



SUSTAINABILITY POLICY

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

INDEX

1.	INTRODUCTION AND OBJECT	3
2.	SCOPE	3
3.	BASIC PRINCIPLES IN SUSTAINABILITY.....	3
4.	STAKEHOLDER COMMITMENTS	7
5.	METRICS AND OBJETIVES.....	8
6.	GOVERNANCE AND OVERSIGHT	9
7.	CHANNELS OF COMMUNICATION, PARTICIPATION AND DIALOGUE WITH STAKEHOLDERS.....	11
8.	INTERNAL INFORMATION SYSTEM (COMPLAINTS CHANNELS).....	11
9.	REVIEW AND UPDATE.....	12
10.	APPROVAL AND DISSEMINATION	12



1. INTRODUCTION AND OBJECT

The Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereinafter "CAF, S.A.") approved on 17 December 2020 the Sustainability Policy for the CAF Group (hereinafter indistinctly "CAF" or the "Group"), which in turn updates the Corporate Social Responsibility Policy of 29 December 2015, following the recommendations contained in the Code of Good Governance approved by the National Securities Market Commission (hereinafter the "CNMV Code of Good Governance") and in accordance with the Articles of Association and the Regulations of the Board of Directors of CAF, S.A.

As a result of the new applicable regulatory requirements related to Sustainability matters in the short and medium term and the demands of stakeholders, it has been deemed necessary to approve this Sustainability Policy (hereinafter the "Policy") as an update of the previous one and also to adapt its content to CAF's current system.

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 its stakeholders in order to create 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 the areas of Corporate Governance, Risk Management, Compliance and Sustainability.

2. SCOPE

This Policy applies to all CAF entities and compliance with this Policy is the responsibility of all employees, managers or members of a governing body of any CAF entity, regardless of the position they hold or their geographical location.

For investee companies that do not belong to CAF because they do not have sufficient shareholding to ensure control, it is encouraged that their principles of action are consistent with the provisions of this policy, at least as far 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), in particular to their project partners, agents and suppliers and, where appropriate, to their customers, depending on the type of business relationship, in a reasonable manner and proportionate to the risk. To define the specific requirements for the different types of Business Partners, objective factors such as whether CAF has operational control or decisive influence over the third party, or similar criteria recognized in the main international best practice guides.

3. BASIC PRINCIPLES IN SUSTAINABILITY

In order to achieve the above objective, CAF will be guided by the following principles of action in the development of its activities. The strategic initiatives that the Group establishes in terms of Sustainability are aligned with these principles, develop the commitments set out in the Strategic Plan and respond to the material impacts, risks and

opportunities in environmental, social and governance aspects identified in the double materiality analysis. CAF also includes its commitment to Sustainability in the Code of Conduct.

1. Good Corporate Governance

CAF is committed to following the best and most recognized Good Corporate Governance practices in order to consolidate a responsible business model that ensures the creation of sustainable value in the long term. The Corporate Governance model is based on a commitment to legality, ethical principles, good practices and transparency, and is articulated around the defense of social interest and the creation of sustainable value for stakeholders.

CAF also sees the compensation scheme for its directors and executives as a fundamental factor in contributing to the company's business strategy, Sustainability interests and the creation of long-term value for the company. This objective is achieved through an appropriate balance between fixed and variable remuneration and, in the latter case, by setting parameters that address the viability and Sustainability of the CAF Group in both the short and long term, under the terms set out in the Directors' Remuneration Policy.

2. Due Diligence Approach

This Policy takes into account the due diligence approach set out as a general behavioral criterion in the CAF Group's Code of Conduct. To this end, the Group adopts a proactive approach to due diligence throughout its global value chain on an ongoing basis and in all its activities and operations. To this end, it articulates the appropriate frameworks, procedures and processes to monitor and mitigate potential negative impacts.

In particular, CAF assumes a set of obligations and responsibilities regarding the identification, continuous assessment, prioritization, prevention, mitigation and, where appropriate, remediation of actual or potential adverse impacts through this and other policies and their developments, respecting in all cases the deadlines set out in the applicable regulations regarding due diligence obligations in the area of Sustainability.

3. Ethics and Compliance

CAF undertakes to strictly comply with the legal system in force in the territories in which it operates, assuming international standards and guidelines in a complementary manner, where there is no legal development that meets the minimum standard assumed by CAF in the ethical sphere. The Code of Conduct is the cornerstone that serves as the basis for the internal policies and rules of conduct that are integrated into the Corporate Governance System, and the Corporate Management and Sustainability System of the Group, to ensure ethical, transparent and responsible management, and has been developed taking into account the structure and activities of the Group. The General Principles of the Code of Conduct will be the minimum basis that must govern any behavior, contributing to a greater specification of the ethical requirements and facilitating the knowledge and application of the standards set.

4. Respect for Human and Fundamental Rights.

CAF is committed to respecting the Human Rights enshrined in international treaties and applicable laws, based on the premise that all Human Rights are universal and based on the inherent dignity of all human beings. The general commitments are further elaborated in the Human Rights Due Diligence Policy, the Code of Conduct, the Supplier Code of Conduct, the Occupational Health and Safety Policy and the People Policy, among others. Through them, CAF rejects forced labor, child labor and any form of discrimination, and is committed to promoting diversity, inclusion and gender equality. The Group is also committed to guaranteeing freedom of association and collective bargaining throughout its value chain and to protecting the health, safety and well-being of people, promoting work-life balance and professional development. In addition, the Group is committed to ensuring fair and safe working conditions and to protecting personal data, respecting privacy and the appropriate use of information.

5. Crime prevention and anti-corruption

CAF is committed to comply with applicable anti-corruption legislation and to fight against all forms of corruption and bribery. As set out in the Code of Conduct, CAF applies the principle of "zero tolerance" towards the commission of illegal acts and fraud situations that go against established regulations and ethics. CAF's general commitments are further detailed in the Policy on Preventing Crime and Fighting Corruption and Fraud.

6. Risk and opportunity management

CAF has an integrated risk control and management system. This system includes the necessary instruments to ensure the identification, evaluation and monitoring of risks of any nature, including those of a non-financial nature, which may impact CAF's Sustainability or the achievement of its strategic objectives, and also establishes mechanisms for action in the areas of human rights and the environment.

Additionally, specifically in the area of Sustainability, CAF carries out a double materiality exercise that allows it to identify, assess and monitor material impacts, risks and opportunities.

CAF, as established in its Risk Control and Management Policy, 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. In addition, CAF promotes effective measures to mitigate them, transparently informs regulators and external agents, and updates its corporate governance rules to ensure legal compliance.

7. Transparency, Confidentiality and Responsible Communication

CAF undertakes to communicate financial, non-financial and corporate information in a transparent, truthful, and honest manner and with absolute respect for the integrity and honor of individuals, always ensuring the use of clear and responsible language that helps stakeholders to make an informed decision, complying with the existing legal requirements of public information or that which was voluntarily published.

At the same time, anyone dealing with confidential information obtained as a result of the relationship with **CAF** shall comply with the duty of secrecy and shall be subject to the legal and internal mechanisms regarding market abuse and the management of inside information and other relevant information.

As described in the principles of the Policy on Communication of Economic and Financial, Non-Financial and Corporate Information and Contacts with Shareholders, Institutional Investors and Proxy Advisors, it is ensured that the information provided meets the highest standards of quality, reliability, clarity and completeness.

8. Fiscal responsibility

CAF is committed to complying with its tax obligations in all the territories where it operates, always in accordance with current tax legislation. The tax strategy, set out in the Fiscal Policy, is aimed at generating confidence and distributing value in both domestic and international markets through responsible management in line with its corporate strategy and the objectives of improving the satisfaction of its stakeholders. **CAF** avoids carrying out investments or operations in or through territories considered to be non-cooperative jurisdictions and prioritizes a relationship of mutual trust with the Tax Authorities, assuming its contribution to the development of communities through the payment of taxes.

9. Commitment to innovation and cybersecurity

For **CAF**, innovation and cybersecurity are strategic aspects. On the one hand, the innovation strategy combines current and future customer needs, global trends and technological advances, ensuring long-term sustainable growth.

Innovation provides essential support to the entire strategy, with the aim of maintaining and increasing both its internal technological capacity and the quality and safety of the projects, products and services it develops for its clients, ensuring that they guarantee the company's sustainability. As part of this commitment, **CAF** incorporates innovation in different areas of its operations, such as environmental management, through the Ecodesign Policy, among others; or in guaranteeing the quality and safety of products, through the Products and Services Safety Policy, and the Quality Excellence Policy, among others.

In addition, **CAF** has a Cybersecurity Policy for the protection of its data, systems and operations, which aims to deploy processes and technologies that enable the Group to offer products and services that users, customers and other stakeholders can trust.

10. Environmental Protection

CAF considers the environment to be a key element of Sustainability and, in particular, of the development of comprehensive, more efficient and respectful sustainable mobility solutions. It therefore incorporates strategic initiatives to decarbonize its operations, reduce pollution and promote circularity. To meet this commitment, **CAF** incorporates various principles in its Environmental Policy, such as respect for current legislation and anticipation of new regulations, also implementing due diligence mechanisms in order to adopt measures to identify, continuously

assess, prioritize, prevent, mitigate and, where appropriate, repair adverse environmental impacts; establishing indicators and reporting systems to measure their impact and an Environmental Management System to reduce them. **CAF** is also committed not to financing climate change denial and promotes transparency about its environmental results and actions.

4. STAKEHOLDER COMMITMENTS

CAF is committed to generating value for its shareholders and investors, ensuring safe and sustainable transport systems for its customers, promoting the professional development, safety and equality of its employees and value chain, fostering a responsible supply chain and contributing to the development of the communities where it operates.

CAF will transmit information to its stakeholders in an accessible, updated and complete manner through the various communication channels established in the Communication Policy for Economic and Financial, Non-Financial and Corporate Information, and Contacts with Shareholders, Institutional Investors and Voting Advisors in order to promote a relationship of transparency and dialogue among the various stakeholders, carrying out satisfaction surveys with all of them and including their concerns and interests in the definition of the Group's strategy and actions.

Shareholders and Investors Commitments

CAF is committed to generating value for shareholders and investors through the return on invested capital in order to remunerate the risk assumed by them. Likewise, with firm commitment to ensure the participation of these shareholders and investors in the decisions within its competence, **CAF** undertakes to provide equal treatment, guaranteeing equal information and the exercise of their rights, avoiding any situation of privilege or advantage, within the framework of the Company's corporate interest.

Customers Commitments

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.

People Commitments

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**. **CAF** 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.

Suppliers Commitments

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 as applicable to them in accordance with the provisions of the Corporate Supplier Code of Conduct and the Procurement Policy, promoting aspects relating to Respect for Human Rights, Decent Working Conditions, Business Ethics, the Environment, Health and Safety; and relying on reliable supplier organizations, to which CAF's needs and expectations are conveyed in a structured manner.

Society Commitments

CAF is committed to the social and environmentally sustainable development of the communities in which it operates, through the reduction of the environmental impact of its operations and the products/services it offers, and the promotion of 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.

5. METRICS AND OBJETIVES

To guarantee compliance with the principles and commitments established in the Sustainability Policy, CAF defines a Sustainability Master Plan with specific initiatives that materialize in a scorecard accessible on the website www.cafmobility.com; which has a system for monitoring non-financial information based on performance indicators and clearly defined short, medium and long-term objectives.

The regular monitoring of performance indicators makes it possible to evaluate the progress made in achieving the short-, medium- and long-term objectives previously defined. This makes it easier to identify areas that need attention and improvement and enables the right decision-making processes and the implementation of appropriate corrective actions. This ensures a cycle of continuous improvement and optimizes performance and efficiency at all levels of the organization.

To ensure their effectiveness, performance indicators must meet the following criteria:

- Relevance: Indicators must accurately and meaningfully measure and reflect progress towards a specific goal, providing information that can be used to make decisions and take action.
- True representation: Data sources must be reliable, and measurement methods must be standardized. The information presented through the indicators must be complete, neutral and accurate.
- Timeliness: The frequency of indicator measurement must be adequate for timely decision-making.
- Ease of use: They must be easy to understand and interpret, both for those who produce them and for those who analyze them.
- Effective Communication: The results of the indicators must be communicated clearly and concisely at all levels of the organization.

The indicators form part of the reporting of non-financial information in accordance with best Sustainability practices adopted by the Group, which ensure the robustness of this information through adequate internal control systems.

The aim of this approach is to ensure that Sustainability is a transversal axis in decision-making at all levels of CAF, especially regarding risk management, so that its activities generate value for both its shareholders and remaining Stakeholders.

6. GOVERNANCE AND OVERSIGHT

CAF's governance of Sustainability is structured through the following levels:

The **Board of Directors** is the highest governance body with responsibility for Sustainability. It lays 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** 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 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 Chief Executive Officer (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. Among other functions, it is responsible for:

- Updating the Sustainability Governance Model, by dimensioning the hierarchical and functional dependencies.
- Approving the materiality matrix for each strategic cycle, the Annual Sustainability Management Plan and the Sustainability Master Plan.

- Approving relevant decisions not included in the Management Plan, with an impact on the results or strategy of the business.

The **Sustainability Operating Committee, in turn**, is responsible for integrating the strategy into the Group's business and management model and its activities. Among other functions, it is responsible for:

- Coordinating and driving the implementation of the Sustainability Master Plan at the business unit level and by material theme.
- Ensuring the deployment of the Annual Sustainability Management Plan by setting up the necessary forums/committees by business and by material topic.
- Coordinating and driving sustainability reporting at the business unit level and by material topic.

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 Sustainability Committees. Among its main competencies, it ensures that decisions are correctly executed, by acting as reviewers of these decisions, and it is also in charge of managing the Non-Financial or Sustainability Information Internal Control System (NFICS/SIICS).

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

Other Governance and Internal Control Systems

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

The **Corporate Governance System** is the highest-ranking set of rules within the Group's Internal Regulatory System (comprising all rules of the Group, hereinafter "**Internal Regulatory System**"), which regulate the operation of the Corporate Governance Bodies and which define general guidelines based on commitment to ethical principles, good practices and transparency, as well as on the defense of the corporate interest.

The **Comprehensive Corporate Risk Control and Management System** is explained and developed in the General Risk Control and Management Policy available on the corporate website, which covers the global management of all risk categories, both financial and non-financial.

The **Corporate Compliance System** is made up of all the rules of the Internal Regulatory System, formal procedures and material actions that aim to guarantee the Group's actions in accordance with ethical principles and applicable legislation and to prevent improper conduct or conduct contrary to ethics, the law or the Internal Regulatory System that may be committed by its professionals within the organization.

The Group's **Sustainability Information Internal Control System (SIICS)** maintains internal reporting flows and reports externally on the development of sustainability commitments, transparently and periodically through the means and

methodologies it considers most appropriate, and publishes an annual Sustainability Report, also including a Statement of Non-Financial Information in its consolidated Management Report, and preparing other more specific reports and information, for which it also coordinates with those responsible for the management and supervision of non-financial risks.

The internal control systems are deployed at the ordinary management level 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 in accordance with the requirements of each of the systems described.

7. CHANNELS OF COMMUNICATION, PARTICIPATION AND DIALOGUE WITH STAKEHOLDERS

CAF aims to build a relationship of trust with its stakeholders. To this end, it promotes continuous and effective communication with them through the various communication channels available in order to encourage their participation and involvement in CAF's objectives and in those areas in which its activities are affected.

These channels are essential to understanding the concerns and interests of each stakeholder in terms of Sustainability and are key to defining CAF's strategy and actions in this area. The Policy on Communication of Economic and Financial, Non-Financial and Corporate Information, and Contacts with Shareholders, Institutional Investors and Voting Advisors develops CAF's commitment to stakeholder engagement and dialogue and specifies the responsible communication practices that constitute a principle of this Policy.

8. INTERNAL INFORMATION SYSTEM (COMPLAINTS CHANNELS)

All members of the Group have an obligation to report behavior or conduct identified in the work or professional context that may contravene the principles and parameters set out in this Policy, including any known actions or conduct that may be an indication of risk.

To do so, they must use the Group's Internal Reporting System, in accordance with the provisions of the Group's Internal Reporting System Policy, by accessing the same through the corporate website www.cafmobility.com. This mechanism is also accessible to any third party outside the Group for the purpose of reporting breaches of this Policy.

The Group's Internal Reporting System provides the safeguards of trust, confidentiality (including protection of the identity of the reporting person) and prohibition of retaliation reflected in the Internal Reporting System Policy and should be employed in good faith, based on a reasonable belief of the existence of a breach or a risk of a breach occurring.

9. REVIEW AND UPDATE

CAF's **Board of Directors**, at the request of the **Appointments and Remuneration Committee**, shall update the Sustainability Policy within the framework of the commitment to continuous improvement, and especially when relevant regulatory changes affecting its content are approved.

In addition, CAF's **Board of Directors** shall be informed periodically of activities in the area of Sustainability and stakeholder relations in application of the provisions of this Policy.

10. APPROVAL AND DISSEMINATION

This **Policy** replaces the Sustainability Policy dated 17 December 2020 following its approval by the **Board of Directors of CAF, S.A.** at its meeting of 17 December 2024, coming into force as of that date, without prejudice to the Group's ability to meet the deadlines set out in the applicable regulations regarding the implementation of sustainability due diligence obligations.

In order to facilitate its content for interested parties and recipients, this **Policy** will be published on CAF's website, as well as on the Group's internal channels.

Date: 17/12/2024
Signature: Board of Directors