



SLAVERY AND HUMAN TRAFFICKING STATEMENT REGARDING THE MODERN SLAVERY ACT 2015 (UK) AND THE MODERN SLAVERY ACT 2018 (AUSTRALIA) FOR THE YEAR 2021

1. Introduction

Construcciones y Auxiliar de Ferrocarriles, S.A., with registered address at Beasain (Gipuzkoa), as the parent company of the CAF Group which is traded on the Spanish stock exchange (hereinafter the “**Company**”) and on behalf of all companies forming part thereof (hereinafter, the “**CAF Group**”), expressly condemns slavery and human trafficking.

This statement corresponds to the requirements of Section 54 (Part 6) of the *Modern Slavery Act 2015 (UK)* and Section 14 (Part 2) of the *Modern Slavery Act 2018 (Australia)* and briefly describes the commitments and measures implemented for the prevention and, if applicable, the elimination of the aforementioned practices in its own organization, as well as in its supply chain. Additionally, the CAF Group is committed to continuing to progress in the implementation of the measures launched with this objective.

For the purposes of the provisions of the *Modern Slavery Act 2015 (UK)*, this report describes in detail the *Slavery and Human Trafficking Policies*, the *Due Diligence Processes in relation to slavery and human trafficking in business and supply chains* and the *Slavery and Human Trafficking Training available to staff*, together with the other content suggested by the Act and by the Secretary of State's guidance.

For the purposes of the provisions of the *Modern Slavery Act 2018 (Australia)* in respect of the identity of the reporting entity, this statement is made by the Company in its capacity as the parent entity of the CAF Group operating in Australia, although it covers all activities carried out by the various companies comprising the CAF Group in Australia, therefore making it a Joint Statement. The latter is regardless of whether it is a reporting entity or whether it does so voluntarily. Until 2021, the CAF Group's activities in Australia were those stated in section 3 below, with the exception of those related to the bus segment.

2. Internal consultation process for the preparation and publication of non-financial information

The parent company and the various subsidiaries within the CAF Group coordinated in the consultation process for issuing this Joint Statement. The parent company level, specifically, has a Sustainability Committee where all ESG areas are represented. This committee coordinates and drives corporate initiatives in the field of sustainability, including the collection of data on a consistent basis for non-financial reporting of all the Group's activities.

To this end, during fiscal year 2021, a corporate computer tool was implemented to automate requests for information from various contacts, which were subsequently aggregated and consolidated into this report.

In line with the above, every year the CAF Group prepares and publishes a document called a Non-Financial Information Statement - Sustainability Report, prepared in accordance with the international standards from the *Global Reporting Initiative (GRI)* and the requirements of the Spanish law on non-financial information, which is supervised by an independent third party and is published and always available on the company website.



3. About CAF

The CAF Group is a multinational group with more than 100 years of experience in providing its clients with comprehensive, cutting-edge transportation systems with high added value in sustainable mobility.

The CAF Group, which is a multi-business, multi-plant company and a go-to company in the railway sector, offers its clients one of the widest and most flexible product ranges on the market, including comprehensive transport systems, rolling stock (rail and bus), components, infrastructures, signaling equipment and services (upkeep, refurbishment and financing). The whole value offer is available on the company's website.

- Within the rail rolling stock segment—which is its main and longest-standing business line, the CAF Group offers a wide range of products ranging from high-speed trains to regional and suburban trains, underground trains, trams and LRVs, and locomotives, among others.
- In the bus sector, the CAF Group also has trolley buses and urban rail vehicles, offering a wide range of electric buses with zero emissions, where it maintains a position of leadership in the European market.

In order to carry out its operations, the CAF Group has production plants in Spain, France, the United States, Mexico, Brazil, the United Kingdom, and Poland. Additionally, the Company has offices and maintenance centers in more than 20 countries across five continents.

As of the end of the fiscal year, the CAF Group employed a total of 13,284 people.

For more information on the CAF Group's activities, company structure and organizational structure, please see the consolidated Annual Report of the CAF Group and the Non-Financial Information Statement - Sustainability Report for the 2021 financial year, published on the company's website www.caf.net.

4. Commitment and Published Internal Rules and Regulations

In addition to its commitment to strictly comply with current legislation in all the territories where it operates, in its Code of Conduct and Sustainability Policy the CAF Group also includes its commitment to adopt measures that guarantee scrupulous respect for Fundamental Rights, the principles of equal treatment and non-discrimination, and any other principles included in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, of which CAF, S.A. is a signatory. Also, it proclaims its commitment to fighting slavery and human trafficking and encouraging responsible practices among its suppliers.

These commitments are public and are included as part of the CAF Group's Corporate Governance System (which are the highest-ranking rules in CAF's internal regulatory system) and more specifically in the Code of Conduct of the CAF Group, and in the Sustainability Policy, both of which are published on the company's website. The Supplier Code of Conduct has been expressly developed to ensure that these commitments are also met within the supply chain, and this is also published and fully accessible.

Likewise, the CAF Group's company Crime Prevention Manual, mentioned in section 5.2 of this report and which also forms part of the Corporate Governance System, contains an express commitment on the part of the organization with respect to the OECD Guidelines for Multinational Companies (which covers companies' duty to respect Human Rights and workers' rights in terms of employment and labor relations, in particular eliminating any kind of forced labor, in Chapters IV and V thereof, respectively).

Said commitments are reiterated and materialize as specific actions in other implementing regulations within the CAF Group's Corporate Compliance System.

5. Measures Implemented

The CAF Group has implemented a series of measures that seek to guarantee the commitments acquired in this regard, both internally and among its suppliers. In this regard, among other measures, the CAF Group: (i) implements specific mechanisms to guarantee workers' Rights, (ii) establishes the general principles of its Code of Conduct as standards of mandatory compliance for all of CAF's employees, as well as for its commercial suppliers, business partners and consultants, and has a Crime Prevention Manual that applies to CAF employees, which contains, among other things, specific measures to be followed in relationships with third parties, (iii) has a system for supplier registration and control of the supply chain, (iv) has a Compliance Function that, among its other responsibilities, supervises the effective application of the Code of Conduct and the corporate Criminal Compliance System, (v) has established a general whistle-blower channel open to third parties and other specific and labor-related ones, (vi) works on continuous development of the Risk Management and Control System, including the management and control of risks in relation to Human Rights, and (vii) has assigned specific powers of control and supervision of the Corporate Governance System and internal codes of conduct in relation to Sustainability and the reporting of non-financial information, and of the Risk Management and Control System to each Committee of the parent company's Board of Directors, in order to ensure commitment at all levels of the organization.

These measures and the advances in 2021 that are briefly mentioned below, in addition to other activities implemented, are described in greater detail in the Non-Financial Information Statement - Sustainability Report for the 2021 financial year that was prepared in accordance with the GRI standards and published on the corporate website.

5.1 Respect for the Moral Integrity of Workers

The CAF Group is committed to safeguarding the moral integrity of all professionals carrying out activities within the organization and guarantees the right to working conditions that respect people's dignity. Activities at the corporate level are monitored by the Human Resources Department of the parent company in order to ensure compliance with the standard rules set by the CAF Group's Code of Conduct regarding the correct treatment of the workers by the Company in every workplace of the company.

To this end, the corporate people process establishes, through the Labor Relations Policy and its implementing guidelines, minimum requirements that ensure internal coherence in aspects such as labor regulations, collective bargaining and legal representation of workers, Fundamental Rights, equality and non-discrimination and employment contracts and Social Security.

In this regard, the CAF Group adopts the measures it deems necessary to guarantee compliance in its own operations with the fundamental conventions of the International Labour Organization (ILO), to 1) ensure that workers can exercise their rights to freedom of association and collective bargaining in all countries in which it operates, 2) prevent child labor, forced or compulsory labor or the assignment of hazardous work to young people, and 3) guarantee and ensure equality and non-discrimination in working conditions, prohibiting the adoption of decisions that may lead to direct or indirect discrimination against workers on the basis of sex, origin, including racial or ethnic origin, marital status, social status, religion or belief, political beliefs, sexual orientation, membership or non-membership of trade unions, family ties with persons belonging to or related to the company, and language.

In relation to this last point, two specific protocols have been defined, the Protocol for action in the event of sexual harassment or harassment based on gender and the Protocol for the Prevention of Psychological Harassment, incorporated into the Occupational Risk Prevention and Management System. Both protocols contain the management's statement regarding these areas, while also aiming to establish the necessary measures to prevent and avoid the aforementioned situations, and establish procedures so that, should they occur, the company's employees know how to respond.

The risks inherent in these commitments that could potentially endanger the fulfillment thereof have been identified: (i) violation of the principle of equal treatment and/or discrimination in the workplace; (ii) lack of freedom of association and collective bargaining in own and/or third party centers; (iii) child exploitation in own and/or third party centers; (iv) forced labor in own and/or third party centers; (v) violation of the rights of indigenous peoples; (vi) psychological abuse; (vii) insufficient integration of disabled people and (viii) others that are analyzed on a case-by-case basis depending on the features of the project to which they relate.

The impacts of such risks could result in penalties related to occupational safety and Human Rights violations, as well as the deterioration of CAF's brand image or reputation as a result of media coverage of such violations. This first impact is reflected in the short term; however, the other impacts have an effect in the medium term due to their more progressive materialization.

As part of the ongoing development of the Risk Management and Control System and that of Corporate Compliance, the management and control of Human Rights risks is included.

5.2 Code of Conduct and Criminal Compliance and Business Ethics System

Since 2011, the CAF Group's Code of Conduct has defined the set of general regulations and principles for corporate governance and professional conduct which apply to all the Group's professionals, as well as any body or person collaborating with or related to the Group, thereby serving as a basis for any other Codes of Conduct for any possible specific aspects which supplement the former.

In developing the Code of Conduct, a crime prevention program was established within the CAF Group Crime Prevention Manual and approved by the CAF, S.A. Board of Directors on April 29, 2015 (first version). This program is reviewed and updated periodically in accordance with the details provided below.

Both documents are adapted to the local legislation of each country in which the CAF Group has subsidiaries, depending on their needs, which vary from a simple adaptation to the adoption of a complete local compliance program in certain cases.

Successive improvements and extensions have now provided the Group with a robust corporate Criminal Compliance and Business Ethics System.

This Manual, as a central regulation of the corporate Criminal Compliance System, together with its implementing regulations and updates, meets the requirements to verify the sufficiency and effective establishment of the existing controls and procedures in the CAF Group with the purpose of preventing, insofar as should be possible, the risk of relevant crimes in relation to the CAF Group's activities and the consequences thereof.

To this end, an obligation has been established, among others, whereby the legal and professional representatives of the CAF Group, and third parties that enter into contracts with companies of the Group, abide by the General Principles of the CAF Group's Code of Conduct. Section 5.3 of this report provides a detailed explanation with regards to suppliers.

In this regard, the General Principles of the CAF Group's Code of Conduct are imperative rules of conduct and ethical standards that are founded in scrupulous respect for laws, Human Rights, public freedoms, and Fundamental Rights, the principles of equal treatment and non-discrimination, protection against child labor, and any other principles contained in the Universal Declaration of Human Rights and the United Nations Global Compact in the areas of Human Rights, labor rights, the environment, and anti-corruption.

In turn, the Crime Prevention Manual has undergone several developments, such as the Due Diligence Manual for working with Third Parties, which establishes the minimum due diligence mechanisms to be applied by CAF Group employees to assess, from a Compliance perspective, the suitability of Third Parties (i.e. Business Partners, Business Consultants and Suppliers) that

work with a CAF Group company on a prior and systematic basis. This manual should be followed in conjunction with the CAF Group's Competition Law Compliance Manual and any subsequent implementing regulations.

Consequently, 100% of the Third Parties that the CAF Group works with are assessed beforehand in accordance with the described procedure, as the CAF Group can only work with Third Parties that obtain a favorable evaluation of "suitable" at a compliance level.

Similarly, compliance with Human Rights is a priority when it comes to the CAF Group's activities, and in 2021 the Human Rights Due Diligence Procedure has once again been reviewed and updated by the Compliance Function, to ensure better management and control of the related risks, and, specifically, to check for the existence of any international sanctions that should be taken into account for the activities of the various businesses in the CAF Group.

This procedure, which is corporate in scope, means that all potential projects (understood as any business activity) must be previously and systematically evaluated from the perspective of Human Rights, so that it can be assessed a priori that the intervention of the CAF Group will not lead to the violation of such Rights through its own activities, or through direct mediation of its operations, or through the sale of its products or services.

When implementing the above, 100% of the CAF Group's projects and offers are analyzed from a Human Rights perspective.

In particular, since its initial approval, this procedure has maintained a key difference in its approach to risk assessment in this area, which is that the risks analyzed must consider the interests of the affected parties, i.e. those of the holders of Human Rights (not only those from the company itself).

The Criminal Compliance System is also constantly updated, with the CAF Group's Crime Prevention Manual having been revised on a regular basis (with revisions in 2016 and 2018, specifically), and it was also revised in 2021 to adapt it to recent legal developments in criminal matters that have arisen since the previous 2018 version of the text, along with some minor adjustments that allow the Manual to be better accepted from a corporate point of view. It was also deemed pertinent to incorporate new developments into the structure of the Compliance Function in accordance with the best practices in this area. Further to the approval of any new version of the aforementioned Manual or any implementation regulations in relation thereto, the appropriate dissemination and training measures will be adopted.

Likewise, the Criminal Compliance risks on the risk map must also be reassessed periodically. In 2021, adjustments were made to the criminal risk maps for each business in the railway segment and a second phase of the complete reassessment of the criminal risk map was also initiated, consisting of a review of preventive controls. A third phase will address the technological deployment to manage these issues in accordance with the CAF Group's IT strategy.

In 2021, actions aimed at raising awareness, disseminating and applying the Crime Prevention Manual and the Code of Conduct continued, which included, among other aspects and as part of the mandatory respect for Human Rights, the commitments adopted regarding the fight against slavery and human trafficking.

When this document was drafted, training on the Crime Prevention Manual had been launched throughout the Group's consolidation perimeter. 98% of the people included in the training plan in this area have completed it. Since the start of the program, more than 6,300 people have been trained (5,600 people in 2020). More than 700 people were trained in 2021. A training system is also maintained which is included in the introduction plans for new employees. All training materials are kept up to date.

By the same token, all the CAF Group's business partners, in all operating regions, are notified of the existence of the General Principles of CAF's Code of Conduct and their obligation to comply therewith.

5.3 Registration of Suppliers and Control of the Supply Chain

The CAF Group works with more than 6,000 suppliers, who supply a wide range of raw materials, capital goods, materials and services. The main raw materials are steel, aluminum, polymers and glass. The most relevant capital goods in terms of volume are those that are incorporated into its products, especially railway rolling stock and buses.

The CAF Group requires all its suppliers to comply with the ethical principles contained in the CAF Group's Code of Conduct published on its corporate website, which includes social, gender equality and environmental commitments.

Additionally, in 2019, the Code of Conduct for Suppliers became effective on a corporate level following its approval by the Suppliers' Forum and ratification by the Executive Committee and is available through the normal means of internal communication, as well as on CAF's website. This code implements the commitments to comply with the general principles of the Code of Conduct, working conditions, health and safety, environment, commercial ethics and confidentiality. Likewise, the CAF Group reserves the right to verify compliance with this Suppliers' Code by its suppliers. Said verification may take place through various means, for example, through self-assessment questionnaires or audits at the supplier's facility. The CAF Group reserves the right to implement measures if it detects non-compliance with said commitment.

In this area, the following social, ethical, and environmental risks have been identified: (i) violation of business ethics on the part of the suppliers; (ii) failure to comply with laws and regulations on the part of suppliers; (iii) disregarding of Human Rights, and (iv) participation in corruption (bribes).

When obtaining sustainability assessments from suppliers, the vehicles unit prioritizes those with greater environmental, social, and governance risk, whether due to the potential environmental impact of the product or being located in countries with greater exposure to these risks.

The assessment is performed by the company Ecovadis, a world leader in this area and the sustainability assessment platform which has been chosen by the members of the Railsponsible initiative to assess the Sustainability management of suppliers. Ecovadis adapts the assessment questionnaire to each supplier based on the locations it operates in, its sector, and its size to assess 21 aspects of sustainability in line with the strictest rules, regulations and standards on an international level which include the Global Reporting Initiative (GRI), International Labour Organization (ILO), UN Global Compact, and ISO 26000. The suppliers' answers are assessed by specialized analysts who pay special attention to ensure that the documentary evidence is consistent, recent, and provides an overview of the Policies, Actions, and Results in the various areas. When the result of an assessment does not comply with the requirements established by CAF, the supplier is requested to implement a plan of action to improve the weaknesses identified.

The following table summarizes the evolution of the responsible purchasing program since its implementation:

| | 2021 | 2020 | 2019 | |
|------------------------------------------------------|-----------------------------------------------------|--------|--------|--------|
| General sustainability indicator ¹ | Of suppliers of the CAF Vehicles activity | 58/100 | 56/100 | 53/100 |
| | Of all the suppliers evaluated by Ecovadis globally | 44/100 | 43/100 | 43/100 |
| Evolution of CAF suppliers' sustainability indicator | Improvement | 61% | 65% | 50% |
| | Stability | 16% | 19% | 20% |

The following table summarizes the supply chain monitoring activity carried out during 2021:

| | 2021 | 2020 | 2019 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------|------|
| Number of business groups assessed on their Sustainability / ESG management | 67 | 46 | 39 |
| Coverage of sustainability assessments on the amount of Vehicle activity purchases | 55.7% | - | - |
| Purchases from suppliers with high or medium risk: | | | |
| Total Group expenditure with suppliers that have an average or lower sustainability management assessment | 3.7% | 2.2% | - |
| The percentage of suppliers with an average or lower management assessment with whom improvements have been agreed upon as a result of an assessment. | 100% | 100% | - |
| The number of suppliers identified as having significant negative environmental, social or governance impacts | 0 | 0 | 0 |

5.4 Compliance Function

The Compliance Function is a CAF Group body with autonomous surveillance and control powers that is responsible for the supervision and the functioning of the entire Corporate Compliance System and the Criminal Compliance and Ethics System, particularly in the Businesses.

The Compliance Function may be made up of one member or a group of members (the latter being the case during the 2021 financial year), and all its members and the other people who perform Compliance tasks in the CAF Group as part of their main responsibilities must have the knowledge, skills and experience appropriate to the functions they are expected to perform. In particular, they must have the integrity, autonomy and independence that enable them to perform the responsibilities corresponding to them as members of the Compliance Function and avoid potential conflicts of interest (the Operating Rules of the Compliance Function include various mechanisms to safeguard against such situations), and no member may retain their position if there are convictions for unethical or illegal behavior that are directly attributable to them.

The members of the Compliance Function are appointed, replaced and dismissed by the Board of Directors or the Chief Executive Officer, and they report on their activity to the CAF Board of Directors, either directly or through a report to one of its Committees in accordance with its competencies, depending on the nature, scope and content of the report.

Notwithstanding the foregoing, the Compliance Function approves at least one activity report for the year by way of an annual report.

The Operating Rules contained in the Crime Prevention Manual constitute in themselves the basic Regulations of the Compliance Function, without prejudice to the fact that the Compliance Function is empowered to approve separate Regulations within the framework of the functions

¹ Rating scale: 0 – 25: Low; 25-45: Medium-low; 45-65: Medium-high; 65-100 High

and powers conferred upon it by the CAF Board of Directors, and must be reviewed whenever circumstances so advise.

The CAF Group's Crime Prevention Manual stipulates that the Compliance Committee or Unit is able to appoint an Officer, who functionally reports to it, in those subsidiaries or offices of the CAF Group that are based in jurisdictions where it is either required by the local legislation or it is advisable given the size and characteristics of the subsidiary or office.

5.5 Whistle-Blower Channel

The CAF Group's Code of Conduct and Crime Prevention Manual determine the existence of a general whistle-blower channel for the notification of non-compliance, which is managed by the Compliance Function. This body periodically analyzes the reports received and, if necessary, takes the corresponding action based on the specific circumstances of each report. In the event that a report should be understood to require greater attention, the documentation may be sent to the relevant department for the purpose of carrying out an assessment of the facts and determining the measures to be taken.

The Compliance Function reports to the Board of Directors, the Audit Committee or General Management, depending on the circumstances and nature of the alleged breaches detected. In any case, the Audit Committee is responsible for supervising the operation of the whistle-blower channel.

The CAF Group internal regulations also envisage the possibility that other means may be enabled to receive reports in jurisdictions where local legislation so demands.

The general whistle-blower channel is available for all stakeholders and any third party, enabling employees and other persons related to the Company, such as Board members, shareholders, suppliers, contractors or subcontractors, to report any irregularities of potential significance, including financial and accounting irregularities, or irregularities of any other nature related to the company that they may notice in any company within the Group.

The operating rules for the aforementioned whistle-blower channel as well as the procedure for managing breaches or suspected breaches that have been detected are always available on the corporate website and cover the verification of possible breaches of the CAF Group's Corporate Governance System in general and, in particular, (i) the CAF Group's Code of Conduct and any breaches of internal rules or legislation in the areas of (ii) Crime Prevention, (iii) Competition Law, or (iv) Market Abuse and Handling of Privileged Information.

The general whistle-blower channel accepts communications of all kinds and is always accessible through the corporate website in the main corporate languages. This channel ensures confidentiality and the procedure provides for cases in which reports can be made anonymously, respecting the rights of the whistle-blower and the accused person. In particular, this procedure supports the CAF Group's commitment to not adopt any form of direct or indirect retaliation against professionals who have reported an irregular action that may be investigated, unless they have acted in bad faith.

The Corporate Code of Conduct for Suppliers, also managed by the Compliance Function, establishes a whistle-blower channel for suppliers to report general cases of non-compliance.

In addition to the aforementioned, for situations like discrimination, abuse, mobbing or safety in the workplace, specific channels are established for the notification and addressing of any inappropriate conduct that should occur in said areas.

5.6 Risk Management and Control

As stated in more detail in the Annual Corporate Governance Report for the 2021 financial year, approved by the Board of Directors of the parent company and available on the company's

website, the CAF Group's Comprehensive Risk Management and Control System works in a continuous manner, consolidating its management at a corporate level for all businesses and geographic areas in which it operates, and is based on a range of strategic and operational actions in order to manage the risks and meet the objectives set by the Board of Directors.

The CAF Group has a corporate body for risk management and control with the main objective of ensuring the proper functioning of the above mentioned System.

As part of the ongoing development of the Risk Management and Control System, the management and control of Human Rights risks is included.

5.7 Powers of Control and Supervision of the Corporate Governance System, regarding Sustainability and the Reporting of Non-Financial Information, and Supervision of the Risk Management and Control System

According to the terms of the Sustainability Policy, the CAF Group's main objective is to strike a balance between carrying out its mission and meeting the needs and expectations of its Stakeholders in order to create value in a sustainable manner in the long term.

This has been formalized through public agreements and commitments to external initiatives, gradually obtaining better results and increasing transparency.

In accordance with the provisions of the Code of Good Governance for listed companies revised by the Spanish National Stock Market Commission (CNMV) in June 2020, through its Committees and on an annual basis, the Board oversees all material aspects related to Sustainability / ESG in accordance with that detailed below.

In any case, the Internal Audit, Compliance, Risk, Sustainability and Corporate Governance Functions are empowered to communicate critical concerns to the highest governance body within the framework of their individual reports.

More specifically, some of the Audit Committee's key functions in relation to the Internal Control Systems include the following:

- Supervising and evaluating the process of preparation, presentation and integrity of the financial and non-financial information relating to the Company and, where appropriate, the group;
- Supervising the effectiveness of the Company's internal control system;
- Supervising and evaluating the control and management systems for financial and non-financial risks relating to the Company and, where applicable, to the group, including operational, technological, legal, social, environmental, political and reputational risks or risks related to corruption.
- Supervising the Company's internal risk control and management;
- Ensuring in general that the policies and systems established for internal control are effectively implemented in practice.
- Supervising compliance with the internal codes of conduct and the Company; and
- Establishing and overseeing a mechanism that allows employees and other people related to the Company and its Group such as directors, shareholders, suppliers, contractors or subcontractors to communicate potentially significant irregularities, including financial and accounting irregularities, or any other kind of irregularity related to the company that they may notice within the Company or its Group.

To ensure that the Committee is able to carry out its functions of overseeing compliance with internal codes of conduct and the whistle-blowing channel, as well as the associated internal control systems, the Compliance Function reports annually to the Audit Committee on these matters.

Likewise, the Risk Function reports to the Audit Committee every six months on compliance with the General Risk Control and Management Policy, for both financial and non-financial risks, and on the status of the risk map and the main risks of ongoing projects.

In line with the above, the Committee periodically requires information on the management of sustainability risks and receives an annual report on the application of the General Policy regarding the communication of economic/financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders.

The annual evaluation of the Audit Committee's performance carried out in 2021 shows a positive result, having fulfilled the functions entrusted to it in an appropriate manner.

For its part, in connection with the System of Corporate Governance and Sustainability, the Appointment and Remuneration Committee is assigned the following duties, among others:

- Supervising compliance with the Company's corporate governance rules, ensuring that the corporate culture is aligned with its purpose and values;
- Periodically assessing and reviewing the Company's corporate governance system and Sustainability Policy, so that they adequately fulfill its mission of promoting the company's interests and take into account, as applicable, the legitimate interests of the other stakeholder groups;
- Overseeing that the Company's environmental and social practices are in line with its strategy and policy; and
- Supervising and assessing the relationship processes with the various stakeholders.

For the purpose of exercising its functions in relation to the Sustainability Policy and practices, each year this Committee receives a report on this matter through the Sustainability Function, and analyzes the issues in question. In accordance with that indicated in the aforementioned report for the 2021 fiscal year, it can be concluded that both the activities and the results in terms of Sustainability show significant degrees of progress and positive levels of achievement, confirming that the Sustainability Policy is being adequately implemented.

Likewise, in relation to the supervision and evaluation of CAF's corporate governance system and rules, the Committee receives the corresponding annual report submitted by the Corporate Governance Function.

In view of the report corresponding to the 2021 fiscal year, the Committee has concluded that the evaluation of the Corporate Governance System should be considered favorable, positive and compliant with the highest standards of corporate governance, thus benefiting the social interest and the expectations of stakeholders, all in line with the Company's strategy in this area.

6. Approval

This statement was approved by the Board of Directors on February 25, 2022, in accordance with the requirements set forth, respectively, in the *Modern Slavery Act 2015 (UK)* and in the *Modern Slavery Act 2018 (Australia)*, and corresponds to the financial year that ended on December 31, 2021.



This statement will be available on the corporate website www.caf.net.

Beasain on February 25, 2022

A handwritten signature in blue ink, appearing to read 'J.M. Ojinaga', enclosed within a blue circular scribble.

Javier Martínez Ojinaga
CEO of
Construcciones y Auxiliar de Ferrocarriles, S.A.
on behalf of the CAF Group