Risk
Control and Management Policy

March 2026

indracompany.com

INDRA GROUP

Contents

1 Introduction

Under the Spanish Corporate Enterprises Act,[1] the Board of Directors holds non-delegable authority to approve a risk management and control policy; furthermore, the Code of Good Governance for Listed Companies defines the mandatory content for such a policy.

In this regard, the Board of Directors and the Senior Management of the Indra Group have initiated a process to identify the Group's main risks and to establish appropriate control and reporting systems that enable their regular monitoring, based on risk control and management—a responsibility shared by each and every member of the Indra Group—with the aim of providing reasonable assurance that the established objectives will be achieved, thereby providing value and an appropriate level of assurance to shareholders, other stakeholders and the market in general.

This policy has been established to set out and describe the fundamental principles of risk control and management across the Indra Group.

[1] Section 529 ter of the Corporate Enterprises Act. Royal Legislative Decree 1/2010 of 2 July, approving the consolidated text of the Corporate Enterprises Act, and Law 31/2014 of 3 December, amending the Corporate Enterprises Act to improve corporate governance.

2 Purpose

The primary purpose of this policy is to establish the basic principles and guidelines for action required to ensure that **any risks** potentially affecting the Indra Group's objectives are identified, analysed, assessed, managed, and controlled systematically, using consistent criteria and within established thresholds or tolerance levels.

3 Scope

This policy is applicable to all Indra Group companies.

In associated companies where this Risk Control and Management Policy does not apply, the Group will promote principles and guidelines consistent with those set out herein, maintaining appropriate communication channels to ensure they are properly understood.

4 Risk Factors

Generally speaking, risk is defined as the effect—whether positive or negative—of uncertainty regarding the achievement of business objectives or reasonable business expectations. For the purposes of this policy, risk factors are defined as any threat that a potential event, action or omission may adversely affect the Indra Group's objectives or expectations. Furthermore, the positive effects of uncertainty regarding the objectives are seen as opportunities.

In the course of carrying out the Indra Group's business activities, various risks have been identified that are inherent to the different geographical regions and business sectors in which it operates, including, in particular:

- **Strategic risks** arising from the Indra Group's strategic position within the environment in which it operates, its relationships with third parties, its portfolio of products and services, and its planning and organisation, which may make it difficult to achieve the objectives set out in its Strategic Plan.
- **Operational risks**, referring to direct or indirect financial losses caused by inadequate internal processes, technological failures, human error or as a result of certain external events, specifically including risks associated with project management, human capital and information technology.

  Particular focus is required on operational risks arising from potential threats to projects and services; project managers must proactively manage the impact of these risks, spanning from the initial tender and contract negotiations through to final execution and delivery.
- **Financial risks** associated with fluctuations in financial markets and/or markets for goods and services that affect the costs and revenues of the business, including areas relating to exchange rate management, liquidity risk and interest rate risk, as well as credit risk associated with the possibility that a counterparty may fail to meet its contractual obligations, thereby causing an economic or financial loss to the Indra Group.
- **Compliance risks**, associated with noncompliance with the legal regulations in force at all times, as well as other provisions, adopted standards and codes of conduct applicable to the business in all markets in which the Indra Group operates, and which may result in financial and/or commercial penalties as well as reputational damage, thereby causing an adverse impact on results, and/or on capital, and/or on business development expectations.

  Compliance risks primarily concern the prevention of corporate criminal liability, anti-competitive practices, and fraud, alongside all other statutory obligations arising from the Indra Group's activities.
- **Tax risks** associated with decision-making in the tax sphere, whether by the Indra Group or by tax or judicial authorities, which could have a negative impact on the Indra Group's financial statements or reputation.

Generally, sustainability risks arising from the Company's operations (specifically environmental, social, and governance issues) are encompassed within the categories of strategic, compliance, and operational risk.

5 Key principles

To fulfil this commitment, the Board of Directors, through its Audit and Compliance Committee, oversees the adequacy of the system for assessing and controlling relevant risks. It establishes the following key operating principles within the framework of its Risk Management and Control System, which is based on the methodological framework set out in COSO II – Enterprise Risk Management Framework[2], adapted to the specific needs and characteristics of the Indra Group:

1. **Protection of Value**: Viewing risk control and management as a system for creating and safeguarding value for all relevant stakeholders, by aligning the acceptable level of risk with the capacity for risk management and the opportunities available.

2. **Integrity**: The Risk Management and Control System covers the entire Indra Group, both at corporate level and across the various business units, regardless of their geographical location, and is integrated into the strategic planning process, the definition of business objectives and day-to-day operations aimed at achieving those objectives.
3. **Consistency**: Establishment of a common definition and methodology for risk, defining risk as any potential event that could adversely affect the achievement of business objectives or expectations.
4. **Independence**: The Indra Group's Risk Management and Control System ensures the appropriate segregation of duties between its various components; specifically, between the areas that assume and manage risks and those responsible for coordination, control, and supervision.
5. **Proactivity**: Promoting proactive risk management, which incorporates controls into process design to help mitigate risks, implements contingency plans and arranges cover for such risks where possible.
6. **Coherence**: Risk management should broadly ensure a balance between the significance of the risks identified and the cost and resources required to mitigate them. Furthermore, the Risk Management and Control System must be consistent with the rest of the Indra Group's processes and its business model.
7. **Information**: Mechanisms must be put in place to ensure that adequate, timely and regular reports are provided to the bodies responsible for risk management (Senior Management, the Audit and Compliance Committee and the Board of Directors).
8. **Continuous Improvement**: By leveraging best practice, the business context, and risk appetite, the Group aims to improve risk management across all functions, operational units, and divisions. This will enhance the efficiency and effectiveness of enterprise risk management at all levels, incorporating lessons learnt and experience gained during implementation.

[2] The Integrated Framework for Enterprise Risk Management published by COSO (Committee of Sponsoring Organizations of the Treadway Commission) in 2004. Updated in 2017: "Enterprise Risk Management – Integrating with Strategy and Performance".

6 Criteria for risk appetite and risk tolerance levels

The Indra Group's Risk Control and Management Policy aims to achieve a balanced risk/opportunity profile through effective management.

In this context, the Indra Group has established a general risk appetite framework that defines the levels of risk the organisation is prepared to accept, providing a common reference point for decision-making and ensuring that such decisions are taken within prudent limits, consistent with the Group's risk management capacity and aligned with its strategic objectives.

Generally speaking, the Indra Group maintains a moderate risk appetite, given the nature of its activities and the regions in which it operates. However, the organisation has a low tolerance for risks arising from noncompliance with applicable laws and regulations, including those of a tax nature

In addition, the risk tolerance framework is based on guidelines, standards and procedures designed to ensure that this management environment keeps risks within acceptable levels. In this regard, the Indra Group does not seek to eliminate all risks, but rather to assume a prudent level of risk that enables it to generate value on a recurring and sustainable basis, optimise opportunities and, at the same time, maintain acceptable risk levels.

Any risks that fall outside the established tolerance levels must be addressed in order to return to the desired levels, provided that the risk is manageable and the cost of the mitigation measures is justified by the potential impact that the materialisation of the risk could have on the Indra Group.

Based on the foregoing, the main criteria for risk control and management, for each category, are set out below:

6.1 Strategic Risks

As part of its efforts to implement its Strategic Plan, the Indra Group will focus on monitoring the profitability of its businesses across the sectors in which it operates and on investing in new technologies that enhance its portfolio of products and projects, facilitate adaptation, progress and the achievement of strategic business objectives and social impact, balancing prudence with the need to explore new opportunities, including those arising from inorganic growth. Furthermore, with regard to the geographical regions in which it operates, the Indra Group will implement its business strategies in accordance with general principles of prudence and within a framework that assesses the risks associated with economic, geopolitical, social and labour market conditions.

6.2 Operational Risks

In the business sphere, controls will be put in place with the aim of anticipating, mitigating or preventing any adverse effects that the materialisation of risks in the Indra Group's operations might have on the Group's ability to meet its financial and strategic objectives. The main criteria for managing operational risks are as follows:

- With regard to the risks associated with project contracting, and in a spirit of precaution, the company has a set of regulations governing the mechanisms for identifying risks during the tender phase of projects, ensuring that the commitments undertaken by the Indra Group enable it to maintain its profitability and cash flow targets in a sustainable and reasonable manner.
- With regard to ongoing projects, progress is monitored to identify any significant deviations that could jeopardise the achievement of objectives, and measures are put in place to mitigate or correct any potential impact, as well as to establish the necessary monitoring and control mechanisms to ensure the proper implementation of the measures decided upon in each case. The Indra Group carries out ongoing analyses of the expected future profitability of projects currently underway and conducts regular reviews of its project portfolio, identifying those where current progress shows signs of potential losses.

The contracts that the Indra Group enters into with its clients typically contain provisions designed to limit liability for damage caused, or for defects or errors in its products or services. Similarly, there are public liability insurance policies designed to cover, as far as possible, the costs of customer claims.

- The identification, recruitment and active management of staff are key objectives of human capital risk management, which is based on the principles of diversity, equal treatment and equal opportunities, and encompasses risks relating to the workplace environment, industrial relations, recruitment and training, remuneration and benefits, and health and safety. The sectors in which the Indra Group operates are characterised by a high degree of specialisation, due to a high rate of innovation and constant technological change, which requires the Company to have, at all times, a highly skilled workforce equipped with the specific expertise needed to carry out its projects, most of which have a significant technological component.

  The Indra Group proactively establishes policies and controls to attract, retain and train the right professionals at all times, thereby minimising staff turnover in certain professional groups where the cost of replacement is high.

  Furthermore, with regard to risks relating to personal safety, the Indra Group has various mechanisms and protocols in place to ensure the protection of individuals.

- The Indra Group manages technological risks and those associated with information security, including industrial security for the protection of classified information, ensuring the adequate protection of its own information and that of its clients, as well as the technological assets used to process it. The Group implements measures to protect its technology against threats that include copying, viruses, unauthorised access, identity theft, hardware and software failures, computer fraud, loss of computer records, and technical issues. The Indra Group's Code of Ethics and Legal Compliance stipulates that all employees are required to protect the company's technology and know-how.
- The Group proactively manages other operational risks, such as environmental, reputational, and value chain risks, by embedding specific management procedures within its core business unit processes.
- Furthermore, the Indra Group will continue to implement its policy of transferring risks to third parties through various types of insurance designed to cover the impact of incidents arising from our operations that affect people, Indra Group assets and its customers, within the coverage and cost parameters accepted within the industry.

6.3 Financial Risks

The Indra Group has set its objective of creating value for its stakeholders with a focus on consistency and sustainability, based on aligning the growth and development of the business with effective management of financial risks.

The primary criteria for managing financial risks—namely credit, liquidity, and market risks (incorporating exchange rate and interest rate fluctuations), alongside risks stemming from the financing structure—are as follows:

- The general principle is to proactively manage financial risks relating to the Indra Group's debt levels, liquidity and financing, ensuring that these remain within defined tolerance thresholds which, even in adverse economic conditions, guarantee the Group's viability and strategic flexibility whilst delivering a reasonable return for shareholders. The definition of these thresholds incorporates both quantitative and qualitative factors in line with the Group's strategy.
- The Indra Group will implement measures to mitigate the impact of adverse exchange rate fluctuations or specific capital controls on its results, particularly where these arise from foreign currency cash flows in routine commercial and financial activities. Specifically, given the strong international presence, exchange rate risk is based on the following management principles:

- Regarding exchange rates, the Group monitors the impact of adverse movements on its income statement and balance sheet, evaluating the use of hedging instruments on a case-by-case basis.
- Moreover, with regard to foreign exchange and at project level, there is a policy of entering into foreign exchange hedging contracts with financial institutions that replicate the expected patterns of net cash flows arising from receipts and payments, in order to mitigate the risk associated with project income and expenditure denominated in currencies other than the functional currency
- With regard to country risk, and wherever possible, the Indra Group considers the use of confirmed letters of credit and insurance cover in countries with limited creditworthiness or high country risk.
- With regard to customer credit risk, the Indra Group regularly assesses the use of operational measures (letters of credit or credit insurance), accounting measures (provisioning) and financial measures (non-recourse factoring) to mitigate the impact of counterparty risk associated with certain customers.
- To manage liquidity risk, the Indra Group monitors cash flow forecasts and available funds to ensure that it has access to the necessary financial resources to meet its financial commitments arising from operational, investment or financing requirements, anticipating liquidity problems and, where necessary, taking steps to resolve them.
- Regarding its financial structure, the Indra Group maintains a policy of diversifying its sources of funding to mitigate risks associated with capital access and the availability of guarantees. In addition, the Indra Group continuously monitors its debt-to-equity ratio.
- With regard to financing costs, and in order to monitor and mitigate the impact on the profit and loss account resulting from the rise in the cost of debt, the Indra Group monitors developments in the public and private fixed-income markets.
- To limit interest rate risk stemming from variable-rate financing linked to interbank markets, the Indra Group issues fixed-rate debt instruments. Furthermore, it periodically assesses the use of derivative financial instruments to hedge against interest rate fluctuations, taking into account the cost of the potential hedge, market conditions, and potential termination costs.
- Finally, the Indra Group discloses its contingent liabilities and other off-balance-sheet risks in its financial statements.

Broadly speaking, the aim is to centralise financial risk management within the Finance and Economic Department, implementing the necessary measures and tools at all times.

6.4 Compliance Risks

The Indra Group is committed to conducting all its business in accordance with the regulations in force at all times and in all the countries in which it operates.

The main criteria for managing compliance risks are as follows:

- As a general principle in the management of regulatory compliance risks, any conduct that breaches applicable regulations or contravenes the Indra Group's policies, values and principles is prohibited. At all times, one must act in accordance with current legislation and within the framework set out in the Code of Ethics and Legal Compliance and the internal regulations implementing it. To this end, policies and controls have been established to prevent irregular practices and to identify, assess, and manage risks along with their associated impacts.
- The Compliance Unit centralises the management of criminal and anti-competitive risks, implementing the necessary measures and tools to ensure ongoing adherence to regulations.
- The Indra Group regularly assesses and evaluates potential litigation and claims, drawing on the best information available at all times. The Group recognises provisions for 100% of the amounts involved in legal proceedings where it is the defendant and the risk of a claim is assessed as probable.

- Other compliance risks, such as those relating to crime prevention—including corruption and bribery—disqualification from contracting with public authorities, legislative compliance, international trade regulations, intellectual property, data protection, competition, environmental issues, quality and safety requirements, and noncompliance with corporate governance recommendations, are proactively managed by the various business and support units through management procedures embedded in the Group's core processes.

The Compliance Unit has established indicators for monitoring compliance risk, including training and communication ratios within the direct channel.

6.5 Tax Risks

The Indra Group's activities involve making a number of decisions that have implications and consequences in the area of taxation. The Indra Group is therefore committed to fulfilling its tax obligations in all territories and jurisdictions in which it operates, always adopting a prudent tax policy in accordance with the principles of transparency, mutual trust, good faith and fairness as defined and set out in the Group's Tax Policy, which has been approved by the Board of Directors. Furthermore, these guiding principles are also in line with the recommendations of the Code of Good Tax Practice of the Spanish Tax Administration Agency (AEAT), to which the Group subscribed in the 2023 financial year following a resolution by the Board of Directors.

Where tax interpretation guidelines are unclear or contradictory, or where tax matters are particularly complex, the Group will seek the assistance of independent tax experts and, where necessary, will confirm the applicable tax treatment with the relevant tax authorities, in line with the Group's approach of maintaining a cooperative relationship.

With regard to tax risk management, the Indra Group will implement the necessary control mechanisms to ensure, within the framework of sound business management and corporate governance, that all its constituent companies comply with tax regulations and the principles set out above. The main criteria for managing tax risks are as follows:

- With regard to regulatory compliance risk, the Indra Group regularly monitors and controls compliance with tax obligations (including tax payments) across all jurisdictions using a dedicated tool; it keeps itself constantly updated on tax developments; it delivers internal and external training sessions; and it has implemented tax controls in the various regions covered by the ICFR (Internal Control over Financial Reporting). The Group maintains the highest standards of transparency in its external tax reports, providing robust disclosures on operations in jurisdictions classified as tax havens or non-cooperative. These classifications follow the lists published by the European Union and Spain's State Tax Administration Agency, which incorporate the OECD's recommendations.
- Regarding operational risks, the Group generates internal reports on tax implications arising from its ordinary course of business. It also oversees primary tax assessments and periodic returns—with a specific focus on the Spanish consolidated corporation tax return, managed alongside external advisers—while monitoring tax inspections and ongoing disputes. Furthermore, for complex corporate projects or those involving multiple jurisdictions, it seeks specialist external tax advice. The Group analyses tax incentives to ensure they are applied correctly, efficiently and in accordance with the regulations in force in each jurisdiction. The Tax Division has a permanent presence on the bid committee, and all tenders must be accompanied by the required tax report, which includes an analysis of the tax implications, with the aim of minimising tax risk and avoiding any reputational damage.
- With regard to strategic risk, the Indra Group carries out a tax impact analysis for complex international projects or those involving multiple jurisdictions, and seeks specialist tax advice from reputable external consultants. Furthermore, transactions that do not fall within the ordinary course of business—such as corporate restructuring, investments, the launch of new businesses, etc.—which are reported to the Board of Directors, include information on the tax implications.
- With regard to country risk, mitigation measures are being strengthened through the use of specialist external advice from reputable sources, with particular attention being paid to those jurisdictions that may entail additional tax or reputational risks.

7 Organisation and responsibilities

As part of its Risk Management and Control System, the Indra Group has defined the appropriate organisational structure and responsibilities to ensure the achievement of its objectives. The main bodies and departments involved in risk control and management, and their responsibilities, are as follows:

Board of Directors

- Ensure the implementation of the Risk Control and Management System and monitor internal information and control systems.
- To approve risk management and control policies setting out the basic management principles and guidelines for action designed to mitigate such risks.
- Approve the Global Risk Map.
- Approve the general risk appetite framework.
- Approve specific risk management, control and monitoring policies, including thresholds and limits.

Audit and Compliance Committee

- Oversee the effectiveness of the Risk Control and Management System by submitting recommendations and proposals to the Board of Directors on these matters
- Review the update of the Risk Map and inform the Board of Directors for its approval.
- Assess the overall risk appetite framework, propose any necessary adjustments and monitor compliance.
- Assess policies relating to the management, control and monitoring of specific risks, proposing any necessary adjustments and overseeing compliance.

Sustainability Committee

- Report to the Audit and Compliance Committee on sustainability risks relating to matters within its remit.
- Propose to the Board of Directors the strategy and policy on sustainability risks falling within its remit.

Senior Management and Management Team

- Facilitate sufficient resources for the implementation of risk control and management activities, and define the roles and responsibilities associated with these activities
- Validate the Risk Control and Management Policy
- Validate the proposed general risk appetite framework and monitor breaches of the established tolerance thresholds.
- Validate policies for the management, control and monitoring of specific risks, including thresholds and limits.
- Provide support in the process of drawing up the Global Risk Map, as well as the response plans designed to mitigate risks and monitor them.

Risk Coordination Unit

- Support the proper functioning of the Risk Control and Management System, ensuring the identification, assessment, quantification and monitoring of risks, taking emerging risks into account.
- Support the definition of the general risk appetite framework and follow up on risks that exceed the established tolerance levels.
- Support the definition of policies for the management, control and monitoring of specific risks, including thresholds and upper limits.
- Validate the Global Risk Map, as well as mitigation measures.

Global Risk Unit

- Provide reasonable assurance as to the effective operation of the Risk Control and Management System, offering appropriate tools for the assessment, prioritisation, and management of risks.
- Raise awareness of the importance of the Risk Control and Management System, fostering the creation of a risk management culture at all levels.
- Work with senior management and the management team to develop and propose updates to the Risk Control and Management Policy.
- Advise, with the support of senior management and the management team, on policies for the management, control and monitoring of specific risks, and report on their performance through regular reports from the Global Risk Unit.
- Assist in establishing the overall risk appetite framework. Ensure that breaches of tolerance thresholds are reported and managed.
- Prepare the Global Risk Map with the support of Senior Management and the management team. Monitor the implementation and effectiveness of the response measures defined for the key risks.
- Report regularly on the status and development of the main risks, as well as the outcome of the process of updating and assessing them, to the Risk Coordination Unit and the Audit and Compliance Committee.

Risk Managers

- Monitor the risks for which they are responsible in accordance with the methodology and tools set out in the Risk Control and Management System.
- Define the structure of procedures and policies for the management, control and monitoring of specific risks.
- Propose risk appetites, thresholds and corrective actions in the event of breaches of tolerance levels, and report these to senior management, the management team and the Global Risk Unit.
- Assess the risks falling within their remit as part of the process of drawing up the Global Risk Map, as well as the specific risks within their remit, and implement the appropriate risk response measures.

Tech for the future

Generating
confidence for
protect and promote
both the present,
and the future

Avda. de Bruselas, 35
28108 Alcobendas
Madrid, Spain
T +34 91 480 50 00

indragroup.com

INDRA GROUP