



Modern Slavery and Human Trafficking Statement

**Sustainability at
the core**



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Introduction

As a technology company seeking to promote sustainable, fair and inclusive development, Indra is firmly determined to lead the way in protecting and promoting Human Rights.

Indra is aware of the impact it has on people as an employer and through the development and commercialisation of technology. It has therefore developed its Human Rights Policy to help identify and promote positive impacts throughout its value chain and minimise negative impacts on people.

At Indra, we have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operation and supply chain. We have taken specific steps to tackle modern slavery, as outlined in this statement, which sets out the actions that we have undertaken to understand all potential modern slavery risks related to our business and the measures to implement in order to prevent slavery and human trafficking during the 2022 financial year.

We believe modern slavery risks are very low within our direct operations. However, modern slavery risks potentially exist in our global supply chain, and this is where we focus our efforts. We have not, yet, found any evidence of modern slavery in our global supply chain.

Indra shall be construed as Indra Sistemas S.A. and any of the companies in which it has a direct or indirect interest, in accordance with the existing corporate structure at any time.

1 Indra's business and supply chain

Indra is one of the leading global technology and consulting companies and the technological partner for core business operations of its customers worldwide with a revenue of 3,851 M€ in 2022.

Indra is a world-leader in providing proprietary solutions in specific segments in Transport and Defence markets, and a leading firm in Digital Transformation and Information Technologies in Spain and Latin America through its affiliate Minsait. Its business model is based on a comprehensive range of proprietary products, with a high-value, end-to-end focus and with a high innovation component.

With more than 56,000 employees, Indra has local presence in more than 40 countries and is the benchmark technology company in the Spanish industrial hub, where it is headquartered. Indra's presence is also very relevant in Latin America and Europe. These three geographies account for most of the company's sales and employees.

In addition to this, Indra's commercial activity extends to more than 140 countries, which means that Indra's commitment to sustainable development is almost global in scope. Thanks to its extensive international presence, 50% of annual revenues come from outside Spain.

It shall be mentioned that Indra is also located in the United Kingdom, where its business is mainly dedicated to the Transport and Defence division, with activities such as the development of air traffic management (ATM) systems and Defence systems.

In 2022, Indra managed 1,845 M€ worth of purchase orders to more than 6,600 approved suppliers in more than 85 countries. It is worth mentioning that more than 81% of purchases are made through suppliers based in Spain and that more than 85% purchases are made to local suppliers.

Indra's relationship with its supply chain follows the following commitments conveyed in its Sustainability Policy for Suppliers:

- **Independence:** to strengthen the confidence of suppliers, the company carries out its key procurement process through independent units with separate responsibilities.
- **Transparency and compliance:** the company has an approval process in place, in line with the company's compliance standards and supplier communication channels, which allow to constantly monitor the procurement process.
- **Creating long-term value:** the company has a global procurement strategy in place, which sets out global objectives, methodology and indicators.

2 Policies in relation to slavery and human trafficking

Indra has several policies approved by the Board of Directors, strategies and instruments that help guarantee the protection of Human Rights in its business and supply chain, along with measures that significantly contribute to the avoidance of modern slavery and human trafficking.

2.1 Code of Ethics and Legal Compliance

The [Code of Ethics and Legal Compliance](#) (last updated and approved by the Board in 2020) reflects the company's commitment to respect the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the principles related to the rights set out in the International Labour Organization Declaration and the principles of the United Nations Global Compact. In addition to this, the Code of Ethics establishes the rules of conduct and commitments assumed by Indra regarding legal compliance and the corporate principles of integrity, professionalism and respect that should guide commercial practices.

2.2 Human Rights Policy

[Indra's Human Rights Policy](#) (last updated and approved by the Board in 2020) is part of Indra's commitment to ethical conduct, which is already set out in the Code of Ethics and Legal Compliance and other Corporate Policies that directly or indirectly safeguard people's fundamental rights. It is based on the United Nations Guiding Principles on Business and Human Rights and the international Human Rights conventions.

2.3 Sustainability Policy

The [Sustainability Policy](#) (last updated and approved by the Board in 2022) establishes the basic principles and the general framework of action for management of sustainability practices assumed by Indra and serves as the basis for effective integration of environmental, social and good governance priorities into the company's decision-making process, the development of products and services, and in its relationships with the company's main stakeholders.

2.4 Sustainability Policy for Suppliers

The [Sustainability Policy for Suppliers](#) (last updated and approved by the Board in 2021) stems from Indra's Sustainability Policy and is part of Indra's commitment to ethical conduct, as set out in the Code of Ethics and Legal Compliance and other corporate policies. It establishes the basic operational principles related to ethical, social, and environmental conduct that Indra expects from all its suppliers, in alignment with the ten principles of the United Nations Global Compact.

2.5 Conflict Minerals Statement

Indra has set a [Statement on Conflict Minerals](#), which settles its commitment to not use minerals or components in its products that have been extracted from "conflict" mines, thereby further strengthening its responsibility in the defense of Human Rights throughout its value chain.

However, Indra is aware that mining operators are at the very beginning of the Indra's supply chain and the company is unable to trace the exact origin of all minerals. Therefore, in order to prevent the use of "conflict minerals" in its supply chain, Indra has specified some clauses relating to "Conflict minerals" in its General Terms and Conditions for purchasing products and services, the Framework Agreements and the Supply Contracts with its suppliers, thus ensuring that the same policies are extended, link by link, throughout the supply chain.

2.6 Direct Channel

The Direct Channel, regulated in the Code of Ethics and Legal Compliance, is the corporate tool designated to communicate any doubts that may arise in relation to the interpretation or application of the Code of Ethics and to report any illicit behaviors or any irregularities or violations detected in relation to the aforementioned Code and regulations, including Human Rights-related incidents.

Communications can be anonymously made through the following [link](#) or via e-mail (canaldirecto@indra.es).

3 Supplier Human Rights Due Diligence

Indra's Due Diligence is based on the United Nations' "Guiding Principles for Business and Human Rights" and takes as reference frameworks the International Bill of Human Rights, the Declaration of the International Labour Organization and the principles of the United Nations Global Compact.

The Due Diligence on Human Rights comprises the following steps:

- Identifying and prioritising the direct and indirect impacts of our activity on Human Rights.
- Tracking results through regular impact assessment updates, establishing indicators, and participating in working groups, organizations and multistakeholder forums to collect trends and expectations.
- Being advised by external experts on Human Rights.
- Identifying priority issues for Indra and its stakeholders by involving those responsible for the business.
- Prioritising risks and opportunities taking into account the context, the company's strategy and stakeholders, especially the most vulnerable (women and people with disabilities).
- Evaluating the direct and indirect impact.

The Human Rights Due Diligence is integrated into the supplier management life cycle, particularly, at these stages:

- **Approval and re-approval of suppliers:** the purpose of this stage is to monitor and limit financial, legal, employment, reputational, environmental, security and liability risk regarding material and/or personal claims. The supplier is therefore asked to accept Indra's General Terms and Conditions for purchasing products and services, which refer to a broad range of corporate policies, including: Prevention of Occupational Risk, Code of Ethics and Legal Compliance, Environmental Protection, Information Security and Data Protection, among others.
- **Supplier assessment:** Indra evaluates its suppliers through the [GoSupply platform](#), where suppliers must provide evidence supporting their claims and performance in areas such as labour and Human Rights practices; health and safety; ethics, diversity and conciliation; use of conflict minerals; sanctions received and extension of requirements to the supply chain.
- **Supplier audit:** Indra's quality and procurement departments conduct audits of a selected number of suppliers based on their relevance and risk profile.

Indra monitors and reports the evolution of the policies and measures taken and continues improving them by:

- Periodically updating its Human Rights risks map.
- Participating in different forums with the aim of gathering trends and expectations in Human Rights like the Global Compact Network.
- Following-up on relevant Human Rights management objectives and milestones with the Board's Sustainability Committee.
- Annually reporting Human Rights related issues such as those detected through the Direct Channel in the company's Sustainability Report.

4 Risk assessment and management

As envisaged in the company's regulatory framework, Indra reviews the Human Rights risk map of its operations and its supply chain with the purpose of identifying and assessing the situations and activities with the greatest direct or indirect risk of negatively impacting these rights, as well as to determine the risk controls and the response that the company needs to implement.

The latest update of the Human Rights risk map was carried out at a global level in 2020 with the collaboration of external experts in the field of Human Rights (Fundación Seres). As a result of this review, the company's Human Rights Policy was updated and signed by the Board of Directors.

In 2021, and in line with the framework established by the United Nations Global Compact, the company also carried out a Human Rights risk analysis across the six main geographies in which operates: Brazil, Colombia, Italy, Mexico, Peru, and the Philippines. The information gathered on the practices developed by the subsidiaries in terms of fundamental rights (such as decent work, rest, children's rights, family time, abolition of forced labour, freedom of association, collective bargaining, non-discrimination, equal pay and work opportunities and fair remuneration) were analysed to identify areas for improvement in risk management and implement the necessary mitigation actions.

Indra also conducts an analysis on the existing coverage of the topics identified on the company's global risk map. The relevant issues are grouped together according to their relevance to the organization as a whole (multi-disciplinary issues) or to the Transport and Defense or Information Technology business divisions. In each case, the significance of the issues is determined based on the criteria of the Guiding Principles.

It is worth mentioning that, as a result of the analysis of the communications received through Indra's grievance mechanism, the company has also determined that the Human Rights risks most likely to materialise are those related to harassment and unacceptable behaviour, discrimination and information security.

Lastly, in 2022, the Procurement Department has implemented an ESG risk assessment process for suppliers, which measures the supplier's performance in areas like Human Rights, ethics and compliance, talent management, information security and privacy or environmental practices. The goal of this ESG assessment is not only to select suppliers that demonstrate better sustainability performance but also to motivate suppliers to enhance their competitiveness by improving their ESG profile.

5 Effective action taken to address modern slavery

In recent years Indra has made a special effort to reinforce control and mitigation measures related to the risk identified in its Human Rights risk map and its due diligence assessment.

Examples of actions undertaken during 2022

- Human Rights requirements with suppliers included in the Terms and Conditions of Purchases of all orders through the Sustainability Policy with Suppliers.
- Evaluation of the Human Rights performance of critical and relevant suppliers, assessing, among others, compliance in labour, health and safety, privacy and safety, child labour and forced labour issues.
- Sustainability training contents for all the company's professionals with focus on Human Rights.
- Mandatory Human Rights training for subcontractors of security personnel.
- Biannual report to the Sustainability Commission on the implementation of the Sustainability Master Plan that includes specific Human Rights initiatives.
- Update of the risk assessment in Human Rights as part of the update of the company's global risk map.
- Dialogue with stakeholders through participation in initiatives such as the Human Rights Lab of Fundación Seres.
- Annual report on Human Rights performance through the Sustainability Report and provision of updated information through the company's website.

As a result of this process, Indra has made significant progress in 2022:

- 97% of the active workforce received training in Ethics and Competence, which also covers aspects related to harassment and non-tolerated behaviour, discrimination and information security.
- 99% professionals have access to collective bargain instruments to safeguard their rights and 75% have collective agreements in place.
- +38.000 (60%) employees were trained in Sustainability including content on Human Rights.
- 97% of purchases made from countries with a high level of sustainable development according to the SDG Index Score.
- 70% critical suppliers evaluated according to the sustainability criteria established by Indra.
- 100% of the suppliers trained in Ethics and Compliance.
- No suppliers identified with a significant negative social impact.
- 0 communications/complaints through Direct Channel regarding freedom of association or collective bargaining.
- 0 communications/complaints through Direct Channel regarding forced labour, child labour or human trafficking.

Indra believes in constant improvement so, in order to keep up with its commitment to Human Rights protection, especially in those aspects regarding modern slavery and human trafficking, it has identified the following commitments for 2023:

- Review the Human Rights due diligence and supply chain assessment policies and processes.
- Expand the training activities to suppliers, providing specific contents on relevant sustainability issued like Human Rights.
- Continue to assess and monitor Indra's critical suppliers.
- Extend the list of suppliers that have completed the sustainability assessment through the GoSupply platform.
- Record and monitor Modern Slavery incidents (if any) communicated through Direct Channel and, where necessary, implement corrective measures

6 Training on modern slavery and trafficking

Indra is constantly working to raise employee and suppliers' awareness of the Criminal Risk Prevention Model and the Code of Ethics and Legal Compliance via on-site and online training sessions.

During 2022, the company made an effort to provide relevant training on Ethics and Compliance to as many employees as possible. A global course of Ethics and Competence was launched to all the employees and was made mandatory to all new employees. The course included topics related to Human Rights such as business ethics, corruption and bribery.


In 2021, Indra launched a Sustainability Training Plan that includes specific contents on Human Rights which combines specific sessions and open online content for all professionals. The online course has remained in force during 2022 and is mandatory for new professionals.

In the main geographies where Indra operates (Spain, Mexico, Brazil and Colombia) Indra has subcontracted a security company whose personnel have received training in Human Rights.

Regarding the suppliers' training initiatives, in 2021 Indra included an informative document on Ethics and Compliance in the General Contract Terms and Conditions, which must be accepted by Indra's suppliers. This document refers to aspects like the rejection of corruption and bribery, conflicts of interest, business courtesy, Human Rights and the Direct Channel.

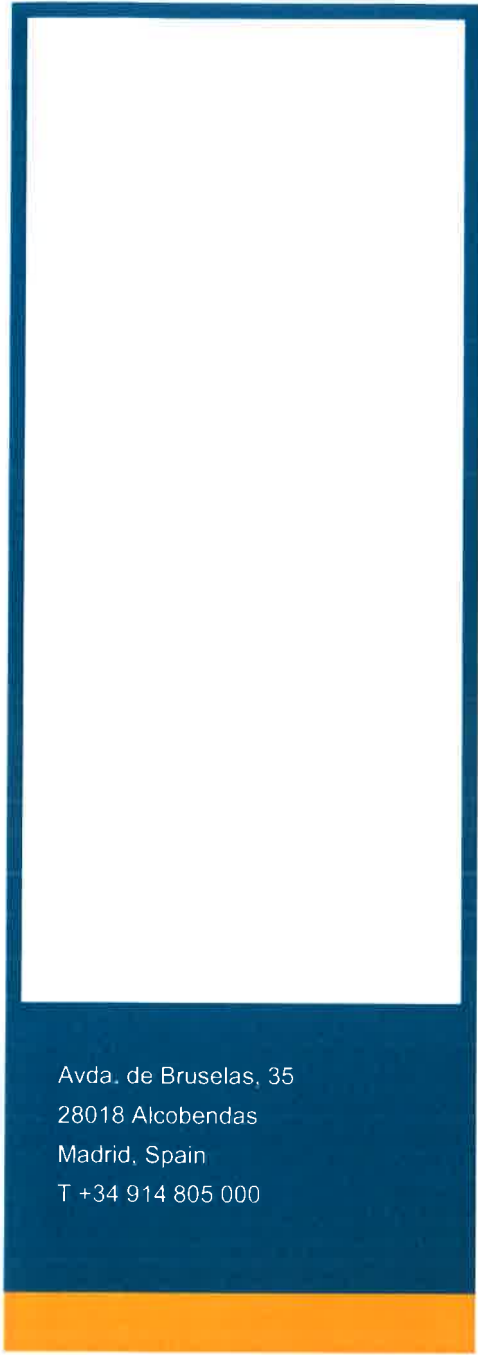
7 Further Information

This statement covers 1st of January 2022 to 31st of December 2022, based on the information published on the Sustainability Report of Indra for 2022, and has been approved by the Board of Directors of Indra Sistemas, S.A. at the board meeting held on the 27th of March 2023.

A handwritten signature in black ink, consisting of several horizontal strokes and a series of vertical, wavy lines, positioned above the printed name and title.

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