

Consolidated report
Non-financial statement
2023



Ingeteam

Introduction

This non-financial statement forms part of the 2023 consolidated management report of Ingeteam S.A. and subsidiaries (hereinafter, the “Group” or “Ingeteam”) and was prepared pursuant to the requirements of Law 11/2018 of 28 December 2018 amending Spain’s Commercial Code, the consolidated text of the Spanish Corporate Enterprises Act (*texto refundido de la Ley de Sociedades de Capital*) enacted by Royal Legislative Decree 1/2010 of 2 July, and Spain’s Audit Act (Law 22/2015 of 20 July), on non-financial and diversity information.

Preparation of the non-financial statement also considered the European Commission guidelines on non-financial reporting (2017/C 215/01) arising from Directive 2014/95/EU and the standards for sustainability reporting of the Global Reporting Initiative (GRI Standards), from which a series of relevant standards were selected based on the reporting requirements of Spanish Law 11/2018, Ingeteam’s sector of activity and the materiality assessment carried out. Most of these GRI standards are partially disclosed.

The non-financial statement includes all the information needed to understand the development, performance and position of all Group companies and the impact of our activities relating to environmental, social and employee-related matters, respect for human rights, anti-corruption and bribery matters.

Content and scope of non-financial reporting:

The report contains a description of the business model, including:

- a description of the business environment
- the organisation and structure of the Group and the markets where it operates
- the main trends that could affect the Company’s development



General disclosures

1.1 BUSINESS MODEL

The undertaking covered this report is Ingeteam.

We are Ingeteam, a team of almost 5,000 people present in 24 countries, convinced that there is a different way to generate, transport, store and consume energy in a more efficient and sustainable way, and we will devote all our efforts in the years to come. The energy transition is no longer the future, it is our present, and to meet this challenge we have created the movement “The Real Dream Team” composed of heroes and heroines like you who share our dream: a world in which energy production is clean. And how are we going to do that? Electrifying society in an innovative and sustainable way through our cutting-edge technology specialized in the conversion of electric energy and our experience of more than 80 years providing creative solutions to specific problems.

We want to consolidate ourselves as leaders in renewable generation (wind, photovoltaic and hydroelectric), in storage, in the intelligent transport network and in efficient and clean consumption of electrical energy through our electric vehicle chargers, converters, generators and motors for traction, marine, steel, mining and for the production of green hydrogen and submersible pumps and motors for water.

Today we have supplied 30 GW of photovoltaic solar power with our solar inverters and more than 80 GW of Indar converters and generators to the wind industry. We have more than 11 GW of total installed power in the hydroelectric sector with our Indar generators and more than 12,000 Indar submersible pumps and motors worldwide. More than 10,000 electrical substations are automated with our equipment. In addition, we have 3 GWh accumulated in electrical storage facilities and are world leaders in providing operation and maintenance services in renewable energy plants with more than 22 GW of maintained power.

Since the efficient consumption, it should be noted the more than 28.000 chargers for electric vehicle, the supply of our equipment for 800 electric trains, or for the more than 700 ships that are equipped with our technology allowing an evolution towards hybrid and full electric naval propulsion systems.

In Ingeteam we are of doing, we are able to give creative answers to concrete and complex problems, being prepared for the transit towards a world in which the production of energy is clean through the electrification of society.

The Strategic Plan 2022-2024 introduces a rearrangement of business units from the point of view of their approach to the market. The activity of each of them remains the same, although the way to address the market will have an eminently sectoral approach, aligning the company’s technological capabilities in a single strategy aimed at meeting the needs of each sector in which we are active. Structurally, Ingeteam’s activity is supported in 3 technological segments:

- Machines
- Converters and Controls
- Services

It develops its solutions in the following 7 sectors:

- Hydro
- Water
- Railway & Mobility
- Marine, Metals & Mining

- Wind Energy
- Solar PV, BESS & Green H2
- Transmission & Distribution

At each of these divisions, we develop our solutions as follows:

- **Wind energy:** Doubly Fed and Full converters with unit power ratings up to 18 MW and Indar asynchronous generators doubly fed, squirrel cage and permanent magnet synchronous rated at up to 9 MW; electrical control cabinets for wind turbines; Energy Management Systems (which may include energy storage), control centres, substation automation and operation and maintenance (O&M) services for wind farms.
- **Hydroelectric energy:** Indar hydroelectric generators with unit power ratings up to 120 MVA and voltages up to 15 kV. Reconditioning and repowering of large machinery up to 200 MVA. Frequency converters and generators for variable speed and reversible pumping stations. Complete automation of hydro-electric plants, voltage and speed regulators and O&M services at power plants.
- **Photovoltaic energy:** string and central inverters, including Medium Voltage outputs up to 7.65 MVA, storage and O&M services at solar PV plants. Also string inverters for residential, commercial and industrial solar self-consumption systems.
- **Battery Energy Storage Systems (BESS):** central inverters, including Medium Voltage output up to 7.65 MVA, the control and monitoring system and O&M services for large battery systems.
- **Green Hydrogen:** rectifiers for renewable hydrogen production plants, including Medium Voltage grid connection and control system.
- **Marine & Ports:** frequency converters, Indar motors and electric generators for shipboard propulsion (main and auxiliary thrusters), integrated electrical propulsion solutions, automation systems and Power Management Systems. Electrical power plants for vessels in Offshore segments (Supply and Heavy Offshore), ferries, cruise liners, dredgers, tugs and research vessels (specialising in silent vessels). Onshore Power Supply (OPS) systems.
- **Railway traction:** frequency converters, train control and monitoring systems (TCMS), control of auxiliary systems (HVAC, door control, etc.) and brake energy recovery systems.
- **Transmission & Distribution of Energy:** substation automation, electrical grid control and protection systems, power electronics applied to grids and electrical storage systems.
- **Water:** Indar submersible motor pumps and pumping solutions with power ratings of up to 8 MW applied to drinking water supplies, offshore rigs, mining, hydro-electric plants and wastewater and clean water pumping stations. Frequency converters and electrical engineering and automation.
- **Electrical vehicle chargers:** recharging systems for DC and AC electric vehicles, ultra-rapid (>200 kW), rapid (>60 kW), semi-rapid (up to 22 kW) and domestic.
- **Industry:** end-to-end management of electrical projects, project management, detail engineering, manufacturing and supply of electrical equipment, including frequency converters and motors or generators, electrical installations, system automation, commissioning, technical assistance training and maintenance.
- **Flexible power generation:** Indar synchronous generators driven by high-efficiency thermal motors (diesel, gas or dual).

- We also are major player in Mining, Oil&Gas and Energy Efficiency.

Performance

The group's worldwide turnover breaks down by countries/continents as follows:

- Spain: 26.5%
- Rest of Europe: 33%
- Africa: 0.5%
- Oceania: 3%
- Asia: 5%
- America: 32%

And the final destinations of its products/services break down as follows:

- Spain: 20%
- Rest of world: 80%

The outlook for Ingeteam's various businesses under this strategic plan is as follows:

Wind Energy

Since the beginning of its activity in the wind energy sector in 1997, Ingeteam has manufactured more than 32,000 converters and 34,000 generators with Ingeteam technology for the wind energy sector, reaching the figure of 80 GW of installed power.

The company has an annual production capacity in Spain of 6.2 GW for converters and control systems and 4.5 GW for wind generators.

Ingeteam's main markets in this sector have been the United States, Brazil, India and Europe.

Solar PV

Ingeteam's contribution to the development of solar photovoltaic power generation technology is one of the main strengths of its business. In fact, it is one of the group's highest turnover businesses.

In 2023 Ingeteam installed 5.25 GW of new capacity, so the figure reached is more than 30 GW. Among the main achievements, Ingeteam commissioned major projects in Australia, Brazil and Mexico.

At present, Ingeteam's product portfolio covers all sectors and market needs, from residential to large-scale or utility scale, including commercial and industrial.

Hydro Generation

The hydropower generation market has exceeded 1,400 GW in 2023. Today it is the world's largest renewable energy generator. The ranking of countries is headed by China with more than 415 GW installed, followed by Brazil, USA, Canada and Russia.

In addition to the "greenfield" facilities, the two main growth trends in the sector are:

- Modernization of old plants.
- The conversion of existing plants into reversible pumping facilities, wherever possible.

Flexible Power Generation

Ingeteam contributes with its generation solutions distributed in thermal support plants in isolated locations and weak networks with high efficiency synchronous generators to be driven by thermal motors (diesel, gas or dual), which manage to minimize primary fuel consumption, in addition to offering generation control systems for this type of plant. This year 56 generators have been manufactured whose power totals more than 6.5 GVA.

Transmission & Distribution

Ingeteam's consolidated market share in the protection market remains in the range of 0.5 % - 1 %, supplying equipment to some of the world's most important power transmission and distribution utilities (TSO and DSO), as well as in the renewable energy market with a share of close to 2 % worldwide. Worldwide, more than 33 GW of the renewable energy generated is evacuated to the grid thanks to our technology.

The good moment of renewable energy in Spain has allowed us to contract numerous protection and control projects for evacuation substations, with an aggregate of close to 2 GW.

Globally, we have renewed and closed new and important framework agreements for the coming years for protection and control systems, line protections, multifunction relays, regulators, relays for Recloser for the main electricity companies and we continue to diversify our customer portfolio with new orders for digital substation. We are very well positioned with electric utilities and renewable customers, where we are strengthening our services associated with digitalization and cybersecurity.

The electricity system is evolving towards a scenario with a high penetration of intermittent renewable generation (solar and wind) connected to transmission and distribution grids, and a growing electrification of transportation, air conditioning and industrial consumption.

Due to the large amount of grid-connected equipment (power consumers, renewable generation, batteries and electric vehicles) switching from direct current to alternating current and the improved efficiency of conversion technology, the use of power electronics will continue to grow rapidly.

In 2023, the first contract has been signed for the development of a Soft Open Point (SOP) solution in Bermeo. The SOP makes it possible to increase the capacity of the power grid and improve its efficiency by interconnecting two independent power grids without the need for them to be synchronized, with the existing electrical infrastructure and without the need for costly new investments.

EV Chargers

In 2023, 51,716 100% electric cars were registered in Europe, accounting for 5.4% of the market, compared to 30,520 units registered in 2022, which accounted for 3.8% of the total.

Europe currently represents the main market for Ingeteam's EV Chargers business. In 2023, the main markets for Ingeteam in this sector were: Spain (70.3%), France (19.7%), Italy (3.65%), Ireland (2.2%), Norway (2%) and the United Kingdom (1.4%).

By product type, Ingeteam's main sales were the 180 kW fast charger, RAPID 120/180 (40.7%), the 22 kW semi-fast chargers, FUSION (37.4%), the 50 kW fast charger, RAPID 50 (15.1%) and the RAPID ST fast charging stations (5.4%). The second half of 2023 also saw the start of production of the new 60 kW fast charger, RAPID 60.

BESS

It is a transversal activity to the different modes of electricity generation that responds to the need to adapt the generation curve to the consumption curve, while contributing to stabilize and control the electricity network. The massive entry of renewables into the

generation mix accentuates this need.

With a total of 2 GW / 4.5 GWh accumulated, this business unit has references in the world's main markets, including the United States, the United Kingdom, Australia, Spain and Italy.

In 2023, 980 MW were supplied, with special mention of Ingeteam's participation in one of the largest battery storage systems in Europe, with a nominal capacity of 340 MWh.

Water

Our product is among the top three global brands in applications and water supply projects with submersible pump-motor systems, providing tailored solutions to the specific needs of our customers, both for new constructions and for the retrofitting of existing facilities.

Throughout 2023, multiple projects have been developed, among which, due to their characteristics, those developed in Mexico (project to supply water to the city of Guadalajara and surrounding areas), Alicante (seawater pumping project for a desalination plant) and Australia (river water pumping project) are worth mentioning.

Railway & Mobility

The global rolling stock market will experience substantial growth until 2030 due to factors such as urbanization, the expansion of railway networks, technological advances and greater attention to sustainable transportation.

Estimates point to a compound annual growth rate (CAGR) of 4% to 6% for the period 2023-2030. The more mature markets of Europe, Asia-Pacific and North America are expected to grow and contribute to most of the overall growth.

For conventional passenger transport, demand is expected to grow at an annual rate of 4.5%, while growth in vehicle demand for the freight market is expected to be higher.

The progressive elimination of outdated fleets and the electrification of rail networks are the main drivers of this growth. Decarbonization policies favour electric and alternative fuel vehicles over diesel traction, especially in Europe.

High-speed (HS) rail services have experienced strong growth, with significant development in the Asia-Pacific region and the EU. The expected expansion of the high-speed rail network in Europe indicates a sustained potential growth in demand for rolling stock in this segment until 2030.

Ingeteam is present in the aforementioned markets, thanks to a complete offer of frequency converters and integrated solutions for the electric powertrain, train control systems (TCMS), control of auxiliary systems (HVAC, WC, door control, etc.), vibration monitoring systems and thermal and electrical variables.

During 2023, we obtained a new order to supply converter and TCMS equipment for 36 locomotives for freight transport.

It is also worth mentioning that the design has been consolidated and the manufacturing of the first converter for a vehicle with electric traction plus batteries has started.

Marine

The electrification of the maritime sector is one of the great challenges to achieve environmental efficiency in the transition to more sustainable transport. The path to greener ships and ports therefore involves equipping them with hybrid or electric infrastructures that reduce polluting emissions and contribute to preserving the valuable ecosystem of our coasts.

This is precisely the work we have been carrying out for more than two decades, and since then, more than 700 ships in the global maritime market have been equipped with Ingeteam technology, enabling an evolution towards hybrid and full electric marine propulsion systems.

In addition, we contribute to the decarbonization of naval ports by developing solutions for OPS (cold ironing) storage and power supply systems for ships in port. In 2023, we have obtained important orders, including a first-class European port, thus taking a further step towards naval electrification.

Metals & Mining

At Ingeteam, we offer advanced automation and control systems, based on technology that incorporates the latest trends in Industry 4.0. Our activities are mainly basic and detailed electrical engineering, development of application software for Level 1 and Level 2 control systems, design of variable and fixed speed electrical drive systems. We supply control systems, HV and LV switchboards and panels, frequency converters and motors, instrumentation and robotic solutions. On-site services are also an integral part of our projects, providing electrical installation, commissioning, training of operators and maintenance personnel.

We work as a subcontractor for technology companies or as a direct supplier. We participate in the implementation of new investment projects as well as in the renovation and modernization of metallurgical technologies. Thanks to a broad spectrum of activities and a stable customer portfolio we achieved a good result in 2023, despite the apparent decline in demand caused by global factors.

Green H2 Systems

Today, Ingeteam has technology present in different plants in Spain, Belgium and the United States that supply power to PEM and alkaline electrolyzers to generate renewable hydrogen for various applications. During 2024, other projects will be commissioned in Spain, the United States, Germany and Canada.

Considering the global supply achieved, Ingeteam has more than 400 MW in its portfolio in the hydrogen sector, between awarded and delivered projects. Among them, SoHyCal, the largest operational renewable hydrogen production plant in North America to date, stands out.

Location of headquarters

The Ingeteam S.A.'s headquarters are located in the Bizkaia Technology Park in Zamudio, near Bilbao.

Location of operations

We currently have production plants in Spain, the United States, Brazil, the Czech Republic and India. Aside from our production sites, we also have subsidiaries in the following countries:

- **Europe:** Bulgaria, Czech Republic, France, Germany, Italy, Poland, Romania and the United Kingdom.
- **America:** Brazil, Chile, Mexico, Panama, Uruguay and the United States.
- **Africa, Asia & Oceania:** Australia, China, Morocco, Philippines, South Africa, Vietnam and the United Arab Emirates.

1.2 CORPORATE RESPONSIBILITY POLICY

The company confirms the strategy of alignment with the energy transition and sustainability. The drafting of the plan confirms this, led by the adoption of a new claim that accompanies the brand: "Ingeteam, Electrifying a sustainable future".

Our project seeks to help decarbonise society and bring about a transformation in energy towards an increasingly more electrified society. Providing the technological grounding for the project are the Ingeteam's three basic technology vectors: rotating electric machines, power electronics, and automation and control. Ingeteam also provides innovative O&M solutions, an increasingly important field in sectors concerned with renewables.

Under this plan, Ingeteam has aligned its own strategic goals with the sustainable development goals of the 2030 agenda and sought to make its project sustainable on three fronts: social, economic and environmental.

- **Social**, obliging us to create value for all our stakeholders, and in particular for our people, by offering opportunities for development, with safe and healthy working environments.
- **Financial**, obliging us to attain sufficient levels of profitability to assure growth going forward.
- **Environmental**, obliging us to develop products, systems and services that help to foster environmental friendliness.

As part of its Corporate Social Responsibility policy, Ingeteam 's Board of Directors focused on 10 of the 17 Sustainable Development Goals (SDGs) envisioned in the UN's 2030 Agenda. These are the SDGs that are most closely aligned with the strategy set out in the Mission and Vision of Ingeteam. Specifically, they are:

- **SDG 3. Good Health and Well-being.** Assuring a healthy life and promoting universal well-being are prerequisites for all individual and collective goals. Ingeteam carries out a range of activities in regard to nutrition, encouragement of physical exercise among employees, support for research into disease, etc.

- **SDG 4. Quality Education.** Ensuring inclusive, fair, quality education and promoting lifelong learning opportunities for everyone is a priority in helping to solve the world's problems. Ingeteam has been working for years now with schools, dual training centres, universities, etc., SDG 5. Gender Equality. Gender equality is not just a basic human right but a necessary foundation for achieving a peaceful, prosperous, sustainable world. Ingeteam is committed to this goal, and several business/production units already have equality plans in place, while at others a plan is under development, with the intent to establish a framework for action and commitment across the entire group.
- **SDG 5. Gender Equality.** Gender equality is not only a fundamental human right, but also the necessary basis for achieving a peaceful, prosperous and sustainable world. At Ingeteam we are aware of this objective and several business/production units already have equality plans, and others are in the process of being drawn up and developed, with the intention of defining a company-wide framework for action and commitment.
- **SDG 6. Clean water and sanitation.** Water is one of the most precious resources on the planet. According to the UN, its scarcity already affects more than 40% of the world's population. A statistic that sets off alarms and drives the search for solutions. Ensuring water availability and sustainable management and sanitation for all is vital today. In Ingeteam we work on projects aimed at improving the management and efficiency of water resources. In this way, our technology helps solve irrigation problems due to droughts and freshwater supply, among others.
- **SDG 7. Affordable and Clean Energy.** The introduction and growth of renewables are vital in achieving a more sustainable world, and Ingeteam can act as a driver for the development of products conducive to the decarbonisation and electrification of society. Our efforts are also directed at improving energy efficiency in processes that require large scale energy exchanges.

- **SDG 8. Decent Work and Economic Growth.** To achieve sustainable economic development, societies need to set in place conditions to enable people to access quality jobs. Ingeteam works to create quality jobs that can help drive economic development, entrepreneurship and technological innovation.
- **SDG 11. Sustainable Cities and Communities.** Cities are focal points for ideas, trade, culture, science, productivity, social development and much more. They are also growing as the world's population grows. At Ingeteam we seek to help cities become sustainable by fostering sustainable mobility via railway traction equipment and electric vehicles, and we also drive social action in favour of different community-based organisations and sectors.
- **SDG 12. Responsible Production and Distribution.** Sustainable production and consumption mean, among other things, fostering the efficient use of resources and energy, and building infrastructures that do not harm the environment. Several plans are ongoing to reduce the carbon footprint of the buildings where the Ingeteam's Production Units are based and to recycle waste.
- **SDG 13. Climate Action.** Climate change affects all countries on all continents, harming their economies, the lives of their people and their communities, and green-house gas emissions are at their highest levels ever. At Ingeteam, we are particularly careful about preventing pollution in the manufacturing processes of our products. Climate change affects all countries on all continents, harming their economies, the lives of their people and their communities, and green-house gas emissions are at their highest levels ever. At Ingeteam, we are particularly careful about preventing pollution in the manufacturing processes of our products.

- **SDG 14. Underwater life.** We are aware that water is one of the most precious resources of our planet, so we apply our experience and knowledge in creating environmentally friendly machines, while satisfying the needs of our customers, with the reliability of a manufacturer with more than 80 years of history.

With a total budget of 220,000€ for 2023, distributed among the different work centers and countries for a close management of CSR according to local needs/sensitivities, the main actions have been oriented to:

- Promotion of the health and well-being of the Ingeteam workforce, through initiatives that promote healthy habits, active life, addiction prevention, psychosocial risk prevention, etc. (popular races, various training courses, etc...).
- Promotion of culture, integration of people with functional diversity or other disadvantaged groups and promotion of cultural events/activities rooted in local culture (sponsorship of musical and cultural ensembles and events of various kinds).
- Promotion of equality between men and women in the technological world, as well as promotion and visibility of women (with participation and sponsorship of different institutional events at national and international level).
- Promotion of the environment - any action related to the following SDGs: clean water and sanitation, affordable and non-polluting energy, responsible production and consumption, climate action and underwater life (with different sponsorship and donation initiatives for the development of projects aimed at the third world, reforestation projects, etc.).

1.3 MATERIALITY ASSESSMENT OF 2023 NON-FINANCIAL INFORMATION

When analysing the materiality of our non-financial information, we followed GRI 102-46 “Defining report content and topic Boundaries” and GRI 102-47 “List of material topics”.

The Ingeteam Group conducts regular analyses to identify the topics regarding environmental, social and employee-related matters, human rights, anti-corruption and ethical behaviour that are the most relevant for our various stakeholders all along our value chain.

This analysis process, including getting to know and learning about stakeholders, are key for establishing the priority areas for action by the Group in line with best practices and reference standards. The main overall industry trends are taken into account, and a materiality assessment meeting is held.

In 2017, the Ingeteam Group took action to adapt its Sustainability Report to the GRI (Global Reporting Initiative) Standards, although it had already been preparing sustainability reports since 2007 by indirectly identifying the material topics of its non-financial information.

The process of identifying relevant matters is based on external relevance, internal relevance and the risk associated with the material topics of the various dimensions to be reported. This process revealed the following topics to be the most relevant or material:

1. Pollution
4. Climate change
6. Employment (talent attraction and retention)
8. Occupational health and safety
10. Professional training
17. Business ethics and integrity (anti-corruption and free competition)
20. Commitment to sustainable development and socially responsible investment

Topic-specific disclosures

2.1 ENVIRONMENTAL MANAGEMENT

For this section, information is reported from countries where there is a management system in place, the information reported is verifiable, and a significant workforce exists that could have an environmental impact.

Therefore, the information reported here is for the following countries: Spain (all work-places), France, Czech Republic, Italy, United States, Mexico, Brazil, Chile, India and the United Kingdom. In 2024, the Australian subsidiary is expected to achieve ISO 14001 certification and fall under the reporting scheme of this report.

2.1.1 Description of our environmental management

Ingeteam's Integrated Management System provides a framework of global procedures and tools to control, monitor and improve the company's Health, Safety and Environmental performance.

The Global Head of Quality and Health, Safety and Environment (QE&HS) Management is responsible for the governance of the Integrated Management System, including all environmental certifications, policies and procedures.

The commitment to responsible environmental management is based on an externally audited environmental management system certified under ISO 14001, based on environmental indicators and objectives for monitoring and improving processes.

Our Environmental Management System identifies, evaluates and minimizes environmental aspects on an annual basis. Each production unit has assigned personnel specialized in environmental risk prevention issues variable in number, depending on the potential risk according to the activities they carry out.

2.1.1.1 Current and foreseeable impact of the Company on the environment

Globally, the main challenges we face are climate change and resource scarcity. Although Ingeteam primarily participates as a supplier of equipment for electricity generation through renewable sources such as wind, solar, green hydrogen, hydroelectric, etc., our impact as an industry is still linked to CO2 emissions derived from our operations, from the technologies associated with our production and services, to the lifespan of our equipment and their treatment once they become waste.

The most significant effects of the company's activities on the environment are:

- Impact on climate change.
- Air, water and soil pollution.
- Non-renewable raw material consumption.

Ingeteam's environmental management is based on a precautionary and preventive principle with a focus on the entire business value chain. The environmental management system is aimed at preventing pollution and reducing environmental impacts throughout the value chain.

2.1.1.2 Environmental assessment and certification process

Ingeteam has an environmental management system certified according to the ISO 14001:2015 standard, which covers within its scope the activities of design, development, engineering, manufacturing, after-sales service, and specialized service activities for operation and maintenance of the main production and service centers located in Spain, the United States, the United Kingdom, Mexico, Brazil, Chile, France, and Italy.

In the 2023 fiscal year, the scope has been expanded to include the marketing activities and services of Ingeteam in Italy. In 2024, the inclusion of the Australian subsidiary is planned. Thus, the activities under the environmental management system cover 16 of the 19 countries where Ingeteam operates in 2023.

In addition to the ISO 14001 certificates, the activity of Ingeteam Indar Machines has an ISO 50001:2018 certificate, within the integrated management system of Safety, Health and Environment that certifies energy management. This activity has an integrated management policy which includes energy management.

2.1.1.3 Resources dedicated to environmental risk prevention

Ingeteam's environmental management system provides the organization with a stable management framework and tools that allow planning, monitoring, controlling, and improving the company's environmental performance.

The leadership of the environmental management system is in charge of the corporate functional area of Q&E (quality and environment), which is part of the Systems Management (QEHS and IT Digitalization). The functional area has qualified personnel with experience for the development and implementation of the management system, collaborating with other specialists in the company, contributing different internal business perspectives and operations. In this way, the company demonstrates

- Compliance with the requirements of stakeholders.
- Identification of environmental aspects and planning and implementing controls to avoid or reduce them.
- Effective communication within the organization.
- Involvement of suppliers and the supply chain.
- Inclusion of the environmental variable in all company activities.
- Setting ambitious improvement goals.

2.1.1.4 Application of the precautionary principle

Ingeteam applies the precautionary principle in environmental protection. Ingeteam deploys this principle through:

A Corporate Environmental and Sustainability Policy, which outlines our mandatory and voluntary commitments in the duty of environmental protection.

The Policy of the different management systems provides clear direction and specific objectives in terms of Quality, Safety, Health, and Environment.

In the code of conduct for employees and managers, the environmental principles and requirements for employees and managers are established. In the code of conduct for suppliers, those environmental principles and requirements are applied to suppliers and third parties.

2.1.1.5 Provisions and safeguards for environmental risks

Costs incurred in the acquisition of machinery, plant and other goods whose purpose is the protection and improvement of the environment are treated as investments in property, plant and equipment.

Environmental-related expenses other than those incurred to acquire items of property, plant, and equipment, are expensed in the year in which they accrue.

Given the activities of the Group's various companies, it has no environmental liabilities, expenses, assets, provisions or contingencies that could have a significant effect on its equity, financial position and results of its operations.

2.1.1.6 Product portfolio and environmental benefits

Ingeteam's product portfolio contributes to the reduction of greenhouse gas emissions, meaning that our technological development and applications are a contribution to today's society. Our equipment helps to reduce the carbon footprint of our clients.

The main activities related to the contribution to the reduction of the carbon footprint are:

- Manufacturing of Renewable Energy Technologies, mainly in the Solar PV, BESS and H2, Wind, and Hydro sectors.
- Installation, maintenance, and repair of EV charging stations, within the T&D sector.
- Installation, maintenance, and repair of renewable energy technologies, service activities that cut across the sectors previously described.

Additionally, Ingeteam's technology and products participate in other activities that favour sustainable mobility and the efficient use of resources such as:

- Electric converters for Railway Traction.
- Supply of Pumps for water management and supply.
- Generators and electric converters for the Marine sector.

In section 1.1 Business Model, the business figures for the 2023 period related to these activities are described.

In the coming periods, Ingeteam will conduct a study on the alignment of its activities with the European Taxonomy, a classification established by the European Union (EU) that determines whether an economic activity can be considered environmentally sustainable.

2.1.1.7 Management of the Environmental Impact of Products and Life Cycle Analysis

Ingeteam carries out and documents significant impacts in the life cycle analysis of products based on harmonized ISO 14040 standards for Life Cycle Analysis (LCA) and applicable Product Category Rules (PCR). With this type of analysis, Ingeteam manages to improve the future environmental performance of its equipment by feeding back into the design phase and also communicating the environmental performance of its products to the market and stakeholders based on Type III Environmental Product Declarations.

During 2023, Ingeteam has published its first EDP through the international PEP Eco-passport© system corresponding to the RAPID 120/180 equipment.

In 2023, the following has been carried out:

- Photovoltaic Inverters:
 - ✓ Life Cycle Analysis, Carbon Footprint Calculation of product and environmental product statement of INGECON SUN 3 Power Series under the product rules of EDP Italy (under development)..
 - ✓ Life Cycle Analysis, Product Carbon Footprint Calculation and INGECON SUN 1Play product environmental statement, under EDP Italy product rules. (under development).

- Electric vehicle chargers:
 - ✓ EVC RAPID 120/180: LCA, EDP through the PEP Eco Passport program published in Sep 2023 (PEP eco Passport Program PCR in force (PCR-ed4-EN-2021 09 06) and, if applicable, with specific sector standards (PSR0018 - Specific rules for electric vehicle charging infrastructure)), Carbon Footprint verified in May 2023.
- Equipment for electrical grid distribution:
 - ✓ INGEPAC DA PTC and INGEPAC EF MD MODEL.
- In 2024, this process has begun for the following equipment:
 - ✓ EVC RAPID 60.
 - ✓ INGECON SUN Power Station FSK C series.
 - ✓ INGECON SUN 3Play 300-350.
 - ✓ DFIG series Electric Generators for wind.

2.1.1.8 Environmental requirements for suppliers

At Ingeteam, we have a supplier code of conduct in which we ask our stakeholders to join us in meeting our environmental requirements. Likewise, our general purchasing conditions include the main environmental requirements demanded of the supply chain.

In the 2023 fiscal year, we have developed a specific environmental sustainability assessment for major contractors. The purpose of this document is to establish general sustainability assessment requirements (including environmental) for key suppliers; this evaluation is, as of the date of this report, in the final testing phase. Similarly, the Ecovadis platform is being used in tests to evaluate the supply chain assessment tool.

2.1.1.9 Legal requirements, sanctions and environmental events

In relation to environmental regulation, Ingeteam continuously monitors environmental legislation to determine the impact on its activity, through environmental legal requirements management databases.

In 2023 there were no fines or penalties arising from non-compliance with environmental regulations (In 2022 there were no fines or penalties arising from non-compliance with environmental regulations as well).

As regards environmental events, no significant environmental event has occurred in which it was necessary to activate the environmental incident procedure. No damage to the environment, no deterioration in the water bodies, no damage to biodiversity.

2.1.2 Pollution Prevention

Ingeteam annually measures its direct and indirect emissions in accordance with the GHG Protocol requirements, which is the corporate standard for accounting and reporting. The Greenhouse Gas Protocol was developed by the WRI and the WBSCD.

In the 2023 fiscal year, a calculation of the 2022 emissions was made based on the GHG Protocol methodology, resulting in the 2022 Carbon Footprint report, which has been externally verified by the company Lloyds Register Quality Assurance, LRQA, for the companies Ingeteam Power Technology S.A and Ingeteam Indar Machines, S.A. The rest of the national and international companies contribute to the report with activity data that has not been verified, only calculated.

The data for 2022 has been modified in 2023 with respect to those published in the 2022 report in accordance with the adopted calculation methodology and the emission factors described in the current protocol.

The intensity of GHG emissions expresses the amount of GHG emissions per unit of activity, production, or any other specific internal metric. In the case of Ingeteam, the most representative metric at this time is turnover.

2.1.2.1 Scope 1 Emissions

Direct GHG emissions (Scope 1) come from sources that are owned by the company or are under its control. They include emissions generated by the combustion of materials to generate heat.

The main source of primary energy is the consumption of natural gas. Additionally, chloro-fluorocarbons (CFCs) and halons, historically used as refrigerants and propellants, affect the ozone layer if released into the atmosphere. The presence of these substances in Ingeteam is marginal and is mainly found in fire extinguishing equipment, high voltage cells, and refrigeration systems. The maintenance of these closed-circuit systems is carried out in accordance with current legislation.

Scope 1 emissions amounted to 6,578 tCO₂-eq in the 2023 fiscal year (5,769 tCO₂-eq in the 2022 fiscal year).

2.1.2.2 Scope 2 Emissions (indirect)

Indirect GHG emissions (Scope 2) refer to the consumption of purchased electricity and district heating.

Ingeteam uses a market-based approach to calculate the indirect emissions produced by the consumption of electricity. Scope 2 emissions amounted to 1,516 tCO₂-eq in the 2023 fiscal year (663 tCO₂-eq in the 2022 fiscal year) mainly due to the decrease in the redemption of electricity origin guarantees.

Ingeteam's renewable electricity ratio has been increasing in 2023. It is recommended to

review section 2.1.6.1 energy consumption.

2.1.2.3 Scope 3 Emissions (other)

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the company's value chain, including upstream and downstream emissions. This includes transportation, disposal of waste generated in operations, use of sold products, business travel (plane, train), and employee commuting. The reported categories are:

- Emissions from purchased goods and services
- Emissions from energy and fuel production
- Emissions from upstream goods transportation and production
- Emissions from waste management and transportation
- Emissions from business travel and overnight stays
- Emissions caused by commuting
- Emissions caused by leased assets upstream
- Emissions from upstream goods transportation and production

The inventory calculation for Scope 1, 2 and 3 emissions is as follows:

	2023	2022	2021
Direct emissions (Scope 1)	5,838 tCO ₂ -eq	5,769 kgCO ₂ -eq	5,518 tCO ₂ -eq
Indirect energy emissions (Scope 2)	742 tCO ₂ -eq	663 tCO ₂ -eq	5,959 tCO ₂ -eq
Indirect emissions generated by business travel (Scope 3)	34,939 tCO ₂ -eq	38,092 tCO ₂ -eq	1,252 tCO ₂ -eq

Note: The units have been changed to tCO₂e (previously expressed in KgCO₂e). The substantial difference in Scope 3 between 2021 and 2022 is due to the fact that in 2021 only one category of Scope 3 was reported (Indirect emissions derived from business travel activities that are not sources owned or controlled by Ingeteam).

The medium and long-term voluntary objectives to reduce greenhouse gas emissions and the measures implemented for this purpose are described in section 2.1.7, on medium and long-term voluntary objectives aimed at combating climate change and pollution.

2.1.2.4 Other emissions to the atmosphere

Other industrial emissions to the atmosphere are also relevant in terms of environmental protection.

Volatile Organic Compounds (VOCs) contribute to the formation of ozone. Ingeteam uses these organic compounds as solvents in paints and adhesives, in impregnation processes, and in surface cleaning. The control of VOC emissions is defined by local authorities and can be carried out through measures in exhaust systems or by mass balances, calculating atmospheric emissions from actual consumption and quantities removed as waste. Both

methods are accepted in our internal procedure for managing atmospheric emissions because they comply with local legislation. Quantitative measurements are taken at each source of air emission by an authorized third party when required by the authorities.

As for preventive measures for these direct emissions, the booths are equipped with activated carbon to retain particles. Moreover, the type of resin we use in the production process has been selected to allow the solvent to polymerize during the curing process, becoming incorporated into the dry resin that envelops the product, thus preventing emission into the atmosphere.

Regarding diffuse emissions, products with high VOC content are being replaced by other substances with a lower percentage of VOCs in their composition, leaving high VOC content products only for very specific operations.

We also control the use of substances that deplete the ozone layer, as well as compliance with the specific legislation of each country. At Ingeteam, the use of fluorinated gases that deplete the ozone layer is limited to the use of refrigeration equipment in buildings and laboratories, our own high-voltage equipment, and fire extinguishing means. For our products, only in the high-voltage cells that are part of our larger photovoltaic inverters. In the first case, controls are applied in the recharging of the equipment with authorized industrial maintenance providers, as well as the management of leaks within the maintenance activities of the infrastructure, being recorded within the environmental management system. Additionally, periodic controls are carried out by authorized control bodies as marked by current legislation. In the second case, in the process of acquiring medium-voltage cells, the amount of SF₆ coming in the equipment is controlled and in the case of importation, the own border declaration mechanism. The amount of fluorinated gases used within Ingeteam's activities is not considered a significant environmental impact.

Regarding preventive measures applied, refrigeration and air conditioning equipment already use refrigerants with lower environmental impact. In the case of medium-voltage equipment with SF6, leaks are controlled as described above, meanwhile, in anticipation of its future ban, alternatives to the replacement of SF6 are being sought, although currently in the study phase, mainly based on fluoronitrile gas mixtures, which are not currently available on the market.

Noise management and control

Ingeteam controls the emission of atmospheric pollutants and ensures compliance with legal obligations, including the management and control of noise emissions. Documentation is properly recorded and filed for verification and audit within the Management System.

- **Noise control in centers and production facilities:** To ensure that a production facility complies with the local noise limit established in the environmental permit, the noise level of specific processes and equipment is measured. The functional HSE (Health, Safety, and Environment) areas assess the noise by measuring the overall noise level to ensure compliance with the legal requirements established in the environmental permit. When designing new processes or modifying existing ones, noise level specifications and the local HSE functional area are consulted to ensure that the change is allowed by the environmental permit.
- **Noise control in products:** To ensure compliance with current legislation regarding acoustic zoning, quality objectives, and acoustic emissions, equipment is tested to comply with the reference regulations in the territory sectors, whether residential or industrial.

2.1.2.5 Environmental incidents

Spills

Operational controls are applied at all facilities and project sites to protect water and soil from spills, for example, by establishing prevention and response plans and using control measures such as spill trays, loading and unloading areas, proper storage of substances, routine inspections, etc. In the year 2023, a total of 14 spills were recorded, all of which were contained and did not affect water or soil to any degree. None of these spills required exceptional corrective measures.

Other Environmental Incidents

In addition to spills, another 19 minor incidents related to the environment were recorded, concerning:

- Impact on biodiversity (5).
- Environmental non-compliance (0).
- Fire, smoke, explosion (11).
- Complaints from stakeholders (noise, odor, dust) (2).
- Weather or natural disaster (floods, winds...) (2).
- GHG leak (SF6) (1).

2.1.2.6 Food Waste and Light Pollution

Regarding the legal requirement to disclose information on food waste and light pollution, Ingeteam states that these are not material aspects of its activity. This is due to the nature of Ingeteam's business.

2.1.3 Circular economy, risk and waste prevention and sustainable use of resources

2.1.3.1 Activities with third parties

Among the initiatives launched, Ingeteam is a partner of Renercycle, a business initiative where 10 partners from the renewable industry aim to develop industrial and technological solutions to promote the circular economy in renewable energies, mainly in the dismantling of wind farms for proper and certified waste management, the reconditioning of components and distribution with a guarantee, the recovery of structural metallic elements for the reuse of raw materials in the manufacturing of components, and the application of technological solutions for the recycling of composite materials such as blades and nacelles.

During 2023, Renercycle announced an alliance with Acciona Energía to build a pioneering plant for recycling wind turbine blades.

In addition, Ingeteam participates in Enercluster, the Association of Renewable Energy Companies of Navarre, which it has presided over since 2022.

2.1.3.2 End of Product Life Cycle

End of Life Product.

In 2023 Ingeteam takes a step in the management of waste batteries and accumulators and electrical and electronic equipment by joining the extended collective responsibility systems of producer ECOASIMELEC and ECOPILAS to meet the responsibilities derived as producer of AEEs and Batteries, Batteries and accumulators.

During the period of 2024 and in compliance with current legislation, Ingeteam will expand its extended producer responsibility to cover the various packaging materials it places on the market.

Regarding measures implemented for the reduction and better management of waste in our operations, those established in the previous period (2020-2022) continue to be in effect. The main actions are related to the minimization of packaging, with the principal actions being:

- Reduction in the use of wood in packaging.
- Exclusive use of wood for long-distance container packaging through a pallet and crate solution, thereby eliminating the use of plastics.
- Use of wood hybrids and recyclable bags for transport.

With the introduction of new packaging legislation, we will await the formalization of the extended producer responsibility systems for packaging and will analyze the possibility of adhering to the PEPE 2024-2028.

2.1.3.3 Waste management

Waste generated by weight (in kg):

	2023	2022	2021
Hazardous waste (batteries, toner, rags, etc.)	128,482	108,126	348,364
Electrical-electronic computer waste	54,803	32,249	36,440
Paper + cardboard waste	269,959	201,491	261,984
Plastic waste	81,757	59,343	60,647
Wood waste	616,190	453,417	624,091
Metal + cable waste	1.608,120	1,562,759	638,740

Waste management is carried out with authorized managers, incorporating new ones in the places where operation and maintenance services are provided.

Regarding reuse measures, packaging and wooden pallets are reused in the company's own shipments.

2.1.4 Water consumption

Water is one of the natural resources used in processes and its management pays special attention to water consumption and quality control in discharges (in m³).

	2023	2022	2021
Water consumption	36,127,410	32,047,756	34,150,894

Note: Water consumption in 2022 has been updated due to recalculations at various locations.

Ingeteam primarily uses water for human consumption, sanitary water in manufacturing facilities, and although the production process does not require water consumption, it is used in cooling tests for equipment and in tests for submersible pumps mainly, where water consumption mainly comes from the sanitation network and water is reused in the trials of submersible equipment and in electrical converters for IP tightness tests.

The total water consumption amounted to 36,127 m³ in the fiscal year 2023 (32,047 m³ in the fiscal year 2022). In the fiscal year 2023, a total of 330 m³ of recycled water was used.

No water sources have been recorded as being significantly affected by water withdrawals made by Ingeteam during the reporting period. In other words, no water sources were recorded as being significantly affected by:

- Withdrawals that represent more than 5% of the total annual average of any body of water;
- Withdrawals from water bodies recognized by experts as particularly sensitive due to their relative size, function, unique nature, or otherwise, a threatened or endangered system that harbors protected plants or animals;

- Withdrawals in Ramsar-listed wetlands or any other area with local or international protection. All water intakes are strictly regulated by Public Administrations, which assign permits and determine the maximum allowed capture volumes, to ensure that no significant impacts occur.

The volume of discharges in the fiscal year 2023 amounted to 19,967 m³ (18,582 m³ in the fiscal year 2022). Most of the discharges are related to manufacturing processes, specifically the water used in submersible pump tests.

Regarding human and sanitary water consumption, annual awareness campaigns are carried out for employees for the correct use of water. Regarding the water used in manufacturing plants, the main reduction measures consist of water recycling through treatment by an external manager.

2.1.5 Material consumption

Materials used by weight or volume (in kg):

	2023	2022	2021
Paper consumption	22,855	38,938	28,070
Cardboard consumption	185,187	130,857	83,408
Wood consumption	1,127,230	749,750	770,759
Chemical products consumption	312,394	433,535	522,440
Metal consumption	23,767,927	15,677,570	19,861,383
Plastic consumption	218,343	46,256	59,585
Cable consumption	405,728	502,673	161,043
E/E and ICT equipment consumption	634,010	633,796	1,620,928

Note: Updated raw material consumption in 2022 due to recalculations at various locations.

Since Ingeteam's products mainly result from the integration of components and sub-products into the final equipment we produce, the minimization of raw material consumption, understood as the selection of components and subproducts with lower raw material consumption, is mainly related to the eco-design of the products.

Focusing on the life cycle analysis, the first products analyzed (see section 2.1.1.7) have identified the production phases of parts and components, and the use phase as the most relevant. To give an example, in the Rapid 120 electric vehicle chargers, the electronic elements have a contribution of more than 30% and the consumption of metal with 55.8% over the impacts of this phase, and in the second, the energy consumption.

The environmental improvement strategies analyzed have considered the greater difficulty of intervention on electrical and electronic components and have focused on significant aspects such as the amount of material of parts used and the energy consumption during the use phase.

Currently being studied are:

The reduction in metal consumption through the optimization of shapes and materials and the changes introduced in metal parts.

Regarding the life cycle, the focus is on reducing the energy consumption of the equipment.

Regarding packaging:

- Reduction in the use of wood by lightening the amount of wood through the use of a composite pallet of wooden pallet, cardboard crate for long distances, and pallet-bag set for ground transportation.
- Reuse of corner protectors and pallets from the shipments of boiler suppliers.

2.1.6 Direct and indirect energy consumption. Measures adopted for energy efficiency and use of renewable energies

2.1.6.1 Energy Consumption

Energy consumption within Ingeteam is systematically controlled at all significant group sites: production facilities, buildings, and offices belonging to Ingeteam, excluding the energy consumption of subcontractors. Energy consumption is calculated by adding i) the primary energy consumption of fuels; and ii) the secondary energy consumption of electricity and district heating purchased from third parties.

Table

	2023	2022	2021
Electricity consumption	13,877,680	13,979,747	14,509,323

Note. Updated electrical consumption in 2022 due to recalculations at various locations.

During 2023 energy consumption has remained in a logical variation with the increase in activity and have very little variation compared to 2022.

It should be noted that the electricity consumed by all the organizations located in Spain (Bizkaia, Navarra, Gipuzkoa and Albacete) is 100% renewable and environmentally friendly, due to an agreement with the electricity supplier Iberdrola.

	2023	2022	2021
Natural gas consumption for heating in kWh	10,039,704	11,318,977	8,207,233
Diesel consumption in litres for heating, machinery, etc, ...	23,327	20,860	34,447

Note. Updated gas consumption in 2022 due to recalculations at various locations.

With regard to the consumption of natural gas, consumption has been reduced considerably, reaching a reduction of 11%.

2.1.6.2 Use of Renewable Energies

The total electricity consumption amounted to 13,877 MW in the fiscal year 2023 (13,979 MW in the fiscal year 2022), of which 1.7% came from renewable self-consumption sources. In 2023, Ingeteam's own energy generation through renewable sources is carried out through two photovoltaic self-consumption installations at the production plants in Sesma and Beasain in Spain. The annual energy consumed is 517 MWh in 2023. Additionally, Ingeteam's electricity consumption is offset with Guarantees of Origin Certificates, with the amount of energy offset in 2023 being MWh (11,928 MWh in 2022), which has greatly reduced Ingeteam's Scope 2 emissions.

2.1.6.3 Efficiency measures

Mobility

In addition to efficiency measures such as selective waste collection at all group workplaces, improvements to the calculation of indicators, and so forth, promotion of the use of electric vehicles has been established by Corporate Management. While the number of kilometers is not affected by this program, it is important to highlight that they are traveled using electric vehicles, which do not emit harmful particles while in operation.

Ingeteam's management will act in several ways to promote the use of electric vehicles (EVs).

Firstly, fleet vehicles will be gradually replaced by EVs, when lease contracts expire, except in cases where daily charging is not possible due to the nature of the job or operation. Likewise, reasonable efforts will be made to procure EVs when acquiring new vehicles and justification must be provided for any non-electric vehicles added to the fleet before they are acquired.

During 2023, 11 100% electric vehicles were added to the fleet, this represents a percentage of 49% of corporate vehicles that are 100% electric and 65% if we include those with some form of hybridization.

On the other hand, for the deployment of the EV to be efficient, it is essential to have recharge infrastructures. A sufficient number of EV chargers have been installed on the premises to help improve the charging network. Thus, VE charging points have been installed in the parking area of employees/ as, so they can recharge their particular VE during the working day.

Another initiative that has been launched is financial aid for the installation of VE chargers in private homes with special prices for people working in Ingeteam.

Charging points

As for more concrete measures/actions in Spain in favor of greater efficiency and environmental performance in mobility, we can highlight the following:

- Installation of charging points for electric vehicles in Bizkaia, Gipuzkoa, Navarra and Albacete. In 2023, the number of electric vehicle chargers has increased to 57 across all corporate headquarters.
- Free electric recharge for all employees in our facilities.
- Promotion of the use of public transport, bicycles, etc. Subscription (free) during working hours in Sarriguren (Navarre), and payment for bicycle commuting in Albacete.
- Renting electric vehicles for business trips in Sarriguren (Navarra).

Promoting Solar PV self-consumption installations

With the sun as an ally we can make our homes more sustainable, so we have also promoted residential photovoltaic solar installations of self-consumption in the homes of our workers.

We offer our staff financial support and technical advice for the installation of domestic investors (with or without storage) in your home or private property.

Regarding the generation of renewable energy for self-consumption, the measures are described in section 2.6.2 Use of Renewable Energies.

2.1.7 Climate Change

Ingeteam recognizes that climate change is a global problem that requires urgent and collective action. As a provider of clean and affordable energy, the scale of our portfolio and our global reach reinforce our central role in shaping the future energy landscape. Since 2022, Ingeteam has been supplied with 100% renewable electricity.

Ingeteam contributes to decarbonization through partnerships and global communities. In 2024, the company's decarbonization targets are expected to be analyzed based on science-based targets and the interest in including Ingeteam in the SBTi Initiative. The base year will be 2022.

2.1.7.1 Climate Risks

Our operations are not immune to the risks associated with climate change. With warmer weather and more extreme weather conditions due to climate change, medium and long-term impacts on our business are possible. Longer and warmer seasons or extreme cold could affect our customers' operations. Severe events can lead to the evacuation of plant personnel, reduction of services and technical assistance, suspension of productive operations, inability to deliver products at work sites in accordance with contracts, disruption of the supply chain, and reduced productivity.

Similarly, Ingeteam is currently studying the adaptation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

2.1.7.2 Medium and Long-term Voluntary Objectives to Reduce Greenhouse Gas Emissions and Measures Applied for This Purpose

Still pending the definition of quantitative targets based on SBTi for the medium and long term and the definition of a Net Zero strategy, the lines of work that are expected to be addressed are:

- Energy reduction, substitution of energy sources, and efficiency measures: Apply measures of reduction, substitution, and energy efficiency related to our operations at all production facilities and project sites to reduce our Scope 1 emissions.
- Supply of electricity from renewable sources: Since 2022, Ingeteam in Spain has been powered by electricity from renewable sources, and in 2023, self-generation facilities have been introduced to reduce imported electrical consumption, which impacts the reduction of our market-based Scope 2 emissions. The rest of the Scope 2 emissions are related to district heating.
- Ecological mobility plan to reduce fleet emissions: Ingeteam has launched several projects on this lever: i) the replacement of vehicles with low-carbon alternatives to reduce the company's direct (Scope 1) GHG emissions; and is currently studying measures to reduce the consumption of fossil fuel in travel to production centers.

Additionally, the following will be considered:

- Compensation for unavoidable emissions.
- Awareness campaigns and employee ideas.
- Commitment along the value chain.

2.1.8 Actions to combat food waste

Given the Company's business, it does not produce any food waste that should be disclosed in this report.

2.1.9 Protection of biodiversity

All Ingeteam group companies carry out their industrial activities with the utmost respect for the natural environments in which they take place. Furthermore, Ingeteam has no productive assets in protected areas.

2.2.A. SOCIAL AND EMPLOYEE-RELATED PERFORMANCE DIMENSION

2.2.1 Description of management model – Policies

This chapter describes the relationship between Ingeteam and its employees, who are its main asset.

Here we discuss a range of employment issues, including segmentation of the workforce, contract types, average remunerations, people with disabilities, and labor disconnect policies.

We address issues of work organisation and social relations, together with measures taken to promote equal treatment and opportunities among men and women.

Lastly, but being the priority in our Organization, we include matters on staff training and professional qualifications, and related matters on Health and Labor Safety.

People management policy

Aim of the policy: "Define, implement and develop a people management model at Ingeteam Group to attract, develop and promote the talent required for the business project set up and envisioned in the current Strategic Plan (2022-2024), in harmony with the personal and career growth of those who work with us, to secure their long-term engagement and involvement in consolidating and growing our project."

Main principles and priorities of the policy:

- To attract and recruit the finest professionals by offering an attractive, reliable, transparent brand, in line with Ingeteam's Values.
- To build the loyalty of those professionals who add value, mainly in strategic areas, by developing their talent and contribution to organisational and business growth and seizing the opportunities offered by Ingeteam.
- To continuously train our employees in the technical, human and business skills needed to build a strong and competitive organisation and business.
- To entrench and extend the "Ingeteam Culture", taking pride in its common Values, ensuring behaviour and attitudes befitting our own unique style as a common denominator across the organisation and recognising the different realities and needs that make up Ingeteam.
- To build an agile and efficient organisation, with people and teams clearly focused on achievement and ready to manage change.
- To ensure transparent and prompt communication to the people who make up our team of any and all information that gives meaning to their involvement, provides them with a deeper understanding, increases their sense of belonging, and gives

them the information they need to successfully fulfil their duties.

- To recognise and reward people in a manner commensurate with the organisation's available resources and their skills, effort and performance, and in a way that is coherent with the different external and internal environments.
- To maintain fluid and fruitful dialogue with workers' legal representatives in our workplaces and with trade unions in general, thus resulting in a lasting environment of mature and harmonious employer-employee relations in accordance with the needs of the organisation and its members.
- To design and maintain up-to-date and efficient management processes and tools by implementing best practices throughout the organisation.
- To act with integrity, respect and honesty in compliance with applicable legislation and Ingeteam Ingeteam's Values, Code of Conduct and other internal rules and regulations.

Areas of activity defined in Ingeteam's People Management and Development Policy:

- Talent Attraction, Selection and Integration
- Internal Communication
- Identification, Development and Promotion of Potential. Performance Appraisal
- HR Architecture and Organisation
- Equality, Diversity and Inclusion
- General Professional Development (Training)
- Compensation and Benefits

- Industrial Relations
- Organisational Development (Culture)
- Commitment and Pride of Belonging
- Work-Life Balance

Employees and organisation of work

Ingeteam complies diligently with all labour and employment legislation in force in all the countries where its various headquarters or work centres are located.

During the year 2023, an average of 4,841.5 theoretical personnel has been reached, although the year is closed with a real final staff of 4,977 people (AURA platform reporting source, specific reporting tool for non-financial indicators linked to Personas that will be the basis for those 2022 data provided in this report.

Compared to the previous year, as indicated in the evolution tables, this year 2023 saw a significant increase in the average workforce of 365.5 theoretical personnel, representing +8.2%. This increase in staff is due to the Strategic Plan of Ingeteam 2022-2024, which includes and develops strategic projects and businesses that involve an increase in staff.

As regards the actual final staff figures at the end of the financial year, there was also an increase in the number of employees of 295 people in the workforce, which represents a percentage increase of 6.3% compared with the end of the financial year 2022. The trend in recent years is marked by a sustained increase year by year although in 2023 the increase is slowed down with a reduction of 6.5 points compared to that growth reference of 2022 with respect to 2021.

Employment and organisational indicators

	2023	2022
Average number of employees	4,841.5 (+8,2%)	4,476 (+9.6%)
Number of employees at year-end	4,977 (+6,3%)	4,682 (+12.8%)

In terms of the distribution of the average workforce between the sexes, 80.9% are men and 19.1% are women, compared to 81.2% men and 18.8% women in 2022.

The evolution of this distribution with respect to previous years, shown in the attached table, reflects the sustained increase of the average 2023 workforce of women with respect to the average total increase of the Ingeteam 2023 workforce in the previous table by +8.2%, which has meant in absolute terms, an increase in the average female workforce in 80.9 women (+9,6%), compared to the increase in the male workforce established at 284.6 men (+7.8%).

Average number of employees by gender	2023		2022	
	No.	%	No.	%
Men	3,917.1	80.9	3,632.5	81.2
Woman	924.4	19.1	843.5	18.8
TOTAL	4,841.5	100	4,476	100

The average age of our staff is 8.1 years (slight decrease over the 8.7 years of 2022), with an average age of 42.77 years, an average age that increases by 2.23 years compared to the previous year as a result of the slower addition of new people to the workforce, these being on average younger, no longer have direct impact on the global average age of Ingeteam.

	2023	2022
General average age	42.77 (+2.23)	40.54
Female average age	42.71 (+2)	40.71
Male average age	43.03 (+3.13)	39.89

By gender, the average age of men and women differs by about 0.58 year. in favour of the female group, being 7.99 in them and 8.57 in them respectively; the average age in women is 40.03 years, and in men 42.71 years, with a similar difference of 0.32 average year older in the male group. This determines an average profile of younger and older women although the differences are not very significant.

The average workforce by age brackets in 2023 is distributed as follows, both in Spain and the other countries where Ingeteam is present:

Age bracket	2023	2022	Spain 2023	Spain 2022	Other countries 2023	Other countries 2022
<30 years	1,091.17 (22.54%)	1,055.6 (23.58%)	659.45 (18,52%)	619.7 (19,26%)	431.72 (33,7%)	435.9 (34,6%)
30–50 years	3,107.19 (64.18%)	2,909.9 (65.01%)	2,366.83 (66.45%)	2,208 (68,63%)	740.36 (57,8%)	701.9 (55,8%)
>50 years	643.19 (13.28%)	510.5 (11.42%)	535.34 (15.03%)	389.5 (12,26%)	107.85 (8,4%)	121 (9,6%)
Total	4,841.5	4,476	3,561.6	3,217.2	1,279.9	1,258.8

The average workforce by age brackets in 2023 of the “Other countries” segment, broken down by the 6 Ingeteam subsidiaries that contribute the most to the total workforce, is distributed as follows:

Age bracket	MEX 2023	MEX 2022	USA 2023	USA 2022	BRAZIL 2023	BRAZIL 2022	CZECH REP. 2023	CZECH REP. 2022
<30 years	122.35 49,5%	136.05 51.4%	24.27 24.86%	25.86 22.1%	55.14 8.18%	66.24 34.9%	24.69 0.49%	22.59 18.9%
30-50 years	122.19 49.44%	123.93 46.8%	49.44 50.65%	56.6 48.5%	134.64 68.81%	117.89 62%	64.47 53.5%	69.23 58%
>50 years	2.61 1.06%	4.34 1.8%	23.9 24.49%	34.15 29.4%	5.88 3.1%	5.89 3.1%	31.35 26.01%	27.56 23.1%
Total	247.15	264.32	97.61	116.61	190.02	190.02	120.51	119.38

Age bracket	INDIA 2023	INDIA 2022	CHILE 2023	CHILE 2022	UK 2023	UK 2022	ITALY 2023	ITALY 2022
<30 years	25.01 35,27%	28.65 3.21%	77 1.25%	53.48 39.3%	38.39 39.6%	40.44 43.1%	9.17 13.16%	7.45 11.69%
30-50 years	44.9 63.32%	36.65 5.28%	106.65 57.14%	79.01 58.1%	54.83 56.1%	51.1 54.5%	41.36 59.35%	40.14 62.97%
>50 years	1 1.41%	1 2%	3 1.61%	3.4 2.6%	4.55 4.6%	2.15 2.4%	19.16 27.49%	16.15 25.24%
Total	70.91	66.3	186.65	135.89	97.77	93.69	69.69	63.74

Ingeteam Mexico, UK and Chile, are those branches with younger staff, serving a collective of <30 years around a range of 35-50%, compared to levels in Spain and Czech Rep. for this age group of 13%.

Spain, and Brazil, followed by Czech Rep. and Chile are those countries where Ingeteam has a majority workforce in the 30-50 age group, standing around the range of 59-69% for these 4 countries; Mexico and the USA, manifest templates in this lower band at 49-50% approx.

Notably the USA subsidiary with a workforce of >50 years 27%, followed by the Czech Republic and the USA with 26% and 24.49%. Spain with about 15% and all of them very far from the current% for this age group in the other subsidiaries where the% are located in the 1-5% approx.

The final 2023 workforce by age bracket in % and its trend with respect to reports from previous years would be as follows:

Age bracket	Total 2023	Total 2022
< 30 years	22.54%	23.58%
30-50 years	64.18%	65.01%
> 50 years	13.28%	11.41%

Therefore, compared to the 2022 data, in general, under an overall analysis. The average workforce is slightly aging, with a decrease of 1 point in the <30 years group and almost 2 points in the >50 years group, which is reflected in the increase in the average age of the workforce by 2.23 years, as mentioned in the previous point.

	2023		2022	
AVERAGE NUMBER OF EMPLOYEES BY COUNTRY	4,841.5	100%	4,476	100%
SPAIN	3,561.62	73.6%	3,217.2	72%
INTERNATIONAL	1,279.9	26.4%	1,258.8	28%

	2023		2022	
Mexico	247.15	5.1%	264	6%
USA	97.61	2.02%	116.61	3%
Brazil	195.66	4.04%	190.02(*)	4%
Czech Republic	120.51	2.49%	119.38	3%
India	70.91	1.46%	66.3	1%
Chile	186.65	3.85%	135.89	3%
Romania	33	0.68%	24.83	1%
UK-Great Britain	97.77	2.02%	93.69	2%
France	44.37	0.92%	53.75	1%
Italy	69.69	1.44%	63.74	1%
South Africa	2.39	0.05%	10	0%
Australia	40.06	0.83%	40.19	1%
Philippines	1.01	0.02%	7.59	0%
Bulgaria	3.75	0.08%	10	0%
Morocco	12.88	0.27%	17.53	0%
Panama	17.99	0.37%	16.91	0%
Uruguay	4.83	0.1%	7.44	0%
Poland	6.18	0.13%	5.52	0%
Germany	2.62	0.05%	3.5	0%
Vietnam	16.98	0.35%	3	-
China	7.92	0.16%	8.58	-

Average workforce by job category and gender in 2023 and the trend compared to previous years:

	2023	2022
Shop floor workers	2,300.11 (47.51%)	2,120.15 (47.37%)
Engineers	1,228.7 (25.38%)	1,198.3 (26.77%)
Administrative staff	503.79 (10.41%)	498.7 (11.14%)
Middle management	520.7 (10.75%)	496.52 (11.09%)
Management	288.25 (5.95%)	162.32 (3.63%)
TOTAL	4,841.5 (100%)	4,476 (100%)

Compared to the previous year 2022, in 2023 the distribution by categories in total percentage terms remains at approximately the same levels although, with a remarkable rise in the Management group of 2.33% compared to the previous year, followed by a rise in the Technicians/Engineers/As collective of almost 1.4%.

	MEN		WOMEN	
	2023	2022	2023	2022
Shop floor workers	42.31% (2,048.66)	42.63% (1,908.25)	5.19% (251.4)	4.73% (211.9)
Engineers	20.42% (988.73)	21.43% (959.04)	4.96% (239.97)	5.35% (239.26)
Administrative staff	4.11% (198.88)	3.38% (151.18)	6.3% (304.91)	7.76% (347.52)
Middle management	8.99% (435.6)	9.46% (423.38)	1.76% (85.1)	1.63% (73.14)
Management	5.07% (245.3)	3.27% (146.44)	0.89% (42.95)	0.35% (15.88)
TOTAL	80.9% (3,917.1)	81.16% (3,632.5)	19.1% (924.4)	18.84% (843.5)

If we incorporate the gender variable, we can observe that, although in absolute terms, the male group presents more significant figures, in terms of percentage advancement, in all groups without exception there is a significant advance of the female collective with respect to the male in groups, Operators, Middle Management and Management, while there were slight setbacks in the Technicians, Engineers and Administrative staff.

As reflected in the graph above, although the male group prevails in all Professional Groups with the exception of Administrative Groups, there is a widespread sustained trend of a greater female presence in those more masculinized Professional Groups, gradually reducing the so-called “glass ceiling”; however, there is still a long way to go in order to reach a satisfactory level.

Employment contracts by type

Annual average permanent contracts by gender	2023	2022
Permanent contracts as a % of total	89.6% (4,337,62)	87% (3,909)
% of permanent contracts for women	91.93% (849.75)	85% (720)
% of permanent contracts for men	89.04% (3,487.87)	88% (3,189)

In 2023 there is an increase of 2.6 points of the stable employment levels in Ingeteam compared to 2022, being in percentage terms this growth of 88.9% of stable employment achieved. Highlighting the significant advance of the female group which grows by almost 7 points and reaching a 91.93% work stability in that group.

As a result, the percentage of total temporary employment by sex falls by the same proportion in which stable employment increases as shown in the table below.

Annual average temporary contracts by gender	2023	2022
Temporary contracts as a % of total	10.4% (503.92)	13% (567)
% of temporary contracts for women	8.07% (74.62)	15% (123)
% of temporary contracts for men	10.96% (429.3)	12% (444)

For the most part, Ingeteam does not discriminate on the basis of the type of contract (permanent-temporary). The United States and Mexico are exceptions, where current labour laws and standard practice include different treatment for certain items depending on whether we are talking about permanent or temporary contracts, or length of service at the company (holidays, insurance, etc.). This differentiation, in terms of employee benefits, does not apply to the work schedule (full-time and part-time).

The distribution of the fixed-term contract type by age bracket is shown in the following graph, which shows progress in the stability of general employment, but highlighting the increase in employment stability in the young group of <30 years with an increase of almost 9.5 points compared to 2022. The middle-aged and older group shows a slight decrease in the percentage by around half a point.



Contract type by age bracket	2022		2021	
	Temporary	Permanent	Temporary	Permanent
<30 years	25.16% (274.62)	74.84% (816.55)	34.74% (370.44)	65.26% (685.12)
30–50 years	6.71% (208.66)	93.29% (2,898.53)	6.26% (182.27)	93.74% (2,727.59)
>50 years	3.21% (20.67)	96.79% (622.52)	2.72% (13.91)	97.28% (496.66)
Total	100% (503.9)	100% (4,337.6)	100% (566.6)	100% (3,909.4)

Meanwhile, the number of part-time contracts by gender and age bracket is as follows:

Average annual part-time Contracts by gender	2022		2021	
	0.79% (38.03)		0.76% (34.99)	
	Men	Women	Men	Women
	55.96% (21.28)	44,04% (16,75)	38% (13.08)	62% (21.31)

Distribution of part-time employment by age bracket	TOTAL 2022	TOTAL 2021
< 30 years	18.83% (7.16)	17.45% (6)
30-50 years	31.66% (12.04)	67.08% (23.07)
> 50 years	49.51% (18.83)	15.47% (5.32)

From the previous graphs, in 2023 there was an upward trend in part-time employment, 3.64 more people compared to 2022, with the majority of full-time employment exceeding 99%.

If we look at the gender perspective in part-time recruitment, 2023 breaks the trend of previous years, being for the first time the male collective the one that contributes the highest number and % under this contractual modality. However, if we take into account the current distribution of the workforce by gender, it is still the female collective which, proportionally to its average workforce, has the highest percentage of part-time collective, with 1.81% of total female contracts compared to 0.54% of men.

Considering the age factor, we observe that it is the collective of >50 where the largest casuistry is concentrated compared to last year where the intermediate group of 30-50 was the predominant group.

Distribution of average number of contracts in 2023 by contract type and category:

	Permanent contract 2023			Temporary contract 2023		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Shop floor workers	1,936	12	1,948 (44.7%)	352	0	352 (72.6%)
Engineers	1,144	11	1,155 (26.5%)	72	2	74 (15.2%)
Administrative staff	391	12	403 (10.3%)	94	2	96 (16.9%)
Middle management	518	3	520 (11.9%)	1	0	1 (0.2%)
Management	285	1	286 (6.6%)	3	0	3 (0.6%)
Total	4,321	36	4,356	483	3	485

Distribution of **average** number of contracts **in 2022** by contract type and category:

	Permanent contract 22			Temporary contract 22		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Shop floor workers	1,768	6	1,774 (45.4%)	346	0	346 (61.1%)
Engineers	1,067	10	1,077 (27.5%)	120	1	121 (21.4%)
Administrative staff	391	12	403 (10.3%)	94	2	96 (16.9%)
Middle management	491	3	494 (12.6%)	2	1	3 (0.4%)
Management	161	0	161 (4.2%)	1	0	1 (0.2%)
Total	3,878	31	3,909	563	4	567

From the above tables, it can be seen positive in all professional groups regarding the evolution of stable and full-time hiring.

Dismissals

The following tables show the number of workers who have left Ingeteam during 2023 due to dismissal, information classified by main countries, sex, age segmentation and categories.

	Nr. Total dismissals and % by main country				Nr. Dismissals by gender by main country			
	2023		2022		2023		2022	
	Total		Total		M	W	M	W
USA	2	0.81%	27	18.24%	2	0	23	4
Mexico	1	0.4%	7	5.41%	1	0	6	1
Spain	109	43.95%	52	35.14%	101	8	47	5
Romania	1	0.4%	0	0%	1	0	0	0
Brazil	71	28.63%	36	24.32%	58	13	31	5
France	2	0.81%	1	0.68%	2	0	1	0
Chile	39	15.73%	9	6.08%	36	3	7	2
Italy	0	0%	11	7.43%	0	0	5	6
UK	19	7.66%	0	0%	18	1	0	0
Australia	3	1.21%	4	2.7%	2	1	3	1
China	1	0.4%	1	0.68%	1	0	0	1
Other	0	0%	0	0%	0	0	0	0
Total	248	100%	148	100%	222 (89.5%)	26 (10.5%)	124 (83.8%)	24 (16.2%)

We can see an increase in the number of total layoffs compared to figures of the past 2022 in 100 layoffs, which means an increase of 67% in the departures from Ingeteam for layoffs in general.

If we analyze the situation or contribution to this data by countries/subsidiaries, highlights the increase in the number of layoffs in Spain (+57) and Brazil (+35), followed by Chile (+30) the UK (+15).

In Spain, 86 of the 109 redundancies (79%) were associated with Service activities and related to the termination of labor contracts due to the termination of commercial contracts for the provision of maintenance services, among other reasons. This reason for termination is also the main reason behind the figures for Brazil, where there has been a significant reduction in production activity affecting the existing operations profile and Chile due to the termination of commercial contracts with customers and the impossibility of relocating redundant staff.

On the contrary, and compared to 2022, USA has a positive performance with a 92.5% reduction in layoffs (-25). The situation in Italy is also noteworthy, which has not had any layoffs during 2023 compared to the data for 2022 with 11 layoffs.

From a gender perspective, we can observe that the male profile predominates with 88.5% of the total dismissed, although, compared to 2022, there is an increase in the female dismissal by 6 percentage points. Related to the profile of the type of personnel affected by the termination of maintenance services personnel contracts, a very masculinized profile, and with the dismissal of female personnel falling in the same proportion, standing at 10.5% of total dismissals.

If we make an analysis of redundancies according to age groups, we can see in the following table an increase in the total number of redundancies in all age groups in their totals, Although the age group with the highest increase and dismissal rate is still the middle range of 30-50 years, which has suffered an increase of 77 people dismissed compared to 2022.

	Nr. Of dismissals by age bracket and main country					
	2023			2022		
	<30	31-50	>50	<30	31-50	>50
USA	1	0	1	8	12	7
Mexico	0	0	1	1	6	0
Spain	15	78	16	9	32	11
Romania	1	0	0	0	0	0
Brazil	17	49	5	9	26	1
France	0	1	1	0	1	0
Chile	16	20	3	4	5	2
Italy	0	0	0	3	6	2
UK	6	13	0	4	0	0
Australia	1	2	0	0	1	0
China	0	1	0	0	0	0
Total	57 (+19) (22.98%)	164 (+77) (66.13%)	27 (+4) (10.89%)	38 (+9) (25.68%)	87(+21) (58.78%)	23(+10) (15.54%)

If the exercise of analysis of dismissals, is carried out under the prism of affected “professional group” and country/subsidiary, in the table attached below, it can be observed that:

There is an increase in the number of dismissals by professional group in general, although

it is less significant in the group of Middle Managers and Management, and on the contrary more accused in the collective of Operators/as and Administrative/as.

	Nr. Dismissals by professional group and main country									
	2023					2022				
	Shop floor	Engineers	Admin.	Middle management	Management	Shop floor	Engineers	Admin.	Middle management	Management
Brasil	51	4	15	1	0	28	1	6	1	0
Mexico	0	0	0	0	1	5	0	2	0	0
Chile	36	3	0	0	0	5	4	0	0	0
Spain	94	5	6	1	3	37	9	4	1	1
France	1	1	0	0	0	0	0	0	1	0
USA	1	0	1	0	0	20	1	2	3	1
Italy	0	0	0	0	0	4	0	4	1	2
Rumania	1	0	0	0	0	0	0	0	0	0
Uk	17	1	0	1	0	0	0	0	0	0
Australia	2	0	1	0	0	2	1	1	0	0
China	0	0	0	0	1	0	0	1	0	0
Total	203 (81.8%)	14 (5.7%)	23 (9.3%)	3 (1.2%)	5 (2%)	101 (68%)	16 (11%)	20 (14%)	7 (5%)	4 (3%)

Average remuneration

Average total remuneration by country, including all components as wages, variable remuneration, bonuses, length of service (in Euros):

	2023	2022
Australia	52,151	49,962
Germany (**)	-	61,086
Italy	47,257	48,336
USA	66,559	63,526
UK (**)	-	-
Spain	38,790	38,329
France	41,725	40,771
Poland (**)	-	24,214
Uruguay (**)	-	-
Czech Republic	26,195	26,033
Romania	13,435	-
Chile	18,697	15,506
Morocco (**)	-	-
Panama	6,403	-
Brazil	17,673	15,593
Bulgaria (**)	-	-
South Africa (**)	-	-
Philippines (**)	-	-
Mexico	16,354	17,356
India	7,943	7,096
China	63,597	45,543
Vietnam	17,491	26,580

(**) No data provided or closed subsidiaries during 2023, but with the exception of the UK, these subsidiaries are not very significant in terms of number of employees.

With the data provided in the table above, the overall average unit remuneration is at an annual gross salary of 35,596 euros, compared to 34,047 euros in 2022 (*), although we can establish 2 large groups of countries/subsidiaries:

- Countries/subsidiaries where there is a reduction in average remuneration where factors such as the average growth of the workforce with lower remuneration or renewal (rotation) and/or restructuring of profiles better paid by others with lower experience and salary, have pushed down average pay, as is the case IN Mexico and Vietnam.
- Countries/subsidiaries where there has been an increase in these average remunerations as a result of several reasons, such as the type of recruitment as in the previous case, but in this case, towards better paid positions, in addition to the usual wage review process and where 2022 inflation rates have in some cases led to a significant average increase in the average annual wage, such as the USA, Mexico, Germany and the Czech Republic, among others.

(*) There are some subsidiaries which do not provide total remuneration data and which do not allow for a more accurate approximation.

Gender pay gap

Ingeteam group determines wages based on training, experience and performance, irrespective of gender. Since 2012, chapter 2 of our Code of Conduct has read as follows:

“The wages received by employees will be determined by the functions that they perform, with the applicable collective bargaining agreements always being observed”

At Ingeteam we do all we can to eliminate any gender gap and support equal opportunities in recruitment, in opportunities for promotion at work and in drawing up remuneration policies.

In 2023, as in previous years, Ingeteam carried out a comparative analysis to assess the extent and trend of the pay gap at its workplaces.

This analysis took gender, professional category and geographical area into account and compared the wages of all the women at each workplace with those of the men in each category, weighting the results among the total number of employees. Remuneration includes pay items such as basic wage, bonuses, bonuses voluntarily assumed by the business, incentives and variable remuneration.

Since 2020, the salary amounts associated with the concept of seniority are expressly excluded, because different criteria may coexist depending on the workplace and country, in addition to being able to introduce a distorting element in the comparisons of total wages by sex.

In addition, to say that there is no global gap analysis understanding that the diversity of wage levels between countries of different status according to standard of living, would determine an absolute result that is difficult to interpret and that does not obey the principle sought with this analysis. Hence, the next study, of doubling in gap analysis by geographical areas (Spain, Europe and the rest of the world with analyses of specific and representative countries according to staff) with a certain wage affinity or at least where the difference in living standards and its impact on wages does not distort the desired result.

In addition, it should be noted that these analyses, when proposed for such a small segmentation of professional groups (5 professional groups), lead to initial results or conclusions that may differ from those studies and results more focused on the detection of the gender pay gap following broader and more coherent segmentation guidelines in accordance with the applicable regulations and those related to the Equality Plans.

Wage gap at Ingeteam Spain

Ingeteam confirms that there is equal pay for men and women at all its workplaces in Spain, with the safeguard of the wage tables drawn up in the applicable provincial and company level collective bargaining agreements.

Figures on **pay gap in Spain** by professional category are as follows:

	Men Average theoretical remuneration (euros)		Women Average theoretical remuneration (euros)		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	2023	2022	2023	2022	2023	2022	2023	2022
Shop floor workers	32,587	30,330	24,867	28,302	31,565	30,079	76	93
Engineers	40,569	41,245	39,721	39,033	40,370	40,758	98	95
Administrative staff	41,426	36,730	33,194	25,278	36,194	27,909	80	69
Middle management	52,799	55,285	51,334	51,605	52,572	54,758	97	93
Management	64,812	96,700	43,862	74,055	61,250	94,308	68	77
Total averages	39,805	39,775	34,943	33,198	-	-	-	-
Average wage gap (women vs men) by category							88	83.5

The method of calculating the gap is as follows: Theoretical average female unit pay / Theoretical average male unit pay.

<100% implies a gap favouring men, while >100% implies a gap favouring women.

In the table above, the average annual remuneration is higher in men than in women by around 14 points (88%) compared to 16.5 points last year (83,5%). Consequently, the average wage gap decreases by 4.5 points compared to last year.

If we focus on “professional group”, we appreciate differences between them, being able to identify 2 groups based on such data:

- Professional groups that reflect progress in the reduction of average unit salary differences, mainly in the Technicians and Engineers group (3 points), the Administrative group (11 points) and the Middle Management group (9 points), resulting in practically complete equity, despite the fact that the diversity of functions/ type positions existing in each of these groups is very different.
- Professional groups that reflect a setback of greater or lesser extent compared to the previous year, where we find the group of Operators, with a significant setback of 16 points, followed by the Management group with a setback of 9 points.

The reasons for these setbacks that a priori can attract significant attention are:

- The group within the professional group of Administrators, grows proportionally significantly in women with 24% more than 2022. The incorporation of women with lower salaries based on the categories in the group of Adm. where the scale of subcategories is broad based on experience (aux. adm. versus the/s of. adm. of 3rd, 2nd, 1st, etc. may lower the average wages of this group. In this group of Operators, the main differences at the Spanins level are located in the work centers of Sarriguren, Zamudio and Albacete, where the female group is smaller in this professional group, which is very masculinized in general terms, and where the diversity of tasks among the different jobs and roles associated with this large professional group, determines that certain variable

salary concepts or bonuses (travel allowances, shift work, night work, etc...), among others, and which are typical of positions occupied mainly by men, are determinant in these average salaries. among others) and typical of positions occupied mainly by men, are determinant in these differences in average salaries.

- The group included in the professional group of Management, in regards to the female group it has grown by more than 250% (internal reclassifications of groups), which has led to the incorporation of personnel into this group, who in previous years were included in the Middle Management professional group; This transfer of people between professional groups is behind the fact that the differences in the Middle Management group have been reduced to practically zero, and the differences in salaries have been transferred to the Management group, where we find under the same professional group, a very wide diversity of levels of responsibility (level of hierarchy, level of experience and seniority) which is reflected in the differences in salaries.

It should be said that, in Spain, all the centers that are affected by the national legislation on Equality, comply with the regulations that oversees and promotes wage convergence between women and men. It should also be mentioned that last year 2022, projects have been developed to review and update those existing Equality Plans, with the result that all Ingeteam workplaces in Spain have Equality Plans in force.

Regarding the total wage differences according to age groups, we provide the following data (in Euros):

	Average wage 2023	Salario medio 2022
<30 years	30,178	25,914
31–50 years	39,276	39,898
>50 years	47,252	49,188

As a reasonable result according to the data, the average salary 2023 evolves increasingly as the age of the staff grows and associated with their professional maturity and own evolution towards roles of greater responsibility and average remuneration.

On the other hand, in the <30 age group, the greatest progress was made in terms of average salary, among other reasons due to the slowdown in the entry of this younger group and, on the other hand, the revision of the conditions of internship contracts, which represent an important step forward in terms of remuneration once the first year of employment has ended.

In the rest of the groups, there is either no variation or it is not significant (-1.5% for the intermediate age group and -4% for the older group). 5% for the intermediate age group and -4% for the older age group) and where aspects such as the impact of variable remuneration can be a determining factor in the variability of the average gross salary. The reason for the <30 age group being explained by the very notable increase in the average young working population, with lower average reference salaries among those with few years of experience, since in many cases they are newcomers to the labor market with no previous experience and therefore with average salary references marked by “entry-level” salaries.

Wage gap study at Ingeteam Europe (including Spain):

Wage gap figures for Europe (*) by professional category are as follows (except Poland, which does not report figures).

	Men		Women		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	Average theoretical remuneration (euros)		Average theoretical remuneration (euros)		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	2023	2022	2023	2022	2023	2022	2023	2022
Shop floor workers	32,009	29,960	24,853	28,205	31,104	29,748	78	84
Engineers	39,812	40,604	39,606	40,212	39,767	40,212	99	95
Administrative staff	41,513	38,910	32,774	28,369	35,986	28,369	79	65
Middle management	52,238	55,433	50,005	54,744	51,885	54,744	96	91
Management	65,226	95,338	44,056	92,437	61,660	92,437	68	72
Total averages	39,296	39,648	34,727	38,128	-	-	-	-
Average wage gap (women vs men) by category							88	83.5

The calculation method is as follows: Average theoretical remuneration per unit for women / Average theoretical remuneration per unit for men.

<100% implies a gap favouring men, while >100% implies a gap favouring women.

Considering the graph above, we can see in the context of Europe that due to the great impact of the average workforce in Spain compared to that of total Europe, the “photo” that we observe in terms of gap in Spain has its transfer at the level of Europe with slight nuances, with slight difference in the gap in Middle Management compared to the Spanish situation, 1 point, although for this group we understand that even with this difference, we can conclude that there is practically complete equity (96%).

Regarding the wage differences or age gap, we provide the following data (in Euros):

	Average wage 2023	Average wage 2022
<30 years	29,860	25,802
31-50 years	38,806	39,450
>50 years	46,802	49,473

In general terms and taking into account the age bands, there are no large differences between the data offered in Spain, due among other reasons to the fact that the highest specific weight in terms of staff is concentrated in Spain, and some of the European subsidiaries have not provided data, although these in terms of staff, are not significant. Thus, there has been a decline in average wages in the <30-year-old group, where the reason is the same as in the Spanish case.

Wage gap study at Ingeteam in the rest of the world:

Taking into account the dimension of the workplace/country headquarters (employees and diversity of men and women), in addition to maintaining the criterion established in previous years for the resulting data to be traceable at least in this report, we consider that we should focus on the following subsidiaries: USA, Mexico and Brazil.

Wage gap study at **Ingeteam USA:**

	Men		Women		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	Average theoretical remuneration (euros)		Average theoretical remuneration (euros)					
	2023	2022	2023	2022	2023	2022	2023	2022
Shop floor workers	46,318	49,964	46,639	50,407	46,371	50,061	101	101
Engineers	66,669	68,804	-	67,600	66,669	68,717	-	98
Administrative staff	73,844	47,481	51,254	52,500	63,164	50,756	69	110
Middle management	73,089	77,805	85,105	93,066	74,603	80,453	116	120
Management	114,157	118,991	108,597	70,000	114,072	117,896	95	59
Total averages	65,958	65,695	52,369	55,256	-	-	-	-
Average wage gap (women vs men) by category							79	84

The calculation method is as follows: Average theoretical remuneration per unit for women / Average theoretical remuneration per unit for men.

<100% implies a gap favouring men, while >100% implies a gap favouring women.

Overall, in terms of average and professional groups, the resulting final gap results in a slight decrease of five points. This decline can be explained by the absence of women in the group of Technical Engineers, with high average salaries, which pulls down the average wage differential between genders.

On the other hand, the cause not only of the general decline, but also of the significant decline in the group of Administrative staff, is due to new male hires for new highly specialized profiles within this broad group, and with high market salaries, which have led to the decline of the good reference of internal equity of past years in this professional group where a wide range of profiles and responsibilities fit in (40 points of decline).

The differences are maintained, in this case in favor of the female group and as in the past year, for the professional group of Middle Management, with a notable advance in the reduction of differences in the Management group by 35 with respect to the past.

Regarding the wage differences or age gap, we provide the following data (in Euros):

	Average wage 2023	Average wage 2022
<30 years	52,994	54,840
31-50 years	63,462	63,172
>50 years	74,492	70,682

Although in the younger and intermediate age brackets, there are hardly any variations with respect to the 2022 data, it is in the older age group >50 years, where there is a notable increase in the average annual salary of 5% where, among other reasons, we can find the most senior group with a higher level of responsibility, with greater stability than in the other 2 groups, and with higher salaries, the impact of the salary revision has been greater.

Wage gap study at **Ingeteam Mexico:**

	Men		Women		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	Average theoretical remuneration (euros)		Average theoretical remuneration (euros)					
	2023	2022	2023	2022	2023	2022	2023	2022
Shop floor workers	14,393	15,838	9,330	16,161	14,218	15,847	65	102
Engineers	22,054	21,139	-	51,660	22,054	21,492	-	244
Administrative staff	12,638	12,175	12,978	14,034	12,807	12,978	103	115
Middle management	39,556	38,572	29,235	20,595	37,001	34,510	74	53
Management	95,877	97,973	-	73,297	95,877	87,517	-	75
Total averages	16,715	17,399	14,222	17,059	-	-	-	-
Average wage gap (women vs men) by category							85	100

The calculation method is as follows: Average theoretical remuneration per unit for women / Average theoretical remuneration per unit for men.

<100% implies a gap favouring men, while >100% implies a gap favouring women.

Main conclusions drawn from the wage gap figures for Mexico:

- The main reasons for this are the renewal of staff (departures/entries) with different salary references with respect to the previous year, in addition to the fact that there are no women in 2 groups with high average salaries, and whose absence penalises the total difference factor by group and in general.

- In the case of technical operators, there is an important difference since, although the group of women is similar to last year, there is a partial renewal of personnel with lower entry salaries than their predecessors, which has lowered the average salary; on the other hand, in the group of men there has been a reduction of personnel with lower salaries, which has had the opposite effect on the average male salary, resulting in a difference in the average unit salary previously non-existent in this large group.
- In the group of engineering technicians, as in management, there are no women, so there is no possible comparison.
- In the administrative sector it is more balanced in terms of number of people, but salaries are favourable to women although there is a decrease compared to last year.
- Within middle management, men have higher salaries, as PGA managers are included and these have high salaries, which is why the difference is so high. In any case, there has been progress and the differences have been reduced, although the reason for this is the reclassification of certain women in this group who in previous years were in management, which means that the average female salary has increased and the difference has been reduced by more than 20 points.

Regarding the wage differences or age gap, we provide the following data (in Euros):

	Average wage 2023	Average wage 2022
<30 years	13,523	13,932
31-50 years	19,226	20,945
>50 years	14,619	22,125

Slight decreases can be seen in all groups, with the exception of the >50 age group, where the decrease is more significant, possibly due to the departure of older field technicians and higher average salaries, which have led to a decrease in this indicator.

Wage gap study at Ingeteam Brazil:

	Men		Women		Average remuneration by category (euros)		Pay gap by gender and category (%)	
	Average theoretical remuneration (euros)		Average theoretical remuneration (euros)					
	2023	2022	2023	2022	2023	2022	2023	2022
Shop floor workers	14,415	12,095	8,268	9,160	14,075	11,908	57	76
Engineers	16,644	16,455	12,342	10,363	16,216	15,811	74	63
Administrative staff	19,884	17,437	11,382	11,025	15,610	14,551	57	63
Middle management	35,827	31,797	39,351	33,079	36,819	32,110	110	104
Management	66,234	58,006	-	-	66,234	58,006	-	N/A
Total averages	18,564	16,216	13,843	12,618	-	-	-	-
Average wage gap (women vs men) by category							75	78

The calculation method is as follows: Average theoretical remuneration per unit for women / Average theoretical remuneration per unit for men.

<100% implies a gap favouring men, while >100% implies a gap favouring women.

Improvements can be seen in the groups of Engineering Technicians and Middle Management, the latter being favourable for the female group in terms of average unit wage differential. In the case of Engineering Technicians, the stable wage evolution of the female group,

compared to a slight evolution of the number of men in this group with lower salaries, has led to a reduction in the average salary of the latter, and therefore, a reversal of the differences between genders by 11 points.

On the other hand, in the groups of Operatives and Administrative staff, there has been a setback in terms of average salary references between genders, and where the reason can be found in a reduction of the female group of these groups, where there has been an exit of women due to termination of contracts due to reduction of activity as mentioned above, who had higher salary references than the average, and whose exit has determined the reduction of the average female salary, which in the face of a stability in the situation of men, has caused a widening of the gap. On the other hand, there has been a significant payment of overtime and other bonuses throughout the year for various reasons among a group of workers, the majority of whom were men, which has led to a rise in the average wage reference for this group of men.

Regarding the wage differences or age gap, we provide the following data (in Euros):

	Average wage 2023	Average wage 2022
<30 years	10,759	8,455
31-50 years	20,663	19,817
>50 years	14,052	11,305

In general terms, there is consistency in the average references by age bracket, although the data for the >50-year-old group shows a significant variation compared to previous years, among other possible reasons for the inclusion in this age bracket of a higher-value profile with a higher average salary.

Remuneration of directors and executives

Average remuneration of directors and executives at Ingeteam:

	N° of employees		Men		Women		Total average remuneration	
	2023	2022	2023	2022	2023	2022	2023	2022
WAGES – Directors	4	4	162,163	192,748	-	-	162,163	192,748
WAGES – Senior Management	7	6	152,713	195,848	68,865	-	140,735	195,848
ATTENDANCE FEES – Directors	-	-	-	-	-	-	-	-
ATTENDANCE FEES – Senior Management	1	1	-	2,173	-	-	-	2,173
OTHER REMUNERATION – Directors	7	7	73,314	71,664	65,000	65,000	70,938	69,760
OTHER REMUNERATION – Senior Management	5	5	152,348	30,197	-	-	152,348	30,197
INSURANCE OR PENSION PLANS – Directors	3	3	4,680	5,047	-	-	4,680	5,047
INSURANCE OR PENSION PLANS – Senior Management	2	2	4,120	4,071	0	0	4,120	4,071
TOTAL – Directors	7	7	205,853	269,459	65,000	65,000	165,609(*)	267,555
TOTAL – Senior Management	7	6	281,043	232,289	68,865	-	250,732(*)	232,289

(*) Average data is not broken down by gender for reasons of confidentiality.

Organisation of work

Organisation of working hours: no. of calendar hours

The annual hours worked by each full-time worker in 2023 were collected for each Production Unit and geographical area, with the following result:

Nr. of calendar hours by unit	2023	2022	Nr. of calendar hours by unit	2023	2022
Spain			America		
INGETEAM ZAM. CORP	1,708	1,708	PANAMA	2,408	2,408
INGETEAM ALBACETE	1,776	1,776	USA	1,880	2,008
INGETEAM SESMA	1,695	1,695	MEXICO	2,217	2,294
HOLDING	1,708	1,708	BRAZIL	2,192	2,209
INGETEAM SARRIGUREN	1,695	1,695	URUGUAY	2,252	2,252
INGETEAM ZAM. TECHNOLOGY	1,708	1,708	CHILE	2,223	2,259
INGETEAM BEASAIN	1,592	1,592	Rest of world		
INGETEAM ELECTRONICS	1,695	1,695	PHILIPPINES	1,920	1,920
IRI (IRDE)	1,708	1,708	SOUTH AFRICA	1,920	1,840
Rest of Europe			AUSTRALIA	1,740	1,900
GERMANY	1,708	1,708	MOROCCO	2,112	2,112
CZECH REP	1,800	1,814	INDIA	2,183	2,183
ELPROM	2,000	2,016	VIETNAM	1,928	1,992
UK	2,080	2,080	CHINA	1,976	1,984
ROMANIA	2,008	2,008			
ITALY	1,728	1,736			
BULGARIA	1,984	1,984			
FRANCE	1,656	1,596			
POLAND	2,000	2,008			

In Spain, the number of working days remained constant with reference to the last year due to specific regulations and stability in agreements regarding this aspect.

In Europe, Germany, Italy and the organisations located in the Czech Republic, including ELPROM, have annual working hours reductions between 3 and 16 hours maximum reduction in the latter organisation. On the other hand, it is France that has an increase in working hours by 60 hours compared to those reported last year.

In other countries there are other reasons for why annual working hours differ. In some cases, this may be down to differences between labour or collective bargaining agreements or because no such agreements exist highlighting Australia, USA and Mexico, with a notable increase in South Africa.

Therefore, annual working hours are equivalent to total hours based on the number of working weeks/days in the general annual calendar.

Absenteeism

Absenteeism at Ingeteam, which changed by -0.74 percentage points compared to year before, and the adjusted absenteeism -0.42, was as follows:

	2023		2022	
Total absenteeism	419.622h	4,72%	442,321 h	5.46%
Adjusted total absenteeism (*)	337.458h	3,79%	341,082 h	4.21%

(*) New indicator: total absenteeism minus absenteeism linked to fundamental rights such as maternity/paternity, or union hours.

As can be seen in the table above, although the number of hours of total absenteeism in absolute terms is reduced by 6% and in corrected absenteeism by 10%, in % terms with respect to total theoretical working days, it does not have a similar impact, with lower % reductions (the increase in staff and theoretical working days does not compensate or is not absorbed in the same way).

Professional training

Ingeteam has diverse processes oriented to the Performance Evaluation with a focus on Development, which during 2023 has impacted a total of 1,563 people employed. In any case, of the 1,563 persons subjected to this practice, 82.3 per cent were successful, 1,287 persons. There has been a setback of 10 points with respect to last year's data in % terms, although in absolute terms it has grown as the target group of this practice has increased by more than 500 people as a result of the progressive implementation of the PDI Process in Spain, which began its launch in 2022.

This setback can be seen in the fact that, of the 10 work centres with this practice in place, only 6 of them have completed this important process 100%, while the rest of the centres have experienced results that vary between 50 and 75% approx. of compliance as a result of the lack of maturity and complete deployment of the new PDI Process launched.

The "Development Talk or Interview" is a key component of these local processes, whereby the employee receives regular feedback from their manager in relation to their performance and critical inputs on strengths and

opportunities for improvement in terms of Technical, Human and Business Competences, which are then used to draw up individual and group development plans.

This practice not only leads to the employee's professional development, but also improves their motivation and engagement, while creating and promoting the types of professional profile that the organisation will require down the line.

At Ingeteam we are convinced that investment in proper training not only increases opportunities for career development but also encourages our employees to see Ingeteam as their path for the future. It is therefore a key element in retaining talent and securing commitment to our organisation.

In 2023, through the different annual Training Plans developed in each headquarters or workplace, more than 134.602 hours of training have been carried out throughout Ingeteam, which presents a decrease of 8.9% over the previous year (29.499 hours). In view of the concentration of the workforce in Spain, most of the training was carried out in Ingeteam Spain. Likewise, the average hours/people ratio amounts to more than 28 hours per person, a similar figure to the year 2022.

If we introduce the gender magnifying glass, we can see that this ratio of hours /person, decanted this year 2023 against the situation of 2023 by the female group, with 4.5 hours more on average per person in training than the male group. However, the reduction in training hours in 2023 has had a greater impact on women, with a total reduction in hours in % of 12.8% compared to last year's figure, while for men, the drop in training hours was 8%.

Investment in training/development	2023		2022	
	Men	Women	Men	Women
Total hours	105,706	29,196	126,939	37,463
Ratio hours/person	27	31,5	35	44

As a result of the annual training plans, during 2023 the training expenditure at Ingeteam amounted to more than 1.8 million euros, with an average annual investment per employee of 386 euros, which represents an increase of 23% in terms of total training investment, and an increase of 14% with respect to the average figure for 2022 for average investment per person in training.

These figures for the increase in investment in training and the average increase in investment per person may clash with the previous data on the reduction in the volume of total hours and means of training, although the explanation can be found in the nature of the training itself, which involves an annual plan with a lower volume of hours but a higher cost.

The following graph describes the evolution of these data:

Investment in training/development	2023	2022
Total investment (Thousand euros)	1,856	1,503
Ratio euros/person	383	336

Training Hours by Professional Category

The distribution of 2023 training by professional category in the whole of Ingeteam is shown in the following graph:

	2023	2022
Training hours for shop floor workers	74,325 (55.1%)	104,345 (63.4%)
Training hours for engineers	38,266 (28.4%)	34,236 (20.8%)
Training hours for administrative staff	8,176 (6.1%)	8,133 (5%)
Training hours for middle management	10,077 (7.4%)	13,073 (8%)
Training hours for management	4,060 (3%)	4,615 (2.8%)
Total hours	134,902	164,402

According to the table above, the group of Administrative staff has a small increase in the volume of hours of 42 hours (+1.1%), and especially the group of Engineers with a significant increase of more than 4,000 hours in total, which represents an increase of 7.5% with respect to last year.

However, the rest of the groups have setbacks of different degrees, not very marked in the groups of Middle Management (-0.2%) and Management (-0.5%), but significant in the group of Operators, with a setback of 8.3% with respect to 2021.

Work-life balance

We promote and implement measures to facilitate a healthy work-life balance, such as:

- Flexible working hours for the development of working hours. 87% of the workforce has enjoyed flexible working hours throughout the year, which is a total of 4.331 people employed, a much higher figure than the employees who enjoyed such flexibility last year, assuming an increase of 25%.
- Maternity/paternity leave. 98% of the staff entitled to this permit have exercised their integrity throughout 2023 compared to 98,8% in 2022, a very similar figure, and that is a group of 196 people who have enjoyed this permit of the total of 200 who are eligible to do so.
- Facilities to reach personal agreements regarding schedules specific to the needs of the worker.
- Extended paid leave as defined in official Regulations or Collective Agreements applicable in Spain.
- Facilities for applying for voluntary leave for legal custody of minors/adults.

Regarding the granting of reductions in working hours within the framework of legal standards. The 3.2% of the average workforce enjoys a reduced working day, which means a total of 159 people in the average workforce, a figure that suffers an increase in absolute terms compared to 134 last year, although in terms of % it has a slight reduction.

As shown in the graph below, of the total number of persons applying for a reduction in working hours for reasons of conciliation, the majority of women is 62 per cent of the total, similar to the data of 2022.

Reduced working hours	2023		2022	
	Average Staff	%	Average Staff	%
Men	61	38	51	38
Women	98	62	83	62
Total	159	100	134	100

On the other hand, and in terms of flexible working hours, during 2022, a decisive step was taken regarding this important issue in favour of work-life balance, reaching figures of 3,331 people benefiting from this flexibility, which represents 86.5% of the workforce, and an advance of more than 24 points compared to figures from the past.

Labor disconnect

Ingeteam advocates a healthy work-life balance, as discussed in previous sections of this report relating to work-life balance and culminating in the development of a Global Digital Disconnect Model (MOGI014), which establishes guidelines and good practices in this regard.

In any case, as already pointed out in the EIBF 2021 and 2022, after the completion in 2020 of a Psychosocial Risk Assessment in Ingeteam Spain (except in Beasain), no specific problems linked to a lack of regulation in this area have been identified.

In 2023, a total of 2,019 employees at Ingeteam (41%) have some kind of rule or

agreement on this matter in their internal agreements or regulations, a significant increase with respect to 2022 (+8%).

Universal accessibility and integration of people with disabilities

Our commitment to people with disabilities is shown by both their hiring at Ingeteam and our cooperation agreements with several special employment centres.

Ingeteam Beasain works with and make donations to Katea Legaiak, Lantegi Batuak y Gureak this last one is a Basque business group that creates and manages stable job opportunities suitably adapted to people with disabilities, especially for mentally disabled people in Gipuzkoa.

Ingeteam Zam. Technology has a Lantegi Batuak labour enclave. In terms of material purchases and subcontracting, we also work with Lantegi Batuak and in terms of subcontracting with Bizgorre and Aldatu.

Ingeteam Sesma in Navarra collaborates with the companies and associations Gureak Lanean, Tasubinsa and Lantegui Batuak.

The attached table shows the number of persons with disabilities in Ingeteam, whether internal or external, and by sex. Internally, there is an increase of 11 people, and a decrease externally, 3.

EMPLOYEES WITH DISABILITIES AT INGETEAM	2023		2023 MEN	2023 WOMEN	2022		2022 MEN	2022 WOMEN
Direct – In-house	36	0.74%	31 (86%)	5 (14%)	25	0.58%	21 (84%)	4 (16%)
Indirect – External	12	0.25%	(*)	(*)	13	0.29%	-	-
Total	48	1%	-	-	38	0.9%	-	-

(*) Not available

During the year 2023, Ingeteam España renewed all its certificates of exceptionality in compliance with the applicable regulations in this area (LISMI), for which purpose it activated a process of publishing vacancies through the state public job search services with the intention of filling these vacancies with disabled personnel to reach at least 2% of its workforce. This objective was not achieved, but progress was made in the incorporation of this group, as shown in the table above, with 11 new employees with a certificate of disability joining the Ingeteam workforce. Of these 11 new hires with disabilities, 10 were men and 1 was a woman.

At Ingeteam, 100% of workplaces are adapted for staff with disabilities (26), which is an advance compared to last year where 4 centers out of a total of 26 centers had not completed this adaptation to 100%.

It should also be noted that 14 Ingeteam work centres now have protocols defined for the integration of groups with disabilities, which represents 54% of the total number of Ingeteam centres. This is a significant advance when last year only 4 centres had these protocols in place.

Equal opportunities and equal treatment

Below we describe the measures taken to foster equal treatment and opportunities for men and women.

Strong commitment to the Code of Conduct

The Code of Conduct contains a specific section on “Diversity, Equal Opportunities and Equal Treatment”, which sets out the commitments and the behaviour expected of Group employees in this regard:

- Group employees must act based on respect, dignity, equality and diversity in their working relations with other employees, particularly those who manage teams/people.

- Efforts must be made to foster working relationships based on respect, mutual co-operation and equality of individuals over and above differences of any type; diversity and harmony must be properly managed, with particular consideration in regard to the employment of persons with disabilities or functional diversity, and equal opportunities must be offered in access to employment, occupational development and promotion based on merit and capability.
- Ingeteam Group does not allow discrimination of any kind or any type of harassment or physical, sexual, psychological or verbal abuse or other degrading treatment. All available measures must be used to pursue and reprimand any such actions or circumstances detected. The procedures and protocols needed to prevent and respond to such cases have been set in place.
- Discriminatory language is not permitted in corporate communications of any kind, be they external or internal, and inclusive language is encouraged within the organisation.

The Ethics and Committee monitors the prevention and detection of discrimination of all kinds. A whistleblowing channel has been set up for use if any discrimination is detected.

Equality Plans

At Ingeteam we are committed to gender equality, and with this objective in mind, working on the development and implementation of Equality Plans in its work centres. Currently, in 2023, 84% of its workforce is directly affected by a defined Equality Plan:

In Spain, all its centres have Equality Plans in force as described in the EINF 2022, and during 2023, different initiatives have been developed in accordance with the action plan defined and agreed with the social part, and with a focus aimed at raising awareness of equality in general, prevention and management of harassment (new general

protocol), the wage gap and reduction of the glass ceiling among other main objectives.

With regard to the presence of women in managerial positions, the following table reflects the situation of 2023, which shows an improvement over the 2022 data (increase of 2,6 percentage points to 4.9% of the average total workforce compared to 5.45% for men), but they inevitably point to the need to improve the presence of women in the managerial positions of Ingeteam and that will have their reflection in the Action Plans for Equality in development already discussed above.

Presence of women in managerial positions	2023		2022	
Men executives	221	82,8%	120	85%
Women executives	46	17,2%	21	15%
Total	267	100%	141	100%

Protocols against sexual and gender-based harassment

As described in 2022, there has been a Prevention Protocol and Procedure in place since 2017 for responding to instances of sexual, gender-based and workplace harassment, with a unified campaign operating at national level in Spain. In addition, Committees for the prevention of harassment have been set up at each centre and face-to-face training is delivered to all those involved.

At present, the number of Ingeteam employees covered by some type of Protocol amounts to more than 84% of the total workforce.

Furthermore, mention should also be made of the development of a positive conflict management process in Ingeteam Sesma, as an initial process of addressing emerging conflicts that do not lead to the activation of previous protocols or other types of actions through the Code of Conduct. This procedure has been recognized by the Association

of Mediation in Conflicts of Navarre, and therefore it is identified as a good practice susceptible of extension in other workplaces in the future.

Diversity Management Protocols

As a company with an international footprint and aware of the current levels of diversity existing at Ingeteam, we make sure diversity is managed properly. We therefore work to prevent discrimination on such grounds through the Ingeteam Code of Conduct, or through specific protocols put in place at our work centres (6).

In addition, more than 86% of senior management is recruited from local communities; i.e. the country where the workplace is located. This value shows a 6 point advance compared to the value of 2022.

2.2. B. SOCIAL AND OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE DIMENSION

Occupational health and safety

At Ingeteam, Safety and Health is a priority in everything we do. Therefore, and related to our new strategic plan 2022-2024, we continue to work to ensure that:

- We are an organisation with a real, reliable and viable culture.
- All organisation people, in their different roles, are committed to and personally accountable for safety.
- Our production activities are carried out under controlled working conditions to achieve the goal of zero harm to people's health.
- Our safety systems, processes and management tools support our processes in an integrated and comprehensive manner and enable continuous improvement.

- Our contractors, suppliers and other stakeholders are considered part of us and therefore afforded the same level of protection in relation to Health & Safety.

We design and maintain facilities and equipment with safety as a priority in their conception.

- We maintain open, two-way and effective channels of communication on Health & Safety issues.



By doing all this, we will have high performance well in Health & Safety, which will become one of our hallmarks and a competitive advantage and increase people's satisfaction with us.

Our principles and priorities are as follows:

- We believe that all accidents can and indeed should be prevented, and that this is a challenge that cannot be met without the commitment, active support and contribution of all agents involved in the work process.
- Health & Safety management should be dynamic, participative and efficient. We must invest in people by motivating all staff through participation and communication

of improvement proposals, accidents and unsafe acts and working conditions

- To promote initiatives and new ideas in Health & Safety, i.e. encourage participation to create a common and shared Health & Safety culture.
- Health and well-being: improving health and well-being in the workplace is essentially an investment in the most important asset of any company or organisation: its employees.
- We eliminate hazards and minimise risks and follow all of the processes, standards and procedures in place. Health & Safety rules and regulations are based on our experience and legal requirements. Compliance is everyone's responsibility. We embrace good practices and refuse to tolerate unsafe practices.
- Safety is a direct product of learning. If an organisation is not a learning organisation, it is not a safe organisation. Organisations need to learn from their employees and any "deviations".
- We think before we act and we study the situation and our surroundings. We assess, understand the risks, implement controls and monitor. If it seems unsafe, it probably is unsafe.

Code of Conduct:

- Ingeteam strives to ensure that its employees carry out their work in safe places and that it has the policies, procedures and means necessary to minimise the associated risks, both for its own employees and external personnel.
- All Ingeteam employees must know and comply with occupational Health & Safety regulations, thus protecting their own safety and that of any person who may be affected by their activities.

- Our employees are also required to report any anomaly, incident or risk observed in relation to these aspects to their superior or person in charge.

HS Visión 360 / 365 Communication Campaign

The campaign continues to make progress in the field of commissioning and service, with different actions, such as e-mails, talks, videos, etc. The campaign aims to make the entire organisation aware that health and safety must be present 365 days a year, and that we must have an integrated vision of health and safety at all times.



Leadership and commitment of senior management to Health and Safety

As part of the leadership policy of Ingeteam's management in the monitoring of the events that occur in the company, a new scorecard has been developed and a new type of event has been defined, known as a high potential event:

High Potential Event: Any event (accident with sick leave, accident without sick leave, in itinere, nearmiss), whether its own or that of a subcontractor, which could have led to a life-changing or fatal accident. This type of event (high potential) is the one that is analysed in the regular meetings of the corporate management committee, in order to seek the involvement of the entire Top-Down organisation.

Occupational health and safety indicators

	Lost time accidents	No lost time accidents	Commuting accidents	Incidents	Near miss
Total 2023	90	117	21	257	310
Total 2022	69	115	55	234	366
Total 2021	69	111	39	166	295
Men 2023	77	101	15	NA	NA
Men 2022	65	109	42	NA	NA
Men 2021	61	94	34	NA	NA
Women 2023	13	16	6	NA	NA
Women 2022	4	6	13	NA	NA
Women 2021	8	17	5	NA	NA

In 2023 there were 90 lost time accidents (hereinafter LTA), 30% more than in 2021 which was of 39 lost time accidents. The percentage of male CBAs has increased 16.6% in 2023. As a result, female LTAs have increased by 225% from 4 to 13. The main causes of this increase in accidents with sick leave are the increase in activity in the start-up of services, laboratories and above all in production plants, the manufacture of new, more complex equipment, organisational changes and the hiring of new personnel. The increase in the accident rate among women is linked to the increase in the accident rate in one of the production plants in which the direct labour force of women is important.

In relation to no lost time accidents (hereinafter NLAT), it has decreased by 1% over the total, being 118 in 2022 compared to 117 in 2023. It is not a significant increase, but it is above the desired parameters in Ingeteam.

As regards commuting accidents, there has been a significant decrease of 61%, this is a very significant decrease. From 55 in 2022 to 21 in 2023. It can be concluded that the increase in the possibilities of teleworking within the organisation, the holding of online intercompany meetings, the subcontracting of start-up work to third party companies in mainly remote locations, as well as the possibility of carrying out remote technical interventions without having to go to the customer's premises, have made such a significant decrease possible.

The figure for total reported incidents and nearmisses can be improved because it has fallen by 5.5%, breaking the upward trend of recent years. Incidents have increased by 10% (257 incidents in 2023 compared to 234 in 2022) and near misses have decreased by 15% (310 near misses in 2023 compared to 366 in 2022). The objective of increasing awareness of communication and learning is a priority for Ingeteam and we will have to work along these lines to return to the objective of increasing nearmiss reporting. In the case of incidents, the trend should be towards reducing them, as they are events with material damage that have materialised and should have been avoided previously.

INJURY FREQUENCY RATE (IFR) BY GENDER: (Number of lost-time accidents / Total number of scheduled working hours) * 1000000	2023	2022
IFR – Total	10.33	10.85
IFR – Men	11.16	12.28
IFR – Women	7.18	3.75

*Lost-time accidents do not include commuting accidents; nor are relapses included, as they are counted as single accidents.

Even though there has been an increase by 30% in lost-time accidents, the total TFA has decreased by 7.5%. This increase is mainly due to the fact that the total hours worked by the workforce decreased in 2022 compared to 2021. Regarding segmentation between men and women, it is evident that there has decreased by 9.1% by men from 2022 to 2023 and a decrease of 91.4% by women.

INJURY SEVERITY RATE (ISR) BY GENDER:		
Total number of working days lost due to lost-time accidents / Total number of scheduled working hours) * 1000	2023	2022
ISR – Total	0.28	0.44
ISR – Men	0.22	0.50
ISR – Women	0.05	0.15

The ISR of 2023 has decreased by 36% compared to 2022. It is justified because the accident rate has been linked to minor events, such as blows, cuts and musculoskeletal injuries, and therefore very short-term absenteeism.

OCCUPATIONAL DISEASES (OD) BY GENDER:		
	2023	2022
Number of cases of occupational diseases	8	8
OD – Men	(75%) 6	7 (87%)
OD – Women	(25%) 2	1 (13%)

The number of total occupational diseases (8) remains the same as in 2022. However, taking into account the increase in the number of employees, it can be seen that in relative terms the relative number of occupational diseases has decreased. The causes are mainly linked to musculoskeletal aspects.

Formal agreements* on occupational health and safety reached by works councils or specific health and safety committees		
	2023	2022
Number of formal agreements reached	154	103
Number of meetings held	64	61

*Formal agreement: Written and signed document (minutes or similar) drawn up and signed by both parties.

In relation to the number of meetings held, there is an increase of 4.9% in the number of meetings held compared to 2022. In the case of formal agreements reached, there is an increase of 49%, from 103 agreements in 2022 to 154 in 2023.

Conclusions by area:

- **Beasain - Segorbe:** A year with notable changes in production processes that have had a significant impact on the accident rate. It was also a record year in terms of production, as well as changes in plant layout and changes in staff positions. In the case of the Segorbe plant, inexperienced personnel have been hired, with all that this implies in terms of work assurance, and processes have been moved from Beasain to Segorbe.
- **Sesma:** Significant increase in the number of accidents with sick leave compared to the previous year. Mainly due to non-compliance with production standards and the need to improve the information process for the workforce. Also add the implementation of new processes with more complex equipment in terms of ergonomics.
- **Electronics:** Electrical events that have occurred in some old test equipment that has been reused.

- **Converters:** Incorporation of new work centres for logistics, shipping and raw material management. Significant increase in staff due to new incorporations, as well as in hours worked due to the increase in activity. There have been incidents linked to ergonomic and electrical aspects in the testing processes.
- **USA:** The Health & Safety area, in collaboration with the rest of the areas, is working on the involvement of workers, achieving a reduction in reportable cases, from 7 in 2022 to 3 in 2023. Non-casualty accidents were reported according to protocol and corrective actions were shared with workers through specific training, improvements in facilities and equipment and monthly meetings.
- **India:** No lost time accidents or high potential events. Awareness campaigns, trainings, such as National Road Safety Month, Occupational Ergonomics, National Safety Week, etc.
- **Brazil:** There is a very significant drop in plant production activity, which means that there are no significant safety incidents. On the other hand, O&M activity increased significantly and therefore the performance of HS in this area.

Service:

Motivated by the exit of Ingeteam's Service business, work is carried out on the documentary, legal and operational adaptation to the new company created at the end of the year.

A Preventive Culture project is developed and implemented with DSS+, with analysis and training for the management of the results report.

A major electrical incident occurs. A specific action plan is established given the importance and seriousness of the event.

Of the accidents with sick leave that have occurred, 40% are classified as overexertion, the rest being of different types. The main cause of accidents is non-compliance with work procedures.

Commissioning:

The events that occur in the commissioning activity do not involve harm to people in general. There is only one incident involving personal injury and it is due to an ergonomic issue.

9 out of 40 occurrences are from contractors (25%). Of these 9, 8 are High Potential. This data confirms the need to focus on the control, approval of suppliers and the duty of subsequent vigilance.

Incidents and near misses account for the majority of incidents (29 out of 40, or 75%). Of these 29, 13 are High Potential. Between SPVSH2 (5) and D&A (6), most of them are concentrated. Of these 5 SOLAR PV, 4 are in subsidiaries.

Spain accounts for 70% of the events.

Laboratories:

Events involving electrical hazards are the most frequent, with 21 investigations related to electrical hazards. On a positive note, the level of nearmiss reporting is increasing. The challenges for the present and future are:

- Make further progress in securing laboratory facilities.
- Improve work permit processes, LOTO and test protocols.
- Train and inform all users of new processes and increase safety inspections.
- Advance the safety culture throughout the Top-Down chain of command.

Internacional

The exit of Ingeteam's Service business at a global level, including all the subsidiaries in which it operated, necessitates working on the documentary, legal, and operational adaptation to the new companies that will be established at the end of 2023, with the involvement of the international area, HSQE teams, and subsidiary management.

In this regard, efforts are being made to recertify ISO 45001.

COUNTRY	ISO 45001 CERTIFICATE
BRAZIL	Certificates in ISO 45001. Has to be corrected due to a change in corporate structure.
CHILE	Certificates in ISO 45001. Has to be corrected due to a change in corporate structure.
CZECH REPUBLIC	Certificates in ISO 45001.
FRANCE	Certificates in ISO 45001. Has to be corrected due to a change in corporate structure.
INDIA	Certificates in ISO 45001.
ITALY	Certificates in ISO 45001. Has to be corrected due to a change in corporate structure.
MEXICO	Certificates in ISO 45001. Has to be corrected due to a change in corporate structure.

- **Australia:** The injury rate remains at 0%, which is positive.
Legislative changes promoting psychosocial risks in the workplace led to a series of wellness campaigns supported and implemented in 2023, such as RUOK Day and health awareness initiatives.
- **Brazil:** There has been a reduction in the productive activity at the Campinas plant; however, there is a significant increase in the commissioning activity of Photovoltaic

and PGA, as well as the Service activity (Wind and Photovoltaic). This has led to a substantial increase in operational controls in the field.

33 HSE audits have been conducted in the Service businesses (UN-FV03 and EO03), highlighting deviations such as lack of use of procedures and technical documentation, incorrect use of PPE, insufficient signage, and cleanliness and order in vehicles and work areas.

- **Chile:** Compared to the previous year, a total of 312,000 hours were worked, a 34% increase, with an average workforce of 183 workers, and the accident rate has decreased from 1.38 to 0.55. 34% of the events in 2023 were Near Misses, followed by 25% material incidents.

"Stop the jobs" have been implemented to reinforce HS aspects, especially electrical risk, PPE, tools, and incident reporting.

- **China:** There were no lost-time or non-lost-time accidents, only one near miss during 2023.

Job risk training has been provided to all workers. A systematic control of legal requirements has been established.

- **Czech Republic:** Efforts continue to increase commitment, motivation, and awareness in Health and Safety within the organisation.
- **Francia:** In 2023, there were no lost-time accidents and one non-lost-time accident of ergonomic origin. Additionally, there were two in-transit accidents during fieldwork. Consequently, efforts are being made to reinforce road safety training.

The LOTO process for fieldwork has been adapted and implemented.

- **India:** See the section on production plants.
- **Italy:** In 2023, objectives were met with no lost-time or non-lost-time accidents. Internal inspections highlight the need to improve subcontractor control.

Notable work has been done to obtain the new ISO 45001 certification.

To increase Health and Safety awareness, Toolbox talks are conducted with staff, and the Vision 360/365 campaign is enhancing the preventive culture in the organisation.
- **Mexico:** Accident targets have been met. Incidents are primarily due to lack of documentation follow-up, risk awareness, overconfidence, and subpar operational facilities.

Road safety aspects are reinforced through a training programme on Ingeteam's 10 non-negotiable road safety standards. A zero-tolerance campaign for alcohol and drugs has been launched, aimed at both prevention and protection. The Vision 360/365 Campaign is also reinforced.
- **Poland:** Accident targets have been met.
- **UK:** There has been a reduction in accidents compared to the previous year, 2022. Accidents are mainly attributed to weak processes and tasks.

There is a notable increase in the Health and Safety culture. Regular auditor presence in the field has led to greater staff involvement. This commitment has resulted in a significant increase in reporting culture, with a total of 149 FIRs compared to 99 in 2022. IOSH Managing Safely training has been provided to Project Managers, Supervisors, and Team Leaders.

Numerous client satisfaction testimonials have been received. The SSE audit conducted in September was successfully passed.

The alcohol and drug policy has been strengthened, including pre-employment testing.

- **USA:** See the section on production plants.

Improvements have been made in the near-miss communication process, and progress has been made in collaborative interdepartmental investigations.
- **Vietnam:** No accidents or incidents occurred in 2023.

Training on electrical safety, emergency first aid, firefighting with authorized police, and emergency response has been provided to all staff. Toolbox talks and HS follow-up meetings are conducted.
- **Panamá:** Accident targets have been met. The Vision 360/365 Campaign is reinforced.
- **Uruguay:** Accident targets have been met.
- **Morocco:** Accident targets have been met.

Zamudio Campus:

Regarding accident rates, the number of lost-time accidents has decreased from 2 in 2022 to 0 in 2023. The number of non-lost-time accidents has increased from 1 to 4 (in the PGA business, 2 in D&A, and 1 in WIND). Additionally, the number of incidents has decreased from 8 in 2022 to 6 in 2023, and the number of near misses reported has decreased from 12 in 2022 to 7 in 2023. Notable events:

- Implementation of access control through turnstiles at the Power Electronics LAB in Building 110 in Zamudio.
- Revision of the Self-Protection Plan for the Zamudio Buildings, now including the recently acquired Building 104.

- Personnel growth of approximately 10%, reaching a total of 720 effective employees by the end of 2023.

Sarriguren Campus:

The Mutilva work centre has been included, with the ER carried out, adhering to the property's Emergency Plan, and informing the affected workers.

Notably, there has been an increase in the reporting of Near Misses, rising from 19 notifications in 2022 to 29 notifications in 2023.

The average accumulated workforce has increased from 370.75 in 2022 to 406.5 in 2023.

The two lost-time accidents that occurred in 2023 were due to the movement of items: one while handling Wind equipment in the Areta laboratory and the other while moving components in the storage area of the Sarriguren laboratory.

Social relations

Organisation of social dialogue. Procedures for informing, consulting and negotiating with employees

In 2022 the new internal communication channel was created called inside the employee portal "My Portal". This year has been the total integration of it.

Thus, throughout the year, a total of 639 news items have been sent through the portal on various topics such as new orders, all kinds of events, explanatory videos on how some of our developed products work, communications on CSR, Human Resources - People, our new market positioning, etc. This number of news items represents an increase of more than 94% in volume compared to 2022. Of the total news items released, approximately 94% are related to business/product/technology, 27% are related to People, Environment,

Health and Safety, Compliance, etc., and the rest are of a general nature.

Regarding negotiations with personnel, Ingeteam scrupulously complies with the requirements established by each piece of legislation, following the defined deadlines and procedures.

In terms of Communication or Information to these legally constituted Workers' Representatives, there is no specific communication and notice procedure beyond what is determined by the applicable legislation at each centre, whether by Pact, Collective Agreement, Regulation, or National Statute. The channels chosen to carry out these communications respond to the usual practices of each work centre, which are usually periodic meetings.

Employees covered by collective bargaining agreement

In 23 of the 34 centers, there are Collective Agreements or Company Agreements have applied to a total of 5,129 people, 85% of total employees of Ingeteam, 3 points more than last year, (impact of the reduction in Mexico due to the departure of the unionized group).

Likewise, in many of these workplaces, the Legal Representation of Workers (RLT) is available through Works Committees or Personnel Delegates legally constituted or appointed. In any case, the Ingeteam group complies with the labor/union regulations applicable in each country where it has headquarters or operational work center.

In Spain, almost 98% of Ingeteam's workers are covered by the appropriate sectoral collective agreements supplemented, in some cases, by the individual agreements of the company, negotiated with the RLT, where they exist. During 2023, four new collective agreements have been developed in Spain (for the IPT Converters, Electronics, and Zamudio Technology centres, and for Ingeteam Beasain).

Distribution of the number of employees by Company Agreements by Spain and main countries is summarized in the following table:

	Employees covered by agreement, collective or		%	
	2023	2022	2023	2022
Spain	4,237	3,624	100	98
Italy	111	77	100	100
France	106	54	100	83
Mexico	413	338	0	100
Brazil	194	203	100	100
USA	143	76	100	45
Australia	76	41	100	72
UK	173	144	100	100
Others	91	131	-	-
Total	5,129	4,688	85	88

Risks

- Employment and work Organisation: Being an industrial company with high technological content our main risk is to become obsolete in terms of our technology and innovative capacity. As in previous editions, the measures implemented to mitigate these impacts are based on the continuous training of our human team, with more than 134,900 hours of training and almost 1.8 million euros invested in 2022 as described in the Training chapter.

- Workplace Health and Safety: Ingeteam periodically runs an analysis to identify the risks to which it is exposed, which depend on the activities it carries out and the locations around the world where it operates, among other factors. Under this premise, the risks identified as the most critical would be: electrical risks, falls to different levels, falling objects, blows and cuts, travel to own or third-party workplaces and ergonomic and psychosocial risks. These risks are managed within the framework of a policy of preventive and corrective management, monitoring and continuous improvement through robust systems of control and supervision of the activity exposed to the risk.
- Talent Recruitment and Professional Training: Wanting to capture the profiles that best suit our positions and seeing that nearby companies follow the same criteria, we have difficulty attracting talent, especially profiles that require highly qualified people. To minimize this risk, work continues from the following approaches:
 - ✓ Developing new Global Processes conducive to more effective and efficient internal Talent management (Global Recruitment and Selection Process, Global Development and Performance Appraisal Process and Talent Identification and Planning Process).
 - ✓ Working, alongside the Corporate Marketing department, to improve Ingeteam's brand recognition as a good employer by visiting training centres—especially those focused on technical profiles—to explain our business, getting more learners into technical careers (Inspira Stem Project) and publicising Ingeteam as a company that encourages and offers the opportunity for professional growth to new generations.
 - ✓ Attending employment fairs and forums at universities regularly and maintaining

institutional relations with them and with training centres in a bid to attract the graduates with the best profiles for us.

- ✓ Entering into agreements with various universities and Vocational Training centres to organise regular scholarships, internships, end-of-degree projects, doctorates and other events at our facilities.
- ✓ Taking part in the Working Group for attracting talent attached to the Basque Country Energy Cluster. There, in collaboration with other companies and a broad representation of local universities, Ingeteam seeks out viable options for attracting talented professionals with potential.
- Talent Retention. Employee Turnover: Once the talent has been recruited, they receive the necessary training to adapt to the position and develop their potential. After this first period of training, the organization runs the risk that certain people, on whom it has invested, represent an attractive value for other companies and there is talent flight total turnover ratio 2023 of 7% a positive outcome compared to 2022.

To prevent this drain, we seek to measure the internal satisfaction of our staff through regular climate surveys and improvement plans in a bid to build staff loyalty through work-life balance measures, flexible working hours, systematic performance appraisals, a high proportion of permanent contracts, accident insurance with much higher coverage than legally required, private healthcare insurance offering significant discounts, extended paid leave, opportunities to request leaves of absence, and so forth.

2.3 ANTI-CORRUPTION AND BRIBERY

Description of management model - policies

Code of Conduct

Ingeteam has a Code of Conduct, which was first approved in 2012 and updated in 2019 and 2023. It lays down guidelines for the conduct of Board Members, Management Committees and workforces belonging to Ingeteam group companies and reinforces the ethical culture of the organisation in regard to the following issues:

- Values and principles in Ingeteam group business relationships.
- Types of behaviour that are not tolerated, are inappropriate or may even be considered as criminal in business dealings.
- A reminder of the duty to report behaviour that contravenes the code via the Reporting Channel set up.

These guidelines on conduct are also expected to be shared by the various parties with which Ingeteam deals, whether customers, suppliers, shareholders, associates or public/private sector organisations.

The Code of Conduct was drawn up based on Ingeteam's Mission, Vision and Values, as set by the Board of Directors, and on a commitment to reinforce a culture of ethics at the organisation and ensure that employees exercise due diligence and proper compliance with regulations in all the territories where the Ingeteam operates.

With that purpose in mind, the Board of Directors set up a structure and model at Ingeteam to prevent, detect and investigate breaches of the Code of Conduct and of applicable regulations

via the Ethics and Compliance Committee, so that improvements can also be suggested.

The Code of Conduct is available on the Ingeteam website in six languages (Spanish, English, Basque, French, Italian and Portuguese). A specific Ethics and Compliance section has also been set up on the website.

Ethics and Compliance Committee

The Ethics and Compliance and Committee (the “Compliance Committee”) is the Ingeteam group body that monitors the dissemination, knowledge of and compliance with the Code of Conduct and the culture of ethics within the organisation.

It is appointed by the Board of Directors of Ingeteam, to which it reports functionally and is required to report to regularly. The Chair and Secretary are appointed by the Board of Directors from among its members.

The Board of Directors has granted the committee independent powers of initiative and control within Ingeteam to assure compliance with current regulations, particularly on matters of criminal law, and with the Code of Conduct on the part of all Ingeteam personnel. This covers the actions of companies, Business Units, Production Units and their individual employees.

It also manages the Whistleblowing Channel and guarantees full confidentiality for reports by whistleblowers concerning potential breaches of the Code of Conduct or applicable regulations. Irregularities are investigated through impartial proceedings tailored to the circumstances of each case. The committee has its own regulations which set out its functions and responsibilities.

Whistleblowing Channel

Ingeteam set up a Whistleblowing Channel in 2012 for reporting any actions by its employees, suppliers or third parties with which the Ingeteam maintains work-related, commercial or

direct professional links concerning the following:

- Breaches of the Code of Conduct or any other Ingeteam policy or procedure.
- Breaches of prevailing labour, civil or criminal regulations and legislation that may be detected and that affect Ingeteam.
- Any doubt or suspicion of actual or potential financial or reputational harm to Ingeteam.

The Whistleblowing Channel complies with European Parliament and Council Directive (EU) 2019/1937 of 23 October 2019. Additionally, during 2023, the Whistleblowing Channel has been adapted to comply with Law 2/2023 regulating the protection of individuals who report regulatory violations and fight against corruption.

Training on the Code of Conduct and the Whistleblowing Channel

Any professional who joins the organisation must undergo training on the Code of Conduct and the Whistleblowing Channel within 30 days, although it is recommended that this be done in the first few days.

Supplier Code of Conduct and General Terms and Conditions of Contract

Ingeteam is a signatory of the 10 Principles of the universally upheld Global Compact based on United Nations declarations on human rights, labour, the environment and anti-corruption measures.

In the Supplier Code of Conduct (available on the organisation’s website), these standards of business conduct are required of all Ingeteam suppliers. This includes all third parties with which Ingeteam has dealings, whether as subcontractors, commercial agents, consultants, similar collaborators, or any person ultimately associated with any such third party. The Code includes a specific section on integrity and anti-corruption

issues, with specific explanations of prohibited employee behaviour.

The services and products that Ingeteam sources from Suppliers form an essential part of the value chain provided to customers. Therefore, suppliers are required to comply strictly with applicable legislation and embrace the same ethical values as Ingeteam on defence of human rights and integrity, anti-corruption, protection of intellectual and industrial property rights, safety, health, environmental matters and conflict minerals.

Ingeteam's Board of Directors insists that all Ingeteam Suppliers accept and comply scrupulously with the provisions of the Code. Breach of the code would prompt Ingeteam to unilaterally break off any type of commercial relationship between the parties and Ingeteam accepts no liability whatsoever arising from such action.

Measures for preventing, detecting and responding to corruption

Ingeteam has measures in place to prevent, detect and respond to corruption-related activities:

Anti-corruption measures

- The Code of Conduct is explicit in prohibiting the granting or acceptance of gifts, donations, invitations, travel expenses and other courtesies to or from customers, suppliers and civil servants.
- Where there is any doubt in the interpretation of those rules, the principle of prudence is to be applied and gifts or invitations are to be declined. Superiors and the Conduct Committee may likewise be consulted in any event.
- General terms and conditions for purchasing are in place and a Supplier Code of Conduct is being drawn to help ensure that they act ethically. Specific clauses are likewise included in the contracts.

- There are procedures for purchasing, assessing and approving suppliers and conducting supplier audits.

- Guidelines on sponsorships and donations.

Measures to detect corruption:

- Dissemination and awareness-raising of the Whistleblowing Channel
- Regular reviews of risk areas

Measures for responding to corruption:

- Procedure for responding to and investigating reports
- Ethics and Compliance Committee

Anti-money laundering measures

No Ingeteam company is subject to the requirements of Spanish Law 10/2010, on the anti-money laundering and the financing of terrorism. However, this risk is assessed as part of Ingeteam's Crime Prevention Model and mitigated through general controls: Code of Conduct, Financial Control Procedures, Policy on Sponsorships and Donations and purchasing policies and procedures.

Contributions to foundations and non-profit entities

Ingeteam has a Policy on Sponsorships and Donations that is aligned with its Corporate Social Responsibility strategy and objectives and the Code of Conduct and the crime prevention model, especially in respect corruption, since donations and sponsorships are transactions that carry the risk of concealing bribes, as reflected in international standards such as ISO 37001.

The general aim of this Policy is to set out the basic principles of action and main instruments to be developed, implemented and optimised by Ingeteam companies with regard to sponsorship and donations, especially in relation to the development of, and investment in, the local communities where Ingeteam operates.

The Board of Directors, acting through the Head of Corporate Development, in conjunction with the Marketing Department, is the competent body for establishing the Corporate Social Responsibility strategy and objectives and therefore for receiving communications and doubts about how the system works, for channelling approvals of donations and sponsorships and, as the case may be, for monitoring and reporting non-compliances to the Ethics and Compliance Committee.

The Human Resources Management may rely on the Internal Operations Management to analyse donations and sponsorships where there may be a risk of corruption or improper conduct, and to monitor compliance with this policy.

Any breach of this Policy affecting integrity or corruption issues must invariably be reported to the Ethics and Compliance Committee. The formal criteria for making a donation or entering into a sponsorship arrangement are as follows:

- Compliance with applicable law and regulations in the jurisdiction where the donation or sponsorship is made and with ethical and social practices and customs in that jurisdiction, and in all cases aligned with the Ingeteam Code of Conduct.
- The donation or sponsorship must be aligned with Ingeteam's Corporate Social Responsibility strategy and objectives and, failing that, with the principles of the UN Sustainable Development Goals (SDGs) and the UN Global Compact. Reasons must always be given in writing.

- The legal entity receiving the donation or sponsorship must embrace and observe Ingeteam's values and Code of Conduct, as well as the activities or public image it conveys.
- A written contract or agreement must invariably be signed between the Ingeteam company and the beneficiary legal entity receiving the donation or sponsorship.
- The beneficiary legal entity must undertake in writing to issue a report, certificate, letter or similar describing the results or outcomes of the donation or sponsorship.

The following donations and sponsorships are expressly prohibited:

- Proposals that do not comply with applicable law and regulations.
- Proposals that could result in any kind of discrimination or exclusion or cause offence.
- Proposals that are incompatible with the social and ethical practices or customs of the local community, or that could tarnish Ingeteam's good name.
- Proposals made to natural persons.
- Proposals that generate a direct or indirect benefit for an Ingeteam employee or that could lead to a conflict of interest.
- Proposals that directly or indirectly end up benefiting political parties, public officials or politically exposed persons (PEP), or those made through a related natural or legal person.
- Proposals made to lobby groups, advocacy groups or trade unions that make a donation or sponsorship conditional on ensuring a safe or secure working environment.
- Proposals that are conditional, or are believed to be conditional, on the tendering of contracts or any other benefit in favour of Ingeteam.

2.3.2 Indicators

2.3.2.1 Corruption and bribery

No instances of corruption were identified in 2023, as was the case in 2022.

In addition, corruption prevention and detection reviews were carried out at our subsidiaries in Germany, Brazil, Chile, USA, France, Mexico and the UK.

2.3.2.2 Money laundering

Not applicable.

2.3.2.3 Contributions to foundations and non-profit entities

Contributions to foundations and non-profit entities in 2023 amounted to EUR 45,717 up from EUR 62,088 in 2022.

The following foundations and organisations received donations:

- BETI BIZ (España)
- Asociación Goierriko (España)
- DYA (España)
- CEAMYN Asociación de mujeres y niños maltratados (España)
- Banco de Alimentos (España)
- SOC.ESCLEROSIS MULTIPLE (España)
- AVSI (Italia)
- Association of disabled citizens and their Friends (Rep. Checa)
- Campaña planta un árbol (México)

- Menomonee Valley Partners (USA)
- National Alliance on Mental Illness Stoutheast WI Chapter (USA)
- VL CANCER COUNCIL NSW WOLLONGONG (Australia)
- Donación damnificados terremoto Turquía
- Donación damnificados inundaciones Italia
- Donaciones solidarias asociación ANAPAR (Asociación Navarra de Parkinson)
- ENARCH Asociación
- Asociación Reto de Pablo

2.3.3 Risks

Crime Prevention Model

In Criminal Risk prevention and compliance, Ingeteam employees seek to identify and assess activities that pose a risk of corruption. General and specific controls are analysed and regular evaluations of the model are carried out.

2.4 HUMAN RIGHTS

2.4.1 Description of management model - Policies

Code of Conduct

Since 2022 Ingeteam has implemented the “STANDARD ON COMMITMENT TO HUMAN RIGHTS” that can be consulted on its website. This document reflects the commitment of

Ingeteam and its Board of Directors to Human Rights and fair working conditions, an aspect already included in its Code of Conduct.

This document states that all the activities of Ingeteam are carried out with respect for human rights, and the commitment to comply with the principles established in the United Nations Global Compact, as well as the working principles contained in the Conventions of the International Labour Organisation and its Tripartite Declaration of Principles on Multi-national Enterprises and Social Policy, Guidelines for multinational enterprises and OECD recommendations. Also with the Declaration, the Sustainable Development Goals (SDGs) adopted by the United Nations.

In addition, this document commits Ingeteam to carry out all its activities in accordance with the application of the existing norms and the international recommendations on Human Rights that can be summarized below:

- Rejecting child labour and prohibiting of the purchase of any product manufactured using child labour, in line with local legislation and the requirements and recommendations of the International Labour Organization.
- Rejecting and prohibiting forced or compulsory labour, labour in subhuman conditions, or where people are forced to work against their will or under threat.
- Upholding the right and freedom of association and collective bargaining of its employees.
- Ensuring fair recruitment, remuneration and compensation commensurate with professional performance, while also facilitating a healthy work-life balance as far as possible.

Application of human rights due diligence processes

The Code of Conduct states that Ingeteam is committed to the values of integrity, honesty and trust in all business relationships, activities and conduct. It expects the same commitment from its suppliers and indeed all third parties which work with Ingeteam as subcontractors, commercial agents, “business partners”, “associated persons”, consultants, and the like, all of whom are generically referred to as “Suppliers”.

The services and products sourced from Suppliers by Ingeteam form an essential part of the value chain provided to customers, so they are required to comply strictly with legislation, with the same ethical principles on defence of human rights and integrity, anti-corruption, protection of intellectual and industrial property rights, safety, health, environmental matters and conflict minerals.

Accordingly, Ingeteam has drawn up a specific Supplier Code of Conduct that sets out exactly what is expected of them in business dealings

Supplier Code of Conduct and General Terms and Conditions of Contract

This aspect has already been explained in the previous section of this report on Anti-corruption and Bribery Policies.

The Supplier Code of Conduct also features a specific section on “Human rights and fair working conditions”.

Suppliers are required to comply with internationally recognised human rights, as well as the core labour principles enshrined in the various Conventions of the International Labour Organization. To this end, they must design and implement policies and procedures to ensure compliance, especially in the following areas:

- Rejecting child labour and prohibiting of the purchase of any product manufactured

using child labour, in line with local legislation and the requirements and recommendations of the International Labour Organization.

- Rejecting and prohibiting forced or compulsory labour, labour in subhuman conditions, or where people are forced to work against their will or under threat.
- Upholding the right and freedom of association and collective bargaining of their employees.
- Ensuring equal opportunities for all employees and non-discrimination: Refusing to tolerate and reprimanding discriminatory behaviour on any grounds (sex, race, ideology, religion, origin, etc.), as well as workplace and sexual harassment.
- Ensuring fair recruitment, remuneration and compensation commensurate with professional performance, while also facilitating a healthy work-life balance as far as possible.
- Encouraging the inclusion of people with disabilities wherever possible.

Suppliers who enter into a business relationship with any Ingeteam company must embrace and rigorously comply with the provisions of the Supplier Code of Conduct, which should be attached to the contracts signed with Ingeteam. Otherwise, a link should be included in the contracts showing the section of the Ingeteam website where the code can be found. Specifically, suppliers undertake to:

- Accept and comply with the provisions of this Code.
- Participate in and facilitate all verification and audit activities carried out.
- Implement any corrective or remediation actions proposed by Ingeteam.
- Report any breach of this code that comes to its attention, whether committed by the supplier itself or by any third party.

Policy on freedom of association and collective bargaining

All Ingeteam employees are covered by the relevant sectoral collective bargaining agreements, which are supplemented by company-specific agreements negotiated with workers' representatives at each workplace.

Policy on child labour

Ingeteam is firmly opposed to the use of child labour, which it considers reprehensible.

Policy on forced or compulsory labour

Such activities do not apply to our organisation or to any of our key stakeholders, and we support initiatives to eradicate any such activities.

Policy on the rights of indigenous peoples

There have been no abuses of rights of indigenous peoples in the course of the activities of Ingeteam group companies or persons related thereto.

Policy on employee training on human rights policies or procedures

All new recruits undergo a course on ethics and the Code of Conduct, which includes Human Rights aspects. More than 500 hours of training on harassment prevention have been delivered to a large number of managers.

2.4.2 Indicators

No complaints or reports of human rights abuses (including child or forced labour) were received in 2023 or previous years.

In addition, reviews of possible human rights abuses have been carried out at our subsidiaries in Brazil, USA, India, France and Mexico

2.4.3 Risks

The risk assessments carried out with regard to the prevention of criminal risks and the compliance model revealed no significant risk activities that might entail any violation or breach of the right to freedom of association and collective bargaining; discrimination in employment and occupation; forced or compulsory labour or child labour.

In addition, the Code of Conduct insists that all Ingeteam employees use the Whistleblowing Channel to report any suspected Human Rights abuse, or any infringement of related regulations or fair working conditions. It bears repeating that the Whistleblowing Channel is open to customers, suppliers and any third party who may wish to make a report on these issues.

2.5 RELATING TO SOCIETY

2.5.1 Description – Policies

The Ingeteam project seeks to help decarbonise society and bring about a transformation in energy towards an increasingly more electrified society. Under the new 2022–2024 Strategic Plan, the company continues to align its own strategic goals with the Sustainable Development Goals of the 2030 Agenda and seeks to make its project sustainable on three fronts: social, economic and environmental.

Providing the technological grounding for the Project are the Ingeteam's three basic technology vectors: rotating electric machines, power electronics and automation and control. Our efforts in this regard are focused on developing technologies that contribute to more efficient energy management by enabling savings in polluting emissions into the atmosphere through the use of our products. The equipment we develop fosters electrification

in transport and distributed energy generation, making it reliable and affordable

Subcontracting and suppliers

The supply chain is specific to each business, except for a few common areas that can be managed at corporate level, mainly in services: insurance, travel, company vehicles, etc.

Business Units engaged in production activities build predominantly local supply chains, backed up by many years of experience in supplier assessment.

Inclusion of matters relating to society, gender equality and the environment in the procurement policy

As indicated previously, both the Code of Conduct and the Supplier Code of Conduct clearly state that Ingeteam is committed to the values of integrity, honesty and trust in all its business relationships, activities and conduct; a commitment it also expects to see from its suppliers.

These aspects are also included in Ingeteam's General Terms and Conditions of Contract. Therefore, Suppliers who enter into a business relationship with any Ingeteam company must embrace and rigorously comply with the provisions of the Supplier Code of Conduct and accept the General Terms and Conditions of Purchasing.

Supervision and audit systems and their outcomes

At present, environmental criteria are taken into account in the selection, approval, assessment and auditing of suppliers relevant to the business, while aspects related to compliance, sustainability and CSR are currently in the process of being included.

Association and sponsorship actions

In line with our ethos concerning proper interaction with society, we seek to strengthen

our engagement with the community precisely now that current economic circumstances are most unfavourable. This ongoing contribution takes effort on our part, but we embark on it with responsibility and enthusiasm through dynamic, proactive management in compliance with our ethos of good business ethics.

At Ingeteam we seek to consolidate our links with the community through facts and figures, in numerous social patronage and sponsorship arrangements and similar initiatives, all carried out with careful attention wherever we operate.

Our actions take place on the following three fronts: technical, social and sports.

At Ingeteam we are aware of the importance of training and know-how, and we understand that the younger a stakeholder group is, the more value such initiatives have. This is precisely where interaction between business and the academic world is most meaningful: cooperation agreements with universities and secondary schools encourage students to do work experience, which provides them with specific training and builds up a real talent management model such as the one that we ourselves promote.

We also continue to maintain the exchange agreements signed with universities and institutes:

- **Universities:** Deusto Engineering Faculty, Deusto Business School, ETSI (Higher Technical College of Engineering in Bilbao), the publicly-run University of the Basque Country (UPV) in Bizkaia, the Polytechnic University of Oviedo, the University of Castilla la Mancha, the University of Navarre, the Higher Polytechnic College of Mondragón, etc.
- **Vocational training schools:** Salesianos, Jesuitas, Iurreta, Fadura, Elorrieta, Txorierra, Somorrostro, Tartanga, etc.

Over and above our concern for engaging with our social setting and with the education of young people, and making improvements wherever possible, there are other initiatives

in which Ingeteam also brings to bear its stock of know-how and its solidarity.

In the field of sectoral associations, in 2023 a total of EUR 91,546 has been paid in contributions corresponding to several associations. A total of EUR 142,033 was paid in 2022. This year we have carried out different sponsorship actions such as:

- Korrika en Gipuzkoa (España)
- Cámara de Comercio Gipuzkoa (España)
- SOCIEDAD CICLISTA LOINAZ (España)
- SDAD.DEPORTIVA BEASAIN (España)
- GAIA (Asociación de Industrias de Conocimiento y Tecnología del País Vasco (España)
- Eskola Kantari de la Sdad. Coral de Bilbao (España)
- Orquesta Sinfónica de Euskadi (España)
- Carrera de empresas El Correo (España)
- Fundación Fair Saturday (España)
- Industria Erronka 2023 (España)
- FUND.INDUSTRIAL NAVARRA (España)
- Post-Sportverein Dusseldorf 1925 ev (Alemania)
- AVSI (Italia)
- Vocational School and Practical School, Nový Jičín, contributory organization (Rep. Checa)
- Club of Visually Impaired Athletes Opava, z.s. (Rep. Checa)

- Balónek z.s. (Rep. Checa)
- Tělovýchovná jednota Vřesina, z.s. (Rep. Checa)
- La Corrida-pedestrian race Toulouse (Francia)
- Climate Fresco workshop (Francia)
- Día de la mujer y la niña en la ciencia 2023 (México)
- Convenio de formación con UNITSMO (México)
- Renew Wisconsin Annual Energy Summit (USA)
- US Presidential Visit and evento (USA)
- University of Wisconsin-Milwaukee Career Center (USA)
- MSOE Humanitarian Engineering Chapter (USA)
- Riverkeepers Cleanup (USA)
- Collection, transportation and treatment of hazardous waste (Vietnam)
- Men's Health Day celebration (Australia)
- UNIVERSITY OF WOLLONGONG (Australia)

Local community

Operations with local community engagement, impact assessments, and development programs.

At Ingeteam, all our approaches to people management are replicated in each and every international location where we have a subsidiary, always in strict accordance with local legislation.

- Proportion of senior management hired from the local community.

The 80% (compared with 87% in 2022) of the staff of the organization's governing bodies have been recruited from the local community of the organization itself, meaning the local community, the country where each of the headquarters is located. Only in the case of (Germany and Mexico) has it been necessary to rely on expatriate personnel to fill management positions in third countries due to the lack of suitable local profiles for the role.

This percentage showcases Ingeteam's commitment to the communities in which we operate by growing local industry and generating economic and social benefits and rewards.

We also seek to strengthen our human capital under the conviction that diversity allows us to grow.

- Significant indirect economic impacts.

The economic impact of Ingeteam on local communities is evidenced in these two main outcomes:

- Job creation and hiring of local personnel at our production plants.
- The local economic contribution in the form of taxes on the results of the activity. In this sense in 2023 the payment of taxes by Ingeteam has amounted to 2,738,921 EUR. In 2022 this concept amounted to 1,522,177 EUR.

Subcontracting and suppliers. Responsible Supply Chain

The supply chain is specific to each business, except for a few common areas that can be managed at corporate level, mainly in services: insurance, travel, company vehicles, etc.

Business Units engaged in production activities build predominantly local supply chains,

backed up by many years of experience in supplier assessment.

- New suppliers that were screened using social criteria.

The Ingeteam Group considers local procurement to be a relevant factor, understood as the expenditure on subcontracted services or purchases of goods or services from local suppliers (national, depending on the location of the reporting organisation). For this reason, the group maintains a network of local suppliers to ensure its commercial relationships year after year.

- Proportion of spending on local suppliers.

The Ingeteam Group considers local procurement to be a relevant factor, defined as the expenditure on subcontracted services or the purchase of goods or services from local suppliers (national, depending on the location of the reporting organisation). For this reason, the group maintains a network of local suppliers to ensure its commercial relationships year after year.

Consumers

Ingeteam guarantees that all its products are constructed and operate according to characteristics set out in documents of various types, such as:

- Technical data sheets.
- Product catalogues.
- Technical project specifications based on customer requirements and the points set out in the various technical and commercial quotes submitted.

The system for claims and complaints and the methods for dealing with them are as per quality assurance standard ISO 9001, to which most group companies adhere.

All Ingeteam electrical products bear the EC (Electromagnetic Compatibility) certificate, which assures that they are safe to use.

The complaints received and their resolution are distributed around the perimeter of all the Group's Business Units. The result is that 224 claims have been received, of which 49 remain pending, or 93% positive resolution, improving the ratio of 2022, were 247 complaints were received.

Tax information

Tax information	Profit/(loss) (after tax)		Income tax paid*		Grants received	
	2023	2022	2023	2022	2023	2022
SPAIN	122,521,029	(897,612)	47	96	3,607,348	5,359,203
MEXICO	(28,912)	(212,074)	0	0	0	0
GERMANY	4,709,651	1,782,375	0	0	0	0
CZECH REPUBLIC	1,046,603	2,441,603	78,433	108,364	24,682	73,032
BRAZIL	3,848,083	5,708,946	1,649,540	1,089,826	0	0
ITALY	5,810,246	(1,145,120)	12,317	0	28,744	11,516
USA	3,505,291	3,169,660	327,017	8122,632)	0	782,966
FRANCE	1,698,671	460,750	0	(183,756)	0	9,000
POLAND	38,696	26,335	0	0	0	0
CHILE	2,608,218	1,317,099	214,539	123,036	0	0
SOUTH AFRICA	4,673	(98,151)	2,171	104,957	456	3,043
INDIA	422,515	(786,303)	87,928	94,979	0	0

AUSTRALIA	1,602,859	26,774	75,178	25,107	0	0
PANAMA	138,190	82,371	0	56,580	0	0
ROMANIA	(19,703)	10,125	21,158	0	0	0
PHILIPPINES	(53,063)	(250,990)	0	2,871	0	0
URUGUAY	(7,021)	8,344	5,607	6,756	0	0
UNITED KINGDOM	656,449	656,774	0	171,537	0	0
BULGARIA	4,340	66,224	4,340	14,550	0	0
MOROCCO	(137,575)	72,759	41,362	28,310	0	0
PERU	(3,105)	(171,519)	0	0	0	0
CHINA	576,771	138,606	189,951	1,596	0	0
VIETNAM	114,864	121,127	29,333	0	0	0
TOTAL	149,057,770	12,527,603	2738,921	1,522,177	3,661,230	6,238,758

*Corporate income tax includes the tax payable at 31 December 2023, plus payments made on account of 2023 corporate income tax.

Cybersecurity Management:

Ingeteam is a major player in the challenges and technological developments in the electrification and decarbonisation of society together with our customers and suppliers, constantly generating new challenges in the field of R&D. These developments also imply an increase in the frequency, The intensity and complexity of cyber attacks also pose a challenge in the management of cybersecurity risk and theft of sensitive data from the company and projects attributable to the lack of security in networks, operating systems and databases.

Relevant aspects of the cybersecurity risk management model:

1. The Ingeteam Directorate is committed to improving and developing the actions necessary to reinforce a strong cybersecurity culture and training, promote the safe

use of cyberassets and strengthen detection capabilities, prevention, defense and response to cyber-attacks or cybersecurity incidents at a global level.

2. Ingeteam is implementing a system, process and activity improvement plan, updating and integrating systems and adopting new technologies. As Ingeteam is increasingly exposed to cybersecurity risks, a holistic vision of cybersecurity has been adopted that applies to all areas where IT systems exist, in the staffs' equipment and connections and data transmission.
3. We are in a process of continuous improvement of systems, architecture, procedures, protocols, work processes, training of teams to minimize the risks of cybersecurity.
4. Ingeteam has appointed a Global Cybersecurity Officer (CISO), who reports to senior management and the Ethics and Compliance Committee and defines, coordinates and oversees the deployment of cybersecurity strategy, management and these risks.
5. In addition, Ingeteam is promoting the formation and dissemination of a digital culture and skills to the workforce through an 18-month training programme with the specialized provider Kaspersky.

Risks

Commitment to sustainable development and investment

The main general risks and those inherent to the Group's business in relation to possible non-compliances with its commitment to sustainable development and investment are as follows:

- Failure to comply with the legislation in force in the countries and territories where it operates with respect to sustainability issues.

- Failure to comply with the principles of the Sustainable Development Goals (SDGs) adopted by the United Nations and the UN Global Compact.
- Failure of actions by Ingeteam group employees to comply with the Code of Conduct, the mission, vision and values, or the related policies and procedures.

Risks in subcontracting and suppliers. Responsible Supply Chain

As indicated in the Code of Conduct and the Code of Conduct for Suppliers, Ingeteam is committed to values of integrity, honesty and trust in all its business relationships, activities and conduct. It expects the same commitment from its suppliers and indeed all third parties which work with the Ingeteam group as subcontractors, commercial agents, “business partners”, “associated persons”, consultants and in similar roles, all of whom are included under the general term “Suppliers”.

The services and products sourced from suppliers by Ingeteam form an essential part of the value chain provided to customers, so they are required to comply strictly with legislation, with the same ethical principles on defence of human rights and integrity, anti-corruption, protection of intellectual and industrial property rights, safety, health, environmental matters and conflict minerals.

Accordingly, Ingeteam has drawn up a specific Supplier Code of Conduct that sets out exactly what is expected of them in business dealings.

Business relations with suppliers and subcontractors generate a series of risks that Ingeteam identifies, assesses and mitigates, in addition to the approval, assessment and audit of the most relevant suppliers, in order to determine not only their technical capacity and financial solvency, but also their CSR responsibility.

The following risk areas are assessed:

- **Technical risk:** relating to the company’s production capacity, methods, quality, and so on, and where environmental aspects, safety and health, and respect for Human Rights are taken into account, broken down as follows:
 - ✓ Premises, Warehousing and Handling.
 - ✓ Machinery, Plant and Equipment.
 - ✓ Manufacturing Processes and Methods.
 - ✓ Personnel.
 - ✓ R&D.
 - ✓ Quality.
 - ✓ Integration and procurement.
- **Economic solvency risk.**
- **Fraud and compliance/reputational risk .**

To mitigate these risks, procurement policies and procedures have been established, as well as clear instructions relating to Ingeteam’s Code of Conduct and Supplier Code of Conduct.

APPENDIX: Content index

Content index required under Spanish Law 11/2018 of 28 December, on the disclosure of non-financial and diversity information and amending Spain's Commercial Code, the consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010 of 2 July, and Spain's Audit Act (Law 22/2015) of 20 July 2015.

Annex. Index of contents required by the 11/2018 Law

General

topics

Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Business model	Description of the business model:		
	• Business environment	GRI 2-1 Organizational Details	
	• Organisation and structure	GRI 2-2 Entities included in the sustainability reporting	
	• Markets served	GRI 2-6 Activities, value chain, and other business relationships	1-6
	• Objectives and strategies	GRI 2-9 Governance structure and composition	
Policies and policy outcomes	• Main trends and factors that could affect future development	GRI 2-23 Commitments and policies	
	Description of the policies applied by the group and the outcomes of those policies, including relevant non-financial key performance indicators.	GRI 2-23 Commitments and policies GRI 2-24 Incorporation of commitments and policies	In the different sections

→

Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Key risks and impacts identified	The principle risks related to those matters linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may cause adverse impacts on those areas.	GRI 3-3 Management of material topics	In the different sections

Environmental matters

Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Environmental management	Current and foreseeable effects of the company's operations	GRI 3-3 Management of material topics	
	Environmental assessment or certification procedures	GRI 201-2 Financial implications and other risks and opportunities related to climate change (Accounting criteria)	10-12
	Resources dedicated to the prevention of environmental risks	GRI 2-23 Commitments and policies	
	Application of the precautionary principle	Law 26/2007 on Environmental Liability (if applicable)	
	Amount of provisions and safeguards for environmental risks		

→

	Topic	Reporting framework	Reference (page)	Comments/ Reason for omission
Pollution	Measures to prevent, reduce or repair carbon emissions (also includes noise and light pollution)	GRI 3-3 Management of material topics	13-16	
Circular economy and waste prevention and management	Waste prevention, recycling and reuse measures and other forms of waste recovery and disposal	GRI 3-3 Management of material topics GRI 306-3 (2020) Generated waste	17	
	Actions to combat food waste	GRI 3-3 Management of material topics	22	
Sustainable use of resources	Responsible water consumption and supply based on local restrictions	GRI 3-3 Management of material topics GRI 303-3 Water withdrawal		
	Consumption of raw materials. Measures in place to ensure more efficient use of resources	GRI 3-3 Management of material topics GRI 301-1 Materials used by weight or volume	18-21	
	Direct and indirect energy consumption	GRI 302-1 Energy consumption within the organization		
	Measures to improve energy efficiency	GRI 3-3 Management of material topics		
	Use of renewable energies	GRI 302-1 Energy consumption within the organization		→

	Topic	Reporting framework	Reference (page)	Comments/ Reason for omission
Climate change	Important aspects of greenhouse gas (GHG) emissions generated	GRI 305-1 Direct greenhouse gas (GHG) emissions (Scope 1) GRI 305-2 Indirect greenhouse gas (GHG) emissions from energy (Scope 2)	21	
		If applicable: GRI 305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)		
	Measures in place to adapt to the consequences of climate change	GRI 3-3 Management of material topics	21-22	
	Voluntary reduction targets	GRI 3-3 Management of material topics	22	
Protection of biodiversity	Measures in place to preserve or restore biodiversity Impacts caused by activities or operations in protected areas	GRI 3-3 Management of material topics	22	
Social and employee-related matters				
	Topic	Reporting framework	Reference (page)	Comments/ Reason for omission
Employment	Total number of employees and distribution by gender, age, country and professional category	GRI 2-7 Employees GRI 405-1 Diversity of governance bodies and employees	23-28	
	Total number and distribution of types of employment contract		28	→

Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Average annual number of permanent, temporary and part-time contracts by gender, age and professional category	GRI 2-7 Employees	29-30	
Number of dismissals by gender, age and professional category	GRI 401-1 New employee hires and employee turnover	31-33	
Gender pay gap	Internal framework: the calculation has been performed using the following formula: (Average Salary Women - Average Salary Men) / Average Salary Men	34-40	
Average remuneration of directors, by gender	Internal reporting framework	40	
Average remuneration of executives, by gender	Internal reporting framework	40	
Implementation of digital disconnect policies	GRI 3-3 Management of material topics	45	
Employees with disabilities	GRI 405-1 Diversity in governance bodies and employees	45-46	



Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Organisation of work	Organisation of working hours	GRI 3-3 Management of material topics	41
	Number of hours of absenteeism	Internal reporting framework	42
	Measures aimed at improving work-life balance and ensuring a suitable balance between both parents	GRI 3-3 Management of material topics	44
Health and safety	Health and safety conditions in the workplace	GRI 403-1 Occupational health and safety management system	47-49
	No. of work-related injuries and illnesses by gender, their frequency and seriousness	GRI 403-9 Work-related injuries Frequency rate = (Number of lost-time accidents x 1,000,000) / Number of hours worked (excluding commuting accidents) Severity rate = (Number of lost workdays x 1,000,000) / Number of hours worked (excluding commuting accidents)	49-55



	Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Social relations	Organisation of social dialogue	GRI 3-3 Management of material topics		
	Percentage of employees covered by collective bargaining agreements, by country	GRI 2-30 Collective bargaining agreements	55-56	
	Description of collective bargaining agreements, particularly in the field of occupational health and safety	GRI 3-3 Gestión de los temas materiales		
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	Total number of training hours by job category	Internal framework		
	Universal accessibility for people with disabilities	GRI 3-3 Management of material topics	45-46	

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	Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Equality	Measures put in place to foster equal treatment and opportunities for women and men	GRI 3-3 Management of material topics		
	Equality plans and measures taken to promote employment, protocols to combat sexual and gender-based harassment	GRI 3-3 Management of material topics GRI 2-23 Commitments and policies	46-47	
	Integration and universal accessibility for persons with disabilities	GRI 3-3 Management of material topics		
	Anti-discrimination policy and, where applicable, diversity management policy	GRI 3-3 Management of material topics GRI 2-23 Commitments and policies		

Information on the respect for human rights

	Topic	Reporting framework	Reference (page)	Comments/Reason for omission
	Application of human rights due diligence processes	GRI 2-26 Mechanisms for advice and concerns about GRI 3-3 Management of material topics	57-58	
	Measures to prevent the risk of human rights abuses and, where appropriate, measures to mitigate, manage and redress any abuses committed	GRI 3-3 Management of material topics GRI 2-23 Commitments and policies GRI 2-26 Mechanisms for advice and concerns about.	58-59	

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Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Reports of human rights abuses	Internal framework: quantitative information on the number of complaints.	59	
Promotion of and compliance with the provisions contained in the ILO's fundamental conventions on the freedom of association, the right to collective bargaining, the elimination of workplace discrimination and of all forms of forced or compulsory labor and the abolition of child labor.	GRI 3-3 Management of material topics GRI 2-23 Commitments and policies	62-63	

Information on anti-corruption and bribery

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Topic	Reporting framework	Reference (page)	Comments/Reason for omission
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Impact of the Company's activities on local populations and territories	GRI 3-3 Management of material topics	11-12	
Commitments of the Company to sustainable development	Relations maintained with local community agents and forms of dialogue with those agents GRI 3-3 Management of material topics	12-15	
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Inclusion of matters relating to society, gender equality and the environment in the procurement policy	GRI 3-3 Management of material topics		
Subcontracting and suppliers	Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors GRI 2-6 Activities, value chain, and other business relationships GRI 2-24 Integration of commitments and policies	65-67	
Supervision and audit systems and their outcomes			

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	Topic	Reporting framework	Reference (page)	Comments/Reason for omission
Consumers	Measures to protect the health and safety of consumers	GRI 3-3 Management of material topics	68	
	Grievance and claims systems	GRI 2-16 Communication of critical concerns GRI 2-25 Processes for remedying negative impacts		
	Complaints received and the solution or response given	GRI 2-25 Processes for remedying negative impacts Internal framework: information about complaints and improvement opportunities		
Tax information	Country-by-country profits	GRI 207-4 Presentación de informes país por país	68	
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The previous Consolidated Annual Accounts, comprising the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the Notes to the Consolidated Financial Statements for the year ended December 31, 2023, along with the Consolidated Management Report for the same year, are formulated as of March 25, 2024.

In confirmation thereof, the members of the Board of Directors of Ingeteam, S.A., sign:

NAKIO ARE, S.L. represented by
Dña. Teresa Madariaga Zubimendi
(President)

AKONDIA INVERSIONES, S.L. represented by
D. Ander Gandiaga Osoro
(Member)

KARTERA 1, S.L. represented by
Dña. Alicia Vivanco González
(Member)

UREDERRA INVERSIONES, S.L. represented by
D. Alex Belaustegui Foronda
(Member)

D. Felipe García de Eulate López
(Member)

D. Adolfo Rebollo Gómez
(Chief executive officer)

ATALKI XXI, S.L. represented by
D. Víctor Mendiguren Ayerdi
(Member)

