



QUALITY EXCELLENCE 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. OBJECT3

2. SCOPE3

3. BASIC PRINCIPLES IN QUALITY EXCELLENCE.....3

4. METRICS AND OBJECTIVES5

5. GOVERNANCE AND OVERSIGHT5

6. APPROVAL AND DISSEMINATION6



1. OBJECT

The Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA is empowered to approve corporate policies that establish the foundations for a homogeneous operation within the CAF Group (hereinafter 'CAF') in certain matters, establishing, among other measures, general principles and criteria.

In accordance with the provisions of CAF's Sustainability Policy, the purpose of the Quality Excellence Policy is to establish the basic principles that will allow us to meet the needs and expectations of our customers by offering products and services of high quality, reliability and availability.

CAF is aware that the excellent management of all the Group's processes and resources is an essential lever for the sustainable creation of value for all its Stakeholders and for the fulfilment of its *Purpose and Values*.

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 QUALITY EXCELLENCE

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

Principle 1: Satisfy the needs and expectations of our customers by providing them with high quality products and services (including reliability and availability) that go beyond contractual, legal and regulatory requirements.

CAF is firmly and continuously committed to promoting and improving Quality Management, fully integrating it into its Management Model. This commitment ensures that the company not only rigorously complies with all legal and contractual obligations, but also efficiently and proactively meets the needs and expectations of its customers and other Stakeholders.

CAF strives not only to comply with current regulations, but also to anticipate the needs and expectations of its customers and other Stakeholders. This proactive approach allows the company to offer products and services that not only meet the highest quality standards, but also generate trust and satisfaction among its customers.

Principle 2: Implement Process Quality Management Systems in CAF activities to guide the company towards continuous improvement and as a means of maximizing customer satisfaction and loyalty, in balance with achieving results for other Stakeholders.

CAF is committed to having a **Process Quality Management System** that, in each organization's business units, must:

- Have clear process management **leadership** from the management team, who are also committed to the terms of this **Quality Excellence Policy**.
- Have all the elements that make up a system based on process management, starting from a **Process Map** that integrates all activities and responds to the regulations established by the sector and the countries in which it operates.
- Clearly identify the **context** of the business and its **Stakeholders**.
- Encourage **thinking based on the risks and opportunities** of the processes and the business as a whole, in order to prevent possible deviations from the objectives set.

The activities for involving the various Stakeholders are defined in the Corporate Governance structure (Corporate processes and Committees), with their corresponding deployment in CAF's business units.

Promote a Culture of Excellence through Continuous Improvement among our employees and external collaborators, involving them in the achievement of our goals.

The principle of continuous improvement in Quality Management is a primary objective for CAF,

implemented at all stages and levels of the organization. From the initial design phase of products and services to after-sales service, every process and practice is aimed at maintaining and improving quality standards. The integration of quality in the Management Model allows constant monitoring and proactive adaptation to changes and challenges in the regulatory and market environment.

In addition, the Quality Management System is continuously evaluated and improved through a rigorous process of internal and external audits, in-depth analysis of risks and opportunities, and continuous feedback from Stakeholders. These systematic processes ensure that CAF can effectively identify and address any areas for improvement and that its quality practices remain at the forefront of industry best practice.

There is also a commitment to internal communication in each of CAF's business units, so that people are properly informed and aware of any problems or non-compliance in terms of quality, reliability and delivery times.

Principle 3: Review and improve the Corporate Management Model as a fundamental tool for CAF's sustainability.

CAF is committed to reviewing and improving its Corporate Management Model (MGCAF) because it's:

The guiding framework that describes governance for all areas of CAF management. Strengthens the capacity for anticipation, results orientation and continuous improvement.

Defines the approach (policies, strategies, methods...), identifying internal good practices and external benchmarks. Cause-and-effect analysis of

the results leads to adjustments in the approach, which implies a continuous rethinking of our activities in order to achieve the desired results.

It is leveraged on an organizational structure (Business Committees / Management Committees / Forums and Working Groups) with a clear focus on achieving balanced and sustainable results with our Stakeholders.

It defines the management strategy that accompanies the business strategy (strategic plan). It must therefore be reviewed at least every strategic cycle.

4. METRICS AND OBJECTIVES

To ensure compliance with the principles and commitments set out in the Quality 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 standardized. The information presented by the indicators must be complete, neutral and accurate.

- Timeliness: The frequency of measurement of indicators should be appropriate 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 **Chief Financial Strategy Officer (CFSO)**. The leadership of the Executive Committee is essential to promote a culture of continuous improvement throughout the organization and to ensure effective quality management.

Chief Financial Strategy Officer (CFSO)

In terms of quality management, the CFSO's key responsibilities include the approval and high-level monitoring of the Quality Excellence Policy, as well as the approval and monitoring of the objectives and Key Performance Indicators (KPIs) defined in this regard at corporate level.

Corporate Quality Manager

The Corporate Quality Manager is responsible, under the authority of the Chief Financial Strategy Officer (CFSO) and the supervision of the Executive Committee, for ensuring the proper implementation of the Quality Excellence Policy in **CAF**'s business. His tasks also include monitoring the objectives and Key Performance Indicators (KPIs) at Group level, promoting a homogeneous culture and quality management, promoting cooperation between the Group's various activities on quality management issues, defining the Group's position in professional forums and media, and supervising the quality management systems in the Group's businesses.

Corporate Management Quality Forum

The purpose of the Corporate Quality Forum, chaired by the Head of Corporate Quality, is to ensure the proper implementation of the Quality Excellence Policy in the **CAF** companies. It is also responsible for monitoring objectives and key performance indicators at corporate level, identifying synergies and internal best practices, and defining corporate positioning in specialized quality forums.

Business Director

The Business Director is responsible for implementing and monitoring the Quality Excellence Policy in their business.

Business Quality System Manager

The Business Quality System Manager, under the supervision of the Business Director, co-ordinates both the business level issues related to quality

management and the implementation of the corporate quality policy in the business.

6. APPROVAL AND DISSEMINATION

This policy is approved by the **Chief Financial Strategy Officer (CFSO)**.

To facilitate its content for interested parties and recipients, this Policy is published on the **CAF** website

Date: 2024 September

Signature: Aitor Galarza

Chief Financial Strategy Officer (CFSO)

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Initial edition	2020-12
Complete review of the Policy with ESRS requirements.	2024-09

Note: changes to the document will be marked in red

