve efficiency in engineering projects by standardising tasks and optimising processes. At 31 December 2024, the Group had investment commitments of EUR 5,253 thousand (EUR 12,660 thousand at 31 December 2023), mainly for the implementation of the new IT system at different Group subsidiaries.

At 2024 year-end, the Group had fully amortised intangible assets in use and/or whose technology was still being applied, amounting to EUR 108,831 thousand (EUR 59,606 thousand at 31 December 2023).

After analysing the indicators, the directors are confident that there is no evidence of impairment of the Group's intangible assets at 31 December 2024.

7.- PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The breakdown of "Property, plant and equipment" is as follows (in thousands of euros):

	31/12/24	31/12/23
Property, plant and equipment	408,109	404,209
Right-of-use assets	89,525	85,678
Total	**497,634**	**489,887**

a) Property, plant and equipment

The changes in the year ended 31 December 2024 in "Property, plant and equipment" and in the related accumulated depreciation were as follows:

	Thousands of Euros					
	Balance at 31/12/23	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/24
Cost:						
Land and buildings	437,589	6,381	4,238	-	(1,155)	447,053
Technical installations and machinery	337,530	13,779	4,289	(522)	(1,697)	353,379
Transport elements (leasing) (Note 3-j)	14,416	-	-	(5,921)	176	8,671
Other fixtures, tools and furniture	40,717	4,440	800	(618)	(222)	45,117
Other items of property, plant and equipment	43,727	1,295	489	(214)	192	45,489
Advances in the course of construction	22,416	22,528	(14,496)	(78)	62	30,432
Total cost	**896,395**	**48,423**	**(4,680)**	**(7,353)**	**(2,644)**	**930,141**
Accumulated amortisation:						
Buildings	(157,848)	(14,065)	588	-	1,339	(169,986)
Technical installations and machinery	(260,392)	(16,522)	(239)	394	1,363	(275,396)
Transport elements (leasing) (Note 3-j)	(8,150)	(1,441)	-	4,653	(100)	(5,038)
Other fixtures, tools and furniture	(25,270)	(4,020)	(84)	589	158	(28,627)
Other items of property, plant and equipment	(32,517)	(3,664)	68	199	(125)	(36,039)
Total accumulated amortisation	**(484,177)**	**(39,712)**	**333**	**5,835**	**2,635**	**(515,086)**
Impairment:						
Land and buildings	(6,135)	188	(442)	-	(16)	(6,405)
Technical installations and machinery	(1,483)	1,326	153	-	-	(4)
Transport elements (leasing) (Note 3-j)	-	-	-	-	-	-
Other fixtures, tools and furniture	(343)	(194)	-	-	-	(537)
Other items of property, plant and equipment	(48)	13	35	-	-	-
Total Impairment of value	**(8,009)**	**1,333**	**(254)**	**-**	**(16)**	**(6,946)**
Net:						
Land and buildings	273,606	(7,496)	4,384	-	168	270,662
Technical installations and machinery	75,655	(1,417)	4,203	(128)	(334)	77,979
Transport elements (leasing) (Note 3-j)	6,266	(1,441)	-	(1,268)	76	3,633
Other fixtures, tools and furniture	15,104	226	716	(29)	(64)	15,953
Other items of property, plant and equipment	11,162	(2,356)	592	(15)	67	9,450
Advances in the course of construction	22,416	22,528	(14,496)	(78)	62	30,432
Property, plant and equipment, net	**404,209**	**10,044**	**(4,601)**	**(1,518)**	**(25)**	**408,109**

The changes in the year ended 31 December 2023 in “Property, plant and equipment” and in the related accumulated depreciation were as follows:

	Thousands of Euros					
	Balance at 31/12/22	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/23
Cost:						
Land and buildings	414,549	9,737	7,775	(440)	5,968	437,589
Technical installations and machinery	327,139	9,618	3,984	(5,101)	1,890	337,530
Transport elements (leasing) (Note 3-j)	13,504	-	-	(143)	1,055	14,416
Other fixtures, tools and furniture	40,457	3,317	1,179	(4,679)	443	40,717
Other items of property, plant and equipment	46,700	992	(4,221)	(596)	852	43,727
Advances in the course of construction	18,156	15,628	(12,254)	-	886	22,416
Total cost	**860,505**	**39,292**	**(3,537)**	**(10,959)**	**11,094**	**896,395**
Accumulated amortisation:						
Buildings	(143,230)	(13,293)	-	99	(1,424)	(157,848)
Technical installations and machinery	(248,293)	(16,242)	(29)	4,956	(784)	(260,392)
Transport elements (leasing) (Note 3-j)	(5,855)	(1,832)	-	79	(542)	(8,150)
Other fixtures, tools and furniture	(25,358)	(4,201)	62	4,542	(315)	(25,270)
Other items of property, plant and equipment	(32,811)	(4,067)	4,274	424	(337)	(32,517)
Total accumulated amortisation	**(455,547)**	**(39,635)**	**4,307**	**10,100**	**(3,402)**	**(484,177)**
Impairment:						
Land and buildings	(6,441)	-	-	295	11	(6,135)
Technical installations and machinery	(1,708)	-	132	96	(3)	(1,483)
Transport elements (leasing) (Note 3-j)	-	-	-	-	-	-
Other fixtures, tools and furniture	(347)	-	-	4	-	(343)
Other items of property, plant and equipment	(404)	-	-	367	(11)	(48)
Total Impairment of value	**(8,900)**	**-**	**132**	**762**	**(3)**	**(8,009)**
Net:						
Land and buildings	264,878	(3,556)	7,775	(46)	4,555	273,606
Technical installations and machinery	77,138	(6,624)	4,087	(49)	1,103	75,655
Transport elements (leasing) (Note 3-j)	7,649	(1,832)	-	(64)	513	6,266
Other fixtures, tools and furniture	14,752	(884)	1,241	(133)	128	15,104
Other items of property, plant and equipment	13,485	(3,075)	53	195	504	11,162
Advances in the course of construction	18,156	15,628	(12,254)	-	886	22,416
Property, plant and equipment, net	**396,058**	**(343)**	**902**	**(97)**	**7,689**	**404,209**

In 2024, the most significant investments were aimed mainly at the automation of thermal treatment facilities of the wheel business and investments in the manufacturing area, such as the extension and modernisation of welding and box sanding areas via the robotisation and automation of these processes, the extension of the testing area at various production plants and the renewal of the manufacturing lines. Outside Spain, we can highlight the industrialisation of new production lines at the Newport plant (UK) to adapt them to the manufacture of tram platform projects, the investments in the French plant of Bagnères-de-Bigorre related with the change of industrial lay-out and the extension of the testing area to adapt it to new projects, and the works for the transfer and standardisation of industrial processes at the French factory of Reichshoffen. In addition, it is worth mentioning the implementation at the Elmira plant (United States) of a new automated installation for welding sides, roofs and ends, as well as the expansion of the painting area with a new booth that will combine painting and shot blasting activities. Likewise, the first phases of construction of the new deposits and workshops in Germany were carried out, and investments were made to fit out and update equipment at Euromaint's facilities. Lastly, in the bus business, Solaris completed the construction of a new warehouse for the production of gas-powered vehicles, to effectively deal with the increase in hydrogen and CNG bus manufacturing needs, taking into account the specific demands and regulations of this type of vehicle in terms of security conditions.

In 2023, the most significant investments were aimed mainly at the modernisation of the wheel manufacturing business through the installation of a new heat treatment, and the implementation of new automatic welding lines, the expansion of the kitting area and the acquisition of modern production equipment in the area of vehicle manufacturing and finishing, all within the process of adapting the facilities to meet the execution plan of the CAF Group's current backlog. Abroad, it is worth highlighting the investments made in the Huehuetoca (Mexico) and Newport (UK) plants, the aim of which was to expand their manufacturing capacity and adapt them for the production of the new vehicle platforms that will be developed at these sites, in addition to the updating of the facilities and the various investments related to the transfer and homogenisation of industrial processes at the French factory in Reichshoffen in order to optimise the manufacturing of the various projects that the CAF Group is currently developing for the French market. Lastly, in the bus business, Solaris built a new warehouse to produce hydrogen and gas buses, in a backdrop of a considerable increase in the backlog for this type of units, adapting them, in turn, to the best practices regarding compliance with the specific requirements to manufacture these products. This is accompanied by the implementation of the new central warehouse for aftersales activities at the Bolechowo plant, which will have a high-capacity area, being equipped with the latest advances to conduct said activities.

Both at the end of 2024 and of 2023, “Transport equipment (leasing)” included buses under operating leases (as indicated in Note 3-f), for a carrying amount of EUR 3,633 thousand (EUR 6,266 thousand in 2023). Note 20 to the consolidated financial statements details the deferred income that will be recognised on a straight-line basis until the established repurchase date.

At 31 December 2024, the Group had firm investment purchase commitments of approximately EUR 1,357 thousand, mainly located in Spain (EUR 6,957 thousand at 31 December 2023, mainly located in Spain and Poland).

The consolidated companies take out insurance policies to adequately cover their property, plant and equipment. At 31 December 2024 and 2023, the insurance policies taken out covered the carrying amount of the property, plant and equipment at those dates.

At 31 December 2024 and 2023, the gross cost of fully depreciated assets in use amounted to approximately EUR 330,638 thousand and EUR 313,604 thousand, respectively.

The directors consider that after evaluating the indicators used to assess whether there was any evidence of impairment in the Group's assets at 31 December 2024 —which essentially involve analysing the order book and assigning orders to the manufacturing run at each of the Group's production plants, while also analysing the valuations performed by independent experts— there is no evidence of impairment.

b) Right-of-use assets

The breakdown of and changes in “Right-of-use assets” in 2024 is as follows:

	Thousands of Euros					
	Balance at 31/12/23	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/24
Cost:						
Land and buildings	99,006	12,064	4,866	(8,012)	1,269	109,193
Technical installations and machinery	38,944	10,491	-	(7,570)	(1,182)	40,683
Other fixtures, tools and furniture	13,278	2,812	-	(1,970)	105	14,225
Other items of property, plant and equipment	919	78	-	(50)	10	957
Total cost	**152,147**	**25,445**	**4,866**	**(17,602)**	**202**	**165,058**
Accumulated amortisation:						
Land and buildings	(36,006)	(12,678)	(575)	7,438	(353)	(42,174)
Technical installations and machinery	(22,953)	(8,871)	(4)	6,701	687	(24,440)
Other fixtures, tools and furniture	(6,814)	(3,178)	-	1,885	(28)	(8,135)
Other items of property, plant and equipment	(696)	(125)	-	48	(11)	(784)
Total accumulated amortisation	**(66,469)**	**(24,852)**	**(579)**	**16,072**	**295**	**(75,533)**
Net:						
Land and buildings	63,000	(614)	4,291	(574)	916	67,019
Technical installations and machinery	15,991	1,620	(4)	(869)	(495)	16,243
Other fixtures, tools and furniture	6,464	(366)	-	(85)	77	6,090
Other items of property, plant and equipment	223	(47)	-	(2)	(1)	173
Right-of-use assets, net	**85,678**	**593**	**4,287**	**(1,530)**	**497**	**89,525**

The breakdown of and changes in “Right-of-use assets” in 2023 is as follows:

	Thousands of Euros					
	Balance at 31/12/22	Additions or charge for the year	Transfers	Disposals or reductions	Translation differences	Balance at 31/12/23
Cost:						
Land and buildings	92,169	15,587	22	(10,995)	2,223	99,006
Technical installations and machinery	45,184	5,068	549	(11,848)	(9)	38,944
Other fixtures, tools and furniture	10,976	4,413	40	(2,398)	247	13,278
Other items of property, plant and equipment	935	67	(4)	(84)	5	919
Total cost	**149,264**	**25,135**	**607**	**(25,325)**	**2,466**	**152,147**
Accumulated amortisation:						
Land and buildings	(31,705)	(11,992)	(28)	8,097	(378)	(36,006)
Technical installations and machinery	(24,188)	(9,271)	(585)	11,182	(91)	(22,953)
Other fixtures, tools and furniture	(5,637)	(3,371)	(12)	2,304	(98)	(6,814)
Other items of property, plant and equipment	(584)	(216)	18	93	(7)	(696)
Total accumulated amortisation	**(62,114)**	**(24,850)**	**(607)**	**21,676**	**(574)**	**(66,469)**
Net:						
Land and buildings	60,464	3,595	(6)	(2,898)	1,845	63,000
Technical installations and machinery	20,996	(4,203)	(36)	(666)	(100)	15,991
Other fixtures, tools and furniture	5,339	1,042	28	(94)	149	6,464
Other items of property, plant and equipment	351	(149)	14	9	(2)	223
Right-of-use assets, net	**87,150**	**285**	**-**	**(3,649)**	**1,892**	**85,678**

The Group leases various assets, including land, buildings, transport equipment and machinery. The average lease term of right-of-use assets for land and buildings is 17 years. Generally, lease terms were taken to be the minimum non-cancellable lease term, applying a specific rate to each lease.

The Group availed itself of the exemptions available for short-term leases, recognising the accrued expense under "Other Operating Expenses" in the accompanying consolidated statement of profit or loss. The Group has no significant leases with variable lease payments.

The main additions for the year 2024 correspond to the rental of offices in different locations where the Group operates, as well as the rental of technical facilities and machinery, mainly in Euromaint. There were no transactions relating to subleases to non-Group third parties and no sale & leaseback agreements. The main additions for 2023 corresponded to the rental of offices and a warehouse for Solaris, as well as to the rental of technical facilities and machinery, mainly at Euromaint.

Amounts recognised in profit or loss

	Thousands of Euros	
	2024	**2023**
Depreciation of the right-of-use assets	24,852	24,850
Finance expense for finance leases (Note 21-f)	3,470	3,714
Short-term or low-value asset lease expense	16,072	11,273

8.- INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND NON-CURRENT FINANCIAL ASSETS

a) Investments accounted for using the equity method

The changes in the years ended 31 December 2024 and 2023 in “Investments accounted for using the equity method” in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros	
	31/12/24	**31/12/23**
Opening balance	**45,308**	**33,116**
Amounts charged to profit or loss	(3,265)	5,908
Hedges (Note 16)	(6,462)	6,658
Additions	441	-
Disposals and dividends	-	(160)
Translation differences	(153)	(214)
Closing balance	**35,869**	**45,308**
Registered under assets	41,114	45,308
Recognised under liabilities (Note 19)	(5,245)	-

Relevant information on the investments in significant associates accounted for using the equity method is as follows (in thousands of euros):

Year 2024

Name	Basic financial data (1)								
	Non-current assets	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Equity of the Parent**	**Non-controlling interests**	**Revenues**	**Profit/(Loss) of the Parent**	**Other comprehensive income**
Associates:									
Arabia One for Clean Energy Invest. PSC. (2)	14,660	3,321	11,559	815	5,607	-	3,379	631	344
Great River City Light Rail Pty Ltd	2,921	5,114	60	5,885	2,090	-	20,967	885	(58)
Plan Metro, S.A. (2)	195,227	9,147	169,048	49,229	(13,903)	-	65,021	13,748	-
Consorcio Traza, S.A. (2)(3)	134,899	57,545	177,766	23,112	(4,559)	(3,875)	30,293	227	1,281
Ferrocarriles Suburbanos, S.A.P.I. de C.V. (2)	124,032	97,506	196,210	136,682	(111,354)	-	346,357	(11,000)	17,027
Joint ventures:									
Ferrocarril Interurbano, S.A. de C.V.	28	107,836	208	98,895	8,761	-	7,138	922	(1,213)
Momentum Trains Holding Pty Ltd (2)	353,653	8,731	338,109	500	23,775	-	59,093	5,198	(4,898)
CFIR Light Rail Ltd (2)	788,382	80,619	317,824	536,873	14,304	-	255,751	(1,132)	752
LAVI Light Rail O&M Ltd	35,344	26,668	8,573	16,687	36,752	-	39,541	1,110	(12,539)
SHACHAF - The Purple Line Light Rail Ltd (2)	224,092	192,888	256,274	169,758	(9,052)	-	117,943	(8,770)	(490)
PL Light Rail Maintenance, Ltd.	12,971	2,779	16,437	751	(1,438)	-	4,663	(3,126)	1,688

Name	Equity	% of share capital	Equity attributable to CAF Group	Investment accounted for using the equity method	Recognised profit/(loss)
Associates:					
Arabia One for Clean Energy Investments PSC. (2)	5,607	40	2,243	2,243	253
Great River City Light Rail Pty Ltd	2,090	30	627	627	266
Plan Metro, S.A. (2)	(13,903)	40	(5,561)	-	-
Consorcio Traza, S.A. (2) (3)	(4,559)	25	(1,140)	-	(320)
Ferrocarriles Suburbanos, S.A.P.I. de C.V. (2)	(111,354)	43.35	(48,272)	-	-
Joint ventures:					
Ferrocarril Interurbano, S.A. de C.V.	8,761	49.63	4,348	4,348	458
Momentum Trains Holding Pty Ltd (2)	23,775	25.50	6,063	6,063	1,325
CFIR Light Rail Ltd (2)	14,304	50	7,152	7,152	(566)
LAVI Light Rail O&M Ltd	36,752	50	18,376	18,376	555
SHACHAF - The Purple Line Light Rail Ltd (2)	(9,052)	50	(4,526)	(4,526)	(4,385)
PL Light Rail Maintenance, Ltd.	(1,438)	50	(719)	(719)	(1,563)
Other interests (4)			2,305	2,305	712
			(19,104)	**35,869**	**(3,265)**

(1) After adjustments and unifying entries for consolidation purposes (in thousands of euros).
(2) The shares of these companies are pledged to certain banks. In addition, these companies hold collateral bank balances in favour of certain financial institutions and must comply with a number of covenants.
(3) Consorcio Traza, S.A. holds an 80% ownership interest in S.E.M. Los Tranvías de Zaragoza, S.A.
(4) Dormant companies or companies with no significant activity.

Year 2023

Name	Basic financial data (1)								
	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity of the Parent	Non-controlling interests	Revenues	Profit/(Loss) of the Parent	Other comprehensive income
Associates:									
Arabia One for Clean Energy Invest. PSC. (2)	14,903	2,471	11,995	747	4,632	-	3,019	234	(165)
Great River City Light Rail Pty Ltd	1,988	16,006	7	16,724	1,263	-	86,321	472	(28)
Plan Metro, S.A. (2)	217,395	8,183	207,101	46,128	(27,651)	-	63,213	10,409	-
Consorcio Traza, S.A. (2)(3)	141,499	49,796	195,482	5,788	(6,067)	(3,908)	29,670	(246)	1,281
Ferrocarriles Suburbanos, S.A.P.I. de C.V. (2)	508,491	36,332	295,447	366,757	(117,381)	-	434,693	(10,056)	(10,976)
Joint ventures:									
Ferrocarril Interurbano, S.A. de C.V.	-	37,662	-	28,610	9,052	-	5,788	523	835
Momentum Trains Holding Pty Ltd (2)	324,719	34,491	326,414	10,816	21,980	-	74,741	(973)	(11,963)
CFIR Light Rail Ltd (2)	724,506	55,265	374,706	390,381	14,684	-	323,493	8,079	(455)
LAVI Light Rail O&M Ltd	54,089	18,217	12,344	11,781	48,181	-	36,404	3,248	18,161
SHACHAF - The Purple Line Light Rail Ltd (2)	82,792	260,007	191,512	151,079	208	-	83,492	208	-

Name	Equity	% of share capital	Equity attributable to CAF Group	Investment accounted for using the equity method	Recognised profit/(loss)
Associates:					
Arabia One for Clean Energy Investments PSC. (2)	4,632	40	1,853	1,853	93
Great River City Light Rail Pty Ltd	1,263	30	379	379	141
Plan Metro, S.A. (2)	(27,651)	40	(11,060)	-	-
Consorcio Traza, S.A. (2)(3)	(6,067)	25	(1,517)	-	(320)
Ferrocarriles Suburbanos, S.A.P.I. de C.V. (2)	(117,381)	43.35	(50,885)	-	-
Joint ventures:					
Ferrocarril Interurbano, S.A. de C.V.	9,052	49.63	4,492	4,492	259
Momentum Trains Holding Pty Ltd (2)	21,980	25.50	5,605	5,605	(248)
CFIR Light Rail Ltd (2)	14,684	50	7,342	7,342	4,039
LAVI Light Rail O&M Ltd	48,181	50	24,091	24,091	1,624
SHACHAF - The Purple Line Light Rail Ltd (2)	208	50	104	104	104
Other interests (4)			1,442	1,442	216
			(18,154)	**45,308**	**5,908**

(1) After adjustments and unifying entries for consolidation purposes (in thousands of euros).
(2) The shares of these companies are pledged to certain banks. In addition, these companies hold collateral bank balances in favour of certain financial institutions and must comply with a number of covenants.
(3) Consorcio Traza, S.A. holds an 80% ownership interest in S.E.M. Los Tranvías de Zaragoza, S.A.
(4) Dormant companies or companies with no significant activity.

In consolidating the ownership interests, the Group took the necessary fair value adjustments into account and eliminated the sales margins on rolling stock material in proportion to its ownership interest. Since the CAF Group has not incurred any legal or explicit obligations or made payments on behalf of the associates it is not necessary to consolidate the additional losses incurred by these associates valued at zero. At 31 December 2024, the additional unrecognised losses exceeding the cost of the investment amounted to EUR 49,439 thousand (31 December 2023: EUR 58,611 thousand).

In 2019, the Group acquired a 25.50% stake in the company Momentum Trains Holding Pty Ltd. The shareholders' agreement foresaw a capital contribution of AUD 28 million in 2024, proportional to the Group's participation in the aforementioned associate. Due to project delays, capital contributions amounting to EUR 381 thousand were made in 2024 to cover company costs. It is considered that the remaining contributions will be made from 2025 onwards. These pending contributions are subject to project performance (Note 25).

The Company also holds a 50% stake in CFIR Light Rail Ltd, and there is a commitment to make a further contribution in 2027 —either in the form of capital or as a subordinated loan— for approximately EUR 19 million, which is guaranteed by financial institutions (Note 25). Part of this contribution will be made in Israeli shekels, with the exchange rate exposure being covered at the end of the year (Note 16).

Lastly, the Group holds a 50% stake in SHACHAF - The Purple Line Light Rail Ltd, and there is a commitment to make a further contribution in 2029 —either in the form of capital or as a subordinated loan— for approximately EUR 47 million, which is guaranteed by financial institutions (Note 25). Part of this contribution will be made in Israeli shekels, with the exchange rate exposure being covered at the end of the year (Note 16).

b) Non-current financial assets

The breakdown of “Non-current financial assets” in the accompanying consolidated balance sheet is as follows:

	Thousands of Euros			
	31/12/24		31/12/23	
	% of Ownership	Balance	% of Ownership	Balance
Equity instruments-				
Ferromovil 3000, S.L.	10%	318	10%	450
Arrendadora de Equipamientos Ferroviarios, S.A.	15%	10	15%	4,504
Iniciativa FIK, A.I.E.	14.18%	746	14.18%	746
Albali Señalización, S.A.	3%	567	3%	492
Leo Express Global, A.S.	5%	808	5%	819
Other		736		746
Total Equity instruments –		**3,185**		**7,757**
Other financial assets -				
Amortised cost -				
Guarantees and other financial assets		14,208		15,036
Loans to employees		2,945		2,691
Non-current tax receivables		14,412		19,390
Non-current trade receivables and loans		187,017		269,490
Loans to associates (Note 9)		40,390		37,498
		258,972		**344,105**
Impairment-				
Impairment of Public Administrations		(6,700)		(7,998)
Impairment losses		(749)		(2,069)
		(7,449)		**(10,067)**
Total other financial assets		**251,523**		**334,038**
Total		**254,708**		**341,795**

Changes in non-current financial assets in 2024 and 2023 are as follows:

	Thousands of Euros			
	Equity instruments	Other financial assets		
		Amortised cost	Impairment	Total
Balance at 31/12/22	**20,045**	**402,499**	**(9,346)**	**413,198**
Changes in the scope of consolidation	-	-	-	-
Changes in fair value with a charge to reserves	(10,186)	-	-	(10,186)
Translation differences	-	8,407	(478)	7,929
Additions	235	131,271	-	131,506
Charges to profit or loss for the year	-	(674)	(260)	(934)
Transfers (Note 3-k)	867	(179,222)	17	(178,338)
Disposals or reductions	(3,204)	(18,176)	-	(21,380)
Balance at 31/12/23	**7,757**	**344,105**	**(10,067)**	**341,795**
Changes in the scope of consolidation	-	-	-	-
Changes in fair value with a charge to reserves	(2,644)	-	-	(2,644)
Translation differences	(26)	(23,944)	1,512	(22,458)
Additions	-	95,738	-	95,738
Charges to profit or loss for the year	-	(236)	1,106	870
Transfers (Note 3-k)	-	(153,197)	-	(153,197)
Disposals or reductions	(1,902)	(3,494)	-	(5,396)
Balance at 31/12/24	**3,185**	**258,972**	**(7,449)**	**254,708**

b.1) Equity instruments

In 2024, the Group recorded EUR 3,630 thousand in dividends from Arrendadora de Equipamientos Ferroviarios, S.A., Ferromovil 3000, S.L. and Albali Señalización, S.A. under the heading "Finance income" in the consolidated statement of profit or loss for 2024 (EUR 11,346 thousand in 2023 for dividends from Ferromóvil 3000, S.L. and Plan Azul 07, S.L.) (Note 21-f). At 31 December 2024, Ferromóvil 3000, S.L. and Arrendadora de Equipamientos Ferroviarios, S.A. were in the process of being liquidated.

b.2) Other financial assets

The detail, by maturity, of "Other Financial Assets" is as follows (in thousands of euros):

Year 2024

	2026	2027	2028	2029 and subsequent years	Total
Assets at amortised cost	125,161	52,922	22,675	50,765	251,523
Total	**125,161**	**52,922**	**22,675**	**50,765**	**251,523**

Year 2023

	2025	2026	2027	2028 and subsequent years	Total
Assets at amortised cost	131,842	108,232	45,879	48,085	334,038
Total	**131,842**	**108,232**	**45,879**	**48,085**	**334,038**

Guarantees and other financial assets

The breakdown of this heading at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Guarantees and other financial assets	3,843	3,112
Non-current deposits	10,365	11,924
Total guarantees and other financial assets	**14,208**	**15,036**
Non-current deposits	10,365	11,924
Impairment of non-current deposits	(43)	(108)
Total non-current deposits (Note 13-i)	**10,322**	**11,816**

"Non-current deposits" mainly relate to guarantees linked to the financial debt of the subsidiary company Ctrens - Companhia de Manutençao, S.A. (Note 15), amounting to EUR 10,239 thousand (EUR 11,754 thousand at 31 December 2023). This guarantee, which bears interest at market rates and relates to six monthly repayments of the loan, will be discharged in the last six loan repayments from November 2025 to April 2026.

Loans to employees

In accordance with the agreements entered into with employees, the Parent grants various loans earning interest at below market rates and maturing between 10 and 15 years. The Group does not discount these amounts since it considers that this effect is scantly material.

Non-current tax receivables

At 31 December 2024, the Group had recognised under "Non-current financial assets – Other financial assets" an amount of EUR 14,412 thousand for accounts receivable from foreign public authorities for tax equivalent to value added tax (EUR 19,390 thousand at 31 December 2023).

The above amounts may be recovered by offsetting them against the output VAT charged to customers or selling them to third parties once they have been claimed from the tax authorities. The Group is currently taking the steps required to claim and sell them and expects to recover them mainly through sales to third parties. At 31 December 2024 and 2023, the Group maintained a provision of EUR 6,700 thousand and EUR 7,998 thousand to adjust the nominal value of these credits to their recoverable value.

Non-current trade receivables and loans

The breakdown of this heading at 31 December 2024 and 2023 is as follows (in thousands of euros):

	31/12/24	31/12/23
Concessions – Financial assets	178,545	260,202
Non-current trade receivables (Buses)	3,789	3,656
Non-current loans	4,683	5,632
Total	**187,017**	**269,490**

- *Concessions – Financial assets*

On 19 March 2010, Group company Ctrens - Companhia de Manutençao, S.A. and Companhia Paulista de Trens Metropolitanos (CPTM) entered into a 20-year concession arrangement for the manufacture of 36 trains and the provision of lease, preventative and corrective maintenance and general overhaul services, and services to modernise the trains on Diamante Line 8 in São Paulo (Brazil).

The main features of this arrangement, in addition to those indicated above, are as follows:

- The payments are guaranteed by CPTM through monthly bank deposits of BRL 11.6 million made to a bank account (in 2009 real terms, amounting to BRL 26.2 million at 31 December 2024 following an adjustment in line with the São Paulo State general inflation rate). This account is managed by a Security Agent and can be used to pay the concession operator in the event of default by CPTM on its payment obligations.
- The concession operator must meet certain minimum capital requirements, in both absolute terms and in terms of a percentage of assets.
- The concession operator relies on a bank guarantee to secure the full and timely performance of its obligations vis-à-vis CPTM (Note 25-a), totalling BRL 53,594 thousand (EUR 8,341 thousand) at 31 December 2024.
- All the assets associated with the concession, except for the capital goods, acquired, produced or implemented by the concession operator to provide the services under the concession arrangement must be returned to CPTM at the end of the concession term for no consideration.

On 31 May 2010, the Group company Provetren, S.A. de C.V. and Sistema de Transporte Colectivo (STC) entered into a 15-year concession arrangement for the construction of 30 trains and the provision of lease and integral and general overhaul services for Line 12 of the Mexico City metro.

The main features of this arrangement, in addition to those indicated above, are as follows:

- The consideration payable by STC is secondarily guaranteed by a system of trusts with funds from the Federal Participation Surpluses (Federal District Government payment risk). In 2024 this guarantee comfortably fulfilled STC's payment obligations in the year.
- The concessionaire company guarantees the correct fulfilment of its obligations to STC by means of a bank performance bond of 10% of the payments it is expected to receive in the current year.
- All the assets associated with the concession, except for the capital goods, acquired, produced or implemented by the concession operator to provide the services under the concession arrangement must be returned to STC at the end of the concession term for no consideration.

These concessions are accounted for in accordance with IFRIC 12 Service Concession Arrangements, since the related requirements are met, and, pursuant to IFRIC 12, the various services provided (construction, operation/maintenance and financing) were separated.

Accordingly, the Group recognised a total of EUR 178,545 thousand and EUR 118,115 thousand under “Non-current financial assets – Other financial assets” and “Current assets – Other receivables”, respectively, at 31 December 2024 (EUR 260,202 thousand and EUR 122,291 thousand at 31 December 2023) in relation to construction activities and services performed to date, net of billings made. There were no investing activities whatsoever in 2024 or 2023.

The lease and maintenance services started to be provided basically in the first half of 2011 in the case of the Line 8 (Brazil) concession and in the second half of 2012 in the case of the Line 12 (Mexico) concession.

In the case of both contracts the future cash flows from the lease payments are determined and guaranteed in full from the date the contracts are signed. The only potentially variable amount in the payments relates solely to any possible penalties relating to the technical performance of the rolling stock material made available to the customers. This aspect has been taken into account when determining the cash flows to be received. There is no demand risk for the CAF Group in these contracts, since the financial flows to be received are unrelated to passenger numbers.

9.- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances and transactions with associates

Transactions performed with associates that were not eliminated on consolidation (Note 2-f) break down as follows:

Company	Thousands of Euros					
	2024			2023		
	Services provided or sales recognised	Services received or purchases recognised	Finance income	Services provided or sales recognised	Services received or purchases recognised	Finance income
Plan Metro, S.A.	15,090	-	2,892	14,091	-	2,685
Ferrocarriles Suburbanos, S.A.P.I. de C.V.	354,101	720	-	156,214	31	-
Ferrocarril Interurbano S.A. de C.V.	44,436	1,385	-	24,048	317	-
Momentum Trains Holding Pty Ltd	19,111	-	-	32,642	-	-
CFIR Light Rail Ltd	117,258	-	-	145,800	-	-
Great River City Light Rail Pty Ltd	33,619	-	-	48,587	-	-
LAVI Light Rail O&M Ltd	340	-	-	430	-	-
SHACHAF - The Purple Line Light Rail Ltd	53,353	-	-	45,417	-	-
PL Light Rail Maintenance, Ltd.	631	-	-	1,466	-	-
Other	1,710	-	-	5,777	3	1
Total	**639,649**	**2,105**	**2,892**	**474,472**	**351**	**2,686**

The margins earned on transactions performed with associates were duly eliminated on consolidation in proportion to the percentage of ownership therein (Note 8-a).

As a result of the transactions performed in the current year, those performed in previous years and the advances granted, the Group's main balances with investees that were not fully consolidated at 31 December 2024 and 2023 were as follows:

Company	Thousands of Euros							
	31/12/24				31/12/23			
	Accounts receivable / Current loans	Accounts payable	Contract assets and liabilities	Non-current loans Note (8.b)	Accounts receivable / Current loans	Accounts payable	Contract assets and liabilities	Non-current loans Note (8.b)
Plan Metro, S.A.	16	-	(1,302)	40,390	-	-	(1,129)	37,498
Ferrocarriles Suburbanos, S.A.P.I. de C.V.	17,795	1,611	(43,753)	-	47,181	1,138	106,888	-
Ferrocarril Interurbano S.A. de C.V.	8,550	35	(57,264)	-	974	132	(58,193)	-
Momentum Trains Holding Pty Ltd	363	-	(92,480)	-	202	-	(116,470)	-
CFIR Light Rail Ltd	3,018	-	(31,784)	-	10,940	-	8,234	-
Great River City Light Rail Pty Ltd	-	-	(11,756)	-	-	-	(26,429)	-
LAVI Light Rail O&M Ltd	322	-	19	-	457	-	245	-
SHACHAF - The Purple Line Light Rail Ltd	858	-	101,024	-	102,433	-	64,730	-
PL Light Rail Maintenance, Ltd.	779	-	233	-	1,380	-	13	-
Other	-	-	35	-	66	-	(443)	-
Total	**31,701**	**1,646**	**(137,028)**	**40,390**	**163,633**	**1,270**	**(22,554)**	**37,498**

In 2011, subsidiary company CAF Investment Projects, S.A.U. granted Plan Metro, S.A. an advance of EUR 15,104 thousand, to enable it to temporarily meet certain financial obligations incurred due to the change in the end client's payment profile. This loan does not form part of the net investment, since it has a set maturity date of 2029 and collection is sufficiently guaranteed with collateral. Plan Metro, S.A.'s current economic and financial model supports the recovery of the loaned amounts and the interest accrued thereon by the CAF Group. Also, the Group recognised finance income of EUR 2,892 thousand in relation to the interest accrued on the loan with a credit to “Finance income” in the accompanying consolidated statement of profit or loss (EUR 2,685 thousand in 2023).

b) Balances and transactions with shareholders

At 31 December 2024 and 2023, the Group maintained the following financial transactions with shareholders holding 10% or more of voting rights (in thousands of euros):

		2024		2023	
Shareholder	**Type of transaction**	**Amount of transaction**	**Balance drawn at 31/12/24**	**Amount of transaction**	**Balance drawn at 31/12/23**
Kutxabank, S.A.	Bank loans	40,000	33,000	40,000	35,000
Kutxabank, S.A.	Credit accounts	35,000	-	35,000	-
Kutxabank, S.A.	Bank guarantees	170,545	133,031	150,119	129,811

With respect to the outstanding transactions detailed in the previous table, in 2024, the guarantee facility was extended by EUR 25,000 thousand and a bank loan with a limit of EUR 20,000 thousand was refinanced.

Also, in 2024, the Group had arranged professional services with Kutxabank, S.A. and other subsidiaries of Bilbao Bizkaia Kutxa Fundación Bancaria, amounting to EUR 111 thousand (EUR 95 thousand in 2023). Furthermore, in 2023, the Group carried out non-recourse factoring transactions amounting to EUR 16,373 thousand.

10.- INVENTORIES

The breakdown of “Inventories” at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Trains, traction equipment, civil engineering, signalling	126,663	2,759
Spare parts, components and other	189,868	218,746
Rolling stock	**316,531**	**221,505**
Buses	**319,170**	**255,633**
Total	**635,701**	**477,138**

Changes in impairment allowances in 2024 and 2023 are as follows:

	Thousands of Euros
Balance at 31/12/22	**41,470**
Translation differences	1,095
Transfers	10,432
Amount used	(4,451)
Net charge for the period	13,253
Balance at 31/12/23	**61,799**
Translation differences	(171)
Amount used	(5,510)
Net charge for the period	12,547
Balance at 31/12/2024	**68,665**

At 31 December 2024, the Group had firm raw materials purchase commitments amounting to approximately EUR 1,129,255 thousand (31 December 2023: EUR 1,083,796 thousand).

The consolidated companies take out insurance policies to adequately insure their inventories. At 31 December 2024 and 2023, the insurance policies taken out covered the carrying amount of the inventories at those dates.

11.- TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

The breakdown of “Trade receivables for sales and services” at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Trade receivables - in euros	1,470,924	1,350,986
Trade receivables - in foreign currency	807,054	876,996
Write-downs	(14,026)	(18,737)
Total	**2,263,952**	**2,209,245**

The breakdown of this heading, by trade receivables and contract assets, is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Contract assets (Note 3-g)	1,440,863	1,443,840
Customers billed	837,115	784,142
Write-downs	(14,026)	(18,737)
Total	**2,263,952**	**2,209,245**

Contract assets and liabilities

The aggregate balance and change in contract assets and liabilities in 2024 and 2023 are as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Current contract assets	1,440,863	1,443,840
Current contract liabilities (Note 18)	(1,288,488)	(1,176,946)
Non-current contract liabilities (Note 20)	(66,386)	(92,842)
Net balance	**85,989**	**174,052**

	Thousands of Euros
Balance at 31/12/22	**95,631**
Changes in measure of progress	2,323,997
Billings	(2,257,484)
Penalties applied	18,699
Translation differences	(6,451)
Reclassifications and other	(340)
Balance at 31/12/23	**174,052**
Changes in measure of progress	2,346,340
Billings	(2,452,896)
Penalties applied	3,676
Translation differences	24,829
Reclassifications and other	(10,012)
Balance at 31/12/24	**85,989**

Of “Current contract liabilities” at 31 December 2023, the sum of EUR 744,949 was recognised as revenue in 2024 (2023: EUR 780,293 thousand). Moreover, no significant revenue was recognised for performance obligations satisfied in prior periods.

The Group also recognised EUR 233,266 thousand under “Trade and other payables – Suppliers and other payables” in the accompanying consolidated balance sheet as costs for the provision of services related to train construction contracts, such expenses having accrued based on the degree of completion (31 December 2023: EUR 277,502 thousand).

The unrecognised revenue for performance obligations not satisfied at year-end relates to what is usually referred to as backlog (see definition in the Alternative Performance Measures section of the Directors’ Report) (Note 26).

The changes in backlog in 2024 and 2023 were as follows:

	Millions of Euros
Balance at 31/12/22	**13,250**
Backlog	4,775
Sales	(3,825)
Balance at 31/12/23	**14,200**
Backlog	4,707
Sales	(4,212)
Balance at 31/12/24	**14,695**

Furthermore, it is expected that this figure will materialise in revenues as follows:

	2025	2026	2027 and subsequent years
Execution of the backlog	27%	25%	48%

The provisions for third-party liabilities reducing contract assets and liabilities amounted to EUR 36,973 thousand at 31 December 2024 (31 December 2023: EUR 37,412 thousand).

Customers billed

At 31 December 2024, the Group had derecognised receivables amounting to EUR 70,993 thousand (31 December 2023: EUR 57,472 thousand) as a result of non-recourse factoring agreements.

At 31 December 2024, 17% of billed invoices pending collection related to the Group’s five main contracts (31 December 2023: 37%). “Trade receivables" included withholdings on collections at 31 December 2024 amounting to EUR 22,515 thousand (31 December 2023: EUR 12,000 thousand).

The amount of past-due balances under “Trade and other receivables” at 31 December 2024 and 2023 was as follows:

	Thousands of Euros	
	31/12/24	**31/12/23**
Past due > 90 days	17,372	11,404
Past due > 180 days	131,280	136,047
Total	**148,652**	**147,451**

Approximately 33% of this balance is concentrated in two countries and two contracts in which the Group is actively managing debt collections, although no unprovisioned losses are expected:

- At 31 December 2024, the Group had recognised EUR 26,903 thousand, corresponding to billed and unbilled balances receivable under a contract already performed that had yet to be collected, after securing arbitration awards favourable to the Group and with subsequent favourable rulings (EUR 29,294 thousand at 31 December 2023). At 31 December 2024, no significant event has been identified that has affected the credit risk, and it is not estimated that any loss will occur in relation to the recoverability of the outstanding amounts.
- At 31 December 2024, the Group had recognised an amount of EUR 39,131 thousand (31 December 2023: EUR 39,189 thousand), relating to billed and unbilled balances pending collection for various lawsuits with a customer for a project in which there are cross claims for delays in meeting the contractual milestones signed by the consortium to which CAF belongs. The litigation is in progress and, therefore, it is difficult to assess its possible impact; however, the Parent's directors consider that the likelihood of this situation giving rise to losses for the Group is low, since there are causes that have given rise to delays that can, in no case, be attributed to the consortium. The amounts claimed are greater than the damage caused to the customer, and there are claims for cost overruns incurred by the consortium attributable to the customer. As of the date of preparation of these consolidated financial statements during the judicial proceedings, two expert reports have been issued analysing the alleged delays and the CAF Group continues to defend its interests in these proceedings, estimating that they will recover, at least, the acknowledged amounts.

Write-downs

Changes in impairment allowances in 2024 and 2023 are as follows:

	Thousands of Euros
Balance at 31/12/22	**21,865**
Translation differences	483
Amount used	(1,138)
Provision/(Reversal) of provisions with charge/(credit) to "Other Operating Expenses"	(2,490)
Reclassifications	17
Balance at 31/12/23	**18,737**
Translation differences	(312)
Amount used	(5,898)
Provision/(Reversal) of provisions with charge/(credit) to "Other Operating Expenses"	1,499
Balance at 31/12/24	**14,026**

b) Other receivables

The breakdown of the heading "Other receivables" was as follows at 31 December 2024 and 2023:

	Thousands of Euros	
	31/12/24	31/12/23
Concessions (Note 8-b.2)	118,115	122,291
Other taxes receivable		
VAT	67,472	52,366
Grants	15,851	12,020
Other	1,467	2,280
Employee receivables	118	724
Sundry accounts receivable	5,840	6,620
Total	**208,863**	**196,301**

12.- OTHER CURRENT FINANCIAL ASSETS

At 31 December 2024 and 2023, this heading breaks down as follows:

Year 2024

Financial assets: Type/Category	Thousands of Euros		
	At amortised cost	At Fair Value through Profit or Loss	Total
Current financial assets (Note 13-i)	23,673	31	23,704
Other financial assets	1,484	-	1,484
Short-term/current	**25,157**	**31**	**25,188**

Year 2023

Financial assets: Type/Category	Thousands of Euros		
	At amortised cost	At Fair Value through Profit or Loss	Total
Current financial assets (Note 13-i)	22,939	86,144	109,083
Other financial assets	16,365	-	16,365
Short-term/current	**39,304**	**86,144**	**125,448**

"Financial assets at amortised cost" includes the cash surpluses invested in government debt securities, repos, short-term deposits and term deposits. "Financial Assets at Fair Value through Profit or Loss" includes fixed-income investment funds.

13.- EQUITY

a) Share capital of the Parent

At both 31 December 2024 and 2023, the Parent's share capital was represented by 34,280,750 fully subscribed and paid up shares, each with a par value of EUR 0.301, all represented in book entry form and all listed on the stock exchange.

At 31 December 2024 and 2023, the following companies or entities had notified the CNMV that they held voting rights of more than 3% of the Company's share capital:

	% 2024	% 2023
Cartera Social, S.A. (i)	23.75%	24.04%
Bilbao Bizkaia Kutxa Fundación Bancaria (ii)	13.23%	14.06%
Indumenta Pueri S.L. (iii)	5.02%	5.02%
Daniel Bravo Andreu (iv)	5.00%	5.00%
Instituto Vasco de Finanzas (v)	3.00%	3.00%

i. The shareholders of this company are employees of the Parent.
ii. Bilbao Bizkaia Kutxa Fundación Bancaria has a direct stake of 3%. It also has an indirect stake of 10.23%, through Kutxabank S.A., a company controlled by it.
iii. Indumenta Pueri, S.L. is the indirect holder. The direct holder is Global Portfolio Investments, S.L., a company controlled by Indumenta Pueri, S.L.
iv. Daniel Bravo Andreu holds indirect ownership interest, although the indirect holder is Danimar 1990, S.L.
v. Instituto Vasco de Finanzas is the indirect owner, with FINKATZE KAPITALA FINKATUZ, S.A.U. holding the direct stake.

The Annual General Shareholders' Meeting held on 5 June 2021 authorised the Board of Directors to increase share capital on one or more occasions, over a period of five (5) years from that date, and subject to a cap of half of the share capital at the time of the authorisation, including the power to exclude pre-emptive subscription rights, if the Parent's interest so requires and without such exclusion exceeding 20% of the share capital at the time of the authorisation. This authorisation superseded and rendered null and void the powers previously granted to the directors at the General Shareholders' Meeting held on 2 June 2018. No capital increases have been carried out from the date of that resolution through to the date of authorisation for issue of these consolidated financial statements.

Lastly, the Annual General Shareholders' Meeting held on 11 June 2022 resolved to vest powers in the Parent's Board of Directors, with express powers of delegation, for a term of five (5) years running from that date, to issue debt instruments and fixed income or other securities (including warrants) convertible into shares of the Parent or other Group companies, including the power to exclude shareholders' pre-emption rights for a maximum of 20% of the share capital at the authorisation date. Said agreement replaced the one adopted by the Annual General Meeting of the Parent held on June 10, 2017. As of the date of preparation of these consolidated financial statements, no issues of convertible securities have been made since said agreement.

b) Treasury shares and Earnings per share

The Annual General Shareholders' Meeting, held on June 13, 2020, authorized the Board of Directors of the Parent to acquire treasury shares for a period of five (5) years from that date. This authorisation superseded that granted by resolution of the Annual General Shareholders' Meeting, held on 13 June 2015. By virtue of the powers vested in it, the Parent's Board of Directors authorised the signing of a liquidity contract, the signing of which was communicated to the market via "Other material disclosures" to the CNMV, dated 26 April 2022, which remains in force. In accordance with prevailing law and regulations, the Parent reports periodically to the CNMV on all transactions carried out under that contract.

In 2024 and 2023, various transactions of treasury shares were carried out on the continuous market. The breakdown of transactions with treasury shares held by the Group is as follows:

Year 2024

	No. of shares	Nominal value (thousands of euros)	Average purchase price (euros)	Total cost (thousands of euros)
Treasury shares at 31 December 2024	37,832	11	33.91	1,283

Year 2023

	No. of shares	Nominal value (thousands of euros)	Average purchase price (euros)	Total cost (thousands of euros)
Treasury shares at 31 December 2023	43,318	13	29.26	1,268

The following table breaks down changes in treasury shares in 2024 and 2023 :

	No. of shares
Treasury shares at 31 December 2022	**46,947**
+ Purchases	646,511
- Sales	(650,140)
Treasury shares at 31 December 2023	**43,318**
+ Purchases	373,693
- Sales	(379,179)
Treasury shares at 31 December 2024	**37,832**

The par value of the treasury shares acquired directly or indirectly by CAF did not exceed 10% of the share capital during the twelve-month period ended 31 December 2024 and 2023.

Basic earnings per share are obtained by dividing consolidated profit for the year attributable to the Parent by the weighted average number of ordinary shares in circulation, excluding the average number of treasury shares held during the year. As the Group has no dilutive potential ordinary shares, there is no difference between basic and diluted earnings per share. Basic earnings per share are calculated as follows:

	2024	2023
Consolidated profit/(loss) for the period attributable to the Parent (thousands of euros)	103,255	89,158
Average number of shares outstanding (in thousands of shares)	34,239	34,236
Earnings per share (in euros)	**3.02**	**2.60**

c) Share Premium

The share premium account balance has no specific restrictions on its use.

d) Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 20% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2024 and 2023, the balance of this reserve had reached the legally required minimum.

e) Restricted and unavailable reserves

In the separate financial statements of the consolidated companies, there were reserves totalling EUR 86,989 thousand and EUR 85,230 thousand at 31 December 2024 and 2023, respectively and approximately, corresponding to the legal reserve, balance sheet revaluation reserve, reserve for depreciated capital and others, which are considered restricted and unavailable, respectively. Also, certain companies have reserves that are restricted as a result of financing agreements (Note 15).

In addition, until the balance of "Development Expenditure" has been fully amortised, no dividends may be distributed unless the balance of the unrestricted reserves is at least equal to the amount of the unamortised balances. Consequently, at the end of 2024, reserves were restricted for this reason in the amount of EUR 44,213 thousand (EUR 49,567 thousand at the end of 2023).

f) Dividends of the Parent

On 15 June 2024, the General Shareholders' Meeting agreed to distribute a dividend charged to the results for 2023, in the amount of EUR 38,052 thousand. It was subsequently paid in July 2024.

On 10 June 2023, the General Shareholders' Meeting agreed to distribute a dividend charged to the results for 2022, in the amount of EUR 29,481 thousand. It was subsequently paid in July 2023.

g) Translation differences

The breakdown, by company, of “Translation differences” at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
CAF México, S.A. de C.V.	2,392	7,926
CAF Brasil Indústria e Comércio, S.A.	(53,785)	(51,536)
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	(3,637)	(3,599)
CAF USA, Inc.	3,884	918
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	(4,312)	476
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	(3,855)	(3,793)
CAF Chile, S.A.	(1,539)	(1,135)
CAF India Private Limited	(1,862)	(2,116)
Ctrens - Companhia de Manutençao, S.A.	(133,472)	(110,643)
Provetren, S.A. de C.V.	1,111	1,857
Solaris Bus & Coach, sp. z.o.o.	1,030	(2,436)
BWB Holdings Limited	1,081	248
CAF Rolling Stock UK Limited	2,028	272
EuroMaint Gruppen AB	(823)	1,323
EuroMaint Rail AB	(2,457)	(2,300)
CAF Arabia Company	3,088	2,653
CAF Signalling México, S.A. de C.V.	(1,719)	(6)
Other companies	739	564
Total	**(192,108)**	**(161,327)**

h) Non-controlling interests

The breakdown of “Equity – Non-controlling interests” in the accompanying consolidated balance sheet and of changes therein in 2024 and 2023 is as follows:

	Thousands of Euros
Balance at 31 December 2022	**12,406**
Profit attributable to non-controlling interests	3,159
Translation differences	486
Dividends	(3,105)
Balance at 31 December 2023	**12,946**
Profit attributable to non-controlling interests	4,391
Translation differences	97
Hedges	80
Dividends	(3,457)
Balance at 31 December 2024	**14,057**

i) Capital management

The Group's capital management is aimed at achieving a financial structure that optimises the cost of capital, ensuring a sound financial position. This policy allows the Group to create value for shareholders by accessing the financial markets at a competitive cost in order to meet both debt refinancing needs and the investment plan financing requirements not covered by funds generated by the Group's business activities.

The directors of the CAF Group consider that the fact that the leverage ratio with recourse to the Parent is minimal is a good indicator that the objectives set are being achieved. They also believe that the Group's credit quality is commensurate to the profile of its businesses.

The CAF Group regularly assesses the appropriateness of its liability structure, and takes into consideration the projected cash flows, the maturity profile of its debt, the foreseeable evolution of its working capital and other future liquidity needs.

At 31 December 2024 and 2023, a substantial portion of the borrowings were directly assigned to activities such as the concession in Brazil (Note 8.b.2) and Solaris (Note 15). Leverage is taken to be the ratio of gross/net financial debt to equity:

	Thousands of Euros	
	31/12/24	31/12/23
Net financial debt:		
Interest-bearing refundable advances (Note 14)	10,829	7,531
Bank borrowings - Non-current liabilities (Note 15)	548,864	509,154
Bank borrowings and debt instruments – Current liabilities (Note 15)	273,396	303,029
Gross Financial Debt	**833,089**	**819,714**
Financial investments – Non-current assets (Note 8-b.2)	(10,322)	(11,816)
Current financial assets (Note 12)	(23,704)	(109,083)
Cash and cash equivalents	(573,539)	(442,791)
Net Financial Debt	**225,524**	**256,024**
Equity:		
Attributable to the Parent	882,194	855,237
Non-controlling interests	14,057	12,946
	896,251	**868,183**

14.- OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES AND OTHER OBLIGATIONS

The breakdown of the Group's financial liabilities at 31 December 2024 and 2023, by type and category for measurement purposes, is as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Non-current	Current	Total	Non-current	Current	Total
Repayable interest-bearing advances	9,366	1,463	10,829	6,050	1,481	7,531
Non-interest-bearing repayable advances	13,273	7,825	21,098	15,364	8,683	24,047
Share purchase liabilities	94	23	117	107	38,664	38,771
Payable to non-current asset suppliers (Note 7)	-	14,524	14,524	-	5,474	5,474
Lease payables (Note 7-b)	64,095	23,842	87,937	65,805	22,694	88,499
Other liabilities	102	1,785	1,887	100	1,041	1,141
Total	**86,930**	**49,462**	**136,392**	**87,426**	**78,037**	**165,463**

In 2024, the options to purchase 26% of the remaining capital of BWB Holdings Limited have been executed.

The detail, by maturity in the coming years, of other non-current financial liabilities was as follows (in thousands of euros):

Year 2024

	Interest	Principal
2026	246	25,450
2027	233	14,527
2028	220	11,673
2029	190	10,327
2030 and subsequent years	159	44,844
Total	**1,048**	**106,821**
Accruals and discounting		(19,891)
Total carrying amount		**86,930**

Year 2023

	Interest	Principal
2025	164	23,257
2026	130	15,677
2027	114	10,411
2028	101	8,070
2029 and subsequent years	339	49,845
Total	**848**	**107,260**
Accruals and discounting		(19,834)
Total carrying amount		**87,426**

The weighted average rate used in the adjustment of financial liabilities related to leases is around 3.9% (4.2% in 2023).

15.- BANK BORROWINGS AND DEBT INSTRUMENTS OR OTHER MARKETABLE SECURITIES

The detail of “Bank Borrowings” in the accompanying consolidated balance sheet is as follows:

	Nominal currency	Thousands of Euros					
		31/12/24			31/12/23		
		Non-current	Current	Total	Non-current	Current	Total
Loans, credit accounts and discounted bills							
The Parent (CAF, S.A.)	EUR	433,201	131,224	564,425	477,927	57,702	535,629
Ctrens - BNDES	BRL	6,297	18,459	24,756	29,359	20,212	49,571
CAF Investment Projects, S.A.U.	EUR	-	-	-	-	16,500	16,500
Solaris Group	PLN/EUR	109,366	27,203	136,569	1,868	114,386	116,254
Other Group companies	EUR	-	758	758	-	522	522
		548,864	177,644	726,508	509,154	209,322	718,476
Debt instruments or other marketable securities:							
Commercial paper issue	EUR	-	92,210	92,210	-	90,800	90,800
Bank borrowings and debt instruments or other marketable securities		**548,864**	**269,854**	**818,718**	**509,154**	**300,122**	**809,276**
Accrued interest payable		-	3,542	3,542	-	2,907	2,907
Total		**548,864**	**273,396**	**822,260**	**509,154**	**303,029**	**812,183**

The changes in 2024 and 2023 in “Bank borrowings and debt instruments or other marketable securities” and “Other financial liabilities” (Note 14) were as follows:

Year 2024

	Thousands of Euros		
	Bank borrowings and debt instruments or other marketable securities	Other financial liabilities	Total
Balance at 31 December 2023	**809,276**	**165,463**	**974,739**
Cash flows from financing activities			
New drawdowns	778,226	19,079	797,305
Maturity payments	(763,725)	(70,032)	(833,757)
	14,501	(50,953)	(36,452)
Other changes (without cash flows)			
Translation differences	(5,759)	(353)	(6,112)
Dividends accrued, new leases, other	700	22,235	22,935
	(5,059)	21,882	16,823
Balance at 31 December 2024	**818,718**	**136,392**	**955,110**

Year 2023

	Thousands of Euros		
	Bank borrowings and debt instruments or other marketable securities	Other financial liabilities	Total
Balance at 31 December 2022	**866,861**	**157,584**	**1,024,445**
Cash flows from financing activities			
New drawdowns	430,239	20,655	450,894
Maturity payments	(502,218)	(42,212)	(544,430)
	(71,979)	(21,557)	(93,536)
Other changes (without cash flows)			
Translation differences	12,603	666	13,269
Dividends accrued, new leases, other	1,791	28,770	30,561
	14,394	29,436	43,830
Balance at 31 December 2023	**809,276**	**165,463**	**974,739**

The total amount of lease-related cash outflows in 2024 was EUR 29,309 thousand (2023: EUR 27,978 thousand).

The bank borrowings are presented in the consolidated balance sheet adjusted by the costs incurred in the arrangement of the loans.

Ctrens – BNDES -

In relation to the CPTM train rental operation described in Note 8-b.2, on 10 May 2011 subsidiary company Ctrens - Companhia de Manutençao, S.A. (Ctrens) signed a financing agreement with Banco Nacional de Desenvolvimiento Econômico e Social (BNDES) for a maximum amount of BRL 946,890 thousand. The loan bears interest at TJLP (Taxa de Juros de Longo Prazo) plus a spread. The loan principal will be repaid in 160 monthly successive instalments, with the first due date in January 2013.

This contract includes certain restrictive clauses limiting the company Ctrens - Companhia de Manutençao, S.A., among others, from obtaining new bank loans, granting guarantees, making capital repayments, and distributing dividends if certain ratios have not been achieved, as well as the obligation to meet certain covenants as from January 2013, including the Debt Service Coverage Ratio (which must exceed 1.2) and the Minimum Capital Structure Formula (which must exceed 0.24), all of which were satisfied throughout 2024 and 2023. In addition, cash balances from the concession totalling EUR 9,029 thousand at 31 December 2024 (EUR 5,332 thousand at 31 December 2023) were pledged as security for debt service, with the remaining balances being released on a quarterly basis, once compliance with the relevant covenants has been verified.

Also, on 15 June 2011 the subsidiary entered into a “fiduciary” transfer of title agreement with BNDES whereby it assigned as a guarantee such collection rights as CTRENS might have vis-à-vis CPTM, as well as the guarantees provided by CPTM for the subsidiary and any amount claimable by the subsidiary from CPTM, the Parent and CAF Brasil Indústria e Comércio, S.A.

The shares of Ctrens - Companhia de Manutençao, S.A. are pledged in favour of the BNDES. The lender has no recourse to any of the companies forming the CAF Group, except for technical issues.

Loans of the Parent –

At the end of 2024, the Parent had 17 loans with 11 financial institutions, maturing between 2025 and 2031. None of this debt was subject to financial covenants linked to compliance with ratios.

Solaris –

On 28 October 2016, Solaris Bus & Coach, sp. z.o.o. (Solaris) arranged financing facilities with a consortium of Polish banks. This financing included a tranche in the form of a loan and another in the form of credit facilities which, at 31 December 2023, had been drawn down in the amount of EUR 101.6 million, and which had been repaid in 2024.

On 20 August 2024, Solaris Bus & Coach, sp. z.o.o. (Solaris) has contracted new lines of financing to replace the previous one with a new consortium of banks, composed of both Polish and international banks. This funding comprises a maximum drawdown of EUR 300 million to comply with its Strategic Plan, with a portion consisting of credit accounts and another portion of revolving loans which, at 31 December 2024, had been drawn down in the amount of EUR 107.2 million.

This debt package establishes compliance with a series of financial covenants related to a leverage ratio and a ratio of equity to assets, in the event the leverage exceeds a certain threshold, conditions that were being met at 31 December 2024. Shareholder remuneration and dividend distribution are permitted as long as the company's leverage remains at reasonable levels. This entire financing package is secured vis-à-vis banks by guarantees granted by Solaris mainly on its assets and rights (property, plant and equipment, trademarks and accounts receivable, among others).

Also, beyond the new financing package previously described, the Company had new additional financing related with a leaseback contract amounting to EUR 3.1 million at 31 December 2024 (EUR 3.6 million at 31 December 2023), and a confirming debt used as a financing alternative by the Group, amounting to EUR 20.7 million at 31 December 2024.

Lastly, at 31 December 2024, the Solaris Group subsidiaries had credit facilities in the amount of EUR 5.6 million (EUR 11.1 million at 31 December 2023).

CAF Investment Projects, S.A.U. -

In July 2016, subsidiary company CAF Investment Projects, S.A.U. secured a loan worth a total of EUR 20,000 thousand. This loan was guaranteed by the Parent Entity, had a duration of eight years with a grace period of six years and accrued interest referenced to the Euribor, having been fully repaid during the year 2024.

Commercial paper issue –

The Parent, as per the approval granted by its Board of Directors on 17 December 2020, arranged the commercial paper programme (Commercial Paper Programme CAF 2020), for an aggregate maximum nominal balance of EUR 250 million, which was listed on the Spanish Alternative Fixed Income Market ("MARF") subsequently renewed for annual periods on 21 December 2020 and renewed on 23 December 2024. The Programme allows the Parent, under the terms and conditions set out in the Information Memorandum and for a period of 12 months, to issue commercial papers maturing within 730 days, which will be listed on the MARF.

Undrawn credit facilities and maturities –

The CAF Group constantly assesses its available liquidity, including cash balances, short-term liquid investments, the availability of lines of credit, access to short-term capital market instruments and the generation of cash flows from operating activities, in order to meet the Group's liquidity needs at all times. To this end, the following factors, among others, are taken into consideration: the historic volatility of the Group's liquidity needs, their seasonality, the maturity profile of the borrowings, the needs arising from investment plans, the expected level of customer advances and the evolution of working capital. To define target levels of available liquidity worse-than-base-case scenarios are taken into consideration.

The Group's companies have undrawn credit facilities amounting to EUR 568,273 thousand (EUR 404,427 thousand at 31 December 2023), in the form of undrawn loans, credit facilities and factoring arrangements, which are tied mainly to Euribor and Wibor plus a market spread.

The repayment schedule of non-current bank borrowings is as follows (in thousands of euros):

Year 2024

	Interest	Principal
2026	20,942	91,321
2027	15,662	250,870
2028	6,668	41,781
2029	4,681	61,983
2030 and subsequent years	4,916	103,019
Total	**52,869**	**548,974**
Accruals		(110)
Total carrying amount		**548,864**

Year 2023

	Interest	Principal
2025	11,439	354,159
2026	2,798	129,609
2027	129	25,109
2028	10	112
2029 and subsequent years	39	438
Total	**14,415**	**509,427**
Accruals		(273)
Total carrying amount		**509,154**

16.- FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

The CAF Group is exposed to various risks inherent to the activities it carries on and to the various countries and markets in which it operates, which may prevent it from meeting its objectives.

These risks include financial risks: market risk (inter alia: foreign currency risk, interest rate risk and commodity price risk), credit risk, liquidity risk and financing risk.

The financial risk management policy adopted by the CAF Group focuses on managing the uncertainty of financial markets and aims to minimise the potential adverse effects on the achievement of the Group's objectives.

The Group's Financial Department identifies, analyses, assesses and defines the treatment, and performs the monitoring and control, of the financial risks in accordance with the General Risk Management and Control Policy and the specific policies for the management of financial risk established by the Board of Directors.

a) Market risk

Market risk is managed by the CAF Group in accordance with the principles established in the Market Risk Policy, which provides for different strategies aimed at reducing said risk, such as, for example, the establishment of financial or natural hedges, constant monitoring of exchange rate fluctuations and other complementary measures.

The CAF Group arranges foreign currency hedges in order to mitigate the potential adverse effect that changes in exchange rates might have on future cash flows relating to transactions and loans in currencies other than the functional currency of the company concerned.

Also, certain fully consolidated companies and certain companies accounted for using the equity method have arranged interest rate hedges.

a.1) Cash flow and fair value interest rate risk

The interest rate risk arises from the possibility that changes may occur in the value of the Group's financial assets and liabilities as a result of changes in market interest rates. In accordance with the policy, financing transactions are performed under appropriate cost, terms and risk terms and conditions, considering at all times optimal use of the various instruments and sources of financing. Specifically, the Group sets an objective, to the extent permitted by the markets, of maintaining a borrowing structure balanced between fixed and floating interest rates (usually Euribor) the goal of which is to maintain an adequate balance between the cost of financing and the risk of changes in interest rates.

The exposure to interest rate risk of the Group's financial assets and liabilities at 31 December 2024 and 2023, following the Group's hedges was as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Variable	Permanent	Total	Variable	Permanent	Total
Debts with credit institutions and obligations or other negotiable securities (Note 15)	345,025	473,693	818,718	459,629	349,647	809,276

The details of the hedges arranged by the Group to cover the interest rate risk at 31 December 2024 was as follows:

Derivatives at 31/12/24	Thousands of Euros				
	Net notional	Valuation of derivatives	Maturity of notional amounts		
			2025	2026	2027 and subsequent years
Cash flow hedges-					
Collar	112,000	(26)	-	-	112,000
Interest Rate Swap	45,000	(95)	-	-	45,000
Total cash flow hedges	**157,000**	**(121)**	**-**	**-**	**157,000**

Taking into consideration the balance at 31 December 2024 and 2023, if the average of the market-tied interest rates of third-party borrowings had been 100 basis points higher or lower, with all other variables remaining constant, and considering the hedging policies described above, the finance costs arising from the financial debt would have risen by approximately EUR 3,450 thousand and EUR 4,597 thousand, respectively.

According to the valuation carried out by an independent expert, the fair value of the Group's fixed-rate debt would be EUR 12 million lower than its carrying amount at 31 December 2024 (31 December 2023: EUR 13 million lower).

At 2024 and 2023 year-end, the associates S.E.M Los Tranvías de Zaragoza, S.A. and Momentum Trains Holding Pty Ltd (Note 8-a) arranged various financial swaps related to the nominal value of their financial debts. These financial swaps have been designated as cash flow hedging instruments for interest rate risk, with the net negative valuation corresponding to the Group amounting to EUR 874 thousand at 31 December 2024, net of the tax effect (net negative valuation of EUR 40 thousand at 31 December 2023). These amounts were credited/debited under "Equity – Valuation Adjustments – Hedges" in the consolidated balance sheet as at 31 December 2024. In the event of a 100 basis point increase in the interest rates to which these swaps are referenced, the positive impact on "Other comprehensive income – Hedging transactions" in the accompanying consolidated balance sheet would be EUR 2,156 thousand (positive impact of EUR 3,155 thousand at 31 December 2023).

a.2) Foreign currency risk

The various companies belonging to the CAF Group operate internationally and are therefore exposed to exchange risk arising from foreign currency transactions.

Following the principles of the Market Risk Policy, as a general rule the Group transfers to third parties the exchange rate risk in its contracts structured in currencies other than the functional currency. The hedges are intended to avoid the impact of currency fluctuations on the various contracts entered into, so that the Group's results present fairly its industrial and services activity. When the hedges are initially arranged these transactions comprise either firm commitments (in which case they are recognised as fair value hedges) or highly probable transactions (in which case they are recognised as cash flow hedges) or net investments in foreign operations.

At 31 December 2024 and 2023, the Group was exposed to the foreign currency risk on the net investment in those subsidiaries whose functional currency is not the euro, except in the case of the US dollar, the exposure to which is partially hedged.

The breakdown of the equivalent value in thousands of euros of the assets and liabilities of the subsidiaries with functional currencies other than the euro at 31 December 2024 and 2023 is as follows:

Currency	Equivalent value in thousands of euros					
	31/12/24			31/12/23		
	Assets	Liabilities	Net exposure	Assets	Liabilities	Net exposure
Chilean peso	21,694	20,335	1,359	27,244	24,203	3,041
Mexican peso	353,183	270,143	83,040	343,783	260,142	83,641
Brazilian real	274,754	136,053	138,701	329,525	178,411	151,114
US dollar (Note 3-d) (*)	312,907	172,494	27,664	332,756	130,445	51,709
Pound sterling	298,057	235,480	62,577	273,781	217,358	56,423
Algerian dinar	1,232	-	1,232	1,422	221	1,201
Turkish lira	1,243	941	302	2,059	1,526	533
Indian rupee	10,840	2,868	7,972	10,401	2,835	7,566
Australian dollar	218,852	214,895	3,957	195,261	192,005	3,256
Saudi riyal	55,406	49,427	5,979	36,435	32,212	4,223
New Zealand dollar	16,431	13,431	3,000	14,254	10,501	3,753
New Taiwan dollar	6,161	78	6,083	7,700	1,512	6,188
Mauritian rupee	4,192	927	3,265	4,326	1,255	3,071
Polish zloty	873,237	622,501	250,736	766,162	524,954	241,208
Swiss franc	6,155	2,990	3,165	5,519	2,541	2,978
Norwegian krone	15,528	10,894	4,634	15,875	16,367	(492)
Swedish krona	219,576	129,053	90,523	164,710	96,478	68,232
Israeli shekel	22,839	18,027	4,812	18,085	14,930	3,155
Other	15,675	10,810	4,865	13,681	10,152	3,529
Total	**2,727,962**	**1,911,347**	**703,866**	**2,562,979**	**1,718,048**	**694,329**

(*) At 31 December 2024, the Group had arranged hedges on their net investment in foreign concerns, amounting to EUR 112,749 thousand, applying the year-end exchange rate (EUR 150,602 thousand at 31 December 2023).

In the event of a 10% appreciation or depreciation of all the foreign currencies, the effect on the Group's equity would be EUR 70,387 thousand at 31 December 2024, before considering the tax impact (31 December 2023: EUR 69,433 thousand).

The breakdown of the main foreign currency balances of subsidiaries according to the nature of the items comprising them is as follows:

Equivalent value in thousands of euros	Equivalent value in thousands of euros			
	31/12/24		31/12/23	
	Assets	Liabilities	Assets	Liabilities
Goodwill	107,515	-	106,165	-
Other intangible assets	127,416	-	130,644	-
Property, plant and equipment	223,985	-	230,280	-
Non-current financial assets and deferred tax assets	346,770	-	461,026	-
Other non-current assets	4,853	-	4,763	-
Inventories	545,953	-	472,546	-
Trade and other receivables	1,005,450	-	783,043	-
Other current assets	145,433	-	150,202	-
Cash and cash equivalents	220,587	-	224,310	-
Non-current liabilities	-	538,709	-	496,768
Current liabilities	-	1,372,638	-	1,221,280
Total	**2,727,962**	**1,911,347**	**2,562,979**	**1,718,048**

The breakdown of the net balances of the exchange rate derivatives valuation, basically fair value hedges, recognised in the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

Derivatives at 31/12/24	Thousands of Euros					
	Notional Sales	Notional Purchases	Valuation of derivatives	Maturity of notional amounts (net)		
				2025	2026	2027 and subsequent years
Fair value and net investment abroad hedges-						
USD currency forwards (*)	369,056	(62,160)	(5,505)	99,010	62,391	145,495
GBP currency forwards	392,806	(209,179)	4,030	(34,537)	80,768	137,396
EUR currency forwards	181,300	(110,001)	3,359	150,592	(69,293)	(10,000)
BRL currency forwards	13,869	-	181	13,869	-	-
SEK currency forwards	271,440	(6,199)	(19,375)	219,378	35,529	10,334
AUD currency forwards	334,337	(25,552)	11,405	126,039	182,746	-
SAR currency forwards	9,347	(7,712)	(229)	1,635	-	-
MXN currency forwards	46,092	(28,789)	2,663	17,303	-	-
CAD currency forwards	106,973	(13,881)	4,359	(8,716)	-	101,808
JPY currency forwards	155,292	(21,283)	(1,185)	118,046	9,008	6,955
HKD currency forwards	9,644	-	958	9,644	-	-
NOK currency forwards	7,308	(9,913)	1,236	(867)	(1,738)	-
TWD currency forwards	37,664	-	(1,097)	34,537	3,127	-
ILS currency forwards	32,696	(44,667)	(1,097)	6,739	(18,710)	-
AED currency forwards	144,754	-	(2,498)	144,754	-	-
CHF currency forwards	61,384	(834)	194	41,154	19,191	205
PLN currency forwards	66,896	(491)	(1,091)	66,405	-	-
RON currency forwards	45,968	-	436	45,968	-	-
DKK currency forwards	15,734	-	193	15,734	-	-
CZK currency forwards	14,308	-	71	13,689	619	-
NZD currency forwards	16,129	(9,415)	(60)	6,714	-	-
HUF currency forwards	2	(4,295)	16	(4,293)	-	-
INR currency forwards	1,442	-	-	-	325	1,117
TRY currency forwards	-	(111)	105	(111)	-	-
Total Fair Value Hedges	**2,334,441**	**(554,482)**	**7,069**	**1,082,686**	**303,963**	**393,310**
Cash flow hedges-						
HUF currency forwards	811	-	20	811	-	-
CAD currency forwards	1,513	-	5	1,513	-	-
Total cash flow hedges	**2,324**	**-**	**25**	**2,324**	**-**	**-**

(*) Includes the coverage of the net investment in Provetren for USD 117,134 thousand, whose functional currency is the US dollar.

Derivatives as of 31/12/23	Thousands of Euros					
	Notional Sales	Notional Purchases	Valuation of derivatives	Maturity of notional amounts (net)		
				2024	2025	2026 and subsequent years
Fair value and net investment abroad hedges-						
USD currency forwards (*)	448,162	(101,484)	1,469	104,391	15,036	227,251
GBP currency forwards	393,867	(194,733)	3,032	112,460	(27,860)	114,534
EUR currency forwards	5,929	(4,748)	178	1,181	-	-
BRL currency forwards	10,568	-	(784)	10,568	-	-
SEK currency forwards	230,500	(8,745)	(10,910)	57,712	127,153	36,890
AUD currency forwards	449,964	(45,266)	13,293	314,439	82,782	7,477
SAR currency forwards	9,050	(7,251)	(239)	1,799	-	-
MXN currency forwards	36,221	(63,239)	(1,712)	(37,666)	10,648	-
CAD currency forwards	112,948	(17,320)	5,845	100,155	(5,381)	854
JPY currency forwards	163,543	(43,163)	(4,840)	49,326	62,340	8,714
HKD currency forwards	10,004	-	1,067	-	10,004	-
NOK currency forwards	9,608	(9,371)	813	406	(169)	-
TWD currency forwards	34,829	-	(475)	34,829	-	-
ILS currency forwards	8,868	(24,589)	639	8,868	(24,589)	-
AED currency forwards	158,458	-	(2,150)	17,678	140,780	-
PLN currency forwards	57,610	(691)	(5,925)	56,919	-	-
RON currency forwards	58,348	-	2,528	58,348	-	-
DKK currency forwards	19,522	-	1,112	19,522	-	-
Currency forwards in other currencies	14,332	(16,415)	563	(11,352)	9,269	-
Total Fair Value Hedges	**2,232,331**	**(537,015)**	**3,504**	**899,583**	**400,013**	**395,720**
Cash flow hedges-						
HUF currency forwards	352	-	(4)	352	-	-
Total cash flow hedges	**352**	**-**	**(4)**	**352**	**-**	**-**

(*) Includes the partial hedge of the net investment in CAF USA, Inc. of USD 22,300 thousand and the hedge of the net investment in Provetren of USD 144,116 thousand, whose functional currency is the US dollar.

The impact on the consolidated statement of profit or loss for 2024 and 2023 of a 10% devaluation of the following currencies against the euro, considering the closing exchange rate at 31 December as well as the exchange rate insurance contracted at the date of preparation of these consolidated financial statements, would be as follows:

Currency	Thousands of Euros			
	2024		2023	
	Exposure	Gain/(loss)	Exposure	Gain/(loss)
Brazilian real	(10,818)	1,081	(4,977)	498
Pound sterling	11,572	(1,157)	(5,319)	532
US dollar	8,773	(877)	6,689	(669)
Australian dollar	1,406	(141)	(10,362)	1,036
Mexican peso	35,674	(3,567)	2,356	(236)
Polish zloty	20,862	(2,086)	2,960	(296)

The sensitivity of the consolidated statement of profit or loss to the other foreign currencies was not material.

At the end of 2024 and 2023, the associate LAVI Light Rail O&M Ltd (Note 8-a) had contracted derivatives that have been designated as cash flow hedging instruments, with the positive valuation corresponding to the Group amounting to EUR 13,792 thousand at 31 December 2024 (positive valuation of EUR 19,420 thousand at 31 December 2023). This amount was posted as a charge/credit to "Equity – Other comprehensive income – Hedging transactions" in the consolidated balance sheet at 31 December 2024.

The reconciliation between the valuation at the end of each financial year and the balances shown in the balance sheet is shown below:

	Thousands of Euros	
	2024	2023
Non-current assets	1,483	21,995
Current assets	22,622	19,064
Non-current liabilities	(2,153)	(21,893)
Current liabilities	(14,979)	(15,666)
Balance sheet net total	**6,973**	**3,500**
Interest rate cash flows	(121)	-
Fair value	7,069	3,504
Cash flow	25	(4)
Total derivatives value	**6,973**	**3,500**

In 2024, the ineffective portion of hedging transactions credited to profit or loss represented an expense of EUR 303 thousand (2023: income of EUR 4,529 thousand), mainly as a result of changes in the estimated amounts of the hedged items.

In addition, the settlement of fair value derivatives generated income of EUR 1,515 thousand and an expense of EUR 11,808 thousand in 2024 and 2023, respectively, amounts analogous to those of the change in value of the hedged items.

a.3) Commodity price risk

For the most significant commodities, the Group's orders are placed and prices closed when each new project commences. The risk of a rise in commodity prices having an adverse effect on the contractual margins is thus hedged.

b) Credit risk

The Group's accounts receivable and work in progress relate to customers located in different countries. Most railway contracts include progress billings.

The Group's standard practice is to hedge against certain risks of termination or default associated with export contracts by taking out export credit insurance policies, pursuant to the rules in the OECD Consensus concerning instruments of this nature. The decision on whether or not to hedge is taken on the basis of the type of customer and the country in which it operates.

c) Liquidity and financing risk

As set out in the Liquidity and Financing Policy, liquidity and funding risk management involves securing payment commitments arising from obligations, optimising the funding structure, and safeguarding adequate management of the Group's surpluses within the framework of its long-term strategy (Notes 13-i and 15).

The CAF Group manages liquidity and financing risk using the following mechanisms:

- Seeking and selecting business opportunities with the highest possible level of self-financing, within existing market conditions, for each of the contracts. In vehicle manufacturing projects of an average term of approximately three years, the milestones for billing and executing the work may not be in the same time frame, which may result in financial resources being consumed.
- Implementing and maintaining an active working capital management policy through ongoing monitoring of compliance with billing milestones for each project commissioned.
- Maintaining a strong short-term liquidity position.
- Maintaining surplus undrawn credit balances.

17.- CURRENT AND DEFERRED TAXES

The Group calculated the provision for income tax at 31 December 2024 in accordance with the applicable tax legislation. However, if the tax treatment were to differ from that provided for in current legislation as a result of tax reforms, such treatment would be applied immediately in the financial statements issued subsequent to the approval thereof.

Under Gipuzkoa Decree-Regulation 2/2024, of 27 December, approving the transposition of EU Directive 2022/253, establishing a complementary tax to guarantee a minimum taxation level. In this regard, an analysis has been carried out to benefit from the temporary suspension provided for in the regulation for the year 2024 when reasonable tax ratios are met in the jurisdictions in which the CAF Group operates. As a result of the analysis, all the jurisdictions of the CAF Group can benefit from this moratorium in 2024.

Since 2007, the Parent has been paying tax under the Consolidated Tax Regime within the Historical Territory of Gipuzkoa together with the following subsidiaries: CAF Investment Projects, S.A.U., CAF I+D, S.L.U., Geminys, S.L., CAF Signalling, S.L.U., Rail Line Components, S.L.U., CAF Turnkey & Engineering, S.L.U., CAF Power & Automation, S.L.U., Centro de Ensayos y Análisis Cetest, S.L., CAF Diversified Business Development, S.A.U., CAF Rail Digital Services, S.L.U. CAF Engineered Modernizations, S.L.U. and Lander Simulation and Training Solutions, S.A.U.

The reconciliation of the Group's accounting profit to its income tax expense is as follows:

	Thousands of euros	
	2024	**2023**
Accounting profit before tax	**160,630**	**140,658**
Tax rate of the Parent	24%	24%
Income tax calculated at the tax rate of the Parent	**38,551**	**33,758**
Effect of the different tax rate of subsidiaries	8,227	8,550
Effect of exempt income and non-deductible expenses for tax purposes	6,341	5,176
Tax effect of deductions and other tax benefits generated in the year	(4,505)	(5,534)
Effect of tax assets and deferred taxes not recognised in previous years	6,708	7,011
Adjustments recognised in the year relating to prior years' income tax	(2,295)	(585)
Change in tax rate	(43)	(35)
Total income tax expense recognised in the consolidated statement of profit or loss	**52,984**	**48,341**
Current tax expense (income) (*)	**59,488**	**54,714**
Deferred tax expense (income)	**(6,504)**	**(6,373)**

(*) Including prior years' adjustments and income tax.

The impact corresponding to "Effect of exempt income and non-deductible expenses for tax purposes" relates to those items that do not qualify as a tax expense. In 2024, a negative adjustment of EUR 6 million was recognised to reflect the non-deductibility of certain liability provisions, non-deductible depreciation and non-deductible foreign withholdings (2023: EUR 5 million).

The difference between the tax charge allocated and the tax payable is presented under "Deferred tax assets" and "Deferred tax liabilities" on the asset and liability sides, respectively, of the accompanying consolidated balance sheet.

	Thousands of Euros				
	31/12/23	**Additions, regularizations and tax rate changes**	**Disposals**	**Translation differences**	**31/12/24**
Deferred tax assets:					
Deductions pending application and negative tax bases (Note 3-i)	64,722	560	(9,780)	(69)	55,433
Provisions temporarily not deductible	107,179	29,821	(24,082)	(249)	112,669
Effect of asset revaluation- Gipuzkoa Regulation 1/2013	1,689	17	(113)	-	1,593
Elimination of profits on consolidation and other	5,087	4	(3,917)	(214)	960
	178,677	**30,402**	**(37,892)**	**(532)**	**170,655**
Deferred tax liabilities:					
Clients portfolio provisions, unrestricted and accelerated depreciation (Notes 6, 7 and 8)	105,461	529	(15,513)	(4,310)	86,167
Revaluation of intangible and material fixed assets (Note 13)	57,365	68	(3,634)	229	54,028
Elimination of profits on consolidation and other	1,995	4,865	(292)	(11)	6,557
	164,821	**5,462**	**(19,439)**	**(4,092)**	**146,752**

	Thousands of Euros				
	31/12/22	Additions, regularizations and tax rate changes	Disposals	Translation differences	31/12/23
Deferred tax assets:					
Deductions pending application and negative tax bases (Note 3-i)	49,744	29,472	(14,641)	147	64,722
Provisions temporarily not deductible	118,232	6,418	(19,927)	2,456	107,179
Effect of asset revaluation- Gipuzkoa Regulation 1/2013	1,784	21	(116)	-	1,689
Elimination of profits on consolidation and other	5,060	349	(494)	172	5,087
	174,820	**36,260**	**(35,178)**	**2,775**	**178,677**
Deferred tax liabilities:					
Clients portfolio provisions, unrestricted and accelerated depreciation (Notes 6, 7 and 8)	106,786	13,283	(16,337)	1,729	105,461
Revaluation of intangible and material fixed assets (Note 13)	59,727	211	(3,964)	1,391	57,365
Elimination of profits on consolidation and other	418	2,098	(529)	8	1,995
	166,931	**15,592**	**(20,830)**	**3,128**	**164,821**

Deferred tax assets at 31 December 2024 and 2023 break down as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Capitalised	Not capitalised	Total	Capitalised	Not capitalised	Total
Deductions yet to be applied	23,629	101,023	124,652	26,567	85,616	112,183
Tax loss carryforwards	32,795	81,867	114,662	38,155	74,654	112,809
Other deferred tax assets	114,231	49,766	163,997	113,955	63,605	177,560
Total	**170,655**	**232,656**	**403,311**	**178,677**	**223,875**	**402,552**

In 2024 the Group expects to take tax credits amounting to EUR 13,445 thousand (2023: EUR 9,503 thousand) mainly in relation to tax credits for R&D expenditure and international double taxation tax credits.

The tax credits and tax loss carryforwards after forecast tax of 2024 and recognised under “Deferred tax assets – Tax credit and tax loss carryforwards” arise mainly from the Parent’s tax group. In addition, and in view of the uncertainty inherent in the recoverability of deferred tax assets, the Group’s recognition policy is based on backlog-based projections.

The amount and term of application of the Group's tax deductions and negative tax bases and deferred tax assets (activated and not activated) are as follows:

Year 2024

Jurisdiction	Thousands of Euros													
	Capitalised	Not capitalised												Total
		Expiry in											Total not recognised	
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034-2054	No maturity		
Foral Tax Regime-Basque Country	91,111	-	-	-	-	-	-	-	-	-	141,540	48,539	190,079	**281,190**
Poland	45,000	-	-	-	-	-	-	-	-	-	-	-	-	**45,000**
Brazil	1,629	-	-	-	-	-	-	-	-	-	-	24,398	24,398	**26,027**
France	8,077	-	-	-	-	-	-	-	-	-	-	3,586	3,586	**11,663**
USA	4,738	-	-	-	-	-	-	-	-	-	-	2,440	2,440	**7,178**
Mexico	6,523	-	-	-	-	-	-	-	-	-	20	-	20	**6,543**
Tax Regime Common Territory (Spain)	2,843	-	-	-	-	-	-	-	31	15	-	3,239	3,285	**6,128**
Foral Tax Regime Navarre	511	1,479	1,444	816	585	148	233	370	228	137	150	-	5,590	**6,101**
Chile	4,400	-	-	-	-	-	-	-	-	-	-	-	-	**4,400**
Saudi Arabia	2,811	-	-	-	-	-	-	-	-	-	-	-	-	**2,811**
Norway	3	-	-	-	-	-	-	-	-	-	-	2,446	2,446	**2,449**
Sweden	520	108	132	83	76	62	40	-	-	-	-	-	501	**1,021**
Italy	821	-	-	-	-	-	-	-	-	-	-	-	-	**821**
Austria	335	-	-	-	-	-	-	-	-	-	-	98	98	**433**
New Zealand	353	-	-	-	-	-	-	-	-	-	-	-	-	**353**
India	218	-	-	-	-	-	-	-	-	-	-	-	-	**218**
Colombia	213	-	-	-	-	-	-	-	-	-	-	-	-	**213**
Israel	171	-	-	-	-	-	-	-	-	-	-	-	-	**171**
Argentina	83	-	-	-	-	52	-	-	-	-	-	-	52	**135**
Turkey	15	25	23	-	41	20	-	-	-	-	-	-	109	**124**
United Kingdom	103	-	-	-	-	-	-	-	-	-	-	15	15	**118**
Germany	75	-	-	-	-	-	-	-	-	-	-	-	-	**75**
Czech Republic	34	-	-	-	-	-	-	-	-	-	-	-	-	**34**
Uruguay	31	-	-	-	-	-	-	-	-	-	-	-	-	**31**
Denmark	-	-	-	-	-	-	-	-	-	-	-	24	24	**24**
Greece	15	-	-	-	-	-	-	-	-	-	-	-	-	**15**
Algeria	-	-	-	12	-	-	-	-	-	-	-	-	12	**12**
Venezuela	7	-	-	-	-	1	-	-	-	-	-	-	1	**8**
The Netherlands	7	-	-	-	-	-	-	-	-	-	-	-	-	**7**
Belgium	3	-	-	-	-	-	-	-	-	-	-	-	-	**3**
Australia	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Switzerland	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Taiwan	3	-	-	-	-	-	-	-	-	-	-	-	-	**3**
Total	**170,655**	**1,612**	**1,599**	**911**	**702**	**283**	**273**	**370**	**259**	**152**	**141,710**	**84,785**	**232,656**	**403,311**

Year 2023

Jurisdiction	Capitalised	Not capitalised – Expiry in 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-2053	No maturity	Total not recognised	Total
	Thousands of Euros													
Foral Tax Regime Basque Country	92,720	-	-	-	-	-	-	-	-	-	111,819	57,427	169,246	**261,966**
Poland	41,163	-	-	-	-	-	-	-	-	-	-	684	684	**41,847**
Brazil	5,485	-	-	-	-	-	-	-	-	-	-	34,310	34,310	**39,795**
France	13,375	-	-	-	-	-	-	-	-	-	-	3,470	3,470	**16,845**
Foral Tax Regime Navarre	869	380	557	168	970	816	585	148	233	370	1,707	-	5,934	**6,803**
USA	4,455	-	-	-	-	-	-	-	-	-	-	2,294	2,294	**6,749**
Mexico	6,544	-	-	-	-	-	-	-	-	-	-	-	-	**6,544**
Tax Regime Common Territory (Spain)	2,457	-	-	-	-	-	-	-	-	-	-	3,927	3,927	**6,384**
Chile	5,225	-	-	-	-	-	-	-	-	-	-	-	-	**5,225**
Norway	3	-	-	-	-	-	-	-	-	-	-	3,028	3,028	**3,031**
Saudi Arabia	2,033	-	-	-	-	-	-	-	-	-	-	-	-	**2,033**
Sweden	1,312	111	187	120	79	64	-	-	-	-	-	-	561	**1,873**
Italy	1,554	-	-	-	-	-	-	-	-	-	-	-	-	**1,554**
Australia	588	-	-	-	-	-	-	-	-	-	-	-	-	**588**
New Zealand	264	-	-	-	-	-	-	-	-	-	-	-	-	**264**
Colombia	195	-	-	-	-	-	-	-	-	-	-	-	-	**195**
United Kingdom	55	-	-	-	-	-	-	-	-	-	-	96	96	**151**
Turkey	17	19	28	26	-	46	-	-	-	-	-	-	119	**136**
Israel	128	-	-	-	-	-	-	-	-	-	-	-	-	**128**
India	123	-	-	-	-	-	-	-	-	-	-	-	-	**123**
Austria	1	-	-	-	-	-	-	-	-	-	-	99	99	**100**
Argentina	11	-	-	-	-	-	-	-	-	-	-	52	52	**63**
Germany	37	-	-	-	-	-	-	-	-	-	-	-	-	**37**
Denmark	-	-	-	-	-	-	-	-	-	-	-	37	37	**37**
Czech Republic	32	-	-	-	-	-	-	-	-	-	-	-	-	**32**
Venezuela	7	-	-	-	-	7	-	-	-	-	-	-	7	**14**
Algeria	-	-	-	-	11	-	-	-	-	-	-	-	11	**11**
Taiwan	8	-	-	-	-	-	-	-	-	-	-	-	-	**8**
The Netherlands	7	-	-	-	-	-	-	-	-	-	-	-	-	**7**
Greece	3	-	-	-	-	-	-	-	-	-	-	-	-	**3**
Belgium	3	-	-	-	-	-	-	-	-	-	-	-	-	**3**
Uruguay	2	-	-	-	-	-	-	-	-	-	-	-	-	**2**
Switzerland	1	-	-	-	-	-	-	-	-	-	-	-	-	**1**
Total	**178,677**	**510**	**772**	**314**	**1,060**	**933**	**585**	**148**	**233**	**370**	**113,526**	**105,424**	**223,875**	**402,552**

At 31 December 2024, Provetren, S.A. de C.V. recognised deferred tax liabilities of EUR 37,315 thousand to reflect the temporary difference between the assets' carrying amounts in the financial statements and their tax bases measured by applying the 30% tax rate in accordance with current Mexican tax legislation (31 December 2023: EUR 48,232 thousand).

Lastly, at 31 December 2024 subsidiary company Ctrens had recognised a deferred tax liability amounting to EUR 35,414 thousand as a result of the difference between the tax base and the carrying amount of the concession's financial asset caused by differences in the timing of recognition of amortisation (31 December 2023: EUR 43,157 thousand).

In general terms, the assets or equity items subject to the aforementioned tax credits must remain in operation in the Group, and be assigned, where applicable, to their intended purpose, for a minimum period of five years, or of three years in the case of movable property, unless the useful life is less, without being transferred, leased or assigned to third parties for their use, with the exception of justified losses.

As stipulated under current legislation, taxes cannot be deemed to be definitively settled until the returns filed have been inspected by the tax authorities or the corresponding statute of limitations period has elapsed.

At 31 December 2024, the Foral Tax Regime Basque Country CAF consolidated group in Spain had 2016 and subsequent years open for review for corporate income tax purposes and the last four years open for review for the remaining applicable taxes.

The remaining Spanish consolidated companies have the last four years open for review by the tax authorities in relation to the main applicable taxes.

For the remaining foreign companies, in general terms, the years that have not become statute-barred are open for review, in accordance with the various tax laws applicable to each Group company, whose period is set at between four-six years from when the obligation is claimable and the period expires for the presentation of taxes, except those in which there has been an interruption in the statute-barred period due to the commencement of inspection proceedings.

The Parent's directors consider that the aforementioned taxes have been correctly paid, hence, even if a discrepancy arises in the prevailing regulatory interpretations as a result of the tax treatment granted to the transactions, the possible resulting liabilities, should they arise, would not significantly affect the accompanying financial statements.

18.- TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

Suppliers and other creditors

The breakdown of the heading “Suppliers and other payables” was as follows at 31 December 2024 and 2023:

	Thousands of Euros	
	31/12/24	31/12/23
Payable to suppliers and sundry trade payables	1,059,279	1,036,421
Other payables		
Current contract liabilities (Note 11)	1,288,488	1,176,946
Other taxes payable	125,270	99,170
Staff – Outstanding remuneration	95,449	70,192
Total	**2,568,486**	**2,382,729**

The Group has arranged various operations with financial entities to manage payments to suppliers (confirming or reverse factoring transactions). Through these contracts, financial institutions offer the possibility of early payment to suppliers by discounting at a market interest rate (without any guarantee from CAF). As a general rule, the Group's payment terms for trade credits covered by these transactions are identical to those of other trade receivables and do not accrue interest.

The balance provided for "confirming" or "reverse factoring" at the close of fiscal years 2024 and 2023, which is recorded under the heading "Trade creditors and other accounts payable - Suppliers and other creditors" of the consolidated balance sheet, is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Balance of advance confirming by suppliers	20,182	21,759
Balance of non-advance confirming by suppliers	37,797	46,836
Total confirming balance	**57,979**	**68,595**

Other taxes payables

The breakdown of the receivables from and payables to public authorities at 31 December 2024 and 2023 is as follows:

Concept	Thousands of Euros	
	31/12/24	31/12/23
Accrued social security taxes	34,965	28,739
Regular taxes –		
Value added tax, net	50,967	32,885
Personal income tax withholdings	39,338	37,546
Total	**125,270**	**99,170**

19.- CURRENT AND NON-CURRENT PROVISIONS

The breakdown by item of “Non-current provisions” and “Current provisions” in the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Non-current	Current	Total	Non-current	Current	Total
Provisions for contractual obligations	-	70,531	70,531	-	67,780	67,780
Provisions for warranties and technical support	72,132	288,662	360,794	67,796	266,648	334,444
Provisions for litigation	41,266	1,530	42,796	44,789	1,833	46,622
Provisions for commitments with staff	25,174	8,108	33,282	19,077	9,938	29,015
Investments accounted for using the equity method (Note 8)	5,245	-	5,245	-	-	-
Other provisions	2,014	17,126	19,140	2,021	18,523	20,544
Total	**145,831**	**385,957**	**531,788**	**133,683**	**364,722**	**498,405**

Changes in these headings in 2024 and 2023 were as follows (in thousands of euros):

	Provisions						
	Contractual liability	Warranty and support services	Litigation	Employee benefit obligations	Investments accounted for using the equity method	Other provisions	Total provisions
Balance at 31/12/22	**67,938**	**296,204**	**40,495**	**23,991**	**-**	**15,300**	**443,928**
Net charge for the period	14,341	113,419	6,740	9,364	-	6,936	150,800
Actuarial gains and losses	-	-	-	3,504	-	-	3,504
Amounts used	(2,798)	(82,986)	(2,659)	(13,540)	-	(4,568)	(106,551)
Translation differences	69	7,885	2,046	216	-	185	10,401
Transfers	(11,770)	(78)	-	5,480	-	2,691	(3,677)
Balance at 31/12/23	**67,780**	**334,444**	**46,622**	**29,015**	**-**	**20,544**	**498,405**
Net charge for the period	3,880	117,425	5,821	13,383	-	157	140,666
Actuarial gains and losses	-	-	-	1,809	-	-	1,809
Amounts used	(801)	(94,900)	(1,703)	(10,976)	-	(1,462)	(109,842)
Translation differences	(328)	801	(7,944)	(189)	-	(99)	(7,759)
Change in value of investments accounted for using the equity method	-	-	-	-	5,245	-	5,245
Transfers	-	3,024	-	240	-	-	3,264
Balance at 31/12/24	**70,531**	**360,794**	**42,796**	**33,282**	**5,245**	**19,140**	**531,788**

Contractual liability and warranty and support services

The provisions for contractual liability relate mainly to provisions for onerous contracts. The provisions for warranty and support services relate to estimated future costs (based on historic data and technical analyses) to which the Group is committed in accordance with the warranty period provided for in the contracts. The expected period to settle the provisions varies on the basis of their nature, the average approximate period being:

- Contractual liability: 1-2 years
- Warranty: 1-4 years (varies on the basis of the contractual arrangement to which it relates)

The expenses incurred in 2024 and 2023 in connection with the provision of contractual warranty services were recognised under "Procurements" and "Staff costs" in the accompanying consolidated statements of profit or loss for 2024 and 2023.

Provisions for litigation

As a result of the administrative decision in July 2019, arising as a result of the investigation initiated in 2013 into the involvement of various rolling stock manufacturers in possible anti-competitive practices described in Note 25, the Group holds a provision amounting to EUR 40.3 million (31 December 2023: EUR 43.5 million). The amount of the fine was increased by the related interest cost in accordance with the Brazilian Special System for Settlement and Custody (SELIC) interest rate and a total of EUR 4,356 thousand was recognised in 2024 with a charge to "Finance costs" in the accompanying consolidated statement of profit or loss (2023: EUR 4,989 thousand).

The Group also recognises provisions for labour-related liabilities due to the existence of a present obligation arising from past events, upon maturity of which the Group expects to utilise resources to settle the obligation, as well as other commitments to its employees, as required by the laws of the countries in which they are located. The amount is based on the best estimate made by the Parent's directors at the reporting date and the obligations are recognised at the present value whenever the financial effect is material.

Employee benefit obligations

The breakdown of provisions for employee benefits at 31 December 2024 and 2023 by the Group's main companies and geographies is as follows:

	Thousands of Euros					
	31/12/2024			31/12/2023		
	Non-current provisions	Current provisions	Total	Non-current provisions	Current provisions	Total
Parent	8,424	6,269	14,693	3,331	6,756	10,087
CAF Reichshoffen, SAS	6,465	-	6,465	6,877	-	6,877
Italy	2,557	931	3,488	2,331	871	3,202
Mexico	2,661	9	2,670	2,340	-	2,340
Other Group companies	5,067	899	5,966	4,198	2,311	6,509
Total	**25,174**	**8,108**	**33,282**	**19,077**	**9,938**	**29,015**
Total outsourced commitments	88	3,813	3,901	75	3,807	3,882
Total non-outsourced commitments	25,086	4,295	29,381	19,002	6,131	25,133

Non-outsourced commitments-

The Parent has recognised future commitments to employees under early retirement plans, which relate to the present value estimated by the Parents' directors of the future payments to be made to employees who, in December 2024 and 2023, signed relief contracts, and the payment of a long-service premium at production headquarters.

At its meeting held on 19 December 2023, the Board of Directors approved the proposal made by the Nomination and Remuneration Committee to implement a long-term incentive plan linked to the achievement of the 2023-2026 Strategic Plan approved in November 2022 and communicated to the market in December of that year. The duration of the long-term incentive plan runs from 1 January 2023 to 31 December 2026, covering the entire Strategic Plan cycle, and is aimed at executive directors and other members of the Group's management team. The provision for this item amounted to EUR 3.8 million.

Subsidiary company CAF Reichshoffen, SAS has recorded future commitments to employees to supplement their pensions, which have not been outsourced and whose present value is determined by independent actuaries.

Outsourced commitments-

Among the commitments outsourced, the Group has legal and contractual obligations vis-à-vis certain employees in relation to supplementary retirement and death benefits, which are met through the payment of premiums under defined contribution/benefit plans on external funds deposited, or in the process of being externalised, at independent insurance companies. The amount recognised under assets and liabilities in the accompanying consolidated balance sheet for these outsourced commitments at 31 December 2024 and 2023 was as follows:

	Thousands of Euros	
	31/12/2024	31/12/2023
Total recorded in assets	612	629
Total recorded in liabilities	3,901	3,882
Outsourcing commitments with staff (net)	**3,289**	**3,253**

The movement corresponding to 2024 and 2023 with regard to these obligations is as follows:

	Thousands of Euros
Balance at 31/12/22	**5,042**
Profit/(loss) allocated to the statement of profit or loss (Note 22)	3,221
Imputed losses/(gains) in equity	3,121
Contributions	(8,127)
Translation differences	(4)
Balance at 31/12/23	**3,253**
Profit/(loss) allocated to the statement of profit or loss (Note 22)	3,320
Imputed losses/(gains) in equity	1,911
Contributions	(5,212)
Translation differences	17
Balance at 31/12/24	**3,289**

The future modifications to the obligations assumed will be recognised in the consolidated profit or loss for the related years (Note 22).

The detail of the current value of the commitments assumed by the Group in terms of post-employment compensation and the assigned assets intended to cover them, which are outsourced, at the close of the years 2024 and 2023, is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Present value of the obligations assumed	47,726	47,169
Less – Fair value of plan assets	(44,437)	(43,916)
Other current (assets) liabilities, net	**3,289**	**3,253**

The present value of the obligations assumed by the Company was determined by qualified independent actuaries using the following actuarial techniques:

- Valuation method: projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.
- Actuarial assumptions used: unbiased and mutually compatible. In general, the most significant actuarial assumptions used in the calculations were as follows:

Actuarial Assumptions	2024	2023
Discount rate	3%-3.50%	2.90%-3.77%
Mortality tables	PER2020_COL	PER2020_COL
Annual salary or pension increase rate	1.6% - 2%	1.4% - 2%
Retirement age	65-67	65-67

In the assumptions applied in the actuarial studies performed by independent third parties, the future obligations were discounted at a market rate, taking into account salary increases similar to those made in the past. The fair value of the plan assets was calculated at year-end using the projected unit credit method.

The impact recorded on the Group's net worth during the years 2024 and 2023 due to the commitments made to staff was as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Outsourced Commitments	1,911	3,121
Non-outsourced commitments	(102)	383
Total losses/(gains) charged to equity	**1,809**	**3,504**

Lastly, in accordance with the applicable collective bargaining agreement, the Parent contributes 2.3% of the annual contributions (same percentage as in 2023) for all its employees from certain locations to an employee benefit entity.

20.- OTHER NON-CURRENT/CURRENT ASSETS AND LIABILITIES

The breakdown of the Group's "Other assets" at 31 December 2024 and 2023 was as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Assets for the right to recover (Note 3-f)	4,475	4,763
Other non-current assets	**4,475**	**4,763**
Prepayments	28,071	16,099
Other current assets	**28,071**	**16,099**

The breakdown of the Group's "Other liabilities" at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Non-current contract liabilities (Note 11)	66,386	92,842
Advances received on operating leases (Note 7)	919	5,099
Refund liabilities (Note 3-f)	5,107	5,358
Other non-current liabilities	**72,412**	**103,299**
Advances received on operating leases (Note 7)	2,541	1,237
Unearned income	4,494	3,227
Refund liabilities (Note 3-f)	250	296
Other current liabilities	**7,285**	**4,760**

As detailed in Note 3-f, certain bus sale agreements grant a right to recover to the customers. If it is determined that the contract is an operating lease, the billings received in advance are recognised under "Advances Received on Operating Leases".

If, on the other hand, it is concluded that the contract is a sale with a right of return, the value of the asset to be repurchased by the company is recognised under "Assets for the Right of Return" and the amount expected to be paid to recover the asset is recognised under "Refund Liabilities".

21.- INCOME AND EXPENSES

a) Procurements

	Thousands of Euros	
	2024	2023
Materials used (*)	1,740,218	1,697,687
Work performed by other companies	602,252	530,079
Total	**2,342,470**	**2,227,766**

(*) 88% in euros, and the rest basically in pounds sterling and Polish zlotys (72% in euros in 2023).

b) Other operating expenses

	Thousands of Euros	
	2024	2023
Outside services	537,657	437,468
Taxes other than income tax	7,244	6,736
Change in operating provisions and others	18,184	41,101
Total	**563,085**	**485,305**

The fees for audit services relating to Construcciones y Auxiliar de Ferrocarriles, S.A. and subsidiaries amounted to EUR 1,890 thousand in the period (2023: EUR 1,664 thousand). Of this amount, those incurred for the annual audits of the companies audited by firms belonging to the global organisation Ernst & Young amounted to EUR 1,260 thousand (EUR 1,057 thousand in 2023). Additionally, fees for other professional services amounting to EUR 226 thousand were billed by the lead auditor (EUR 152 thousand in 2023), of which EUR 173 thousand were for audit-related verification services, including half-yearly reviews and reviews of the non-financial statement (EUR 105 thousand in 2023) and EUR 53 thousand for tax services (EUR 47 thousand in 2023).

“Change in operating provisions and allowances and other” mainly reflects the change in provisions for warranty expenses and technical support services (Note 19).

c) Information on the environment

In 2024 investments made in systems, equipment and facilities designed for environmental protection and improvement amounted to EUR 567 thousand (2023: EUR 6,501 thousand).

In 2024, the Group received environmental grants amounting to EUR 9 thousand (no environmental grants were received in 2023).

At 31 December 2024 and 2023, the Group did not have any litigation in progress or contingencies relating to environmental protection and improvement. The Group companies' Directors do not expect any material liabilities to arise as a result of the Group's environmental activities and, accordingly, the accompanying consolidated balance sheet does not include any provisions in this connection.

In 2024 the Group incurred environmental expenses amounting to EUR 2,548 thousand (2023: EUR 2,110 thousand).

d) Other operating income

	Thousands of Euros	
	2024	**2023**
Grants related to income	15,143	12,946
Rental income	101	68
Ancillary income and other ordinary management income	23,921	21,846
Total	**39,165**	**34,860**

Most of the grants transferred to profit or loss in 2024 and 2023 related to grants awarded under various Spanish ministerial and European programme calls, in respect of which all the costs to be supported were incurred.

e) Depreciation and amortisation charge, impairment and gains or losses on disposals of non-current assets

	Thousands of Euros	
	2024	**2023**
Amortisation of intangible assets (Note 6)	45,864	39,961
Amortization of property, plant and equipment (Note 7-a)	39,712	39,635
Amortization of right-of-use assets (Note 7-b)	24,852	24,850
Total	**110,428**	**104,446**

The detail of the line item "Impairment and result from disposal of fixed assets" in 2024 and 2023 was as follows:

	Thousands of Euros	
	2024	**2023**
Profit/(Loss) due to impairment		
Impairment of intangible assets (Note 6)	-	(2,630)
Impairment of property, plant and equipment (Note 7)	1,333	(161)
Result from disposals and others		
Profit/(Loss) from intangible assets (Note 6)	(21)	-
Profit/(Loss) from property, plant and equipment (Note 7)	273	376
Total	**1,585**	**(2,415)**

f) Finance income and costs

	Thousands of Euros	
	2024	**2023**
Finance income:		
Finance income from dividends	3,630	11,346
Finance income from loans to associates (Note 9-a)	2,892	2,686
Finance income from treasury returns and temporary financial investments	14,539	11,364
Other finance income	4,246	2,602
Total finance income	**25,307**	**27,998**
Finance costs:		
Finance costs for contracted debts	38,872	40,075
Finances costs due to the restatement of provisions	4,356	4,989
Finance expense for finance leases	3,470	3,714
Finance costs for contracted coverage	15,225	13,631
Other finance costs	5,747	6,392
Total finance costs	**67,670**	**68,801**

22.- AVERAGE HEADCOUNT AND STAFF COSTS

	2024	2023
Wages and salaries	813,816	698,367
Social security costs	206,309	182,314
Other expenses	43,004	37,612
Total	**1,063,129**	**918,293**

The average headcount in 2024 and 2023 was as follows:

Professional category	Average headcount	
	2024	2023
Board members	2	2
Senior executives	8	7
Employees	8,843	8,373
Operators	7,063	6,529
Total (*)	**15,916**	**14,911**

(*) At 31 December 2024 and 2023, there were 16,333 employees and 15,451 employees, respectively.

The breakdown, by gender, of the average headcount in 2024 and 2023 is as follows:

Professional category	2024		2023	
	Men	Women	Men	Women
Board members	1	1	1	1
Senior executives	7	1	6	1
Employees	6,391	2,452	6,117	2,256
Operators	6,765	298	6,272	257
Total	**13,164**	**2,752**	**12,396**	**2,515**

At 31 December 2024, the Parent's Board of Directors comprised six men and four women (seven men and four women in 2023.

23.- INFORMATION ON THE BOARD OF DIRECTORS

a) Remuneration and other benefits of directors

In 2024 and 2023, the total consolidated remuneration of the members of the Parent's Board of Directors amounted to approximately EUR 2,545 thousand and EUR 2,684 thousand, in the form of wages, life insurance, attendance fees and fixed remuneration. In 2024, the Parent made contributions to long-term savings plans in the form of long-term savings insurance under the defined contribution system and under which the Parent is the policyholder, for a total of EUR 426 thousand (2023: EUR 423 thousand). At 31 December 2024 and 2023, neither the Board of Directors of the Parent nor the boards of the subsidiaries had granted any advances, guarantees or loans to their current or former directors.

In 2024, a total of EUR 125 thousand was paid in connection with the third-party liability insurance premium of the directors for damage caused by acts or omissions (2023: EUR 168 thousand).

b) Information regarding conflicts of interest involving the directors

In 2024 and 2023, neither the members of the Board of Directors of Construcciones y Auxiliar de Ferrocarriles, S.A., nor persons related to them as defined in the Spanish Limited Liability Companies Law, notified the other members of the Board of any direct or indirect conflict of interest that they might have with the Parent.

24.- REMUNERATION OF SENIOR MANAGEMENT

The consolidated remuneration of the Parent's Senior Management, as per the binding definition of "Senior Management" provided in the Corporate Governance Report, amounted to EUR 2,824 thousand in 2024 (2023: EUR 2,392 thousand). In 2024, the Parent made contributions to long-term savings plans in the form of long-term collective savings insurance under the defined contribution system and under which the Parent is the policyholder, for a total of EUR 1,153 thousand (2023: EUR 1,056 thousand).

In 2024 and 2023 there were no other transactions with senior management outside the ordinary course of business.

25.- OTHER DISCLOSURES

a) Guarantees and other contingent assets and liabilities

At 31 December 2024 and 2023, the details of the guarantees and securities provided to the Group by financial entities and insurance companies in favour of third parties, and which basically correspond to technical guarantees in fulfilment of the orders received, were as follows:

	Millions of Euros	
	2024	2023
Guarantees provided to third parties for business transactions	4,782.2	4,756.3
Guarantees for future contributions in investee companies	117.9	115.5
Guarantees provided to public organizations for financing obtained or for subsidies (Note 14)	9.3	6.7
Guarantees provided to third parties for other purposes	70.2	65.1
Total	**4,979.6**	**4,943.6**

The guarantees for future contributions at investees correspond to the contributions that the Group will make in 2025, 2026, 2027 and 2029 in the investees Momentum Trains Holding Pty Ltd, CFIR Light Rail Ltd and SHACHAF - The Purple Line Light Rail Ltd, respectively.

In March 2014, following completion of an administrative investigation process initiated in May 2013 into the participation of several rolling stock manufacturers, one of which is a subsidiary of the CAF Group in Brazil, in public tenders, the Brazilian Administrative Council for Economic Defence (CADE) initiated administrative proceedings arising from possible anti-competitive practices. In July 2019, the CADE tribunal issued an administrative decision ordering the subsidiary to pay a fine of BRL 167,057,982.53 (equivalent to EUR 26,000 thousand at 31 December 2024) and advised the competent authorities not to grant the subsidiary certain tax benefits for a period of five years. The Group posted a provision for this amount in 2019 with a charge to “Other operating expenses” in the consolidated statement of profit or loss and a credit to “Non-current provisions” in the consolidated balance sheet (Note 19). At the date of authorisation for issue of these consolidated financial statements, the subsidiary has appealed the CADE’s decision in court.

The subsidiary rejects CADE’s assessment of the facts when imposing the aforementioned penalty and argues that, with respect to the facts under investigation, it has always acted in strict compliance with the applicable law. The subsidiary’s legal advisers consider there to be a reasonable chance that the penalty will ultimately be reduced to an amount that is substantially lower than the one mentioned, and they do not rule out the total annulment of the fine.

Also, as a result of the investigations conducted by CADE, other authorities, including the Sao Paulo State Public Prosecutor, initiated administrative and judicial proceedings, in relation to which the Group has already presented its corresponding defences. CADE’s investigations also prompted the Court of Auditors to file administrative proceedings, in response to which the subsidiary presented its preliminary defence in the first half of 2016. Following a finding by the Court of Auditors that no irregular conduct had been proven, as a result of the sentence imposed by CADE, in 2022 the Court of Auditors decided to continue with the proceedings and, to date, the subsidiary has submitted its statements to the Court of Auditors. Lastly, also as a result of the investigations conducted by CADE, the Brazilian Administrative Council of Economic Defence, processed an administrative procedure in relation to which the subsidiary filed initial claims during the second half of 2018.

The CAF Group continues to defend its interests in these proceedings. However, at the reporting date it was not possible to determine the result or the impact that these proceedings might have on the Group's consolidated financial statements should the outcome be unfavourable and, therefore, no liabilities were recognised therein in this connection.

Meanwhile, in a lawsuit into the validity of a contractual extension to supply several additional units, CAF and its subsidiary in Brazil, together with other railway material manufacturing companies, were ordered in first instance to pay a fine of BRL 10,000,000 (plus its update) each and have been banned from taking part in public tenders in Brazil and from claiming tax incentives or loans for five years. Both CAF and its subsidiary company in Brazil filed a judicial appeal against said decision. In June 2024, a judgment was issued in favour of CAF and its subsidiary in Brazil, annulling the previous resolution and said annulling judgment has become final.

In addition, the CAF Group subsidiary in Brazil is part of a consortium in Brazil, the purpose of which is the performance of a construction contract for a new tramway and the supply of rolling stock for the tramway. CAF’s scope in the consortium basically entails the supply of the rolling stock and the signalling. Currently, various administrative and court proceedings have been initiated in relation to this project, in which, among other issues, the potential termination of the contract, alleged irregular practices, the imposition of payments for damages, fines and penalties or the potential breach of contract by both the consortium and the customer are under analysis, mainly in relation to civil engineering work. The CAF Group's subsidiary in Brazil is a defendant in these proceedings. In relation to the potential breach of contract, CAF's legal advisers consider that the consortium has solid arguments to justify its defence and to conclude that the non-completion of the work is the result of the customer not complying with its commitments. In any case, should a court rule against the consortium for breach, since the breaches are mainly attributable to other members of the consortium, CAF could claim the potential losses from such members. Furthermore, in one of these proceedings, the competent judge granted an interim injunction against the subsidiary in Brazil in the form of a prohibition to dispose of real estate and vehicles as security for possible liabilities that may result from an eventual court ruling against the subsidiary. The subsidiary is continuing to defend its interests in these proceedings. Meanwhile, in another administrative process initiated by the authorities of the State of Mato Grosso in relation to this project in the second half of 2021, the administrative body fined the Consortium and its members BRL 96,170,604.55 (equivalent to EUR 14,968 thousand at 31 December 2024) (the subsidiary holds a 36.8% stake in the Consortium, which, were the fine to be distributed in proportion to the interests in the Consortium, would be equivalent to approximately EUR 5.5 million) and a ban on contracting with public entities for five years in the State of Mato Grosso and for two years in Brazil. The Consortium and the subsidiary have appealed this administrative sanction and have obtained from the judicial authorities a precautionary suspension of the effectiveness of the fine imposed and of the prohibition on arranging public contracts in Brazil. Also, in relation to this project, the subsidiary continues to challenge in court the termination of the contract requested by the State of Mato Grosso and the consequences arising from this decision, in relation to which the competent courts ordered the precautionary suspension of the effectiveness of the fine imposed as a result of the termination. In relation to the above, the proceedings in progress against the State of Mato Grosso and the fines and sanctions imposed on the Consortium have been suspended, pursuant to an agreement dated July 2024. This agreement also provides for the definitive cancellation of said proceedings, fines and sanctions once certain established conditions are met.

Meanwhile, on 27 August 2018, the National Commission for Markets and Competition ("CNMC") initiated sanctioning proceedings against various companies, including CAF Signalling, S.L.U. and its parent, Construcciones y Auxiliar de Ferrocarriles, S.A. (considered jointly and severally liable), in relation to alleged anti-competitive practices. At the date of authorisation for issue of these consolidated financial statements, the proceedings had concluded following notification of the ruling of 30 September 2021. While this decision marked an end to the administrative process, it has been the subject of an appeal for judicial review before the National Court (Audiencia Nacional). The main aspects of the case and the decision, which affect the subsidiary company CAF Signalling, S.L.U., are that in 2015 this CAF subsidiary joined the cartel initiated in 2002 by other entities, consisting of distribution agreements between the various companies involved. The subsidiary was charged with exercising this conduct for a shorter duration than all the other sanctioned companies (from April 2015 to December 2017) and was handed a fine of EUR 1.7 million. CAF, S.A. is jointly and severally liable for payment of the fine based on the economic unit that makes up the parent company and subsidiary for the purposes of competition regulations. As part of this same case, two former directors of CAF Signalling, S.L.U. were also fined. As of the date of authorisation for issue of these consolidated financial statements, CAF, S.A. and CAF Signalling, S.L.U. have filed a contentious-administrative appeal against the CNMC's resolution before the National Court, having accepted the precautionary suspension of payment of the fine until the National Court rules on the merits of the case. The proceedings relating to the prohibition on public tendering is also suspended.

The Group's legal advisors consider that an unfavourable outcome for the CAF Group is unlikely and that the outcome of the lawsuit will not materially affect the financial statements for the years in which the amounts are ultimately paid, if at all. Therefore, no provision was recognised in this respect at 31 December 2024.

b) Disclosures on the average period of payment to suppliers

Set forth below are the disclosures required by Final Provision Two of Law 31/2014, of 3 December (amended by Additional Provision Three of Law 18/2022, of 28 September), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

	2024	**2023**
	Days	Days
Average period of payment to suppliers	77.54	77.76
Ratio of transactions settled	76.01	75.94
Ratio of transactions not yet settled	83.02	83.43
	Thousands of Euros	Thousands of Euros
Total payments made	1,376,120	1,316,672
Total payments outstanding	344,136	353,440

Year 2024

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of Euros	**Number of invoices**	**% to total payments**	**% to the total number of invoices**
442,535	126,969	32%	34%

Year 2023

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of Euros	**Number of invoices**	**% to total payments**	**% to the total number of invoices**
398,084	102,530	30%	27%

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services, included in "Payable to suppliers and other payables" under current liabilities in the accompanying consolidated balance sheet.

The statutory maximum payment period applicable to the Parent in 2024 under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, was 60 days, unless no payment date or period has been agreed, in which case the maximum payment period would be 30 days.

26.- EVENTS AFTER THE REPORTING PERIOD

At 31 December 2024, the Group had a firm backlog of approximately EUR 14,695 million (EUR 14,200 million at 31 December 2023) (Note 11).

27.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPROVAL BY THE BOARD **OF DIRECTORS**

Mr. ANDRÉS ARIZKORRETA GARCÍA	Chairman
Mr. JAVIER MARTÍNEZ OJINAGA	Executive Director
Mr. JUAN JOSÉ ARRIETA SUDUPE	Director
Mr. LUIS MIGUEL ARCONADA ECHARRI	Director
Mr. JULIÁN GRACIA PALACÍN	Director
Ms. BEGOÑA BELTRÁN DE HEREDIA VILLA	Director
Ms. CARMEN ALLO PÉREZ	Director
Ms. IDOIA ZENARRUTZABEITIA BELDARRAIN	Director
Mr. MANUEL DOMÍNGUEZ DE LA MAZA	Director
Ms. MARTA BAZTARRICA LIZARBE	Director and Board Secretary

Certificate issued by the Secretary to the Board of Directors stating that the Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A., pursuant to prevailing commercial law, has authorised for issue, on 26 February 2025, the 2024 consolidated financial statements and directors' report of its consolidated Group, prepared in accordance with the format (and labelling) requirements set out in the European Commission Delegated Regulation EU 2019/815. These financial statements and the directors' report are integrated into the electronic file with the hash code C4FB2804E617BE76E08E6796AC547A1CEE38385F711F10737FD76E236A0087EF.

The members of the Company's Board of Directors hereby declare in this certificate that the aforementioned financial statements (consolidated) and directors' report (consolidated) for 2024 have been signed and authorised for issue unanimously, ahead of their verification in due course by the auditors and subsequent approval by the General Shareholders' Meeting.

San Sebastián, 26 February 2025.

APPROVED BY THE CHAIRMAN	Signed THE SECRETARY OF THE BOARD
Mr. ANDRÉS ARIZKORRETA GARCÍA	Ms. MARTA BAZTARRICA LIZARBE

Resolutions submitted by the Board of Directors for approval by the Shareholders' meeting

As agreed by the Board of Directors, the Annual General Meeting will be held at the company's registered office, in Beasain, Gipuzkoa, on 14 June 2025, at 12:00 p.m. at time of first call, and if required, the meeting will be held at second summons on the following day at the same time and venue, with a view to discuss and resolve the matters included in the following:

AGENDA

One: Approval of the annual financial statements and directors' report of Construcciones y Auxiliar de Ferrocarriles, S.A. and of the annual financial statements and directors' report of its consolidated group of companies for 2024.

Two: Approval of the Board of Directors' management during the fiscal year ending December 31, 2024.

Three: Approval of the Consolidated Non-financial Information and Sustainability Information Statement for the 2024 financial year.

Four: Approval of the proposed distribution of profit for 2024, with a gross dividend distribution of 1.34 euros per share.

Five: Re-election of directors and establishing of the number of Board members.

5.1. Re-election of Mr. Julián Gracia Palacín as an Independent Director.

5.2. Establishment of the number of Board members at eleven (11).

Six: Authorization to the Board of Directors of the Company for the derivative acquisition of shares in accordance with the limits and requirements established in Articles 146 and 509 of the Capital Companies Act.

Seven: Advisory vote on the Annual Report on Directors' Remuneration for the 2024 fiscal year.

Eight: Information to the Meeting on the amendments to the Board Regulations approved by the Board of Directors at its meeting held on December 17, 2024.

Nine: Delegation of powers to the Board of Directors for the formalization and execution of the aforesaid resolutions.

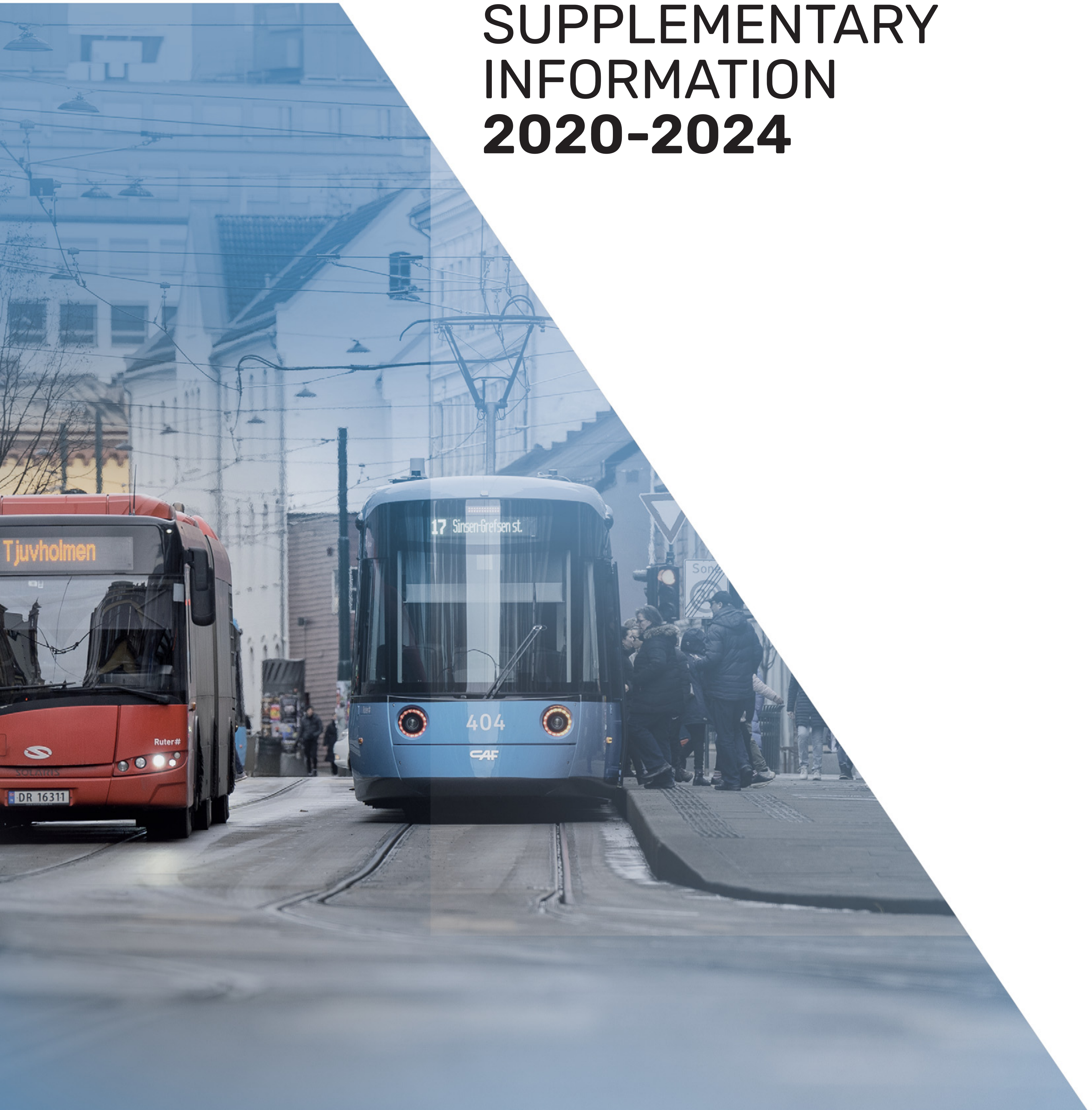
Proposed distribution of income

Apply the Parent company's after-tax result of 94,484 thousand euros to Dividends of 45,936 thousand euros and Voluntary Reserves of 48,548 thousand euros.

Board of Directors

Mr. ANDRÉS ARIZKORRETA GARCÍA	Chairman
Mr. JAVIER MARTÍNEZ OJINAGA	Executive Director
Mr. JUAN JOSÉ ARRIETA SUDUPE	Director
Mr. LUIS MIGUEL ARCONADA ECHARRI	Director
Mr. JULIÁN GRACIA PALACÍN	Director
Ms. BEGOÑA BELTRÁN DE HEREDIA VILLA	Director
Ms. CARMEN ALLO PÉREZ	Director
Ms. IDOIA ZENARRUTZABEITIA BELDARRAIN	Director
Mr. MANUEL DOMÍNGUEZ DE LA MAZA	Director
Ms. MARTA BAZTARRICA LIZARBE	Director and Board Secretary

This information relates to the composition of the Company's Board of Directors at 26 February 2025, date on which the Financial Statements of the Company and its consolidated group for financial year 2024 were formally issued. At the aforementioned date, the members of the Company's Board of Directors held 0.0904% of the share capital.



SUPPLEMENTARY INFORMATION **2020-2024**

Consolidated Balance Sheets

as of December 31st 2024, 2023, 2022, 2021, 2020 (Thousands of Euros)

Assets	2024	2023	2022	2021	2020
Non-current assets:					
Intangible assets					
Goodwill	187,594	186,244	181,937	109,655	103,339
Other intangible assets	287,215	284,421	273,773	222,682	220,654
Total intangible assets	**474,809**	**470,665**	**455,710**	**332,337**	**323,993**
Property, plant and equipment	**497,634**	**489,887**	**483,208**	**388,289**	**403,617**
Investments accounted for using the equity method	**41,114**	**45,308**	**33,116**	**17,073**	**7,370**
Non-current financial assets	**254,708**	**341,795**	**413,198**	**429,902**	**429,068**
Non-current hedging derivatives	**1,483**	**21,995**	**12,455**	**35,408**	**41,736**
Deferred tax assets	**170,655**	**178,677**	**174,820**	**144,530**	**147,148**
Other non-current assets	**4,475**	**4,763**	**4,689**	**5,129**	**6,592**
Total Non-current assets	**1,444,878**	**1,553,090**	**1,577,196**	**1,352,668**	**1,359,524**
Current assets:					
Inventories	**635,701**	**477,138**	**585,551**	**486,824**	**481,669**
Trade and other receivables					
Trade receivables for sales and services	2,263,952	2,209,245	1,903,938	1,511,392	1,357,136
Other receivables	208,863	196,301	214,610	168,441	170,794
Current tax assets	13,043	13,178	16,083	10,335	8,774
Total Trade and other receivables	**2,485,858**	**2,418,724**	**2,134,631**	**1,690,168**	**1,536,704**
Current financial assets	**25,188**	**125,448**	**137,982**	**131,372**	**102,000**
Current hedging derivatives	**22,622**	**19,064**	**28,510**	**48,477**	**15,589**
Other current assets	**28,071**	**16,099**	**13,874**	**9,013**	**9,737**
Cash and cash equivalents	**573,539**	**442,791**	**473,344**	**551,372**	**573,928**
Total Current assets	**3,770,979**	**3,499,264**	**3,373,892**	**2,917,226**	**2,719,627**
Total Assets	**5,215,857**	**5,052,354**	**4,951,088**	**4,269,894**	**4,079,151**

Equity and liabilities	2024	2023	2022	2021	2020
Equity:					
Shareholders' Equity					
Registered share capital	10,319	10,319	10,319	10,319	10,319
Share Premium	11,863	11,863	11,863	11,863	11,863
Other accumulated reserves and profit for the year attributable to the Parent	1,037,799	976,850	930,787	919,051	835,893
Interim dividend	-	-	-	(13,712)	-
Treasury shares and equity investments	(1,283)	(1,268)	(1,292)	-	-
Total Shareholders'Equity	**1,058,698**	**997,764**	**951,677**	**927,521**	**858,075**
Valuation adjustments					
Hedges	15,604	18,800	12,544	2,508	(13,575)
Translation differences	(192,108)	(161,327)	(188,302)	(203,367)	(211,531)
Total Valuation Adjustments	**(176,504)**	**(142,527)**	**(175,758)**	**(200,859)**	**(225,106)**
Equity attributable to the Parent	**882,194**	**855,237**	**775,919**	**726,662**	**632,969**
Non-controlling interests	**14,057**	**12,946**	**12,406**	**13,798**	**11,234**
Total Equity	**896,251**	**868,183**	**788,325**	**740,460**	**644,203**
Non-current liabilities:					
Non-current provisions	**145,831**	**133,683**	**117,741**	**91,298**	**100,195**
Non-current financial liabilities					
Bank borrowings and debt instruments or other marketable securities	548,864	509,154	589,703	675,569	808,849
Other financial liabilities	86,930	87,426	89,324	76,606	78,615
Total Non-current financial liabilities	**635,794**	**596,580**	**679,027**	**752,175**	**887,464**
Deferred tax liabilities	**146,752**	**164,821**	**166,931**	**141,337**	**134,233**
Non-current hedging derivatives	**2,153**	**21,893**	**12,494**	**36,292**	**42,547**
Other non-current liabilities	**72,412**	**103,299**	**104,531**	**82,079**	**93,914**
Total Non-current liabilities	**1,002,942**	**1,020,276**	**1,080,724**	**1,103,181**	**1,258,353**
Current liabilities:					
Current provisions	**385,957**	**364,722**	**326,187**	**286,319**	**216,248**
Current financial liabilities					
Bank borrowings and debt instruments or other marketable securities	273,396	303,029	278,339	282,703	170,760
Other financial liabilities	49,462	78,037	68,260	48,707	62,512
Total Current financial liabilities	**322,858**	**381,066**	**346,599**	**331,410**	**233,272**
Trade and other payables					
Payable to suppliers and other payables	2,568,486	2,382,729	2,358,678	1,712,722	1,687,297
Current tax liabilities	17,099	14,952	15,053	20,115	15,044
Total Trade and other payables	**2,585,585**	**2,397,681**	**2,373,731**	**1,732,837**	**1,702,341**
Current hedging derivatives	**14,979**	**15,666**	**32,617**	**69,347**	**20,071**
Other current liabilities	**7,285**	**4,760**	**2,905**	**6,340**	**4,663**
Total Current liabilities	**3,316,664**	**3,163,895**	**3,082,039**	**2,426,253**	**2,176,595**
Total Equity and liabilities	**5,215,857**	**5,052,354**	**4,951,088**	**4,269,894**	**4,079,151**

Consolidated Statements of Profit or Loss

as of December 31st 2024, 2023, 2022, 2021, 2020 (Thousands of Euros)

(Debit) Credit	2024	2023	2022	2021	2020
Continuing operations:					
Revenue	4,211,543	3,825,285	3,165,470	2,942,685	2,762,472
+/- Change in inventories of finished goods and work in progress	33,805	52,803	99,321	54,152	(39,347)
In-house work on non-current assets	9,158	4,091	2,413	875	2,381
Procurements	(2,342,470)	(2,227,766)	(1,829,523)	(1,642,321)	(1,478,806)
Other operating income	39,165	34,860	27,951	19,752	16,197
Staff costs	(1,063,129)	(918,293)	(801,469)	(714,665)	(695,039)
Other operating expenses	(563,085)	(485,305)	(431,982)	(406,467)	(366,379)
Other results	-	-	-	793	11
Adjusted Ebitda	**324,987**	**285,675**	**232,181**	**254,804**	**201,490**
Depreciation and amortisation charge	(110,428)	(104,446)	(95,394)	(87,141)	(89,494)
Impairment and gains or losses on disposals of non-current assets	1,585	(2,415)	1,857	(2,721)	8,899
EBIT	**216,144**	**178,814**	**138,644**	**164,942**	**120,895**
Finance income	25,307	27,998	11,252	7,055	6,121
Finance costs	(67,670)	(68,801)	(62,545)	(42,924)	(47,641)
Changes in fair value of financial instruments	(469)	1,408	1,145	82	(35)
Exchange differences	(9,414)	(4,674)	(2,952)	(2,296)	(26,106)
Impairment and gains or losses on disposals of financial instruments	(3)	5	9	20	22
Financial profit/(loss)	**(52,249)**	**(44,064)**	**(53,091)**	**(38,063)**	**(67,639)**
Result of companies accounted for using the equity method	(3,265)	5,908	5,562	2,953	(4,179)
Profit/(Loss) before tax	**160,630**	**140,658**	**91,115**	**129,832**	**49,077**
Income tax	(52,984)	(48,341)	(36,251)	(41,061)	(38,824)
Profit/(Loss) for the year from continuing operations	**107,646**	**92,317**	**54,864**	**88,771**	**10,253**
Consolidated Profit/(Loss) for the year	**107,646**	**92,317**	**54,864**	**88,771**	**10,253**
Attributable to:					
The Parent	103,255	89,158	52,188	85,920	9,012
Non-controlling interests	4,391	3,159	2,676	2,851	1,241
Earnings per share (in euros)					
Basic	3.02	2.60	1.52	2.51	0.26
Diluted	3.02	2.60	1.52	2.51	0.26

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