



PRODUCTS AND SERVICES SAFETY 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.

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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.

In accordance with the provisions of the **Sustainability Policy**, the purpose of this Policy is to establish the basic principles that allow us to offer safe products and services to users, customers and other interest groups. For the purpose, Safety shall mean anything that concerns the physical safety of the users of our products and services.

For its part, Occupational Safety is developed in **the Policy of Safety and Health at work** and the protection of personal data in the Policy of Protection of Personal Data.

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. ACRONYMS AND DEFINITIONS

- **BD:** Business Director (Business Director).
- **BSM:** Business Safety Manager.
- **CSC:** Corporate Safety Committee.
- **CSM:** Corporate Safety Manager
- **SMS:** Safety Management System. The organisation, arrangements and procedures established by an undertaking to ensure the safe management of its operations and activities.
- **Safety:** Absence of unacceptable risk of human harm.
- **Safety-related accident:** a sudden unintended (i.e. unplanned or controlled) dangerous event that causes significant human damage.
- **Safety-related incident:** a sudden unintentional (i.e. unplanned or controlled) dangerous event that does not cause significant human damage but which, in other circumstances, would have resulted in a Safety-related accident.

4. BASIC PRINCIPLES IN PRODUCTS AND SERVICES SAFETY

In order to achieve the stated objectives, **CAF** assumes and promotes the following basic principles

of action that govern all its Products and Services Safety activities:

Principle 1: Promote and continuously improve the Safety Management of Products and Services integrated into the Management Model, so that it allows us to comply with legal and contractual obligations, in addition to satisfying the needs and expectations of our clients and other groups of stakeholders.

To continuously promote and improve **CAF** designates, within each Business/Activity, a responsible person for all daily issues related to Safety Management. Those responsible are independent of the operational party responsible for the implementation of the projects.

In addition, in order to regulate Product and Service Safety Management, **CAF** develops and implements formal and documented Safety Management Systems, whenever possible, integrated into the regular management of its activities. These systems are subject to voluntary certification, being (preferably) an internationally reputable standard on assessment and conformity (such as SIO/IEC 17020, ISO/IEC 17021, etc.).

The implemented Safety Management Systems accurately establish the fundamental references to be applied to Safety Management, which are composed of guidelines, regulations or legislation that explicitly address the theme.

With all this, **CAF** is monitoring the objectives set in the field of Safety Management, initiating actions deemed necessary to correct any adverse deviations.

In addition, **CAF** measures customer satisfaction in Safety Management by identifying additional needs

and expectations, analysing those that could reasonably be considered, in order to meet them.

Principle 2: Promote a Product and Service Safety Culture among CAF staff and their external partners, involving them in achieving the objectives.

To do so, it implements a common technical model of Safety and Continuous Improvement, which is disseminated to all employees and collaborators. This model ensures a uniform and clear understanding of the applicable Safety standards in the organization.

In addition, **CAF** is constantly monitoring the market and competition to identify new trends and best practices in Product and Service Safety. This surveillance enables the organization to keep abreast of the evolution of the Safety landscape, thus promoting an internal awareness of these changes.

To ensure the constant updating of its staff, **CAF** participates in relevant forums and associations in the sector, facilitating the acquisition and exchange of expertise. In addition, **CAF** establishes and maintains continuing training programmes aimed at the dissemination and promotion of Safety and its management. These programs are designed to ensure that everyone involved, both employees and external partners, is equipped with the necessary knowledge and tools to effectively contribute to a safe and secure environment.

In this way, **CAF** guarantees not only compliance with Safety standards, but also the ability to adapt and respond to new threats and challenges in the field of Product and Service Safety. By actively involving all **CAF** staff and its external partners, **CAF** promotes a collective commitment to achieving the Safety objectives, ensuring a robust and shared Safety culture.

Principle 3: Ensure the protection of individuals from accidents and incidents arising from or related to our Products and Services.

To this end, it implements a series of proactive and reactive measures:

First, **CAF** ensures the immediate communication of any relevant Safety event related to Products and Services. This includes a rapid alert system that promptly informs all stakeholders, allowing corrective and preventive actions to be taken in a timely manner, ensuring that the necessary measures are taken to correct and prevent recurrence of these problems. The notification includes a detailed analysis of the incident and possible solutions.

In addition, **CAF** has designated a multidisciplinary team to coordinate response to Product and Service Safety events, ensuring a comprehensive and effective approach to incident management.

Regarding the planned changes, **CAF** guarantees a rigorous evaluation from the perspective of Product and Service Safety. Each modification goes through a comprehensive review process to identify and mitigate potential risks.

Finally, **CAF** has established appropriate channels to effectively report and manage any issues related to the Safety of its Products and Services. These channels are accessible to employees, customers and stakeholders, enabling seamless reporting and ensuring transparent and responsible management.

Principle 4: Adopt a zero-tolerance approach to actions or attitudes detrimental to Product and Service Safety and, in case of conflict between conflicting interests, give priority to this.

This fundamental principle applies to all **CAF** activities and levels, ensuring that Product and Service Safety is always a priority.

In practice, **CAF** reserves the authority to limit, suspend or stop the execution of ongoing projects if they do not comply with established Safety standards or if they present uncontrolled risks that may result in accidents or serious incidents. This ability to intervene is essential to maintain integrity and confidence in the Products and Services of the company.

When conflicts arise between competing interests, Safety prevails over any other interest, including those of an economic or time-to-surrender nature. **CAF** has established specific mechanisms for the resolution of these conflicts, ensuring that Product and Service Safety is not compromised under any circumstances.

The commitment of **CAF** to this principle is to ensure the application of a zero-tolerance criterion in relation to actions or attitudes detrimental to safety, initiating the appropriate corrective measures and, eventually, establishing the appropriate disciplinary measures.

5. METRICS AND OBJETIVES

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.

6. GOVERNANCE AND OVERSIGHT

The **Executive Committee** is responsible for ensuring compliance with this **Policy**, under the leadership of the **Corporate Technology Directorate (CTO)**, for which the following roles and responsibilities in Products and Services Safety are established:

Director of Corporate Technology (CTO)

In the field of Safety Management, the key responsibilities of the CTO include the designation, if independent, of the Corporate Safety Manager of CAF, the creation and organization of the entity in charge of Safety Management of CAF at the corporate level, ensuring the availability of the resources and competences necessary for its optimal performance, the adoption and high-level monitoring of the Strategic Product Safety Management.

Corporate Safety Manager

Under the direct dependency of the CTO, the main functions of the Corporate Safety Manager include the deployment of the Safety Policy and the Manual of Safety Policy Development in all CAF businesses, the implementation of strategic objectives and the Corporate Key Performance Indicators (KPI) in the field of Safety, the management of the Corporate Safety Committee, the support and coordination of business activities. In addition, each business has a Business Safety Manager, in charge of the deployment of the Policy and the Safety Policy Development Manual in its respective area.

Corporate Safety Committee

The Corporate Safety Committee, under the direction of the Corporate Technology Directorate, is responsible for ensuring the proper implementation of the Product and Services Safety Policy in all businesses. In addition, its functions include the monitoring of strategic objectives and Key Performance Indicators (KPI) at the corporate level, the promotion of a Safety Culture, the promotion of collaboration between the different areas on Product and Service Safety issues, the definition of corporate position in forums and specialized media, and the

monitoring of Products and Services Safety Management Systems in the various areas of the company.

7. APPROVAL AND DISSEMINATION

This Policy is approved by the Corporate Technology Directorate (CTO).

To facilitate its content by stakeholders and recipients, this Policy is published on the CAF website.

Date: 2024 September
Signature: Iosu Ibarbia
Corporate Technology Directorate (CTO)

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