



Be smart.
Be Ormazabal



**Be Ormazabal.
Be sustainable**



We face a new year full of challenges and we do so with a short pause to review what 2023 has meant for **Ormazabal**. A year that has been marked, as is becoming customary, by a situation of instability on a geopolitical level, accentuated by the ongoing conflict in Ukraine, and on an economic level, since, despite moderating with respect to the previous year, the prices of inputs have continued to rise.

In addition to this, the year 2023 will be remembered in our sector as the moment when, in the context of European policies and strategies to achieve a sustainable energy transition, the Community regulation took the definitive step forward to limit the use of fluorinated gases, affecting the activity of the electrical equipment sector. A technological transition on which we at **Ormazabal** have been working for a decade, as part of our commitment to innovation.

Despite the demanding scenario, the balance of the year was, once again, positive in several respects. In 2023 we reached 748 million euros in turnover, achieving an EBITDA of 13 %. A result which, moreover, is part of the accumulated and sustained growth of recent years, which stands at 15 % year-on-year, and which supports our strategy and commitment to leading the technological evolution of the electricity grid.

In addition, and despite the turbulent context, we have continued with our investment effort in innovation and production capacity; a long-term vision that is part of our DNA. Thus, the 2023 financial year was used to continue increasing our production capacity in Igorre (Biscay), and to expand our manufacturing facilities in Loeches (Madrid). A special mention should be made of the acquisition of new facilities in the Biscay Science and Technology park, which, in addition to increasing our manufacturing capacity, will become **Ormazabal's** new headquarters and the maximum expo-

nent of our commitment to the evolution and digitalisation of the electricity grid.

On the other hand, and with our sights set on the transition to a SF6-free scenario, this was the starting year for our "Route to zero" with the launch of our first SF6-free technological solutions. This launch, based on a strong research and development effort, in line with the needs of our clients, began with the presentation of our first product ranges at the CIRED trade fair in Rome. This was a resounding success with the market and the gradual start of our production transition towards a decarbonised scenario.

2023 was also the year in which the first major joint project of the **Ormazabal** ecosystem materialised: the industrial microgrid at our Burgos factory. We have brought together the technological capabilities of **Ormazabal**, **Stratenergy** and **Supsonik** to give birth to an autonomous renewable energy generation and storage network which, managed by a management software, allows its interconnection with the public distribution network; resulting in the greatest example of the ecosystem's joint value proposition.

In short, 2023 has been a year as demanding as it has been positive. A balance sheet that you can read in detail in this report, which includes our economic, environmental and social performance in the last financial year.

Jorge González
CEO of **Ormazabal**



**Technology
for a new
electric world**

01

**About
Ormazabal**



Technology for a new electric world

Ormazabal is a global company founded in 1967, expert in customised, reliable and high-tech solutions for electrical infrastructure.

Its solutions are aimed at digitising the electricity grid to integrate more renewable energy generation, enable more sustainable mobility and guarantee supply for buildings and infrastructures with critical energy needs.

The company is permanently committed to technological and industrial innovation, which has enabled it to position its own technology worldwide and become a global company.

The transition towards a decarbonised energy model involves replacing fossil fuels with renewable energies, making smarter electricity grids, improving energy efficiency and increasingly responsible consumption. Ormazabal participates in this challenge with the aspiration of becoming a benchmark company in the transformation of the electricity grid as a provider of innovative solutions.

To do so, it collaborates with leading global companies, working hand in hand to drive a sustainable energy future in harmony with nature and people. Being part of the electricity revolution.

1 | Purpose, mission, vision and values

Purpose

To lead the technology evolution of electricity networks in order to enable the **energy transition**.

Mission

To provide **customised, reliable and high-tech** solutions for electrical infrastructure, backed by proven experience and an excellent standard of service.

Vision

To be the **benchmark** for clients in the **innovation** of their electrical networks.

Values

Ormazabal, as part of **Velatia**, shares these five values strongly rooted in the group's culture:

- **Flexibility:** willingness to understand different options and adapt to different situations.
- **Leadership:** showing a will to succeed in day-to-day activity that can serve as an example and motivation for others.
- **Innovation:** dynamic attitude to create and anticipate new and successful processes, products and/or services.
- **Pragmatism:** efficient results orientation.
- **Support:** willingness to offer and request help in order to develop people and achieve goals.

Technology for a new electric world

“Technology for a new electric world” is much more than a corporate slogan, it is a declaration of intent that strengthens the Corporate Social Responsibility strategy and the value proposition of the **Ormazabal** brand.

2 | Ormazabal business

Ormazabal is working to transform the electricity grid into an infrastructure of the future: more reliable, resilient and sustainable.

These are the four main segments or areas of activity that the company serves:



Smart & digital grids



Green generation & storage



Green mobility



Sustainable buildings & infrastructures



3 | Ormazabal in figures

Ormazabal has a solid international presence, backed by sixteen production centres located in different regions of the world and with the capacity to operate in more than fifty countries through subsidiary companies and distributors. This allows it to be close to its clients and to adjust to the characteristics of local markets in order to respond to their needs in an agile and personalised manner.

Beyond the factories and offices, there is the commitment to a job well done and the will of a team of more than 2,500 highly qualified people who strive every day to make the transformation of the electricity grid a reality.

Making a positive impact



Proximity footprint

- Presence in **more than 50 countries**
- Its **systems** are installed in **more than 150 countries every year**
- More than **two million systems installed** worldwide
- More than **62,000 automated facilities** worldwide

Industrial footprint

- **16 production centres** in the world

Technology footprint

- 1 Research and Technology Centre **unique in the world**
- Product development centres in **eight countries**

Ormazabal continues its upward trajectory, reaffirming its commitment to lead the transformation of the electricity grid and consolidating its position as a provider of innovative solutions

4 | Executive summary

The year in review

Even in a global context marked by uncertainty and geopolitical tensions, the company has demonstrated excellent performance in 2023, with sustained growth in recent years.

This success is crowned by a significant milestone in **Ormazabal's** strategy, representing considerable progress as a provider of innovative solutions. After more than a decade working on technologies aimed at increasing the sustainability of its products, in 2023, the company presented its new SF₆ gas-free solutions for both primary and secondary distribution. These innovations have been very well received in the market for their attractiveness and differentiating features, marking a significant achievement for the company's innovation strategy and encouraging it to continue moving towards industry leadership.

New SF₆-free solutions for primary and secondary distribution drive Ormazabal forward.

The excellent performance in terms of order intake and turnover, together with the consolidation of the new brand image, the successful launch of the digital native product portfolio, the implementation of the project to take advantage of synergies between all the companies in the energy ecosystem, industrial investments to expand production capacity and the support of clients who recognise the company's commitment to sustainability, are further driving **Ormazabal** to face the technological challenges of the coming years with determination. The company is better prepared than ever to lead the transformation of the energy sector.

The electricity business ecosystem unfolds and begins a joint journey. **Ormazabal**, **Supsonik** (specialist in uninterruptible power systems) and **Stratenergy** (energy services and charging stations for electric vehicles company) begin a stage of closer collaboration to face the new challenges of the sector. This alliance is based on the search for synergies and will be developed throughout the 2024-2026 Strategic Plan.

Alliance of Ormazabal, Supsonik and Stratenergy.

Despite the uncertainty and threats to the economic evolution of companies, **Ormazabal's** commitment to innovation is unwavering and a large part of its efforts in 2023 have been focused on it. Thus, together with the launch of SF₆-free solutions, it is worth highlighting the sales of new digital native products such as the first automated low-voltage switchboards for the Italian electricity company Enel, the agreement with the **European Investment Bank (EIB)** for 40 million euros to finance the development of R&D lines in the 2022-2025 period, or the **agreement with Iberdrola** aimed at financing research and development of new products for electricity distribution.

New sales milestones in digital native products.

In addition, with the aim of reinforcing its innovation strategy in the technological, industrial and commercial areas, **Ormazabal** has launched the **OOIS (Ormazabal Open Innovation System) project** in 2023, through which the company's open innovation will be encouraged by means of venture client initiatives, intrapreneurship, technology scouting and strategic alliances.

Deepening ESG criteria from a cross-cutting perspective.

In relation to sustainability, one of **Ormazabal's** aims is to provide companies with resources and support structures to adequately develop the field of sustainability and ESG criteria. To this end, the company has set up a multidisciplinary forum in 2023 to analyse the different aspects of interest related to this matter and work on them from a cross-cutting perspective.

As part of its commitment to the Sustainable Development Goals, in 2023 Ormazabal held for the first time the **Ormazabal Contribution Week** at locations around the world with the aim of increasing awareness and responsibility among the workforce, the feeling of belonging and contribution to sustainable development in the regions where it is present.

Ormazabal has also joined the **European Wind Center**, joining the main players in the wind energy sector to

accelerate the decarbonisation of society and continues to make progress in its commitment to reduce emissions to accelerate the ultimate goal of zero emissions. Thus, in 2023, it has continued with the pilot project started in 2022 to measure the most relevant Scope 3 CO₂ emissions at three of its centres.

In terms of talent management, it is worth highlighting the thirty new mentoring processes carried out through **Ormazabal Mentoring Experience**, a project initiated in 2021 and deployed in 2022 and 2023, whose purpose is to foster the personal and professional growth of the company's talent through the figure of the mentor.

New milestones have been added throughout the year to the company's successful performance, such as a pioneering project in offshore wind power that develops a platform to promote this type of renewable generation in deep coastal waters, more than 225 connections to the electric vehicle charging infrastructure grid for large European operators, more than ten years bringing electricity to data centres, a major supply of equipment for TNB in Malaysia, the sustainable electrification of the Port of Bordeaux and a solar project in Brazil led by **Ormazabal China**, among others.

In short, a vibrant and challenging year, but also exciting and satisfying, which has been worthy of several awards, including the international **Quality Innovation Award** for SF₆-free technological solutions, and also, due to its importance and significance, the **AED Award** granted by the Association of Businesswomen and Women Managers of Biscay for the company's commitment to the inclusion of women in the business world. It has also received several awards in China in recognition of its great work in this country.

Ready to lead the transformation of the energy sector.

The company faces a new strategic cycle in a rapidly changing world. The electricity sector faces both growing threats and opportunities. On the one hand, macroeconomic uncertainties, interest rates, de-globalisation, the fight for talent and constant regularisations are some of the challenges on the horizon. On the other hand, the European Commission and the International Energy Organisation have stressed the need to double investment in electricity grids by 2030 in order to accelerate the energy transition (digitisation of electricity grids, renewables, electric vehicles, electric storage). The international agency Bloomberg New Energy Finance forecasts that electricity demand will double by 2040. This represents a valuable opportunity for **Ormazabal**.

To address these threats and uncertainties, as well as to capitalise on emerging opportunities, the company will focus in the roadmap designed for the coming years on the digitalisation of products, technology, its industrial capabilities, the exploration of internal synergies and the development of talent. The combination of all these levers will allow **Ormazabal** to adapt to the new market conditions to ensure sustainable growth over time and compete successfully in the future.

The evolution of the company's results is shown below.

EVOLUTION OF TURNOVER

TURNOVER
(millions of euros)

617
MILLIONS

748
MILLIONS

EBITDA
(% of turnover)

11 %

13 %

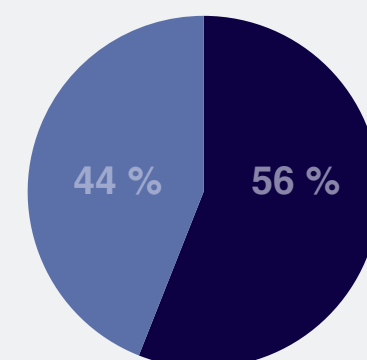
EBT
(% of turnover)

9 %

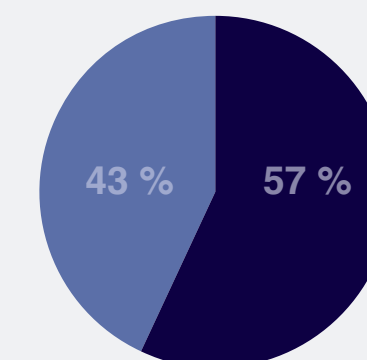
12 %

DISTRIBUTION OF STAFF

2022



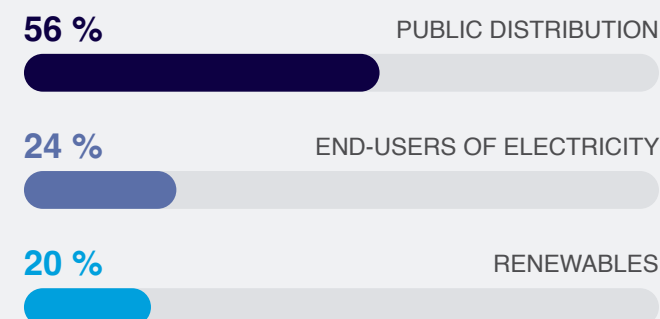
2023



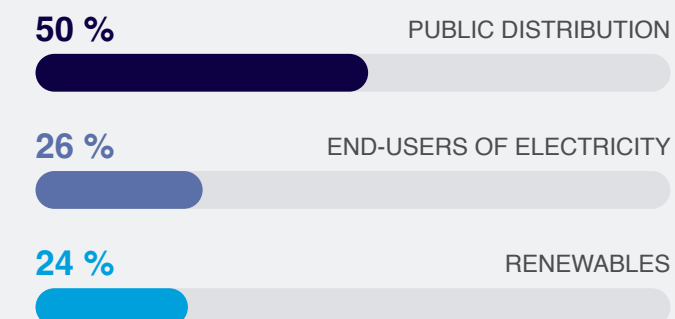
DIRECT LABOUR
INDIRECT LABOUR

DISTRIBUTION OF SALES

2022



2023



Key milestones in 2023

Presentation of SF₆-free solutions for public distribution

One of **Ormazabal's** most outstanding and eagerly awaited milestones in 2023 has been the launch of SF₆-free solutions for primary and secondary distribution, the result of more than ten years of R&D&I efforts. These solutions have been very well received by the market due to their attractiveness and the differential characteristics provided. Following the presentation, the first pilot projects have begun to be developed. In this way, the company takes a great leap forward to aspire to be a benchmark in innovative and sustainable solutions.

The SF₆-free solutions have been awarded the Innovation Quality Award granted by Euskalit and the project has been a finalist in the international Quality Innovation Award, which annually recognises innovative work in various categories in companies around the world.

Industrial microgrid project at Burgos plant

Ormazabal, **Stratenergy** and **Supsonik** have pooled all the knowledge and experience of the electricity ecosystem in a single location: the company's plant in Burgos. With this, this centre has become a powerful demonstrator of all the capabilities that the three companies bring together, applicable to clients with high electricity demand who need to decarbonise their business.

This is a pioneering project designed to maximise self-consumption and efficiency, guaranteeing energy supply. The project incorporates a rooftop photovoltaic plant, a scalable energy storage system, a set of electric vehicle charging solutions, a grid connection system and, finally, a software platform that acts as a control centre.

First automated low-voltage switchboards for Enel

Delivery and commissioning of the first automated low-voltage switchboards for the Italian electricity company Enel, which have been distributed in both Italy and Spain. This is excellent news for the company because of the support it represents for the advance in the commercialisation of digital native products. The equipment is equipped with single-phase

operation switches and integrated protection relays and the IEC 61850 international standard protocol for substation automation that facilitates communication with Enel's control centres.

Giving wings to a pioneering offshore wind project

The objective of the DemoSATH floating offshore wind turbine project, located off the coast of Biscay (Spain) and with 2 MW of power, is to serve as a test bench for a new type of platform to drive offshore wind power in deep coastal waters. **Ormazabal's** participation in the project focuses on the grid connection of the wind turbine.

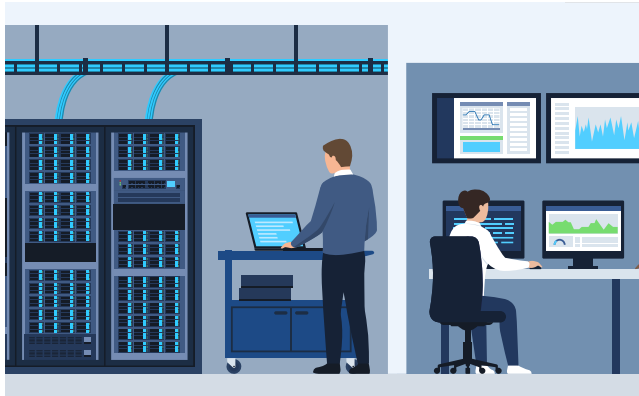
OPS technology for sustainable ports: electrification of the Port of Cadiz

The electricity company Enel chose **Ormazabal's** proposal for the electrification of the cruise terminal in the Port of Cadiz in a tender process. The project, presented jointly with Ingeteam, uses OPS (On-shore Power Supply) technology, which allows the electrical connection of the ships to the port while they are docked, thus avoiding the use of fossil fuels to cover their electrical needs.

More than 225 connections to the recharging infrastructure network

Ormazabal is increasing its supply of equipment for electric vehicle charging infrastructures to large European operators. Countries such as France, Holland, Germany, the United Kingdom, Portugal and Spain are increasingly relying on the company's technological solutions to make the decarbonisation of land transport possible.





More than 10 years bringing electricity to data centres

Ormazabal has more than ten years of experience in the field of data centre electrification. The company's positioning as a strategic partner of global communication players allows it to supply the complete solution with a network architecture designed according to the most advanced trends and with the capacity to tackle highly complex projects such as sequential transfers, automatic reconnection that mitigate the effect of the magnetisation currents of existing transformers, etc.

Major equipment supply for TNB in Malaysia

Delivery of hundreds of modular and compact units (RMU) for the Malaysian electricity company TNB, which means an important boost for the company in the Asian market.

An agreement that is an example of coordinated work towards a common goal and that has been made possible with the collaboration of the **Ormazabal** team in China and the **Ormazabal TSG** joint venture.

Sustainable electrification at the Port of Bordeaux

Ormazabal has participated in the project for the electrical connection of pleasure and river boats in the Port of Bordeaux to limit noise pollution and pollution from the use of diesel generators. The solution provided includes the implementation of underground transformer stations, which, in addition to providing an efficient and environmentally friendly solution, has enabled **Ormazabal** to take care of the environment given the complexity of installing electrical equipment in an area classified as a World Heritage Site.



China-led solar project in Brazil

Ormazabal can tackle complex projects with different logistical needs thanks to its extensive experience in renewable energies around the world. The 735 MW photovoltaic project in which the company has collaborated in Brazil has been led from China and has culminated with the supply of 100 units for its electrification.

At Iberdrola's La Asomada substation in Murcia

Iberdrola has entrusted **Ormazabal** with the renovation of the high and medium voltage systems in its La Asomada transformer substation, located in Cartagena, Murcia. Part of the remodelling work consisted of the creation of two new container-type buildings, one of which was designed to house the double busbar switchgear type cpg.1. This will allow the future Repsol electrolyser plant to be connected to the substation.

OPTIAM Project

Ormazabal participates in this R&D project to optimise the design of the electricity grid and minimise the environmental impact of electricity consumption. The aim of the project is to ensure a resilient transition of the electricity sector in the Basque Country through the development of innovative electrical equipment and the digitalisation of the decision-making process in the design of products and projects in the sector.

Ormazabal Contribution Week: commitment to the SDGs

The **Ormazabal Contribution Week** reinforces the company's commitment to the Sustainable Development Goals through the implementation of multiple activities in all **Ormazabal's** offices with the aim of increasing responsibility, the feeling of belonging and sustainable development in the regions where it is present among the staff.





Presence in sector activities

The **CIRED International Conference & Exhibition** held in June 2023 in Rome was the starting point chosen within the “Route to zero” campaign to officialise the public presentation of 24 kV SF₆-free solutions for both secondary and primary distribution networks.

The route continued with other highlights such as **Matpost Conference** (Lyon, France), **Enlit Europe** (Paris, France), or **Energetab** (Bielsko-Biala, Poland), where **Ormazabal** presented the digital transformation centre with SF₆-free technology.

In addition to the energy sector, the company has had a prominent presence at numerous exhibitions and events in other sectors of great importance for the business, such as renewable energies: **Windpower Brazil**, **Intesolar South America** (São Paulo, Brazil) or **WindEurope** (Copenhagen, Denmark); and in the field of data processing centres: **Data Centre World Paris** or **DCD Connect** (São Paulo, Brazil). It has also attended specialised trade fairs such as **Electricon** (Guadalajara, Mexico), **Eltefa** (Stuttgart, Germany), etc.

In addition to these events, the company participated in conferences on smart grids such as **EuroDoble** or the **2nd Futured Smart Grids Congress** (Madrid, Spain) and in various essential forums in the electricity sector, including the **5th Aelec Congress** (Madrid, Spain) to promote the acceleration of the energy transition and a more sustainable electricity future.

Ormazabal also sponsored the **Eurelectric PowerSummit** (Brussels, Belgium), during which prominent leaders in the electricity industry explored the challenges facing the sector under the theme “Balance of power”. It also participated in the **First Annual Congress of the NetZero Mar Alliance** (Valencia, Spain) in the field of solutions for the decarbonisation of ports.

Finally, **Ormazabal’s** adherence to the **European Wind Charter in 2023** deserves a special mention. **The company thus joins the main players in the sector to accelerate the decarbonisation of society.**



Awards and recognitions

Kaizen Award for Continuous Improvement in Industry

Ormazabal’s secondary distribution factory located in Igorre (Spain) has been awarded the “**Continuous Improvement in Industry**” prize, granted by the renowned Kaizen Institute to recognise the application of improvement methodologies in industrial organisation. This important award recognises the company’s work in a project started five years ago and focused on the boilermaking section of the factory.

A de Plata and Quality Innovation Award Euskadi by Euskalit

Ormazabal’s Supply Chain Drive division received the Silver A in Advanced Management and the secondary distribution team won the international Quality Innovation Award Euskadi for the launch of the SF₆-free technological solutions. Two important awards that demonstrate **Ormazabal’s** deep commitment to excellence, advanced management and innovation.

AED Bizkaia rewards the company’s commitment to the inclusion of women in the business world

The AED Prize, awarded by the Association of Businesswomen and Women Managers of Biscay, distinguishes **Ormazabal’s** business policy focused on equal opportunities for all the people who make up the team. The AED praised the company’s contribution to promoting the participation of women in the business world in Biscay.

China recognises Ormazabal’s work

The support for the company’s great work in China is confirmed by the various awards and recognitions in different categories received during the year: **Caring Enterprise**, **Top Ten Excellent Wind Power Products**, **Glory Award** received at the Top 10 Highlights Awarding Ceremony and the **Development of Specialized and Sophisticated SMEs Certification**. A highlight was the **Excellent Photovoltaic Materials/Equipment Enterprise** award presented at the **Photovoltaic Top 100** conference, where the country’s leading companies in the renewable energy market were honoured.





5 | Governance

Governing bodies

Ormazabal is governed by the group's highest governing body, the Board of Directors, whose regulatory framework is laid down in the Articles of Association, the Rules of Procedure of the Shareholders' Meeting, the Rules of Procedure of the Board of Directors, the various Rules of Procedure of the Board Committees, and the Code of Ethics.

In 2020, the **Ormazabal Advisory Council** was set up within the Board of Directors, comprising five members and given a fundamentally advisory role strictly within the scope of the business. As such, it acts as a means of support, providing collaboration and advice. Without prejudice to any other duties that the Board of Directors of **Velatia** may request of it, this Advisory Council has been assigned among its functions:

- Analyse **Ormazabal's** results and the work of the management team.
- Propose the strategic plan and monitor its implementation.
- Monitor budget management.
- Propose to the Board the most important investment decisions (sale of assets, mergers, etc.).
- Assess and propose the authorisation of strategic alliances.

- Put in place mechanisms to provide the most accurate information on all areas of the company.
- Propose the remuneration policy to the **Velatia** Appointments and Remuneration Committee.
- Any other objective that contributes to the achievement of the company's goals.
- Gathering information, preparing presentations, etc.; and any other tasks as requested by the Board.

Ormazabal Advisory Council

PRESIDENT

Mr. Javier Ormazabal Echevarria

MEMBERS

Mr. Alejandro Ormazabal Echevarria

Mr. Hipólito Suárez Gu tíerrez

Mr. Luis Atienza Serna

Mr. Jorge González Somavilla

SECRETARY (non-member)

Mr. Alex Otaegui Furriel



6 | Risk management

Ormazabal permanently monitors the evolution of the risks that could compromise the achievement of its objectives and the development of its future project. As a result of a process of strategic reflection, the company has identified, assessed and prioritised these threats, classifying them into four main categories, assigning to each of them specific measures aimed at mitigating their impact:

- Strategic risks.
- Operational risks.
- Compliance risks.
- Information risks.

Throughout 2023, a risk analysis has been carried out in which twenty-five different risks have been identified. Following the assessment of each risk, the ten elements with the highest potential were prioritised:

- Regulatory and/or policy changes in relation to sustainability and energy transition.
- Margin development and commoditisation.
- Innovation and new products.
- Prescriber relationships.
- Striving to attract and engage talent.
- Strategic positioning in traditional business.
- Emergence of low-cost competitors.
- Lobbying and relationship management skills.
- Changes in the business model.
- Quality of the final product.



7 | Sustainability

Sustainability is a central element of **Ormazabal's** business strategy, which is why it is integrated transversally throughout the organisation. The company's business model seeks to contribute to sustainable development through the generation of long-term value that benefits all its stakeholders.

One of its objectives is to provide its companies with the necessary resources and structures to adequately develop this area. To this end, in 2023 **Ormazabal has launched a multidisciplinary forum dedicated to the analysis of the different relevant aspects of ESG, approaching them from an integrated and holistic perspective.**

Identifying stakeholders

Ormazabal recognises the crucial importance of delimiting and cataloguing stakeholders for an organisation. For this reason, it carries out permanent analysis and monitoring to ensure that all relevant stakeholders are considered.

The following perspectives are taken into consideration in this identification process:

- **Proximity:** groups that interact closely with the company, including internal stakeholders.
- **Influence:** those who influence (or could influence) the performance of the company's activity.
- **Liability:** those with legal obligations.
- **Dependence:** groups that depend on the activity of the company.

These stakeholders are prioritised according to two variables:

- **Influence:** whether they can have an impact on the company or whether a stakeholder is strategic for decision-making purposes.
- **Dependence:** whether they are directly or indirectly dependent on the company's activity, on its products and services or on its functions.

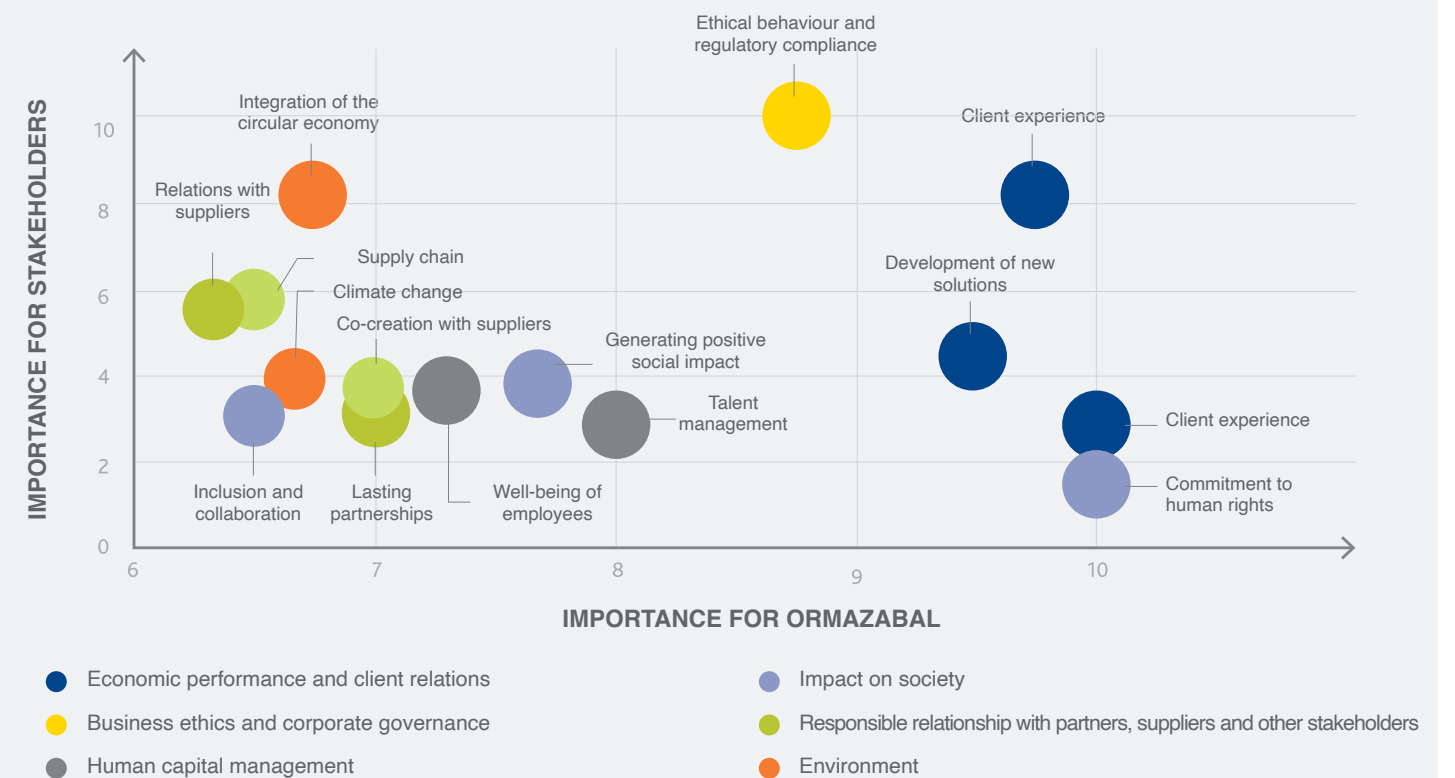
Identifying relevant issues

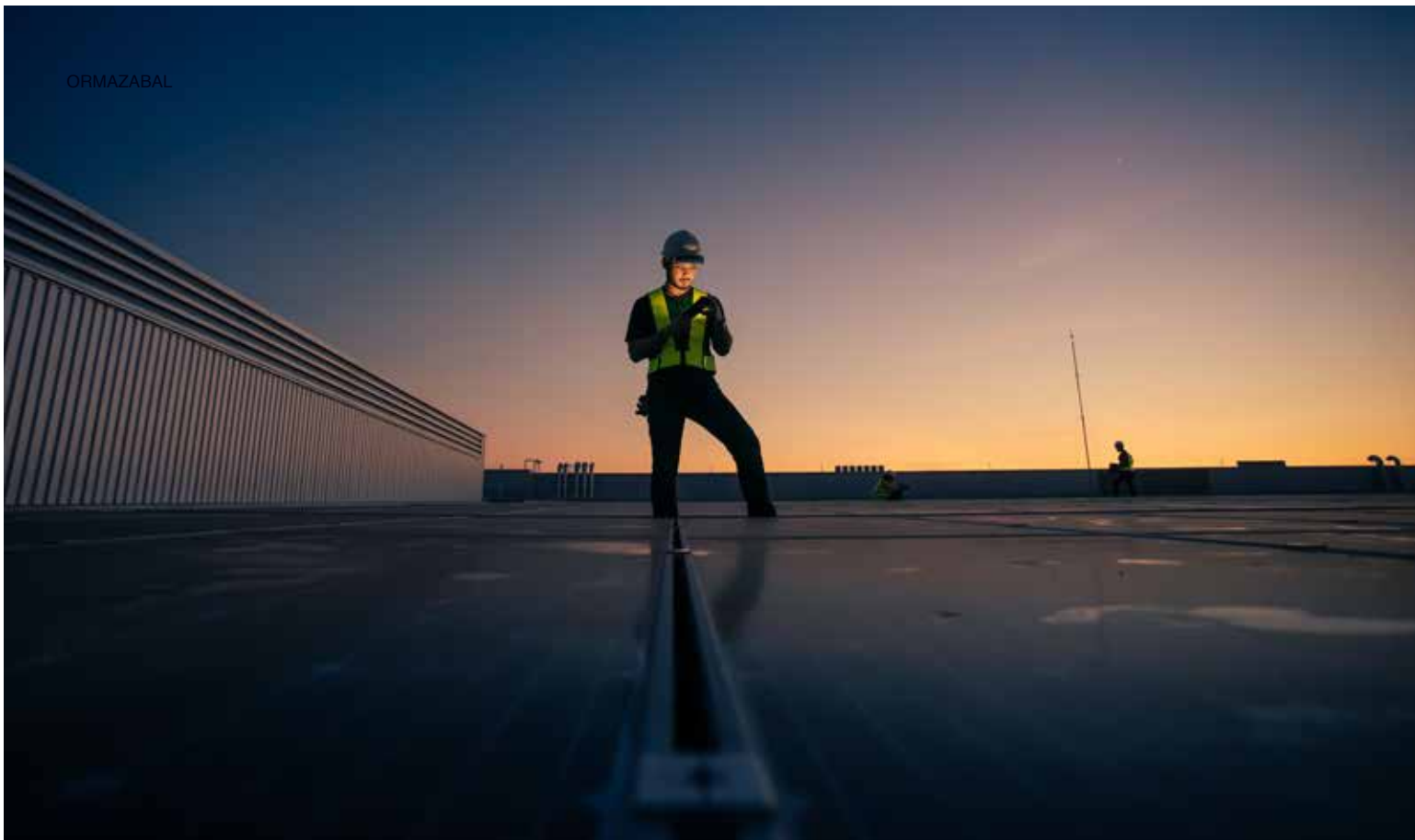
Ormazabal maintains an ongoing dialogue with its stakeholders through the usual communication channels to identify the issues considered relevant in relation to sustainability for its stakeholders and for the company itself. Thus, it determines those economic, social, environmental and governance aspects that are priorities for a sustainable development approach.

The materiality study has been carried out taking into account the following elements:

- An analysis of the expectations of different stakeholders.
- An investigation of competitors' best practices.
- A study of regulatory trends in the energy environment and in sustainability that may affect the company's activity now or in the future.
- A review of projects pending from the previous strategic plan.

The cross analysis of the variables "Importance for the business strategy" and "Priority for stakeholders in each of the issues considered relevant" results in the following **materiality matrix:**





Lines of action, ambitions and commitments

Based on the materiality matrix, **Ormazabal** has determined what objectives it wants to achieve, what commitments it will make and what lines of action it will establish to achieve them. There are six basic lines of action:

1. Ethics and corporate governance

Complying with the code of ethics and policies that establish the operating principles. Strengthening its commitment to good governance, ethics, integrity and transparency; considered important by stakeholders and an essential foundation for building trust and long-term commitment between the two parties.

Ambition:

- **Integrity** of behaviour.
- **Excellence** in management.
- Inclusive **dialogue** and **trust** with stakeholders.

2. Human capital management

To be committed to people, encouraging their development, guaranteeing equal opportunities to be a diverse and inclusive company.

Ambition:

- **To have people who are aware** of and committed to sustainability.
- **To ensure equal opportunities in a diverse and inclusive environment**, promoting a culture that favours **work-life balance and flexibility**.
- **To achieve a fair pay system** that takes into account social and environmental achievements.
- **To be a benchmark in level of employee satisfaction**.
- **To prioritise safety and minimise accidents**, particularly those caused by causes attributable to the company.

3. Environment

To reduce the environmental impact of its activities, as well as contribute to the energy transition and the fight against climate change through its products and services.

Ambition:

To be an environmentally responsible company that stays ahead of the curve on regulatory compliance, uses clean energy and efficient processes, and contributes to decarbonisation by installing products that make the grid more efficient.

4. Impact on society

Balancing the development of the business with the interests of the community where the group operates, generating a positive social impact by creating jobs, developing the local economy, collaborating with educational institutions, paying taxes and distributing the value generated.

Ambition:

- **To be perceived as creators of wealth and employment** at local level, supporting young people through training and, also, the most disadvantaged in society, in line with business interests.
- **To ensure compliance with human rights** in all its activities in all locations.
- **To be an active part** of society, contributing its knowledge for sound regulatory development.

5. Economic performance and client relations

To encourage innovation in products and services to improve and boost growth, both of the company and of the community it forms part of.

Ambition:

- **To promote technology innovation** as a lever for transformation towards more sustainable business models.
- **To be a benchmark** in the provision of services, driven by the search for new solutions in the company.

6. Partnerships and responsible relations with partners and suppliers

Promote responsible partnerships to build networks of shared value.

Ambition:

- **To promote sustainability** among partners and suppliers.
- To be and to have **trusted partners**.



8 | Sustainable Development Goals

Ormazabal's sustainability strategy seeks to address the challenges of the 2030 Agenda through innovative solutions that generate positive impacts in areas such as energy transition, digitalisation, transport and electric cars, among others.

In line with the five Sustainable Development Goals prioritised by Velatia, the company focuses its efforts and contributions on **SDG 7**, which aims to ensure access to affordable, reliable and sustainable energy for all people, no matter where they live, stimulating growth and helping the environment.

7 AFFORDABLE AND CLEAN ENERGY



Identified targets:

To achieve the goals of SDG 7, the following targets have been defined:

Target 7.1: Ensure universal access to affordable, reliable and modern energy services.

Target 7.2: Increase substantially the share of renewable energy in the global energy mix.

Target 7.3: Double the global rate of improvement in energy efficiency.

Ormazabal's contribution to the SDGs:

In smart and digital grids:

- Support to the main electricity companies in the deployment of their automations.
- More than 15 years digitalising the medium voltage networks.
- More than 24 million consumers benefited.

In green generation and storage:

- Collaboration with leading technologists in the sector.
- More than 30 years of experience.
- More than 150 GW protected and automated worldwide.
- More than 250 MW installed in energy storage.
- Present in major green hydrogen generation projects.

In green mobility:

- Accompanying the most important actors in the development of their infrastructures.
- Connection to the network of 20 % of Europe's High Power Charging (HPC) stations.
- Electrification of ports, railways and subways.
- Benchmark in electrical connections for green hydrogen mobility.

In sustainable buildings and infrastructure:

- Present in any type of project.
- Electrification of Europe's first Tier IV data centre.

- Present in more than 80 airports, hospitals, industries, hotels, shopping malls, etc., all over the world.

Ormazabal helps ensure **efficient access to energy** through its processes and businesses, **also increasing the percentage of renewable energy generated, favouring the energy transition and providing value in the fight against climate change.**

During the 2023 financial year, the company has continued to develop the **pilot project launched in 2022 to measure the most relevant Scope 3 CO₂ emissions** in three of its production centres, reflecting its commitment to measuring and reducing its environmental footprint. It is also committed to the **environmental responsibility of its facilities**. Following the analysis of the energy performance of its buildings in Spain, it continues to implement the improvement actions identified, aimed at improving their efficiency. It also purchases **energy from 100 % certified renewable sources** for its centres in Spain and at its plant in France, minimises all waste by facilitating its recycling, and incorporates **eco-design** in its products.

The alignment of Ormazabal's 2021-2023 Strategic Plan with the Sustainable Development Goals highlights the company's commitment to the future of the business, the fight against climate change and the protection of biodiversity, as well as its social contribution.



02 | Ormazábal Commitments

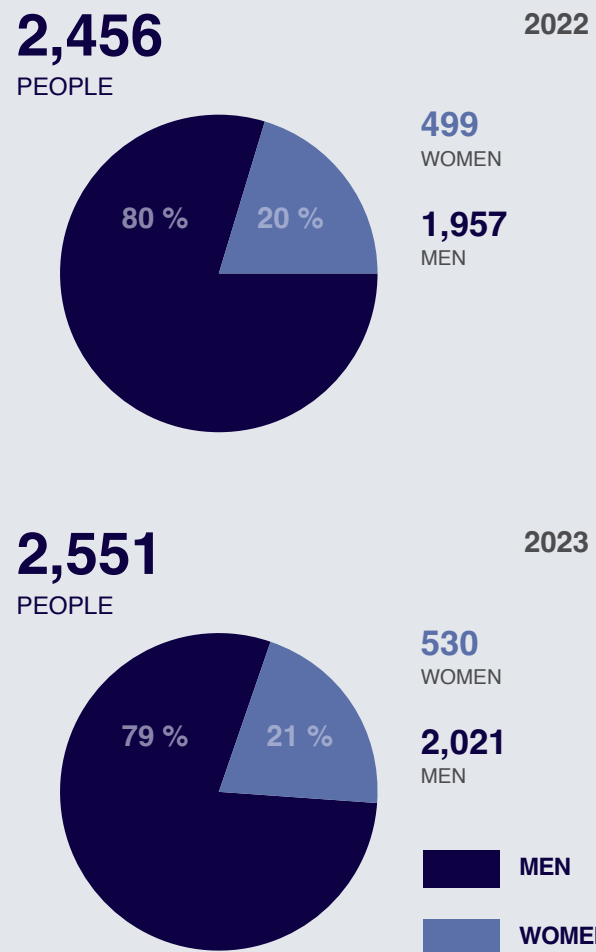
1 | People

People are **Ormazabal's** most valuable asset. Its diverse and unique team was made up of 2,551 people at the end of 2023, most of them located in Europe (86 %), mainly in Spain (75 %), while the remaining 14 % are distributed across other continents. 79 % of the workforce are men, 21 % are women, and 73 % are aged between 26 and 51 years old, giving a profile of a young company with a wide range of experience.

Employment

Ormazabal considers talent attraction and management to be two crucial factors for successfully tackling the major challenges it faces. In 2023, the workforce grew by 4 % due to the activity carried out, while in 2022 it remained at similar levels to the previous year.

DISTRIBUTION OF STAFF BY GENDER



DISTRIBUTION OF STAFF BY AGE

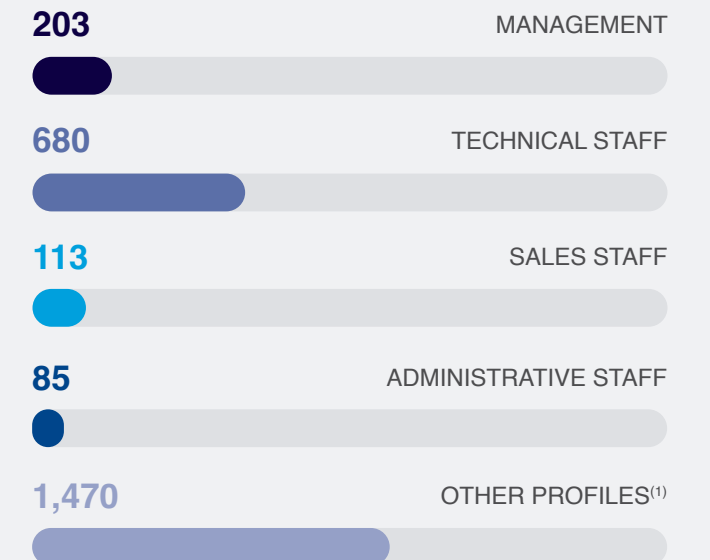


DISTRIBUTION OF STAFF AT YEAR-END BY CATEGORY

2022 | 2,456 PEOPLE



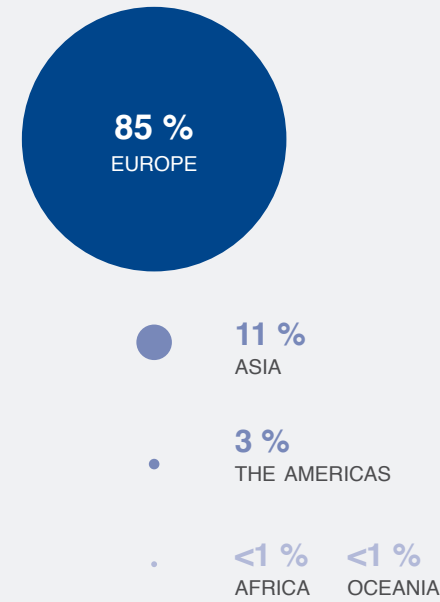
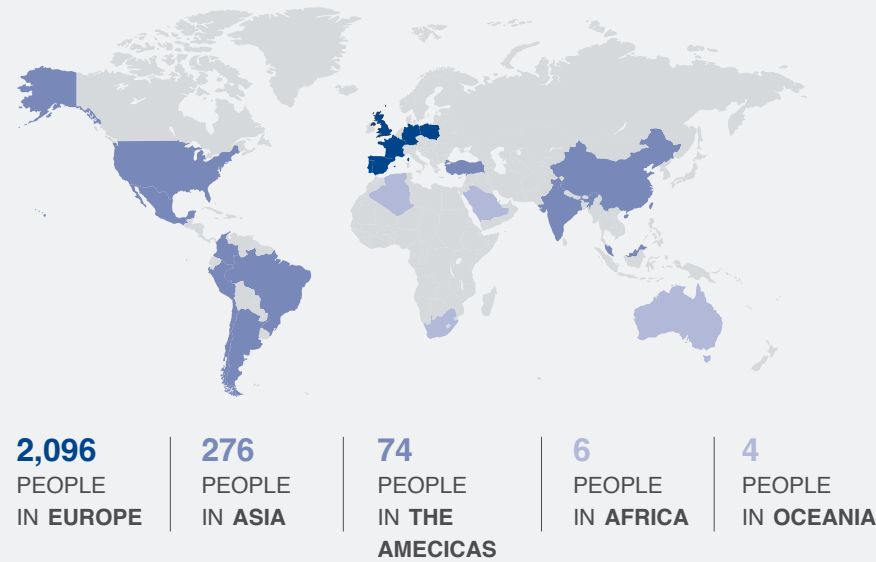
2023 | 2,551 PEOPLE



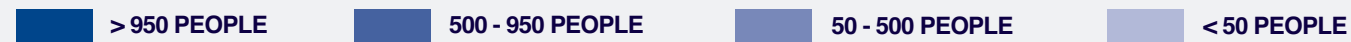
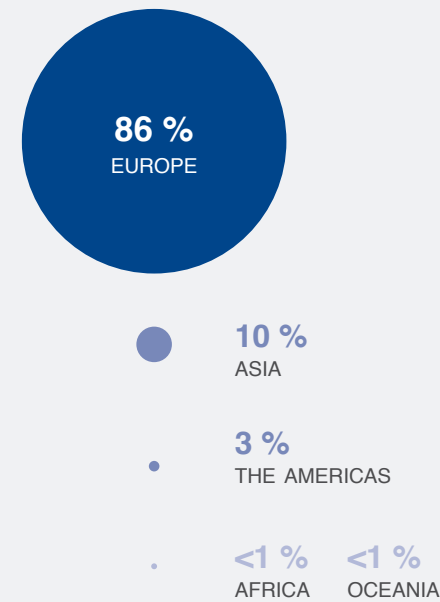
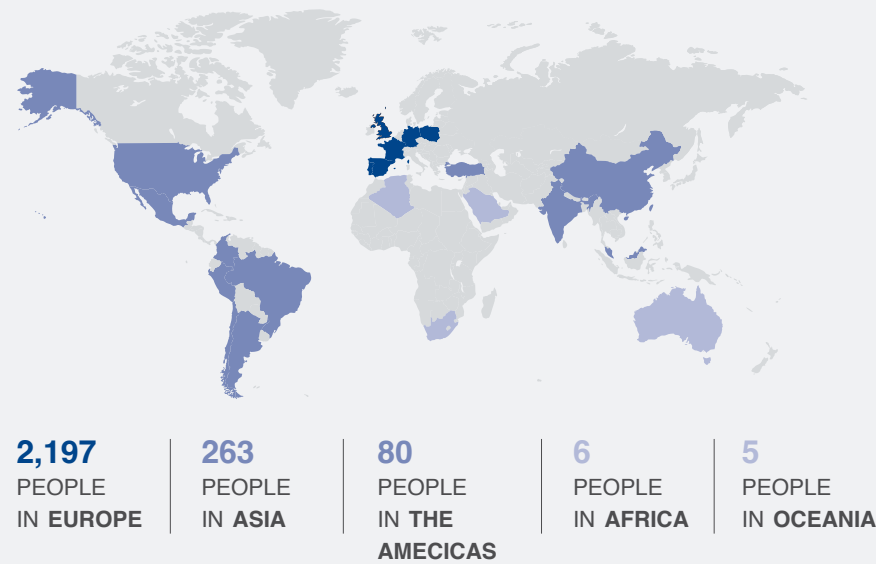
(1) Other profiles are mainly made up of direct labour, profiles that do not fit into any of the other categories and partial retirees.

DISTRIBUTION OF STAFF BY CONTINENT

2022 | 2,456 PEOPLE



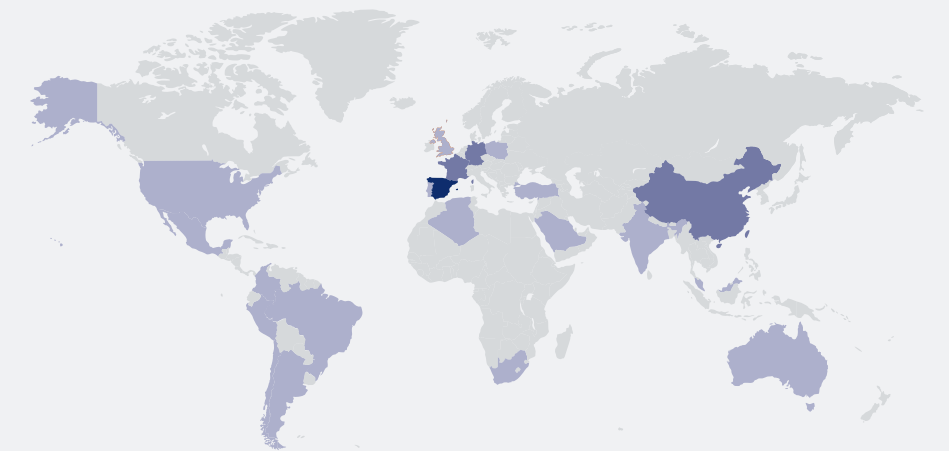
2023 | 2,551 PEOPLE



DISTRIBUTION OF STAFF BY COUNTRY

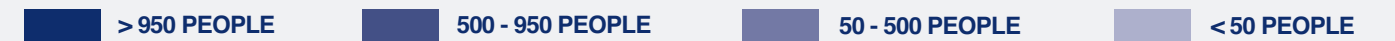
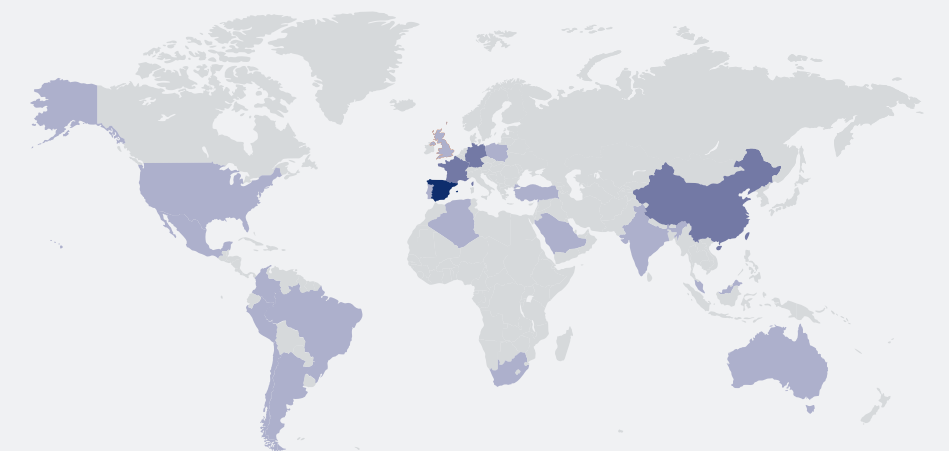
2022 | 2,456 PEOPLE

SPAIN **1,838** · 75 %
 CHINA **264** · 11 %
 FRANCE **132** · 5 %
 GERMANY **87** · 3 %
 UNITED KINGDOM **24** · 1 %
 BRAZIL **32** · 1 %
 MEXICO **14** · <1 %
 OTHER⁽²⁾ **65** · 2 %



2023 | 2,551 PEOPLE

SPAIN **1,911** · 75 %
 CHINA **251** · 10 %
 FRANCE **146** · 6 %
 GERMANY **83** · 3 %
 UNITED KINGDOM **38** · 1 %
 BRAZIL **32** · 1 %
 MEXICO **16** · <1 %
 OTHER⁽²⁾ **74** · 3 %



(2) Other includes the following countries: Algeria, Argentina, Australia, the United States, Poland, Portugal, South Africa and Turkey.

Distribution by type of employment contract

The staff data at the end of 2023 show a total of 2,183 permanent contracts, of which 1,757 are for men and 426 for women. In addition, 368 temporary contracts have been recorded, distributed between 264 men and 104 women.

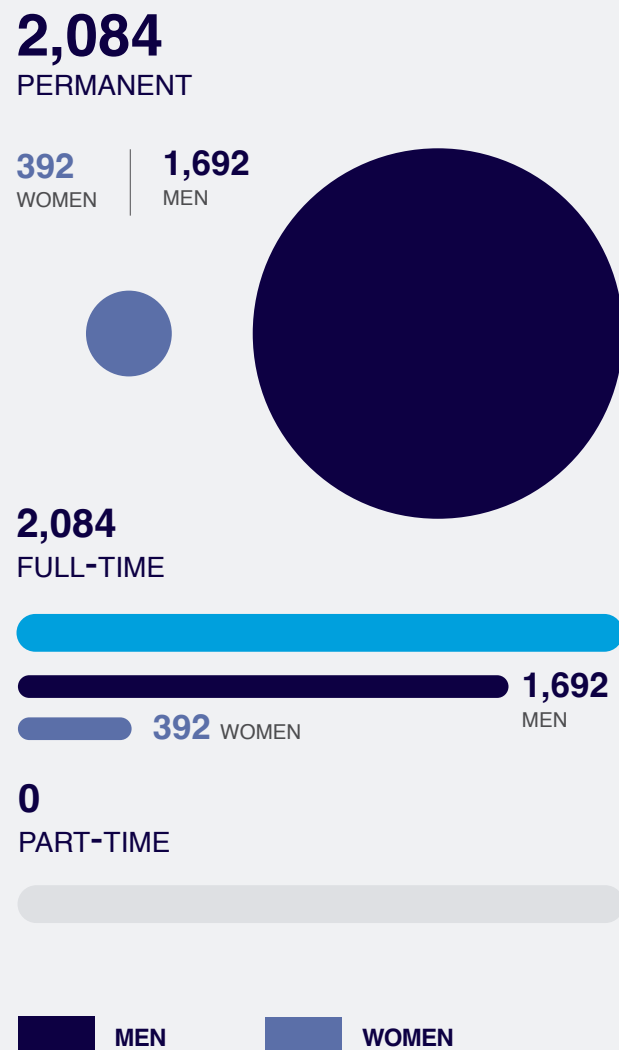
In terms of the type of working day, no permanent part-time contracts were recorded. The most common part-time con-

tracts are temporary contracts, with a total of 19, of which 12 are held by men and 7 by women. On the other hand, of the 349 full-time contracts, 252 are for men and 97 for women.

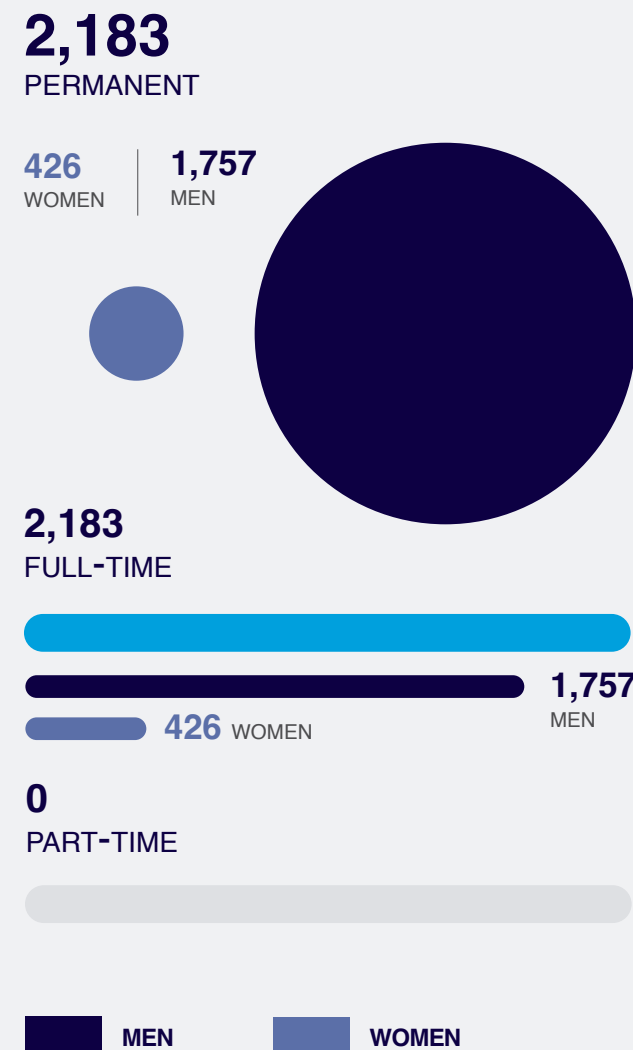
The distribution of staff shows a clear trend towards permanent and full-time contracts, irrespective of gender.

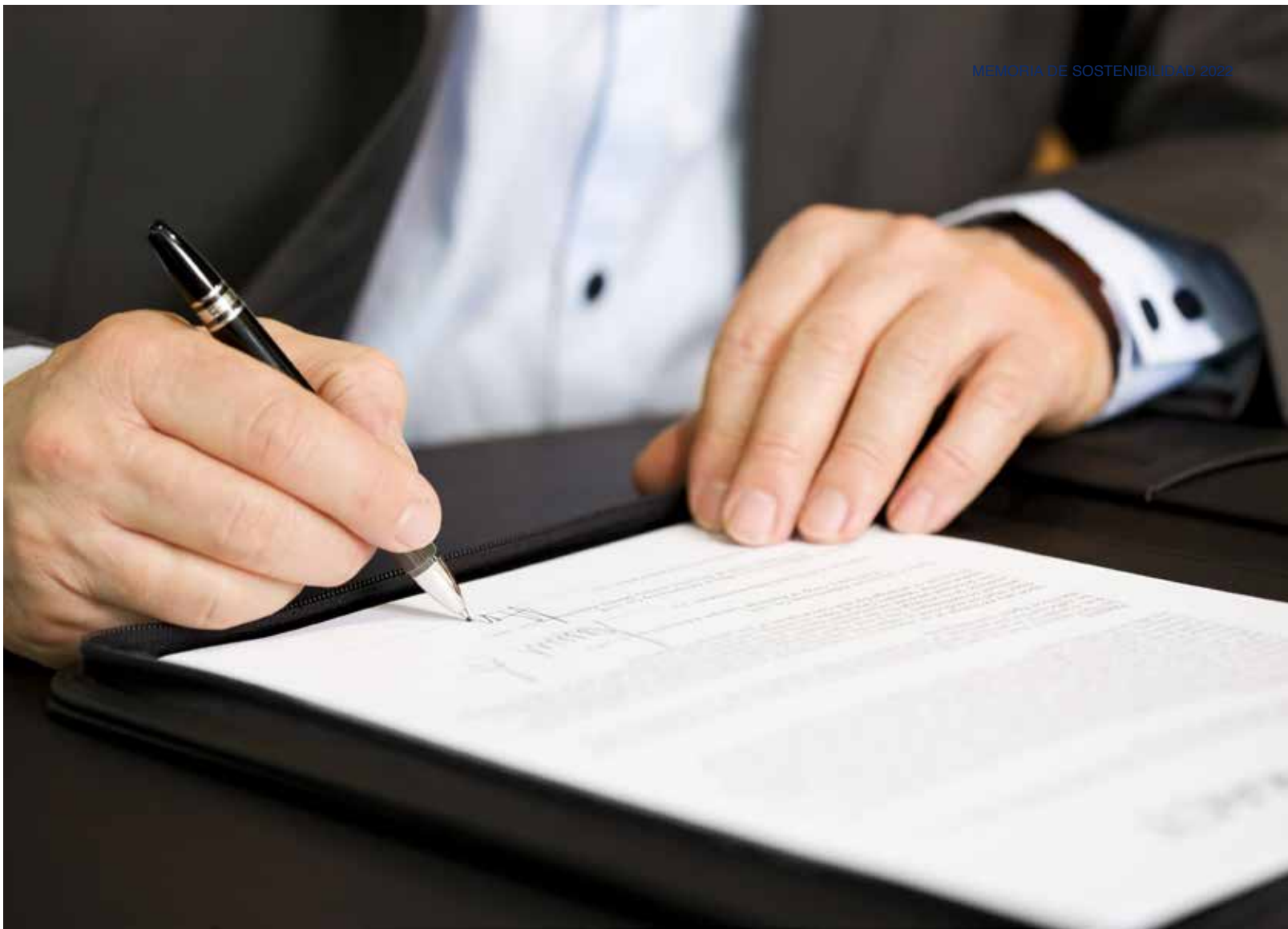
DISTRIBUTION OF STAFF BY TYPE OF CONTRACT, TYPE OF WORKING DAY AND GENDER

2022 | 2,456 PEOPLE



2023 | 2,551 PEOPLE





Average annual contracts

The experience and knowledge of the people who form part of **Ormazabal** are key to strengthening its competitive position. Furthermore, aware of the need to promote the professional development of young people, the company offers internships every year through different instruments such as internship contracts, educational cooperation agreements, etc. These initiatives seek to convert these contracts into permanent contracts, in line with the company's philosophy aimed at formalising this type of employment relationship (with 84 % of permanent contracts compared to the total average staff).

The following breakdown⁽³⁾, que contiene la información del which contains information on the annual average of permanent and temporary contracts, shows that, compared to the previous year, temporary contracts have been reduced by 17 % and permanent contracts have increased by 7 %. This reflects Ormazabal's commitment to employment stability and sustainable growth, as well as its efforts to strengthen its human team with professionals committed to the long term.

84 % of the contracts in force in 2023 are permanent contracts.

⁽³⁾ The annual average has been calculated using the average number of **Ormazabal** employees during 2022 and 2023, respectively, taking into account the salary payments calculated for each month.

AVERAGE STAFF BY CONTRACT TYPE BY GENDER

2022 | 2,501 CONTRACTS



2,003
PERMANENT

377 WOMEN | 1,626 MEN

498
TEMPORARY

136 WOMEN | 362 MEN

2023 | 2,555 CONTRACTS



2,140
PERMANENT

412 WOMEN | 1,729 MEN

415
TEMPORARY

120 WOMEN | 295 MEN

MEN WOMEN

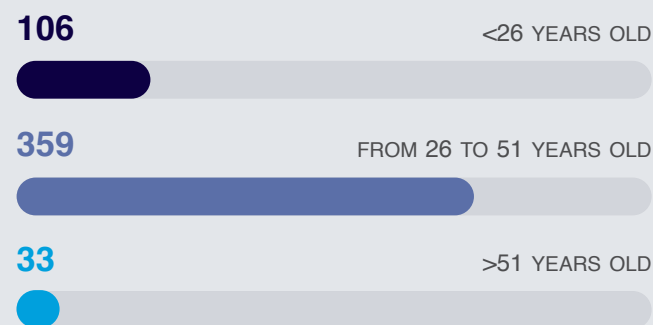
AVERAGE STAFF BY CONTRACT TYPE BY AGE

2022 | 2,501 CONTRACTS

2,003
PERMANENT

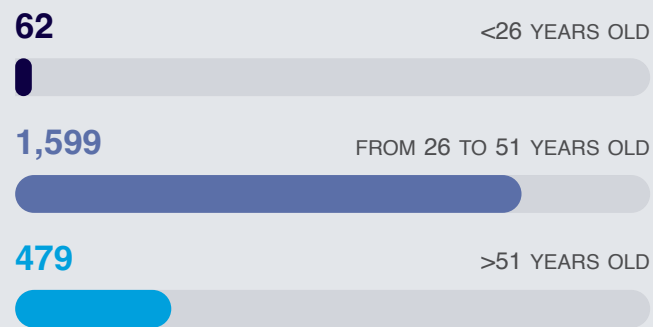


498
TEMPORARY



2023 | 2,555 CONTRACTS

2,140
PERMANENT



415
TEMPORARY



AVERAGE CONTRACT TYPE BY CATEGORY

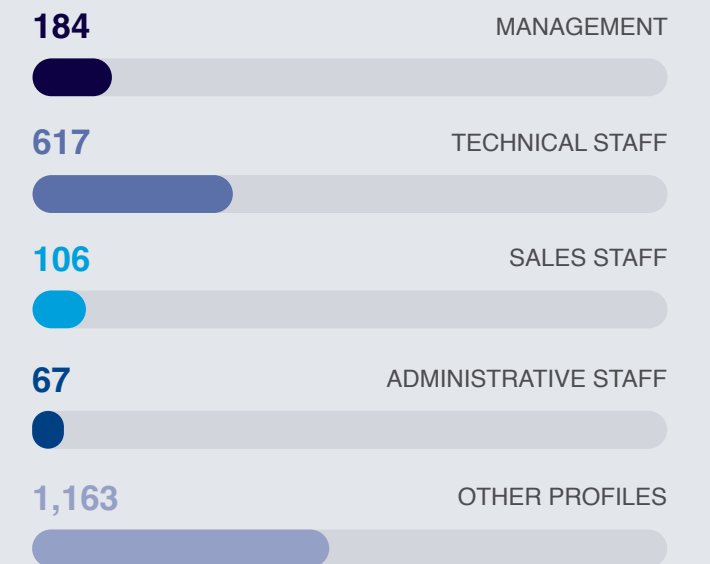
2022 | 2,481 PERMANENT



2022 | 20 TEMPORARY



2023 | 2,537 PERMANENT



2023 | 18 TEMPORARY





Average by type of working time

Ormazabal's average staff has grown in 2023 compared to the previous year, with 2,555 people compared to 2,501 in 2022. With regard to the type of contracts, the significant difference is due to the impact of the legislative change undertaken by the Spanish Government in 2022 in relation to part-time contracts, as well as the measures adopted by the company to promote work-life balance.

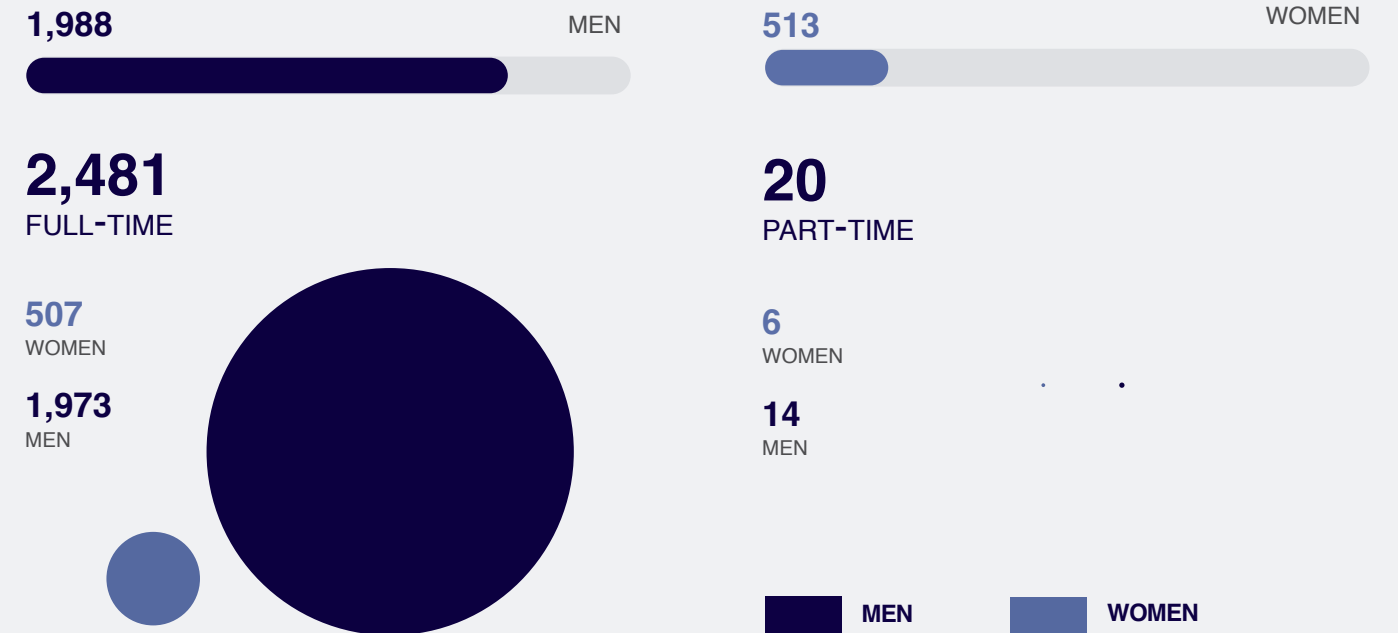
Ormazabal has widely implemented teleworking, especially in those positions that allow this modality. In addition, most of the company's employees have flexible working hours, which reduces the need to reduce working hours for family reconciliation reasons.

These actions are reflected in the recruitment of the average workforce, where 99 % of staff worked full-time in 2023, while only 1 % worked part-time.

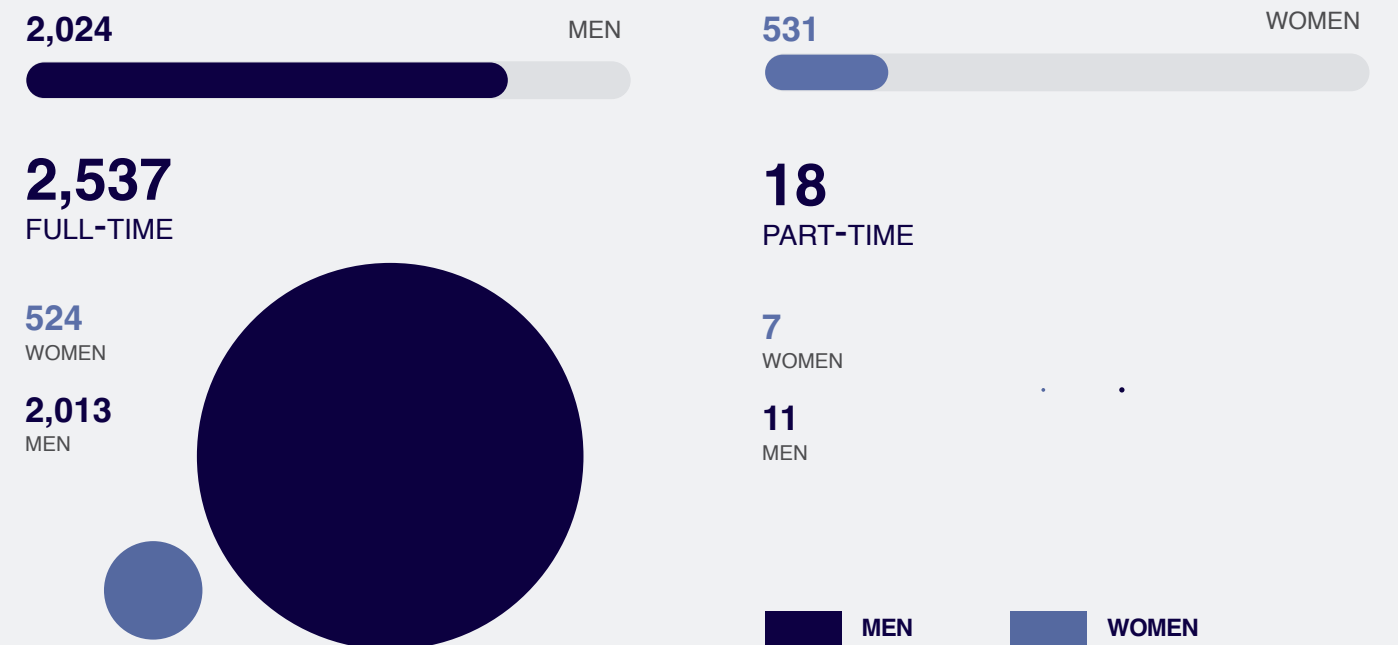
The distribution of the staff by type of working day, broken down by gender, age and by category, is as follows:

AVERAGE TYPE OF WORKING DAY BY GENDER

2022 | 2,501 WORKING DAYS



2023 | 2,555 WORKING DAYS



AVERAGE TYPE OF WORKING DAY BY AGE

2022 | 2,501 WORKING DAYS

2,481
FULL-TIME

20
PART-TIME

154 <26 YEARS OLD

0 <26 YEARS OLD

1,875 FROM 26 TO 51 YEARS OLD

0 FROM 26 TO 51 YEARS OLD

452 >51 YEARS OLD

20 >51 YEARS OLD

2023 | 2,555 WORKING DAYS

2,537
FULL-TIME

18
PART-TIME

170 <26 YEARS OLD

0 <26 YEARS OLD

1,870 FROM 26 TO 51 YEARS OLD

0 FROM 26 TO 51 YEARS OLD

497 >51 YEARS OLD

18 >51 YEARS OLD

AVERAGE TYPE OF WORKING DAY BY CATEGORY⁽⁴⁾

2023 | 2,555 WORKING DAYS

2,537
FULL-TIME

18
PART-TIME

197 MANAGEMENT

1 MANAGEMENT

671 TECHNICAL STAFF

5 TECHNICAL STAFF

110 SALES STAFF

0 SALES STAFF

79 ADMINISTRATIVE STAFF

3 ADMINISTRATIVE STAFF

1,480 OTHER PROFILES

10 OTHER PROFILES

(4) This table does not have a comparison with the previous year as this data has been calculated for the first time in 2023 for Ormazabal.

Non-voluntary departures

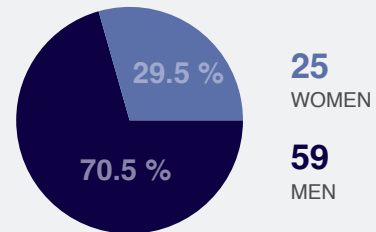
There is a significant decrease in the number of non-voluntary departures recorded compared to the previous year, from a total of 84 in 2022 to 67 in 2023. The distribution of these departures, according to gender and age, is as follows:



NUMBER OF REDUNDANCIES BY GENDER

NUMBER OF REDUNDANCIES BY AGE

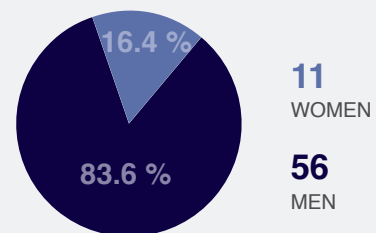
2022 | 84 REDUNDANCIES



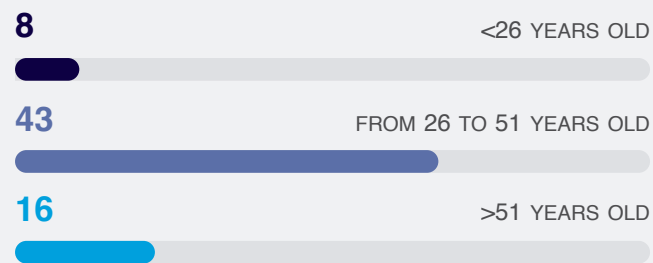
2022 | 84 REDUNDANCIES



2023 | 67 REDUNDANCIES



2023 | 67 REDUNDANCIES



■ MEN ■ WOMEN

Employed persons with disabilities

For almost four decades, **Ormazabal** has maintained a solid partnership with the Lantegi Batuak Foundation, as well as with other non-profit organisations dedicated to promoting and achieving the social inclusion and integration of people with disabilities in the workplace. This alliance translates into the hiring of personnel for various production activities, both in Spain and in other countries where the company operates.

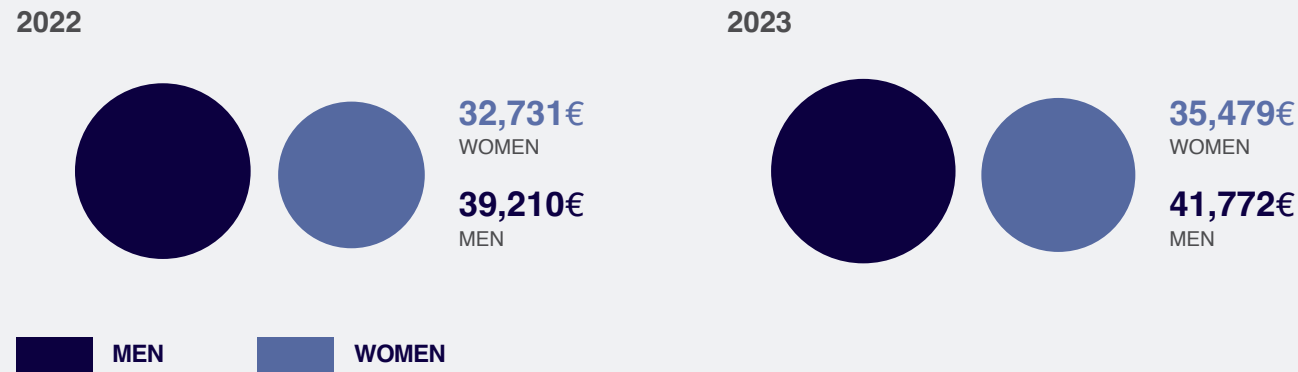
In addition, **Ormazabal** cooperates with the Basque social economy business group Urbegi and its foundation in its work to generate job opportunities and promote the social and occupational inclusion of people with disabilities.

During 2023, the company has established a new partnership with another organisation focused on the same purpose. It has also made a donation to a foundation in this field specialising in children. Ormazabal has increased the number of people with disabilities working in the company from 16 in 2022 to 20 in 2023.

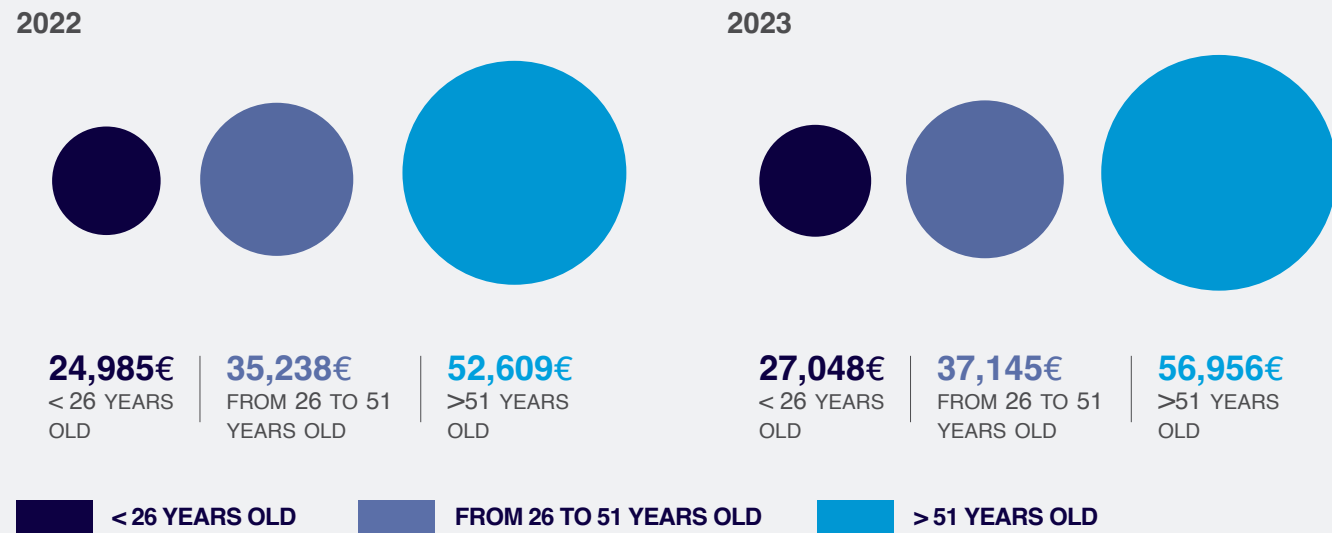
Average remuneration

The average remuneration of the staff has increased in 2023 compared to the previous year, with the exception of senior management. The amount, considering all existing remuneration items in the organisation, such as fixed, variable, bonus, social benefits, incentives and others, is distributed as follows, broken down by gender, age and professional category:

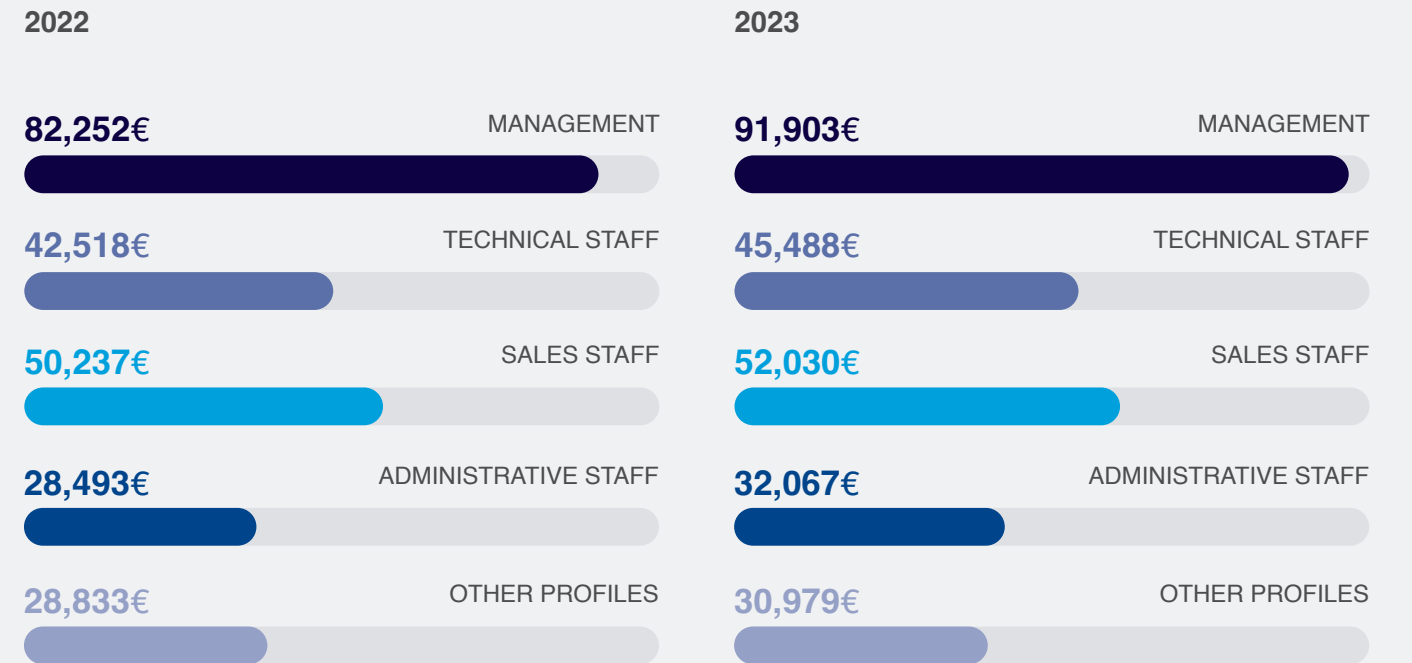
AVERAGE REMUNERATION BY GENDER



AVERAGE REMUNERATION BY AGE



AVERAGE REMUNERATION BY CATEGORY





Gender perspective

The applicable collective bargaining agreements regulate the minimum remuneration of employees of **Ormazabal**, establishing criteria of equity between jobs of equal value regardless of gender. In this sense, both staff subject to collective bargaining agreements and those not subject to them receive equal remuneration, avoiding any form of gender discrimination.

When calculating the average real remuneration (consisting of fixed plus variable pay) of women compared to men (excluding senior management), a difference of 14 % is observed in 2023, compared to 16 % in 2022.

This figure reflects the low presence of women in the industry and in **Ormazabal**, where they represent 21 % of the staff. In terms of the company's management, which includes people with responsibility for areas of activity, the percentage of women rises to 26 %. The predominance of men in three quarters of management positions contributes to a higher average salary for this group.

The fight against the "glass ceiling" is a strong ambition at **Ormazabal**. However, the size of the female workforce is an obstacle that is being addressed through initiatives focused on women, such as OMEX (Ormazabal Mentoring Experience) and LEAP (Learn, Engage, Achieve and Progress), **Ormazabal's** first gender-focused initiative.

The company's commitment to the **inclusion of women in the business world** has been recognised by the **Association of Businesswomen and Women Managers of Biscay (AED)** with the **AED 2023 award**, which highlights **Ormazabal's** business policy and its commitment to equal opportunities, regardless of gender.

Organisation of work

Ormazabal has implemented measures aimed at protecting the well-being of its employees and consolidating its position as a benchmark company in the creation of quality employment. To this end, it has a tool for monitoring time records, counteracting long working hours and encouraging the use of holidays, among other initiatives.

Each of the company's companies determines the aspects related to working hours, rest periods and other applicable working conditions. **Ormazabal's** Code of Ethics, in the section on Labour Rights, states that the working time will conform to the local legislation of each country, ensuring compliance with the conventions and recommendations of the International Labour Organisation (ILO).

Since 2018, **Ormazabal** has been promoting a reflection on the reconciliation between work, family and personal life, which has led it to analyse and progressively implement measures in the organisation such as teleworking and the generalisation of flexible working hours. During 2023, no new measures have been introduced in this regard.

With regard to social relations, it should be stressed that freedom of association and trade union representation is enshrined in the rules, agreements and arrangements with staff and their representatives.

In addition, **Ormazabal** strives to maintain effective and transparent internal communication through a variety of channels. These include the website, the intranet, notice boards in production plants, internal magazines, suggestion boxes, annual workshops, personal and direct communication with managers and management, as well as works councils and health and safety committees.

From 2021, the **My Velatia** application, shared by the entire group, has introduced a new, streamlined and efficient communication channel. Its positive impact was recognised in 2023 with the **Excellence in Internal Communication** award by the technology company Nunsys Group at its annual conference.

Health and safety

The commitment to health and safety is a priority at **Ormazabal** and is reflected in the policies of sustainable development, quality, environment and safety, health and well-being. This commitment is materialised in three fundamental points:

- **Establish a safe working environment** by developing a preventive culture in relation to occupational health and safety.
 - **Promote respect for the health and safety** of people by preventing damage to and deterioration of health.
 - **Achieve and maintain recognised international certifications** of quality management, environment and occupational health and safety systems.
- In line with this preventive culture, **Ormazabal** undertakes the following commitments:
- **Training:** Promote training and actions to eliminate hazards and reduce risks to employees' health and safety during the course of an activity.
 - **Working conditions:** Provide safe and healthy working conditions to prevent injuries and deterioration of health.



- **Workplaces:** Protect and improve the physical spaces and equipment of workplaces with respect to a wide range of risks, from breaking and entering to fire. In this regard, in 2023, we continued with the comprehensive refurbishment of the offices and facilities of the companies located in Igorre (Biscay), improving working conditions and the physical working environment.
- **Labour integrity:** To guarantee insofar as possible the labour integrity of workers in compliance with the industry regulations, and to implement the necessary measures.
- **International certifications:** Achieve and maintain the most recognised certifications of quality, the environment, and occupational health and safety management systems.

Each **Ormazabal** company ensures compliance with the applicable regulations, backed by **Health and Safety Committees**. In addition, the company has specialised personnel who work on the continuous improvement of practices and procedures, as well as on obtaining and complying with the strictest risk prevention regulations.

As a result of their commitment to prevention, several **Ormazabal** companies have ISO 45001 certification, the most internationally recognised standard for occupational health and safety management systems. This certification, which is voluntary, demonstrates the group's degree of involvement and proactivity in a matter that is relevant to its management, protecting both staff and visits to workplaces from accidents and occupational illnesses.



Country	Company
China	Ormazabal Kunshan Switchgear
	Ormazabal NRG (Beijing) Switchgear Limited
	Ormazabal Zhuhai Switchgear Limited
United Kingdom	Ormazabal UK
Spain	Prefabricados Uniblok
	Ormazabal Distribución Secundaria
	Ormazabal Media Tensión
	Ormazabal International Business
	Ormazabal Distribución Primaria
France	Ormazabal Burgos Switchgear
	Ormazabal Cotradis
	Ormapost
Brazil	Ormazabal Brasil
Mexico	Ormazabal México



In addition, **Ormazabal's** plant in Zhuhai (Guangdong province, China) organises regular free medical consultations and offers all staff annual medical check-ups. This example of caring for the health and well-being of the team is a reflection of the responsibility shared by all the company's companies.

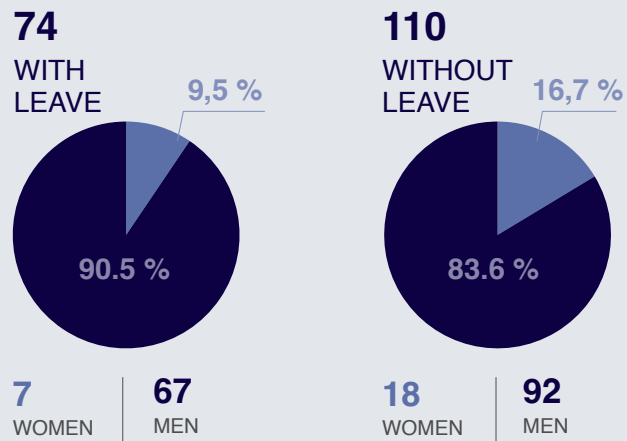
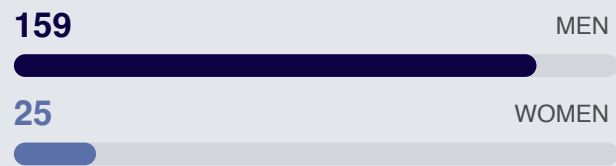


Accidents

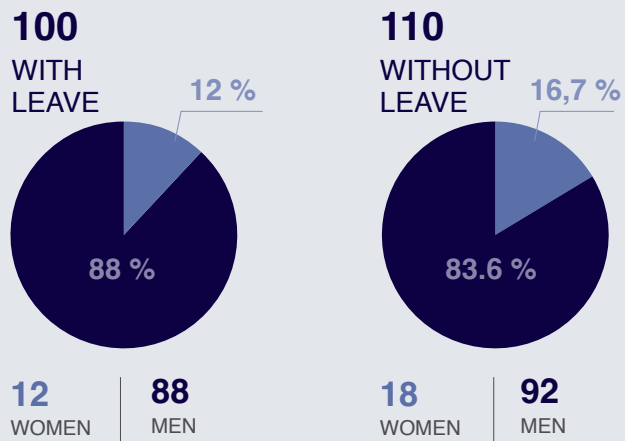
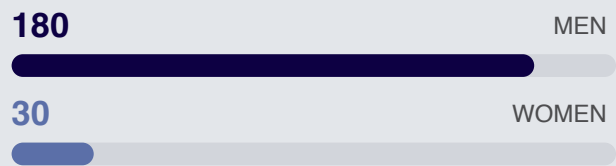
In line with its commitment to health and safety, one of Ormazabal's priority goals is to minimise the number of accidents by closely monitoring the evolution of the most representative indicators available:

DISTRIBUTION OF THE NUMBER OF ACCIDENTS BY GENDER

2022 | 184 ACCIDENTS



2023 | 210 ACCIDENTS



■ MEN ■ WOMEN

In 2023, 100 occupational accidents with sick leave were recorded, of which 12 involved women and 88 involved men. In addition, there have been 110 accidents without sick leave, with 18 cases involving women and 92 involving men. Comparing the data with the previous year, in 2022, 74 accidents with sick leave were reported, 7 involving women and 67 involving men; and 110 without sick leave, 18 involving women and 92 involving men.

Likewise, three occupational diseases were reported in 2023, all of which were men, as in 2022, although this year the total number of occupational diseases was 4.

Indexes ⁽⁵⁾ 2022			
	Men	Women	Total
Frequency Index	19.4	9.8	17.5
Seriousness Index	0.4	0.1	0.4

Indexes ⁽⁵⁾ 2023			
	Men	Women	Total
Frequency Index	25.8	14	23.1
Seriousness Index	0.4	0.1	0.4

With regard to the frequency and severity indices, in 2022 they were 17.5 and 0.4, respectively. In 2023, the Frequency Index has experienced a slight increase, standing at 23.1 %, while the Severity Index remains at 0.4 %.

The increase in the number of accidents and, consequently, in the frequency of accidents compared to the previous year is mainly due to the increase in production in all the company's factories and, in the case of accidents involving women, to the increase in the number of women in the workforce.

(5) The number of hours worked by employees is theoretical, considering an estimated working time of 145 hours per month for each line of business.

Absenteeism

The **absenteeism** rate is understood to be the non-compliance with the working time due to sick leave, occupational accidents, works council hours and strike hours. In 2023, the number of hours lost for these reasons is significantly reduced, reaching a total of 173,962 hours, a decrease of 2 % compared to the previous year, where 177,098 hours were recorded.

Training

For Ormazabal, staff training is key to its growth and business success. For this reason, it attaches great importance to the effective management of training, articulating initiatives, processes and procedures that allow for the real and effective development of teams.

Ormazabal's efforts are aligned with the guidelines of the group's **Performance Evaluation Process**, which are included in the **Corporate Training Policy**. The company aims to disseminate and share the existing knowledge in the company, as well as to progressively and increasingly generate the necessary knowledge and training in the workforce in accordance with the organisation's strategy. All this is focused on achieving, through continuous learning:

- Better **performance** of their jobs.
- Better **adapt to the cultural and technology changes** that allow the company to be more competitive.

In accordance with the **Corporate Training Policy**, Ormazabal's commitments in relation to training are summarised in the following points:

- **Progressively increase the knowledge, skills and personal abilities** of employees.
- **Align the training** given with the competences, values and requirements set out in the strategy of the company.
- **Promote the exchange** of existing knowledge **to the maximum extent** possible, by promoting internal training and providing the necessary resources and their efficient use.



New training programs: Sophos, Ormazabal Mentoring Experience and Finance module.

In this context, **Ormazabal** has developed in 2023 training actions adapted to the needs of each job position around the world, with a total of 37,857 hours dedicated to training, compared to 38,313 hours in 2022.

The content of the courses given is grouped into four main areas: product (Ormazabal Learning Center), development and leadership, languages (mainly English) and strategic planning. In particular, the following **training plans included in 2023** should be highlighted:

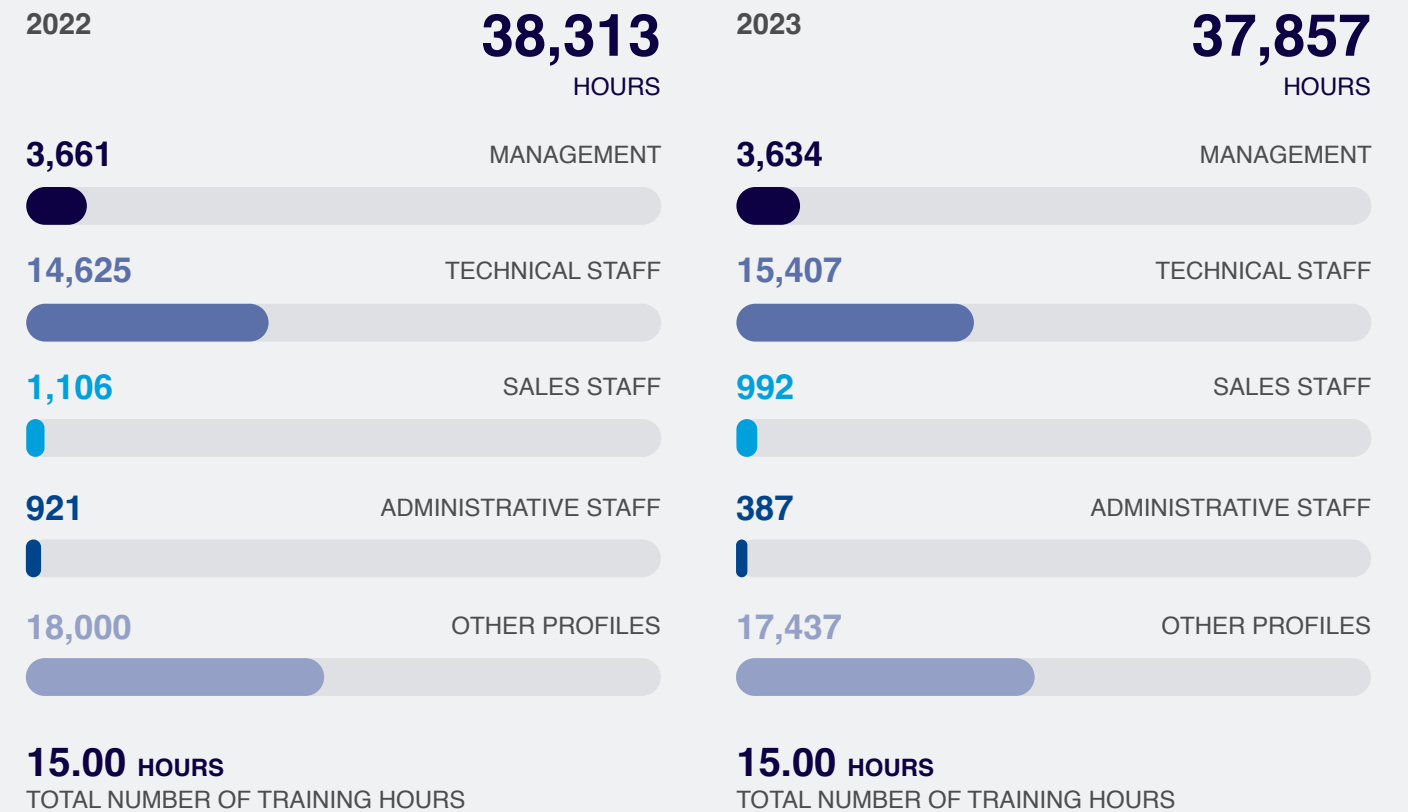
- **Sophos:** training and certification programme aimed primarily at the sales team. Its objective is to improve and broaden the organisation's knowledge of the entire range of **Ormazabal** products. During 2023, the first level, known as "Associate", has been updated to reflect changes in the product portfolio.
- **Ormazabal Mentoring Experience:** a programme launched in 2021 and rolled out in 2022 and 2023 that seeks to promote professional growth within the company and develop the potential of talents through the relationship between a reference person (mentor) and another person in development (mentee). Throughout 2023, thirty new mentoring processes have been carried out in the company.

- **Finance module:** online course aimed at business unit managers to provide them with basic knowledge of the economic data of the business and enabling them to make decisions based on this data. In 2023, the design of the module called "Oikonomia" was completed and will be launched in early 2024.

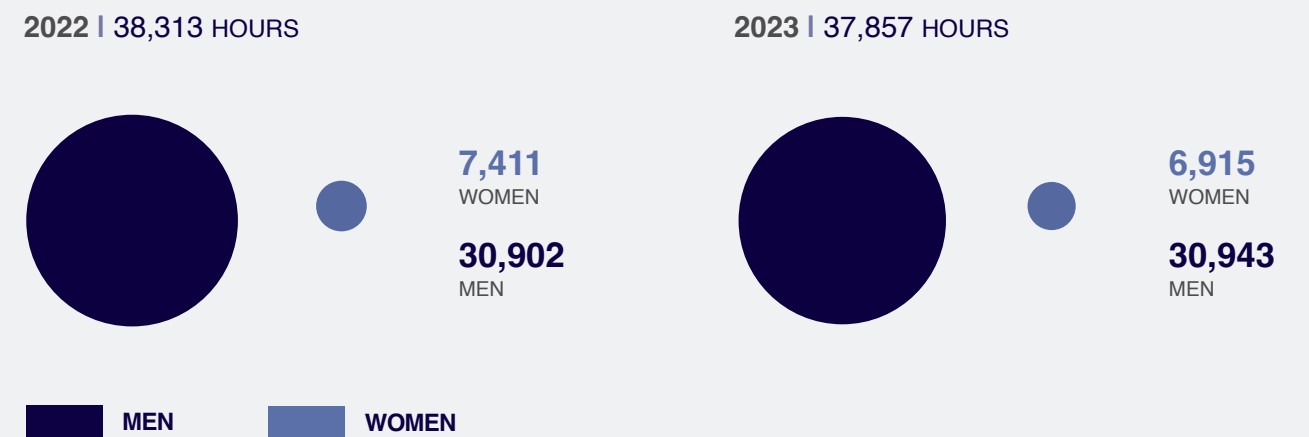
Of the total number of hours delivered in 2023, 82 % were delivered by men, which corresponds to the proportion of men in the total workforce. The commercial category, which had risen by 49 % in 2022 following the deployment of the SOPHOS product training module, has stabilised in 2023.

Overall, the Company's investment in people training is constant. As a result, the average number of training hours per employee has been maintained, representing an average of 15 hours of training per employee.

DISTRIBUTION OF TRAINING HOURS BY CATEGORY



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE





Equality

We all deserve the same opportunities and for **Ormazabal**, equal opportunities and diversity are intrinsic aspects of his management.

The Group's **Protocol for the Prevention and Action against Harassment in the Workplace**, applicable to **Ormazabal**, ensures the protection of people's fundamental rights and guarantees the necessary measures against any form of harassment in the workplace, whether of a sexual, discriminatory and/or psychological nature. This protocol was updated in 2021 to include gender-based harassment, thus demonstrating the group's commitment to equality in the organisation.

Ormazabal's main objective is to support equal opportunities and preserve diversity, essential aspects of the company's management, in line with principle number six of the United Nations Global Compact on the abolition of discriminatory practices in employment and occupation.

Like the rest of the companies in the group, **Ormazabal** is committed to complying with the guidelines laid down by the **Velatia** Code of Ethics with regard to equality, diversity, respect for people and non-discrimination on the grounds of race, colour, gender, sexual orientation, language, religion, political or other opinion, national or social origin, economic position, disability or any other condition.

The **Corporate Ethics and Crime Prevention Committee** is the body in charge of handling complaints, claims, suggestions or queries regarding situations of harassment not resolved by informal procedure.

In addition, the figure of the mediator has been established as the relevant expert who acts as confidential adviser and is responsible for managing proceedings in actions classified as "mild", and who will refer to the Committee on Ethics and Corporate Crime Prevention any actions considered to be "serious", or any breaches of the agreements reached by informal procedure.

As part of its firm commitment to gender equality, **Ormazabal** has **Equality Plans** that pursue the following objectives:

- Further **consolidate the Equality Policy** throughout the organisation.
- **Ensure equal opportunities** for everyone in the company.
- Convey a message of **zero tolerance** towards workplace violence, especially sexual harassment and gender-based harassment.

These plans are reviewed and updated when they expire, with the collaboration of independent experts, and based on the conclusions obtained, an action plan is developed and regularly monitored.

Ormazabal's Equality Plans include general and specific objectives, an analysis and internal diagnosis of the organisation, as well as proposals for action for the years in which they are in force. During 2023, progress has continued to be made in its deployment with the aim that all the company's centres in Spain have implemented it.

In 2023 the **LEAP (Learn, Engage, Act, and Progress) initiative**, launched in 2022, has been further developed. This initiative aims to receive feedback and proposals for action on equality from sixteen women of different ages, companies and organisational levels. This pilot initiative will be consolidated in 2024.

The recognition awarded by the Association of Businesswomen and Women Managers of Biscay (AED) highlights **Ormazabal's** business policy geared towards equal opportunities and its contribution to promoting female participation in the business sphere in Biscay.

In addition, **Ormazabal** has organised various activities and events during the year, for example on the occasion of International Women's Day on 8 March and on the International Day for the Elimination of Violence against Women on 25 November, thus reinforcing its commitment to equality.





2 | Innovation

For **Ormazabal**, innovation is not just another trait; it is in its DNA and serves as the foundation for its successful progression of sustained technological growth over nearly six decades.

This innovative track record, combined with an entrepreneurial spirit, enables **Ormazabal** to offer its clients cutting-edge technological solutions in electrical equipment to accompany them on their journey towards grid digitisation, the expansion of renewable sources and electric mobility for a green energy transition.

Its unwavering commitment to innovation is the result of the convergence of three fundamental concepts: technological, industrial and commercial innovation. These are the three sides of the same prism through which the company projects itself to the world as a benchmark company in the incorporation of added value to its products.

With the aim of reinforcing its innovation strategy in the technological, industrial and commercial areas, **Ormazabal** has launched the **OOIS (Ormazabal Open Innovation System) project in 2023**, through which the company's open innovation will be encouraged through venture client, intrapreneurship, and tech scouting initiatives, as well as strategic alliances.

Technology innovation

Investment in technological innovation is strategic for the company, which is why it allocates approximately 25.6 million euros to R&D&I. It has a team of **115 people of ten different nationalities** working for this purpose in different parts of the world.

Since 2005, **Ormazabal** has had a **Business R&D Unit** attached to the Basque Science, Technology and Innovation Network (*Red Vasca de Ciencia Tecnología e Innovación*). This unit stands out for its unique infrastructures worldwide, including an accredited and independent 2.5 GW high power laboratory (HPL) connected to a fully configurable experimental network (UDEX). This infrastructure allows technologies, products and applications to be tested in a real and secure environment, without affecting the electricity grid of clients.

Ormazabal's Strategic Technology Plan, synchronised and aligned with the strategic business plan, identifies the key technologies in which the company must position itself to address the technological challenges arising from the energy transition and the digitalisation of electricity grids. In addition, this plan includes proposals for projects to be undertaken to enable the company to achieve its strategic technological goals.

2023 has marked a very significant milestone in the energy transition support strategy led by **Ormazabal**. During the **CIREC Congress and Exhibition 2023** held in Rome, the company presented its first SF₆ gas-free equipment along with its "Route to Zero" strategy. The presentation of this innovative decarbonisation strategy in its product range generated great interest in the market, both among clients and competitors. This project has been recognised by the Euskalit foundation with the **Innovation Quality Award** in the category of innovation in circular economy and zero footprint.

To maintain a high pace of innovation, it is crucial to be vertically integrated. In this sense, **Ormazabal** distinguishes itself by developing all the technology offered by its solutions, from disruption and shutdown to electrical insulation technology, firmware and communications. It is a priority for the company that all its products are intrinsically digital from their conception, thus ensuring automation and optimisation of the network as fundamental assets.

Ormazabal has recently incorporated two new technological areas into its strategy that will undoubtedly strengthen its positioning in the face of the challenge of network digitisation. The first is data analytics with the creation of the **Ormazabal Analytics** department, and the second is power electronics, thanks to the integration of **Supsonik** into the company's ecosystem.

Among the outstanding achievements in the area of digitalisation, it is worth highlighting the recognition awarded to the Demonstration and Experimentation Unit as a **European Digital Innovation Hub**. This distinction is particularly relevant as it is the only private centre that forms part of the Basque Digital Innovation Hub, within the "Digital Electricity Grids" node.

Ormazabal currently has more than 320 patents and intellectual property registrations, demonstrating its commitment to the development of cutting-edge technology, which positions the company as a benchmark in its field in the generation of technological value.

Its support for innovation is also reflected in its participation in the boards of trustees of various research centres, such as Tecnalia, Spain's leading applied research and technological development organisation and one of the most prominent at European level. It also forms part of the CIC Energigune, founded in 2011 with the aim of generating excellent research into materials and systems for energy storage, and the Euskampus Foundation, an internationally renowned university initiative.

The company's priority policies include the promotion of collaboration with technology start-ups in an attempt to take advantage of the driver effect on these companies. **Ormazabal's** participation in the Basque Government's BIND 4.0 programme as a **Corporate Venture Client** has facilitated the development of joint projects with these start-ups.

Industrial innovation

Ormazabal is at the forefront of industrial innovation by focusing on maximum global efficiency combined with local adaptation capabilities. To this end, it continuously invests in updating its global production platform, has the most cutting-edge Industry 4.0 equipment and processes in facilities strategically located close to the client and their needs. In addition, the company implements the most advanced quality management systems to ensure excellence in every step of the process.

As part of its ongoing commitment to industrial innovation, in 2021 it launched the strategic project “**Ormazabal Operations Model**”. During the 2021-23 Strategic Plan, **Ormazabal Operations** has focused on innovation around Industry 4.0. The **Ormazabal Industrial Committee** has facilitated open discussions between the industrial managers of the different product divisions, together with the general management of each product division and the COO, thus promoting a forward-looking collaborative approach.

Over the course of 2023, the company has concentrated its efforts on the following initiatives:

AREA OF ACTIVITY

- Robotics:
 - Robotic welding of cubicles.
 - Fully automated metal forming lines.
 - AGV (Autonomous Guided Vehicles) technology for internal logistics.
 - Smart warehouses.
- Analysis of big data using AI and algorithms.
- Excellence in magnetic core assembly.
- Ergonomics.
- Virtual reality and augmented reality:
 - Service with remote assistance.
 - Training (in-house and for partners).
 - Virtual client showroom.
- Bluetooth logistics technology.
- Digitisation of processes.
- Tooling and machinery data acquisition in ODS, ODP, OBG and **Ormazabal Transformers Division**.
- Selection of partners for IoG/Industry 4.0 industrial consultancy.

Thanks to its commitment to industrial innovation, **Ormazabal** currently has a resilient global supply chain that allows it to take its products to more than 150 countries.

Commercial innovation

A key element in **Ormazabal**'s management is to promote innovation in client relations with the aim of always achieving excellence in advice and service.

To this end, it has a large sales and marketing staff with electricity network expertise who accompany clients throughout the process, from the identification of a specific need to the after-sales service.

Ormazabal works alongside its clients, sharing knowledge and efforts as the best way to tackle more ambitious projects, overcome barriers, open up new markets and tackle the sustainability challenges facing the planet by boosting renewable energies, bringing intelligence to the grid, making electromobility possible, etc. Proof of this has been the company's incorporation into **Iberdrola's Global Smart Grids Innovation Hub**, where it has participated in most of the working groups in which different innovative ideas have been discussed around the electricity grids of the future, which have materialised in various projects. Also along these lines, since 2022 **Ormazabal** has been participating in the **Enel Open Grid** initiative.

In short, **Ormazabal** aspires to be a benchmark for the high level of innovation applied to each project, which translates into the constant search for competitive and differentiating solutions that meet the needs of its clients.

Innovation milestones

Despite the uncertainties and threats faced by companies in their economic evolution, **Ormazabal** has not ceased in its commitment to innovation, allocating a large part of its efforts to it during 2023.

Part of this ongoing effort to innovate can be seen in various projects and advanced technology developments in collaboration with cutting-edge research centres, universities, organisations and companies in the industry. As a result, new milestones were added to the company's long history of innovation, some of which we mention below:

Sales of new products

Ormazabal reaffirms its high level of innovation, as almost a third of sales were of products developed in recent years.

Agreement with the European Investment Bank (EIB)

Ormazabal has continued to develop the R&D lines outlined in the **40 million euros** financing agreement signed with the European Investment Bank, which will facilitate its progress in the 2022-2025 period.

The EIB's support for the company's ambitious innovation project underpins **Ormazabal**'s mission to accompany its clients in the energy transition, thereby contributing to the decarbonisation of Europe's energy system.

The agreement is backed by the **InvestEU programme**, which provides its implementing partners with a budgetary guarantee. This guarantee allows them to increase their risk-bearing capacity, thus helping to mobilise both public and private investment for EU policy priorities.

Agreement with Iberdrola

In 2022, **Ormazabal** renewed the contract with Iberdrola for 2022-2024 to finance the research and development of new products for electricity distribution. These products include insulation gases with low environmental impact, sensorisation of primary and secondary distribution switchgear, as well as equipment for the automation of electricity grids and cyber-safe relays for medium voltage, among others. In the field of the low-voltage grid, research focuses on the digitalisation, monitoring and automation of equipment such as low-voltage switchboards, as well as other components. In addition, the development of applications based on intelligent data processing for grid management.





During the 2023 financial year, the technical and economic justification for the first year of the contract was completed, while progress was made on the developments foreseen in the agreement.

Projects and technology developments

Projects started in 2022 and continued in 2023

Integral transformation of the electric mobility value chain for sustainability and competitiveness in the development and domestic manufacture of electric premium MPVs

Description: Project led by Mercedes-Benz within the Spanish Strategic Projects for Economic Recovery and Transformation for the development of the Electric and Connected Vehicle (PERTE_VEC), which has an eligible budget of almost 513 million euros.

This tractor project is subdivided into several primary projects. **Ormazabal** is participating in the development of an EV charging station installed in an industry with an energy buffer, based on electrochemical storage, a photovoltaic facility and an energy management system for the installation.

Participants: Consortium led by Mercedes-Benz in which Ormazabal participates together with 34 other companies including Basquevolt, Fagor Automation, CIC energiGUNE, Gestamp, Grupo Antolín, Ibil, Ingeteam, etc.

Stratenergy and **Supsonik** are the companies participating in the consortium.

EDGE project

Description: Project focused on the research, design and development of a system that integrates:

- Distributed computing nodes (Edge Computing) installable in MV/LV transformer substations.
- IoT platform for node management.
- Algorithms and applications for distributed computing in transformer substations to enable:
 - Network balancing.
 - Detection of technical and non-technical losses.
 - Optimal tapping of conventional transformers.

Optimal voltage setpoint for smart transformers with On-Load Tap Changer (OLTC).

The project is funded by the Spanish funding authority CDTI and is expected to last 29 months.

Participants: **Ormazabal** is leading this project with the participation of the start-up Barbara IoT and the distribution company CMH from Puerto Lápice, in Ciudad Real (Spain).

SINAPE project

Description: Collaborative research project with high industrial potential financed by the Basque Government within the Elkartek programme aimed at agents of the Basque Science, Technology and Innovation Network.

Its objectives are:

- Investigate temperature-compensated pressure sensors for gas environments alternative to SF₆ capable of transmitting their measurement via wireless systems.
- Research into self-powered temperature sensors with wireless data transmission for low-voltage switchboards and medium-voltage switchgear, which are not affected by electromagnetic fields generated by short-circuit currents.
- To investigate an edge computing platform architecture to capture and process signals from sensors in a transformation substation, integrating applications based on sensor and other data.

Participants: **Ormazabal Research & Technology Centre** is leading this project, with the participation of the Signal Theory and Communications Group (Grupo de Teoría de la Señal y Comunicaciones) of Mondragon Goi Eskola Politeknikoa (MGEP) in Spain.

MODITRANS project

Description: Project aimed at modelling and diagnosing transformers.

Its objectives are:

- Develop an oil quality sensor based on the measurement of the dielectric constant (real and imaginary components) to provide information for the calculation of the Health Index.
- Thermal modelling of transformers in the presence of harmonic orders and the development of a tool to improve the

calculation of transformers and to provide information on the hot-spot temperature (HST) for the calculation of the Health Index.

- Research into systems that reduce the switch-on power of transformers to avoid adverse effects on grids, especially the weaker ones.
- Research and implementation of a methodology to determine the transformer's Health Index.

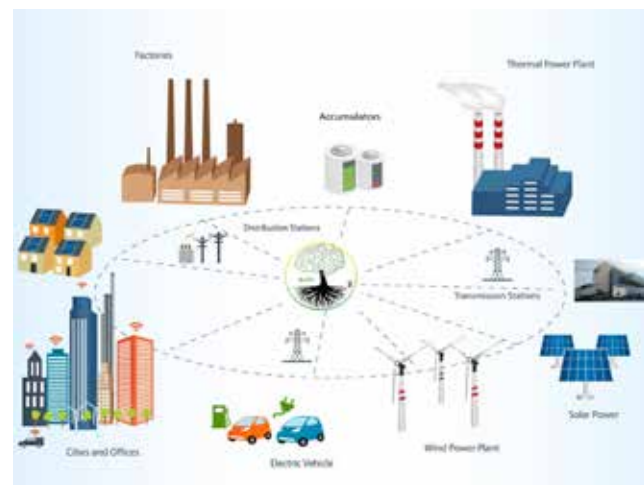
The project is funded by the Spanish Ministry of Science and Innovation (MICIN) as part of the grants for public-private collaboration of the national programme to promote scientific-technical research and its transfer within the national plan for scientific and technical research and innovation 2021-2023, within the framework of the Spanish Recovery, Transformation and Resilience Plan (PRTR).

Participants: Collaborative research project led by **Ormazabal Transformers Division**, coordinated by **Ormazabal Research & Technology Centre** and involving the Spanish CEIT technology centre, the Signal Theory and Communications Group (Grupo de Teoría de la Señal y Comunicaciones) and the Electrical Energy Group (*Grupo de Energía Eléctrica*) of Mondragon Goi Eskola Politeknikoa (MGEP) in Spain, and the Thermal and Fluids Engineering Area (Área de Ingeniería Térmica y de Fluidos, AITF) of the Department of Mechanical Engineering and Materials of Tecnun School of Engineering (Navarra, Spain).

ASTRA-CC Project

Description: The Service Architecture for Renewable Energy Technologies and Storage for Public Direct Current Networks (ASTRA-CC) project has as its primary objective the research of technologies and components necessary for the development of a power grid architecture that facilitates storage and accelerates the integration of applications and services associated with renewable energy systems in public direct current networks. Additionally, it includes the innovation of developing a new public DC network service through the aggregation of services and accessibility to various technologies.

This project is funded by the Basque Government within the Hazitek programme for projects that include R&D activities to develop new products and plans for industrial research and experimental development of a strategic nature in the Basque Country region.



Participants: Iberdrola is leading this project and Ormazabal is participating as a partner in a consortium made up of 6 companies.

Projects launched in 2023

Proyecto BrainEn

Description: Experimental research into innovative technologies for an efficient and sustainable energy community. Project promoted by the Spanish Centre for the Development of Industrial Technology (CDTI), within its programme Misiones (Missions).

Ormazabal's research focuses on the development of new current isolation and interruption systems, as well as equipment and software for energy management in EV charging stations.

Participants: Consortium of eight complementary organisations including distribution network operators, equipment manufacturers, system integrators, service providers, as well as outsourced universities and research centres.

Ormazabal participates in the consortium through the companies **Ormazabal Electric** and **Ormazabal Research & Technology Centre**.

OPTIAM Project

Description: The project Optimisation of the design of the electricity grid and its components to minimise the environmental impact of electricity consumption aims to ensure a resilient transition of the Basque electricity sector through the development of innovative electrical equipment and the digitalisation of the decision-making process in the design of products and projects in the sector in accordance with the following key aspects:

- Minimise the environmental impact and ensure the resilience of the electricity infrastructure and its components, understanding the relative importance of each component and life cycle phase, considering the cost variable.
- Optimise the design of generation, storage and distribution projects based on the hourly impact of the prospective electricity mix, taking into account the potential for grid flexibility and demand variation, among others.

- Incorporate climate protection and circularity criteria in the development of electricity projects and in the eco-design of innovative products.

The project is funded by the Basque Government through the Hazitek programme for strategic projects 2023.

Participants: The **Ormazabal Secondary Distribution Division** leads the project of a consortium made up of seven participants as partners and four agents of the Basque Science, Technology and Innovation Network, including **Ormazabal Research & Technology Centre**.

ERIGrid 2.0 Project

Description: European project to extend research services and research infrastructure tools to validate smart energy networks with the electricity grid as their backbone.

Its proposed validation approach is based on holistic and cyber-physic systems. ERIGrid 2.0 will foster system-level support and education for industrial and academic researchers in power and energy systems technology R&D.

Its participation in this project places **Ormazabal** in a position of technological leadership in the sector, as evidenced by the "Transnational Access" to **Ormazabal Research & Technology Centre's** facilities throughout 2023. For 22 days a European university has carried out its research, using, both on-site and remotely, the facilities of the Demonstration and Experimentation Unit (UDEX).

Participants: **Ormazabal Research & Technology Centre** participates in the EriGRID 2.0 consortium, which is made up of complementary organisations including distribution grid operators, equipment manufacturers, universities and research centres. All of them with extensive experience in the field of smart grids and with their own laboratory infrastructures for electrical power systems. Together they represent the wide range of experience needed to tackle the extension of essential infrastructures for smart grids, being pioneers in this field at European level.



FLEXIGRID project

Description: This European project, funded within the Horizon 2020 consortium (EU Framework Programme for Research and Innovation) and ending in 2023, is aimed at developing interoperable solutions for the implementation of holistic network resilience services.

Participants: Ormazabal Smart Grids Division and Research & Technology Centre participate in the consortium of this project composed of more than ten companies and Horizon 2020 partners, among them the CIRCE Foundation and Viesgo Distribución Eléctrica.

Product responsibility

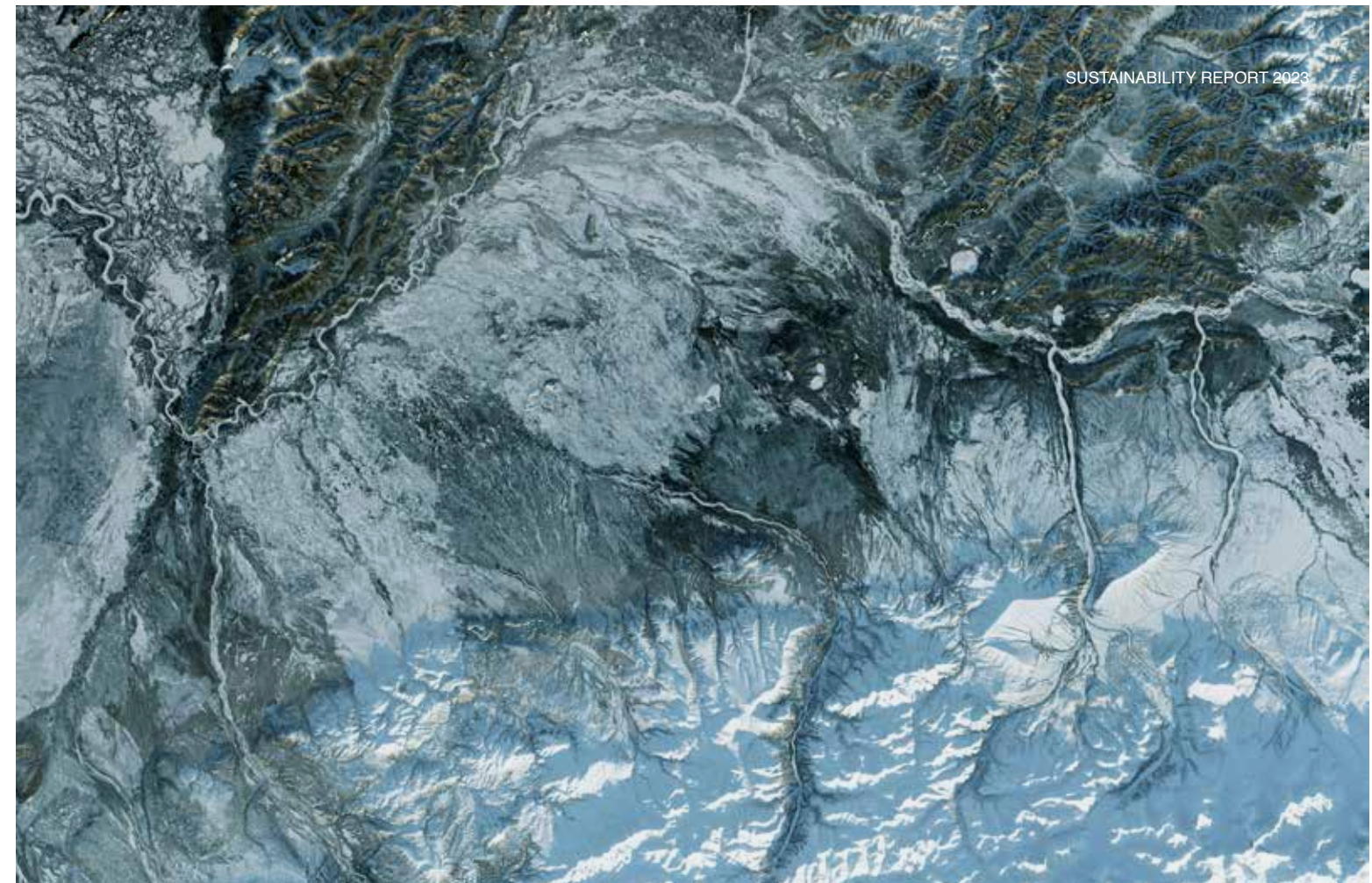
Ormazabal rigorously complies with current regulations and legislation related to safety and the environment in all the countries where it operates. Furthermore, it is committed to meeting the individual specifications of its clients.

In Europe, the company constantly monitors legislative changes that may affect its products in order to be alert and ready to adapt them to new specifications and requirements.

It also attaches great importance to the development of descriptive information on its products, as an integral part of its development process. For this reason, 100 % of the products installed or delivered are accompanied by the corresponding technical documentation, in accordance with the procedures and regulations in force. This documentation includes:

- Detailed information on the results of tests ensuring the conformity of products with the applicable regulations.
- Complete documentation related to the technical performance of the products and the installation and assembly requirements.

More information on this can be found in the Clients section.



3 | Environment

Ormazabal promotes and integrates a responsible culture in the organisation, and works to protect the environment from a dual perspective: pollution prevention and eco-design.

The company's commitments to the environment are set out in the Sustainable Development and Quality, Environment and Safety, Health and Welfare policies. These commitments are rooted in a firm belief in sustainability, which guides the company's strategic development and responds to the concerns and needs of its stakeholders. Thus, Ormazabal combines economic profit with social and environmental commitment.

The search for excellence has led the company to develop an **Environmental Management System** with the following functions:

- Promote and integrate a **culture of environmental responsibility**.
- Maximise employee **participation and consultation** in the management of policies, promoting new ideas and recognising achievements.

- **Ensure compliance** with laws, regulations and commitments.
- **Enhance training**, flexibility, innovation and continuous improvement through excellence, environmental protection based on pollution prevention and sustainable use of resources, as well as actions to eliminate hazards and reduce risks for the health and safety of employees.
- Provide **safe and healthy working conditions** to prevent injury and illness.
- Create a **common framework** for establishing and reviewing corporate scorecards, aimed at satisfying stakeholders.
- Achieve and maintain recognised **international certifications** of quality management, environment and occupational health and safety systems.
- Maintain fluid **communication** with the different stakeholders.

To meet these commitments, everyone in the organisation must be aware of and adhere to these policies and strive to minimise the environmental impact of their activities and the use of the equipment, facilities and means of work.

The aforementioned policies seek to ensure responsible management and improve environmental processes, calling for a culture of reducing the environmental impact generated by products, processes and solutions. This includes the conservation of natural resources, the minimisation of waste generation through reuse and recycling, and the optimisation of resources, among other aspects. This concern is reinforced by the principle of environmental responsibility set out in **Velatia's** Code of Ethics, which is applicable to **Ormazabal**.

Provisions and insurance

Ormazabal carries out regular analyses of the quantities of existing provisions, in line with the precautionary principle, to cover existing environmental risks.

It is important to note that the group's Environmental Liability policy covers risks associated with the environment.

Certifications

In 2023, **Ormazabal** reinforced its commitment to environmental excellence by deploying its **Environmental Management System** in accordance with the most internationally recognised standards and certifications, as well as the most demanding compliance standards, such as ISO 14001 implemented in its main companies. **Ormazabal** Secondary Distribution Division, **Ormazabal** Limited UK, and Aislantes Sólidos renewed their certifications. **Ormapost** also obtained its corresponding certification.

ISO 14001 certification is the most widely adopted technical standard worldwide for the implementation and evaluation of environmental management systems. It is voluntary and **Ormazabal** reaffirms its commitment to the highest standards of excellence in environmental matters.

Ormazabal companies with ISO 14001 certification in 2023

Along the same lines of responsibility, various **Ormazabal** companies make environmental product declarations. Specifically, in 2023, those made by the **Ormazabal** Secondary Distribution Division for six models of low-voltage switchboards with insulated busbars (addibo) should be highlighted. The purpose of such statements is to provide the public and other interested parties with detailed information on the organisation's impact and performance, as well as on the continuous improvement of its environmental performance.

To ensure the maintenance and application of the aforementioned certificates, **Ormazabal** has a **team** assigned to

its main production plants. The responsibilities of this team include identifying the legal requirements related to environmental management, assessing compliance, collaborating in the definition, implementation and assessment of environmental objectives, carrying out internal audits of the Quality and Environmental Management System, as well as providing training sessions for new recruits on the aspects of quality and environmental management in the company.

Country	Company
Spain	Ormazabal Cotradis
	Ormazabal Distribución Primaria
	Ormazabal y Cía. (Ormazabal Distribución Secundaria)
	Ormazabal Media Tensión
	Ormazabal International Business
	Prefabricados Uniblok
	Aislantes Sólidos
	Ormazabal Burgos Switchgear
France	Ormapost
China	Ormazabal Zhuhai Switchgear
	Ormazabal Kunhsan Switchgear
United Kingdom	Ormazabal Limited UK
Germany	Ormazabal GmbH
Brazil	Ormazabal do Brasil
Mexico	Ormazabal México

Pollution and climate change

Ormazabal, in its commitment to combat climate change, and as a necessary step to reduce its CO₂ emissions, calculates the carbon footprint of its activities, quantifying both the direct and indirect emissions of its activities. In 2023, in partnership with the Empresa y Clima Foundation, it has continued with the pilot project launched in 2022 to estimate the Scope 3 emissions of three organisations within the company.

In 2023 some outstanding initiatives led by different **Ormazabal** centres were undertaken, which can be consulted in the section dedicated to energy efficiency in this report.

Likewise, the actions to **offset emissions by planting trees** have continued, with several initiatives carried out in Biscay in collaboration with the Lurgaia Foundation. Specifically, 900 indigenous trees and bushes have been planted on a 90,847 m² plot of land as part of the Undabaso project, which covers 197 hectares. According to the certificate issued by the Lurgaia Foundation, this action entails a compensation of 260 tonnes of CO₂ over a period of forty years. In addition to carbon offsetting, the projects have a biodiversity restoration and promotion objective and are carried out with a “corporate volunteering” approach, with the participation of around 70 people in 2023.

The results of **Ormazabal**'s environmental performance in relation to GHG emissions (t CO₂ eq.) in 2023 and 2022 are as follows:

GHG Emissions (t. CO ₂ eq.) ⁽⁶⁾	2022	2023
Direct (Scope 1)	2,649	2,588
Indirect (Scope 2)	741	603

(6) The scope of the information reported for direct GHG emissions is associated with the consumption of natural gas, diesel, petrol, butane, LPG and oils used during the manufacturing process. The emission factors and methodology used for the calculation are aligned with those published by the Spanish Ministry of Environment MITECO (Ministry for the Ecological Transition). The scope of the information reported for GHG emissions is the same as that used for electricity consumption information. The emission factors used to calculate greenhouse gas emissions have been based on the methodology defined for calculating the carbon footprint for emissions trading, verified by an independent expert.

Direct emissions (Scope 1) are considered to be those from the consumption of fuel for the organisation's production processes, including the use of boilers (fuel oil and gas), as well as the fuel used in company vehicles used for commercial work and assembly. It should be noted that in 2023, thanks to **Ormazabal**'s efforts to reduce its fuel consumption, the organisation has managed to reduce its direct emissions by 2 % compared to the previous year.

In the case of indirect emissions (Scope 2), **Ormazabal** considers as such those derived from electricity consumption, excluding self-consumption. In this sense, it calculates its emissions according to the **market-based method** defined in the Scope 2 Guidelines of the GHG Protocol. This method allocates the GHG emissions associated with the electricity consumed based on the organisation's contractual instruments, taking into account energy attribute certificates or other contracts. In 2023 **Ormazabal** has managed to reduce its indirect emissions (Scope 2) by 19 % thanks to efforts aimed at energy efficiency and increased self-consumption of renewable energy.

Overall, there is a decrease in both direct (Scope 1) and indirect (Scope 2) emissions in absolute values, despite the increase in activity. This is due to the efforts made to reduce fuel use and the company's determined commitment to move towards a low-carbon energy transition.

In addition to the aforementioned emissions, in 2023 **Ormazabal** recorded 4,473 t CO₂ eq. from SF₆ consumption (compared to 7,972 t CO₂ eq. in 2022), resulting from the emissions of 190 kg of SF₆ (350 kg in 2022) produced during the manufacturing process.

Circular economy and eco-design

The circular economy is emerging as an essential lever for achieving a sustainable economic model. Therefore, the integration into the organisation's culture of this thinking, which promotes a radical change in the current model of waste production and consumption of raw materials, is becoming increasingly important in the company's strategic vision.

In this regard, **Ormazabal**'s priority is to adopt an environmental strategy based on the circular paradigm. The company's goal is to reduce its ecological footprint with the firm intention of achieving efficient management of the waste it generates. This commitment is in line with the spirit of the **European Green Pact and the Circular Economy Action Plan**, approved by the European Commission in February 2021.

In accordance with the objectives of the European Green Pact, which promotes the design of products according to sustainability criteria, it is worth highlighting that **Ormazabal** integrates aspects of eco-design in the development of its new solutions, with a view to a more efficient and sustainable future.

In this regard, the company has continued to develop specific tools for its product portfolio, with a particular focus on eco-design. Specifically, the following tools have been maintained in 2023:

- **A life cycle analysis tool** for medium voltage switchgear for secondary distribution and low voltage switchboards.
- **A life cycle analysis automation tool** for medium voltage switchgear (primary distribution). Piloting with cpg.0 lite 2000A switchgear.

The **Optiam project** was also launched in 2023, which aims to optimise the design of electricity grid components in order to reduce the environmental impact of electricity consumption. This project incorporates climate protection, circularity and eco-design criteria in its development.





Within this context, **Ormazabal** has played an important role in the creation of the **Basque Ecodesign Center (BEC)**, an initiative within the framework of the Basque Government's Green Deal strategy. The BEC is the result of a collaboration between private sector companies and the Basque Government whose objective is to conceptualise and execute innovative eco-design projects, particularly the application of tools of these characteristics in the initial phase of products. Its ultimate aim is to minimise the carbon footprint of products, both in the electricity distribution network and in the integration of renewable energy.

The Basque Ecodesign Center has the participation of the Department of Economic Development, Sustainability and Environment, through the public companies Ihobe and SPRI, together with a group of leading companies such as Iberdrola, EDP, Siemens Gamesa and **Ormazabal**.

In 2021, **Ormazabal** renewed its commitment to collaborate with the BEC for the period 2021-2025. During 2023, the company has developed two significant projects. On the one hand, it has been dedicated to analysing the implications and deployment of the obligations derived from the Taxonomy Regulation. On the other hand, it has initiated a project, which continues in 2024, to develop a comprehensive methodology to systematise transition risks. This methodology would enable **Ormazabal** to anticipate and manage emerging challenges more effectively, thereby strengthening the company's position in the face of changes in the energy and climate landscape.

Waste management

The main expenses borne by **Ormazabal** for waste minimisation are associated with waste management and removal, as well as the purchase of recycling containers.

In order to take further decisive steps in this direction, progress continued to be made on various measures and procedures implemented in some product divisions to encourage the reduction and recycling of waste in order to minimise its impact on the environment. These include, among others:

- In the **secondary distribution and primary distribution divisions as well as Ormazabal Transformers Division**, dismantling guides have been developed for the equipment manufactured, facilitating their efficient dismantling and the proper segregation and management of waste at the end of their useful life.
- The Burgos plant has been integrated into the city council's "door-to-door" service. In addition, the clean point has been reorganised to separate different types of waste such as scrap metal, epoxy, clean copper, dirty copper, appliances and electronics, brass, contaminated plastic packaging and contaminated metal packaging, among others.
- At the Igorre plant (Biscay), the number of recirculation boxes for deliveries of raw materials from suppliers has been increased, which has made it possible to reduce packaging waste.
- At the **Ormazabal Secondary Distribution Division** the manager in charge of plastics sent to landfills has been replaced, which has led to a reduction of the frequency of collection from weekly to monthly and an improvement of the recycling rate of polyethylene compared to its disposal in landfills.
- At the Torcy Transformers factory (France), a circuit has been implemented to return transformer supports to the **Ormazabal Transformers Division** plant for reuse, thus reducing the waste generated.
- Finally, a paper cut system has been installed in the printers in the Spanish offices, which has reduced paper consumption due to erroneous or unnecessary printing.

Hazardous waste is that whose intrinsic properties pose risks to health or to the environment. In 2023, the management of this waste is distributed as follows: 1 % has been destined for recycling, 64 % has undergone other recovery operations and the remaining 35 % has undergone other disposal operations.

Type of waste (kg)	2022	2023
Hazardous waste	227,585	362,346
Non-hazardous waste	5,088,639	8,928,291

As regards non-hazardous waste, in the same period, 2 % has been prepared for reuse, 77 % has been recycled, 14 % has undergone other recovery operations, while the remaining 7 % has been sent to controlled landfills.

During 2023, both non-hazardous and hazardous waste have experienced an increase attributable to the general increase in production at all **Ormazabal** plants. The increase in the volume handled compared to previous years is mainly due to the management of prototypes manufactured for the approval of new products and the performance of more certification tests. In addition, **Ormazabal Transformers Division** has extended its responsibilities in 2023 to include the management of a series of products derived from cleaning operations and oils, which were not previously considered hazardous waste. It is also important to note that **Ormazabal Smart Grids Division** has managed obsolete equipment stored for R&D projects during 2023, which has led to an increase in the waste generated.

Sustainable use of resources

Water consumption

With sustainability as a goal, in 2023 **Ormazabal** continued to achieve production with water consumption that meets the criteria of responsibility throughout the supply chain. To this end, measures have been implemented to increase the awareness of all people in the company about the responsible use of this vital element.

The data in the table shows that water consumption in **Ormazabal** follows a linear trend, with only a 3 % increase compared to 2022. This increase is mainly concentrated in the **Ormazabal's** Transformer Substation manufacturing facility, whose consumption has increased due to the increase in production during 2023.

Consumption (m ³)	2022	2023
Water consumption	41,771	42,942

Energy consumption

All **Ormazabal** companies are implementing energy efficiency measures and are committed to reducing energy consumption.

With regard to energy consumption derived from the use of fuels, the company is making significant efforts to reduce their use, prioritising the replacement of combustion energy equip-

Fuel consumption ⁽⁷⁾	2022	2023
Natural gas consumption (Nm ³)	1,086,798	1,008,759
Diesel consumption (L)	178,760	137,898
Petrol A and C consumption (L)	327	61,767

(7) In addition, 20,215 litres of oil, 160 litres of LPG and 112 litres of butane were consumed.

Electricity consumption (kWh)	2022	2023
Non-renewable electricity consumption	1,453,912	1,200,787
Consumption of electricity from renewable sources	10,533,814	10,265,699
Self-consumption of electricity	902,278	957,689
Total electricity consumption	12,890,004	12,424,175

ment with electric alternatives, such as aero-thermal energy, as detailed below in the section on energy efficiency.

Thanks to the efforts made, the organisation's natural gas consumption has been reduced in 2023 despite the increase in production.

It is worth mentioning the increase in petrol consumption is mainly due to a higher volume of works and turnover during this period, as well as the replacement of diesel vehicles by petrol-consuming hybrid vehicles in **Ormazabal's** fleet. This change in fleet composition has led to a decrease in diesel consumption and an increase in petrol consumption, as reflected in the data.

On the other hand, electricity consumption has been significantly reduced during the year. In line with previous years, **Ormazabal** has continued to increase the renewable energy generation installations for self-consumption in its buildings, specifically with the installation of solar panels in the Burgos plant and **Ormazabal** Transformers Division in Madrid, achieving a significant increase in the production of renewable energy compared to the previous year.

Likewise, the company's commitment to the use of renewable energies is evidenced by the fact that all **Ormazabal's** offices in Spain and France have a guarantee of origin certificate for the electricity consumed during the year. The aim is to continue extending this scope to all the company's sites where it is possible to ensure 100 % renewable consumption.

Energy efficiency

As a company committed to reducing energy consumption, **Ormazabal** has implemented various initiatives in 2023 aimed at promoting and encouraging energy efficiency in its facilities:

- At the Igorre plant (Biscay), two rooftop units have been installed that use aero-thermal energy to heat the building, thus eliminating the old gas boilers. This measure generates savings of 681,581 kWh/year.
- In addition, at Igorre, aero-thermal equipment has been installed for air conditioning and air renewal in the changing rooms. A heat pump with two storage tanks has been installed for domestic hot water. With both actions, a saving of 13,050 kWh/year is obtained.
- At the **Ormazabal's** Transformer Substation manufacturing facility in Seseña (Toledo), insulation has been improved and the temperature of the boiler water has been increased by replacing the auxiliary tank. This has enabled more steam to be generated, speeding up the concrete setting process in the moulds and reducing gas consumption.
- In addition, **Ormazabal's** Transformer Substation manufacturing facility has separated the steam circuit in the moulds of one of the halls, achieving savings in gas consumption.
- Also at **Ormazabal's** Transformer Substation manufacturing facility, a boiler shutdown control system has been implemented, thus reducing energy consumption when there is no production.
- At the Torcy facility (Île-de-France), actions have been taken to improve insulation and reduce steam loss, improving gas consumption efficiency.

100 % of the company's locations in Spain have energy audits, which are carried out by **Stratenergy**, a **Velatia** company, in compliance with the Spanish Royal Decree 56/2016, which states that large companies or groups of companies must undergo an energy audit every four years covering at





least 85 % of the total final energy consumption of all the facilities located in Spain. As audits have been carried out in the previous four years, no further audits were required in 2023.

Electrical mobility

Sustainable mobility is key to the decarbonisation strategy towards a cleaner and more environmentally friendly economy.

For **Ormazabal**, sustainable mobility is a strategic pillar and, as such, it is making a significant investment effort in this area. In 2023, 56 % of the company's vehicle fleet is hybrid, and 3 % are electric/plug-in hybrid vehicles. To support this transition, the company has installed a total of 23 charging points distributed across all its sites. Additionally, **Ormazabal** is committed to renewing its fleet with hybrid or electric vehicles with a DGT "0" emissions label, thereby reaffirming its commitment to sustainability and emissions reduction.

Consumption of raw materials

In order to maximise the optimisation of resources, **Ormazabal** promotes the efficient and responsible use of raw materials at all stages of the process and in all areas of activity. Thus, it has environmental management systems that allow the company to take measurements and, based on these, to assess and act accordingly, implementing measures to optimise the consumption of resources in production processes.

Raw Materials (tons) ⁽⁸⁾	2022	2023
Total	68,430	66,808

(8) The total amount of raw materials is higher than what was reported in the 2022 annual report because new types of raw materials that were not previously included have been incorporated. The 2022 data is provided, recalculated using the new criteria, to ensure both sets of data are comparable.

As mentioned in the sections on circular economy and waste management, Ormazabal is constantly researching to find the best alternatives that allow the use of raw materials in an increasingly efficient way in the manufacture of products and their packaging. Furthermore, each year the incorporation of recycled materials in products increases, whenever the technology allows it.

The following table shows the evolution of the consumption of the main raw materials used in Ormazabal's production processes: magnetic sheet, aluminium, copper, steels, oils, paints, concrete, cement, aggregates and other materials such as resin, hardener, quartz and silicone.

The consumption of raw materials in 2023 has remained in line with the previous year, registering a slight decrease. This is a sign of **Ormazabal**'s objective to make a responsible and efficient use of the raw materials used in the production process.

Biodiversity protection

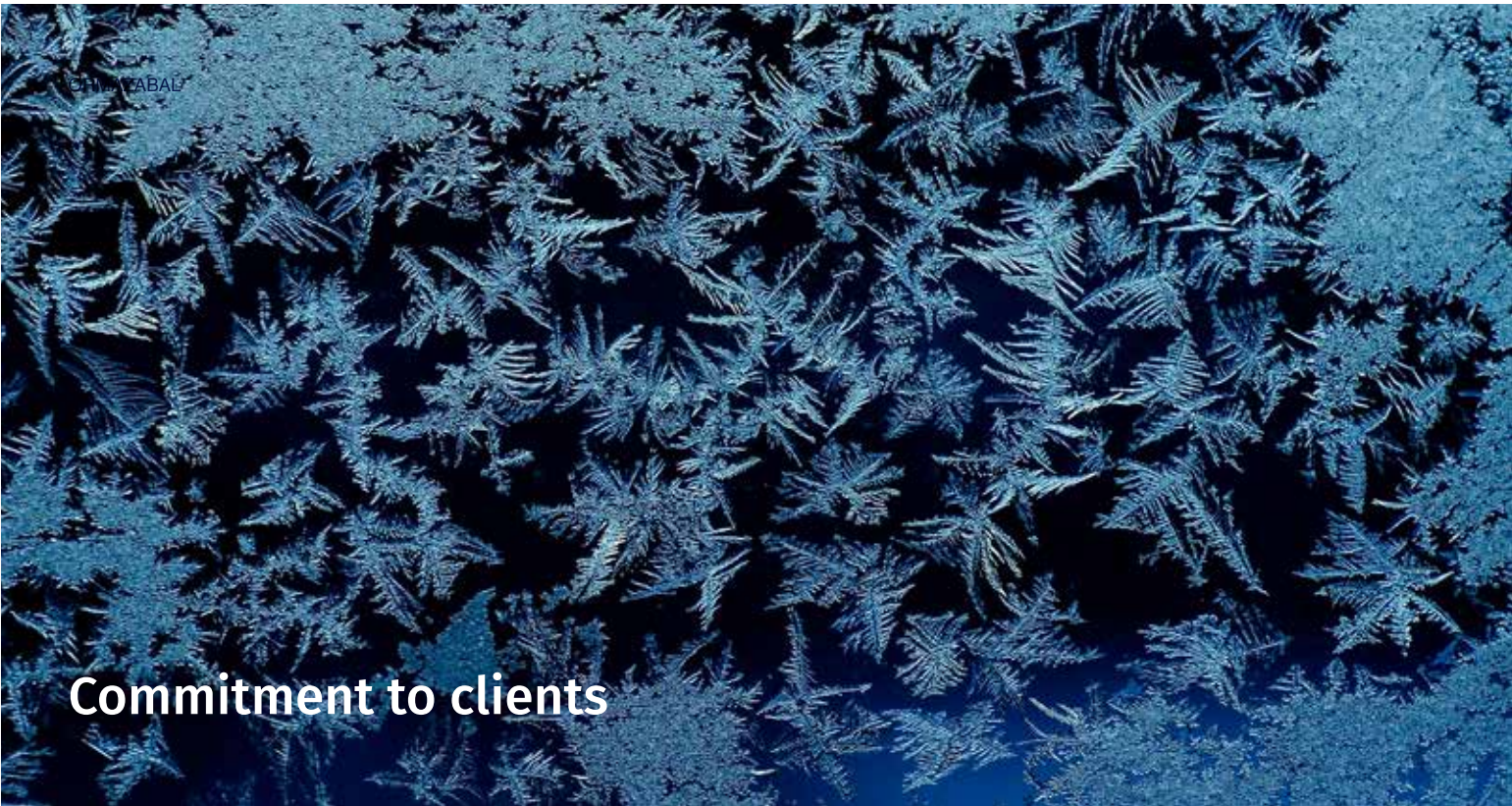
Biodiversity is not only vital for environmental balance, but also underpins a wide range of goods and services that contribute to social well-being.

Aware of the need to protect and restore the diversity of habitats and the organisms that make them up, especially those that are particularly vulnerable, in 2023 **Ormazabal** carried out an analysis of the possible impacts caused by the company in protected areas worldwide. Using databases such as the Natura 2000 viewer (Europe) and the United Nations Protected Planet viewer (WCMC), it was confirmed that none of the company's plants are located in protected areas, which means that they do not cause impacts in areas of special vulnerability or threatened habitats.

Ormazabal also continues to support the **Kumula project**, a corporate volunteer initiative launched in 2021, which consists of reforestation with native trees and shrubs in various areas of the Iberian peninsula. The aim is to recover hectares of forest which, in addition to their inestimable ecological value, serve as a refuge and source of food for numerous animal species. **Ormazabal**'s participation in this project involves offsetting part of the company's greenhouse gas emissions.

In 2023, around seventy people from the company and their families took part in this initiative, planting approximately **900 trees in Biscay, on a 90,847 m² plot of land**. The planting has been carried out in collaboration with the Lurguia foundation, as part of the Undabaso project covering 197 hectares. The indigenous species planted include: field maple (*Acer campestre*), birch (*Betula celtiberica*), chestnut (*Castanea sativa*), hazel (*Corylus avellana*), hawthorn (*Crataegus monogyna*), alder buckthorn (*Frangula alnus*), holly (*Ilex aquifolium*), wild apple (*Malus sylvestris*), aspen (*Populus tremula*), wild cherry (*Prunus avium*), wild pear (*Pyrus cordata*), oak (*Quercus robur*), whitebeam (*Sorbus aria*), and checker tree (*Sorbus torminalis*).

To recharge energies, at the end of the day, attendees enjoyed catering with agroecological and locally sourced products provided by REAS, the Network of Networks for Alternative and Solidarity Economy.



Commitment to clients

4 | Clients

Commitment to the client is a strategic foundation for **Ormazabal** and the company’s entire value chain is geared to this end: providing a sustainable service that fully satisfies the needs of its clients with customised solutions, and cultivating long-lasting relationships based on trust and mutual interest.

This purpose is the backbone of the company’s business strategy and forms part of a firm commitment to a job well done, which is inherent to the **Ormazabal** brand.

The equipment and products **Ormazabal** supplies take into account all the safety parameters provided for in the regulations applicable in each case. All products installed or delivered are accompanied by the corresponding general instructions for use and installation and technical documentation on tests that ensure compliance with current standards. The final objective is to provide an optimum level of protection for both people and goods that use or are in contact with such equipment.

The information materials provided have clear objectives:

- **Eliminate hazards** wherever possible.

- **Incorporate adequate safeguards** on equipment to eliminate any risk.
- **Communicate remaining risks** to facilitate the development of operational procedures to prevent them, the training of operating personnel and the use of personal protective measures.
- **Maximise the use of recyclable materials** and establish procedures for the proper treatment of end-of-life equipment in accordance with the environmental regulations established by the competent bodies.

Ormazabal is committed to client satisfaction through the implementation of internal evaluation mechanisms, such as surveys, interviews, etc., which allow us to better understand their needs and expectations, thus identifying areas for improvement on which we must continue to work.

In recent years, **Ormazabal** has carried out satisfaction surveys in the countries where it has a commercial presence and production plants. Specifically, in 2023, surveys were carried out in Spain, China and Australia. Among the conclusions, the high level of satisfaction regarding the treatment received from the company’s staff, the quality of technical assistance, the resolution of incidents, the efficiency and improvement in the technological features of the products, and the expansion of the product range stand out. Once again, the most highly valued aspects were the quality of the products and services, the speed of response and the technical assistance.

Ormazabal uses the Advanced Management Model as a reference framework to evaluate and improve its management system, with a particular focus on client satisfaction.

In 2023, the company continued to offer workshops for its clients, an initiative that has been very well received and which aims to anticipate solutions that respond to the future needs of the main companies in the electricity distribution and renewables sector, accompanying them on the road to electricity transformation.

All **Ormazabal** products and services comply with the **quality parameters** set out in the corresponding regulations. The company’s commitment to quality and continuous improvement is reflected in the eighteen ISO 9001 certified companies.



Ormazabal companies with ISO 9001 certification in 2023

Ormazabal has a highly robust **complaints and claims system**, specifically adapted to the demands of the sector in which it operates. This system periodically monitors the complaints received, identifying their nature, their status and the date of resolution. This system makes it possible to improve the quality of the service and apply the appropriate corrective actions, as the incidents received by the formal and informal means made available are managed and processed by specialised personnel using an incident registration tool. Each incident is analysed individually and the appropriate

measures are implemented to provide a solution in line with the highest quality standards.

During 2023, the company received 2,752 requests for action in the event of incidents related to quality or errors in the supply of products and services. Of these, 1,656 were satisfactorily resolved and the remaining 1,096 are in the process of being resolved. In 2022, 2,510 complaints were handled, of which 2,306 were closed and 204 were pending resolution at year-end.

Country	Society
Spain	Ormazabal Cotradis
	Ormazabal Distribución Primaria
	Ormazabal y Cía. (Ormazabal Distribución Secundaria)
	Ormazabal Media Tensión
	Ormazabal International Business
	Ormazabal Protection & Automation
Germany	Prefabricados Uniblok
	Aislantes Sólidos
	Ormazabal Burgos Switchgear
	Ormazabal GmbH
China	Ormazabal Zhuhai Switchgear
	Ormazabal NRG (Beijing) Switchgear Limited
United Kingdom	Ormazabal Kunhsan Switchgear
	Ormazabal Limited UK
Argentina	Ormazabal Argentina
Brazil	Ormazabal do Brasil
Turkey	Ormazabal Elektromekanik San. İç ve Dis Ticaret A.S.
Mexico	Ormazabal México



5 | Suppliers

Promoting responsible production and consumption throughout the supply chain is a part of Ormazabal's main aspirations, and work along these lines continued in 2023.

The company's commitment to its suppliers is reflected in the Sustainable Development Policy and Purchasing Policy, focusing on the following points:

- **Extend social, environmental and occupational hazard prevention aspects** to our suppliers.
- **Establish mutually beneficial and stable relationships** with suppliers, based on strict compliance with the Code of Ethics.
- **Respect the principles of sustainable development**, by encouraging our suppliers to comply with human rights requirements and the laws, regulations and standards of the countries in which the company operates.

To ensure the implementation of these commitments, Ormazabal has the **Velatia Purchasing Policy Framework**, applicable to any organisation, which provides common and mandatory guidelines that regulate the entire purchasing cycle, from the identification of needs to their satisfaction. All businesses must have a supplier approval process in which suppliers must commit in writing to the

Group's **Purchasing Policy and Code of Ethics**. Since 2019, this process has been reinforced by sending critical suppliers the Quality Manual and the Code of Ethics for their signature, thus achieving the compliance of an increasing number of suppliers.

This qualification process mainly assesses the availability of environmental certifications and regulatory compliance in this area. Ormazabal has an **annual supplier audit plan** for this purpose and during 2023 a total of 36 suppliers have been completed. This is the first year that this indicator has been monitored, so comparative data is not provided.

To manage supplier risk, the company has a supply chain risk management system that allows it to monitor critical suppliers according to different levels of criticality.

Ormazabal is currently in the process of recording in detail the audits and the results obtained from them. The group's new supplier portal will play a key role in achieving this objective.



Commitment to local suppliers

Beyond the creation of direct jobs and the payment of wages and taxes, **Ormazabal**'s influence is also felt indirectly by supporting local businesses through the supply chain, generating positive economic impacts.

The company maintains a strong commitment to local companies in the main regions where it operates, especially in those where it has production plants. Regular monitoring of the volume of purchases by geographical area helps to ensure that the percentage of local suppliers is a significant percentage.

In its purchasing strategy, **Ormazabal** works with a panel of global suppliers for basic raw materials (copper, aluminium, steel...), while for standard and/or high turnover products for customisation, it works with local suppliers located close to the points of consumption. This strategy is a competitive advantage that allows for greater flexibility and proximity to the end client.

Below are the four countries with the highest importance in purchases from local suppliers, along with the evolution of spending. Notably, there was an increase in Spain and a decrease in Germany during 2023.



Expenditure on local suppliers (%)	2022	2023
Spain	77 %	83 %
France	97 %	95 %
Germany	87%	74 %
China	95 %	96 %

Sustainability in the supply chain

Ormazabal's companies strive to bring real value to their purchasing management processes, both for their own businesses and for their suppliers. This approach guarantees results and adaptation to the local environment, which in turn translates into the creation of wealth and employment in the communities where the company operates. In this vein, companies interested in forming part of the supply chain have begun to be informed of the obligation to assume the commitments promoted by the United Nations Global Compact.

The alignment of the corporate purchasing function with each operational department enables **Ormazabal** to identify and apply the best assessment criteria for each contracting and/or purchasing process. This allows the company to remain at the forefront in terms of sustainability, environmental assessment and respect for human rights.

With regard to the actions carried out in 2023 in relation to sustainability in the supply chain, the launch of a **new supplier portal** for the approval and management of suppliers stands out. The measures implemented include:

- Update of the approval template and inclusion of ethical aspects and ESG criteria for strategic suppliers.
- Review and update of the risk management and supplier classification procedure.



Sustainable procurement project

Ormazabal continues to implement in the companies of the organisation the “Green Procurement” project in which it has been participating since 2019. A pioneering initiative in the private sector that seeks to prioritise the procurement of products and services with a lower environmental impact with actions that are defined annually.

In this context, Ormazabal has developed the following lines of work in 2023:

- **Monitoring and annual updating of the conflict minerals policy.** To this end, the company conducts due diligence on conflict minerals with its suppliers, using the Conflict Minerals Reporting Template (CMRT), to ensure that human rights are not violated.

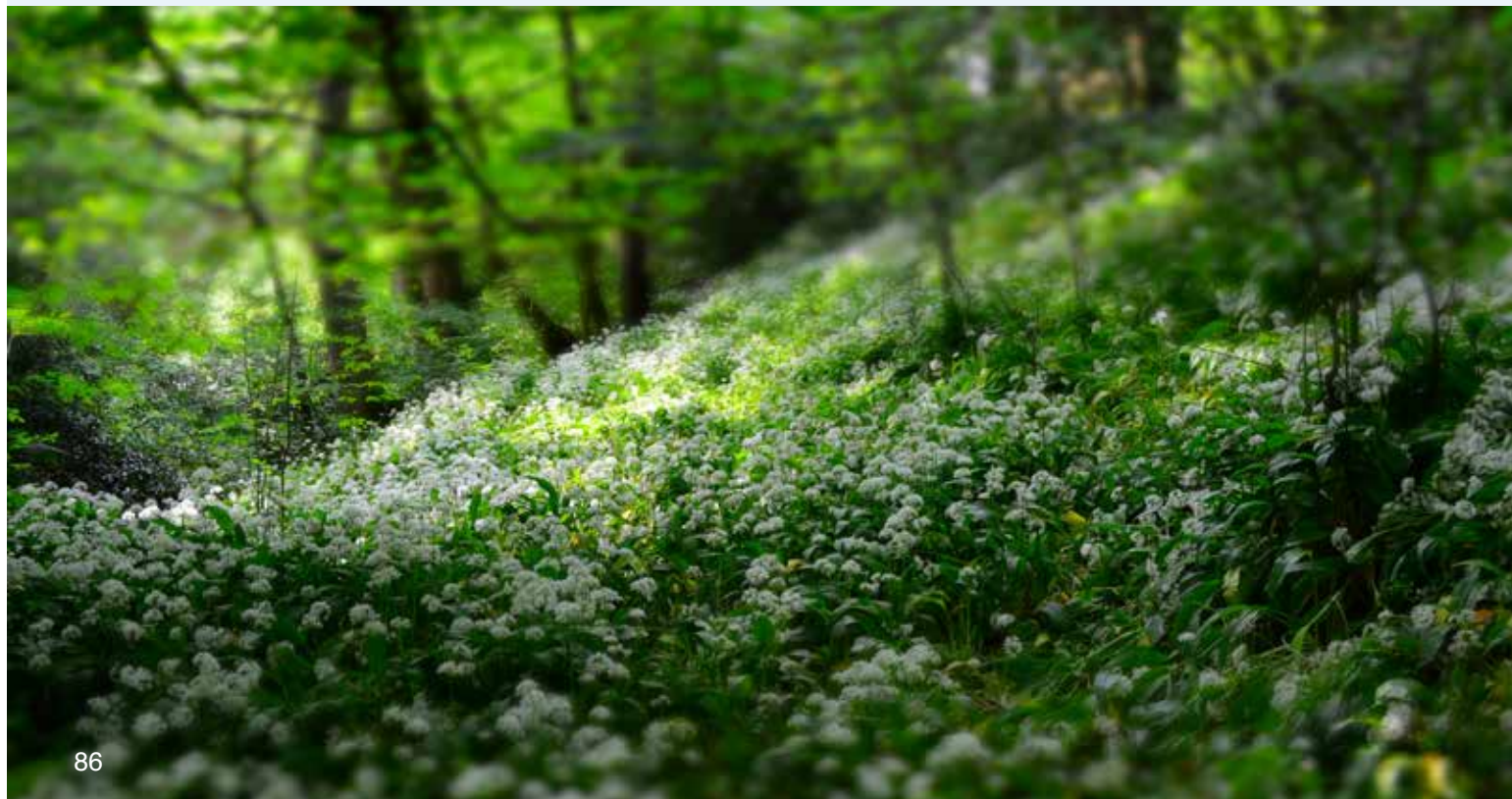
- **Analysis and monitoring, together with suppliers of raw materials, of the level of incorporation of recycled material in their production processes in order to encourage its use.** During 2023, efforts have been made to integrate recycled materials into the following raw materials:

- **Copper:** Major suppliers, which account for more than 70 % of total copper consumption in 2023, have launched investments so that by 2025, 100 % of the material supplied will be made from recycled materials.
- **Stainless steel:** The primary supplier, which accounted for over 90 % of total steel consumption in 2023, plans to start using green stainless steel in 2024, with a carbon footprint 70 % lower than the current level.

- **Galvanised sheet metal:** the company’s supplier has developed a packaging circuit with the factories to be implemented in 2024.

- **Promoting the use of the green magnetic sheet with a lower CO₂ footprint.** To this end, contacts have been established with key clients to promote its use and receive feedback. In this regard, pilot tests have been carried out with a key client of the company and **Ormazabal Transformers Division** has increased the percentage of green sheet metal acquisition.

- **Wood packaging recycling project with steel mills in the European Union and in the company’s factories in China.** In the case of China, a pilot test has been carried out to send returnable packaging between Ormazabal’s factories in China and Spain, with the intention of implementing it in series production throughout 2024. Likewise, a returnable wooden packaging circuit has been established between the transformer factory in Madrid and the supplier in Germany.



Social commitment: support the social development of the communities where Ormazabal operates, participating in and promoting projects of social, cultural and environmental interest

6 | Society

In accordance with the principles of Corporate Social Responsibility, **Ormazabal** integrates its economic growth with the interests of the communities with which it coexists and its stakeholders, in a sustainable manner. Sustainability understood as a lasting way of working.

This firm commitment to the community is demonstrated through continuous investment in social projects in key areas for social progress such as education, employment, the integration of people with disabilities, and culture. In this regard, **Ormazabal** supports initiatives that protect children's rights by promoting education, providing opportunities for youth through training and the promotion of programs that enhance their employability, as well as that of people with disabilities. Additionally, it promotes proposals that aim to make culture accessible to all of society.

Ormazabal's actions in the social sphere are guided by the **Corporate Social Responsibility Policy and the Social Action Policy**.

Ormazabal places special emphasis on maintaining clear and direct communication with all its stakeholders in order to understand their needs and expectations. It also monitors

and undertakes to ensure that everyone within the organisation complies with the guidelines of the Code of Ethics in the performance of their professional activities.

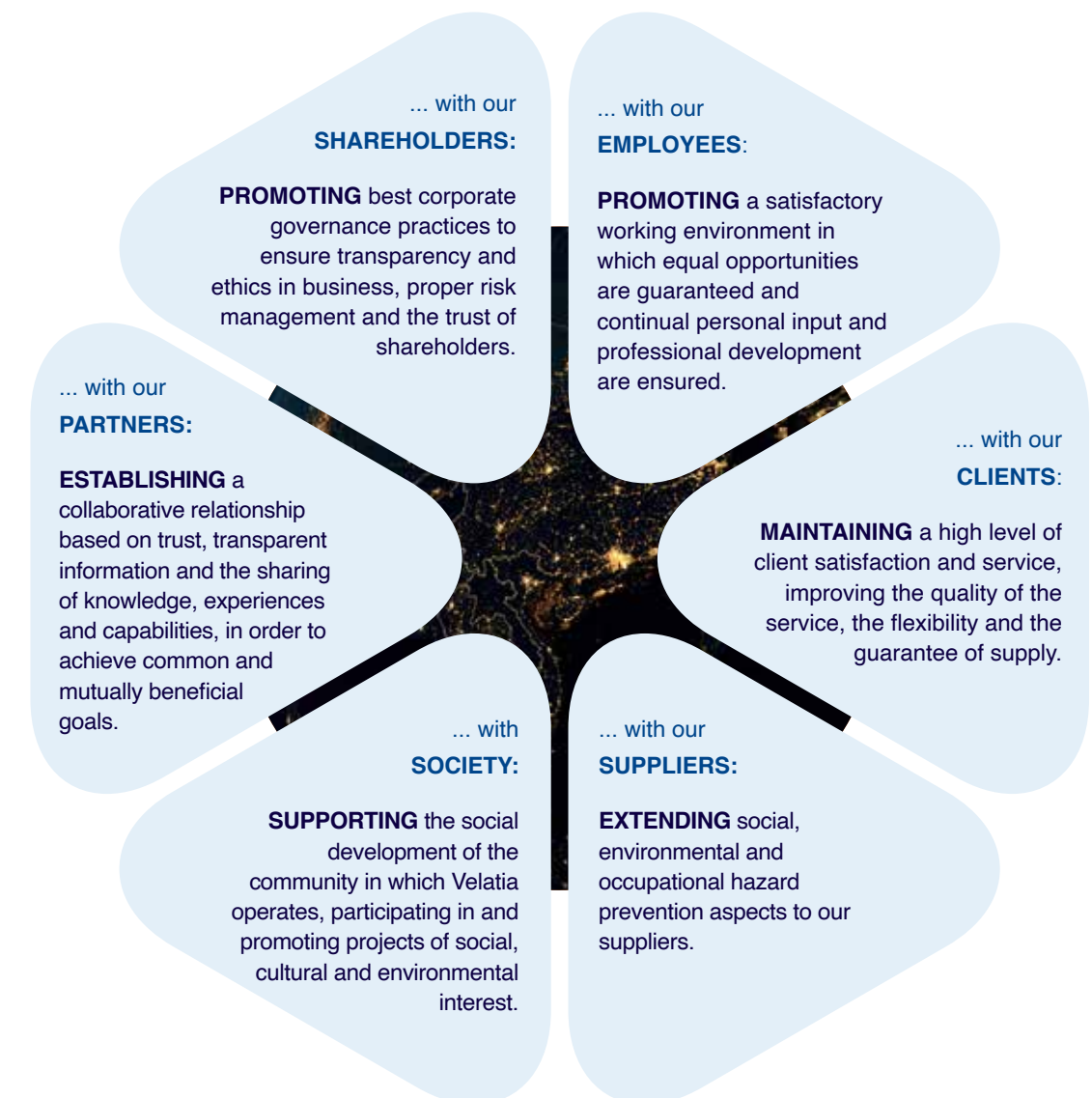
Relationship with local communities

Ormazabal contributes to the interests of communities by generating a **positive social impact** through various actions. These include job creation, boosting local economic development, active collaboration with educational centres, compliance with its tax obligations and redistribution of the value generated.

To lead the change towards a sustainable electricity grid model, the company is committed to the development of public policies together with the regulatory bodies of the electricity sector. Likewise, it participates with business associations related to the sector in all areas of activity, both nationally and across Europe, in some cases taking a leading role.

Ormazabal defends a regulation that guarantees the sustainability of the electricity system through the development, commissioning and maintenance of a reliable, long-lasting,

We contribute to society's development through...



efficient and environmentally friendly electricity distribution grid. This regulatory stance is consistent with the criteria and concepts that the company applies in the design, manufacture and provision of its products, equipment and services.

In terms of institutional and associative relations, everyone at **Ormazabal** maintains an attitude of strict vigilance and compliance with the precepts laid down by the rules of competition law. The company also participates proactively in numerous forums and associations to become a benchmark player in

the sectors in which it operates. This allows the company to demonstrate its commitment to sustainability, interact with the main agents of change, generate shared value between the company and its environment, share good practices and strengthen relations with its stakeholders.

Below are some of the most relevant **forums and associations in which Ormazabal participates**:

Country	Association/Group activity	
Spain	AFBEL	Spanish Association of Manufacturers of Electrical Capital Goods
	Clúster de la energía del CAPV	Energy cluster of the Basque Country
	Confebask	Basque Business Confederation
	Euskalit	Basque Foundation for Quality Promotion
	Basque Ecodesign Center	<i>Basque Ecodesign Center</i>
	AEE	Wind Energy Business Association
	GT Wind Turbine Data Sharing Working Group	Spanish Energy Club
	UNE	Spanish Association for Standardisation
	CONSORCIO ENERGIAS RENOVALBES	Renewable Energy Association
	ENERCLUB	Spanish Energy Club
	CONFEMETAL	Confederation of Metal Companies
	AEDIVE	Electric Mobility Business Association
	SERCOBE	National Association of Capital Goods Manufacturers
	CEOE	Spanish Confederation of Business Organisations
	UNEF	Spanish Photovoltaic Union
	FUNDACION EMPRESA/CLIMA	Climate change mitigation
	ELECTRIFICATION FORUM	Electricity use and benefits
	Spanish Maritime Club	Spanish maritime industry services
	Basque Maritime Forum	Basque maritime industries services
	AEMENER	Spanish Association of Women for Energy
	SREC	Spain Renewable Energy Consortium
	AELEC	Association of Electric Power Companies
	CIDE	Association of small energy distributors
	BIND 4.0	Basque Open Innovation Platform
	INNOBASQUE	Basque Innovation Agency
	GSGHI	Global Smart Grid Innovation. Iberdrola Hub
	Alianza NET Zero Mar	Decarbonisation of maritime transport and ports
	ASEME	Association of Electricity Companies

Country	Association/Group activity		
France	GIMELEC	Group of companies in the technology and digital sector	
	MATPOST	SEE-Technical committee and congress organisation	
	AFNOR	Standardisation	
	AVERE	European Partnership for the Promotion of Electromobility and Sustainable Transport	
Portugal	ANIMEE	Portuguese Association of Electrical and Electronic Companies	
UK	BEAMA		
Germany	ZVEI	Expert committee network components (business and market oriented)	
	DKE/WG432	Medium voltage standardisation	
Europe	T&D Europe	European Association for Transmission and Distribution of Electricity	
	EOPSA	European Onshore Power Supply Association	
	CIREC/CIGRE	International Conference on Electricity Distribution	
	EURELECTRIC	Industry association representing the interests of the electricity industry	
	ORGALIME	Europe's Technology Industries	
	BUSINESS EUROPE	European association for the growth and competitiveness of industry	
	EDSO_E	European Distribution System Operators Association	
	GEODE	European Association of Small Electricity Distributors	
	CEDEC	European Association of Small Electricity Distributors	
	SOLAR POWER EUROPE	Renovables PV	
	WIND EUROPE	Digitisation	
	China	Jiangsu Electrical Equipment Industrial Association (JEEIA)	Jiangsu Province Electrical Equipment Industry Association
		Jiangsu Province Renewable Energy Industry Association (JSREA)	Renewable Energy Industry Association in Jiangsu Province
Electric Power Technology Collaboration (EPTC)		Collaboration in electrical energy technology	
China Energy Storage Alliance (CNESA)		Energy storage alliance	
China Electric Vehicle Charging Infrastructure Promotion Alliance (EVCIPA)		Partnership for the promotion of electric vehicle charging infrastructure	
	China Photovoltaic Industry Association (CPIA)	Photovoltaic Industry Association	
International	IEC	International Electrotechnical Commission	

Solidarity actions

Ormazabal channels its commitment to the community and its social concerns in areas such as solidarity, education and the protection of natural resources. It promotes and participates in a variety of initiatives that seek to contribute to achieving shared goals. Below we highlight some of the collaborations carried out throughout 2023.

Collaboration with training centres

In line with its vocation to contribute to the training of future professionals in industry, **Ormazabal** has sponsored the “*Industria Erronka*” initiative, organised by the Basque Federation of Metal Companies (FVEM). In addition, it has continued to promote the industrial sector in several educational centres and has given its students the opportunity to visit the company’s facilities to learn about its work and technology.

Tree planting

As mentioned above, in 2023 new reforestation initiatives have been launched, such as the **Kumula project**, in which people from the company and their families participate on a voluntary basis, in collaboration with Lurgai.

The main objective of this project is to restore and promote native biodiversity while offsetting the carbon footprint. Over the course of 2023, 70 people joined the initiative, contributing to the planting of 900 trees.

Solidarity campaigns

In 2023 the “**Ormazabal Contribution Week**” was organised for the first time, which succeeded in mobilising employees and families from various countries in June around local environmental and social initiatives, such as:

- **Tree planting**: carried out in China and Brazil.
- **Clean-up of natural environments**: organised in Spain, Germany, France and Turkey.
- **Donation of clothes and food**: carried out in Spain.
- **Children’s aid (Ukrainian children)**: coordinated from Poland.
- **Support to local communities**: implementation in Colombia, Mexico and the United States.

Forging links between education and businesses

Ormazabal is particularly committed to strengthening its relationship with the educational sphere. Thus, it collaborates with training institutions to promote the development and growth of the local economic fabric. This is carried out by signing agreements, offering scholarships and business internships.

Since 2001, **Ormazabal** has been working closely with the **Bilbao School of Engineering** of the University of the Basque Country UPV-EHU, through its own business classroom. This initiative, which celebrated its twentieth anniversary in the 2021/22 academic year, has as its main objectives:

- Attracting students with potential. Since the beginning of the classroom, 50 % of the students join **Ormazabal**.
- Carrying out of projects in areas of interest to the company.
- Helping consolidate the **Ormazabal** brand among students as a benchmark of prestige in the technological area. Over the years we have carried out various communication actions including participation in the company classroom presentations and in the School newsletter, offering news about the progress made and the projects developed in the **Ormazabal Classroom**.

On the other hand, the **Ormazabal Classroom** of the **University of Mondragón**, launched in 2007, specialises in power electronics, protection, automation, and medium-voltage network communications. It aims to develop projects with undergraduates in the penultimate or final year of their degree in disciplines of interest to the company. Teachers direct the students’ work, while tutors appointed by the company for each project supervise them.

In addition, since 2006, **Ormazabal** has also had a company classroom at the **Higher Technical School of Industrial Engineering and Design of the Universidad Politécnica de Madrid (Technical University of Madrid, UPM)**. The initiative has a dual purpose, teaching and research, and it seeks to train future engineering professionals in learning about transformer substations, practical simulation of the different defects that can occur in this type of facility, as well as the protective devices and systems associated with transformer substations.

In March 2023, the “**Let’s get closer, Ormazabal Event**” was organised at the university, which was attended by more

than 50 students from all branches of engineering. During the event, professionals from the company shared with the students their knowledge of the sector, and presented the company and their work experience.

Ormazabal Research & Technology Centre, a fundamental pillar of the company dedicated to research and development, is a member of the Board of Trustees of the **Euskampus Foundation** of the **University of the Basque Country UPV-EHU**. This entity is an inter-institutional instrument that aspires to become a driving force in the dynamisation of Basque R&D&I, with a clear vocation for social responsibility and territorial integration. To this end, its mission is to design, coordinate and execute actions that strengthen and accelerate the modernisation and internationalisation of the Basque public university.

In addition to the above, throughout 2023 **Ormazabal** has participated in various ways in different events in order to strengthen its ties with the student community, universities and society in general:

- **Collaborator with the Inspira STEAM initiative: Ormazabal** has participated as a collaborating company in this innovative project whose objective is to promote scientific-technological vocation among young women.
- **Sponsorship of “Kid’s Kitcar Formula Goblin”**: the company supports this inspiring idea that aims to spark children’s interest in engineering. This interdisciplinary project involves the construction of electric cars, thus fostering competences in science, technology, engineering, art and mathematics (STEAM subjects).
- **Participation in the Skillaton**, part of the **Talentia Skills** programme, and in the **Talentia Meet** organised by Bizkaia Talent.
- **Be Basque Talent Meeting: Ormazabal** has participated in conferences aimed at highly qualified professionals with international work experience who seek to broaden their knowledge of Basque labour market trends, the most in-demand skills and the professional opportunities offered by Basque organisations.
- **Be Basque Talent Conference**: presence at this event held in Düsseldorf, Germany.
- **University of the Basque Country Employment Day (JEPE2023)**. For yet another year, the company has been present at this key event for the employment of university students.



- **Participation in the company races**, held in Bilbao and Madrid.
- **Sponsorship of Formula Student Bizkaia**. Supporting this high-level event contributes to fostering innovation and talent among engineering students.
- **Second edition of the Ormazabal Host Event**. The company organised this event in Bilbao, which was attended by around 30 pre-selected students from the universities of Deusto, Mondragón and the University of the Basque Country.
- **Integration in the Global Green Employment platform**. **Ormazabal** has joined this Iberdrola initiative, which aims to be a global benchmark in the dissemination of knowledge, career guidance, training and job offers in the field of green employment.

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