

# **Talgo, S.A. and subsidiaries**

Independent verification report of the  
consolidated non-financial information  
statement for the fiscal year ended  
December 31, 2024.

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF TALGO S.A. AND SUBSIDIARIES FOR 2024**

To the Shareholders of Talgo, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the accompanying Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2024 of TALGO, S.A. and subsidiaries ("Talgo" or "the entity" or "the Group"), which forms part of the accompanying directors report of Talgo.

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our attestation engagement. In this regard, our work was limited solely to verification of the information identified in the "Indicators Law 11/2018" table included in the accompanying NFIS.

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### **Responsibilities of the Directors**

The preparation and content of the NFIS included in the Talgo's directors' report are the responsibility of the directors of Talgo, S.A. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as indicated for each matter in the "Indicators Law 11/2018" table of the aforementioned Statement.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The directors of Talgo, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

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## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1) which requires the firm to design, implement and operate a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

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## Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our work in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance provided is substantially lower.

Our work consisted of making inquiries of management and the various units of Talgo that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Talgo personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2024 NFIS based on the materiality analysis performed by Talgo and described in section “1.5 Materiality analysis”, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2024 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2024 NFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2024 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the directors and management.

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### Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and the delegated acts adopted pursuant to that Regulation establish, for the first time for 2024, the obligation to disclose information on how and to what extent an undertaking’s activities are associated with aligned economic activities in relation to the environmental objectives on sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the prevention and restoration of biodiversity and ecosystems (the other environmental objectives) and in relation to certain activities included in the climate change mitigation and climate change adaptation objectives, in addition to the information on eligibility required in 2023 for the aforementioned activities. Therefore, the accompanying NFIS does not include comparative information on alignment in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. In addition, it should be noted that Talgo's directors have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in section “7 Taxonomy” of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

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## Conclusion


Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Talgo, S.A. and subsidiaries for the year ended 31 December 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as indicated for each matter in the "Indicators Law 11/2018" table included in the aforementioned NFIS.

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## Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE AUDITORES, S.L.



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Bruno Rodríguez Martínez

28 February 2025



# Talgo

## **TALGO, S.A. AND SUBSIDIARIES**

Non-Financial Information Statement (EINF)  
prepared in accordance with Law 11/2018, of 28  
December, for the financial year ended 31  
December 2024

# TALGO, S.A. AND SUBSIDIARIES

## 2024 NON-FINANCIAL INFORMATION STATEMENT

### 1 BUSINESS MODEL DESCRIPTION

#### 1.1 Introduction

This Non-Financial Information Statement (hereinafter, "EINF") for Talgo S.A. and subsidiaries (hereinafter, "Talgo" or "Talgo Group") for the year ended 31 December 2024, is published in compliance with Law 11/2018, of 28 December, amending the Commercial Code, the Consolidated Text of the Capital Company Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Audit of Accounts, in the field of non-financial information and diversity.

To draft this document, Talgo has relied on the European Commission's guidelines on non-financial reporting (2017/C 215/01), in accordance with European Directive 2014/95/EU of the European Parliament and of the Council, of 22 October 2014, amending Directive 2013/34/EU with regard to the disclosure of non-financial information and information on diversity by certain large companies and certain groups.

In response to Law 11/2018, Talgo has selected certain requirements for the breakdown of the European Sustainability Reporting Standards (ESRS), as indicated in table 42 of this document.

The EINF has been developed using the Talgo Group's systems, resources and tools. These report on the management and results obtained by each area responsible for sustainability issues, both for central services and the organization's subsidiaries.

This document includes information on sustainability on a consolidated basis, i.e. including Talgo S.A. and its subsidiaries. The details for the above-mentioned companies together with their activities and registered office are provided below:

*Table 1: Talgo Group companies*

Company	Registered address	Activity	% Share	
			Direct	Indirect
Patentes Talgo, S.L.U. (a)	C/ Paseo del Tren Talgo 2, Madrid, Spain	Manufacture and maintenance of rolling stock	100%	-
Talgo Inc (b)	3533 27th Street, 53216 Milwaukee, WI	Manufacture and maintenance of rolling stock	-	100%
Talgo Deutschland, GmbH (c)	Revaler Strasse 99, 10245, Berlin, Germany	Maintenance of rolling stock	-	100%
Talgo Kazajistán, S.L.U. (b) (*)	C/ Paseo del Tren Talgo 2, Madrid, Spain	Manufacture and maintenance of rolling stock	-	100%
Talgo Demiryolu Araçları Üretim VE BA. A.S.(b) (**)	Istanbul	Manufacture and maintenance of rolling stock	-	100%
Patentes Talgo Tashkent, LLC. (b) (**)	Mirabad region, Kadirov A., 64 street, Afrosiab service center, 100105 Tashkent, Uzbekistan	Manufacture and maintenance of rolling stock	-	100%
Talgo India Private Limited (b)	Business Center Avanta, office 406, World Mark 2, 110037 New Delhi, India	Manufacture and maintenance of rolling stock	-	100%
Tarvia Mantenimiento Ferroviario, S.A.(a)	C/ Paseo del Tren Talgo 2, Madrid, Spain	Maintenance of rolling stock	-	51%
Motion Rail, S.A.(b) (*)	C/ Paseo del Tren Talgo 2, Madrid, Spain	Operation and development of railway activities	-	95%

## TALGO, S.A. AND SUBSIDIARIES

### 2024 NON-FINANCIAL INFORMATION STATEMENT

Company	Registered address	Activity	% Share	
			Direct	Indirect
Talgo Denmark, APS (b)	Herstedøstervej 27, 2620 Albertslund, Copenhagen, Denmark	Repair and installation of railway machinery and equipment	-	100%
Talgo Shanghai Railways Equipment Co. Ltd (b)	Room 1209, Chong Hing Finance Centre, West Nanjing Road 288, Shanghai	Central purchasing body	-	100%

(a) Company audited by Deloitte, S.L.

(b) Unaudited company.

(c) Company audited by Deloitte, Gmbh.

(\*) Companies without activity.

(\*\*) Companies without activity and in the process of dissolution

#### 1.2 Business model

The Talgo Group's business is defined, on the one hand, by the manufacture and sale of rolling stock (wheeled vehicles able to run on a railway track) and, on the other, by the manufacture of auxiliary machines, complementing these activities mainly with the provision of associated maintenance services, all at national and international levels.

Therefore, Talgo is an industrial group, belonging to the railway sector and specialized in manufacturing and maintenance, mainly in high and very high-speed trains.

The Talgo Group's activity focuses on two business lines:

- The manufacture, delivery and maintenance (preventive, corrective, predictive) of commercialized rolling stock.
- The manufacture, commercialization and maintenance of auxiliary and other machines: mainly pit lathes (state-of-the-art equipment designed for turning or reprofiling wheels mounted on their axles), measuring equipment and shunting cars. This activity also includes rolling stock renovations/remodelling.

Production activities go through the following process:

- *Manufacture of rolling stock:*

Rolling stock is manufactured in the factories of Las Matas II (Las Rozas) and Rivabellosa (Álava) and focuses on bogies and mono-axle independent wheel running gear, passenger coaches (wagons), power heads and certain other complementary activities.

- *Maintenance of rolling stock:*

Rolling stock maintenance is carried out at maintenance centres located at customer facilities (in Spain and in all countries in which Talgo provides services) and at the Las Matas II factory (mainly work related to rolling stock, i.e. bogies and mono-axle independent wheel running gear).

A very important factor is that the maintenance centers are not owned by Talgo, but by the customers who purchased the rolling stock. These facilities are also shared with other companies (from the same or other sectors) that carry out other types of associated activities or activities necessary for railway operation.

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### 2024 NON-FINANCIAL INFORMATION STATEMENT

- *Manufacture of auxiliary machines and others:*

The manufacture of auxiliary and other machines takes place at the Las Matas II factory. This equipment is exclusively used for the maintenance of rolling stock. This mainly involves pit lathes and measuring equipment.

This activity also includes the renovation or remodelling of rolling stock, which is done at the Las Matas II and Rivabellosa factories and at customer centres.

All of the Group's activities related to organisation, project and resource management, design, programming, methods, operating guides, manuals, etc. are carried out at the HQ corporate offices.

The sale of products and services is carried out through Talgo's offices and sales offices worldwide.

#### 1.3 Strategy

Talgo establishes seven strategies to ensure the sustainable and responsible management of its business and to achieve the vision and goals of the current Corporate Sustainability Strategic Plan:

- Advanced corporate sustainability in business management and impacts.
- Eco-efficient, sustainable and highly competitive services, products and solutions.
- Innovation towards sustainable and responsible mobility.
- Competitiveness based on efficiency, quality and safety.
- People management based on corporate values, quality employment, diversity, equality and talent management.
- Responsible value chain and sustainable procurement.
- A good, established reputation that makes the difference.

The “responsible value chain and sustainable procurement” strategy was integrated by Talgo in 2024 as a key strategy, given the European Union's priority and focus on this issue.

These strategies are aimed at achieving eight major goals:

- Optimal business generation and growth over time.
- Generation of value and profitability through prudent economic and financial management, maintaining the best relations with the capital markets and stakeholders.
- Offer innovative products and services of the highest quality, reliability, safety and sustainability.
- Manage in a sustainable and ethical manner, with a differentiating focus on the environment, people, human rights and societies, through responsible governance.
- Develop a responsible value chain and carry out sustainable procurement.
- Implement sustainable systems and measures in people management with a focus on occupational safety, quality employment, diversity and inclusion, and talent management.
- Digitize and develop cybersecurity as vehicles for maximizing efficiency, protection and resilience in the face of new trends and demands.

## TALGO, S.A. AND SUBSIDIARIES

### 2024 NON-FINANCIAL INFORMATION STATEMENT

- Build a strong reputation, based on “good practice” and value frameworks designed to establish the best relationships and frameworks for participation with stakeholders.

Each of the strategies is explained below:

#### Advanced corporate sustainability in business management and impacts

Talgo assumes, adopts, integrates and promotes, both internally and in its value chain, balanced and coherent business management in which policies, principles, commitments and actions respond firstly to its economic sustainability, and then to the consolidation and resilience of the economic, environmental and social ecosystems in which it operates, under the responsible management of corporate governance.

Applying due diligence principles, Talgo focuses on implementing best labour practices, respect and promotion of human rights, ethical management and regulatory compliance, the climate change mitigation, the prevention and control of pollution, the sustainable use of resources, diversity, equality and inclusion, the development of talent and the sustainability of the company's supply chains.

Within the framework of our sector and markets, we are committed to working on sustainable mobility, energy and ecological transition, eco-efficiency and the circular economy.

#### Eco-efficient services, products and solutions with highly competitive value

Through the scope, value, functionality and differentiation of its products, solutions and services, Talgo aims to be a benchmark company and of high interest in the major categories of its products and services: rolling stock, maintenance services and auxiliary equipment.

Talgo is committed to advanced technology to maximise efficiency and position its product as differential in the sector.

Through full commitment to customers and through its relation to rolling stock maintenance services provided, Talgo develops a continuous learning model in order to both optimise maintenance processes and identify areas for improvement and innovation.

As a result, the reliability of the product is continuously improving and the product remains technologically state-of-the-art over time.

#### Innovation towards sustainable and responsible mobility

The implementation of the Sustainable Development Goals in 2015, the current challenges facing societies and the new trends of customers and users mark a new roadmap towards a transformation of companies to generate a greater positive impact through social and environmental innovation.

Purposeful organisations committed to responsible business, such as Talgo, establish innovative models where eco-efficiency, new social value functionalities, smart mobility solutions, energy transition and circular economy are the new pillars of value to be generated.

## TALGO, S.A. AND SUBSIDIARIES

### 2024 NON-FINANCIAL INFORMATION STATEMENT

The commitment to innovation through continuous technological advances to increase the efficiency and value of products and services is underpinned by the increasing volume of investments made by Talgo in recent years.

#### Competitiveness based on efficiency, quality and safety

Talgo establishes its competitiveness model through the continuous improvement of its quality systems, process strength, productivity and industrial and operational efficiency.

This strategy integrates the challenges associated with "Industry 4.0", where digitalisation, artificial intelligence and cyber-physical systems will characterise the new form of production, converting current production centres into "Smart factories" where production efficiency and people safety are maximised, while minimising waste generation and energy consumption.

The commitment to quality is reflected in the outstanding performance of the compositions produced to date, and is consolidated through the relationship maintained with the customer via the link with the product, acquiring responsibility for its maintenance for long periods of time until the end of its useful life.

#### People management based on corporate values, quality employment, diversity, equality and talent management

Talgo aims to continue to foster an organisational culture based on a values model where participation and leadership style are established on a model of trust, priority talent management and the shared goal of sustainable development.

This culture also includes stakeholders in the value chain (customers, suppliers, regulators and partners) as strategic allies in building a sustainable world.

Talgo's human capital is critical in achieving organizational success, and to this end, the focus is mainly on quality employment, safety, health, diversity, equality and talent development.

Within the framework of active recruitment policies, Talgo is clearly committed to diversity, the promotion of talent and employment stability as a means of enriching the culture, improving the employees' productivity and as an essential mechanism for maximising motivation and satisfaction.

#### Responsible value chain and sustainable procurement

Talgo understands the need to work to improve the visibility, vulnerability and resilience of the value chains (especially supply chains) in which it participates, helping to minimise the risks that arise therefrom in terms of labor, human rights, environment (mainly in the fight against climate change) and ethics (especially corruption and bribery).

Its role is to collaborate in building and promoting the responsibility to do good sustainable business in our sphere of influence and sector, to strive to cement relationships of trust with stakeholders, and to collaborate in creating sustainable, ethical and responsible economic, environmental and social ecosystems.

Accordingly, we work on sustainability in the five stages of the production process (inbound logistics, operations, marketing, sales and outbound logistics) to provide value to the product and support the control and improvement of environmental, social, ethical and governance factors, mainly for suppliers.

## TALGO, S.A. AND SUBSIDIARIES

### 2024 NON-FINANCIAL INFORMATION STATEMENT

#### A good, established reputation that makes the difference

Since its incorporation, Talgo has capitalised on and maintained an outstanding reputation as an active, innovative, international, technologically differentiated and sustainable player in the global railway sector, providing benchmark mobility solutions in a highly competitive environment.

In a global economic context where investment decisions are increasingly backed by the intangibles and reputation of organisations, Talgo stands out with a proven track-record of success, underpinned by deep-rooted values of business ethics, quality, product safety and social responsibility.

#### **1.4 Corporate Governance**

##### **Governing bodies**

The functioning of the company's highest governing bodies is detailed in the General Shareholder Meeting Regulations and the Board of Directors Regulations, available on the Talgo website.

##### General Shareholder Meeting

In accordance with the Articles of Association, it is the sovereign body of the company and has the power to decide on all matters vested in it by law or the Articles of Association.

In relation to the 2023 financial year, the Ordinary General Shareholder Meeting was held in person and electronically on 27 June 2024 on first call, in accordance with the regulations in force at the time of the meeting.

##### Board of Directors

It performs its duties with unity of purpose and independence of judgement, affording the same treatment to all shareholders who find themselves in the same position. It should also be guided by the corporate interest, understood as the achievement of a profitable and sustainable business over the long-term in a way that fosters continuity, sustainable development and the maximisation of the Company's economic value.

During the 2024 financial year, the Board of Directors was composed of 10 members who met 16 times.

##### Delegated committees

- *Audit committee (2024: 7 meetings)*

Made up of two directors: two independent directors (including the chairman) and one proprietary director. The committee is responsible for supervising the internal audit function and ensuring the proper functioning of the reporting and internal control systems. It oversees the process of preparation, presentation and integrity of the financial information and ensuring that the accounts presented to the General Meeting of Shareholders are free of limitations and qualifications in the audit report.

- *Appointments and Remunerations Committee (2024: 5 meetings)*

Made up of three members, two of whom are independent directors (including the Chairman) and one proprietary director. The committee is responsible for preparing proposals in relation to the remuneration policy applicable to Company directors and board members.

## TALGO, S.A. AND SUBSIDIARIES

### 2024 NON-FINANCIAL INFORMATION STATEMENT

- *Strategy and Sustainability Committee (2024: 2 meetings)*

Made up of five members, of whom two are executive, two are independent (including the chairman) and one is a proprietary member. By delegation of the Board of Directors, it is primarily responsible for defining, implementing, monitoring and evaluating the fulfilment of the Talgo Group's strategies and for the integrating and consolidating corporate sustainability within the business.

#### Members of the Board of Directors

The table shows the directors, their positions and the committees they participate in:

*Table 2: Directors, their positions and committees they participate in for the 2024 financial year*

Director Name	Category	Position	Committees
Mr. Carlos de Palacio y Oriol	Executive	Chairman	-
Mr. Gonzalo Urquijo Fernández de Araoz	Executive	CEO	SSC
Mr. José María de Oriol Fabra	Other External	Vice-Chair	SSC
Mr. Emilio Novela Berlín	Independent	Coordinating Director	AC
Ms. Marisa Poncela García	Independent	Director	SSC, AC
Mr. Antonio Oporto del Olmo	Independent	Director	SSC, ARC
Mr. John Charles Pope	Independent	Director	ARC
Mr. Javier Bañón Treviño	Proprietary	Director	ARC
Mr. Javier Olascoaga	Proprietary	Director	SSC, AC
Mr. Pedro del Corro García-Lomas	Proprietary	Director	-

Legend: SSC, Strategy and Sustainability Committee; AC, Audit Committee; ARC, Appointments and Remuneration Committee.

*Table 3: Number of directors by position, category and gender for the 2024 financial year*

Metrics	2024	%
<b>Total directors</b>	<b>10</b>	<b>100%</b>
<b>Executive and non-executive directors</b>		
Number of Executive Directors	2	20%
Number of Non-Executive Directors	8	80%
<b>Independent and non-independent directors</b>		
Number of Independent Directors	4	40%
Number of Proprietary Directors and others	6	60%
<b>Directors by gender</b>		
Number of Directors (men)	9	90%
Number of Directors (women)	1	10%

The Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, available on the Talgo website and in the Talgo S.A. section of the Spanish Securities and Exchange Commission (CNMV) website, provide more details on the 2024 financial year.

#### Integration of sustainability into decision-making and internal control procedures

The company has integrated sustainability management, leadership and governance into senior management committees and meetings, through the Strategy and Sustainability Committee and the Steering Committee. This approach ensures that sustainability risks and opportunities are given the same importance as other business risks and opportunities, promoting a comprehensive vision in corporate decision-making.

## **TALGO, S.A. AND SUBSIDIARIES**

### **2024 NON-FINANCIAL INFORMATION STATEMENT**

#### **Compliance unit**

With regard to ethics oversight, the Compliance Unit is authorised to ensure and enforce the Code of Ethics and any other Corporate Governance standard approved by the Talgo Group, including the Securities Market Code of Conduct. It also promotes ethical business behaviour.

It is a collegial body that will have the material and human resources necessary to perform its functions. It is permanent and is linked to the Board of Directors, which reserves the oversight function of the Compliance Body, requiring as many reports or data as necessary. In turn, the Compliance Body also has the power to oversee the adoption and execution of agreements adopted by the Board of Directors and its committees.

The Compliance Unit is comprised of:

- Human Resources Manager
- Talgo Legal Counsel
- Internal Audit Manager

#### **Internal audit**

Managed through the Internal Audit Department and governed by the Audit Committee, internal auditing guarantees internal control and assurance in the fulfilment of the responsibilities of the different Talgo units and is authorised to communicate critical concerns to the highest governing body.

Talgo conducts systematic and continuous internal audits in accordance with the audit plan. Significant deviations are fully resolved and the proposed recommendations are always implemented.

The management methodology is based on the risk management system, COSO internal control and the recommendations of the Institute of Internal Auditors (IIA).

The types of audits conducted are:

- External or legal audits
- Internal audits
- Operational audits
- Audits of IT systems and cybersecurity
- Public or governmental audits
- Management system audits
- Business continuity audits
- Other special audits

#### **Mechanisms for ensuring good business conduct**

Talgo has mechanisms to strengthen the prevention, detection and resolution of business conduct issues, namely:

- Fostering a culture of ethics, raising awareness among interest groups, especially employees and suppliers.
- Allocating resources to the detection, investigation and resolution of potential conflicts, through the Compliance Unit and Internal Audit.

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### 2024 NON-FINANCIAL INFORMATION STATEMENT

- Establishing a channel that allows all possible cases to be reported, making the Talgo Whistleblowing Line available to everyone.

#### Whistleblowing Line

The Talgo Whistleblowing Line makes it possible to detect possible illegal behaviour or behaviour contrary to the code of conduct.

Anyone who reasonably suspects a violation of the regulations or the Code of Ethics, must immediately report their concern through the confidential Whistleblowing Line (<https://lineaetica-talgo.i2-ethics.com/#/>) that Talgo makes available to all interest groups, through the Talgo website (<https://www.talgo.com/en/>) and the corporate intranet (Talگو4People).

The Talgo group must also ensure the proper management of the complaint and the protection of the informant against possible retaliation. The Talgo Group does not currently have specific policies or practices for the protection of whistleblowers, but it does meet all the requirements of Law 2/2023, of February 20, regulating the protection of individuals who report regulatory violations and the fight against corruption, which transposes Directive (EU) 2019/1937 (the Whistleblowing Directive).

To provide the process with greater independence and confidentiality, the management of the Whistleblowing Line is outsourced to the company "i2Ethics".

Therefore, the Whistleblowing Line has the following characteristics and properties:

- Compliance with all requirements of Law 2/2023 regulating the protection of persons who report regulatory violations and on anti-corruption.
- Application of due diligence.
- Scope includes all stakeholders, whether internal or external.
- Confidentiality or disclosure of the identity of the whistleblower, if permitted by the whistleblower.
- Processing of data on the basis of the consent given by ticking the box provided for this purpose.
- Exercise of rights of access, rectification, portability and erasure.

The internal body responsible for secure, reliable and appropriate management is the Compliance Unit, with the collaboration, especially for the confidentiality of the process, of i2Ethics (an outsourced company) and the participation of the organisational units involved in the required forensic analysis.

*Table 4: Communications received through the Whistleblowing Line*

Metric	2024	2023
<b>Total number of communications received through the Whistleblowing Line</b>	<b>4</b>	<b>4</b>
Corruption or Bribery	-	2
Discrimination, harassment or any other employment issue	3	-
Environment	-	-
Securities market and insider trading	-	-
Anti-competitive practices or conflicts of interest	-	-
Data protection, information security and confidential information	-	1
Safety, health and well-being	-	-
Other	1	1

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### 2024 NON-FINANCIAL INFORMATION STATEMENT

Metric	2024	2023
Total number of ongoing communications received	1	2
Total number of resolved communications	3	2
Total number of communications resolved with remediation and/or redress actions	3	1

#### 1.5 Materiality analysis

Talgo has designed and established a structured methodology for carrying out the Double Materiality Assessment (DMA), based on the EFRAG guide, *EFRAG IG 1: Materiality assessment implementation guidance*, with the objective of rigorously identifying and evaluating material aspects from financial and impact perspectives.

This methodological process has been developed to ensure its alignment with domestic policies and with the best international practices in the field.

A comprehensive analysis of the Talgo context has been carried out, with the objective of understanding, from an overall perspective, its activities, business relationships, sustainability context and stakeholders involved.

Based on the requirements established in the European Sustainability Reporting Standard (ESRS) 1, all available relevant information has been considered to obtain a full understanding of the organization. This includes, among other things:

- The company's financial statements.
- A detailed description of the activities and services undertaken.
- Business relationships across the value chain, both upstream and downstream, together with the nature of those relationships.

These investigations have allowed us to obtain an in-depth and documented knowledge of Talgo's activities and business links. To ensure a broad and rigorous perspective, the regulatory environment and the legal framework applicable to the sector have also been taken into consideration.

Finally, Talgo's commitment and interaction with its stakeholders has been evaluated, identifying the groups affected by its activities and documenting existing relationships with each actor. This approach ensures full integration of stakeholder perspectives in the analysis of the impact and sustainability of the company.

#### **Analysis of AR 16 and identification of Themes/Subthemes/Non-material Sub-subthemes**

Once Talgo understood the context of the company in the current scenario, the AR16 table for ESRS 1 was analyzed: "Sustainability matters to be included in the materiality assessment".

The table above presents a list of sustainability issues included in the ESRS themes. As a step prior to identifying impacts, risks and opportunities, a comprehensive analysis of the themes suggested in table AR 16 has been carried out. This analysis has made it possible to rule out theme that, due to their nature or the specific characteristics of Talgo's activities and its value chain, are not applicable.

Based on this analysis, the following have been ruled out:

- **Pollution.** Pollution of living organisms and food resources. Microplastics.

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- **Water and marine resources.** Marine resources: Water discharges in the oceans and Extraction and use of marine resources.
- **Biodiversity and ecosystems.** Direct impact drivers of biodiversity loss. Impacts on the state of species. Impacts on the extent and condition of ecosystems. Impacts and dependencies on ecosystem services.
- **Affected communities.** All except for security-related impacts.
- **Consumers and end-users.** Freedom of expression. Security of a person. Protection of children. Non-discrimination. Responsible marketing practices.
- **Business conduct.** Animal welfare.

For each Theme/Subtheme/Sub-Subtheme ruled out, we have provided an explanation as to why we believe that this is not material for analysis and is excluded from the identification of impacts, risks and opportunities.

For all other Themes/Subthemes/Sub-Subthemes that have not been ruled out, a process of identifying impacts, risks and opportunities has been started (see the subsequent sub-heading of “Assessment of Impacts, Risks and Opportunities (External Interest Groups)”).

Furthermore, it has been deemed that, for the activities carried out by Talgo and its value chain, all issues that may apply to their sustainability impacts, risks and opportunities are covered by table AR 16, and there is no need to identify any additional “entity specific” theme (specific themes defined ad hoc for the company, not suggested by the ESRS themes).

#### **Process for determining, evaluating, prioritising and controlling impacts, risks and opportunities:**

After defining the potentially material issues based on AR 16 table, the impacts, risks and opportunities for the company or its value chain have been identified for the above-mentioned potentially material issues. Talgo has used the following definition of impacts, risks and opportunities, as established by the ESRS:

- **Impact:** An impact is an action taken by the Company that generates a positive or negative effect on people, the environment or the company's governance. It can be generated by the company itself or its upstream and downstream value chain. These can be positive or negative, real or potential and in the short, medium or long term.
- **Risks and opportunities (with impact on financial statements):** Environmental, social or governance issues that create a risk or opportunity for the Company, impacting it financially (to its cash flows, access to finance, reputation, sales volume, etc.). These can be real or potential and in the short, medium or long term.

According to the methodology applied by Talgo, the following attributes have been identified for each impact:

- Positive or negative.
- Real or potential.
- Value chain: upstream, downstream or own activities.
- Time horizon:
  - Short term: one year (period that the Sustainability Report covers).
  - Medium term: from the end of the reporting year to 5 years later.

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- Long term: More than five years.

For potential negative impacts, whether they negatively affect human rights has been established.

For each risk and opportunity, the following attributes have also been identified:

- Real or potential.
- Value chain: upstream, downstream or own activities.
- Time horizon:
  - Short term: one year (period that the Sustainability Report covers).
  - Medium term: from the end of the reporting year to 5 years later.
  - Long term: More than five years.

To identify potential impacts, risks and opportunities (IRO), the company has used a variety of sectoral reference sources, including frameworks such as SASB and GRI. Additionally, a sectorial comparative analysis (benchmarking) has been taken into account, considering the material aspects highlighted by the competitors. This approach ensures that the IROs identified are aligned with industry best practices and reflect the sector's strategic priorities.

In addition, when identifying environmental IROs, Talgo has considered the physical risk analysis it has carried out based on current climate models and their future projection studied by the Intergovernmental Panel on Climate Change (see section 2.2 of this report).

Furthermore, to ensure a complete IRO identification process, Talgo has verified if the identified impacts have an associated risk or opportunity and vice versa, i.e., it has confirmed the coherence between the impacts and the risks and opportunities identified.

The IROs are prioritised after the evaluation, explained in the next section.

#### **Impact, Risk and Opportunity Assessment (internal stakeholders)**

After identifying all the IROs applicable to the company, they were evaluated. To carry out the IRO evaluation, impact materiality (assessment of the relative importance of the identified impacts) and financial materiality (assessment of the relative importance of the identified risks and opportunities) have been considered separately.

To evaluate each IRO, firstly the company's internal stakeholders have been involved: the human resources, environmental, economic-financial, purchasing and commercial department managers, among others, as well as the corporate sustainability department. The Steering Committee has been informed of the internal evaluations obtained and has been responsible for their validation and final approval.

#### Impact materiality

To evaluate the impact materiality, the evaluators have been scored using each of the following parameters, based on an established scale of 1 to 5 (level 1 being “very low”, 2 “low”, 3 “medium”, 4 “high” and 5 “very high”):

- Magnitude: Level of importance attached by internal stakeholders to each impact.
- Scope: Extent of the impact, i.e., how many people it affects.

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- Remediability (for negative impacts only): This represents the ease or possibility for negative impacts to be mitigated by a specific action.
- Probability (for potential impacts only): This represents the probability of the impact taking place. To standardise the scores, “real” impacts are automatically assigned the highest score of 5 for probability.

All IROs have been evaluated by at least two evaluators and, subsequently, the evaluation has been comprehensively reviewed to ensure the consistency of the results.

To obtain the materiality associated with each impact, the following formulas have been applied, depending on whether the impact is positive, negative, real or potential:

Impact		Evaluation metrics
Positive impact		Probability x Max (Magnitude; Scope; Remediability)
Negative impact	Human rights impact	Probability x Max (Magnitude; Scope; Remediability) x Human rights corrective factor
	No human rights impact	Probability x Max (Magnitude; Scope; Remediability)

Real impacts are given a probability of 5.

As a result, each evaluator has assigned a score for each impact. To obtain an aggregated assessment for each impact, the average evaluation of the different evaluators has been calculated.

#### Financial materiality

To evaluate financial materiality, internal evaluators have given a score based on the following parameters:

- Financial magnitude: Magnitude of the potential financial effect, i.e., how significant the financial effect would be if the risk or opportunity materialized.
- Probability: This represents the probability of the impact taking place.

The definition of financial magnitude has been evaluated on a scale of 1 to 5 (with level 1 being “very low”, 2 “low”, 3 “medium”, 4 “high” and 5 “very high”).

To facilitate evaluation of the financial scale and to ensure consistency in the application of the criteria between the different evaluators, quantitative and qualitative thresholds have been established (quantitative for evaluating the effect of risks and opportunities on the company's results and qualitative for strategic, reputational and compliance issues, although these issues also ultimately have a direct impact on the company's results).

The probability has also been defined using a scale of 1 to 5 (with level 1 being “very low”, 2 “low”, 3 “medium”, 4 “high” and 5 “very high”):

To obtain the financial materiality associated with each risk and opportunity, the following formula has been applied:

Risk or opportunity	Evaluation metrics
Risk	Probability x Financial magnitude
Opportunity	Probability x Financial magnitude

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As was the case for impacts, for the real risks and opportunities evaluated, the maximum probability (5) is automatically assigned to standardise the score.

As a result, each evaluator has assigned a score for each risk and opportunity. To obtain an aggregated assessment of each risk and opportunity, the average score of the different evaluators has been calculated.

#### Impact, Risk and Opportunity Assessment (external stakeholders)

After obtaining the evaluation of the IROs by the Group's internal stakeholders, Talgo has compared the result of the evaluation obtained with external stakeholders (shareholders and investors, customers and users, individuals and collaborators, suppliers including commercial agents, regulatory bodies, social agents, environment, opinion makers, sectors/markets and partners).

To include the evaluations of external stakeholders, questionnaires have been sent and telephone surveys have been conducted to obtain their opinion in relation to the identified themes, subthemes and sub-subthemes. In general, stakeholders have also considered material the theme, subthemes and sub-subthemes obtained by the internal assessment exercise carried out by Talgo.

Once the external and internal evaluations are completed, the evaluations of the themes, subthemes and sub-subthemes are consolidated in a matrix, represented in a graph. This makes it possible to visually observe the most important issues and their magnitude in the areas of financial materiality and impact materiality. This graphic representation allows the information user to identify the issues that are most important in comparison to each other. Themes, subthemes or sub-subthemes with an evaluation of at least one IRO greater than 13 are listed as materials and are given priority over the rest.



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Standard	Code	Description
ESRS E1	ST1	Climate change adaptation
	ST2	Climate change mitigation
	ST3	Energy
ESRS E2	ST4	Pollution of air
	ST5	Pollution of water
	ST6	Pollution of soil
	ST8	Substances of concern
	ST9	Substances of very high concern
ESRS E3	ST11	Water
ESRS E5	ST17	Resource inflows, including resource use
	ST18	Resource outflows related to products and services
	ST19	Waste
ESRS S1	ST20	Working conditions
	ST21	Equal treatment and opportunities for all
	ST22	Other work-related rights
ESRS S2	ST23	Working conditions
	ST24	Equal treatment and opportunities for all
	ST25	Other work-related rights
ESRS S3	ST26	Communities' economic, social and cultural rights
ESRS S4	ST29	Information-related impacts for consumers and/or end-users
	ST30	Personal safety of consumers and/or end-users
	ST31	Social inclusion of consumers and/or end-users
ESRS G1	ST32	Corporate culture
	ST33	Protection of whistle-blowers
	ST35	Political engagement and lobbying activities
	ST36	Management of relationships with suppliers including payment practices
	ST37	Corruption and bribery

#### **Integration of sustainability risks, impacts and opportunities into the overall management of corporate risks and opportunities**

The company has carried out a project to identify and evaluate risks and opportunities related to sustainability, recognizing their relevance for comprehensive business management. The most granular risks and opportunities, under the CSRD and ESRS regulations, have been identified and evaluated through the dual materiality process described above and, during the 2025 financial year, there are plans to integrate material IROs into the corporate risk and opportunity management system. The company's ultimate goal is to incorporate the ESG risks identified in the Double Materiality Assessment within the corporate risk management system, so that environmental and social aspects are addressed together with other business risks. Reviews will also be implemented on the evolution of ESG risks and opportunities (environmental, social and corporate governance factors) that may impact the income statement and generate additional costs or loss of competitiveness.

This commitment reinforces the priority that the organization assigns to sustainability, ensuring that sustainability risks and opportunities are managed with the same rigor as strategic, operational, reporting or compliance risks, and promoting their full integration into corporate decision-making.

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## **2 INFORMATION ON ENVIRONMENTAL ISSUES**

### **2.1 Policies**

Talgo has an Environmental Policy that details the four themes making up the organisation's environmental management, which are based on:

- The transition to a carbon-neutral economy.
- Design of products that favour the development of a circular and sustainable economy model.
- Minimising environmental impact through sustainable operations and processes.
- The transparency of information about the company's environmental performance with different stakeholders.

The policy also details the actions aimed at achieving the objectives encompassing each of the themes mentioned above. These actions are based on a commitment to avoid or minimize the environmental impacts produced, to integrate the principle of pollution prevention and risk management, to promote the introduction of criteria that favour the reuse and recycling of Talgo products and, in all cases, to ensure compliance with environmental legislation. The policy guarantees the continuous improvement of Talgo's environmental performance through the definition and monitoring of environmental objectives, and promotes the dissemination of good environmental practices for all employees, as well as the dissemination of environmental requirements to the supply chain. Another important factor in the policy concerns the implementation of mechanisms for the prevention, mitigation, detection and repair of environmental damage, as well as the handling of serious breaches.

### **2.2 Main risks**

When identifying risks and opportunities, the different environmental aspects linked to Talgo's activity are considered from a life cycle perspective, i.e., considering the value chain. Accordingly, we consider potential positive or negative impacts that our activity may have on the climate, as well as the risks and opportunities that may result from changes in weather patterns on the sector and, in particular, on Talgo. In identifying risks and opportunities, legal or regulatory requirements, customer requirements, and the needs and expectations of stakeholders have also been taken into consideration.

The assessment of climate risks and opportunities is carried out in accordance with the methodology established in the company's management system, considering the expected probability and impact for each risk identified. The degree of exposure and vulnerability determined by the climate scenarios considered determines the probability of the risk.

The evaluation differentiates between physical risks, transition risks and opportunities.

The physical risk assessment has been carried out based on current climate models and their future projection studied by the Intergovernmental Panel on Climate Change (IPCC) in its latest report (AR6). Through this report, different projections or representative concentration pathways (RCP) of greenhouse gases are described. Talgo sets its risk assessment based on the report's optimistic (RCP2.6) and conservative (RCP8.5) models, which place global temperature increases at 2°C and 4-5°C respectively compared to pre-industrial values.

Physical risks are categorised as chronic or acute depending on their impact and duration.

Based on the classification of physical risks included in Regulation (EU) 2021/2139 and Regulation (EU) 2023/2486 within the framework of the European Taxonomy for Sustainable Activities and, taking into account the countries where Talgo operates, and

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the regions in which products manufactured by the organisation operate, acute physical risks, the onset of heat waves and periods of drought have been identified. As chronic physical risks, the variation in temperatures and more frequent occurrence of extreme temperatures have been identified.

Transition risks and main opportunities are related to the trend towards a circular economy model and the development of decarbonized technology, given the activity carried out by Talgo, investing in a low carbon product and as an engine towards sustainable mobility at a global level. Another opportunity is, after the integration of sustainability into the organization's strategy, the possibility of applying for grants and raising interest in new 100% sustainable investment funds.

As mentioned in point 1.5 on the company materiality analysis, the circular economy is one of the relevant topics based on Talgo's activity, for all applicable sub-themes: resource inflow, resource outflow and waste. The main risks and opportunities related to this analysis are linked to the placing on the market of trains with high levels of recyclability and recoverability, the promotion of the acquisition of materials with high circularity indices and, at the process level, the search for alternatives to improve valuation rates compared to the disposal of hazardous and non-hazardous waste generated in different workplaces. Point 2.5 of this document provides further details concerning the circular economy and waste.

#### 2.3 General

##### 2.3.1 Environmental assessment or certification procedures and application of the precautionary principle

In general terms, Talgo has a Strategic Environmental Plan that addresses the main current and future effects on the environment resulting from the organization's activity. The Strategic Plan divides its content into four themes:

1. Products that drive the development of the circular economy and eco-design.
2. Minimising impacts and improving environmental sustainability.
3. Development of a transparent and consolidated environmental management system based on ISO 14001 and other international standards.
4. Combating climate change.

Regarding the company's third theme of environmental management, Talgo has been certified for this system since 2003 in accordance with the UNE-EN ISO 14001 standard, showing its commitment to caring for the environment from a life cycle perspective for all activities carried out by the organization (design, manufacture and maintenance of trains) in Spain.

The ISO 14001 certification involves the implementation of a series of methodologies and procedures with the aim of preventing and mitigating Talgo's impact on the environment. Through the management system, environmental aspects and their impacts are identified and evaluated for each Talgo centre, taking into account the characteristics of the environment, and then the preventive and corrective measures necessary to minimise the impacts on air, soil and water quality caused by Talgo's activity are determined, thus minimising their impact on the environment and human health.

Talgo's main procedures in this area are:

- Procedure for environmental operational control
- Procedure for the identification and assessment of environmental issues
- Non-compliance procedure and corrective actions
- Procedure for the control and management of waste in each centre
- Procedures for loading, unloading and transporting dangerous goods

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- Procedure for the approval of chemical products
- Environmental design procedure
- Procedure for train recyclability and recoverability studies
- Procedure for carrying out life cycle analyses

#### **2.3.2 Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety**

As described in previous sections, Talgo has also developed a methodology for evaluating the impacts, risks and opportunities of its activity, where impacts have been identified that have been material for the environment and human health. The potential negative material impacts are related to climate change, due to the possible increase in atmospheric emissions and energy use during the train manufacturing phase, and to the circular economy, due to the possible decrease in the availability of natural resources caused by the use of raw materials and the possible increase in waste generation.

The following positive impacts on the environment and human health have been identified as material: climate change mitigation thanks both to the placing on the market of lighter, more energy efficient trains, and the development of trains with alternative fuels. The promotion of the circular economy with the placing on the market of trains with theoretical values of recyclability and recoverability greater than 90% has also been identified as materially positive.

#### **2.3.3 Resources dedicated to the prevention of environmental risks**

Talgo has an environmental emergency plan with the aim of minimising possible adverse effects resulting from operations in each work centre.

The organisation also activates and develops a series of specific actions promoting the principle of prevention and protection of the environment against possible risks:

- ✓ Management of hazardous and non-hazardous waste through authorised managing bodies.
- ✓ Compliance, monitoring and updating of applicable environmental legal requirements by activity and location.
- ✓ Management and treatment of wastewater using treatment plants in those centres that require it.
- ✓ Analysis and compliance with water discharge parameters, as well as applicable atmospheric emissions by geographical area.
- ✓ Promoting improvements in production processes to prevent pollution and the negative environmental impact of these processes.
- ✓ Development of training and awareness campaigns for the agents involved and with an impact on the company's environmental performance.

#### **2.3.4 Provisions and guarantees for environmental risks**

Regarding Talgo's environmental liability and, to ensure compliance with the requirements of Law 26/2007, of 23 October, the organization has environmental liability insurance, which demonstrates the implementation of measures for the prevention, prevention and repair of environmental damage and the coverage of its costs, whatever their amount, when they occur under the company's responsibility. The coverage of this insurance is considered sufficient taking into account the diagnosis of risks and controls to mitigate them that the Group has in place. In addition, there is a civil liability insurance for environmental damage.

The following are the main indicators related to the company's global environmental management.

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Table 5: Company environmental management indicators

Environmental management: strategy, deployment and system			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
Fulfilment of the annual environmental programme	77%	50%	54%
No. of environmental projects implemented	1	5	-80%
Environmental investments and expenses	€437,302.00	€1,430,630.32	-69%
Scope of the environmental management system (% of persons)	87%	87%	0%
Rate of implemented corrective and preventive actions	-	4	-100%
Environmental accident rate	-	-	-
Costs arising from the management of expired products	€285,653.85	€222,718.74	28%
Deviations in internal and external audits closed after the deadline	-	-	-
Environmental compliance			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
Environmental fines for non-compliance or other reasons	-	-	-
Environmental sanctions, proceedings and arbitration	-	-	-

## 2.4 Pollution

### 2.4.1 Measures to prevent, reduce or remedy carbon emissions that seriously affect the environment taking into account any form of activity-specific air pollution, including noise and light pollution.

The measures proposed for the control and reduction of carbon emissions are described in detail in the section on climate change (see sections 2.3.1 and 2.3.3)

The principle of pollution prevention is another key part of Talgo's environmental management system. To ensure compliance for air pollution, measurements are carried out for the main sources of pollution related to the development of the company's production processes, such as painting activities. In all cases, the results obtained are favourable and within the limits established under current regulations.

Regarding noise pollution, Talgo guarantees compliance with the applicable limit values, with each centre having an environmental noise level test report in line with the regulations.

Light pollution is not applicable to Talgo due to the company's activities.

## 2.5 Circular Economy and waste prevention and management

### 2.5.1 Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste

The main way to promote sustainable and circular development in line with environmental sustainability is based on designing and manufacturing products in a more responsible way using the following levers:

- Improving the eco-design of products and services, strengthening the life cycle of products and services and building a circular economy model.
- Minimising raw materials and natural resources, and improving energy efficiency.
- The replacement of existing materials with lighter ones with a higher rate of

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recyclability or recoverability.

- Reduction of the amount of waste produced, especially waste that will ultimately be disposed.

The implementation of the circular economy involves developing products that can be reused at the end of their life cycle, or at least recycled at the end of their life cycle. The manufacture of trains, based on eco-design, involves the use of materials with high recyclability and recoverability values. This guideline is essential for driving the circular economy in the organisation, the first theme of Talgo's Strategic Plan.

The activities carried out in the organisation related to the circular economy include the following noteworthy examples:

- Performing the Life Cycle Analysis on trains for projects F073, F081, F070 based on international standards ISO14040 and ISO14044, allows us to establish the environmental impacts associated with the train at the different stages of its life cycle and, subsequently, to determine measures to reduce these impacts, in addition to identifying opportunities to improve the environmental aspects of the train aimed at achieving higher levels of resource efficiency, higher rates of use of secondary raw materials, waste management optimisation, etc.
- Calculation of the recyclability and recoverability values for trains. This calculation is performed once the project design process has been completed and during their manufacture.

*Table 6: Recyclability and recoverability values for each project*

Project	Recyclability rate	Recoverability rate
F073	94.19%	97.53%
F081	93.98%	97.74%
F070	93.80%	96.90%

To do this calculation, the methodology proposed by UNIFE (Recyclability and Recoverability Calculation Method for Rolling Stock) based on the ISO 22628 standard was followed, using primary data associated with the weight of the train materials and applying a recyclability/recoverability and disposal factor depending on the type of material.

Another important aspect of the circular economy is streamlining the management of waste from train manufacturing and maintenance processes. Talgo contributes to circularity by recycling and valuing hazardous and non-hazardous waste associated with its activity. For example: hazardous waste such as absorbents, adhesives, paints that were previously intended for disposal.

The Talgo Strategic Plan road map sets out a progressive reduction in the amount of waste destined for landfill or incineration, until Zero Waste certification is achieved in a short period of time.

Waste management is always carried out in accordance with current legislation by an authorised waste manager, thus ensuring the best possible treatment for the waste from an environmental perspective.

The main metrics for the evaluation and results on the circular economy are detailed below.

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Table 7: Indicators associated with waste management

Indicator name	2024	2023	Change 24/23
	Consolidated Talgo*	Consolidated Talgo*	Consolidated Talgo*
<b>Waste generated** (t)</b>	<b>3,003.52</b>	<b>2,570.28</b>	<b>17%</b>
<b>Hazardous waste generated** (t)</b>	<b>247.44</b>	<b>177.69</b>	<b>39%</b>
Hazardous waste for recycling ***(t)	57.03	75.40	-24%
Hazardous Waste for Reuse ***(t)	77.07	27.33	>100%
Hazardous waste for other recovery operations *** (t)	-	1.45	-100%
Hazardous waste for disposal *** (t)	71.35	36.67	95%
Hazardous waste for landfill *** (t)	41.50	17.32	>100%
Hazardous waste for other disposal operations *** (t)	29.85	19.36	54%
Hazardous waste for incineration *** (t)	23.65	25.04	-6%
Hazardous waste for incineration with energy recovery *** (t)	23.65	25.04	-6%
Hazardous waste for incineration with no energy recovery *** (t)	-	-	0%
<b>Non-hazardous waste generated** (t)</b>	<b>2,756.08</b>	<b>2,392.60</b>	<b>15%</b>
Non-hazardous waste for recycling ***(t)	1,929.99	1,783.26	8%
Non-hazardous waste for reuse ***(t)	-	-	0%
Non-hazardous waste for other recovery operations ***(t)	-	7.85	-100%
Non-hazardous waste for disposal ***(t)	417.64	274.47	52%
Non-hazardous waste for landfill ***(t)	310.91	274.47	13%
Non-hazardous disposal for other disposal operations ***(t)	106.73	-	100%
Non-hazardous waste for incineration ***(t)	-	-	0%
Non-hazardous waste for incineration with energy recovery ***(t)	-	-	0%
Non-hazardous waste for incineration without energy recovery ***(t)	-	-	0%

Increase in the amount of waste generated due to the type of activity carried out during 2024 (increase in painting activity and refurbishment projects at the manufacturing sites).

\* Data are reported for waste from the centres where Talgo is the owner and responsible, as well as from those customer centres where there is no contractual agreement that exempts Talgo from the responsibility for managing waste resulting from its activity.

\*\* The reported data includes the estimate for the Talgo centre in Saudi Arabia because actual management data is not available.

\*\*\* Waste treatment is reported only for centres located in Spain.

Table 8: Other waste management indicators

Indicator name	2024	2023	Change 24/23
	Consolidated Talgo*	Consolidated Talgo*	Consolidated Talgo*
Waste where disposal has been avoided (t)	2,087.74	1,920.32	9%
Non-recycled waste (t)	589.71	372.80	58%
% Non-recycled waste	22.89%	16.71	37%

\* Data are reported for waste from the centres where Talgo is the owner and responsible, as well as from those customer centres where there is no contractual agreement that exempts Talgo from the responsibility for managing waste resulting from its activity.

## 2.6 Sustainable use of resources

### 2.6.1 Measures taken to improve the efficiency of using raw materials

As mentioned above, one of the themes of Talgo's Strategic Environmental Plan is the development of products that promote the circular economy. In line with this theme, a series of actions are proposed to maximise the useful life of available resources and minimise the use of resources, especially non-renewable ones, used in the Talgo production process (water, fuels or materials).

Based on the Talgo ecodesign, the minimisation of the use of raw materials prevails by optimizing the weight of the parts, the use of recycled materials compared to natural materials, and the reuse of parts where alternatives for use are being sought. This allows Talgo to strengthen the life cycle of its products and services, building a circular economy model.

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#### 2.6.2 Measures taken to improve energy efficiency and renewable energy use

Regarding the improvement of energy efficiency in the company's facilities and products, the following measures have been implemented:

- Installation and operation of solar panels for electricity generation, promoting self-consumption in the Talgo de Las Matas II and Rivabellosa factories.
- Study of new low-emission technologies for the replacement of fossil fuels in conventional and currently operating trains with energy using fuel cells or hydrogen.

The main metrics for the evaluation and results on resource use are detailed below.

#### 2.6.3 Consumption of water, raw materials and direct and indirect energy consumption

Table 9: Company resource usage indicators

Use of resources and the circular economy			
1.- Consumption of materials and other products (Table 9.1)			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo*	Consolidated Talgo*	Consolidated Talgo*
Paper (t)	10.45	9.68	8%
Water (m3) (*)	15,379.16	15,235.66	1%
Solvents and paints (t)	63.47	38.38	65%
<i>*Water extraction data for the months of November and December 2024 are estimated because the invoices are not available. The estimate is based on the average of the previous months. The data will be updated in the next report.</i>			
2.- Energy (Table 9.2)			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
Fuels: Natural gas boilers (kWh) (**)	8,526,450.56	6,992,756.05	22%
Fuels: automotive - diesel and gasoline (m3)	16.08	13.28	21%
Fuels: machinery - diesel (m3)	46.72	13.89	>100%
Fuels: boiler oil (m3)	2.12	2.04	4%
Total electricity consumed (kWh)	11,132,194.98	11,028,343.88	1%
Electricity purchased from the grid (kWh)	9,517,696.22	10,918,896.13	-13%
Total self-consumed energy - electricity (kWh)	1,614,498.76	109,447.75	>100%
Total electricity from renewable sources (kWh)	10,018,953.69	9,864,347.75	2%
Renewable energy production (kWh)	1,614,498.76	109,447.75	>100%
<i>* All the locations where Talgo carries out an activity are included, either in its own or rented centre, excluding the offices where less than 10 people work and therefore consumption is not significant from an environmental standpoint.</i>			
<i>** Natural gas consumption data shown based on GCV.</i>			

Table 10: Other company resource usage indicators

2.- Energy			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo*	Consolidated Talgo*	Consolidated Talgo*
Total energy consumed (kWh)	20,374,118.75	18,320,535.68	11%
Total energy from fossil sources (kWh)	7,770,851.10	6,966,791.40	12%
Total energy from fossil sources (%)	43.68%	41.39%	6%
Total energy from renewable sources (kWh)	10,018,953.69	9,864,347.75	2%
Total energy from renewable sources (%)	56.32%	58.61%	-4%
Energy intensity (kWh/employee)	34,045.67	21,842.81	56%
<i>Increase in total energy consumed mainly due to improved thermal comfort conditions at the Milwaukee facility and increased fuel consumption caused by increased painting activity.</i>			
<i>* All the locations where Talgo carries out an activity are included, either in its own or rented centre, excluding the offices where less than 10 people work and therefore consumption is not significant from an environmental standpoint.</i>			

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#### 2.7. Climate change

Talgo plays a fundamental role in the development of sustainable mobility nationally and internationally thanks to its product, participating substantially in the climate change mitigation by decarbonising the sector through the manufacture and sale of 100% electric and highly efficient trains.

However, during the development of the activity, a series of greenhouse gases are generated that must be monitored and reduced as much as possible. Accordingly, Talgo annually calculates its emissions using the operational control approach, i.e., taking into account the operations, processes and activities that Talgo has control over.

Carbon footprint calculations have been developed according to the calculation methodology of the IPCC (International Panel on Climate Change) and according to the GHG Protocol guidelines. The emission factors necessary for the conversion of GHG emissions come from internationally recognised sources such as DEFRA, IPCC or MITERD.

The calculation of Talgo's carbon footprint is divided into:

- Scope 1: direct emissions, including fuel consumption (mainly natural gas and diesel/gasoline) from fixed sources (boilers, test equipment) or mobile sources (fleet of vehicles and auxiliary machinery) together with fugitive emissions, if any, from air conditioning equipment.
- Scope 2: indirect emissions related to the purchase and consumption of electrical energy by the organisation.
- Scope 3: indirect emissions. The categories considered to be most significant for Talgo's activity and included in this scope are: the manufacture and transport of materials purchased by the organisation, the management of waste generated in operations, employee travel to work centres and employee travel for business trips. Therefore, the other 3 scope categories are excluded from the report according to the GHG Protocol, as they have a lower degree of significance. 90% of the volume of emissions included in this scope is calculated based on primary data.

It should be noted that the Talgo Group has zero Scope 2 emissions for its offices in Spain thanks to the purchase of 100% renewable energy certified based on the corresponding guarantees of renewable origin, thus avoiding the emission of more than 2,000 tons of CO<sub>2</sub> into the atmosphere.

Emission reduction measures must cover all the scopes and categories of Talgo's carbon footprint. In view of the GHG emissions generated, the following actions are considered linked to different decarbonisation levers:

- ✓ For direct and indirect Scope 1 and 2 emissions, the following is highlighted:
  1. Development of energy efficiency and the use of clean fuels through the improvement of insulation and the elimination and/or replacement of auxiliary machinery for energy generation from fossil fuels.
  2. Promoting sustainable mobility for the organisation's vehicles by replacing the vehicles with combustion engines with electric or hybrid models.

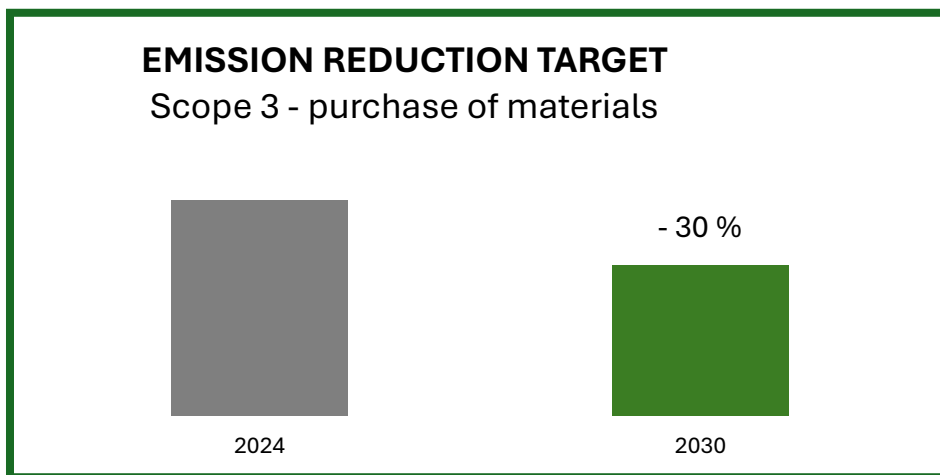
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3. Use of renewable energy, guaranteeing the supply of 100% renewable electricity, and the promotion of energy self-consumption thanks to the installation of solar panels in Talgo's national factories.
- ✓ Regarding indirect Scope 3 emissions:
1. Promotion of the circular economy model and development of a sustainable supply chain involving our suppliers because of their pivotal role in reducing the company's indirect emissions.
  2. Promoting sustainable mobility for Talgo's internal stakeholders by analysing and promoting possible improvements in logistics or organisation of business trips by the workforce and offering more sustainable methods for their trips to work centres (Carpooling, company routes, etc.).
  3. Logistical efficiency in our supply chain to reduce GHG emissions associated with transporting materials to work centres.

#### 2.7.1 The voluntary medium- and long-term reduction targets established to reduce greenhouse gas emissions and the means implemented

As a sign of Talgo's commitment to decarbonisation, the following emission reduction target has been set:



#### 2.7.2 The measures taken to adapt to the consequences of climate change

In addition to reduction and mitigation measures and, based on the above-mentioned assessment of climate-related risks carried out by the organisation, a series of climate change adaptation measures are identified according to significant physical and transition risks. These measures can be divided into the following groups:

- ✓ Adaptation of the infrastructure and the product to possible changes in current climate temperature patterns.
- ✓ Raising awareness among internal stakeholders to the effects and consequences of climate change.
- ✓ Responsible consumption of natural resources: for example, water, which may be affected in terms of availability and/or quality by climate change.
- ✓ Assess collaboration in reforestation and ecosystem adaptation projects to offset GHG emissions.

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- ✓ Promote sustainable mobility and decarbonisation of the sector by placing low-emission products on the market.

#### 2.7.3 Important elements of Greenhouse Gas emissions generated as a result of the company's activities

Table 11: Greenhouse Gas Emissions

1.- Greenhouse Gas Emissions. Scope 1 and 2 (Table 11.1)			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
CO2 emissions: factories and workshops. Scope 1 (tCO2eq)	1,769.19	1,362.03	30%
CO2 emissions: indirect. Scope 2 (tCO2eq)	595.05	629.36	-5%
Increase in Scope 1 emissions as a result of higher energy consumption as detailed in Table 10 of this report.			
2.- Greenhouse Gas Emissions. Scope 3 (Table 11.2)			
Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
CO2 emissions: other indirect. Scope 3 (tCO2eq) Category 1* - Purchased goods and services	56,040.30	39,251.22	43%
CO2 emissions: other indirect. Scope 3 (tCO2eq) Category 4* - Upstream transportation and distribution	376.63	237.32	59%
CO2 emissions: other indirect. Scope 3 (tCO2eq) Category 5* - Waste generated in operations	1,184.99	170.72	>100%
CO2 emissions: other indirect. Scope 3 (tCO2eq) Category 6 - Business travel	1,520.47	1,345.40	13%
CO2 emissions: other indirect. Scope 3 (tCO2eq) Category 7 - Employee commuting	3,222.24	2,807.09	15%
CO2 emissions: other indirect. Scope 3 (tCO2eq)	62,344.63	43,811.75	42%
Total CO2 Emissions: Scope 1+Scope 2 + Scope 3 (tCO2eq)	63,803.26	45,099.73	41%
<i>During 2024, the accuracy of GHG emission calculations for managed waste (Scope 3 category 5) has been improved, resulting in an increase in recorded emissions. For categories 1 and 4, work has also been done to significantly improve the coverage and calculation of emissions, reflected in an increase in emissions.</i> <i>* The scope 3 GHG emissions reported correspond to Talgo's locations in Spain.</i>			

Table 12: Other Greenhouse Gas Emissions Indicators

Indicator name	2024	2023	Change 24/23
	Consolidated Talgo	Consolidated Talgo	Consolidated Talgo
CO2 emissions: indirect. Scope 2 (tCO2eq) - market-based	-	-	0%
CO2 emissions: indirect. Scope 2 (tCO2eq) - location-based	595.05	629.36	-5%
CO2 emissions: Scope 3 from primary data (Categories 1 and 5) (%)	91.79%	89.98%	2%
Total CO2 Emissions: Scope 1 + Scope 2 market + Scope 3 (tCO2eq)	63,803.26	45,099.73	41%
Total CO2 Emissions: Scope 1 + Scope 2 location + Scope 3 (tCO2eq)	63,803.26	45,099.73	41%
GHG emissions intensity Scope 1+2 (tCO2eq/M€)	3.53	3.05	16%
GHG emissions intensity Scope 3 (tCO2eq/M€)	93.16	67.20	39%
Total GHG emissions intensity (tCO2eq/M€)	95.34	69.17	38%
Total GHG emission intensity - based on location (tCO2/m€)	0.89	0.97	-8%
Total GHG emission intensity - market-based (tCO2/m€)	-	-	0%
Emissions of ozone-depleting substances (kg)	-	-	0%

## 2.8. Protection of biodiversity

### 2.8.1 Measures taken to preserve or restore biodiversity and impacts caused by activities or operations in protected areas

Talgo is committed to the care and protection of biodiversity. Therefore, through the environmental management system, it applies strict operational control and preventive

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measures to reduce the impact of its activities on the natural environment and ecosystems, in short, on biodiversity.

The system structure is based on an environmental policy that is deployed in different procedures whose objectives are to identify environmental aspects and impacts and to maintain respect for the environment in the development of current and future projects, promoting continuous improvement and risk mitigation.

As mentioned in previous sections, through the management system, environmental aspects and their impacts are identified and evaluated for each Talgo centre, considering the environment characteristics. After the impact assessment, the preventive and corrective measures necessary for each centre are determined to minimise these impacts on air, soil and water quality caused by Talgo's activity, thus minimising their impact on biodiversity in each location. The measures adopted by Talgo to minimise impacts on air, water or soil quality have been listed in sections 2.3. General and 2.4 Air pollution.

Talgo also ensures at all times that its activities comply with environmental legislation, carrying out monitoring based on the different environmental authorisations, and always promoting a significant degree of environmental awareness among the workforce.

A clear example is the Las Matas II centre. This project has a favourable Environmental Impact Declaration dated 29 February 2000 by the Ministry of the Environment of Madrid, which borders a Protected Natural Area (the Upper Manzanares River Basin regional park), without causing damage to the biodiversity of this environment as a result of the strict control of emissions, noise, possible discharges and waste that result from the activity carried out at this centre.

### 3 INFORMATION ON SOCIAL AND PERSONNEL-RELATED ISSUES

This chapter covers the management and the results obtained in sustainability issues related to the workplace for Talgo Group employees.

The references made in this chapter to own personnel refer to employees with an employment contract at Talgo. Neither subcontracted workers nor trainee students are included in this definition.

#### 3.1. Policies

The policies and processes allowing us to respond to impacts, risks and opportunities for our own personnel are:

- The human resources policy, which states Talgo's commitment to preventing child labour.
- Occupational health and safety policy.
- The anti-fraud and anti-corruption policy.
- Talgo's human rights policy, whose contents include the 14 key human rights for the company (see human rights section).
- Talgo's due diligence policy, currently being approved, will make it possible to act in cases where it is necessary to identify, evaluate, manage or repair incidents of material importance involving workers. This policy is developed through the due diligence protocol that integrates the identification, evaluation, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures adopted.
- Equality policy.
- Equality plan.
- Collective Agreement for Patentes Talgo, S.L.U.
- The workplace harassment protocol and code of conduct.

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- Agreement on measures for digital disconnection.
- Diversity charter.

These policies and processes are available for consultation on Talgo's corporate intranet.

#### 3.2 Main risks

Based on the materiality analysis carried out in the terms described in chapter 1.5 of this document, the company has identified 24 material impacts related to the self-management of its employees that are included in the sub-themes raised in ESRS 2 (AR16) on working conditions, equal treatment and opportunities and other labour rights.

These mainly positive impacts are the result of the people management system, focused on maximising the performance of our workers, encouraging their professional development and improving their general well-being.

Based on the detailed analysis of these impacts, it has been concluded that some are related to the company's strategy regarding people (collective agreement, permanent contracts, social benefits) and others to the adaptation of this strategy to management (those related to pay policy, the equality plan, etc.).

Based on the same analysis, 6 material opportunities have also been identified, also concerning Talgo staff, related to enhancing management of the Group's people: reducing turnover, increasing personal satisfaction through training and improving the company's reputation for its management of internal social sustainability (equality, diversity, reconciliation, transparency, etc.).

Talgo has established a system that responds to impacts, risks and opportunities in the following ways:

- Respect for and compliance with labour principles and standards (regulation) and analysis of the expected results for all human resources management processes (employment, compensation including wage gap, work-life balance, talent, diversity, etc.).
- Respect and compliance with the 14 human rights identified as strategic for Talgo and especially the 7 labour rights.
- Guaranteeing the occupational safety and health of workers.
- The establishment of behavioural frameworks, the integration and the pride of belonging for people and employees.
- The guarantee of the privacy and security of people's information.

All these actions are managed through the projects, plans and resources of the human resources management and Occupational Health and Safety (hereinafter, OHS).

#### 3.3 Employment

Talgo answers this sustainability issue through its people management strategy based on corporate values, quality employment, occupational health and safety, diversity, equality and inclusion, and talent management.

This strategy is deployed in the following five key action vectors:

- Consolidation of human capital: employment, organisation, working hours, labour relations, work-life balance, internal communication, salary and participation.
- Occupational health and safety.

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- Talent management: training, development, career and termination.
- Diversity, equality, inclusion, non-discrimination and combating harassment
- Management of human rights for own staff and employees, trainees, external collaborators, etc.

Our own staff has the following communication channels that in some cases will also be available to collaborators (external collaborators, trainees, etc.):

- Intranet: Talgo4people, during 2024, a technology update was implemented that allows greater interaction from Talgo's workers.
- Corporate email.
- Notice board
- Interdepartmental meetings.
- Conversations with the CEO.
- Breakfasts with the Chairman
- Surveys: on specific issues, general satisfaction with the company's management areas, etc.
- The group's social media.
- People management tools.
- Development interviews.
- Meetings with workers' representatives.
- Meetings with the Board's delegated committees.
- Suggestion box: included on the main page of the corporate intranet. This provides Talgo staff with the ability to submit concerns and suggestions. The people responsible for their management send these communications to the people responsible for their resolution.

Both Talgo staff and collaborator employees also have an essential communication channel: the Whistleblowing Line (see section 1.4) where they can report possible breaches or make inquiries regarding key issues included within the scope of corporate sustainability.

Lastly, this issue of sustainability is handled through the management model and human resources processes, which are detailed in the following points:

- Human Resources and Occupational Health and Safety strategy, policies, risks and opportunities.
- Design of the organisational structure and job map.
- Design of the remuneration and compensation system.
- Fair and quality employment. Own human rights.
- Human Resources Management.
- Labour relations: worker representation, agreements, dialogue, etc.
- Talent management: attraction, integration, development and termination.
- Internal social responsibility: conciliation, diversity, equality, inclusion, harassment and discrimination.
- Occupational Health and Safety: well-being.
- Transparency, internal communication and participation measures.
- Evaluations, improvements and innovations.

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#### 3.3.1 Total number and distribution of employees by sex, age, country

Table 13: Employees by sex, age, country and professional classification on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Executive Director</b>	2	-	2	2	-	2
Above 50	2	-	2	2	-	2
<b>Senior management</b>	3	2	5	3	2	5
Between 30 and 50	1	1	2	1	1	2
Above 50	2	1	3	2	1	3
<b>Management</b>	58	8	66	56	7	63
Between 30 and 50	31	5	36	31	7	38
Above 50	27	3	30	25	-	25
<b>Middle managers</b>	406	71	477	372	70	442
Under 30	15	2	17	14	3	17
Between 30 and 50	297	53	350	261	51	312
Above 50	94	16	110	97	16	113
<b>Technical, administrative and other</b>	2,586	404	2,990	2,443	362	2,805
Under 30	632	72	704	583	73	656
Between 30 and 50	1,596	281	1,877	1,546	250	1,796
Above 50	358	51	409	314	39	353
<b>Total</b>	<b>3,055</b>	<b>485</b>	<b>3,540</b>	<b>2,876</b>	<b>441</b>	<b>3,317</b>

Table 14: Talgo España and Tarvia employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Executive Director</b>	2	-	2	2	-	2
Above 50	2	-	2	2	-	2
<b>Senior management</b>	3	2	5	3	2	5
Between 30 and 50	1	1	2	1	1	2
Above 50	2	1	3	2	1	3
<b>Management</b>	43	6	49	39	6	45
Between 30 and 50	20	4	24	18	6	24
Above 50	23	2	25	21	-	21
<b>Middle managers</b>	269	59	328	252	58	310
Under 30	1	2	3	3	2	5
Between 30 and 50	193	42	235	172	43	215
Above 50	75	15	90	77	13	90
<b>Technical, administrative and other</b>	1,804	348	2,152	1,724	300	2,024
Under 30	360	64	424	325	58	383
Between 30 and 50	1,162	239	1,401	1,153	207	1,360
Above 50	282	45	327	246	35	281
<b>Total</b>	<b>2,121</b>	<b>415</b>	<b>2,536</b>	<b>2,020</b>	<b>366</b>	<b>2,386</b>

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Table 15: Talgo Germany employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Management</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>3</b>
Between 30 and 50	-	-	-	1	-	1
Above 50	2	-	2	2	-	2
<b>Middle managers</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>15</b>	<b>1</b>	<b>16</b>
Under 30	-	-	-	1	-	1
Between 30 and 50	5	-	5	4	-	4
Above 50	9	-	9	10	1	11
<b>Technical, administrative and other</b>	<b>110</b>	<b>12</b>	<b>122</b>	<b>97</b>	<b>12</b>	<b>109</b>
Under 30	19	2	21	17	4	21
Between 30 and 50	54	7	61	46	6	52
Above 50	37	3	40	34	2	36
<b>Total</b>	<b>126</b>	<b>12</b>	<b>138</b>	<b>115</b>	<b>13</b>	<b>128</b>

Table 16: Talgo Kazakhstan employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Management</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>3</b>
Between 30 and 50	3	-	3	3	-	3
<b>Middle managers</b>	<b>52</b>	<b>5</b>	<b>57</b>	<b>44</b>	<b>4</b>	<b>48</b>
Under 30	8	-	8	5	-	5
Between 30 and 50	40	5	45	35	4	39
Above 50	4	-	4	4	-	4
<b>Technical, administrative and other</b>	<b>316</b>	<b>22</b>	<b>338</b>	<b>309</b>	<b>24</b>	<b>333</b>
Under 30	126	-	126	130	2	132
Between 30 and 50	166	20	186	159	21	180
Above 50	24	2	26	20	1	21
<b>Total</b>	<b>371</b>	<b>27</b>	<b>398</b>	<b>356</b>	<b>28</b>	<b>384</b>

Table 17: Talgo Saudi Arabia employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Management</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>4</b>
Between 30 and 50	3	-	3	4	-	4
<b>Middle managers</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>25</b>	<b>-</b>	<b>25</b>
Under 30	4	-	4	2	-	2
Between 30 and 50	27	-	27	23	-	23
<b>Technical, administrative and other</b>	<b>210</b>	<b>4</b>	<b>214</b>	<b>160</b>	<b>4</b>	<b>164</b>
Under 30	84	2	86	61	2	63
Between 30 and 50	125	2	127	98	2	100

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Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
Above 50	1	-	1	1	-	1
<b>Total</b>	<b>244</b>	<b>4</b>	<b>248</b>	<b>189</b>	<b>4</b>	<b>193</b>

Table 18: Talgo United States employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Management</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>3</b>
Between 30 and 50	1	-	1	1	-	1
Over 50 years old	2	1	3	2	-	2
<b>Middle managers</b>	<b>23</b>	<b>5</b>	<b>28</b>	<b>22</b>	<b>5</b>	<b>27</b>
Under 30	2	-	2	2	1	3
Between 30 and 50	15	4	19	14	2	16
Over 50 years old	6	1	7	6	2	8
<b>Technical, administrative and other</b>	<b>68</b>	<b>11</b>	<b>79</b>	<b>81</b>	<b>17</b>	<b>98</b>
Under 30	22	3	25	27	7	34
Between 30 and 50	32	7	39	41	9	50
Above 50	14	1	15	13	1	14
<b>Total</b>	<b>94</b>	<b>17</b>	<b>111</b>	<b>106</b>	<b>22</b>	<b>128</b>

The data breakdown for India, China, Egypt, Denmark and Uzbekistan is aggregated into a single group called “Other Countries”. These countries display the characteristics of having less than 50 employees and representing less than 10% of the total number of employees.

Table 19: Talgo Other Countries employees on 31/12/2024 and 31/12/2023

Occupational category	2024			2023		
	Men	Women	Total	Men	Women	Total
<b>Management</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>5</b>
Between 30 and 50	4	1	5	4	1	5
<b>Middle managers</b>	<b>17</b>	<b>2</b>	<b>19</b>	<b>14</b>	<b>2</b>	<b>16</b>
Under 30	-	-	-	1	-	1
Between 30 and 50	17	2	19	13	2	15
<b>Technical, administrative and other</b>	<b>78</b>	<b>7</b>	<b>85</b>	<b>72</b>	<b>5</b>	<b>77</b>
Under 30	21	1	22	23	-	23
Between 30 and 50	57	6	63	49	5	54
<b>Total</b>	<b>99</b>	<b>10</b>	<b>109</b>	<b>90</b>	<b>8</b>	<b>98</b>

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**3.3.2 Distribution of employees by type of contract and professional classification**

*Table 20: Distribution of employees by type of contract and professional classification on 31/12/2024 and 31/12/2023*

Occupational category	2024					2023				
	Permanent	Other	Total	Percentage Permanent	Remaining Percentage	Permanent	Other	Total	Percentage Permanent	Remaining Percentage
<b>Executive Director</b>	2	-	2	100%	0%	2	-	2	100%	0%
Men	2	-	2	100%	0%	2	-	2	100%	0%
<b>Senior management</b>	5	-	5	100%	0%	5	-	5	100%	0%
Men	3	-	3	100%	0%	3	-	3	100%	0%
Women	2	-	2	100%	0%	2	-	2	100%	0%
<b>Management</b>	64	2	66	97%	3%	61	2	63	97%	3%
Men	57	1	58	98%	2%	55	1	56	98%	2%
Women	7	1	8	88%	13%	6	1	7	86%	14%
<b>Middle managers</b>	451	26	477	95%	5%	421	21	442	95%	5%
Men	382	24	406	94%	6%	353	19	372	95%	5%
Women	69	2	71	97%	3%	68	2	70	97%	3%
<b>Technical, administrative and other</b>	2,755	235	2,990	92%	8%	2,590	215	2,805	92%	8%
Men	2,359	227	2,586	91%	9%	2,238	205	2,443	92%	8%
Women	396	8	404	98%	2%	352	10	362	97%	3%
<b>Total</b>	<b>3,277</b>	<b>263</b>	<b>3,540</b>	<b>93%</b>	<b>7%</b>	<b>3,079</b>	<b>238</b>	<b>3,317</b>	<b>93%</b>	<b>7%</b>

**3.3.3 Total number and distribution by type of working day**

*Table 21: Distribution by type of working day and professional classification on 31/12/2024 and 31/12/2023*

Occupational category	2024					2023				
	Full-time	Part-time	Total	Percentage Part-time	Remaining Percentage	Full-time	Part-time	Total	Percentage Part-time	Remaining Percentage
<b>Executive Director</b>	2	-	2	100%	0%	2	-	2	100%	0%
Men	2	-	2	100%	0%	2	-	2	100%	0%
<b>Senior management</b>	5	-	5	100%	0%	5	-	5	100%	0%
Men	3	-	3	100%	0%	3	-	3	100%	0%
Women	2	-	2	100%	0%	2	-	2	100%	0%
<b>Management</b>	65	1	66	98%	2%	62	1	63	98%	2%
Men	57	1	58	98%	2%	55	1	56	98%	2%
Women	8	-	8	100%	0%	7	-	7	100%	0%
<b>Middle managers</b>	475	2	477	100%	0%	440	2	442	100%	0%
Men	404	2	406	100%	0%	370	2	372	99%	1%
Women	71	-	71	100%	0%	70	-	70	100%	0%

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Occupational category	2024					2023				
	Full-time	Part-time	Total	Percentage Part-time	Remaining Percentage	Full-time	Part-time	Total	Percentage Part-time	Remaining Percentage
Technical, administrative and other	2,967	23	2,990	99%	1%	2,780	25	2,805	99%	1%
Men	2,570	16	2,586	99%	1%	2,428	15	2,443	99%	1%
Women	397	7	404	98%	2%	352	10	362	97%	3%
Total	3,514	26	3,540	99%	1%	3,289	28	3,317	99%	1%

#### 3.3.4 Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational category

Table 22: Average distribution of permanent, temporary and part-time contracts by gender, age and occupational category in 2024 and 2023

Occupational category	2024			2023		
	Permanent	Other	Total	Permanent	Other	Total
<b>Executive Director</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Men</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Above 50	2	0	2	2	0	2
<b>Senior management</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>Men</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Between 30 and 50	1	0	1	2	0	2
Above 50	2	0	2	1	0	1
<b>Women</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Between 30 and 50	1	0	1	1	0	1
Above 50	1	0	1	1	0	1
<b>Management</b>	<b>62</b>	<b>2</b>	<b>64</b>	<b>59</b>	<b>1</b>	<b>60</b>
<b>Men</b>	<b>55</b>	<b>1</b>	<b>56</b>	<b>53</b>	<b>0</b>	<b>53</b>
Between 30 and 50	29	1	30	28	0	28
Above 50	26	0	26	25	0	25
<b>Women</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>6</b>	<b>1</b>	<b>7</b>
Between 30 and 50	5	1	6	6	1	7
Above 50	2	0	2	-	-	-
<b>Middle managers</b>	<b>430</b>	<b>24</b>	<b>454</b>	<b>416</b>	<b>20</b>	<b>436</b>
<b>Men</b>	<b>361</b>	<b>22</b>	<b>383</b>	<b>349</b>	<b>18</b>	<b>367</b>
Under 30	10	4	14	11	4	15
Between 30 and 50	257	18	275	247	15	261
Above 50	94	0	94	91	0	91
<b>Women</b>	<b>69</b>	<b>2</b>	<b>71</b>	<b>67</b>	<b>2</b>	<b>69</b>
Under 30	3	0	3	3	0	3
Between 30 and 50	52	2	54	52	2	54
Above 50	14	0	14	12	0	12
<b>Technical, administrative and other</b>	<b>2,709</b>	<b>229</b>	<b>2,938</b>	<b>2,339</b>	<b>298</b>	<b>2,637</b>
<b>Men</b>	<b>2,326</b>	<b>219</b>	<b>2,545</b>	<b>2,013</b>	<b>285</b>	<b>2,298</b>
Under 30	522	104	626	415	136	551
Between 30 and 50	1,467	111	1,578	1,307	142	1,449
Above 50	337	4	341	291	6	297

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Occupational category	2024			2023		
	Permanent	Other	Total	Permanent	Other	Total
<b>Women</b>	<b>383</b>	<b>10</b>	<b>393</b>	<b>326</b>	<b>13</b>	<b>339</b>
Under 30	71	2	73	61	4	65
Between 30 and 50	265	8	273	222	9	231
Above 50	47	0	47	43	0	43
<b>Total</b>	<b>3,208</b>	<b>255</b>	<b>3,463</b>	<b>2,821</b>	<b>319</b>	<b>3,140</b>

The other category includes temporary contracts on an ad hoc basis such as, for example, production circumstances, short-term hires, etc.

*Table 23: Average distribution of full and partial working hours, by sex, age and professional classification in 2024 and 2023*

Occupational category	2024			2023		
	Full-time	Part-time	Total	Full-time	Part-time	Total
<b>Executive Director</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Men</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Above 50	2	0	2	2	0	2
<b>Senior management</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>Men</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Between 30 and 50	1	0	1	2	0	2
Above 50	2	0	2	1	0	1
<b>Women</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
Between 30 and 50	1	0	1	1	0	1
Above 50	1	0	1	1	0	1
<b>Management</b>	<b>63</b>	<b>1</b>	<b>64</b>	<b>60</b>	<b>1</b>	<b>61</b>
<b>Men</b>	<b>55</b>	<b>1</b>	<b>56</b>	<b>53</b>	<b>1</b>	<b>54</b>
Between 30 and 50	30	0	30	29	0	29
Above 50	25	1	26	24	1	25
<b>Women</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>7</b>
Between 30 and 50	6	0	6	7	0	7
Above 50	2	0	2	-	-	-
<b>Middle managers</b>	<b>452</b>	<b>3</b>	<b>455</b>	<b>434</b>	<b>2</b>	<b>436</b>
<b>Men</b>	<b>381</b>	<b>3</b>	<b>384</b>	<b>365</b>	<b>2</b>	<b>367</b>
Under 30	14	0	14	15	0	15
Between 30 and 50	276	0	276	261	0	261
Above 50	91	3	94	89	2	91
<b>Women</b>	<b>71</b>	<b>0</b>	<b>71</b>	<b>69</b>	<b>0</b>	<b>69</b>
Under 30	3	0	3	3	0	3
Between 30 and 50	54	0	54	54	0	54
Above 50	14	0	14	12	0	12
<b>Technical, administrative and other</b>	<b>2,910</b>	<b>27</b>	<b>2,937</b>	<b>2,615</b>	<b>22</b>	<b>2,637</b>
<b>Men</b>	<b>2,527</b>	<b>17</b>	<b>2,544</b>	<b>2,285</b>	<b>14</b>	<b>2,299</b>
Under 30	624	2	626	549	2	551

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Occupational category	2024			2023		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Between 30 and 50	1,575	3	1,578	1,448	1	1,449
Above 50	328	12	340	288	11	299
<b>Women</b>	<b>383</b>	<b>10</b>	<b>393</b>	<b>330</b>	<b>8</b>	<b>338</b>
Under 30	72	2	74	64	2	66
Between 30 and 50	266	7	273	225	5	230
Above 50	46	1	47	41	1	42
<b>Total</b>	<b>3,432</b>	<b>31</b>	<b>3,463</b>	<b>3,315</b>	<b>25</b>	<b>3,140</b>

### 3.3.5 Number of dismissals by gender, age and occupational category

Table 24: Dismissals by gender, age and occupational category in 2024 and 2023

Occupational category	2024	2023
	Total	Total
<b>Management</b>	-	2
<b>Between 30 and 50</b>	-	1
Men	-	1
<b>Under 30</b>	-	1
Women	-	1
<b>Middle managers</b>	1	6
<b>Between 30 and 50</b>	1	2
Women	-	1
Men	1	1
<b>Above 50</b>	-	1
Men	-	1
<b>Under 30</b>	-	3
Men	-	3
<b>Technical, administrative and other</b>	103	76
<b>Under 30</b>	34	19
Women	4	2
Men	30	17
<b>Between 30 and 50</b>	62	48
Women	8	7
Men	54	41
<b>Above 50</b>	7	9
Women	1	1
Men	6	8
<b>Total</b>	<b>104</b>	<b>84</b>

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#### 3.3.6 Average remuneration and their evolution broken down by gender, age and occupational category or equal value

Table 25: Average remuneration and their evolution by gender, age and occupational category in 2024 and 2023

	2024	2023
<b>Occupational category</b>	<b>Average</b>	<b>Average</b>
<b>Management</b>	<b>155,223</b>	<b>122,902</b>
<b>Men</b>	<b>155,117</b>	<b>122,563</b>
Between 30 and 50	147,325	112,392
Above 50	164,169	134,372
<b>Women</b>	<b>155,959</b>	<b>125,438</b>
Between 30 and 50	161,097	125,438
Above 50	140,547	-
<b>Middle managers</b>	<b>68,442</b>	<b>60,942</b>
<b>Men</b>	<b>67,880</b>	<b>60,762</b>
Under 30	43,116	44,657
Between 30 and 50	65,220	58,448
Above 50	79,806	70,038
<b>Women</b>	<b>71,633</b>	<b>61,898</b>
Under 30	65,630	58,362
Between 30 and 50	68,775	60,349
Above 50	83,549	69,433
<b>Technical, administrative and other</b>	<b>39,203</b>	<b>35,815</b>
<b>Men</b>	<b>38,747</b>	<b>35,435</b>
Under 30	29,674	27,537
Between 30 and 50	40,570	36,710
Above 50	50,148	43,858
<b>Women</b>	<b>42,219</b>	<b>38,393</b>
Under 30	36,852	35,097
Between 30 and 50	42,729	38,265
Above 50	49,059	44,175
<b>Total</b>	<b>44,587</b>	<b>41,004</b>

This compensation analysis does not include executive directors or senior management. Their remuneration is detailed in the Annual Directors' Remuneration Report (IARC), the Annual Corporate Governance Report (IAGC) and in note 21 of the consolidated annual accounts of Talgo SA and its subsidiaries.

Talgo cannot provide the average remuneration of senior management with a gender breakdown because in the 2024 financial year there were two women in senior management and providing their average remuneration would be a breach of data protection.

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#### 3.3.7 Wage Gap

The Talgo Group's wage gap calculated as the difference between the hourly earnings of male and female employees as a percentage of men's hourly earnings is -11,03%, meaning that on average women are paid more than men by that percentage.

The above data include Senior Management and can be explained by a combination of the following factors: a female population concentrated in higher skilled positions and a higher hourly cost as well as having a lower number of women due to the industrial component of the sector in which the Group operates.

The calculation has been made based on the definition of the wage gap included in section S1-16: Remuneration criteria, from ESRS S1, Own Personnel.

#### 3.3.8 Remuneration for equal or average jobs in society

Talgo is committed to fair and equitable compensation for all its employees. This commitment is evidenced by the comparison between the minimum inter-professional salary (MIS) and the salary of the person who earns the least in each country where the Group operates, with Talgo's salary being above the 2024 IMS. Talgo continues working to ensure that wage policies reflect this commitment.

Table 26: MIS comparison

	MIS FOR 2024	Min. Salary by country	% difference
Spain	15,876.00	21,927.47	46.35%
United States	€14,515.20	33,758.10	32.57%
Saudi Arabia	€11,654.40	17,849.55	53.16%
Uzbekistan	€922.80	8,552.64	926.81%
India	€604.80	23,852.58	3,943.00%
Germany	€24,648.00	29,871.05	21.19%
Kazakhstan	€2,030.40	3,783.20	86.33%
China	€2,949.60	40,909.89	1,386.96%
Egypt	€2,112.00	3,265.48	4.62%

#### 3.3.9 The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term savings schemes and any other payment broken down by gender.

The remuneration of the Board of Directors is determined on the basis of best market practices, relying on remuneration studies prepared by external advisors, internal regulations and applicable legal provisions.

The remuneration of the directors is detailed in note 21 to the consolidated financial statements of Talgo S.A. and subsidiaries and with a more detailed breakdown in the IARC (Annual Report on Directors' Remuneration 2024 published on the Talgo and the Spanish Securities and Exchange Commission (CNMV) websites.

The information broken down by age and gender of the directors is included in the IAGC (Annual Corporate Governance Report) published on the Spanish Securities and Exchange Commission (CNMV) website.

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#### 3.3.10 Implementation of labour disconnection policies

Talgo exercises the business duty to guarantee digital disconnection, which involves limiting the use of technological means of business and work communication during rest periods, and respect for the maximum length of the working day.

Therefore, Talgo has an agreement on measures for digital disconnection that guarantees this right for all employees after the working day ends. This agreement applies to all workers in all company workplaces, and is published on the corporate intranet.

#### 3.3.11 Employees with disabilities

The Talgo Group works towards the integration and inclusion of people with disabilities. This commitment is materialised through direct hiring or collaboration with foundations and special employment centres that generate job opportunities for people with disabilities. At the end of the 2024 financial year, the Talgo Group had 33 employees with a disability of more than 33%, of whom 8 are women and 25 are men. These people are represented in all categories of the workforce.

Table 27: Employees with disabilities

Indicator name	2024	2023	Change 24/23
Men with disabilities	25	19	31.6%
Women with disabilities	8	6	33.3%
<b>Total number of persons with disabilities</b>	<b>33</b>	<b>25</b>	<b>32.0%</b>

### 3.4 Organisation of work

#### 3.4.1 Organisation of working time

The Talgo Group is aware of the benefits to society of balancing its employees' work, personal and family life. The implementation of measures that enable work-life balance undoubtedly favours the vital and integral development of people. The Group is committed to respecting all its employees' rest and holiday time, as well as their personal and family privacy outside working hours. Only by ensuring an improvement in the psychological and social well-being of employees can we contribute to a working model in which people are more productive, creative and engaged.

Spain's collective agreement establishes the maximum number of working hours for workers, which in no case exceeds the established legal limit. It also sets minimum rest periods between working days, which guarantees safety and rest for employees. This agreement also includes the minimum breaks established during the working day.

Talgo makes forms of work organization more flexible, providing the following measures for its workers:

- Continuous working hours, for people in the manufacturing and maintenance areas, with detailed information on working hours, schedules and planned breaks.
- Flexible start and finish times, and a reduced working day in summer for corporate offices.
- Subsidy of part of the cost of food or equivalent allowance, for people with a lunch break.

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- Splitting up of yearly holidays for certain groups.
- Annual medical checkup and health vaccination campaigns.
- Private medical insurance coverage for international travel.
- Supplement of 100% of salary for temporary incapacity.
- Teleworking is available for certain groups.

Adaptation of the schedule for workers needing this and who meet the established requirements to be able to reconcile their personal lives.

#### 3.4.2 Number of hours of absence

The number of hours of absence (hours lost) during 2024 was 241,060 hours, which represents 3.6% of the scheduled hours.

To calculate the hours of absence, the following concepts have been taken into account: illness, illness with relapse, non-occupational accident with relapse, illness without sick leave, illness by hours, prolonged temporary disability, accident, accident by hours, accident with relapse and accident without leave.

#### 3.4.3 Measures aimed at facilitating the enjoyment of work/life balance and encouraging the co-responsible exercise of these by both parents

The right to take leave for family reasons (maternity, paternity, leave of absence for child care, etc.) is enshrined in the Talgo agreement and is extended to all people who are subject to this agreement.

During 2024, a total of 89 employees have enjoyed leave due to birth. Of these, 13 women have taken maternity leave and 76 men have taken paternity leave. These measures seek to promote a work/life balance and co-responsibility between both parents.

### 3.5 Health and Safety

#### 3.5.1 Health and safety conditions at work

People's safety, health and well-being is a basic value for Talgo and is therefore integrated into all processes and activities, with a focus on compliance as a priority.

Talgo works to ensure that its workplaces are safe environments, and this represents an added value for its employees and collaborators. The Talgo brand as a safe company is an element that is highly valued by its employees. It has a positive impact not only on their physical health, but also on their emotional well-being and sense of belonging.

Talgo operates in many countries, with safety cultures at different stages of development. However, the culture of prevention is embedded throughout the organisation and is a differentiating factor wherever Talgo operates, as it applies the same policies for integrating prevention in all its centres. This means the safety level of the company's workers is equivalent, regardless of their location.

Talgo positions itself as a benchmark, not only in technology, but also in managing the safety and health of its employees.

Talgo continues to develop and consolidate a preventive management model where processes are identified and necessary procedures and control elements are in place, with a view to reducing workplace accidents and keeping levels of occupational and physical safety risks of operations and facilities under control.

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Accordingly, Talgo has ISO 45001 certification: occupational health and safety management, which clearly establishes the functions and responsibilities in terms of occupational risk prevention and the necessary means according to the nature of the organisation to ensure compliance with legal obligations.

The adoption of ISO 45001 not only benefits internal employees, but also projects a positive image to the outside world, revealing an organisation that, in addition to improving its financial results, is also building a solid corporate culture based on responsibility, ethics and care for workers.

The ultimate aim of Talgo's model is to have a management system that standardises health and safety procedures in order to ensure effective and homogeneous implementation and to promote a focus on continuous improvement in occupational health and safety management.

#### 3.5.2 Accidents at work (frequency and severity) by gender

Table 28: Accidents at work

Indicator name	2024	2023	Change 24/23
Number of accidents (with and without sick leave)	261	273	-4.40%
Number of accidents with sick leave	59	42	40.48%
Number of accidents with sick leave (men)	56	39	43.59%
Number of accidents with sick leave (women)	3	3	0.00%
Frequency rate of accidents with sick leave (over 1M h)	10.19	8.27	23.22%
Frequency rate of accidents with sick leave (over 1M h), women	4.02	4.58	-12.23%
Frequency rate of accidents with sick leave (over 1M h), men	11.11	8.80	26.25%
Severity rate	0.197	0.147	34.01%
Severity rate of accidents with sick leave (over 1M h), women	0.099	0.015	560%
Severity rate of accidents with sick leave (over 1M h), men	0.212	0.173	22.54%

Unlike 2024, in 2023 Tarvia's activity was not considered in the workplace accident data included in the report. However, in Talgo's manufacturing and maintenance activity, there has been an increase in the accident rate, which is largely conditioned by out-of-flow work (manufacturing) and by changes in client's facilities and its impact on the activity (maintenance).

#### 3.5.3 Occupational diseases (frequency and severity) by gender

Table 29: Occupational diseases

Indicator name	2024	2023	Change 24/23
Number of occupational diseases for the financial year	-	-	%

Since there are no occupational diseases, the data is not disaggregated by gender.

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#### 3.6 Social relations

##### 3.6.1 Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff

###### Processes for collaborating with own workers and workers' representatives concerning incidents

Talgo respects the right of all workers to freely unionise and accepts that employees who are members of a trade union may hold meetings, collect dues and distribute union information outside working hours and without disrupting the business of the company. During 2024, union elections were held in two of Talgo's workplaces in Spain (Tarvia centres in Barcelona and Tarvia in Fuencarral).

In Spain, Talgo regularly engages in collective bargaining and makes periodic consultations with the workers' representation, aimed at responding to incidents of relative importance concerning its own personnel, and implemented through, among others:

- Works councils (workplaces).
- Inter-centre committees.
- Committee for the interpretation and monitoring of the collective agreement.
- Health and Safety Committee. Where both absences and accidents and incidents related to occupational health and safety are managed at the centre level.
- Equality Commission.

In meetings with the works councils, the workers' representatives are informed by the management about, among other things, the business development and production situation, work organisation systems, recruitment, absenteeism rates, etc. In the same way, the works councils are responsible for monitoring different matters, such as labour and social security regulations.

To manage possible incidents related to Talgo's workers, the organisation also has the following courses of action:

- Management of incidents reported through the Whistleblowing Line for possible breaches.
- Meetings with union delegates appointed by trade union organisations.

Based on these collaborations with workers and their representatives, management members participating in them initiate the necessary action to consider their opinions and interests as part of company management, if appropriate. All workers are also informed about the agreements reached by the parties and, if any, about the actions that the company takes to implement the agreements.

###### Processes for redressing negative incidents and channels for own workers to express their concerns

Talgo currently has a Whistleblowing Line, allowing workers to report any incident or possible non-compliance with regard to sustainability (see section 1.4). Once received, if the channel manager and the ethics manager understood that it was Talgo's responsibility, he/she would manage and redress them in the manner established with support from the Compliance Unit.

To remedy the consequences caused by potential non-compliance, Talgo has a due diligence protocol (in the approval phase) that integrates the identification, evaluation, prevention and mitigation of material risks, and their verification and control. If the

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incident is considered serious due to its impact, the two processes associated with due diligence management could come into operation.

On a biannual basis, Talgo conducts employee satisfaction surveys for certain company management parameters. These surveys, implemented in 2022, demonstrate the company's commitment to its employees and serve as a starting point for incorporating valuable actions and initiatives, which complement the planned action plans.

To develop and supplement this systematic scope, during the 2024 financial year, the "1<sup>st</sup> strategic project for stakeholder participation" was launched, with the aim of measuring the quality of the relationship frameworks with each category and the management of Talgo's sustainability (including the participation of workers, collaborators). A sufficient sample (approximately 35 people) has been interviewed to establish their satisfaction, requirements and expectations (interests and opinions) and obtain validation from the IROs related to the company's social sustainability.

Starting in 2025, actions will be launched to respond to the legitimate and reasonable interests that Talgo has taken on for employees and collaborators.

#### **Adoption of measures related to impacts of relative importance on own personnel, approaches to mitigate risks of relative importance, and to take advantage of opportunities of relative importance related to own personnel and the effectiveness of such actions**

Based on the study of the requirements and expectations of their own personnel in all areas of human resources, on the impacts, risks and opportunities of relative importance, and on the SWOT and STEER analyses, improvement plans and actions will be established, to mitigate risks and enhance identified opportunities, in long-term strategic plans and in annual and short-term programmes.

Among others, the measures related to increasing the sense of belonging and to improve the commitment of workers are as follows:

- Rebranding and technology change for the corporate intranet.
- Team building actions.
- Recognition actions among workers.
- Actions aimed at promoting corporate volunteering.
- Actions to promote STEM careers.
- Actions related to diversity and inclusion.

During 2024, the psychological, emotional and social care service for employees and their families continues, along with the incorporation of a nutritional and dietary service that contributes to continued work on comprehensive care of employees.

This service has been supplemented with various initiatives aimed at raising staff awareness of mental health issues.

#### **3.6.2 Percentage of employees covered by collective bargaining agreements by country**

The number of Talgo Group employees with full or partial coverage of the collective agreement or similar agreements depending on the country concerned amounted to 99.94% as at 31 December 2024.

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Table 30: Workers covered by collective agreement by country

	Staff as of 31/12/2024	People covered by an agreement	% represented
Spain and Tarvia	2,536	2,534	99.92%
Kazakhstan	398	398	100.00%
Saudi Arabia	248	248	100.00%
Germany	138	138	100.00%
United States	111	111	100.00%
Other countries	109	109	100.00%
<b>Total</b>	<b>3,540</b>	<b>3,538</b>	<b>99.94%</b>

#### 3.6.3 Balance of collective bargaining agreements, particularly in the field of occupational health and safety

Talgo holds regular meetings with the Safety and Health Committee. This Committee's functions and participants are defined in the Talgo collective agreement.

The main function of this body is the regular and periodic consultation of the company's actions in the area of risk prevention and it has been implemented in all workplaces, in accordance with the provisions of the Occupational Risk Prevention Act.

This Committee is made up of the members of the company and the representatives of the workers and any other person who, due to their qualifications or information on the issues being discussed, must participate.

The meetings take place regularly, on a quarterly basis, and whenever requested by one of the Committee's representatives.

This body seeks to transfer information relating to:

- 1) Risk prevention situation in the workplace.
- 2) Documents and reports relating to working conditions.
- 3) Damage to the health or physical integrity of workers.
- 4) Annual Prevention Service programming.

#### 3.7 Training

##### 3.7.1 The policies implemented in the field of training

At Talgo, we invest in our greatest asset: people. Our human resources policy is based on the principle that every employee deserves the opportunity to grow and develop professionally with access to equal opportunities. Therefore, we offer a wide range of tailor-made training programmes to meet the individual and collective needs of our team. By fostering a collaborative and innovation-based learning environment, not only is operational excellence ensured, but a sense of belonging and pride among our employees is also cultivated.

The HR policy includes, among its commitments, the guarantee that all people who belong to Talgo can participate on equal terms in the training actions launched.

Talgo has a Training Plan drawn up every year based on the training needs detected. This Plan has the necessary training to face the challenges that arise in the performance of professional activities.

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This comprehensive annual training plan includes actions aimed at developing skills, competencies for project execution, technical, regulatory and occupational risk prevention aspects, not to mention training in values and languages.

Continuous training becomes a source of employee loyalty and satisfaction and a key factor in ensuring professional and business success and equal opportunities. Therefore, in 2024 financial year, the Talgo Group provided 136,945 hours of training.

#### 3.7.2 The total number of training hours by occupational category

Talgo recognises the importance of continuous training for the development and success of its workers. To this end, it has implemented specific training programmes for the different professional categories within the organisation.

For managers and middle managers, training programmes aimed at management and leadership have been designed. These programmes aim to strengthen their decision-making skills, team management, and effective leadership.

Training for technicians focuses on the execution of their technical responsibilities. These programmes are designed to improve their technical competencies and ensure that they are up to date with the latest technologies and industry practices.

The commitment to the professional development of all employees implies the need to continue investing in training to ensure their growth and the success of the company.

Table 31: Training hours

	2024	2023	Change 24/23
Training Hours	157,065	174,966	-10.231%

### 3.8 Accessibility

#### 3.8.1 Universal accessibility for people with disabilities

Talgo's commitment to the integration of people with disabilities is materialised through direct hiring or collaboration with foundations and special employment centres that generate employment opportunities for people with disabilities. At the end of the 2024 financial year, the Talgo Group had 33 employees with a disability of more than 33%, of whom 8 are women and 25 are men. These people are represented in all categories of the workforce.

Since it does not directly cover the number of employees with special abilities (2% of people with a disability equal to or greater than 33%), Talgo Spain holds an exception certificate from the Ministry of Labour and Social Security that allows it to implement "alternative measures" that contribute to the development of activities for the labour market entry and re-entry of groups of people with disabilities, thus complying with the established rate.

With the collaboration of the above-mentioned organisations, the Group has continued to carry out training and awareness-raising initiatives in 2024, giving visibility to different international days on which the protection of this type of group is celebrated (international disability day, etc.). It has collaborated in career guidance and job search for people at risk of social exclusion.

Within the framework of the agreement signed with the Adecco Foundation since 2007, Talgo Spain has been developing a programme called "Family Plan" to provide advice, guidance and development of skills and abilities for family members of employees up to 65 years of age who have a disability. In 2024, the Family Plan assisted 25 people with

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disabilities who are family members of Talgo employees. These people have been able to benefit from therapies with psychologists, speech therapists, physiotherapists and other health professionals that have allowed them to improve their skills and in some cases, favour their employability.

#### 3.9 Equality

##### 3.9.1 Measures taken to promote equal treatment and opportunities between men and women

Talgo remains firm in its commitment to equality, striving to maintain a working environment based on equal opportunities and non-discrimination, while promoting diversity in its teams.

Through its equality policy, Talgo is committed to:

- Ensure non-discrimination among all its professionals in all people processes.
- Develop, promote and maintain a culture of diversity, equality and non-discrimination.
- Establish procedures for reporting any behaviour that could be considered abuse, discrimination and/or harassment.
- Promote continuous staff training to foster a culture based on diversity, equality and non-discrimination.
- Establish a work environment of respect and equality.
- Encourage the use of transparent and inclusive communication.

This diversity policy is implemented, reviewed and monitored through Talgo's equality plan and harassment protocol in Spain.

All information concerning this matter is available in the "Equality" section of the corporate intranet and available for consultation by all people at Talgo.

##### 3.9.2 Equality plans

Currently, and since November 2023, Talgo has its Equality Plan II, which will be in effect until November 2027. This Equality Plan has been agreed within the framework of the Negotiating Committee of the II Talgo Patent Equality Plan, consisting of six members representing the company and six representatives from the social sector.

This committee is responsible for, among other functions, the following:

- Promoting Equality Plan implementation.
- Monitoring and evaluating the degree of compliance with the measures adopted.

The Equality Plan objectives are:

- Comply with the Law.
- Guarantee the principle of equality and non-discrimination between women and men throughout their working lives.
- Eliminate obstacles that prevent effective equality between women and men.
- Train the entire workforce on equality and non-discrimination.
- To sensitize and raise awareness among the entire workforce, encouraging their participation and involvement in the measures implemented by the Company.
- Extend the gender perspective to all policies and practices developed in the company.
- To sensitise and raise awareness concerning equality and non-discrimination between women and men across the value chain.

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- Develop and promote a culture of diversity, equality and non-discrimination that favours the reconciliation and co-responsibility of work and family life.
- Respond to the needs and expectations of society to contribute to the eradication of any type of inequality and discrimination based on gender.

#### 3.9.3 Measures taken to promote employment

Talgo is implementing a series of measures to promote inclusive employment and thus contribute to reducing differences in female employment rates.

These initiatives are designed to create new employment opportunities, improve working conditions and support the professional growth of their employees.

Through training programmes, inclusive hiring policies and other actions, Talgo is committed to being an engine of positive change in the labour market.

Some of the measures implemented are:

Awareness-raising and training on equal opportunities and non-discrimination for people who are part of the company's selection and hiring processes.

- Periodic monitoring of job offers in the various mediums to ensure the non-use of sexist language or images that may imply that they are aimed at one sex or another and that only state the requirements for the proper performance of the functions of the vacant position.
- Dissemination of a manual of good practices in recruitment and selection that includes the Company's criteria regarding the analysis of CVs, questions during interviews and/or type of information to be included in selection reports.
- Implementation of a questionnaire to evaluate the selection process for new hires at the Company (template, temporary employment agency and/or scholarships) to be applied after passing the trial period and studying the results obtained.
- Preparation of a welcome manual on equality for new hires that includes information about the equality plan, Equality Commission contact persons, protocols and measures for the prevention, detection and action plan for sexual and gender-based harassment and a protocol for protection against harassment.

As a result of Talgo's commitment during 2024, initiatives have continued that allow participating women to develop their skills in the areas of management and leadership, and that are aimed at increasing female participation in leadership roles:

- "Take the Lead" programme, accompaniment and leadership for women.
- Management development programme "Women engineers and managers", in collaboration with the Nebrija University.
- "Mentoring for Excellence" programme of the "Women and Engineering" project with the Royal Academy of Engineering.

These programmes are aimed at acquiring tools and enhancing skills that will propel their career into positions of greater responsibility.

#### 3.9.4 Protocols against sexual harassment and harassment on grounds of sex

Talgo has a protocol that guarantees the adoption of measures to prevent any situation of harassment and establishes an action procedure to investigate and sanction possible situations of harassment, if appropriate.

In Spain, Talgo has ethics committees in each of its work centres that are responsible for ensuring compliance with the harassment protocol and resolving any interpretation or doubts in its application. This committee guarantees the right to the dignity of the person,

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the free development of the personality and the protection of physical and moral integrity, with no discrimination on grounds of sex, marital status, family status, birth, ethnic origin, age, religious beliefs, sexual orientation, opinion, disability, trade union membership or any other personal or social condition or circumstance.

All Talgo employees can report any type of non-compliance or violation related to potential harassment through the Whistleblowing Line/Ethics Channel.

#### 3.9.5 Integration and universal accessibility of persons with disabilities

This information is detailed in section 3.8 of this document.

#### 3.9.6 The policy against all types of discrimination and, where appropriate, the management of diversity

Talgo has a strong commitment to diversity and inclusion in the workplace. Recognising the importance of a diverse work environment, the company is actively working to formalise its commitments through specific policies and programmes.

These initiatives seek to promote equal opportunities, value individual differences, and create an environment where all employees feel valued and respected.

In 2024, Talgo will continue to be a member of the Charter for Diversity, an initiative led by the Diversity Foundation, which shows the company's commitment to the directives promoted by the European Commission on diversity and non-discrimination.

Likewise, this commitment to diversity is also shown by the renewal in 2024 of the "CEO for Diversity" alliance that promotes innovation in diversity, equity and inclusion strategies in Spanish companies, an initiative promoted by the Adecco Foundation and the Spanish Confederation of Employers' Organisations.

## 4 INFORMATION ON RESPECT FOR HUMAN RIGHTS

Talgo establishes, as one of the key pillars of its corporate sustainability, the commitment, respect and protection of human rights in all its operations and business relationships within the value chain.

### 4.1 Due Diligence Policies and Procedures

Regarding human rights management, Talgo has defined two corporate policies and a strategic protocol:

- The corporate human rights policy, approved in 2022.
- The corporate sustainability due diligence policy, currently being approved.
- The corporate sustainability due diligence protocol with its two implementation cycles: "Due diligence" and "Incident and non-compliance attention and solution cycle". These two cycles describe the implementation of the due diligence management process to ensure respect for human rights, both within the company and in the value chain, and the appropriate treatment of violations and potential breaches.

### 4.2 Main risks

Based on the materiality analysis carried out under the terms described in chapter 1.5 of this document, the company has identified 26 impacts that affect human rights. These impacts, both positive and negative, are included in the themes concerning own personnel, workers in the value chain and business conduct detailed in ESRS 2 (AR16).

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These impacts have been assessed by the company. To give it the maximum possible weight, all impacts related to human rights have been given the highest score in the magnitude variable.

The assessment results allow us to conclude that material impacts with repercussions on human rights are related to working conditions and other labour rights for workers in the supply chain, and to corporate culture within the business conduct theme.

Based on the same analysis, 6 material opportunities have also been identified, also concerning Talgo staff, related to enhancing management of the Group's people: reducing turnover, increasing personal satisfaction through training and improving the company's reputation for its management of internal social sustainability (equality, diversity, reconciliation, transparency, etc.).

#### 4.3 Human rights

##### **4.3.1 Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy abuses committed and Compliance with the provisions of the fundamental conventions of the ILO**

Talgo has established mechanisms for risk prevention, detection, mitigation, reporting, remediation/redress, violation and sanction. The mechanisms are structured in 6 categories.

The first block of prevention mechanisms are legislation and conventions considered to have the greatest impact and influence at international level. These include:

- The International Charter of Human Rights (UN).
- The Declaration on Fundamental Principles and Rights at Work (ILO).
- The ILO Fundamental Conventions (8).
- Guiding Principles on Business and Human Rights of the United Nations, 2011.
- The UN Guiding Principles Reporting Framework.
- The UK Modern Slavery Act of 2015 with the provisions not to tolerate slavery, servitude, forced or compulsory labour and human trafficking in their own activities and in supply chain activities.
- The European Union's due diligence directive.
- Internal rules on the management of ethics and human rights.

The second block of measures consists of the detection mechanisms associated with the second and third lines of defence, knowledge of supply chains and the results obtained from the Whistleblowing Line.

The main mechanisms are:

- Internal compliance analyses (especially those for human rights and anti-corruption).
- Internal audits related to compliance with human rights for Talgo workers and for working with third parties (main scope of application of the Talgo human rights management model).
- Any external audits that are necessary with suppliers and the supply chain.
- Studies on the visibility, vulnerability and resilience of the supply chain.
- The code of ethics and conduct: information on possible breaches by stakeholders (internal and external).
- The third block of measures are the reporting mechanisms that are specified in all cases in the Talgo Whistleblowing Line (see section 1.4).

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- Any information, query or suggestion regarding a potential complaint is treated by informing the interested party or the aggrieved person that the appropriate channel for its handling and confidentiality is to register it via the Whistleblowing Line.

The fourth block of measures are mitigation mechanisms, resulting from processes and activities aimed at reducing the likelihood of human rights violations occurring at Talgo.

The main ones are:

- Training and awareness-raising in human rights, both internal and external.
- Knowledge of the contents of the methodology on behalf of all the organisation's managers (for internal and restricted use only).
- Acceptance of the contents of the code of ethics by employees.
- Future codes of conduct for customers and partners, as well as for suppliers.
- Improvement programmes to minimise non-compliance implemented internally and externally.
- The outreach campaigns, awards or other proposals contained in "Talگو4People".
- Forensic procedures and analysis on non-compliance from suppliers, clients or business partners.

The fifth block of measures is the remediation/redress mechanisms for victims of a human rights breach, which are established by a protocol. This is supported by a prior forensic analysis and provides a response to possible restitution, physical, psychological or social rehabilitation, compensation, satisfaction and guarantees of non-repetition.

The sixth and final block consists of the infringement and sanction mechanisms (only applicable to breaches that have been noted and resolved).

In general, these must be studied and designed by the organisation in charge of the corresponding legal issues and implemented in the following departments:

- Human resources and occupational risk prevention for internal human rights violations.
- Procurement department for human rights breaches in suppliers and the supply chain.
- Business development for client-related human rights violations.
- Steering committee for human rights violations with business partners.

#### **Supervision of the Compliance Unit and Internal Audit**

As indicated above, the Compliance Unit has the authority to monitor and enforce compliance with human rights principles and applicable regulations. This framework includes the monitoring and protection of human rights.

Furthermore, as guarantor of internal control and assurance of compliance in the different Talgo units, the Internal Audit is authorised to communicate critical concerns regarding human rights to the highest governing body.

#### **4.3.2 Complaints of human rights violations**

As mentioned above, anyone who suspects a violation of regulations or human rights should report this through the Whistleblowing Line.

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In the 2024 financial year, no communications related to Human Rights have been received through the Whistleblowing Line.

## **5 INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY**

### **5.1 Policies**

#### **Business conduct and corporate culture policy**

The ethical principles that govern Talgo's market activities are aligned with the current legislation for each of the countries where Talgo operates and with the highest international standards (OECD Guidelines for Multinational Enterprises, United Nations Global Compact and Universal Declaration of Human Rights, among others). Talgo has a management model for ensuring ethics and business conduct. The Board of Directors is ultimately responsible for this area, through the Delegated Audit Committee and the Compliance Unit.

This model has been implemented through various policies and codes that are based on the Code of Ethics, which includes the ethical values, commitments and good practices that must be applied to manage the Group's activity. The Code of Ethics also establishes the standards of responsible behaviour that all professionals and collaborators of the Talgo Group must comply with, regardless of their hierarchical level, their geographical or functional location and the group companies that they provide their services for. Talgo's Code of Ethics is available on the company's website.

#### **Anti-fraud and anti-corruption policy**

This context also covers the Anti-Fraud and Anti-Corruption Policy, available on the Company's website and applicable to all Talgo directors and employees, and the companies that Talgo exercises direct or indirect control over, and to other companies within the Group, as well as to its suppliers, agents, partners, contractors and generally to any related party.

This policy constitutes a permanent commitment to monitoring, risk control and sanctioning fraudulent acts and conduct or any behaviour leading to corruption in all its forms.

### **5.2 Main risks**

One of Talgo's main objectives is to generate value for shareholders, investors, employees, customers and other stakeholders. Risks of fraud and corruption may threaten the achievement of this objective.

Based on the materiality analysis carried out under the terms described in chapter 1.5 of this document, the company has identified 16 material IROs related to business conduct, 10 positive and 6 negative. These IROs fall under the subthemes: corporate culture, supplier relationship management, lobbying activities, and corruption and bribery.

Specifically, for anti-corruption, a positive impact and an opportunity have been detected that derive from the Group's robust system for preventing and detecting corruption and bribery.

This chapter details the measures adopted to minimise the likelihood that negative impacts and risks occur, and maximise positive impacts and opportunities related to business conduct, lobbying activities, and corruption and bribery.

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#### **5.3 Measures taken to prevent corruption and bribery and to combat money laundering**

##### **Culture of ethics and awareness**

The first line of defence against unethical behaviour is awareness. Therefore, Talgo employees explicitly agree to read the Code of Ethics and the Anti-Fraud and Anti-Corruption Policy, and receive the related training.

##### **Crime Prevention and Detection Model**

Talgo has a Crime Prevention and Detection Model (CPDM) created with third party consultancy. The Board of Directors is the body responsible for ensuring the maintenance of a permanent and effective Crime Prevention and Detection Model. Accordingly, it will empower the Talgo Compliance Unit with the powers of autonomy and control necessary to implement, update, execute and supervise CPDM operation. In turn, the Audit Committee will verify that the controls established in the CPDM are effectively executed by the Compliance Unit.

This model includes a Criminal Risk Map, its corresponding control measures, and a Crime Prevention and Detection Protocol.

##### **Payments to suppliers of materials and services**

Talgo makes its payments within the framework of the procurement process described in the Talgo Supplier Manual, available on the website. This process requires an order or delivery plan, receipt and acceptance of the order or service by the internal client and invoicing, with all stages recorded in the Group's ERP.

When for exceptional reasons payments must be made outside this process, they will be authorised and made under a joint signature process that varies depending on the payment amount.

##### **Travel expenses**

Chapter VII of VII Collective Patent Agreement for Talgo SLU establishes the daily allowances applicable for Patentes Talgo SLU employees who, due to company needs, must travel to carry out their activity. To reinforce the Collective Agreement provisions, the Talgo Group has a Travel Policy that is mandatory for all employees, which aims to regulate travel and representation expenses incurred by employees for work reasons and on behalf of the Company.

The management of all travel requests, whether for plane tickets, train tickets, rental cars, hotel reservations and/or various services, must be carried out through the contracted travel agency in countries where an agreement exists, and the management of any business trip outside of this agency is prohibited. When, for exceptional reasons, accommodation or transport cannot be contracted through a travel agency, the employee will pay the amount directly, and the company will reimburse him/her, upon presentation of the invoice, in the settlement of expenses for the corresponding trip.

According to the collective agreement, employees will receive allowances to cover the cost of breakfast, lunch and dinner.

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#### Payment by bank card

Talgo authorises bank cards exclusively for management staff and for staff who, for work reasons, must travel frequently, provided they have the approval of their management, the HR department and the Finance department. To ensure proper bank card use, the Group has established a Card Spending Policy that new users must sign.

Except in circumstances of force majeure, purchases of products and/or services necessary for the Company's activity are not permitted with a credit card. These purchases must be channeled through the Procurement Department and comply with Company procedures.

To justify expenses, a form must be completed detailing the charge, the amount and the description of the expense. Likewise, each and every receipt and/or invoice for the concepts charged to the card must be provided. Card use is supervised by Talgo's Treasury department. To minimise the intrinsic risk of this payment system, Internal Audit also performs periodic controls and specific checks when necessary.

#### IT tool for handling advance payments, employee expenses and cards

The Group has an IT tool for handling advance payments, employee expenses and cards. This tool allows employees to inventory various expenses and digitise invoices or receipts that support them. The application will automatically verify that the supporting documentation is valid, allowing for a reduction in administrative burden and ensuring expense control and transparency.

#### Cash management

Cash payments are made only when strictly necessary. In such cases, the employee will fill out a cash delivery request that must be signed by his/her superior, and this will be processed by the Treasury Department. Balance control is done through the Group's ERP.

#### Information provided to suppliers

##### Supplier's manual:

The Talgo Supplier Manual, which is mandatory for all suppliers, establishes the Supplier Code of Conduct (section 6.2.) that includes the requirement to comply with Talgo's internal Ethics and a link to the Code of Ethics (section 6.2.6.): "*Talgo suppliers commit to comply with the Buyer Norm of Ethics and Talgo's Internal Code of Ethics*". It also contains a specific section on Fraud (section 6.1.5.).

##### General Terms and Conditions for Purchase (GTCP) and General Terms and Conditions for Services (GTCS):

In the *Code of Ethics and Conduct and Supplier's Manual* chapter (section 29.8 in GTCP and 25.8 in GTCS): The supplier expressly acknowledges that it's familiar with the Code of Ethics and Conduct and Contractor's Manual of Talgo, published on Talgo's website and it assumes the firm and irrevocable commitment to comply with and respect its terms and conditions as an essential Supplier's obligation under these GTCP/GTCS and/or a contract/purchase order. Talgo shall be entitled to early terminate the GTCP/GTCS and any Contract/Purchase Order should the supplier breaches Talgo's Code of Ethic and Conduct and/or the Supplier's Manual.

##### Supplier Code of Conduct:

A new Supplier Code of Conduct is expected to be published in 2025, which will require

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suppliers to comply with the Talgo Group's Anti-Fraud and Anti-Corruption Policy.

#### Company positions with the greatest risk of corruption and bribery

The company's positions with the greatest risk of corruption and bribery are in the Procurement and Commercial departments due to their close relationship with external stakeholders; service and product suppliers and customers, respectively.

Therefore, the Internal Audit and the Compliance Unit are strengthening their supervision to ensure compliance with the regulation, the Code of Ethics and the Anti-Fraud and Anti-Corruption Policy.

The commercial agents that the Talgo Group works with also receive special treatment due to their greater exposure to corruption and bribery risks. Consequently, before the Group establishes contractual ties with them, a third party is hired to perform due diligence, which will be supervised by the Compliance Unit.

#### Corruption and bribery cases

In the 2024 financial year, there have been no confirmed cases or open legal proceedings related to corruption or bribery.

Table 32: Corruption and bribery cases in 2024

	2024
Number of confirmed cases of corruption and bribery	-
Number of confirmed cases where own staff members were dismissed or disciplined for corruption and bribery-related cases.	-
Number of confirmed cases involving contracts with business partners that were terminated or not renewed due to corruption or bribery-related violations.	-

#### Public administration positions

During the 2024 financial year, there has been no appointment of a member to the administrative, management and supervisory bodies who has held a comparable position in the public administration (including regulators).

#### Transparency register

In order to make the company's interests visible by participating in industry associations, Patentes Talgo SLU has been registered in the EU Transparency Register since 1 February 2022 with registration number 581229029921-20.

#### Political donations and contributions

Talgo has not made any contributions (financial or in kind) to political parties and/or political representatives in 2024.

#### 5.4 Contributions to foundations and non-profit organisations

Within its stakeholder management system, Talgo establishes value relationships with the following categories:

##### Social partners

This category includes the third social sector, namely foundations and non-governmental organisations. The objective is to collaborate in the development of initiatives and projects for social action and to contribute to society.

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Table 33: Social partners

	2024	2023	Change 24/23
<b>Investment</b>			
<b>Total investment in projects (€)</b>	<b>544,410</b>	<b>469,783</b>	<b>16%</b>
Investment through the Talgo Foundation (€)	184,000	200,000	-8%
Investment through other foundations (€)	360,410	269,783	34%
<b>Social action</b>			
No. of projects	32	30	7%
No. of awards	15	12	25%
No. of scholarships	179	56	220%
<b>Corporate volunteering</b>			
Internal participants: number	51	56	-9%
Internal participants: hours spent	719	899	-20%
External participants: number	52	181	-71%
External participants: hours spent	1,120	1,544	-27%
<b>Relationship frameworks with stakeholders</b>			
Institutional relations in social issues	70	365	-81%
Partnerships and collaboration agreements	13	16	-19%

### Industry associations

Talgo participates in several industry associations that pursue objectives related to sustainable mobility. In this section, associations registered in the European Union Transparency Register will be considered.

The themes covered by these associations and Talgo's position are explained below. The main objectives are positioning, defence of the sector and the development of shared paths and collaborative benchmarking in corporate and business sustainability.

Table 34: Industry associations

<b>Name</b>	<b>Union of the European Railway Industries</b>
<b>Acronym</b>	UNIFE
<b>EU Transparency Register</b>	9624415524-28
<b>Groups</b>	Sustainable Transport Committee, Investment and Project Financing Expert Group, Trade and International Affairs Committee, Chemical Risks Topical Group, Life Cycle Assessment Topical Group
<b>Topics covered</b>	Main EU legislative or policy proposals of interest: Sustainable mobility, Digitalisation, TEN-T and CEF, Urban mobility, Freight transport policy, Structural Funds, InvestEU and EIB, Research and Innovation, Public Procurement, Industrial Policy and SME Strategy, Trade and International Affairs.
<b>Talgo's position</b>	<ul style="list-style-type: none"> <li>• Promote railway sector activity in all its segments, seeking the prosperity of the companies involved and providing an efficient and sustainable mobility service to society.</li> <li>• Collaborate in ensuring an open competition market with clear and common rules for all actors.</li> <li>• Promote dialogue with the relevant authorities to ensure that the voice of the sector is taken into account when establishing regulatory frameworks that may affect the industry and the transport sector.</li> <li>• Collaborate in the development of innovative and sustainable technologies aligned with established climate objectives.</li> <li>• Contribute to the preparation and review of technical documents that enable studies and analysis of risks related to environmental sustainability (LCA, chemical risks, etc.).</li> </ul>

<b>Name</b>	<b>Asociación Ferroviaria Española</b>
<b>Acronym</b>	MAFEX
<b>EU Transparency Register</b>	669610439061-29

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<b>Groups</b>	Steering Committee, Internationalisation Committee, Innovation Committee (from which Sustainability and Talent initiatives are also launched), Communication Committee
<b>Topics covered</b>	Initiatives related to railways, mobility or the environment and climate change, as well as the internal market or public procurement. Training and employment activities to help partners with their needs in terms of employability, and attracting and retaining talent.
<b>Talgo's position</b>	<ul style="list-style-type: none"> <li>• Promote railway sector activity in all its segments, seeking the prosperity of the companies involved and providing an efficient and sustainable mobility service to society.</li> <li>• Collaborate in ensuring an open competition market with clear and common rules for all actors.</li> <li>• Promote dialogue with the relevant authorities to ensure that the voice of the sector is taken into account when establishing regulatory frameworks that may affect the industry and the transport sector.</li> <li>• Collaborate in the development of innovative and sustainable technologies aligned with established climate objectives.</li> </ul>

<b>Name</b>	<b>Confederación Española de Organizaciones Empresariales</b>
<b>Acronym</b>	CEOE
<b>EU Transparency Register</b>	02963738854-41
<b>Groups</b>	International Relations Commission, European Union Commission in the CEOE, Transport and Logistics Council, Sustainable Mobility Council
<b>Topics covered</b>	European social and employment policy, European policy in the field of the digital economy, European R&D&I policy, European policy on industry, small and medium-sized enterprises, the environment, energy and climate change, trade and investment policy, European internal market policy, economic and monetary affairs, fiscal policy, European transport policy; and all those European initiatives likely to impact on business competitiveness and development.
<b>Talgo's position</b>	<ul style="list-style-type: none"> <li>• Promote railway sector activity in all its segments, seeking the prosperity of the companies involved and providing an efficient and sustainable mobility service to society.</li> <li>• Collaborate in ensuring an open competition market with clear and common rules for all actors.</li> <li>• Promote dialogue with the relevant authorities to ensure that the voice of the sector is taken into account when establishing regulatory frameworks that may affect the industry and the transport sector.</li> </ul>

<b>Name</b>	<b>Club de Exportadores e Inversores Españoles</b>
<b>Acronym</b>	-
<b>EU Transparency Register</b>	824364121283-16
<b>Groups</b>	Board of Directors, Mobility and Logistics Working Group
<b>Topics covered</b>	Main legislative files, initiatives and EU policies on foreign trade, international cooperation and development, industry, taxation, financing, research and innovation, environment and agriculture, food safety, economic and financial affairs, foreign policy, energy and competition.
<b>Talgo's position</b>	<ul style="list-style-type: none"> <li>• Promote railway sector activity in all its segments, seeking the prosperity of the companies involved and providing an efficient and sustainable mobility service to society.</li> <li>• Collaborate in ensuring an open competition market with clear and common rules for all actors.</li> <li>• Promote dialogue with the relevant authorities to ensure that the voice of the sector is taken into account when establishing regulatory frameworks that may affect the industry and the transport sector.</li> </ul>

## 6 INFORMATION ON THE COMPANY

Taking as a reference the definition of the groups affected by the ESRS, Talgo presents two possible segments:

- First, people who live or work in communities, municipalities or regions close to their manufacturing centres (including their headquarters), i.e., near the Las Matas II facilities in Las Rozas (Madrid) and Rivabellosa (Álava).
- Second, people who live or work in the districts or neighbourhoods where the maintenance centres (subsidiaries) are located, owned by the clients (both in Spain and in other countries). These workplaces are located in almost all cases on the outskirts of the municipalities they are in.

In the last twenty years, there has not been any significant incident or accident affecting the aforementioned groups, either in Spain or abroad.

Talgo does not own facilities or carry out commercial activities that impact populations where indigenous peoples or communities exist. Nor are there any affected groups with particular characteristics that are at greater risk of suffering damage.

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#### 6.1 Policies

Talgo has three policies related to socially affected groups:

- The due diligence policy, with the protocol for cases of incidents and possible violations (in the approval phase).
- The human rights policy, implementing the G7 right which corresponds to respect for communities, minorities and migrant workers, responds to the requirements and obligations in this area for the affected groups, including those with particular characteristics, if any, such as indigenous peoples and communities.
- The sustainability and sustainable development policy, which positions Talgo as a company committed to strengthening the resilience of the economic, social and environmental systems that the company operates in.

These policies are available for consultation on the Talgo Group corporate website, in the Corporate Sustainability area.

#### 6.2 Main risks

Based on the materiality analysis carried out under the terms described in chapter 1.5 of this document, the company has identified 5 material impacts related to managing the affected groups. These impacts are framed in the subtheme "Communities' economic, social and cultural rights" in AR16, and are associated with the impact that Talgo facilities can generate in the immediate environment that the company operates in.

Furthermore, the main risks identified are related to possible environmental accidents that some of the company's facilities may cause in their surroundings and specifically in society. The consequences of these potential incidents result in possible financial penalties, loss of reputation for the company, etc.

#### 6.3 Company's commitment to sustainable development

##### Processes for collaborating with affected groups in advocacy efforts

Within its strategic theme No. 6: Supporting the development and strengthening of societies (Plan 2022-2024), social action initiatives are developed and the company participates in initiatives proposed by city councils and administrations.

In terms of stakeholder dialogue, in 2024, as a result of the launch of the "First strategic project for stakeholder participation", people from society, city councils, NGOs, etc. have been interviewed to find out about their satisfaction, requirements and expectations in terms of social sustainability.

To report potential impacts related to Talgo's ethical management, affected groups can use the Whistleblowing Line.

##### 6.3.1 The impact of the company's activity on local employment and development

Regarding the relationships maintained with local community stakeholders, including the form of dialogue with them, the main ones are:

- The relationship activities and the potential economic or social development projects with the municipalities or other types of organisations involved.
- Dialogue, improving trust and reputation of stakeholders through Talgo's contribution to social sustainability and sustainable development.

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This area is developed mainly through social action initiatives, projects and campaigns, in some cases with the collaboration of the Talgo Foundation.

Regarding partnership and sponsorship actions, the information on this matter is contained in the section “Contributions to foundations and non-profit organisations” of this document.

#### 6.4 Subcontracting and suppliers

##### 6.4.1 Inclusion in purchasing policy of social, gender equality and environmental issues, and consideration of their social and environmental responsibility in relations with suppliers and subcontractors

Responsible value chain management and sustainable procurement is one of Talgo's seven strategies to ensure sustainable and responsible business management and achieve the goals of the current Corporate Sustainability Strategic Plan for 2022-2025.

Within our supply chain, there is great diversity in the group of suppliers and providers in terms of the turnover and number of employees, covering both SMEs and micro-SMEs as well as large companies.

In terms of geographical location, although a large percentage of suppliers and providers are local, it covers countries in the rest of Europe, the Middle East and North Africa and America, as well as Asia-Pacific, Uzbekistan and Kazakhstan, although the latter are in smaller proportion.

Table 35: Suppliers by geographical location

Procurement and supply chain management	2024	2023	Change 24/23
Geography			
Spain	71.2%	69.9%	2%
Rest of Europe	14.5%	11.9%	22%
Americas	2.3%	2.0%	15%
Commonwealth of Independent States*	1.8%	1.5%	20%
Middle East and North Africa	6.8%	12.1%	-44%
APAC**	3.3%	2.7%	22%

(\*) Uzbekistan and Kazakhstan

(\*\*) Asia-Pacific

Throughout 2024, the procurement department has promoted the implementation of a sustainable and responsible supply chain management system under the ISO 20400 sustainable procurement certification, obtained in December of this year.

The backbone of this management system is the sustainable procurement, suppliers and responsible supply chain policy, published in 2024, which establishes the principles and mechanisms necessary to ensure relationships, agreements and initiatives with suppliers, promoting corporate sustainability through supplier qualification processes, purchasing of goods and services, and alliances within sustainable and responsible management.

This policy is especially aimed at establishing measures to prevent and mitigate adverse impacts that occur in the environmental, social, ethical and labour fields to generate a global benefit throughout the value chain.

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The right selection, certification and monitoring of suppliers (and their supply chains) allows access to differential proposals and offers and achievement of the best results in products, services and business solutions in a responsible and sustainable manner. During 2024, Talgo has optimised its supplier approval procedure, which will be implemented in 2025, including two new levels of requirement for supplier qualification: cybersecurity criteria and ESG criteria, which take into account environmental, social, ethical and labour issues in the selection of suppliers and subcontractors.

*Table 36: Supplier qualification and management results*

Results achieved	2024	2023	Change 24/23
Suppliers and other stakeholders (*) total assets as at 1 January	1,966	1,722	14%
Suppliers and other stakeholders total assets qualified on S&R issues as at 1 January (crit. 1 and 2).	749	662	13%
New suppliers and other stakeholders, rated in 2024 on S&R issues (crit. 1 and 2).	67	68	-1%
New suppliers and other stakeholders, rated in 2024 on S&R issues (crit. 2).	26	19	37%
New suppliers and other qualified and audited stakeholders on S&R issues (certification audits)	56	43	30%
Suppliers and other stakeholders audited for re-evaluation on S&R issues	16	17	-6%
No. of suppliers evaluated on S&R issues with significant impacts with whom improvements have been agreed as a result of the assessment.	0	6	-100%
No. of suppliers evaluated on S&R issues with significant impacts with which the relationship has been terminated as a result of the evaluation.	0	0	0%
No. of arranged quality agreements and strategic alliances with suppliers.	37	31	19%

Through the Supplier Code of Conduct, a new version of which has also been drafted and will be published in 2025, and the inclusion of specific sustainability and cybersecurity clauses in the contractual conditions, we seek to ensure the correct management of suppliers and subcontractors, preventing them from being sources of real or potential negative impacts due to possible non-compliance related to human rights or environmental, social or ethical issues, thus guaranteeing business continuity and the resilience of the value chain.

Within the training goal, both internally and externally, in the field of sustainability, Talgo is part of the 3rd edition of the Sustainable Suppliers Training Programme, developed by the UN Global Compact Spain and the United Kingdom, ICEX Spain Export and Investments and the ICO Foundation, helping to promote the initiative and focused on the development of SMEs that make up the supply chains of large Spanish companies.

To align its sustainable procurement strategy with railway sector standards, since April 2024 Talgo is part of Railsponsible, a European sector initiative focused on knowledge exchange, improvement strategies and common standards in sustainable procurement, with the aim of continuously improving sustainability practices throughout the railway sector supply chain.

The Talgo Group is making an effort to progressively adjust payment terms to adapt to the 60 days established in Law 15/2020, with the average payment period being 87 days during the 2024 financial year. In this sense, the strategy defined to reverse this situation in 2025 is the gradual review of contractual conditions for payment to suppliers, prioritising SMEs as they are more vulnerable to payment delays.

It should be noted that the Spanish Group companies subject to this regulation have their payments stipulated on the 10th of each month, a situation from which the average

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payment period may increase with respect to that stipulated in the contractual conditions due to the gap between the due date of the invoice and the day set for payment.

The company has no legal proceedings pending against it for late payment of any invoice.

Below is the information required by the Third Additional Provision of Law 15/2010, of 5 July, prepared in accordance with the IAC Resolution of 29 January 2016, on the information to be included in the consolidated annual accounts in relation to the average payment period to suppliers of Spanish companies in commercial operations.

*Table 37: Average payment period to suppliers*

Metric	2024	2023	Change 24/23
Average payment period to suppliers	87	82	6%
Ratio of paid operations	93	86	8%
Ratio of operations pending to be paid	71	73	-3%

“Average payment period to suppliers” means the period between the delivery of goods or the provision of services by the supplier and the material payment of the transaction.

#### 6.4.2 Supervision and audit systems and their results

One of the main challenges for the procurement department is to work on ensuring the sustainability and responsibility of its supply chains. In this regard, throughout 2024, ESG risk has been incorporated into the risk analysis for our strategic suppliers. Therefore, we have launched a comprehensive form that monitors technical, ethical, economic, social, environmental and human rights aspects.

In 2025, the implementation of a digital tool for assessing supplier risk in different aspects is planned, to guarantee the continuity of supply in the face of possible disruptions, and to ensure that the acquisition of products and services does not violate basic criteria for the protection of people and the environment throughout the entire value chain.

As a medium-term action plan, Talgo plans to conduct on-site ESG audits for certain suppliers located in areas with a higher intrinsic risk of violating human rights in the workplace and outside the workplace for workers in the value chain, as well as potential negative environmental impacts.

#### 6.5 Consumers

Although Talgo's customers are the governments or public administrations that acquire Talgo's products (rolling stock or auxiliary machinery), consumers and end users are the people who use or are intended to ultimately use the product or service, or people who work within it.

There can be various types of end consumers (all within the value chain):

- Train passengers enjoying their journey, purchased from the operating company. They not only enjoy the train and its facilities, but also the internal operations and services provided.
- Employees and collaborators of the operating company who carry out their functions and responsibilities, mainly using Talgo products: maintenance operators, drivers, inspectors, etc. All have the technical information and manuals for their use, safety and any other necessary information.

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- Employees and collaborators belonging to railway administrators (for example, Adif) who use rolling stock for the analysis and monitoring of railway infrastructure (ensuring the correct condition of the tracks) for use by any railway operator. All have the technical information and manuals for their use, safety and any other relevant information.
- Other people, whether from the client company or not, in charge of cleaning, catering or other complementary services, with no direct relationship in any case with Talgo.

Talgo covers this sustainability issue through the following three corporate strategies:

- Eco-efficient, sustainable and highly competitive services and products.
- Competitiveness based on efficiency, quality and safety.
- Advanced corporate sustainability in business management and impacts.

#### **Policies related to consumers and end users:**

The policies and, consequently, the action processes to respond to the impacts, risks and opportunities related to consumers and end users are detailed below:

- The commercial, customer and user management policy, which Talgo updated and approved in 2024, in a new version that includes its users and commitments more explicitly and precisely.
- The operational safety policy that establishes principles and guidelines relating to the safety of products and activities.
- Talgo's due diligence policy (in the approval phase) for serious cases where it is necessary to determine, evaluate, manage or repair important incidents for customers and end users. This policy is developed through the due diligence protocol that integrates the identification, evaluation, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures adopted.

#### **6.5.1 Measures for consumer health and safety**

This sustainability issue at Talgo is managed through three main courses of action:

- Safety management and, in a complementary manner, the “comfort” of products (rolling stock and auxiliary machines) during their use or operation or during their maintenance.
- Information security, managed through cybersecurity processes and activities.
- The social, environmental and value features of the products (rolling stock).

#### **6.5.2 Claim systems, complaints received and their resolution**

##### **Stakeholder interests and views**

Concerning the interests and views of stakeholders, Talgo systematically conducts customer satisfaction and requirements surveys within the quality management system.

The communication channels with end users are described in the following section “Processes for collaborating with consumers and end users regarding incidents”.

To manage customers' expectations, Talgo has a control system that responds to and follows up on their claims and complaints. All communications received are analysed, answered and, where appropriate, corrective action is taken to resolve the issue(s) and

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prevent recurrence. All of this is standardised in the PR-13 Customer Satisfaction process.

*Table 38: Customer Complaints and Claims*

Complaints and claims (C&C)	2024	2023	Change 24/23
Total customer complaints and claims	5	5	0%
C&C: bidding process (trains)	0	0	0%
C&C: project management and delivery (trains)	5	1	400%
C&C: maintenance services (trains)	0	3	-100%
C&C: equipment for maintenance	0	1	-100%

To develop and supplement this scope, during the 2024 financial year the “First strategic stakeholder participation project” was launched to measure the quality of the frameworks for relationships with stakeholders and the sustainability management carried out by Talgo (approximately 200 people).

For category No. 2: clients and users, the sample was 22 people, including both national and foreign clients and users.

The surveys conducted have allowed us, firstly, to learn about their satisfaction, requirements, and expectations in terms of sustainability, and the reputational value of Talgo. Secondly, the validation of the company's material issues.

Starting in 2025, actions will be launched to respond to the legitimate and reasonable interests of customers and end users that Talgo has taken on.

Finally, it is worth highlighting the existence of a project currently in development called: “Talgo: passenger experience”. This analysis project, which was completed in 2020, identified and specified all the users' needs, detecting areas of opportunity (including social, environmental, information privacy, needs for people with disabilities, etc.). This project was carried out alongside partners from Germany and the United Kingdom.

#### **Processes for collaborating with consumers and end users regarding incidents:**

It is important to note that any incidents or complaints from passengers or persons performing their duties on the train are forwarded to the operating company, which, if deemed appropriate, makes a claim to Talgo if it considers the company to be responsible. (Talgo, in general, never has direct dealings with potentially affected users.)

If applicable, the customer may submit this complaint or claim using procedure PR-13 “Customer satisfaction procedures managed through the Talgo quality system”.

In any case, end users can use the Whistleblowing Line to report potential non-compliance and queries regarding corporate sustainability.

## **7 TAXONOMY**

The objective of this chapter is to describe the process and results of the taxonomic review of the business of Talgo SA and its subsidiaries (hereinafter, “Talgo Group” or “Talgo”), in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, its corresponding Delegated Regulations (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and Commission Delegated Regulation (EU) 2021/2178 of 6 July) and the amendments thereto.

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Following the application of the proposed methodology, the degree to which Talgo's economic activities are environmentally sustainable is identified, according to the following classification:

- Activities not eligible according to environmental taxonomy.
- Eligible but non-aligned activities according to environmental taxonomy.
- Eligible and aligned activities, according to environmental taxonomy.

This report provides the following key indicators for each of these activities:

- Turnover.
- CapEx.
- OpEx.

#### **Environmental taxonomy analysis methodology**

The methodology used consists of four steps that, together, allow Talgo to identify the degree of environmental sustainability of its economic activity based on the definitions in Regulation 2020/852 and its delegated Regulations.

- Identification of eligible activities.
- Evaluation of the technical criteria of substantial contribution.
- Assessment of technical criteria or principles of not doing significant harm to another environmental objective (DNSH).
- Assessment of minimum social safeguards.

#### Identification of eligible activities

To identify whether Talgo's activities are eligible, the segmentation used in the company's consolidated annual accounts has been used:

- Rolling stock: This includes manufacturing and maintenance of rolling stock.
- Auxiliary machines and others: This includes manufacturing and maintenance of pit lathes and other auxiliary equipment, repairs and modifications of rolling stock, and sale of spare parts

Analysing this segmentation in detail and considering the economic activities in Annex I of Delegated Regulation (EU) 2021/2139, it has been identified that the manufacture and maintenance of rolling stock, as well as the repairs and modifications of rolling stock, fall within:

- *3.3. Manufacture of low carbon technologies for transport:* category that can be associated with NACE code 30.20 Manufacture of railway locomotives and rolling stock.

The Talgo Group has also carried out a series of investments linked to other eligible economic activities that do not generate turnover on their own:

- *7.6. Installation, maintenance and repair of renewable energy technologies:* Installation, maintenance and repair of renewable energy technologies, on site.

#### Evaluation of the technical criteria of substantial contribution

To ensure that eligible activities contribute substantially to at least one of the objectives defined in Regulation (EU) 2020/852, the technical criteria in Regulation (EU) 2021/2139 have been analysed:

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- *3.3. Manufacture of low carbon technologies for transport:* an activity in this category is a facilitator for a substantial contribution to climate change mitigation when it consists of the manufacture, repair, maintenance, retrofit, repurpose or upgrade of:
  - o Trains, passenger coaches and wagons that have zero direct (tailpipe) CO<sub>2</sub> emissions.
  - o Trains, passenger coaches and wagons that have zero direct tailpipe CO<sub>2</sub> emissions when operated on a track with the necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).

Talgo manufactures, maintains, and remodels trains, locomotives and passenger cars meeting at least one of these two requirements.

- *7.6. Installation, maintenance and repair of renewable energy technologies:* For this activity to facilitate a substantial contribution to climate change mitigation, it must consist of the installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment. Since the CapEx associated with this activity is aimed at installing photovoltaic panels in one of the company's factories, it has been concluded that it contributes to mitigating climate change.

Although Regulation (EU) 2021/2139 establishes the technical criteria for considering the contribution to the objectives of climate change mitigation and climate change adaptation, Talgo's aligned business volume, CapEx and OPEX will be aligned in relation to the Climate Change Mitigation objective.

To ensure that Talgo's activities that conform to the taxonomy for climate change mitigation do not do any significant harm to another environmental objective, the technical criteria of Regulation (EU) 2021/2139 have been analysed:

#### *a. Climate change adaptation*

Talgo's activities that conform to the taxonomy according to “3.3 *Manufacture of low carbon technologies for transport*” and the CapEx associated with “7.6 *Installation, maintenance and repair of renewable energy technologies*” do not do significant harm in relation to the objective of climate change adaptation. Talgo has carried out a climate-related physical risk assessment, taking into account the hazards listed in Annex I, Appendix A of the Delegated Regulation. From this list, Talgo has identified acute physical risks, the appearance of heat waves and periods of drought, as critical risks, and variations in temperatures and the increased frequency of extreme temperatures as chronic physical risks.

The physical risk assessment has been carried out considering all centres at a global level and from a life cycle perspective, especially for products and including the value chain, based on current climate models and their future projections studied by the Intergovernmental Panel on Climate Change (IPCC) in its latest report (AR6). Through this report, different projections or representative concentration pathways (RCP) of greenhouse gases are described. Talgo sets its risk assessment based on the report's optimistic (RCP2.6) and conservative (RCP8.5) models, which place global temperature increases at 2°C and 4-5°C respectively compared to pre-industrial values.

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Potential solutions have also been assessed to mitigate the identified critical risks and vulnerabilities, which do not negatively affect adaptation efforts or the level of resilience to physical climate risks of other people, nature, cultural heritage, property and other economic activities.

#### *b. Sustainable use and protection of hybrid and marine resources*

Talgo has an environmental management system implemented and certified in accordance with ISO 14001.

Under the above-mentioned management system, Talgo has a global management system for environmental risks that identify water resources-related risks. The systematic review allows for the prevention or mitigation of harmful effects on the environment or the enhancement of desirable effects, and achieves continuous improvement of the implemented environmental management system. Through its management system, Talgo also applies strict operational control and preventive measures to reduce the impact of its activities on water resources. Talgo always carries out its activities in compliance with applicable water legislation and discharge permits, which establish water quality limit parameters.

In the specific case of the “Las Matas II” centre, the project was subject to an Environmental Impact Assessment, with the Department of the Environment of Madrid (Spain) issuing a favourable Environmental Impact Declaration on 29 February 2000. The Environmental Impact Assessment includes an identification and assessment of the impacts of activity on water resources and, both in this document and in the Environmental Impact Statement, water protection measures to be considered during the industrial activity phase of the centre are indicated.

These conditions, together with those included in the centre's discharge permit, are considered at all times to ensure the quality of the discharged water.

For all the above reasons, Talgo does not cause significant damage in relation to the objective of protecting water resources.

#### *c. Transition to a circular economy*

Talgo train manufacturing is based on eco-design, which allows its trains to achieve recyclability and recoverability values of at least 93% and 96% respectively. To achieve this, the company looks to use materials with higher rates of recyclability and recoverability.

In terms of waste management, Talgo's environmental management system, certified according to ISO 14001, ensures that waste management is carried out under current legislation, by an authorised waste manager, guaranteeing the best possible treatment for the waste from an environmental perspective. Currently, waste where disposal has been avoided (recycling, recovery, etc.) accounts for around 80%, compared to 20% of waste destined for disposal.

Regarding compliance with the REACH Regulation (Regulation (EC)), Talgo transfers information requirements on the content of chemical substances contained in articles or mixtures to the supply chain. Additionally, suppliers of the equipment that the train is made of are required to comply with the Railway

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Industry Substance List (RISL) developed by UNIFE, which compiles materials and substances that are prohibited by European and international legislation specifically for the railway industry. The main objective is to ensure compliance with restrictions on the use and marketing of hazardous chemical substances and to evaluate possible alternatives in the event of detecting their content in Talgo products.

For all the above reasons, Talgo's activities do not cause significant harm in relation to the objective of transition towards a circular economy.

#### *d. Pollution prevention and control*

Talgo complies at all times with legislation relating to pollution prevention by conducting periodic assessments thereof. Talgo's activity does not give rise to the manufacture, marketing or use of substances mentioned in Appendix C of the Delegated Regulation, except for those regulated by the REACH and ROHS regulations.

Under REACH regulations (Regulation (EC) 1907/2006), relating to the registration, evaluation, authorisation and restriction of chemical substances and preparations, and RoHS (Directive 2011/65/EU), on the restriction of the use of certain hazardous substances in electrical and electronic equipment and subsequent amendments, Talgo prohibits the use of chemical products and substances in accordance with the regulation.

To ensure compliance with the requirements included in the various regulations, Talgo requests that all its suppliers provide the precise classification of prohibited substances and declarable substances for evaluation (which could be avoided) contained in their equipment in accordance with the list of prohibited and declarable substances in the railway sector or RISL (Railway Industry Substance List) developed by UNIFE.

When designing parts, components and their assemblies, suppliers must verify the presence of prohibited substances P (AR), declarable for evaluation D (FA) or declarable for information D (FI). If a case of prohibited substance is detected, it means that the selected parts, components or assemblies do not comply with legislation. Consequently, the design must be changed. Talgo suppliers must also agree to ensure that there are no prohibited substances in the scope of their supply prior to any delivery and declare all declarable substances for evaluation that are present in the scope of their supply because they could not be substituted in their design, in addition to declarable substances for information whose mass is relevant, i.e. greater than 0.1 M% before delivery.

For all the above reasons, Talgo does not cause significant damage in relation to the objective of pollution prevention and control. Furthermore, as indicated above, through its environmental management system certified according to ISO 14001, it applies strict operational control and preventive measures to reduce the impact of its activities on the natural environment and ecosystems.

#### *e. Protection and restoration of biodiversity and ecosystems*

The Talgo environmental management system structure is based on an environmental policy that is deployed in different procedures whose objectives

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are to identify environmental aspects and impacts and to maintain respect for the environment in the development of current and future projects, promoting continuous improvement and risk mitigation. Talgo does not cause damage to biodiversity in the environment due to strict control of emissions, possible discharges and waste derived from its activities.

The company also ensures at all times that its activities comply with environmental legislation, carrying out monitoring based on the different environmental authorisations, and always promoting a significant degree of environmental awareness among the workforce.

As mentioned above, in the case of the “Las Matas II” centre, the project was subject to an Environmental Impact Assessment, with the Department of the Environment of Madrid (Spain) issuing a favourable Environmental Impact Declaration on 29 February 2000. Both the Environmental Impact Assessment and the Environmental Impact Statement indicate measures for the protection of biodiversity, water resources, air quality and soil related to the industrial activity phase of the centre, which are considered at all times to avoid causing damage to biodiversity in the environment.

For all the above reasons, Talgo does not cause significant damage in relation to the objective of protecting and recovering biodiversity and ecosystems. Furthermore, as indicated above, through its environmental management system certified according to ISO 14001, it applies strict operational control and preventive measures to reduce the impact of its activities on the natural environment and ecosystems.

#### Minimum social safeguards

According to Article 18 of Regulation (EU) 2020.852, minimum guarantees shall be the procedures applied by a company carrying out an economic activity to ensure compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions referred to in the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

To ensure minimum social safeguards, the “*Final Report on Minimum Safeguards*”, published in October 2022, has been used as a reference, which provides recommendations for the evaluation of compliance with minimum social guarantees.

#### a. *Human rights*

Talgo integrates its commitment to respect and protect human rights in the activities and relationships involving its value chain through its “Human Rights Management Strategy and Model”, which has established mechanisms for the prevention, detection, mitigation, reporting, remediation/repair, infringement and sanction of any incident related to human rights.

The Human Rights Inventory, the Human Rights Policy and the Due Diligence management system, the policy of which is currently being approved, are all part of this process.

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Additionally, no unappealable convictions for human rights issues have been handed down.

For more information, see chapter “4.3. *Human Rights.*”

#### b. *Corruption and fraud*

Talgo establishes its commitment to permanent monitoring, risk control and sanctioning fraudulent acts and conduct or any behaviour leading to corruption in all its forms through its Anti-Fraud and Anti-Corruption Policy.

Additionally, no unappealable convictions for corruption or fraud have been handed down.

For more information, see chapter “5. *Information on the fight against corruption and bribery.*”

#### c. *Fair competition*

Talgo has a Fair Competition Policy, which establishes a commitment to perform Business Development activities within a framework of respect for competitors and other players in the Transport sector, adopting guidelines for responsible behaviour for all professionals and collaborators of the Talgo Group, based on integrity, honesty, fair treatment and ethics in the performance of their duties.

Additionally, no unappealable convictions for anti-competitive practices have been handed down.

#### d. *People and occupational well-being*

One of Talgo's priorities is people. Therefore, it has a human resources management model based on the principles of health and safety, permanent employment, competitive remuneration and recognition, work-life balance, diversity, equality, talent and development, and dialogue, communication and attention to people.

Additionally, as of 31 December 2024, 99.94% of the people in the Talgo Group have full or partial coverage under the collective agreement or similar collective agreements depending on the corresponding country.

For more information, see chapter “3.3. *Employment.*”

#### e. *Social dialogue and the right to free association*

Talgo respects the right of all workers to freely join unions and allows employees affiliated to a union to hold meetings, collect dues and distribute union information.

In Spain, Talgo regularly engages in collective bargaining and makes periodic consultations with the workers' representation, aimed at responding to incidents of relative importance concerning its own personnel.

For more information, see chapter “3.6.1 *Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.*”

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#### f. *Tax*

Talgo has a tax strategy supported by the Tax Compliance and Best Practices Policy. The policy expressly sets out the general commitment of Talgo SA and its subsidiaries to comply with tax regulations in Spain and in the other countries that they operate in. Talgo also includes the development and implementation of best practices in tax matters in its Corporate Governance rules. This policy includes the recommendations of the Code of Good Tax Practices issued by the Spanish Tax Agency.

Talgo also publishes information relating to taxes paid in its consolidated annual accounts.

#### g. *Reporting mechanisms*

Talgo provides all stakeholders with a Whistleblowing Line, which allows them to report any potential irregular behaviour that is contrary to the principles and values set out in the company's Code of Conduct and/or current regulations. To ensure the confidential treatment of such communications, the channel will be managed by an external and independent company.

For more information, see chapter "1.4 Corporate governance"

### **Accounting policy considered for the calculation of eligible and aligned business volume, CapEx and OpEx**

#### Turnover

A breakdown of Talgo's consolidated revenues classified by the project or service that generated them has been obtained from the Group's ERP.

The negative income items included in said breakdown have been considered to calculate taxonomic eligibility to the extent that these are adjustments to the income figure for rebates and other discounts that must be considered as a lower income figure under the accounting regulations applicable to Talgo. The European Commission Taxonomy Navigator FAQ states "Negative revenue could be treated as a 0% value for taxonomic eligibility reporting. However, companies may report the negative value in monetary terms." In order to use standard criteria in the annual accounts and in the taxonomy, all negative income items have been considered with their original value, i.e., the negative amount.

- Eligibility calculation:
  - o Denominator: Net amount of the turnover of Talgo SA and its subsidiaries.
  - o Numerator: Net amount of business volume associated with projects or services that are part of the activity "3.3. *Manufacture of low carbon technologies for transport*"
- Alignment calculation:
  - o Denominator: Net amount of the turnover of Talgo SA and its subsidiaries.
  - o Numerator: Sum of the amounts for each eligible project or service when concluded that they are also aligned, i.e., when the project or service:
    - Meets the CCS for the mitigation of climate change.
    - Meets DNSH criteria.
    - Complies with minimum social guarantees.

## TALGO, S.A. AND SUBSIDIARIES

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#### CapEx

A breakdown of the additions of tangible and intangible fixed assets has been obtained from the Talgo Group's accounting ERP, including a description of the addition and the work centres these are associated with.

- Eligibility calculation:
  - o Denominator: Sum of the consolidated capital investment increases of Talgo SA and subsidiaries, associated with tangible and intangible fixed assets.
  - o Numerator: Sum of capital investment increases linked to eligible activities "3.3. *Manufacture of low carbon technologies for transport*" and "7.6. *Installation, maintenance and repair of renewable energy technologies*".
- Alignment calculation:
  - o Denominator: Sum of the consolidated capital investment increases of Talgo SA and subsidiaries, associated with tangible and intangible fixed assets.
  - o Numerator: Sum of capital increases linked to eligible activities when concluded that these activities are also aligned, i.e.:
    - Meet the CCS for the mitigation of climate change.
    - Meet the DNSH criteria.
    - Comply with minimum social guarantees.

#### OpEx

Talgo, as a non-financial company, must include non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment assets by the company or a third party to whom activities are outsourced and that are necessary to ensure the continuous and efficient operation of these assets for each activity.

- Eligibility calculation:
  - o Denominator: The following items have been included in the Talgo Group's profit and loss account:
    - Research and development expenses (account 620).
    - Leases and royalties (account 621).
    - Repair and maintenance (account 622).
  - o Numerator: Sum of the costs directly associated with eligible projects or accounting cost centres linked to Talgo Group centres where activities related exclusively to eligible taxonomic activities are carried out.
- Alignment calculation:
  - o Denominator: The following items have been included in the Talgo Group's profit and loss account:
    - Research and development expenses (account 620).
    - Leases and royalties (account 621).
    - Repair and maintenance (account 622).
  - o Numerator: Sum of eligible costs when concluded that they are also aligned, i.e.:
    - Meet the CCS for the mitigation of climate change.

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- Meet the DNSH criteria.
- Comply with minimum social guarantees.

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Table 39.1: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities in 2024

Economic Activities	Codes according to Delegated Regulation 2021/2139	Absolute Turnover (thousands of €) Year 2024	Proportion of Turnover (%) Year 2024	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned or -eligible Turnover, year 2023 (%)	Category "enabling activity" (E)	Category "transitional activity" (T)
				Climate Change Mitigation (Y; N; N/EL)	Climate Change Adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Circular Economy (Y; N; N/EL)	Pollution (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate Change Mitigation (Y; N)	Climate Change Adaptation (Y; N)	Water (Y; N)	Circular Economy (Y; N)	Pollution (Y; N)	Biodiversity (Y; N)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3	659,522	99%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	100%	E	
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>659,522</b>	<b>99%</b>	<b>99%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>100%</b>		
Of which enabling		659,522	99%	99%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3 CCA 3.3	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>659,522</b>	<b>99%</b>	<b>99%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>100%</b>		
<b>B. TAXONOMY NON-ELEGIBLE ACTIVITIES</b>																			
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>9,694</b>	<b>1%</b>														<b>0%</b>		
<b>Total (A + B)</b>		<b>669,216</b>	<b>100%</b>														<b>100%</b>		

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*Table 39.2: Proportion of turnover per objective in 2024*

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
<b>CCM</b>	99%	99%
<b>CCA</b>		99%
<b>WTR</b>		0%
<b>CE</b>		0%
<b>PPC</b>		0%
<b>BIO</b>		0%

Legend: CCM, Climate Change Mitigation; CCA, Climate Change Adaptation; WTR, Water and Marine Resources; CE, Circular Economy; PPC, Pollution Prevention and Control; BIO, Biodiversity and ecosystems.

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## 2024 NON-FINANCIAL INFORMATION STATEMENT

Table 40.1: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities in 2024

Economic Activities	Codes according to Delegated Regulation 2021/2139	Absolute CapEx (thousands of €) Year 2024	Proportion of CapEx (%) Year 2024	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned or -eligible CapEx, year 2023 (%)	Category "enabling activity" (E)	Category "transitional activity" (T)
				Climate Change Mitigation (Y; N; N/EL)	Climate Change Adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Circular Economy (Y; N; N/EL)	Pollution (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate Change Mitigation (Y; N)	Climate Change Adaptation (Y; N)	Water (Y; N)	Circular Economy (Y; N)	Pollution (Y; N)	Biodiversity (Y; N)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3	51,395	93%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	86%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	355	1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>51,749</b>	<b>94%</b>	<b>94%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>86%</b>		
Of which enabling		51,749	94%	94%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	86%	E	
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3 CCA 3.3	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								14%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>14%</b>		
<b>Total (A.1 + A.2)</b>		<b>51,749</b>	<b>94%</b>	<b>94%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>100%</b>		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																			
<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>3,258</b>	<b>6%</b>														<b>0%</b>		
<b>Total (A + B)</b>		<b>55,007</b>	<b>100%</b>														<b>100%</b>		

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*Table 40.2: Proportion of CapEx per objective in 2024*

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
<b>CCM</b>	94%	94%
<b>CCA</b>		94%
<b>WTR</b>		0%
<b>CE</b>		0%
<b>PPC</b>		0%
<b>BIO</b>		0%

Legend: CCM, Climate Change Mitigation; CCA, Climate Change Adaptation; WTR, Water and Marine Resources; CE, Circular Economy; PPC, Pollution Prevention and Control; BIO, Biodiversity and ecosystems.

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2024 NON-FINANCIAL INFORMATION STATEMENT

Table 41.1: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities in 2024

Economic Activities	Codes according to Delegated Regulation 2021/2139	Absolute OpEx (thousands of €) Year 2024	Proportion of OpEx (%) Year 2024	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (Y/N)	Proportion of Taxonomy-aligned or -eligible OpEx, year 2023 (%)	Category "enabling activity" (E)	Category "transitional activity" (T)
				Climate Change Mitigation (Y; N; N/EL)	Climate Change Adaptation (Y; N; N/EL)	Water (Y; N; N/EL)	Circular Economy (Y; N; N/EL)	Pollution (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate Change Mitigation (Y; N)	Climate Change Adaptation (Y; N)	Water (Y; N)	Circular Economy (Y; N)	Pollution (Y; N)	Biodiversity (Y; N)				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3	10,202	66%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	91%	E	
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>10,202</b>	<b>66%</b>	<b>66%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>91%</b>		
Of which enabling		10,202	66%	66%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	91%	E	
Of which transitional		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Manufacture of low carbon technologies for transport	CCM 3.3 CCA 3.3	0	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								9%		
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>9%</b>		
<b>Total (A.1 + A.2)</b>		<b>10,202</b>	<b>66%</b>	<b>66%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								<b>100%</b>		
<b>B. TAXONOMY NON-ELEGIBLE ACTIVITIES</b>																			
<b>OpEx of Taxonomy-non-eligible activities (B)</b>		<b>5,321</b>	<b>34%</b>														<b>0%</b>		
<b>Total (A + B)</b>		<b>15,523</b>	<b>100%</b>														<b>100%</b>		

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*Table 41.2: Proportion of OpEx per objective in 2024*

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
<b>CCM</b>	66%	66%
<b>CCA</b>		66%
<b>WTR</b>		0%
<b>CE</b>		0%
<b>PPC</b>		0%
<b>BIO</b>		0%

Legend: CCM, Climate Change Mitigation; CCA, Climate Change Adaptation; WTR, Water and Marine Resources; CE, Circular Economy; PPC, Pollution Prevention and Control; BIO, Biodiversity and ecosystems.

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Table 42: Indicators Law 11/2018

Contents of Law 11/2018			Standard used	Page
<b>Business model</b>	Description of the group's business model	Brief description of the group's business model, which will include its business environment, its organization and structure, the markets in which it operates, its objectives and strategies and the main factors and trends that may affect its future development.	ESRS 2 SBM-1	Pages 3-7
			ESRS 2 SBM-2	Pages 13-16
			ESRS 2 SBM-3	Pages 4-16
			ESRS 2 GOV-1	Pages 7-8
<b>Information on environmental issues</b>	Policies	Policies applied by the group, including due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification, as well as the measures that have been taken.	E1-2	Page 17
			E1-3	Page 17
			E5-1	Page 17
			E5-2	Page 17
			ESRS 2 IRO-1	Page 17
			ESRS 2 GOV 4	Pages 5 and 17
	Main risks	Main risks related to those issues that are linked to the activities of the group, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each subject matter. Information on the impacts identified should be included, with a breakdown of these impacts, in particular the main short, medium and long-term risks.	ESRS 2 IRO-1	Pages 17-18
			E1-IRO1	Pages 17-18
			E5-IRO1	Pages 17-18
	General	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	E1.IRO1	Pages 18-19
			E5.IRO1	Pages 18-19
		Environmental assessment or certification procedures	ESRS 2 BP-2	Page 18
		Resources dedicated to the prevention of environmental risks	E1-3	Page 19
			E5-2	Page 21
Application of the precautionary principle		ESRS 2 MDR A	Page 18	
Provisions and guarantees for environmental risks	GRI 307-1	Page 19		

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Contents of Law 11/2018		Standard used	Page
	Pollution	Measures to prevent, reduce or remedy carbon emissions that seriously affect the environment taking into account any form of activity-specific air pollution, including noise and light pollution.	E2-2 Page 20
	Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	E5-2 Pages 20-22
		Actions to combat food waste.	E5-5 Pages 20-22
	Sustainable use of resources	Water consumption and water supply in accordance with local constraints	Not material for the company.
		Consumption of raw materials and measures taken to improve the efficiency of their use	E3-4 Table 9.1
			E5-2 Page 23
		Energy: Direct and indirect energy consumption; measures taken to improve energy efficiency and the use of renewable energies.	E5-4 Table 9.1
			E1-5 Table 9.2
			E1-3 Page 23
	Climate change	Important elements of Greenhouse Gas emissions generated as a result of the company's activities	E1-2 Page 17
		The measures taken to adapt to the consequences of climate change	E1-6 Page 25, Table 11.1 and Table 11.2
		The voluntary medium- and long-term reduction targets established to reduce greenhouse gas emissions and the means implemented	E1-3 Pages 25-26
	Protection of biodiversity	Measures taken to preserve or restore biodiversity	E1-4 Page 25
			E4-1 Pages 26-27
		Impacts caused by activities or operations in protected areas.	E4-3 Page 27
<b>Information on social and personnel-related issues</b>	Policies	ESRS 2 GOV 4 Page 27-28	
		E4. SBM-3 Page 27	
		E4. IRO-1 Page 27	
		ESES 2 IRO-1 Pages 27-28	
		S1-1 Pages 27-28	
		S1-2 Page 42	
S1-3 Pages 42-43			
S1-4 Page 43			

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Contents of Law 11/2018		Standard used	Page	
	Main risks	ESRS 2 IRO-1	Page 28	
	Employment	Total number and distribution of employees by sex, age, country	S1-6	Page 13, Table 14, Table 15, Table 16, Table 17, Table 18, Table 19
			S1-9	Page 13, Table 14, Table 15, Table 16, Table 17, Table 18, Table 19
		Distribution of employees by professional classification	GRI 2-7	Table 13, Table 20, Table 21
			GRI 2-8	Table 13, Table 20, Table 21
		Total number and distribution of employment contract types	S1-6	Table 20
		Annual average number of permanent, temporary and part-time contracts by sex.	S1-6	Table 22, Table 23,
		Average annual number of permanent contracts, temporary contracts and part-time contracts by age and occupational category	GRI 2-7	Table 22, Table 23,
			GRI 2-8	Table 22, Table 23,
		Number of dismissals by gender, age and occupational category	GRI 401-1	Table 24
		Average remuneration and their evolution broken down by gender, age and occupational category or equal value;	GRI 405-2	Table 25
		Pay gap	S1-16	Page 38
		Remuneration for equal or average jobs in society	S1-16	Table 26
		The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term	GRI 2-19	Page 38
GRI 3-3	Page 38			

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Contents of Law 11/2018		Standard used	Page	
		savings schemes and any other payment broken down by gender,		
		Implementation of labour disconnection policies	S1-1	Page 39
	Organisation of work	Employees with disabilities	S1-12	Table 27
		Organisation of working time	S1-15	Pages 39-40
		Number of hours of absence	GRI 403-9	Page 40
			GRI 403-10	Page 40
		Measures aimed at facilitating the enjoyment of work/life balance and encouraging the co-responsible exercise of these by both parents.	S1-4	Page 40
	S1-15		Page 40	
	Health and safety	Health and safety conditions at work	S1-1	Pages 27 and 40-41
			S1-14	Pages 40-41
		Accidents at work (frequency and severity) by gender	GRI 403-9	Table 28
			GRI 403-10	Table 28
		Occupational diseases (frequency and severity) by gender	GRI 403-9	Table 29
			GRI 403-10	Table 29
	Social relations	Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff;	S1-8	Page 42
		Percentage of employees covered by collective bargaining agreements by country	S1-8	Table 30
		Balance of collective bargaining agreements, particularly in the field of occupational health and safety.	S1-8	Page 44
			S1-14	Pages 44-45
	Training	The policies implemented in the field of training	S1-1	Pages 44 and 45
			S1-13	Page 44 and 45
The total number of training hours by occupational category		GRI 404-1	Pages 45 and Table 31	
Accessibility	Universal accessibility for people with disabilities	S1-1	Pages 27-28 and 45-46	
		S1-12	Pages 45-46	
Equality	Measures taken to promote equal treatment and opportunities between men and women	S1-4	Pages 46	
		S1-9	Table 13, Table 20, Table 21	

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Contents of Law 11/2018		Standard used	Page		
		Equality plans	S1-1	Pages 27 and 46-47	
		Measures taken to promote employment	S1-4	Page 46 and page 47-48	
		Protocols against sexual harassment and harassment on grounds of sex	S1-1	Page 27 and page 45-46	
		Integration and universal accessibility of persons with disabilities	S1-12	Page 45-46	
			S1-1	Pages 27 and 45-46	
		The policy against all types of discrimination and, where appropriate, the management of diversity	S1-1	Pages 27 and 48	
S1-9	Table 13, Table 20, Table 21				
<b>Information on respect for human rights</b>	Policies	Policies applied by the group, including due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification, as well as the measures that have been taken.	ESRS 2 GOV 4	Page 48	
			ESRS 2 IRO-1	Page 49	
			S1-1	Pages 27 and 50-51	
			S1-2	Page 42-43	
			S1-3	Page 42-43	
		S1-4	Page 42-43		
	Main risks	Main risks related to those issues that are linked to the activities of the group, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each subject matter. Information on the impacts identified should be included, with a breakdown of these impacts, in particular the main short, medium and long-term risks.	ESRS 2 IRO1	Page 48-49	
	Human Rights	Implementation of human rights due diligence procedures	ESRS 2 GOV 4	Page 48	
			Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and remedy any abuses committed	S1-1	Page 27 and pages 49-51
				S1-3	Page 49-51
	Complaints of human rights violations	S1-17	Page 51		

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## 2024 NON-FINANCIAL INFORMATION STATEMENT

Contents of Law 11/2018		Standard used	Page
		Promotion of and compliance with the provisions of the core ILO Conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	S1-1 Page 49
<b>Information on the fight against corruption and bribery</b>	Policies	Policies applied by the group, including due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification, as well as the measures that have been taken.	G1-1 Page 51
			ESRS 2 IRO-1 Page 52
			ESRS 2 GOV 4 Pages 5 and 51-53
	Main risks	Main risks related to those issues that are linked to the activities of the group, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each subject matter. Information on the impacts identified should be included, with a breakdown of these impacts, in particular the main short, medium and long-term risks.	ESRS 2 IRO-1 Page 51
	Corruption and bribery	Measures taken to prevent corruption and bribery;  Measures to combat money laundering  Contributions to foundations and non-profit organisations	G1-3 Pages 52-53
			G1-3 Pages 52-53
GRI 201-1 GRI 415-1 Pages 55-56, Table 33 and Table 34			
<b>Information on the company</b>	Policies	Policies applied by the group, including due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification, as well as the measures that have been taken.	S3-1 Page 57
			S4-1 Page 57
			GOV 4 Page 57
			G1-1 Pages 57-58
			ESRS 2 IRO-1 Page 58

# TALGO, S.A. AND SUBSIDIARIES

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Contents of Law 11/2018		Standard used	Page	
	Main risks	Main risks related to those issues that are linked to the activities of the group, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on those areas, and how the group manages those risks, explaining the procedures used to identify and assess them in accordance with the national, European or international reference frameworks for each subject matter. Information on the impacts identified should be included, with a breakdown of these impacts, in particular the main short, medium and long-term risks.	ESRS 2 IRO-1	Pages 57 and 59
	Company's commitment to sustainable development	The impact of the company's activity on local employment and development;	S3-4	Pages 57-58
			ESRS2 SBM3	Pages 57-58
		The impact of company's activity on local populations and the territory	S3-SBM3	Pages 57-58
		The relations with actors of the local communities and the forms of dialogue with them	S3-2	Page 58
		Partnership or sponsorship actions.	GRI 2-28 GRI 3-3	Pages 58-60, Table 33 and Table 34
	Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	G1-1	Pages 58-59, Table 34, Table 35 and Table 36
		Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	G1-2	Pages 58-60, Table 36
		Supervision and audit systems and their results.	GRI 414-2	Page 60, Table 36
			GRI 308-2	Page 60, Table 36
	Consumers	Measures for consumer health and safety;	S4-4	Pages 61-62
		Claim systems, complaints received and their resolution.	S4-3	Page 62, Table 38
	Tax information	Profit earned by country	GRI 207-4	Reference to Consolidated Annual Accounts
		Profit tax paid	GRI 207-4	Reference to Consolidated Annual Accounts
		Public grants received	GRI 201-4	Reference to Consolidated Annual Accounts

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Taxonomy of the European Union	Disclosure in relation to Regulation (EU) 2020/852 on Taxonomy	RD 2021/2178	Pages 62-77, Table 39.1, Table 39.2, Table 40.1, Table 40.2, Table 41.1 and Table 41.2