

LETTER FROM THE CHAIRMAN

“We develop sustainable transportation solutions that improve people’s lives”



In the year 2023, armed conflicts in Europe and the Middle East, geopolitical instability and macroeconomic disruptions have marked the agenda of the international community, companies and society in general. Added to this, is that it has been a year in which the dangers of climate change have been more apparent than ever, with the warmest year on record.

Against this global backdrop, and focusing on sustainability, companies, accompanied by an increase in regulatory pressure on ESG aspects¹ and in the run-up to the paradigm shift that will bring about the entry into force of the Corporate Sustainability Reporting Directive (CSRD) in 2024, have worked to strengthen their systems and continue to integrate sustainability into their day-to-day activities.

In CAF, aware of these challenges and in line with the principles defined in our [Sustainability Policy](#), we have made progress on the commitments made in the [2026 Strategic Plan](#), based on three main pillars: Responsibility, transparency and alignment with best practices.

Although sustainability is and has been a key element for the development of the Company since our incorporation over one hundred years ago, the deployment of the 2026 Strategic Plan this year has undoubtedly marked a turning point in the integration of sustainability as a strategic driver to achieve our vision: “*To be a leader of sustainable mobility, committed to a culture of excellence and trust, that receives the highest degree of satisfaction from its customers while contributing to the progress of society.*”

Thus, in 2023 we have defined CAF’s Purpose, “*developing sustainable transport solutions that improve people’s lives*”, and updated our Mission, Vision and Values, maintaining sustainability as a cross-cutting and backbone element for the success of the company’s strategy.

In addition, convinced of the need for leadership to drive our ESG commitments and foster a responsible business culture, we have set up the Strategic Sustainability Committee, led by the Chief Executive Officer, to which the Sustainability Operating Committee reports, both under the guidance of the Board of Directors through its Committees. Similarly, the Sustainability Function has been transferred to the Economic-Financial and Strategy Department, taking a further step in the search for coherence between economic-financial and sustainability information and reinforcing the internal control systems to ensure accurate, complete, auditable and quality non-financial information.

On the other hand, with the aim of leading the transition towards net zero emissions mobility, we have reiterated our commitment to achieving net zero emissions by 2045, establishing short and long term reduction objectives that are in the process of technical validation, by SBTi. Additionally, together with the rest of the partners of the [Railponsible](#)² sector initiative, we have signed the “*Railponsible Climate Pledge* “ by which we commit to leading the decarbonisation of the railway supply chain. In addition, there have been important advances in decarbonisation and the development of zero-emission technologies, such as the hydrogen train prototype, which has reached an important milestone by obtaining authorisation to run on a test basis on the General Interest Railway Network (RFIG).

¹ Environmental, Social and Governance (ESG).

² Railponsible is a sectoral initiative in which the main operators and manufacturers in the sector, including the CAF Group, work on the implementation of sustainable practices and the exchange of best practices throughout the rail industry value chain.

As a result of these and other initiatives developed under the Sustainability Plan and presented in this Report, the results obtained are in line with the perspectives announced to the market regarding the reduction of emissions and valuation of the main ESG rating agencies, which are above the sector average.

We know that sustainability will continue to be a constant source of challenges and opportunities for the business sector in the coming years and this is a scenario for which CAF is well prepared. Thus, in 2024, we will address our first dual materiality analysis and report for the first time as per the criteria set out in the new European Sustainability Reporting Standards (ESRS). In addition, we will continue to reinforce our responsible purchasing commitments throughout our value chain and our information and internal control systems to communicate transparent, truthful and quality information.

All in all, we are convinced that we are heading in the right direction and are poised to lead the future of sustainable, interconnected, multi-modal and safe mobility for our clients, while creating value for all our stakeholders and maximising our positive impact on the planet and people.

Because our work has purpose, a more sustainable and better connected world, in which we can all travel efficiently, safely and comfortably thanks to technology. Ultimately developing sustainable transportation solutions that improve people's lives. It is what drives CAF's people; committed to excellence, a job well done, constant innovation and the achieving results, assuming our responsibility for sustainability, the long term, people's health and the environment.

Sincerely,

Andrés Arizkorreta

Chairman of the Board

