CAF's PUBLIC STATEMENT ON THE OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS (OHCHR) DATABASE AND THE JERUSALEM LIGHT RAIL PROJECT

I. Overview

CAF is an international company listed on the Spanish stock exchange, operating in strict compliance with applicable laws, regulations, and ethical standards, including those related to corporate social responsibility, Human Rights, Humanitarian Law and sustainability. CAF does not support any breach of Human Rights, Humanitarian Law nor International Criminal Law.

CAF has taken note of the communication from the OHCHR regarding its inclusion in the database of business enterprises under paragraph 96 of report A/HRC/22/63[1] due to the Jerusalem Light Rail Project. With full respect for the United Nations, CAF must nevertheless state clearly that this determination is inconsistent with the reality of its operations.

CAF's role in the Jerusalem Light Rail Project is strictly technical and neutral: providing essential public transport infrastructure that benefits all communities equally and without discrimination and enabling the exercise of fundamental Human Rights. The company has never engaged in, nor contributed to, any of the activities that the database was intended to capture.

The database, as the OHCHR itself has established, is not a judicial process and carries no legal characterisation. Yet its use as a politicised instrument risks undermining confidence in a mechanism that was designed for transparency, and not for sanction.

CAF remains fully committed to responsible business conduct, to constructive engagement with the OHCHR, and to the protection of Human Rights and Humanitarian Law in all its operations. At the same time, it will firmly defend its integrity and reputation as a global company guided by legality, accountability and respect for Human Rights.

II. Context and purpose of this statement

CAF has consistently adhered to its internal Code of Conduct's General Principles, which are publicly available and fully aligned with the United Nations Guiding Principles[2] on Business and Human Rights and the OECD Guidelines for Multinational Enterprises[3]. CAF reaffirms its strong commitment to an ethical and compliance-oriented culture, assuming its responsibility to respect Human Rights and the applicable regulations within the scope of its activities and value chain.

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[1] https://docs.un.org/en/A/HRC/22/63

[2] https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

[3] https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/06/oecd-guidelines-for-multinational-enterprises-on-responsible-business-conduct_a0b49990/81f92357-en.pdf

CAF´s operations are carried out under the framework of lawful public transportation projects, with the aim to benefit the entire civilian population, in a non-discriminatory way, and fully detached from any political agenda.

CAF has maintained an ongoing and constructive dialogue with the Office of the United Nations High Commissioner for Human Rights (OHCHR) since October 2024, when the company was formally contacted in connection with the database process established under paragraph 96 of report A/HRC/22/63 and subsequent related resolutions.

CAF has consistently adopted a collaborative and principled approach, responding to all requests for information in good faith and maintaining the confidentiality of the process, as required by the mandate methodology and OHCHR Guidelines.

The OHCHR has communicated its final decision to include CAF in the Database, without providing confirmation of the specific listed activities attributed to the company. The OHCHR has nevertheless offered to the foreseen listed companies the opportunity to provide a response to be published at the time of the database update report's presentation, which is the purpose of the present statement.

III. The Jerusalem Light Rail Project, Legal monitoring and Heightened Human Rights Due Diligence permanently applied by CAF

The Jerusalem Light Rail Project was awarded in 2019 to TransJerusalem J-Net Ltd., a company 50% owned by the Israeli construction company, Shapir Civil & Marine Engineering Ltd (Shapir) and CAF, with an estimated total value of €1,800 million. It includes the construction of the Green Line as well as the extension of the existing Red Line, which partially run through East Jerusalem. This construction phase is expected to conclude in 2027. The Jerusalem Light Rail Project also includes the operation of both Lines for 15 years (with the possibility of extending the term to 25 years) and their maintenance for 25 years, through another company equally owned 50% by Shapir and CAF, which began operations in 2021.

Beyond compliance with the applicable regulatory framework, CAF is firmly committed to business ethics and the respect for Human Rights across all its operations, including its value chain, based on the highest standards of accountability and transparency.

To this end, CAF has established a set of rules, procedures, and systems, adopted at the highest level, which together constitute a comprehensive Compliance System applicable to the entire Group, as well as to third parties contracting with CAF, with the purpose of preventing and addressing any conduct that could be unethical or contrary to the law, or CAF's Internal Regulatory System.

Particularly in the area of Human Rights, CAF has adopted a specific Due Diligence Policy, further developed through several detailed procedures, which reinforces at the highest level its ethical commitment across all its activities and business relationships.

CAF is fully aware of the complex legal and ethical implications linked to the Jerusalem Light Rail Project, specifically in relation to International Humanitarian Law and corporate accountability, and of the importance of carefully balancing the protection of Human Rights with the need to provide the population with essential infrastructure for all communities without discrimination.

Accordingly, throughout the execution of the Jerusalem Light Rail Project, CAF has implemented specific due diligence measures with three levels of intensity (general, enhanced, and intensified), in accordance with the Guide on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts, published by the United Nations, in order to identify, prevent and mitigate, where appropriate, any adverse impact on Human Rights.

As a preliminary measure prior to the signing of the contract related to this project, CAF conducted a legal analysis through consultations with independent and highly regarded experts, including professors of International Law and United Nations specialists, who confirmed the absence of any breach arising from CAF's participation in the Jerusalem Light Rail Project. This conclusion is further supported by the resolution of the Versailles Court of Appeal issued in relation to the Red Line, during the pre-expansion phase, which dismissed any violation of International Law by the companies involved in the Jerusalem Light Rail Project. Additionally, the legal services of the competent Authority in Spain confirmed that the Project was in compliance with international law and identified no legal objection for the signing of the contract and the subsequent execution of the Jerusalem Light Rail Project. Following these verifications, the company TransJerusalem J-Net Ltd. (now named CFIR Light Rail Ltd.) signed the concession contract on 26 September 2019.

In 2020, proceedings were initiated before the Spanish National Point of Contact, a collegiate interministerial body of the Government of Spain established to promote the effectiveness of the OECD Guidelines, whose final report was issued in 2022 without identifying any legal non-compliance by CAF nor the violation of any rights.

Furthermore, throughout the execution of the Jerusalem Light Rail Project and to date, CAF has closely monitored the resolutions issued by various international bodies, always cross-checking them with external advisors and independent experts, who have consistently upheld their initial favourable conclusions.

On the other hand, CAF has conducted an initial risk assessment of the Jerusalem Light Rail Project, followed by subsequent reassessments, without identifying any Human Rights violations or the materialization of any adverse impact to date. On the contrary, the Jerusalem Light Rail Project generates positive impacts on the population, as confirmed by independent expert reports issued in 2023 and again in July 2025.

These reports, drawn up following on-site visits and interviews with users and representatives of various communities, highlight the social utility of the Jerusalem tramway, which constitutes an essential public service infrastructure and acts as a catalyst for the fulfilment of Human Rights such as freedom of movement, access to employment, healthcare, education, and places of worship for the entire population, without distinction, with particular benefit to the most vulnerable communities. Accordingly, the reports conclude that the Jerusalem Light Rail Project has a positive, non-discriminatory impact, providing access to basic social services and a sustainable and eco-friendly infrastructure.

Available mobility data confirm that members of the Arab community, who constitute a significant proportion of tram users, are those who use it most frequently (more than half of them use it three or more times per week), the large majority of whom report the

highest level of satisfaction with the service, according to quality surveys periodically conducted by a specialized agency.

The company responsible for the operation and maintenance of the system follows a strict inclusive and non-discriminatory policy —about 25% of the employees are Arab. It also takes specific measures to prevent any discrimination on ethnic, national, religious or other grounds, ensuring that the transport system is accessible to everyone and that signposts and signals are multilingual, including both Arabic and Hebrew.

The aforementioned independent reports also underscore CAF's high level of compliance with key international standards on corporate social responsibility and sustainability, as well as its adherence to Human Rights Due Diligence in accordance with the UN Guiding Principles and the OECD Guidelines.

The evidenced positive impacts, together with the absence of materialized negative impacts, support the effectiveness of the Due Diligence carried out to date, which is in any case subject to ongoing monitoring.

CAF reports annually, through its Non-Financial Information Statements – Sustainability Reports, on the due diligence measures applied to its projects, with specific reference, in a dedicated section, to those related to the Jerusalem Light Rail Project[4], subject to independent external verification, with satisfactory results to date.

IV. Disagreement with the inclusion of CAF in the database

CAF welcomes the opportunity to engage constructively with OHCHR and other relevant United Nations bodies in a transparent and good-faith manner. However, CAF firmly rejects that it could be considered involved in any of the activities described in paragraph 96 of the Report A/HRC/22/63 of the independent international fact-finding mission. CAF's operations fall outside the material scope of these activities and do not meet the material or functional thresholds required for inclusion in the database.

CAF's operations cannot be interpreted as contributing to, facilitating, or benefiting from settlement related practices. The OHCHR has indicated that the database is confined to enterprises engaged in certain activities of concern under international law, including the exploitation of natural resources, the construction or expansion of settlements, the provision of security or surveillance services, and the demolition or displacement of civilian populations. CAF has never engaged in any of those activities or others that could fall under the categories covered by the mandate.

Under its contractual engagement in the Jerusalem Light Rail Project, CAF´s role, as a private company, consists in the supply, installation, operation and maintenance of public railway elements, under a legal public procurement framework, and without involvement in land planning, settlement policy, or resource appropriation.

CAF neither participates in nor influences territorial planning decisions, land use, governmental policies or geopolitical considerations related to the rail network. Furthermore, CAF´s contractual obligations are not contingent on the political status of specific neighbourhoods or territories. The company has neither the capacity nor the mandate to modify or shape the route of the railway lines, nor to direct its operational

[4] https://admin.cafmobility.com/uploads/CAF_EINF_IS_2024_EN_537629eeb0.pdf

scope beyond the technical requirements of the project. Indeed, CAF's operations does not entail any intent, purpose, or effect of supporting illegal settlements, apartheid, segregation or occupation policies and measures. On the contrary, CAF´s activities enable access and connection to all communities and do not sustain division or exclusion.

In this sense, the company's activities are purely technical and operational, connected to essential civil infrastructure with a focus on ensuring safe and reliable transport solutions that facilitates daily life of the population and serves all communities, including Palestinian, without discrimination. CAF's operations related to the Jerusalem Light Rail Project ensure public transport accessible with the primary goal of improving mobility and equal and universal access to essential services regardless of the identity, ethnic origin, religious beliefs or any other grounds or status of the passengers.

Furthermore, CAF's project stands as a catalyst for access and inclusion, guaranteeing and enabling the exercise of the Human Rights related to freedom of movement, access to healthcare, education, economic opportunity, work and non-discrimination for all communities, with particular benefit to the most vulnerable populations. These positive social impacts translate into concrete realities: children and students reaching schools and universities, patients accessing hospitals without discrimination, families attending places of worship, and workers commuting daily to their jobs.

According to the available data obtained from quality surveys that are periodically conducted by a specialized agency, the most frequent users have historically been and still are from the Arab population (62.40% of Arab passengers use the LRV three of more days per week). Passengers form Arab areas also report the highest feeling of personal security rates (74.60% are "satisfied" or "very satisfied" with the security of the LRV) and high satisfaction rates (72.90% are satisfied or very satisfied with the LRV).

Providing infrastructure that directly enables the exercise of fundamental rights is a principle that has been underscored by the International Court of Justice in its Advisory Opinions of 2004 and 2024, and it is also enshrined in Article 12 of the International Covenant on Civil and Political Rights (Freedom of Movement), which applies not only in times of peace, but also in situations of armed conflict and occupation. For these reasons, CAF´s operations fall squarely within the category of neutral activities that are recognized under international law as crucial to the civilian population's well-being, even in conflict-affected settings. In a context marked by allegations of segregation and apartheid, it is of paramount importance to preserve the freedom of movement of all individuals on an equal and non-discriminatory basis.

In this context, providing an inclusive transport solution should be seen as a relevant contribution to the protection of civilian populations, in line with OHCHR's Human Rights mandate and the principles of International Humanitarian Law. These outcomes suggest that reliable public transport infrastructure may serve as a stabilizing factor in conflict-affected environments, by facilitating access to essential services and supporting the exercise of economic and social rights without discrimination.

In fact, undermining such access would generate exclusion, loss of mobility, and deeper institutional fragmentation. Denying the construction and operation of transport infrastructure in such areas would have the counterproductive effect of depriving the

population of a vital means of mobility — essential for accessing employment, education, healthcare services, and places of worship. This would significantly affect the daily lives of civilians and would have a disproportionately negative impact on the most vulnerable groups.

For all these reasons, CAF firmly rejects any characterization suggesting that its operations are intended to advance settlement policies or to contribute, directly or indirectly, to violations of international law. CAF's business model remains focused on providing neutral and essential transportation solutions and does not support any breach of Human Rights, Humanitarian Law nor International Criminal Law.

In the same spirit, CAF reaffirms its strong adherence to the international legal framework and expresses its unequivocal rejection of any policy or practice of unlawful behaviour. The company is solely engaged in the technical domain of transportation, in line with its contractual obligations under local law.

In this sense, the expectations placed on private companies must remain within the scope of the United Nations Guiding Principles on Business and Human Rights, to which CAF has voluntarily adhered, already setting its ethical standards at the highest level.

V. Database nature and risks of misinterpretation

As stated in report A/HRC/57/21, as well as in previous reports of the same Body (A/HRC/43/71 of 28 February 2020 and OHCHR Office report of 30 June 2023), "OHCHR is mandated to make factual determinations of whether business enterprises are involved in one or more of the listed activities for the purposes of adding or removing business enterprises from the database. This work does not and does not purport to constitute a judicial or quasi-judicial process of any kind, nor does it provide any legal characterization of the listed activities or business enterprises' involvement therein."

The purpose of the database is to identify companies that participate in certain listed activities with potential Human Rights risks, as established by the independent international fact-finding mission on the impact of Israeli settlements on the civil, political, economic, social, and cultural rights of the Palestinian people. This list is not exhaustive and does not cover all business activities related to settlements, nor does it extend to other business activities that may raise Human Rights concerns.

The database is a non-judicial, technical and preventive mechanism for the listed companies to take appropriate action to address real or potential adverse impacts on Human Rights, without any declaratory function. In any case, CAF is already complying with the highest requirements of Human Rights due diligence, applying specific and tailored due diligence measures with three levels of intensity (general, enhanced, and intensified), in accordance with the Guide on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts, published by the United Nations, in order to identify, prevent and mitigate, where appropriate, any adverse impact on Human Rights.

The inclusion in the database does not anticipate or imply any finding or presumption of illegality, misconduct or breach of international law, nor does it generate any legal consequences.

Nevertheless, CAF regrets that the misleading use of the database mechanism by certain actors, for political or ideological purposes, undermines the neutrality that should characterise an institutional mechanism of the United Nations. Rather than functioning as a technical and preventive tool for transparency, the database risks being perceived as an instrument of political pressure, thereby distorting its original purpose and eroding confidence in the UN Human Rights system itself.

Notwithstanding its factual -not legal- nature of the database, the mechanism exposes enterprises that have acted with full diligence and in strict compliance with international standards, such as CAF, to unwarranted reputational scrutiny and commercial prejudice, as inclusion in the database is increasingly misinterpreted by third parties as a presumption of illegality or complicity in violations of international law. This risk is particularly acute in the case of companies like CAF, whose activities directly enable access to fundamental rights and provide a neutral and essential public infrastructure.

Conflating such operations with those of enterprises engaged in unlawful practices undermines the credibility of the database mechanism and obscures its preventive purpose.

For this reason, CAF respectfully observes that not all companies should be treated under a single, undifferentiated category in the database. Enterprises that are compliant with international law, aligned with best practice standards, and willing to engage constructively with the United Nations should be acknowledged as such, in contrast to those that do not meet these conditions. This distinction is necessary to ensure that the mechanism supports the outcomes sought by United Nations resolutions and by the mandate of the OHCHR.

VI. CAF's commitments to Business Ethics, Human Rights and transparency

While CAF's position remains firm regarding the non-applicability of the database mandate to CAF's activities, CAF recognizes the importance of addressing these concerns through cooperative and transparent means.

CAF is deeply aware of the international challenges on business and Human Rights — not only for private actors, but also for States, international institutions, and local authorities. In the face of this global challenge, CAF does not seek to evade responsibility but to embrace it, by aligning itself with the highest standards of responsible business conduct, guided by a firm commitment to international law, Human Rights, and accountability.

CAF aspires not only to comply with existing frameworks, but to engage with fragile environments with transparency, ethical leadership, and a demonstrable contribution to the promotion of economic, social and cultural rights (ESCR) and to environmental justice — for all, without distinction.

As a proof of that, CAF applies a structured and comprehensive process aimed at due diligence and risk assessment and engages with relevant stakeholders — including civil society actors, compliance and international law experts and institutional interlocutors — with the goal of contributing positively to environments marked by legal complexity and human vulnerability.

In this context, CAF reaffirms its full readiness to pursue its collaboration with the OHCHR and other relevant stakeholders, constructively and transparently, in order to address any legitimate concerns and to uphold the highest standards of compliance with international Human Rights and Humanitarian Law, especially in complex and conflict-affected environments.

CAF reiterates its unwavering commitment to act in accordance with the highest standards of integrity, responsibility, and transparency in all jurisdictions where it operates, and to prioritize the monitoring of any material issue relating to ethics and Human Rights, as well as of the regulatory framework under which it operates.

In Beasain on 24 September 2025
Construcciones y Auxiliar de Ferrocarriles S.A. (CAF)