



Sustainability Committee Performance Report 2022

January 2023

This document is a translation of an original text in Spanish.
In case of any discrepancy between both texts, the Spanish
version will prevail.

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1. Introduction

Aware of the growing importance of ESG (Environmental, Social and Governance) matters, the issues dealt with in Principle 23, the contents of Recommendation 53 of the Code of Good Governance for Listed Companies (“CGGLC”) and the legislative amendments relating to non-financial information, and in line with the commitments made by the Company in this regard, the Board of Directors agreed at its meeting of 28 November 2019 that, upon proposal from the Appointments, Remuneration and Corporate Governance Committee, it would create a Sustainability Committee which would be tasked with specific duties in the area of sustainability.

In accordance with the provisions of Article 16.8 of the Board of Directors Regulations, this document includes a report on the annual performance of the Sustainability Committee (the “Committee”) during the 2022 financial year (the “Report”), offering an account of the activities engaged in by the Committee over that period.

2. Composition, appointment and profile of the Committee’s members

In accordance with the contents of the Board of Directors Regulations, the Committee exclusively comprises non-executive directors, the majority of whom are independent.

As set out in section 3 of Article 19 *bis* of the Board of Directors Regulations, members of the Committee have been appointed on the basis that they possess the knowledge, skills and experience appropriate for the duties to be performed by the Committee. The Secretary or Deputy Secretary to the Board of Directors acts as the Committee’s Secretary, as provided for in Article 16.4 of the Board of Directors Regulations.

The changes made to the Committee’s membership during the 2022 financial year are detailed below:

- At the last Ordinary General Shareholders’ Meeting held on 23 June 2022, the shareholder Amber Selective Opportunities Fund II proposed, as items that had not been included on the Agenda, that votes be held on its proposals for resolutions to end the mandates of several independent directors, including, Ana de Pro Gonzalo, and these resolutions were approved by a sufficient majority of votes. As a consequence of the foregoing resolution, Ms de Pro ceased to be a member of the Sustainability Committee.
- On 25 June 2022, Silvia Iranzo Gutiérrez gave written notice of her irrevocable decision to resign as an independent director of Indra with effect from that date, and she therefore ceased to act as Chairwoman of the Committee.
- Events that have occurred since the Ordinary General Shareholders’ Meeting have made it necessary for the Board of Directors to restructure the composition of its committees. To this end, on 27 June 2022, based on a report from the Appointments, Remuneration and Corporate Governance Committee, the Board appointed the independent director Francisco Javier García Sanz as a new member of the Committee, and on the same date the Committee appointed Ignacio Martín San Vicente as its Chair.

- Mr Martín resigned as a board member with effect from 27 October 2022. As a result of his resignation, Mr Martín also ceased to be Chair of the Sustainability Committee on that date.
- The Extraordinary General Shareholders' Meeting held on 28 October 2022 approved the appointment of six new independent directors, along with the appointment of a new proprietary director representing the interests of the shareholder Sociedad Estatal de Participaciones Industriales (SEPI), with the aim of restoring Indra's corporate governance structure. At a session held after the foregoing meeting, the Board of Directors accepted the resignation of Mr García and Mr Sebastián as members of the Committee and, based on a report from the Appointments, Remuneration and Corporate Governance Committee, it appointed Belén Amatriain, Virginia Arce, Antonio Cuevas, Juan Moscoso del Prado, Olga San Jacinto and Bernardo Villazán as members of the Sustainability Committee. The Committee then held a session at which it appointed Ms Amatriain as its new Chair.

As a result of the foregoing resolutions, as of 31 December 2022 the Committee comprised the following members:

Name	Position	Type of board member	Date of first appointment as member of the Committee
Belén Amatriain	Chairwoman	Independent	28 October 2022
Virginia Arce	Member	Independent	28 October 2022
Antonio Cuevas	Member	Proprietary ⁽ⁱ⁾	28 October 2022
Juan Moscoso del Prado	Member	Proprietary ⁽ⁱ⁾	28 October 2022
Olga San Jacinto	Member	Independent	28 October 2022
Bernardo Villazán	Member	Independent	28 October 2022

⁽ⁱ⁾ Appointment proposed by Sociedad Estatal de Participaciones Industriales (SEPI)

The details of the foregoing directors and their know-how and experience in the areas dealt with by this Committee can be found on the Company's website (www.indracompany.com), to which we refer here.

3 Powers and responsibilities

Article 19 *bis* of the Board of Directors Regulations sets out the rules relating to the Committee's powers and duties.

In addition to the duties that it is required to perform in law, section 5 of this article attributes the Committee with the following, in line with the contents of Recommendation 54 of the CGGLC:

- a) guide, monitor and evaluate the degree of compliance with policies, good practices and specific action plans in the area of sustainability, particularly regarding corporate social

responsibility, the environment, diversity, and integration, and ensure that they conform to the strategy and Master Plan approved by the Board of Directors.

- b) determine the general principles and criteria that should inform the contents of the Sustainability Report (non-financial information statement) in accordance with applicable law and international best practices in this area, and propose its contents to the Auditing and Compliance Committee.
- c) periodically review the Company's sustainability performance, as well as its position in existing indices and metrics, taking particular account at all times of those aspects that are increasingly valued by the various stakeholders, and proposing measures for the Company to respond to them.
- d) report to the Auditing and Compliance Committee on non-financial risks related to matters within its purview.
- e) supervise the management of intangible assets such as reputation, brand image, intellectual property and transparency, and propose improvement measures.
- f) any other sustainability issues delegated to it by the Board.

4 Activities during the 2022 financial year

The Committee held five meetings, three in ordinary session and two in extraordinary session, during the 2022 financial year. The dates of these meetings were 21 January, 23 March, 27 June, 28 October and 21 November.

The average attendance figure for members who were either physically present or appeared by videoconference at Committee meetings was 100%.

Committee meetings were convened sufficiently in advance to allow members to analyse the documentation and information relating to the items to be discussed, and this was made available to them at the same time as notice of each meeting was given.

In addition, the Chairman/Chairwoman of the Committee informed the Board of the matters discussed and the decisions adopted at each of its meetings.

Following an invitation from the Chairman/Chairwoman, executive directors, managers and external advisors attend Committee meetings in order to discuss any items on the agenda for which they are responsible, though this does not in any way compromise the independence of the Committee's actions.

The Committee prepared and approved a meetings schedule and an Action Plan for the 2022 financial year, in which it detailed the ordinary issues and matters to be discussed over the course of that year, without prejudice to any extraordinary matters that might arise. In accordance with that Action Plan for the financial year and pursuant to the duties and responsibilities with which it is charged under the Board of Directors Regulations, in 2022 the Committee analysed the issues listed below and submitted the relevant reports and proposals to the Board in this regard:

<u>Meeting</u>	<u>Issues addressed</u>
21 January	<ul style="list-style-type: none"> - Approval of the minutes of the meeting held on 22.11.2021 - Plan for preparation of the 2021 Sustainability Report (NFIS) - CNMV recommendations regarding the NFIS - Presentation from Deloitte: new legislative developments and verification status of the 2021 Sustainability Report (NFIS) - Analysis of areas for improvement in the Dow Jones Sustainability Index - Analysis of the results obtained by CDP on Indra's performance with regard to Climate Change. - Update to the Modern Slavery Statement. - Approval of the Sustainability Committee Performance Report
23 March	<ul style="list-style-type: none"> - Approval of the minutes of the meeting held on 21.01.2022 - New regulatory developments on EU Taxonomy - Updates to the Sustainability Policy - Presentation by Deloitte: conclusions from the process for verification of the 2021 Sustainability Report and Non-Financial Information Statement (NFIS) - Presentation of the 2021 Sustainability Report and Non-Financial Information Statement (NFIS) - Update to the Corporate Sustainability Due Diligence Directive - Other business
27 June	- Appointment Committee Chair
28 October	- Appointment Committee Chair
21 November	<ul style="list-style-type: none"> - 2020-2023 Sustainability Master Plan: update on key milestones and KPIs - 2022 Materiality Assessment - Detailed Carbon Footprint Analysis: 2022 performance - Analysis of scores obtained in sustainability indices: DJSI, FTSE4Good and others (Sustainalytics, ISS, MSCI) - Sustainability-related trends and recent legislative changes: EU Taxonomy, Corporate Sustainability Reporting Directive (CSRD), Due Diligence Directive (DDD), Forced Labour proposal and ESMA Recommendations. - Schedule for meetings of the Sustainability Committee and distribution of matters for 2023

The report on the Committee's performance in the 2021 financial year was published when the notice convening the 2022 Ordinary General Shareholders' Meeting was sent out. This report served as the basis for an assessment of the Committee's performance, which was carried out as part of the process for the appraisal of the Board of Directors and its Committees in March 2022.

4.1. Management models for Sustainability at the Company

During the course of the financial year the Committee reviewed a number of aspects of Indra's sustainability management model, and highlights the following activities:

- Approval by the Board of Directors, based on a favourable report from the Committee, of the updated annual declaration against slavery and people trafficking covering the Company's own operations and its supply chain, pursuant to the terms of the Modern Slavery Act.
- Approval by the Board of Directors, based on a favourable report from the Committee, of a updated Sustainability Policy, with the aim of incorporating a global vision and implementing the practices and policies approved by the Company since 2020 (Human Resources, Sustainability Policy with Suppliers, etc.).

4.2. Information on the actions undertaken by the Company in relation to sustainability.

At the various meetings held during the financial year, the Committee was informed about the actions and initiatives taken in relation to sustainability. Specifically, it was informed about the degree to which the 2020-2023 Sustainability Master Plan has been implemented, the monitoring of its KPIs and main advances (significant improvement in the scores obtained in the main ESG indices; increase in the scope and quality of the Sustainability Report, which includes a double materiality assessment; strengthening of the mechanisms used to manage ESG risk, through the updating of the Sustainability Policy and the Modern Slavery Statement; effective implementation of the Non-Financial Information Monitoring System (ICNFR); broad compliance with targets for the reduction of emissions and the use of renewable energy; application of EU Taxonomy in Indra's business activities; reduction of the gender pay gap at a global level; and the design of Diversity, Equity and Inclusion Strategy).

The Committee was informed in detail about compliance with emission reduction targets, the progress achieved and future forecasts for the targets set by the Company, along with the measures put in place to achieve them.

The Committee reviewed the Double Materiality Assessment carried out during the financial year, the basis for identifying non-financial issues that are important for the Company and which form the main focus of the Sustainability Report. This analysis is carried out each year in accordance with the requirements of Spanish Act 11/2018 and the GRI Standards.

4.3. Reporting criteria: Sustainability Report 2022

Indra reports its performance in the area of sustainability in its Sustainability Report. In this report, Indra includes information on the risks, business model, policies, strategy, performance, results, the situation of the Group and the impact of its activity in relation to environmental, social and governance issues, as well as those relating to staff, respect for Human Rights and combatting corruption and bribery. The Report also includes the Company's Double Materiality Assessment and highlights the non-financial issues that are important for its stakeholders, along with the policies and risks associated with each of them and the reference indicators used to monitor and assess them. The Sustainability Report also tracks compliance with the Company's Sustainability Policy, the reference framework used to ensure responsible behaviour by the Company, thus reflecting its commitment to all its stakeholders. It also records compliance with the objectives set out in the 2020-2023 Sustainability Master Plan. In addition, it affirms the Company's commitment to the Ten Principles of the UN Global Compact and the UN Sustainable Development Goals, and provides a response to the Company's Progress report on the implementation of those principles.

The Report constitutes the Company's Non-Financial Information Statement (NFIS), and it has been prepared in accordance with the requirements contained in Act 11 of 28 December 2018, which amended the Spanish Code of Commerce, the consolidated text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1 of 2 July 2010, and Act 22 of 20 July 2015, on Auditing Accounts in matters of non-financial information and diversity. It comprehensively applies the Global Reporting Initiative (GRI) Standards and complies with new EU Taxonomy requirements.

Since 2017 the report has been published as an integral part of the Management Report, and it is drawn up by the Board of Directors. It represents one of the main sources used by sustainability analysts to assess the Company's performance in social, environmental and good governance matters.

The Committee is responsible for determining the general principles and criteria that should inform the contents of the Sustainability Report in accordance with applicable law and international best practices in this area, and propose its contents to the Audit and Compliance Committee. To this end, the Committee reviewed the criteria used to determine the contents of the Sustainability Report and oversaw its preparation, prior to its review by the Auditing and Compliance Committee, which reported to the Board of Directors and recommended its approval.

The main change to the Sustainability Report for the 2021 financial year, which was prepared by the Board of Directors in March 2022, was the inclusion of reporting obligations in line with EU Taxonomy, and the follow-up of the recommendations and suggestions received from the CNMV.

The Sustainability Report was audited by an independent third party (Deloitte), which appeared before the Committee to report on the scope of its audit (which was extended in comparison with its audit for the previous year to include verification of the full scope of carbon footprint data) and on the conclusions reached. The Committee confirmed that the audit report would be issued without any provisos.

In 2021, a sustainability microsite was created within the Company's website at <https://www.indracompany.com/es/indra/sostenibilidad>. This includes a sustainability dossier entitled "Indra Sustainability Story", the aim of which is to compile a record of all of the most important action taken by the Company in the area of sustainability in a single document. The Committee is kept informed about this document and the other content to be included on the microsite.

The Company also provides continuously updated information for investors on developments in the different areas of interest in terms of Sustainability and the scores obtained by the Company on the various indices.

4.4. The Company's ranking on the most prestigious international ESG indices and its relations with leading analysts in this area

The Committee reviewed the scores awarded for Indra's ESG performance on the most prestigious international indices (Dow Jones Sustainability Index, FTSE4 Good, Sustainalytics, ISS and MSCI) and the scores obtained in the Carbon Disclosure Project (CPD) index which measures climate change performance.

During 2022, Indra maintained its number one position on the Dow Jones Sustainability Index (DJSI World) for sustainability performance in the IT Software and Services Sector, achieving its best- ever result since being included in the index.

On the Financial Times Stock Exchange Russell Group (FTSE4) index, Indra scored well above average in the Computer Services sub-category in the Technology sector. While an improvement in its ESG risk rating led analysts at Sustainalytics to lower the risk rating assigned to the company, Indra has maintained its AA rating at MSCI-ESG.

The Committee reviewed the aspects that could be improved upon and the action required in order to comply with the requirements of these indices.

Updated information relating to the scores obtained on the different indices can be found on the sustainability microsite.

4.5. Trends and recent legislative changes

During the course of the financial year, the Committee was informed about the main legislative initiatives introduced in relation to sustainability at both a European and a national level, with particular emphasis on the new regulatory developments relating to EU Taxonomy and the publication of two proposed Directives, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD).

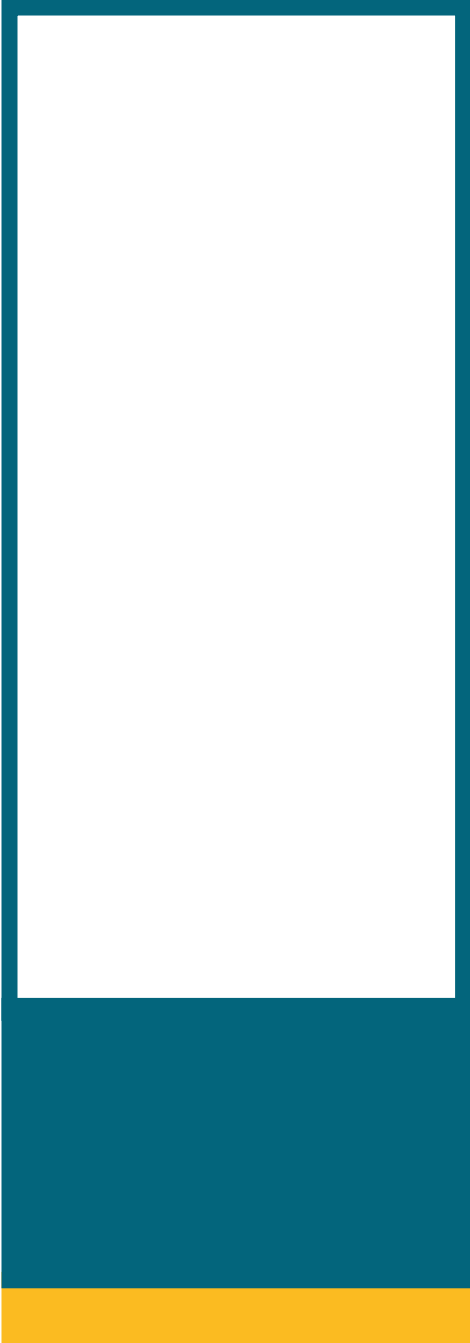
5 Conclusions

The Committee has confirmed that the key issues set out in its Action Plan for the 2022 financial year have been dealt with.

It believes that its performance has complied with all the applicable regulations and the recommendations in force.

In the 2023 financial year, the Committee plans to continue reviewing and monitoring the situation relating to all the matters that fall within its competence, pursuant to its Meetings Schedule and Annual Working Plan for 2023.

This report has been approved by the Committee at a meeting held on 23 January 2023 and submitted to the Board of Directors so that it may be borne in mind during the process for the appraisal of the Board and its Committees for 2022.



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