

# CORPORATE PROCEDURE FOR THE MANAGEMENT OF THE INTERNAL REPORTING SYSTEM



5/5/2023

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## 1. INTRODUCTION AND PURPOSE

This Procedure is a development of the CAF Group Internal Reporting System Policy (hereinafter the “**Internal Reporting System Policy**”), which is the regulation that sets out the principles and bases for the implementation of the CAF Group Internal Reporting System, as defined in section 3 below (hereinafter the “**Internal Reporting System**”), as a preventive mechanism and for the detection and management of any behavior that could potentially involve acts or omissions constituting criminal or serious or very serious administrative wrongdoing (including breaches of European Union law), or breaches or indications of breaches of the Code of Conduct or any other regulation of the CAF Group Internal Regulatory System.

As a sign of its commitment to a culture of ethics and compliance, the Board of Directors of Construcciones y Auxiliar de Ferrocarriles, S.A. (hereinafter “**CAF, S.A.**”), as the parent company of CAF Group and after consultation with the employees’ legal representatives, has approved this Procedure. It sets out the basic rules for the management and operation of the Internal Reporting System.

This Procedure has been developed in accordance with European regulations on the protection of whistleblowers and the personal data protection, as well as with the ISO 37002: 2021 standard, on whistleblowing management systems.

## 2. SCOPE

This Procedure is applicable to and mandatory for all entities comprising the CAF Group, across all jurisdictions where it operates and for all employees, managers or members of a governing body of any CAF Group entity. This is regardless of the position they hold or their geographical location, without prejudice to the autonomy and independence of each company and the modifications or adaptations that may be necessary to comply with the applicable regulations in each case.

Likewise, the different measures provided for in this Procedure will be exercised, as appropriate, on all Whistleblowers, Related Third Parties and Persons affected by the Report that may be collected by the Internal Reporting System.

## 3. DEFINITIONS

The definitions of the terms used in this document are listed below:

### Definitions related to CAF Group’s organizational structure:

- **CAF Group:** includes the legal entities to which the Internal Reporting System Policy applies, in particular the parent company Construcciones y Auxiliar de Ferrocarriles, S.A. or **CAF, S.A.** and the subsidiaries over which it has effective control. Purely investee companies are excluded, unless they are on the list of entities included in the Internal Reporting System, which will always be published on the corporate website [www.caf.net](http://www.caf.net).
- **Compliance Function:** a CAF Group body with autonomous surveillance and control powers which is responsible for the supervision and functioning of the Corporate Compliance System.  
  
The Compliance Function is assisted and supported by a Compliance Department, as well as by different Compliance Delegates appointed across the different businesses and/or jurisdictions.
- **Corporate Compliance System:** set of standards of the Internal Regulatory System and control mechanisms which aim to ensure that CAF Group’s actions are in accordance with ethical principles and applicable legislation and to prevent any incorrect or unethical conduct or conduct contrary to the law or the Corporate Governance System (rules and regulations of the highest

level within the Internal Regulatory System), which may be committed by the Group's professionals within the organization or by Third Parties in their contractual relationship with CAF Group.

- **Board of Directors:** the governing body of CAF Group's parent company, CAF, S.A. The Board of Directors has certain powers, including the approval of the Internal Reporting System Policy and this Procedure, as well as the appointment and removal or dismissal of the Internal Reporting System Manager. The Audit Committee has certain duties related to the Corporate Compliance System.

#### Definitions related to CAF Group's Internal Reporting System:

- **Internal Reporting System:** set of reporting and internal communication mechanisms in accordance with the diverse legislation and good practice guides in the countries where it operates in terms of whistleblower protection and use of information channels. The Internal Reporting System makes it possible to group all the specific and individualized channels, whether existing or newly created, that are applicable to each of the entities of the CAF Group on the same IT platform, and also to know who the recipients of the Reports are in each case.
- **Internal Reporting System Manager:** a natural person or body appointed by the Board of Directors, in charge of managing independently and autonomously the Internal Reporting System, in accordance with the Internal Reporting System Policy.
- **Channel Manager:** a natural person or body appointed by each governing or administrative body of CAF Group's subsidiaries where they exercise their duty of managing their own relevant communication channel, in accordance with the legal regulations applicable in each case.
- **Report:** information that is reported to the CAF Group through the Internal Reporting System related to a certain type of wrongdoing (by action or omission) with regard to the regulations applicable to the CAF Group, which mainly occurs in a work or professional context, without prejudice to any other contact or relationship with the CAF Group.

In particular, the following will be understood as wrongdoings to be reported through the Internal Reporting System:

- Criminal or serious or very serious administrative wrongdoing.
- Breaches of CAF Group's Code of Conduct or any other regulation of the Internal Regulatory System.
- Breaches of European Union law relating to, among others, the following areas: public procurement, financial markets, prevention of money laundering or terrorist financing, product safety and compliance, transport safety, environmental protection, radiation protection and nuclear safety, food and feed safety, animal health and welfare, public health, consumer protection, protection of privacy and personal data, and security of networks and information systems, financial interests of the Union and internal market.
- **Whistleblower:** any person who makes a Report. The figure of the Whistleblower includes not only public employees or workers employed by others, but also all self-employed workers, shareholders, participants and members of the governing, management or supervisory body of the company, persons working for or under the supervision of Third Parties, volunteers, apprentices and workers in training, as well as persons whose employment or statutory

relationship has been terminated or has not yet begun, or any other person to whom the law attributes such status.

- **Third Party:** this category includes any natural person or legal entity or independent body with which CAF Group has a relationship, including business partners, suppliers, business consultants, subcontractors, among others.
- **Related Third Party:** It includes CAF Group employees who assist the Whistleblower through the process, as well as related persons who may suffer retaliation, such as co-workers or family members, and legal entities that the Whistleblower works for or with which they have another type of relationship in an employment context or in which they hold a significant share, in accordance with the applicable legislation.
- **Person affected by the Report:** a natural person or legal entity to which the alleged wrongdoing that is the object of a Report is attributed.

#### 4. INTERNAL REPORTING SYSTEM MANAGER AND COMMUNICATION CHANNEL MANAGERS

The Board of Directors will appoint an Internal Reporting System Manager. In addition, the governing or administrative bodies of the subsidiaries comprising the CAF Group—bound by European whistleblower protection regulations or by corporate decision for the remaining entities that are expressly defined—must designate a Channel Manager for each of the communication channels that make up the Internal Reporting System.

Both the Internal Reporting System Manager and the Channel Managers have the requisite competence, integrity, authority and independence, as well as the necessary resources to perform their duties.

These Managers may be a natural person or body, at the discretion of the different entities of the Group. In the event that this figure turns out to be a body in a certain entity, the body will delegate the powers to manage the System or the Channel and to process the investigation files to one of its members.

All Managers may consult with the CAF Group's Compliance Function on any questions or concerns regarding the management of the Internal Reporting System.

The exchange of information among the different Group Managers will be acceptable for the proper coordination and better performance of their duties, except where there is a legal limitation applicable to a specific case.

In the case of the Internal Reporting System Manager, both the appointment and dismissal of the individually designated natural person and the members of the body will be notified to the Independent Authority for Whistleblower Protection (AAI) within ten (10) working days, specifying, in the case of dismissal, the reasons justifying it.

#### 5. MANAGEMENT PROCEDURE

##### 5.1. RECEIPT OF REPORTS

###### 5.1.1 Receiving channels

The internal reporting channels will be visible, accessible and secure, with details of channels open at each CAF Group entity found on the corporate website [www.caf.net](http://www.caf.net) at all times, as well as the different options available for the written and verbal submission of Reports, including, where appropriate, the possibility of requesting a face-to-face meeting in accordance with the applicable regulations.

At least one individualized general channel will be enabled for each CAF Group entity with more than 49 employees within the European Union and there will be additional channels for the rest of the entities. The Channel Manager who will be the recipient of the Reports will also be specified.

In addition, information about the existence of and an indicative list of external reporting channels will also be available on the corporate website.

Reports may be made by either providing a name or anonymously, protecting the identity and confidentiality of the data of the Whistleblower, Related Third Parties and Person affected by the Report in all cases, regardless of the means of receipt.

The different protection measures on the subjects involved in the Report (Whistleblower, Related Third Parties and Persons affected by the Report) are described in the Internal Reporting System Policy.

#### **5.1.2 Prevention and management of potential conflicts of interest**

Whistleblowers may send Reports through any of the reporting channels that make up the Internal Reporting System.

In this regard, if there is a conflict of interest with one of the Channel Managers, the Report may be filed using the parent company's channel.

If the conflict of interest exists with the Internal Reporting System Manager, the Report may be addressed to any channel other than that of the parent company, making sure to select the enabled option so that the Report is not shared with them.

The person subject to a conflict of interest may not participate in the processing of the inquiry. When the Whistleblower is not aware of the conflict of interest, the relevant Manager will immediately refrain from intervening in the inquiry and the necessary safeguards will be taken.

If the investigation involves a member of the Board of Directors, the necessary measures will be taken to ensure the independence of the Manager, such as appointing an investigator who is an external person to the CAF Group or other alternative or supplementary measures.

#### **5.1.3 Receipt of Reports**

The written Report will be received by the Channel Manager to whom it is addressed and will be recorded in the Whistleblowing Register mentioned in section 5.5. It will then be processed in accordance with this Procedure. Reports received verbally will be documented in one of the following ways:

- a) By recording the conversation in a secure, durable and accessible format, or
- b) Through a complete and accurate transcript of the conversation made by the staff responsible for dealing with it.

Without prejudice to their rights under personal data protection regulations, the Whistleblower will be given the opportunity to verify, rectify and accept the transcript of the conversation by signing it.

If, in order to make a verbal Report, the Whistleblower chooses a means—among those available in the Internal Reporting System—that does not allow its automatic inclusion in the Whistleblowing Register referred to in section 5.5, the relevant Manager will include it in the inquiry or document it without delay in the event that the former is not possible.

When the Report is sent through reporting channels other than the ones enabled for this purpose, or to persons not responsible for dealing with it, the recipient of the Report will be obliged to immediately forward it to the Internal Reporting System Manager or the relevant Channel Manager.

The protection provided for in the Internal Reporting System Policy and in this Procedure cannot be guaranteed for persons who do not personally make the Report through the Internal Reporting System.

#### **5.1.4 Ex officio initiation**

The System Manager or Channel Manager who has been appointed as Compliance Delegate may initiate the investigation procedure ex officio when they have indications of possible wrongdoing, in particular in the following cases:

- During the performance of the activities inherent to their duties, in particular in the context of the resolution of Compliance queries.
- During the course of or as a result of an audit.
- As a result of public or private statements or communications that they become aware of (in the media, in the context of formal or informal meetings, in the context of conversations, etc.).

Channel Managers who are not included in the preceding paragraph should contact the Internal Reporting System Manager in case they have indications of possible wrongdoing.

The relevant Manager will collect and document all evidence on which the suspicions are based, in order to contextualize the facts and arrive at a preliminary analysis and, in particular, the following information as far as possible:

- Clear and detailed statement of the facts.
- Identification of the alleged perpetrator, as well as other possible participants and persons who may have knowledge of the matter in question.
- Time of commission, or an indication of persistent noncompliance.
- Any other information and/or documentation that may aid understanding of the matter in question.

#### **5.1.5 Acknowledgment of receipt**

The Manager will send the acknowledgment of receipt to the Whistleblower within seven (7) calendar days following receipt of the Report, unless this could jeopardize the confidentiality of the Report.

### **5.2. ASSESSMENT**

#### **5.2.1. Assessment of the Report**

Once the Report has been received or the procedure initiated ex officio, the facts will be assessed. In order to perform this assessment, the instructions in force that have been approved in the development of this Procedure will be taken into consideration, without prejudice to the key elements indicated below.

As part of the assessment of the Report, it may be necessary to adopt preliminary or precautionary measures to secure evidence, protect the identity or security of the persons involved, ensure the effectiveness of the protection measures provided for in the Internal Reporting System Policy or other similar or supplementary measures, coordinating the necessary departments to that end.

When the Report is insufficient, incomplete, or does not provide the necessary details to begin the investigation of the case, a notification may be sent to the Whistleblower requesting the necessary additional information.

In addition, if the Whistleblower includes data on a third party (Third Parties or Related Third Parties who could be witnesses, among other cases) in the Report, these persons must also be informed, upon initial contact with them or before the deadline set by local regulations on personal data protection, of the relevant issues in this matter.

#### **5.2.2. Admission for processing or dismissal of the Report**

By means of a record or report, the reasons for admitting a Report for processing or dismissing it will be documented, which may include or detail some of the following data:

- Information describing the Report and its date of receipt.
- Data provided in the Report, differentiating between objective and subjective data.
- Assessment of the content of the Report and the reliability of the information.
- Analysis of the information and documentation submitted with the Report.
- Preliminary or precautionary measures adopted, where appropriate.
- Decision on the admissibility of the Report, stating, if deemed appropriate, the actions to be taken.

In general, all Reports will be admitted for processing, except those that do not have the minimum evidence referred to in the Internal Reporting System Policy or that have a flaw or defect that detracts from the legitimacy of the investigation.

In particular, information whose facts do not fall within the definition of a Report and information that lacks plausibility, is duplicated, refers to facts that have already been submitted without new indications or evidence to justify its admission, merely involves interpersonal conflicts that have nothing to do with CAF Group, or concerns information that is completely available to the public or that constitutes mere rumors, among others, will be inadmissible.

#### **5.2.3. Designation of an investigator**

Once the Report has been assessed, the relevant Manager or, where appropriate, the Channel Manager, will conduct the investigation or appoint an investigator, taking into account the matter and needs of the reported wrongdoing. They will then proceed with the subsequent phases, and may receive assistance from the departments that, in view of the specific circumstances of the case, may deem it necessary.

Depending on the nature and matter of the Report and the specific needs or complexity of the facts, the relevant Manager may entrust the investigative work to an expert Third Party or to another department or area of a CAF Group entity, or coordinate the investigation among several Managers, especially when the investigation affects more than one Group entity.

The designated investigator will be responsible for verifying the truthfulness and accuracy of the facts and information contained in the Report, and in particular of the conduct reported, in order to verify the existence of any wrongdoing within CAF Group. For these purposes, they will have the power to conduct interviews with the Whistleblower, in case the Whistleblower is not anonymous, the Person affected by the Report, and the Related Third Parties.



### 5.3. HANDLING

#### 5.3.1. Principles of dealing with the Report

CAF Group has implemented an investigation procedure that ensures professionalism, fairness and impartiality, as well as management by qualified personnel (the System Manager and the Channel Managers).

This procedure includes, among others, the following principles:

- Investigations must be adequately resourced.
- Clear terms of reference and scope should be defined and documented.
- The investigation process must be robust enough to withstand administrative, operational and legal reviews. The investigation must consider any Person affected by the Report as presumed innocent.
- The investigation must not interfere directly or indirectly with a judicial investigation. Everyone should cooperate when appropriate or required.
- The investigation must secure and protect evidence.
- Personal data must be handled in accordance with the applicable data protection regulations.
- The investigation must protect any information that may identify any Person affected by the Report.
- All investigations should be able to be expanded and adapted as circumstances change as the investigation progresses.

#### 5.3.2. Investigation of the case

Once the Report has been admitted for processing and the relevant inquiry begun, its investigation will be conducted in accordance with the criteria of impartiality, specialty and knowledge of the matter.

The investigation will be aimed at obtaining sufficient information to enable the resolution of the inquiry and the preparation of the relevant Investigation Report and conclusions.

The Person affected by the Report will then be informed of the processing of their personal data within a reasonable period of time once the data has been obtained. This should be no later than the deadline set by applicable local regulations on personal data protection, unless there are justifiable reasons to extend the aforementioned period of time in order to ensure that the investigation can be carried out properly.

The Person affected by the Report will also be provided, verbally or in writing, with a summary of the facts based on which the investigation is being conducted so that they may provide the explanations they deem appropriate and provide the evidence they consider useful to substantiate their position regarding the facts under investigation.

The Person affected by the Report will enjoy the rights, safeguards and protection measures set out in the Internal Reporting System Policy. Specifically, they will have the right to be heard at any time, adjusting the timings and the manner appropriately to ensure that the investigation is properly conducted.

Likewise, the CAF Group must ensure the confidentiality of the Whistleblower and the absence of retaliation in the face of Reports made in good faith at all times. Therefore, the identity of the Whistleblower or the circumstances that make them identifiable to the Person affected by the Report

will be excluded from the information provided to the Person affected by the Report in the exercise of their right of access.

The designated investigator will have the capacity to carry out as many investigative procedures as they deem necessary, respecting the rights of the affected parties and documenting their actions in the Whistleblowing Register.

Minutes will be taken at the end of each meeting and signed by all the attendees at the relevant session for all the sessions of the investigation and the interviews conducted during the course of the investigation.

#### **5.3.3. Personal data protection**

The investigation of the case will be conducted in accordance with the applicable personal data protection regulations at all times, restricting access to such data to persons considered strictly necessary for the process to be carried out properly and with the legitimacy to do so.

Under no circumstances will personal data that is not necessary for the knowledge and investigation of the reported acts or omissions be processed, proceeding, where appropriate, to its immediate deletion.

If the information received contains personal data included in the special category data, it will be immediately deleted, without recording or processing such data.

### **5.4. CONCLUSION**

#### **5.4.1. Issuance of the Report on the Report**

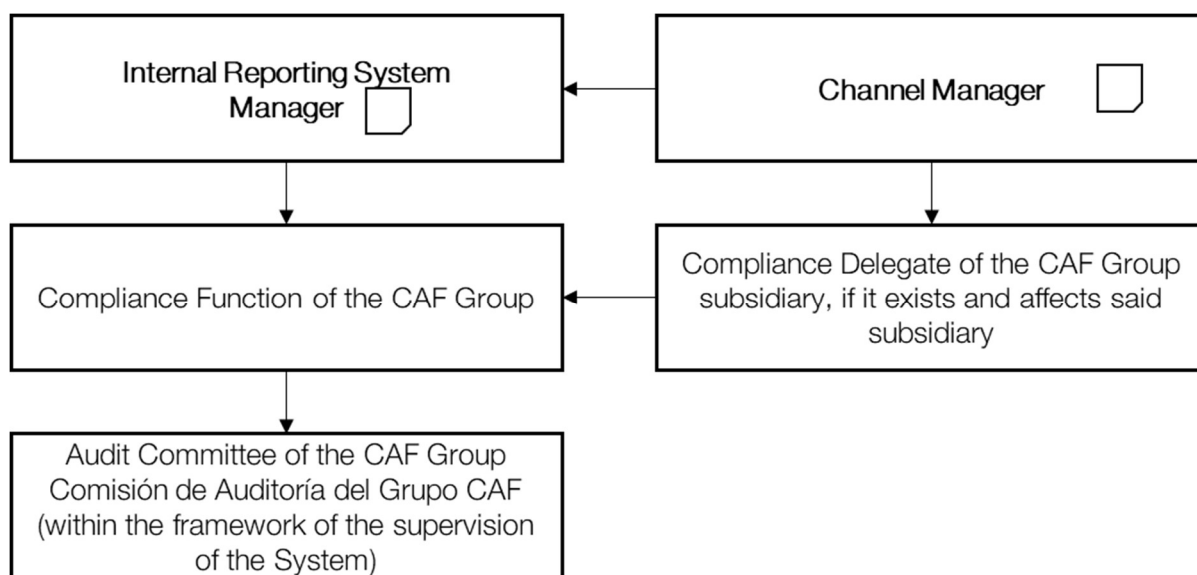
At the end of the previous phase, the investigator will prepare an Investigation Report and conclusions, which will include, as far as possible, the following information:

- Information describing the Report, including its Unique Report Identification Number and its date of receipt.
- A statement of the facts reported.
- The classification of the Report.
- The actions carried out in order to verify the plausibility of the facts.
- The conclusions reached in the investigation and the assessment of the proceedings and the evidence supporting them.
- Proposed action.

In cases where the investigator is not the relevant Channel manager, the investigator will deliver the Report to the latter for approval or to adopt additional investigation measures, where appropriate.

In accordance with the applicable regulations, the result of the investigation will be shared at the corporate level in order to comply with the obligations of subsequent auditing, Compliance, Corporate Governance or other justified reasons, complying with the relevant confidentiality requirements in all cases.

The final version of the aforementioned Report will follow the following escalation flow within CAF Group, depending on the relevant Manager in each case:



#### 5.4.2. Resolution of the Report

Once the Investigation Report and conclusions have been approved by the relevant Compliance body and by the Compliance Function in the appropriate cases, the pertinent decisions and measures will be adopted. The content of the resolution will be reported to the Audit Committee as part of the annual report on the supervision of the Internal Reporting System, unless the case is particularly serious, in which case it will be reported as soon as possible.

When the commission of wrongdoing has been confirmed, the Compliance Function (or, in the case of a subsidiary, their Compliance Delegate) will:

- Take appropriate action to resolve the wrongdoing and continuously monitor the effectiveness of those actions.
- Inform the competent Human Resources Department when the wrongdoing has been committed by an employee, a manager, or a person with any other employment or similar relationship with a CAF Group entity, for the application of the appropriate disciplinary measures, the adoption and content of which will be reported to the Compliance Function.
- Inform the Board of Directors, if the wrongdoing has been committed by a member of the Board of Directors, for the application of any of the measures provided for in the Corporate Governance System, the adoption and content of which will be reported to the Compliance Function.
- Inform the Purchasing Department (or the department that performs this function) or whoever, in each case, is the interlocutor with a Third Party, when the wrongdoing has been committed by a Third Party that has a contractual relationship with CAF Group, in order to exercise the appropriate contractual rights, and inform the Compliance Function.
- Promote the referral of matters to the relevant authorities, where appropriate, and monitor the outcome of the decisions adopted.

Specifically, encourage the immediate forwarding of information to the Public Prosecutor's Office when the facts could be indicative of a crime. In the event that the facts affect the financial interests of the European Union, a referral will be made to the European Public Prosecutor's Office.

- In addition, when—as an outcome of the inquiry—it becomes clear that the CAF Group may take legal action, the Corporate Legal Department will be informed for the purposes of initiating the administrative or judicial proceedings appropriate in each case, regarding which the Compliance Function will be informed.

The relevant Manager will record the relevant actions in the Whistleblowing Register and notify the Whistleblower and the Person affected by the Report of the conclusion of the inquiry in writing and in a reliable manner, indicating the outcome of the investigation, in those cases where it is legally required.

Subsequently, the case will be blocked to prevent further processing.

#### **5.4.3. Maximum resolution period**

The maximum period for the investigation proceedings may not exceed three months from the receipt of the Report, except in particularly complex cases that call for an extension of this period, in which case, it may be extended for an additional three months at most.

### **5.5. WHISTLEBLOWING REGISTER**

The Whistleblowing Register is a database with high-level security protection, in which all Reports received are recorded, as well as any decision and/or action taken in relation to them. This is the tool to be used by the System Manager and the Channel Managers to organize and document their performance of their tasks.

Personal data relating to information received and internal investigations will only be kept for the period that is necessary and proportionate.

In particular, the following aspects and periods of time will be taken into account:

- The data processed may be kept only for the time necessary to decide whether to initiate an investigation into the facts reported. If it is proven that the information provided or part of it is not truthful, it must be immediately deleted or blocked, as appropriate, as soon as this becomes known, unless such lack of truthfulness may constitute a criminal offense, in which case the information will be kept for the necessary time during the legal proceedings.
- In any case, if three months have elapsed since the receipt of the Report and no investigation actions have been initiated, the Report will be deleted or blocked, as appropriate, unless the purpose of storing such data is to leave evidence on how the system works. Reports that have not been acted upon may only be recorded anonymously.
- Under no circumstances may the data be kept for a period of more than ten years.

### **6. DISSEMINATION AND TRAINING**

Information regarding the Internal Reporting System, including the Internal Reporting System Policy, this Procedure and other relevant information regarding access to and use of the channels, will be available on the home page of CAF Group's corporate website [www.caf.net](http://www.caf.net) in a separate and easily identifiable section. Where appropriate, information will be included on other CAF Group websites to facilitate access to the Internal Reporting System, as the case may be.

Through the above, the CAF Group will always be able to disseminate and inform potential stakeholders of the necessary information regarding the Internal Reporting System, as well as the different channels comprising it, and also the principles, safeguards and obligations that govern its operation.

Notwithstanding the foregoing, the Compliance Function will set out the appropriate additional dissemination and training actions for its employees in compliance with the legal regulations in force and the Internal Reporting System Policy.

This training will include, among other aspects, the assurance of confidentiality that must prevail, the warning about the classification of any violation as very serious wrongdoing, as well as the emphasis on the obligation of the recipient to immediately forward the information received to the Internal Reporting System Manager or the relevant Channel Manager.

## **7. CONSEQUENCES OF NONCOMPLIANCE**

The provisions of the Information System Policy will apply for these purposes.

## **8. DEVELOPMENT OF THE MANAGEMENT PROCEDURE.**

The CAF Group Compliance Function, the Internal Reporting System Manager, or the Compliance Delegates, within the framework of their respective competencies and powers and under the premises established by the Board of Directors of CAF, S.A., may approve the regulations for the development of this Procedure to ensure that the Internal Reporting System works properly.

Notwithstanding the foregoing, within the CAF Group, there may be specific procedures for the investigation of wrongdoing and other breaches approved within the framework of a Compliance model adapted to local legal requirements in the country where a particular activity is carried out. In such case, this procedure will apply provided it does not contradict the applicable legislation and will be supplementary in nature.

## **9. MONITORING, CONTROL, REVIEW AND UPDATE**

The provisions on these matters included in the Internal Reporting System Policy will be applicable to this Procedure, *mutatis mutandis*.

## **10. APPROVAL AND ENTRY INTO FORCE**

Following approval by the Board of Directors of CAF, S.A. at its meeting on May 5, 2023, this Procedure will replace any previous procedure on the management of reporting channels and internal investigations, coming into effect on that date.