

Sustainability Report

2022



Ingeteam

Index

03

Letter from the CEO

06

Introduction

08

GRI 200 About Us

34

GRI 201 Economy

41

GRI 300 Environmental Standards

49

GRI 400 Social Standards

69

The 10 principles of the Global Compact

Letter from the CEO



Adolfo Rebollo Gómez
CEO

50 YEARS ELECTRIFYING A SUSTAINABLE FUTURE

This year we have experienced a very special moment in our history. On the one hand, the context in which we operate has changed dramatically. Climate change has made energy transition a top priority for governments and society.

Ingeteam firmly believes that energy can be generated, transmitted, stored and consumed in a more efficient, and more sustainable way, and we're going to dedicate all our efforts to that in the next few years. The triple sustainability (social, economic and environmental) that we pursue guides us in our daily activities, contributing to the energy transition.

On the other hand, 2022 has converged with a crossroads of historic events: the coincidence of Ingeteam's 50th anniversary and the launch of a new Strategic Plan. The new organisation resulting from the Strategic Plan enables us to generate greater internal synergies and consolidate a solid commitment to society and the planet. We want to be a leader in the sectors in which we operate; with our range of products, systems and services, we want to dominate each sector, staying one step ahead in everything we do.

Our experience as an innovative company gives us the credentials to position ourselves as a key player in the electrification of a sustainable future. In the past we have played an important role as pioneers in the development of renewable energies. Today our products contribute creatively and effectively to the energy transition from renewable generation to efficient electricity consumption. In this respect, we are also committed to green hydrogen, which will play a key role in the future as an energy carrier on the road to decarbonisation.

We have incorporated the Sustainable Development Goals into our business strategy. Ensuring sustainability is at the core of our DNA. Our contribution to the decarbonisation of society and the energy transformation towards an increasingly electrified society are the basis of our project. We have set triple sustainability (social, economic and environmental) as our strategic objective for the Project.

- Social: create value for all our stakeholders, and in particular for our people, by offering opportunities for development in safe, healthy working environments.
- Financial: attain sufficient yield to assure future growth and business continuity in the medium and long term.

- Environmental: develop products, systems and services that allow another way of generating, transporting, storing and consuming energy in a clean way, such as electrification based on renewable sources.

Once again this year, we have renewed our commitment to the fulfilment of the Ten Principles of the United Nations Global Compact, working on the inclusion of aspects related to compliance, sustainability and CSR and we have once again conducted an "Audit of Accounts for non-financial information and diversity" with positive results.

At Ingeteam we help make the environment more sustainable by minimising the impact of our operations on nature, by reducing our energy consumption and our emissions of CO₂ and other greenhouse gases and by encouraging recycling and awareness via the training our human resources and in general everyone with whom we come into contact. In addition, the equipment supplied by Ingeteam has continued to contribute to the reduction of CO₂ emissions into the atmosphere.

We also actively contribute to the improvement of the societies in which we are present via different activities. We have a sponsorship and donations policy that is aligned with the Corporate Social Responsibility strategy and objectives, as well as with the Code of Conduct.

Our determination to move towards sustainable growth is growing every day and encourages us to continue working towards living in a better world.

Five decades committed to the sustainability of the planet have taught us, above all, to be non-conformist. Because the only way to heal our relationship with our planet is to question everything. Beginning with, who should be the protagonists in this unstoppable energy transition process?

That's why we want to lead a dream team of millions of people, real people who want to be part of the solution, not part of the problem. Common people contributing with us the enormous task of fighting, every day, for the future of humanity.

Introduction

This year we started a new Strategic Plan covering the next 3 years (2022-2024).

The project is based on helping to decarbonise society and bring about a transformation in energy towards an increasingly more electrified society. The Project's technological foundation is comprised of the company's three fundamental technology vectors: rotating electrical machines, power electronics and automation and control. Ingeteam also provides innovative solutions for operation and maintenance, an increasingly important field in sectors concerned with renewables.

In this Strategic Plan, Ingeteam has aligned its strategic goals with the Sustainable Development Goals of the 2030 Agenda and sought to make the company's project sustainable on three fronts: social, economic and environmental.

- Social, obliging us to create value for all our stakeholders, and in particular for our people, by offering opportunities for development in safe, healthy working environments.
- Financial, obliging us to attain sufficient yield to assure future growth.
- Environmental, which requires us to develop products, systems and services that help respect the environment.

The contents of this document are as follows:

GRI 102. General Disclosures

This section describes the company's position in regard to the following:

- Profile of the organisation
- Structure
- Ethics & Integrity
- Governance
- Stakeholder engagement
- Reporting practices

GRI 200. Economic Disclosures

This section examines the following areas:

- Economic performance
- Market presence
- Indirect economic impacts
- Procurement practices
- Anti-corruption
- Anti-competitive behaviour

GRI 300. Environmental Disclosures

This section describes the impacts of the company's operations on the environment, specifically in regard to the following:

- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Effluents & waste
- Environmental compliance
- Environmental assessment of suppliers

GRI 400. Social Disclosures

This last section examines the aspects of the company's operations that directly affect its people, its suppliers and the communities in which it works:

- Employment
- Employee-employer relations
- Occupational health & safety
- Training & education
- Diversity & equal opportunities
- Non-discrimination
- Human rights

GRI 102 About Us

PROFILE OF THE COMPANY

102-1 NAME OF THE ORGANISATION

This report relates to Ingeteam Group.

102-2 ACTIVITIES, BRANDS, PRODUCTS & SERVICES

We are Ingeteam, a team of more than 4,000 people present in 24 countries, convinced that there is a different way to generate, transport, store and consume energy more efficiently and sustainably, on which we will be focussing all our efforts in the coming years. The energy transition is no longer the future, it is our present, and to meet this challenge we created "The Real Dream Team" movement, comprised of heroes and heroines just like you, who share our

dream of a world with clean energy production. And how will we achieve this? By electrifying society innovatively and sustainably using our specialist cutting-edge electrical energy conversion technology, and our more than 80 years of experience in providing creative solutions to specific problems.

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

To date we have already delivered 25 GW of solar PV capacity with our solar inverters and more than 54 GW of Indar inverters and generators to the wind industry. We have installed 10.5 GW of total power in the hydropower sector

with our Indar generators and more than 12,000 Indar submersible pumps worldwide. More than 6,000 electrical substations are automated with our equipment. We have also accumulated 1.6 GWh in electrical storage facilities and are a world leader in the provision of operation and maintenance services at renewable energy plants with more than 18 GW of maintained capacity.

In terms of efficient consumption, it is worth noting that over 12,500 electric vehicle chargers, 700 electric trains, and more than 600 electric ships have been equipped with our technology and equipment, enabling their evolution towards hybrid and full electric naval propulsion systems.

At Ingeteam we are doers, we are capable of providing creative responses to specific and complex problems, and prepared for the transition towards a world of clean energy production via the electrification of society.

The 2022-2024 Strategic Plan introduces the reorganisation of the business units in terms of their market perspective. The activity of each unit will remain the same, although the way of addressing the market will have an eminently sectoral focus, aligning the technological capabilities of the company in a single strategy aimed at globally satisfying the needs of each sector in which we are active. From a structural perspective, Ingeteam's activity is supported by 3 technological segments:

- Machines
- Converters and Controls
- Services

Develops its solutions in the following 7 sectors:

- Hydro
- Water
- Railway&Mobility
- Marine, Metals & Mining
- Wind Energy
- Solar PV, BESS & H2
- Transmission & Distribution

In each as follows:

Hydro

Design and manufacture of equipment and systems for hydroelectric power plants, from Indar electric generators to control and automation systems, including frequency converters for variable speed applications. Ingeteam executes projects and provides supplies adapted to the specific needs of each power plant, both for new build hydroelectric power plants and for the modernisation of existing plants. We also provide O&M services for hydroelectric power plants.

Water

Indar submersible pumping units and variable frequency drives and electrical engineering and automation, delivering pumping solutions with power ratings of up to 6.5 MW applied to drinking water supplies, offshore rigs, mining, hydroelectric plants and waste water and clean water pumping stations. Variable frequency drives and electrical engineering & automation.

Railway & Mobility

Variable frequency drives and on-board traction drives, and integrated electric powertrain solutions also including transformers and batteries, train control and management systems (TCMS), control of auxiliary systems (HVAC, WC, door control, etc.), monitoring systems for vibrations, thermal and electrical variables, and systems for braking energy recovery through traction substations.

Marine, Metals & Mining

- Marine & Ports: Variable frequency drives, electric motors and generators for propulsion (main and auxiliary), integrated power plant solutions including transformers, electrical enclosures, batteries, automation systems and Power Management Systems on ships in the Offshore (Supply and Heavy Offshore), ferry, cruise ship, dredger, tugboat, research vessel (being specialists in silencers), etc. segments. In addition, we develop OPS (cold ironing) power supply system solutions for ships at berth.
- Metals: Advanced system automation with Industry 4.0 technology, comprehensive electrical project management, project management, detail engineering, manufacturing & supply of electrical equipment including variable frequency drives & motors or generators, electrical installations, systems automation, commissioning, SAT training & maintenance. Provision of Grid Power Quality solutions for large consumers.
- Mining: Extensive variety of solutions for mining and mineral processing, developing applications for new installations as well as for the refurbishment and expansion of existing ones, covering the entire production process, from the extraction of the material, its processing, to transport and delivery.

Wind Energy

Full and doubly-fed (with induction generator) power converters; Indar asynchronous doubly-fed, squirrel-cage and permanent magnet synchronous generators; electric switchboards; Condition Monitoring Systems (CMS); SCADA and analysis systems; and operation and maintenance (O&M) services with a multi-technology and multi-brand scope for wind turbines up to 18 MW for onshore and offshore applications.

Solar PV, BESS & Green H2

- Solar PV: String inverters for domestic, industrial and utility-scale applications and central inverters for utility-scale applications, including Power Station with Medium Voltage output up to 7,500 kVA Power Plant Controller for plant control and photovoltaic plant O&M services.
- BESS: Battery or supercapacitor inverters, including Power Stations with Medium Voltage output up to 7,500kVA, Energy Management Systems to manage the installation, Smart SCADA and O&M services.
- Green H2: Ingeteam has recently promoted the creation of a new H2 Business Unit offering Power Electronics and Control solutions in the field of "green" hydrogen generation.

Transmission & Distribution

- Power Grid Automation: Substation automation, control systems and power grid protection.

- **Power Systems Converters:** Power converter-based solutions for power quality improvements, continuity of supply, reactive power compensation, voltage/power factor control, grid code compliance, active power management and frequency regulation systems, power flow control systems or grid interconnection solutions.
- **Power Systems Machines:** Synchronous compensator-based solutions for grid stability, inertia, short-circuit power and voltage control.
- **Electric Vehicle Chargers:** DC and AC, ultra-rapid (up to 400 kW), rapid (up to 100 kW), semi-rapid (up to 22 kW) and domestic charging systems for electric vehicles.

Flexible Power Generation

Indar synchronous generators and control systems are driven by high-efficiency thermal motors (diesel, gas or dual).

Power Plants Services

Services at thermoelectric generation plants: solar thermal, biomass and biogas.

Automation Devices

Development of real-time industrial controllers, as well as equipment and SW tools for monitoring and preventive diagnosis aimed at the predictive maintenance of plants, processes and machinery.

102-3 LOCATION OF HEADQUARTERS

Ingeteam S.A. is based on the Bizkaia Technology Park in Zamudio, near Bilbao.

102-4 LOCATION OF OPERATIONS

We currently have production plants in Spain, the USA, Brazil, the Czech Republic and India. In addition to our production sites, we also have subsidiaries at the following locations:

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



102-5 OWNERSHIP AND LEGAL FORM

Ingeteam is the holding company and is constituted as a public limited company [*Sociedad Anónima*]. Its main shareholders are:

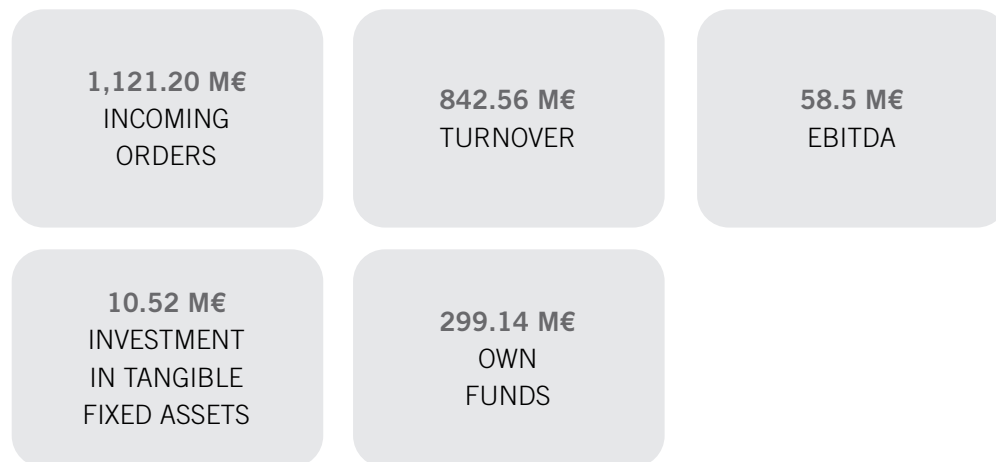
Kutxabank, S.A.	12.86%
Ingeteam, S.A. (treasury stock)	19.12%
Other shareholders	68.02%

102-6 MARKETS SERVED

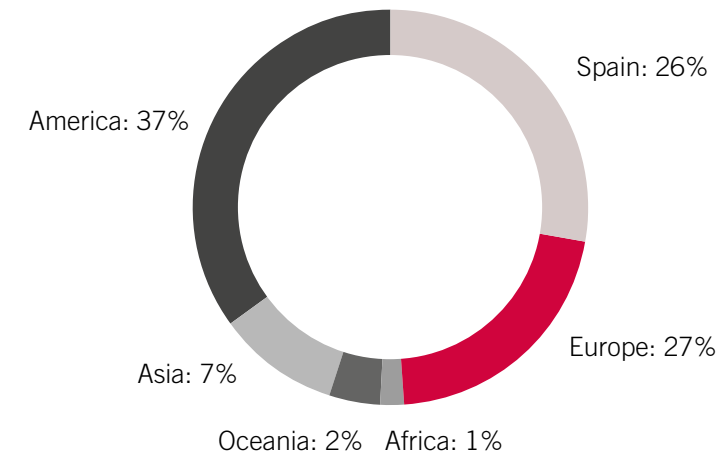
The commercial interest of the companies that make up Ingeteam is global, without geographical restriction. The sectors and customers that we serve are listed in section 102-2 above.

102-7 SCALE OF THE ORGANISATION

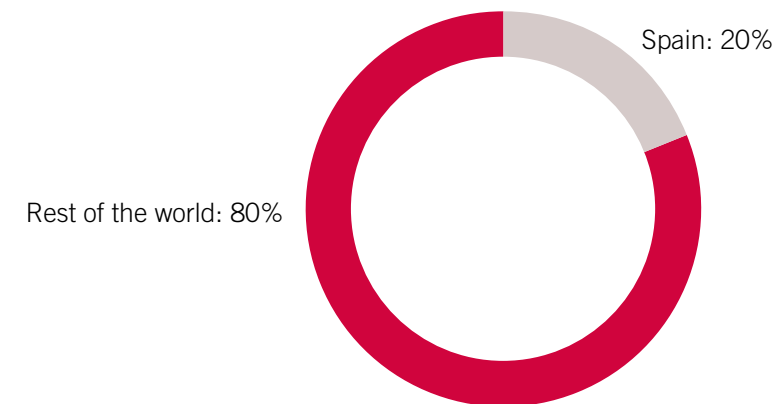
The company's turnover in 2022 was €842,546 million, with more than 5% of that figure given over to R&D&i. The main financial figures at the close of financial year 2022 are as follows:



The company's worldwide turnover by country/continent is as follows:



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



102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

In 2022, the average workforce totalled 4,476 theoretical employees, although the year ended with an actual workforce of 4,682 people (reporting source

AURA platform, a specific reporting tool for non-financial indicators linked to Personnel, which is the basis for the 2022 data provided in this report. While all of the data detailed herein has been obtained from this application, the data on the subsidiary in South Africa is not fully reported in AURA so some of the data regarding this subsidiary is an estimate, however the workforce is 10 people strong, making the the estimate not very relevant).

With respect to the previous year, as shown in the evolution tables, there was a significant increase in the average number of staff in 2022 of 391.8 theoretical staff, which represents +9.59%. This increase in the workforce is due to Ingeteam's 2022-2024 Strategic Plan which includes and develops strategic projects and businesses that imply an increase in the workforce.

In terms of actual final workforce figures at year-end, there was also an increase of 531 additional employees, which represents a percentage increase of 12.8% with respect to the end of the 2021 financial year. The trend in recent years has been marked by a steady yearly increase, although in 2022, the increase will be significant.

The organisation has a people management policy to "define, implement and develop a people management model at Ingeteam that can attract, develop and promote the talent required for the business project set up and specified in the current strategic plan, in balance with the interests in terms of personal and career growth of those who work with us, to secure their long-term commitment and participation in consolidating and expanding that project."

The areas of activity defined in Ingeteam's Employee Management and Development Policy are as follows:

- Talent Attraction, Selection and Integration
- Internal Communication
- Identification, Development and Promotion of Potential. Performance evaluation
- HR Architecture and Organisation
- Equality, Diversity and Inclusion
- General Professional Development (Training)
- Compensation and benefits
- Industrial relations
- Organisational Development (Culture)
- Commitment and Pride of Belonging
- Work-life balance

102-9 SUPPLY CHAIN

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

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

Accordingly, Ingeteam has drawn up a specific Code of Conduct for Suppliers that details the requirements made of them in business dealings.

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

Business units which work in production establish supply chains mainly on a local basis, backed up by many years of experience in supplier assessment.

102-10 SIGNIFICANT CHANGES TO THE ORGANISATION AND ITS SUPPLY CHAIN

The 2022-2024 Strategic Plan introduces the reorganisation of the business units in terms of their market perspective. The activity of each unit will remain the same, although the way of addressing the market will have an eminently sectoral focus.

It constitutes the roadmap that will take Ingeteam to the next level, achieving nearly €1bn in turnover. The company has implemented matrix management, with a customer-focused sector orientation, to drive sales of its full range of products, systems and services. It has complemented this sectoral organisation with 8 functional areas and 3 technological segments (electric machine,

converters and control, and services) that pursue an overall specialisation, the mainstreaming of best practices and internal efficiency. It has put in place ambitious investment plans to consolidate its position as a technological leader in the sectors in which it operates. The renewable energy market is set to grow rapidly in the coming years and with its new Strategic Plan Ingeteam aims to position itself as a key player in the energy transformation.

Ingeteam's range of products, systems and services covers the growing electrification of society via its technological solutions, which enable more efficient and sustainable energy generation, transmission, storage and consumption.

The company is committed to an international, economically sustainable project to maintain its level of investment in facilities and R&D, and the creation of quality jobs, with a social and economic impact in the territories where it operates, without forgetting its roots.

In this context, Ingeteam plans to invest a total of €210m over the next three years, of which €140m will go to R&D and €70m to investment in new facilities and the improvement of existing ones. Specifically, it will invest in two self-consumption photovoltaic facilities at its plants in Beasain (Gipuzkoa) and Sesma (Navarre). The first produces Indar brand marine engines and generators (which enable electrical energy to be generated from mechanical energy) for wind, marine, hydraulic and stationary power plants, as well as pumps. The second manufactures solar inverters (which make it possible to generate electricity that can be fed into the grid from solar panels), inverters for charging and discharging batteries used in storage projects, electric vehicle chargers, and wind turbine converters (which enable wind turbines to generate electricity that can be fed into the grid). It will also undergo expansion to accommodate growth

in these areas. It also intends to invest in a new building in Navarre that will house a new test laboratory and offices. Ingeteam will also upgrade capacity at its Milwaukee (USA) plant to make it more versatile and serve more domestic customers in more sectors.

102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

Ingeteam's operations are based on highly technological products and services. R&D is essential to the development of the company, and around 5% of its annual turnover is given over to it.

Every time Ingeteam starts a project for the development of a new product or service, the principle of precaution is applied to offset any negative repercussions that the products or service in question may have on the environment and/or on people.

102-12 EXTERNAL INITIATIVES

Ingeteam has voluntarily signed up to the UN Global Compact and complies with local legislation on financial, environmental and social issues.

For the fifth year in succession we also drew up non-financial statements as part of the consolidated management report for the 2022 financial year at Ingeteam S.A.. These statements were drawn up to meet the requirements of Law 11/2018 of 28 December 2018 amending the Code of Commerce, the reformulated wording of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July and Account Auditing Act 22/2015 of 20 July on non-financial reporting and diversity.

These non-financial statements were drawn up in accordance with the guidelines on non-financial reporting issued by the European Commission (2017/C 215/01), arising from Directive 2014/95/EU. The guidelines of the Global Reporting Initiative on drawing up sustainability reports (GRI Standards) were also taken into account.

The non-financial statements include the information required to understand the trends, results and situation of the company and the impact of our activities concerning social and environmental issues, respect for human rights, the struggle against corruption and bribery and personnel issues. These statements are available to all users on the company's website along with this sustainability report.

102-13 MEMBERSHIP OF ASSOCIATIONS

To help perform our activities in various technological ecosystems, we are members of the following associations:

- TECNALIA. El mayor centro de investigación aplicada y desarrollo tecnológico de España, un referente en Europa y miembro de Basque Research and Technology Alliance.
- Clúster de Energía
- Foro marítimo vasco
- Innobasque Agencia vasca de innovación
- Gaia Asociación de la industria electrónica
- Clúster Marítimo Español
- Clúster de movilidad

- Club de exportadores e inversores
- Euskalit Estándares y formación de Calidad
- APD Asociación para el progreso de la dirección
- ASEMPEA Asociación Empresarial España-Asean
- ENERCLUB Club Español de la Energía
- Pacto Mundial-Red Española

The business units also participate in many other sectoral associations such as:

- AEE Asociación Eólica Española
- Wind Europe Asociación europea
- GWEC Global Wind Energy Council
- Clúster Energía Eólica de Navarra
- Renewable Hydrogen Coalition
- UNEF Asociación nacional FV
- SEIA Solar Energies Industry Association
- Asociación Española del Hidrógeno
- AFSIA Africa Solar Industrys Association
- Clean Energy Council
- Italia Solare

- Smart Energy Council
- APVI Australian PV Institute
- AEDIVE Asociación española para el desarrollo e impulso del VE
- CHARIN
- CHADEMO
- OCA Open Charge Alliance
- ASOLMEX
- Cámara comercio de España
- RENEWABLE UK
- ACERA
- AEMER Asociación de Empresas de Mantenimiento de Energías Renovables
- Siderex
- MAFEX
- Plataforma tecnológica ferroviaria española
- AFBEL Asociación Fabricantes Bienes de Equipo Eléctrico
- CIGRE
- UCA USERS
- DNP USERS

- FUTURED
- DLMS UA
- VDMA Marine
- VDMA Mining
- SERCOBE Asociación nacional de empresas de bienes de equipo.
- OWA Ontario Waterpower Association
- COGEN
- EASA Asociación reparadores de máquinas
- IDA International Desalination Association
- FLUIDEX Asociación Española de Exportadores de Equipos, Soluciones y Tecnologías de Proceso en la Manipulación de Fluidos
- PUMP CENTRE
- Hydraulic Institute
- GWI
- AWWA American Water Works Association
- ALADYR LATAM

STRATEGY

102-14 STATEMENT FROM SENIOR DECISION-MAKER

The project is based on helping to decarbonise society and bring about a transformation in energy towards an increasingly more electrified society. The technological foundation that supports the Project is supported by the company's three fundamental technology vectors: rotating electrical machines, power electronics and automation and control. Ingeteam also provides innovative solutions for operation and maintenance, an increasingly important field in sectors concerned with renewables.

Ingeteam's current Strategic Plan aligns its strategic goals with the Sustainable Development Goals of the 2030 Agenda and seeks to make the company's project sustainable on three fronts: social, economic and environmental.

As part of its Corporate Social Responsibility policy, Ingeteam's Board of Directors has selected 10 Sustainable Development Goals from among the 17 on the UN's 2030 Agenda. These SDGs best align with the strategy established in Ingeteam's Mission and Vision.

Specifically, they are the following:

- **SDG 3. Good Health & Well-being.** For any individual or collective purpose, it is necessary to ensure a healthy life and promote universal well-being. Ingeteam carries out a range of activities in regard to nutrition, encouragement of physical exercise among employees, support for research into disease, etc.
- **SDG 4. Quality Education.** Ensuring inclusive, fair, quality education and promoting lifelong learning opportunities for everyone are priority areas in

helping to solve the world's problems. Ingeteam has collaborated for many years with all kinds of educational centres: dual vocational training centres, universities, schools, etc.

- **SDG 5. Gender Equality** Gender equality is not only a fundamental human right but the necessary foundation for a peaceful, prosperous and sustainable world. At Ingeteam we are aware of this objective and several business/production units already have equality plans in place, whilst others are in the process of being drawn up and developed, with the intention of defining a company-wide framework for action and commitment.
- **SDG 6. Clean water and sanitation.** Water is one of the planet's most precious resources. According to the UN, its scarcity already affects more than 40% of the world's population. A statistic that sets alarm bells ringing and drives the search for solutions. Ensuring the availability and sustainable management of water and sanitation for all is vital today. At Ingeteam we work on projects aimed at improving water resource management and efficiency. Thereby, our technology contributes to solving irrigation problems due to droughts and the supply of freshwater, among others.
- **SDG 7. Affordable, Clean Energy** The implementation and growth of renewables to achieve a more sustainable world is vital to achieve this goal, and it is here where the company is a driving force in the development of products that favour the decarbonisation and electrification of society. Our efforts are also directed at improving energy efficiency in processes that require large scale energy exchanges.
- **SDG 8. Decent Work & Economic Growth.** To achieve sustainable economic development, societies need to set in place conditions to enable people

to access quality jobs. At Ingeteam we work to create quality jobs that contribute to the promotion of economic development, entrepreneurship and technological innovation.

- **SDG 11. Sustainable Cities & Communities** Cities are focal points for ideas, trade, culture, science, productivity, social development and much more. What's more, cities are growing, as is the world's population. At Ingeteam we seek to help cities become sustainable by fostering sustainable mobility via railway traction equipment and electric vehicles. We also drive social action in favour of different community based organisations and sectors.
- **SDG 12. Responsible Consumption & Production** Sustainable consumption and production mean, among other things, promoting the efficient use of resources and energy, and the construction of environmentally friendly infrastructure. The buildings in which Ingeteam's Production Units are located are the subject of various plans to reduce their carbon footprint and for waste recycling.
- **SDG 13. Climate Action** Climate change affects all countries on all continents, negatively impacting their economies, people's lives and communities, and greenhouse gas emissions are at the highest ever. At Ingeteam we take particular care to prevent pollution during the process of manufacturing our products, which over the course of their useful lifetimes help stop over 14 tonnes of CO₂ from entering the atmosphere.
- **SDG 14. Life below water** We are aware that water is one of the most precious resources the planet has, that is why we apply our experience and knowledge to create environmentally friendly machines, satisfying the needs of our customers, backed by the reliability of a manufacturer with more than 80 years of history.

102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES

The expectations for development in the various Ingeteam businesses are as follows:

Wind Energy

2022 has set a new record for new wind power installation with an additional 110 GW, representing a 13% increase compared to 2021, bringing the total to 955 GW at the end of the year, and we expect to pass the milestone of 1,000 GW in 2023.

Once again, China was the country that installed the most new capacity with 60 GW. Followed by the USA, Germany and India. Spain would be the fifth country in the world in terms of installed wind power capacity at the end of the year, with 33 GW in total.

In terms of offshore wind, after the huge record boost in 2021 with 21 GW of new installations, 2022 saw a return to the previous growth rate, with around 9 GW installed. Expectations for 2030 are to achieve 380 GW for offshore, up from 66 GW in 2022.

Ingeteam has increased the number of wind turbines and converters manufactured by 3 GW, reaching 57 GW installed worldwide.

Solar PV

In solar photovoltaics, we are continuing with the trend of steady and accelerated growth from recent years. In 2012, the world's installed capacity had reached 100 GW, and in just 10 years, we have surpassed the Terawatt mark. By 2022,

268 GW of new capacity had been installed, bringing the total to 1,239 GW, overtaking its perennial renewable rival, wind power, and closing in on hydro.

Once again it was China with 126 GW that installed the most power, followed a fair distance behind by Europe with 42 GW, in itself a record figure, 47% more than in 2021. The top contributors to this figure were Germany with 8 GW, Spain with 7.5 GW (55% up on 2021), Poland (4.9 GW), the Netherlands (4 GW) and France (2.4 GW).

Hydro Energy

The hydropower generation market exceeded 1,383 GW in 2022. It is currently the renewable energy with the greatest generation capacity in the world. The country ranking is led by China with more than 340 GW installed, followed by Brazil, USA, Canada and Russia.

Besides greenfield installations, the two main growth trends in the sector are:

- Modernisation of old plants.
- Conversion of existing plants to reversible pumped-storage facilities, where feasible.

Flexible Power Generation

Ingeteam provides distributed generation systems for backup thermal power plants in isolated locations and for weak grids via high-efficiency synchronous generators driven by thermal motors (diesel, gas or dual) which minimise primary fuel consumption. We also provide generation control systems for plants of this type. This year, generators with a total output of more than 1.1 GVA have been manufactured.

Transmission & Distribution

Ingeteam provides protection, control and metering systems for electricity distribution and transmission grids to meet the increasing need to upscale grids in response to increasing demand, improve the standard of service and enhance efficiency. The concept of smart grids is becoming firmly established in this sector.

The outlook for this sector is very positive thanks to the favourable regulatory framework, European funds and the investment efforts of utilities and developers.

EV Chargers

The march towards the consolidation of the electric mobility phenomenon is a fact, given the reality of the market figures at the end of 2022. Deliveries of new electric and plug-in hybrid vehicles totalled 10.5 million, a 55% increase compared to 2021.

The top spot in terms of percentage growth by geographical area is held by China, up 82% compared to 2021. USA and Canada saw a 48% increase. However, due to multiple adverse socio-economic circumstances, Europe increased only by 15%.

These figures included a 72% share of electric vehicles, the remainder being primarily plug-in hybrids (PHEVs), with much lower numbers for non-plug-in hybrids.

Growth in the different countries varies in part due to the availability of an electrification network divided between slow AC charging and fast DC charging, the latter being increasingly widespread.

BESS

This is an area that cuts across various forms of electricity generation, where there is a need to adapt the generation curve to the consumption curve and at the same time help to stabilise and control the grid. The large-scale incorporation of renewables into the generation mix accentuates that need.

Water

The ever greater need for water for human consumption and the upsets resulting from climate change make this business area, make this business area an increasingly important vector for development. A range of water engineering solutions are offered that bring together pumping project engineering and its submersible motor pump units.

Railway & Mobility

In the global context, the search for carbon-free solutions is a necessity in the transport sector. Spending on new and existing rail network infrastructure continues to increase worldwide for a variety of reasons. Rail is the most environmentally friendly mode of land transport, with much lower energy consumption and emissions of CO₂ per tonne-kilometre than others.

The personal and freight transport needs of the world's population are growing in parallel with increased business and commercial activity, while putting additional pressure on existing transport networks, including roads, air and sea routes, as well as rail. This situation is forcing governments to improve their transport networks in all areas, by installing new projects and expanding existing infrastructure.

Marine

Following a strong increase in ship production in 2021, the figures for 2022 were down 20%, approaching 2020 figures. LNG carriers and container ships account for half of all new building in terms of gross tonnage.

By market, China with 49% and South Korea with 38% account for the lion's share of this new production. A gradual renewal of the fleet is expected in the near future, driven by research into the use of carbon-free fuels, with corresponding new investments in this sector in the quest for environmental neutrality.

Metals & Mining

In contrast to 2021, the global steel production figure for 2022 dropped by 4.3% to 1.83 billion tonnes (according to data from the World Steel Association).

Once again China leads the ranking with slightly more than half of world production, 1010 MTn, 55.3% of the total, although, down 2.1% compared to 2021. Followed by India, which saw an increase to 124.7 MTn, and Japan with 89.23 MTn. The USA is the fourth largest producer with 80.7 MTn, and Russia the fifth with 71.5 MTn. South Korea's production has also decreased to 65.8 MTn, and Turkey had 35.13 MTn.

Europe as a whole reached 181.4 MTn. In South America, Brazil produced 32 MTn. Given this panorama, Ingeteam had a good year with an increase in turnover of close to 90% compared to 2021 for steel and industrial plant activities.

In mining, projects have resumed that were halted in the previous year due to the pandemic.

Green H2 Systems

This unit was constituted in 2021 to design and manufacture the power electronics systems required for hydrolyser operation. The hydrogen project pipeline continues to grow, but actual deployment lags behind.

Some 680 large-scale hydrogen project proposals had been submitted in 2022, equivalent to USD 240 billion of direct investment by 2030, representing a 50% increase in investment since November 2021. However, only around 10% (\$22 billion) achieved a final investment decision.

Europe is home to more than 30% of proposed hydrogen investments worldwide. However, other regions are leading deployment on the ground: 80% of low-carbon hydrogen production capacity is in North America, while China has overtaken Europe in electrolysis, with 200 megawatts (MW) operational, compared to 170 MW in Europe, driven by strong government support. South Korea and Japan, meanwhile, are leading the way in fuel cells, driven by strong government and corporate ambitions.

ETHICS & INTEGRITY

102-16 VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR

At Ingeteam, we have specified a set of values that are consistent with those from the previous strategic reflections.

Mission:

“Favour the global energy transition model through the development and

application of high technology in rotating electrical machines, power electronics and automation and control”.

Vision:

“To be an electrification leader, offering personalised and competitive products, services and systems.

We will rely on people and continuous improvement to make Ingeteam, in collaboration with our customers, a sustainable project”.

We will achieve a position of leadership based on the following:

- Service excellence, with a business model and competitive strategy based on providing excellent service to our customers. Customer satisfaction is the key to our business.

Our policy will include setting up cooperation and partnership arrangements to ensure mutual satisfaction well beyond day-to-day operations.

- Technology and innovation: we seek to encourage innovative attitudes towards products, services, systems and working procedures to continually improve our management efforts and the proposals that we put to customers. To that end, we will use all necessary technologies available to us. We will use technology as a lever for growth and a distinguishing feature.

We will aim our growth at areas where we can contribute products and services with the most added value and the highest technology content.

- Quality: our commitment to total quality, competitiveness, internal efficiency, rigour and prudence in our business operations is an identifying feature of our corporate project, providing it with the backing of sound assurances that

the best interests of shareholders and employees alike will be safeguarded.

Accordingly, Ingeteam proactively takes on board and ethos of continuous improvement as it seeks discreet improvements in all areas of activity so as to progress towards operational and corporate excellence.

Values:

- The basic foundation of any business is its workforce
- Appreciation of human values and attitudes
- Trust
- Proactivity
- Consistency, implementation and reliability
- Leadership at all levels and teamwork
- Self-criticism
- Friendship
- Work-life balance
- Commitment to society

These values show up in a multitude of activities. In any event, they are all covered by the organisation's Code of Conduct, which is its highest ranking set of rules in this regard.

The services and products sourced from suppliers by Ingeteam form an essential part of the value chain provided to customers, so they are required to comply strictly with legislation, with the same ethical values on defence of human rights

and integrity, prevention of corruption, protection of intellectual and industrial property rights, safety, health, environmental matters and conflict minerals.

Ingeteam has also signed up to the 10 principles of the universally accepted Global Compact based on United Nations declarations on human rights, labour, the environment and anti corruption measures.

102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

Ingeteam has a Code of Conduct that was approved in 2012, updated in 2019 and is being revised throughout this year to issue a new update. It lays down guidelines for the conduct of board members, management committees and workforces at Ingeteam companies and reinforces the ethical culture of the organisation concerning the following issues:

- Values and principles in Ingeteam's business relationships.
- Indications of types of behaviour that are not tolerated, are inappropriate or may even be considered as criminal in business dealings.
- A reminder of the duty to report behaviour that contravenes the code via the reporting channel set up.

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

The Code of Conduct was drawn up and has been updated on the basis of the Mission, Vision and Values of Ingeteam, as set by the Board of Directors, and on a commitment to reinforce a culture of ethics at the organisation and ensure that

its employees exercise due diligence and proper compliance with regulations in all the territories where the company operates.

To that end, the Board of Directors has set up a structure and model at Ingeteam to prevent, detect and investigate breaches of the Code of Conduct and of applicable regulations via the Compliance and Conduct Committee, so that improvements can also be suggested.

Compliance and Conduct Committee.

The Compliance and Conduct Committee (henceforth called the Compliance Committee) is the Ingeteam body that monitors the distribution, knowledge of and compliance with the Code of Conduct and the culture of ethics.

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

The Board of Directors has given the committee independent powers of initiative and control within Ingeteam to assure compliance with current regulations, particularly on matters of criminal law, and with the Code of Conduct on the part of all company personnel. This covers the actions of companies, business units, production units and their individual specialists.

It also manages the Reporting Channel and guarantees full confidentiality for reports by whistle-blowers concerning potential breaches of the Code of Conduct or applicable regulations. Such irregularities are investigated through impartial proceedings tailored to the circumstances of each case.

The committee has its own regulations which set out its functions and responsibilities. It is made up of:

Chairwoman: Member of the Executive Committee - International Development Director

Ordinary members:

- Global Director People
- Global Director Digitalization & Infrastructure
- Global Director Legal
- Global Director Ethics and Compliance
- Global Director Accounting, Audit & Controlling

Ingeteam set up a Reporting Channel in 2012 for reporting any activities by its employees, suppliers or third parties with which Ingeteam maintains work-related, commercial or direct professional links concerning the following:

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

GOVERNANCE

102-18 GOVERNANCE STRUCTURE

The governance structure of Ingeteam comprises the following bodies:

Shareholders' Meeting Ingeteam S.A.

Board of Directors Ingeteam S.A.

Corporate Management

Business unit boards

Board of Directors of companies

102-19 DELEGATING AUTHORITY

The model for delegating authority is applicable to all company subsidiaries.

102-20 EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

Ingeteam has always known how to combine the experience it has gained since its foundation with a constant renewal of ideas. The business sectors in which Ingeteam operates require a permanent search for solutions in technology, innovation and good management practices.

To react to such expectations, Ingeteam employs an active and efficient structure, with the agile decision-making of a family-run business, to quickly transfer its knowledge and competitiveness to the market. And all this with the express involvement of its staff and collaborators.

General Meeting of Shareholders

This is the highest decision-making body for the natural and juridical persons who are shareholders. It meets once a year on an ordinary basis to approve

the e previous year's accounts, and can convene additional extraordinary shareholders' meetings.

Board Of Directors

The General Meeting of Shareholders chooses the members of the Board of Directors, which is the sovereign decision-making body and representative of the company's strategies. The Board meets quarterly, and this may be augmented by extraordinary meetings should relevant matters arise.

Corporate Management

Approval of the new 2022-2024 Strategic Plan has led to certain changes in corporate governance. The new executive team is structured as follows:

- **Corporate Business Management (DCN):** Corporate Business Directorate (DCN) is comprised of the three Technology Segment Managers (Machines, Converters & Controls, O&M Services) and managers from the three Sector Divisions, the CTO, DG and the CEO.
This is Ingeteam's highest executive body in terms of Strategy and Business.
- **Corporate Management Directorate (DCG):** The Corporate Functional Directorates (5), the Segment Directorates (3), the DG and the CEO make up the Corporate Management Directorate (DCG).

The DCG is the forum where the Strategic Goals and Projects for Ingeteam's functional areas are established.

102-21 CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL & SOCIAL TOPICS

The CEO delegates persons from his/her management area to consult with and check information on stakeholders concerning economic, environmental and social topics.

102-22 COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES

The General Meeting appoints the Board of Directors, which is the sovereign decision-making body and representative of the company as regards strategies. The Board meets quarterly, and this may be augmented by extraordinary meetings should relevant matters arise.

The Board has 7 members, and the proportion of women is 28.5%.

Name	Role
Ms. Teresa Madariaga Zubimendi	Chairwoman
Mr. Felipe García de Eulate	Ordinary member
Mr. Victor Mendiguren Ayerdi	Ordinary member
Ms. Alicia Vivanco González	Ordinary member
Mr. Ander Gandiaga Osoro	Ordinary member
Mr. Alex Belaustegui Foronda	Ordinary member
Mr. Adolfo Rebollo Gómez	Member/CEO
Mr. Alberto Guerra San José	Non-director Secretary

102-23 CHAIR OF THE HIGHEST GOVERNANCE BODY

The current chair of the Board of Directors is Ms. Teresa Madariaga.

102-24 NOMINATING & SELECTING THE HIGHEST GOVERNANCE BODY

The members of the highest governance body are nominated by shareholders and their selection is approved by the General Meeting of Shareholders.

102-25 CONFLICTS OF INTEREST

Each Director provides a statement of potential conflicts of interest, and refrains from participating in or voting on matters that fall within the conflict area.

102-26 ROLE OF HIGHEST GOVERNANCE BODY IN SETTING PURPOSE, VALUES AND STRATEGY

The role of the Board is to approve the annual plans and strategic plans proposed by the CEO.

102-27 COLLECTIVE KNOWLEDGE OF HIGHEST GOVERNANCE BODY

There is no corporate training or individual personnel training programme.

102-28 EVALUATING THE HIGHEST GOVERNANCE BODY'S PERFORMANCE

There is an annual evaluation by the General Meeting.

102-29 IDENTIFYING AND MANAGING ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

The company CEO submits impacts, significant risks and opportunities to the Board for its information and for decision-making.

102-30 EFFECTIVENESS OF RISK MANAGEMENT PROCESS

The CEO presents the most significant risks to the Board for its information and for decision-making.

102-31 REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

These topics are reviewed monthly.

102-32 HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING

The CEO is responsible for approving the sustainability report.

102-33 COMMUNICATING CRITICAL CONCERNS

Any critical concern is dealt with at the Corporate Management level. The CEO is directly aware of matters of importance with a view to reporting them to the highest governance body.

102-34 NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS

Information on critical concerns is not public knowledge and may not therefore be disclosed here. The mechanism for tackling such concerns is outlined in the previous point.

102-35 REMUNERATION POLICIES

To deal with remuneration policies for the highest governance body and the top executives of Ingeteam, the Board of Directors of Ingeteam, S.A. has set up the Appointments & Remunerations Committee as a standing committee with an informational and consultative remit. It has the power to provide information and advice & make proposals within its area of action. This includes:

- Submitting proposals to the Board on remuneration policies for top management at Ingeteam, regularly reviewing same and, if necessary, proposing that the Board change or update them.
- Reporting to the Board the proposals put forward by the CEO on top management contracts at Ingeteam and on the remuneration structure and basic terms and conditions of those contracts.
- Regularly reviewing the general remuneration programmes of the workforce of the company to assess their suitability and outcomes.
- Ensuring compliance with the company's remuneration programmes and reporting on documents to be approved by the Board.

The remuneration of the management staff of the organisation is set in each case by their superiors, with assessment as required from the Human Resources area closest to their area of responsibility and the relevant line managers.

In each annual review, the extent to which each individual has met his/her targets, the trend in his/her performance individually and in teamwork in regard to his/her functional area, current economic circumstances, the strategy, sector and location of the organisation where he/she works and the wage policy directives applicable to each organisational unit and to the organisation as a whole are taken into account.

The policy for the organization as a whole establishes that management staff salaries include a variable element to link their monetary remuneration with the trends in various company and business-unit level performance indicators and the attainment of individual and collective targets (at team, department & functional area levels).

Similarly, another purpose is to further the strategy of the organisation by enhancing its competitiveness and strengthening the commitment of employees.

Compensation for termination or cancellation of employment contracts at the organisation (for reasons of dismissal, retirement or others) is provided in strict compliance with any agreements reached between the parties or, in the absence of such agreements, in compliance with current legislation covering the reason for the cessation of the employment relationship.

The organisation's variable remuneration policy sets out the general characteristics of the targets to be used at the different management levels for structuring and calculating variable remuneration, and establishes the different percentage brackets for the items into which it may be broken down:

- Objective variable remuneration based on meeting measurable targets based on indicators versus subjective variable remuneration based on performance assessment.

- Indicators for financial results at the different levels of the organisation at which each management staff member operates, indicators for targets in each functional area, and project indicators.

The policy also provides a reference system for calculating all indicators, with the thresholds and limits to be taken into account.

102-36 PROCESS FOR DETERMINING REMUNERATION

The previous point sets out the process by which remuneration is determined. Specialist external consultants have no role in this process.

102-37 STAKEHOLDERS' INVOLVEMENT IN REMUNERATION

The opinion of stakeholder groups is not sought in regard to determining remuneration.

102-38 ANNUAL TOTAL COMPENSATION RATIO

This information is not available.

102-39 PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO

This information is not available.

102-40 LIST OF STAKEHOLDER GROUPS

Ingeteam's stakeholder groups are the following:

- Strategic customers
- Rest of customers
- End customers
- People
- Shareholders
- Suppliers
- Financial organisations
- Knowledge centres
- Public administrations
- Community & setting
- Regulatory bodies
- Sectoral associations
- Competitors

102-41 COLLECTIVE BARGAINING AGREEMENTS

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

102-42 IDENTIFICATION & SELECTION OF STAKEHOLDERS

In the course of its strategic reflection process, Ingeteam has identified the main stakeholders which its activities may impact.

102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

During the activity of the different companies that comprise Ingeteam, we consult the stakeholders and obtain their impressions, which are forwarded to the CEO via the aforementioned established channels.

102-44 KEY TOPICS AND CONCERNS RAISED

The key topics for Ingeteam are set out in the strategic reflection process. In general this may entail ensuring that our operations fit with the requirements of our stakeholders: employees, suppliers, society, etc. Our activities are therefore focused on achieving that fit:

- Adapting to continual technological developments at customers.
- Taking advantage of technological developments applied to our products which are supplied by third parties.
- Enriching the technical capabilities and working methods of our employees and at the same time providing them with better conditions for assuring work-life balance.
- Meeting the needs of the societies where we operate and making use of local human resources whenever possible.

- Encouraging greater environmental friendliness by publicising our clean, efficient technology solutions.

REPORTING PRACTICES

102-45 ENTITIES INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS

The entities included are listed below:

- INGETEAM, S.A.
- INGETEAM Power Conversion, S.L.U.
- INGETEAM Power Technology, S.A.
- INGETEAM Indar Machines, S.A.
- Bizkaia Business Capital, S.L.U.
- Bizkaia Business Capital 1, S.L.U.
- Bizkaia Business Capital 2, S.L.U.
- INGETEAM R&D Europe, S. L.
- Bizkaia Business Capital 3, S.L.U.
- Bizkaia Business Capital 4, S.L.U.
- Bizkaia Business Capital 5, S.L.U.

- INGETEAM México, S.A. de C.V.
- INGETEAM, GmbH
- INGETEAM, A.S.
- INGETEAM, Ltda.
- INGETEAM, S.R.L.
- INGETEAM, Inc.
- INGETEAM, S.A.S.
- INGETEAM, Spzoo
- INGETEAM, SpA
- INGETEAM (PTY), Ltd
- INGETEAM Power Technology India Private Co. Ltd.
- INGETEAM Australia (PTY) Ltd.
- INGETEAM Panamá, S.A.
- INGETEAM Service S.r.l.
- INGETEAM Philippines INC
- INGETEAM Uruguay, S.A.
- INGETEAM UK, LTD.
- INGETEAM Morocco, S.A.R.L.A.U.

- INGETEAM Bulgaria, E.A.D.
- INGETEAM Perú, S.A.C
- Elprom Service, s.r.o.
- INGETEAM Power Technology Shanghai Co., Ltd.
- INGETEAM Vietnam Co.,. Ltd.

102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

The four relevant principles are applied in defining the content of this report:

Stakeholder inclusiveness

The stakeholder groups involved and the way in which the related approaches and impacts are taken into account are outlined in points 102-40 to 104-44 above.

Sustainability

The whole document seeks to present the performance of the organisation in topics which in any way affect the sustainability of operations in our working environments.

Ingeteam conducts regular analyses to identify relevant aspects in regard to environmental, social and people-related issues, human rights, the struggle against corruption and for ethical behaviour as relevant to the various stakeholders throughout its value chain.

This process of analysis, including knowledge processes with and concerning stakeholder groups, is key to establishing priority areas for action by the company in line with best practices and reference standards. The main overall trends in the sector are taken into account, and a materiality assessment meeting is held.

Materiality

Ingeteam works in a wide variety of industrial settings, and the material topics dealt with are equally varied. This report presents those which we consider most relevant in terms of their effects on sustainability. Specifically, the criteria applied are those of GRI 102 – 46 "Defining report content and topic boundaries" and GRI 102 – 47 "List of material topics".

Exhaustiveness

The working group on sustainability considers the level of exhaustiveness of the information presented here to be sufficient. It is the level expected by members of the corporate management and by the highest governance body.

The application of the four principles refers to the following parameters:

- The list of material topics dealt with in the report.
- Coverage, which in our case is global given how widely spread our plants are and in view of our commercial and industrial operations.
- The weather. Information is compiled in the year of the report.

Most of the information in this report has been audited with a view to submitting non-financial statements.

102-47 LIST OF MATERIAL TOPICS

The list of material topics is directly linked to the indicators selected.

102-48 RESTATEMENTS OF INFORMATION

Some sections of this report are restated from last year's report, as there have been no changes in them.

102-49 CHANGES IN REPORTING

The report continues to be prepared in accordance with the consolidated set of GRI STANDARDS 2016.

102-50 REPORTING PERIOD

This report covers financial year 2022.

102-51 DATE OF MOST RECENT REPORT

The latest report was published in June 2022 and referred to financial year 2021.

102-52 REPORTING CYCLE

Annual.

102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

Any questions regarding the report should be addressed to the Corporate Communications Department at Ingeteam, which coordinates its preparation.

102-54 CLAIMS OF REPORTING

This report was drawn up in line with GRI standards: Essential option.

102-55 GRI CONTENT INDEX

This index is at the start of the document.

102-56 EXTERNAL ASSURANCE

This sustainability report has not undergone external verification. However, many of the data shown here also appear in the Non-Financial Statements. Those non-financial statements are part of the consolidated management report for financial year 2022 of Ingeteam S.A.. They were drawn up to meet the requirements set in Act 11/2018 of 28 December 2018 amending the Code of Commerce, the reformulated wording of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July and Account Auditing Act 22/2015 of 20 July on non-financial reporting and diversity.



GRI 201 Economy

2022 was the first year of the new Strategic Plan and we started it with enthusiasm and good prospects. As the year progressed, we encountered various situations that didn't enable us to conduct the tasks we had planned.

Just as we were beginning to see the light at the end of the tunnel caused by the COVID-19 pandemic, war broke out in Ukraine on 24 February 2022, putting all the world's economies in check. Inflation around the world, rising transport costs and especially raw materials and energy costs forced us to make a major effort in our supply chain, as well as making us work extra hard to incorporate alternative components in record time, all with the aim of having as little impact as possible on our customer delivery times.

The global geopolitical situation only underscores the need for energy independence, which can only be achieved via the sustainable electrification of society, based 100% on renewable generation.

We are well positioned to play a leading role in the markets that will lead the change in our society's energy model. We have the capability, the technology, the desire and the best team in the industry to meet all of the challenges involved. We remain confident in the objectives contained in the current 2022-24 Strategic Plan.

We have made progress with the roll-out and can already see improvements in certain areas, for example in market access. The new organisation also seeks specialisation, and the transversalisation of knowledge and functions. Our accumulated order backlog was over €1 billion at the end of the year, an all-time record.

ECONOMIC PERFORMANCE

201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The figures for economic value (EV) in 2022 are as follows:

- EV generated: €861,326,811
- EV distributed: €868,122,015
- EV retained: €-6,795,204

201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE



The effects of climate change are a reality that is affecting the entire planet, and urgent action must be taken as quickly as possible to reduce its impact. This action should focus on replacing the current energy model, which is based on fossil fuels - basically oil, natural gas and coal - and shifting to the widespread consumption of energy from renewable sources.

Therefore, the renewable energy revolution is unstoppable and irreversible favouring the transition to a sustainable energy scenario. All the efforts of the countries, in our particular case the European Union, are leading to the acceleration of the development of multiple transition technologies such as smart grids, green hydrogen and batteries, sectors in which Ingeteam can play a major role.

Renewables currently account for a third of global energy capacity and a quarter

of generation capacity. The products manufactured by Ingeteam contribute to the energy transition as demonstrated by more than 28 GW of solar photovoltaic capacity supplied with solar inverters and more than 57 GW of Indar converters and generators to the wind industry. Ingeteam has more than 11 GW of total installed power in the hydropower sector with our Indar generators and more than 12,000 Indar submersible pumps worldwide. 9,000 transmission and distribution substations are automated and protected with their equipment, integrating more than 31 GW of renewable power into the grid. We have also accumulated 3 GWh in electrical storage facilities and are a world leader in the provision of operation and maintenance services at renewable energy plants with more than 22 GW of maintained capacity.

In terms of efficient consumption, it is worth noting the supply of over 24,000 electric vehicle chargers, 700 items of equipment for electric trains, or more than 650 ships equipped with our technology, enabling their evolution towards hybrid and full electric naval propulsion systems.

At Ingeteam we are always looking for innovative solutions that guarantee taking steps towards the decarbonisation of the maritime sector and the electrification of ports. This commitment translates, for example, into our membership of initiatives such as the Net-Zero Mar Alliance, which brings together more than fifty companies and organisations to steer the Spanish maritime industry towards a green horizon with a commitment to a sustainable economy as a key factor in this process. The new EU regulatory framework via programmes such as Fit for 55, in the context of the European Green Pact and the European Climate Act, or the Climate Change and Energy Transition Act, favours the commitment to the green economy as a crucial vector for industrial development and job creation as an alternative for recovery and modernity in Europe.

At the same time, international climate targets or the goals set by Brussels as part of the Green Deal make it clear that the world needs a different kind of ship, one that is more efficient, less polluting, and powered by cleaner fuels. In short, more innovative and technological vessels.

The combination of both factors strengthens European industry and suggests that, despite the enormous complexity of the shipbuilding sector and global imbalances - with Asia as a major global shipbuilding hub - the EU shipbuilding sector has a future and should play a predominant role in the coming decades.

In the global context, the search for carbon-free solutions is a necessity in the transport sector. Spending on new and existing rail network infrastructure continues to increase worldwide for a variety of reasons. Rail is the most environmentally friendly mode of land transport, with much lower energy consumption and emissions of CO₂ per tonne-kilometre than others.

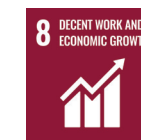
The personal and freight transport needs of the world's population are growing in parallel with increased business and commercial activity, while putting additional pressure on existing transport networks, including roads, air and sea routes, as well as rail. This situation is forcing governments to improve their transport networks in all areas, by installing new projects and expanding existing infrastructure.

As for green hydrogen, the sector in which we have started our activity, pressures to reduce environmental pollution have led a number of countries and companies to commit to this new form of clean energy, which many believe will be key to "decarbonising" the planet. Several countries have published national plans for the production of this renewable fuel. This includes the European Union (EU), which in its "Hydrogen Strategy for a Climate Neutral Europe", published in mid-

2020, committed to investing US\$430 billion in green hydrogen between now and 2030. The EU intends to install 40 gigawatts (GW) of renewable hydrogen electrolyzers over the next decade to achieve its goal of becoming climate neutral by 2050.

In the fight against global warming, it is also necessary to promote sustainable mobility. Car manufacturers are already announcing the withdrawal of fossil fuel combustion engines from the market, so infrastructures have become essential to building the new mobility.

201-3 DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS



Ingeteam does not make specific pension plan contributions for its employees. Coverage is provided via official contributions to the Social Security system, as per the legislation applicable in each country at each relevant time.

201-4 FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT



In financial year 2022, Ingeteam received €6,374,368 in aid for research programmes from various institutions.

MARKET PRESENCE

202-1 RATIOS OF STANDARD ENTRY-LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE



At Ingeteam wages depend on training, experience and performance. The gender of workers is not taken into account. Since 2012, chapter 2 of our Code of

Conduct has read as follows: "The wages received by employees will be determined by the functions that they perform, with the applicable bargaining agreements always being observed".

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

In 2022, as in previous years, Ingeteam carried out a comparative analysis to assess the existence of the pay gap at its workplaces and its evolution.

This analysis took gender, occupational category and geographical area into account and compared the wages of all the women at each workplace with those of the men in each category, with the results being weighted over the total number of employees. "Remuneration" includes wage items such as basic wage, bonuses, voluntary bonuses, incentives, variable remuneration, etc.

From 2020, the wage amounts associated with the concept of seniority are expressly excluded, because different criteria may coexist depending on the workplace and country, as well as introducing a distorting element in the comparisons of total wages by sex.

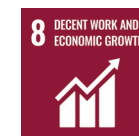
Additionally, we did not carry out a global wage gap analysis on the understanding that the diversity of wage levels between countries with different living standards would produce an absolute result that would be difficult to interpret. Hence, the following study, which breaks down the gap analysis into geographical areas (Spain, Europe and the rest of the world with analysis of specific and representative countries according to workforce) that have a certain wage affinity or at least where the difference in living standards and its impact on wages does not distort the result sought.

Wage gap at Ingeteam in Spain:

Following analysis, each workplace was found to exhibit a different reality, and although the conclusions did not find gender pay equity at all of our workplaces in Spain and Europe in 2022 - where there has been both progress and setbacks depending on the professional group - where various variables can affect the gap making it a complex issue to manage. In any event, we can attest that Ingeteam is currently working to reduce this gap at all of its workplaces in Spain and abroad, using regular diagnoses and action plans that result in decisive advances in this area and specified in the Equality Plans currently in force.

Internationally, the situation is not significantly different from Europe, although it is more diverse in terms of socio-cultural situations and work environments due to the lack of basic Collective Bargaining Agreements that provide a basis for compensation..

202-2 PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY



Over 80% of the senior management of the organisation are hired from local communities, which in this case means from the country where each workplace is located.

INDIRECT ECONOMIC IMPACTS

203-1 INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

Ingeteam's operations do not include the development of infrastructures of any kind.

203-2 SIGNIFICANT INDIRECT ECONOMIC IMPACTS



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

- The creation of jobs and hiring of local personnel at our production plants.
 - Contributions to the local economy in the form of taxes paid on our operations.
- In this sense, Ingeteam's tax payments in 2022 amounted to €1,522,177.

PROCUREMENT PRACTICES

204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS



The share of local procurement in 2022 remains the same as in the previous year at around 40%.

ANTI-CORRUPTION

205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION



As in the previous year, there were no cases of corruption related to operations. In any event, such cases are identified in our Code of Conduct, and potential circumstances are monitored by the Compliance Committee.

Corruption prevention and detection reviews were carried out this year in subsidiaries in Italy, Brazil, Australia, India, Mexico and the UK.

205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES



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

Corruption-prevention measures:

- The Code of Conduct sets clear guidelines concerning the prohibition of gifts, donations, invitations, travel and other considerations for customers, suppliers and public employees.
- If there is any doubt as to the interpretation of the guidelines, the principle of prudence should be applied and gifts or invitations are to be turned down. In any event, superiors and the Conduct Committee can be consulted.

- General terms and conditions for purchasing are in place and a code of conduct for suppliers is being drawn up to get them to undertake to act ethically. Specific clauses are included.
- There are procedures for purchasing, assessment and approval of suppliers and supplier audits.
- Guidelines on sponsorship and donations.

Corruption-detection measures:

- Notification and publicising of the Reporting Channel.
- Regular reviews of risk areas.

Corruption-response measures:

- There is a procedure for responding to and investigating reports.
- Compliance and Conduct Committee.

205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

There were no corruption cases related to Ingeteam's activities in 2022.

ANTI-COMPETITIVE BEHAVIOUR

206-1 LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST AND MONOPOLY PRACTICES



No legal action was taken in 2022 concerning anti-competitive behaviour or monopoly practices related to the operations of Ingeteam.

GRI 300 Environment

Aspiration: “Develop our activity and business with excellent environmental and sustainability performance, being recognised in the sector and society as a benchmark company committed to international standards in terms of environmental management and sustainable development objectives”.

Our principles and priorities are:

- Ensure compliance with current legislation and all other commitments that the company has subscribed to in terms of Environmental Management and Sustainability.
- Ensure, during the performance of our industrial and business activity, the protection and respect for the environment, minimising the environmental effects produced as a consequence of this activity.

- Favour a global energy transition model by developing and applying high-technology in rotary electric machinery, power electronics, automation and control that contribute to the mitigation of climate change and enable the sustainable use of natural resources.
- Ensure compliance with applicable environmental legal requirements in the countries where we operate and with the requirements voluntarily adopted by the organisation.
- Ensure that the Environmental Policy and Regulations are known, extended and respected by all employees via information channels, in addition to developing awareness campaigns and continuous training.

- Promote the development of appropriate management processes, procedures and tools for greater efficiency, prevention and control of environmental activity, resulting in a minimum environmental impact.
- Integrate the Environmental Management system into the global management of Ingeteam, promoting and recognising active participation in initiatives that have an impact on the awareness and commitment of the Organisation and Employees to this integration.
- Define concrete, challenging, achievable and measurable objectives and goals within a specific environmental programme that contributes to minimising our environmental footprint.
- Exercise responsible consumption, waste generation and management.
- Respect nature and biodiversity in the environments where Ingeteam's workplaces are located.
- Inform and make available to all our stakeholders Ingeteam's environmental policy, objectives, practices and results.

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

Therefore the information reported here is for the following countries: Spain (including all its workplaces), France, Czech Republic, Italy, USA, Mexico, Brazil, Chile, India and UK.

The commitment to responsible management of the environment is supported by an externally audited and ISO 14001 certified environmental management

system, based on environmental indicators and objectives for process monitoring and improvement.

Ingeteam's production centres located in Spain, the United States, the United Kingdom, Mexico, Brazil, Chile and France have an environmental management system per standard UNE-EN ISO 14001. Each production unit has specialist personnel allocated to handle matters of environmental risk prevention. Their numbers vary depending on the potential risk in each area of activity.

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

- Impact on climate change.
- Air, water and soil pollution.
- Consumption of non-renewable raw materials.

Ingeteam's environmental management is based on the principle of precaution and prevention with a focus on the entire business value chain. The environmental management system aims to prevent pollution and reduce environmental impacts throughout the value chain.

Ingeteam's risk of producing environmental pollution is low, with the exception of certain manufacturing production units including Ingeteam Indar Machines, located in Beasain-Guipuzkoa, which manufactures generators and electric generators and submersible pumps. The factory stands in a natural area and is closely monitored by the public water authority URA, under the Basque Government, given that there is a risk of discharges into water courses.

In addition to the ISO 14001 certificates, the activity of Ingeteam Indar Machines has an ISO 50001 certificate, within the integrated management system for

Safety, Health and Environment, which certifies energy management. This activity has an integrated management policy that includes energy management.

In 2022, 85% of EBITDA is from ISO 14001 environmentally certified activities.

Due to the nature of Ingeteam's business the production of its equipment does not include emissions of ozone-depleting substances (ODS), nitrogen oxides (NOx), sulphur oxides (SOx) or other significant substances into the atmosphere. The company does not create light or noise pollution either.

Furthermore, the products manufactured by Ingeteam are destined for renewable energies, enabling a reduction of CO₂ emissions into the atmosphere of about 14 million tonnes. In addition to the usual measures such as selective waste collection at every workplace, improvements to the calculation of indicators, etc., two measures were established in recent years by Corporate Management that will be implemented in the years to come:

Promote the use of electric vehicles:

Management will act in several ways to promote the use of electric vehicles (EVs).

On the one hand, fleet vehicles will be gradually replaced by EVs when leasing contracts reach their limit, except in cases where operations do not allow daily recharging to guarantee the desired operation. Likewise, when hiring new vehicles, reasonable efforts will be made to ensure that they are EVs, it being necessary to justify the non-addition of electric fleet vehicles, prior to their hiring.

2022 saw the addition of 18 100% electric vehicles to the fleet, which is 63% up, and 13 hybrid vehicles.

On the other hand, charging infrastructures are essential for EV deployment to be efficient. A sufficient number of EV chargers have been installed at the facilities to contribute to the improvement of the charging network. Thus, EV charging points have been installed in the employee parking area, so they can charge their private EVs whilst they are at work.

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

Promotion of solar photovoltaic self-consumption installations:

With the sun as our ally, we can make our homes more sustainable, which is why we have also promoted residential solar photovoltaic installations for self-consumption in the homes of our employees.

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

Mobility plan:

In 2022, in compliance with DECREE 254/2020, of 10 November, on Energy Sustainability in the Basque Autonomous Community, the relevant studies have been conducted on the Mobility Plan for the facilities in Bizkaia and Gipuzkoa.

In this regard, the Mobility Plan for the Innovation City in Sarriguren, Navarre, where Ingeteam's facilities are located, was also presented. This mobility plan involved the participation of Ingeteam.

In terms of more specific measures/action in Spain to favour greater efficiency and environmental performance for mobility, we can highlight the following:

- Renewal and promotion of the campaign to use bicycles as a non-polluting and healthy means of transport.
- Renewal of the agreement with Urban Ciclo as a means to transport small parcels between offices and the Campollano warehouse.
- Renewal of agreement to provide an Envirobank machine to manage the recycling of coffee capsules, batteries, light bulbs and oils at the Albacete offices and avoid contamination and water waste.
- Awareness-raising communication via the "Ingegram" channel: preserving pollution and reminder in the event of an environmental emergency.
- Recycling week at FEDA on the Carbon Footprint experience.
- Talks in schools on 26 January 2022 for environmental education day.
- Talks in various provincial schools in Albacete on 17 May, World Recycling Day.
- Newsletter with publications on environmental awareness and sensitization.
- Notification of employee mobility survey for the calculation of service activity carbon footprint in Spain.
- Raising environmental awareness via inductions and for the entire workforce, and news, articles, documentation of interest via the Intranet.

- Notification of 2022 Mobility Plans.
- Signage reduction of electricity consumption and waste reduction.
- Participation in the sustainability partnership "enRedarse"..

GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME



		2022	2021
301-1.a	Paper consumption (kg)	37,676	28,603
301-1.b	Cardboard consumption (kg)	130,557	76,422
301-1.c	Wood consumption (kg)	748,551	756,944
301-1.d	Chemical product consumption (kg)	431,455	522,310
301-1.e	Metal consumption (kg)	15,657,570	19,701,019
301-1.f	Plastic consumption (kg)	46,056	57,869
301-1.g	Cable consumption (kg)	501,821	150,209
301-1.h	E/E equipment and ICT consumption (kg) 967,066 754,684	530,279	1,620,928

GRI 301-2 RECYCLED INPUT MATERIALS USED



In 2022, the percentage of paper consumed across the group from recycling has fallen from 86% to 72%. This percentage decrease is due to a 30% increase in paper consumption compared to 2021.

In terms of recycled cardboard use, consumption in 2022 was at 49%, an improvement on the 36% figure from the previous period.

These figures are based on the information on paper characteristics provided on packaging or invoices, in catalogues and on websites. Paper identified as Ecological, FSC, recycled or similar is counted as 100% recycled stock. Cardboard is considered environmentally friendly if it is marked as ECO efficient, FSC, etc.

		2022	2021
301-2.a	Recovered purchased paper (from recycling)	72 %	86 %
301-2.b	Recovered purchased cardboard (from recycling)	49 %	58 %

GRI 301-3 RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS

The main reclaimed products are pallets, boxes, drums and GRP.

ENERGY

GRI 302 ENERGY CONSUMPTION WITHIN THE ORGANISATION



During 2022, energy consumption maintained a variation consistent with the increase in activity, with very little change compared to 2021.

It is worth highlighting that the electricity consumed by all organisations based in Spain (Bizkaia, Navarre, Gipuzkoa & Albacete) is environmentally friendly and comes entirely from renewable sources, thanks to an agreement with electrical utility company Iberdrola.

During 2022, Ingeteam Indar Machines worked on the commissioning of a 946 kW photovoltaic installation to supply clean and renewable energy to the factory. It is expected to be operational in 2023.

In terms of natural gas consumption, consumption has been reduced considerably by 8%.

Diesel consumption has increased significantly by 24%.

		2022	2021
302-1.a	Electricity consumption in kWh	15,731,882	14,509,323
302-1.b	Natural gas consumption for heating in kWh	7,813,697	8,207,233
302-1.c	Fuel oil consumption in litres for heating, machinery... in kWh	42,699	598,435

302-2 ENERGY CONSUMPTION OUTSIDE THE ORGANISATION



The number of kilometres travelled has stabilised, while service activity levels in the different countries has been maintained.

In addition, and in line with its commitment to reducing its carbon footprint, Ingeteam has begun to define and implement a plan to promote the use of electric vehicles. Although the number of kilometres is not affected by this programme, it is important to note that these kilometres are covered by electric vehicles, which do not emit harmful particles when used.

		2022	2021
302-2.a	Energy consumption from company vehicle mobility (except in-itinere)	19,234,619	17,758,187
302-2.b	Energy consumption from private vehicle mobility (in-itinere)	10,597,398	7,235,551

GRI 303 WATER



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

Water consumption was down by 7.5% compared to 2021. Since the main source of water consumption relates to tests conducted on submersible pumps (the rest is for human consumption and DHW), no special water consumption reduction measures were considered for there period.

		2022	2021
303.-1	Water consumption (m³)	31,567,757	34,150,894
303.-2	Sources significantly affected by water abstraction	Water is only taken from the public water supply	Water is only taken from the public water supply
303.-3	Recycled and reused water in litres	17,815,365	10,000,000.00

GRI 304 BIODIVERSITY



The indicators for biodiversity impacts under Heading 304 can be summed up by stating that the industrial operations of the member companies of Ingeteam are conducted with the utmost respect for the natural settings in which they are based. Ingeteam is a company with a low risk of producing environmental pollution, with the exception of certain manufacturing production units such as Indar in Beasain, which makes electric generators and submersible pumps. Its factory stands in a natural area and is closely monitored by the public water authority URA, given that there is a risk of discharges into water courses.

GRI 305 EMISSIONS



During the 2022 period, Ingeteam conducted a more exhaustive study of the company's direct and indirect emissions, following the Greenhouse Gas Protocol (GHG protocol). In terms of organisational limits, the selected approach is one of operational control. Under this approach, the calculation only includes the facilities, centres and vehicles over which Ingeteam has operational policy control and where, therefore, complete and accessible information can be obtained. The calculations shall include all identified direct emissions (Scope 1), as well as indirect emissions due to electricity consumption (Scope 2).

Indirect emissions (Scope 3) involve the consequences of Ingeteam's activities, but at sources that are not owned and controlled by Ingeteam. In order to obtain a complete view of the emissions generated by Ingeteam's activity, it has been decided to include emissions detected from Scope 3 sources, for which the company can currently provide data. The Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol) has been applied for this purpose.

The inventory of scope 1, 2 and 3 emissions is as follows:

	2022	2021
Direct emissions (scope 1), including emissions and absorption from sources owned or controlled by the company	5,078,860 kg CO ₂ eq	5,518,527 kg CO ₂ eq
Indirect emissions from energy generation (scope 2), including emissions associated with secondary forms of energy such as steam and electricity generated outside the limits of Ingeteam	1,171,400 kg CO ₂ eq	5,948,822 kg CO ₂ eq
Indirect emissions from business travel activities (Scope 3), which are not sources owned or controlled by Ingeteam	289,962,030kg CO ₂ eq	1,252,066 kg CO ₂ eq

The difference compared to Scope 2 emissions lies in the fact that in 2022 emissions corresponding to electricity in Spain are discounted due to the availability of Guarantees of Origin (GdO) certificates, therefore the reported data only includes international facilities.

Scope 3 does not cover the entire emissions inventory. Emissions from purchased goods and services, fuel and energy activities, waste generated in operations, business travel, employee commuting and life cycle treatment of products sold are currently reported.

In general, the Ecoinvent 3.8 Database and the methodology indicated per IPCC 5AR have been used for the development of the organisation's Carbon Footprint. MITERD emission factors for combustion were used in the 2022 calculation to be consistent with the 2021 reported data

For the Spanish installations, in terms of electricity the mix has been taken from the CNMC Supplier Remaining Mix 2021 (as the 2022 data was not yet available). As Ingeteam has GdOs in Spain, the data from its CUPS points for 2021 have been adopted (the data for 2022 had not been published at the time of writing the report) to characterise % of origin.

In the case of international installations, in terms of electricity the Ecoinvent 3.8 indicators (per country) have been used as a basis, updated according to the electricity mixes of the specific companies in 2021 and with the renewable distributions according to IEA 2020 data.

GRI 306 EFFLUENTS AND WASTE



With regard to the data on waste management, the figures for hazardous waste are similar to those from the previous period, with

a 7% reduction. Paper and cardboard waste increased considerably, consistent with the increase in consumption. Plastic consumption reduced significantly by 10% and wood consumption by 27%.

Regarding the consumption of metal and cable, there was a very significant increase of 50% due to the increase in stocks of raw materials in anticipation of supply chain shortages.

		2022	2021
306.-1	Water effluent	18,582,037	10,390,780 L
306-2.a.1	Hazardous waste (batteries, toners, rags, etc.)	323,751	348,364 kg
306-2.a.2	Electrical-electronic-IT waste	28,369	36,440 kg
306-2.b.1+2	Paper + cardboard waste	1,421,294	261,984 kg
306-2.b.3	Plastic waste	54,853	60,647 kg
306-2.b.4	Wood waste	453,057	624,091 kg
306-2.b.5+6	Metal + Cable waste	1,561,426	638,740 kg
306.-3	Major spills	471	154 L

306-4 TRANSPORT OF HAZARDOUS WASTE



Waste management is carried out by authorised waste managers, incorporating new managers at the sites where operation and maintenance services are provided.

306-5 WATER BODIES AFFECTED BY WATER DISCHARGES AND/OR RUN-OFF



No such discharges were detected.

ENVIRONMENTAL COMPLIANCE

307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

No member company has been fined or given any non-monetary penalty in regard to environmental issues.

ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

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

Accordingly, Ingeteam has drawn up a specific Code of Conduct for Suppliers that details the requirements made of them in business dealings.

Business relations with suppliers and subcontractors generate a series of risks that Ingeteam identifies, assesses and mitigates, in addition to the approval, assessment and audit of the most relevant suppliers, one objective being to determine not only their technical capacity and financial solvency, but also their CSR responsibility. Among the risk areas assessed, environmental and other criteria are taken into account.

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

Supplier Code of Conduct.

		2022	2021
308.-1	New suppliers whose selection includes environmental criteria	6.48 %	5.24 %
308.-2	Environmental nonconformities in the supply chain and steps taken	8	0

GRI 400 Social performance

This section describes the links between Ingeteam and the persons with whom it interacts in the business and in the communities in which it operates.

The personnel management structure in place at Ingeteam enables us to attract, develop and promote the talent that we need in line with the business project set out in the current strategic plan. We attract and recruit the finest specialists by offering an attractive, reliable, transparent brand, in line with the company's values. This means that we have a smooth running, efficient organisation with teams trained to manage change.

One of Ingeteam's biggest successes is our workforce, which reflects our society in terms of diversity, gender and inclusion. In 2022, an average theoretical staffing level of 4,476 staff was reached, although the year ended with a final actual staffing level of 4,682 people.

We have also continued to implement measures aimed at facilitating the work-life balance, supporting equal opportunities by eliminating potential gender and racial bias. We also maintain our strong commitment to people with disabilities, manifest by their integration at Ingeteam and by our cooperation agreements with special employment centres.

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

We also strive to eliminate potential gender bias and support equal opportunities, both in the selection of our staff and in career progression opportunities.

In Spain, where the majority of our workplaces and staff are located, all workplaces that are affected by national equality regulations comply with the regulations that ensure and promote wage convergence between women and men. It is also worth mentioning that this year, projects have been initiated to review and update existing Equality Plans and others have been initiated at workplaces that are not legally obliged to implement them.

In this sense, we are also very active with institutional campaigns and collaborate with various organisations such as the Bai Sarea Network and Gizonduz.

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER



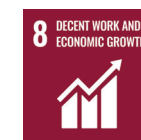
In 2022, the average workforce totalled 4,476 theoretical employees, although the year ended with an actual workforce of 4,682 people (reporting source AURA platform, a specific reporting tool for non-financial indicators linked to Personnel, which is the basis for the 2022 data provided in this report).

With respect to the previous year, there was a significant increase in the average number of staff of 391.8 theoretical staff, up 9.59%. This increase in the workforce is due to Ingeteam's 2022-2024 Strategic Plan which includes and develops strategic projects and businesses that involve increases to the workforce.

In terms of actual final workforce figures, there was also an increase of 531 additional employees, which represents a percentage increase of 12.8% with respect to the end of the 2021 financial period. The trend in recent years has been marked by a steady yearly increase, although in 2022 the increase was significant.

		2022	2021
401-1 (a)	Average time worked at the company	8.7 years	8.3 years
401-1 (b)	Net job creation in the year	392 no. employees	78 no. employees
401-1 (c)	Average age of the workforce	40.54 years	42 years
401-1 (e)	Workers with reduced working hours	3 %	3.9 %
401-1 (f)	Employees with flexible working hours	62 %	37.7 %

GRI 401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES



At Ingeteam, we do not discriminate based on contract type (permanent-temporary) in general terms.

The exception to the above general rule are the USA and Mexico, where current labour legislation and common practice provide for different treatment for certain aspects regarding permanent or temporary contracts, or time served at the company (holidays, insurance, etc.). This differentiation, in terms of social benefits, does not apply to working hours (full-time and part-time).

In 2022, the levels of stable employment at Ingeteam increased significantly compared to 2021, with a percentage increase of more than 5 points, with a 87.3% stable employment level.

This progress in stable employment is more significant in the male group, where it is growing at a similar % to the total, while in the female group it is growing at a rate of 2.5%. The growth in stable employment has also been affected by Spain's

2022 labour reform, in addition to the sustained process seen in previous years in favour of employment stability.

GRI 401-3 PARENTAL LEAVE



98.8 % of personnel entitled to take parental leave did so in its entirety in 2022 compared to 98% in 2021, which represents a total of 325 people who took such leave out of the 329 eligible to do so.

The company promotes and implements measures to facilitate work-life balance, including the following:

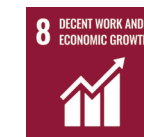
- Reductions in working hours in line with legal standards. 3.9% of our average workforce (158 people) have availed themselves of reduced working hours, which represents a total of 134 average staff, an increase in absolute terms compared to 126 last year, although in % terms there has been a slight reduction.
- Maternity/paternity leave. 98.8 % of personnel entitled to take this leave took it in its entirety in 2022 compared to 98% in 2021, which represents a total of 325 people who took this leave out of the 329 eligible to do so.
- Flexible working hours. On average 62% of the workforce, 2,910 employees, worked flexible hours over the course of the year, much more than the number of employees who benefited from flexitime last year, up 37%.
- Facilities for reaching individual agreements on working hours tailored to the needs of each worker.
- Paid leaves of absence longer than those agreed in the official collective bargaining agreements and regulations applicable in Spain.

- Facilities for requesting voluntary leaves of absence to care for children/elderly persons.

		2022	2021
401-3 (a)	Employed persons entitled to maternity or paternity leave during the year	329	334
401-3 (b)	Employed persons who have taken maternity or paternity leave during the year	325	328

EMPLOYEE-EMPLOYER RELATIONS

402-1 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES



There is no specific corporate policy at Ingeteam on minimum notice periods to workers and their representatives regarding significant operational changes, but the period required in law is strictly complied with.

Information is provided in line with the circumstances in each case, using the relevant channels, but no minimum notice period has been set.

However, in 2022 we have created a new internal communication channel called "My Portal" within the employee portal. This is used to send communications to everyone at Ingeteam. The news can be consulted via the employee portal itself, and also e-mail is sent to the company's email account with the headline and subtitle of the news item. Throughout the year, a total of 948 news items have been sent via the portal on different topics such as: new orders, events related to the 50th anniversary, videos explaining how a product we develop works, communications on CSR, our new brand positioning, etc.

OCCUPATIONAL HEALTH & SAFETY

GRI 403-1 WORKERS' REPRESENTATION IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES



A large proportion of the Ingeteam workforce are represented by health and safety committees made up of management and workers, which advise and consult on Occupational Health & Safety matters. Forming these committees ensures joint participation in the control and monitoring of activities.

Occupational Health and Safety (OHS) as a main focus

At Ingeteam, Health and Safety is a priority in everything we do. To this end, and in accordance with Ingeteam's new 2022-2024 Strategic Plan, we continue to work on the following:

- To be an organisation with a real, reliable and viable health and safety culture.
- That people in the organisation, in their different roles, are committed to safety and take personal responsibility.
- That our production activities are conducted under controlled working conditions in order to cause zero harm to people's health.
- That our safety systems, processes and management tools support our processes in an integrated and comprehensive manner and support continuous improvement.
- That our contractors, suppliers and other stakeholders should be considered as our own, and therefore comply with the same Health and Safety requirements.

- Design and maintain facilities and equipment with safety as a priority in their conception.
- Maintain open, two-way and effective communication channels on health and safety issues.

By doing this, we can achieve a high level of Health and Safety, creating a competitive advantage for the company and increasing people's satisfaction.

Our principles and priorities are:

- We believe that all accidents can and should be prevented. This challenge cannot be met without the commitment, active support and contribution of all those involved in the work process.
- Health and safety management must be dynamic, participative and efficient. We must invest in people and motivate our workforce through engagement, by reporting accidents and unsafe behaviour and conditions and by making proposals for improvement.
- We promote new ideas and initiatives in health and safety i.e. we encourage people to participate in creating a shared, common health and safety culture.
- Good Health & Well-being: Improving health and well-being at work means investing in the most important asset of any company or organisation: its workers.
- We seek to eliminate hazards and minimise risks as we follow our procedures, regulations and processes. Health and safety rules are based on experience and the requirements of law. Everyone is responsible for complying with them. We monitor and reject unsafe practices.

- Safety is directly linked to learning. If an organisation is not a learning organisation, it is not a safe organisation. Organisations need to learn from their employees, and learn from all kinds of "deviations".
- We think before acting and consider the situation and circumstances. We assess, understand the risks, implement controls and undertake monitoring. If something looks unsafe it probably is unsafe.

For its part, Ingeteam's Code of Conduct indicates:

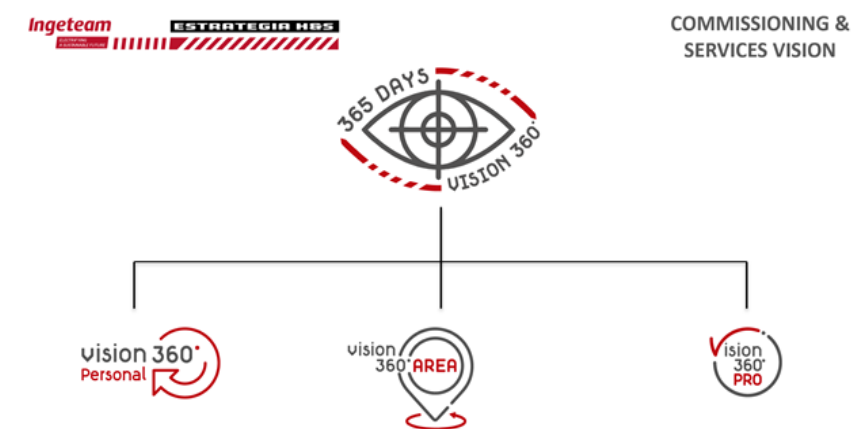
- Ingeteam undertakes to ensure that its professionals work in safe places, and have policies, procedures and the means necessary to minimise any associated risks, both for its own personnel and for external workers.
- All Ingeteam's professionals are obliged to be aware of and comply with the regulations relating to health and safety at work, looking after their own safety and that of any person who may be affected by their activities.
- Furthermore, professionals are obliged to report any anomaly, incident or risk observed in relation to these aspects to their superior or the person in charge.

On the other hand, considering the new Strategic Plan, which seeks efficiency and continuous improvement of the organisation's processes, the Health & Safety Area has been restructured and a new Global Health & Safety Area has been created.

Likewise, and in line with the Strategic Plan, a H&S communication campaign has been developed called 360 vision /365 days. This campaign seeks to enhance the more operational aspect of Health and Safety, by anticipating what we do, without improvising and by taking action to improve our health and well-being at work.

360 vision /365 days is a global health and safety campaign covering all of the company's activities and countries (service, commissioning, manufacturing, laboratories and office work) in their different stages. However, in 2022, the focus was on the commissioning and service group (work at customer sites).

The campaign establishes three environments, that of the person (Personal), that of the workplace (AREA) and that of the tasks or work performed (PRO).



GRI 403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS AND ABSENTEEISM AND NUMBER OF WORK-RELATED FATALITIES



In 2022 there were 69 lost time accidents (hereinafter LTA), which is the same as in 2021. There has been an increase in male LTAs from 88.4% in 2021 to 94.2% in 2022. Consequently, female LTAs have decreased from 11.6% in 2021 to 5.7% in 2022. Among other reasons, one possible cause is the considerable drop in the accident rate at one of the production plants with a significant female labour force.

The number non-lost time accidents (hereinafter NLTAs) increased by 3.6% compared to the total, with 115 in 2022 compared to 111 in 2021. It is not a significant increase, but it is above Ingeteam's desired parameters.

Accidents to/from work increased significantly by 41%. It can be concluded that this could be due to the lower percentage of teleworking at the organisation and the increased number of projects in the field.

The figures for incidents and near misses are positive, increasing by 40.9% (234 incidents in 2022 compared to 166 in 2021) and 24% respectively (366 near misses in 2022 compared to 295 in 2021). The goal of increasing awareness of communication and learning is being implemented year by year and the aim is to increase it further in the coming years.

	LOST TIME ACCIDENTS	NON LOST TIME ACCIDENTS	ACCIDENTS TO/FROM WORK	INCIDENTS	NEAR MISS
Total 2022	69	115	55	234	366
Total 2021	69	111	39	166	295
Men 2022	65	109	42	NA	NA
Men 2021	61	94	34	NA	NA
Women 2022	4	6	13	NA	NA
Women 2021	8	17	5	NA	NA

The AFR increased by 16.6% compared to 2021. This increase is mainly due to the fact that the total hours worked by the workforce decreased in 2022 compared to 2021. In relation to the segmentation between men and women, it is evident that there has been an increase of 21.7% for men from 2021 to 2022 and a decrease of 36.4% for women.

ACCIDENT FREQUENCY RATE (AFR) BY SEX: (Total of lost time accidents / Total number of scheduled working hours) * 1000000:	2022	2021
AFR Total	10.85	9.32
AFR Men	12.28	10.09
AFR Women	3.75	5.9

The 2022 ASR has increased by 46% compared to 2021. It is concluded that there have been more working days lost, but this has also been influenced by fewer hours worked in 2022 compared to 2021. Hence the significant increase. In the case of men, the increase has been even greater, at 66.7%, in contrast to the 50% decrease in ASR for women.

Due to the increase in AFR and ASR, the Vision 360 / 365 campaign has been developed, which aims to make the whole organisation aware that safety and health must be present 365 days a year and that we must have an integrated vision of health and safety at all times (360 vision/365 days).

ACCIDENT SEVERITY RATE (ASR) BY SEX: (Total number of working days lost due to lost time accidents / Total number of scheduled working hours) * 1000:	2022	2021
ASR Total	0.44	0.30
ASR Men	0.50	0.30
ASR Women	0.15	0.30

Considering that the total accident frequency rate (AFR) decreased by 13.2% but the total accident severity rate (ASR) increased by 20%, the conclusion is clear: the accident rate was lower but the accidents led to longer periods of sick leave.

There were no work-related fatalities in 2022.

GRI 403-3 WORKERS WITH A HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION



The incidence of occupational diseases was 67% lower than in 2021. Their origins, as in previous years, are mainly due to musculoskeletal issues.

Occupational diseases (OD) by sex:	2022	2021
Number of occupational diseases	8	12
EP Men	(87%) 7	83% (10)
EP Women	(13%) 1	17% (2)

GRI 403-4 HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS



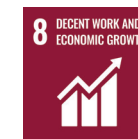
In relation to the number of meetings held, these decreased by 30% compared to 2021. In the case of formal agreements reached, these increased from 218 in 2021 to 103 in 2022.

Formal agreements* regarding occupational health and safety reached by works councils or specific health and safety committees.	2022	2021
Number of formal agreements reached	103	218
Number of meetings held	61	87

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

TRAINING & EDUCATION

404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE



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

Between the various annual training plans implemented at each plant and workplace in 2022, Ingeteam provided over 164,402 hours of training, which represents an increase of 8.4% over the previous year (12,809 more hours). Due to the concentration of the workforce in Spain, most of the training has been provided at Ingeteam España. Similarly, the average hours/person ratio is over 37 hours per person, similar to the figure for 2021.

In terms of a gender difference, it can be seen that the ratio of hours/person was down in 2022 compared to 2021, for the female group, rising to 44 hours per female worker compared to an average of 35 hours per year per male worker at Ingeteam. This change in trend has led to a 37% increase in investment in training for women, compared to an 8% reduction in training for men.

One of the reasons for this increase is the progressive increase in the presence of women in technical and managerial positions, where technical and leadership training takes on a more prominent role, and where training takes longer than other training linked to other professional groups (administrators).

		2022	2021
404.-1	Training	36.73 h/person	37.1 h/person
404.-2	Total training expenditure per year	€336/person	€323/person

As a result of the annual training plans, during 2022 training expenditure at Ingeteam amounted to more than €1.5 million, with an average annual investment per employee of €336, which represents a slight increase of 4% compared to the average figure for 2021.

The distribution of 2022 training by professional category at Ingeteam as a whole is shown in the following table:

	2022	2021
Training hours Technicians Operators	104,345 (63.4%)	89,096 (58.7%)
Training hours Technicians engineers	34,236 (20.8%)	37,149 (24.5%)
Training Hours Administrative	8,133 (5%)	9,437 (6.2%)
Training hours Middle management	13,073 (8%)	13,462 (8.8%)
Training Hours Management	4,615 (2.8%)	2,500 (1.6%)
Total hours	164,402	151,644

The most notable aspects of the table are as follows:

- Increased hours with respect to the previous year and in absolute terms in the Operator and Management groups, with very significant increases of 17% and 84% respectively.
- Reduced hours with respect to the previous year and in absolute terms amongst Administrative staff by approximately 14%, 8% amongst Tec. Engineers and more or less stable amongst Middle Management.

404-2 PROGRAMMES FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS



Ingeteam has various processes aimed at performance assessment with a focus on Development. It should be noted that in 2022, as a result of the new 2022-2024 Strategic Plan, a review of Ingeteam's Leadership Model was conducted, which has led to a downward revision of the implementation plans for the new Global Development and Performance Evaluation Process (EDD), which has had a direct impact on the final figures for the final group subject to interviews or development conversations.

This EDD Process, which pivots on the "Development Talk or Interview", promotes periodic employee feedback from their manager concerning their performance assessment, as well as very important inputs on strengths and opportunities for improvement in terms of Technical, Human and Business Competences, resulting in individual and group development plans.

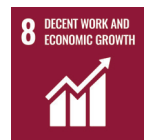
These practices not only foster individual career development but also enhance motivation and commitment and help to generate and promote skillsets that may be needed by the organisation in the future.

Most plants also offer leaves of absence for training (vocational training and retraining), often entailing a guaranteed right to return to the same or a similar job.

There are also programmes in place to handle employees exiting the organisation due to retirement or dismissal. They include pre-retirement planning with the support of specialists to help smooth the transition from work to retirement.

Lastly, it should be noted that this year we are promoting the training and dissemination of a digital culture and skills to the workforce via an 18-month training programme with specialist provider Kaspersky.

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS



Ingeteam has various processes aimed at performance assessment with a focus on development, which in 2022 impacted a total of 1,052 employees. In any event, 93% of the 1,052 people who underwent this practice successfully completed it, 982 people. 13 Production Units met 100% of the target set for their workforce targeted by these development interviews.

DIVERSITY & EQUAL OPPORTUNITY

405-1 DIVERSITY & EQUAL OPPORTUNITY



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

There is currently a significant gap between men and women in STEAM degree courses (Science, Technology, Engineering, Arts and Maths). At Ingeteam we strive to encourage women to take up careers in technology through the Inspira project, which organises actions to heighten awareness in society and encourage

interest among children, especially girls, to foster empowerment and help them overcome barriers to choosing the education and occupation that they want.

In terms of the gender distribution of the average workforce, 81.16% are men and 18.84% are women, compared to 81.67% men and 18.33% women in 2021. The average length of service of our workforce is 8.69 years (a slight increase on 8.27 years in 2021), with an average age of 40.54 years, an average age that is 2.27 years younger than the previous period as a result of the significant incorporation of new people to the workforce, who are on average younger, with a direct impact on the overall average age at Ingeteam.

By gender, the average length of service of men and women differs by about 1 year in favour of women, with 8.51 for men and 9.4 for women respectively; the average age of women is 39.89 years and 40.71 years for men, with a similar difference of 1.5 years older for men. This results in an average profile of younger and older women, although the differences are not very significant (approx. 1 year for each variable).

The evolution of this distribution with respect to previous years, shown in the attached table, reflects the sustained increase in the average 2022 workforce of women with respect to the total average increase of the Ingeteam 2022 workforce in the previous table by +3.08%, which in absolute terms constitutes an increase in the average female workforce of 94.89 women (+12.67%), compared to the increase in the male workforce of 296.95 men (+8.9%).

		2022	2021
405-1 (a)	Female employees	18.84%	18.33%
405-1 (b)	Male employees	81.16%	81.67%
405-1 (e)	Women on governing bodies	15 %	10%
405-1 (f)	Men on governing bodies	85 %	90%

Our commitment to persons with disabilities can be seen in the fact that they are integrated at Ingeteam, and that we have cooperation agreements with special employment centres.

In this sense, we work with and make donations to Fundacion Adecco and Lantegi Batuak at some of our workplaces in the Basque Country and we participate in institutional campaigns to foster the integration of persons with disabilities. We also work with the Gureak association, a Basque corporate group that creates and manages stable job opportunities properly adapted to persons with disabilities, especially for mentally disabled persons in Gipuzkoa .

The table below shows the number of people with disabilities at Ingeteam, whether internal or external, and by gender. Internally, there is a slight increase of 2 persons, similar to the increase at the external level (3 persons).

In Spain, 100% of the work centres are adapted for disabled personnel, although globally, there are 4 centres out of the total of 24 centres that have not completed this process 100%, therefore 16% of Ingeteam's facilities are not adapted.

As was the case last year, four Ingeteam plants (two in Spain, one in the USA and one in South Africa) have protocols in place for integrating persons with disabilities. Between them they make up 13% of total workplaces.

		2022	2021
405-1 (g)	Number of disabled employees	0.58 %	0.55 %
405-1 (h)	Equivalent disabled employees	0.29 %	0.24 %
405-1 (i)	Existence of disabled-friendly facilities	84 %	64 %

405-2 RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN



At Ingeteam wages depend on training, experience and performance. The gender of workers is not taken into account. This is actually factored into Chapter 2 of our Code of Conduct: "The wages received by employees will be determined by the functions that they perform, with the applicable bargaining agreements always being observed".

This year we have once again carried out an analysis to assess the existence of a wage gap at our workplaces in Spain taking into account gender, occupational category and geographical area and comparing the wages of all women at each workplace with those of men in each category, with the results being weighted for the total number of employees. We can therefore confirm that there is equal pay for men-women at all of our workplaces in Spain, safeguarded by the wage tables drawn up in the applicable provincial and company level collective bargaining agreements.

The situation is similar to Spain in the rest of Europe, which is where most of our workplaces are located.

We did not carry out a global wage gap analysis on the understanding that the diversity of wage levels between countries with different living standards would produce an absolute result that would be difficult to interpret.

NON-DISCRIMINATION

406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN



With our international outlook, we are well aware of how diverse Ingeteam is, and we strive to manage diversity correctly and avoid discrimination through the Ingeteam Code of Conduct and through specific protocols drawn up at six different workplaces (17% of the total).

The Compliance Committee did not detect any cases of discrimination during the year.

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

- Company employees must act based on respect, dignity, equality and diversity in their working relations with other employees, particularly those who manage teams/people.
- Efforts must be made to foster working relationships based on respect, mutual cooperation and equality of individuals over and above differences of any type; diversity and harmony must be properly managed, with particular consideration in regard to the employment of persons with disabilities or functional diversity, and equal opportunities must be offered in access to employment, occupational development and promotion based on merit and capability.
- At Ingeteam no discrimination of any kind is permitted, nor any type of harassment or physical, sexual, psychological or verbal abuse or other

degrading treatment. All available measures must be used to pursue and reprimand any such actions or circumstances detected. The procedures and protocols needed to prevent and respond to such cases have been set in place.

- Discriminatory language is not permitted in corporate communications of any kind, be they external or internal, and inclusive language is encouraged within the organisation.

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

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK

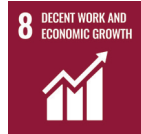


All employees of Ingeteam in Spain are covered by the relevant sectoral collective bargaining agreements, which are supplemented by company-specific agreements negotiated with workers' representatives where relevant at each workplace. These agreements include a section on Occupational Health & Safety.

At our plants abroad we comply with the relevant legislation in this regard.

CHILD LABOUR

408-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOUR



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

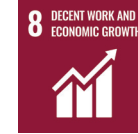
The organisation is strongly against child labour and refuses to acquire any product manufactured using child labour, aligned with local legislation and ILO requirements.

The services and products sourced by Ingeteam form an essential part of the value chain provided to customers, so suppliers are required also to commit to:

- Strict compliance with legislation.
- Ethical principles based on the defence of human rights and integrity.
- Prevention of corruption.
- Protection of intellectual and industrial property rights.
- Health, safety and environment.

FORCED OR COMPULSORY LABOUR

409-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOUR



The risk assessments conducted in regard to preventing risks under criminal law and maintaining the compliance model have not identified any operations involving significant risks for breaches of freedom of association and collective bargaining rights, for discrimination in employment and occupation, or for forced, compulsory or child labour.

SECURITY PRACTICES

410-1 SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

Ingeteam has no security personnel in the sense referred to here.

RIGHTS OF INDIGENOUS PEOPLES

411-1 INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES



There have been no cases of violation of rights of indigenous peoples in the course of Ingeteam's operations or those of related companies.

HUMAN RIGHTS ASSESSMENT

412-1 OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS



Ingeteam does not conduct assessments of the application of human rights.

412-2 EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES



Again this year, resources were allocated to harassment prevention training for directors and middle management, again as a face-to-face activity.

Since 2017 there has been a protocol in place for prevention and action in case of sexual harassment in the workplace, with a single campaign staged nationwide in Spain. Committees have been set up to prevent harassment at each workplace and all relevant employees are given face-to-face training.

21 of Ingeteam's workplaces currently have such protocols in place. Between them they cover 4,101 employees (92% of the workforce). Over and above our code of conduct, these anti-harassment protocols and their effective application evidence our commitment to socially responsible behaviour.

412-3 SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING.



In the General conditions of purchase for Ingeteam there is a section on "Supplier Performance Requirements", which contains various provisions in this respect, obliging our suppliers to follow our code of conduct and specifying various obligations related to the respect for human rights.

LOCAL COMMUNITIES

413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENT AND DEVELOPMENT PROGRAMMES



In line with our ethos concerning proper interaction with society, we seek to strengthen our engagement with the community precisely now that current economic circumstances are least favourable.

This ongoing contribution takes effort on our part, but we embark on it with responsibility and enthusiasm through dynamic, proactive management in compliance with our ethos of good business ethics.

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

Ingeteam has a sponsorship and donations policy aligned with the corporate social responsibility goals and strategy of the company's Corporate Marketing Management and with its Code of Conduct, and more specifically with the compliance model for the prevention of criminal activities, particularly as regards corruption, given that donations and sponsorships entail a risk of covert bribery, as set out in international standards such as ISO 37001.

The general purpose of this policy is to set out principles for action and basic instruments to be drawn up, implemented and optimised at the company's companies concerning sponsorship and donations, especially in the area of investment and development in the local communities where Ingeteam operates.

We take action in three main categories: technical, social and sports.

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

In 2022, the company once again took part in the STARINNOVA mentoring project, promoted by the newspaper El Correo, which promotes entrepreneurship initiatives and relations with industrial companies among secondary school students in numerous centres to monitor these initiatives and familiarise students with their industrial environment.

On the other hand, we continue to maintain the exchange agreements signed with universities and institutes:

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

Over and above our concern for engaging with our social setting and with the education of young people, and making improvements wherever possible, there are other initiatives in which Ingeteam also brings to bear its know-how and its solidarity.

In the area of sectoral associations, a total of €176,300 in membership fees was paid in 2022 to 54 associations. In 2021, a total of €140,176 was paid in dues to 43 associations.

This year we have carried out different sponsorship activities such as:

- Korrika in Bizkaia and Gipuzkoa.
- Voluntary contribution Member of the Gipuzkoa Chamber of Commerce.
- Sports events for the visually and physically impaired in Ostrava (Czech Republic).
- Cultural programme for a festival in Ostrava (Czech Republic).
- Sponsorship of the Eskola Kantari of the Sdad. Choral Society of Bilbao.
- Cultural programme for a festival in Ostrava (Czech Republic).

- Support for youth sports activities in Ostrava (Czech Republic).
- Participation in the Tecnia International Electrical Equipment Conference.
- Concert by the Euskadi Symphony Orchestra.
- Cycling race in France.
- Bilbao Petronor Eco Rallye.
- Wind Tour in Poland.
- Awards La noche de la energía by the energy newspaper
- Spanish maritime cluster association awards.
- DYA.
- AFIM Foundation - Aid, Training and Integration of people with disabilities.
- Biscayan Federation of Metal Companies FVEM.
- Australian Business Association.
- Artesparto - Handicraft fair in Sesma - Navarre.
- Equipment of the Sesma Sports Club - Navarre.
- Collaboration with MKE 7. Group that helps attract businesses to metro Milwaukee and works on inclusion.
- Planting a tree in the Scottish Highlands to offset the creation of CO₂ by our activities.

Specifically for Ingeteam's 50th Anniversary the following initiatives were conducted:

- Sponsorship of a stage of La Vuelta with a finish at Ingeteam's headquarters.
- Bizkaia and Basque Country rowing championship regattas.
- Collaboration with El Reto de Pablo to raise funds for the fight against childhood cancer.

On the other hand, contributions to foundations and non-profit bodies in 2022 amounted to €62,088.21, while in 2021 they amounted to €55,511.18.

The recipient foundations were:

- Albacete Food Bank.
- Spanish Association Against Cancer.
- Collaboration agreement with the university in a research project with the University of Wollongong - Australia.
- Participation in a race for cancer research in Australia.
- Participation in a race for multiple sclerosis research in Australia.
- Donation for investment in schools in the Goierri region (Gipuzkoa).
- Support for the activities of the association supporting children with spinal muscular atrophy in Ostrava (Czech Republic).
- Funding for the activities of the association for the disabled in Ostrava (Czech Republic).
- Local community of the church of Santa Maria in Itria (Sardinia) and in Ravenna. (Italy).

- AVSI Foundation for the education of underprivileged children in Latin America from Italy.
- Donation to the Navarre Foundation.
- Kids against cancer.
- Donation of Ingeteam inverters for schools in India.
- Multiple Sclerosis Association of Navarre.
- ANAPAR - Parkinson's Association of Navarre.
- ENACH - Association for Rare Diseases.
- GERNA - Rare Diseases Group of Navarre.

In addition, various activities were conducted in connection with the war in Ukraine:

- Crowdfunding with employees and donation by the company.
- Shipment of materials, food, medicines.
- From Ostrava (Czech Republic), colleagues from the branch sent generators to power the heaters and lights in the tents set up in the refugee camps that are being set up on the border between Poland and Ukraine. A total of 3 generators, plus covers and thermal clothing.

413-2 OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS – ON LOCAL COMMUNITIES



There have been no cases of operations with a significant negative impact on local communities.

SUPPLIER SOCIAL ASSESSMENT

414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

No filters based on social criteria were applied in the selection of any new suppliers.

414-2 NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN



No negative social impacts were recorded in the supply chains for Ingeteam companies.

PUBLIC POLICY

415-1 POLITICAL CONTRIBUTIONS



No contributions were made to any political party or representative.

CUSTOMER HEALTH AND SAFETY

416-1 ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

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

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

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

All the electrical products of Ingeteam carry the EC Electromagnetic Compatibility certificate, which assures that they are safe to use.

Complaints and their resolution are distributed across all of the business units. The result is that 452 complaints have been received, of which 151 are pending resolution, i.e. a 66.5% positive resolution rate, improving the ratio for 2021.

416-2 INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES.



There were no cases of non-compliance concerning health and safety impacts of our products in the year covered by this report.

MARKETING AND LABELLING

417-1 REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELLING

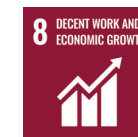
The products manufactured and marketed by Ingeteam companies are not subject to the labelling procedures in common use for consumer products.

Each product carries an ID plate which gives basic information, including at least a manufacturing serial number to guarantee traceability. Each type of product has the characteristics described in the relevant technical data sheet, where its full technical, construction and functional characteristics are listed.

417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELLING

There were no incidents of non-compliance concerning product and service information and labelling in the year covered by this report.

417-3 INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS



There were no incidents of non-compliance concerning marketing communications such as advertising, promotions, sponsorship, etc. in the year covered by this report.

Ingeteam complies with the General Data Protection Regulation in all its communications.

CUSTOMER PRIVACY

418-1 SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA



Last July we were the victims of a cyber-attack that involved an attacker gaining access to part of our servers. From the outset we implemented all recommended security and communication protocols and, after monitoring the networks and systems potentially compromised in the attack, isolating them from the networks of our customers and suppliers, we concluded that today our systems and networks are secure as they are permanently monitored and fully prepared to react immediately to any new potential attack.

Compliance with regulations on privacy is a cross-sectoral obligation applicable to all areas of the business and all employees. The action taken to ensure compliance included training sessions and a Privacy Committee to coordinate data management and act as an advisory body.

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

Relevant aspects of the cybersecurity risk management model:

1. Ingeteam's management is committed to improving and developing the necessary actions to reinforce a solid cybersecurity culture and training, promote the secure use of cyber-assets and strengthen capacities for detection, prevention, defence and response to cyber-attacks or cybersecurity incidents at a global level.
2. Ingeteam is implementing a plan to improve systems, processes and activities, updating and integrating systems and adopting new technologies. As Ingeteam is increasingly exposed to cyber security risks, a holistic view on cyber security has been adopted that applies to all areas where IT systems are in place, in employees equipment and connections and transmission of data.
3. We are in a process of the continuous improvement of systems, architecture, procedures, protocols, work processes, training of teams to minimise cybersecurity risks.
4. Ingeteam has appointed a global cybersecurity officer (CISO), who reports to senior management and the Compliance and Conduct Committee and defines, coordinates and supervises the deployment of the cybersecurity strategy and the management of such risks.
5. Also, Ingeteam is promoting the training and dissemination of a digital culture and skills to the workforce via an 18-month training programme with specialist provider Kaspersky.

SOCIO-ECONOMIC COMPLIANCE

419-1 NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA



Ingeteam was not fined for non-compliance with laws and regulations in the social and economic area in the year covered by this report.

The 10 principles of the Global Compact

Our determination to move towards sustainable growth increases every day and encourages us to continue working on the basis of respect for these Ten Principles, which perfectly capture the ideal business organisation and set the bar for our activity.

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.

At Ingeteam we seek to ensure that all our activities promote and ensure the full exercise of human rights. Our organisation, with a broad international presence,

strives every day to incorporate new measures to better address this principle in areas such as working conditions, safety, health, education and the rights of disadvantaged groups, among others.

PRINCIPLE 2

Businesses should make sure that their employees are not complicit in human rights abuses.

We have no record of such activities now or in the past.

LABOUR STANDARDS

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

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

PRINCIPLE 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

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

PRINCIPLE 5

Businesses should uphold the effective abolition of child labour.

This is not applicable at our organisation, neither now nor in the past, as our activities are not prone to the reprehensible use of child labour as may be the case in other sectors.

PRINCIPLE 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

At Ingeteam we promote equal opportunities regardless of race, colour, nationality, gender, marital status, religion or sexual orientation, diversity being one of our hallmarks, especially at an organisation such as ours, with a presence in different geographical contexts.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

Ingeteam's commitment to environmental conservation and environmental protection has been present from day one and is a priority objective, such that we could not now work without a preventive approach that aims to reduce our environmental impact to a minimum, as confirmed by our indicators.

PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

We continue to strive to reduce our emissions and energy consumption. On the other hand, environmental sustainability remains a priority at our organisation and we continue to promote the recycling of materials, as evidenced by the constant optimisation of our consumption ratios.

PRINCIPLE 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Ingeteam's activity is strongly linked to the generation of energy from renewable sources and the development of technology that favours the most efficient use of available energy.

ANTI-CORRUPTION

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

We are not aware of any such activities.