



Sustainability Committee Performance Report 2023

January 2024

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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 2023 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 2023 financial year are detailed below:

- Among the resolutions passed, the General Shareholders’ Meeting held on 30 June 2023 agreed to appoint Elena García Armada and María Ángeles Santamaría Martín as independent board members, and Pablo Jiménez de Parga Maseda as a proprietary director, representing the interests of the shareholder Amber Capital.
- Taking account of these new appointments to the Board of Directors, along with the contents of Article 16 of the Board of Directors Regulations on the rotation of board members among the various Committees, on 5 September 2023 the Board of Directors unanimously agreed to restructure the Sustainability Committee, accepting the resignations tendered by Ms Arce, Mr Cuevas and Mr Villazán and, following a report from the Appointments, Remuneration and Corporate Governance Committee, appointing Ms García Armada and Ms Santamaría Martín as members of the said Committee

As a result of the foregoing resolutions, the Committee, as of 31 December 2023, 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
Elena García	Member	Independent	5 September 2023
Juan Moscoso del Prado	Member	Proprietary ⁽ⁱ⁾	28 October 2022
Olga San Jacinto	Member	Independent	28 October 2022
Ángeles Santamaría	Member	Independent	5 September 2023

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

Information on the know-how and experience of the Committee members in their respective areas of expertise is included in their professional profiles, which can be found on the Company website (www.indracompany.com).

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 required by law, section 5 of this article ascribes / designates / assigns 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 compliance with the sustainability objectives, pre-determined and quantifiable, associated to the variable remuneration of the executive directors and senior management, collaborating in this regard with the Appointments, Remuneration and Corporate Governance Committee, if applicable, by submitting reports where appropriate within the scope of its responsibilities informing of the areas for which they are responsible when required.

- f) Supervise the management of intangible assets such as reputation, brand image, intellectual property and transparency, and propose improvement measures.
- g) Any other sustainability issues delegated to it by the Board.

4. Activities during the 2023 financial year

The Committee held five ordinary meetings during the 2023 financial year. The dates of these meetings were 23 January, 13 March, 21 June, 19 October and 15 November.

The average attendance for members either physically present or appearing by videoconference at these 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, made available to them at the same time as notice of each meeting was given.

In addition, the 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 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 2023 financial year, in which it detailed the ordinary issues and matters to be discussed over the course of that year, notwithstanding any extraordinary matters which might arise. In accordance with said Action Plan for the financial year 2023 and pursuant to the duties and responsibilities with which it is charged under the Board of Directors Regulations, in 2023 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>
23 January	<ol style="list-style-type: none"> 1. Approval of the minutes of the meeting held on 21.11.2022 2. Assessment of progress made towards achieving 2022 ESG targets 3. Information Security Presentation 4. Plan for preparation of the 2022 Sustainability Report (NFIS) 5. Plan for verification of the 2022 Sustainability Report 6. Non-Financial Information Monitoring System (ICNFR) 7. Presentation of the Institutional Communications and Media Department 8. Communications plan for ESG achievements 9. Analysis of rating achieved in the CDP Climate Change index and ESG Benchmark for IBEX companies in CDP and other rankings 10. Committee performance report 2022/11. Other business
13 March	<ol style="list-style-type: none"> 1. Approval of the minutes of the meeting held on 23.01.2023 2. Presentation by Deloitte: conclusions from the process for verification of the 2022 Sustainability Report and Non-Financial Information Statement (NFIS)

	<p>3. Presentation of the 2022 Sustainability Report and Non-Financial Information Statement (NFIS)</p> <p>4. Update to the Modern Slavery Statement 2022</p> <p>5. Information Security, Privacy and Intellectual Property Rights Policies</p> <p>6. Other business</p>
21 June	<p>1. Approval of the minutes of the meeting held on 13.03.2023</p> <p>2. Monitoring implementation of the Sustainability Policy and KPIs from the Sustainability Master Plan 2020-2023</p> <p>3. Analysis of Human Rights risks and update to the Human Rights Policy</p> <p>4. In-depth study on diversity, the wage gap and disability</p> <p>5. Environmental Policy and Occupational Risk Prevention Policy</p> <p>6. Other business</p>
19 October	<p>1. Approval of the minutes of the meeting held on 21.06.2023</p> <p>2. Plan for preparation of the new Sustainability Master Plan</p> <p>3. Update on Indra's Carbon Pricing project</p> <p>4. Indra's Eco-design Pilot</p> <p>5. ESG criteria in supplier management and sustainability training for suppliers</p> <p>6. 2024 meetings schedule</p> <p>7. Analysis of ratings achieved on the DJSI and FTSE4Good indices</p> <p>8. Other business:</p> <ul style="list-style-type: none"> ✓ Proposed new calendar for publication of the 2023 Sustainability Report ✓ Update from the European Commission on the Defence sector and the Social Taxonomy ✓ PFAS and derivatives at Indra
15 November	<p>1. Approval of the minutes of the meeting held on 19.10.2023</p> <p>2. 2023 Materiality Assessment</p> <p>3. Plan for the preparation of the 2023 Sustainability Report and challenges in 2024</p> <p>4. Other business:</p> <ul style="list-style-type: none"> ✓ Allocation of matters for the Committee in 2024 ✓ Compilation of sustainability legislation and emission reduction targets

The report on the Committee's performance in the 2022 financial year was published when the notice convening the 2023 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 2023.

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 of Information Security, Privacy and Intellectual Property Rights Policies, following a favourable report from the Committee.
- Approval by the Board of Directors of the Health and Safety Policy, Environmental Policy and the update to Human Rights Policy, following a favourable report from the Committee.

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 (scores obtained in the main ESG indices and quality of the Sustainability Report, which includes a Double Materiality assessment; strengthening of the mechanisms used to manage ESG risk; the presentation of a proposed Communications Plan for ESG achievements; the analysis of Human Rights risk and the update to Human Rights Policy; the update to the Modern Slavery Statement; the effective implementation of the 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 presentation of Indra's Eco-design Pilot).

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.

The Committee was also informed about the milestones established for the preparation and approval of the new Strategic Sustainability Plan 2024-2026.

4.3. Reporting criteria: Sustainability Report 2023

Indra reports its performance in the area of sustainability in its Sustainability Report. This report 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 proposes its contents to the Auditing 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 Sustainability Report for the 2022 financial year 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 the previous year's audit 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, and the Sustainability Report 2022 was prepared by the Board of Directors in March 2023.

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 titled Indra's Sustainability Story, the aim of which is to compile a record of the most important actions taken by the Company in the area of sustainability in a single document. The Committee is kept informed about the updates made to this document and any other content to be included on the microsite.

The Company also provides continuously updated information for investors and stakeholders, including specialists and customers, 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 2023, Indra maintained its number one ranking on the Dow Jones Sustainability Index (DJSI World) for sustainability performance in the IT Sector.

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. In addition, the analysts

at Sustainalytics maintained its “low ESG risk” rating, while the Company’s MSCI-ESG rating remained at AA.

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 the European and the national level, with particular emphasis on the new regulatory developments relating to the EU Taxonomy and the entry into force of two Directives, the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD).

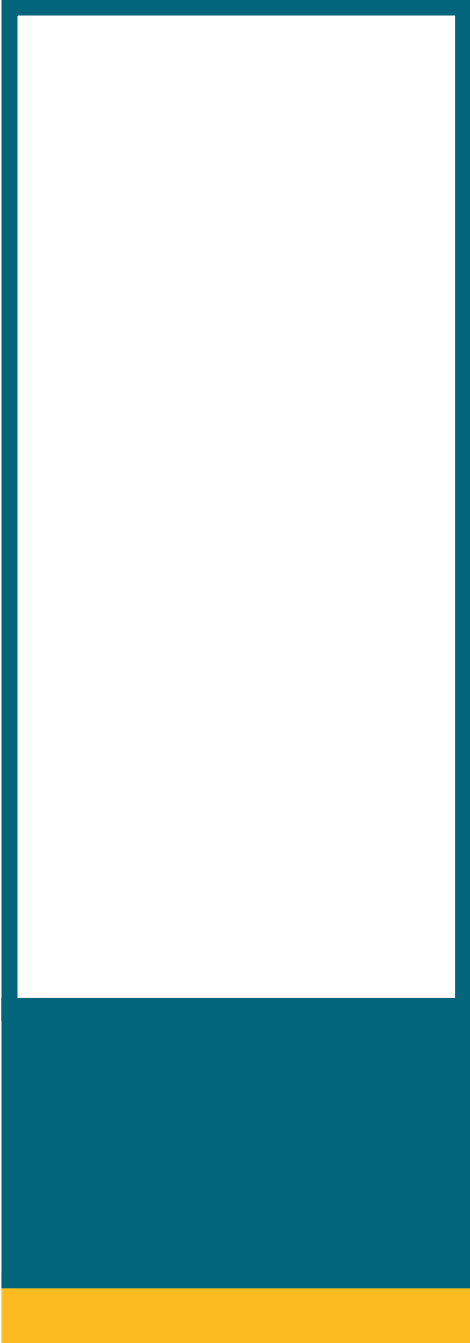
5. Conclusions

The Committee has confirmed that the key issues set out in its Action Plan for the 2023 financial year have been dealt with.

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

During the 2024 financial year, the Committee plans to continue tracking and reviewing all the matters that fall within its remit – including the new Strategic Sustainability Plan 2024-2026, which will be a key component of the Indra Group’s Strategic Plan 2024-2026 – in line with its Meetings Schedule and Annual Working Plan for 2024.

This report has been approved by the Committee in the meeting held on 22 January 2024 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 2023.



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