

## SLAVERY AND HUMAN TRAFFICKING STATEMENT REGARDING THE MODERN SLAVERY ACT 2015 (UK) AND THE MODERN SLAVERY ACT 2018 (AUSTRALIA) FOR THE 2023 FINANCIAL YEAR

### 1. Introduction

Construcciones y Auxiliar de Ferrocarriles, S.A., with registered address at Beasain (Gipuzkoa), as the parent company of the CAF Group which is traded on the Spanish stock exchange (hereinafter the “**Company**”) and on behalf of all companies forming part thereof (hereinafter, the “**CAF Group**”), expressly condemns slavery and human trafficking.

This statement corresponds to the requirements of Section 54 (Part 6) of the Modern Slavery Act 2015 (UK) and Section 14 (Part 2) of the Modern Slavery Act 2018 (Australia) and briefly describes the commitments and measures implemented for the prevention and, if applicable, the elimination of the aforementioned practices in its own organization, as well as in its supply chain. Additionally, the CAF Group is committed to continuing to progress in the implementation of the measures launched with this objective.

For the purposes of the provisions of the Modern Slavery Act 2015 (UK), this report describes in detail the Slavery and Human Trafficking Policies, the Due Diligence Processes in relation to slavery and human trafficking in business and supply chains and the Slavery and Human Trafficking Training available to staff, together with the other content suggested by the Act and by the Secretary of State’s guidance.

In accordance with the Modern Slavery Act 2018 (Australia) with respect to the identity of the reporting entity, this statement is made by the Company in its capacity as the parent entity of the CAF Group operating in Australia, although it covers all activities carried out by the various companies comprising the CAF Group in Australia, therefore making it a Joint Statement. The latter is regardless of whether it is a reporting entity or whether it does so voluntarily. Until 2023, the CAF Group’s activities in Australia were those stated in section 3 below, with the exception of those related to the bus segment.

### 2. Internal consultation process for the preparation and publication of non-financial information

The parent company and the various subsidiaries within the CAF Group coordinated in the consultation process for issuing this Joint Statement. Since the end of 2023 and driven by an initiative to review the sustainability governance model in place to date, the Sustainability Committee, which coordinated and promoted corporate initiatives in this area, has been divided into two: (i) the Strategic Sustainability Committee, led by the Managing Director, whose responsibilities are the approval and supervision of the strategy and the main initiatives in the area of sustainability and climate change and (ii) the Sustainability Operating Committee, led by the Sustainability Function and made up of representatives of the activities carried out by the CAF Group together with representatives of each of the ESG pillars and the Risk Function. This change is focused on optimizing the functioning of the Committee, giving it greater decision-making capacity and agility.

With regard to the process of gathering non-financial information, during the 2023 financial year, a corporate computer tool was used to automate requests for information from various contacts, which were subsequently aggregated and consolidated into this report.

In line with the above, every year, the CAF Group prepares and publishes a document called the Non-Financial Information Statement - Sustainability Report, prepared in accordance with the international standards of the Global Reporting Initiative (GRI) and the requirements of Spanish law on non-financial information, which is overseen by an independent third party and published and always available on the company’s website [www.caf.net](http://www.caf.net).

### 3. About CAF

The CAF Group is a multinational group with more than 100 years of experience in providing its clients with comprehensive, cutting-edge transportation systems with high added value in sustainable mobility.

It is an international leader in the implementation of integrated rail and bus mobility solutions, with extensive experience managing projects throughout the entire project life cycle (feasibility studies and analysis, system design and engineering, system construction and manufacturing, installation and commissioning, operation and maintenance, and even financing) in a multitude of geographies.

- In the rail sector, it offers one of the widest and most flexible product ranges on the market, from integral transport systems to rolling stock (components and vehicles), infrastructures, signaling and services (maintenance, rehabilitation and financing). These capabilities and the current range of solutions place CAF on par with the main competitors in the sector. Within this area, the rolling stock business generates and anchors other activities, and rail services provide profitability, complemented by integrated solutions and systems, which are expected to make an increasing contribution to the Group.
- In the area 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. At the same time, it is well positioned in electromobility, and is one of the leaders in zero-emission mobility in Europe due to its unique actual experience in electromobility, its strong offering of 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 thus CAF, maintains a good position vis-à-vis its European competitors in terms of portfolio, actual experience and market share.

With a solid presence in the international market and with a strong focus on Europe, it has production plants in countries such as Spain, Poland, the United Kingdom, France, the United States, Mexico and Brazil. It also has offices and railway rolling stock maintenance centers in more than 20 countries on the 5 continents, information regarding which is available on the corporate website.

As of the end of the financial year, the CAF Group employed a total of 15,451 people.

For more information on the CAF Group's activities, company structure and organizational structure, please see the Annual Report of the CAF Group and the Non-Financial Information Statement - Sustainability Report for the 2023 financial year, as well as the company's website.

### 4. Ethics and Compliance

#### a. Corporate Compliance System and Compliance Function

Our Corporate Compliance System is aimed at the prevention, detection, and early management of compliance risks.

It is made up of all rules, formal procedures and material actions, among others, which aim to ensure that the CAF Group acts in accordance with ethical principles and applicable legislation, preventing and acting against any incorrect conduct or conduct contrary to ethics, the law or the Internal Regulatory System which may be committed within the organization or during the course of business.

The CAF Group's Compliance Function is a body with autonomous surveillance and control powers that is responsible for supervising the functioning and compliance of the Corporate Compliance System as a whole and the direct management of certain areas. This function is also responsible for supervising other areas managed by other managers. It is also coordinated with the other corporate functions with other competencies in internal control and risk management.

In addition, the Compliance Function has a Corporate Department to which it delegates certain competencies to ensure the proper management of recurring Compliance matters and coordination with the Compliance Officers appointed in the business units, subsidiaries or headquarters of the CAF Group or in geographical areas of those jurisdictions in which this is required by local legislation in force, or where it is advisable given the size or characteristics of the subsidiary or headquarters.

The Compliance Function approves at least one activity report for the financial year by way of an annual report, also reporting to the Audit Committee on compliance with the internal Codes of Conduct and on the Internal Reporting System (whistleblowing channels), including relevant information on the different areas of Compliance and on significant risks.

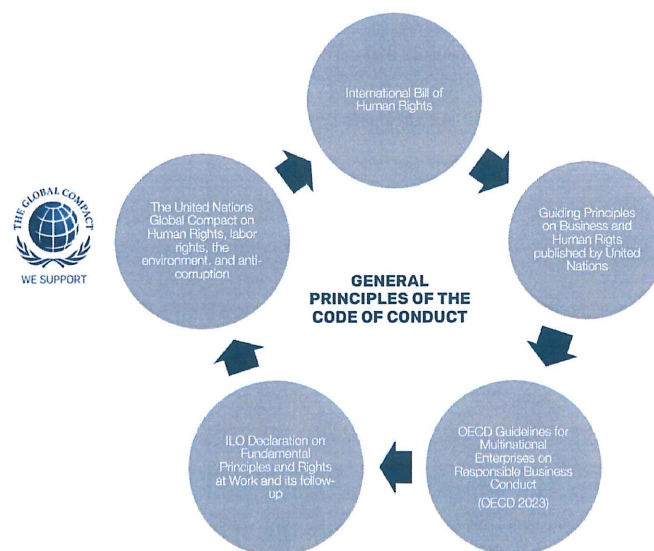
## b. Compliance Commitments and Policies

### Code of Conduct

At its meeting in December 2023, CAF's Board of Directors approved the revision of the Code of Corporate Conduct (the initial version of which dates from July 27, 2011), ratifying the commitments acquired with the initial approval of the Code and bringing its content in line with the most recent standards of good practice in business ethics.

In this way, the Code of Conduct reflects a responsible statement at the highest level and a guarantee of the CAF Group's leadership and commitment to ethics, sustainability and good governance and is the cornerstone that serves as the basis for internal policies and standards of action.

The General Principles of the CAF Group's Code of Conduct are imperative rules of conduct and ethical standards that are grounded in scrupulous respect for laws, Human Rights, public freedoms, and fundamental rights, the principles of equal treatment and non-discrimination, protection against child labor, and any other principles contained, as a minimum, in the following instruments and in their corresponding present and future implementing regulations:



In addition, the General Principles of the Code of Conduct are the minimum basis that must govern any business behavior or action of CAF and its value chain, in general, and therefore will be enforceable, both for CAF Group Members<sup>1</sup> and Business Partners<sup>2</sup> in line with the particular characteristics of each type and in accordance with the levels set out in the standards and best practice guidelines on the matter.

<sup>1</sup> Employees, shareholders, officers or members of a governing body of any CAF Group entity.

<sup>2</sup> Third parties in the value chain with whom the CAF Group has established some kind of business relationship, particularly project partners, agents, suppliers and clients.

In accordance with the General Principles of the Code of Conduct, a number of behavioral criteria have been defined, which help to make ethical requirements more specific and facilitate the understanding and application of the ethical standards set.

In turn, these General Principles may be implemented through specific policies in each area, complementing the aforementioned behavioral criteria with more specific guidelines for action.

The CAF Group Code of Conduct is available on the corporate website ([www.caf.net](http://www.caf.net)) since its approval, in an easily identifiable section.

Due Diligence Approach

The CAF Group will assume a due diligence approach in accordance with the applicable regulations, which determines a set of obligations and responsibilities regarding the identification, measurement and control of the impact of activities in relation to the prevention of actual or potential adverse effects.

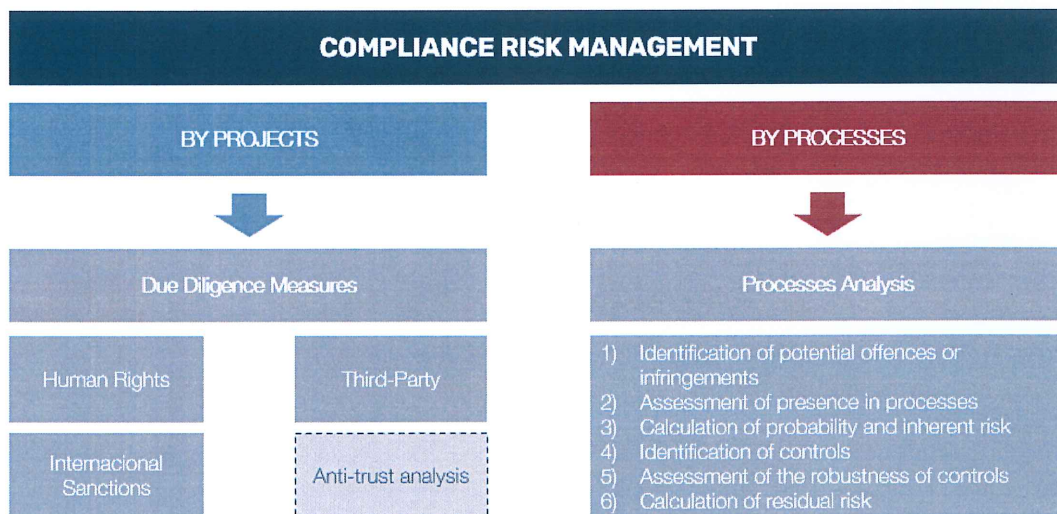
In this regard, we take a proactive approach to due diligence throughout our global value chain on an ongoing basis, which is why we establish the appropriate frameworks, procedures and processes to monitor and mitigate potential negative impacts in terms of compliance.

Risk management

For us, compliance risks go far beyond mere compliance with the legal and regulatory framework that applies to us. We extend the ethical standards to all the geographies in which we operate, even when local legal requirements may be less stringent, thus ensuring consistent global performance.

Consequently, Compliance risks also include compliance with our commitments regarding business ethics, contained in the Code of Conduct and in the internal policies and rules implementing or complementing it.

Based on the above, our approach to risk management is twofold: project-based and process-based.



**c. Ethical commitments in business processes and in relations with third parties**

The General Principles of the Code of Conduct and other rules comprising the Corporate Compliance System lay the foundations for the adoption of controls and procedures that are included and implemented directly in the business processes comprising the Corporate Management and Sustainability System.

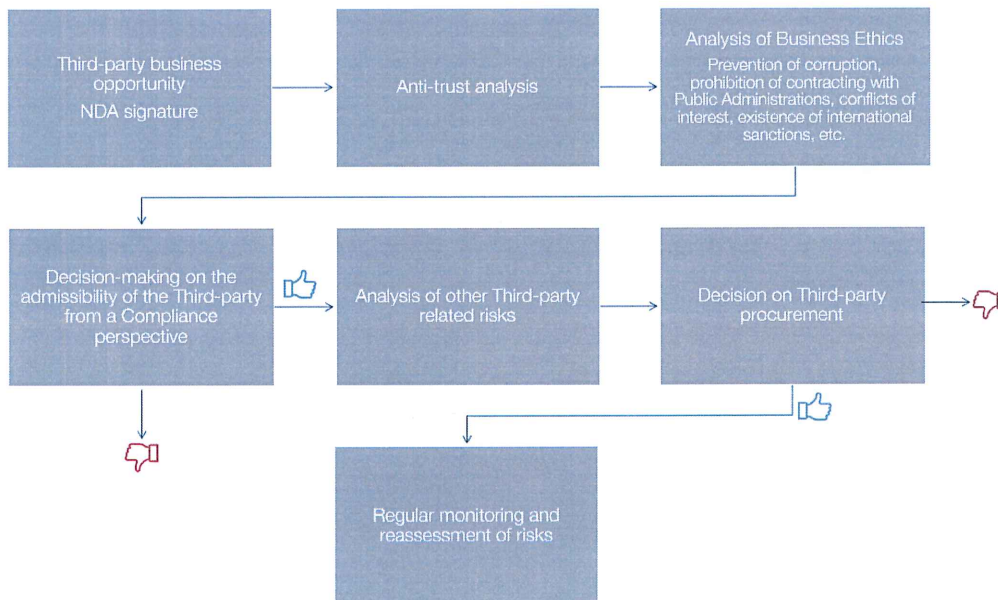
Internal coordination

To ensure the harmonization of the application of the internal rules of conduct at corporate level, the Corporate Compliance Department coordinates with the Compliance Officers of the business units 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 on major projects is also monitored.

Formalization of relations with third parties

The CAF Group's Due Diligence Manual for contracting with third parties formalizes and standardizes the due diligence measures that make it possible to verify 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, as far as project partners and agents are concerned, are carried out on an individual basis and are, in summary, the following:



Compliance requirements for suppliers are similarly defined and controls are highly automated to handle high volumes. Client requirements are tailored to different client circumstances.

Consequently, 100% of the business partners with whom we work with are assessed beforehand in accordance with the requirements described, as the CAF Group can only work with Third Parties that obtain a favorable assessment of “suitable” at Compliance level.

#### d. Dissemination, training, and consultation

##### Dissemination

The CAF Group's corporate internal communication app has a specific compliance section which gives all CAF Group employees (more than 15,000) access, in a single, shared place, to the most relevant regulations and working documents on the subject of compliance, distinguishing between company-wide and country-specific, and can be accessed from any device at any time.

In addition, the rules governing the corporate governance bodies and CAF's General Policies, as well as other relevant information about the company, are also available to the general public on the corporate website and are continually updated in accordance with the applicable regulations.

Compliance documents are systematically translated into the corporate languages and, on occasion, into other additional languages of countries in which the CAF Group operates, including, among others: Spanish, Basque, English, Polish, French, Brazilian Portuguese, Swedish, Italian, or German.

##### Training

Training is one of the fundamental pillars to ensure knowledge of and compliance with the requirements of the Corporate Compliance System by all professionals in the Group's companies.

The 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 for certain groups of professionals for whom specific Compliance needs have been identified.

At the end of the financial year, although the Code of Conduct and the Crime Prevention Manual were widely disseminated to all employees, the corresponding training was launched in accordance with plans tailored to the needs of the different target groups within the Group. In 2023, 90% of the people included in the training plan in this area have completed their training. Since the start of the plan, more than 8,000 people have been trained (of which 1,045 people were in 2023 and 623 people were in 2022). Anti-corruption training is included in this training plan.

Moreover, 72% of the people have completed the internal training plan on due diligence for contracting with Third Parties and due diligence on Human Rights, which is equivalent to more than 375 people trained in these matters as of the date of this report (of which 95 people were in 2023 and 283 people were in 2022).

In addition to the above, numerous meetings have been held with different areas, departments, and management in order to deal with practical questions arising from the application and integration of the controls associated with training, which is indicative of the high level of acceptance, awareness, and effective implementation of the different procedures. Likewise, the treatment of these controls has been expressly addressed in the meetings held with the Compliance Officers, for their proper integration into the business processes of the different activities.

Additionally, 100% of the CAF Group's project partners in every region where we operate are made aware of the General Principles of the CAF Group's Code of Conduct and informed that it is compulsory to comply with them.

##### Consultation


All CAF Group professionals have the obligation of attending the scheduled training sessions on ethics and Compliance when these are held and the possibility and duty of diligence, where appropriate, to report or pass on to the CAF Group's Compliance Function any queries, questions, and concerns that may arise in relation to the content thereof, as well as its internal implementing regulations and practical implementation. The Compliance Function maintains, disseminates, and manages the appropriate channels for this purpose.

This consultation channel is the normal and the most efficient mechanism for obtaining answers to any doubts or questions that may arise in this area. However, the Internal Reporting System must be used in the event that a violation or irregularity is to be reported, with the application of the corresponding whistleblower protection safeguards, in accordance with its specific applicable regulations and as indicated in the following section.

**e. Internal Reporting System (whistleblowing channels)**

At its meeting on May 5, 2023, after consulting with the legal representatives of the employees, CAF's Board of Directors approved the Internal Information System Policy and the Corporate Procedure of the Internal Reporting System (integrating all whistleblowing channels), which sets out the basic rules for its management and operation. Both the Policy and the Procedure, approved in compliance with the various international and national regulatory requirements for whistleblower protection and anti-corruption, remain publicly accessible on the corporate website.

The main characteristics of the Internal Reporting System are summarized below:



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?
Any person may make a report. 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 website <a href="https://caf.integrityline.com/">https://caf.integrityline.com/</a> , a link through which anonymous or nominative, verbal or written communications may be made, indicating the Group entity to which they are addressed.	Where it has knowledge of, or reasonable grounds and indications to believe, that an offence has been committed, even if it does not have conclusive evidence.
<b>Who manages information?</b>	<ul style="list-style-type: none"> <li>Responsible for the Internal Reporting System.</li> <li>Responsible for the Information Channels.</li> <li>Case managers.</li> </ul>	They shall possess the competence, integrity, authority and independence appropriate to the performance of their functions.

Since June 13, 2023, the Internal Reporting System has been active and configured for all CAF Group subsidiaries with 50 or more employees or others required by local legal requirements. The relevant procedures for its approval and implementation have been followed in each case.

In 2023, the different reporting channels were monitored on an ongoing basis and they were checked regularly to ensure that they were working properly. There were 13 cases logged in the Internal Reporting System.

**5. Respect for Human Rights and International Sanctions**

**a. Human Rights commitments**

CAF has had a Human Rights due diligence procedure in place for several years now in accordance with the requirements of the United Nations Guiding Principles on Business and Human Rights and managed by the Compliance Function, as described below.

In addition, during the 2023 financial year, at its meeting on December 19, 2023, CAF's Board of Directors approved a Human Rights Due Diligence Policy (publicly accessible on the corporate website [www.caf.net](http://www.caf.net)), through which CAF ratifies its commitment at the highest level with the culture of ethics and Compliance. We provided more detail on how we assume our responsibility to respect Human Rights within the scope of our activity and value chain and we specify the means available for good management while remaining focused on due diligence and accountability on the effectiveness of this process.

Based on the foregoing 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:

### GENERAL COMMITMENTS ON THE SUBJECT OF HUMAN RIGHTS

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| 1. Child protection  | 10. Environmental responsibility   |
| 2. Principle of non-discrimination                             | 11. Compliance with regional Human Rights standards  |
| 3. Respect for Labor Rights                                    | 12. Compliance with the applicable regulations in each jurisdiction  |
| 4. Respect for the rights of persons with disabilities         | 13. Observance of privacy management and new technologies and artificial intelligence with respect to Human Rights |
| 5. Respect for the rights of minorities and indigenous peoples |  |
| 6. Respect for gender equality                                 |  |
| 7. Principle of racial non-discrimination                      |  |
| 8. Prohibition of torture and inhuman treatment                |  |
| 9. Prohibition of human trafficking                            |  |

### COMMITMENTS IN THE RECURRING ACTIVITY AND THROUGHOUT THE VALUE CHAIN

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|--|--|
| 1. Rejection of forced or compulsory labor and child labor       | 6. Fair and favorable working conditions                       |
| 2. Respect for diversity and the principle of non-discrimination | 7. Rejection of corrupt practices                              |
| 3. Promotion of gender equality                                  | 8. Responsible taxation  |
| 4. Freedom of association and collective bargaining              | 9. Privacy and personal data protection                        |
| 5. Health, safety, and welfare                                   | 10. New Technologies and Artificial Intelligence               |
|  | 11. Extension of Human Rights commitments to Business Partners |

### ADDITIONAL COMMITMENTS TO COMMUNITIES, SOCIETY, AND THE ENVIRONMENT

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|--|--|
| 1. Respect for the rights of communities                       | 6. Respect for the Human Right to a clean, healthy and sustainable environment             |
| 2. Respect for the rights of minorities and indigenous peoples | 7. Respect for regional standards and local regulations regarding respect for Human Rights |
| 3. Prohibition of racial discrimination                        |  |
| 4. Prohibition of torture and genocide                         |  |
| 5. Prohibition of human trafficking                            |  |

These commitments serve as the basis for the identification of risks and the design of the necessary procedures and controls in the area of Human Rights.

They also specifically include the prohibition of human trafficking, the rejection of forced and child labor, fair and favorable working conditions, and the extension of Human Rights commitments to Business Partners.

#### b. Limitations arising from International Sanctions

At CAF, we undertake to conduct our activities and relationships with Business Partners and, in general, other stakeholders, while respecting, in any case, the limits imposed by sanctions and/or restrictions of the European Union and other international reference bodies in relation to different products, markets, jurisdictions, groups, companies, public administration bodies, or individuals. The CAF Group's activities must therefore be in accordance with the non-violation of international or EU limits, sanctions, or restrictions that may be applicable.



In this regard, at its meeting on May 8, 2023, the Compliance Function approved the International Sanctions Due Diligence Manual, which implements the General Principles of Conduct in order to identify the key areas of due diligence to be managed in the different activities carried out by the CAF Group and to set out a basic minimum procedure to ensure strict compliance with the limitations imposed on certain activities through international sanctions, especially when it comes to compliance with Human Rights or limitations on international exports, without prejudice to the other areas specified in the Manual and other applicable regulations.

**c. Due diligence and general risk management for 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.

As an essential part of the due diligence procedure, from the very beginning of the business opportunity and prior to the presentation of the initial bid, CAF identifies and evaluates Human Rights risks in accordance with the United Nations Guiding Principles on Business and Human Rights, as well as any potential non-compliance with the International Sanctions in force. The joint application of both analyses ensures greater efficiency and adequate management of the different risks.

In terms of respect for Human Rights, the associated risks may be manifested in different areas, which is why a number of key aspects have been defined for the initial analysis, such as: (i) the prevention of all forms of slavery or forced labor, (ii) the prevention of discrimination against women and vulnerable groups, (iii) the prohibition of undue restrictions on the movement of people, (iv) the avoidance of forced evictions, (v) aspects of local procurement, (vi) the prevention of severe environmental risks, and (vii) the prevention of discrimination against minorities and indigenous peoples.

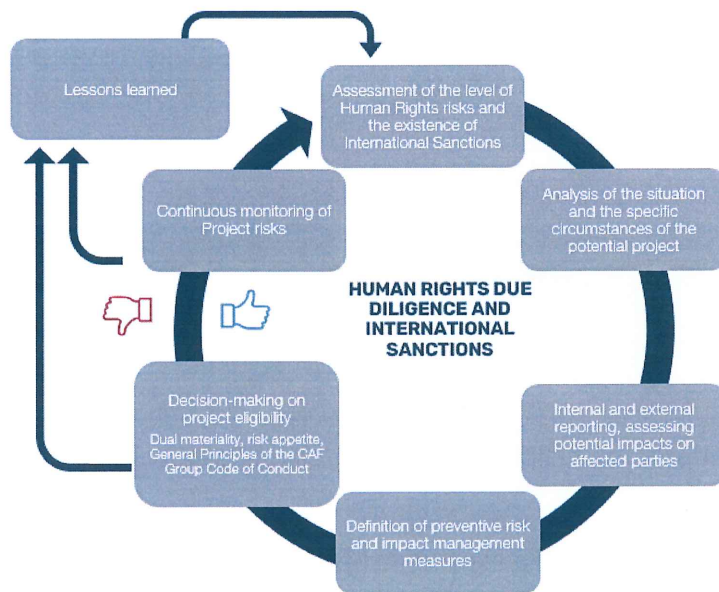
A key difference in the approach to risk assessment in this area is that the risks analyzed must consider the interests of the affected parties, i.e., rights-holders (not only those from the company itself) in accordance with the principle of double materiality.

On the other hand, 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, during the 2023 financial year the country risk list has been updated for Compliance purposes, including 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 such risks could result in sanctions related to the violation of Human Rights and/or International Sanctions, aside from sector-specific regulations and reputational impact. Regulatory infringements are reflected in the short term; however, reputational impact has an effect in the medium term because it tends to materialize more gradually.

As a result of the above, this analysis is carried out in all our operations, prioritizing according to the level of country risk and considering factors such as geographical location, the project's own circumstances and the business activities to be carried out by the CAF Group and its business partners, among others, following the scheme described below:



Thus, the initial phase analyzes whether the country, region, or city in which the project is located, or the characteristics of the project have a level of risk that a priori requires the adoption of special measures for potential associated impacts. In the second phase, a study tailored to the specific circumstances of the case is carried out to assess the specific risks and, where appropriate, the preventive management measures to be adopted if the project were to be classified as admissible. This analysis is taken into consideration by the different internal bodies that make business decisions in each of the corresponding areas.

When implementing the above, 100% of the CAF Group’s projects and bids are analyzed from a Human Rights perspective.

As a result of the second phase of the aforementioned analysis, the number of operations subject to Human Rights assessments in 2023 has risen to 308.

Following the application of the internal procedures set out, during the 2023 financial year, no Human Rights violations have been detected as a result of the CAF Group's participation in any project.

**d. Management of Human Rights risk in labor-related matters**

In relation to the Human Rights aspect in labor-related matters, the commitments are deployed through the corporate people management process, and in addition to everything applicable in the preceding section on due diligence, through the Labor Relations Policy and the guidelines implementing it, minimum requirements have been set out to ensure internal coherence in aspects such as labor regulations, collective bargaining and legal representation of workers, fundamental rights, equality and non-discrimination, hiring, and Social Security.

In order to ensure compliance with these general commitments in the Group, the labor compliance risk management procedure has been developed, which includes, among others, those related to Human Rights and sets out a unified labor compliance risk management methodology in the Group. This procedure considers the following risks: (i) violation in terms of hiring, (ii) violation in terms of working hours and their logging, (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 in the workplace, (vii) lack of freedom of association and collective bargaining, (viii) child exploitation, (ix) forced labor, (x) insufficient integration of people with disabilities, and (xi) others that are analyzed on a case-by-case basis depending on the particular characteristics of the project in question.

In this regard, we adopt the measures we consider necessary to ensure, both in our own operations and among our suppliers, compliance with the provisions of the core conventions of the International Labor Organization (ILO) relating to:

- Workers being able to exercise their rights of freedom of association and collective bargaining in all countries where we operate;
- Avoiding child labor, forced or compulsory labor, or the assignment of hazardous work to young people;
- Guaranteeing and ensuring equality and non-discrimination in working conditions, by prohibiting decisions which may lead to direct or indirect discrimination against workers on the grounds of sex, origin, including racial or ethnic origin, marital status, social status, religion or beliefs, political opinions, sexual orientation, membership in trade unions or otherwise, family ties with people belonging to or related to the company, and language;
- Ensuring a safe and healthy work environment where risks are eliminated or all reasonable and feasible practical measures are taken to reduce risks to an acceptable level and where prevention is integrated as part of the organizational culture.

In addition, two specific protocols have been defined: the action protocol in the event of sexual harassment or gender-based harassment and harassment based on sexual orientation, gender identity, and/or gender expression, and the action protocol for the prevention of psychological harassment at work, integrated into the Occupational Safety and Health Management System. Both protocols contain the management's statement on these areas and aim to set out the necessary measures to prevent and avoid the aforementioned situations, and establish procedures for action in the event that a risk materializes.

During the 2023 financial year, no cases of Human Rights violations were processed among the workers employed by the Group directly or through business relations.

#### **e. Stakeholder consultations**

CAF Group identifies stakeholders to be considered for specific activities that may have Human Rights impacts, seeking to understand the concerns of stakeholders who may be affected, consulting directly with them in a manner that takes into account language and other potential barriers to effective participation.

In cases where such consultation is not possible, Group companies should consider reasonable alternatives, such as the consulting of independent experts, including Human Rights defenders and others in civil society.

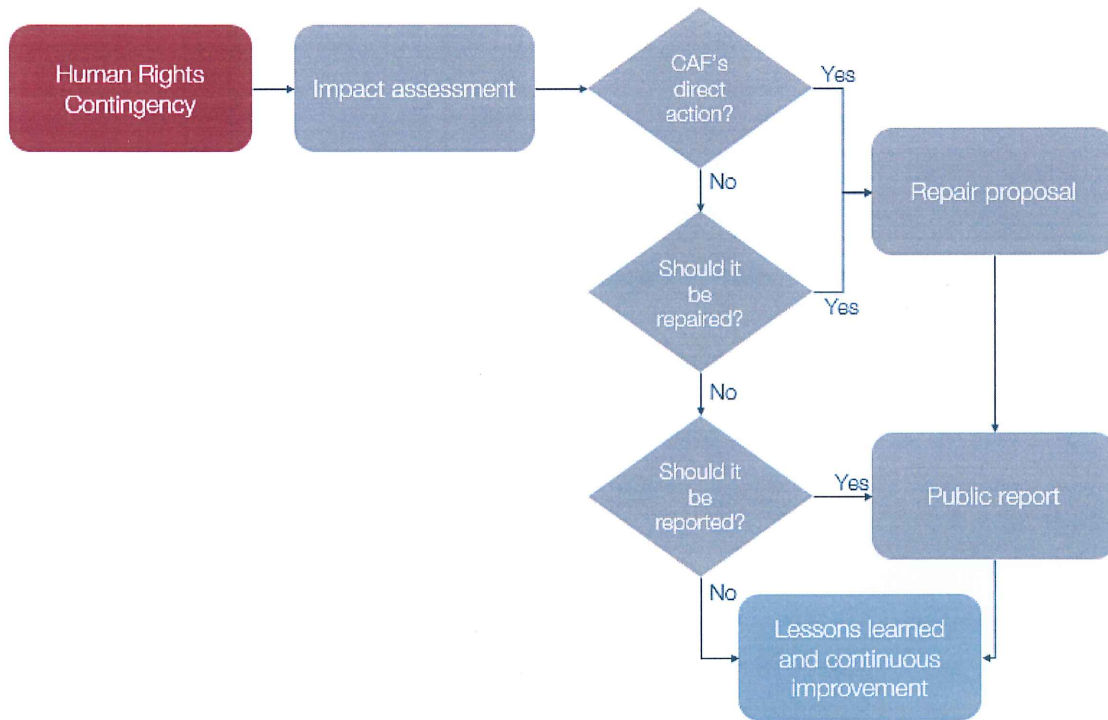
Notwithstanding the foregoing, we always disseminate and inform potential stakeholders on the necessary information regarding our Human Rights Due Diligence subsystem, as well as the different principles, safeguards, and obligations governing its application.

#### **f. Remediation measures for potential impacts**

At CAF, we adopt the provisions of the United Nations Guiding Principles and the OECD Guidelines for Multinational Enterprises in terms of the measures for remedying potential Human Rights impacts.

Therefore, if a Human Rights impact were to occur at any time during a project, the appropriate action to remedy the negative consequences for Human Rights wholly or partially caused by the direct action of the CAF Group will be analyzed and implemented. Depending on the circumstances, we may have a role to play in the remediation process even if we have not wholly or partially caused the negative consequences with our activity.

The management of possible contingencies would be carried out in accordance with the following scheme:



**g. Handling of reports on Human Rights violations**

In 2023, no reports were received for Human Rights violations.

The following table summarizes the monitoring and evolution of the reports received and cases identified of human rights violations within the CAF Group over the last few years:

	2021	2022	2023
No. of reports received	0	0	0
No. of cases of Human Rights violations	0	0	0

**6. Control of the supply chain**

The CAF Group works with more than 8,000 suppliers, who supply a wide range of raw materials, capital goods, materials, and services. The main raw materials are steel, aluminum, polymers, and glass. The most relevant capital goods in terms of volume are those that are incorporated into its products, especially railway rolling stock and buses.

The CAF Group requires all its suppliers to comply with the ethical principles contained in the CAF Group's Supplier Code of Conduct published on its corporate website, which includes social, gender equality, and environmental commitments.

This code implements the commitments to comply with the general principles of the Code of Conduct, working conditions, health and safety, environment, commercial ethics, and confidentiality. Likewise, the CAF Group reserves the right to verify compliance with this code by its suppliers. This verification may be carried out by various means; for example through self-assessment questionnaires or audits at the supplier's premises. The CAF Group reserves the right to implement measures if it detects non-compliance with said commitment.

In this area, the following social, ethical, and environmental risks have been identified: (i) violation of business ethics on the part of the suppliers; (ii) failure to comply with laws and regulations on the part of suppliers; (iii) disregarding of Human Rights; and (iv) participation in corruption (bribes).

In order to assess the sustainability of suppliers, both rail activities and those of the bus segment are analyzed. In this process, priority is given to those suppliers that have a higher risk of involvement in modern slavery and child labor practices, mainly when they operate in countries with a higher exposure to these risks. The basis for this prioritization is established by consulting the Modern Slavery Index (MSI).

The risk suppliers are assessed by the company Ecovadis, a world leader in this area, and the sustainability assessment platform which has been chosen by the members of the Railsponsible initiative to assess the Suppliers' sustainability management. Ecovadis adapts the assessment questionnaire to each supplier based on the locations it operates in, its sector, and its size to assess 21 aspects of sustainability in line with the strictest rules, regulations and standards on an international level which include the Global Reporting Initiative (GRI), International Labour Organization (ILO), UN Global Compact, and ISO 26000. The suppliers' answers are assessed by specialized analysts who pay special attention to ensure that the documentary evidence is consistent, recent, and provides an overview of the Policies, Actions, and Results in the various areas. When the result of an assessment does not comply with the requirements established by CAF, the supplier is requested to implement a plan of action to improve the weaknesses identified.

At the end of 2023, the following results were obtained in the activities included in the Responsible Purchasing Program:

Indicator	2023	2022	2021
Number of business groups assessed on their Sustainability / ESG management	178	118	67
Sustainability assessments' coverage of the amount of cost covered by the Responsible Purchasing Program <sup>3</sup>	41%	ND	ND
Suppliers assessed out of the total number of target suppliers identified in the risk mapping process.	67%	78%	85%
Total volume of Group spending with suppliers at high or medium risk	2.5%	2%	4%

The inclusion of the bus segment into the Responsible Purchasing Program has led to an increase in the total volume of purchases within the scope, achieving a coverage of 72% of the Group's total procurement. However, as its inclusion took place during the second half of the year, it has not been possible to complete the assessment of their target suppliers. This has had a certain impact on the program's results, decreasing the percentage of coverage of the assessments carried out and increasing the volume of purchases from medium-risk suppliers. In 2024, we will work to establish actions to improve medium-risk suppliers and will invite all suppliers identified as target to join Ecovadis.

In addition, as part of the project to roll out the supplier management tool, a complementary IT tool has been contracted to determine the possible inclusion of third parties with which CAF has relations as business partners, agents and suppliers on international sanctions lists.

<sup>3</sup> In 2023, the formula for calculating this indicator was updated, so it is not comparable with the results from previous years. The recalculation of the historical data will be addressed in future reports.

## 7. Monitoring of the Human Rights Due Diligence Policy and effectiveness of the measures taken

In accordance with the provisions of the aforementioned Human Rights Due Diligence Policy, the Audit Committee is responsible, among others, for supervising the effectiveness of the Company's internal control and the control and risk management systems, both financial and non-financial, in general, and for supervising compliance with the Company's Internal Codes and the Internal Reporting System in particular.

Similarly, the Compliance Function is the internal body with autonomous powers of initiative, vigilance, and control and competent to monitor, supervise, and control the aforementioned Human Rights Due Diligence Policy, periodically assessing its effectiveness and adopting the appropriate measures to remedy any deficiencies, reporting periodically to the Audit Committee.

In 2023, the report to the Audit Committee on significant risks related to Human Rights due diligence was prominently included in the report on compliance with the internal Codes of Conduct and on the Internal Reporting System (whistleblowing channels) mentioned in section 4.a. above. The main conclusions in this regard are set out in the Non-Financial Information Statement - Sustainability Report available on the corporate website.

## 8. Approval

This statement was approved by the Board of Directors on February 27, 2024, in accordance with the requirements set forth, respectively, in the Modern Slavery Act 2015 (UK) and in the Modern Slavery Act 2018 (Australia), and corresponds to the financial year that ended on December 31, 2023.

This statement will be available on the corporate website [www.caf.net](http://www.caf.net).



Javier Martínez Ojinaga  
CEO of  
Construcciones y Auxiliar de Ferrocarriles, S.A.  
on behalf of the CAF Group

Beasain on February 27, 2024