



ENVIRONMENTAL POLICY

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1. OBJECT

The Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. is empowered to approve corporate policies that establish the basis for the homogeneous functioning of the CAF Group (hereinafter “CAF”) in certain matters, establishing, among other measures, general principles and criteria.

CAF, aware that it is in an increasingly demanding environment and in accordance with the provisions of the United Nations Global Compact for Sustainable Development 2030, sets out to develop actions related to mitigating the causes of global warming and adaptation to climate change, promoting measures that contribute to environmental sustainability.

This Policy has as its main objective to define the general principles and criteria that should govern CAF at corporate environmental level and to project to our Interest Groups our Environmental Commitments established within the Sustainability Policy, considering the environment as a main element of the concept of sustainability and in particular the development of comprehensive, more efficient and respectful solutions for sustainable mobility.

With all this, through a transparent communication and information strategy, CAF responds to the expectations of interest groups regarding the preservation of the environment, the increasingly demanding regulatory requirements and the constant analysis of management by analysts, evaluators and different civil society actors.

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 ENVIRONMENTAL

In order to achieve the stated objectives, CAF assumes and promotes the following basic principles of action that govern all its environmental activities:

Principle 1: Compliance with existing environmental regulations and commitments.

CAF undertakes to rigorously comply with environmental regulations in all the countries where it operates, going beyond mere compliance by anticipating future regulations and adopting more ambitious international standards.

This includes adherence to voluntary environmental guidelines and commitments, such as those set out in international agreements and other relevant global covenants.

In particular, **CAF** undertakes to define ambitious strategies to combat climate change, focusing on the reduction of CO2 emissions to achieve net emissions 0 by 2045, the reduction of air pollution and the promotion of renewable energies. It also implements measures to minimize waste generation and promote waste recovery. This proactive and responsible approach demonstrates **CAF's commitment** to sustainability and environmental protection in all its operations.

Principle 2: Continuous identification and assessment of the environmental risks and impacts of the activities carried out.

CAF establishes a continuous process to identify, assess and manage the environmental risks and opportunities (hereinafter "R&O") associated with its activities. This process includes conducting comprehensive environmental risk analyses, considering factors such as climate change, air pollution and depletion of natural resources. Particular attention is paid to the risks of non-compliance and the social and economic impact of **CAF** activities.

Based on this assessment, mitigation measures and specific action plans are designed and implemented to address identified risks and take advantage of environmental opportunities.

These mechanisms are regularly reviewed and updated to ensure their effectiveness and suitability for changing circumstances. Proactive management of environmental R&O allows **CAF** to minimize

negative impacts, maximize benefits, and strengthen its resilience to environmental challenges.

Principle 3: Establish or strengthen Environmental Management Systems based on the philosophy of continuous improvement.

CAF establishes an Environmental Management System (hereinafter, "EMS") that, in each Business of the organization must:

- Be **robust and** adaptable, aligned with international best practice, contributing to the reduction of environmental impacts and aligned with the Strategy. This EMS covers all activities, setting ambitious but achievable environmental goals and targets, and promoting the identification and continuous evaluation of environmental aspects and impacts.
- Implement **rigorous** processes for environmental protection, prevent pollution, manage waste, optimize resource consumption and mitigate environmental risks.
- To establish **continuous improvement** as a fundamental pillar of the EMS, promoting periodic review of processes, the identification of opportunities for improvement and the implementation of corrective and preventive actions.
- Promote training **and awareness** of workers in environmental matters so that their actions are consistent with the objectives and commitments of **CAF**.

Through this systematic and proactive approach, **CAF** seeks to minimize its environmental footprint, ensure

compliance with legislation and promote a culture of sustainability throughout the organization.

Principle 4: Provide transparent information on environmental outcomes and actions.

Provide transparent and proactive information on the environmental outcomes and actions of CAF, maintaining the appropriate channels to encourage communication with internal and external interest groups.

This includes the publication of externally verified environmental reports, the use of channels such as the website, social networks and public events, and participation in transparency initiatives.

In addition, CAF is committed to maintaining proactive communication with interest groups, responding to their expectations and consultations to build confidence, participation, capacity building on environmental issues and collaboration in the search for sustainable solutions.

Principle 5: Promote environmental responsibility across the value chain.

Environmental responsibility is actively promoted at all levels of the value chain, encouraging suppliers, subcontractors and customers to adopt and comply with international standards and environmental principles.

Strategic alliances are established with stakeholders committed to sustainability, promoting responsible practices that minimize the environmental impact at each stage of the life cycle of products and services.

To do so, CAF establishes in its Corporate Purchasing Policy principles that underpin and consolidate this environmental commitment.

4. METRICS AND OBJECTIVES

To ensure compliance with the principles and commitments set out in Environmental Policy, CAF has established a robust monitoring and control system based on performance indicators and clearly defined short-, medium-, and long-term objectives. These are reported annually in the Sustainability Report.

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 decisions to be made and appropriate corrective action to be taken. 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 aim of this approach is to ensure that sustainability is a transversal axis in decision-making at all levels of the **CAF**, so that its activities generate value for both its shareholders and its Stakeholders.

5. GOVERNANCE AND OVERSIGHT

The **Executive Committee** is responsible for ensuring compliance with this **Policy**, under the leadership of the **Corporate Human Resources Officer (CHRO)**, for which the following roles and responsibilities in environmental are established:

Corporate Human Resources Officer (CHRO)

In environmental matters, the key responsibilities of the CHRO include the adoption and high-level monitoring of the Environmental Policy, as well as the adoption and monitoring of the Key Performance Indicators and Objectives (KPI) defined in this area at the corporate level.

Corporate Environmental Coordinator

The Corporate Environmental Coordinator, under the Corporate Human Resources Directorate (CHRO), aims to coordinate the proper implementation of the Environmental Policy in **CAF's** Businesses.

In addition, its functions include the monitoring of key performance objectives and indicators (KPI) at the corporate level, promoting a homogeneous environmental culture and management, promoting collaboration between the different activities of the group in matters of Environmental Management, coordinating its activities with the principles set out in the Environmental Policy, defining the corporate

position in forums and specialized media, as well as reporting on the activity to the Management.

Corporate Environmental Committee

The Corporate Environmental Committee, made up of the Corporate Human Resources Officer and the Corporate Environmental Coordinator, supervises, coordinates and drives all the necessary actions for the achievement and improvement of environmental performance in **CAF**. It is also responsible for the monitoring and coordination of environmental management aspects.

Corporate Environmental Forum

The Corporate Environmental Forum, led by the Corporate Environmental Coordinator, and constituted by the Business Environmental Coordinators, aims to ensure the proper implementation of the Business Environment Policy of **CAF**. In addition, its functions include monitoring key corporate performance goals and indicators, identifying synergies and good internal practices, and validating the analysis of the level of environmental compliance in each business.

Business Management

The Business Management is responsible for implementing and monitoring the Environmental Policy in your Business.

Environmental Business Coordinator

The Environmental Business Coordinator, under the supervision of the Business Management, coordinates both business issues related to environmental management and the deployment of corporate environmental guidelines in the Business.

6. APPROVAL AND DISSEMINATION

This Policy is approved by the Corporate Human Resources Officer (CHRO).

To facilitate its content for interested parties and recipients, this Policy will be published on the CAF website.

Date: 2024 December
Signature: Gorka Zabalegi Aginaga
Corporate Human Resources Officer (CHRO)

HISTORICAL	DATE
Initial edition	2020-11
Update points 3 and 4	2023-07
Complete review of the Policy with ESRS requirements.	2024-12

Note: Changes in the document will be marked in red

