



# Sustainability Report 2020

Non-Financial Reporting Statement

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# 1 Letter from the Chairman and CEO



**Fernando Abril-Martorell**  
Chairman and CEO

Once again, I have the pleasure of addressing you as we publish our Sustainability Report and Non-Financial Reporting Statement. In this most unusual year, we have taken significant steps to continue to improve our performance in the financial, social, environmental and corporate governance areas.

In 2020 we faced an unprecedented health and economic crisis. A situation which has put our capacity to adapt to the test and in which we have taken all the necessary measures to guarantee the safety and protection of our employees, while still maintaining the level of service and commitment to our clients. With the help and efforts of all Indra's employees during these exceptionally difficult months, and in spite of the uncertainty, we managed to maintain our activities and the continuation of the business.

In these circumstances, more than ever, our obligation is to look beyond them and search for formulas that help us to contribute to the recovery of our activity and that of our clients in a sustainable manner. For some time now, Indra has been committed to the development of people-centric technologies, which respect the rights of individuals and favour their development, while respecting the environment.

The European Green Deal and the proposed Recovery Plan for Europe recognise the role digitalisation and technology are playing as the drivers of a more sustainable growth and economic reconstruction model. An ambitious positioning in sustainability influences companies' financing capacity and is becoming increasingly important to attract and retain talent, differentiate themselves and build client loyalty by finding new solutions to improve their social and environmental impact, and improve social well-being in the long term.

For this reason, our main focus remains innovation and the development of technologies which have a positive social impact, whether that be to drive more sustainable mobility, the energy transition and the fight against climate change, cities that have greater respect for the environment, strengthening participative democracy or the protection of individuals and infrastructures. Technology is a key tool in the transformation of the world and we are committed to contributing to sustainable development through technology, generating long-term value for our clients, shareholders and employees and in the wider sense for the communities where we have a presence.

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*“We are committed to contributing to sustainable development through technology”*

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Establishing the Sustainability Committee at the heart of the Board of Directors has been a strong driver in our sustainability performance. The Committee played a key role in 2020 in the review and approval of, among others, the Sustainability Policy, the new Sustainability and Social Impact Master Plan and the new Human Rights Policy.

Our new Sustainability Master Plan has established a roadmap to ensure that we progress in our transformation into a more sustainable company and in driving technologically advanced solutions to improve the sustainability of our clients.

Our ambition is to become the reference technology company in terms of sustainability and the fight against climate change. Thanks to all the initiatives implemented we are proud to have been recognised by S&P with a gold medal in terms of sustainability, the second-best company in our sector worldwide. The sustainability indexes have also valued our efforts and our ratings have improved by nearly 30%, which makes us one of the leaders in our sector globally.

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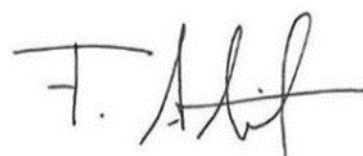
*“We are proud to have been recognised by S&P as a “Gold Class” company in terms of sustainability, the second-best company in our sector worldwide”*

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In 2020, we also achieved some ambitious science-based targets for reducing emissions to be carbon-neutral in 2050 and placing us at the forefront of the transition towards a net zero carbon economy. We want to be the technological ally of our clients in the fight against climate change and that aspiration starts by minimising our own carbon footprint, as well as developing new products and services to help our clients improve their environmental performance.

As part of our commitment to responsible business we continue to encourage a highly demanding ethics and compliance culture in our own company. In the last few years, we have considerably strengthened the resources and capacity to take action in the Compliance Unit and we have encouraged knowledge of respect for legality and the internal regulations among our employees and collaborators to eradicate any possible non-ethical or irregular behaviour. The new update of the Code of Ethics and Legal Compliance, and the reinforcement of the training plans not only aimed at our employees, but also at our suppliers are a clear example of our desire to continue to encourage the highest standards in terms of ethics and compliance. This report provides a detailed account of the measures adopted by the company in the areas of ethics and compliance.

We have an exceptional team in place to make our aspirations a reality and achieve the goals we have set ourselves. This year, more than ever, I want to recognise all the employees at Indra who, in such adverse circumstances, driven by our vocation of customer service, have demonstrated an exemplary level of commitment and effort. I would also like to thank our clients for their constant confidence, and particularly in 2020, their understanding and willingness to adapt to a new way of working and provision of services. And lastly, both I and the Board of Directors would like to extend a special thank you to all of our shareholders for continuing to place their trust in us.



Fernando Abril-Martorell  
Chairman and CEO of Indra



# Our 2020 performance figures

**Financial performance**

Revenues (M€)	EBIT Margin	Free Cash-Flow (M€)	Net debt / EBITDA
<b>3,043</b>	<b>-1.1%</b>	<b>83</b>	<b>2.5x</b>

**Governance, ethics and transparency**

Professionals trained in ethics and compliance\* **89%**  
\*Over the last three years

Professionals trained in competence law **+17k**

Nº of cybersecurity incidents with critical impact **0**

**Tecnology with impact**

R&D investment over revenues **8.7%**

Professionals dedicated to R&D **+3k**

Women on R&D activities **30%**



National Innovation Award 2020

**Planet**

Carbon Footprint (Scope 1 and 2 tCO<sub>2</sub>eq) **4,687**

Percentage of renewable electricity **77%**

Fabrication sites ISO 14001 **100%**

**SBT 1.5°C reduction commitment**

2030	2040	2050
<b>-50% emissions</b> by energy consumption	<b>Zero emissions</b> by energy consumption	<b>100% carbón neutral</b>

**People**

Final staff\* **49,027**  
(\* Including SmartPaper, Smartest and Baltik)

Unwanted turnover **8%**

Women on staff **34%**

Gender gap **3.21**

Women on Board **38%**

Professionals with permanent contract **+90%**

Professionals with collective bargain instruments **97%**

**top EMPLOYER ESPAÑA SPAIN 2021** Top Employer Company

## Among the leaders of sustainability in ESG indices

<p><b>Sustainability Award</b> Gold Class 2021 <b>S&amp;P Global</b></p> <p><b>84</b> +19 vs. 2019</p> <p>DJSI (0-100 score) Top 1%</p>	<p><b>FTSE4Good</b></p> <p><b>4.1</b> +0.9 vs. 2019</p> <p>Ftse4Good (0-5 score) Top 16%</p>	<p><b>MSCI</b></p> <p><b>AA</b></p> <p>MSCI (scale CCC-AAA) Top 15%</p>	<p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p> <p><b>B</b></p> <p>CDP Climate (scale F-A)</p>	<p><b>SUSTAINALYTICS</b></p> <p><b>7</b></p> <p>Percentile in the Software and TI sector</p>
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## 2 Market climate, business model and strategy

### 2.1 Market climate and trends

2020 was marked at every level by the appearance of Covid-19. In the first instance, the pandemic set in motion a global health and social crisis, which in turn gave rise to an economic shock of great magnitude. The timing of the recovery from this still remains uncertain. This crisis has had an impact on all sectors in one way or another and will have a structural impact on many of them.

In spite of the uncertain context, there is a clear consensus regarding the fundamental role technology and digitalisation should play in this crisis for both society and corporates in terms of differentiating their businesses, increasing their resilience and responding to future challenges. Significant opportunities for the technology sector are therefore opening up, and for Indra in particular.

Covid-19 has had a decisive impact on global trends, favouring the appearance of short-term effects related to the pandemic itself, but more specifically in the acceleration of the principal pre-existing trends. A series of cross-cutting trends that affect the whole company have been identified:

- **The criticality of digital capabilities and the ongoing necessity for innovation**

Digitalisation has given rise to increasingly important digital technologies (e.g. Artificial Intelligence, the Internet of Things, Cybersecurity, etc.), new niches of digitally native businesses (e.g. Unmanned Traffic Management, aftermarket, etc.) and new business models (e.g. predictive maintenance as a Service, core banking as a Service, infrastructure as a Service, etc.). New technologies (automation, the cloud) are penetrating traditional products and services and are transforming them significantly.

Innovation lead times and the time-to-market of new products are subject to continual reductions which, in turn, accelerate the speed of obsolescence of products and are forcing increased agility in innovation and development cycles.

- **Blurring the boundaries between industries, clients and competitors and the importance of relational ecosystems**

In this context of accelerated digital transformation, traditional value chains are becoming blurred, together with the roles of client-competitor-supplier, and there is a migration of the value towards new digital ecosystems, in which technology is increasingly becoming a key factor in long-term sustainable competition.

The importance of new relational ecosystems that favour the creation of platforms of multi-sector collaboration are therefore increasing, benefiting from differentiating resources on which to build a competitive advantage.

- **The importance of scale and acceleration in consolidation processes**

Multiple factors are making scale an increasingly important factor in determining how competitive technology companies are:

- Upward trend in the number and size of large contracts.
- Need for significant investment in R&D, directed towards the industrialisation and “productisation” of the portfolio.
- Sustained pressure on pricing, which requires a constant focus on the efficiency plans on the part of companies.
- Rapid erosion of added value, resulting from the acceleration of change and investment cycles.

In turn, the need to grow in scale leads to the acceleration of the consolidation process between our main competitors. In addition, there is an increase in the number of mergers and acquisitions aimed at complementing the portfolio and acquiring new capabilities.

- **Renewed concern regarding sustainability**

Sustainability has made a significant leap as one of society’s key concerns globally. This growing social awareness is palpably translating into all areas of the corporate environment, and becoming a priority:

- In the area of regulation, authorities are driving a change of trend through legislation and the voluntary commitments which companies are making in aspects such as diversity, good governance and the environment.
- Investors, analysts and rating agencies now generally incorporate environmental, social and governance aspects in their valuations. In fact, it is increasingly possible to identify a sustainability premium in the price that investors are willing to pay for the shares of the leading companies in sustainability, and a good performance in this area facilitates access to better financing terms and conditions.



- Employees and society as a whole are becoming more demanding of companies, hoping that value generation will extend beyond the shareholder, contributing to social and environmental well-being. In turn, companies are reacting by demanding solutions and services from their suppliers which will contribute to both their own sustainability and that of society, as a driver for the differentiation and strengthening of their image.

■ **Increasing importance of public budgets and stimulus measures**

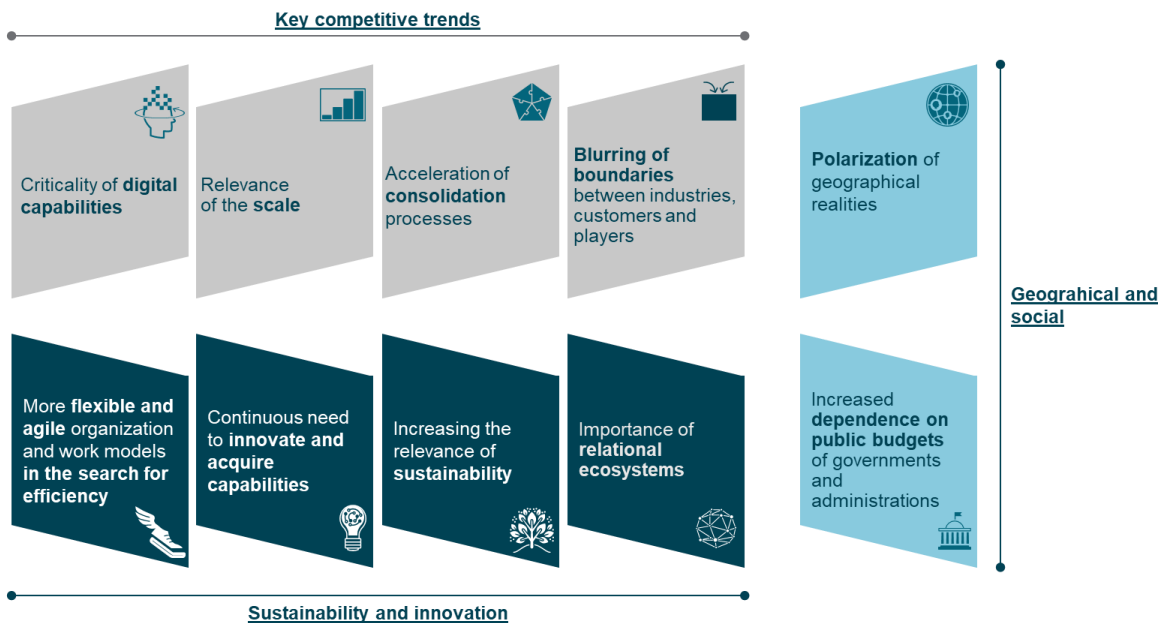
The pandemic has forced states and supranational entities to deploy economic stimulus packages and post-Covid recovery programmes, designed to mitigate the economic impact and accelerate the return to growth. In particular, the ambitious Next Generation EU recovery plan underway at the European level stands out, with a dual objective of increasing the sustainability and the digitalisation of the economy.

At the same time, public authorities have become bigger clients, which is customary in times of crisis. As a result of this, Business to Government and the weighting of public-sector contracts has increased.

■ **Polarisation of geographical realities**

The US and China have consolidated as global leaders in innovation and value creation, but have high barriers to entry to their respective markets. The US remains the leader in value creation, while Asia is consolidating as the driver of growth at a global level.

**Market climate and main trends 2020**







## 2.2 Business model and strategy

The Indra business model is based on offering a full suite of end-to-end proprietary solutions that ensure both significant added-value and a notable innovation component. The company establishes long-term relationships with its clients, becoming their technological partner for the key operations of their businesses. To achieve this, Indra’s team of professionals combines solid technological capabilities with an in-depth knowledge of markets and the needs of their clients. Meanwhile, Indra is committed to sustainability as an intrinsic part of its objectives, bolstering the sustainability of its clients through technology.

Indra is one of the leading international technology and consulting companies, with global sales of €3,043 million in 2020

Indra has two business divisions, Information Technology (under the brand Minsait), and Transport and Defence. The two divisions are linked by a solid technological base, which is our main distinguishing feature, which enables synergies to be created between the business divisions and forms the core of the company's business model. The two businesses have different dynamics:

- **Minsait:** mainly focused on the suite of products offered to private clients and technology centred on software.
- **Transport and Defence:** products mainly oriented towards governments and public authorities, and an emphasis on products in which hardware and electronics are a key element.

<p><b>Information and Digital Technologies</b></p> <p>Leading firm in Digital Transformation and IT in Spain and Latin America, through its affiliate Minsait</p> 	<p><b>Transport and Defence</b></p> <p>World-leader in providing proprietary solutions in specific segments in Transport and Defence markets</p>		
	 <p><b>Defence and security</b></p> <p>Envisioning a safer tomorrow</p>	 <p><b>Air Traffic</b></p> <p>Creating skies together</p>	 <p><b>Transport</b></p> <p>Unlocking life in motion</p>

### Information Technology (Minsait)

Indra groups all its Information Technology (IT) businesses under the Minsait brand. With a value proposal aiming to generate impact on businesses and on society through technology transformation, Minsait has positioned itself as a leading digital transformation company in Spain and Latin America.

Minsait’s suite of products combines integrated solutions, starting with strategy and origination, implementation and transformation, right through to operations. Minsait combines in-house solutions (with 100,000+ companies connected to the ecosystem with our solutions) with the provision of IT services, including digital business (26% of Minsait’s business comes from consulting, cybersecurity, advanced technologies and ERP services), as well as traditional IT services (IT outsourcing, business process outsourcing, infrastructure management and user support).

Minsait has specific end-to-end value proposals adapted to each industry, designed to generate value in response to the challenges faced by clients in each sector, guaranteeing the cybersecurity of their operations.

- **Energy and Industry.** Sustainability, control and efficiency for energy companies. Minsait has leading solutions for the management of transmission networks and energy distribution. In the industrial sector, Minsait has solutions to improve airline competitiveness and to optimise and improve the experience through online sales channels (e-commerce).
- **Financial Services.** Leading the transformation of the banking and insurance sectors. Minsait’s bank card are the leading solutions in Spain and Latin America. In Latin America, the company created the first 100% digital bank in Argentina. The company is helping to transform the insurance sector from a client point of view.



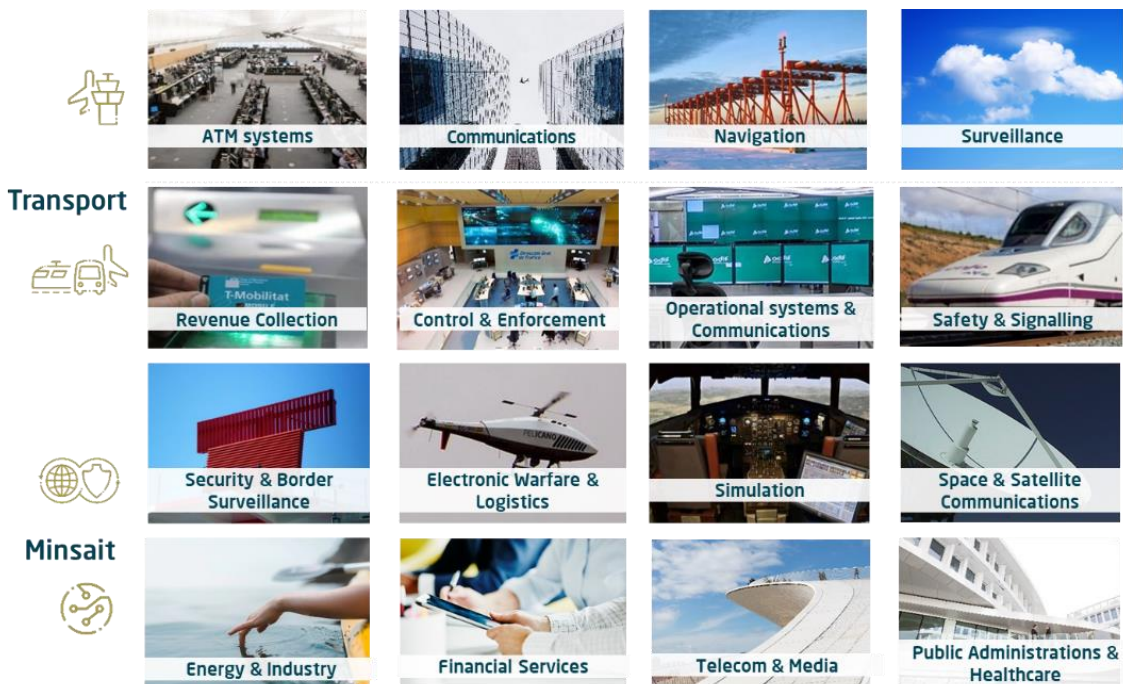
- **Telecom and Media.** Helping operators to meet their challenges. Minsait optimises the billing costs of big operators and guarantees the optimisation of fibre-optic communications. Minsait's technology improves client experience by optimising back-office services.
- **Public Authorities and Healthcare.** Putting citizens front and centre for public authorities. Minsait's experience and its technology for electoral processes is well renowned and has been successfully used in 400 elections worldwide. In the healthcare sector, the company develops key solutions to make home-based medical assistance a reality. Thanks to its technology and experience, Minsait is also contributing to the digital transformation of public authorities. In 2020, we would particularly highlight the development of a Spanish contact-tracing mobile application called [Radar Covid](#), a tool which enables people who have tested positive for Covid to warn people who they have been in contact with, without needing to reveal their identity.

**Transport & Defence (T&D)**

Indra is a leading provider of in-house solutions in specific segments of the Transport and Defence markets, positioning itself as an international leader in high value-add niche technological markets.

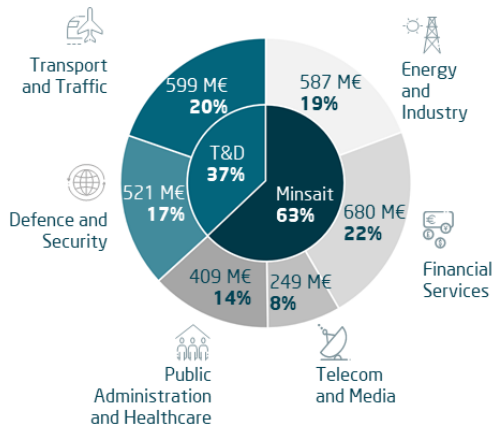
The T&D division spans three markets, with a considerable international presence in all of them: Defence and Security, Air Traffic and Transport.

- **Defence & Security.** Indra is a key European player in the area of defence systems, with a significant presence and proven experience at an international level. The company has in-house solutions in the segments of air defence, on-board systems on airborne, naval and land-based platforms, border security and surveillance, electronic defence, simulation, space and communications satellites. Indra forms part of the foremost European Defence and Space programmes, particularly of note is its nomination as the national coordinator of Spanish industry for the FCAS (Future Combat Air System) programme.
- **Air Traffic.** Indra is one of the leading suppliers of air traffic systems and equipment worldwide, with an important footprint of references in 176 countries, which include Indra technology in ~200 control centres, ~1,700 ILS systems (Instrument Landing System) and ~400 secondary radars. Indra is an important player in the realm of the Single European Sky initiative, forming part of its technological arm, SESAR, as one of its key industrial partners. At the same time, the company is leading the transformation of the sector with the development of innovative initiatives in multiple arenas such as U-Space (air traffic management of unmanned vehicles), virtual control towers, and communications satellite services, navigation and surveillance.
- **Transport.** Indra has an integrated technology suite that includes ticketing and toll systems, information and control systems for multiple infrastructures and modes of transport, rail safety and signalling systems, as well as transport consulting and planning capabilities. Indra is the technological partner in some of the most important infrastructure projects globally, such as the Panama Canal, the London tunnels and the high-speed Mecca-Medina line. The company also leads some of the most important innovative European initiatives in the digitalisation of transport and intelligent solutions: Shift2Rail, Transforming Transport, AUTOCITS and Comp4Drones.

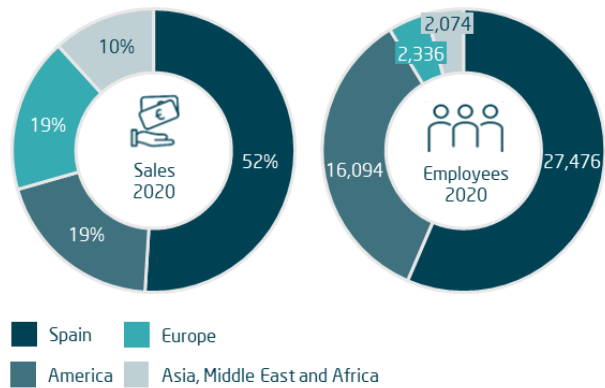




**Distribution of revenues by business**



**Distribution of sales and employees by geography**



**Indra’s extensive international presence**

Indra has a significant international presence, with 48% of annual sales made outside Spain. Its more than 48,000 employees are distributed across 46 countries. Additionally, Indra has commercial activities in more than 140 countries, therefore its commitment to sustainable development has an almost global reach. Indra is the leading technology company in the Spanish industrial sector. However, it also has a major presence in Latin America and Europe. The majority of the company’s sales and employees are concentrated in these three geographies. At the supplier level, more than 60% of Indra’s procurement is in Spain.

**Adapting the business to the new Covid-19 situation**

As a company in the technology sector, Indra has been affected by the pandemic to a lesser extent than other sectors. This is thanks to its clients’ needs to accelerate the digitalisation of their businesses, or due to the greater stability of sales in some markets. In spite of this, the effects in the short, medium and long term have been felt in both the company’s operations and its turnover. The rapid introduction of remote working as a key risk prevention measure for some 90% of staff helped protect employees, as well as the continued operation of the business even in the most critical moments of the health situation. Nonetheless, earnings were affected due to various factors, such as delays in the execution or certification of some projects, or the impact on clients’ business in the worst-affected sectors. There has been an acceleration of the core medium- and long-term trends in this period, resulting in immediate changes in client demand, with clients looking for increased sustainability and digitalisation of their businesses.

To mitigate the impact of the pandemic, Indra has been diligent in bolstering its liquidity and has put a plan in place to optimise recurring non-staff related costs, minimising business travel, closing unnecessary space and reducing subcontracted services. Meanwhile, in anticipation for the probable structural impacts, Indra has also put in place significant restructuring and transformation plans for the businesses and products which could become obsolete after the pandemic. The migration to new high-value solutions has therefore been accelerated, in order to better fit with clients’ new sustainability and digitalisation requirements. By taking these measures, Indra is seeking to minimise the impact of the pandemic on its business and its employees, and to emerge as a stronger company ready to fully benefit from the future recovery scenario.

For more information on Indra’s business model, the markets it has a presence in and its strategy, we recommend reading the investor presentation available on the company’s [website](#), which is regularly updated.



### Sustainability strategy and contribution to the Sustainable Development Goals (SDG)

As part of its continuing commitment to sustainable development and ethics, as well as to the various requirements of its stakeholders, in March 2020 Indra's Board approved a new Sustainability Policy to replace the policy in place since 2015.

Indra's new Sustainability Policy is inspired by the Sustainable Development Goals included in the UN 2030 Agenda, in response to the expectations of stakeholders and society, and adopting leading international standards.

The Sustainability Policy is the reference framework for the effective integration of environmental, social and governance (ESG) criteria in the company's decision-making processes, in the development of its products and services, and in relation to the company's main stakeholders.

The Sustainability Committee is responsible for directing and informing the Sustainability Policy, monitoring and supervising the objectives and principles of this policy, and reporting its conclusions to the Board.

The Sustainability Policy is applicable to and binding on all Indra group companies globally.

Not only is Indra's sustainability model inspired by its Sustainable Development Goals (SDGs), but for years the company's strategy has been to commit to the objectives of the UN 2030 Agenda. This commitment was further bolstered in 2020 by the approval of the Sustainability and Social Impact Master Plan 2020-2023.

### Principles of action of the Sustainability Policy

<p><b>Strengthen the governance model for responsible business</b></p> <ul style="list-style-type: none"> <li>▪ Adopt best practices in corporate governance</li> <li>▪ Pursue the social interest and sustainability of the group</li> <li>▪ Comply with the Code of Ethics and respect Human Rights</li> </ul>	<p><b>Technology with impact on sustainable development</b></p> <ul style="list-style-type: none"> <li>▪ Promote supply with an impact on sustainability</li> <li>▪ Include social and environmental criteria in the development of products and services</li> <li>▪ Measure the impact of supply on people and the planet</li> </ul>
<p><b>Combat Climate Change and protect the environment</b></p> <ul style="list-style-type: none"> <li>▪ Fight Climate Change</li> <li>▪ Minimize the environmental impact of operations</li> <li>▪ Rational use of resources</li> </ul>	<p><b>Reinforce relationship with stakeholders</b></p> <ul style="list-style-type: none"> <li>▪ Smooth and transparency in communication, sharing relevant information for decision making</li> <li>▪ Dissemination, follow-up and evaluation of the commitments acquired</li> </ul>

## Indra's suite of solutions and services helps to achieve the UN's Sustainable Development Goals

There are numerous examples which illustrate how Indra's innovative technology favours more sustainable economic development and demonstrates the strong link between sustainability and digitalisation. In addition to more sustainable development through the use of its solutions, Indra also promotes the application of responsible social and environmental business practices. Indra's activity is therefore transversal to almost all the SDGs, although there are some solutions where the positive impact on society and the planet are particularly significant.

### Sustainable mobility

Indra has a clear influence on the improvement in the efficiency and sustainability of air transport, thanks to its air traffic control management technology. This technology helps to reduce CO<sub>2</sub> emissions, flight times and noise pollution in and around airports. Meanwhile, its intelligent transport systems improve road and rail traffic flow, as well as reduce the number of accidents. Indra's technology makes different means of transport more accessible to individuals. Capacity monitoring and contactless payment are highly valued by users thanks to the security and confidence afforded during the pandemic.





### Energy transition

Indra contributes to the decarbonisation of the economy through its technological solutions. Energy and utility companies need these solutions if they are to successfully meet the challenge of energy transition. Indra has solutions for network and client management, active demand management, environmental monitoring and the detection of hydrocarbon leaks. The company is recognised by Gartner and IDC (International Data Corporation) as one of the leading technological partners that can help companies tackle the challenges of energy transition at a global level, thanks to Onesait Utilities Grid, its end-to-end solution for the intelligent and integrated management of distribution networks.



### Sustainable cities

Thanks to its development of more than 120 Smart Cities projects, Indra's technology is used in multiple cities around the world. With the installation of sensors and data analysis, the environmental impact of cities can be reduced. At the same time, numerous services for residents can be improved or facilitated, such as information, transport and security. Indra's technological suites for urban waste management are also helping to boost the circular economy. Indra also has a presence in city water cycle management. Indra's solutions also improve the energy efficiency of buildings and public lighting and simplify maintenance tasks in parks and gardens.



### Public involvement

Indra is a global leader in the organisation of electoral processes and has been involved in this market for more than 40 years. These days, technology penetration has been increasing, helping to improve the management and reliability of the process, and to get results quicker. In future, even greater use of technology will improve accessibility and public involvement. Indra's systems also cover other societal needs, such as censuses and shareholder meetings.



### Sustainable digital transformation

Transforming the interaction of people with the physical world is one way of contributing to sustainability, by reducing carbon footprints, or investing in the circular economy and the well-being of the population. Indra is working to digitalise business and production processes in numerous sectors of the economy, such as financial services, telecommunications, logistics and industry and consumption. By digitalising public authorities, as well as health, education and justice sectors, Indra is also providing the general public with added-value services. Meanwhile, simulators reduce pollution, thanks to real-time training hours being carried out in virtual environments instead.





### Protection of individuals, critical infrastructure and the natural environment

Indra's technology guarantees security for both people and critical infrastructure. Emergency response solutions help to protect people from accidents and natural disasters. Protection systems against drones in restricted air space offer protection for critical infrastructure from threats and limit the disruption to the operation of airports due to interference from these devices. Earth observation solutions alert for potential climate risks. The maritime traffic control solution (VTS) helps manage vessels in complex or high traffic zones.



## World-transforming technology





## 2.3 Sustainability and Social Impact Master Plan 2020-2023

The UN's Sustainable Development Goals and Indra's Sustainability Policy were the inspiration for the Sustainability and Social Impact Master Plan for the period 2020-2023, which was approved by Indra's Sustainability Committee and the Board of Directors in July 2020.

The Sustainability and Social Impact Master Plan is the basis for sustainability management at Indra and demonstrates its integration in the company's strategy and culture in response to present and future social and environmental challenges. The preparation of this report involved different areas of the company to ensure internal commitment and the establishment of ambitious but achievable objectives.



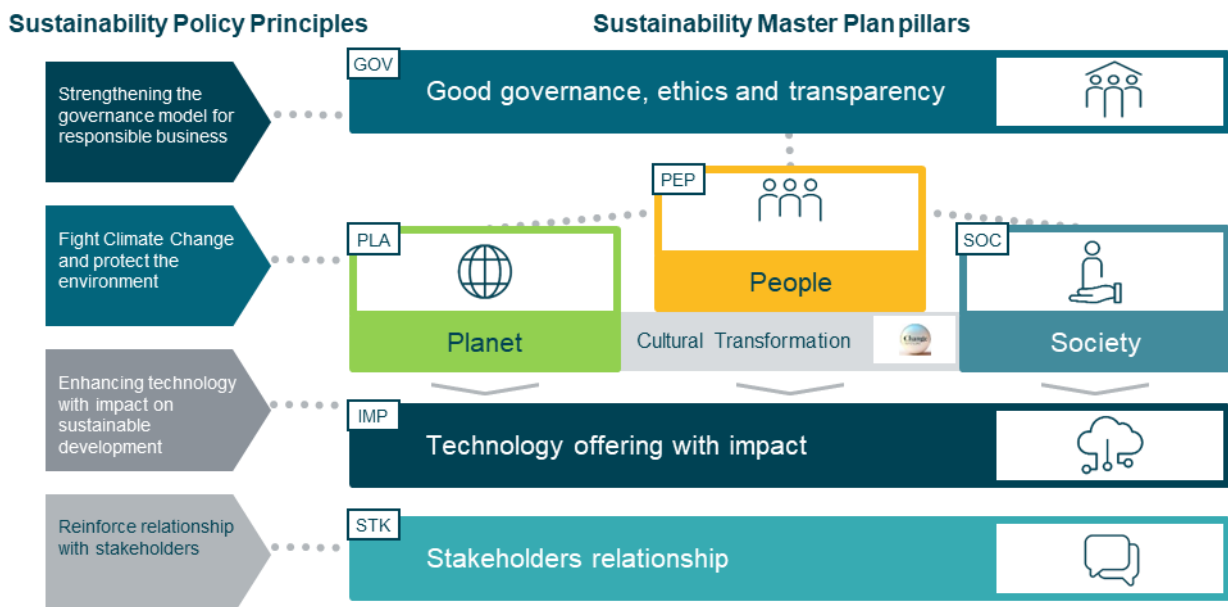
The objective of the ambitious Sustainability Plan 2020-2023 is to position Indra as the leader in technology-driven sustainable development

In response to the strategic nature which the Board of Directors of Indra has assigned to sustainability, the Sustainability Committee is responsible for monitoring the progress of the objectives included in the Sustainability Master Plan. The Committee regularly reports to the Board on progress made and ensures that the company is implementing the necessary initiatives to achieve those objectives.

### Pillars and objectives of the Sustainability Master Plan

In general terms, the Plan's objective is to create value for all Indra stakeholders. As a reflection of this, the company has set itself a goal of taking action in all the various environmental, social and governance issues which are within its power, to have a positive impact on its surroundings. At the same time, the Plan is intended to be the basis for managing the risks and opportunities that sustainable development presents for the company.

In keeping with the four principles of Indra's [Sustainability Policy](#), the Plan includes 28 initiatives, divided between six core pillars of action. In addition, there is a cross-cutting cultural transformation project which affects the company as a whole, with specific sustainability initiatives.





Each of the Plan's six pillars has its own objectives to reinforce sustainability for the company as a whole. In 2020 we have already started to work on all of the proposed areas in line with the new Plan.

Sustainability Master Plan pillars	Key activities in 2020	KPI	Related SDGs
<b>Good governance, ethics and transparency</b> Ensure that the company follows best practices in good governance, ethics and transparency	<ul style="list-style-type: none"> <li>Updated Code of Ethics and Legal Compliance</li> <li>Ethics and compliance training for professionals and suppliers</li> <li>Sustainability and Human Rights policies approved by the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>89% professionals trained in ethics and compliance over the last 3 years</li> <li>0 critical cybersecurity incidents</li> <li>0 complaints for customer privacy</li> <li>0 complaints on Human Rights (forced labor, human trafficking)</li> </ul>	8 DECENT WORK AND ECONOMIC GROWTH 16 FAIR AND EQUITABLE SOCIETIES
<b>Planet and Climate Change</b> Actively contribute to combating climate change and protecting the environment	<ul style="list-style-type: none"> <li>SBT emissions reduction target: Scope 1+2: -20% 2023, -50% 2030 and -100% 2040. Scope 3: -5% 2023; -14% 2030 and -50% 2040 (base year 2019). Zero net emissions in 2050</li> <li>Global Carbon Footprint calculation (Scope 1+2+3)</li> <li>Reduction of hazardous waste and plastics</li> </ul>	<ul style="list-style-type: none"> <li>Carbon Footprint Scope 1 + 2 + 3</li> <li>77% renewable energy</li> <li>Score B in CDP</li> <li>100% fabrication sites with ISO14001</li> <li>28% hazardous waste generated and 62% reused</li> </ul>	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
<b>People and talent</b> Create a motivating work environment that promotes innovation, commitment and equal opportunities	<ul style="list-style-type: none"> <li>Remuneration of senior management linked to sustainability objectives</li> <li>Implementation of preventive measures to adapt the work model during the health crisis</li> <li>Presence in the Bloomberg Gender Equality Index for the 2nd consecutive year</li> </ul>	<ul style="list-style-type: none"> <li>+90% professionals with permanent contract</li> <li>95% retention after paternity/maternity leave</li> <li>97% professionals with collective agreement instruments</li> <li>+600 vacancies covered with internal candidates</li> <li>34% women on staff and 33% in STEM</li> <li>3.2% gender salary gap</li> <li>1% professionals with disabilities</li> </ul>	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
<b>Society and commitment with the community</b> Contribute to the development of the communities in which Indra is present and generate a positive social impact	<ul style="list-style-type: none"> <li>Social action initiatives to mitigate the effects of Covid-19</li> <li>Mobilization of professionals in initiatives with social impact such as Core Teams</li> </ul>	<ul style="list-style-type: none"> <li>504K € investment in Social Action</li> <li>+370K direct beneficiaries</li> <li>+700K indirect beneficiaries</li> <li>+1,000 volunteers</li> <li>+6,800 h. volunteering</li> </ul>	10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
<b>Technology offer with impact</b> Develop products and services that help our customers to be more sustainable in their performance	<ul style="list-style-type: none"> <li>Preliminary analysis of the EU Taxonomy in relation to Indra's activities.</li> <li>Innovative ideas for sustainability and post-COVID solutions (Innovators 2020)</li> <li>Evaluation of ESG performance of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>265M € investment in R&amp;D</li> <li>+3,000 professionals in R&amp;D and 30% Women</li> <li>52% purchases to suppliers with ESG rating</li> <li>80% purchases to local suppliers</li> <li>78% SME-type suppliers in Spain</li> </ul>	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
<b>Stakeholders relationship</b> Improve the perception and enhance the value of Indra's leading position and ESG initiatives	<ul style="list-style-type: none"> <li>Improved positioning in sustainability indexes</li> <li>Materiality Analysis 2020</li> <li>Publication of sustainability content on corporate website and social media</li> </ul>	<ul style="list-style-type: none"> <li>84/100 DJSI score</li> <li>4.1/5 FTSE4Good score</li> <li>AA rating MSCI-ESG</li> <li>7 percentile in Sustainalytics</li> <li>100% scope covered by ESG reporting</li> </ul>	16 FAIR AND EQUITABLE SOCIETIES 17 PARTNERSHIPS FOR THE GOALS

### Development, approval and monitoring of the Sustainability Master Plan

The Sustainability Master Plan was drawn up in 2020 under the stewardship of the Strategy and Innovation Directorate, based on an in-depth consideration of the non-financial aspects which have a bearing on Indra's business model. To guarantee the transversality of the Plan, the whole organisation was involved through working groups and interviews with key directors from the business and corporate units. This process also contributed to the organisation's awareness of the need to include environmental, social and governance (ESG) aspects when considering the company's strategies.

The Plan was presented to and ratified by the Steering Committee, and also to the Steering Committees of the Information Technology (IT) and Transport and Defence (T&D) divisions, which finalised some pending details. The Plan was then passed on up to the Sustainability Committee, which took a favourable view, and was finally approved by the Board in July 2020. In November 2020 the Sustainability Committee approved the main key performance indicators (KPIs) linked to the Plan, among others the emissions reduction target.

Founded in February 2020, the Sustainability Committee is the executive body responsible for monitoring the initiatives included in the Plan. This Committee meets monthly under the oversight of the Strategy and Innovation Directorate, with representatives from not only the IT and T&D Divisions, but also from the most important corporate areas including Human Resources, Investor Relations and Communications.

With the aim of improving transparency regarding its sustainability performance, Indra has reviewed the structure of the existing Sustainability Report to bring it in line with the pillars of the new Plan. The following sections contain full descriptions of the impacts on the company, its risks and opportunities, performance indicators and objectives as envisaged under the pillars of the Sustainability Master Plan.

When preparing this report, the company has also taken into account the results of the Materiality Assessment carried out in 2020, in order to detect and update relevant sustainability issues for the company and its stakeholders. The results of this Assessment, presented and approved by the Sustainability Committee, as well as the process followed during its preparation, are provided in detail in Appendix 9.2 of this report. In order of importance, the ten most relevant issues identified are: information security and privacy, corporate governance, corruption and bribery, employment conditions and rights, occupational health and safety, human rights, supply chain, sourcing and retaining talent, code of ethics and professional development.





## 3 Good governance, ethics and transparency

### 3.1 Governance model for a responsible business

#### Governance model

The principles of Indra's Corporate Governance Model are:

- Efficiency: to guarantee the most suitable composition of the administrative body and apply measures that allow it to act with purpose and independence in the interests of protecting social welfare, the shareholders and guaranteeing Indra's sustainability.
- Fairness: to encourage dialogue with shareholders, investors and other stakeholders and equal treatment of all parties.
- Respect for rights: to implement measures to promote informed shareholder participation and the exercise of their rights.
- Responsible compliance by management: active supervision with specific and non-delegable responsibilities.
- Transparency: both in informative terms and regarding the commitment to dialogue with all stakeholders.

#### Corporate regulations and policies

Indra's management model comprises a set of standards that seek not only to comply with the legislation in force, but also to incorporate the best practices and recommendations relating to Corporate Governance. The internal regulations and the main corporate policies are available on the company [website](#).

The Sustainability Policy reflects the company's commitments to all its stakeholders and represents a reference framework to guarantee responsible behaviour. The current Sustainability Policy has been approved by the Board, is public and can be viewed on the [company website](#).

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### Indra has adapted its internal regulations to the modification of the Code of Good Governance for Listed Companies (CGGLG)

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As a result of the modification of the CGGLG approved by the Spanish Securities Markets Commission (CNMV in its Spanish acronym) in June 2020, and as proposed by its Appointments, Remuneration and Corporate Governance Committee (ARCGC), Indra's Board reviewed its internal regulations regarding corporate governance. This affected the following internal regulations and policies:

- The approval of a new merged text of the [Board of Directors' Regulations](#), among others to adapt the competences of its Committees to the new recommendations. Indra has allocated the supervision of financial and non-financial information of the financial and non-financial risk management to the Auditing and Compliance Committee (ACC), assigning the advisory functions of these matters to the Sustainability Committee. At the same time, the Sustainability Committee is responsible for informing the Board regarding the progress Indra is making on policy, good practice and specific plans of action in terms of sustainability, and the extent to which these are in line with the strategy and Master Plan approved by the Board. The Sustainability Committee's functions include the regular review of Indra's performance in terms of sustainability, as well as its rankings in the existing indices and indicators, and of proposing measures the company should take to meet the requirements. The Sustainability Committee also has the competence to supervise the management of intangible assets such as reputation, brand image, intellectual capital and transparency, and to propose improvement measures.
- Modification of the [Board Member Selection Policy](#) to update the gender diversity target to 40% of members before year-end 2022. The policy also includes other actions to favour gender diversity, including the adoption of measures to ensure that Indra has a significant number of high-ranking female directors.
- Update of the [Communication policy with shareholders, institutional investors, proxy voting advisors and other stakeholders](#), among others, to incorporate in this same policy the criteria for communication of financial, non-financial and corporate information, which are intrinsically related. This also includes the principles underlying this policy and its peculiarities depending on the type of information involved, as well as the channels used and clarifications about some procedural aspects.

Indra's degree of compliance with the recommendations of the Code of Good Governance of Listed Companies is very high, as set out in section G of the [Annual Corporate Governance Report](#).



### Board of Directors and its Committees

The Board of Directors and its Committees, along with the Steering Committee constitute [Indra's government bodies](#). The duties of the Board and its Committees are set out in the [Board Regulations](#), which implement the provisions of the Articles of Association.

The Board focuses its activities on supervising and controlling the executive bodies and the Steering Committee, to which it delegates the company's day-to-day management.

The objective of the Sustainability Master Plan is to define the ESG objectives and the approval of these by Indra's governing bodies.

Articles 21, 22 and 26 of the Articles of Association and sections II, III and X of the Board Regulations govern the Board of Directors' functions, the remit within which it can act, its qualitative and quantitative composition, and the various director roles and their duties.

The structure, composition, duties and rules of operation of the Board and its Committees are also outlined in sections C.1 and C.2 of the [Annual Corporate Governance Report](#).

### Composition of the Board

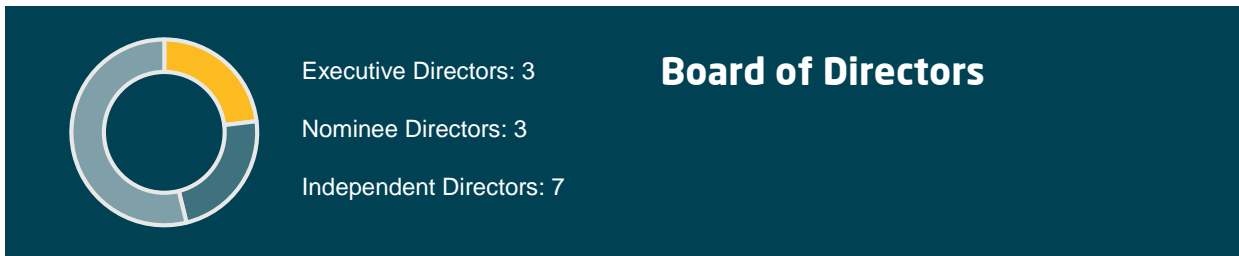
The Policy for the Appointment of Directors establishes that the selection processes for the appointment of directors will be carried out by the Appointments, Remuneration and Corporate Governance Committee (ARCGC) in line with the principles of said policy, promoting a board composition that displays diversity in terms of gender, skills, training, professional experience (including international experience) and age and avoids any kind of discrimination based on gender, religion, ideology, nationality or disability.

Women on the Board of Directors

**38%**

With the appointment of a new female Board Member in 2020, Indra's Board now comprises 38% women, close to its objective of at least 40% in 2022.

The professional profiles of the members of the Board and its Committees, as well as those of the Steering Committee, are public and are regularly updated on the [company website](#). The Board's skills matrix, included in the table of non-financial indicators in the appendices to this report, is regularly updated and reflects the skills, experience, knowledge, professionalism and abilities that the Board of Directors should have. It is a key tool that facilitates an overview of the integrated diversity of the Board's composition and serves as a tool when making decisions in planning the renewal of the Board's membership.



Executive Directors: 3   23%	External Directors: 10   77%	
	Nominee Directors: 3   23%	Independent Directors: 7   54%
<ul style="list-style-type: none"> <li>Fernando Abril-Martorell (Chairman and CEO)</li> <li>Ignacio Mataix (Executive Director of Transport and Defence)</li> <li>Cristina Ruiz (Executive Director of IT)</li> </ul>	<ul style="list-style-type: none"> <li>Antonio Cuevas</li> <li>Santos Martínez-Conde</li> <li>Miguel Sebastián</li> </ul>	<ul style="list-style-type: none"> <li>Alberto Terol (Vice-Chairman and Lead Independent Director)</li> <li>Carmen Aquerreta</li> <li>Silvia Iranzo</li> <li>Enrique de Leyva</li> <li>Ignacio Martín</li> <li>Ana de Pro</li> <li>Isabel Torremocha</li> </ul>





Executive Directors: 0

Nominee Directors: 2

Independent Directors: 4

## Auditing and Compliance Committee

Executive Directors: 0   0%	External Directors: 6   100%	
	Nominee Directors: 2   33%	Independent Directors: 4   66%
	<ul style="list-style-type: none"> <li>▪ Santos Martínez-Conde</li> <li>▪ Miguel Sebastián</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enrique de Leyva (Chair)</li> <li>▪ Carmen Aquerreta</li> <li>▪ Ana de Pro</li> <li>▪ Isabel Torremocha</li> </ul>




Executive Directors: 0

Nominee Directors: 2

Independent Directors: 3

## Appointments, Remuneration and Corporate Governance Committee

Executive Directors: 0   0%	External Directors: 5   100%	
	Nominee Directors: 2   40%	Independent Directors: 3   60%
	<ul style="list-style-type: none"> <li>▪ Antonio Cuevas</li> <li>▪ Santos Martínez-Conde</li> </ul>	<ul style="list-style-type: none"> <li>▪ Alberto Terol (Chair)</li> <li>▪ Ignacio Martín</li> <li>▪ Isabel Torremocha</li> </ul>



Executive Directors: 0

Nominee Directors: 1

Independent Directors: 3

## Sustainability Committee

Executive Directors: 0   0%	External Directors: 4   100%	
	Nominee Directors: 1   25%	Independent Directors: 3   75%
	<ul style="list-style-type: none"> <li>▪ Antonio Cuevas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Silvia Iranzo (Chair)</li> <li>▪ Carmen Aquerreta</li> <li>▪ Ignacio Martín</li> </ul>



## Independence<sup>1</sup> of the Board of Directors and its Committees

Indra believes that an appropriate presence of independent members on its Board and committees allows it to guarantee the protection of shareholders' interests and those of its stakeholders as a whole, to improve the decision-making process and, in general, improve the company's performance.

As a result, as contemplated in Article 8 of the Board of Directors' Regulations, Indra's objective is that the nominee and independent members comprise a clear majority on the Board.

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### A clear majority of independent directors on the Board of Directors

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The current policy for appointing directors establishes the length of time that independent directors are allowed to serve. The criteria applied are stricter than those set out in current legislation, meaning that directors who have spent three statutory terms in the position may not be proposed for re-election. Their time on the board is therefore limited to nine years. An exception to this rule may be made by the Board at the proposal of the Appointments, Remuneration and Corporate Governance Committee when the company's circumstances, the composition of the Board or its committees or the profile of the member make it advisable.

Indra's Corporate Governance system has the following counterweights in place so that decision-making powers do not fall solely on the Chairman and CEO and to guarantee that the interests of shareholders and stakeholders are properly safeguarded:

- A coordinating board member with wide-ranging powers to preserve the proper independence of the Board of Directors.
- Two executive directors, who have been granted sufficient management powers over their business units.
- A broad majority of independent directors, both on the Board of Directors and on its committees, which are also chaired by independent directors.

## Board member training

Indra understands the necessity of offering Board members training to help them update their knowledge in their various areas of responsibility. This ensures a critical opinion and adds value to decision-making.

The training offered to the members includes technical knowledge and facilitates an in-depth understanding of Indra's business model, its strategy and management systems, and helps to complement members' skills in key areas such as risk management, cybersecurity, sustainability and climate change.

Thus, during the year various initiatives were implemented, both in the onboarding programme for new board members (in which fundamentally the sessions organised were related to an analysis of the operating model and the company's management; analysis of financial information, strategy, positioning in terms of corporate governance, regulatory compliance and sustainability, among others); as well as the organisation of single-issue sessions on new accounting rules, risk management, reporting of non-financial information; and the company's positioning on data security (cybersecurity).

Meanwhile, the company leaves open the possibility for board members to contact Indra's directors to complete the information they need, and which could help them to fulfil their duties.

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<sup>1</sup> Definition of the concept of an independent director. As a listed Spanish company, Indra is subject to various regulations. As regards the independence of board members, Spanish corporate legislation (LSC in its Spanish acronym) establishes a definition of this category of member in Article 529 clause twelve under which 54% of Indra's Board comprises independent members. Nonetheless, given that Indra operates in a global capital market, the independence of its Board members can be analysed from different points of view. More specifically, under the regulations of other jurisdictions, the category of external director (nominee and independent) is considered to be independent, provided that certain criteria are met. Under the latter definition, it could be argued that Indra's 10 external directors are independent, and that this category of director thus represents 77% of the total number of Board members. The criteria referred to are as follows: 1. The member should not have been employed by the company in an executive capacity in at least the last five years. 2. The member should not have accepted or have a family member (other than those permitted under the definitions of SEC Rule 4200) who has accepted any payment from the company or any of its subsidiaries exceeding \$60,000 during the current or the last three fiscal years. 3. The member should not be a family member of someone who is, or who in the last three years has been, employed by the company or its subsidiaries as an executive director. 4. The member should not be (or be part of a company which is) an adviser or consultant to the company or a member of its management team. 5. The member should not belong to any significant client or supplier to the company. 6. The member should not have any personal services contract with the company or with any members of the management team. 7. The member should not belong to any not-for-profit entity which receives significant contributions from the company. 8. The member should not have been a partner or employee of the company's external auditors during the last three years. 9. The member should not have any other conflict of interest which implies that the member cannot be considered to be independent. All the external members meet at least four of these criteria (of which two are among the first three).



### Activities of the governing bodies in 2020

The Annual Corporate Governance Report, as well as the operating reports of the Auditing and Compliance Committee and the Appointments, Remuneration and Corporate Governance Committee (ARCGC), which are published when the General Shareholders' Meeting is called, contain extensive information regarding the activities of Indra's governing bodies during the year, along with information on the degree to which the company has complied with the recommendations in force regarding Corporate Governance.

Attendance at Board and committee meetings

**99.7%**

Regarding the dedication of the directors, and as set out in detail in the Annual Corporate Governance Report, in 2020 individual attendance stood at almost 100%, evidence of how high their level of dedication and commitment is.

### Assessment of the Board

In accordance with Article 13 of the Regulations, based on the report drawn up by the Appointments, Remuneration and Corporate Governance Committee, the Board carries out an annual assessment of its own operations and the quality of its work, as well as that of each of its Committees. Information related to the assessments is included in section C.1.17 of the Annual Corporate Governance Report.

Every two or three years, in line with the recommendations of the Spanish Securities Markets Commission (CNMV in its Spanish acronym), the assessment of the Board is carried out with the assistance of an independent external adviser. The last external assessment of the Board was completed in 2021, in relation to 2020.

The Board also carries out an annual assessment of the work of the Chairman of the Board and, separately, in his role as chief executive, which is also included in the Annual Corporate Governance Report.

### CEO and managing director remuneration

Executive directors receive the remuneration due to them for the performance of the executive duties entrusted to them under the terms of their contractual relationship with the company.

This remuneration is determined individually for each executive director by the Board of Directors, following a proposal from the Appointments, Remuneration and Corporate Governance Committee.

## The new Remuneration Policy includes sustainability objectives for the executive directors

It is the company's established practice to set the payment framework for executive directors for three-year periods. The current Remuneration Policy was approved by the General Shareholders' Meeting on 25 June 2020 for the period from 2021 to 2023. It is public and can be found on the company website.

This policy establishes that for both variable annual remuneration and variable medium-term remuneration, the objectives will be predetermined and quantifiable, including objectives related to, among others, sustainability. The Annual Report on the Remuneration of Directors, which can be found on the CNMV website and on the company website, includes detailed information on these objectives.





## 3.2 Ethics and compliance

### Code of Ethics and Legal Compliance

Indra's Code of Ethics and Legal Compliance provide a reference framework and establish the operational principles and the rules of conduct for all the company's employees and partners.

The Board of Directors, Senior Management and each and every one of Indra's employees and partners assume the responsibility and commitment to establish a robust culture of compliance.

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**The Code of Ethics and Legal Compliance applies to all Indra employees and its subsidiaries, suppliers and other third parties who provide services or act on behalf of Indra, independent of the country in which they are operating**

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Compliance with the Code of Ethics and Legal Compliance is obligatory for all Indra employees and partners and for all the companies in which it has shareholdings, either direct or indirect, according to the corporate structure in existence at any time. In companies in which Indra has a minority shareholding or does not have operational control, the company ensures that the Code of Ethics and/or management principles applied by these companies are aligned with Indra's own Code of Ethics and Legal Compliance. Consequently, all employees and partners are required to apply the principles of integrity, professionalism and respect to all aspects of their work, complying with the current legislation and regulations, the Code of Ethics and Legal Compliance and the policies and procedures established by the company.

The Code of Ethics and Legal Compliance reflects the company's commitment to respect the UN Guiding Principles on Business and Human Rights, its International Declaration of Human Rights, the principles relating to the rights established in the Declaration of the International Labour Organization and the principles of the United Nations Global Compact.

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**The Board of Directors approved an update of the Code of Ethics and Legal Compliance in December 2020**

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In December 2020, Indra's Board approved an update of the Code of Ethics and Legal Compliance which broadened and reinforced the company's rules of conduct and modified various headings which, in this new edition, are as follows:

- Legal compliance
- Rejection of corruption and bribery
- Conflicts of interest
- Information security
- Equality and non-discrimination
- Foreign trade involving defence and dual-use material
- Subsidies and public aid
- Sustainability and the environment
- Good tax practices
- Management of economic-financial information
- Protection of competition
- Money laundering and the financing of terrorism
- Health and safety in the workplace
- Relations with governments and authorities

Some of the more significant changes introduced in the new edition of the Code reinforce the rules about equality and non-discrimination; the inclusion in the standard of protection of competition of a series of guidelines which detail anti-competitive conduct; a reminder that the Direct Channel can be used to make anonymous communications; and emphasise that training in the matter of Ethics and Compliance and Competition is obligatory.



### Criminal risk prevention model

Indra's Criminal Risk Prevention Model includes the company's system for the organisation, prevention, management and control of criminal risks, updated by the Board of Directors in 2020. This model is applicable worldwide and is outlined in the Criminal Risk Prevention Manual for Spain and in the Criminal Risk Prevention Manual for international subsidiaries (also covering administrative risks similar to criminal ones). Both manuals include the Code of Ethics and Legal Compliance as a central element and fundamental control of the Model which is supported by the following instruments to ensure their appropriate implementation in the company:

- **Direct Channel:** this is a confidential source to communicate questions related to the application of the Code and is available to all Indra employees and other partners. The Code of Ethics and the Criminal Risk Prevention Manual establish the operational guidelines for the Direct Channel ([canaldirecto@indra.es](mailto:canaldirecto@indra.es)) or via anonymous access on the [Indra website](#). This chapter includes a section dedicated to how the Direct Channel was used during 2020.
- **Compliance Unit:** tasked with establishing a set of measures and procedures for the detection and prevention of, and reaction to, criminal conduct and other legal risks. It reports directly and exclusively to the Auditing and Compliance Committee (ACC). This is a body which is independent of other areas of the company. Within the international subsidiaries the directors act as the chief supervisors of the Criminal Risk Prevention Model locally. The duties performed by directors are carried out in accordance with the general principles and criteria established by the Auditing and Compliance Committee to govern regulatory compliance at a global level.
- **Criminal Risk Prevention Manual for Spain and international subsidiaries:** the Manual includes the definition of the design and structuring of: a supervision, follow-up and verification model; control bodies; the financial resources management system; the disciplinary system; the complaints channel; training; and the controls to prevent crime being committed. This Model is dynamic in nature, meaning that it is regularly reviewed, both in accordance with the regulatory changes that arise and have an impact on it, and in view of the experience accumulated as the Model is developed.

In 2020, Indra received a favourable opinion from the independent legal firm DLA Piper on the alignment of its Criminal Risk Prevention Manual with national and international frameworks, as well as with the standards of good practices for the sector in which the company operates.

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**The Criminal Risk Management Compliance System in Spain is certified under the UNE 19601 standard, and the Anti-Bribery Management System in Brazil and Peru under ISO 37001 standard**

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- **Risk assessment and auditing and compliance controls:** Indra has a Global Risk Map which identifies the most significant risks in each category, including regulatory compliance, as well as the principal mitigation plans, which are presented to the Auditing and Compliance Committee and to the Risk Coordination Unit. In addition, Indra has drawn up Criminal and Competition Risk Maps, which are also presented to the Auditing and Compliance Committee. In 2020, as set out in the Prevention of Criminal Risks Manual, the Compliance Unit carried out its own annual assessment of certain criminal controls. The objective is to check their design and efficacy through referring the 'Self-assessment declarations' to the officers concerned. As a result of its assessment, the unit has concluded that the controls are working satisfactorily. By means of this self-assessment, between 2019 and 2020 all the criminal controls have been evaluated, thus complying with the requirement of the Model that 100% of the strictly criminal controls should be self-assessed every two years. Meanwhile, in February 2020 the Internal Audit area carried out a review of the effectiveness of certain criminal controls. As a result of this review, 32 areas of improvement in the design of the controls were proposed, and one observation was made regarding effectiveness. All of these were duly implemented in 2020. This review complied with the requirement established in the Model consistent with auditing 100% of the strictly criminal controls every two years.
- **Internal procedure relating to corporate acquisitions and transfers and mergers with third parties:** aimed at defining the procedure that would govern the acquisition and/or transfer of companies and/or businesses, and the merger between a third party and any of the companies belonging to the Indra Group. This procedure establishes an obligation to complete a full due diligence process, consisting of understanding the business in detail, along with the most important compliance, finance, tax, legal, employment and administrative issues involved.



- **Third-party reputational risk:** the company's internal regulations for the contracting of commercial consultants, strategic advisors and suppliers establish, as a requirement before they are engaged, that a report must be prepared on the third party in question, using tools that manage reputational risk and that, in all cases, include information relating to the holding of public office, with details of the parties involved and the dates on which their mandates begin and end. In the event that any of these parties is a Politically Exposed Person (PEP), authorisation to engage in private activity will be obtained, where applicable, under the terms of the applicable legislation. In addition, Indra's internal regulations on Tendering require the receipt of a prior analysis of client reputation, in accordance with the database tools used by the company to manage reputational risk, in the case of countries that are at risk according to the Corruption Perceptions Index.
- **Training:** Indra is constantly working to raise employee awareness of the Criminal Risk Prevention Model and the Code of Ethics and Legal Compliance, both in relation to its own employees and its suppliers. All new company employees have to complete a compulsory course in Ethics and Legal Compliance. This chapter includes a section dedicated to the main training activities carried out in 2020.
- **Performance evaluation and remuneration:** In 2020, Indra incorporated into its performance evaluation system – Performance Talent – criteria related to knowledge of the Code of Ethics and Legal Compliance and completing the obligatory course “Ethics and Legal Compliance” and/or “Competition Law”. The results of the performance assessment have a bearing on the possibility of promotion and on determining employee remuneration.

### Use of the Direct Channel in 2020

In 2020, the Direct Channel received 371 messages:

- 276 questions of a general nature regarding donations and sponsorships, conflicts of interest, corporate hospitality, competition and information for third parties.
- 95 complaints (see table below for the breakdown).

There were 9% fewer messages than in 2019, possibly as a reflection of the reduced activity levels as a result of the Covid-19 pandemic.

Breakdown of the messages received through the Direct Channel in 2020			
Type of irregularity	Number of cases	Irregularities (actual cases)	Type of measures adopted
Harassment and unacceptable behaviour	56	5	Dismissals and warnings from the Compliance Unit and HR.
Information security	9	3	Warnings from the Compliance Unit and HR.
Fraud	9	3	Dismissals and warnings from the Compliance Unit and HR.
Competition law	3	2	Dismissals
Discrimination	1	0	
Human rights (forced labour and human trafficking)	0	0	
Corruption <sup>(1)</sup>	0	0	
<b>Other inappropriate behaviour</b>			
Conflicts in the workplace environment	8	0	
Supplier relations	3	1	Employment and salary suspension
Other breaches	6	0	

(1) In 2020, Indra did not receive any complaints about corruption through the Direct Channel. The company has been investigated in one case, described in full in the 2019 Sustainability Report, and in section E of the 2020 [Annual Corporate Governance Report](#).





The processing of messages received via the Direct Channel, guarantees the confidentiality of these messages, and it is expressly forbidden to take reprisals against anyone who informs Indra in good faith of a possible breach of the Code of Ethics and Legal Compliance, the Criminal Risk Prevention Manual, the Manual on the Prevention of Risk in Competition Law or any of their implementing regulations, or of any behaviour that is potentially illegal, or against anyone who assists in the investigation of such breaches or helps to resolve them. However, the relevant measures may be taken against anyone who acts in bad faith with the aim of spreading information that is false or harmful to other people.

### Principal training and awareness actions in 2020

The models for the prevention of criminal and competition risks envisage that training in Ethics and Compliance and Competition must be provided to all employees at sufficiently regular intervals to ensure that their knowledge of the material is up to date. During 2018 and 2019, the company made an effort to provide relevant training to as many employees as possible. By the end of 2020, 89% of employees had received training in ethics and compliance in the past three years. In 2020, Indra's efforts were more directed towards resolving specific needs of certain companies and collectives, and it carried out training sessions for employees of Indra Australia, Indra Italia, Prointec, Avitech, SIA, CESCE, Afterbanks and Paradigma.

Employees trained in ethics and compliance in the last three years

**89%**

Suppliers trained in ethics and compliance in the last three years

**50%**

## In 2020, more than 17,000 employees were trained in Competition Law

During 2020, Indra increased awareness and training in terms of the Code of Ethics and Legal Compliance with its suppliers. 50% of the 543 suppliers invited (486 of them in 2020), or all of Indra's suppliers doing more than €600,000 of business with the company, have completed an online training session comprising three modules with a special emphasis on aspects related to the rejection of corruption and bribery, conflicts of interest, corporate hospitality and the direct channel. The session is accompanied by an assessment intended to value the level of supplier understanding of the Code.

### Anti-corruption

Indra rejects corruption and any illegal practice and is committed to complying with the law. The company's Code of Ethics and Legal Compliance defines what is meant by corruption and bribery, including the basis of the anti-corruption policy. Indra's Criminal Risk Prevention Model establishes certain controls that are regularly carried out within the different departments of the company to mitigate these risks. These controls are carried out via multiple internal policies and procedures related to, among others, the following departments:

- Procurement: Procedure for the Selection and Standardisation of Suppliers and Chains of Authorisation for the issuance of purchase orders.
- Corporate takeovers and operations: Procedure for corporate mergers and acquisitions.
- Bids: Internal regulations of the Tendering and Procedural Committee for the control and monitoring of bids and Temporary Consortia (UTEs in their Spanish acronym).
- International market: Procedures for the hiring of commercial consultants and strategic advisors.
- Strategy: Policy on the authorisation of Donations and Sponsorships.
- Administration: Procedure for employee expenses and corporate hospitality.

Finally, the company currently includes the regulation on PEPs (politically exposed persons) in the procedures to regulate the company's relationships with third parties.

### Money laundering

Via its Code of Ethics and Legal Compliance, Indra expresses its commitment to comply with all the current national and international standards and regulations concerning the prevention of money laundering (and the financing of terrorism). For this purpose, it undertakes not to engage in practices that might be regarded as irregular vis-à-vis its relationships with its clients and suppliers. To fulfil this commitment the company has developed internal procedures that establish controls to mitigate the risk of money laundering, especially those related to cash payments.



## Model for the Prevention of Competition Law Risk

Indra has a Model for the organisation, prevention, management and control of anti-competitive risks to which the company is exposed and has introduced measures to avoid incurring these risks in practices which infringe the applicable legislation in terms of competition. The Model is contained in the Manual for the Prevention of Competition Law risks in Spain, the EU and Norway and the Code of Ethics and Legal Compliance.

In December 2020, the Board approved an update of the Model for the Prevention of Competition Law Risks through the modification of the Manual and the update of the Code of Ethics. In doing so, it reinforced, among others, the Rules of Conduct relative to the "Protection of Competition", incorporating the standard of behaviour demanded of its employees, together with some guidelines detailing anti-competitive behaviour.

Indra commits to compliance with the regulations and principles of free competition in all the markets in which it operates, competing on an equal footing and avoiding any distortion which would hinder effective competition in those markets. The Code of Ethics and Legal Compliance establishes that Indra's employees and partners should avoid all collusive conduct and practices which might in any way be targeted to restricting or distorting free competition. Therefore, Indra prohibits all conduct which implies restrictions or limitations on free competition, and, in particular, and among others: collusive conduct, the abuse of dominant position and disloyal acts of distorting the competition which affect the public interest.

When the company's employees or partners have access to third-party information, including competitor information, they should comply with legal requirements such as the Rules of Conduct in matters of Information Security established in Indra's Code of Ethics and Legal Compliance.

In 2020, Indra carried out an annual self-assessment on all its competition controls by the referral of Self-assessment Declarations to the officers concerned, for them to confirm the appropriate design and efficacy of the said controls. After the assessment, the company concluded that the controls were functioning satisfactorily.

In October 2020, the Internal Audit area carried out a review of the effectiveness of certain competition controls, which revealed 14 areas where the design of these controls could be improved. All of these were duly implemented in 2020. Internal Audit also made two observations on the effectiveness of these controls which will be implemented in 2021. This review complied with the requirement established in the Model of auditing 100% of competition controls every two years.

## Incidents of anti-competitive practices and action taken in response

The Spanish competition authority (CNMC in its Spanish acronym) has published three rulings in which it has ordered the initiation of proceedings against the company: file S/DC/0565/15 "tenders for IT applications", file S/DC/0598/2016 "rail electrification and electromechanics", and file S/DC/0627/18 "consultancy firms". Indra has collaborated actively with the CNMC in the matter of these proceedings with a view to clarifying the events forming the subject of investigation.

Two of these proceedings, "tenders for IT applications" and "railway electrification and electromechanics" ended with penalty decisions that have been appealed in a contentious-administrative action filed with Section 6 of the *Audiencia Nacional* in Madrid. A request was filed for suspension of the enforcement of these decisions, and this was granted following the provision of the relevant bank bonds in guarantee of payment of the resulting financial penalties.

The Model for the Prevention of Competition Law Risk, as well as the internal controls and procedures, are reviewed and updated regularly in line with the company's firm commitment to a strong compliance culture. In terms of the measures taken, we would highlight the following: i) the internal control mechanisms for UTEs/Consortia and subcontracting have been reinforced, such that all the bids submitted made using these means are subject to a specific legal control. The internal procedures which govern these matters were updated in 2020; ii) Indra sends out a very strong message to all employees and partners (representatives, suppliers and other third parties who provide services to Indra or who in some way act on the company's behalf) that it is opposed to any illegal action; iii) in July 2020, an independent legal firm reviewed the Model for the Prevention of Competition Law Risk and published a favourable opinion on it; iv) in September 2020, an officer responsible for Competition joined the Compliance Unit; v) in December 2020, the Board approved the update to the Model for the Prevention of Competition Law Risk and the Code of Ethics, reinforcing among others the rules of conduct relating to "Protection of competition", setting out the standard of behaviour required from employees, together with some guidelines regarding anti-competitive conduct; and vi) in 2020, 92% of the employees in Spain, the EU and Norway received training regarding Competition Law.



### 3.3 Financial and non-financial risk management

The risk factors which affect Indra depend on the countries in which it carries out its activities and the nature of the sectors in which it operates. Indra aims to identify and evaluate the risks so that it can introduce measures sufficiently far in advance which mitigate the probability that these risks materialise, and/or their potential impact on its business objectives.

The main risks that affect the development of Indra's strategy are outlined in section 8 of the [Management Report](#).



#### Risk management policies and procedures

Indra's Risk Management and Control System is a process promoted by the Board of Directors and Senior Management, the responsibility of which falls upon each and every member of the company. The purpose of the system is to provide reasonable certainty regarding the achievement of the established objectives. Indra's risk management and control system has been awarded AENOR certification in accordance with the ISO 31000 standard.

Indra's Risk Management and Control Policy was approved by the Board of Directors in March 2016 and is regularly updated. The latest update was in March 2020.

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**Indra was the first IBEX-35 company to certify its risk management system under the ISO 31000 standard**

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The Risk Management and Control Policy is complemented by policies and procedures designed for Indra's main processes. These are also reviewed and regularly updated to ensure compliance with the legislation in force and the best risk management practices.

Indra has a Global Risks Unit which has a Risk Management Manual. This outlines the processes for the company's risk identification and management.

The main procedures for Indra's Risk Management include:

- Risk Management and Control Policy
- Risk Management Manual and procedures
- Risk management criteria
- [Code of Ethics and Legal Compliance](#)
- Criminal Risk Prevention Programme
- Competition Risk Prevention Programme
- Policies and procedures for Business Continuity and Information Security
- Occupational Risk Management System Prevention Programme
- Human Resources Policies
- Tax Policy
- Indra Project Management and Project Risk Management Method
- Tendering Committee Regulations
- Procurement Policies and Procedures
- [Sustainability Policy](#)
- [Human Rights Policy](#)
- Diversity Policy
- [Director Remuneration Policy](#)
- [Environmental Policy](#)
- [Position on Climate Change](#)
- [Energy Policy](#)
- [Statement on "Conflict Minerals"](#)

For further information on the description of the risks and the risk management and control system, please see section 8 of the [Management Report](#) and section E of the [Annual Corporate Governance Report](#), both of which are available on the company website.



### Three-pronged Model

Indra has implemented a risk management Model based on best practices and which is set out in a roles and responsibilities model.



#### External assurance

External auditors, regulators and supervisors, among others

### Integration of risk management culture

In line with the framework principles set out in the COSO Report entitled Enterprise Risk Management, Integrating with Strategy and Performance (ERM 2017)<sup>2</sup>, the integration of risk management within Indra’s culture is based on the following principles:

- **Risk reporting and identification:** Indra’s Global Risks Unit involves the company’s various business and corporate units in the regular (at least once a year) review and update of the company risk catalogue and map. The company identifies its global risks through specific analysis of recognised sources, internal documents and interviews with key employees. Indra also has specific committees for its various operations, where participants proactively identify and report risks. For instance, operational risks are identified from the bidding phase of the project, right through to its completion. These risks are documented in the related corporate tools. Indra has management tools to enable the company to identify risks and quantify them from the start to the finish of the project and propose measures to mitigate them. Finally, monitoring committees are set up to identify and analyse risks related to the company’s operations. Other risks, such as those related to compliance, have their own specific identification channels.
- **Disclosure and training:** the company’s key values (set out in the definition of its culture) are actively communicated to all Indra employees via the various channels at the company’s disposal, including the onboarding courses for new hirings and the corporate intranet. During 2020, the Global Risks Unit has carried out corporate culture actions with the publication of risk management criteria; and the distribution of the risk map and the risk functions of the Steering Committee and the senior management of the principal geographies in which the company operates, such as Italy, Brazil, Chile, Colombia, Mexico and Peru. As part of the annual process for the preparation of Indra’s Training Plan, the company identifies training requirements, including

<sup>2</sup> COSO (Committee of Sponsoring Organizations of the Treadway) is a voluntary committee comprising representatives of five private-sector organisations in the US to give intellectual leadership to three interrelated themes: corporate risk management (ERM), internal control and the deterrence of fraud.



those that may be associated with risk management. In 2020, Indra used its Training Plan to develop specific training in important areas such as people management, project management and the management of tenders, ethics and compliance. Using these resources, the company controls risk such as talent retention, compliance with project milestones and corruption and bribery.

- **Selection and performance assessments:** the professional job profiles at Indra (particularly in the case of the management team) and annual performance assessments are based around the company's key values, and incorporate the principles of risk management.
- **Remuneration and financial incentives:** the company's remuneration system is aligned with risk management principles. At the highest level of the organisation, decisions on the remuneration of Indra's executive directors incorporate the necessary precautions to avoid assuming excessive risks and rewarding unfavourable management results, as reflected in the [Remuneration Policy](#). The variable remuneration paid to the heads of departments that manage company risk (e.g. the departments of compliance, prevention of occupational risk, Information Security, etc.) is dependent upon the proper management, disclosure and integration of such risk as part of the company's management duties.

Section 6.4 of this report describes the measures taken to integrate risk management into the development of products and services.

### Emerging risks

As part of the risk-management cycle described above, Indra includes a timeline that allows it to identify, assess and manage any risk that may have an impact on the business over the medium or long term and that may require specific measures regarding mitigation or response.

As an example of the emerging risks the company has identified, the most significant are the globalisation of the labour market due to remote working and the lengthy restrictions on international mobility.

## Globalisation of the job market due to remote working

### Description

The Covid-19 pandemic has accelerated the relocation and virtualisation of some jobs. This could help to globalise the job market such that irrespective of where an employee is resident, he/she could work for any company in the world. Potentially, this could lead to an intensification of competition to source highly-qualified professionals and the company losing competitiveness vs. countries with a higher level of GDP per capita and higher salary levels.

### Impact on Indra

This globalisation of the job market has a particular impact on the technology and consulting sector, which could translate into an increase in employee rotation at Indra. This would lead to an increase in hiring and salary costs. This could have a particularly negative impact on Indra, because in its home market, Spain, salary levels are lower relative to other countries where its competitors are based, such as France and the US. As a result, these competitors could induce wage inflation amongst Indra's current and potential employees in Spain. All this could lead to a progressive loss of profitability for the company and make it difficult for Indra to retain its most valuable employees.

### Mitigating measures

Indra strives to provide a better working environment and its cultural transformation of the company via several different initiatives within the Change from the Core scheme, which offers employees ways and means to promote their development, both at a professional and a personal level. An example of the recognition of Indra's good practices in this regard is the award for the third consecutive year of Top Employer, as one of the companies which offers the best working environment for its employees, and which is making a concerted effort to incorporate the best and most innovative HR practices.



## Lengthy extension of the restrictions on international mobility

### Description

Part of Indra's activity, particularly in the Transport & Defence division, is based on rolling out projects using export models. If as a result of Covid-19 the lock-down measures imposed on international mobility by governments were to be maintained for a long time, Indra's clients in other countries could consider the possibility of switching to other local suppliers. Also, the company could have difficulty in certifying project milestones.

### Impact on Indra

Loss of contracts and earnings, especially in countries where Indra has no local presence, Covid-19 is having a worse impact, and/or government lockdown measures have to be more severe.

### Mitigating measures

Adaptation of the commercial structure and the search for local partners in the most important countries for Indra's export business model; as well as the search for mobility alternatives to certify project milestones, such as remote approval.

Section 4.1 of this report includes a section dedicated to an analysis of Climate Change risks and opportunities.





### Impact of Covid-19 on Indra's business activity

2020 was a year marked by a global pandemic which has led to a significant economic recession and which has had serious consequences for, among others, health and healthcare systems, the increase in poverty and waste generation.

From a strictly economic point of view, some of the countries in which Indra has a significant presence, such as Spain, the Philippines, Italy, Mexico and Brazil, are amongst those where the Covid-19 impact is probably going to be the most severe and long-lasting.

The result of this is that, as described more fully in Note 2 to the Annual Consolidated Accounts and in section 9 of the [Management Report](#), Indra has been affected by negative economic impacts in terms of delays in the handover of projects, delays or cancellations of projects and bids, delays and in some cases reductions in the scope of projects awarded, or pressure on pricing and the scope of the projects. All of this has affected liquidity needs, debt, asset impairment and the increased risk of an impact on the company. Meanwhile, Indra has signed up for government assistance programmes, primarily in America.

In this context, Indra's priority has been to combine the guarantee of delivering its services and solutions for its clients with the health and safety of its employees and of its clients and users.

To achieve this, the company has developed the following exceptional measures:

- Transformation of the work model as a preventative measure during the pandemic: adaptation of the various people management processes so that work can be carried out remotely, including hiring and training and access to the company's well-being services, among others. For more information, see section 5 of this Report. Implementation of containment and hygiene measures for Indra's employees and service providers, and improved communication via the creation of a microsite on the Intranet and the establishment of an operational protocol.
- Reinforcement of IT infrastructures and information security: continuous monitoring of the Information Security indicators and strengthening offsite controls, increasing the capacity of remote connections to Indra's systems, ensuring the supply of technological equipment such as laptop computers, terminals and modems, increase in hardware infrastructure and migration to Office 365 and enhancing collaborative tools to sustain remote working.
- Optimisation of the use of buildings: establishing contingency venues and nebulisation of infected areas, partial closure of workplaces and reduction of services.
- Restructuring the workforce in Spain and other agreements with the Legal Representation of Workers in Germany. Outlined in chapter 5.5 of this Report.
- Guaranteeing shareholder rights: when Indra's General Shareholders' Meeting was held, the lockdown measures imposed by the Spanish government had been lifted, so the company was able to hold the meeting in mixed format, allowing shareholders to attend either in person or remotely. The [notice](#) of the General Shareholders' Meeting explained in detail the conditions for attendance both in person and remotely. Attendance in person complied with the legislation and the recommendations in terms of social distancing, limitations on seating and that the wearing of masks was obligatory for those attending in person. To facilitate remote participation, Indra enabled a new system to take part in real time. Meanwhile, Indra has continued to support its investors and shareholders by means of the various channels described in Section 8.2 of this report.
- Social initiatives to mitigate the impact of Covid-19 in the communities where Indra operates: these are described in detail in Section 7.1 of this report.

In spite of the short-term consequences of the crisis, Covid-19 has also brought about certain social transformations which could favour Indra's activity in the long term. The Coronavirus crisis has caused an acceleration in the digitalisation of both companies and society, which could favour demand for Indra's services in multiple sectors.



### 3.4 Security of information, privacy and data protection.

#### Information security and data protection management

Indra's objective is that all places and channels where information could be stored or transmitted from guarantee:

- Its confidentiality, ensuring that only authorised parties who need to have access – on a need-to-know-basis – can access the information, thus avoiding problems of leaks or unintentional deletions of sensitive information.
- Its integrity, ensuring information and the methods used to process it are accurate and complete, avoiding any potential unauthorised modifications.
- Its availability, ensuring that the authorised users can access the information and its associated assets when they need to, and guaranteeing access to the company's critical systems at all times by drawing up business continuity plans.
- In cases of data of a personal nature, its security, to avoid the alteration, loss or unauthorised processing or access of the same.

Indra has defined a Global Security Governance Model, which is responsible for ensuring the correct coordination and organisation in matters of Information Security.

The Information Security Department is responsible for overseeing the implementation of the most effective controls and procedures that will help minimise the privacy and information security risk to which the company is exposed. On a regular basis, and at least once a year, the CISO (Chief Information Security Officer) and the DPO (Data Protection Officer) prepare reports, independently of the Auditing and Compliance Committee and the Risk Coordination Unit.

#### Information security

Indra has developed an Information Security Management System, certified under the ISO 27001 standard, which covers the companies which represent 83% of the company's sales. The System is responsible for defining, implementing and improving highly effective controls and procedures to minimise and manage the risks in the company's internal processes, in its daily operations, in the development and execution of projects, programmes and services and in client management.

**83% of the company is certified under Information Security standard ISO 27001**

The Information Security Strategy is based on five fundamental principles:

- Governance of Information Security, ensuring the proper coordination and organisation of information security at all levels.
- The Regulatory Framework on Information Security, applicable to all the company's markets and departments – as well as to all Indra's companies, branches and subsidiaries – and of mandatory compliance for the entire Indra collective. The Information Security Policy establishes the core principles for achieving the objectives.
- Awareness-raising and continued training on Information Security throughout all phases of employment.
- Technology and security controls designed to preserve the confidentiality, integrity and availability of information and resources for its processing.
- Audits and monitoring of compliance. On one hand, completing internal audits by using security and network control processes, procedures to audit the technical vulnerabilities of platforms and applications, and processes to validate the security architecture prior to the connection of platforms to Indra's network, as well as continuous monitoring processes. And, on the other, carrying out external audits to verify compliance with the relevant international standards and the regulations that apply, along with the requirements that are established in this regard by clients. Indra is subject to various external audits for monitoring purposes, such as: Audits by AENOR under the ISO 27001 standard, financial audits, audits of the Internal Control Over Financial Reporting (ICFR) and TIC audits.

Critical cybersecurity incidents in 2020

**0**

Substantiated complaints concerning breaches of client privacy and loss of client data

**0**

Percentage of employees trained in information security and data protection

**67%**





## Data protection

Since 2010, Indra has had an Office for Privacy and Data Protection, and since 2017 the Privacy and Data Protection Policy has been adapted to the requirements of Regulation EU 679/2016 (GDPR). Additionally, the Code of Ethics and Legal Compliance, compliance with which is obligatory for Indra's employees and partners, includes aspects related to information security and protection.

The [Privacy and Data Protection Policy](#), which is publicly available on Indra's website, establishes that data of a personal nature collected has to be appropriate, pertinent and not excessive, and collected for explicit and legitimate ends; identifies the channels facilitated by the company so that users can exercise their rights; describes the assumptions made by the company when processing personal information; and defines what type of personal data are considered to be sensitive.

Indra is a B2B company, so its treatment of clients' personal data in this type of relationship where the interested parties are legal entities, allows no other treatment beyond maintaining Indra's commercial relationship with the said corporate clients. It is thus not necessary to use personal data for secondary purposes. In relation to the users who get in touch with the company via its website, the legal advice on privacy recognises that the supply of information regarding products and services is the main purpose, and there is no other use of the information which could be considered as a secondary purpose. This is complemented by the principle of data minimisation, with the company always trying to gather only the minimum of necessary information, for contact with other commercial entities. In the majority of scenarios, this is just the name and surnames of the interested party, their email address and the name of the company which they represent.

In any case, Indra maintains a register of website users who have made contact with the company, in which it stores the email address, the IP address and the contents of the consultation made. The register saves user preferences in terms of the use of their personal information, and the information is not used for any other secondary purpose.

Where there is no provision of services, due to the type of relationship Indra has with this type of user there are no cases where the transfer of data to other service providers is requested.

The implementation and effectiveness of the privacy policy is reviewed as part of the audits for the UNE 19601 certification of the Legal Compliance System.

## Information security culture

During 2020, Indra has continued to execute its Information Security Awareness Plan launched in 2018, focusing on increasing levels of awareness within the company and enhancing the critical aspects of security training.

As well as the various awareness actions launched over the course of the year through bulletins and communications, more than 56 campaigns with more than 1,800,000 emails sent, we would note that more than 55,000 employees participated in diverse e-learning courses; 29,000 employees completed the company's information security course, 7,000 completed the advanced information security course and more than 18,000 employees the course on the protection of personal data and privacy.



Principles of the Information Security Policy

## Initiatives to improve information security promoted in 2020

Indra has continued the implementation of its Transformation of Information Systems Plan 2020-2023. During 2020, this involved the rolling out of different initiatives in the realms of protecting employee identity through new authentication protocols; protection of electronic devices by means of improvements in mobility management and the protection of user browsing; information protection, with new mechanisms which establish levels of protection depending on the sensitivity of the information; and monitoring, with the continuous improvements in the control systems and detection of events, alerts and security incidents.



### 3.5 Guiding Principles on Business and Human Rights

As a technology company which wishes to encourage sustainable, fair and inclusive sustainable development, Indra commits to leadership in the protection and promotion of Human Rights in its sphere of activity.

Indra is aware of the impact it has on individuals, both as an employer and through the development and commercialisation of technology. For this reason, in November 2020, and having previously had a favourable recommendation from the Sustainability Committee, the Board approved a new [Human Rights Policy](#), to identify and foster the positive impacts and minimise the negative impacts on individuals across its whole value chain.

Indra's Human Rights Policy is based on the United Nations Guiding Principles on Business and Human Rights, and on the principal international conventions and commitments regarding Human Rights.

This Policy reinforces Indra's commitment to ethical conduct already contained in its Code of Ethics and Legal Compliance, compliance with which is obligatory for all the company's employees and partners, as well in other Corporate Policies which protect the fundamental rights of individuals, either directly or indirectly.

#### The Human Rights Policy approved by the Board reinforces the company's commitment to just and inclusive sustainable development

The Policy describes the company's commitments and operational principles that are carried over to the rest of the value chain, both in terms of suppliers and other types of business partners.

Human Rights Policy	Commitments	Related milestones and KPIs
<p><b>Commitment with Professionals</b></p> <ul style="list-style-type: none"> <li>✓ Promote diversity, inclusion and equal opportunity.</li> <li>✓ Guarantee freedom of association, the right to unionize, the right to strike and the right to collective bargaining. Promote respect for the freedom of expression rights of professionals.</li> <li>✓ Ensure the proper treatment of professionals' personal data.</li> </ul>	<p><b>Offer fair and dignified working conditions and remuneration, respect and promote the rights of all professionals</b></p> <ul style="list-style-type: none"> <li>✓ Provide a safe and healthy workplace.</li> <li>✓ Promoting local employment by offering the first job to young people in the communities where we are present.</li> <li>✓ Prohibition and rejection of any form of forced, slave, child or human trafficking labor.</li> </ul>	<ul style="list-style-type: none"> <li>34% women in the company</li> <li>+100 nationalities</li> <li>1% professionals with disabilities</li> <li>97% professionals with collective bargaining instruments</li> <li>+90% professionals with permanent contracts</li> <li>+8,200 new hires</li> <li>97% local professionals</li> <li>+600 vacancies filled with internal candidates</li> <li>0 Human Rights complaints (forced labor and human trafficking)</li> </ul>
<p><b>Commitment to Society</b></p> <ul style="list-style-type: none"> <li>✓ To relate in a transparent and ethical manner with regulatory bodies and public administrations.</li> <li>✓ Participate in the debate on the responsible and safe use of technology and be an active agent in promoting the ethical and safe use of technology in society.</li> </ul>	<p><b>Promote human rights in the communities in which it operates</b></p> <ul style="list-style-type: none"> <li>✓ To practice responsible taxation that contributes wealth to the communities in which the company operates and in accordance with the tax legislation applicable in each case.</li> <li>✓ Promote innovation and the development of products and services in Indra's offering that contribute to promoting the fundamental rights of people and society in general.</li> </ul>	
<p><b>Commitment with Customers</b></p> <ul style="list-style-type: none"> <li>✓ Move towards measuring the impact (direct or indirect) that Indra's technology could have on people's rights.</li> <li>✓ Develop and provide secure infrastructure and services with guaranteed confidentiality, integrity and availability of information.</li> </ul>	<p><b>Develop technology that has a positive impact on people and society</b></p> <ul style="list-style-type: none"> <li>✓ Use customer and end-user information and data exclusively for the agreed purpose and safeguard it with due diligence and security.</li> <li>✓ Continuously train and sensitize professionals on privacy and information security.</li> </ul>	
<p><b>Commitment with Suppliers</b></p> <ul style="list-style-type: none"> <li>✓ Ensure that suppliers comply with labor rights commitments and in particular with the prohibition and rejection of any form of forced, slave or child labor or human trafficking.</li> </ul>	<p><b>Promote the respect and promotion of fundamental rights in its supply chain</b></p> <ul style="list-style-type: none"> <li>✓ Promote the hiring of local suppliers that have been approved and have therefore assumed the company's ethical commitments (Code of Ethics and Human Rights Policy, among others).</li> <li>✓ Do not use "conflict minerals".</li> </ul>	



## Due diligence regarding Human Rights

As part of the process of drawing up the new Policy, Indra has updated its map of important themes in terms of Human Rights.

After the approval of this new version of the Human Rights Policy, Indra expects to update its analysis of due diligence in this matter in the light of the new operational framework, to identify where the most significant risks lie in its own operations and throughout the value chain.

Nonetheless, as contemplated in the company's legal framework, Indra is already analysing specific risks and due diligence regarding some potentially significant aspects related to human rights, such as labour conditions and rights, diversity and inclusion and information privacy.

Due diligence regarding Human Rights	
Steps	Activities
<b>Human Rights Policy</b> Since 2015, and updated in 2020	Favourably reviewed by the Sustainability Committee, defines a governance model and clear responsibilities. Drawn up in collaboration with human rights experts from the Seres Foundation in line with international standards/regulations regarding human rights. Encompasses the whole value chain. Publicly available in various languages (Spanish and English) and as both internal and external communication.
<b>Assessment of significant issues</b> Regularly since 2017	Carried out regularly at a global level with external human rights experts (BSR in 2017-2018 and the Seres Foundation in 2020). Between 2017 and 2018 an analysis was carried out at the corporate level and by business division (Transport & Defence and Information Technologies). For the first time in 2020 the assessment exercise was repeated including two of the company's most important geographies: Brazil and Colombia. Includes the participation of business experts.
<b>Integration in processes</b> In progress since 2017	Examples of the operations carried out in 2020: <ul style="list-style-type: none"> <li>Human rights as an 'attribute' of the risks in the company's global risk map</li> <li>Inclusion of human rights clauses in contracts with third parties (suppliers, partners)</li> <li>Obligatory training on human rights for security subcontractor personnel</li> <li>Performance assessment of suppliers in matters of human rights (among others labour matters, security and health, privacy and security, child labour, forced labour)</li> <li>Declaration on Modern Slavery approved by the Board, signed by the Chairman and published on the company website</li> </ul>
<b>Assessment and reporting</b> In progress since 2017	Examples of the operations carried out in 2020: <p>Six-monthly reports to the Sustainability Committee on the implementation of the Sustainability Master Plan (which includes human rights). Monitoring risks related to human rights through the company's risk map.</p> <p>Annual report on performance in human rights through the Sustainability Report and up to date information published on the company website.</p> <p>Dialogue with stakeholders through participation in initiatives like the Seres Foundation Human Rights Lab.</p>
<b>Mechanisms for claims and complaints</b> In progress since 2017	The Direct Channel allows stakeholders to complain or consult on any aspect related to ethics and compliance (and also explicitly on human rights). How the Direct Channel works is described in detail in Section 3.2 of this report

## Human Rights Training

Indra's Code of Ethics and Legal Compliance reflects the company's commitment to respect the UN Guiding Principles on Business and Human Rights, the International Declaration of Human Rights, the principles relating to the rights established in the Declaration of the International Labour Organization and the principles of the UN Global Compact.

Therefore, the training the company offers on the Code to both its own employees and to its suppliers includes human rights aspects. Indra has subcontracted a security company in Spain, whose staff was given human rights training in 2020. For more information on the training initiatives on the Code of Ethics and Legal Compliance, please refer to Section 3.2 of this report.



## 3.6 Responsible taxation

Indra has a tax strategy and a governance model that ensures that tax activities are conducted within a framework founded on ethics, transparency and integrity.

As indicated in the Code of Ethics and Legal Compliance in relation to good tax practices, the company's business involves making a series of decisions that have an impact and effect in the field of taxation. The company therefore undertakes to comply with its tax obligations in all the territories and jurisdictions in which it conducts its activity, always pursuing the application of a prudent taxation policy.

The Tax Policy reflects the company's fiscal strategy and its commitment to the application of good tax practices, which applies to all Indra companies in all the countries in which it operates. This Policy is reviewed on an annual basis by the Auditing and Compliance Committee and the Board of Directors.

The following principles and commitments are defined as part of this Tax Policy, and they mirror the principles set out in the Code of Good Tax Practices:

- Complying with tax regulations in both letter and spirit in the various companies and geographies in which the Group operates, paying any taxes that are due in accordance with their respective legal requirements.
- Promoting practices that are aimed at preventing and reducing significant tax-related risk, ensuring that tax payments properly reflect the structure and location of the Group's activities, its human and material resources and its levels of risk.
- Adopting tax-related decisions on the basis of a reasonable interpretation of the regulations in force in respect of the company's activities.
- Complying with the internal procedures established in relation to the taking of tax decisions and the procedures implemented to monitor tax risk.
- Informing the Board of Directors of the principal tax implications of the operations or matters submitted for its approval, such as operations that do not fall within the ordinary course of the company's business, corporate restructuring processes, investments, or the opening of new businesses.
- Applying the transfer prices in accordance with the principle of free competition, such that no significant inequalities are generated in commercial relations.
- Not transferring or moving the remuneration of value created by resident entities in a particular jurisdiction to other resident companies in jurisdictions with a lower tax status, not using tax structures with no commercial basis and not using the secrecy of certain tax jurisdictions (so-called tax havens) to avoid paying tax.

Tax risks are analysed, reviewed and managed as part of the Risk Management governance model. In addition, via its Tax Department, Indra's Tendering Committee evaluates the tax risks of the bids submitted globally by the company and seeks the support of renowned external advisors for complex bids when required.

### Governance of tax policy

Indra's General Finance Department, acting through the Group's Global Tax Department, is responsible for ensuring the proper application of the company's tax policy and for identifying and managing any potential associated risks. As already mentioned above, the Tendering Committee (which the Finance Department and Tax Department form part of) assesses the tax risk involved in the bids tendered by the company.

On a regular basis, and at least once a year, the Tax Department reports to Indra's Auditing and Compliance Committee (which is the body appointed by the Board of Directors to oversee the management of tax matters and tax risk) on the company's performance in respect of tax-related issues.

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### The Auditing and Compliance Committee and the Board maintain constant supervision of all tax management matters

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In addition, the Auditing and Compliance Committee and the Board of Directors must approve any company operation in countries regarded as tax havens, in order to ensure that Indra's activities in those countries are strictly business-related.

Tax management is subject to Indra's internal risk management system, and as a consequence it is submitted for close scrutiny by the Risk Management, Compliance and Internal Auditing Departments. In this regard, the Direct Channel is available for any employee or external stakeholder who may wish to make any comment regarding the company's tax management.



## Stakeholder relations

The tax undertakings that Indra sets out in its Code of Ethics and Legal Compliance in relation to adopting a prudent tax policy, in compliance with its tax-related obligations in all the territories and jurisdictions in which it operates, also apply to its relations with the various external agents in relation to tax policy.

The sub-section headed “Associations and foundations” in section 8.5 of this Report contains a description of Indra’s relations with organisations that could potentially be aimed at gaining political influence. Indra’s relations with these institutions are at all times governed by principles of both transparency and caution. As explained in this section, Indra’s main objectives relate to the promotion of technology driven innovation and sustainable development.

Indra maintains collaborative relationships with the various Tax Authorities with which it comes into contact as the result of its business activities, based on principles of transparency and good faith.

The company promotes the transparent, clear and responsible communication of its main tax figures, through the forwarding to its various stakeholders of information relating to the payment of income tax and any other taxes that it is required to pay in each of the jurisdictions in which it operates.

## Tax contribution by country

The following table contains a breakdown of information relating to the corporate income tax and the result obtained in the various tax jurisdictions in which Indra operates, as well as other financial indicators. For further details of the activities carried on by Indra companies in each country and the reasons for any possible differences between income tax accrued and the outcome of applying the nominal income tax rate to the reported result before tax, please see Appendix 1 and Note 36 to the Consolidated Annual Accounts.

NB:

The information on income tax paid in each country includes (i) payments on account of income tax for the current year, (ii) the final settlement of prior-year tax and (iii) tax withholdings or other similar items. The total tax paid by the Group for the financial year, which amounted to €38 million, was not calculated on the consolidated reported loss of €72 million reflected in the annual accounts. This loss was calculated by applying IFRS and differs from the aggregate pre-tax result calculated in accordance with the Chart of Accounts applicable in each jurisdiction, which serves as the legal basis for calculating tax actually payable (the main difference being that goodwill is not amortised under IFRS).

The data reported by country relates to all the companies or permanent establishments (primarily branches) that are resident, for tax purposes, in that particular jurisdiction, regardless of where sale or purchase activity is actually carried out, except in those cases where the company has permanent establishments located abroad. In such cases, the corresponding figure is allocated to the country where the permanent establishment in question is located and registered for tax purposes. According to the annual accounts, the consolidated pre-tax reported result was a loss of €72,413 thousand, entailing an income tax credit of €14,946 thousand. The loss before tax, aggregated by country, amounted to €25,676 thousand, while the income tax credit totalled €21,832 thousand. This difference between the aggregate and consolidated figures is explained by the application of international accounting standards and the elimination of consolidated results, primarily dividends and portfolio adjustments.

For more information relating to tax status, see Note 36 of the [Consolidated Annual Accounts](#).

Tax contribution in millions of euros						
Geographical Area / Country	Revenue by country	Intragroup earnings	Pre-tax profit/(loss)	Total assets	Corporate income tax expense by country	Corporate income tax paid
Spain (*)						
Spain (*)	2,310,610	297,632	(98,979)	4,799,847	(60,015)	(3,636)
(*) The aggregate pre-tax loss of the Spanish companies under the Spanish Chart of Accounts amounted to €99 million. The profit/(loss) that serves as the basis for calculating the accrued income tax expense differs from that amount, primarily because (i) it includes certain sales and consolidation adjustments (mainly dividends and provisions) that have no tax impact, and (ii) it does not include the profit/(loss) obtained from permanent establishments, which are taxed and have a tax impact in the country in which they are generated, and which amount to a net profit of €26. The actual payment made in Spain in the year amounted to €3.6 million, which relates in its entirety to withholdings.						
Europe and North America						
Germany	20,994	1,680	1,157	9,434	321	(135)
Belgium	12,386	0	(1,399)	3,020	158	(1,480)
Bulgaria	14	0	(84)	1,141	0	(29)
Canada	43	0	(8)	62	0	(6)
Slovakia	1,716	764	(883)	1,012	239	(30)
Estonia	911	0	620	744	0	0
USA	49,411	365	4,012	51,453	878	(44)
Greece	13	0	(20)	166	0	0



Tax contribution in millions of euros						
Geographical Area / Country	Revenue by country	Intragroup earnings	Pre-tax profit/(loss)	Total assets	Corporate income tax expense by country	Corporate income tax paid
The Netherlands	844	0	(250)	216	0	0
Ireland	733	0	159	471	0	(3)
Italy	136,420	3,264	16,013	126,342	4,621	(5,245)
Latvia	0	0	0	1,285	0	2
Lithuania	3,160	0	2,278	734	102	(14)
Moldova	714	481	293	372	50	(45)
Norway	48,189	5,335	2,115	33,442	454	(400)
Poland	250	142	8	389	0	0
Portugal	51,604	6,529	2,483	32,262	850	(621)
United Kingdom	20,310	0	4,868	52,880	922	(1,071)
Czech Republic	2,784	155	296	830	59	(198)
Romania	4,299	59	518	8,381	81	(93)
Turkey	100	54	(1,025)	2,719	0	130
<b>Total Europe and North America</b>	<b>354,895</b>	<b>18,828</b>	<b>31,151</b>	<b>327,355</b>	<b>8,735</b>	<b>(9,282)</b>
<b>Latin America</b>						
Argentina	19,059	2,020	1,702	8,931	486	(291)
Bolivia	1,371	0	22	1,362	0	(125)
Brazil	170,737	1,046	8,966	62,728	3,196	(2,926)
Chile	58,348	5,590	5,635	28,303	766	(340)
Colombia	100,393	2,330	12,645	56,336	6,551	(5,878)
Costa Rica	595	0	(149)	353	33	(28)
Ecuador	1,195	0	(19)	1,381	26	(142)
El Salvador	52	0	(87)	13,743	0	3
Guatemala	0	0	0	185	0	(57)
Honduras	(194)	0	(303)	2,530	0	(311)
Mexico	119,816	30,176	5,234	54,389	1,969	(2,594)
Nicaragua	0	0	0	(48)	0	(28)
Panama	6,807	652	(4,662)	6,208	661	(624)
Paraguay	0	0	(101)	493	0	54
Peru	53,276	1,893	1,053	35,018	1,585	(649)
Puerto Rico	355	0	119	1,315	13	(12)
Dominican Republic	9,830	0	3,675	13,693	894	(548)
Uruguay	3,729	640	6	1,423	29	(7)
<b>Total Latin America</b>	<b>545,369</b>	<b>44,347</b>	<b>33,736</b>	<b>288,343</b>	<b>16,209</b>	<b>(14,503)</b>
<b>Asia, Middle East and Africa (EMEA)</b>						
Saudi Arabia	20,536	0	(18,192)	175,563	1,774	(4,330)
Algeria	8,608	0	4,847	9,829	216	(191)
Australia	35,659	349	962	23,178	508	(171)
Bahrain	0	0	(556)	19,609	0	0
China	1,200	1,178	(446)	1,694	0	0



Tax contribution in millions of euros						
Geographical Area / Country	Revenue by country	Intragroup earnings	Pre-tax profit/(loss)	Total assets	Corporate income tax expense by country	Corporate income tax paid
South Korea	0	0	(3)	0	0	0
Egypt	505	0	46	615	18	(150)
United Arab Emirates	10,386	0	4,731	5,797	29	(58)
Philippines	50,275	3,629	5,911	30,408	2,054	(1,845)
India	2,612	201	(250)	2,515	0	(57)
Indonesia	355	355	(107)	869	4	0
Kazakhstan	0	0	(79)	0.351	0	0
Kenya	3,345	2,311	987	5,284	246	(74)
Kuwait	6,540	0	7,264	11,967	1,300	(471)
Malaysia	5,143	37	(3,359)	23,972	13	(146)
Morocco	1,606	699	(887)	10,342	3,137	18
Nigeria	247	0	64	388	21	(138)
Oman	16,307	1,313	8,147	39,290	3,883	(3,097)
Senegal	0	0	(268)	3	0	0
Thailand	0	0	(393)	59	0	(1)
Tunisia	0	0	(56)	112	0.241	11
Zambia	249	0	50	863	15	(26)
<b>Total AMEA</b>	<b>163,573</b>	<b>10,072</b>	<b>8,413</b>	<b>362,357</b>	<b>13,218</b>	<b>(10,726)</b>

Business activity in jurisdictions regarded as tax havens is conducted exclusively for commercial and business reasons. Entry and exit strategies in these jurisdictions are not motivated by tax issues. Indra only operates in these territories as a reflection of ongoing projects. One example of this is in Oman, which in 2020 ranked fifth in the list of countries in the Group with the largest income tax contribution.

Throughout 2020, Indra has carried out commercial projects in the following countries which are considered tax havens, according to the latest listings published by the OECD, the European Union and the Spanish tax authority. Such a presence is solely and exclusively due to the commercial activity of the company as detailed below:

- Bahrain; subsidiary with more than 40 professionals who provide support for a large healthcare project.
- Panama; a work centre with close to 100 employees that undertakes various projects such as the Panama Canal expansion project, as well as consulting, supervision, inspection and monitoring services for various works in the country.
- Gibraltar; maintenance of the airport systems installed at Gibraltar airport.
- Jordan; the company is involved in consulting and managing projects for the identification of optimal financing agreements for the country's roads.
- Liberia; the company is involved in managing energy projects for the Liberian Electricity company.

In 2020, Indra also engaged in specific activities in countries or territories such as Andorra, Fiji, Granada, Cook Islands, Lebanon, Oman, Seychelles and Tunisia, which are also considered as low taxation jurisdictions according to the aforementioned institutions. The amount that this business represents as a percentage of the company's total revenue is virtually insignificant and is due to the company's commercial activity.

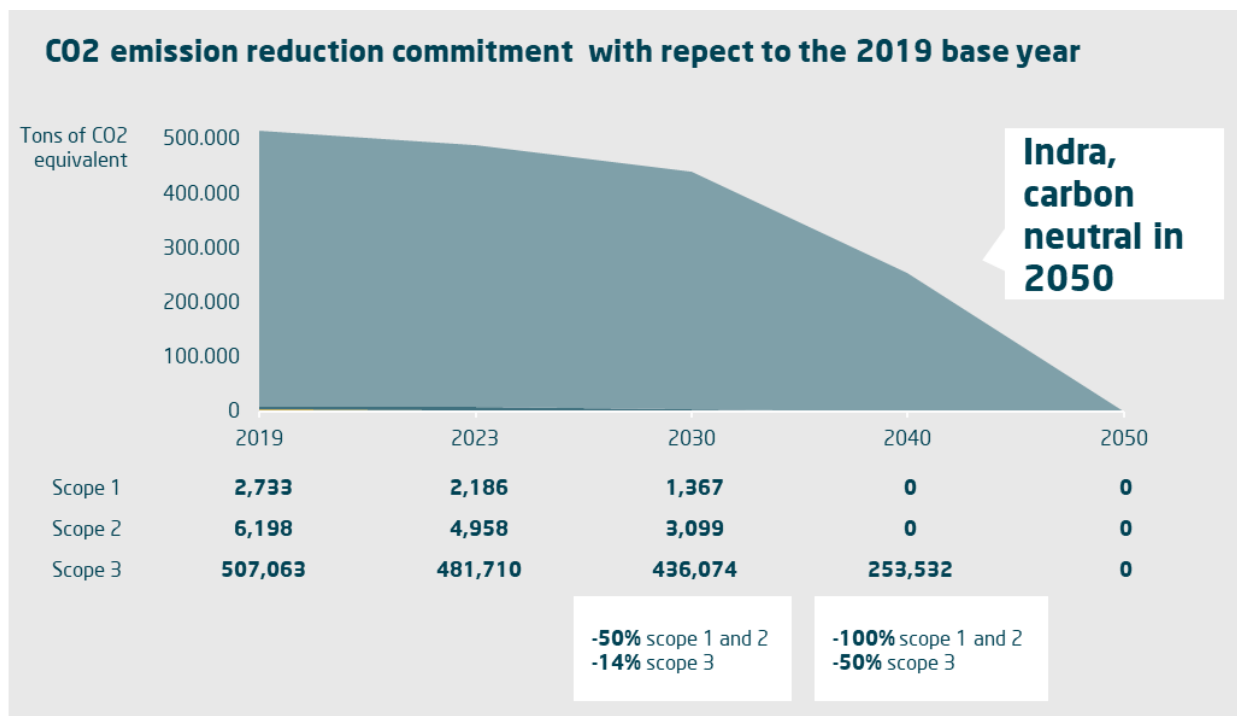
Indra is also engaged in various business activities in countries such as Malaysia, Morocco and Turkey that have reached agreements with the European Union to modify their tax legislation and bring it in line with European standards.



## 4 Planet and Climate Change

### 4.1 Climate change

In 2020, the Sustainability Committee approved an ambitious roadmap for reducing emissions, setting objectives based on science for 2030 and 2040, with the intention of achieving carbon neutrality in 2050.



#### Climate change governance and management

The Board and the Sustainability Committee are the most important decision-making and supervisory units at Indra in terms of climate change. The company reports regularly to the Committee and the Board on the policies, principal risks and opportunities and the performance of the company’s objectives in this respect. During 2020, senior management approved an update of Indra’s Environmental and Energy policies. Meanwhile, the Sustainability Committee approved the new greenhouse gas emissions reduction objectives set for 2050 in alignment with the Paris Agreement.

Indra has committed to the Science Based Targets (SBT) initiative to develop objectives aligned with the Paris Agreement

At the same time, the aspects related to climate change are fully integrated into the company’s strategy through its Sustainability and Social Impact Master Plan 2020-2023, which permeates all the various areas of Indra’s management, from its development processes to the development of solutions and services. As well as the information contained in this chapter on how considerations of climate change are incorporated into the company’s internal processes, Section 6 offers more information on how climate change is incorporated into the company’s product development strategy.





## Climate change risks and opportunities

The risks and opportunities of Climate Change have been analysed by the Environment Unit following the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), and they have been incorporated as part of the corporate Risk Management and Control System.

Indra has analysed the physical and transitional risks and opportunities relating to the company's business for a scenario involving a rise in global temperatures of 2°C from the pre-industrial era, setting the following objectives:

- A transitional analysis to assess how Indra could advance towards a low carbon economy, identifying the strategy to be followed regarding compliance with the environmental requirements set out in law, the reduction of emissions and energy efficiency, among other issues. The company takes into consideration the risks and opportunities that could result from economic and legislative changes, and those that may be associated with investors, markets and reputational aspects.
- A physical analysis to identify the impacts that gradual changes in climate (temperature, rainfall, sea levels) and potentially extreme climate events could have on the company's facilities and operations.

The company has identified and assessed the climate change risks that might affect its main facilities, with the aim of progressively minimising their impact via the implementation of contingency mechanisms and risk mitigation. Opportunities related to the solutions and services that Indra offers to its clients have also been identified.

Climate change risks and opportunities according to the Task Force on Climate-Related Financial Disclosures (TCFD)				
Type of risk		Risks	Opportunities	Possible responses
Transition	Economic	Increased taxes and duties in the energy and transport sectors that drive up production costs.	Promote sustainable energy and mobility management in the company.	Implement measures to improve energy efficiency Flexible working and car-sharing initiatives.
	Regulatory	Entry into force of regulations that impose charges on or force a reduction in emissions, including greater regulation of energy efficiency at Data Processing Centres.	Improve competitiveness through the application of environmental requirements in more efficient production processes.	Analyse new legislative trends in order to get ahead of new legal requirements. Monitor future Climate Change legislation in different countries, which could include penalties for companies as the result of increased emissions, increased energy consumption, etc.
	Reputational	Negative publicity due to failing to meet commitments or regulation on the issue of Climate Change.	Transparency in the release of news and positive aspects relating to the environmental conduct of the company.	Set emission reduction targets. Indra has established science-based reduction targets for 2019-2030-2040-2050.



	The Market	Loss of business opportunities in the area of Clean Technologies and in the manufacturing of more sustainable and efficient products and services. Risk of losing contracts in public tendering processes.	Develop products and services aimed at improving energy efficiency of client operations in relation to reducing emissions. Develop technologies that contribute to combatting Climate Change (e.g. improving the prediction and early warning capabilities related to climatic events).	Include environmental criteria when designing products and solutions.
	Investors	Loss of investors or negative analyst reports due to not meeting their criteria on Climate Change issues.	Approach new investors who are aware of the fight against Climate Change.	Consider Climate Change as part of the company's strategy and equity story and communicate this to investors.
Physical	Critical	Rising temperatures mean increased energy consumption for cooling and air conditioning at work centres.	Improve the energy efficiency of company work centres and data processing centres (DPC) in order to reduce energy consumption and operating costs.	Establish a strategy for buying green energy in Spain, which can then be extended in a second phase to the countries in which more energy is consumed.
	Occasional	Damage to workplaces as the result of incidents caused by climate events, including impact on Data Processing Centres from interruptions to the energy supply.  There is risk to Indra offices located in regions that are more liable to suffer extreme climate disasters. For example, the Philippines and other areas of Asia.	Develop technology that assists in detecting and mitigating Climate Change risks.  Anticipate risk of climate change incidents when choosing the location of work centres.	Consider Climate Change as part of Strategy and communicate this to investors.  Indra is developing projects to mitigate Climate Change.

**Carbon footprint**

Due to its business model, Indra's main environmental impacts are associated with energy consumption in the workplace, and more specifically with its data processing centres (DPCs); and with greenhouse gas emissions associated with its supply chain, business travel and employee movements.

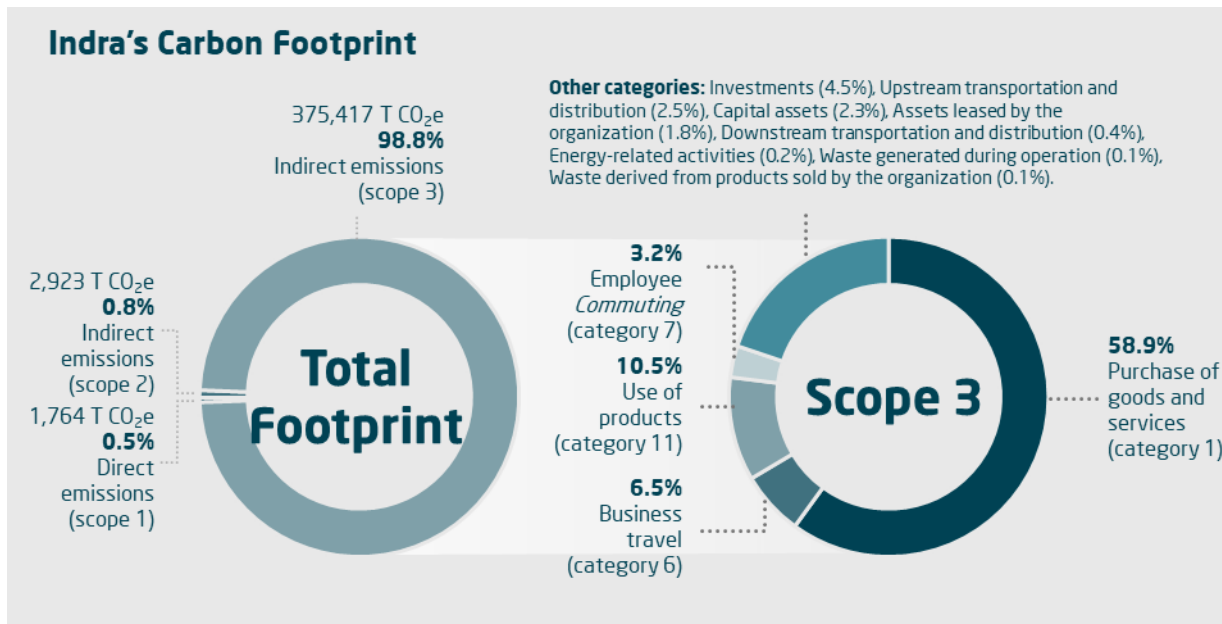
Indra recognises the agreements reached at the Climate Summit in Paris in 2015 and intends to be an active agent in this collective effort to reduce the impact of climate change. To achieve this, it has a climate change strategy in place which contemplates operations in relation to three core areas:

- Energy efficiency in the workplace
- Efficiency in its data processing centres
- Measuring and reducing its carbon footprint



## Indra adheres to the Science Based Target initiative and has taken on the UN's climate change objectives

### Improvement in measuring carbon footprint



During 2020, Indra undertook a project to improve its 2019 carbon footprint, which included 15 categories at scope 3. Indra carried out a project to identify the company's most significant categories at scope 3 and measure them.

As a result of this analysis, Indra has determined that more than 80% of its scope 3 emissions are concentrated in three categories: acquisition of goods and services, business travel and employee commuting.

This measurement of the 15 scope 3 categories also led Indra to review its measurement methodology of levels 1 and 2. The goal has been to improve the criteria used to determine whether the emissions should be included within scope 1, 2 or 3 and thus use them as a better basis for defining objectives. More specifically, Indra has carried out an analysis of how to apply operational control criteria envisaged by the GHG Protocol (Greenhouse Gas Protocol, the most widely used international tool for calculating and communicating emission inventories) to each of its sources of emissions, including energy consumption and leaks of fluorinated refrigerant gases.

That is, Indra considers scope 3 emissions to be all those sources of emissions not under its operational control, in turn understood to be the company's capacity to take decisions regarding the teams which generate such emissions or over the energy suppliers.

## Our goals



**2030**

to reduce emissions by **▼50%** due to energy consumption in our work centers



**2040**

to reach **zero emissions** derived from energy consumption



**2050**

to be **100% carbon neutral**, extending decarbonization throughout our value chain



**Science based objectives**

As a consequence of reviewing the methodology used to measure its carbon footprint, and with the objective of aligning its objectives with the Paris Agreement, in October 2020 Indra committed to the Science Based Target initiative (SBTi) and has established a target based on the science of the global reduction of emissions which is being reviewed for its approval by SBTi.

## How are we going to achieve them?



**Energy efficiency and consumption in data processing centres**

The majority of Indra’s facilities in Spain have energy saving and efficiency measures in place, such as changing lighting systems, replacement of air conditioning units, improving insulation or the installation of control centres to monitor energy consumption.

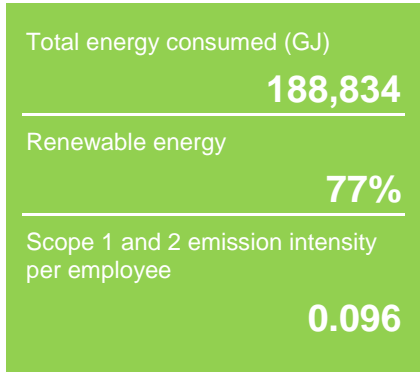
The work centre at Arroyo de la Vega in Alcobendas (Madrid) is certified in accordance with the European EMAS Regulation and ISO 50001. The building has also been awarded LEED Gold certification under the sustainable building certification system developed by the US Green Building Council.

Indra has its main data processing centre in San Fernando de Henares (nearly 5,000 m<sup>2</sup>), where it has made significant changes to the cooling system and to the control of (100% renewable) energy consumption.

The company also promotes the purchase of green electricity as part of the energy consumed at its work centres.

**Collaboration in initiatives in support of the fight against climate change**

Indra is part of [Forética’s ‘Climate Change Cluster’](#), which comprises more than 50 large companies, and which is trying to drive the leadership of the private sector in climate matters, as well as value good practices, facilitate the dialogue and exchange of ideas between companies and be a reference interlocutor with public authorities.



Indra is part of the [Spanish Platform for Climate Action](#), which aims to promote compliance with the Paris Agreement. The companies which are members of the initiative commit to setting absolute emission reduction targets, to including data on their carbon footprint in Spain’s Ministry of Agriculture, Fisheries, Food and the Environment (MAPAMA in its Spanish acronym) Carbon Footprint, Compensation and CO<sub>2</sub> Absorption register, and to participating in Global Climate Action.



## 4.2 Circular economy

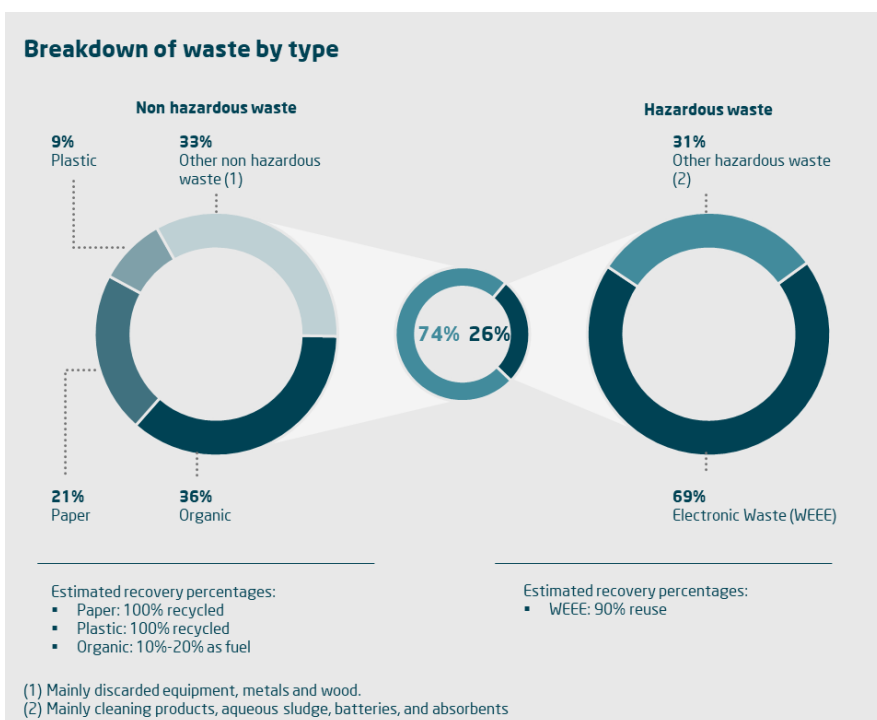
### Resource consumption (including water)

Despite the fact that the company’s activities have not been identified as having a significant environmental impact in terms of water consumption, availability and quality, Indra monitors, manages and sets targets for the consumption of water at certain sites as part of the company’s strategy to manage its resources efficiently. The special initiatives aimed at minimising consumption include the installation of mechanisms to save water at the company’s facilities and actions to raise awareness regarding the responsible use of water by employees.

### Responsible waste management

As part of its Environmental Management System, one of Indra’s main objectives is to reduce the waste generated by its business activities.

The most typical form of waste is electrical and electronic equipment, which is removed and processed by authorised waste management companies. These companies are committed to the circular economy through the reuse of computers and unused computer components based on the principles of prevention, preparation for reuse, recycling, and other forms of recovery and disposal.



The type of treatment is based on the information on the recovery of waste in Spain. Hazardous waste generated by Indra is also handled by authorised waste management companies.

According to the available information on the management of electronic waste carried out by Revertia in Spain, Indra could be contributing a saving on emissions of around 200 tonnes of CO<sub>2</sub> thanks to the treatment of this type of waste in Spain, equivalent to the energy consumption of more than 220 households.

Indra’s new Sustainability and Social Impact Master Plan includes a target to reduce dangerous non-recoverable waste from manufacturing centres by 20% by 2023, as well as a target of reducing single-use plastics to zero in offices in

Spain in 2023, with a progressive elimination at an international level by 2030.

### Improvements in the circularity of packaging

In the framework of its circular economy initiatives, Indra has continued its efforts to reduce the impact of the packaging associated with the transport and logistics of its solutions. In 2020, all the company’s production centres have substituted expanded polyurethane used in packages with recycled corrugated paper. Thanks to this initiative, the use of polyurethane has been reduced by 3.4 tonnes. Meanwhile, with the objective of reducing single-use cardboard box waste, between 2019 and 2020 Indra has substituted cardboard boxes by anti-static plastic containers and returnable boxes. As well as reducing cardboard waste, this initiative has also reduced Indra’s use of seals, pallets and film in its packaging.

### Collaboration in initiatives which promote the circular economy

Indra is part of [ECOTIC](#), a not-for-profit organisation which works to protect the environment and promote sustainable development through raising the awareness and training of manufacturers, distributors and users of electrical and electronic apparatus. The Foundation’s principal activity is the correct management of electrical and electronic apparatus waste (WEEE, RAEE in its Spanish acronym) of the companies and entities signed up to the collective system for broader producer responsibility (SCRAP in its Spanish acronym), in response to the legal requirements with which producers and distributors of electrical and electronic apparatus must comply.



## 4.3 Environmental management

The Global Environmental Policy includes a commitment to protect the environment and to the continuous improvement of the Environmental Management System. The Policy is implemented through action plans that are applicable to the various facilities holding the ISO 14001 certification, with short and long-term goals, aligned with the strategy and sustainable growth of the company.

Indra's goal is to achieve ISO 14001 certification at 100% of its main installations worldwide. All Indra's manufacturing centres and head offices (with more than 500 employees) should be subject to this certification. The present objective is that 100% of the eligible facilities (offices and manufacturing centres) are certified or are in the process of certification.

In 2020, 75% of the target offices were already certified, and 100% of the manufacturing centres were either already certified or in the process of certification. The goal for 2022 is to achieve 100% of eligible offices certified, with the addition of the centres in Mexico, Brazil and the Philippines, and to finalise the certification process in the two remaining manufacturing centres.

ISO 14001 certification requires high standards in a number of environmental areas such as carbon emissions, energy consumption, waste management, recycling, water use and employee awareness, and is increasingly requested by potential clients. In response to these client requests, Indra also has eighteen ISO 14001 certified centres.

In 2020, Indra started to analyse environmental risks in its centres with more than 50 employees on a global scale; this analysis will be completed in 2023. So far, the company has not identified any critical risk in the areas of water, energy, raw materials, atmospheric emissions, tips, waste, noise or industrial security in the work centres analysed. In any case, with the aim of mitigating the company's possible environmental risks, Indra has set itself a target of ISO 14001 certification for 100% of its facilities which meet one of the following requirements: that they are manufacturing or regional offices; that they have more than 500 employees; or that their clients or contractual requirements require this. At the close of 2020, 44 facilities met one of these requirements.

Indra's strategy and management in terms of environment matters is based on the identification and diagnosis of its principal risks and opportunities, specifically: climate change, environmental risks in work centres and risks associated with compliance with the regulations on dangerous chemical substances (REACH).

In terms of atmospheric pollution, including noise and light pollution, Indra characterises and carries out the relevant regular controls on the sources of atmospheric emissions in its factories, in compliance with current regulations. Given the company's activity, none of the sources defined have been significant, either by type or operational hours. The noise levels have also been measured by the Authorised Monitoring Bodies, which have determined that the noise levels outside the certified facilities are below the legal limits. Given the activity of the company, the impact of light pollution is not considered to be significant.

### Traceability of materials and components

In 2020 Indra created a working group for the improvement and automation of the new process to achieve compliance with the REACH Regulation and has started to adapt its internal systems. The adaptation, which will be completed in 2021, will facilitate the traceability of prohibited substances in Indra's products and components. Of the key actions completed in 2020, the highlights were:

- Publication of the internal procedure which sets out the responsibilities for compliance with REACH requirements, updating the mitigation plan and determining the substitution plans needed for the production processes.
- Updating the REACH database with the information on the articles of production provided by suppliers.
- REACH training for the areas involved in complying with the Regulation (+160 employees).
- Review of the list of materials used in all items produced for the progressive elimination of prohibited substances.

ISO 14001 Offices\*

75%

ISO 14001 manufacturing centres

100%

\* With over 500 employees

SVHC substances monitored in 2020

+50

Components supervised and analysed

+1,000

Suppliers consulted about the presence of dangerous substances

+1,700

Suppliers analysed about the presence of dangerous substances

+600



# 5 People and talent



## 5.1 Sourcing the best talent

Indra's sourcing strategy consists of improving its employer brand, as a tool to attract and improve the commitment of its employees; and the focus on junior and high-value senior profiles.

Branding has an external dimension, which has to do with perceptions of Indra in the job market; and an internal dimension, related to Indra employee perceptions of the company. This explains why improving Indra's brand as an employer includes initiatives in both of these areas:

- Internal: encouraging diversity, improving facilities, employment flexibility and well-being programmes.
- External: certifications, indices and external recognition, public relations campaigns and social impact initiatives through volunteer programmes or collecting funds for donations.

Final workforce total\*  
(\* including SmartPaper, Smartest and Baltik)

**49,027**

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New hirings in the last three years

**36,650**

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Women hired as a percentage of the total

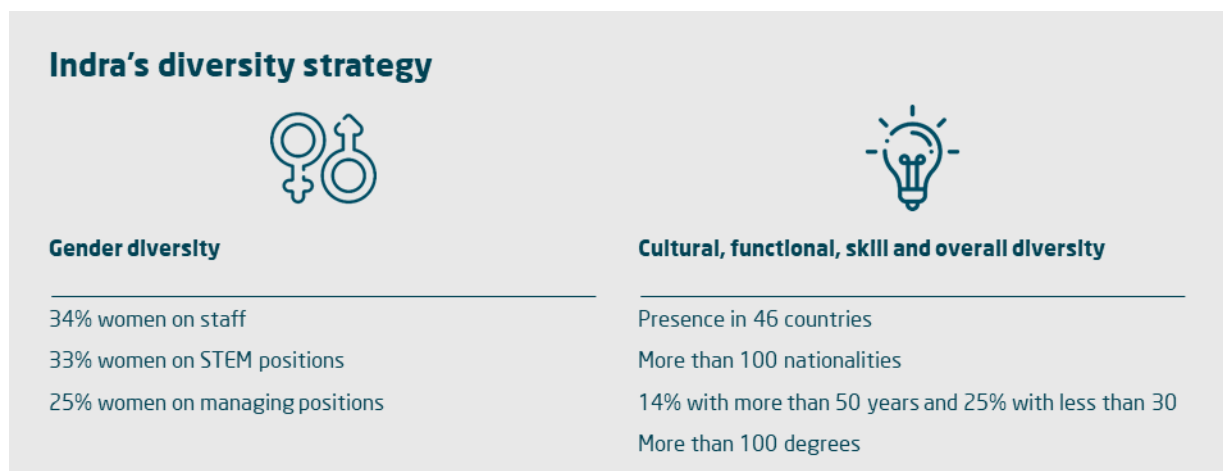
**+30%**

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Employees with permanent contracts

**+90%**

### Meritocracy to ensure diversity



Equality plans, the Code of Ethics and Legal Compliance and the Gender Diversity Programme are Indra's main tools for ensuring that its employees are valued for their skills, effort and talent, regardless of their race, gender, religion, political beliefs, nationality, age, sexual orientation, civil status, disabilities, social origin or any other condition.

Additionally, the company's gender protocols are intended to ensure working conditions free of sexual or gender harassment. To achieve this, the protocols establish specific procedures to enable complaints and claims.

To promote women's progress in the company and in society, Indra has for years been constantly strengthening its gender diversity programme by new initiatives to encourage a culture where having different skills and sensitivities is perceived as a plus, breaking down prejudices and stereotypes; to have procedures which ensure meritocracy; and to support women so that they can break any social barriers that may exist, as well as the ones which they could create themselves.



Of the initiatives set in motion, the highlights are co-creation actions with groups of employees to define the company's equality strategy; group coaching sessions with women from the management team; the "Inspiring Women" cycle, to give publicity to the female employees at Indra which it uses as role models; or a HackDay aimed at female university students. The objective of this day of training and mentoring to stimulate creativity and innovation is to emphasise female talent and demonstrate Indra's confidence in its ability to improve society and contribute to the UN's Sustainable Development Goals through technology.

Indra participates in the Target Gender Equality initiative, led by the Spanish arm of the UN's Global Compact, to accelerate the contribution to SDG 5 through gender equality. The aim of the initiative is to achieve corporate goals in terms of the representation and leadership of women through performance objectives, skill development workshops, peer learning and the dialogue with multiple stakeholders at a national level, as well as international events.

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## Indra is a member of the Bloomberg Gender-Equality Index for the second year running and has held the Seal of Equality in the Workplace since 2011

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As regards the Board of Directors, Indra's policy for the appointment of directors establishes that the Board of Directors and the Appointments, Remuneration and Corporate Governance Committee must ensure that certain criteria and policies are applied when selecting people to hold positions as directors. In particular, these are geared towards diversity among the members of the Board in matters of gender, skills, training, professional experience and age, ensuring the absence of any kind of discrimination based on gender, religion, ideology, nationality or disability.

As far as gender is concerned, in 2019 Indra met the target set out in its then-policy, which established that the number of female directors should account for at least 30% of the total number of Board members. As a result of the publication of the CNMV's new Good Governance Code for Listed Companies, Indra has proceeded to include in its Policy the new recommendation that raises the presence of women on the Board to 40%. Indra has already made progress in meeting this new objective in 2020 with the appointment of a new female Board member, Ana de Pro, which takes the percentage of women on the Board to 38%.

The application of this policy during 2020 is outlined in sections C.1.4 to C.1.7 of the [Annual Corporate Governance Report](#), available on the company website.

### Wage gap

In order to improve its management of diversity, Indra distinguishes between two kinds of indicators when assessing differences in salaries between genders. This makes it easier for the company to identify the reasons for these differences and define suitable potential improvement plans. These indicators are gross wage inequality and the wage gap. The wage gap indicator includes all the relevant variables that could have an influence on a person's salary, and it represents a more realistic measure of differences in salary for the same job position.

This difference, illustrated in the table below, is partly explained by the historical structure of the company and the shorter length of time women have served, among other factors.





Breakdown of data for 2020 on wage gap and gross wage inequality for the whole company		
Job category	Wage gap (*)	Gross wage inequality (*)
Senior Management	5.48%	17%
Middle Management	4.05%	8%
Technical staff	3.14%	5%
Support staff	3.12%	27%
Other categories	-	9%
<b>Total</b>	<b>3.21%</b>	<b>22%</b>

(\*) Note: The wage gap is defined as the difference in salaries between groups of employees at the same level. The wage gap is calculated by comparing the remuneration between segments of equivalent employees (same category, same business unit, same region/country). In other words, the figure obtained represents the percentage that women earn less than men, considering similar positions and responsibilities. The calculation does not include professional segments that do not contain at least one female and one male employee, meaning that it actually extends to 88% of the workforce. Gross wage inequality is calculated as the difference in salary (average male employees – average female salary) / (average male salary), regardless of any other factors that could have an influence on a person's remuneration, such as geographical location or the department in which they work and/or their job category. This calculation considers the fixed salary and variable amount paid. Additional concepts such as: cash grants, bonuses, long-term incentives, share-based remuneration, etc. are not included. For more indicators relating to remuneration by gender and age, see the section headed "Other non-financial indicators". Includes data on 98% of the workforce at year-end.

The remuneration policy implemented by Indra is not gender biased. The two key components of the company remuneration structure (fixed monetary remuneration and variable annual remuneration) are set objectively. Fixed remuneration primarily reflects the experience of the employee and their responsibility within the organisation, while the variable remuneration rewards the targets which have been reached and are shared amongst the employees that also work in the same departments.

## Wage gap of 1.75% in Spain in 2020

Indra continues to work on adopting the most appropriate measures to eliminate this gap. The following measures are particularly worthy of mention:

- The Gender Diversity Programme: this comprises four lines of action, promoting technological vocations among women, incorporating gender mainstreaming into all talent management processes, ensuring an inclusive culture, and championing female talent in key roles.
- The development of work-life balance policies: in addition to facilitating a balance between employees' personal and professional lives, these policies aim to promote joint responsibility by offering the same measures to both men and women; for example, improved maternity and paternity leave following the birth of a child, the possibility of accompanying children and parents to medical appointments, etc.
- Training and awareness: in 2020, Indra implemented several training programmes aimed at raising awareness of various aspects of diversity, such as leadership, management of diverse labour environments, the prevention of sexual and gender harassment and unconscious bias.

### Inclusion of employees with disabilities

In Spain, Indra has specific measures in place to enable the integration of people with disabilities into the company. For example, the company offers a parking space or ADSL line when the employee has mobility problems. In addition, the company provides a counselling and support service to assist in the search for employment for both its employees and members of their families with disabilities.

90% of the working areas at Indra's work centres in Spain are accessible to people with reduced mobility. Most of the company's large work centres have access facilities designed for staff with reduced mobility, in compliance with Spanish Building Code (CTE in its Spanish acronym) regarding universal accessibility, in accordance with the Safety in Use and Accessibility (SUA in its Spanish acronym) Technical Code 9.

### Improvement of positioning in certification, indices and external awards

Indra has other tools, rankings and awards which allow it to monitor the perceptions of its employees and possible candidates regarding its branding as an employer:

#### At the beginning of 2021, the Top Employer Institute recognised Indra as one of the best companies to work for in Spain for the third consecutive year

- The company takes part in Merco Talento, which values Indra's ability to attract and retain talent as an employer through direct surveys of the company's employees. In the latest ranking, Indra was in 44th position.
- Indra has been awarded the Top Employer certification that certifies the company as being one of the best companies to work for in Spain, presented by the Top Employers Institute.
- According to the 2020 Universum Most Attractive Employers ranking, Indra is also one of the three most appealing companies in the sector for university students to work for in Spain.

### Improvement in employee satisfaction and employment flexibility measures

The company continually assesses and reviews the policies which determine the working conditions of its employees. Indra has had Work-Life Integration Policies in place since 2005, which differ in each of the countries the company operates in.

These work-life balance measures are intended to offer a response at different key moments in an employee's working life, such as when they become a mother or father, or when they have to care for family members, or in special situations such as incidents involving gender-based violence, or when an employee wants to pursue personal aspirations relating to volunteering or training. For example, in Spain employees can take a sabbatical in order to work as a volunteer, or request days off to take exams or accompany their spouse, children, parents or dependents to a doctor's appointment. The company also has agreements with nearby centres that take care of children, and it offers financial assistance in the case of children with disabilities.

In Spain, the measures included by Indra in its work-life balance policies go above and beyond the legal requirements, offering leave following childbirth that is longer than required by law, along with improvements in paid leave.

Amongst the company's most notable flexibility measures is its flexitime policy, which is available at the majority of its businesses and which allows its employees to enjoy a better Work/Life balance. From the very beginning of the Covid-19 health crisis, the company adopted various measures to ensure the security and protection of its employees, such as the possibility of working from home for a very high percentage of the workforce. This had no notable adverse effects, nor any significant impact on efficiency, productivity or motivation.

Every year the work schedules are drawn up to ensure that no employee exceeds the number of days worked, and which in Spain also establish the theoretical working days in the daily registration tool at the disposal of employees and the workers' legal representatives. The daily registration tool meets the requirements of Law 8/2019.

Following the work-life balance and flexitime policies, Indra also respects its employees' right to disconnect from work outside working hours and strives to meet the obligations of the Spanish regulations regarding its internal policies.



## Sourcing and developing young talent

Indra's strategy is focused on sourcing young talent through the development of STEM vocations (science, technology, engineering and mathematics) in the communities in which it operates, by participating in fairs and employment events, the Smart Start programme and by collaborating with universities, business schools and professional training centres.

In the last four years, the percentage of Indra's employees below the age of 30 has increased by nearly 10 percentage points to approximately 30% of the total workforce. Young talent therefore has a key role in the company.

Among the initiatives aimed at improving the integration of new employees, increasing their motivation and maximising their contribution to the company, the highlights are:

- The integrated management of employee careers in their first two years in the company (Smart Start): this includes training, development, assessment and professional progress. In response to Covid-19, Indra has developed tools to facilitate intra-employee networking and linking them with their colleagues and with the company as separate groups in the company's MS Teams platform.
- A new process to improve the experience of being hired by the company (Onboarding Experience) for all employees (young and not young): during 2020, and in response to the Covid-19 crisis, Indra transformed its hiring process to be fully adapted to a digital environment. The new process includes a virtual and gamified welcome session, an online training itinerary and a video game created ad hoc.
- Talent Camps to accelerate new employee skills development in the company's key areas, such as Analytics, Digital Solutions and Financial Services, Air Traffic Management, Transport and Software Production Development: in 2020, these camps also shifted to a completely digital format as a result of the Covid-19 crisis.





## 5.2 Encouraging the development of in-house talent

Indra's talent strategy is focused on three main processes: career models adapted to the needs of the Transport and Defence, Minsait and Corporate businesses; the continuous and multi-sourced assessment of employees' careers; and the open and continuous training which incorporates the new trends in methodologies and content. All the above is combined with a careful management of internal mobility of employees to help them acquire new skills.

### Employee assessment as the basis of the development model

Talent management at Indra is based on the assessment model (Performance Experience), which uses various tools and processes to evaluate performance, compliance with objectives and professional development. The assessment model has a continuous monitoring system which is agile, multi-sourced and adapted to each business. Its objectives are to promote the values of collaboration, empowerment and innovation; to increase team management agility; and to contribute to employee learning and professional fulfilment.

- Performance assessment (Performance Talent): evaluates the performance and progress over the year, depending on the employee's career plan and role; and establishes the employee's development plans.
- Project assessment (Performance Project): the project manager evaluates the performance of the employee in the context of that project. Launched in Spain in 2019 with progressive roll-out to other countries.
- Assessment of achievement of objectives (Performance Goals): evaluation of the extent to which the management team's economic, strategic and commercial goals have been met.
- 360° Assessment: the perception of the professional development of an employee is provided by their managers, co-workers and peers.
- Assessment of the young talent on the Smart Start programme.

In this context, 47% of the company is subject to multi-dimensional assessments, in which the employee is evaluated by more than one manager to ensure an all-round, objective view of his/her performance.

During 2020, Indra was working with a new assessment tool (ongoing feedback) which it expects to launch in the coming months and which will help to provide continuous feedback to employees.

### Environment which encourages continuous learning

Indra has a Lifelong Learning model, under which each employee can engage in training where, how and when they want, which acts as a continuous learning umbrella.

The aim of the training strategy is to adapt to the needs of each employee, depending on the business they work in and in which phase of their professional career they find themselves.

Indra's corporate university, Open University, is therefore grouped into three main areas: specific training by project, function or business; special programmes; and training which is freely available to employees.

Thanks to this model, Indra has managed to adapt more efficiently to the situation imposed by Covid-19, as many of the learning resources and programmes were already 100% virtual and available globally for all the company's employees. Indra has therefore been able to maintain its focus on continuous learning throughout the year, irrespective of lockdown measures and where its employees are located.

Employees in a system of comparative assessment

100%

Percentage of employees promoted

24%

Total training hours 2020

820,623

Average training hours per employee

17

Increase in the number of hours of online training in the last four years

31%



## Dimensions of Indra’s training model

### Training by project

Training actions identified by the company’s business units.

Aims to meet the demands and requirements of the projects.

### Special programs

Associated with different key career milestones.

Designed ad-hoc for specific groups, from young talents to the management team.

They allow to accompany and train professionals who take on new responsibilities, provide them with specific knowledge for their new function or role and generate pride of belonging and networking among them.

### Self-training

It includes open-access, collaborative and self-paced training offerings.

It includes a Virtual Campus, a space for collaboration among professionals; and UdeMy for Business, a content platform with more than 3,000 specialized courses.

### Reinforcement of the special training programmes in 2020

The special training programmes are designed in collaboration with the most prestigious business schools, to help Indra’s technicians, managers and directors successfully assume new roles.

Although the majority of these programmes were conceived under the blended learning methodology, which combines on-line training with physical attendance, the Coronavirus crisis has led to them being redesigned for 100% virtual learning, using streaming classes, webinars, microlearning, immersive and gamified experiences and online training modules with task delivery and personalised tutoring. The pupils also have to make a virtual presentation of their Masters or post-graduate projects.

In 2020, Indra set in motion three new courses specifically aimed at its employees with a technical profile:

- From the fact to the challenge of the business: the objective is to prepare for efficient project management, contributing to the development of skills such as collaboration, flexibility, responsibility, resilience and business orientation.
- Digital Business: this addresses the challenges of the new models of digital business, and delivers knowledge, skill sets and digital competence.
- The Agile programme: this involves immersion in the current management methodologies most sought after by the market. Examples are the Scrum methodology, which collects Good practices to work collaboratively as a team and get the best possible result from a project.





## 5.3 Retaining talent

Indra has made a significant effort to generate cultural and digital change in the organisation, with the aim of achieving multiple benefits for its employees and the organisation as a whole:

- Efficiency improvements: by means of the identification and transformation of inefficient habits and processes, the implementation of flexible working and more modern working environments adapted to employees' needs.
- Encouraging leadership: giving Indra's management team a greater role in defining the company's key processes.
- Increasing transparency and access to information.
- Enriching the assessment models and improving the employee selection and onboarding programmes.

External unwanted employee rotation 2020

8%

Vacancies covered by internal candidates

+600

Percentage of women in vacancies covered internally

46%

### Occupational well-being

Beyond the strict compliance with its legal obligations, Indra also promotes well-being and fosters a culture of prevention in all the activities carried out by the company.

Among other resources, the Joint Prevention Service (SPM in its Spanish acronym) is a key tool that provides coverage to more than 25,000 employees in Spain in the field of Health, Safety, Ergonomics and Counselling. This service allows all of Indra's employees, regardless of their geographical location or activity, to conduct their work safely.

### Encouraging healthy habits

Indra promotes awareness campaigns with the aim of generating greater awareness among employees of the importance of protecting their own health, preventing risks and developing healthy lifestyles. These campaigns are complemented with annual, gender-based medical check-ups, in which additional biological controls are performed with the possibility of being given the flu vaccination.

## Well-being Week: "Click here for your health", more than 40 activities aimed at employees and their families

Indra has a Well-being Programme based on six core factors: healthy food, a good working environment and stress management, physical activity, looking after others, healthy habits and financial well-being. As part of this Programme, Indra holds an annual Health Week called "Click here for your health", which includes numerous activities aimed at all its employees and their families worldwide: these include, among others, infant nutrition, realfooding, anxiety control, mindfulness, chair yoga, Zumba, breast cancer prevention, bone marrow donation, positive education, caring for the carer, sleep hygiene, and financial planning. In 2020, more than 80 activities were carried out live, and more than 10,000 people participated.

During 2020, the campaigns related to Covid-19 and its consequences for Indra's employees were of particular relevance. This has meant that the awareness campaigns and health initiatives have been adapted to digital format, and that new specific initiatives have been developed. The highlights of these are the launch of an app with well-being services; a new psychological assessment service; resources for self-training on healthy eating, a good working environment and stress management, physical activity, caring for others and healthy habits; adaptation of Gympass to a virtual format; greater awareness of the telemedicine service; and the virtual well-being week. For more information on measures in response to the Covid-19 crisis, please see section 3.3.

### Mental health management

Within the framework of the health and safety regulations (Spanish Act 31/1995), the company monitors the health of all its employees through workplace risk appraisals, in this case psychosocial assessments and their associated measures, as well as through medical check-ups, medical support services and a horizontal well-being programme, with particular focus on the principle relating to a pleasant working environment and stress management.



### Analysis of employee priorities to better understand them and give them an appropriate value proposition

Indra has applied science to analyse the degree of commitment of its employees and their motivations. The company has classified its employees into clusters, depending on variables such as age, length of service, professional status and salary level, in order to analyse these clusters and identify motivation patterns.

#### People Analytics: Intelligence applied to people management

The development of information systems and the greater availability of data are leading to a paradigm shift in people management: a focus on talent management based on data.

Indra, as a technology company with a business model founded on the talent of its employees, is committed to the application of People Analytics for the management of its employees. The objective is to understand people's behaviour through analysis to develop a value proposition for the employee, which helps to improve their experience, as well as to improve Indra's ability to attract and retain talent.

In particular, Indra is developing the following projects in the realm of People Analytics:

- Identification of the level of commitment and opportunities to retain employees: through profiling employees according to their rotation, area of work and own characteristics; and by scraping webs and Text Mining to know what their employees are thinking. The information collected by the company on the results of the annual performance review of employees is used to identify any correlation and possible causality of employee rotation. Meanwhile, using the information available from employees leaving Indra and websites such as jobquire.com through Text Mining tools enables the company to identify employee drivers and how their perceptions change over time. The company has also identified clusters of people within the organisation who share similar behaviour patterns in terms of rotation, and who may be receptive to specific remedial actions. In 2020, People Analytics was particularly successful in the monitoring of trends, actions and the impact of Covid-19 on rotation.
- Identification of the skills gap, development and professional recycling: this project has been especially relevant during Covid-19. Thanks to People Analytics and through the so-called "rules of association", areas of knowledge acquisition have been identified that are more in line with the employee's existing skills. Thanks to this, Indra has managed to improve the process of assigning profiles to projects and has avoided the unemployment of people specialised in less sought after technologies.
- Optimisation of commitment and efficiency improvement: through employee profiling, area of service and own characteristics, using organisational network analysis tools.

All the initiatives in terms of People Analytics comply with current legislation in terms of data protection (GDPR) and respect the privacy rights of the company's employees.

Indra expects to continue extending its use of People Analytics in other spheres of staff management, such as workforce planning, selection and hiring, or to competitive intelligence.



### Ascertaining levels of commitment

Since 2018, Indra has carried out a commitment survey of employees in the Transport and Defence business unit, which accounts for approximately 15% of the company's total workforce. As can be seen from the information included in the indicator tables in the appendices to this report, in the last few years, the level of commitment of the employees in this unit has improved progressively to a level of 271, on a scale of 0 to 500.

Additionally, the company regularly carries out focus group sessions with employees to monitor their level of commitment in a more qualitative way.

### Remuneration adjusted to employee needs and focused on the short, medium and long term

Indra's objective is to offer remuneration adapted to the diversity of its talent. Furthermore, the results of the assessments have an impact on its employees' career decisions and remuneration.

Indra's remuneration package comprises a fixed salary, part of which can be paid into each employee's flexible remuneration plan; social benefits, which can vary between the different Indra group companies; and a system of variable remuneration payable to 14% of employees, which represents an attempt to encourage compliance with the objectives contemplated in the Performance Experience.

In Spain the company offers a flexible remuneration plan that allows all employees to allocate part of their salary towards healthcare, transportation, nursery vouchers, pension plans, training and restaurant vouchers, thus benefiting from discounted prices and tax benefits. In 2020, 39% of the workforce in Spain benefitted from the plan. There are no significant differences in the benefits that the employees receive by contract type.

## The variable element of the company's directors' remuneration is linked to sustainability objectives

To ensure the sustainability of the business, 28% of managers have medium- and long-term targets that are linked to the fulfilment of the company's strategic objectives. The executive directors' targets for the current year are published every year in the Annual Report, which indicates the percentage of the targets reached at the end of the financial year in the section on directors' remuneration.

Some 40% of the directors' total variable remuneration is linked to qualitative objectives, which include a target related to the company's sustainability and management performance. The weighting of these sustainability objectives versus all the other qualitative objectives may be different for each director.

### Examples of non-monetary remuneration at Indra



Well-being Program



Indra Discounts  
(Privilege Store)



Family Program



Work-life balance



Life insurance





## 5.4 Occupational well-being and health

Indra's strategic commitment to ensure the highest possible level of health, safety and well-being of its employees, regardless of business division, geographical location or activity, is reflected in the Occupational Risk Prevention Policy, the Sustainability Policy and the Code of Ethics and Legal Compliance.

### Health and safety governance model

As established by the [Board of Directors' Regulations](#), the Board is ultimately responsible for the supervision of the organisation's non-financial risk management, supported as applicable by the Sustainability Committee or the Auditing and Compliance Committee. Inasmuch as health and safety risks are part of the company's non-financial risks, they also come under the supervision of the Board. In 2020, due to the exceptional situation created by Covid-19, this supervision of health and safety risks has been particularly important, and the Board has analysed the impact of the Coronavirus and its plan of action post-Covid.

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### The Board has supervised the company's actions in relation to Covid-19

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Indra is going to start a certification process of its management systems and health and safety at the parent company (Indra Sistemas S.A.) in line with the ISO 45001 standard, which will imply strengthening the supervision process on the part of senior management and the company's governing body.

Due to the different regulatory frameworks in the countries where Indra operates, the company has specific management systems in each country adapted to local legislation. At present, 12% of Indra's employees are covered by a health and safety management system certified under the OHSAS18000 or ISO 45001 standards, including Prointec and the activities in Brazil, Italy, Peru and Australia.

In all cases, the health and safety management systems guarantee the identification of the risks, the implementation of preventative measures and the traceability of all the related processes (investigation of accidents and continuous improvement, among others). This determines the preventative measures which the company should adopt, specifically in terms of personal protective equipment (PPE) and training. All Indra's employees must undergo obligatory training in terms of prevention of occupational risks, depending on their job. Due to the particular attributes of certain jobs in the company, the training programme may include courses on specific matters such as risks at height or in confined spaces, among others. In general terms, none of Indra's employees are authorised to carry out their activity without the required training and PPEs for their job. In 2020, Indra also launched three new health and safety training programmes: information technology risks, risks other than information technology risks by location, and specific training in risks to the company's management team.

Up until 2020, no professional illnesses had been identified at Indra. Nonetheless, according to the current legislation in Spain and as reflected in Indra's internal regulations, the company's employees have the right and the duty to report risk situations at work, and where applicable, stop activity.

In 2020, 100 work accidents were registered, with and without medical leave, excluding injuries occurring during the commute to or from work. In terms of geography, 70 of the accidents occurred in Spain and 30 in America. All the indicators are available in the appendix to the table of non-financial indicators. During 2020, Indra also identified three occupational incidents in Spain which in none of the cases resulted in physical harm to the individuals (merely material damage). Indra investigated the causes; identified the possible consequences under different circumstances; and identified and implemented corrective actions, such as the replacement of certain teams or raising their awareness.

Indra has 148 prevention delegates in Spain, who act on behalf of its staff. In the other countries where local legislation requires it, the workforce is represented by the equivalent of the prevention delegates, as contemplated in the legislation of that country. In 2020 there have been no relevant formal agreements with unions on these matters.

The Occupational Risk Management System Prevention Programme Manual and the procedure for evaluating risks and planning preventative action in Spain is available to all employees on the corporate intranet.

The principles of security and health are extended to the supply chain by means of the Manual for the coordination of the company's activities in terms of the prevention of occupational risks.



## 5.5 Dialogue with employees

Indra respects the culture of legality that exists in each of the countries in which it operates and complies with the regulatory content of the ILO Collective Bargaining Agreements in relation to the freedom of association and the right to collective bargaining. It therefore interacts with workers' representatives in the company, providing them with a channel for dialogue and the adoption of agreements.

Indra applies the Collective Bargaining Agreements in force at any time to ensure compliance with all the rights established in them as a consequence of collective bargaining, including those relative to pay scales, which are what determines the minimum wage for each category or group of employees. As per the Sustainability Report, the initial standard wage is always much higher than the local minimum wage in each country where Indra has significant operations.

The company is also a member of the Spanish Association of Consulting Companies (AEC in its Spanish acronym), which negotiates the social component of the Collective Bargaining Agreement applicable to all the companies in the sector. Additionally, Indra is also a participant in the think-tank sponsored by the Cuatrecasas Institute of Legal Strategy in Human Resources, where leading national and international companies hold regular meetings in a proactive search for innovative ways to regulate issues, discuss the changes in the regulatory framework and help the authorities to draft new legislation.

97% of Indra's employees have at their disposal the wherewithal to safeguard their rights collectively, either because their interests are defended by unions or worker representatives, or because they could be sheltered by collective bargaining agreements. Of these employees, 78% are effectively covered by collective bargaining agreements.

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**97% of employees are covered by instruments to safeguard their rights collectively**

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The company Code of Ethics and Legal Compliance also establishes equal opportunities, respect for people and non-discrimination on any grounds and, specifically, on the grounds of union membership as basic principles.

As part of the active communication of Indra's Code of Ethics and Legal Compliance and its mandatory acceptance by all the company's employees, the company trains its workforce on the issues addressed by the Code, informing them that all employees are expected to participate in Indra's commitment to respect the human rights listed in the International Charter on Human Rights, along with the principles governing the rights set out in the Declaration by the International Labour Organization, both of which contain specific references to the freedom of association.

Similarly, among the measures taken by the company to ensure strict respect for its Rules of Conduct and values, the Direct Channel is the main resource available to employees to pass on and complain about any incidents occurring in this regard. As described in section 3.2 of this report, in 2020 the Direct Channel did not receive any messages or complaints from any of the company's employees in relation to their rights of freedom of association and collective negotiation.

It is important for Indra to maintain continuous and transparent dialogue with social agents, ensuring they participate in the company's guidelines and strategy. In the event of significant changes in operations, the necessary mechanisms to inform the various trade union partners in advance have been put in place.

The impact that operational changes may have on employees is carefully evaluated, establishing an open dialogue with their union representatives. Even in the event that there are no legal obligations or workers' representatives, Indra ensures that it maintains regular communication with all the employees concerned.

In Spain, the company has trade union representatives, who act as points of contact for the Group companies. The company helps them carry out their labour union duties in all aspects, including the provision of resources such as computers and premises.

### Agreements reached with workers' legal representatives in 2020 in response to the Covid-19 crisis

In 2020, Indra and the workers' legal representatives in Spain reached two agreements with the aim of transforming the workforces of the two main companies: the Early Retirement Agreement and voluntary redundancy at Indra Sistemas, and a layoff programme (ERE in its Spanish acronym) at Indra Soluciones Tecnologías de la Información.

Indra Soluciones Tecnológicas de la Información (ISTI) and an overwhelming majority of the workers' legal representation reached an agreement on 19 November 2020 which brought to an end a process of consultations regarding the procedure for reorganising the workforce initiated on 20 October.

This agreement involved minimising the impact of the restructuring on the number of jobs thanks to the incorporation of different measures which reconcile the company's need to meet its rationalisation and optimisation objectives for the workforce, including the importance which the company attaches to continued training and requalification, while recognising the social protection criteria of collectives with increased difficulty in finding employment.

For its part, on 2 December 2020, Indra Sistemas and an overwhelming majority of the workers' legal representatives reached an agreement which brought to an end the consultation process over the employment reorganisation procedure initiated on 6 November.

This agreement avoids the application of traumatic measures which could have a significant negative impact on employment and on the stability of the company, by substituting a collective dismissal process for an early retirement and voluntary redundancy plan. The latter should also enable Indra to achieve its proposed objectives of downsizing and restructuring the workforce to improve its competitiveness.

In addition, the two parties will agree a three-year employment framework agreement (2021-2023) to consolidate the fluid labour relations initiated between the company's management and its union representatives.

The agreements for the transformation of the workforce of Indra Sistemas and ISTI are part of a plan of action that Indra announced in July 2020 to overcome the difficulties generated by the structural changes in the sectors where the two units have a presence, adapt themselves to the new market and demand conditions, eliminate inefficiencies and improve their competitiveness.

This general plan of action hinges on cost-efficiency and the prioritisation of investments and resources. It is based on the proactive management of new requirements, on boosting earnings, and on taking advantage of its technological skills and the acceleration of the transformation of its operations. The main lines of action include reducing non-personnel costs, improving internal processes and new working models, redirecting capex and balance-sheet adjustments, together with transforming the workforce.

### Other agreements reached with workers' legal representatives in 2020

In Spain, Indra and the Workers' Legal Representatives also reached an agreement in terms of equal opportunities at ISTI with the aim of implementing an equal opportunity plan and a plan of action against sexual harassment and harassment on the grounds of sex, and an agreement at Indra Sistemas regarding refundable paid leave as per Royal Decree-Law 10/2020 dated 29 March. This law covers recoverable paid leave for self-employed workers providing non-essential services, with the aim of reducing mobility as part of the fight against Covid-19.

Indra has also reached various agreements with workers' legal representatives in the following countries: Germany, remote working and on employment flexibility in response to Covid-19; Algiers, regulatory framework; Argentina and Brazil, wage review; Norway, workforce restructuring; and Romania, wage review, workforce restructuring and employment flexibility.





## 6 Technology with impact

### 6.1 Indra's Technology and EU Taxonomy

During 2020, Indra carried out a preliminary analysis of the extent to which its product portfolio is in line with the activities contemplated in the EU Taxonomy of green sectors, to anticipate and prepare itself for the legal requirements which will affect European companies from 2022 onwards. This first version of the Taxonomy only addresses the most significant activities for the mitigation of and adaptation to climate change. The other economic activities will be added in future versions of the Taxonomy, as well as the other goals considered by the Taxonomy, so that the companies can report their alignment with them.

In general terms, as a technology company, Indra's contribution profile as per the Taxonomy is as a facilitator for the transformation of other sectors. Through the development of green technology, Indra helps to improve the sustainability of the sectors to which it provides services.

**The following are recent examples of Indra's activities considered in the first published version of the Taxonomy:**

#### Transport – Infrastructure for the transport of low emissions (land)

Indra's Transport division develops the necessary technology to make transport more efficient, accessible and sustainable. For example, the use of Indra's technology for the [management of the railway networks in Estonia and Ireland](#) enhances the role of this means of transport, which has less of an environmental impact in the transport mix of each country.

#### Professional services – Engineering and consultancy for the adaptation to climate change

Through its engineering subsidiary Prointec, Indra helps infrastructure to have a smaller environmental impact and to adapt to the new parameters, with improvements in design, and with new materials and technologies. In terms of sheer magnitude, the highlight of 2020 was Indra's contribution in the [design of the high-speed rail network](#) which will link up the Baltic countries, thus achieving a connection which improves the sustainability of passenger transport in the region.

#### Information and communication technologies – data solutions to reduce greenhouse gas emissions

The Indra Space business unit is involved in the development of Earth observation satellite applications, among them the development of a [system to improve the MetOp satellite network](#), used in the preparation of weather forecasts to allow for the more efficient operation of transport, agriculture and industry. Indra's work in the [processing of satellite images](#) also stands out, preparing statistics on land use in Europe and monitoring climate change.

#### Electricity and gas – Electricity transmission and distribution

The company is recognised internationally for its activity in the energy sector, thanks to its enabling technology for the necessary energy transition in electricity and gas companies. The [Centre for Intelligent Transformation](#) project helps reduce emissions by up to 10%, and was a winner at the enerTIC awards. Additionally, the development of [management solutions for distributed energy resources](#) increases the flexibility of the electricity system and can achieve a reduction in emissions of up to 11%.

#### Manufacturing – Production of low-emission technologies

Indra has a business unit to promote the digital transformation of buildings, with technologies which enable the integration of all its energy resources (smart meters, electric vehicles, batteries, renewable sources) to help reduce CO<sub>2</sub> emissions and the cost of electricity, gas and water bills. Its solutions enable the modification of comfort conditions depending on occupancy, optimising the use of solar panels and combining the use of batteries and other resources by means of intelligent algorithms. Thanks to the systems and sensors installed for improving the operation and maintenance of existing company-owned buildings, Indra has managed to reduce [energy consumption in buildings](#) by 35%-45%.

#### Forestry – woodland conservation

[Faedo](#) is one of Indra's solutions for woodland fire protection, covering three areas: prevention, detection and analysis. This technology can reduce [the number of fires by up to 40% and the area burned by 30%](#).



## 6.2 Technological sustainability offering

As well as the solutions and services aligned with EU Taxonomy, Indra has diverse activities with a potential positive impact on social and environmental sustainability.

Recent examples of Indra's contribution to sustainability are listed below, as well as its contribution to the mitigation of the social and economic impact of Covid-19, which has made such a mark on the social, corporate and political agenda in 2020.

Indra's sectors and activities (not exhaustive)	Other solutions and services for improving sustainability in Indra's different markets (not exhaustive)
 <p><b>Transport</b></p> <p>Toll booths with lower environmental impact</p> <p>Sustainable logistics</p>	<p>The <a href="#">free-flow electronic toll system</a> opened in Chile avoids the polluting emissions of the traditional tolls due to the interruption of vehicle traffic.</p> <p>The <a href="#">Spanish digital platform to improve the transport of goods with blockchain</a> is a pioneering project which reduces emissions and the use of paper in logistics operations and goods transport.</p>
 <p><b>Air traffic</b></p> <p>Cleaner air traffic</p>	<p><a href="#">Satellite landing systems</a> which allow a reduction in fuel consumption, emissions and the noise pollution of aircraft. The <a href="#">new SESAR solution of ground to ground interoperability</a> improves the efficiency and fluidity of air traffic in Europe and helps reduce greenhouse gas emissions. <a href="#">Remote control tower</a> technology reduces the environmental impact of the construction and operation of airports.</p>
 <p><b>Defence and Security</b></p> <p>Simulators to reduce emissions</p> <p>Monitoring in coastal waters</p>	<p>Indra's <a href="#">aircraft simulators</a> help to reduce the hours of real training flights by up to 40%, reducing the emissions from training flights.</p> <p>More precise monitoring of the quality of coastal waters and protecting marine biodiversity in Galicia is possible through the use of Indra's <a href="#">aerial</a> and <a href="#">marine</a> drones.</p>
 <p><b>Energy</b></p> <p>Cleaner energy</p>	<p>Indra's solution <a href="#">Onesait Oil&amp;Gas Environment</a> automates the monitoring of tips in port areas and in zones of marine hydrocarbon exploitation. This solution is able to detect leaks of only 10 litres in a few minutes, reducing the serious environmental impacts that this type of incident can cause.</p>
 <p><b>Industry and consumption</b></p> <p>Digitalisation of mining activity</p>	<p>The solution for <a href="#">digitalising mining operations</a> in Peru reduces energy consumption by between 5% to 15% and also achieves a significant reduction of up to 20% in occupational accidents associated with mining operations.</p>
 <p><b>Public Administration</b></p> <p>Smart Cities and the circular economy</p>	<p>The <a href="#">platform to improve the traceability of waste</a> using Blockchain technology in Spain will help boost the implementation of the circular economy concept.</p>

For more information on the impact of Indra's solutions on sustainability, please also refer to Section 2.2 of this report.



### Indra becomes a technological partner in response to the Covid-19 scenario

In 2020, a year marked by the pandemic, Indra wanted to be a key player in the search for solutions to cover the new requirements of individuals, institutions and companies. The company demonstrated considerable ability in adapting to the changing environment, managing to make its technology and its know-how in various sectors available relatively quickly through different projects for society as a whole.

Among other benefits, **Indra's technology allows less physical contact between people and thus reduces the risk of contagion and facilitates decision-making** in this exceptional situation.

#### ▪ Digitalisation:

- A 30% reduction in physical presence in Catalonia tax offices through automated management of chatbot consultations.
- Support for the Spanish armed forces in their deployment against the pandemic, through Indra's logistics and command and control systems.
- Indra's skills in the realms of digitalisation and cybersecurity have been a lifesaver for helping numerous public authorities and companies operate remotely. At the start of the crisis, Indra offered free cybersecurity support to the health authorities in Mexico.
- In Spain, through its subsidiary SIA, Indra launched a website with important information on cybersecurity matters for individuals and small companies, also offering a free web consultation service.



#### ▪ Healthcare assistance and monitoring systems:

- Development of the Spanish contact-tracing mobile application known as Radar Covid, a tool which enables people who have tested positive for Covid to warn people who they have been in contact with, without needing to reveal their identity.
- Remote monitoring of patients using the TELEA platform in Galicia. This reduces the need for inpatient care and improving assistance levels thanks to the alerts received automatically by health professionals of the parameters registered by patients several times a day. Coronavirus contact tracing system in the Community of Madrid.
- Implementation of systems to take passengers' temperatures in the 13 largest Spanish airports.
- Solution C-19 Pass, based on artificial intelligence, which offers companies a safe return to work. Data from various sources are integrated to control the level of risk of infection for employees and manage the measures to adopt in the best way possible.

#### ▪ Social distancing:

- Automation of capacity control in Metrovalencia to protect travellers from the virus.
- New contactless ticketing system at the turnstiles for the Malaga commuter rail network (Cercanías Málaga), eliminating any interaction with passengers when buying tickets.
- Collaboration to maintain the telecommunications network of Claro Perú operational, adapting the in-situ maintenance required by the installations to the difficulties caused by the pandemic.



There are also numerous examples which show how quickly Indra **adapted its suite of solutions and services to the new requirements** of both its clients and society, following the impact of the pandemic.

▪ Digitalisation:

- Solution for the payment of public services with a virtual digital prepaid card, avoiding the need to go the bank to pay and with the ability to make contactless payments from a mobile.
- Reinforcing the suite of digital payment solutions for the financial sector, catering for new consumption patterns.
- Robotisation of processes for services offered by telecommunications companies to absorb the exceptional spike in demand.
- Electronic voting platform and other digitalisation solutions for physical voting to ensure that election dates and other types of votes (such as shareholder meetings) in emergency situations such as the existing one can be carried out.
- Solution for contactless cash withdrawals from ATMs, using the bank's mobile app and maintaining the safety of the user at all times.

▪ Healthcare assistance and monitoring systems:

- Platform for offering medical teleconsultations, reducing hospital and health centre workloads, and offering a contagion-free solution for patients with diverse pathologies.



▪ Solutions for economic recovery:

- Redesign of the Smart Cities offering to improve the early detection of risks through digitalisation, the coordinated operation of public services and the public-private collaboration, to facilitate the economic recovery.



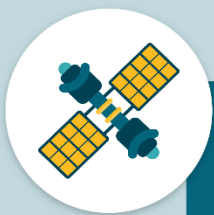
- Data integration platform for the tourism offerings of private companies and public authorities to reinforce the attractiveness of their destinations and the health safety measures in place for visitors.

- Integration of an e-commerce platform with Indra's own online payments suite to boost business for companies and industries by facilitating interaction with their clients.

- Adaptation of the Industria 4.0 solutions to refocus them onto more detailed monitoring of supply chains, and thus combat the severe disruptions to them caused by the pandemic.

# Technology for a Green Economy

## Earth care



Earth observation and climate and environmental monitoring systems.



40% fewer fires and 30% less burned surface area.



First environmental drone.

## Sustainable Mobility



Up to 10% fewer emissions with air traffic management.



15-25% fewer rail emissions and 6% fewer in highway traffic emissions.



100% less paper in cargo handling.



Solutions for smart and sustainable urban intermodal transport.

## Green Energy



Energy efficiency and decarbonization solutions.



Management of 8% of the world's renewable energies.



Early detection systems for ocean oil spills.

## Smart cities



Quality of life for over 500 million people in 150 municipalities around the world.



35% lower water consumption and irrigation and 45% lower power and light consumption in public buildings.



Smart Waste, intelligent waste management for a circular economy.





### 6.3 Innovation focused on sustainability

Innovation is one of the core principles of Indra's business model as a company that operates in highly competitive sectors with a strong technological component. The company is broadening its future offerings through innovation and achieving a key differentiation with its competitors. Indra's Sustainability Master Plan 2020-2023 includes objectives to stimulate innovation in response to the challenges of sustainability, present and future.

For Indra, innovating implies developing new skills, on the one hand to improve the activities related to the design, development and implementation of processes; and on the other hand to improve the functioning and performance of the systems, platforms and services. Its innovation activities include research, the development of new products and the continuous improvement of existing products. The benefits derived from innovation are increased efficiency, a reduction in time-to-market, reliability, competitiveness and positioning in a climate of constant evolution.

Indra's employees' ideas are the inspiration of its innovation activity. To encourage the generation and capture of ideas, Indra has an open, agile and flexible innovation model.

The objectives of Indra's innovation model are:

- To respond to the strategic needs of the business and differentiate the product offering, creating competitive advantages based on innovation.
- To encourage employees to generate innovative ideas and seize opportunities for generating in-house technologies and/or patents.
- To improve Indra's product offering in the medium and long term by the identification of emerging technologies and the collaboration with start-ups, spin-offs and various agents of the innovation ecosystem.

The Innovation Committee is the governing body of the innovation model and includes the management of Strategy and Innovation, representatives of all the business units and technology experts. Its mission is to ensure the alignment between innovation, strategy and products, encouraging cooperation and transversality to maximise synergies between markets and generate a real impact on the company's business.

The innovation model has certifications for the European quality standards CEN/TS 16555-1 Innovation Management System and the Spanish UNE 166002 R&D Management from AENOR. In 2020, the scope of these certifications was increased to cover 23 new centres, such that 99% of the company's innovation efforts were covered.

All the details concerning the Innovation Model are available on the company website and its objectives are detailed in the company's R&D Policy.

Through innovation, Indra contributes to the UN's Sustainable Development Goals for the 2030 Agenda through solutions for key sectors such as Transport, Energy, Health, Public Authorities and Safety, among others. Indra responds to a broad spectrum of needs, ranging from the public sector to the private sector. Through its innovation activity, the company acts as a stimulus to technological and industrial progress in a multitude of key sectors for economic and social development and for the growth of the business community in the countries in which it operates.

**Indra was awarded the 2020 National Prize for Innovation by Spain's Ministry of Science and Innovation, as the company which stands out for genuinely representing the best values and principles of innovation in Spain.**

#### Indra National Prize for Innovation 2020

In 2020, the Ministry of Science and Innovation awarded Indra this prestigious prize in the Large company category for its importance in diverse sectors from the perspective of digitalisation, its position in the vanguard of R&D and its indispensable role of traction and advancement of innovation in other companies, particularly in the SMEs in the sector where it is market leader. The jury emphasised that Indra genuinely represents the best values and principles in innovation in Spain.

Premios Nacionales de **Innovación** y de **Diseño**



R&D investment over sales

**8.7%**

Collaborative R&D projects

**+150**

Employees working full time on R&D in Spain.

**+3,000**

Percentage of women amongst the employees working full time on R&D in Spain

**30%**

Collaborative agreements with universities and research centres

**+300**



## Innovation strategy: culture and relationship with the innovation ecosystem

The objective of Indra's innovation strategy is to favour the generation of innovative ideas in key technologies in response to the challenges in the sectors in which the company is active, both in Transport and Defence and in Information Technology.

From the corporate unit Indraventures and under the leadership of the Innovation Committee, collaboration is encouraged with all the agents of the innovation ecosystem, and opportunities are created to promote a culture of innovation among Indra's employees.

### Innovation culture

**Target:** all Indra's professionals

#### Objectives

- Activating innovative talent
- R&D training and creativity development
- Share ideas, knowledge and *know-how*

#### Iniciativas

##### Innovators

Search for disruptive ideas

##### Highlights and KPI

- IV edition in 2020
- ~2.000 innovative ideas between 2017-2020

##### I+Days

Innovation days

##### Highlights and KPI

- New Space y Nanosatellites 1st I+Day in 2020
- +180 attendees



### Innovation ecosystem

**Target:** startups, universities, technological center and other agents in the innovation ecosystem

#### Objectives

- Encourage collaboration with external groups
- Promote public-private collaboration agreements
- Share knowledge and know-how

#### Activities

##### Active participation in the innovation ecosystem

- Collaboration as a Jury in startup initiatives.
- Participation and presentations in specialized innovation forums
- Collaboration in acceleration programs

##### Highlights and KPI

- +1,000 startups analyzed in 2020
- +20 agreements signed since 2017
- Members of the BFAero Executive Committee\*.



\*Aeronautics and unmanned aerial vehicle (UAV) accelerator.

Indra also collaborates both nationally and internationally with the leading sector associations through joint programmes and initiatives which guarantee the availability of the necessary resources to develop innovation activities, enabling a reduction of risks associated with technological developments.

## Innovators initiative: Shape the Impact

Innovators is Indra's in-house entrepreneur programme. Its objective is to stimulate the generation of innovative ideas on the part of all its employees and accelerate the best ideas to fruition via a tailor-made business plan. All Indra's employees receive either an individual or a group invitation to make disruptive ideas which, based on technology, are a response to the challenges proposed by the company's Innovation Committee.

Four winning ideas are chosen in each edition of Innovators, three by a panel of experts and a fourth by the employees themselves. In addition to a cash prize and a good mark in their performance assessment, the winners get the opportunity to dedicate themselves to drawing up a business plan in conjunction with the business area at Indra to which their idea applies. Once the business plans are approved, the selected initiatives are provided with the necessary means of developing the idea and converting it into a product to form part of Indra's offering.

The 2020 edition focused on resolving challenges related to the sustainability of the planet and with the health and safety of individuals in a post-Covid scenario.



www.indrainnovators.com

## Innovators 2020: sustainability and post-covid society



Technologies that contribute to reduce the **environmental impact** and **energy transition**



Business solutions that satisfy the **needs** that have arisen after **COVID-19**



Innovative technologies that contribute to **labor inclusion** of people with **disabilities**



Bring your ideas to life... use our **open platform** to create **prototypes** that solve **post-covid challenges**



Technological solutions to detect and prevent **road safety risks**



Opportunities for improvement in **internal processes** to be more **sustainable**



Nearly 11,000 employees from 40 countries contributed in 2020, with 331 innovative ideas in response to the challenges proposed. The three winning ideas will contribute solutions to improve the management of emergencies in tunnels or other infrastructure, the safety of metro travel post-Covid, and the effectiveness of remote training. The protagonists in 2020 were virtualisation technologies, facial recognition techniques and artificial intelligence-based solutions.

### European research and innovation programmes

Together with the leading players at an industrial level in Europe, Indra takes an active role in contributing to defining and implementing a common strategy to improve competitiveness, support inclusive and sustainable economic growth and reduce environmental impact through scientific excellence and the development of the most advanced technologies.



In Europe, Indra plays a leading role in various initiatives and projects within the Horizon 2020 programme, the biggest European programme aimed at promoting research and investigation. Indra is the number two Spanish company in terms of financial return in Horizon 2020, leading eight projects and participating in a total of 77. Indra leads the development of technologies to build the Single European Sky and in intelligent infrastructure management, the optimisation of rail traffic, for cybersecurity and the protection of critical infrastructure and in the implementation of Industry 4.0.

In addition, Indra takes part in the leading European maritime vigilance programmes and the development of space technology to provide services to land, sea and air transport, as well as to monitor the Earth and issue warnings and manage natural disaster related emergencies. These programmes include the Galileo Project, the objective of which is to develop a precise satellite navigation system worldwide, and Copernicus, the programme coordinated and managed by the European Commission to give Europe an observation platform from which to view the Earth.



### Innovation in air traffic: safety and efficiency

Passengers from all five continents fly thanks to the use of Indra technology, whose latest in-house technology provides an integrated response to the challenges of air traffic at a global level.



**SESAR 2020:** Indra is a key partner in the Single European Sky ATM Research (SESAR), created by the so-called Single European Sky. The objectives of this are to triple current air traffic level capacity, reduce costs by 50%, increase safety by ten times and reduce fuel consumption, noise and emissions per flight by 10%.

**iTEC Alliance:** Indra forms part of the iTEC Alliance, comprised of some of the leading European navigation service providers. The members of iTEC control more than seven million flights a year. In the framework of this collaboration, in conjunction with the main air navigation suppliers from seven European countries, Indra has developed the iTEC suite, the most advanced automated system of air traffic management using 4D trajectories.



**COMP4Drones:** Indra leads this project which, with 49 partners and a budget of €30 million, will develop key technologies to make drones safe and autonomous in complex applications for the transport, construction, logistics, surveillance and agriculture sectors.



### Innovation in transport: digitalisation and sustainability

Indra leads the main European innovation initiatives which are advancing towards the digitalisation of transport and the use of new intelligent solutions based on these cutting-edge technologies.



**Shift2Rail:** Indra is a member of the top level of governance of the main European research and innovation initiative in the rail transport sector, with the development of technologies to improve rail traffic control and the passenger experience, and for more efficient, sustainable and competitive goods transport.

### Innovation in Defence and Security: protection and cyber defence

Indra develops its innovation in the area of defence and security in collaboration with clients, partners and governments across the five continents to make the world a safer place. Indra has end-to-end innovative solutions in the five areas of defence: Land, Sea, Air, Space and Cyberspace.

Through its participation in major European programmes such as the EFA, A400M, NH90, Meteor and ESSOR and the NATO framework, among others, Indra develops critical projects for the defence of the countries in which it operates.

**FCAS:** Indra plays a key role as industrial coordinator in the development of the next generation of air combat systems, of particular note are FCAS and EuroDrone. As industrial coordinator, it will facilitate the maximum return on the programme for Spanish industry in the form of business generation, development of export capacity, creation of technologies which can also be used in the civil realm and the generation of high-value employment.



**European Defence Industrial Development Programme (EDIDP):** Indra's contribution is in command and control technology, electronic defence and cyber defence to allow Europe to act and coordinate with its allies on peace missions. It also provides tools to safeguard aerospace and help in decision-making in the case of cyber threats.

**Ocean2020:** Indra is one of the lead partners in this European project which comprises 42 partners from 15 countries. The objective is to develop a maritime surveillance system based on the integration of manned and unmanned platforms, which will transmit data via satellite to land based control and command centres. Indra will test the naval version of its unmanned helicopter in this highly complex environment.



**Civil UAVs Initiative:** the aim is to develop the most efficient and advanced aircraft to carry out surveillance and air-sea rescue patrols, control fishing grounds, environmental protection, detect dumping at sea, control land use, natural heritage, and help fight fires.

**Innovation in Healthcare**

Indra works at a European level in cutting-edge technological developments to promote active ageing and in response to the challenge of cross-border patient mobility.



**H2020 PHARAON:** Indra participates as a technological partner, contributing digital solutions focused on healthy and active ageing. A total of 2,500 users and 350 professionals will participate in the testing and validation of the pilots in five countries.



**H2020 UNICOM:** Indra participates in this Project with technology to advance the cross-border distribution of medicines in Europe, improving patient safety and ensuring better medical attention.

**Innovation in Energy: decarbonisation and energy efficiency**

Both Gartner and the International Data Corporation (IDC) highlight Minsait's Onesait Utilities solution as a benchmark for the whole energy value chain.



**H2020 PLATOON:** Indra leads the development of a new generation of solutions and digital products to accelerate the decarbonisation of the economy and energy efficiency, optimising and improving the management of renewable energy generation as part of the energy system.

**enerTIC Awards:** Minsait was recognised in 2020 for its contribution to the development of digital solutions that favour the entry of renewable energy sources in the eighth edition of these awards.



**the overview effect** **The new Minsait service to support its clients in the development of products with an impact on sustainable development**

Minsait has created a new portfolio of services to offer integrated support to its clients across the whole life cycle of the development of new solutions and services. These could have a positive impact on sustainable development, from training, defining the impact strategy, to the development of the solution, its prototype and roll-out.



## 6.4 Design and manufacture of products and services in line with ESG criteria

Indra understands that ensuring the sustainability of its solutions and services is vital to guaranteeing the maximum quality levels, safeguarding the health and safety of its clients and users, and the incorporation of responsible design principles in the product development process.

### Quality of products and services (management, certifications, audits)

#### Integrated quality management systems

88% of Indra's sales


44 companies in Spain, Argentina, Brazil, Chile, Colombia, Czech Republic, Italy, Mexico, Panama, Peru, Philippines, Portugal, Slovakia, Czech Republic and Uruguay.

20,000 professionals in 77 work centers in 14 countries.

### ISO 9001:2015


General

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**Transportation, defense and aerospace activities**

ISO 22163. IRIS quality certification for the railway sector.  
 PECAL/AQAP 2110-2310 and PECAL 2210. Defense sector  
 UNE 9100, UNE 9110, EN 9110 and EN 9120. Aerospace Sector  
 PERAM 145 and EASA 145.



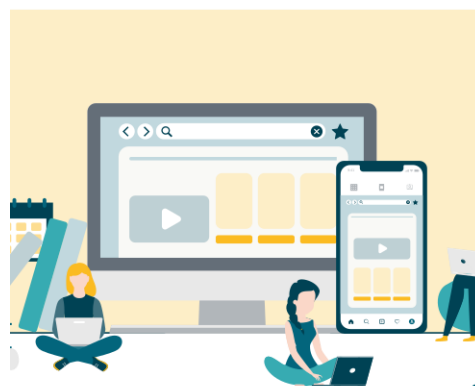
**Software development activities**

TMMi level 3 and CMMi level 3 for software testing and engineering processes, and software development, in eight countries.  
 CMMi level 5 for air traffic management programs, the Leon Center of Excellence and at Minsait, for Advanced Application Management Services, User Services and Project Development in Spain, Colombia, Mexico and Peru.

Internal and external quality audits are some of the main tools Indra uses to identify opportunities for improvement. External audits are carried out by independently accredited organisations in order to obtain certification; as well as by clients, as part of their supplier approval processes or as a contractual requirement. Indra also audits its suppliers and subcontractors to guarantee the quality of the products and services supplied.

Internal audits include both audits carried out on operations and those completed to ensure the quality and effectiveness of the Quality Management System processes.

255 internal quality audits were completed in 2020 (first-party audits), both on operations and projects as well as on the Quality Management System, and 45 third party audits were carried out, either by certification organisations or at the request of clients.





### Product health and safety conditions

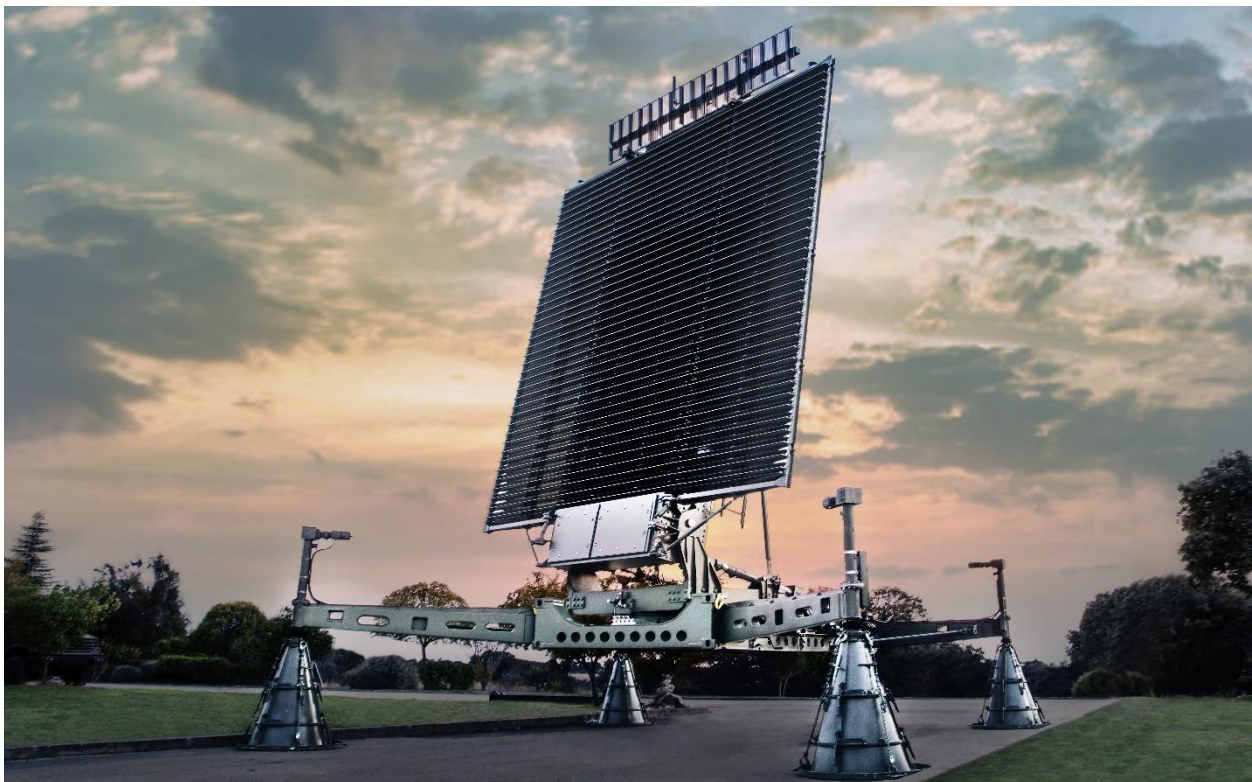
Indra guarantees the highest standards of quality and safety required by legislation and industry certifications (e.g. EASA, PECAL, IRIS), as well as those expected by end clients. Additionally, the company has established the CE marking procedure, which informs users and competent authorities that the equipment placed on the market complies with the binding legislation regarding essential requirements, including the health and safety of products.

### Responsible product design

In the course of its R&D processes aimed at identifying general solutions, particularly those that may include electronic devices, Indra takes account of responsible design principles with a view to:

- Ensuring consumer health and safety. Indra has established a Quality Management System that is supported by the highest international standards and that guarantees the minimisation of any impact on the health and safety of both clients and consumers.
- Eliminating hazardous content in accordance with European RoHS (Restriction of Hazardous Substances) legislation. Through its supplier auditing processes and EC Mark procedure, the company verifies that its solutions duly comply with this legislation.
- Reducing the use of resources and eliminating the use of conflict resources. Indra pursues a policy on conflict minerals in which it undertakes to eliminate its use of resources that may originate from sources where human rights are being violated. Indra also applies Lean product design methodologies, which are designed to minimise the resources used.
- Reducing and responsibly managing electronic waste. The application of LEAN methodologies may result in a reduction of waste. In addition, as explained in section 4.2, Indra makes use of authorised managers to handle any hazardous waste, and it takes charge of or facilitates the collection of waste from the solutions that it places on the market at the end of their working life.
- Ensuring the accessibility of solutions and services. Indra is committed to ensuring the accessibility of its solutions and services and, within the framework of its social action programmes, it supports the development of accessible technologies.

On the other hand, and as described in Section 2.3, 6.1 and 6.2, the design of Indra's solutions and services also presents its potential impacts and their contribution to sustainable development.





## 6.5 Sustainable supply chain management

During 2020, Indra implemented a Transformation Plan in the Procurement and Logistics area with the aim of focusing on continuous improvement and the search for excellence in the supply chain.

Indra's relationship with its supply chain is based on the following commitments:

- Transparency, ethics and compliance
- Independence
- Value generation and competitiveness
- Local impact – purchases from local suppliers
- Reliability and efficiency

The aim is to secure the best suppliers via business procedures designed to ensure transparency and equality of conditions for the various bidders.

### Supply chain: purchases from local suppliers

In 2020, €1.195 billion worth of purchase orders were managed to 6,716 approved suppliers in more than 85 countries around the world. By purchasing from local suppliers, Indra contributes to the development and growth of the business network in its local communities. In 2020, 80% of purchases were made through local suppliers. These suppliers are considered to be local when their country of origin (registered address) coincides with that of the purchaser.

Purchases from local suppliers

**80%**

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**Indra's commitment to developing the local production framework meant that  
78% of suppliers in Spain in 2020 were SMEs**

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### Supplier management

The supplier management life cycle is divided into the following phases: registration, authorisation, activation, appraisal and auditing. All of these phases include both social and environmental criteria:

- Registration of the supplier in the system: this occurs when Indra requests services from a new supplier or a supplier makes itself available to the company. During this phase, Indra makes a preliminary risk analysis of the supplier from both an economic and a financial point of view, using information from a range of sources. In particular, in certain cases, an assessment is made of a supplier's sustainability risk with support from the services of an external platform: Achilles. The level of inherent risk of a supplier determines whether or not it will move on to the authorisation phase.
- Authorisation – for new suppliers – and re-authorisation of existing suppliers – is applied on a regular basis: the purpose of this phase is to monitor and limit financial, legal, employment, reputational, environmental, security and liability risk regarding material and/or personal claims. All the suppliers accept Indra's General Terms and Conditions for the Purchase of Goods and Services implicit in every purchase order, covering among others, aspects of safety, the environment, ethics and integrity. Generally speaking, signing these Authorisation Terms and Conditions is necessary in order for the supplier authorisation process to be completed and authorisation is, in turn, necessary if an order is to be made from a supplier. As a general rule, the management model does not allow orders to be made from unauthorised suppliers. For certain groups of suppliers and in certain cases, where these are identified during the registration process, individual authorisation criteria may be applied. This is the case for suppliers who are exposed to certain kinds of environmental or regulatory risk, such as compliance with REACH legislation. The process for the authorisation of these kinds of suppliers will involve specialist departments at Indra (the Environment Department, for example).
- Annual supplier assessment: the annual supplier assessment is based mainly on compliance indicators relating to delivery times and the percentage of rejected orders.
- Auditing suppliers: Indra's quality and procurement departments select an annual sample of suppliers for physical auditing, based on their level of importance and risk profile. These suppliers are assessed by members of Indra's Quality Department and other specialist departments – Environment – using a standard form that includes a broad variety of management aspects, including: proximity, costs, human resources – especially as regards training – logistics, quality, the environment – including compliance with REACH environmental legislation – product design and development and efficiency – including the application of LEAN principles aimed at minimising the use of resources.

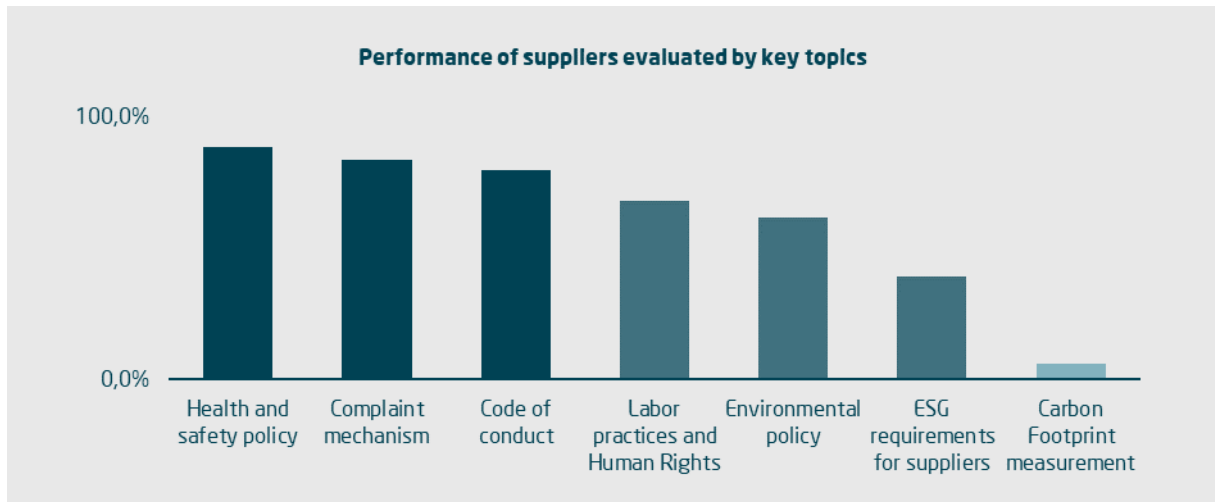


- **Blocking suppliers:** Indra will block suppliers on its systems when they have been inactive for a long period of time, or if their assessment fails to reach the standards established by the company, or if a supplier's financial situation is not acceptable, or if it fails to comply with the certificates required in relation to the products and services it supplies.

**Environmental and sustainability requirements for suppliers**

During 2020, Indra launched a questionnaire to assess the performance of its suppliers in terms of social and environmental matters. The aim of this questionnaire is to evaluate aspects of the supplier's management related to the code of conduct and the complaints channel; the policies and management in terms of labour, human rights, health and safety, ethics, diversity and conciliation and the environment and energy; carbon footprint; substances subject to production or operational restrictions; the extension of requirements to the supply chain; or any penalties imposed. The questionnaire was sent to 77% of the company's suppliers, with a response rate of 68.5%.

Percentage of suppliers evaluated according to ESG criteria  
**52.5%**



In 2020, Indra carried out 14 audits of its suppliers based on social and environmental criteria, carried out jointly by the procurement and quality departments.

**Occupational health and safety requirements for suppliers**

Indra requires its approved suppliers to comply with applicable local laws in relation to Occupational Risk Prevention, as well as any associated legislation. The supplier undertakes to provide the required documentation to fulfill these obligations in line with the services provided.

**Protection of human rights in the supply chain**

Indra promotes and defends the protection of Human Rights in its supply chain. Since 2017 it has required all of its approved suppliers to accept and comply with its Code of Ethics and Legal Compliance, which are included in the General Contract Terms and Conditions.

The Code of Ethics and Legal Compliance reflects the company's commitment and what it requires its suppliers to respect: the International Declaration of Human Rights, the principles relating to the rights set out in the Declaration of the International Labour Organization and the principles of the United Nations Global Compact.

Similarly, Indra has a Statement on Conflict Minerals, which sets out 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 defence of Human Rights throughout its value chain.

For information on the training received by suppliers in relation to the Code of Ethics, see section 3.2 of this report.





## 7 Society and commitment to local communities

### 7.1 Social investment and volunteering

Indra is aware that the construction of a successful business model requires sustainability and socio-economic development in the communities in which it operates. It therefore believes that contributing to the sustainability of the communities in which it has a presence forms part of the company's responsibility and long-term value creation aims for the groups with which it is associated. At the same time, Indra is convinced that, to maximise the positive impact where it operates, it must focus its support for social causes through initiatives that are closely linked to its core business and to areas in which the company is most skilled: promoting knowledge and innovation.

During 2020, Indra's social activities were directed towards mitigating the effects of Covid-19 in the communities it operates in

Through various forms of contribution (direct donations, accessible technologies, pro bono projects and corporate volunteering), Indra's main courses of action focus on:

- **Developing accessible technologies:** as a technology company, Indra understands that it has a significant capacity to resolve the problems encountered by disabled people through the use of technology, in a way that reduces the digital gap in access to technology and the services that may be associated with this group, while at the same time developing differentiated capacities and solutions that may enhance Indra's product portfolio.

**Related Sustainable Development Goals (SDGs): SDG 3, SDG 9, SDG 10, SDG 17**

- **Promotion of STEM careers:** many of the markets in which the company operates are suffering from a shortage of professional staff with STEM qualifications and skills, areas that are key to the company's business. Indra therefore believes that the promotion of these types of careers will have a beneficial effect on the communities in which it operates, and it is in the company's long-term interests to ensure the availability of qualified professionals in the markets in which it is active.

**Related Sustainable Development Goals (SDGs): SDG 4, SDG 8, SDG 10, SDG 17**

- **Improving the environment:** Indra's carbon footprint is mainly associated with its employees travelling to provide services for the company's clients and due to the energy consumed at its facilities and data processing centres (DPC). It is therefore important for the company to take action that can partially offset its environmental impacts, while at the same time help it to improve its employee relations and their pride in being a part of the company. Indra therefore engages in volunteer work involving ecosystem conservation and restoration.



**Related Sustainable Development Goals (SDGs): SDG 13, SDG 14, SDG 17**

- **Support for groups in danger of exclusion and support for infancy:** access to and demand for technology is heavily conditioned by an individual's socio-economic profile. The greater the level of development, the greater the demand for technology. Indra is therefore convinced that support for socio-economic development and the elimination of any kind of risk of exclusion will be to the benefit of both the community and the company itself.

**Related Sustainable Development Goals (SDGs): SDG 1, SDG 4, SDG 2, SDG 10, SDG 17**

Tablets donated to minors at social risk

**+9,700**

Supportive crowdfunding

**€270,000**



### Indra supports the groups worst-affected by the Covid-19 crisis

During 2020, due to the exceptional circumstances of Covid-19, a large number of Indra's social action initiatives have been directed towards mitigating the effects of the lockdown, especially through the donation of computer equipment so that young people and children could continue their education, and with collecting funds for the benefit of the most affected groups. Among the 2020 projects, particular highlights were the supportive crowdfunding campaign organised by the company for the benefit of 10 NGOs; the fundraising campaign to buy food for "Solidarity December", and the creation of a web page with cybersecurity recommendations for individuals, families and companies.



These priorities take on a different form in each of the countries in which Indra operates, and the local requirements arising in each of these countries must also be taken into account.

The appendix to this report includes a table showing the main initiatives by country.

In 2020, Indra's investment in social action increased by 89% compared to 2019, primarily due to two factors:

- As mentioned above, the outbreak of the Covid-19 crisis led Indra to make large investments in initiatives aimed at mitigating the effects of the virus and the lockdown measures.
- In 2019, Indra undertook a corporate restructuring, which affected how the General Act on the Rights of Persons with Disability and their Social Inclusion was applied, and this led to an abnormally low investment in social actions. Indra's 2019 Sustainability Report contains the details of how this restructuring of the company affected its social investment.

Investment in social projects

**€504,173**

Number of direct and indirect beneficiaries

**1,095,284**

### Employee participation in social initiatives

Indra is a socially responsible company committed to sustainable development, and which helps to encourage, channel and expand the positive impact of its employees, clients and collaborators on the planet and on individuals.

In 2020, in the context of the global pandemic, Indra encouraged its employees to participate in different supportive initiatives for the benefit of the most vulnerable groups. These initiatives took the form of different instruments such as crowdfunding, volunteering, solidarity brainstorming, marathons and charitable races, among others.

As a result of the Covid-19 crisis, the volunteering programme was adapted to be fully on-line and primarily focused on support, orientation and mentoring projects, as well as helping third sector organisations to adapt to new circumstances through digital volunteering.



(\*) Total number of beneficiaries resulting from Indra employee volunteers and their companions in volunteering activities, regardless of the level of benefit achieved.



## 8 Stakeholder relations

### 8.1 Commitments and communication channels with stakeholders

Via its Sustainability Policy, Indra commits to certain fundamental principles that govern the way it conducts its relations with the company's various stakeholders.

The advances made in relation to each of the undertakings made by the company are described in the following sections:

Stakeholder	Commitment contained in the Sustainability Policy	Sections which detail the progress made in 2020
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Guaranteeing shareholder rights</li> <li>Guaranteeing representation of the interest of all shareholders</li> <li>Ensuring diversity in governing bodies</li> </ul>	<ul style="list-style-type: none"> <li>3.1 Governance model for a responsible business</li> <li>8.2 Shareholders and investors</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>Guaranteeing security and the highest standards of quality</li> <li>Managing projects responsibly</li> <li>Facilitating communications with the company's clients</li> <li>Guaranteeing data protection</li> </ul>	<ul style="list-style-type: none"> <li>3.4 Information security, privacy and data protection</li> <li>6.4 Design and manufacture of products and services in line with ESG criteria</li> <li>8.3 Clients</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Promoting creativity and innovation</li> <li>Integrating employees into the workforce and supporting their development</li> <li>Promoting employment stability</li> <li>Promoting health, safety and well-being</li> <li>Broadening the channels of communication with employees</li> <li>Guaranteeing rights of social dialogue and collective negotiation</li> </ul>	<ul style="list-style-type: none"> <li>5 People and talent</li> <li>8.1 Commitments and communication channels with stakeholders</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Integrating principles of responsibility and sustainability in the management of the supply chain</li> <li>Maintaining standards of respect for Human Rights</li> <li>Dealing with suppliers fairly and impartially and encouraging local contracting</li> <li>Applying due diligence processes in relation to third parties</li> </ul>	<ul style="list-style-type: none"> <li>3.5 Guiding principles on business and human rights</li> <li>6.5 Sustainable supply chain management</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Developing solutions that benefit the development of a more integrated society</li> <li>Promoting STEM careers</li> <li>Promoting employee participation</li> <li>Developing fiscal activities in a framework of ethics, transparency and integrity.</li> </ul>	<ul style="list-style-type: none"> <li>2.2 Business model and strategy</li> <li>3.6 Responsible taxation</li> <li>5.1 Sourcing the best talent</li> <li>7 Society and commitment to local communities</li> </ul>
<b>company</b>	<ul style="list-style-type: none"> <li>Making a commitment to combat climate change</li> <li>Minimising environmental impact on facilities, operations, solutions and services</li> <li>Incorporating circular economy principles</li> </ul>	<ul style="list-style-type: none"> <li>4 The planet and climate change</li> </ul>



**Indra has one of the largest Spanish-speaking communities on technology thanks to its nearly one million followers on social networks**

The corporate LinkedIn profiles of Indra and Minsait have more than 875,000 followers worldwide, which equates to a significant (+16.4%) increase vs. 2019, and +32.6% vs. 2018.

Beyond the continued increase in the number of followers, Indra stands out for its high levels of interaction: the profiles of Indra and Minsait registered nearly 600,000 interactions (comments, likes, retweets or reposts, etc.).

The high level of specialisation of the content, with subjects relating to the latest advances in sustainable mobility, air traffic management, defence, simulation and digital transformation are helping to create a solid community of followers, which among others include STEM students, employees, clients, institutions, NGOs and experts in cutting-edge technologies.

Thanks to all of the above, Indra has received a “LinkedIn Talent Award” in recognition of the quality of the way it communicates its employer brand.



**Communication channels with stakeholders**

Indra provides its stakeholders with various communication, participation and dialogue channels which are continuously reviewed and updated.

Customers	
Shareholders and investors	
Professionals	
Suppliers	
Entrepreneurship ecosystem	
Univerities and research institutions	
Regulator and authorities	
Media	
Foundations and society in general	

**Caption**

- Direct relationship
- Specific publications
- Events
- Indra and Minsait websites
- Satisfaction survey
- Social and profesional media
- Channel for complaints and grievances



## 8.2 Shareholders and investors

### Shareholder rights

As set out in the Regulations governing the General Shareholders' Meeting, Indra's relations with its shareholders are founded on principles of equal treatment among shareholders, transparency and the continuous provision of comprehensive information.

Under Article 12 of the Regulations, each share entitles the holder to one vote, and the resolutions proposed at the General Shareholders' Meeting will be adopted by a simple majority of votes. The only exceptions are those required by law.

Under the terms of Article 3 bis of the Regulations and Article 519 of the Spanish Capital Companies Act, any shareholder representing at least 3% of the company's share capital may ask for an item to be included in the Meeting's agenda or submit proposals on items already in the Meeting's agenda.

As a way of encouraging participation by its shareholders, before convening a Meeting, Indra sends out a notice addressed to all of the company's shareholders, inviting them to submit proposals for items to be included in the Meeting's agenda.

The rights of shareholders to participate in the General Shareholders' Meeting are explained in the [company's internal regulations](#), as well as in the notice in which each [General Shareholders' Meeting](#) is convened.

The two basic channels through which shareholders can access information are the company website, particularly the Shareholders and Investors section, and the Shareholders' Office. Under the Shareholders and Investors section, the sub-section relating to Corporate Governance includes comprehensive information on the company's General Shareholders' Meeting, including ways in which shareholders can take part, the agenda and the results of any votes taken. In addition, as a measure designed to increase transparency for shareholders and the various shareholder groups, the General Shareholders' Meeting is broadcast live on Indra's website. Once the Meeting has ended, a recording of the session is also made publicly available on Indra's website. In addition, while the General Shareholders' Meeting is being held, the Shareholders' Office remains open to shareholders as a point of access between them and the company.

During 2020, in response to the Covid-19 crisis, Indra had to apply additional measures to ensure the exercise of rights by its shareholders, by means of introducing systems to allow them to attend, participate in and vote remotely in real time through the company website.

### Relationship model

As a listed company, Indra is aware of the importance of maintaining a high level of transparency and effective channels of communication with its investors and shareholders. To this end, the company has introduced various policies and tools:

- [Communication Policy with shareholders, institutional investors and proxy voting advisors](#), in accordance with the recommendations and best corporate governance practices of listed companies. The policy covers the following points: regular corporate governance training meetings with shareholders, institutional investors and proxy advisors, regular and informative meetings on the progress of the company, the results and any other issues of strategic financial and economic importance, the public announcement of results to the relevant bodies (the Spanish Securities Market Commission - CNMV) and other communication channels.
- Conference calls and webcasts via which Indra presents its quarterly results to investors and analysts.
- [Shareholders' office](#): channel available to all shareholders to respond to their questions and information needs.
- Investor Magazine: a means of digital communication specifically aimed at minority shareholders.
- Information on the website: useful information for shareholders and investors is included in the Shareholders and Investors section of the [company website](#), in addition to the content required by Circular 3 of 23 June 2015 and other applicable CNMV regulations. Shareholders and investors can also subscribe to an email mailing list. Subscribers receive all the regular information that the company publishes from the Shareholders' Office: press releases, notifications, significant information announcements, financial results and the Annual Report.
- Regular published reports, such as the Annual Consolidated Accounts, the Management Report, the Sustainability Report and the Corporate Governance Report, among others.
- Presentations and taking part in seminars and roadshows.

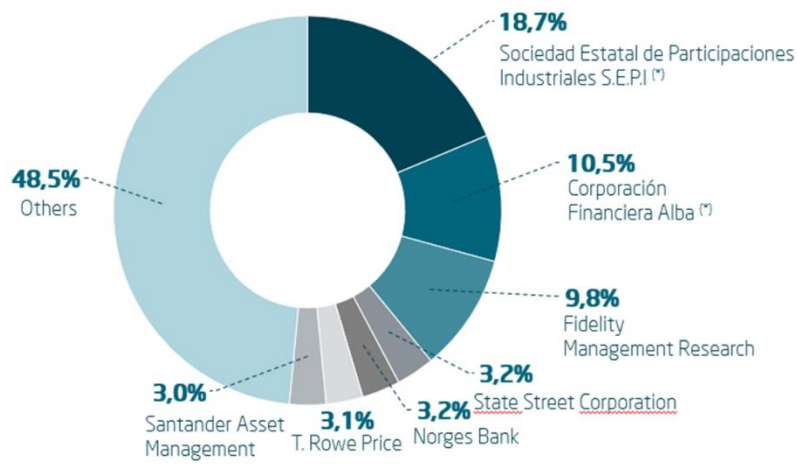


### Ownership structure

The ordinary shares have been listed on the Continuous Market since 23 March 1999 within the Communications and Information Services industry and the Electronics and Software sub-sector.

Since 1 July 1999 Indra has also formed part of the IBEX 35 selective index, which includes the leading 35 companies in the Spanish securities market in terms of market capitalisation and liquidity.

The shareholders in the previous graph, have a holding of more than 3% registered on the CNMV's official site at the end of 2020.



(\*) Board of Directors representation  
CNMV data. Identified shareholders with a position in excess of 3%

Figures updated on 31/12/2020



## 8.3 Clients

### Client satisfaction

In order to ascertain the client satisfaction rate, every year Indra sends a client satisfaction survey to a sample of clients. In 2020, the surveys sent out represented 91% of the sales volume of the selected sample (the sample selected is representative of 100% of Indra's business activity).

The main objective of the survey is to identify the factors that help to improve client satisfaction. Depending on the results obtained, the strengths are identified and the company focuses its efforts on areas it can improve upon by implementing the appropriate action plans.

As a consequence of the areas of improvement identified in previous years, during 2020 Indra created a specific new committee (*Comité de Voz*) to monitor the evolution of client satisfaction and ensure that all claims were registered and managed. For those clients who are dissatisfied with the service, the committee is ultimately responsible for evaluating the possible improvements in the process and for setting specific initiatives in motion.

Client Satisfaction Index (scale 0-100)

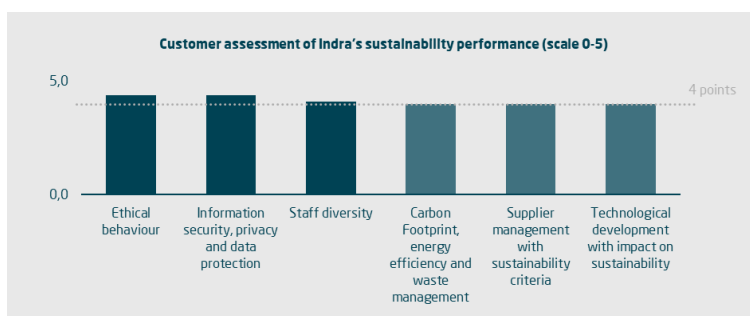
**77**

Improvement in Client Satisfaction Index vs. 2019

**+4%**

### Indra's clients value its ethical behaviour and its management of information security and data privacy

Furthermore, Indra includes in the client satisfaction questionnaire questions aimed at understanding its clients' perceptions regarding the various aspects of the company's sustainability management: ethical behaviour, information security and data privacy, environmental performance, diversity management, sustainable supplier management and the impact of technology on sustainable development. In general terms, clients have assessed Indra in all the above with ratings of more than 4.0 out of 5. However, there were particularly positive perceptions on ethical behaviour (4.4) and information security and data privacy (both 4.4).



### Complaints and claims management

Indra has a clear process in place for dealing with complaints and claims made by its clients. This process is subject to various internal and external reviews and audits, which verifies its effectiveness. Being aware of clients' complaints and claims and how they are appropriately and effectively dealt with is essential to improve client satisfaction and the relationship with them, as well as the company's processes.

The complaints and claims lodged by clients are brought to the attention of the Quality Unit and any other corporate and business units involved, in order to deal with them and coordinate the analysis process and resolve the issues raised. Indra registers and manages client complaints via a centralised tool used by the entire company, which ensures that they are dealt with correctly and the monitoring of corrective actions are taken until the complaint is closed. The Quality Unit then ensures that the necessary analyses and actions are being carried out to resolve the matter effectively and quickly.

During 2020, the Quality Unit received 67 complaints and claims, of which 53 were client complaints (79%) and 14 were client claims (21%). Of all the complaints and claims, 38 were closed over the course of the year, while the others remain ongoing in line with established procedure. During the course of the transformation plan mentioned above, a number of actions were identified that would enhance client experience; these will strengthen follow-up and communications, both internally and with clients, while new KPIs and predictive/behavioural models will be established to allow analysis of the various information sources and predict satisfaction/unhappiness to assist the decision-making process.



## 8.4 ESG indices and analysts

Thanks to the actions and initiatives set in motion by Indra, it has been one of only three Spanish companies recognised by S&P in The Sustainability Yearbook as "Gold Class". This notable recognition puts Indra in the top 1% as regards sustainability out of more than 7,000 companies assessed.

At the same time, in 2020 Indra achieved a significant improvement in its rating by the leading sustainability indices, including the Dow Jones Sustainability Index and the FTSE4Good: in the former the company's rating improved substantially – by 30% – and it continues to be the only company in the Software and Computer Services sector, which has been included in this index for 15 consecutive years. Indra's FTSE4Good rating also improved, by 18%. Rating agencies such as MSCI also recognise Indra's practices in matters of sustainability as far superior to the sector average.

In 2020, Indra was included in the Bloomberg Gender Equality Index for the second consecutive year, and its certification as a Top Employer was also renewed. These two distinctions recognise Indra's good practices in talent management and in particular its commitment to gender equality.

**Prominent presence in the main ESG indexes**



**Second company in the sector in DJSI and Gold Class**

**19-point Improvement over 2019  
84 points overall rating**

Indra is the only company in its sector to remain in the index since its entry. Indra has obtained the highest score in its sector in the following criteria: Policy Influence, Tax Strategy, Innovation Management, Privacy Protection, Environmental Reporting, Social Reporting, Labor Practice Indicators, and Human Capital Development.



**Top 16% of the sector in MSCI**

**AA Rating**

MSCI has awarded Indra a score of AA, which means that the company is among the top 16% of companies in terms of sustainability. This is the second best score awarded by this index, which shows the company's efforts in terms of sustainability and transparency.



**83rd percentile of the sector in Ftse4Good**

**Improvement of 0.9 points compared to 2019  
4.1 points overall rating**

In 2020, Indra has significantly improved its Ftse4Good score and obtained the highest possible rating in the categories of climate change, labor standards, supply chain, risk management, corporate governance or anti-corruption.



**Top 7th percentile of the sector**

**Low-risk position due to low exposure and good management**

Indra ranks in the 7th percentile of companies with the lowest risk among the 754 companies in the Software & Services sector. The risk is especially low in matters related to Business Ethics and Product Governance.

### Participation in specific social and environmental assessments



The company has received a B rating for the information reported in 2020, which is the same rating obtained in the previous year.



Indra is one of only 15 Spanish companies that are part of the Bloomberg Gender-Equality Index (GEI). This index distinguishes companies that stand out with respect to the promotion of equality and transparency of reported data.



Top Employer Institute has recognized Indra as one of the best companies to work for in Spain for the third consecutive year.





## 8.5 Associations and foundations

Indra maintains relationships with a large number of associations and foundations involved in diverse activities, such as:

- Developing the company's political, economic and social intelligence
- Increasing the company's external visibility, improving positioning and protecting and improving its reputation
- Applying Indra's focus on open innovation through the development of innovation projects
- Collaborating in social action programmes for the benefit of the local communities where the company operates.

In some cases, the legal remit of the associations or foundations that Indra collaborates with, includes the power to consult with State bodies with regard to the public policies implemented by government (such as, for example, the Spanish Chamber of Commerce). Any actions that may result in influence from a company such as Indra being applied through these institutions, is therefore governed by law and they are therefore the only intermediary outside of the company itself to the regulator.

Indra is not aware of having collaborated with any type of organisation whose objective could be understood to be political influence and has therefore made no contribution to lobbying or representation of interests, organisations or similar; to political campaigns, organisations or candidates; or any other expense associated with political influence.

When Indra enters into agreements with associations of different kinds or engages in direct contact with governments or their representatives abroad, it is careful to ensure that their lobbying activities conform to the same principles of cooperation and transparency that are set out in Indra's own Code of Ethics and Legal Compliance.

The Code of Ethics and Legal Compliance sets out the following obligations for Indra's employees in this regard:

- The prohibition of donations to political parties: the Code of Ethics and Legal Compliance prohibits any direct or indirect financing of political parties, their representatives or candidates.
- The prohibition of facilitating payments and restrictions on corporate hospitality: under an appendix on corporate hospitality, the Code of Ethics and Legal Compliance prohibits so called facilitating payments and limits the conditions and amounts in which Indra employees are allowed to offer business gifts to public officials.
- As the Code of Ethics and Legal Compliance sets out, Indra's internal procedures and processes include certain additional control measures relating to the engagement of politically exposed persons, given the greater risk of bribery and corruption to which these kinds of relations are subject. In any case, Indra is committed to complying with the legislation in force regarding transparency of lobbying activities.

The table of non-financial indicators in the appendix to this report includes the breakdown of the total contributions to associations and foundations.

During 2020, Indra maintained collaborative relationships with associations in the general sphere and its own sector or linked to lobbying and dialogue. The most important of these are listed below:

Transport and Defence	
AED – Aeronautics, Space and Defence Cluster	EOS – European Organisation for Security
UNIFE - European Rail Supply Industry Association	Eurocae
ALAMYS - Latin American Metro and Subway Association	EUROSPACE
ASD – Aerospace and Defence Industries Association of Europe	ITS Spain - New Technologies in Transport Forum
Australian Railway Association	MAFEX - Spanish Railway Association
CANSO – Civil Air Navigation Services Organisation	TEDAE - Spanish Association of Defence Technologies, Security, Aeronautics and Space
CETREN - Rail Action Association	UITP – International Association of Public Transport
Information Technology	
ABES - Brazilian Association of Software Companies	AEC - Spanish Association of Consulting Companies
AMITI – Mexican Association of Information Technologies Industry	ENERTIC Platform - Platform for ICT companies for the improvement of energy efficiency
Innovation and Sustainability	
AEC - Spanish Quality Association	Global Compact
Forética	OECC - Spanish Climate Change Office



SERES - Responsible Business and Society Foundation	Spanish Platform for Climate Action
Ethos Institute of Companies and Social Responsibility	Climate Action
Foundations and Associations devoted to forming relationships with foreign states	
Spain-Australia Council Foundation	Spain-USA Council Foundation
Spain-Brazil Council Foundation	Spain-India Council Foundation
Spain-China Council Foundation	Spain-Peru Council Foundation
Spain-Colombia Council Foundation	Fundación Iberoamericana Empresarial

In 2020, Indra contributed a total of €1,704,005 (€1,568,798 in 2019) to associations and organisations associated with political and institutional lobbying. The most significant of these contributions are listed below:

Most significant contributions (not an exhaustive list)			
<u>ASD</u>	€61,019	<u>AEC</u>	€43,539
<u>TEDAE</u>	€118,801	<u>Spanish Chamber of Commerce</u>	€70,000
<u>EOS</u>	€14,520	<u>Confederation of Employers and</u>	€25,000
<u>UITP</u>	€21,032	<u>Industries of Spain (CEOE)</u>	
<u>UNIFE</u>	€13,390		

In short, the company's public lobbying activities are directed towards supporting its business interests, stressing the importance of investment in innovation and its potential to contribute to economic and social development, and highlighting the impact of the company's solutions, products and services on society, on people and, therefore, on the pursuit of the Sustainable Development Goals (SDGs). In this way, the company showcases the positive effects of innovation and technology and their potential to make a contribution in a range of areas such as energy, health, education, financial inclusion, access to essential resources such as water, sustainable mobility, security and defence, combatting climate change through solutions aimed both at adapting and mitigating its effects, improving the way in which public authorities function, and promoting and consolidating democratic societies through transparent election processes that are in line with international standards, among other benefits. Indra therefore legitimately promotes its commercial interests within the limits imposed by the company's Code of Ethics and Legal Compliance.

# Appendices



## 9 Appendices

### 9.1 About this report

This report includes the information required to understand the risks, business model, policies, strategy, performance, results and the situation of the Group and the impact of its activity in relation to environmental and social issues, as well as those relating to staff, respect for Human Rights and combatting corruption and bribery. In accordance with the provisions set out in Law 11 of 28 December 2018 in respect of non-financial information and diversity, this report complements the information provided in the Management Report. The Report has also been subject to the same criteria regarding its preparation, approval, filing and publication. In particular, the Report was prepared by the Board of Directors together with the Management Report at its meeting of 22 March 2021, with a favourable recommendation from the Auditing and Compliance Committee.

In line with its commitment to continuous improvement regarding transparency, before preparing this Report, Indra carried out a review of its materiality assessment, which led it to review the structure of the content and indicators used in the Report. More specifically, the structure of the Report has been aligned with that of Indra's new Sustainability and Social Impact Master Plan 2020-2023 and the contents related to the environment, climate change, data privacy and other emerging risks have been substantially revised.

The 2020 Sustainability Report refers to the period from 1 January 2020 to 31 December 2020.

This report has been prepared in accordance with the following standards:

- Act 11 of 28 December 2018, amending the Spanish Commercial Code; 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.
- The GRI Standards for the preparation of Sustainability Reports by the Global Reporting Initiative (GRI).

The economic, social and environmental development information contained in this report has been verified externally by an independent third party. The scope, description of the work and conclusions of this verification are found in the Deloitte Verification Report.

The information presented includes all the companies which Indra has financial control over, unless otherwise indicated. For a complete list of the companies that form part of Indra as of 31 December 2020, please refer to the 2020 Consolidated Annual Accounts.

In the drafting of this Report, Indra has taken into account the principles set out in the Global Reporting Initiative on Sustainability Reports, as detailed below.

#### Content principles

- Inclusion of stakeholders: Indra provides its stakeholders with various channels of communication, participation and dialogue, which are continually reviewed and updated and which it uses to detail its future expectations.
- Sustainability: this Report details how the company creates value for its stakeholders, as well as its management strategy and approach for the various areas of sustainability.
- Materiality: the company has carried out the updating of its materiality analysis to detect and update the relevant issues in sustainability for the company and its stakeholders.
- Completeness: throughout this report Indra provides qualitative and quantitative information on the company's environmental impact.

#### Quality principles

- Accuracy: all of the information included in this report is collected and analysed through Indra's various Information Systems.
- Balance: the report addresses the main issues in relation to the matters identified in the materiality assessment.
- Clarity: the company is aware of the importance of presenting information in an orderly, schematic and summarised format, to ensure stakeholders find it easy to read and understand.
- Comparability: the information is presented in accordance with international standards and it compares the performance of the company in 2019 with previous years.
- Reliability: as part of Indra's commitment to the reliability of the information reported, the information has been verified externally by an independent third party.
- Timeliness: Indra has been publishing annual sustainability reports since 2003.

## 9.2 Materiality assessment

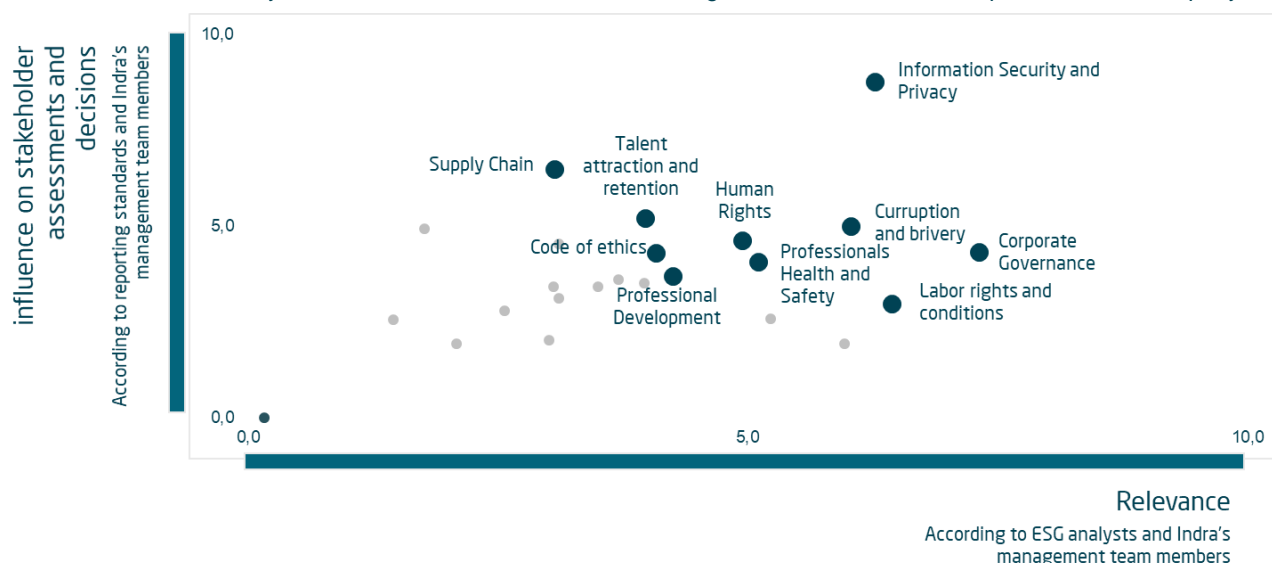
Prior to preparing this report, Indra updated its corporate materiality assessment in order to define the content that would be relevant to the company's stakeholders, who have an influence on its decision-making processes and thus define the way this report is structured.

In order to prepare the materiality assessment, Indra follows the procedure indicated below:

1. Identification of potentially important issues; this involved reference to the following information sources:
  - 2019 Indra materiality assessment.
  - Reporting rules and standards: Spanish Act 11/2018 on the reporting of non-financial information and diversity, the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the Sustainability Accounting Standard Board (SASB) materiality map.
  - ESG investment analysts: SAM, MSCI, ISS-Oekom, VigeoEiris and Ftse4Good.
2. External prioritisation in accordance with ESG reporting standards and investment analysts:
  - Reporting standards: the GRI publication "Sustainability Topics for Sectors" has been used to identify those issues that are particularly important in the "Software and Services" sector, along with the issues identified by SASB as important in the "Software & IT Services" sector.
  - ESG investment analysts: the company has applied the weightings allocated to each of the assessment criteria used by each of the analysts for the sector in which Indra is classified.
3. Internal prioritisation based on consultations with managers: a direct questionnaire was used to ask Indra's managers to give their views on various aspects of the potential relevance of each issue that had been previously identified. The questionnaire was completed by 29 managers, chosen as a sample that would give a representative overview of the company's activities.
4. Preparation of the materiality matrix: prioritisation is shown on a graph with two axes: decision and risk. Showing it in this format is in line with the requirements set out by GRI and it also serves to comply with the requirements of Spanish Act 11/2018, which established a risk approach for materiality assessments. In order to assess the importance of the various issues according to these two axes, the following criteria have been applied:
  - Decision: analyses of the importance of reporting standards issues (GRI's "Sustainability Topics for Sectors" and SASB's "Materiality Map") were used as proxies, to reflect what the various stakeholder groups need to know, together with the managers' opinions regarding how these different issues affect stakeholders when it comes to establishing a relationship with the company.
  - Risk: the weighting afforded to each issue by the main ESG analysts that follow Indra (SAM/DJSI, MSCI, ISS-OEKOM, Ftse4Good and Vigeo) were used as proxies to illustrate the main issues that are critical for the sector, together with the managers' opinions regarding the impact that the company has on the community in which it operates.
5. Identification of indicators: finally, for each material issue Indra has identified the requirements for information and the indicators requested by the main reporting standards and ESG analysts.

The materiality matrix therefore represents a reflection of stakeholder opinion regarding the importance of these issues for the company.

As a result of its materiality assessment, Indra identified the following issues as the ten most important for the company:



The different sections of the report contain a description of the company’s main policies and rules, the challenges faced and milestones reached during the year and the indicators and results relating to each of the material issues:

Material issue
<p><b>Governance</b></p> <p><b>Corporate governance;</b> Indra is listed on the Stock Market and has formed part of the select IBEX 35 group of companies since 1999. Its compliance with the requirements of the Spanish Capital Companies Act, the Spanish Commercial Code and the CNMV’s Good Governance Recommendations is therefore mandatory, and it must also comply with its obligations in respect of the good governance of investors, analysts and proxy advisors. Hence its internal regulations (Articles of Association, Shareholders’ Meeting Regulations, Board of Directors’ Regulations, Internal Code of Conduct in Matters Relating to the Securities Markets) governs issues such as the composition of the board and the individual profiles of board members, the duties of the different committees and the remuneration of directors and senior management. For more information, see section 3.1.</p>
<p><b>Code of ethics;</b> the Board of Directors, Senior Management and each and every one of Indra’s employees and partners assume the responsibility and commitment to establish a solid culture of compliance. Consequently, all employees and partners are required to apply the principles of integrity, professionalism and respect to all aspects of their work, complying with the current legislation and regulations, the Code of Ethics and Legal Compliance and the policies and procedures set out by the company. For more information, see section 3.2.</p>
<p><b>Corruption and bribery;</b> in the normal course of its business, Indra forms relationships with a large number of stakeholders in their capacity as clients, suppliers and shareholders. With regards to these relationships, Indra rejects corruption and any illegal practice and makes a commitment to comply with the law. The company’s Code of Ethics and Legal Compliance defines what is meant by corruption and bribery, including the basis of the anti-corruption policy. For more information, see section 3.2.</p>
<p><b>Human rights;</b> as a benchmark, the company acts in accordance with the international frameworks in matters of Human Rights, including the International Bill of Human Rights, the principles relating to rights set forth in the Declaration of the International Labour Organization, the principles of the United Nations Global Compact, of which Indra has been a signatory since 2004, and the UN’s Guiding Principles on Business and Human Rights. Indra is committed to promoting responsibility and respect for Human Rights in all the company’s actions, ensuring it does not infringe the rights of third parties and that it addresses the potential adverse impacts which may arise from its activity. For more information, see section 3.5.</p>
<p><b>Information security and privacy;</b> some of Indra’s solutions are directed towards the management of critical infrastructure (Transport, Energy, Defence, etc.), or involve the management of key personal data (health, finance, election processes, etc.). Indra’s ISO 27001 certified Information Security Management System is responsible for defining, implementing and improving highly effective controls and procedures to minimise and manage the risks in the company’s internal processes, in its daily operations, in the development and execution of projects, programmes and services and in client management. For more information, see section 3.4.</p>

## People

**Labor conditions and rights;** as a technology-based services company, Indra is a personnel-intensive company, so safeguarding its basic labor rights is key for the company. Indra complies with the normative content of the Collective Bargaining Agreements of the International Labor Organization (ILO) in relation to freedom of association and the right to collective bargaining. It therefore interacts with workers' representatives in the company, giving them space for dialogue and the adoption of agreements. For more information, see section 5.5.

**Recruitment and retention of talent;** as a technology company, the profile of Indra's professionals is characterized by a high level of professional qualifications, associated with STEM degrees (Science, Technology, Engineering and Mathematics). In many cases, the labor market for this type of profile is dominated by a shortage in the supply of professionals, which can cause companies to have problems in attracting and retaining talent. For this reason, Indra focuses on the management of culture and diversity as levers to improve the commitment and retention of its professionals. For more information, see sections 5.1. and 5.3.

**Professional development;** the ability to innovate, create solutions and offer the best service to clients lies in the professionals. Having the talent to make this possible depends both on the ability to attract the best professionals in the market and on being able to develop their full potential within the company. Indra's evaluation model, Performance Experience, is a comprehensive and personalized model, oriented towards professional growth and development. In addition, Indra has a 360° learning environment in which each person can participate in training activities where, how and when they want through the tools offered by Open University, Indra's corporate university. For more information, see section 5.2.

**Health and safety of professionals;** the risk profile of Indra's professionals is mainly related to the sedentary lifestyle associated with office work and, on the other hand, to the possible risk associated with the stress traditionally associated with professional services, due to the requirement to meet customer deadlines and high quality standards. Therefore, in addition to promoting a culture of prevention in all of the company's activities, Indra focuses on aspects such as physical activity, healthy eating, healthy habits, a good working environment and stress management. For more information, see section 5.4.

## Impact

**Supply chain;** the objective of supplier management is to have the best suppliers through business procedures that guarantee transparency and equal conditions for the different bidders. Indra's relationship with its supply chain is based on independence, transparency and compliance, and the creation of long-term value. For more information, see section 6.5.

### 9.3 Main brands

In a firm commitment to specialisation, the company supplements its corporate brand with its own identifying brands in each market sector.

It groups all its Information Technology businesses under the Minsait brand, which trades as “An Indra company”. Minsait is known for creating high-impact solutions aimed at reinventing its customers’ businesses – following its slogan “Mark Making the way forward”. Minsait’s new sales-marketing approach provides greater clarity and simplifies its offering, bringing all its products under one single product sub-brand – Onesait.

In the Transport and Defence markets, the company operates under the Indra brand.

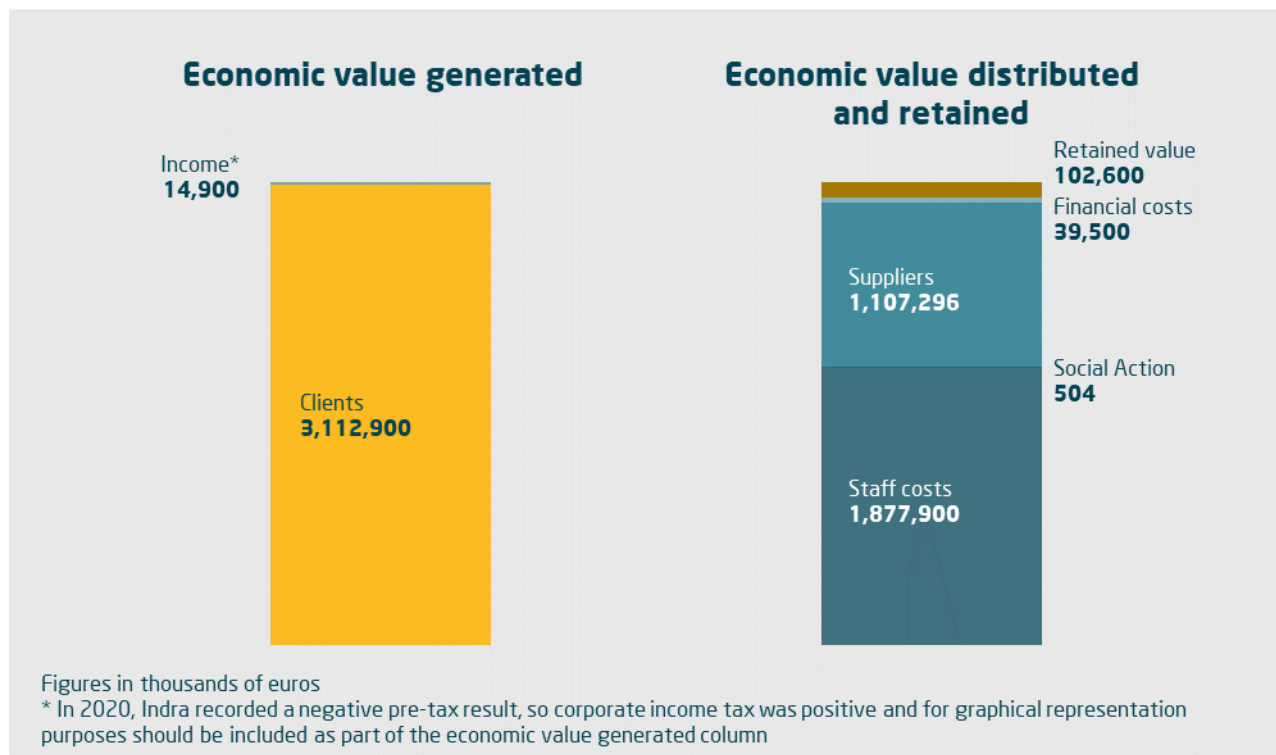


<p><b>Information and Digital Technologies</b> Leading firm in Digital Transformation and IT in Spain and Latin America, through its affiliate Minsait</p>	<p><b>Transport and Defence</b> World-leader in providing proprietary solutions in specific segments in Transport and Defence markets</p>		
<p>minsait An Indra company Mark making the way forward</p>	<p><b>Defence and security</b> Envisioning a safer tomorrow</p>	<p><b>Air Traffic</b> Creating skies together</p>	<p><b>Transport</b> Unlocking life in motion</p>



## 9.4 Value creation model: economic value generated, retained and distributed

The economic value generated, retained and distributed by Indra is calculated based on the GRI 201-1 disclosure. The economic value generated includes revenue and other income amounting to 3,112,9 thousand euros, corresponding to the 2020 financial year. Moreover, the economic value distributed amounted to 3,010,3 thousand euros in 2020 and corresponds to: staff costs; income tax and taxes; investment in social action; supplier expenses, including consumption and other supplies and other operating expenses, minus the investments in social action and taxes; financial backers which include the net financial income/(expense) and the profit/(loss) of equity-accounted companies. The economic value retained by the company results from subtracting the staff costs, income tax and taxes, social action, suppliers and borrowing costs.



## 9.5 Table of non-financial indicators

### Governance

Indicators	2017	2018	2019	2020
<b>Ethics and compliance</b>				
Communications via the Direct Channel (n°)	217	307	407	371
Enquiries (n°)	-	183	270	276
Irregularities (n°)	-	124	137	95
Employees trained in ethics and compliance (n°)	32.404	38.396	47.849	21.251
* In 2020, ethics and compliance training for professionals focused on aspects related to competition law in the geographies to which the 2020 updated Competition Law Risk Prevention Manual applies. Ninety-two percent of the target group in these three countries successfully completed the training. For more information on ethics and compliance training, please refer to chapter 3.2 of this report.				
Employees trained in ethics and Compliance over the last 3 years (%)	82	88	98	89
Employees trained in ethics and Compliance over the last 3 years (m/f) (%)	80   84	89   85	98   98	89   88
<b>Breakdown of employees trained in Code of Ethics by category and gender (m/f) (n°)</b>				
Senior Management	-	391   85	408   90	409   90
Middle Management	-	2,678   863	2,841   928	2,865   991
Technical staff	-	20,017   9,559	20,663   10,310	18,872   8,739
Support staff	-	2,101   1,473	6,510   4,435	5,143   4,130
Other categories	-	201   132	57   65	341   208
<b>Breakdown of employees trained in the Code of Ethics by geographical area (n°)</b>				
Spain	17,673	24,281	27,235	25,968
Europe	1,244	1,514	1,945	1,959
America	11,989	9,912	15,139	12,018
Asia, Middle East and Africa	1,716	1,780	1,988	1,843
<b>Suppliers trained in code of ethics</b>				
Note: refers to suppliers with a turnover to Indra of 600,000 €				
Total number of providers	-	-	-	6,716
Number of providers under the scope of under the scope of application of the Code of Ethics	-	-	-	6,716
Percentage of suppliers under the scope of application of the Code of Ethics	-	-	-	100%
Number of suppliers that have been informed of the Code of Ethics	-	-	-	6,716
Percentage of suppliers that have received the Code of Ethics communication	-	-	-	100%
Percentage of suppliers trained in the Code of Ethics	-	-	-	50%
<b>Cybersecurity and data privacy (*)</b>				
IT infrastructure covered by the ISO 27001 certified management system	-	-	74	83
N° of cybersecurity incidents with critical impact	0	0	0	0
N° of substantiated complaints related to breaches of customer privacy and loss of customer data	0	0	0	0
Requests for customer information received from governments	N. D.	N.D.	0	0
Percentage of users whose information is used for secondary purposes	-	-	0	0
(*) According to the rules established by the company in the relevant policies and the reports contained in the database of such incidents.				

## Matrix of competencies of the board members in 2020

	Fernando Abril-Martorell	Antonio Cuevas	Enrique de Leyva	Santos Martínez - Conde	Ana de Pro	Miguel Sebastián	Isabel Torremocha
<b>Competencies in details</b>	Carmen Acquereta	Silvia Irazo	Ignacio Martín	Ignacio Mataix	Cristina Ruiz	Alberto Terol	
<b>Management experience</b>							
First level business management (CEO, COO)							
Senior Management in Public Administration/Civil Service							
<b>Experience on the boards of listed companies</b>							
Member of the Board or commissions							
Chairman of the board/commissions, or coordinating director							
<b>Experience by sector</b>							
Information Technologies							
Defence, aerospace and transport							
Industrial							
Services							
<b>International experience</b>							
Europe							
Latinamerica or USA							
ASOMAF							
<b>Functional experience</b>							
Financial, management control, risk management or audit							
Production or fabrication							
Talent management, top management, or compensation							
Sustainability							
Cybersecurity							
<b>Other</b>							
Engineering							
Finances							

## Planet

Indicators	2017	2018	2019	2019 (operational control)	2020 (operational control)
<b>Energy consumption</b>					
Note: Indra has carried out an analysis of how the GHG Protocol "operational control" criterion is applied to each of its emissions sources, including energy consumption and leakage of fluorinated refrigerant gases. This may influence the evolution of energy consumption data between 2019 and 2020. The operational control criterion under the GHG Protocol covers activities where a company or organization has the authority to directly modify its emission patterns.					
Gasoil C (liters)	426,498	24,659	24,426	57,939	47,988
Gasoil C (kWh)	4,279,528	247,429	241,324	572,433	474,119
Natural gas (m3)	487,566	548,553	319,602	37,782,369	28,672,471
Natural gas (kWh)	4,550,985	5,120,248	4,033,464	3,229,262	2,450,639
Total electricity (kWh)	77,093,175	76,840,206	77,374,709	76,701,646	60,073,248
Electricity in centers with operational control (kWh)	-	-	-	65,508,440	52,453,919
Energy from renewable sources (%)	54	56	57	68	77
Total energy consumed (giga joules)	309,325	295,948	293,938	276,126	188,834

Indicators	2017	2018	2019	2020
<b>Energy efficiency for the DPC in San Fernando de Henares</b>				
PUE ( <i>Power Usage Effectiveness</i> ) in data centers	1.656	1.681	1.703	1.730
Total energy consumed in data centers (mWh)	7,516	7,415	7,912	7,836
Percentage of renewable energy (%)	100	100	100	100
<b>Carbon Footprint</b>				
<p>Note: during 2020, Indra has made certain methodological improvements in the measurement of its carbon footprint that may affect comparability with previous years. Specifically, in 2020, Indra carried out a project to determine the most relevant Scope 3 categories for the company and measure those that apply to them. As a conclusion of the analysis, Indra has identified that 92.0% of Scope 3 emissions are concentrated in four categories: acquisition of goods and services (42.0% of total Scope 3 emissions), capital goods (33.0%), business travel (12.1%), and commuting between home and work (4.8%). As a result of the Scope 3 emissions measurement project, Indra has also proceeded to review the criteria used to include certain energy consumption as sources of Scope 1 and 2 emissions, to ensure that there are no relevant duplications or omissions in the measurement of the footprint. In particular, Indra has reviewed those centers in which it has operational control and whose Footprint should therefore be considered as scope 1 or 2. In addition, in accordance with the GHG Protocol methodology, Indra has improved the measurement of its scope 1 emissions to include fluorinated gases (HCFs) associated with its refrigeration equipment. To ensure the comparability of the data, below is the 4-year history with the old methodology and the new one.</p>				
<b>Previous methodology</b> (in force until 2019)				
Scope 1: direct CO2 emissions (tons of CO2 equivalent)	1,957	949	828	N.A.
Scope 2 indirect CO2 emissions per electricity consumed (tons of CO2 equivalent)	10,160	9,555	9,169	N.A.
Scope 3: indirect CO2 emissions from company transportation by third party vehicles (tons of CO2 equivalent)	17,957	24,110	24,759	N.A.
Scope 1 intensity (tons of CO2 equivalent/average number of certified centers)	0.075	0.039	0.033	N.A.
Scope 2 intensity (tons of CO2 equivalent/average number of certified centers)	0.254	0.230	0.194	N.A.
Intensity (range intensity 1 + range intensity 2)	0.329	0.269	0.227	N.A.
<b>New Methodology</b> (since 2019)				
Scope 1: direct CO2 emissions (tons of CO2 equivalent)	N.A.	N.A.	2,733	1,764
Scope 2 indirect CO2 emissions per electricity consumed (tons of CO2 equivalent)	N.A.	N.A.	6,198	2,923
Scope 3: all scope 3 categories	N.A.	N.A.	507,063	375,417
Relevant Scope 3 categories: purchase of goods and services, business travel, and commuting of professionals between home and work.	N.A.	N.A.	411,936	291,531
Scope 1 intensity (tons of CO2 equivalent/average staff)	N.A.	N.A.	0.058	0.036
Scope 2 intensity (tons of CO2 equivalent/average staff)	N.A.	N.A.	0.131	0.060
Intensity (range intensity 1 + range intensity 2)	N.A.	N.A.	0.188	0.096
<b>Water consumption and generations of waste (*)</b>				
<p>(*) The scope of the information related to water and waste between 2017 and 2019 corresponds to those centers that belong to the global environmental management system certified according to ISO 14001. Specifically, in 2019, data were reported for 40 ISO 14001 certified centers, distributed in Spain (27), Colombia (6), Peru (3), Portugal (2), Brazil (1) and Italy (1). In 2020, the scope of the information was 100% of Indra's workforce. The information on recycled waste refers to Spain, which represents 92% of Indra's total waste.</p>				

Drinking water from utilities (m3)	153,346	144,383	139,008	78,742
Well water (m3)	10,944	7,073	5,693	5,233
Water discharges (m3)	-	-	-	0
Hazardous waste (kg)	131,624	104,755	102,860	274,798
Electronic waste (WEEE's) (Kg)	-	-	-	190,602
Fluorescent (Kg)	-	-	-	7,636
Other (Kg)	-	-	-	76,560
Non-hazardous waste (kg)	1,330,681	2,228,031	2,048,812	780,186
Paper (Kg)	-	-	-	167,077
Plastic (Kg)	-	-	-	70,109
Organic waste (Kg)	-	-	-	282,573
Other (Kg)	-	-	-	260,427
Total waste (Kg)	1,462,305	2,332,786	2,151,672	1,054,984
Percentage of waste recycled (%)	-	-	-	69%
Occupants in environmentally certified centers (%) (*)	65	59	53	67

(\*) In 2020, there were 44 ISO 14001 certified centers: 29 in Spain, 7 in Colombia, 3 in Peru, 2 in Portugal, 1 in Italy, 1 in Brazil and 1 in Australia.

## People

Indicators	2017	2018	2019	2020
<b>Professionals (*)</b>				
(*) The scope of professional data for 2020 covers 100% of the Group's employees, except where a different scope is expressly indicated. For scope limitations for previous years, please refer to the 2019 Sustainability Report.				
Total Indra workforce (n°)	40,020	43,707	50,349	49,027
Smartpaper, Smartest and Baltik workforce (n°)	N.A.	N.A.	N.A.	1,047
<b>Workforce distribution by country (m/f) (n°)</b>				
Spain	-	17,747   8,875	18,669   9,342	18,413   9,063
Europe	-	1,479   594	1,415   623	1,957   1,423
America	-	8,710   4,361	10,459   6,411	10,161   5,933
Asia, Middle East and Africa	-	1,356   585	1,489   596	1,493   584
<b>Breakdown of workforce by category and gender (m/f) (n°)</b>				
Senior Management	-	419   80	424   93	441   94
Middle Management	-	2,778   907	2,887   949	2,937   1,027
Technical staff	-	22,658   10,888	24,680   12,033	21,675   10,227
Support staff	-	2,826   2,191	3,945   3,773	6,160   5,087
Other categories	-	611   349	96   124	811   568
<b>Women in income-generating positions (%)</b>				
Note: scope 98%				
Women in income-generating positions (%)	-	-	-	23
<b>Women on STEM positions (%)</b>				
Note: scope 98%				
Women on STEM positions (%)	-	-	-	33
<b>Staff by age range (m/f) (%)</b>				
> 50 years	9   4	9   4	8   4	9   5
between 30 and 50 years	43   23	42   21	39   21	41   22
< 30 years	15   7	16   7	18   9	17   8
<b>Types of employment contract (m/f) (%)</b>				
(*) For information on contract modalities prior to 2019, please refer to the Indra Sustainability Report 2019.				
<b>Employees with a permanent contract by category</b>				
Senior Management	-	-	99   100	99   100
Middle Management	-	-	99   99	99   99
Technical staff	-	-	92   91	92   93
Support staff	-	-	75   95	82   93
Other categories	-	-	92   97	94   98
<b>Employees with a permanent contract by age range</b>				
> 50 years	-	-	97   97	97   98
between 30 and 50 years	-	-	93   93	93   94

Indicators	2017	2018	2019	2020
< 30 years	-	-	81   89	83   90
<b>Employees with a permanent contract by geographical area</b>				
Spain	-	-	93   92	96   95
Europe	-	-	90   89	93   94
America	-	-	88   94	84   92
Asia, Middle East and Africa	-	-	76   86	72   83
<b>Full-time employees by category</b>				
Senior Management	-	-	100   100	100   100
Middle Management	-	-	99   90	99   92
Technical staff	-	-	97   82	98   86
Support staff	-	-	74   43	85   58
Other categories	-	-	72   62	75   73
<b>Full-time employees by age range</b>				
> 50 years	-	-	98   87	98   88
between 30 and 50 years	-	-	95   73	96   77
< 30 years	-	-	90   69	91   72
<b>Full-time employees by geographical area</b>				
Spain	-	-	97   80	97   80
Europe	-	-	98   93	98   93
America	-	-	90   69	90   69
Asia, Middle East and Africa	-	-	100   100	100   100
<b>Turnover (*)</b>				
(*) The total turnover figure is calculated taking into account desired and undesired departures as a percentage of the average workforce. Unwanted departures are considered to be those that are motivated by the employee's voluntary decision.				
Total turnover (%)	24	25	22	21
<b>Total turnover by geographical areas (%)</b>				
Spain	-	-	-	11
Europe	-	-	-	12
America	-	-	-	39
Asia, Middle East and Africa	-	-	-	14
External unwanted turnover (%)	11	13	13	8
<b>External unwanted turnover by geographical area (%)</b>				
Spain	9	10	10	6
Europe	11	15	15	10
America	16	19	19	11
Asia, Middle East and Africa	10	17	19	11
<b>External unwanted turnover by age range (h/m) (%)</b>				
> 50 years	2   1	2   1	4   2	2   1
between 30 and 50 years	11   6	13   8	14   8	8   4
< 30 years	26   16	30   22	25   16	16   10
<b>External unwanted turnover of professionals with disabilities</b>				
(*) Scope 98%				
External unwanted turnover of professionals with disabilities (%)	-	-	-	2
<b>Dismissals by category (m/f) (n°)</b>				
Senior Management	-	35   11	22   1	37   8
Middle Management	-	97   28	53   18	162   44
Technical staff	-	819   378	655   342	973   438
Support staff	-	103   176	167   315	715   932
Other categories	-	75   23	9   8	14   5
<b>Dismissals by age range (m/f) (n°)</b>				
> 50 years	-	217   59	143   34	401   179
between 30 and 50 years	-	675   376	492   372	954   665
< 30 years	-	231   176	271   278	546   583
<b>New recruits</b>				
Total new recruits (n°)	-	12,953	15,426	8,288
<b>New recruits by age range (m/f) (%)</b>				
> 50 years	-	3,5	2   1	5   2
between 30 and 50 years	-	44	27   17	35   14
< 30 years	-	523	32   20	30   15
<b>New recruits by gender (%)</b>				
Women	-	-	-	31
Men	-	-	-	69

Indicators	2017	2018	2019	2020
<b>New recruits by geographical areas (%)</b>				
Spain	-	37	29	30
Europe	-	4	3	4
America	-	55	64	63
Asia, Middle East and Africa	-	4	4	3
New recruits of people with disabilities (n°)	-	-	-	60
<b>New recruits by nationality</b>				
Local nationality	-	-	-	5,563   2,450
Other nationalities	-	-	-	211   64
<b>Vacancies covered with internal candidates</b>				
Note: the scope of this indicator is 83% which corresponds to Spain, Colombia, Panama, Portugal, Mexico, Brazil and Italy.				
Total vacancies covered with internal candidates (n°)	-	-	-	626
<b>Vacancies covered with internal candidates by age range (m/f) (%)</b>				
> 50 years	-	-	-	12   5
between 30 and 50 years	-	-	-	172   122
< 30 years	-	-	-	155   160
<b>Vacancies covered with internal candidates by gender (%)</b>				
Women	-	-	-	287
Men	-	-	-	339
<b>Vacancies covered with internal candidates by geographical areas (%)</b>				
Spain	-	-	-	105
Europe	-	-	-	2
America	-	-	-	519
Asia, Middle East and Africa	-	-	-	-
Vacancies covered with internal candidates with disabilities	-	-	-	3
<b>Vacancies covered with internal candidates by nationality</b>				
Local nationality	-	-	-	621
Other nationalities	-	-	-	5
<b>Vacancies covered with internal candidates by category</b>				
Senior Management	-	-	-	-
Middle Management	-	-	-	19
Technical staff	-	-	-	216
Support staff	-	-	-	379
Other categories	-	-	-	12
<b>Average cost of contracting per FTE</b>				
Note: scope 98%. The calculation was made considering the budget of the selection department divided by the number of new hires in 2020.				
Average cost of contracting per FTE total (€)	-	-	-	385
<b>Remuneration of Board Members and Members of the Management Committee</b>				
Average remuneration for Directors (€ thousands) (m/f) (*)	132.8   105.3	134.2   101.3	133.8   104.8	117.0   113.4
(*) The remuneration of the directors in their condition as such is determined according to their membership in the different administrative bodies. It consists exclusively of a fixed allowance and is paid entirely in cash. The figure is calculated on an annualized basis.				
<b>Average remuneration of the Management Committee (€ thousands) (economic criterion *) (m/f)</b>				
Management Committee total	858   502.8	812.7   1,009.1	825   994.2	743.9   704
Chairman and CEO	3,565.4   -	2,100   -	2,262   -	2,001.7   -
Managing Directors	1,674.4   -	1,680   1,680	1,665   1,665	1,420.6   1,420.6
Department and Market Managers	586.9   502.8	633.1   338.3	635.2   323.3	568   345.7
(*) The figure is calculated in annualized terms as the average of the sum of the fixed remuneration, the variable remuneration accrued in the reference year and the portion of the MTI (Medium-Term Incentive) allocable to each year. As for the calculation of the MTI, one third of the amount finally accrued at the end of the plan period has been included in 2020. The IMP amounts in 2018 and 2019, continue to reflect the provision considered in the company's annual accounts, i.e. 50% of one third of the IMP target for the 2018-2020 period.				
Using the criteria of the Directors' Remuneration Report, these figures would have been, in aggregate, for the entire Management Committee €2,196   740 thousand for 2017, €993   855 thousand for 2018 and €739   840 thousand for 2019 and €1,196.8   1,265.9 thousand for 2020.				
<b>Average workforce remuneration and other remuneration ratios</b>				
Average workforce remuneration	-	-	26.601	26.454

Ratio between the chairman's salary and the average salary earned by employees		-	-	85,0	75,7		
Average remuneration by category (€) (m/f) (*)							
(*) Calculated considering fixed and variable salary paid. Does not include additional items such as: cash allowances, bonuses, long-term incentives, stock-based remuneration, etc.							
		2018		2019		2020	
		Male	Female	Male	Female	Male	Female
Senior Management	> 50 years	157,131	106,915	167,654	114,917	167,305	148,532
	between 30 and 50 years	147,830	129,784	157,982	146,719	147,848	120,223
Middle Management	> 50 years	64,589	61,363	64,795	60,135	64,374	58,759
	between 30 and 50 years	57,150	52,600	58,786	53,980	57,146	53,077
Technical staff	> 50 years	41,753	48,784	49,828	62,227	43,954	61,390
	between 30 and 50 years	35,745	31,584	34,851	30,976	36,505	33,661
Support staff	> 50 years	27,314	24,734	26,904	24,029	27,998	26,017
	< 30 years	16,973	15,023	17,254	15,628	18,172	17,314
Other categories (*)	> 50 years	14,425	21,493	11,969	18,878	22,735	19,208
	between 30 and 50 years	12,175	11,257	10,053	8,162	14,839	11,236
Other categories (*)	< 30 years	11,611	5,879	10,084	4,695	10,435	5,472
	> 50 years	45,932	32,128	29,137	15,929	23,086	17,180
Other categories (*)	between 30 and 50 years	34,215	27,060	15,813	11,611	5,996	5,811
	< 30 years	11,872	12,286	8,760	6,134	3,772	3,718

(\*) The significant variation in average remuneration for employees classified in "Other categories" between 2018 and 2019 is partly explained by the improved role definition of employees in certain Indra subsidiaries..

Total gender pay gap (Spain and others) by employment category (%)	2017	2018	2019	2020
Senior Management	-	10.14	7.48	5.48
Middle Management	-	4.18	6.02	4.05
Technical staff	-	2.56	2.54	3.14
Support staff	-	1.30	3.97	3.12
Other categories	-	20.08	4.42	-
Total	3.64	2.79	3.03	3.21

Note: The pay gap is defined as the difference in salaries for homogeneous groups of professionals. The pay gap has been calculated by comparing salaries between equivalent professional segments (same category, same business unit, same region/country). In other words, it represents the percentage that women earn less than men, considering similar positions and responsibilities. Professional segments in which there is not at least one female and one male employee are not included in this calculation, which represents a real workforce coverage of 88%. The calculation considers fixed and variable salaries paid. Additional items such as cash allowances, bonuses, long-term incentives, share-based remuneration, etc. are not included. For more indicators on remuneration broken down by gender and age, see Annex 9.5 with the "Table of non-financial indicators". Scope of data 98% of total workforce at year-end.

Gross gender pay inequality by employment category (%)	2017	2018	2019	2020
Senior Management	-	21	18	17
Middle Management	-	8	9	8
Technical staff	-	8	9	5
Support staff	-	20	32	27
Other categories	-	27	32	9

Note: Gross wage inequality is calculated as (average male wage-average female wage)/(average male wage), regardless of other factors that may affect an individual's remuneration, such as geographic location or the department in which he/she works and/or job category. The calculation considers fixed and variable salaries paid. Additional items such as cash allowances, bonuses, long-term incentives, share-based remuneration, etc. are not included. For more indicators on remuneration broken down by gender and age, see Annex 9.5 with the "Table of non-financial indicators". Scope of data 98% of total workforce at year-end.



Indicators	2017	2018	2019	2020
<b>Relationship between the standard starting salary and the local minimum wage for each country in which significant operations are carried out (%) (*)</b>				
(*) The seven countries reported have been chosen based on the number of professionals in recent years, with those that have had the largest number of professionals being selected. Specifically, these 7 countries correspond to about 92% of the total workforce at closing. The minimum entry salary is considered to be the average of the fixed salaries of the lower categories (technicians and support) in each country, as it is more representative than the minimum salary of a single person whose activity may not be representative of the activity carried out by the company.				
Brazil	2.06	1.86	1.88	2.20
Mexico	6.31	5.76	6.19	5.80
Colombia	1.81	1.98	1.62	1.72
Spain	1.78	1.85	1.39	1.39
Philippines	1.61	1.71	1.77	1.25
Peru	2.54	2.59	2.66	2.53
Italy (*)	N.A.	N.A.	N.A.	N. A.
(*)The local minimum wage is not defined officially				
<b>Difference between the total annual remuneration of the organisation's highest paid person in each country where significant operations are carried out and the average remuneration of the whole workforce (not taking into account the highest paid person) (*)</b>				
(*) Calculated considering the fixed salary, variable accrued and the portion of the MTI (Mid-term Incentive) assignable to each year.				
Brazil	13.54	20.44	24.31	21.61
Mexico	24.31	27.46	25.37	24.26
Colombia	14.82	19.28	22.27	21.20
Spain	106.07	62.69	66.92	59.66
Philippines	9.80	9.65	10.94	11.85
Peru	8.52	8.86	9.13	8.98
Italy	5.89	6.40	5.09	6.02
<b>Difference between the percentage increase of the total annual remuneration of the organisation's highest paid person in each country where significant operations are carried out with the percentage increase in the total average annual remuneration of the whole workforce (not taking into account the highest paid person) (*)</b>				
(*) Calculated considering annual fixed salary, accrued variable and the portion of the MTI (Medium Term Incentive) allocable to each year. The ratio is calculated by dividing the percentage increases (best paid person increase/average pay increase) and in the event that both increases are negative, the result will be positive. This is the case in Peru in 2020. In Italy in 2020 the increase is due to the fact that the highest paid person is a new recruit.				
Brasil	2.48	7.87	0.55	0.26
México	2.10	1.99	-1.87	-0.05
Colombia	5.70	2.27	0.39	0.43
España	-1.29	-9.36	8.53	-7.38
Filipinas	3.30	2.32	4.98	-0.80
Perú	0.75	8.02	-4.05	36.42
Italia	0.51	3.88	-19.82	24.09
<b>Diversity</b>				
Note: the scope for all diversity indicators is 98%				
Nationalities (n°)	105	98	101	106
<b>Percentage of nationalities over total workforce</b>				
Spanish	-	-	-	56
Brazilian	-	-	-	17
Colombian	-	-	-	7
Mexican	-	-	-	4
Peruvian	-	-	-	4
Philippine	-	-	-	3
Italian	-	-	-	3
Chilena	-	-	-	1
Portuguese	-	-	-	1
Argentine	-	-	-	1

Indicators	2017	2018	2019	2020
Other nationalities with a weight in the total of less than 1%	-	-	-	4
<b>Percentage of nationalities in the top and middle management teams</b>				
Spanish	-	-	-	77
Brazilian	-	-	-	4
Italian	-	-	-	3
Mexican	-	-	-	3
Colombian	-	-	-	2
Philipine	-	-	-	2
Portuguese	-	-	-	2
Argentine	-	-	-	1
Other nationalities with a weight in the total of less than 1%	-	-	-	6
Employees with disabilities (%) (*)	1	0.93	1.1	1.37
(*) Data for 2017 included Spain. 2018 and 2019 also include Brazil. In 2020 the scope is 74%, due to the incorporation of Paradigma and SmartPaper.				
<b>Contribution to local development</b>				
Note: the scope of all the local contribution indicators is 98%				
Local employees (%)	96	90	88	97
Total executives from the local community (%)	92	89	89	92
<b>Executives from the local community by geographic area (%)</b>				
Spain	97	96	96	97
Europe	93	90	87	88
America	69	52	51	67
Asia, Middle East and Africa	50	45	33	44
Average length of service	7.86	7.4	6.8	7.51
<b>Promotion</b>				
Note: the scope of all promotion indicators is 98%.				
Promoted employees (%) (*)	21	23	22	24
Females promoted (as a % of total number of people promoted in the company)	30	28	29	27
(*) Data on promoted employees refer to employees promoted during year x as a result of the evaluation corresponding to fiscal year x-1. The percentage indicates employees promoted over the total number of employees evaluated.				
<b>Performance review (*)</b>				
Note: the scope of all performance review indicators is 98%				
(*) The data refer to the professionals who have received a communication about their evaluation in the year reported. The performance evaluation is carried out on a yearly basis; that is, in year x the data refer to the professionals who have received an evaluation of their performance for year x-1.				
Employees that participated in the performance review (m/f) (%)	79   58	80.5   64.6	71.8   54.6	87.73   76.82
<b>Participating employees by professional category (m/f) (n°)</b>				
Senior Management	-	374   81	377   81	359   81
Middle Management	-	2,655   887	2,748   893	2,800   927
Technical staff	-	16,611   6,878	17,784   7,534	18,985   8,741
Support staff	-	1,196   614	1,731   682	5,041   2,584
Other categories	-	358   150	-   -	3   -
Employees under a multidimensional performance review system (%)	-	-	-	47
Employees with a comparative performance review system (%)	-	-	-	100
<b>Work/life balance</b>				
Note: the scope of these indicators is Spain including Paradigma				
Employees who took paternity/maternity leave (m/f) (n°)	517   436	672   510	696   465	616   341
Employees who returned to work after paternity/maternity leave (m/f) (n°)	478   395	631   453	628   406	594   312
Retention after paternity/maternity leave (%)	92	92	89	95

Indicators	2017	2018	2019	2020
<b>Occupational Health and Safety (*)</b>				
(*) The scope of the Occupational Health and Safety data is 96% of the Group's companies, except for absenteeism, which is 93%. Accidents with and without medical leave are included, excluding in itinere.				
<b>Occupational accidents (work accidents with and without medical leave, excluding injuries occurring during the commute to or from work) by geographical area (*)</b>				
(*) The formulas for calculating the accident rate (Incidence, Severity, Frequency and Medical Duration Index) are those contained in NTP 1: Accident rate statistics in the company of the National Institute of Occupational Safety and Hygiene of the Spanish Ministry of Labor and Social Affairs.				
Nº of injuries	132	167	167	100
Spain	108	129	130	70
Europe	0	2	4	0
America	23	32	31	30
Asia, Middle East and Africa	1	4	2	0
<b>Frequency rate by geographical area and by gender (*)</b>				
(*) The injury frequency rate (FR) relates the number of injuries to the total number of hours worked by the group of workers at risk. $FR = (\text{No. injuries} / \text{No. hours worked}) * 1,000 \text{ hours worked}$				
Spain (m/f)	-	2.04   0.99	2.08   0.83	1.00   0.46
Europe (m/f)	-	0.40   0.40	0.59   0.59	0.00   0.00
America (m/f)	-	1.05   0.55	0.74   0.30	0.81   0.16
Asia, Middle East and Africa (m/f)	-	16.68   0.00	4.79   0.00	0.00   0.00
<b>Incidence rate by geographical area (*)</b>				
(*) The incident rate (IR) relates the number of injuries to the average number of workers at risk. $IR = (\text{No. injuries} / \text{Number of workers}) * 1,000 \text{ workers}$				
Spain (m/f)	4.31	5.08	3.44   1.37	1.70   0.78
Europe (m/f)	3.46	1.53	1.11   1.11	0.00   0.00
America (m/f)	1.97	3.18	1.47   0.60	1.63   0.33
Asia, Middle East and Africa (m/f)	0	30.95	9.80   0.00	0.00   0.00
<b>Severity rate by geographical area and by gender (*)</b>				
(*) The severity rate (SR) relates the time not worked as a result of workplace accidents, to the time worked by workers at risk. $SR = (\text{No. of days lost} / \text{number of hours worked}) * 1,000 \text{ hours worked}$				
Spain (m/f)	-	0.02   0.01	0.01   0.01	0.01   0.00
Europe (m/f)	-	0.00   0.00	0.01   0.00	0.00   0.00
America (m/f)	-	0.02   0.01	0.01   0.00	0.00   0.00
Asia, Middle East and Africa (m/f)	-	0.03   0.00	0.01   0.00	0.00   0.00
<b>Average duration in number of days of sick leave by geographical area (*)</b>				
(*) The average duration (AD) indicates the average number of sick days due to injuries caused by workplace accidents. $AD = \text{No. of work days lost} / \text{No. of injuries}$				
Spain total (m/f)	4.15	8.98	6.67	8.25 (5.66   2.59)
Europe total (m/f)	0	7.06	2.48	0.00 (0.00   0.00)
America total (m/f)	10.43	20.11	3.40	4.97 (4.14   0.83)
Asia, Middle East and Africa total (m/f)	2.73	2.08	0.25	0.00 (0.00   0.00)
Accidents resulting in fatalities (nº). Total (male   female)	0	0	0	0.00 (0.00   0.00)
Number of hours of absenteeism (*)	-	2,872,339	3,230,775	3,010,018
(*) Scope 93%. Absenteeism hours are considered to be those that have been imputed by direct employees in Indra's own working time management system to the concept of "Absence", which corresponds to the set of hours of employee absence corresponding to, among others, leaves of absence, medical leave, medical visits, maternity and paternity leave, among others, not including vacations and hours of free time.				
<b>Absenteeism by geographical area (%) (*)</b>				
(*) The following percentages refer to the number of hours of absenteeism with respect to own and direct hours, not including vacations and hours of free time established by the collective labor agreement for all professionals.				
Spain	-	5.0	5.2	5.0
Europe	-	4.9	4.3	3.6
America	-	2.9	3.5	2.3
Asia, Middle East and Africa	-	1.6	1.6	1.1
<b>Collective bargaining</b>				
Employees covered by a collective agreement (%) *   Employees with access to instruments	-	-	81   94	78   97

Indicators	2017	2018	2019	2020
to safeguard their rights on a collective basis (%)				
(*)The scope of the reported data in 2019 is 96% of the total workforce at closing and in 2020 98%.				
Germany	-	-	-	100   100
Saudi Arabia	-	-	-	0   0
Argelia	-	-	-	100   100
Argentina	-	-	90   -	89   89
Australia	-	-	-	72   100
Bahrein	-	-	-	0   0
Belgium	-	-	-	100   100
Bulgaria	-	-	-	100   100
Brazil	-	98   -	99   -	98   100
Chile	-	-	48   -	56   100
Colombia	-	0   -	0   -	0   100
Costa Rica	-	-	-	0   0
El Salvador	-	-	-	0   0
United Arab Emirates	-	-	-	0   0
Spain	100   -	100 (*)   -	100 (*)   -	100 (*)   100
(*) Excluding the three executive directors, who maintain a commercial relationship with the company. Additionally, three executives have an employment relationship with the company under Royal Decree 1382/1985 of August 1, 1985, which regulates the special employment relationship of senior management personnel.				
Slovaquia	-	-	-	0   100
USA	-	-	0   -	0   100
Philippines	-	0   -	0   -	0   100
Guatemala	-	-	-	0   0
Italy	-	98   -	100   -	100   100
Kenia	-	-	-	0   100
Mexico	-	0   -	0   -	0   100
Moldavia	-	-	-	0   100
Norguay	-	-	100   -	100   100
Panama	-	-	0   -	0   0
Peru	-	0   -	0   -	0   100
Portugal	-	-	100   -	100   100
United Kingdom	-	-	-	100   100
Check Republic	-	-	-	0   100
Dominican Republic	-	-	0   -	0   100
Rumania	-	-	-	100   100
Uruguay	-	-	0   -	0   100
<b>Professional engagement</b>				
Note: Since 2018, Indra has had an engagement survey for professionals in the Transport & Defense business unit. The survey uses a scale from 0 to 500. Due to the exceptional situation of Covid-19, no engagement survey has been conducted in 2020.				
Global engagement (0-500)	-	258	271	-
Scope of the survey	-	13%	2%	-
<b>Engagement by gender</b>				
Women	-	257	266	-
Men	-	269	272	-
<b>Training and knowledge (*)</b>				
(*) Since 2017 the training data has been calculated considering that if the student exceeds 75% of the attendance hours, 100% of the hours are counted. The average workforce has been used to calculate the breakdowns.				
Employee participation	25,341	41,425	49,836	41,712
Online training hours	421,160	433,856	456,196	550,131
Total training hours including online hours	803,262	736,551	862,518	820,623
Compulsory training	-	-	-	169,469
Non-compulsory training	-	-	-	651,154

Indicators	2017	2018	2019	2020
Man	-	-	-	576,998
Woman	-	-	-	243,634
Senior Management	-	-	-	5,180
Middle Management	-	-	-	70,962
Technical staff	-	-	-	603,351
Support staff	-	-	-	139,610
Other categories	-	-	-	1,520
> 50 years	-	-	-	120,058
between 30 and 50 years	-	-	-	490,343
< 30 years	-	-	-	210,222
Spain	-	-	-	649,057
Europe	-	-	-	30,784
America	-	-	-	123,912
Asia, Middle East and Africa	-	-	-	16,869
Average training hours by professional	20	18	18	17
Compulsory training	-	-	-	3
Non-compulsory training	-	-	-	13
Man	21	19	20	18
Woman	18	16	15	15
Senior Management	-	10	9	9
Middle Management	-	23	18	17
Technical staff	-	17	17	19
Support staff	-	23	26	12
Other categories	-	9	4	1
> 50 years	-	-	-	17
between 30 and 50 years	-	-	-	17
< 30 years	-	-	-	18
Spain	-	-	-	23
Europe	-	-	-	13
America	-	-	-	8
Asia, Middle East and Africa	-	-	-	8
Total training expenditure (euros)	-	-	-	5,955,000
Total training expenditure by profesional (by gender) (euros)				
Man	-	-	-	4,152,061
Woman	-	-	-	1,802,939
Total training expenditure by profesional (by category) (euros)				
Senior Management	-	-	-	314,421
Middle Management	-	-	-	1,271,683
Technical staff	-	-	-	4,040,257
Support staff	-	-	-	327,639
Other categories	-	-	-	1,000
Total training expenditure by profesional (by age group) (euros)				
> 50 years	-	-	-	1,118,000
between 30 and 50 years	-	-	-	3,600,812
< 30 years	-	-	-	1,236,188
Total training expenditure by profesional (by region) (euros)				
Spain	-	-	-	5,709,012
Europe	-	-	-	38,999
America	-	-	-	180,271
Asia, Middle East and Africa	-	-	-	26,718
Employee satisfaction with training (scale 0-5)	-	-	4	3.3

## Technology offer with impact

Indicators	2017	2018	2019	2020
<b>Clients</b>				
<b>Clients profile</b>				
Client satisfaction and loyalty (1-100)	72	73	74	77
<b>Innovation</b>				
R&D (M euros)	202	210	225	265
R&D over sales (%)	7	7	7	8.7
<b>Suppliers</b>				
<b>Subcontracted workforce</b>				
Subcontracted workforce (n°)	1,947	3,210	2,928	3,216
<b>Supplier distribution by geographical areas (%)</b>				
Spain	45	41	51	41
Europe	17	18	11	18
America	30	31	28	30
Asia, Middle East and Africa	8	10	10	11
<b>Purchase volume by geographical areas (%)</b>				
Spain	-	-	73	60
Europe	-	-	6	20
America	-	-	17	12
Asia, Middle East and Africa	-	-	4	8
<b>Purchase volumen by type of product or service (%)</b>				
Professional services	-	-	32	36
Production outsourcing	-	-	8	20
Material and equipment	-	-	26	25
Other services	-	-	34	19
Purchases from local suppliers (%)	81	78	82	80
New suppliers that have been certified under environmental and social criteria (%) (*)	40	44	56	65
Suppliers evaluated annually according to environmental and social criteria (%)	-	-	-	52.5

## Society

Indicators	2017	2018	2019	2020
<b>Economic contribution to the community</b>				
Social Action investment	1,502,916	1,057,701	297,060	504,173
Inversión vinculada al cumplimiento de la LGD	-	-	102,543	156,673
Aportaciones monetarias a fundaciones, entidades sin ánimo de lucro e instituciones académicas	-	-	169,192	347,501
Proyectos probono y voluntariado	-	-	25,326	0
<b>Type of philanthropic activities (%) (*)</b>				
Donations	-	-	28	156,026
Investment in the Community	-	-	17	132,859
Commercial Initiatives	-	-	55	215,888
<b>Type of contribution (*)</b>				
Monetary contribution	-	-	57	504,173
Volunteering	-	-	9	0
In kind	-	-	34	0
Management overhead	-	-	-	197,000

(\*) From 2020 onwards, data are reported in absolute values. In 2019 the data were reported as a percentage of total investment in social action.

	Accesible and social technologies	Carbon Footprint and environment	Risk of exclusion and childhood
Argentina			Solidarity December: Set of initiatives with a social impact aimed at promoting employee participation and solidarity with the most disadvantaged groups.
Brazil		Cleaning of terrestrial and marine environments	Collection and donation of funds for institutions related to cancer treatment, children and disability, families at risk of exclusion and groups affected by Covid-19, among others. Solidarity December: Set of initiatives with a social impact aimed at promoting employee participation and solidarity with the most disadvantaged groups.
Colombia		Cleaning of urban, terrestrial and marine environments	Food donation for the Food Bank Foundation of Cundinamarca Fundraising for the Food Bank Association of Colombia. Donation of computers for young people in vulnerable situations for the Secretary of Education of Barranquilla. Donation of toys for children at risk of exclusion with the Moni Maria Foundation.
Chile		Cleaning of terrestrial environments, and conditioning of public spaces	Donation of cell phones and digital accompaniment for senior citizens. Donation of computers and wifi connectivity; and collection of toys for the SOS Children's Village, so that young people and children could have access to education during Covid-19. Collection of plastics to support children suffering from cancer at the Luis Calvo Mackenna hospital. Solidarity December: Set of social impact initiatives aimed at encouraging employee participation and solidarity with the most disadvantaged groups.
Spain	Development of an e-learning platform for children with neurological disabilities, in collaboration with the Querer Foundation, ESNE and Smartmind. Launch of the V Call for research projects with the Unversia Foundation. The projects must be aimed at the development of software, devices, instruments or equipment that can be used by people with disabilities, in order to facilitate their activity and participation in society or to favor their access to employment.	Cleaning of terrestrial and marine environments in Palma de Mallorca, Valencia, Alicante, Barcelona or Madrid.	Donation of 9,748 tablets for children from vulnerable families to help them with their homework, through 44 organizations and foundations. Fundraising among Indra professionals on the occasion of Covid-19, in collaboration with 10 NGOs chosen by the professionals themselves. Coach Project of the Exit Foundation: coaching for young people at risk of exclusion to guide them in training and employment. Solidarity December: a set of initiatives with social impact, such as online solidarity market, toy fundraising, food donation, virtual solidarity concert, sending letters or stories to nursing homes, holding a solidarity marathon, inclusive Masterchef, or donation of disused devices.
Philippines			Fundraising among professionals and activities organized by De La Salle University Center for children with disabilities. Fundraising to alleviate the effects of the Taal volcano eruption in collaboration with different NGOs. Fundraising for people affected by Covid-19 confinement measures. Donation of SD cards to facilitate e-learning for students in Burgos.
Italy			Solidarity market for the benefit of San Filippo disease research. Solidarity December: set of initiatives with social impact, such as online solidarity market, or virtual solidarity concert.



Mexico		<p>Collection of toys and clothes for different social programs.</p> <p>Donation of food for Covid-19 victims.</p> <p>Donation of computers so that children at risk of exclusion affected by the Coronavirus can continue their education.</p> <p>Development of a computer platform for the Mexican Business Council to consolidate information on support initiatives during Covid-19.</p>
Peru	Cleaning of terrestrial and aquatic environments	Solidarity December: a set of initiatives with social impact, such as a virtual solidarity concert.
Portugal		<p>Donation of computers for young people, through different NGOs.</p> <p>Collection of gifts for children, for different NGOs.</p> <p>Collection of food for the Alfragide Seminar.</p> <p>Solidarity December: a set of initiatives with social impact, such as a virtual solidarity concert.</p>

## Stakeholder relationship

Indicators	2017	2018	2019	2020
Relations with associations and foundations				
Lobbying, lobbying, interest representation or similar organizations	0	0	0	0
Contributions to political campaigns, organizations or candidates	0	0	0	0
Industry associations or tax-exempt organizations	1,924,741	1,632,757	1,568,798	1,704,005
Other possible expenses associated with political influence	0	0	0	0
Total contribution	1,924,741	1,632,757	1,568,798	1,704,005

## 9.6 GRI Table of indicators

GRI disclosure and description	Page / Reference
<b>GENERAL CONTENT</b>	
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102-3 Location of headquarters	<a href="#">Consolidated Annual Accounts 2020 Indra</a> , Note 1
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102-14 Statement from senior decision-maker	4
1102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Indra Management Report 2020</a> , Note 8
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102-25 Conflicts of interest	17, 18, 20

	<a href="#">Regulation of the Board of Directors and its Committees, Indra Sistemas, S.A.</a>
102-26 Role of highest governance body in setting purpose, values and strategy	15, 18
102-27 Collective knowledge of the highest governance body	<b>¡Error! Marcador no definido.</b> <a href="#">Regulation of the Board of Directors and its Committees, Indra Sistemas, S.A.</a>
102-28 Evaluating the highest governance body's performance	21
102-29 Identifying and managing economic, environmental and social impacts	27-31, 85-87 <a href="#">Consolidated Annual Accounts 2020 Indra, Note 42</a>
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102-37 Stakeholders' involvement in remuneration	21, 56 <a href="#">Remuneration Policy for Directors of Indra</a>
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201-2 Financial implications and other risks and opportunities due to climate change	41-42 CDP Climate Change 2020 (Module Risks and Opportunities)
201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Consolidated Annual Accounts 2020 Indra, Note 24</a>
201-4 Financial assistance received from government	31 <a href="#">Consolidated Annual Accounts 2020 Indra, Note 23</a>
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103-2 The management approach and its components	86-87
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103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
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205-1 Operations assessed for risks related to corruption	23-25
205-2 Communication and training about anti-corruption policies and procedures	23-25
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207-2 Tax governance, control, and risk management	36-37
207-3 Stakeholder engagement and management of concerns related to tax	36-37
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103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
301-1 Materials used by weight or volume	45
301-2 Recycled input materials used	45
301-3 Reclaimed products and their packaging materials	45
<b>Energy</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
302-1 Energy consumption within the organisation	<b>¡Error! Marcador no definido.</b>
302-2 Energy consumption outside of the organisation	<b>¡Error! Marcador no definido.</b>
302-3 Energy intensity	<b>¡Error! Marcador no definido.</b>
302-4 Reduction of energy consumption	44, <b>¡Error! Marcador no definido.</b>
302-5 Reductions in energy requirements of products and services	70
<b>Water</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
303-1 Water withdrawal by source	93
303-2 Water sources significantly affected by withdrawal of water	93

303-3 Water recycled and reused	93
<b>Biodiversity</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
304-1 Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not material according to Indra's materiality assessment
304-2 Significant impacts of activities, products and services on biodiversity	Not material according to Indra's materiality assessment
304-3 Habitats protected or restored	Not material according to Indra's materiality assessment
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not material according to Indra's materiality assessment
<b>Emissions</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
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305-2 Energy indirect (Scope 2) GHG emissions	92
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305-4 GHG emissions intensity	92
305-5 Reduction of GHG emissions	40, 92
305-6 Emissions of ozone-depleting substances (ODS)	Not material according to Indra's materiality assessment
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Not material according to Indra's materiality assessment
<b>Effluents and waste</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
306-1 Water discharge by quality and destination	93
306-2 Waste by type and disposal method	93
306-3 Significant spills	Not material according to Indra's materiality assessment
306-4 Transportation of hazardous waste	Not material according to Indra's materiality assessment
306-5 Water bodies affected by water discharges and/or runoff	Not material according to Indra's materiality assessment

Environmental compliance	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
307-1 Non-compliance with environmental laws and regulations	Consolidated Annual Accounts 2020, Note 42
Supplier environmental assessment	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
308-1 New suppliers that were screened using environmental criteria	72
308-2 Negative environmental impacts in the supply chain and actions taken	71-72
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103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
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103-1 Explanation of the material topic and its boundary	86-87
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103-3 Evaluation of the management approach	86-87
403-1 Workers representation in formal management-worker health and safety committees	57
403-2 Types of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	57
403-3 Workers with high incidence or high risk of diseases related to their occupation	57
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403-5 Worker training on occupational health and safety	57

403-6 Promotion of worker health	54, 57
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403-8 Workers covered by an occupational health and safety management system	57
403-9 Work-related injuries	57, <b>¡Error! Marcador no definido.</b>
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103-1 Explanation of the material topic and its boundary	86-87
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103-3 Evaluation of the management approach	86-87
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404-2 Programmes for upgrading employee skills and transition assistance programmes	52
404-3 Percentage of employees receiving regular performance and career development reviews	98
<b>Diversity and equal opportunity</b>	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
405-1 Diversity of governance bodies and employees	18, 47-49
405-2 Ratio of basic salary and remuneration of women to men	47-49, <b>¡Error! Marcador no definido.</b>
<b>Non-discrimination</b>	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
406-1 Incidents of discrimination and corrective actions taken	24 <a href="#">Consolidated Annual Accounts 2020 Indra, Note 24.</a>
<b>Freedom of association and collective bargaining</b>	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58
<b>Child labour</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
408-1 Operations and suppliers at significant risk for incidents of child labour	34-35



Forced or compulsory labour	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	34-35
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103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
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103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
411-1 Incidents of violations involving rights of indigenous peoples	24
Human Rights Assessment	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
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412-1 Operations that have been subject to Human Rights reviews or impact assessments	34-35
412-2 Employee training on human rights policies or procedures	34-35
412-3 Significant investment agreements and contracts with Human Rights clauses or that underwent Human Rights screening	34-35
Local communities	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
413-1 Operations with local community engagement, impact assessments and development programmes	73-74
413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative effects have been identified
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103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87

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414-1 New suppliers that were screened using social criteria	72
414-2 Negative social impacts in the supply chain and actions taken	72
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103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
416-1 Assessment of the health and safety impacts of product and service categories	46, 69-70
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	24, 79 <a href="#">Consolidated Annual Accounts 2020, Note 24.</a>
<b>Marketing and labelling</b>	
103-1 Explanation of the material topic and its boundary	Not material according to Indra's materiality assessment
103-2 The management approach and its components	Not material according to Indra's materiality assessment
103-3 Evaluation of the management approach	Not material according to Indra's materiality assessment
417-1 Requirements for product and service information and labelling	70
417-2 Incidents of non-compliance concerning product and service information and labelling	24, 79 <a href="#">Consolidated Annual Accounts 2020 Indra, Note 24.</a>
417-3 Incidents of non-compliance concerning marketing communications	24, 79 <a href="#">Consolidated Annual Accounts 2020 Indra, Note 24.</a>
<b>Customer privacy</b>	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
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<b>Socioeconomic compliance</b>	
103-1 Explanation of the material topic and its boundary	86-87
103-2 The management approach and its components	86-87
103-3 Evaluation of the management approach	86-87
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## 9.7 Table of contents of the Non-Financial Information Statement

Contents of the Non-Financial Information Statement		
Contents of Law 11/2018 INF Standard adopted	Contents of Law 11/2018 INF Standard adopted	Page / Reference
<b>Business Model</b>		
Description of the group's business model		
Brief description of the group's business model, which will include its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future performance.	GRI 102-2 Activities, brands, products and services	9-11, <b>¡Error! Marcador no definido.</b>
	GRI 102-4 Location of operations	<a href="#">Consolidated Annual Report 2020 Indra</a> , Annex I
	GRI 102-6 Markets served	9-11
	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-7 Scale of the organisation	6 <a href="#">Consolidated Annual Report 2020 Indra</a> , Note 28
<b>Environmental information</b>		
Policies		
Policies applied by the group, including the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts, and to verify and monitor them, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components	86-87
	GRI 103-3 Evaluation of the management approach	86-87
Risks		
Main risks		
The main risks related to these issues linked to the group's activities, including, when relevant and provided, their business relationships, products or services that may have negative effects on those areas, and how the group manages those risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject area. Information on the impacts that have been detected must be detailed with a breakdown, particularly including the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-11 Precautionary principle or approach	27
	GRI 102-30 Effectiveness of risk management processes	27
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	41-42 CDP Climate Change Questionnaire 2020 (Module Risks and Opportunities)
General		
Current and foreseeable effects of the company's activities on the	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>

environment and, where applicable, on health and safety	GRI 102-29 Identifying and managing economic, environmental and social impacts	27-31, 85-87
	GRI 102-31 Review of economic, environmental and social topics	27-31, 85-87
Environmental assessment or certification procedures	GRI 102-11 Precautionary principle or approach	27
	GRI 102-29 Identifying and managing economic, environmental and social impacts	27-31, 85-87
	GRI 102-30 Effectiveness of risk management processes	27
Resources dedicated to environmental risk prevention	GRI 102-29 Identifying and managing economic, environmental and social impacts	27-31, 85-87 <a href="#">Consolidated Annual Report 2020</a> Indra, Note 42
Application of the precautionary principle	GRI 102-11 Precautionary principle or approach	27
Provisions and guarantees for environmental risks	GRI 307-1 Non-compliance with environmental laws and regulations	<a href="#">Consolidated Annual Report 2020</a> Indra, Note 42
Contamination		
Measures to prevent, reduce or rectify carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2 Management Approach (with a view to GRI 302 and 305)	86-87
	GRI 302-4 Reduction of energy consumption	44, <b>¡Error! Marcador no definido.</b>
	GRI 302-5 Reductions in energy requirements of products and services	70
	GRI 305-5 Reduction of GHG emissions	40, 92
	GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Non-material according to Indra's materiality analysis
Circular Economy and waste management		
Measures to prevent, recycle and reuse, and other ways of recovering and eliminating waste. Actions to combat food waste.	GRI 301-1 Materials used by weight or volume	45
	GRI 301-2 Recycled input materials used	45
	GRI 301-3 Reclaimed products and their packaging materials	45
	GRI 303-3 Water recycled and reused	93
	GRI 306-1 Water discharge by quality and destination	93
	GRI 306-2 Waste by type and disposal method	93
	GRI 306-3 Significant spills	Non-material according to Indra's materiality analysis
Sustainable use of resources		
	GRI 303-1 Water withdrawal by source	93

Water consumption and water supply according to local constraints	GRI 303-2 Water sources significantly affected by water withdrawal	93
	GRI 303-3 Water recycled and reused	93
Consumption of raw materials and the measures adopted to improve their efficient use	GRI 301-1 Materials used by weight or volume	45
	GRI 301-2 Recycled input materials used	45
	GRI 301-3 Reclaimed products and their packaging materials	45
Energy: Direct and indirect consumption; Measures taken to improve energy efficiency, Use of renewable energy	GRI 103-2 Management Approach (Energy)	Non-material according to Indra's materiality analysis
	GRI 302-1 Energy consumption within the organisation (energy from renewable and non-renewable sources)	<b>¡Error! Marcador no definido.</b>
	GRI 302-2 Energy consumption outside of the organisation	<b>¡Error! Marcador no definido.</b>
	GRI 302-3 Energy intensity	<b>¡Error! Marcador no definido.</b>
	GRI 302-4 Reduction of energy consumption	44, <b>¡Error! Marcador no definido.</b>
	GRI 302-5 Reductions in energy requirements of products and services	70
Climate Change		
Greenhouse Gas Emissions	GRI 305-1 Direct (Scope 1) GHG emissions	92
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	92
	GRI 305-3 Other indirect (Scope 3) GHG emissions	92
	GRI 305-4 GHG emissions intensity	92
Measures adopted to adapt to the effects of Climate Change	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 Management Report 2020 Indra Note 8
	GRI 103-2 The management approach and its components	86-87
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	41-42 CDP Climate Change questionnaire 2020 (Module Risks and Opportunities)
	GRI 305-5 Reduction of GHG emissions	40, 92
Reduction goals established voluntarily in the medium and long term to reduce GHG emissions and measures implemented for this purpose.	GRI 103-2 Management Approach (Emissions and contamination)	Non-material according to Indra's materiality analysis
Protection of biodiversity		
Measures taken to preserve or restore biodiversity	GRI 304-3 Habitats protected or restored	Non-material according to Indra's materiality analysis

Impacts caused by activities or operations in protected areas	GRI 304-1 Operational sites owned, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Non-material according to Indra's materiality analysis
	GRI 304-2 Significant impacts of activities, products and services on biodiversity	Non-material according to Indra's materiality analysis
	GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Non-material according to Indra's materiality analysis
Information about social and staff-related matters		
Policies		
Policies applied by the group, including the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts, and to verify and monitor them, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components	86-87
	GRI 103-3 Evaluation of the management approach	86-87
	GRI 102-35 Remuneration policies	21, 56 <a href="#">Remuneration Policy for Directors of Indra</a>
Main risks		
The main risks related to these issues linked to the group's activities, including, when relevant and provided, their business relationships, products or services that may have negative effects on those areas, and how the group manages those risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject area. Information on the impacts that have been detected must be detailed with a breakdown, particularly including the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-30 Effectiveness of risk management processes	27
Employment		
Total number of employees and distribution by gender, age, nationality and role.	GRI 102-7 Scale of the organisation	6 <a href="#">Consolidated Annual Report 2020 Indra, Note 28</a>
	GRI 102-8 Information on employees and other workers	47-59
	GRI 405-1. b) Percentage of employees per employee category in each of the following diversity categories: gender and age group	18, 47-49
Total number and distribution of work contract types	GRI 102-8 Information on employees and other workers	47-59
Annual average of permanent, temporary and part-time contracts by gender, age and role	GRI 102-8 Information on employees and other workers	47-59 No significant differences in the typology of permanent and full-time contracts at year-end 2020 compared to the average annual

		number of permanent and full-time contracts in 2020.
Number of dismissals by gender, age and role	GRI 401-1.b) Total number and turnover rate of staff during the reporting period, by age group, gender and region (in relation to dismissals)	94
Average remuneration broken down by gender, age and role or equal value	GRI 405-2: Ratio of basic salary and remuneration of women to men by each labour category	47-49, 95-96
Wage gap		47-49, 96- <b>¡Error! Marcador no definido.</b>
Salary for similar jobs or the average for society	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	97
The average remuneration of directors and executives, including variable remuneration, per diems, compensation, payment to long-term savings and retirement systems and any other perception broken down by gender	GRI 102-35 Remuneration policies	21, 56 <a href="#">Remuneration Policy for Directors of Indra</a>
	GRI 102-36 Process for determining remuneration (for management approach)	21, 56 <a href="#">Remuneration Policy for Directors of Indra</a>
	GRI 201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Consolidated Annual Report 2020 Indra</a> , Note 24
Implementation of labour disconnection measures	GRI 103-2 Management Approach (employment rights)	86-87
Employees with disabilities	GRI 405-1. b) Percentage of employees per employee category in each of the following diversity categories (iii. Vulnerable groups).	18, 47-49
<b>Work organisation</b>		
Organisation of working time	GRI 102-8. c) Total number of employees by employment type (full-time or part-time) and by gender.	47-59, <b>¡Error! Marcador no definido.</b>
	GRI 103-2 Management Approach (employment rights)	86-87
Number of hours of absenteeism	GRI 403-2 Types of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities (section a)	57, <b>¡Error! Marcador no definido.</b>
Measures designed to facilitate the enjoyment of work-life integration and encourage the responsible use of these measures by both parents.	GRI 401-3 Parental leave	50-51, 60
	GRI 103-2 Management approach	86-87
<b>Health and safety</b>		
Health and safety conditions in the workplace	GRI 103-2 Management Approach (Staff health and safety)	86-87
Occupational injuries (frequency and seriousness) broken down by gender	GRI 403-2 Types of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	57, <b>¡Error! Marcador no definido.</b>
	GRI 403-2 Types of injury, occupational diseases, lost days,	57, <b>¡Error! Marcador no definido.</b>

Occupational illnesses (frequency and seriousness) broken down by gender	and absenteeism and number of work-related fatalities	
<b>Social Relations</b>		
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them	GRI 102-43 Approach to stakeholder engagement (regarding trade unions and collective bargaining)	75-78
	GRI 402-1 Minimum notice periods regarding operational changes	58
	GRI 403-1 Workers representation in joint health and safety committees	57
Percentage of employees covered by a collective bargaining agreement by country	GRI 102-41 Collective bargaining agreements	58-59
Assessment of collective agreements, particularly in the field of occupational health and safety	GRI 403-1 Workers representation in joint health and safety committees	57
	GRI 403-4 Health and safety topics covered in formal agreements with workers' legal representation	57
<b>Training</b>		
Policies implemented in the field of training	GRI 103-2 Management approach (Career development)	86-87
	GRI 404-2 Programmes for upgrading employee skills and programmes	52
Total number of hours of training by professional categories	GRI 404-1 Average hours of training per year per employee	101
<b>Accessibility</b>		
Universal accessibility for people with disabilities	GRI 103-2 Management approach (Workforce diversity)	86-87
<b>Equality</b>		
Measures taken to promote equal treatment and opportunities for men and women	GRI 103-2 Management Approach (Workforce diversity)	86-87
Equality plans	GRI 103-2 Management Approach (Workforce diversity)	86-87
Measures taken to promote employment	GRI 103-2 Management Approach (Attracting and retaining talent)	86-87
	GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes	52
Protocols to prevent sexual harassment and harassment on the grounds of gender	GRI 103-2 Management Approach (Workforce diversity)	86-87
Integration and universal accessibility for people with disabilities	GRI 103-2 Management Approach (Workforce diversity)	86-87
Policy against all types of discrimination and, where appropriate, diversity management	GRI 103-2 Management Approach (Workforce diversity)	86-87
	GRI 406-1 Incidents of discrimination and corrective actions taken	24



Information on respect and Human Rights		
Policies		
Policies applied by the group, including the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts, and to verify and monitor them, as well as the measures that have been adopted	GRI 103-2 The management approach and its components	86-87
	GRI 103-3 Evaluation of the management approach	86-87
	GRI 410-1 Security personnel trained in Human Rights policies or procedures	In Spain, Indra has subcontracted a security company. The security personnel of this company received human rights training in 2020.
	GRI 412-2 Employee training on Human Rights policies or procedures	34-35
Main risks		
The main risks related to these issues linked to the group's activities, including, when relevant and provided, their business relationships, products or services that may have negative effects on those areas, and how the group manages those risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject area. Information on the impacts that have been detected must be detailed with a breakdown, particularly including the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-30 Effectiveness of risk management processes	27
Human Rights		
Application of due diligence processes in Human Rights	GRI 103-2 Management Approach (Human Rights Assessment)	86-87
	GRI 414-2 Negative social impacts in the supply chain and actions taken	71-72
Prevention of the risks of violation of Human Rights and, where applicable, measures to mitigate, manage and repair possible abuses committed	GRI 103-2 Management Approach (Human Rights)	86-87
	GRI 412-1 Operations that have been subject to Human Rights reviews or impact assessments	34-35
	GRI 410-1 Security personnel trained in Human Rights policies or procedures	In Spain, Indra has subcontracted a security company. The security personnel of this company received human rights training in 2020.
Complaints about Human Rights violations	GRI 102-17 Mechanisms for advice and concerns about ethics	22
	GRI 103-2 Management Approach (Human Rights)	86-87
	GRI 411-1 Rights of indigenous peoples	24

	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	24 <a href="#">Consolidated Annual Report 2020, Note 24</a>
Promotion and compliance with the provisions of the fundamental ILO conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	GRI 103-2 Management Approach (Employment rights and human rights)	86-87
<b>Information relating to the fight against corruption and bribery</b>		
<b>Policies</b>		
Policies applied by the group, including the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts, and to verify and monitor them, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components	86-87
	GRI 103-3 Evaluation of the management approach	86-87
	GRI 205-2 Communication and training about anti-corruption policies and procedures	23-25
<b>Main risks</b>		
The main risks related to these issues linked to the group's activities, including, when relevant and provided, their business relationships, products or services that may have negative effects on those areas, and how the group manages those risks, explaining the procedures used to detect and evaluate them according to national, European or international reference frameworks for each subject area. Information on the impacts that have been detected must be detailed with a breakdown, particularly including the main short, medium and long-term risks	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-30 Effectiveness of risk management processes	27
	GRI 205-1 Operations assessed for risks related to corruption	23-25
<b>Corruption and bribery</b>		
Measures adopted to prevent corruption and bribery	GRI 103-2 Management Approach (with a view to GRI 205 Anti-corruption)	86-87
Measures to combat money laundering	GRI 103-2 Management Approach (Corruption and bribery)	86-87
Contributions to foundations and non-profit organizations	GRI 103-2 Management Approach (Corruption and bribery)	86-87
	GRI 201-1 Direct economic value generated and distributed (Investments in the Community)	89
	GRI 203-2 Significant indirect economic impacts	73-74
	GRI 415-1 Political contributions	81-83
<b>Company information</b>		

Policies		
Policies applied by the group, including the due diligence procedures applied to identify, evaluate, prevent and mitigate significant risks and impacts, and to verify and monitor them, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components	86-87
	GRI 103-3 Evaluation of the management approach	86-87
Main risks		
The main risks related to these issues linked to the group's activities, including, when relevant and provided, their business relationships, products or services that may have negative effects on those areas, and how the group	GRI 102-15 Key impacts, risks and opportunities	12-14, 27-31, 85-87 <a href="#">Management Report 2020 Indra Note 8</a>
	GRI 102-30 Effectiveness of risk management processes	27
company's commitment to sustainable development		
Impact of company activity on local employment and development	GRI 203-1 Infrastructure investments and services supported	73-74, 89
	GRI 203-2 Significant indirect economic impacts	73-74, 89
	GRI 204-1 Proportion of spending on local suppliers	71, 102
	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	73-74
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative effects have been identified
Impact of company activity on local communities and the surrounding area	GRI 203-1 Infrastructure investments and services supported	73-74, 89
	GRI 203-2 Significant indirect economic impacts	73-74, 89
	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	73-74
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	No significant negative effects have been identified
Relationships with local community players and forms of dialogue with them	GRI 102-43 Approach to stakeholder engagement (in relation to the community)	75
	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	73-74
Association or sponsorship activities	GRI 102-13 Membership of associations	81-83
	GRI 203-1 Infrastructure investments and services supported	73-74, 89

	GRI 201-1 Direct economic value generated and distributed (Investments in the Community)	89
<b>Subcontracting and suppliers</b>		
Inclusion of social issues, gender equality and environmental issues in the procurement policy	GRI 103-3 Management approach (supply chain)	86-87
Consideration of social and environmental responsibility in relationships with suppliers and subcontractors.	GRI 102-9 Supply chain	71-72
	GRI 103-3 Management approach (supply chain)	86-87
	GRI 308-1 New suppliers that were screened using environmental criteria	72
	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	71-72
	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58
	GRI 409-1 GRI Operations and suppliers at significant risk for incidents of forced or compulsory labor	34-35
	GRI 414-1 New suppliers that were screened using social criteria	72
	GRI 414-2 Negative social impacts in the supply chain and actions taken	72
Monitoring and auditing systems and their results	GRI 308-1 New suppliers that were screened using environmental criteria	72
	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	71-72
	GRI 414-2 Negative social impacts in the supply chain and actions taken	72
<b>Consumers</b>		
Consumer health and safety measures	GRI 416-1 Assessment of the health and safety impacts of product and service categories	46, 69-70
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	24, 79 <a href="#">Consolidated Annual Report 2020</a> , Note 24
	GRI 417-1 Requirements for product and service information and labeling	70
Complaints and claims systems and resolution processes	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolutions thereof)	22
	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	90
<b>Tax information</b>		

Profits by country	GRI 201-1 with relation to payments to public administrations in line with OECD guidelines	89
	GRI 207-4 Country-by-country report	37-39
Income tax paid	GRI 201-1 with relation to payments to public administrations in line with OECD guidelines	89
	GRI 207-4 Country-by-country report	37-39
Public subsidies received	GRI 201-4 Financial assistance received from government	31

[Consolidated Annual Report 2020 Indra](#), Note 23

## 9.8 Climate Related Financial Disclosure (TCFD) table

Recomendations	References
<b>Governance</b>	
Disclose the organization's governance of risks and opportunities related to climate change.	
a) Board oversight of risks and opportunities related to climate change.	15, 40
b) Describe management's role in analyzing and assessing risks and opportunities related to climate change.	15, 17, 27, 40
<b>Strategy</b>	
Disclose actual and potential impacts of climate change-related risks and opportunities on the organization's business, strategy, and planning, where such information is material.	
a) Describe the risks and opportunities related to climate change identified by the organization in the short, medium and long term.	40, CDP Questionnaire 2020
b) Describe the impact of climate change-related risks and opportunities on the organization's business, strategy and financial planning.	9, 15, 40, 60, CDP Questionnaire 2020
c) Describe the organization's resilience under different climate scenarios.	40, CDP Questionnaire 2020
<b>Risk Management</b>	
Disclose how the organization identifies, assesses, and manages risks related to climate change.	
a) Processes for identifying and assessing risks related to climate change.	40, CDP Questionnaire 2020
b) Processes for managing risks related to climate change.	40, CDP Questionnaire 2020
c) Integration of processes for identifying, assessing and managing risks related to climate change.	27, 40
<b>Metrics and objectives</b>	
Disclose metrics and objectives used to assess and manage risks and opportunities related to climate change, where such information is material	
a) Metrics used to assess risks and opportunities related to climate change.	40, CDP Questionnaire 2020
b) Calculation of GHG emissions of Scope 1, 2 and if applicable Scope 3 and related risks	40, 92, CDP Questionnaire 2020
c) Targets used to manage climate risks and opportunities and performance against targets.	40

## 9.9 Independent verification report

**Deloitte.**

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

### **INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT - 2020 CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF INDRA SISTEMAS, S.A. AND SUBSIDIARIES**

To the Shareholders of INDRA SISTEMAS, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the 2020 Sustainability Report, which contains the Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2020 of Indra Sistemas, S.A. and subsidiaries ("the Group" or "Indra"), which forms part of the 2020 Consolidated Directors' Report of Indra.

The 2020 Sustainability Report includes information additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards ("GRI standards") that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "GRI indicators table" and "NFIS table of contents" tables in the appendices to the 2020 Sustainability Report.

#### **Responsibilities of the Directors**

The preparation and content of the 2020 Sustainability Report are the responsibility of the directors of Indra Sistemas, S.A. The 2020 Sustainability Report was prepared in accordance with the GRI standards in their comprehensive option. The NFIS, which forms part of the Consolidated Directors' Report, was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the "NFIS table of contents" table in the appendix to the 2020 Sustainability Report.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the 2020 Sustainability Report, which contains the NFIS, to be free from material misstatement, whether due to fraud or error.

The directors of Indra Sistemas, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the 2020 Sustainability Report, which contains the NFIS, is obtained.

#### **Our Independence and Quality Control**

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

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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## Our Responsibility

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

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

Our work consisted of making inquiries of management and the various units of the Group that participated in the preparation of the 2020 Sustainability Report, reviewing the processes used to compile and validate the information presented in the 2020 Sustainability Report, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.
- Analysis of the scope, relevance and completeness of the contents of the non-financial information in the 2020 Sustainability Report based on the materiality analysis performed by Indra and described in the "Materiality analysis" appendix to the 2020 Sustainability Report, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the non-financial information in the 2020 Sustainability Report.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters identified and described in the "Materiality analysis" appendix to the 2020 Sustainability Report.
- Verification, by means of sample-based tests, of the information relating to the non-financial information contents of the 2020 Sustainability Report, and the appropriate compilation thereof based on the data furnished by Indra information sources.
- Obtainment of a representation letter from the directors and management.



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### Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a) The non-financial information identified in the "GRI indicators table" table in the appendix to the 2020 Sustainability Report for the year ended 31 December 2020 was not prepared, in all material respects, in accordance with the GRI standards in their comprehensive option.
- b) The Consolidated Non-Financial Information Statement of Indra Sistemas, S.A. and subsidiaries for the year ended 31 December 2020 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the "NFIS table of contents" table in the appendix to the 2020 Sustainability Report.

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### Use and Distribution

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

DELOITTE, S.L.



Ana Sánchez Palacios

24 March 2021

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