

Sustainability Report

2020



Ingeteam

Index

03

Letter from the CEO

05

Introduction

07

GRI 200 About us

29

GRI 201 Economy

35

GRI 300 Environment

43

GRI 400 Social Performance

59

The 10 Principles of the Global Compact

Letter from the CEO



Mr. Adolfo Rebollo Gómez
Chief Executive Officer

The world is moving towards the “new normal”, in the wake of the tremendous impact of Covid-19 on our society. This time is unique. Despite the past and present pain and suffering, this pandemic made us aware of where we were heading to. We made a choice. There is no question we need to move forward in a sustainable way. We need to push for the electrification of our society, based on renewables. The climate emergency declared by the European Parliament prior to COP25 is getting worse by the day. It is having harmful effects on the lives of all of us, in every corner of the world. We need to take action to reverse this situation. Corporations have an important role in this transition. We need to find the right balance in the production model, by reducing, reusing and recycling. Also using more and more clean energy in our processes. As a whole, we need to embrace the electrification, we need to stop burning fuels to produce heat or energy. This is the only way towards sustainability.

At Ingeteam we began 2019 with a new strategic plan (2019-2021). We align our strategic goals with the SDG of the 2030 Agenda. Moreover, we took the idea of “sustainable projects”

into our Vision. For us sustainability has three angles: social, economic and environmental.

With this concept as one of our cornerstones, taken into our Vision, the Board of Directors of the Ingeteam Group has selected 8 of the 17 UN SDG to work on.

The Group's Mission statement has been revisited as follows:

To promote the global transition to clean energy through the development and application of cutting-edge technology in rotating electric machines, power electronics and automation and control systems.

The Vision statement has been reworded to read as follows:

Next generation, in a world that will get most of its energy needs from renewable sources, we will stand as a market leader in electric power generation and conversion, applying the necessary R&D to the development of competitive and customized products, services and systems.

Our people are the foundation of our success. The continuous improvement of our management strategies and close cooperation with our clients will make Ingeteam a sustainable corporation, with profitable businesses that all stakeholders will benefit from.

We seek to be a major player in the transition of our society's energy model: helping to change the energy model into a sustainable one is part of our DNA. Thus, we continue to support the development of products for renewables (solar, wind and hydro generation); for the Transmission and Distribution networks, to help our clients operating a smart, resilient electric grid (Grid control systems, energy storage systems and reversible hydroelectric plants, among others). Our

R&D&i activities are also focused on developing technology to help the electrification of final energy consumption and foster those sectors with just partial electrification (generation of hydrogen by electrolysis, chargers for electric private and commercial vehicles). Green hydrogen could be the alternative to fossil fuels in sectors hard or even impossible to electrify such as marine, trains without catenary and aviation. Our technology seeks increasing the efficiency in sectors already electrified, where the use of frequency variable speed drives as an alternative to fixed frequency motors drops the energy consumption significantly. Examples of these are found in different sectors: water, mining, steel, paper, cement, oil and gas, marine, and other industries.

To make this possible, to come our dream true, we count on our best asset: our people. The more than 4,000 committed employees within the Ingeteam Group make our mission possible. At the same time we push towards a sustainable future, we are working to embrace a culture of Health and Safety. Our claim "LET'S GO SAFETY – LET'S BE HEALTHY" is now part of our day to day culture. We want all our people, any and everywhere, at all times, are fully aware that their safety and their co-worker's is the most important thing. Everything else is secondary. We had tremendous success reducing our recordables and we achieved so maintaining or even increasing our throughput and quality.

As a result of our engagement with the 10 universally accepted principles of the Global Compact drawn up on the basis of UN declarations on human rights, labor, the environment and anti-corruption measures, this year we have taken things one step further by including a Code of Conduct for Suppliers in our General Terms and Conditions of Purchasing. We are also working to include wording related to compliance, sustainability and CSR in our supply chain procedures for selection, approval, assessment and auditing of new and existing relevant suppliers.

EY was our independent auditor for the non-financial information. It was their second year in a row. This independent auditing on the non-financial information is mandatory in Spain under the Spanish Royal Decree on account auditing in regard to non-financial information and diversity. The relevant document is available on the corporate website.

We therefore want to make a difference changing the global energy model. We are convinced that the future will be renewable based or there will not be a future. We will do all we can to help the energy model transition, working as a team, and making Ingeteam a sustainable project. A project based on profitable businesses that all stakeholders will benefit from. We will make it happen!

Introduction

In 2020 we have continued to follow the strategic plan approved last year (2019-2021).

The project is based on helping to decarbonise society and bring about a transformation in energy towards an increasingly more electrified society. The technological grounding for the project involved the Group's three basic technology vectors: rotating electrical machinery, power electronics and automation & control. Ingeteam also provides innovative solutions for operation and maintenance, an increasingly important field in sectors concerned with renewables.

In this Strategic Plan, the Group 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, obliging us to develop products, systems and services that help to foster environmental friendliness.

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
- Unfair competition

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 refers to the Ingeteam Group.

102-2 ACTIVITIES, BRANDS, PRODUCTS & SERVICES

Ingeteam is an international technology group that specialises in electrical energy conversion. Our technological developments in power and control electronics (inverters, frequency converters, controllers and protective devices), rotating electrical machines (motors, generators and Indar pump motor units), systems (integration of electromechanical engineering & automation) and O&M services enable us to offer solutions for the wind, photovoltaic, hydroelectric and fossil fuel energy sectors, for the metal processing industry, for shipbuilding, for railway

traction and for electrical power grids, including substations. We cover transmission and distribution, and always strive for greater efficiency in generation and energy consumption.

The Ingeteam Group operates worldwide, with permanent establishments in 24 countries, and employs over 4000 people. Our operations are based on R&D&i, in which we invest more than 5% of our turnover each year.

The Ingeteam Group's operations take place in four divisions:

- Electric Machines & Pumps Division.
- Drives & Automation Division.
- Energy & Grids Division.
- Service Division.

We develop solutions and services for the following sectors:

- **Wind Energy:** Doubly Fed induction generator (DFIG) and Full Converter (FC) converters with unit power ratings up to 15 MW; doubly fed asynchronous, squirrel cage and permanent magnet synchronous generators rated at up to 15 MW; electrical control cabinets for wind turbines, smart SCADA, control centres, substation automation; and operation and maintenance (O&M) services for wind farms.
- **Hydroelectric Energy:** Indar hydroelectric generators with unit power ratings up to 100 MVA and voltages up to 15 kVA. Reconditioning & repowering of large machinery up to 200 MVA. Variable frequency drives (FC and DFIG) and generators for variable speed and reversible pumping stations. Complete automation of hydroelectric plants, voltage & speed regulators, Smart SCADA and O&M services at power plants.
- **Photovoltaic Energy:** String inverters for domestic, industrial and utility-scale applications and central inverters for utility-scale applications, including Power Stations with Medium Voltage output up to 7,500 kVA Power Plant Controllers for plant control and photovoltaic plant O&M services.
- **Battery Storage:** 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.
- **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 (specialising in silencers)

and other segments. In addition, we develop OPS (cold ironing) power supply system solutions for ships at berth.

- **Railway Traction Systems:** 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.
- **Transmission & Distribution of Energy:** Substation automation, electrical grid control & protection systems, power electronics applied to grids (e.g. Statcom) and electrical storage systems.
- **Water:** Indar submersible motor 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.
- **Electrical Mobility:** 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.
- **Industry:** 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.

- **Flexible Generation:** Indar synchronous generators and control systems are driven by high-efficiency thermal motors (diesel, gas or dual).
- **Green Hydrogen:** 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. We focus mainly on the market for hydrogen used for industrial purposes (steel mills, refineries, fertiliser production, etc.).

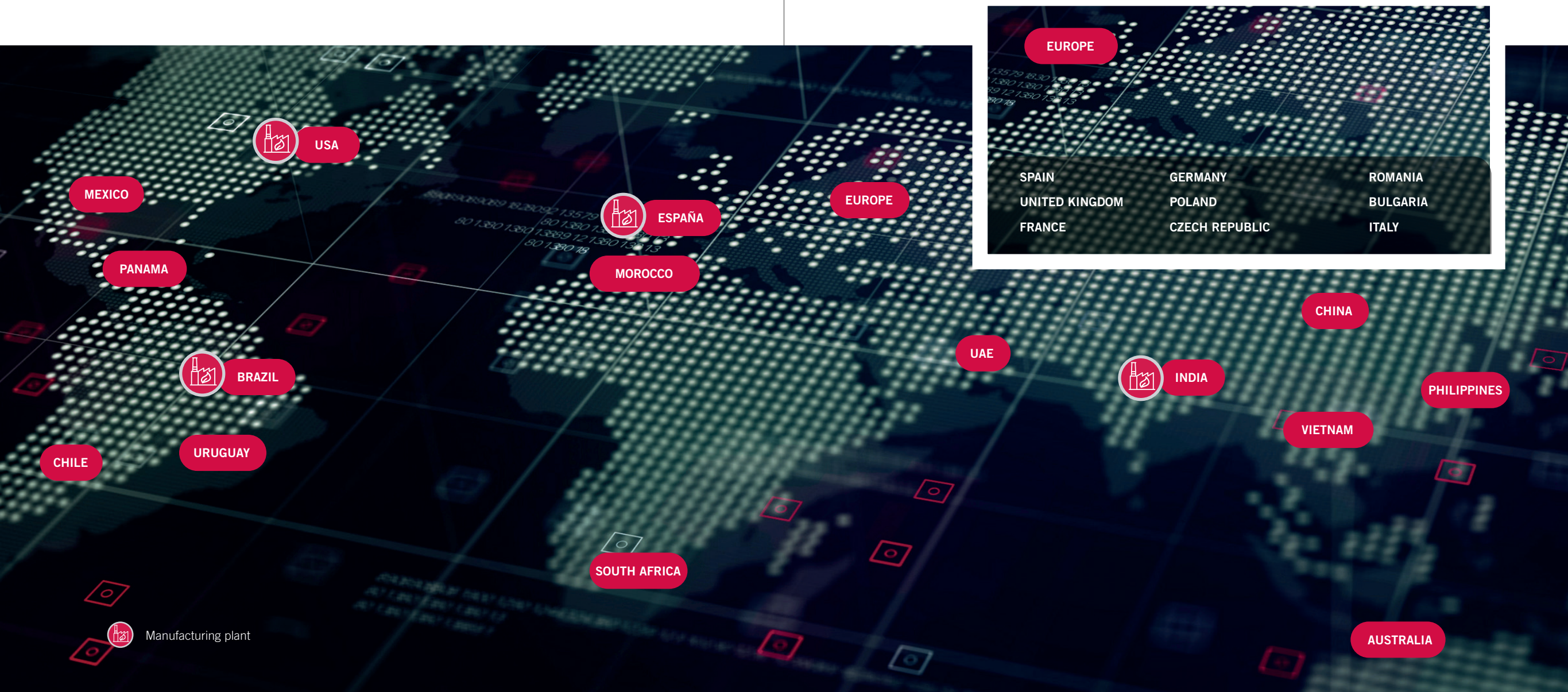
102-3 LOCATION OF HEADQUARTERS

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 in the following countries:

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



In 2020 we opened subsidiaries in Vietnam and China. In addition, the production centres located in Sesma (Navarre) and Ostrava (Czech Republic) were extended.

102-5 OWNERSHIP AND LEGAL FORM

Ingeteam, the holding company of the Group, is set up 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 member companies of the Ingeteam Group look to serve markets all over the world. The sectors and customers that we serve are listed in section 102-2 above.

102-7 SCALE OF THE ORGANISATION

The Group's turnover in 2020 was 656 million Euros, with more than 5% of that figure given over to R&D&i. The main financial figures at the close of financial year 2020 are as follows:

698.8 Miles €
INCOMING
ORDERS

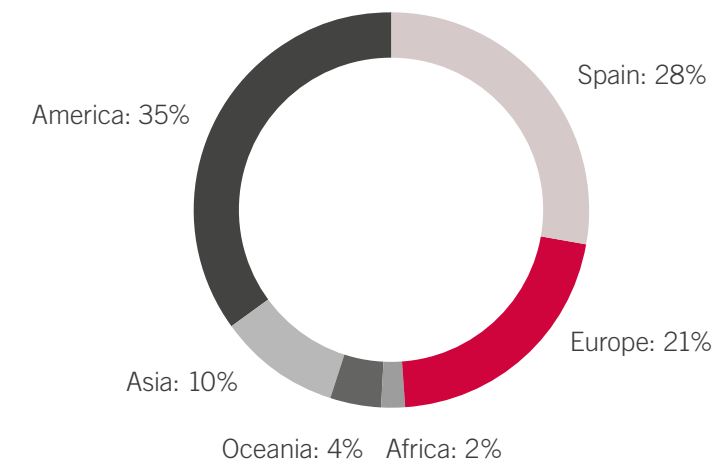
656.0 Miles €
TURNOVER

70.5 Miles €
EBITDA

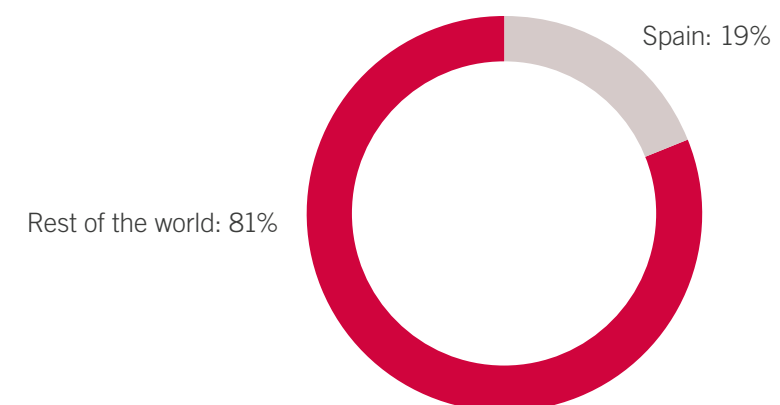
11.03 Miles €
INVESTMENT
IN TANGIBLE
FIXED ASSETS

291.02 Miles €
SHAREHOLDERS'
FUNDS

The Group's worldwide turnover breaks down by countries/continents as follows:



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



102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

In 2020, an average theoretical level of 4,006 staff was reached, although the year ended with a final theoretical staffing level of 4,059.

Compared to the previous year, the average number of employees fell by 102, a decrease of -2.5%, breaking the sustained growth rate of previous years. In terms of final staff numbers, the decline in average staff numbers was reversed with a slight increase of 0.7% (27 staff) compared to 2019 and 2.4% (95.6 staff) compared to 2018.

The organisation has a people management policy to “define, implement and develop a people management model at the Ingeteam Group 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 values of 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 which work with the Group as subcontractors, commercial agents, business partners, associated persons, consultants and in similar roles, all of whom are included under the general term “suppliers”.

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 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

This year we continued with the strategic plan covering the period 2019-2021.

As mentioned above, two subsidiaries were opened in Asia (China and Vietnam) and extensions were carried out at the Sesma (Navarra) and Ostrava (Czech Republic) production centres.

In addition, this year we entered the new business of green hydrogen.

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 third year in succession we also drew up non-financial statements as part of the consolidated management report for the 2019 financial year at Ingeteam S.A. These statements were drawn up to meet the requirements of 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.

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.

Non-financial statements include the information required to understand the trends, results and situation of the group of companies and the impact of our activities in regard to 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 Group website along with this sustainability report.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



EINF

102-13 MEMBERSHIP OF ASSOCIATIONS

To help perform our activities in various technological ecosystems, the group is a member of the following associations:

- Energy Cluster
- Basque Maritime Forum Vasco
- Innobasque
- Gaia

- Spanish Maritime Cluster
- Mobility Cluster
- Spanish Exporters and Investors Club
- Euskalit
- APD

Group member companies also form part of sectoral associations such as the following:

- UNEF
- AEDIVE
- EWEA
- AWEA
- SEIA
- Siderex
- Hydraulic Institute
- AFBEL

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 grounding for the project involved the Group's three basic technology vectors: ro-

tating electrical machinery, power electronics and automation & 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 Board of Directors has focused on 8 of the 17 Sustainable Development Goals (SDGs) set out in the UN's 2030 Agenda. These are adjudged to be the SDGs which are most closely aligned with the strategy set out in the mission and vision of the 2019-2021 Strategic Plan.

The SDGs are as follows:

SDG 3. GOOD HEALTH & WELL-BEING

Assuring a healthy life and promoting universal well-being are prerequisites for all individual and collective goals.

Activities in 2020:

Ingeteam carries out a range of activities in regard to nutrition, encouragement of physical exercise among employees, support for research into disease, etc.

This year has been particularly challenging due to COVID-19, which became a global pandemic in March. Due to this situation, much of the action that had been planned was modified to deal with the virus.

To take care of its employees, Ingeteam created a working group called the Observatorio de Actuación y Seguimiento ante el Covid19 (COVID-19 Action and Monitoring Observatory). In early March, the Group introduced specific measures applicable to certain areas and workplaces located mainly in southern Europe (Italy and Spain). Within a few weeks, these were extended and generalised to all of the Group's production units.

Other activities were also conducted, including donating materials (gloves and overalls), producing masks with 3-D printers, etc.

In this respect, more than 250 face shields were manufactured and supplied to the health department (Osakidetza). The same printer was used to manufacture ear protectors for in-house by Group employees.

There were frequent donations of gloves and overalls at the beginning of the epidemic at several production units. Thus, Indar sent gloves to old people's homes in their local area, as did Energy at Sarriguren. For its part, Service has donated gloves and overalls to the Albacete hospital on several occasions.

Work has also been carried out together with Mondragón Unibertsitatea and the collaboration of Cruces Hospital on the design of a prototype ICU ventilator, with the contribution of each of the parties involved being vital to its design.

Lastly, donations were made to COVID-19 research.



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.

Activities in 2020:

Ingeteam has been working for years now with schools, dual training centres, universities, etc.

Educational activities have continued as much as possible. We have intensified our presence in digital forums and maintained our attendance at recruitment open days. In addition, this year we have started to collaborate in the project on "La FP y las empresas de servicios avanzados" (vocational training and advanced services companies) promoted by the Basque Government and Bilbao Ekintza.



SDG 5. GENDER EQUALITY

Gender equality is not just a basic human right but a necessary foundation for achieving a peaceful, prosperous, sustainable world.

Activities in 2020:

The Ingeteam Group is committed to this goal, and several production units already have equality plans in place. A gender equality plan was implemented this year throughout the Ingeteam Group.

It should be noted that Ingeteam Power Technology, SA has been recognised as a "Empresa colaboradora en Igualdad" (collaborative entity in equal opportunities) by the Basque Government, and has received the Zirgari Sariak award for work-life balance. This business unit is very active in institutional campaigns and collaborations with various organisations such as the Bai Sarea Network and Gizonduz.

It also continues to participate in the Inspira Steam project for the promotion of scientific and technological vocation among girls, based on awareness-raising and orientation activities.



SDG 7. AFFORDABLE AND CLEAN ENERGY

The deployment and growth of renewable energy for a more sustainable world is vital to achieving this goal.

Activities in 2020:

The Group 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.

The products manufactured by Ingeteam during 2020 have reduced CO₂ emissions into the atmosphere of more than 13 million tonnes.



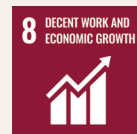
SDG 8. DECENT WORK & ECONOMIC GROWTH

To achieve sustainable economic development, societies need to set in place conditions to enable people to access quality jobs.

Activities in 2020:

Ingeteam works to create quality jobs that can help drive economic development, entrepreneurship and technological innovation.

Despite the global crisis, which has been weighed down by COVID-19, Ingeteam has maintained its number of employees, as well as its economic growth as a Group.



SDG 11. SUSTAINABLE CITIES & COMMUNITIES

Cities are focal points for ideas, trade, culture, science, productivity, social development and much more. They are also growing as the world's population grows.

Activities in 2020:

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.

It continues to expand the installation of electric vehicle charging systems at the company's establishments to promote sustainable mobility. Significant orders have also been won in the shipbuilding and traction sectors, which, due to their characteristics, will prevent CO₂ emissions in cities.

It has also continued to encourage the use of sustainable transport among its employees with initiatives such as the bicycle incentive campaign, and sponsor transport with sustainable companies.



SDG 12. RESPONSIBLE CONSUMPTION & PRODUCTION

Sustainable production and consumption mean, among other things, fostering the efficient use of resources and energy, and building infrastructures that do not harm the environment.

Activities in 2020:

Several plans are ongoing to reduce the carbon footprint of the buildings where the Ingeteam Group's production units are based and to recycle waste.



SDG 13. CLIMATE ACTION

Climate change affects all countries on all continents: it harms their economies, the lives of their people and their communities; and greenhouse gas emissions are at their highest levels ever.

Activities in 2020:

At Ingeteam we are particularly careful in preventing pollution in the manufacturing processes of our products and with their useful lifetimes, and have helped to prevent the emission of more than 13 million tonnes of CO₂ into the atmosphere.



102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES

The expectations for development in the various businesses of Ingeteam under this strategic plan are as follows:

Wind energy

The Ingeteam Group continues to be the world's leading independent supplier of wind power generators and converters, thanks to the innovative solutions that it offers the sector.

In 2020, 4.5 GW of generators and 3 GW of wind converters were manufactured. We achieved a cumulative figure of 52 GW and expect to maintain this level of leadership, with an objective of 60 GW of installed capacity worldwide by the end of the current strategic plan period. In addition, we have exceeded 9 GW in the provision of O&M services.

PV Solar energy

Global PV activity continued to grow in 2020, with approximately another 140 GW being added.

Ingeteam has more than 20 GW of installed capacity worldwide and expects to supply more PV inverters over the three years of the new Plan than it has supplied so far in its entire history in the sector, and to exceed 24 GW by the end of the 2019-2021 Strategic Plan. Our operations in the PV sector are heavily based on internationalisation. One of the main pillars of this trend is our O&M service, which we offer as a necessary addition at PV facilities. In this area of activity over the past year we totalled 8.1 GW of solar PV installations maintained worldwide.

Hydroelectric generation

In terms of hydroelectric generators, Indar has supplied 1,316 units to date, equivalent to 9.72 GW overall. In particular, in 2020 it produced 30 new machines.

Hydropower is experiencing stagnation in traditional markets, an important factor being the impact of the cost of energy at auctions and the effect of the solar and wind alternatives. In addition, this year the Covid effect has led to a delay in investment decisions. However, hydroelectric power will continue to be key in the future, not just as a generating technology but also for its added storage capacity (at reversible pumping plants), thus facilitating the integration of other renewable systems (solar PV and wind) into the electricity grid.

Stationary generation

The Ingeteam Group 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.

Electricity grids

The Ingeteam Group 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.

In 2020, every part of the electricity sector was affected by mobility restrictions, project development delays and lower electricity demand.

Grid investment, which has been declining in several countries, fell by around 9% in 2020 despite its regulated nature. In terms of Ingeteam's operations during the term of the 2019-2021 strategic plan, sustainable growth will continue in this sector as regards the transmission and distribution of electricity, particularly in the automation of substations at renewable generating plants, which is the area where most growth is expected.

Electrical mobility

Electric vehicle charging equipment is currently experiencing exponential growth in all countries, both in Europe and the rest of the world. Parallel growth is also expected in its electric vehicle charger business, where we have so far supplied over 4,500 units. In addition, it continues to bring new charger models to the market, and its internationalisation strategy has started to bear fruit.

Energy storage

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: submersible motor pump units

The ever greater need for water for human consumption and the upsets resulting from climate change make this business area, which is carried out by Ingeteam Group member company Indar, an increasingly important vector for development. Indar offers a range of water engineering solutions that bring together pumping project engineering and its submersible motor pump units. This year saw a slow-down in projects partly due to COVID-19, but several projects are expected to resume in 2021.

Railway traction systems

In the global context, the search for carbon-free solutions is a necessity in the transport sector. Ingeteam is thus helping to decarbonise society by electrifying transport. As such, it expects to increase sales in this sector fourfold by the end of the 2019-2021 strategic plan.

Marine

This year we increased our order intake for support vessels for the building of offshore wind farms, suction dredges, cruise liners and other high-technology, specialist vessels (research ships, silent vessels, etc.), which are the main focus points of the Group's operations in this sector

Industry & mining

Steel production figures have declined for most European producers, leading to market contraction. However, Ingeteam has secured major orders, and it is worth highlighting the expansion of facilities for this sector in the Czech Republic.

Concerning mining in 2020, taking into account the pandemic, a positive trend was observed at the end of 2020, due to the increase in raw material prices, which is likely to have an impact in 2021. We expect projects that were stopped this year to be reactivated next year.

Green hydrogen

Green hydrogen is hydrogen produced from renewable energy sources such as the sun and wind, using a process called electrolysis. This new business unit created by Ingeteam in 2020 will market the AC/DC converters that are needed to provide direct current for electrolyzers, focusing mainly on the market for hydrogen used for industrial purposes (steel mills, refineries, fertiliser production, etc.).

Pressures to reduce environmental pollution have led a number of countries and companies to embrace 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.

ETHICS & INTEGRITY

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

The conclusions of the latest strategic reflection process conducted by Ingeteam include a list of specific values that remain consistent with those which emerged from previous strategic reflections.

Mission:

To promote the global transition to clean energy through the development and application of cutting-edge technology in rotating electric machines, power electronics and automation and control systems.

Vision:

Next generation, in a world that will get most of its energy needs from renewable sources, we will stand as a market leader in electric generation and power conversion, applying the necessary R&D to the development of competitive and customized products, services and systems.

Our people are the foundation of our success. The continuous improvement of our management strategies and close cooperation with our clients will make Ingeteam a sustainable corporation, with profitable businesses that all stakeholders will benefit from.

We will focus on people and on the continuous improvement of our management practices in cooperation with our customers, to make Ingeteam sustainable, profitable business project in benefit of everyone”. 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. Accord-

dingly, 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 our 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 Ingeteam'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 anticorruption measures.

102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS

Ingeteam has a **Code of Conduct**, which was first approved in 2012 and updated in 2019. It lays down guidelines for the conduct of board members, management committees and workforces belonging to Group member companies and reinforces the ethical culture of the organisation in regard to the following issues:

- Values and principles in Ingeteam Group 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 the Group, 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 Group 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 Group body that monitors the distribution, knowledge of and compliance with the Code of Conduct and the culture of ethics within the Group.

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 Group 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:

Chair: Corporate Head of International Development & Internal Operations.

Ordinary members:

- Corporate Head of HR
- Corporate Head of IT & Digitalization
- Head of Legal Services
- Corporate Head of Internal Operations

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

- Breaches of the Code of Conduct or any other policy or procedure of Ingeteam.
- 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:



102-19 DELEGATING AUTHORITY

The model for delegating authority is applicable to all the Group's subsidiaries.

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

Ingeteam has always managed to link its cumulative experience over the years with a continual renewal of ideas. The areas in which the group does business force us to be continually on the lookout for technology solutions, innovation and good management practices.

To meet expectations, Ingeteam has set up an active, effective structure that applies the smooth process of decision-making typical of a family firm with the goal of quickly passing on expertise and competitiveness to the market. And it does so with the express involvement of all its workforce and collaborators.

General Meeting of Shareholders

This is the highest decision-making body in the group. The shareholders include both natural and legal persons. They hold annual general meetings to approve the accounts of the previous financial year, and may also convene extraordinary general meetings. In 2019 a private website was set up to enhance communication and transparency

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, though extraordinary meetings may be convened more often to discuss significant matters.

Corporate Management

The approval of the new 2019-2021 Strategic Plan has given rise to changes in corporate management, with the former executive and corporate business management teams being merged into a single governing body.

This body monitors and implements the company's goals through regular meetings with the participation of the CEO, the General Manager and COO, the Business Unit Managers, the Corporate Development Manager, the International and Compliance Manager, the CFO and the Corporate IT and Digitisation Manager.

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 highest governance body of Ingeteam S.A. is its Board of Directors, which has set up an Appointments & Remuneration Committee.

| Name | Charge |
|--|------------------------|
| Mrs. Teresa Madariaga Zubimendi | Chairwoman |
| Mr. Mikel Ruiz Madariaga | Voting member |
| Mr. Victor Mendiguren Ayerdi | Voting member |
| Mrs. Alicia Vivanco González | Voting member |
| Mr. Ander Gandiaga Osoro | Voting member |
| Mr. Alex Belaustegui Foronda | Voting member |
| Mr. Adolfo Rebollo Gómez | Voting member / CEO |
| Mr. Alberto Guerra San José | Secretary-non director |

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 Group 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 drawn up by the Head of CSR.

102-33 COMMUNICATING CRITICAL CONCERNS

Any critical concern is dealt with at the level of the Corporate Management of the Group. 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

Concerning remuneration policy for the highest governing body and senior executives at the Ingeteam group, the Board of Directors of Ingeteam, S.A. has set up the Appointments and Remuneration Committee, a permanent informative and consultative body, with informative, advisory and proposal-making powers within its scope of action, which 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 Group to assess their suitability and outcomes.
- Seeing that the company's remuneration programmes are complied with 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 group as a whole establishes that management staff salaries include a variable part in order to link their monetary remuneration with the trends in various Group, company and business-unit level performance indicators and with the meeting 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 grounded 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, indicators for projects.

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.

STAKEHOLDER ENGAGEMENT

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
- Local community & setting
- Regulatory bodies
- Sectoral associations
- Competitors

102-41 COLLECTIVE NEGOTIATION AGREEMENTS

All employees of Ingeteam are covered by the relevant sectoral collective negotiation 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 on whom its activities may have an impact.

102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

In the course of the operations of Group companies, we check with stakeholder groups and obtain feedback from them, which reaches the CEO via the channels provided, as described above.

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.
- INDAR Electric, S.L.
- INDAR Máquinas Hidráulicas, S.L.
- INGETEAM, Inc.
- INGETEAM, S.R.L.
- INGETEAM, A.S.
- INGETEAM, GmbH
- INGETEAM, Ltda.
- INDAR América, S.A. de C.V.
- 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 R&D Europe, S. L.
- INGETEAM Morocco, S.A.R.L.A.U.
- INGETEAM Honduras, S.A. de C.V.
- INGETEAM Bulgaria, E.A.D.
- INGETEAM Perú, S.A.C
- Elprom Service, s.r.o.

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 in establishing the priority areas for action by the Group 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 periode. 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

To work on the accuracy of data, this year the data gathering process has been simplified, but the report continues to be drawn up based on the criteria for the consolidated GRI Standards of 2016.

102-50 REPORTING PERIOD

This report covers financial year 2020.

102-51 DATE OF MOST RECENT REPORT

The latest report was published in June 2020 and referred to financial year 2019.

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 Marketing 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 2019 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

The impact of the COVID-19 pandemic on the economy and society has been devastating. Stock markets such as the Financial Times Stock Exchange, the Dow Jones Industrial Average and the Nikkei suffered large drops as the number of COVID-19 cases grew during the initial months of the crisis. Specifically, the FTSE fell by 14.3% in 2020, its worst performance since 2008. Most of the world's economies are in recession, with GDP declining by 4.3%, except for China which grew by 2.3%. Despite this data, the IMF forecasts global growth of 5.2% for 2021.

In particular, the Spanish economy plummeted by 11% due to the impact of COVID-19, a sharper fall than the 3.8% in GDP recorded in 2009 caused by the financial crisis, and the largest drop in GDP in Spain since the reinstatement of democracy.

Ingeteam faced the pandemic head on. Our sectorial diversification, internationalisation and the work put in by everyone at the Group enabled us to end the year having met practically all of our objectives. In one of the most difficult years that we have had to live through, we achieved a turnover of €650m.

ECONOMIC PERFORMANCE

201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

The figures for economic value (EV) in 2020 are as follows:

- EV generated: € 662,298,689

- EV distributed: € 638,290,003
- EV retained: € 24,008,686

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



The energy transition will define 2021, and will become the number one priority for the entire energy and utilities sector. Climate change mitigation will play out over the next 10 to 15 years. The renewable energy revolution is unstoppable and irreversible and favours the transition to a sustainable energy scenario. Funding is expected to increase next year, 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.

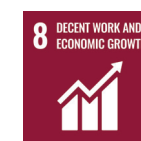
Renewables currently account for a third of global energy capacity and a quarter of generation capacity. The products that we manufacture in the Group contribute to the energy transition, as demonstrated by the 3.8 GW of equipment supplied for solar photovoltaic energy this year and the more than 50 GW of installed capacity around the world, based on Ingeteam power converter equipment and Indar electric generators.

In mid-2020, the international 'Race to Zero' campaign was launched to bring cities, regions, businesses, investors and civil society together in the largest coalition of leaders with the same goal: zero emissions by 2050. 'Race to Zero' precedes COP26, which will take place on 1-12 November 2021, and aims to reshape innovation and growth plans in support of a more resilient, inclusive, healthy economy after COVID-19.

As for green hydrogen, the sector in which we have just started to operate, 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. To date, Ingeteam has supplied more than 7,000 chargers for electric cars. We also contribute to the reduction of emissions from ships by equipping them with diesel-electric propulsion and rail traction.

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 2020, Ingeteam received €2,762,527 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 negotiation 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 2020, as in 2019, Ingeteam carried out a comparative analysis to assess the extent and trend of the pay gap at its workplaces.

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.

A global analysis of the gap was not carried out as any diversity in wage levels between countries with different living standards would provide an absolute result that would be difficult to interpret. Hence, the following study, which breaks down the pay 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 results.

Wage gap at Ingeteam in Spain:

Ingeteam confirms that there is equal pay for men and women at all its workplaces in Spain, with the safeguard of the wage tables drawn up in the applicable provincial and company level collective negotiation agreements.

It must be said that all company workplaces in Spain subject to national equality regulations comply with those regulations, which monitor and promote wage convergence between men and women. It is also worth mentioning that in 2020 projects were initiated to review and update existing Equality Plans, and others initiated in centres where there is no legal obligation to implement them, as in the case of Corporación and IRDE workplaces in Bizkaia (Spain).

Wage gap study at Ingeteam Europe (including Spain):

Leaving aside the Management category, the results of the study for Europe as a whole are very similar to those for Spain, as the reasons for the gap in Spain are much the same as those prevailing elsewhere in Europe, where in any event there are collective negotiation agreements and national regulations that safeguard and monitor equal pay for equal work for men and women.

Wage gap at Ingeteam in the rest of the world:

Taking into account the size of the workplace/country headquarters (employees and diversity of men and women), in addition to maintaining the previous year's criteria, we once again focused on the subsidiaries in the USA, Mexico and added Brazil.

In the United States as an average, the resulting final gap is very similar to last year and very much in line with that observed in Spain and Europe.

In Mexico, there are differences in the wage gap between women and men depending on contract type, seniority and years' experience between men and women.

In Brazil, the resulting final wage gap underwent a significant rebalancing due to the incorporation of large numbers of new male employees with lower/junior salaries compared to the existing female employees, thereby balancing any differences.

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



Over 83% 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 2020 Ingeteam paid taxes to the tune of €89,417,582.

PROCUREMENT PRACTICES

204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS



The percentage of local sourcing in 2020 was 41%, slightly below the 44% in 2019.

ANTI-CORRUPTION

205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION



As occurred in the previous year, no operations with risks related to corruption took place in 2020. In any event, such cases are identified in our Code of Conduct, and potential circumstances are monitored by the Compliance Committee.

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:

- 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 in the interpretation of those guidelines, the principle of prudence is to 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.
- There is a policy 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 cases of corruption related to the operations of the Ingeteam Group in 2020.

ANTI-COMPETITIVE BEHAVIOUR

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



No legal action was taken in 2020 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, so that we are recognised in the sector and in society as a benchmark company committed to international standards in terms of environmental management and sustainable development goals”.

Our principles and priorities are:

- Ensure compliance with current legislation and all other commitments that the Group has subscribed to in terms of Environmental Management and Sustainability.
- Ensure the protection of and respect for the environment in the performance of our industrial and business operations, minimising the environmental effects produced as a consequence of those operations.
- Favour a global energy transition model by developing and applying high-te-

chnology in rotating electric machinery, power electronics, automation and control that contributes to the mitigation of climate change and enables natural resources to be used sustainably.

- 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; and develop 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 overall 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, measurable objectives and goals within a specific environmental programme that contributes to minimising our environmental footprint.
- Engage in 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 our 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 (all workplaces), France, Czech Republic, Italy, USA, Mexico, Brazil, Chile, India and the UK.

The Ingeteam Group's production centres located in Spain, the United States, the United Kingdom and Mexico have an environmental management system in accordance with the UNE-EN ISO 14001 standard and have specific Environmental Policies, an Environmental Management Manual and associated procedures.



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 nature of the business of Ingeteam means that in the production of its equipment there are no emissions of ozone-depleting substances (ODS), nitrogen oxides (NOx), sulphur oxides (SOx) or other significant substances into the atmosphere.

Furthermore, the products manufactured by Ingeteam are destined for renewable energies, making it possible to reduce CO₂ emissions into the atmosphere of more than 13 million tonnes. In 2020, 10.8 GW of renewable energy equipment was manufactured and installed. The figure was similar in 2019.

On the other hand, due to the type of products manufactured, the Group's production does not create light or noise pollution.

In addition to the efficiency measures such as selective waste collection at all of the Group's workplaces, improvements to the calculation of indicators, etc., two measures were established this year by Corporate Management that will be implemented over the coming years:

- Promote the use of electric vehicles:

The Group's 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 expire, except in cases where operations do not allow daily recharging to guarantee the desired operation. Likewise, when new vehicles are acquired reasonable efforts will be made to ensure that they are EVs, and justification must be given for any non electric vehicles added to the fleet before they are acquired.

Thus, management vehicles will gradually be replaced by EVs. This has started this year with the leasing of 3 electric vehicles, and for 2021 and beyond we will continue to incentivise the adoption of EVs as the standard in management. We estimate that this initiative will have an emissions reduction impact of 1,596 t CO₂/year.

Other initiatives that Ingeteam is currently developing to favour the use of EVs among its workforce also aim to reduce emissions by approximately 6,000 t CO₂/year.

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

- Promotion of solar photovoltaic self-consumption installations:

The Group's Management is examining and developing a plan to provide advice and support to staff in this area, which is expected to come to fruition in 2021.

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

Gipuzkoa facilities:

- Gaining ISO 50001 Energy Efficiency Management Certificate.
- 2 Parking spaces with electric car charger.
- Replacement of plastic water cups with paper cups.
- Lights changed to LED at the Segorbe offices.
- Continuation of the BIO Solvent implementation. In 2020 implemented for IMH Expeditions.
- Management of new waste arising from the COVID-19 pandemic.

Bizkaia facilities:

- Replacement of interior and exterior light bulbs with LEDs.
- Placement of vinyl screens on windows.
- Vinyl screens on windows in building 108.
- Replacement of conventional lights with LED lights in the car park for building 106 and building 108.

Facilities in Navarre:

- Raising environmental awareness via induction training for the entire workforce, and news, articles, documentation of interest via the Intranet.

- Free electric charging of electric vehicles for employees.
- Promotion of the use of bicycles, public transport (bus travel pass (free) during working hours on lines 18-19-20-23), etc.
- Bicycle parking.
- Change of lights to LED and improvement of building insulation.
- Supply chain environmental action: environmental awareness and requirements for suppliers.
- Audits, environmental consultancy and waste management.
- Specifications for packaging with the lowest possible consumption of raw materials and promotion of reuse.
- Digitalization and electronic signatures: Docuware, Calitel Doc, ecofactura, etc.
- Lightening of the pallet used for Power Block packaging.
- Re-use of corner pieces and pallets from shipments to metal fabrication.

Albacete facilities:

- Awareness campaigns for the reusing of products rather than disposing of them as waste.
- Driving: talks on energy efficient driving.
- Renewal of the agreement to have an Environbank machine on site in Albacete to recycle coffee capsules.

GRI 301-1 MATERIALES UTILIZADOS POR PESO O VOLUMEN



| Standars | | 2019 | 2020 |
|----------|--|------------|------------|
| 301-1.a | Paper consumption (kg) | 31,050 | 27,925 |
| 301-1.b | Cardboard consumption (kg) | 96,697 | 109,979 |
| 301-1.c | Wood consumption (kg) | 688,040 | 719,258 |
| 301-1.d | Chemical consumption (kg) | 577,903 | 431,332 |
| 301-1.e | Metal consumption (kg) | 29,017,218 | 11,629,274 |
| 301-1.f | Plastic consumption (kg) | 52,039 | 57,260 |
| 301-1.g | Cable consumption (kg) | 577,930 | 430,228 |
| 301-1.h | E/E and ICT equipment consumption (kg) | 967,066 | 754,684 |

GRI 301-2 RECYCLED INPUT MATERIALS USED



71% of all the paper used at the Group is recycled stock. For cardboard the figure is 48%. Last year both figures were lower (62% and 37%).

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.

| Standars | | 2019 | 2020 |
|----------|---|------|------|
| 301-2.a | Recycled paper purchased (from recycling) | 62 % | 71 % |
| 301-2.b | Recycled cardboard purchased (from recycling) | 37 % | 48 % |

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



It should be noted that the electricity consumed by all organisations located in Spain (Bizkaia, Navarre, Gipuzkoa and Albacete) is 100% renewable in origin and environmentally friendly, under an agreement made with the electricity utility Iberdrola.

This year electricity consumption was lower as a result of COVID-19, although some production units/workplaces increased their consumption, e.g. the production centre located in Sesma (Navarre), where they carried out more equipment tests than usual in 2020, with a direct impact in terms of higher electricity consumption.

In addition, the opening of new production plants (e.g. the aforementioned centre in Ortuella, a new 4,000 m² industrial plant in Sesma-Navarra, etc.) contributed to increased consumption of natural gas and diesel for heating, etc.

Also as a consequence of COVID-19 related prevention measures (reduction in permitted capacity), certain workplaces were forced to split shifts, consequently extending working hours during the day in terms of both personnel and industrial activity, and therefore heating/ventilation needs.

Diesel consumption also increased for the same reason. Also, the year included the generator unit consumption not included the previous year. However, consumption by for this generator unit is expected to be reduced in 2021, when it will be replaced by an increase in power from the grid.

| Standars | | 2019 | 2020 |
|----------|--|-------------|------------|
| 302-1.a | Electricity consumption in kWh | 19,047,164 | 16,278,337 |
| 302-1.b | Natural gas consumption for heating in kWh | 1,578,293 | 8,558,134 |
| 302-1.c | Fuel oil consumption in litres for heating, machinery, etc. in kWh | 141,651,207 | 598,435 |

302-2 ENERGY CONSUMPTION OUTSIDE THE ORGANISATION



As a result of the COVID-19 restrictions there were significant reductions (around 37% and 35%) compared to the previous year in the number of km travelled.

There was much less travel and many Ingeteam specialists worked remotely (see related aspects in the chapter on “Occupational Health and Safety at Work - Effects of the COVID-19 pandemic”).

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

| Standars | | 2019 | 2020 |
|----------|---|------------|------------|
| 302-2.a | Energy consumption from company vehicle mobility (except en route to/from work) | 32,745,089 | 20,377,092 |
| 302-2.b | Energy consumption from private vehicle mobility (en route to/from work) | 11,120,967 | 7,204,241 |

GRI 303 WATER



Of the total reported water consumption, more than 7 million litres (19%) come from recycled water. In addition, it is planned to open up a well to extract ground water next year, to reduce the consumption of potable water for tests at the Sesma factory.

| Standards | | 2019 | 2020 |
|-----------|--|--|--|
| 303-1 | Water consumption (m3) | 36,391,034 | 37,522,801 |
| 303-2 | Water sources significantly affected by water take-off | 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 | 8,593,000 | 7,247,190 |

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 the Ingeteam Group are conducted with the utmost respect for the natural settings in which they are based. As a group, Ingeteam's risk of producing environmental pollution is low, 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



| Standards | | 2019 | 2020 |
|-----------|---|-------------|----------|
| 305-1.a | CO ₂ emissions from fossil fuels (except 305-1.b and 305-1.c) | 3,439.36 T | 1,918 T |
| 305-1.b | CO ₂ emissions from company vehicle mobility(except en route to/from work) | 1,036.17 T | 2,975 T |
| 305-1.c | CO ₂ emissions in Tons, from private vehicle mobility (en route to/from work) | 1,843.64 T | 1,052 T |
| 305-2 | CO ₂ emissions from electricity consumption (from the generation of purchased electricity) | 8,381.55 T | 7,416 T |
| 305-4 | CO ₂ emissions | 14,939.88 T | 13,360 T |
| 305-6 | Emissions of ozone depleting substances (ODS), in tonnes of CFC-11 equivalent | 3,439.36 | 0 T |

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

| | 2019 | 2020 |
|---|---|---|
| Direct emissions (scope 1), including emissions and absorption from sources owned or controlled by the Group | 353,459,882.9* kg CO ₂ eq | 60,421,819.34* 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 premises of Ingeteam | 7,809,337.24* kg CO ₂ eq | 6,674,118* kg CO ₂ eq |

*Emission factors used: MITECO (June 2020 - Version 15) & DEFRA – 2020.

This year, direct (Scope 1) and indirect (Scope 2) energy emissions decreased as there was less travel due to COVID-19 and electricity consumption was lower. At Ingeteam we aim to reduce Scope 1 and 2 emissions. We have an agreement with an energy company for the supply of 100% green energy for all branch offices in Spain. As detailed above, we also have an internal commitment at Group level to renew the company's vehicle fleet with electric vehicles and another to promote solar photovoltaic self-consumption facilities.

We continue to experience difficulty reporting Scope 3 emissions, but we hope to be able to give a quantitative estimate within two years.

GRI 306 EFFLUENTS AND WASTE



Due to the nature of the wind energy services provided by Ingeteam we ourselves must sometimes dispose of such waste. It is included here, even though we do not own it. E-waste has experienced a significant increase due to the Ortuella factory (Bizkaia) inaugurated at the end of 2019, when we did not report this type of waste.

The Sesma factory has set itself the target of reducing waste generation by 2% in relation to the working hours carried out at the plant this coming year.

| Wood waste | | 2019 | 2020 |
|-------------|---|-----------------|--------------|
| 306-1 | Water effluent | 2,690,300 L | 2,848,500 L |
| 306-2.a.1 | Hazardous waste (batteries, toners, rags, etc.) | 967,066.18 kg | 254,015 kg |
| 306-2.a.2 | Electrical-electronic-IT waste | 37,257.18 kg | 1,926,923 kg |
| 306-2.b.1+2 | Paper + Cardboard waste | 192,089.84 kg | 225,276 kg |
| 306-2.b.3 | Plastic waste | 59,354.58 kg | 39,811 kg |
| 306-2.b.4 | Wood waste | 977,207.84 kg | 829.073 kg |
| 306-2.b.5+6 | Metal + Cable waste | 2,842,419.28 kg | 2,404,401 kg |
| 306-3 | Major spills | 290 L | 423 L |

306-4 TRANSPORT OF HAZARDOUS WASTE



Waste from Ingeteam member companies is transported by authorised carriers.

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



No such discharges have been detected.

ENVIRONMENTAL COMPLIANCE

307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

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

ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

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 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, in order 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 Code of Conduct and Supplier Code of Conduct.

| Standars | | 2019 | 2020 |
|----------|---|--------|--------|
| 308-1 | New suppliers whose selection includes environmental criteria | 23.64% | 28.33% |
| 308-2 | Environmental nonconformities in the supply chain and steps taken | 179 | 139 |

GRI 400 Social performance

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

The people 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 Group 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. At Ingeteam in 2020 we exceeded 4,000 employees, despite the destruction of jobs worldwide as a result of the COVID-19 pandemic.

In today's globalised world, the virus grew into a global pandemic by March. In order to look after the company's staff, a specific working group (Observatory) was set up at the beginning of the epidemic to assess the measures to be taken based on the circumstances in each country. Thus, preventive measures to combat COVID-19 were applied throughout the year, including the following:

- Encourage teleworking for longer hours and where circumstances advised. 45% of the average workforce has at some point been affected by teleworking measures, with an average of 117 teleworking days per affected group.
- Reduction of minimum meal times. Alteration of daily attendance schedules. Adapted timetables or continuous working hours. Maximum flexibility.
- Unpaid leave.

- Identification and specific treatment for particularly vulnerable groups.
- Definition and ongoing development of general and local prevention protocols in line with the recommendations provided by national, regional and provincial authorities as well as other health institutions.
- Implementation of measures for the use of PPE and the installation of protective materials (masks, separation screens, signage and information campaigns, reinforcement of cleaning material, CO₂ control equipment, temperature control equipment, etc.).
- Capacity control at centres where attendance is required. Suspension of attendance training events.
- Training and awareness-raising.
- Limitation of travel and visitor access.
- Voluntary testing campaigns for disease identification and containment.
- Maximum cooperation and information with External Prevention Services.

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 the Group 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

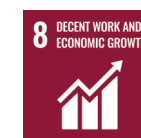
talent and securing commitment to our organisation. In 2020, training plans have mostly focussed on OHS (Occupational Health and Safety) aspects as a consequence of the COVID-19 pandemic

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. Thus, more than 2,846 people in the Group across twelve workplaces are covered by Equality Programmes that are periodically reviewed and adapted.

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



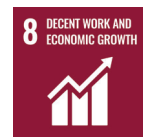
In 2020, an average theoretical staffing level of 4,006 staff was reached, although the year ended with a final theoretical staffing level of 4,059.

Compared to the previous year, as the tables show, there was a decrease in the average number of employees of 102, or -2.5%, which breaks the sustained growth rate of previous years. In terms of final staff numbers, the decline in

average staff numbers was reversed with a slight increase of 0.7% (27 people) compared to 2019 and 2.4% (95 people) compared to 2018.

| Standars | | 2019 | 2020 |
|-----------|---------------------------------------|----------------------|-----------------------|
| 401-1 (a) | Average time worked at the company | 8 years | 8.3 years |
| 401-1 (b) | Net job creation in the year | 196 no. of employees | -102 no. of employees |
| 401-1 (c) | Average age of the workforce | 38 years | 38.5 years |
| 401-1 (e) | Workers with reduced working hours | 4.71% | 3.9% |
| 401-1 (f) | Employees with flexible working hours | 41.87 % | 43.2% |

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

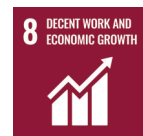


At Ingeteam, we do not discriminate based on contract type (indefinite/fixed-term) in general terms.

The exception to the above general rule are the USA and Mexico, where current labour legislation and common practice provides for different treatment for certain aspects regarding indefinite and fixed-term contracts and 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).

Stable employment levels at the Group increased by 4% year-on-year to around 78% of the total number of employees in 2020.

GRI 401-3 PARENTAL LEAVE



87% of personnel entitled to take such leave (214 people) did so in full in 2020 and then resumed their jobs as normal. This figure is down on 2019 by 13 percentage points as a result of the impact

from India on the total, since although take up is around 100% in general terms, in India it is just 10%.

Within The Group we promote and implement measures to facilitate work-life balance, including the following:

- Granting reductions in working hours in line with legal standards. 3.9% of our average workforce (158 people) availed themselves of reduced working hours. This is 0.8% down on the figure for 2019, which was 4.7%.
- Flexible working hours. On average 43.2% of our workforce (1731 employees) worked flexible hours over the course of the year. This figure is up by 1.4% on 2019 (41.8%).
- 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 negotiations agreements and regulations applicable in Spain.

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

| Standars | | 2019 | 2020 |
|-----------|---|--------|------|
| 401-3 (a) | Employed persons entitled to maternity or paternity leave during the year | 192.62 | 214 |
| 401-3 (b) | Employed persons who took maternity or paternity leave during the year | 192.62 | 214 |

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.

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

We aspire to be an organisation with a strategic goal of causing zero harm to health and where people are our main asset. We therefore set out to provide safe working environments and are committed to prevention based on teamwork, training, lifelong learning and positive leadership of people. "We all care for everyone". This is also reflected in the Ingeteam's own code of conduct.

In 2020 we continued with the occupational health and safety campaign "LET'S GO SAFETY – LET'S BE HEALTHY" at all Ingeteam Group companies. This year, new action has been carried out aimed at reporting accidents, incidents and possible risks (near misses) at all Ingeteam Power Technology workplaces in Spain. The aim is to strengthen learning by encouraging the reporting of accidents, incidents and near misses and to contribute to accident reduction and improved shared safety awareness.

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



The total figure for lost time accidents was down by 27.5% compared to 2019 and 53.5% compared to 2018. The accident rate among men dropped by 19.5% and among women by 68.7%.

| Number of lost-time work related accidents per gender | 2019 | 2020 |
|---|------|------|
| Total | 98 | 71 |
| Men | 82 | 66 |
| Women | 16 | 5 |

| Other accident rate data 2020 | Non lost time accidents | Accidents to/from work | Incidents |
|-------------------------------|-------------------------|------------------------|-----------|
| Total | 120 | 20 | 227 |
| Men | 113 | 15 | - |
| Women | 7 | 5 | - |

The accident frequency rate (AFR) fell by 39% as a result of numerous improvement actions taken and the clear, unequivocal commitment of the management to improve accident rates.

| ACCIDENT SEVERITY RATE (ASR) PER GENDER: (Total number of working days lost due to lost time accidents / Total number of scheduled working hours) * 1000 | 2019 | 2020 |
|--|------|------|
| TFA Total | 0.31 | 0.25 |
| TFA Men | 0.34 | 0.28 |
| TFA Women | 0.14 | 0.09 |

*En route accidents are not included in the total for lost-time accidents. Nor are relapses included, as they are counted as single accidents.

The accident frequency rate (AFR) fell by 8.8% as a result of numerous improvement actions taken and the clear, unequivocal commitment of the management to improve accident rates.

| ACCIDENT SEVERITY RATE (ASR) PER GENDER: (Total number of working days lost due to lost time accidents / Total number of scheduled working hours) * 1000: | 2019 | 2020 |
|---|------|------|
| ASR Total | 0.31 | 0.25 |
| ASR Men | 0,34 | 0.28 |
| ASR Women | 0,14 | 0.09 |

Considering that the total TFA decreased by 8.8%, the total decrease in the ASR was more than proportional, with the total decreasing by 19.3%. The good news is that there are not only fewer accidents but accidents are also less severe with shorter recovery periods.

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



Occupational diseases increased by 28%. Relating mainly to musculoskeletal problems.

| Occupational diseases (OD) per gender | 2019 | 2020 |
|--|------|---------|
| Number of cases of occupational diseases | 17 | 11 |
| OD Men | 88% | 82% (9) |
| OD Women | 12% | 18% (2) |

Occupational diseases were down by 35%, and mainly involved musculoskeletal problems.

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



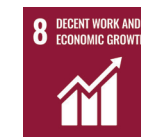
There was a notable increase in the number of agreements and meetings with the Health and Safety Committee (HSC), among other reasons due to the COVID-19 pandemic itself, which led to more frequent communication regarding the development and monitoring of the situation and the protocols defined at Ingeteam.

| Formal agreements* regarding occupational health and safety reached by works councils or specific health and safety committees | 2019 | 2020 |
|--|------|------|
| Number of formal agreements reached | 21 | 64 |
| Number of meetings held | 75 | 127 |

*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



By means of the various annual training plans implemented at each plant and workplace in 2020, Ingeteam provided over 118,842 hours of training, which averages at more than 29.7 hours per person based on the average workforce figure (4,006 people).

Compared to 2019, as reflected in the attached graph, there was a fall on the figures from previous years, breaking the upward trend. This major setback in Training and Development was due to the COVID-19 pandemic, which put on hold all in-person training activities planned for the second quarter of 2020 except for those that it was absolutely essential to conduct in-person. The increase in on-line training activity did not offset the suspension of in-person training.

Although the annual training plans were initially created with the focus mainly on the development of technical skills for innovation, technological surveillance and R&D, new product development, and the development of human skills/people management, in 2020 these plans underwent a change of focus towards OHS (Occupational Health and Safety) due to the COVID-19 pandemic.

As a result of annual training plans, in 2020 Group training expenditure amounted to almost €1.5 million (€1,447k) with an average annual investment per employee of €361, 25% down on the average for 2019 and in line with the 26% drop in the ratio of training hours per person.

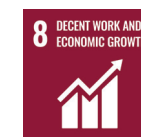
| Standards | | 2019 | 2020 |
|-----------|---------------------------|------------------|-------------------|
| 404-1 | Training | 39 H per person | 29,7 H per person |
| 404-2 | Cost of training per year | € 484 per person | € 361 per person |

The breakdown by job categories at Ingeteam as a whole of the almost 119,000 hours and almost €1.5m invested in training in 2020 is shown in the following chart. It is worth highlighting the increase in the % of training carried out mainly in the Technical Engineers and Administrative staff group, and the decrease in the Middle Management Group.

| | 2019 | | 2020 | |
|--------------------------------------|----------------|--------------------|----------------|--------------------|
| | Ingeteam Spain | Ingeteam Group (*) | Ingeteam Spain | Ingeteam Group (*) |
| Training hours Technicians Operators | 46,898 (49.8%) | 96,639 (59.7%) | 254,015 h | 67,646 (57%) |
| Training hours Technical Engineers | 23,238 (24.7%) | 29,409 (18.2%) | 1,926,923 h | 26,363 (22%) |
| Training Hours Administrative | 5,858 (6.2%) | 9,962 (6.1%) | 225,276 h | 12,100 (10%) |
| Training hours Middle management | 16,321 (17.3%) | 21,375 (13.2%) | 39,811 h | 9,069 (7.7%) |
| Training Hours Management | 1,804 (1.9%) | 4,576 (2.8%) | 829,073 h | 3,664 (3.3%) |
| Total hours | 94,119 h | 161,900 h | 73,219 h | 118,842 h |

(*) The scope covered is all Ingeteam Group PUs, including subsidiaries.

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



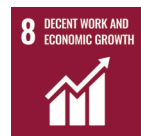
Ingeteam has procedures and tools in place for assessing performance with a view to upgrading skills. Via such procedures and tools, notably the “Development talk or interview”, employees receive regular feedback from their line managers concerning their performance. There are also significant inputs regarding strengths and opportunities for improvement in technical, human and business skills which can be used to draw up individual and group upskilling plans.

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

Most plants also offer leaves of absence for training (vocational training and re-training), 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.

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



Ingeteam has procedures and tools in place for performance evaluation focusing on development, which in 2020 covered approximately 34% of the average total workforce (1,432 individuals).

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 (Science, Technology, Engineering, Arts and Maths) degree courses. 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.

| Standards | | 2019 | 2020 |
|-----------|---------------------------|--------|--------|
| 405-1 (a) | Female employees | 17% | 17% |
| 405-1 (b) | Male employees | 83% | 83% |
| 405-1 (e) | Women on governing bodies | 10.08% | 9.31% |
| 405-1 (f) | Men on governing bodies | 89.92% | 90.69% |

In terms of age groups, the UK, India, Mexico and Chile are the countries with average workforce ages under 30 (around 50%). On the other hand, Spain, Czech Rep. and Brazil have workforces aged 30-50 on average (around 60-75%). Lastly, in the USA, the workforce averages over 50 years of age (30%). These data are presented in the following table:

| Age range | < 30 years | 30-50 years | > 50 years | Total |
|-----------------------|------------------|--------------------|------------------|--------------|
| Spain | 376 (14%) | 1.969 (74%) | 308 (12%) | 2.653 |
| Mexico | 236 (57%) | 173 (41%) | 7 (2%) | 416 |
| USA | 39 (23%) | 89 (47%) | 42 (30%) | 170 |
| Brazil | 31 (29%) | 31 (29%) | 3 (2%) | 115 |
| Czech Rep. | 28 (23%) | 73 (60%) | 20 (17%) | 121 |
| India | 38 (48%) | 39 (49%) | 2 (3%) | 79 |
| Chile | 33 (46%) | 34 (48%) | 4 (6%) | 71 |
| Total 2020 (*) | 929 (23%) | 2.657 (66%) | 420 (11%) | 4,006 |

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.

As can be seen in the attached table, there has been progress in terms of the presence of people with disabilities in both absolute and relative terms.

In Spain, 100% of the workplaces are adapted for disabled personnel, although at global level this figure drops to 41%, resulting overall in 68% of Ingeteam's workforce currently working at adapted workplaces.

Like 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 11% of the group's total workplaces.

| Standars | | 2019 | 2020 |
|-----------|---|--------|--------|
| 405-1 (g) | Number of disabled employees | 0.46 % | 0.55 % |
| 405-1 (h) | Number of equivalent disabled employees | 1.93 % | 3.30% |
| 405-1 (i) | Existence of disabled-friendly facilities | 52 % | 41% |

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 our Code of Conduct in chapter 2: "The wages received by employees will be determined by the functions that they perform, with the applicable negotiation 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 and women at all of our workplaces in Spain, safeguarded by the

wage tables drawn up in the applicable provincial and company level collective negotiation 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, as it was considered 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 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 Group employees in this regard:

- Group 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 the Ingeteam Group 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 NEGOTIATION

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

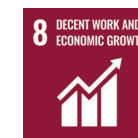


All employees of the Ingeteam Group in Spain are covered by the relevant sectoral collective negotiation agreements, which are supplemented by company-specific agreements negotiated with workers' representatives where relevant at each workplace. These agreements include a section on Occupational Health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



From the risk assessments carried out with regard to the prevention of criminal risks and the compliance model, no significant risk activities have been identified or assessed concerning the violation of respect for freedom of association and the right to collective negotiation; employment and occupational discrimination; forced or compulsory labour 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 the operations of the companies in the Ingeteam Group or related to same.

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 training on the prevention of harassment for managers and middle management, although unlike last year the training was not provided in-person.

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

16 of the Ingeteam Group's workplaces currently have such protocols in place. Between them they cover 2770 employees (67% of the workforce). Over and above our code of conduct, these antiharassment 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



The General Terms & Conditions of purchase for the Ingeteam Group has 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 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 most unfavourable.

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.

This year was atypical, due to COVID-19, and Ingeteam made several contributions in this regard:

- Donation of various materials such as gloves, gowns, visors, etc. to homes and hospitals.
- Collaboration with Cruces Hospital (Spain) for the development of a prototype ICU ventilator.
- Crowdfunding to raise funds for coronavirus research. The amounts contributed were earmarked for the Basque Foundation for Health Innovation and Research.

The Ingeteam Group has a sponsorship and donations policy aligned with the corporate social responsibility goals and strategy of the Group'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 Group member companies in regard to sponsorship and donations, especially in the area of investment and development in the local communities where the Ingeteam Group operates.

Corporate Marketing Management is the Group body authorised to set the strategy and objectives for corporate social responsibility, to receive notifications and queries concerning its application, to channel approvals of donations and sponsorship deals and to monitor and report any nonfulfilment to the Compliance Committee.

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 2020 Ingeteam CEO Adolfo Rebollo participated in the “Meet the company” conference series at the Faculty of Economics and Business, Executive MBA Sarriko UPV/EHU, where he gave a presentation on “Strategic planning vs. strategic decisions, an Ingeteam case study”.

We also 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 stock of know-how and its solidarity.

We continue to organise regular activities in cooperation with numerous associations, such as the Association of Families of Children with Cancer in Castilla-La Mancha (AFANION), DYA and the Association of Friends & Families of Patients with Neuroblastoma, Dejando Huella and ACEPAIN, joined this year by those carried out by the company but chosen by staff, which are: ADANO - Ayuda A Los Niños Con Cáncer De Navarra, ANFAS - Technology to change lives, Red Cross, Cáritas, Food Bank and Paris 365 soup kitchen.

In addition, this year Indar’s production unit contributed €20 k to the RSG through the Gipuzkoa Chamber of Commerce (Spain).

In the cultural field, bearing in mind the COVID-19 restrictions, this year we carried out fewer activities than in previous years as many events were cancelled or postponed to 2021. We were able to contribute to the National Dance Company’s return to the stage. It premiered its new project Cápsulas CND at the Teatro Circo de Albacete, reopening the theatre, which had been closed for over 200 days due to the pandemic.

Finally, Ingeteam also continues to support cycling and has renewed its sponsorship of the Albacete Ingeteam-Rumbo cycling team. The company has maintained links with sport since 2016 as part of its commitment to the environment and its efforts to encourage sustainable transport. Ingeteam is a benchmark group nationwide thanks to its campaign to provide financial incentives to employees who cycle to work. A pioneering activity which attracts more and more workers each year, each of whom contributes in their own small way to the fight against climate change.

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 of Ingeteam Group member 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 Group 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 the perimeter of all the business units of the Group. This year we extended the consultation to all Ingeteam Group companies. As a result, 888 complaints were received, 80% of which have been resolved. Last year we only counted companies in Spain, where 770 customer complaints were received with an 86% positive resolution rate.

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 Group member 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

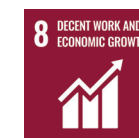


There were no incidents of non-compliance concerning marketing communications such as advertising, promotions, sponsorship, etc. in the year covered by this report.

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



No Ingeteam Group member company received any substantiated complaints concerning breaches of customer privacy or losses of data.

Personal data are processed responsibly, in line with the legislation on privacy applicable at the relevant time (at national and international levels).

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

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 ten 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 the Ingeteam Group 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 negotiation.

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 the Ingeteam Group 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.

The Ingeteam Group'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.