



Be smart.
Be Ormazabal



The background is an abstract watercolor painting. It features a mix of colors including light beige, various shades of blue (from pale to deep navy), and hints of green. The paint is applied in a textured, layered manner, with some areas appearing more saturated than others, creating a sense of depth and movement. The overall effect is organic and artistic.

**Be Ormazabal.
Be sustainable**





We begin the second year of our 2024–2026 Strategic Plan with a moment of reflection to assess what the first year of this crucial period has meant for our organization. Once again, geopolitical instability and tensions between global blocs are part of a playing field that—despite everything—has begun to ease the inflationary trend and its impact on our inputs.

Despite this context, at **Ormazabal** we have achieved exceptional results, far exceeding our objectives. Turnover was over 800 million euros and EBITDA was 21 %. This result, as positive as it was hard-earned, is part of the sustained growth path of recent years—driven by our commitment to high-value technological solutions co-developed with our clients, and by industrial investment aimed at delivering flexibility and capacity to the market.

In line with the European regulatory framework on fluorinated gases, in 2024 we made progress in the industrialisation of our SF6-free technologies, introduced the previous year. Certification processes have been initiated by our customers and, in some cases, we have started to install the first pilot projects. We continue on our path towards decarbonisation of our processes and products, in line with our sustainability commitments.

This year also marked a turning point in our strategy to digitise the network, as we started work on the adaptation of our new headquarters, which will have a production and technology centre that will house the digital hub of our business. **Ormazabal Digital Hub**, as we have named this new complex, will accelerate the synergies between our different business divisions in relation to the transformation of our solutions, facilitating the development of new products and the incorporation of revolutionary technologies. This technological and industrial campus will also be the spearhead of our commitment to attract the best digital talent.

2024 was also the year of the deployment of new solutions within the “**Ormazabal Ecosystem**”, represented by the technological capabilities of **Ormazabal**, **Stratenergy** and **Supsonik**. The best example of this is the implementation of all the technology developed for the construction of autonomous microgrids at several of our facilities, which are already being commercially presented to our main customers and partners. A proposal that showcases our long-term value as a company.

This year has undoubtedly been the consecration of our business model and our commitment to the digitalisation and decarbonisation of the electricity grid, thanks to numerous milestones that you will discover in detail throughout this report, which covers our economic, environmental, and social performance.

Jorge González Somavilla
CEO of Ormazabal

A watercolor illustration of a rocky coastline. The foreground shows dark, jagged rock formations. The middle ground features a calm blue sea meeting a sky with soft, blended colors of orange, pink, and purple. The overall style is artistic and painterly.

Technology for a new electric world



01 | About Ormazabal



ormazabal
velatia

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.

Committed to the digitalisation of the electricity grid, its solutions are aimed at facilitating the integration of more renewable energy generation, enabling more sustainable mobility and guaranteeing supply for buildings and infrastructures with critical energy needs.

Its permanent commitment to technological and industrial innovation has enabled it to position its own technology throughout the world and to consolidate itself as a company with the capacity to take its proposals to any geography.

The transition to a decarbonised energy model involves replacing fossil fuels with renewable energies, making electricity grids smarter, optimising energy efficiency and

encouraging more responsible consumption. In this context, **Ormazabal** takes on the challenge with the aspiration of becoming a benchmark company in the transformation of the electricity system as a provider of innovative solutions that promote a more efficient, secure and sustainable supply for future generations.

To achieve this, it collaborates with leading global companies, working together to build a sustainable energy future that respects the necessary balance with the environment and promotes the well-being of people.

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 **Ormazabal’s** sustainability strategy and value proposition.

1.1. Purpose, mission, vision, values and pillars

Ormazabal's purpose, mission, vision, values and pillars define its identity and aspirations as a key player in decarbonisation and energy transition, working towards a more sustainable planet.

Purpose

To lead the technological evolution of electricity grids 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 customers in the **innovation** of their electrical networks.

Values

As a **Velatia** company, **Ormazabal** shares these five values that are deeply rooted in the group's culture:

- **Flexibility:** willingness to understand different options and adapt to different situations.
- **Leadership:** demonstrating a spirit of self-improvement in daily activities 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:** result-orientation in an efficient way.
- **Support:** willingness to offer and request help for the development of individuals and the achievement of objectives.

Pillars

Ormazabal is characterised by its deep **family** roots, a solid **industrial** base, a long **technological** trajectory and a **global** reach, with the aspiration of being a **benchmark** in the industries in which it participates.

For almost six decades, these five pillars—Family, Industrial, Technological, Global, Benchmark—have defined the company's essence and identity, have been its strength and guarantee a solid future.

With a clear vision of what it wants to be and where it wants to go, **Ormazabal** reaffirms its commitment to innovation, sustainability and excellence in every step it takes.

1.2. Ormazabal business

Ormazabal is working to transform the electricity grid into a more reliable, resilient and sustainable infrastructure for the future.

It designs and manufactures solutions aimed at digitising the grid to integrate more renewable energy generation, enable more sustainable mobility and guarantee electricity supply to buildings and infrastructures with critical needs. Specifically, these are the main segments or areas of activity in which it provides services:



Smart and digital networks



Green generation and storage



Green mobility



Sustainable buildings and infrastructure



1.3. Ormazabal in figures

Since its creation in 1967, **Ormazabal** has been growing and evolving for almost six decades, with its sights set on the future and on generating a positive impact on its environment.

Its strong global presence, with 16 production centres in different regions of the world and the capacity to operate in more than 50 countries through subsidiaries and distributors, allows the company to be close to its customers, adapt to the characteristics of local markets and respond to their needs in an agile and personalised manner.

It has a team of more than 2,700 highly qualified people, but beyond the number, its commitment to the project and to “good work” stands out. Their daily efforts and dedication make possible the transformation of the electricity grid and sustainable mobility, essential for the energy transition.

Creating a positive impact



Proximity footprint

- Presence in more than **50 countries**
- Its equipment is installed in more than **150 countries every year.**
- More than **2.5 million units installed** around the world
- More than **62,000 automated** installations worldwide

Industrial footprint

- **16 production centres** in the world

Technology footprint

- 1 Research and Technology Centre **unique in the world**
- Product development centres in **8 countries**



The success, both in terms of results and in the implementation of the strategic plan, is the result of Ormazabal's firm commitment to high-value technological solutions.

1.4. Annual summary

In the first year of its Strategic Plan 2024-2026, despite the uncertainty caused by geopolitical and regulatory instability, **Ormazabal** exceeds its objectives. The company has continued with the achievements of previous years by consolidating its role as a technology *partner* in the decarbonisation of the electricity grid.

This success, reflected both in terms of turnover and profitability and in the implementation of the strategic plan in its main lines of action, is the result of **Ormazabal's** firm commitment to high-value technological solutions, co-developed in close collaboration with its customers, as well as an industrial investment strategy that brings flexibility and capacity to the market.

High value-added solutions underpin good results

While the previous year was marked by the introduction of fluorinated gas-free solutions, 2024 has focused on the start of their industrialization, the certification processes by clients, and the delivery and installation of the first pilot projects. A deployment supported by numerous presentation and promotion campaigns in the company's main markets.

The positive feedback received confirms that **Ormazabal's** long-term vision is not only correct, but that it is adapted to the real needs of its stakeholders.

Development and industrialisation of SF₆-free solutions

The Boroa, Igorre and Burgos factories have begun the transformation of their facilities to become production *hubs* for fluorinated gas-free technological solutions for secondary and primary distribution. The cgm.zero24 and sbp.zero24 families will undergo a transition to serial production in order to meet the growing market demand driven by the new European regulation on the use of gases in the power industry.

In this sense, **Ormazabal** has continued to strengthen its strategy of collaboration with customers, certifying solutions based on industrial natural air, and developing the first pilot projects in real operating conditions.

Evolution and confirmation of the Ormazabal Ecosystem

In the field of collaboration within the **Ormazabal Ecosystem**, the company has taken an important step forward with the start-up of its first microgrid at the Burgos plant and its replica at the Boroa laboratory. This proposal, which integrates all of **Ormazabal**'s knowledge in generation, distribution, storage and consumption, governed by a monitoring and metering system, is added to **Stratenergy**'s extensive catalogue of services, which acts as an integrator of **Ormazabal** and **Supsonik** solutions and products.

In turn, **Supsonik** and **Ormazabal** have worked together to complement the portfolio of solutions aimed at the “smartisation” of distribution networks, with new developments that will soon be launched on the market.

ESG as a backbone

Committed to sustainability, the company achieved several important milestones in 2024, such as the publication of its ESG commitments with a time horizon of 2030, the increase in renewable energy consumption and the increase in the number of women in management positions.

In the social sphere, **Ormazabal** continues to nurture its commitment to caring for people through initiatives such as the first edition of the “**Arco**” programme, designed to develop young talent, and “**Carefirst**”, focused on the emotional health and well-being of its team.

In addition, **Ormazabal Contribution Week**, which in 2024 celebrated its second edition, has been adapted to an international level by carrying out various activities in all the countries where the company is present.

First stone of the *Ormazabal Digital Hub*

Ormazabal has started in 2024 the adaptation works for what will be its new headquarters and main digital *hub*. These facilities, which will include both office space and manufacturing activity, will become the central core of its proposal for the digitalisation of the electricity grid and will come into operation in 2025, under the name of **Ormazabal Digital Hub**.



Launch of the Open Innovation strategy

In addition, in 2024 **Ormazabal** has consolidated its commitment to Open Innovation with the creation of a transversal area dedicated to coordinating the organisation's R&D&I processes. In this line, in 2024 it has launched **Ormazabal Startup Switch**, a *Venture Client* tool that is key to its Open Innovation strategy. This instrument works as a generator of new collaborations with *startups* and external agents, allowing it to identify and integrate them into its processes, and thereby incorporate new technologies, knowledge and diverse talent that strengthen its internal innovation ecosystem.

EVOLUTION OF ORMAZABAL’S RESULTS

2024

2023

TURNOVER
(millions of euros)

807
MILLIONS

748
MILLIONS

EBITDA
(% of turnover)

21%

13%

EBT
(% of turnover)

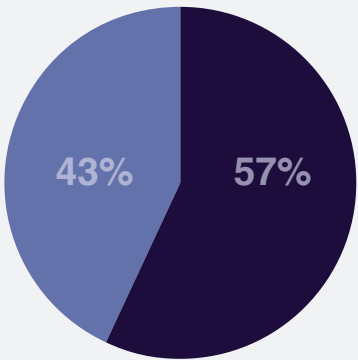
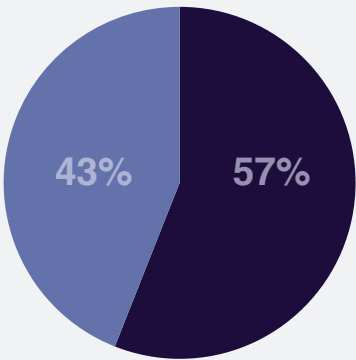
13%

12%

DISTRIBUTION OF WORKFORCE

2024

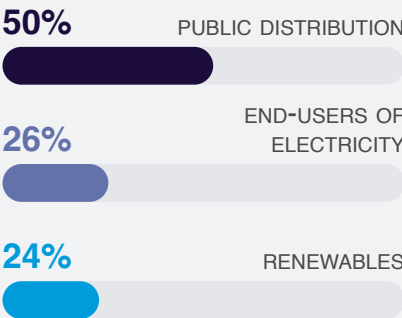
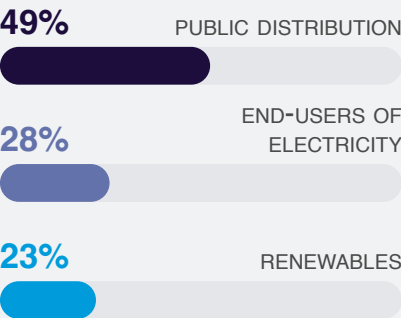
2023



DISTRIBUTION OF SALES

2024

2023



-2%

8%

-4%



Key milestones in 2024

25 % more renewable energy consumption in the last four years

Ormazabal achieves the significant figure of 11 GWh of green energy consumption per year in all its facilities, which means a 25 % increase in the consumption of this type of energy sources and, consequently, a significant reduction in the impact on the environment.

First edition of Arco Ormazabal

More than 40 young talents have participated in this initiative designed to improve their knowledge of the organisation and enhance their leadership and professional development skills. During the programme they have had the opportunity to visit different facilities in Spain and participate in social initiatives.

New employee welfare and support programme: Carefirst

Ormazabal takes a further step in its commitment to the well-being of the company's people with the creation of an international support service, available twenty-four hours a day, seven days a week. Expert staff offer psychological support, assistance to families on a day-to-day basis, and legal and financial counselling.

Moving forward on the “Route to Zero”

Ormazabal's R&D teams continue to focus on accelerating fluorinated gas-free technology. In 2024, the company has introduced to the market the complete range of 24 kV SF₆-free switchgear in both primary and secondary distribution. In addition, industrial transformation is continuing at all the plants concerned.

Burgos demonstration microgrid continues to evolve

Ormazabal's most ambitious technological intra-collaboration project bears new fruits: battery electric storage technology (developed by **Supsonik**) and MIDE *Energy Management System* (developed between **Stratenergy** and Ormazabal Corporate Technology).

New synergies with Supsonik

Supsonik's new strategic product line continues to evolve with the launch of solutions for the industrial storage market and the development of smart grid technologies. These innovations in power electronics expand and strengthen the portfolio of the electrical business.

More transformer manufacturing capacity at Loeches

The company invests in the growth of the Loeches factory (Madrid) with the addition of more than 5,000 m² of industrial surface area, which completely redefines the plant's capacities in terms of volume, portfolio and digitalisation of production.





Project for the new headquarters in Germany gets under way

Ormazabal starts the project for the construction of its future headquarters in Germany. The new facilities will house product customisation and will focus on the automation and digitalisation of industrial processes. With this centre, which will become the focal point of its industrial strategy in Central Europe, the company will strengthen its capacity to adapt to the demands of the local market.

Contract with the Comisión Federal de Electricidad de México (Federal Electricity Commission of Mexico)

The Federal Electricity Commission has entrusted **Ormazabal** with the modernisation of Mexico City's (CDMX) metro facilities through a contract to supply eight substations that power lines 1, 2 and 3 of the underground system.

Ormazabal exceeds 200 GW of installed renewable capacity

Its broad portfolio and service level allow **Ormazabal** to exceed 200 GW of installed renewable power worldwide, manufacturing and supplying from different locations.



Significant increase in project solutions in different geographies

Ormazabal's integrated engineering and automation solutions are recognised in all geographies for their high level of innovation and efficiency. The company works closely with its customers to develop customised strategies to meet their critical energy needs.



"OPTIAM" Project

Ormazabal leads this R&D project, promoted by a consortium of seven companies and with the collaboration of four agents of the Basque Science, Technology and Innovation Network. It aims to optimise the design of the electricity grid and minimise the environmental impact of electricity consumption. To this end, it seeks to ensure a resilient transition in the Basque Country through the development of innovative teams and the digitalisation of the decision-making process in the design of products and projects. The Basque Government has evaluated and qualified this initiative through the "Hazitek Estratégico" programme.



Ormazabal Contribution Week: commitment to the SDGs

Ormazabal Contribution Week reinforces the company's commitment to the Sustainable Development Goals through multiple activities organised at all its sites. The aim of this initiative, which has been held for the second consecutive year, is to foster a sense of responsibility and belonging among the staff, as well as to promote sustainable development in the regions where **Ormazabal** is present.





Participation in industry activities

Following the kick-off of the **“Route to zero”** strategy with 24 kV fluorinated gas-free solutions at the CIRED **International Conference & Exhibition**, held in June 2023 in Rome, **Ormazabal** has continued its route in 2024 with new important stops such as **Powerstage** (Zurich, Switzerland), **Enlit Europe** (Milan, Italy), and **Energetab** (Bielsko-Biała, Poland), where the company showcased its SF6-free digital transformer substation.

In addition to its strong presence in the energy industry, **Ormazabal** has played an important role in numerous exhibitions and events in other industries of great importance to its activity. Among them, its participation in the field of renewable energies stands out, with a presence at **WindEurope** (Bilbao, Spain), **Windpower Brazil**, **Intesolar South America** (São Paulo, Brazil) and **Intersolar Europe** (Munich, Germany). The company has also been active in the data centre environment with support for **Data Centre Dynamics** (Madrid, Spain) and **Data Centre World** (Paris, France).

In addition to these events, the company has sponsored and contributed to conferences on *smartgrids*, such as the **3rd Futured Smart Grids Congress** (Madrid, Spain), as well as attending various essential forums in the electricity industry. These include the **6th Aelec Congress** (Madrid, Spain) and the **8th European Electric Mobility Congress** (Gijón, Spain), meeting points that seek to accelerate the energy transition and a more sustainable electric future.

Awards and recognitions

Ormazabal's commitment to innovation and social inclusion has been highlighted nationally and in the Asian market. These awards reflect the impact of its work and reinforce its mission to deliver sustainable solutions and have a positive impact on society.

“José Javier Arteche Saria Memorial” Award

The Urbegi Foundation has distinguished **Ormazabal's** social contribution—particularly the work of its Solid Insulation area—by awarding it this honour as part of the “Lo Imposible” (The Impossible) awards. The recognition highlights its work in favour of the integration of the most vulnerable groups in society.

“Rising Star of the Year” Award

At the *Global Partner Conference* in China, Sungrow awarded **Ormazabal** with the “Rising Star of the Year” award, being the only *Ring Main Unit partner* to receive this distinction. This award is an endorsement of the company's growth and consolidation in the Asian market.

Award “*Excellent Photovoltaic Materials Accessories Company*”

For the second year, **Ormazabal** has been recognised for its work in the photovoltaic industry in China. This award, presented at the International Photovoltaic Development and Innovation Conference in Jiangsu in front of more than 1,000 industry representatives, including public institutions, associations and photovoltaic companies in the value chain, has served to strengthen the company's position and competitiveness in this market.





1.5. Governance

Governing bodies

Ormazabal is governed by **Velatia**'s highest governing body, the Board of Directors, whose regulatory framework is defined by the Articles of Association, the Regulations of the General Meeting of Shareholders, the Regulations of the Board of Directors, the various regulations 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 other duties that the Board of Directors of **Velatia** may request of it, this 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., as well as any other tasks requested by the Board.

Ormazabal Advisory Council

CHAIRMAN

Mr. Javier Ormazabal Echevarria

MEMBERS

Mr. Alejandro Ormazabal Echevarria

Mr. Hipólito Suárez Gutiérrez

Mr. Luis Atienza Serna

Mr. Jorge González Somavilla

SECRETARY (non-member)

Mr. Javier Bicarregui Garay



1.6. Risk management

In a constantly changing environment, risk management is crucial to anticipate and mitigate threats that could compromise both the present and the future of the company. In this sense, **Ormazabal** continuously monitors these factors. Through a process of strategic reflection, it has identified, assessed and prioritised these risks, classifying them into **four main categories**, and defined **specific measures** to mitigate their impacts:

- Strategic.
- Operational.
- Compliance.
- Information-related.

The following are the **ten risks with the highest potential impact** as a result of this analysis:

- 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.



1.7. Sustainability

Ormazabal understands that aligning its business model with sustainability is key to prosper as a company. For this reason, it integrates sustainability transversally throughout the organisation, making it a central pillar of its strategy.

In this way, it seeks to respond to major environmental and social challenges and contribute to sustainable development, generating long-term value that benefits not only the company, but all its stakeholders.

Identifying stakeholders

The success of an organisation depends to a large extent on properly identifying and cataloguing stakeholders. Aware of its importance, **Ormazabal** carries out continuous analysis and monitoring to ensure that all those who may influence its decisions, operations or strategic objectives are considered.

This identification process integrates different perspectives, each of which provides an understanding of the needs and expectations of different groups with respect to the organisation. Four approaches are considered in this regard:

- **Proximity:** groups that interact closely with the company, including internal stakeholders.
- **Influence:** those who influence, or may influence, the development of its activity.
- **Liability:** those with legal obligations.
- **Dependence:** groups that depend on the activity of the company.

Finally, **Ormazabal** prioritises the groups on the basis of two variables:

- **Influence:** whether they can have an impact on the company or whether they are a strategic decision-making group.
- **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 has carried out a **Double Materiality Assessment** in 2024, in accordance with the ESRS 1 standard of the European Union's Corporate Sustainability Reporting Directive (CSRD). This approach encompasses both the company's social and environmental impacts (ESG criteria) on its stakeholders—internal and external—and the potential financial implications of sustainability.

This is the first step in identifying the relevant aspects to be included in **Ormazabal's** future Sustainability Report in accordance with the CSRD.

On the other hand, this assessment ensures that the company's policies, action plans, metrics and targets are synchronised with its critical issues from a sustainability perspective, enabling a review of the ESG roadmap for the period 2024-2030.

Following this assessment, **Ormazabal** has turned its commitment to value creation into action by launching its **short and medium-term ESG targets** across the three pillars of sustainability: environmental, social, and governance.

Area		Target	Indicator	2026	2030
	E	Decarbonize our activities	Absolute emission reductions of S1 and S2 compared to 2021	57,5%	62,9%
		Ecodesign our products	Rate of new products with life cycle analysis	90%	95%
	S	Gender equality	Women in management positions	>28%	>30%
		Employees development	People participating in the performance evaluation process	75%	>80%
	G	Sustainable supply chain	ESG qualified suppliers	>60%	>80%
		Code of ethics	Staff trained in code of ethics	>90%	>90%



Environmental targets

Two challenges have been identified in this area. The first is to mitigate climate change and reduce emissions derived from the company's activity with the aim of achieving a decarbonisation of the organisation's activities (Scopes 1 and 2 of the carbon footprint) in line with the objectives of the Paris Agreement. This global agreement sets out to keep the global temperature increase this century well below 2°C above pre-industrial levels, and to continue efforts to further limit the temperature increase to 1.5°C.

The second challenge is to promote eco-design to minimise the impact of **Ormazabal's products**. Life Cycle Assessment (LCA) is a methodological tool used to measure the environmental impact of a product throughout its life cycle. To achieve this goal, the company is committed to ensuring that all new product families to be developed or industrialised are born with such an analysis carried out. The results obtained will allow decisions to be taken at all stages (design, choice of materials, suppliers, manufacture, etc.) that contribute to reducing their environmental impact.

Social targets

The social commitments adopted seek to reflect the company's corporate values and strengthen the links established with the communities in which it operates. **Ormazabal** aspires to have the best talent available and understands that individual differences and diversity, in all its aspects, are a source of enrichment and an element that generates value and competitiveness, both for the organisation itself and for society as a whole.

To achieve this, it guarantees equal opportunities and is committed to the development of people and diversity, thus becoming a diverse and inclusive group. With regard to the gender issue, it aims to raise awareness among the entire workforce by promoting effective equality between men and women, as well as to progressively increase the presence of women in positions of responsibility, thus contributing to being agents of change in society as well.

Another key objective is to develop the talent of the people employed. For this reason, **Ormazabal** seeks greater participation in the process of evaluating their performance in the company, the conclusions of which are materialised in improvement actions aimed at the development of the people evaluated.

Governance targets

In terms of governance, **Ormazabal** focuses on ensuring that its supply chain is based on ethical and responsible practices within a competitive and successful model, promoting a sustainable supply chain. The unstable macroeconomic context of recent years has highlighted the importance of sustainable and resilient supply chains, which enable business continuity even in exceptional circumstances. In order to achieve these objectives, it is essential to abandon traditional concepts that are limited to evaluating suppliers solely on the basis of their level of service, experience, economic margins of their operations or compliance with technical guarantees, without taking into account the environmental footprint they generate.

For this reason, during 2024, ESG criteria have been incorporated into the organisation's supplier qualification procedure, assessing issues such as carbon footprint, recycled materials incorporated into the product, respect for the human rights of workers, etc. **Ormazabal**'s objective is to ensure that the majority of its purchasing volume is qualified with sustainability criteria, in addition to the usual ones.

Finally, for **Ormazabal**, it is vital that the staff is aware of the commitments established in its Code of Ethics. However, the company wishes to go further and offers specific training in this area to groups identified as critical, in order to guarantee ethical and responsible behaviour by all those linked to the organisation in the performance of their duties.

To ensure the achievement of these objectives, **Ormazabal** has designed an Action Plan that includes specific actions in the different companies of the company. In addition, it has drawn up a Sustainability Master Plan that addresses the strategic lines in this area.

To accompany the new commitments mentioned above, **Ormazabal** has reviewed and updated the following **Velatia** corporate policies, adapting them both to the business and to the requirements of the new European Directive (CSRD):

- Integrated quality, environment, health and safety policy
 - Purchasing policy
 - Conflict minerals policy
- Furthermore, in order to respond to the needs of all its stakeholders, new policies have been created in line with the requirements of the Directive:
- Climate action policy
 - Equality, diversity and inclusion policy
 - Disconnection policy
 - Human Capital Framework Policy

With all this, the company has established a set of guidelines that define the principles governing its actions, in alignment with its purpose and values.



1.8. Sustainable Development Goals

Ormazabal is committed to sustainability as a lever for change and seeks to actively contribute to the challenges of the 2030 Agenda through innovative solutions. Its commitment translates into a positive impact on the energy transition, digitalisation, the development of smarter cities, transport and electric cars, among others.



Ormazabal's contribution to the SDGs

In 2019, the group carried out a process of selection and prioritisation of these objectives in order to define specific lines of action assigned to each of them. Considering the nature of its business, **Ormazabal** identified **SDG 7 (Affordable and Clean Energy)** as the most relevant, directly aligning with the following targets:



Smart and digital networks:

- Support to the main electricity companies in the deployment of their automations.
- More than 20 years digitising the medium-voltage grid.
- More than 35 million consumers benefited.

Green generation and storage:

- Collaboration with leading technologists in the industry.
- More than 30 years of experience.
- More than 200 GW protected and automated in the world.
- More than 20 GW installed in energy storage.
- Present in major green hydrogen generation projects.

Green mobility:

- Accompanying the most prominent CPOs (*Charge Point Operators*) in the development of their infrastructures.
- Connection to the grid of 20 % of Europe's ultra-fast charging stations.
- Electrification of ports, railways and subways.
- Benchmark in electrical connections for green hydrogen mobility.

Sustainable buildings and infrastructure:

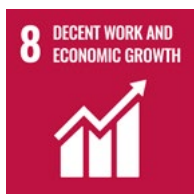
- Presence in projects of any type.
- Electrification of Europe's first Tier IV data centre.
- Global presence in more than 80 airports, hospitals, industries, hotels, shopping malls, etc., all over the world.

Taking into account the strategic lines and objectives identified in the Sustainability Master Plan, **Ormazabal**'s commitment to sustainability also encompasses a series of **SDGs to which it contributes transversally** through its business model. The company's contribution to the achievement of each of these objectives is detailed below:



SDG 5: Gender Equality

Ormazabal develops equality plans, promotes the presence of women within the organisation—particularly in leadership positions—and works to ensure pay equity. It also raises awareness among its staff to build a more equal, sustainable and efficient environment.



SDG 8: Decent Work and Economic Growth

The company aspires to be a benchmark in the creation of quality employment, based on equal opportunities and sustainable economic growth.



SDG 9: Industry, Innovation and Infrastructure

Ormazabal sees innovation as the only way to move forward and continue to grow. This is one of the key objectives promoted by driving an industry based on sustainability criteria, adopting clean and environmentally sound technologies and industrial processes. It also promotes technology, innovation and research.



SDG 12: Responsible Consumption and Production

The company contributes to this goal through responsible use of resources, proper waste management, as well as the design and manufacture of products with high quality standards and energy efficiency criteria. It also ensures the safety of users and employees and the protection of the environment.



SDG 13: Climate Action

Climate change represents the greatest global systemic risk for the foreseeable future, with wide-ranging consequences for society and the planet. In this context, **Ormazabal** is aligned with the international community to achieve global commitments on climate change. To this end, it implements strategies aimed at reducing its CO₂ emissions into the atmosphere and promotes renewable energies to the detriment of fossil fuels in its activities. It also invests in R&D&I to develop more sustainable and less emission-intensive technological innovations.





02 | Keys to sustainability

2.1. People

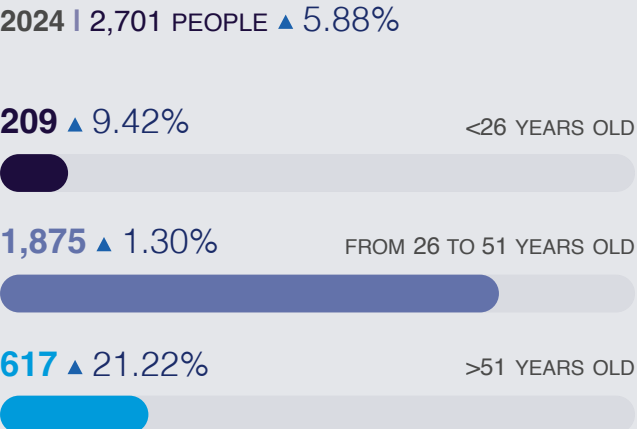
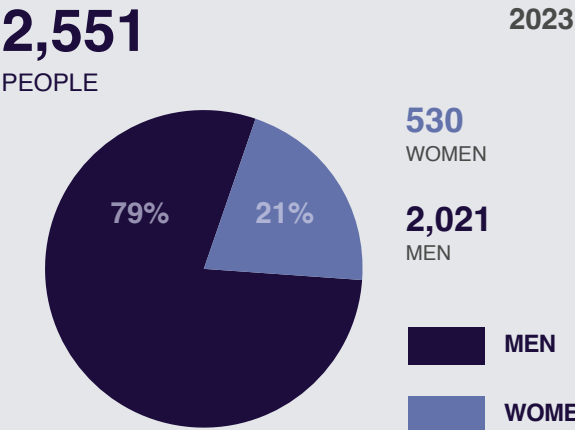
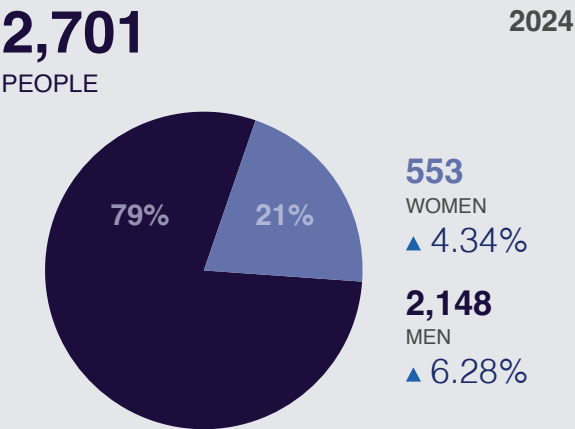
People are **Ormazabal's most valuable asset**. Its diverse and unique team consisted of 2,701 people by the end of 2024, most of them located in Europe (86 %), mainly in Spain (75 %), while the remaining 14 % were distributed in other continents. 79 % of the staff are men and 21 % are women. In turn, 69 % are aged between 26 and 51 years old, which gives a profile of a young company with a wide range of experience.

Employment

Ormazabal considers the attraction and management of talent to be two crucial factors for successfully tackling the major challenges it faces. In 2024, the workforce has grown by 6 % as a result of the activity developed.

DISTRIBUTION OF STAFF BY GENDER

DISTRIBUTION OF STAFF BY AGE

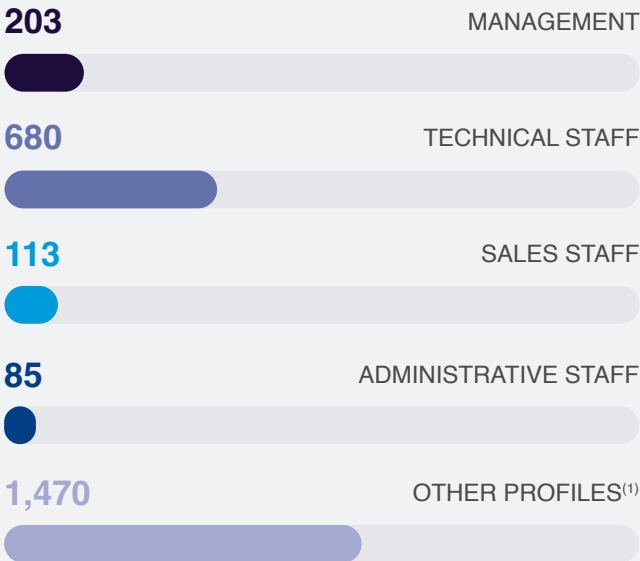


DISTRIBUTION OF STAFF AT YEAR-END BY CATEGORY

2024 | 2,701 PEOPLE ▲ 5.88%



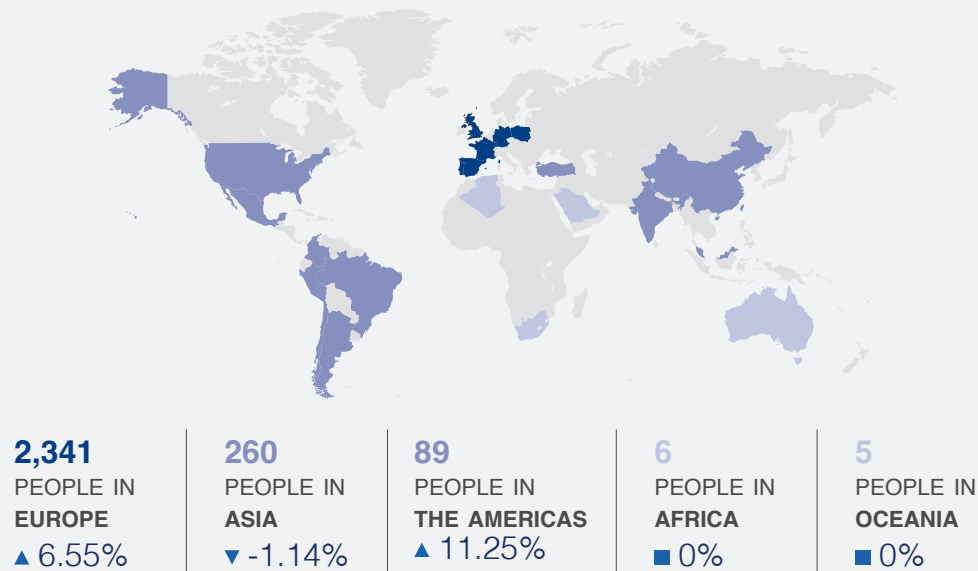
2023 | 2,551 PEOPLE



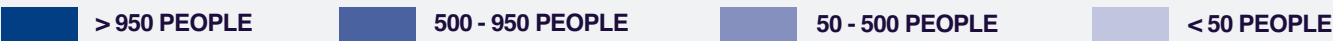
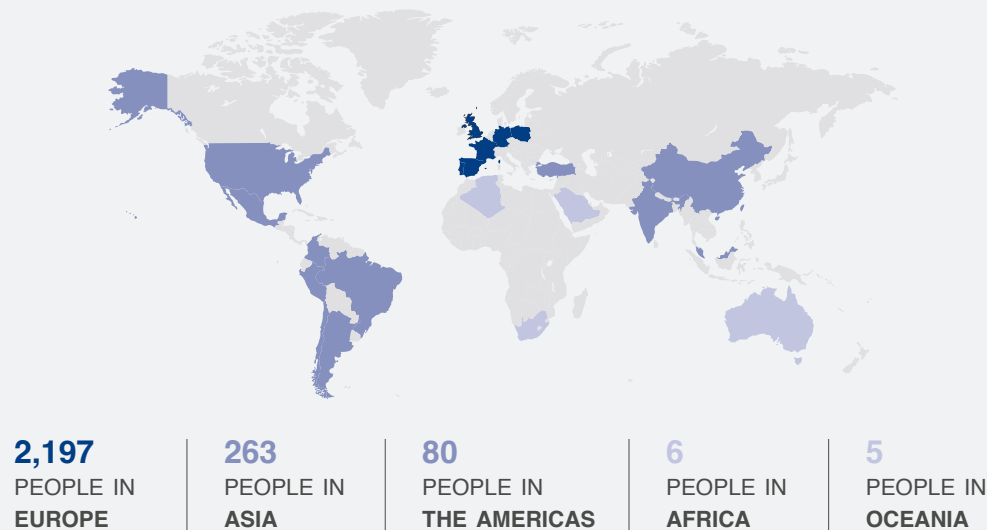
(1) "Other profiles" consist mainly of direct labour, roles that do not fall into any of the other categories, and individuals on partial retirement.

DISTRIBUTION OF STAFF BY CONTINENT

2024 | 2,701 PEOPLE ▲ 5.88%



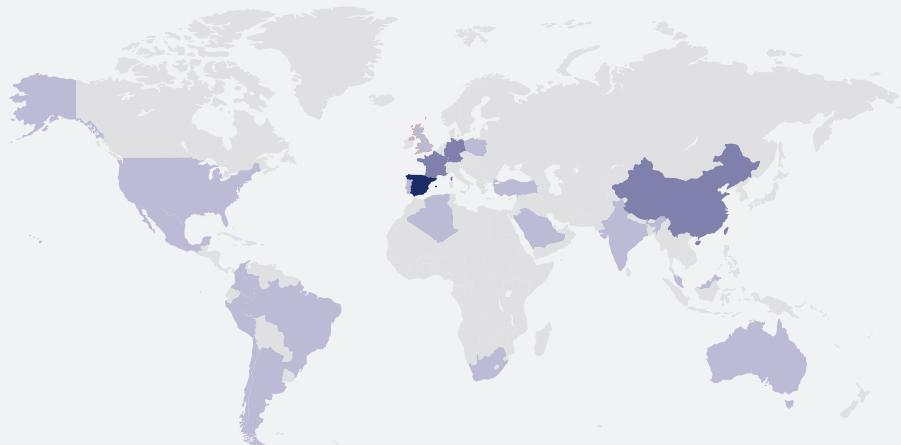
2023 | 2,551 PEOPLE



DISTRIBUCIÓN DE LA PLANTILLA POR PAÍS

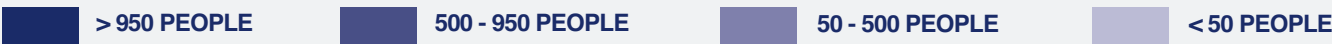
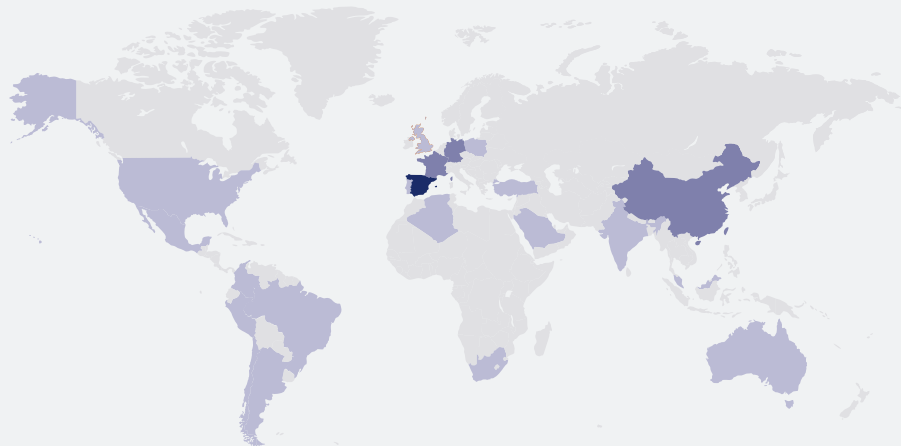
2024 | 2,701 PEOPLE ▲ 5.88%

SPAIN **2,038** · ▲ 6.65%
CHINA **247** · ▼ -1.59%
FRANCE **145** · ▼ -0.68%
GERMANY **81** · ▼ -2.41%
UNITED KINGDOM **57** · ▲ 50%
ARGENTINA **34** · ▲ 17%
BRAZIL **33** · ▲ 3.13%
MEXICO **20** · ▲ 25%
OTHERS⁽²⁾ **46** · ▲ 2.2%



2023 | 2,551 PEOPLE

SPAIN **1,911**
CHINA **251**
FRANCE **146**
GERMANY **83**
UNITED KINGDOM **38**
BRAZIL **32**
MEXICO **16**
OTHERS⁽²⁾ **74**



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

Distribution by type of employment contract

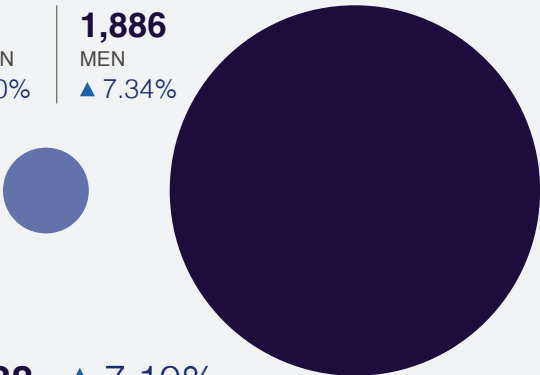
Data on the workforce at the end of 2024 show that 86.5 % of **Ormazabal**'s employment contracts are permanent, 99 % of which are full-time; only 17 people have part-time contracts, 13 men and four women.

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

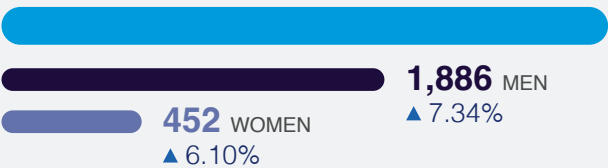
2024 | 2,701 PEOPLE

2,338 · ▲ 7.10%
PERMANENT

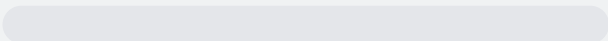
452
WOMEN
▲ 6.10% | 1,886
MEN
▲ 7.34%



2,338 · ▲ 7.10%
FULL-TIME



0 · ■ 0%
PART-TIME



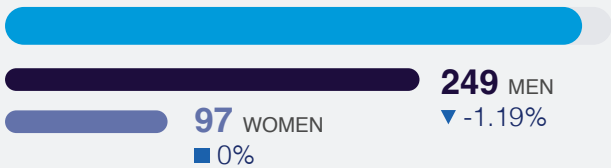
MEN WOMEN

363
TEMPORARY

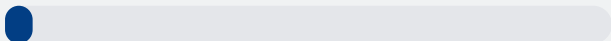
101
WOMEN
▼ -2.88% | 262
MEN
▼ -0.76%



346
FULL-TIME



17 · ▼ 10.53%
PART-TIME



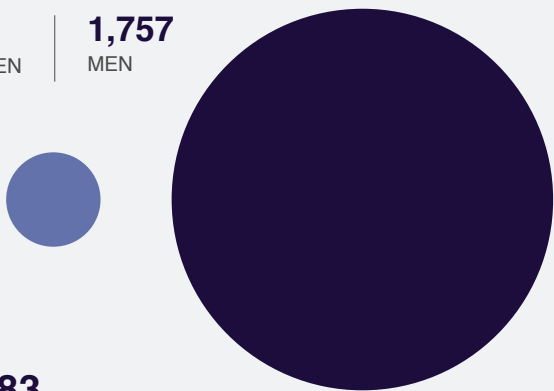
13 MEN ▲ 8.33%
4 WOMEN ▲ 42.86%

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

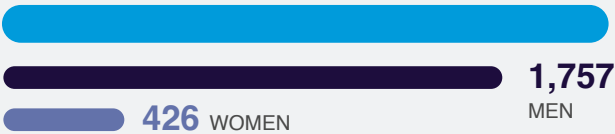
2023 | 2,551 PEOPLE

2,183
PERMANENT

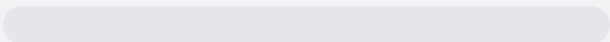
426 WOMEN | 1,757 MEN



2,183
FULL-TIME



0
PART-TIME



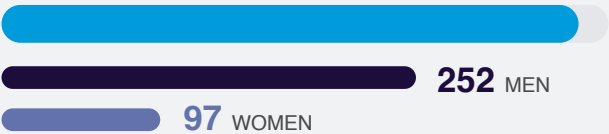
MEN WOMEN

368
TEMPORARY

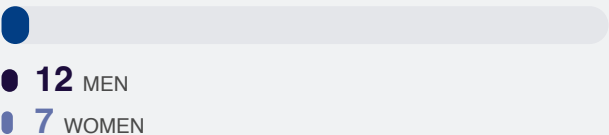
104 WOMEN | 264 MEN



349
FULL-TIME



19
PART-TIME



12 MEN
 7 WOMEN



Average annual contracts

The experience, knowledge and skills of the people who form part of **Ormazabal** are key to consolidating its competitive position in the market. In addition, aware of the need to promote the professional development of young people, the company offers internships each year through various channels such as dual vocational training, educational cooperation agreements, and more. These initiatives are often followed by employment contracts.

The following breakdown, which contains information on the annual average of permanent and temporary contracts, shows that, compared to the previous year, permanent contracts have increased by 7 %. This reflects **Ormazabal's** commitment to job stability and sustainable growth, as well as its efforts to strengthen its team with professionals committed to the long term.

86.5 % of the contracts in force in 2024 are permanent contracts.

(3) The annual average figure has been calculated using the average workforce of employees at **Ormazabal** during the 2023 and 2024 financial years, based on the monthly payroll data.

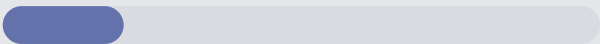
AVERAGE OF STAFF BY TYPE OF CONTRACT, TYPE OF WORKING DAY AND GENDER

2024 | 2,676 CONTRACTS · ▲ 4.74%

2,122 · ▲ 4.84% MEN

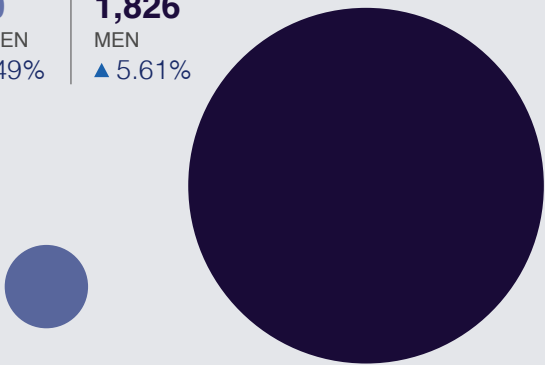


554 · ▲ 4.33% WOMEN

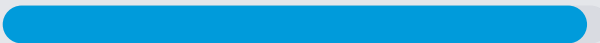


2,276 · ▲ 6.36%
PERMANENT

450 WOMEN
▲ 9.49% | 1,826 MEN
▲ 5.61%



400 · ▼ -3.61%
TEMPORARY



296 MEN
▲ 0.34% | 104 WOMEN
▼ -13.33%

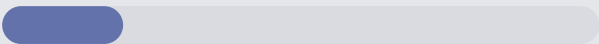
MEN WOMEN

2023 | 2,555 CONTRACTS

2,024 MEN

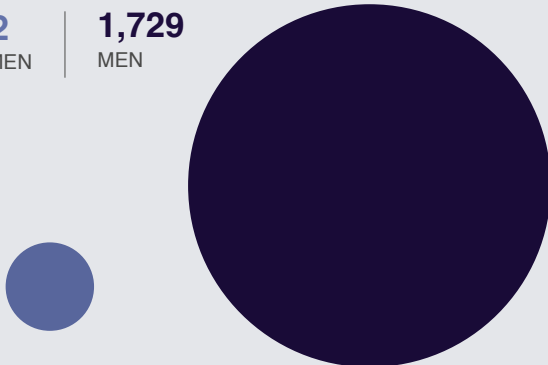


531 WOMEN



2,140
PERMANENT

412 WOMEN
| 1,729 MEN



415
TEMPORARY



295 MEN
| 120 WOMEN

AVERAGE STAFF BY CONTRACT TYPE BY AGE

2024 | 2,676 CONTRACTS · ▲ 4.74%

2,276 · ▲ 6.36%
PERMANENT



400 · ▼ -3.61%
TEMPORARY



2023 | 2,555 CONTRACTS

2,140
PERMANENT



415
TEMPORARY





Average by type of working time

Ormazabal's average staff has grown in 2024 compared to the previous year, with 2,701 people compared to 2,555 in 2023.

Ormazabal has widely implemented remote working, 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 work-life balance reasons.

These actions are reflected in the recruitment of the average workforce, where 99 % of staff worked full-time in 2024, while less than 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:

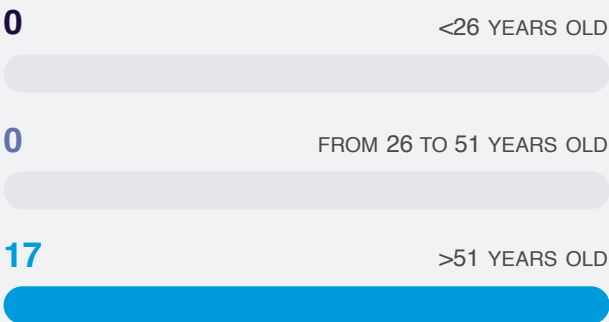
AVERAGE TYPE OF WORKING TIME BY AGE

2024 | 2,676 WORKING DAYS · ▲ 4.74%

2,659 · ▲ 4.81%
FULL-TIME



17 · ▼ 5.56%
PART-TIME

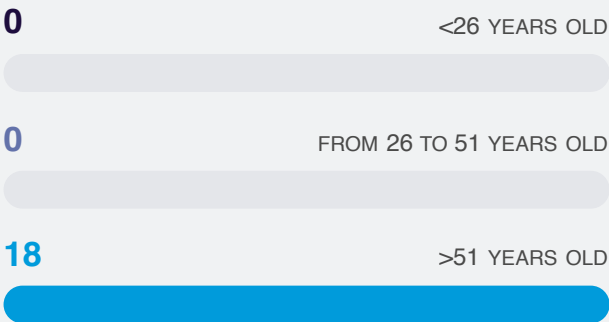


2023 | 2,555 WORKING DAYS

2,537
FULL-TIME



18
PART-TIME

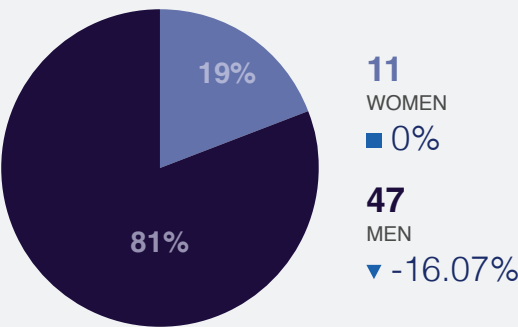


Non-voluntary departures

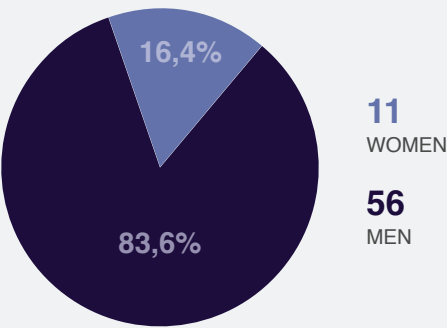
In 2024 shows a noticeable decrease in the number of non-voluntary departures compared to the previous year, dropping from a total of 67 in 2023 to 58 in 2024. The distribution of these departures, according to gender, is as follows:

NUMBER OF REDUNDANCIES BY GENDER

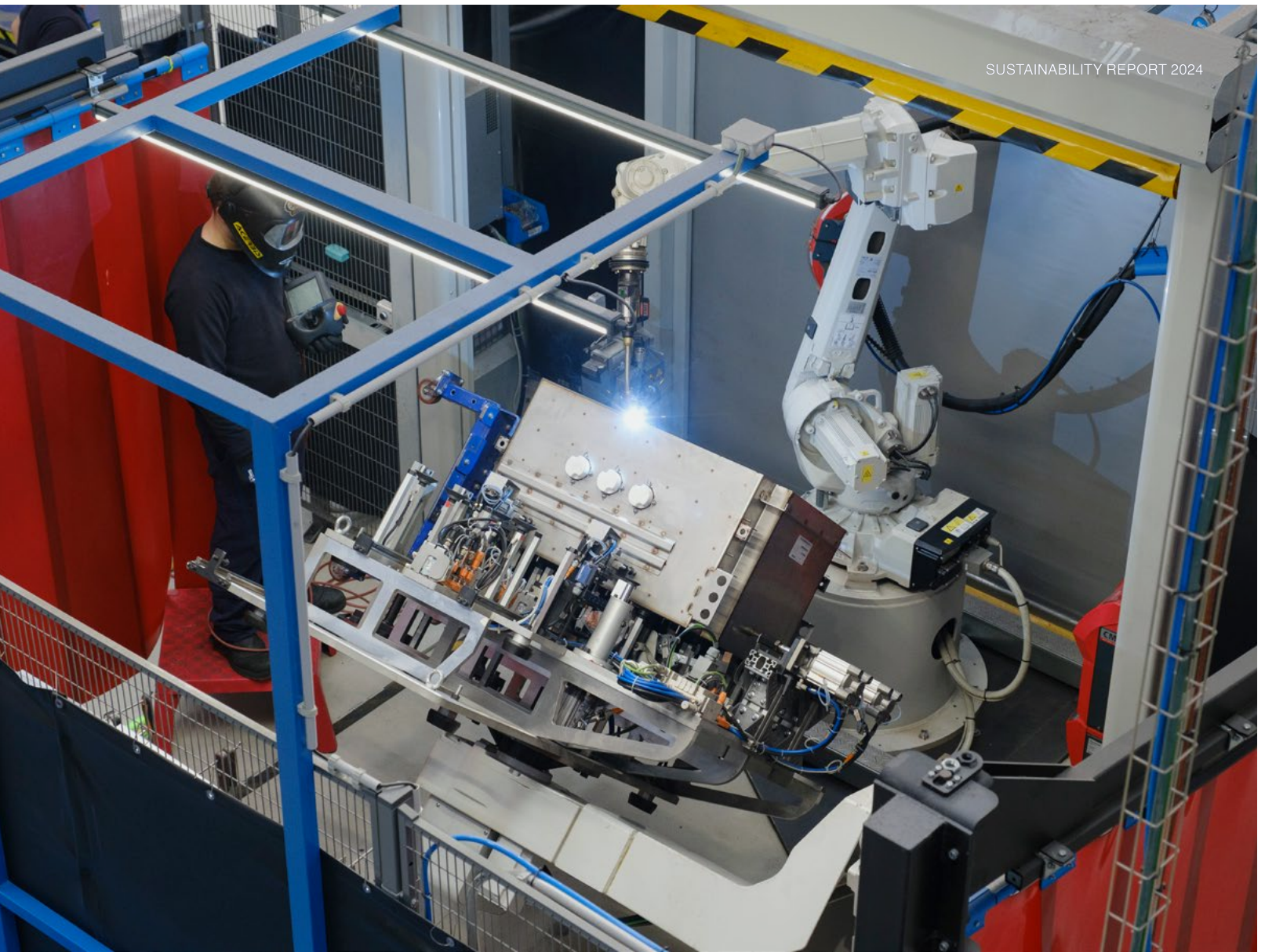
2024 | 58 REDUNDANCIES · ▼ 13.43%



2023 | 67 REDUNDANCIES



MEN WOMEN



Employed persons with disabilities

For almost four decades, **Ormazabal** has maintained a solid collaboration with the Lantegi Batuak Foundation, as well as with other non-profit organisations dedicated to promoting and achieving the social inclusion and labour integration of people with disabilities. 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.

In 2024, the company has worked specifically on raising disability awareness among the workforce.

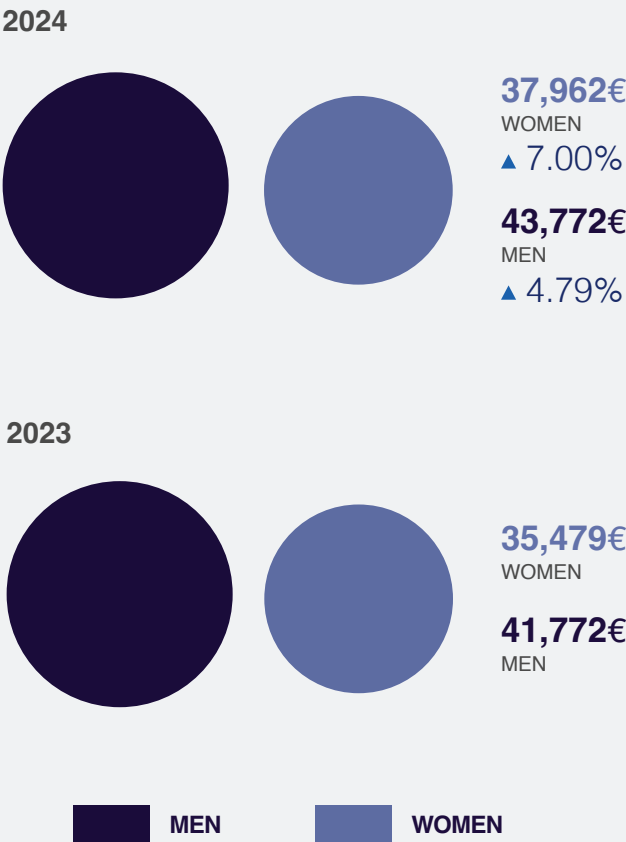
Within this framework, the “Arco” programme—aimed at integrating the company’s young talent—included an activity where a meeting was organised with people with functional diversity to collaboratively create a mural representing **Ormazabal**.

In addition, during the **Ormazabal Contribution Week**, the Olvega Transformadores team enjoyed an entertaining morning of games with people with disabilities, including a gymkhana.

Average remuneration

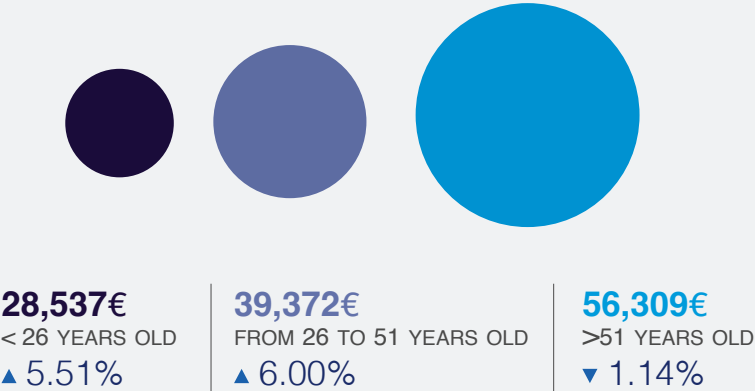
The average remuneration of the staff has increased in 2024 compared to the previous year, with the exception of senior management. The amount, considering all existing remuneration items in the organisation, such as fixed, variable, bonus, social benefits, incentives and others, is distributed as follows, broken down by gender, age and professional category:

AVERAGE REMUNERATION BY GENDER (€)

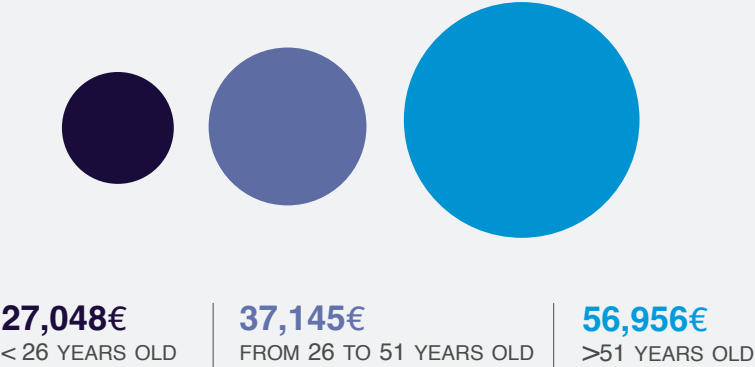


AVERAGE REMUNERATION BY AGE (€)

2024



2023



 < 26 YEARS OLD  FROM 26 TO 51 YEARS OLD  > 51 YEARS OLD



Gender perspective

The collective agreements applicable in **Ormazabal** regulate the minimum remuneration of the workforce, establishing criteria of wage equity between jobs of equal value, irrespective of gender. In this sense, both staff subject to collective bargaining agreements and those who are not receive fair and equitable compensation, avoiding any form of discrimination on the basis of gender.

When calculating the average real remuneration (consisting of fixed plus variable pay) of women compared to men (excluding senior management), a difference of 13 % is observed in 2024, compared to 14 % in 2023.

This figure reflects the low presence of women in the industry and in **Ormazabal**, where they represent 21 % of the staff. As for the company's management group—which includes individuals responsible for specific areas—the percentage of women rises to 28 %.

The fight against the “glass ceiling” is a strong ambition at **Ormazabal**. However, the size of the female base of the workforce is an obstacle that is being addressed through initiatives where the female presence is reinforced, such as OMEX (*Ormazabal Mentoring Experience*), or that are focused on the female collective, such as the LEAP (*Learn, Engage, Achieve and Progress*) initiative, the first initiative in **Ormazabal** with a gender focus.

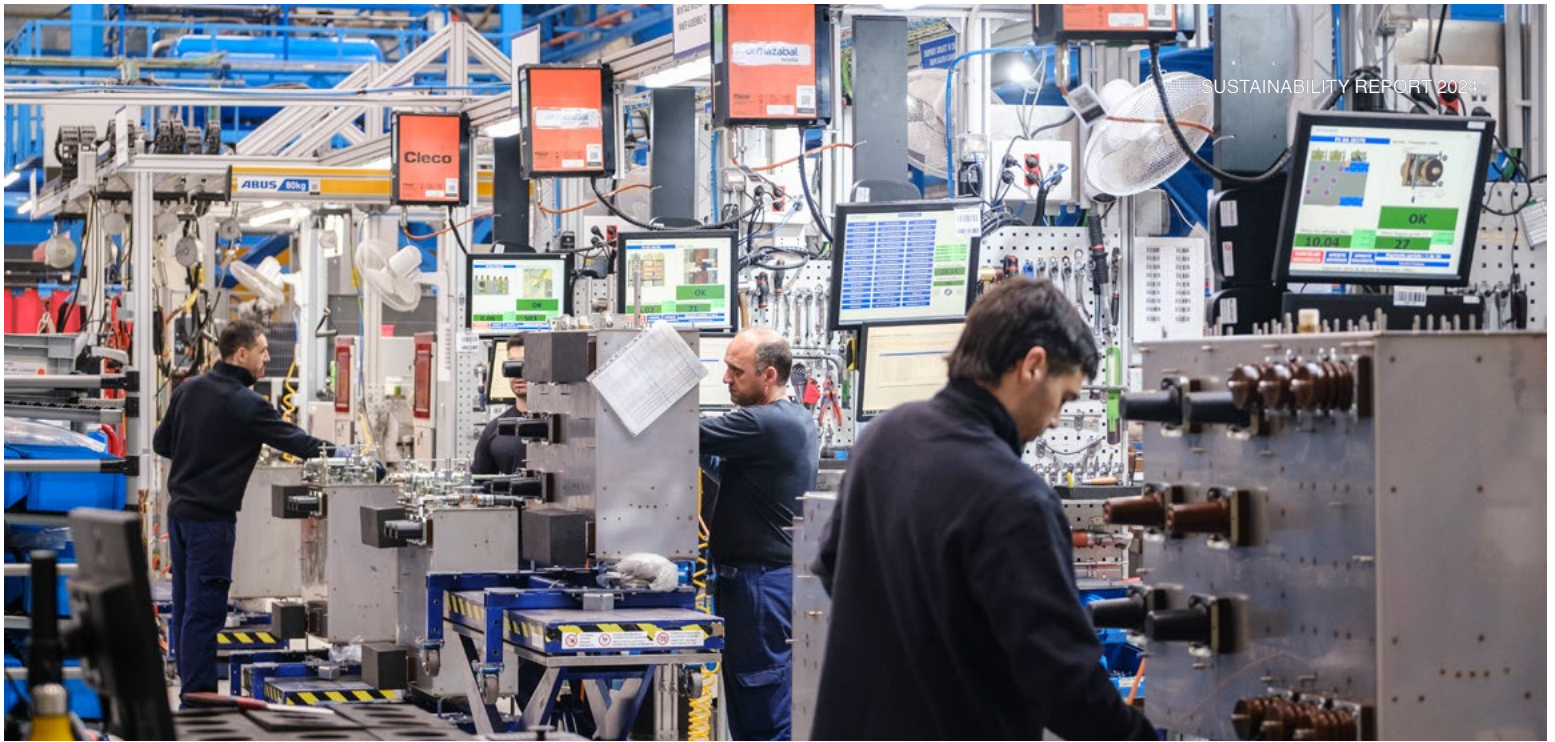
Organisation of work

For **Ormazabal**, looking after the welfare of its team and being a benchmark in the creation of quality employment is a daily priority. To this end, it has launched initiatives such as the monitoring of time records through the implementation of a tool that helps to reduce long working hours and promotes the enjoyment of holidays.

Each of the company's firms determines matters related to working hours, rest periods, and other applicable conditions. **Velatia's** Code of Ethics, in its section on labour rights, specifies that working hours must be in accordance with 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 reflection on work-life balance, which has led the company to progressively analyse and implement measures such as remote working and widespread flexible working hours. During 2024, no new measures have been introduced in this regard.

With regard to labour 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.



Ormazabal also attaches great importance to effective and transparent internal communication. To this end, it has various channels such as its website, intranet, information boards in production plants, magazines, suggestion boxes, annual workshops, direct communication with supervisors and management, as well as works councils and health and safety committees.

Since 2021, the **My Velatia** application, shared by the entire group, has reinforced this communication by providing a streamlined and efficient channel. In 2023, it was recognised with the **Excellence in Internal Communication award**, granted by the technology company Nunsys Group.

Health and safety

For **Ormazabal**, internalising a preventive health and safety culture is a strategic priority to guarantee safe working environments, in its commitment to the well-being of people.

This commitment is reflected in the policies of sustainable development, quality, environment and safety, health and welfare, and 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 people's safety and health through the **prevention of harm 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** assumes the following additional commitments as its own:

- **Training:** promoting training actions aimed at eliminating hazards and reducing health and safety risks during the development of an activity.
- **Working conditions:** providing safe and healthy working conditions to prevent injuries and health problems.
- **Workspaces:** protecting and improving the physical spaces and equipment of workplaces against a variety of risks, from intrusion to fire.
- **Integrity of labour:** to ensure, as far as possible, the integrity of the workforce by complying with industry regulations and taking the necessary measures.
- **International certifications:** obtaining and maintaining the most recognised certifications in quality, environmental and occupational health and safety management systems.



Each of the **Ormazabal** firms ensures compliance with the applicable regulations, supported 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 applying the most rigorous regulations in risk prevention.

Committed to prevention, several **Ormazabal** firms have **ISO 45001 certification**, the most widely recognised international standard for occupational health and safety management systems. This certification, which is voluntary, reflects the company's degree of involvement and proactivity in a key management issue, guaranteeing the protection of staff and visitors in the workplace against accidents and occupational illnesses.



Country	Firm
China	Ormazabal Kunshan Switchgear Ormazabal Zhuhai Switchgear
United Kingdom	Ormazabal UK
Spain	Prefabricados Uniblok Ormazabal y Cía (Ormazabal Distribución Secundaria) Ormazabal Media Tensión Ormazabal International Business Ormazabal Distribución Primaria Ormazabal Burgos Switchgear Ormazabal Corporate Technology Ormazabal Cotradis Transformadores
France	Ormapost
Brazil	Ormazabal Brasil
Mexico	Ormazabal México



As an additional fact, it is important to highlight that, at **Ormazabal**'s plant in Zhuhai, located in the province of Guangdong (China), regular medical consultations are carried out free of charge, as well as annual medical check-ups for all staff. This initiative, which focuses on people's health and well-being, reflects the commitment and responsibility shared by all the company's firms.

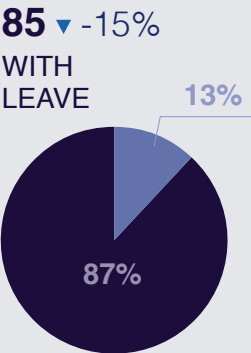


Accidents

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:

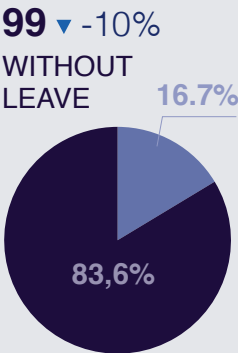
DISTRIBUTION OF ACCIDENTS BY GENDER

2024 | 184 ACCIDENTS ▼ -12%



11 WOMEN
▼ -8%

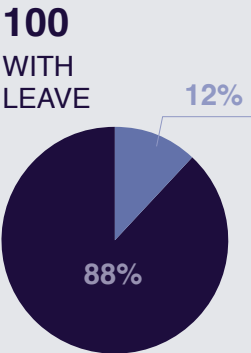
74 MEN
▼ -16%



10 WOMEN
▼ -44%

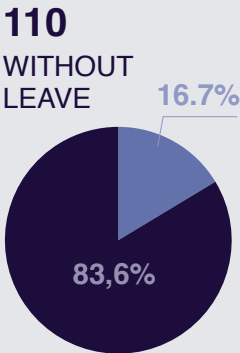
89 MEN
▼ -3%

2023 | 210 ACCIDENTS



12 WOMEN

88 MEN



18 WOMEN

92 MEN

MEN WOMEN

In 2024, 85 occupational accidents with sick leave were recorded, of which 74 involved men and 11 involved women. In addition, there have been 99 accidents without sick leave, with 89 cases involving men and 10 involving women. Comparing the data with the previous year, in 2023 there were 100 accidents with sick leave (88 men and 12 women) and 110 without sick leave (92 men and 18 women).

Also, one occupational disease was reported in 2024 for a man, as in 2023, although this year the number of occupational diseases has risen to three.

Rates ⁽⁵⁾ 2024			
	Men	Women	Total
Frequency Rate	20.67	11.98	18.9
Severity Rate	0.53	0.47	0.51

Rates ⁽⁵⁾ 2023			
	Men	Women	Total
Frequency Rate	25.8	14	23.1
Severity Rate	0.4	0.1	0.4

Regarding the Frequency and Severity rates, in 2023 they were 23.1 and 0.4, respectively. In 2024, the Frequency Rate has decreased to 18.9 %, while the Severity Rate has increased to 0.51 %.

Absenteeism

The **absenteeism rate** is understood as the non-compliance with the working day due to sickness and accidents at work. In 2024, the hours lost for these reasons amounted to 199,820, 22 % more than in 2023, when they were 163,763.

Training

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

The company's efforts are aligned with the **Performance Assessment Process** guidelines set out in the **Human Capital Framework Policy**. **Ormazabal** aims to disseminate and share existing internal knowledge, as well as to encourage the progressive and growing development of the necessary competencies in the workforce, in accordance with the organisation's strategy.

All this is focused on achieving, through continuous learning:

- Better **performance** of the company's job positions.
- Better **adaptation to cultural and technological** changes that allow the company to be more competitive.

Commitments in training:

In accordance with the **Human Capital Framework Policy**, **Ormazabal's** commitments in relation to continuous learning are summarised in the following points:

- Ensure the acquisition and updating of business-critical knowledge and skills.
- Link training directly to the content of the current job or to possible future mobility opportunities and thus to the results of the performance assessment.
- Combine the different learning methods: learning that takes place on the job, learning that requires the collaboration of third parties (*mentoring, coaching, etc.*) and specific training actions.

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



Notable initiatives:

In this context, **Ormazabal** has developed in 2024 training actions adapted to the needs of each job position around the world, with a total of 47,053 hours dedicated to training, compared to 43,138 hours in 2023.

The themes are grouped into three main areas:

- Product / applications (Sophos software).
- Technical knowledge associated with the processes.
- Personal skills.

Within these areas, **the following initiatives** stand out:

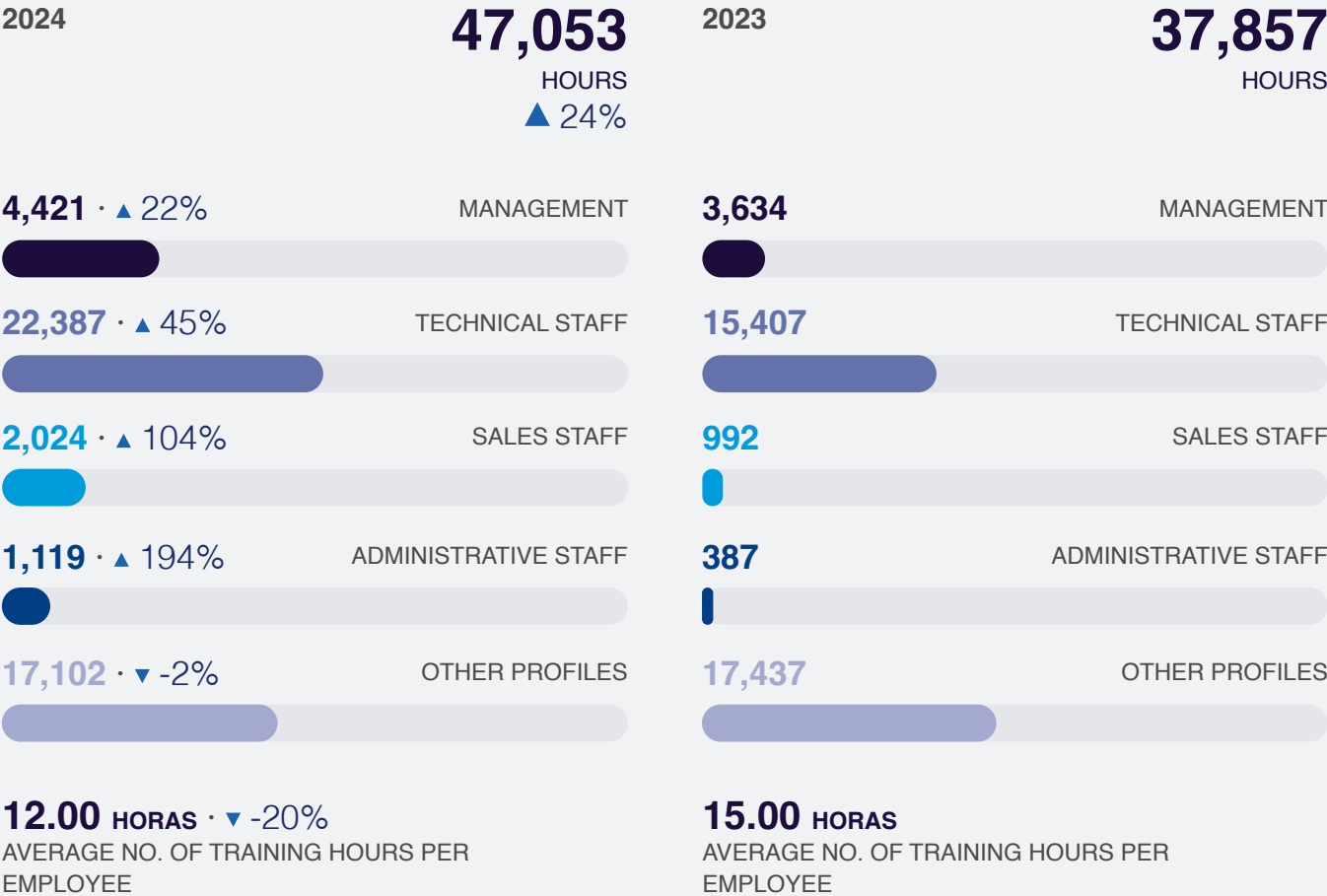
- **Sophos:** training and certification programme aimed primarily at the sales team with the objective of improving and expanding their knowledge of **Ormazabal's** complete range of products and solutions. In 2024, specific modules have been developed on the switch to fluorinated gas (SF₆)-free technology.
- **Ormazabal Mentoring Experience:** fourth edition of the programme designed to facilitate the professional growth of talent within the company through the relationship with a reference person ("mentor") and another in development ("mentee").

- **Oikonomia (Finance module):** online course aimed at business unit managers to provide them with advanced knowledge of the financial concepts commonly used in **Ormazabal**. Although it is aimed at a specific target group, any interested staff member can access the training.

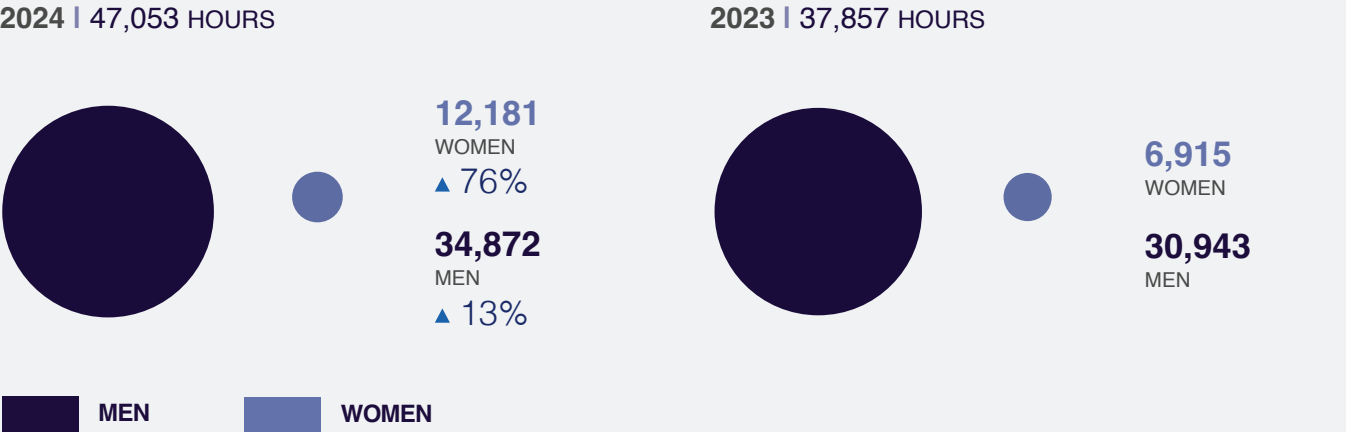
- **Leadership workshops:** this has been the first year of the deployment of the **Ormazabal Leadership Model**. To this end, face-to-face workshops have been held, based on the premise that everyone in the company, regardless of their functions, must develop leadership skills, either on themselves or on other people. This model will be gradually rolled out in the coming years to reach our entire workforce.

In 2024, the number of hours spent on training has increased significantly. At the same time, the number of attendees has grown significantly, especially in the commercial area, where modules related to the zero range and commercial processes in general have been deployed.

DISTRIBUTION OF TRAINING HOURS BY CATEGORY



DISTRIBUTION OF TRAINING HOURS BY GENDER





Equality

Everyone deserves the same opportunities and, at **Ormazabal**, equality and diversity are intrinsic aspects of its management.

Velatia's Protocol for the prevention of and action against harassment in the workplace, applicable to **Ormazabal**, ensures the protection of the fundamental rights of its staff. This protocol establishes specific measures to deal with any form of harassment in the workplace, whether of a sexual, discriminatory and/or psychological nature. In 2021, it was updated to also include sex-based discrimination among its areas of oversight, thereby demonstrating the group's strong commitment to equality.

In accordance with principle number six of the United Nations Global Compact ("*Businesses should uphold the elimination of discrimination in respect of employment and occupation*"), **Ormazabal** supports equal opportunities and diversity, both of which are essential values in its management model.

Likewise, in line with the group's Code of Ethics, **Ormazabal** undertakes to guarantee an environment of respect and inclusion, avoiding any type of inequality on the grounds of race, colour, gender, sexual orientation, language, religion, political or other opinion, national or social origin, economic situation, disability or other condition.

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

In addition, **Velatia** has established the figure of an expert mediator in the matter, who acts as a confidential advisor and manages cases considered "minor", referring more serious cases to the committee as well as breaches of agreements reached by informal procedure.



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

- Advance in the **consolidation of its Equality Policy** throughout the organisation.
- **Strengthen equal opportunities** for people in the company.
- Promote a culture of **zero tolerance** of violence in the workplace, with special emphasis on the prevention of sexual and gender-based harassment.

These plans are reviewed and updated upon expiration with the collaboration of independent experts. Based on the conclusions obtained, an action plan is established and regularly monitored.

Ormazabal's Equality Plans include general and specific objectives, an analysis and internal diagnosis of the organisation, as well as specific proposals for action for the years in which they are in force. During 2024, it has continued to make

progress in its deployment, with the goal that all production centres in Spain will have these plans fully implemented.

In addition, in 2024 the company has further developed the LEAP (*Learn, Engage, Act and Progress*) **initiative**, launched as a pilot project in 2022. Its purpose is to gather feedback and proposals for action on equality from the experience of 16 women of different ages, companies and organisational levels. In 2025, this initiative will evolve with the aim of consolidating within the organisation, opening the group to the participation of more people.

Ormazabal has also organised various activities and events throughout the year, for example on International Women's Day on 8 March and Women Engineers' Day on 23 June. Specifically, in the latter, the company played a leading role in the "Clau, I Want to Be an Engineer" programme, an initiative that promotes technical careers from a gender perspective.

2.2. Innovation

For **Ormazabal**, innovation is not just a feature, but an essential part of its DNA. The driving force behind its steady technological growth for almost six decades.

The sum of this inspiring trajectory and its entrepreneurial spirit allows it to offer advanced solutions in electrical equipment, accompanying its customers in the digitalisation of the grid, the expansion of renewable sources and electric mobility, to make a green energy transition possible together.

Ormazabal considers innovation from three perspectives: technological, industrial and commercial. Three perspectives of the same approach with which the company projects itself to the world as a benchmark in the incorporation of added value to its products and solutions.

To reinforce its strategy in these three areas, the company has launched **Ormazabal Open Innovation System (OOIS)**, with the aim of starting to collaborate with *startups* and technology companies by developing an Open Innovation ecosystem. As a first *corporate venturing* tool, in 2024, **Ormazabal Startup Switch** has been implemented, a *venture client* model in which, through the constitution of the **Committee for Open Innovation (COI)**, 15 technological challenges have been identified internally, to which solutions will be provided by *startups* and external technological collaborators.

Among the achievements of the year were the adoption of a technological solution from a start-up and the implementation of four pilot projects under the POC (proof of concept) modality. In addition, the search for new actors in the ecosystem continues to address the remaining ten challenges. Furthermore, through OOIS, third-party technology solutions are enabling process efficiencies that positively impact the company's bottom line.

Technology innovation

Investment in technological innovation is strategic for **Ormazabal**. The company allocates approximately 24 million euros per year to this area and has a specialised team of **123 professionals of ten nationalities**, distributed between its R&D centres and its technology centre.

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 globally unique infrastructures, including an accredited and independent High Power Laboratory (HPL) with a capacity of 2.5 GVA, connected to a fully configurable experimental network (UDEX). In 2024, the UDEX network has been expanded to optimise the validation of new technologies, products and applications in an accelerated and intensive manner. This advanced infrastructure provides the company with a real and secure environment without interfering with its customers' power grid. The laboratories are accredited according to ISO 17025 by the Spanish National Accreditation Body (ENAC).

Ormazabal's Strategic Technology Plan, synchronised and aligned with the global business strategy, 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. It also defines the project proposals to be undertaken to achieve its goals.

To maintain a high pace of innovation it is vital to be vertically integrated. **Ormazabal** stands out for developing all the technology behind its solutions, from power interruption and disconnection systems and electrical insulation technologies to *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, through 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 most outstanding achievements in the area of digitalisation, it is worth highlighting the recognition awarded to the Demonstration and Experimentation Unit as a **Euro-pean Digital Innovation Hub**. This distinction is especially relevant as it is the only private centre that is part of the

Pointing the way to decarbonisation

The presentation in 2023 of the first SF6 gas-free equipment together with the “Route to Zero” strategy marked a milestone in **Ormazabal**’s strategy to position itself as a relevant player in the energy transition. This innovative roadmap towards decarbonisation in its product range aroused great interest among its customers and competitors alike. The project received the **Innovation Quality Award** that year, awarded by the Euskalit foundation in the category of innovation in circular economy and zero footprint. In 2024, it has been recognised again, this time with the *Price* award in the same category at the prestigious international **Quality Innovation Award** held in Zhuhai (China).



Basque Digital Innovation Hub—within the “Digital Electricity Networks” node—to have received this distinction.

Ormazabal currently holds **23 patents and intellectual property registrations**, which reflects its commitment to the development of cutting-edge technology and positions the company as a benchmark in the generation of technological value.

Its support for innovation is also evident in its participation in the boards of trustees of various research centres, such as Tecnia, Spain’s leading private organisation for applied research and technological development and one of the most important at European level. It also forms part of the CIC Energigune, founded in 2011 with the aim of promoting research into materials and systems for energy storage, and the BEC (*Basque Ecodesign Center*), whose mission is the conceptualisation and execution of innovative eco-design projects. It also participates in the Euskampus Foundation, a cross-border university initiative, and has an agreement

with the LCOE (*Laboratorio Central Oficial de Electrotecnia*, Official Central Electrotechnical Laboratory) to promote the temporary transfer of test facilities between the two organisations.

Ormazabal also has permanent classrooms in the engineering departments of various universities (UPV/EHU, University of Mondragón/Mondragon Unibertsitatea, Polytechnic University of Madrid) and has agreements with a large number of educational centres. On the one hand, this collaboration strengthens scientific and technological know-how and, on the other hand, it facilitates the generation of a pool of potential candidates for technical positions.

As mentioned above, one of the company’s priorities is to strengthen collaboration with technology *start-ups*, seeking to take advantage of their leverage effect. **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

At the forefront of industrial innovation, **Ormazabal** seeks to combine maximum global efficiency with the ability to adapt to local needs. To this end, it constantly invests in upgrading its global production platform. It has the most cutting-edge Industry 4.0 equipment and processes in facilities strategically located close to its customers. In addition, the company implements advanced Quality Management Systems to ensure excellence at every stage of the production process.

As part of its commitment to industrial innovation, in 2021 **Ormazabal** launched the strategic project “**Ormazabal Operations Model**”. Within the framework of the 2021-2023 Strategic Plan, the company is focusing its efforts on Industry 4.0. In this context, and from a forward-looking collaborative approach, the **Ormazabal Industrial Committee** promoted discussions between the industrial managers of the different product divisions, the general management of each of them and the COO.

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

Ormazabal encourages innovation in its relationship with its clients and considers it key in its management in order to maintain excellence in advice and service at all times.

To this end, it has a sales team highly specialised in electrical networks, which accompanies its customers at every stage of the process, from the identification of needs and technical advice, to sale and after-sale services.

Ormazabal works closely with its clients, sharing knowledge and efforts to take on ambitious projects, overcome barriers and open up new markets. Working side by side to increasingly extend renewable energies, bring intelligence to the grid, accelerate electromobility, develop more sustainable products, etc. A clear example is the company's incorporation into **Iberdrola's Global Smart Grids Innovation Hub**, where it has participated in most of the working groups, contributing ideas and supporting the development of projects related to the electricity grids of the future. Along the same lines, from 2022 it will form part of **Enel's Enel Open Grid** initiative.

In short, **Ormazabal** seeks to stand out for the high level of innovation applied to each project through the constant search for competitive and differentiating solutions that meet the needs of its clients.

Innovation milestones in 2024

Despite the uncertainties and threats faced by companies, affecting their economic performance, in 2024 **Ormazabal** has continued its commitment to innovation, allocating a large part of its efforts to it.

Thus, in its constant desire to innovate, the company has worked on various projects and technological developments in collaboration with research centres, universities, organisations and companies in the industry. As a result, 2024 has added new milestones to its extensive track record. The following are some examples:

Sales of new products

Nearly a third of total sales in 2024 comes from products that have been developed in recent years, confirming the company's high level of innovation.

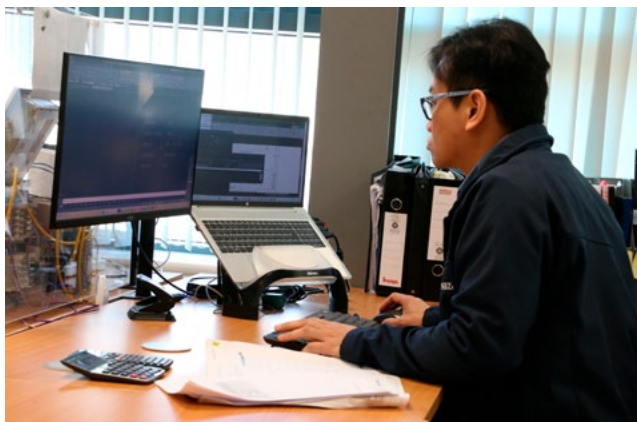
Agreement with the European Investment Bank (EIB)

Ormazabal has continued to develop the R&D lines outlined in the **40 million euros** financing agreement signed with the European Investment Bank (EIB) for the period 2022-2025.

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

This agreement is supported by the **InvestEU programme** which provides budgetary guarantees. Through it, implementing partners can take greater risks, thereby helping to mobilise both public and private investment for the EU's policy priorities.





Agreement with Iberdrola

In 2022, **Ormazabal** renewed its contract with Iberdrola for the period 2022-2024 to finance research and development of new products for electricity distribution. These include insulation gases with low environmental impact, sensorisation of primary and secondary distribution switchgear, equipment for the automation of electrical networks and cyber-safe relays for medium voltage.

In the low-voltage field, research focuses on the digitalisation, control and automation of equipment such as low-voltage switchboards and other components, as well as the development of applications based on intelligent data processing for grid management.

During 2024, the technical and economic justification for the second year of the contract was completed and significant progress was made on the developments foreseen in the agreement.

Projects and technology developments in 2024

PERTE for the development of the Electric and Connected Vehicle

Description: Spanish Strategic Projects for Economic Recovery and Transformation (PERTE) aimed at the integral transformation of the electric mobility value chain for sustainability and competitiveness in the development of electric and connected vehicles.

SINAPE

Description: Research project on sensor technology and *edge computing* platform architecture to facilitate the management of the electricity distribution grid.

MODITRANS

Description: Project aimed at modelling and diagnosing distribution transformers based on new sensors that provide information for calculating the *Health Index*.

ASTRA-CC

Description: The main objective of this project is to research the technologies and components necessary for the development of an electrical grid architecture that facilitates storage and accelerates the integration of applications and services associated with renewable energy systems in public direct current grids.

BrainEn

Description: Project aimed at developing new current isolation and interruption systems, as well as equipment and *software* for energy management at EV charging stations.

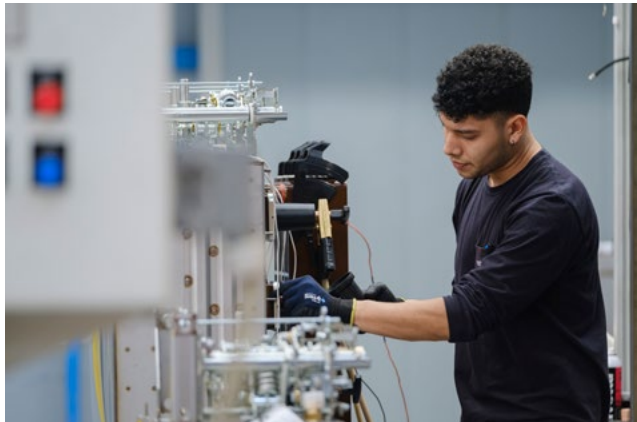
OPTIAM

Description: Project to optimise the design of the electricity grid and its components to minimise the environmental impact of electricity consumption. It aims to ensure a resilient transition of the Basque electricity industry through the development of innovative electrical equipment and the digitalisation of the decision-making process in the design of products and projects in the industry.

ERIGrid 2.0

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





EIDER

Description: Project around digital technologies that enable the development of products and systems to evolve electricity grids, facilitating the integration of prosumers, increasing the visibility and control of the low and medium voltage grid and deploying *edge computing* architectures in grid nodes such as the transformation centre.

VIRQA

Description: Fundamental research project between RVCTI (*Red Vasca de Ciencia, Tecnología e Innovación*, Basque Network of Science, Technology and Innovation) agents to lay the technological foundations for new environments that will enable future *smart grid* developments and solutions to be conceptualised and experimented with.

CEPIGON

Description: Project led by **Ormazabal** that develops a new family of primary distribution switchgear up to 24 kV free of SF₆ by using gases of natural origin.

CTFLEX

Description: Project investigating a new way of operating grids by means of automatic and coordinated control of different distributed resources to solve the problems of congestion in the low-voltage grid.



2.3. Environment

For **Ormazabal**, environmental protection is a core part of its business strategy and an unwavering commitment to its surroundings. In this sense, it assumes as its own responsibility to contribute to the sustainability of the planet, integrating practices that minimise its environmental impact.

As a priority, it focuses its efforts on two lines of action: pollution prevention and eco-design. Through them, it aims to reduce its ecological footprint, optimise the use of resources and develop more sustainable products from the outset.

The company's environmental commitments are set out in its sustainable development, climate action and quality, environment and health and safety policies. Strongly rooted in its culture of responsibility, these commitments respond to the concerns and needs of its stakeholders.

Likewise, the search for excellence and continuous improvement has led **Ormazabal** to develop an **Environmental Management System** that has the following functions:

- Promote and integrate a **culture of environmental responsibility**.
- **Encourage people's participation** in policy management, promoting the generation of new ideas and recognising achievements.
- **Ensure compliance** with laws, regulations and commitments.
- **Promote training**, flexibility, innovation and continuous improvement through excellence, environmental protection from pollution prevention and sustainable use of resources, as well as actions to eliminate hazards and reduce risks to the health and safety of the workforce.
- Provide **safe and healthy working conditions** to prevent accidents and illnesses.

- Create a **common framework** for establishing and reviewing corporate scorecards, aimed at satisfying stakeholders.
- Obtain and maintain **international certifications** in quality, environmental and occupational health and safety management.
- Maintain fluid **communication** with stakeholders.

To achieve this, everyone in the organisation must be aware of, embrace and apply these principles and commitments. In this respect, they should strive to minimise the impact of their activities on the environment arising from the use of the equipment, installations and means of work placed at their disposal.

Ormazabal's policies pursue responsible environmental management and the constant optimisation of processes in the development of its products and solutions, including the preservation of natural resources, the minimisation of waste through reuse, recycling and the optimisation of resources, among other aspects.

This concern is reinforced by the Environmental Responsibility Principle included in the corporate Code of Ethics and, therefore, also applicable to **Ormazabal**.

Provisions and insurance

In line with the precautionary principle, **Ormazabal** carries out regular analyses of the quantities of existing provisions to cover potential environmental risks. In addition, the group's Environmental Liability policy covers the risks associated with these impacts.

Certifications

In 2024, **Ormazabal** has reinforced its commitment to excellence in environmental protection with the deployment of its **Environmental Management System**. This system is aligned with the most recognised international standards and certifications, as well as the most demanding compliance standards, such as ISO 14001, implemented in its main firms.

In 2024 the company has renewed the accreditations of Ormazabal Media Tensión, Ormazabal do Brasil, Ormazabal Burgos Switchgear, Ormazabal Corporate Technology, Ormazabal Zhuhai Switchgear and Ormazabal Kunshan Switchgear.

ISO 14001 certification is the worldwide reference standard for the implementation and assessment of environmental management systems. It is voluntary and **Ormazabal** aligns itself with the highest standards of compliance in this area.

Ormazabal firms with ISO 14001 certification in 2024

In addition, several **Ormazabal** firms make Environmental Product Declarations as part of their sustainability strategy. In 2024, it is worth highlighting the declarations made by the Transformers Division for two of its models under the “PEP Ecopassport” *programme*. The purpose of these declarations is to provide the public and interested parties with clear information on the organisation’s environmental impact and performance, as well as its commitment to continuous improvement in this area.

To ensure the maintenance and application of the aforementioned certificates, **Ormazabal** has a specific team distributed throughout its main production plants, whose responsibilities 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 Environmental Management System, as well as providing training sessions on these aspects to new recruits to the company.

Country	Firm
Spain	Ormazabal Cotradis Transformadores
	Ormazabal Distribución Primaria
	Ormazabal y Cía. (Ormazabal Distribución Secundaria)
	Ormazabal Media Tensión
	Ormazabal International Business
	Prefabricados Uniblok
	Aislantes Sólidos
	Ormazabal Corporate Technology
	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.

The results of **Ormazabal**'s environmental performance in relation to GHG emissions (t.CO₂ eq.) in 2024 and 2023 are as follows:

GHG emissions (t. CO ₂ eq.) ⁽⁶⁾	2024	2023	Change (%)
Direct (Scope 1)	2,890	2,588	12%
Indirect (Scope 2)	643	603	7%

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 consumed in company vehicles used for commercial work and assembly. In 2024, despite **Ormazabal**'s efforts to reduce its fuel consumption, the organisation experienced a 12 % increase in direct emissions 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 2024, despite reduced electricity consumption, indirect emissions (Scope 2) have increased by 7 %.

In addition to the aforementioned emissions, in 2024 **Ormazabal** recorded 7,396 tCO₂ eq. emissions from SF₆ consumption (vs. 4,488 tCO₂ eq. emissions from 2023), resulting from the emissions of 315 kg SF₆ (191 kg in 2023) produced during the manufacturing process. This rise is primarily attributable to the increased production during this period.

(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 indirect GHG emissions is the same as that used for electricity consumption information. The emission factors employed for calculating greenhouse gas emissions are based on the methodology defined for carbon footprint calculation for emissions trading, which has been verified by an independent expert.

Circular economy and eco-design

The circular economy emerges 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 sense, **Ormazabal** establishes as a priority the adoption of 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**, adopted 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. In particular, the following tools have been maintained in 2024:

- 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.





Within this context, **Ormazabal** has played an important role in the creation of the ***Basque Ecodesign Center (BEC)***, an initiative that is part 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 goal is to minimise its carbon footprint both in the electricity distribution network and in the integration of renewable energies.

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 2024, the company has developed two significant projects. On the one hand, an analysis and assessment of physical climate risks has been carried out, which will enable **Ormazabal** to anticipate and manage emerging challenges more effectively, thus strengthening the company's position in the face of climate change. On the other hand, the company has initiated a project, which continues in 2025, to develop a comprehensive methodology and a tool to calculate the Scope 3 of the carbon footprint for the entire company.

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 lessen its impact on the environment. These include, among others:

- Improvements have been made at the Burgos facility in the management of packaging from suppliers, by implementing returnable packaging and optimising its use.
- In the Ormapost Torcy factory (France), the end-of-life management of concrete has been modified to promote its recycling.

Hazardous waste is that whose intrinsic properties pose risks to health or to the environment. In 2024, the management of these waste materials is distributed as follows: 11 % has been allocated to recycling, 59 % has undergone other recovery operations, and the remaining 30 % to other disposal operations.

Type of waste (kg)	2024	2023	Change (%)
Hazardous waste	337,555	362,346	-7%
Non-hazardous waste	5,979,215	8,928,291	-33%

Regarding non-hazardous waste, in the same period, 2 % has been prepared for reuse, 69 % has been recycled, 18 % has undergone other recovery operations, while the remaining 10 % has been sent to controlled landfills.

It is observed that, during 2024, the amount of waste generated by the company has been reduced compared to the previous year, in which large quantities were managed mainly due to the handling of prototypes manufactured for the approval of new products and the carrying out of more certification tests.

Sustainable use of resources

Water consumption

With sustainability as a goal, **Ormazabal** has continued working in 2024 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.

Consumption (m³)	2024	2023	Change (%)
Water consumption	49,750	42,942	16%

The data in the table show an increase in water consumption in **Ormazabal** during 2024, which is mainly concentrated in the Cotradis facility due to a breakdown, and in the Ormapost and Uniblok plants as a result of increased production.

Energy consumption

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

Fuel consumption ⁽⁷⁾	2024	2023	Change (%)
Natural gas consumption (Nm³)	1,102,841	1,008,759	9%
Diesel consumption (l)	169,485	198,112	-14%
Gasoline consumption (l)	65,443	61,767	6%

(7) Additionally, 25,801 litres of oil, 400 litres of LPG, and 51 litres of butane were consumed.

Electricity consumption (kWh)	2024	2023	Change (%)
Non-renewable electricity consumption	1,191,836	1,200,787	-1%
Consumption of electricity from renewable sources	10,267,878	10,265,699	0%
Self-consumption of electricity	1,173,143	957,689	22%
Total electricity consumption	12,632,858	12,424,175	2%

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

An increase in energy consumption is observed in 2024 due to the rise in activity within the company. Specifically, the Uniblok facility has increased from two to three production shifts, which has resulted in a rise in natural gas consumption.

The total electricity consumption increased by 2 % compared to the previous year. There is a notable slight decrease in the consumption of energy from non-renewable sources and a considerable increase in the self-consumption of renewable electricity, demonstrating **Ormazabal's** long-standing commitment to energy efficiency and the use of renewable energies.

The company's commitment to the use of renewable energies is evidenced by the fact that all **Ormazabal** sites in Spain and France have a certificate of guarantee of origin for the electricity consumed during the year. The aim is to con-



tinue extending this scope to all the company's sites where it is possible to ensure 100 % renewable consumption.

In addition, all sites subject to energy audits—carried out by **Stratenergy**, a **Velatia** company—comply with Royal Decree 56/2016, which states that large companies or corporate groups must undergo an energy audit every four years covering at least 85 % of the total final energy consumption of all facilities located within national territory.

In 2024, the energy audit has been carried out in the following centres: Ormazabal Boroa, Ormazabal Burgos, Ormazabal Corporate Technology, Ormazabal Igorre, Ormazabal Cotradis Transformadores, Ormazabal Cotradis Transformadores II, Ormazabal Getafe, Ormazabal Ólvega, Ormazabal Seseña 1, Ormazabal Seseña 2 and Ormazabal Zaratamo. These audits have highlighted the improvements and savings achieved thanks to the various energy efficiency measures that **Ormazabal** has implemented in previous years and propose new actions to be implemented in the next four years.

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 the year 2024, 49 % of the company's vehicle fleet is hybrid, and 6 % are electric/plug-in hybrid vehicles. To support this transition, the company has installed a total of 26 charging points distributed across all its locations. Additionally, **Ormazabal** is committed to renewing its fleet with hybrid or electric vehicles bearing the "0 Emissions" environmental label issued by Spain's Directorate-General for Traffic (DGT), thereby reaffirming its commitment to sustainability and emissions reduction.



Consumption of raw materials

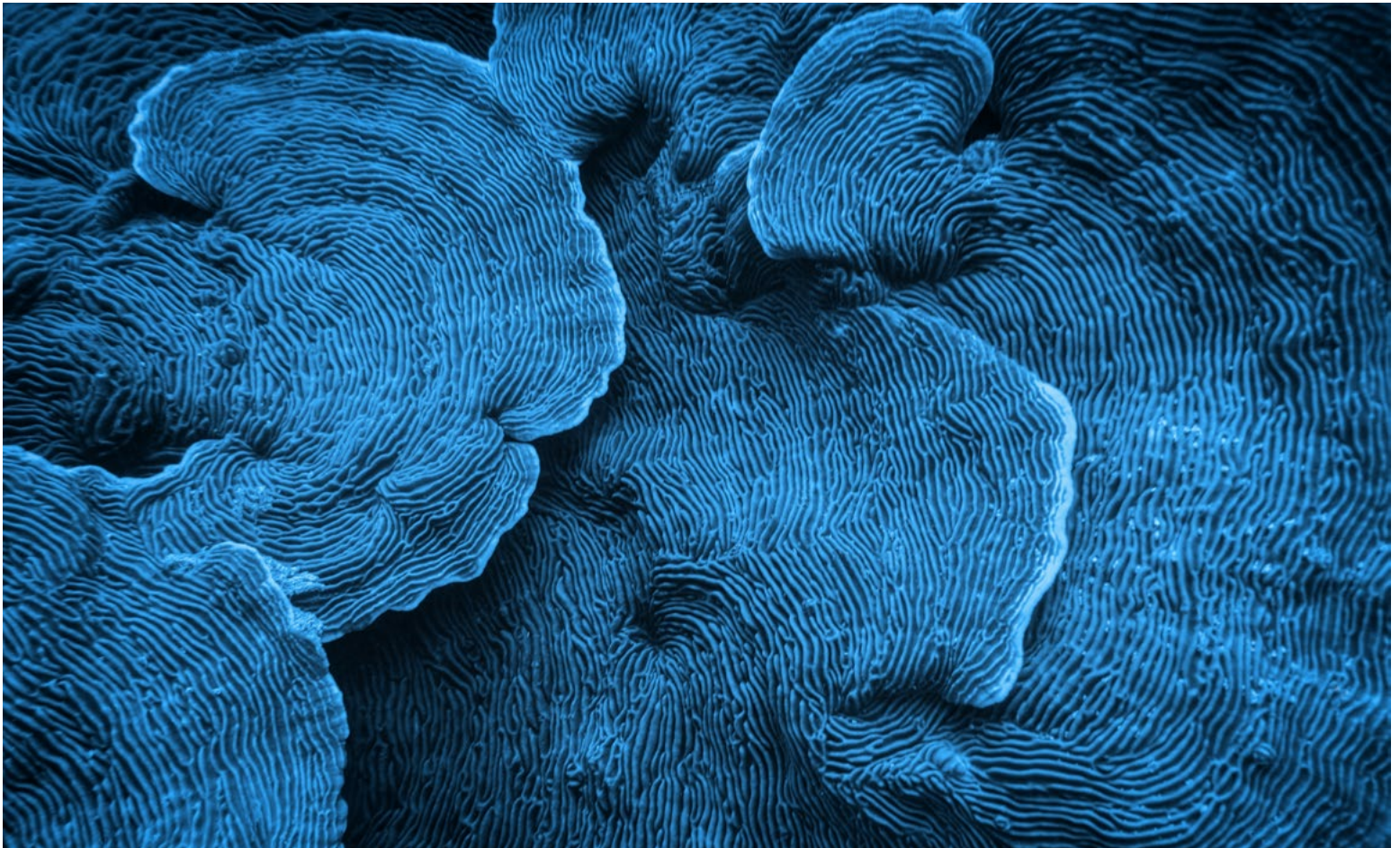
In order to maximise the optimisation of resources, **Ormazabal** promotes the efficient and responsible use of raw materials at all stages of the process and in all areas of activity. Thus, it has environmental management systems that allow the company to take measurements and, based on these, to assess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

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, as well as to incorporate recycled materials into these products, whenever technology permits.

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.

Raw materials (tons)	2024	2023	Change (%)
Total	79,706	66,808	19%

Raw material consumption in 2024 increased in line with the company's higher activity levels, especially at the Uniblok transformer substations facility and the Cotradis transformers facility.



Biodiversity protection

Biodiversity is not only vital for the balance of ecosystems, but also as a source of a wide range of goods and services that are essential for our quality of life. Its conservation is essential to ensure the sustainability of the planet and the well-being of present and future generations.

Aware of the need to protect and restore the various habitats and species that comprise them, especially in the most vulnerable ecosystems, **Ormazabal** began in 2023 to monitor the potential impacts of its operations in protected areas globally, which is repeated annually. Taking as a reference databases such as the Natura 2000 viewer (Europe) and the United Nations Protected Planet viewer (WCMC), the study confirms that none of the company's facilities are located in protected areas, which ensures that their activities do not affect areas of special vulnerability or threatened habitats.



2.4. Clients

The commitment to the customer is inherent to the **Ormazabal** brand, which has quality and well-executed work imprinted in its DNA. This is reflected at every stage of the process, from the very design of the product to the after-sales service.

The entire value chain of the company is oriented towards offering a service that fully satisfies the customer's needs, providing personalised solutions and building relationships based on trust, with the aim of being long-lasting.

Ormazabal strictly complies with the applicable safety and environmental regulations and legislation in all the countries where it operates, always focused on meeting the specific needs of each client.

In Europe, the company constantly monitors legislative changes that may affect its products, adapting them to new specifications and requirements as soon as they occur.

Moreover, **Ormazabal** places special emphasis on the technical documentation that accompanies its products, with the intention of providing an optimal level of protection for the people and property that use or come into contact with its equipment.

In this regard, it is ensured that 100 % of the installed or delivered products have the necessary documentation, in accordance with the current regulations and procedures. This documentation includes detailed information on the results of the tests that certify the compliance of the products with the applicable regulations, as well as the complete description of the technical specifications, installation and assembly requirements.

The materials provided are intended for the purpose of:

- **Eliminate hazards** whenever possible.
- **Incorporate adequate safeguards** in the 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 equipment.
- **Maximise the use of recyclable materials** and establish procedures for the proper treatment of equipment at the end of its useful life, following the environmental regulations set by the competent authorities.

Ormazabal uses the Advanced Management Model as a framework to continuously evaluate and improve its management system. With a particular focus on customer satisfaction, this model implements internal evaluation mechanisms—surveys, interviews, etc.—that allow for a better understanding of their needs and expectations, as well as for identifying areas for improvement to continue working on.

In recent years, **Ormazabal** has conducted satisfaction surveys in various countries where it has a commercial presence and production plants. In 2024, one of such surveys was conducted in China, revealing a high degree of approval from its customers. The positive assessment stands out particularly in terms of the treatment received from the company's staff, the quality of technical support, the safety and reliability of the products, as well as the speed of response and technical assistance.



During this exercise, the company has continued organising *workshops* for its clients, a well-received initiative aimed at anticipating solutions that address the future needs of the main companies in the electrical and renewable distribution industry, accompanying them on their path towards electrical transformation.

All products and services of **Ormazabal** comply with the quality standards set out in the corresponding regulations. The company's strong commitment to quality and continuous improvement is reflected in its 18 subsidiaries certified under the ISO 9001 standard.

Ormazabal firms with ISO 9001 certification in 2024

Ormazabal has a solid **Complaints and Claims System**, designed to meet the specific demands of the industry in which it operates. Through it, the company constantly monitors the notifications received, identifying their type, status, and resolution date. Thanks to this, the quality of the service can be improved and corrective actions can be applied when necessary. The reported incidents, both through informal and formal channels made available, are managed by a specialised team using an incident logging tool. Each case is analysed individually and appropriate measures are taken

to provide an adequate response, in accordance with the highest quality standards.

During 2024, the company has received 2,597 requests for action due to incidents related to quality or errors in the supply of products and services. Of these, 1,816 have been resolved satisfactorily, while 781 are in progress. In the previous year, 2,752 claims were managed, of which 1,656 were closed and 1,096 remained pending at the end of the year.

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

2.5. Suppliers

Ormazabal combines economic growth with a strong sense of social responsibility, environmental awareness, and ethical behaviour, a vision it also aims to extend to its value chain.

It seeks to add real value to its purchasing management processes, both in its own businesses and those of its suppliers. This approach allows it to adapt to the local environment and impacts the creation of wealth and employment in the communities where it operates.

Among **Ormazabal's** central aspirations is also to promote responsible production and consumption throughout its supply chain.

Throughout 2024, the company has continued to make progress in this direction, working to consolidate a solid and fully aligned relationship.

Sustainable development and purchasing policies develop the commitment with suppliers, focusing on these aspects:

- Extend the **social, environmental, and occupational risk prevention aspects** to the suppliers.
- Establish **stable and mutually beneficial relationships**, based on strict compliance with the Code of Ethics.
- Respect the **principles of sustainable development**, promoting respect for human rights in the supply chain, as well as the laws, standards, and regulations of the countries where it operates.

To realise these principles of action, **Ormazabal** has a unique **regulatory framework for the purchasing function**, applicable to the entire organisation. In it, common and mandatory guidelines are established that regulate the entire purchasing cycle, from the identification of the need to its fulfilment. All firms have a supplier approval process, in which they commit in writing to comply with the **Purchasing Policy and the Code of Ethics**.

Furthermore, a **qualification process** is carried out, in which aspects such as quality management, production, non-conformity management, or product traceability are evaluated. In 2023, this process began with the completion of 36 qualifications, and during 2024 a total of 49 suppliers were evaluated. In 2024 the process has been expanded to include the most relevant environmental, social, and governance aspects at **Ormazabal**, with the aim of monitoring their compliance in the supply chain, as well as the availability of the main ISO certifications (14001 and 45001).

Finally, the company has a Supply Chain Risk Management System that allows monitoring of strategic suppliers according to their levels of criticality. **Ormazabal** is currently recording the ratings and results obtained in this process. The new supplier portal will play a fundamental role in achieving this objective.



Local suppliers

The focus on proximity when choosing suppliers not only directly impacts regional economies but also helps to strengthen ties with communities.

Ormazabal maintains a strong commitment to local companies in the main areas where it operates, especially in those where it has production plants. Regular monitoring of purchase volume by geography ensures significant participation from nearby suppliers.

Its procurement strategy combines a panel of global suppliers for essential raw materials—such as copper, aluminium, and steel—with local suppliers near consumption points for standard materials. This improves the company’s competitiveness by providing greater flexibility and proximity to the end customer.

The following table shows the four countries with the highest volume of purchases from local suppliers and the evolution of spending. In 2024, the increase in the percentage experienced in Germany stands out.

Expenditure on local suppliers (%)	2024	2023	Change (%)
Spain	82%	83%	-1%
France	97%	95%	2%
Germany	81%	74%	9%
China	98%	96%	2%

Sustainable procurement project

Ormazabal continues to implement in the firms 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 2024 **Ormazabal** has continued working on the following lines of action:

- Monitoring and annual update of the **Conflict Minerals Policy**. To this end, the company carries out a due diligence process with its suppliers to ensure that human rights are not violated, using the *Conflict Minerals Reporting Template* (CMRT) as a reference.
- Analysis and monitoring, in collaboration with raw material suppliers, of the **level of incorporation of recycled material** in their production processes with the aim of promoting its use.

During 2024, **Ormazabal** has made progress in the integration of recycled material in the following raw materials:

- **Stainless Steel:** the main supplier, which provides more than 90 % of the total steel consumed, has supplied more than 35 tons of “green” stainless steel, with a carbon footprint 70 % lower than the current one.
- **Green magnetic sheet:** boosting the use of this strategic material due to its lower environmental impact. To this end, the company has established contacts with key clients to encourage its use and, at the same time, receive feedback. In this context, pilot tests have been conducted with a reference client of the Transformers division.
- **Reutilisation of wooden packaging with steelworks in the European Union.** In relation to this project, a circuit of returnable wooden packaging has been established between the transformer factory in Madrid and the supplier in Germany.





2.6. Society

At **Ormazabal**, economic growth and the social dimension go hand in hand, always from a sustainable approach. Its commitment is demonstrated through support for the development of the communities in which it operates by participating in and promoting projects of social, cultural, and environmental interest.

To this end, it permanently invests in social projects that promote progress in fundamental aspects such as education, culture, employment, and the integration of people with disabilities. Thus, for example, **Ormazabal** supports initiatives that protect children's rights through access to education and training programmes, or that promote the employment of young people, as well as people with disabilities. Moreover, it supports proposals that aim to bring culture closer to the entire society.

The company's commitments in this area are outlined in the **Social Action Policy** and focus on three lines of action:

- Contribute to the development of local communities.
- Maintain business relationships by promoting innovation in search of a better quality of life.
- Create value for the group.

For **Ormazabal**, it is essential to maintain direct and transparent communication with its stakeholders to understand their needs and expectations. It also oversees and is committed to ensuring that everyone within the organisation complies with the guidelines of the Code of Ethics in the performance of their professional duties.

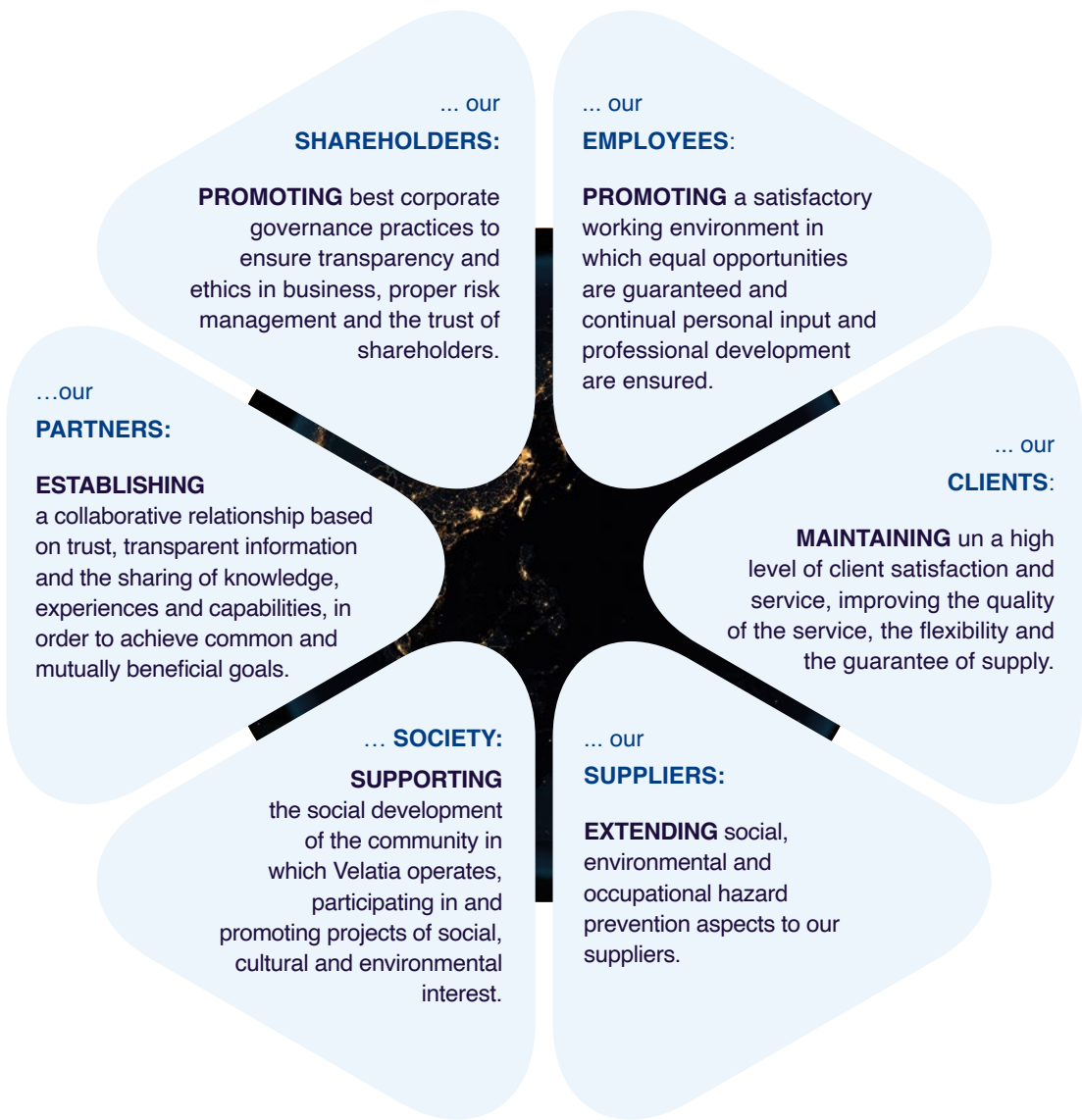
Relationship with local communities

Ormazabal is committed to the development of local communities through collaboration with educational centres, job creation, boosting the economy, fulfilling its tax responsibilities, and redistributing the value generated.

As part of its effort to move towards a sustainable electricity grid model, the company collaborates with regulatory bodies in the development of public policies and participates in business associations linked to the industry in all areas of action, both at national and European levels, sometimes assuming a leadership role.

Ormazabal advocates for a regulation that ensures the sustainability of the electrical system through the design, commissioning, and maintenance of a reliable, durable, efficient, and environmentally friendly distribution network. This vision

We contribute to the development of society through...



is consistent with the criteria and concepts that the company applies in the design, manufacture, and provision of its products, equipment, and services.

In the institutional and administrative sphere, **Ormazabal** maintains a vigilant attitude and compliance with Competition Law regulations. Furthermore, it actively participates in

a large number of forums and associations—the following table lists the most relevant ones—strengthening its role as a key player in the industries in which it is present. This allows it to generate shared value between the company and its environment, exchange good practices, strengthen ties with its stakeholders, as well as interact with the main agents of change towards a more sustainable future.

Forums and associations in which Ormazabal participates

Country	Association / Group	Activity
Spain	AFBEL	Asociación Española de Fabricantes de Bienes de Equipos Eléctricos (Spanish Association of Manufacturers of Electrical Capital Goods)
	Clúster de la energía del CAPV	Energy cluster of the Basque Country
	Confebask	Confederación Empresarial vasca (Basque Business Confederation)
	Euskalit	Basque Foundation for Quality Promotion
	Basque Ecodesign Center	Basque Ecodesign Center
	AEE	Asociación Empresarial Eólica (Wind Energy Business Association)
	UNE	Spanish Association for Standardization
	CONSORCIO ENERGIAS RENOVALBES	Renewable Energy Association
	ENERCLUB	Club Español de la Energía (Spanish Energy Club)
	CONFEMETAL	Confederation of Metal Companies
	AEDIVE	Asociación Empresarial Movilidad Eléctrica (Electric Mobility Business Association)
	SERCOBE	National Association of Capital Goods Manufacturers
	CEOE	Confederación Española de Organizaciones Empresariales (Spanish Confederation of Business Organisations)
	UNEF	Unión Española Fotovoltaica (Spanish Photovoltaic Union)
	FUNDACION EMPRESA Y CLIMA (FEC)	Climate change mitigation
	FORO PARA LA ELECTRIFICACION	Electricity use and benefits
	CLUB MARÍTIMO ESPAÑOL	Spanish maritime industry services
	FORO MARÍTIMO VASCO	Basque maritime industry services
	AEMENER	Asociación Española de Mujeres para la Energía (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	Asociación de empresas eléctricas (Association of Electricity Companies)
	SPAIN DC	Data Centre Association

Country	Association / Group	Activity
France	GIMELEC	Groupeement des entreprises de la filière életronique française (Group of companies in the technology and digital industry)
	MATPOST	SEE-Technical Committee and Congress Organisation
	AVERE	European Association for the Promotion of Electromobility and Sustainable Transport
Portugal	ANIMEE	Associação Portuguesa das Empresas do Sector Eléctrico e Electrónico (Portuguese Association of Electrical and Electronic Companies)
UK	BEAMA	Trade association for manufacturers and suppliers of energy infrastructure technologies and systems
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 Electric Companies
	SOLAR POWER EUROPE	Renovables PV
	WIND EUROPE	Wind energy
China	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 Photovoltaic Industry Association (CPIA)	Photovoltaic Industry Association
	China Electric Vehicle Charging Infrastructure Promotion Alliance (EVCIPA)	Electric vehicle charging infrastructure promotion alliance
Internacional	IEC	International Electrotechnical Commission

Solidarity actions

Ormazabal expresses his commitment to the community and its social concerns through concrete actions in areas such as solidarity, education, and the protection of natural resources. With this purpose, it promotes and participates in various initiatives that seek to achieve common goals, contributing to collective well-being.

Below, some of the most relevant contributions made throughout 2024 are highlighted:

Collaboration with training centres

The challenges faced by the industry require having a sufficient number of trained professionals to make them possible. In line with its commitment to contribute to the training of future talents, **Ormazabal** has sponsored once again the “Industria Erronka” initiative, organised by the FVEM (Federación Vizcaína de Empresas del Metal, Bizkaia Federation of Metal Companies). This collaboration has developed in two directions: on the one hand, the company has received students at its production facilities and, on the other, various professionals have travelled to educational centres to promote employment in the industrial sector.

Ormazabal Contribution Week

The *Ormazabal Contribution Week* is an initiative designed to involve staff in volunteering activities with a social and environmental focus, thus strengthening the company’s positive impact on its surroundings.

In 2024, the company has held the second edition of this event with various activities in several countries. In Germany, Brazil, and Poland, the staff have collaborated in the renovation of local schools. In Spain, it has joined a solidarity march in Bizkaia to raise funds in support of an association that assists hospitalised children; in Ólvega (Soria) it has spent a day with people with disabilities; in Burgos it has made and placed nesting boxes for birds, and in Madrid it has been involved in the “Adopt a Grandparent” initiative, dedicating an afternoon to accompanying elderly people living in care homes. In China, activities have focused on raising awareness about safety and health.

To round off the week, **Ormazabal** and the team have participated in a donation campaign by the Spanish Red Cross. The company doubled the sum of the individual contributions, thus reinforcing its social commitment.

Bringing universities closer to the company

Ormazabal deeply values its relationship with the academic world, both for what it gains from it and for its own contribution through its leadership, experience, and commitment to technological innovation as a leading company in its industry.

Since 2001, the company has maintained a close collaboration with the **Bilbao School of Engineering**, part of the University of the Basque Country UPV/EHU, through its **Ormazabal Classroom**. This initiative has as its main objectives:

- Identify and attract talent, facilitating the incorporation of students with potential. Since its creation, 50 % of the students who have participated in the classroom have joined the company.
- Develop projects in areas of interest.
- Consolidate the **Ormazabal** brand as a prestigious reference in the technological field.

Mondragon University/Mondragon Unibertsitatea also has an **Ormazabal Classroom** since 2007, with a focus on power electronics, protection, automation, and medium voltage network communications. The aim of the classroom is to develop projects with students from the final years in disciplines of interest to the company and its ecosystem. The professionals from **Ormazabal** appointed for each project are responsible for its supervision.

In addition, since 2006 the company has maintained a corporate classroom at the **School of Industrial Design and Engineering of the Technical University of Madrid (Universidad Politécnica de Madrid, UPM)**. This space combines training and research, providing future engineering professionals with practical knowledge about transformation centres, simulation of faults that can occur in this type of facilities, and associated protections.

Ormazabal Corporate Technology, a fundamental pillar of the company dedicated to research and development, is part of the Board of Trustees of the **Euskampus Foundation of the University of the Basque Country UPV/EHU**. This inter-institutional entity works to boost R&D&I in the Basque Country, with a clear commitment to social responsibility and territorial integration. Its mission is to design, coordinate and implement actions that strengthen and accelerate the process of modernisation and internationalisation of the Basque public university.

Additionally to these contributions, **Ormazabal** has continued to strengthen its ties with the university community and society in general throughout the year through various initiatives, including:

- **Inspira STEAM:** as a collaborating company in this innovative project, the company has been involved in promoting scientific-technological vocations among young women, with professionals giving talks in educational centres in Bilbao and Madrid.
- **Employment Day at the University of the Basque Country UPV/EHU (JEPE2024):** once again, the company has been present at this key event for the employment integration of university students.
- **Formula Student Bizkaia:** through the sponsorship of this prestigious event, **Ormazabal** aims to foster innovation and creativity among those who will become the engineers of the future.

With all this, the company seeks to act as a true bridge between the academic world and industry, creating an ecosystem of mutual learning that benefits both parties and society as a whole.



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